



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**City of Blue Ash, Ohio  
Fiscal Year Ended  
December 31, 2011**







# Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the City of Blue Ash, Hamilton County, prepared by Julian & Grube, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

September 21, 2012



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2011

*Prepared by the Finance Department*

Sherry L. Poppe, CPA



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CITY OF BLUE ASH  
HAMILTON COUNTY, OHIO

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# Introductory Section







# CITY OF BLUE ASH

4343 Cooper Road • Blue Ash, Ohio 45242

David M. Waltz, City Manager

phone (513) 745-8500

fax (513)-745-8594

[www.blueash.com](http://www.blueash.com)

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June 15, 2012

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, 2011. It represents the City's commitment to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

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

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

## **THE CITY OF BLUE ASH**

The City of Blue Ash is a vibrant Ohio community located twelve miles northeast of Cincinnati. Its 7.7 square mile area serves a residential population of 12,114 (2011 Census) and an estimated daytime population of nearly 53,000. In 2011, approximately 2,000 businesses and organizations were located in Blue Ash. Blue Ash is a balanced community with approximately 35% of the area designated for residential use; approximately 35% for industrial and commercial use; and the remaining 30% used for municipal, educational, and limited agricultural purposes. Blue Ash was settled in 1791, incorporated as a village in 1955 and became a City in 1961. Blue Ash is a home-rule City with a Council/Manager form of government. The City's responsibilities and structure are outlined in the City Charter, which was adopted by residents in 1961 and was last amended in 2006 for the passage of an earnings tax rate increase intended for major capital improvements.

The legislative body of Blue Ash consists of a seven-member Council, five of whom are elected by Ward, and two of whom are elected At-Large. Council chooses the Mayor and Vice Mayor among its members. All seven members are elected on a partisan basis for two-year terms, with the terms of current Council members expiring November 30, 2013.

***Letter of Transmittal  
For the Year Ended December 31, 2011***

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

**ECONOMIC CONDITIONS AND OUTLOOK**

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

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

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

2007	\$27,564,397
2008	30,119,007
2009	28,314,411
2010	28,704,462
2011	30,833,751
2012	32,300,000 (expected)

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2011***

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**MAJOR INITIATIVES**

The primary objectives or initiatives of the City during 2011 were focused on two distinctly separate areas. The primary one related to efforts by the Council and the administration to adapt to the economic conditions, via close monitoring of operational outcomes and careful planning to continue to offer essentially the same array of governmental services as in the past. Planning for major projects and capital acquisitions was completed with full awareness of the need to preserve, and not absorb, general fund reserve or unappropriated balances. Those major projects or investments accomplished during 2011 included:

- Further investment in sidewalk and bike path construction, enhancing connectivity between neighborhoods and the City's primary destinations. Such projects were completed on Reed Hartman Highway and on Cooper Road during 2011.
- Significant improvements to traffic signal poles, lights, controls, and pedestrian signals within the downtown area.
- Continued investment in improving roadway, curb, and gutter maintenance and replacement during 2011 on many City streets and highways.

The second area of 2011 major projects related to the "Issue 15" commitments made to the citizenry in 2006. In mid-2006, Council presented to its citizens a proposal called Issue 15, which included a change in the Charter-defined earnings tax rate from 1.0% to 1.25%, with a commitment that the revenues generated from the change would be dedicated to certain major "quality of life" projects benefitting the entire community. Passage by voters of Issue 15 affirmed the Council's path to address the following projects:

- Full renovation and expansion of the Recreation Center on Cooper Road. This project was completed in 2009 and has been well received by the residents and businesses alike.
- Construction of a new golf course clubhouse and event center. This project started in the fall of 2010 and was essentially completed in December 2011. The project included not only the new clubhouse and event center (called the Cooper Creek Event Center), but the replacement of the irrigation system and cart paths on the golf course itself.
- Master Plan development on the 130 acres of land which formerly accommodated the operation of the Blue Ash Airport, which was operated by the City of Cincinnati. Blue Ash purchased 130 acres of the approximately 228 acre airport site in 2007, with a commitment to build for the public a new multi-use park. Abundant progress was made during 2011 on the Master Plan for the park, including significant input from the residential and business sectors of the public. The City expects to have possession of the 130 acres during mid-2012 so that utility and infrastructure design and installations can begin on this multi-phase/multi-year project. This park plan is large in scope and will be constructed over the next 5 years or so.

***Letter of Transmittal  
For the Year Ended December 31, 2011***

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**THE FUTURE**

The resources derived from the earnings tax change under Issue 15 provide the City of Blue Ash with the opportunity to continue to invest in major recreational projects, such as the multi-phase Airport Park to be built on the 130 acres previously part of the Blue Ash Airport. Those resources also permit the repayment of bonds issued to partially pay for both the Recreation Center Expansion, and the golf course improvements (cart paths, irrigation, clubhouse and event center). All of the Issue 15 projects have been well received by the citizens, and many are looking forward to construction to start on the Airport Park.

The outlook for the future for the City external to the Issue 15 projects remains favorable as well. Although the economy remains weak in nearly all sectors, earnings tax collections are rebounding, and investment continues in economic development-both in business retention and incoming operations. Council is kept abreast of the city's operational performance, and the administration continues to work toward fiscal sustainability by reviewing costs, searching for efficiencies, succession planning and the prioritization of capital projects and purchases.

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

**FINANCIAL INFORMATION**

**Internal and Budgetary Controls**

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

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

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

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



***Letter of Transmittal  
For the Year Ended December 31, 2011***

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

Budgetary control is maintained within the personal services, operating expense, contractual services, and capital outlay categories within each department through the encumbering of estimated purchase amounts prior to the release of formal purchase orders to vendors. Purchase order requisitions, which would result in an overrun above appropriated balances, are not approved until additional appropriations are made available via City Council approved ordinances amending the annual appropriations ordinance. Open encumbrances as of December 31, 2011 are reported as assigned fund balance in the General Fund.

**INDEPENDENT AUDIT**

The Auditor of the State of Ohio contracted with Julian and Grube, Inc. to audit the basic financial statements of the City of Blue Ash. Their 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, 2010. 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-four consecutive years (fiscal years ended 1987-2010). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

***Letter of Transmittal  
For the Year Ended December 31, 2011***

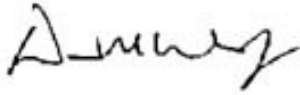
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**ACKNOWLEDGMENTS**

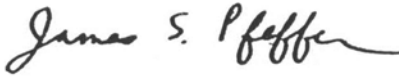
Sincere appreciation is extended to the many individuals who have worked diligently and contributed much time and effort in making this report possible.

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***

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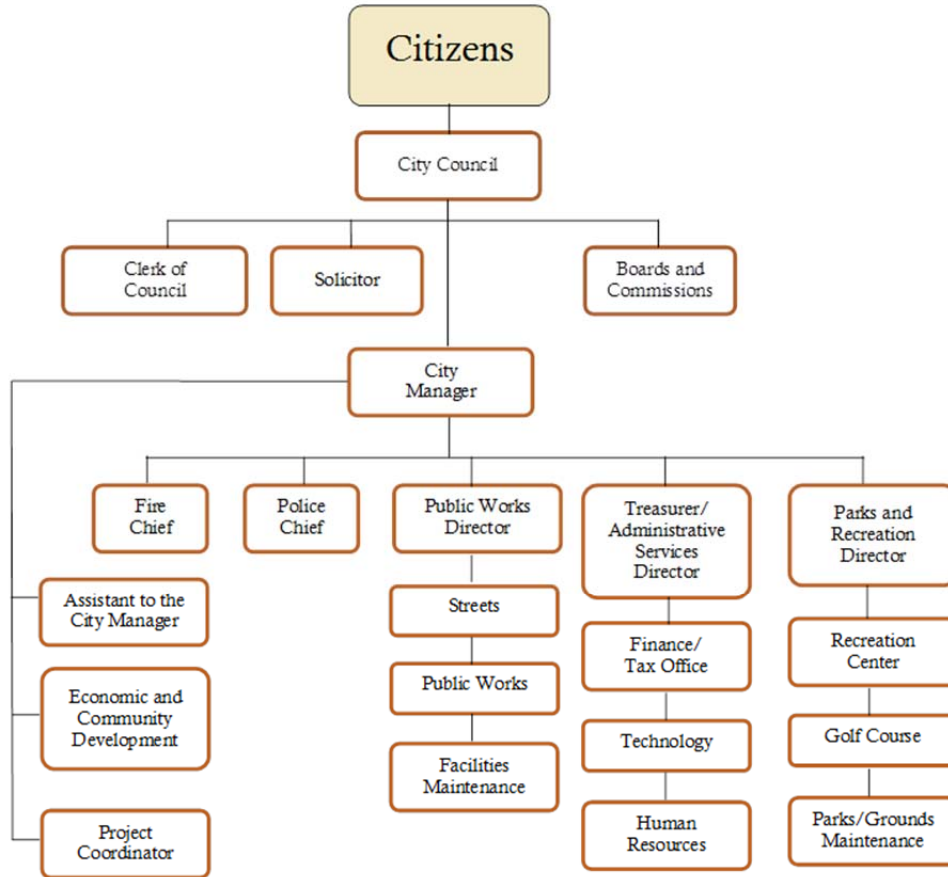
***List of Principal Officials  
For the Year Ended December 31, 2011***

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<b>OFFICE HELD</b>	<b>NAME OF OFFICIAL</b>
Administration:	
City Manager	David M. Waltz
Treasurer/Administrative Services Director	James S. Pfeffer
Parks and Recreation Director	Charles D. Funk
Public Works Director	Gordon M. Perry
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

**City Organizational Chart  
For the Year Ended December 31, 2011**

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**Boards and Commissions**

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

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

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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, 2010

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.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director



# Financial Section









## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

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

### Independent Accountants' Report

Members of Council and Mayor  
City of Blue Ash  
4343 Cooper Road  
Blue Ash, Ohio 45242

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blue Ash, Hamilton County, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the City of Blue Ash's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Blue Ash'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blue Ash, Hamilton County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, for the year ended December 31, 2011, the City of Blue Ash adopted the provisions of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2012, on our consideration of the City of Blue Ash's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Members of Council and Mayor  
City of Blue Ash  
Page Two

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

We conducted our audit to opine on the financial statements that collectively comprise the City of Blue Ash's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion or any other assurances on them.



Julian & Grube, Inc.  
June 15, 2012

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, 2011. 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 2011 are as follows:**

- ❑ In total, net assets increased \$6,021,301. Net assets of governmental activities decreased \$1,511,641, which represents a 1.9% decrease from 2010. Net assets of business-type activities increased \$7,532,942 from 2010.
- ❑ General revenues accounted for \$36,638,156 in revenue or 76.3% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$11,389,107 or 23.7% of all revenues.
- ❑ The City had \$40,327,712 in expenses related to governmental activities; only \$3,106,818 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$36,638,156 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$35,647,207 in revenues and \$29,940,208 in expenditures and other financing uses. The balance of the General Fund increased \$5,708,604 to \$26,477,738.
- ❑ Net assets for the enterprise fund increased. The increase was directly related to the capital contributions in the form of Construction in Progress from the Golf Course Construction capital projects fund to the golf course fund. A new Golf Clubhouse and Banquet Facility is under construction.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

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

**Government-wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

***Governmental Funds*** – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs and delivery of services. The relationship (or differences) between governmental activities (reported in the Statement of Net 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, 2011**

**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, 2011 and 2010:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$44,065,545	\$44,435,580	\$276,056	\$97,532	\$44,341,601	\$44,533,112
Capital assets, Net	92,672,233	94,634,964	11,749,406	4,363,628	104,421,639	98,998,592
Total assets	136,737,778	139,070,544	12,025,462	4,461,160	148,763,240	143,531,704
Long-term debt outstanding	54,126,631	54,636,632	64,018	79,807	54,190,649	54,716,439
Other liabilities	6,035,294	6,346,418	124,930	77,781	6,160,224	6,424,199
Total liabilities	60,161,925	60,983,050	188,948	157,588	60,350,873	61,140,638
Net assets						
Invested in capital assets, net of related debt	49,870,997	52,322,247	11,749,406	4,363,628	61,620,403	56,685,875
Restricted	8,010,630	3,887,408	0	0	8,010,630	3,887,408
Unrestricted	18,694,226	21,877,839	87,108	(60,056)	18,781,334	21,817,783
Total net assets	\$76,575,853	\$78,087,494	\$11,836,514	\$4,303,572	\$88,412,367	\$82,391,066

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**CITY OF BLUE ASH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2011**

**Unaudited**

Changes in Net Assets – The following table shows the changes in net assets for fiscal year 2011 and 2010:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,473,013	\$1,341,158	\$911,220	\$1,001,624	\$2,384,233	\$2,342,782
Operating Grants and Contributions	965,315	1,037,723	0	0	965,315	1,037,723
Capital Grants and Contributions	668,490	65,390	7,371,069	0	8,039,559	65,390
General revenues:						
Income Taxes	30,159,819	27,380,888	0	0	30,159,819	27,380,888
Property Taxes	3,132,621	3,294,925	0	0	3,132,621	3,294,925
Other Local Taxes	927,172	875,608	0	0	927,172	875,608
Grants and Entitlements not Restricted to Specific Programs	1,451,654	3,201,037	0	0	1,451,654	3,201,037
Investment Earnings	18,069	28,331	0	0	18,069	28,331
Miscellaneous	948,821	1,129,099	0	0	948,821	1,129,099
Total revenues	39,744,974	38,354,159	8,282,289	1,001,624	48,027,263	39,355,783
Program Expenses						
Security of Persons and Property	10,106,451	10,200,445	0	0	10,106,451	10,200,445
Leisure Time Activities	12,798,189	3,965,278	0	0	12,798,189	3,965,278
Community Development	1,228,985	1,602,342	0	0	1,228,985	1,602,342
Basic Utility Services	0	79,730	0	0	0	79,730
Transportation	4,916,322	4,058,682	0	0	4,916,322	4,058,682
General Government	9,061,273	10,227,100	0	0	9,061,273	10,227,100
Debt Service:						
Interest and Fiscal Charges	2,216,492	1,999,212	0	0	2,216,492	1,999,212
Golf Course	0	0	1,678,250	1,461,696	1,678,250	1,461,696
Total expenses	40,327,712	32,132,789	1,678,250	1,461,696	42,005,962	33,594,485
Excess (deficiency) before Transfers	(582,738)	6,221,370	6,604,039	(460,072)	6,021,301	5,761,298
Transfers	(928,903)	(2,318,347)	928,903	2,318,347	0	0
Total Change in Net Assets	(1,511,641)	3,903,023	7,532,942	1,858,275	6,021,301	5,761,298
Beginning Net Assets	78,087,494	74,184,471	4,303,572	2,445,297	82,391,066	76,629,768
Ending Net Assets	\$76,575,853	\$78,087,494	\$11,836,514	\$4,303,572	\$88,412,367	\$82,391,066

**Governmental Activities**

Net assets of the City's governmental activities decreased by \$1,511,641. While revenues increased by \$1.4 million, expenses increased \$6.8 million (when including transfers out). The golf course construction fund (capital projects) accounted for \$7.4 of increased costs related to leisure time activities. The clubhouse capital asset is accounted for within the golf course fund (enterprise).

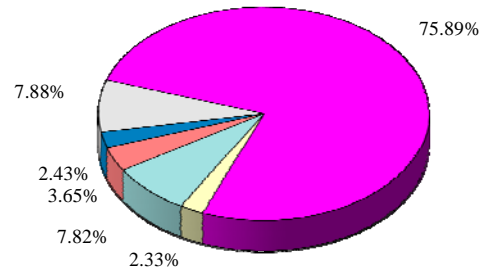
**CITY OF BLUE ASH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2011**

**Unaudited**

Property taxes and income taxes made up 7.88% and 75.89% respectively of revenues for governmental activities for the City in fiscal year 2011. The City's reliance upon tax revenues is demonstrated by the following graph indicating 83.77% of total revenues from general tax revenues:

Revenue Sources	2011	Percent of Total
Property Taxes	\$3,132,621	7.88%
Income Taxes	30,159,819	75.89%
Other Local Taxes	927,172	2.33%
Program Revenues	3,106,818	7.82%
Grants and Entitlements not Restricted to Specific Programs	1,451,654	3.65%
General Other	966,890	2.43%
<b>Total Revenue</b>	<b>\$39,744,974</b>	<b>100.00%</b>



**Business-Type Activities**

Net assets of the business-type activities increased by \$7,532,942. Capital contributions from the Golf Course Construction capital projects fund to the Golf Course Fund accounted for the increase in net assets for 2011.

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

The City's governmental funds reported a combined fund balance of \$34,977,153, which is an increase from last year's balance of \$34,976,442. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2011 and 2010:

	Fund Balance December 31, 2011	Fund Balance December 31, 2010	Increase (Decrease)
General	\$26,477,738	\$20,769,134	\$5,708,604
TIF Carver Road			
Bond Retirement	699,522	1,473,448	(773,926)
Golf Course Construction	2,411,203	9,762,984	(7,351,781)
Other Governmental	5,388,690	2,970,876	2,417,814
<b>Total</b>	<b>\$34,977,153</b>	<b>\$34,976,442</b>	<b>\$711</b>

Of the City's \$34,977,153 year ended fund balances for governmental activities, 73.3% is unassigned, which allows it for spending at the government's discretion. Of the remaining 26.7%, \$8.4 million is restricted by sources outside of the City primarily for grants and debt. \$263,759 is in nonspendable form (prepaid items and supplies inventory) and the balance of \$692,613 is assigned by City management to cover outstanding purchase orders as of December 31, 2011.

**CITY OF BLUE ASH, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2011**

**Unaudited**

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*General Fund* – The City's General Fund balance increase is due mainly to increased income tax collections. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2011	2010	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Property Taxes	\$2,090,590	\$2,122,642	(\$32,052)
Municipal Income Tax	29,937,730	27,411,890	2,525,840
Other Local Taxes	927,172	875,608	51,564
Intergovernmental Revenues	1,467,619	3,165,614	(1,697,995)
Charges for Services	641,709	721,373	(79,664)
Licenses and Permits	425,185	367,608	57,577
Investment Earnings	12,337	22,437	(10,100)
Fines and Forfeitures	124,845	99,687	25,158
All Other Revenue	20,020	119,860	(99,840)
Total	<u>\$35,647,207</u>	<u>\$34,906,719</u>	<u>\$740,488</u>

General Fund revenues in 2011 increased in comparison to fiscal year 2010. Increased income tax collections helped to offset a 53.6% decrease in intergovernmental revenues which was due the State of Ohio's real estate exemption approval on City owned land resulting in a large real estate tax refund received in 2010.

	2011	2010	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$9,778,841	\$10,007,571	(\$228,730)
Community Development	1,220,875	1,601,674	(380,799)
Basic Utility Services	0	114,224	(114,224)
General Government	6,490,050	7,134,463	(644,413)
Total	<u>\$17,489,766</u>	<u>\$18,857,932</u>	<u>(\$1,368,166)</u>

General Fund expenditures decreased by 7.3% or \$1,368,166 below 2010 expenditures. Primarily the decrease was due to measures taken to control costs and the 2010 shift of basic Public Services operations which is now presented in a non-major special revenue fund.

TIF Carver Road Bond Retirement Fund - The fund balance decreased by \$773,926. In 2011 the TIF payments were made to the related school district before year end.

Golf Course Construction Fund – The fund is well under way on the construction of the new clubhouse facility thereby accounting for the large decrease in fund balance.



***Management's Discussion and Analysis  
For the Year Ended December 31, 2011***

***Unaudited***

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

During the course of fiscal year 2011 the City amended its General Fund budget several times, as approved by City Council.

For the General Fund, final budget basis revenue of \$33.65 million did not significantly change from the original budget estimates of \$33.56 million. Actual expenditures of \$18.7 million were below the final budgeted number of \$21.02 million primarily due to salary and benefits cost saving measures. The General Fund maintained an adequate fund balance to cover expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of fiscal 2011 the City had \$104,421,639 net of accumulated depreciation invested in land, buildings, infrastructure, equipment and vehicles. Of this total, \$92,672,233 was related to governmental activities and \$11,749,406 to the business-type activities. The following table shows fiscal year 2011 and 2010 balances:

	Governmental Activities		Increase (Decrease)
	2011	2010	
Land	\$39,370,292	\$39,361,332	\$8,960
Construction In Progress	958,353	749,712	208,641
Buildings	44,684,118	44,652,324	31,794
Improvements Other than Buildings	6,459,651	6,466,002	(6,351)
Infrastructure	23,656,868	22,995,965	660,903
Machinery and Equipment	11,427,477	11,517,329	(89,852)
Less: Accumulated Depreciation	<u>(33,884,526)</u>	<u>(31,107,700)</u>	<u>(2,776,826)</u>
Totals	<u>\$92,672,233</u>	<u>\$94,634,964</u>	<u>(\$1,962,731)</u>

	Business-Type Activities		Increase (Decrease)
	2011	2010	
Land	\$1,124,764	\$1,124,764	\$0
Construction In Progress	9,486,127	2,124,690	7,361,437
Buildings	691,751	685,292	6,459
Improvements Other than Buildings	1,909,736	1,904,397	5,339
Machinery and Equipment	1,312,258	1,242,924	69,334
Less: Accumulated Depreciation	<u>(2,775,230)</u>	<u>(2,718,439)</u>	<u>(56,791)</u>
Totals	<u>\$11,749,406</u>	<u>\$4,363,628</u>	<u>\$7,385,778</u>

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

***Management's Discussion and Analysis  
For the Year Ended December 31, 2011***

***Unaudited***

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As of December 31, 2011, the City has contractual commitments of \$4,748,000 due to the construction of the Reed Hartman Highway and Osborne Boulevard connector road and the golf course clubhouse, banquet center and cart path/irrigation project. Additional information on the City's capital assets can be found in Note 10.

***Debt***

At December 31, 2011, the City had \$32,968,847 in bonds outstanding, \$3,180,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Governmental Activities:		
General Obligation Bonds	\$32,968,847	\$33,058,232
Property Acquisition Loan	17,463,634	17,584,413
OPWC Loan	2,002,948	2,255,589
Compensated Absences	<u>1,691,202</u>	<u>1,738,398</u>
Total Governmental Activities	<u>\$54,126,631</u>	<u>\$54,636,632</u>
Business-Type Activities:		
Compensated Absences	<u>\$64,018</u>	<u>\$79,807</u>
Total Business-Type Activities	<u>64,018</u>	<u>79,807</u>
Totals	<u>\$54,190,649</u>	<u>\$54,716,439</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, 2011, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

**ECONOMIC FACTORS**

The Blue Ash City Council and Administration have been monitoring reserves, operational revenues and costs, and capital planning very closely since the economic downturn. They targeted controlling costs, defining priorities, long term planning and encouraging economic development. The commitment of maintaining and improving a solid business base is evident with the renewed interest and investments made by companies in the underutilized properties located on Osborne Boulevard which is situated between two major access roads in the City.

**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, 2011**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 32,306,766	\$ 213,249	\$ 32,520,015
Receivables:			
Taxes	9,519,779	0	9,519,779
Accounts	129,692	893	130,585
Intergovernmental	869,452	378	869,830
Interest	751	0	751
Inventory of Supplies at Cost	212,080	59,116	271,196
Prepaid Items	51,679	2,420	54,099
Restricted Assets:			
Cash and Cash Equivalents	670,000	0	670,000
Unamortized Bond Issuance Costs	305,346	0	305,346
Capital Assets:			
Capital Assets Not Being Depreciated	40,328,645	10,610,891	50,939,536
Capital Assets Being Depreciated, Net	52,343,588	1,138,515	53,482,103
<b>Total Assets</b>	<b>136,737,778</b>	<b>12,025,462</b>	<b>148,763,240</b>
<b>Liabilities:</b>			
Accounts Payable	433,116	81,009	514,125
Accrued Wages and Benefits	1,014,911	43,792	1,058,703
Intergovernmental Payable	3,813	129	3,942
Contracts Payable	1,058,900	0	1,058,900
Unearned Revenue	2,948,049	0	2,948,049
Accrued Interest Payable	576,505	0	576,505
Long-Term Liabilities:			
Due Within One Year	4,034,526	17,285	4,051,811
Due in More Than One Year	50,092,105	46,733	50,138,838
<b>Total Liabilities</b>	<b>60,161,925</b>	<b>188,948</b>	<b>60,350,873</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	49,870,997	11,749,406	61,620,403
Restricted For:			
Capital Projects	5,588,730	0	5,588,730
Debt Service	1,069,133	0	1,069,133
Streets and Highways	1,038,960	0	1,038,960
Security of Persons & Property	313,807	0	313,807
Unrestricted	18,694,226	87,108	18,781,334
<b>Total Net Assets</b>	<b>\$ 76,575,853</b>	<b>\$ 11,836,514</b>	<b>\$ 88,412,367</b>

See accompanying notes to the basic financial statements

**CITY OF BLUE ASH, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2011**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 10,106,451	\$ 30,966	\$ 220,341	\$ 417,280
Leisure Time Activities	12,798,189	903,915	0	0
Community Development	1,228,985	320,669	0	0
Transportation	4,916,322	9,669	744,974	251,210
General Government	9,061,273	207,794	0	0
Interest and Fiscal Charges	2,216,492	0	0	0
<b>Total Governmental Activities</b>	<u>40,327,712</u>	<u>1,473,013</u>	<u>965,315</u>	<u>668,490</u>
<b>Business-Type Activities:</b>				
Golf Course	1,678,250	911,220	0	7,371,069
<b>Total Business-Type Activities</b>	<u>1,678,250</u>	<u>911,220</u>	<u>0</u>	<u>7,371,069</u>
<b>Totals</b>	<u>\$ 42,005,962</u>	<u>\$ 2,384,233</u>	<u>\$ 965,315</u>	<u>\$ 8,039,559</u>

**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**

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Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (9,437,864)	\$ 0	\$ (9,437,864)
(11,894,274)	0	(11,894,274)
(908,316)	0	(908,316)
(3,910,469)	0	(3,910,469)
(8,853,479)	0	(8,853,479)
(2,216,492)	0	(2,216,492)
<u>(37,220,894)</u>	<u>0</u>	<u>(37,220,894)</u>
0	6,604,039	6,604,039
<u>0</u>	<u>6,604,039</u>	<u>6,604,039</u>
(37,220,894)	6,604,039	(30,616,855)
2,090,590	0	2,090,590
1,042,031	0	1,042,031
30,159,819	0	30,159,819
927,172	0	927,172
1,451,654	0	1,451,654
18,069	0	18,069
948,821	0	948,821
(928,903)	928,903	0
<u>35,709,253</u>	<u>928,903</u>	<u>36,638,156</u>
(1,511,641)	7,532,942	6,021,301
<u>78,087,494</u>	<u>4,303,572</u>	<u>82,391,066</u>
<u>\$ 76,575,853</u>	<u>\$ 11,836,514</u>	<u>\$ 88,412,367</u>

**CITY OF BLUE ASH, OHIO**

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**Balance Sheet  
Governmental Funds  
December 31, 2011**

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	General	TIF Carver Road Bond Retirement	Golf Course Construction
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 23,630,719	\$ 29,508	\$ 3,166,466
Receivables:			
Taxes	8,487,074	952,000	0
Accounts	124,350	0	0
Intergovernmental	297,432	0	0
Interest	570	14	80
Interfund Loans Receivables	10,740	0	0
Inventory of Supplies, at Cost	23,754	0	0
Prepaid Items	46,907	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	670,000	0
<b>Total Assets</b>	<u>\$ 32,621,546</u>	<u>\$ 1,651,522</u>	<u>\$ 3,166,546</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 265,003	\$ 0	\$ 0
Accrued Wages and Benefits Payable	854,547	0	0
Intergovernmental Payable	3,093	0	0
Contracts Payable	0	0	755,343
Interfund Loans Payable	0	0	0
Deferred Revenue	5,021,165	952,000	0
Compensated Absences Payable	0	0	0
<b>Total Liabilities</b>	<u>6,143,808</u>	<u>952,000</u>	<u>755,343</u>
<b>Fund Balances:</b>			
Nonspendable	70,661	0	0
Restricted	0	699,522	2,411,203
Assigned	692,613	0	0
Unassigned	25,714,464	0	0
<b>Total Fund Balances</b>	<u>26,477,738</u>	<u>699,522</u>	<u>2,411,203</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 32,621,546</u>	<u>\$ 1,651,522</u>	<u>\$ 3,166,546</u>

See accompanying notes to the basic financial statements

**CITY OF BLUE ASH, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 5,480,073	\$ 32,306,766
80,705	9,519,779
5,342	129,692
572,020	869,452
87	751
0	10,740
188,326	212,080
4,772	51,679
0	670,000
\$ 6,331,325	\$ 43,770,939
\$ 168,113	\$ 433,116
160,364	1,014,911
720	3,813
303,557	1,058,900
10,740	10,740
273,877	6,247,042
25,264	25,264
942,635	8,793,786
193,098	263,759
5,286,311	8,397,036
0	692,613
(90,719)	25,623,745
5,388,690	34,977,153
\$ 6,331,325	\$ 43,770,939

**CITY OF BLUE ASH, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Assets Of Governmental Activities  
December 31, 2011***

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<b>Total Governmental Fund Balances</b>		\$ 34,977,153
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		92,672,233
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		3,298,993
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	(32,968,847)	
Unamortized Bond Issuance Costs	305,346	
Property Acquisition Loan	(17,463,634)	
OPWC Loans	(2,002,948)	
Compensated Absences Payable	(1,665,938)	
Accrued Interest Payable	(576,505)	
		<u>(54,372,526)</u>
<b><i>Net Assets of Governmental Activities</i></b>		<b><u>\$ 76,575,853</u></b>

See accompanying notes to the basic financial statements





**CITY OF BLUE ASH, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2011**

	General	TIF Carver Road Bond Retirement	Golf Course Construction
<b>Revenues:</b>			
Property Taxes	\$ 2,090,590	\$ 1,039,471	\$ 0
Municipal Income Tax	29,937,730	0	0
Other Local Taxes	927,172	0	0
Intergovernmental Revenues	1,467,619	0	0
Charges for Services	641,709	0	0
Licenses and Permits	425,185	0	0
Investment Earnings	12,337	587	4,550
Fines and Forfeitures	124,845	0	0
All Other Revenue	20,020	0	120
<b>Total Revenue</b>	<b>35,647,207</b>	<b>1,040,058</b>	<b>4,670</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	9,778,841	0	0
Leisure Time Activities	0	0	0
Community Development	1,220,875	0	0
Transportation	0	0	0
General Government	6,490,050	1,148,984	0
Capital Outlay	0	0	7,356,451
Debt Service:			
Principal Retirement	0	195,000	0
Interest & Fiscal Charges	0	470,000	0
<b>Total Expenditures</b>	<b>17,489,766</b>	<b>1,813,984</b>	<b>7,356,451</b>
Excess (Deficiency) of Revenues Over Expenditures	18,157,441	(773,926)	(7,351,781)
<b>Other Financing Sources (Uses):</b>			
General Obligation Bonds Issued	0	0	0
Transfers In	0	0	0
Transfers Out	(12,450,442)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(12,450,442)</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	5,706,999	(773,926)	(7,351,781)
<b>Fund Balances (Deficits) at Beginning of Year</b>	<b>20,769,134</b>	<b>1,473,448</b>	<b>9,762,984</b>
Increase in Inventory Reserve	1,605	0	0
<b>Fund Balances End of Year</b>	<b>\$ 26,477,738</b>	<b>\$ 699,522</b>	<b>\$ 2,411,203</b>

See accompanying notes to the basic financial statements

**CITY OF BLUE ASH, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 84,753	\$ 3,214,814
0	29,937,730
0	927,172
1,728,870	3,196,489
918,926	1,560,635
0	425,185
595	18,069
19,526	144,371
272,713	292,853
<u>3,025,383</u>	<u>39,717,318</u>
235,401	10,014,242
4,081,680	4,081,680
0	1,220,875
4,443,374	4,443,374
0	7,639,034
1,352,809	8,709,260
3,348,420	3,543,420
1,803,692	2,273,692
<u>15,265,376</u>	<u>41,925,577</u>
(12,239,993)	(2,208,259)
3,125,000	3,125,000
11,553,238	11,553,238
(31,699)	(12,482,141)
<u>14,646,539</u>	<u>2,196,097</u>
2,406,546	(12,162)
2,970,876	34,976,442
11,268	12,873
<u>\$ 5,388,690</u>	<u>\$ 34,977,153</u>

**CITY OF BLUE ASH, OHIO**

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***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, 2011***

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**Net Change in Fund Balances - Total Governmental Funds** \$ (12,162)

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

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

Capital Outlay	1,134,228	
Depreciation Expense	<u>(3,055,746)</u>	(1,921,518)

The statement of activities reports losses arising from the disposal of capital assets. (41,213)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 27,656

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets.  
Issuance of General Obligation Bonds (3,125,000)

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	3,170,000	
Property Acquisition Loan Principal Payment	120,779	
OPWC Loans Payment	252,641	
Amortization of Bond Issuance Costs	(16,939)	
Amortization of Bond Premium	<u>44,385</u>	3,570,866

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 29,754

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	(52,897)	
Change in Inventory	<u>12,873</u>	<u>(40,024)</u>

***Change in Net Assets of Governmental Activities*** \$ (1,511,641)

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, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 2,089,316	\$ 2,010,234	\$ 2,090,590	\$ 80,356
Municipal Income Tax	27,407,000	27,921,851	29,817,424	1,895,573
Other Local Taxes	900,000	900,000	898,757	(1,243)
Intergovernmental Revenue	1,998,330	1,577,561	1,583,530	5,969
Charges for Services	632,350	632,350	640,508	8,158
Licenses and Permits	304,500	359,500	424,246	64,746
Investment Earnings	30,000	15,000	13,816	(1,184)
Fines and Forfeitures	119,400	119,400	124,845	5,445
All Other Revenues	74,570	104,312	18,124	(86,188)
Total Revenues	<u>33,555,466</u>	<u>33,640,208</u>	<u>35,611,840</u>	<u>1,971,632</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	10,995,282	11,036,471	10,219,438	817,033
Community Development	2,034,753	2,072,008	1,358,579	713,429
General Government	8,145,802	7,915,452	7,135,568	779,884
Total Expenditures	<u>21,175,837</u>	<u>21,023,931</u>	<u>18,713,585</u>	<u>2,310,346</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,379,629	12,616,277	16,898,255	4,281,978
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	12,000	12,000	7,530	(4,470)
Transfers Out	(13,473,291)	(14,154,291)	(12,450,442)	1,703,849
Advances In	0	0	11,623	11,623
Advances Out	0	(86,058)	0	86,058
Total Other Financing Sources (Uses):	<u>(13,461,291)</u>	<u>(14,228,349)</u>	<u>(12,431,289)</u>	<u>1,797,060</u>
Net Change in Fund Balance	(1,081,662)	(1,612,072)	4,466,966	6,079,038
Fund Balance at Beginning of Year	17,648,234	17,648,234	17,648,234	0
Prior Year Encumbrances	577,810	577,810	577,810	0
Fund Balance at End of Year	<u>\$ 17,144,382</u>	<u>\$ 16,613,972</u>	<u>\$ 22,693,010</u>	<u>\$ 6,079,038</u>

See accompanying notes to the basic financial statements

**CITY OF BLUE ASH, OHIO**

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**Statement of Net Assets  
Proprietary Fund  
December 31, 2011**

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	Business-Type Activities Enterprise Fund
	<u>Golf Course</u>
<b>Assets:</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 213,249
Receivables:	
Accounts	893
Intergovernmental	378
Inventory of Supplies at Cost	59,116
Prepaid Items	<u>2,420</u>
<i>Total Current Assets</i>	276,056
<i>Non Current Assets:</i>	
Capital Assets:	
Capital Assets Not Being Depreciated	10,610,891
Capital Assets Being Depreciated, Net	<u>1,138,515</u>
<b>Total Assets</b>	<u>12,025,462</u>
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Accounts Payable	81,009
Accrued Wages and Benefits	43,792
Intergovernmental Payable	129
Compensated Absences - Current	<u>17,285</u>
<i>Total Current Liabilities</i>	142,215
<i>Long Term Liabilities:</i>	
Compensated Absences Payable	<u>46,733</u>
<b>Total Liabilities</b>	<u>188,948</u>
<b>Net Assets:</b>	
Invested in Capital Assets, Net of Related Debt	11,749,406
Unrestricted	<u>87,108</u>
<b>Total Net Assets</b>	<u>\$ 11,836,514</u>

See accompanying notes to the basic financial statements

**CITY OF BLUE ASH, OHIO**

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**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Fund  
For the Year Ended December 31, 2011**

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	Business-Type Activities Enterprise Fund
	<u>Golf Course</u>
<b>Operating Revenues:</b>	
Charges for Services	\$ 889,749
Other Operating Revenue	<u>375</u>
<b>Total Operating Revenues</b>	<u>890,124</u>
<b>Operating Expenses:</b>	
Personal Services	878,619
Contractual Services	292,108
Materials and Supplies	327,792
Depreciation	<u>149,076</u>
<b>Total Operating Expenses</b>	<u>1,647,595</u>
Operating (Loss)	(757,471)
<b>Nonoperating Revenue (Expenses):</b>	
Loss on Disposal of Capital Assets	(11,665)
Other Nonoperating Revenue	21,096
Other Nonoperating Expense	<u>(18,990)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(9,559)</u>
Loss Before Transfers and Contributions	(767,030)
Transfers In	928,903
Capital Contributions	<u>7,371,069</u>
Change in Net Assets	7,532,942
Net Assets Beginning of Year	<u>4,303,572</u>
Net Assets End of Year	<u>\$ 11,836,514</u>

See accompanying notes to the basic financial statements

**CITY OF BLUE ASH, OHIO**

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**Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2011**

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	Activities Enterprise Fund <u>Golf Course</u>
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$888,859
Cash Payments for Goods and Services	(604,713)
Cash Payments to Employees	(889,445)
Other Operating Cash Receipts	375
Net Cash Used by Operating Activities	<u>(604,924)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Transfers In from Other Funds	928,903
Net Cash Provided by Noncapital Financing Activities	<u>928,903</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition and Construction of Assets	(165,286)
Net Cash Used for Capital and Related Financing Activities	<u>(165,286)</u>
Net Increase in Cash and Cash Equivalents	158,693
Cash and Cash Equivalents at Beginning of Year	54,556
Cash and Cash Equivalents at End of Year	<u>\$213,249</u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Loss	(\$757,471)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	149,076
Miscellaneous Nonoperating Income	21,394
Miscellaneous Nonoperating Expense	(18,990)
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(890)
Increase in Inventory	(17,725)
Increase in Prepaid Items	(1,514)
Increase in Accounts Payable	33,483
Increase in Accrued Wages and Benefits	4,987
Decrease in Intergovernmental Payable	(1,485)
Decrease in Compensated Absences	(15,789)
Total Adjustments	<u>152,547</u>
Net Cash Used by Operating Activities	<u>(\$604,924)</u>

Schedule of Noncash Investing, Capital and Financing Activities:

For the year ended December 31, 2011, the Golf Course Fund received \$7,371,069 in contributed capital from the Golf Course Construction Fund. The Golf Course Fund had outstanding liabilities of \$10,164 for the purchase of certain capital assets at December 31, 2011.

See accompanying notes to the basic financial statements



**CITY OF BLUE ASH, OHIO**

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***Statement of Assets and Liabilities  
Fiduciary Funds  
December 31, 2011***

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	<u>Agency</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 79,692
<b>Total Assets</b>	<u>79,692</u>
<b>Liabilities:</b>	
Intergovernmental Payable	782
Due to Others	<u>78,910</u>
<b>Total Liabilities</b>	<u>\$ 79,692</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011***

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

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

The financial statements are presented as of December 31, 2011 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

The accompanying basic financial statements comply with the provisions of 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 an event center, public golf course and associated restaurant which is reported as an enterprise fund.

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011***

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

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

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

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

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

TIF Carver Road Bond Retirement Fund - This fund is used to account for payments of principal and interest on the City's tax increment financing bonds issued in 2006. Revenues for this purpose include payments in lieu of taxes and investment income.

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

***Proprietary Funds***

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011***

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

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

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

***Fiduciary Funds***

Fiduciary fund reporting focuses on net 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, 2011***

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

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

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets 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, 2011***

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

**D. Basis of Accounting**

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

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

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

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

Property taxes measurable as of December 31, 2011 but which are not intended to finance 2011 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue. Property taxes are further described in Note 7.

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, 2011***

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**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 2011, 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, 2011***

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

**E. Budgetary Process (Continued)**

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1st of each year. By October 1st of each year, the City accepts, by resolution, the tax rate as determined by the Budget Commission. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed or fall short of current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2011.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1st of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1st of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, and may only be modified during the year by ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the object level. During the year, several supplemental appropriations were necessary to budget contingency funds, bond proceeds and intergovernmental grants. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Non-GAAP Budgetary Basis)" for the General Fund 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, 2011**

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

**E. Budgetary Process (Continued)**

**5. Budgetary Basis of Accounting**

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

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	\$5,706,999
Increase (Decrease):	
Accrued Revenues at December 31, 2011 received during 2012	(3,888,261)
Accrued Revenues at December 31, 2010 received during 2011	3,872,047
Accrued Expenditures at December 31, 2011 paid during 2012	1,122,643
Accrued Expenditures at December 31, 2010 paid during 2011	(1,428,975)
2010 Prepays for 2011	76,464
2011 Prepays for 2012	(46,907)
Outstanding Encumbrances	(947,044)
Budget Basis	<u>\$4,466,966</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011***

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

**F. Cash and Cash Equivalents**

During fiscal year 2011, 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 6, "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 6, "Cash, Cash Equivalents and Investments."

The City invested funds in STAR Ohio during 2011. 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, 2011.

**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, 2011, 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, 2011**

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

**J. Capital Assets and Depreciation**

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

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

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net 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, 2011***

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

**K. Long-Term Obligations**

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Obligation Bond Retirement Fund
Property Acquisition Loan	Airport Park 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, 2011***

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**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, 2011***

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

**R. Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

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

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

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

*Assigned* – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed.

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

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

**S. Estimates**

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011**

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

**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.

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE – RESTATEMENT OF FUND BALANCE/NET ASSETS**

For 2011 the City implemented GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”.

Statement No. 54 provides more clearly defined categories to make the nature and extent of the constraints placed on a governments fund balances more transparent. It also clarifies the existing governmental fund type definitions. The application of this new standard did not have an effect on prior year fund balances.

**NOTE 3 – FUND BALANCE CLASSIFICATION**

Fund balance is classified as nonspendable, restricted, assigned and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	TIF Carver Road Bond Retirement	Golf Course Construction	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid Items	\$46,907	\$0	\$0	\$4,772	\$51,679
Supplies Inventory	23,754	0	0	188,326	212,080
Total Nonspendable	70,661	0	0	193,098	263,759
Restricted:					
Transportation Projects	0	0	0	864,463	864,463
Debt Service	0	0	0	500,000	500,000
Law Enforcement	0	0	0	303,067	303,067
Capital Improvements	0	699,522	2,411,203	3,618,781	6,729,506
Total Restricted	0	699,522	2,411,203	5,286,311	8,397,036
Assigned:					
Encumbrances	692,613	0	0	0	692,613
Unassigned	25,714,464	0	0	(90,719)	25,623,745
Total Fund Balances	\$26,477,738	\$699,522	\$2,411,203	\$5,388,690	\$34,977,153

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011**

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

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net 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	\$2,925,484
Intergovernmental Revenue Receivable	373,509
	<hr/>
	\$3,298,993

**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:

*Governmental revenues not reported in the funds:*

Increase in Tax Revenue	\$139,896
Decrease in Intergovernmental Revenue Receivable	(112,240)
	<hr/>
	\$27,656

**NOTE 5 - COMPLIANCE AND ACCOUNTABILITY**

**Deficit Fund Equities** - The fund deficits of \$74,242 in the Parks and Recreation Fund (special revenue fund) and of \$1,175 in the Airport Park Fund (capital projects fund) arose from the recognition of liabilities under the modified accrual basis of accounting. The deficits do not exist on a budgetary/cash basis. Transfers are provided when cash is required, not when accruals occur.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011***

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**NOTE 6 - 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, 2011**

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**NOTE 6 - 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 \$22,146,463 and the bank balance was \$23,079,871. Federal depository insurance covered \$500,000 of the bank balance and \$22,579,871 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$22,579,871</u>
Total Balance	<u><u>\$22,579,871</u></u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011**

**NOTE 6 - CASH AND CASH EQUIVALENTS (Continued)**

**B. Investments**

The City's investments at December 31, 2011 were as follows:

	<u>Fair Value</u>	Credit <u>Rating</u>	<u>Investment Maturities (In Years)</u> less than 1
STAR Ohio	<u>\$11,123,244</u>	AAA <sup>m</sup> <sup>1</sup>	<u>\$11,123,244</u>
Total Investments	<u><u>\$11,123,244</u></u>		<u><u>\$11,123,244</u></u>

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

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

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

*Concentration of Credit Risk* – The City places no limit on the amount the City may invest in one issuer. The City placed all of its funds available for investment into STAR Ohio during 2011.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover. The City has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

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

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$33,269,707	\$0
STAR Ohio	<u>(11,123,244)</u>	<u>11,123,244</u>
Per GASB Statement No. 3	<u><u>\$22,146,463</u></u>	<u><u>\$11,123,244</u></u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011***

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**NOTE 7 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and a portion of tangible personal property which is used in business, located in the City. Real property taxes (other than public utility) collected during 2011 were levied after October 1, 2010 on assessed values as of January 1, 2010, 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 2011. 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 a 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 was intended to replace the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, 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, 2011 was \$3.08 per \$1,000 of assessed value. The assessed value upon which the 2011 levy was based was \$706,449,050. This amount constitutes \$687,590,570 in real property assessed value and \$18,858,480 in public utility assessed value.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011***

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**NOTE 7 - 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 8 - RECEIVABLES**

Receivables at December 31, 2011 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, 2011**

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**NOTE 9- TRANSFERS AND INTERFUND BALANCES**

**A. Transfers**

Following is a summary of transfers in and out for all funds for 2011:

Fund	Transfer In	Transfer Out
<b>Governmental Funds:</b>		
General Fund	\$0	\$12,450,442
Other Governmental Funds	11,553,238	31,699
Total Governmental Funds	11,553,238	12,482,141
<b>Proprietary Funds:</b>		
Golf Course Fund	928,903	0
Total All Funds	\$12,482,141	\$12,482,141

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

**B. Interfund Balances**

Individual interfund balances at December 31, 2011 are as follows:

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$10,740	\$0
Other Governmental Funds	0	10,740
Totals	\$10,740	\$10,740

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, 2011**

**NOTE 10 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2011:

**Historical Cost:**

Class	December 31, 2010	Additions	Deletions	December 31, 2011
<b>Capital assets not being depreciated:</b>				
Land	\$39,361,332	\$8,960	\$0	\$39,370,292
Construction in Progress	749,712	656,093	(447,452)	958,353
Subtotal	40,111,044	665,053	(447,452)	40,328,645
<b>Capital assets being depreciated:</b>				
Buildings	44,652,324	60,911	(29,117)	44,684,118
Improvements Other than Buildings	6,466,002	0	(6,351)	6,459,651
Infrastructure	22,995,965	660,903	0	23,656,868
Machinery and Equipment	11,517,329	194,813	(284,665)	11,427,477
Subtotal	85,631,620	916,627	(320,133)	86,228,114
Total Cost	\$125,742,664	\$1,581,680	(\$767,585)	\$126,556,759

**Accumulated Depreciation:**

Class	December 31, 2010	Additions	Deletions	December 31, 2011
Buildings	(\$12,264,216)	(\$1,673,261)	\$10,321	(\$13,927,156)
Improvements Other than Buildings	(4,331,661)	(235,002)	5,335	(4,561,328)
Infrastructure	(6,412,532)	(423,929)	0	(6,836,461)
Machinery and Equipment	(8,099,291)	(723,554)	263,264	(8,559,581)
Total Depreciation	(\$31,107,700)	(\$3,055,746)	\$278,920	(\$33,884,526)
<b>Net Value:</b>	\$94,634,964			\$92,672,233

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

Leisure Time Activities	\$1,166,300
Transportation	468,729
General Government	1,420,717
Total Depreciation Expense	\$3,055,746

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011**

**NOTE 10 - CAPITAL ASSETS (Continued)**

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

Summary by Category at December 31, 2011:

**Historical Cost:**

Class	December 31, 2010	Additions	Deletions	December 31, 2011
<b>Capital assets not being depreciated:</b>				
Land	\$1,124,764	\$0	\$0	\$1,124,764
Construction in Progress	2,124,690	7,361,437	0	9,486,127
Subtotal	3,249,454	7,361,437	0	10,610,891
<b>Capital assets being depreciated:</b>				
Buildings	685,292	12,209	(5,750)	691,751
Improvements Other than Buildings	1,904,397	24,903	(19,564)	1,909,736
Machinery and Equipment	1,242,924	147,970	(78,636)	1,312,258
Subtotal	3,832,613	185,082	(103,950)	3,913,745
Total Cost	\$7,082,067	\$7,546,519	(\$103,950)	\$14,524,636

**Accumulated Depreciation:**

Class	December 31, 2010	Additions	Deletions	December 31, 2011
Buildings	(\$446,783)	(\$18,134)	\$3,910	(\$461,007)
Improvements Other than Buildings	(1,301,709)	(38,595)	9,739	(1,330,565)
Machinery and Equipment	(969,947)	(92,347)	78,636	(983,658)
Total Depreciation	(\$2,718,439)	(\$149,076)	\$92,285	(\$2,775,230)
<b>Net Value:</b>	\$4,363,628			\$11,749,406



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS**

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

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

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by 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 2011, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2011 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional Plan was 10.0% for calendar year 2011. The portion of employer contributions allocated to pension obligations for members in the Combined Plan was 7.95% for calendar year 2011. 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, 2011, 2010, and 2009 were \$675,984, \$596,358 and \$578,946, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011***

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**NOTE 11 – 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 2011, 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, 2011, 2010, and 2009 were \$402,932, \$414,767 and \$416,094 for police and \$380,837, \$407,804 and \$406,145 for firefighters, respectively, which were equal to the required contributions for each year.

**NOTE 12 - 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.

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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011***

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**NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)**

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

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 2011, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% for calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% for calendar year 2011. 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, 2011, 2010, and 2009 were \$270,393, \$339,980 and \$411,138, 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.

**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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011***

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**NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)**

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

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 2011, 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, 2011, 2010, and 2009 were \$213,317, \$219,582 and \$220,285 for police and \$145,982, \$159,576 and \$158,926 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, 2011**

**NOTE 13 - LONG-TERM OBLIGATIONS**

Detail of the changes in the bonds and compensated absences of the City for the year ended December 31, 2011 is as follows:

		Balance December 31, 2010	Issued	(Retired)	Balance December 31, 2011	Amount Due Within One Year
<b>Governmental Activities:</b>						
General Obligation Bonds:						
2.53 - 3.13% Service Garage and Firehouse Bond (\$10,000,000)	2003	\$3,000,000	\$0	(\$1,000,000)	\$2,000,000	\$1,000,000
3.00- 3.85% Reed Hartmann Highway Improvement Bonds (\$3,700,000)	2005	1,850,000	0	(370,000)	1,480,000	370,000
5.00% Carver Road Tax Increment Financing Bonds (\$9,790,000)	2006	9,400,000	0	(195,000)	9,205,000	205,000
4.00% Recreation Center Construction Bonds (\$9,975,000)	2007	8,545,000	0	(715,000)	7,830,000	715,000
2.00 - 4.00% Golf Clubhouse Construction Bonds (\$9,775,000)	2010	9,775,000	0	(890,000)	8,885,000	890,000
Premium on Golf Clubhouse Bonds		488,232	0	(44,385)	443,847	0
1.00 - 4.00% Osborne/Access Road Bonds (\$3,125,000)	2011	0	3,125,000	0	3,125,000	0
Total General Obligation Bonds		<u>33,058,232</u>	<u>3,125,000</u>	<u>(3,214,385)</u>	<u>32,968,847</u>	<u>3,180,000</u>
5.0% Property Acquisition Loan (\$18,913,325)	2007	17,584,413	0	(120,779)	17,463,634	126,818
0.0% OPWC Loan (\$1,445,000)	2008	1,228,250	0	(144,500)	1,083,750	144,500
0.0% OPWC Loan (\$1,027,339)	2009	1,027,339	0	(108,141)	919,198	108,141
Total OPWC Loans		<u>2,255,589</u>	<u>0</u>	<u>(252,641)</u>	<u>2,002,948</u>	<u>252,641</u>
Compensated Absences		<u>1,738,398</u>	<u>1,691,202</u>	<u>(1,738,398)</u>	<u>1,691,202</u>	<u>475,067</u>
Total Governmental Activities		<u>\$54,636,632</u>	<u>\$4,816,202</u>	<u>(\$5,326,203)</u>	<u>\$54,126,631</u>	<u>\$4,034,526</u>

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011**

**NOTE 13 - LONG-TERM OBLIGATIONS (Continued)**

	Balance December 31, 2010	Additions	(Reductions)	Balance December 31, 2011	Due Within One Year
<b>Business-Type Activities</b>					
Compensated Absences	\$79,807	\$64,018	(\$79,807)	\$64,018	\$17,285
Total Business-Type Activities	<u>\$79,807</u>	<u>\$64,018</u>	<u>(\$79,807)</u>	<u>\$64,018</u>	<u>\$17,285</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, 2011 was \$74,177,150.

**A. Principal and Interest Requirements**

Principal and interest requirements to retire long-term debt outstanding at December 31, 2011 are as follows:

Years	General Obligation Bonds		Property Acquisition Loan		OPWC Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$3,180,000	\$1,294,257	\$126,818	\$873,182	\$252,641	\$0
2013	3,190,000	1,168,408	133,159	866,841	252,641	0
2014	2,330,000	1,057,234	139,817	860,183	252,641	0
2015	2,365,000	975,123	146,808	853,192	252,641	0
2016	2,000,000	890,810	154,148	845,852	252,641	0
2017-2021	10,200,000	3,301,510	2,275,764	3,974,236	739,743	0
2022-2026	3,450,000	1,800,450	2,904,516	3,345,484	0	0
2027-2031	3,445,000	1,088,674	5,088,387	2,411,613	0	0
2032-2036	2,365,000	302,750	6,494,217	1,305,783	0	0
Totals	<u>\$32,525,000</u>	<u>\$11,879,216</u>	<u>\$17,463,634</u>	<u>\$15,336,366</u>	<u>\$2,002,948</u>	<u>\$0</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011***

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**NOTE 13 - 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, 2011, there was one Industrial Revenue Bonds outstanding, with an original issue amount of \$15,475,000.

**C. Tax Increment Financing Bonds**

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011**

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**NOTE 14 - CONSTRUCTION COMMITMENTS**

As of December 31, 2011, the City had the following commitments with respect to capital projects:

Project	Remaining Construction Commitment	Expected Date of Completion
Golf Course Clubhouse and Irrigation Project	\$1,836,000	Winter 2012
Reed Hartman Highway and Osborne Access Road	2,912,000	Summer 2012
Total	\$4,748,000	

**NOTE 15 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1992 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 2011, the pool has twenty-one members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. Management is provided by an Executive Director, who is assisted by a Claims Manager, a full-time Loss Control Manager and office staff. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA is subject to the approval of the board, and the organization is covered by policies, procedures, and formally adopted bylaws.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011**

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**NOTE 15 - RISK MANAGEMENT (Continued)**

The twenty one participating entities and their respective pool contribution factors for the loss year ended December 31, 2011 are:

<u>Entity</u>	<u>Percentage</u>	<u>Entity</u>	<u>Percentage</u>
Beavercreek	6.24 %	Montgomery	3.13 %
Bellbrook	1.32 %	NAWA	0.61 %
Blue Ash	6.07 %	Piqua	7.91 %
Centerville	4.86 %	Sidney	6.94 %
Englewood	3.68 %	Springdale	3.38 %
Indian Hill	2.95 %	Tipp City	2.87 %
Kettering	12.33 %	Troy	6.41 %
Madeira	1.27 %	Vandalia	5.30 %
Mason	8.00 %	West Carrollton	2.21 %
Miamisburg	5.15 %	Wilmington	5.8 %
Subtotal	<u>51.87 %</u>	Wyoming	<u>3.57 %</u>
		Subtotal	<u>48.13 %</u>
		Total	<u>100.00 %</u>

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

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

Property	\$1,000,000,000	per occurrence
Crime / Employee Theft	500,000	per occurrence
Liability	10,000,000	per occurrence
Flood	25,000,000	Aggregate
Flood (Zones A &V)	5,000,000	per occurrence
Earthquake (Property)	25,000,000	Aggregate
Extra Expense	5,000,000	per occurrence

The deductible per occurrence is \$2,500. During 2011, MVRMA's self insured retention (SIR) limit for property was \$250,000 except boiler and machinery, which was \$5,000. The SIR for liability was \$500,000. 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, 2011.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011***

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**NOTE 15 - RISK MANAGEMENT (Continued)**

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

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

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

**NOTE 16 - CONTINGENCIES**

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

For the period January 1, 2011 to December 31, 2011, the City received federal and state grants for specific purposes that are subject to reviews and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Street Construction Maintenance and Repair Fund**

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

**Municipal Motor Vehicle License Tax Fund**

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

**State Highway Fund**

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

**Parks and Recreation Fund**

To account for the operation and maintenance of public recreational facilities.

**Law Enforcement Assistance Fund**

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

**Law Enforcement Fund**

To account for the proceeds from the confiscation of contraband.

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

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

**Drug Law Enforcement Fund**

To account for mandatory fines collected for drug offenses.

**Education Enforcement (DUI) Fund**

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

**Automated Fingerprint Identification System Fund**

To account for grant revenue and expense associated with the purchase of a fingerprint identification system. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

***Special Revenue Funds***

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**Law Enforcement Liaison Fund**

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

***Debt Service Fund***

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

**General Obligation Bond Retirement Fund**

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

***Capital Projects Funds***

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

**Downtown Improvement Fund**

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

**Plainfield Bikepath Construction Fund**

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

**Airport Park Fund**

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

**Recreation Center Construction Fund**

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

**Reed Hartman Access Road Improvement Fund**

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

**CITY OF BLUE ASH, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 1,308,982	\$ 500,000	\$ 3,671,091	\$ 5,480,073
Receivables :				
Taxes	0	80,705	0	80,705
Accounts	5,342	0	0	5,342
Intergovernmental	319,020	3,000	250,000	572,020
Interest	15	0	72	87
Inventory of Supplies, at Cost	188,326	0	0	188,326
Prepaid Items	4,772	0	0	4,772
<b>Total Assets</b>	<u>\$ 1,826,457</u>	<u>\$ 583,705</u>	<u>\$ 3,921,163</u>	<u>\$ 6,331,325</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 168,113	\$ 0	\$ 0	\$ 168,113
Accrued Wages and Benefits Payable	160,364	0	0	160,364
Intergovernmental Payable	720	0	0	720
Contracts Payable	0	0	303,557	303,557
Interfund Loans Payable	10,740	0	0	10,740
Deferred Revenue	190,172	83,705	0	273,877
Compensated Absences Payable	25,264	0	0	25,264
<b>Total Liabilities</b>	<u>555,373</u>	<u>83,705</u>	<u>303,557</u>	<u>942,635</u>
<b>Fund Balances:</b>				
Nonspendable	193,098	0	0	193,098
Restricted	1,167,530	500,000	3,618,781	5,286,311
Unassigned	(89,544)	0	(1,175)	(90,719)
<b>Total Fund Balances</b>	<u>1,271,084</u>	<u>500,000</u>	<u>3,617,606</u>	<u>5,388,690</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,826,457</u>	<u>\$ 583,705</u>	<u>\$ 3,921,163</u>	<u>\$ 6,331,325</u>

**CITY OF BLUE ASH, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 84,753	\$ 0	\$ 84,753
Intergovernmental Revenues	1,034,799	26,791	667,280	1,728,870
Charges for Services	918,926	0	0	918,926
Investment Earnings	371	0	224	595
Fines and Forfeitures	19,526	0	0	19,526
All Other Revenue	271,502	0	1,211	272,713
<b>Total Revenue</b>	<b>2,245,124</b>	<b>111,544</b>	<b>668,715</b>	<b>3,025,383</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	235,401	0	0	235,401
Leisure Time Activities	4,081,680	0	0	4,081,680
Transportation	4,443,374	0	0	4,443,374
Capital Outlay	0	0	1,352,809	1,352,809
Debt Service:				
Principal Retirement	0	3,227,641	120,779	3,348,420
Interest & Fiscal Charges	0	924,471	879,221	1,803,692
<b>Total Expenditures</b>	<b>8,760,455</b>	<b>4,152,112</b>	<b>2,352,809</b>	<b>15,265,376</b>
Excess (Deficiency) of Revenues Over Expenditures	(6,515,331)	(4,040,568)	(1,684,094)	(12,239,993)
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds Issued	0	250,000	2,875,000	3,125,000
Transfers In	6,339,953	3,739,910	1,473,375	11,553,238
Transfers Out	0	0	(31,699)	(31,699)
<b>Total Other Financing Sources (Uses)</b>	<b>6,339,953</b>	<b>3,989,910</b>	<b>4,316,676</b>	<b>14,646,539</b>
Net Change in Fund Balance	(175,378)	(50,658)	2,632,582	2,406,546
<b>Fund Balances at Beginning of Year</b>	<b>1,435,194</b>	<b>550,658</b>	<b>985,024</b>	<b>2,970,876</b>
Increase in Inventory Reserve	11,268	0	0	11,268
<b>Fund Balances End of Year</b>	<b>\$ 1,271,084</b>	<b>\$ 500,000</b>	<b>\$ 3,617,606</b>	<b>\$ 5,388,690</b>

**CITY OF BLUE ASH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2011**

	Street Construction, Maintenance and Repair Fund	Municipal Motor Vehicle License Tax Fund	State Highway Fund	Parks and Recreation Fund
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 631,573	\$ 122,470	\$ 185,205	\$ 80,207
Receivables:				
Accounts	8	0	0	5,334
Intergovernmental	217,348	51,424	17,592	126
Interest	8	3	4	0
Inventory of Supplies, at Cost	174,796	0	0	13,530
Prepaid Items	3,000	0	0	1,772
<b>Total Assets</b>	<b>\$ 1,026,733</b>	<b>\$ 173,897</b>	<b>\$ 202,801</b>	<b>\$ 100,969</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 106,381	\$ 0	\$ 0	\$ 53,482
Accrued Wages and Benefits Payable	64,392	0	0	95,972
Intergovernmental Payable	227	0	0	493
Interfund Loans Payable	0	0	0	0
Deferred Revenue	144,628	33,816	11,728	0
Compensated Absences Payable	0	0	0	25,264
<b>Total Liabilities</b>	<b>315,628</b>	<b>33,816</b>	<b>11,728</b>	<b>175,211</b>
<b>Fund Balances:</b>				
Nonspendable	177,796	0	0	15,302
Restricted	533,309	140,081	191,073	0
Unassigned	0	0	0	(89,544)
<b>Total Fund Balances</b>	<b>711,105</b>	<b>140,081</b>	<b>191,073</b>	<b>(74,242)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,026,733</b>	<b>\$ 173,897</b>	<b>\$ 202,801</b>	<b>\$ 100,969</b>



**CITY OF BLUE ASH, OHIO**

Law Enforcement Assistance Fund	Law Enforcement Fund	OVI Task Force Fund	Drug Law Enforcement Fund	Education Enforcement (DUI) Fund	Law Enforcement Liaison Fund	Total Nonmajor Special Revenue Funds
\$ 6,850	\$ 214,879	\$ 0	\$ 52,788	\$ 15,010	\$ 0	\$ 1,308,982
0	0	0	0	0	0	5,342
0	0	24,313	0	125	8,092	319,020
0	0	0	0	0	0	15
0	0	0	0	0	0	188,326
0	0	0	0	0	0	4,772
<u>\$ 6,850</u>	<u>\$ 214,879</u>	<u>\$ 24,313</u>	<u>\$ 52,788</u>	<u>\$ 15,135</u>	<u>\$ 8,092</u>	<u>\$ 1,826,457</u>
\$ 0	\$ 0	\$ 990	\$ 0	\$ 0	\$ 7,260	\$ 168,113
0	0	0	0	0	0	160,364
0	0	0	0	0	0	720
0	0	10,740	0	0	0	10,740
0	0	0	0	0	0	190,172
0	0	0	0	0	0	25,264
0	0	11,730	0	0	7,260	555,373
0	0	0	0	0	0	193,098
6,850	214,879	12,583	52,788	15,135	832	1,167,530
0	0	0	0	0	0	(89,544)
<u>6,850</u>	<u>214,879</u>	<u>12,583</u>	<u>52,788</u>	<u>15,135</u>	<u>832</u>	<u>1,271,084</u>
<u>\$ 6,850</u>	<u>\$ 214,879</u>	<u>\$ 24,313</u>	<u>\$ 52,788</u>	<u>\$ 15,135</u>	<u>\$ 8,092</u>	<u>\$ 1,826,457</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, 2011***

	Street Construction, Maintenance and Repair Fund	Municipal Motor Vehicle License Tax Fund	State Highway Fund	Parks and Recreation Fund	Law Enforcement Assistance Fund
<b>Revenues:</b>					
Intergovernmental Revenues	\$ 645,656	\$ 111,322	\$ 49,262	\$ 126	\$ 0
Charges for Services	9,677	0	0	909,249	0
Investment Earnings	73	100	198	0	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenue	2,788	0	0	268,714	0
<b>Total Revenue</b>	<b>658,194</b>	<b>111,422</b>	<b>49,460</b>	<b>1,178,089</b>	<b>0</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	0	0	0	0	0
Leisure Time Activities	0	0	0	4,081,680	0
Transportation	4,059,228	100,000	284,146	0	0
<b>Total Expenditures</b>	<b>4,059,228</b>	<b>100,000</b>	<b>284,146</b>	<b>4,081,680</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	(3,401,034)	11,422	(234,686)	(2,903,591)	0
<b>Other Financing Sources (Uses):</b>					
Transfers In	3,546,166	0	0	2,793,787	0
<b>Total Other Financing Sources (Uses)</b>	<b>3,546,166</b>	<b>0</b>	<b>0</b>	<b>2,793,787</b>	<b>0</b>
Net Change in Fund Balance	145,132	11,422	(234,686)	(109,804)	0
<b>Fund Balances at Beginning of Year</b>	<b>548,055</b>	<b>128,659</b>	<b>425,759</b>	<b>42,212</b>	<b>6,850</b>
Increase (Decrease) in Inventory Reserve	17,918	0	0	(6,650)	0
<b>Fund Balances End of Year</b>	<b>\$ 711,105</b>	<b>\$ 140,081</b>	<b>\$ 191,073</b>	<b>\$ (74,242)</b>	<b>\$ 6,850</b>

**CITY OF BLUE ASH, OHIO**

Law Enforcement Fund	OVI Task Force Fund	Drug Law Enforcement Fund	Education Enforcement (DUI) Fund	Automated Fingerprint Identification System Fund	Law Enforcement Liaison Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 197,448	\$ 0	\$ 0	\$ 10,000	\$ 20,985	\$ 1,034,799
0	0	0	0	0	0	918,926
0	0	0	0	0	0	371
17,975	0	676	875	0	0	19,526
0	0	0	0	0	0	271,502
<u>17,975</u>	<u>197,448</u>	<u>676</u>	<u>875</u>	<u>10,000</u>	<u>20,985</u>	<u>2,245,124</u>
21,172	184,016	60	0	10,000	20,153	235,401
0	0	0	0	0	0	4,081,680
0	0	0	0	0	0	4,443,374
<u>21,172</u>	<u>184,016</u>	<u>60</u>	<u>0</u>	<u>10,000</u>	<u>20,153</u>	<u>8,760,455</u>
(3,197)	13,432	616	875	0	832	(6,515,331)
0	0	0	0	0	0	6,339,953
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,339,953</u>
(3,197)	13,432	616	875	0	832	(175,378)
218,076	(849)	52,172	14,260	0	0	1,435,194
0	0	0	0	0	0	11,268
<u>\$ 214,879</u>	<u>\$ 12,583</u>	<u>\$ 52,788</u>	<u>\$ 15,135</u>	<u>\$ 0</u>	<u>\$ 832</u>	<u>\$ 1,271,084</u>

**CITY OF BLUE ASH, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2011**

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	Downtown Improvement Fund	Plainfield Bikepath Construction Fund	Airport Park Fund	Reed Hartman Access Road Improvement Fund	Total Nonmajor Capital Projects Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 549,734	\$ 50,000	\$ 829	\$ 3,070,528	\$ 3,671,091
Receivables:					
Intergovernmental	0	0	0	250,000	250,000
Interest	0	0	0	72	72
<b>Total Assets</b>	<u>\$ 549,734</u>	<u>\$ 50,000</u>	<u>\$ 829</u>	<u>\$ 3,320,600</u>	<u>\$ 3,921,163</u>
<b>Liabilities:</b>					
Contracts Payable	\$ 0	\$ 0	\$ 2,004	\$ 301,553	\$ 303,557
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>2,004</u>	<u>301,553</u>	<u>303,557</u>
<b>Fund Balances:</b>					
Restricted	549,734	50,000	0	3,019,047	3,618,781
Unassigned	0	0	(1,175)	0	(1,175)
<b>Total Fund Balances</b>	<u>549,734</u>	<u>50,000</u>	<u>(1,175)</u>	<u>3,019,047</u>	<u>3,617,606</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 549,734</u>	<u>\$ 50,000</u>	<u>\$ 829</u>	<u>\$ 3,320,600</u>	<u>\$ 3,921,163</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, 2011**

	Downtown Improvement Fund	Plainfield Bikepath Construction Fund	Airport Park Fund	Recreation Center Construction Fund	Reed Hartman Access Road Improvement Fund	Total Nonmajor Capital Project Funds
<b>Revenues:</b>						
Intergovernmental Revenues	\$ 417,280	\$ 0	\$ 0	\$ 0	\$ 250,000	\$ 667,280
Investment Earnings	0	0	0	0	224	224
All Other Revenue	0	0	0	1	1,210	1,211
<b>Total Revenue</b>	<u>417,280</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>251,434</u>	<u>668,715</u>
<b>Expenditures:</b>						
Current:						
Capital Outlay	819,882	0	175,540	0	357,387	1,352,809
Debt Service:						
Principal Retirement	0	0	120,779	0	0	120,779
Interest & Fiscal Charges	0	0	879,221	0	0	879,221
<b>Total Expenditures</b>	<u>819,882</u>	<u>0</u>	<u>1,175,540</u>	<u>0</u>	<u>357,387</u>	<u>2,352,809</u>
Excess (Deficiency) of Revenues Over Expenditures	(402,602)	0	(1,175,540)	1	(105,953)	(1,684,094)
<b>Other Financing Sources (Uses):</b>						
General Obligation Bonds Issued	0	0	0	0	2,875,000	2,875,000
Transfers In	0	50,000	1,173,375	0	250,000	1,473,375
Transfers Out	0	0	0	(31,699)	0	(31,699)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>50,000</u>	<u>1,173,375</u>	<u>(31,699)</u>	<u>3,125,000</u>	<u>4,316,676</u>
Net Change in Fund Balance	(402,602)	50,000	(2,165)	(31,698)	3,019,047	2,632,582
<b>Fund Balances at Beginning of Year</b>	<u>952,336</u>	<u>0</u>	<u>990</u>	<u>31,698</u>	<u>0</u>	<u>985,024</u>
<b>Fund Balances End of Year</b>	<u>\$ 549,734</u>	<u>\$ 50,000</u>	<u>\$ (1,175)</u>	<u>\$ 0</u>	<u>\$ 3,019,047</u>	<u>\$ 3,617,606</u>

**CITY OF BLUE ASH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 2,089,316	\$ 2,010,234	\$ 2,090,590	\$ 80,356
Municipal Income Taxes	27,407,000	27,921,851	29,817,424	1,895,573
Other Local Taxes	900,000	900,000	898,757	(1,243)
Intergovernmental Revenues	1,998,330	1,577,561	1,583,530	5,969
Charges for Services	632,350	632,350	640,508	8,158
Licenses and Permits	304,500	359,500	424,246	64,746
Investment Earnings	30,000	15,000	13,816	(1,184)
Fines and Forfeitures	119,400	119,400	124,845	5,445
All Other Revenues	74,570	104,312	18,124	(86,188)
<b>Total Revenues</b>	<b>33,555,466</b>	<b>33,640,208</b>	<b>35,611,840</b>	<b>1,971,632</b>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Division:				
Personal Services	5,645,000	5,645,000	5,313,703	331,297
Materials and Supplies	129,170	176,754	154,763	21,991
Contractual Services	394,882	388,779	363,187	25,592
Capital Outlay	186,887	186,017	183,324	2,693
<b>Total Police Division</b>	<b>6,355,939</b>	<b>6,396,550</b>	<b>6,014,977</b>	<b>381,573</b>
Fire Division:				
Personal Services	4,079,000	4,079,000	3,685,002	393,998
Materials and Supplies	105,890	105,794	95,037	10,757
Contractual Services	277,781	275,005	247,353	27,652
Capital Outlay	176,672	180,122	177,069	3,053
<b>Total Fire Division</b>	<b>4,639,343</b>	<b>4,639,921</b>	<b>4,204,461</b>	<b>435,460</b>
<b>Total Security of Persons and Property</b>	<b>10,995,282</b>	<b>11,036,471</b>	<b>10,219,438</b>	<b>817,033</b>
Community Development:				
Building Division:				
Personal Services	465,000	465,000	425,920	39,080
Materials and Supplies	2,081	2,067	598	1,469
Contractual Services	402,955	440,224	414,880	25,344
Capital Outlay	1,164,717	1,164,717	517,181	647,536
<b>Total Community Development</b>	<b>2,034,753</b>	<b>2,072,008</b>	<b>1,358,579</b>	<b>713,429</b>

(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, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
General Government:				
Legislative Services:				
Personal Services	142,000	142,000	127,648	14,352
Materials and Supplies	700	700	216	484
Contractual Services	515,259	544,099	534,527	9,572
Total Legislative Services	<u>657,959</u>	<u>686,799</u>	<u>662,391</u>	<u>24,408</u>
Judicial Services:				
Personal Services	180,500	180,500	118,307	62,193
Materials and Supplies	500	500	287	213
Contractual Services	12,962	12,960	7,796	5,164
Total Judicial Services	<u>193,962</u>	<u>193,960</u>	<u>126,390</u>	<u>67,570</u>
Tax and Finance Divisions:				
Personal Services	622,500	622,500	587,077	35,423
Materials and Supplies	4,827	4,824	4,062	762
Contractual Services	132,997	132,269	105,280	26,989
Total Tax and Finance Divisions	<u>760,324</u>	<u>759,593</u>	<u>696,419</u>	<u>63,174</u>
Administrative Services Division:				
Personal Services	1,182,000	1,182,000	1,120,812	61,188
Materials and Supplies	10,406	10,243	7,146	3,097
Contractual Services	26,960	26,718	23,656	3,062
Total Administrative Services Division	<u>1,219,366</u>	<u>1,218,961</u>	<u>1,151,614</u>	<u>67,347</u>
Facilities Maintenance Division:				
Personal Services	1,033,000	1,033,000	1,007,650	25,350
Materials and Supplies	199,579	259,506	256,641	2,865
Contractual Services	335,280	274,500	221,336	53,164
Capital Outlay	155,572	154,207	76,330	77,877
Total Facilities Maintenance Division	<u>1,723,431</u>	<u>1,721,213</u>	<u>1,561,957</u>	<u>159,256</u>
Insurance Services Division:				
Contractual Services	318,816	308,050	258,348	49,702
Total Insurance Services Division	<u>318,816</u>	<u>308,050</u>	<u>258,348</u>	<u>49,702</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, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>General Government Services:</b>				
Personal Services	648,225	648,225	589,844	58,381
Materials and Supplies	49,231	49,155	40,469	8,686
Contractual Services	2,415,927	2,147,017	1,892,014	255,003
Capital Outlay	158,561	182,479	156,122	26,357
Total General Government Services	<u>3,271,944</u>	<u>3,026,876</u>	<u>2,678,449</u>	<u>348,427</u>
Total General Government	<u>8,145,802</u>	<u>7,915,452</u>	<u>7,135,568</u>	<u>779,884</u>
Total Expenditures	<u>21,175,837</u>	<u>21,023,931</u>	<u>18,713,585</u>	<u>2,310,346</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,379,629	12,616,277	16,898,255	4,281,978
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	12,000	12,000	7,530	(4,470)
Transfers Out	(13,473,291)	(14,154,291)	(12,450,442)	1,703,849
Advances In	0	0	11,623	11,623
Advances Out	0	(86,058)	0	86,058
Total Other Financing Sources (Uses)	<u>(13,461,291)</u>	<u>(14,228,349)</u>	<u>(12,431,289)</u>	<u>1,797,060</u>
Net Change in Fund Balance	(1,081,662)	(1,612,072)	4,466,966	6,079,038
Fund Balance at Beginning of Year	17,648,234	17,648,234	17,648,234	0
Prior Year Encumbrances	577,810	577,810	577,810	0
Fund Balance at End of Year	<u>\$ 17,144,382</u>	<u>\$ 16,613,972</u>	<u>\$ 22,693,010</u>	<u>\$ 6,079,038</u>



**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Year Ended December 31, 2011***

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**TIF CARVER ROAD BOND RETIREMENT FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 950,000	\$ 1,039,471	\$ 89,471
Investment Earnings	2,000	737	(1,263)
Total Revenues	<u>952,000</u>	<u>1,040,208</u>	<u>88,208</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	<u>1,852,000</u>	<u>1,848,984</u>	<u>3,016</u>
Total General Government	<u>1,852,000</u>	<u>1,848,984</u>	<u>3,016</u>
Debt Service:			
Principal Retirement	195,000	195,000	0
Interest and Fiscal Charges	<u>470,000</u>	<u>470,000</u>	<u>0</u>
Total Expenditures	<u>2,517,000</u>	<u>2,513,984</u>	<u>3,016</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,565,000)	(1,473,776)	91,224
Fund Balance at Beginning of Year	<u>2,173,284</u>	<u>2,173,284</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 608,284</u>	<u>\$ 699,508</u>	<u>\$ 91,224</u>

**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Project Funds  
For the Year Ended December 31, 2011***

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**GOLF COURSE CONSTRUCTION FUND**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Investment Earnings	\$ 5,000	\$ 5,595	\$ 595
All Other Revenues	0	120	120
Total Revenues	<u>5,000</u>	<u>5,715</u>	<u>715</u>
<b>Expenditures:</b>			
Capital Outlay	<u>8,820,078</u>	<u>8,791,141</u>	<u>28,937</u>
Total Expenditures	<u>8,820,078</u>	<u>8,791,141</u>	<u>28,937</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,815,078)	(8,785,426)	29,652
Fund Balance at Beginning of Year	3,302,931	3,302,931	0
Prior Year Encumbrances	<u>6,812,828</u>	<u>6,812,828</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,300,681</u>	<u>\$ 1,330,333</u>	<u>\$ 29,652</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, 2011***

**STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 663,000	\$ 673,137	\$ 10,137
Charges for Services	1,500	9,678	8,178
Investment Earnings	100	93	(7)
All Other Revenues	1,575	2,788	1,213
Total Revenues	<u>666,175</u>	<u>685,696</u>	<u>19,521</u>
<b>Expenditures:</b>			
Transportation:			
Street Division:			
Personal Services	1,474,000	1,411,748	62,252
Materials and Supplies	461,633	437,524	24,109
Contractual Services	585,290	475,656	109,634
Capital Outlay	2,726,442	2,383,064	343,378
Total Expenditures	<u>5,247,365</u>	<u>4,707,992</u>	<u>539,373</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,581,190)	(4,022,296)	558,894
<b>Other Financing Sources (Uses):</b>			
Transfers In	4,199,525	3,546,166	(653,359)
Total Other Financing Sources (Uses)	<u>4,199,525</u>	<u>3,546,166</u>	<u>(653,359)</u>
Net Changes in Fund Balance	(381,665)	(476,130)	(94,465)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	476,130	476,130	0
Fund Balance at End of Year	<u>\$ 94,465</u>	<u>\$ 0</u>	<u>\$ (94,465)</u>

**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 106,000	\$ 111,107	\$ 5,107
Investment Earnings	300	110	(190)
Total Revenues	<u>106,300</u>	<u>111,217</u>	<u>4,917</u>
<b>Expenditures:</b>			
Transportation:			
Street Division:			
Personal Services	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,300	11,217	4,917
Fund Balance at Beginning of Year	<u>111,253</u>	<u>111,253</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 117,553</u>	<u>\$ 122,470</u>	<u>\$ 4,917</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 52,000	\$ 51,523	\$ (477)
Investment Earnings	200	240	40
Total Revenues	<u>52,200</u>	<u>51,763</u>	<u>(437)</u>
<b>Expenditures:</b>			
Transportation:			
Street Division:			
Capital Outlay	<u>285,155</u>	<u>285,154</u>	<u>1</u>
Total Expenditures	<u>285,155</u>	<u>285,154</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(232,955)	(233,391)	(436)
Fund Balance at Beginning of Year	132,433	132,433	0
Prior Year Encumbrances	<u>285,155</u>	<u>285,155</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 184,633</u>	<u>\$ 184,197</u>	<u>\$ (436)</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, 2011**

**PARK AND RECREATION FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$ 800,500	\$ 903,915	\$ 103,415
All Other Revenues	250,500	268,563	18,063
Total Revenues	<u>1,051,000</u>	<u>1,172,478</u>	<u>121,478</u>
<b>Expenditures:</b>			
Leisure Time Activities:			
Recreation Programming Division:			
Personal Services	1,250,083	1,222,846	27,237
Materials and Supplies	194,630	183,152	11,478
Contractual Services	1,316,168	1,186,487	129,681
Capital Outlay	95,195	93,052	2,143
Total Recreation Programming Division	<u>2,856,076</u>	<u>2,685,537</u>	<u>170,539</u>
Grounds Maintenance Division:			
Personal Services	937,372	886,532	50,840
Materials and Supplies	187,420	180,317	7,103
Contractual Services	358,900	284,862	74,038
Capital Outlay	167,686	147,003	20,683
Total Grounds Maintenance Division	<u>1,651,378</u>	<u>1,498,714</u>	<u>152,664</u>
Total Expenditures	<u>4,507,454</u>	<u>4,184,251</u>	<u>323,203</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,456,454)	(3,011,773)	444,681
<b>Other Financing Sources (Uses):</b>			
Transfers In	3,321,300	2,793,787	(527,513)
Total Other Financing Sources (Uses)	<u>3,321,300</u>	<u>2,793,787</u>	<u>(527,513)</u>
Net Change in Fund Balance	(135,154)	(217,986)	(82,832)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	217,986	217,986	0
Fund Balance at End of Year	<u>\$ 82,832</u>	<u>\$ 0</u>	<u>\$ (82,832)</u>

**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 3,500	\$ 800	\$ (2,700)
Total Revenues	<u>3,500</u>	<u>800</u>	<u>(2,700)</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Contractual Services	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,500)	800	2,300
Fund Balance at Beginning of Year	<u>6,050</u>	<u>6,050</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,550</u>	<u>\$ 6,850</u>	<u>\$ 2,300</u>

**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 12,000	\$ 17,975	\$ 5,975
Total Revenues	<u>12,000</u>	<u>17,975</u>	<u>5,975</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Materials and Supplies	30,000	1,569	28,431
Contractual Services	56,000	5,447	50,553
Capital Outlay	<u>130,000</u>	<u>14,441</u>	<u>115,559</u>
Total Expenditures	<u>216,000</u>	<u>21,457</u>	<u>194,543</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(204,000)	(3,482)	200,518
Fund Balance at Beginning of Year	<u>218,076</u>	<u>218,076</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,076</u>	<u>\$ 214,594</u>	<u>\$ 200,518</u>



**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011**

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<b>OVI TASK FORCE FUND</b>			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 243,195	\$ 198,084	\$ (45,111)
Total Revenues	<u>243,195</u>	<u>198,084</u>	<u>(45,111)</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Contractual Services	219,949	197,201	22,748
Total Expenditures	<u>219,949</u>	<u>197,201</u>	<u>22,748</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	23,246	883	(22,363)
<b>Other Financing Sources (Uses):</b>			
Advances Out	(11,623)	(11,623)	0
Total Other Financing Sources (Uses)	<u>(11,623)</u>	<u>(11,623)</u>	<u>0</u>
Net Change in Fund Balance	11,623	(10,740)	(22,363)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,623</u>	<u>\$ (10,740)</u>	<u>\$ (22,363)</u>

**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 3,000	\$ 676	\$ (2,324)
Total Revenues	<u>3,000</u>	<u>676</u>	<u>(2,324)</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Materials and Supplies	1,000	0	1,000
Contractual Services	16,000	60	15,940
Capital Outlay	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Total Expenditures	<u>20,000</u>	<u>60</u>	<u>19,940</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,000)	616	17,616
Fund Balance at Beginning of Year	<u>52,172</u>	<u>52,172</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 35,172</u>	<u>\$ 52,788</u>	<u>\$ 17,616</u>

**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011***

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**EDUCATION ENFORCEMENT (DUI) FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 1,500	\$ 800	\$ (700)
Total Revenues	<u>1,500</u>	<u>800</u>	<u>(700)</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Contractual Services	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Expenditures	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,500)	800	9,300
Fund Balance at Beginning of Year	<u>14,210</u>	<u>14,210</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,710</u>	<u>\$ 15,010</u>	<u>\$ 9,300</u>

**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011***

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**AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM GRANT FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 10,000	\$ 10,000	\$ 0
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>0</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 28,000	\$ 12,893	\$ (15,107)
Total Revenues	<u>28,000</u>	<u>12,893</u>	<u>(15,107)</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Contractual Services	<u>28,000</u>	<u>12,893</u>	<u>15,107</u>
Total Expenditures	<u>28,000</u>	<u>12,893</u>	<u>15,107</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF BLUE ASH, OHIO**

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**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, 2011**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>GENERAL OBLIGATION BOND RETIREMENT FUND</b>			
<b>Revenues:</b>			
Property Taxes	\$ 84,702	\$ 84,753	\$ 51
Intergovernmental Revenues	23,200	26,791	3,591
Total Revenues	<u>107,902</u>	<u>111,544</u>	<u>3,642</u>
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	3,227,641	3,227,641	0
Interest and Fiscal Charges	948,698	941,421	7,277
Total Expenditures	<u>4,176,339</u>	<u>4,169,062</u>	<u>7,277</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,068,437)	(4,057,518)	10,919
<b>Other Financing Sources (Uses):</b>			
General Obligation Bonds Issued	250,000	250,000	0
Premiums on Debt Issuances	16,950	16,950	0
Transfers In	3,779,765	3,739,910	(39,855)
Total Other Financing Sources (Uses)	<u>4,046,715</u>	<u>4,006,860</u>	<u>(39,855)</u>
Net Change in Fund Balance	(21,722)	(50,658)	(28,936)
Fund Balance at Beginning of Year	550,658	550,658	0
Fund Balance at End of Year	<u>\$ 528,936</u>	<u>\$ 500,000</u>	<u>\$ (28,936)</u>

**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2011***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 447,000	\$ 446,878	\$ (122)
Total Revenues	<u>447,000</u>	<u>446,878</u>	<u>(122)</u>
<b>Expenditures:</b>			
Capital Outlay	<u>1,213,774</u>	<u>997,239</u>	<u>216,535</u>
Total Expenditures	<u>1,213,774</u>	<u>997,239</u>	<u>216,535</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(766,774)	(550,361)	216,413
Fund Balance at Beginning of Year	1,464	1,464	0
Prior Year Encumbrances	<u>921,274</u>	<u>921,274</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 155,964</u>	<u>\$ 372,377</u>	<u>\$ 216,413</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Net Change in Fund Balance	50,000	50,000	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 0</u>



**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2011***

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<b>AIRPORT PARK FUND</b>			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>			
Capital Outlay	1,425,990	1,174,365	251,625
Total Expenditures	1,425,990	1,174,365	251,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,425,990)	(1,174,365)	251,625
<b>Other Financing Sources (Uses):</b>			
Transfers In	1,425,000	1,173,375	(251,625)
Total Other Financing Sources (Uses)	1,425,000	1,173,375	(251,625)
Net Changes in Fund Balance	(990)	(990)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	990	990	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>			
Capital Outlay	<u>884</u>	<u>884</u>	<u>0</u>
Total Expenditures	<u>884</u>	<u>884</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(884)	(884)	0
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(31,699)</u>	<u>(31,699)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(31,699)</u>	<u>(31,699)</u>	<u>0</u>
Net Change in Fund Balance	(32,583)	(32,583)	0
Fund Balance at Beginning of Year	31,699	31,699	0
Prior Year Encumbrances	884	884	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2011**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REED HARTMAN ACCESS ROAD IMPROVEMENT FUND</b>			
<b>Revenues:</b>			
Investment Earnings	\$ 0	\$ 152	\$ 152
All Other Revenues	0	1,210	1,210
Total Revenues	0	1,362	1,362
<b>Expenditures:</b>			
Capital Outlay	3,125,000	2,967,965	157,035
Total Expenditures	3,125,000	2,967,965	157,035
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,125,000)	(2,966,603)	158,397
<b>Other Financing Sources (Uses):</b>			
General Obligation Bonds Issued	2,875,000	2,875,000	0
Transfers In	250,000	250,000	0
Total Other Financing Sources (Uses)	3,125,000	3,125,000	0
Net Change in Fund Balance	0	158,397	158,397
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 0	\$ 158,397	\$ 158,397



***Fiduciary Funds***

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

***Agency Funds***

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**Mayor's Court Fund**

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

**Ohio Board of Building Standards Assessment Fund**

To account for funds from 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, 2011**

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
<b>Mayor's Court</b>				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	\$0	\$203,127	(\$203,127)	\$0
Total Assets	<u>\$0</u>	<u>\$203,127</u>	<u>(\$203,127)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$0	\$203,127	(\$203,127)	\$0
Total Liabilities	<u>\$0</u>	<u>\$203,127</u>	<u>(\$203,127)</u>	<u>\$0</u>
<b>Ohio Board of Building Standards Assessments</b>				
Assets:				
Cash and Cash Equivalents	\$671	\$9,090	(\$8,979)	\$782
Total Assets	<u>\$671</u>	<u>\$9,090</u>	<u>(\$8,979)</u>	<u>\$782</u>
Liabilities:				
Intergovernmental Payables	\$671	\$9,090	(\$8,979)	\$782
Total Liabilities	<u>\$671</u>	<u>\$9,090</u>	<u>(\$8,979)</u>	<u>\$782</u>
<b>Arson Task Force</b>				
Assets:				
Cash and Cash Equivalents	\$2,827	\$1,956	(\$871)	\$3,912
Total Assets	<u>\$2,827</u>	<u>\$1,956</u>	<u>(\$871)</u>	<u>\$3,912</u>
Liabilities:				
Due to Others	\$2,827	\$1,956	(\$871)	\$3,912
Total Liabilities	<u>\$2,827</u>	<u>\$1,956</u>	<u>(\$871)</u>	<u>\$3,912</u>
<b>Flex Spending Fund</b>				
Assets:				
Cash and Cash Equivalents	\$83,194	\$187,203	(\$195,399)	\$74,998
Total Assets	<u>\$83,194</u>	<u>\$187,203</u>	<u>(\$195,399)</u>	<u>\$74,998</u>
Liabilities:				
Due to Others	\$83,194	\$187,203	(\$195,399)	\$74,998
Total Liabilities	<u>\$83,194</u>	<u>\$187,203</u>	<u>(\$195,399)</u>	<u>\$74,998</u>

**CITY OF BLUE ASH, OHIO**

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	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
<b>Totals - All Agency Funds</b>				
Assets:				
Cash and Cash Equivalents	\$86,692	\$198,249	(\$205,249)	\$79,692
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	203,127	(203,127)	0
Total Assets	<u>\$86,692</u>	<u>\$401,376</u>	<u>(\$408,376)</u>	<u>\$79,692</u>
Liabilities:				
Intergovernmental Payables	\$671	\$9,090	(\$8,979)	\$782
Due to Others	86,021	392,286	(399,397)	78,910
Total Liabilities	<u>\$86,692</u>	<u>\$401,376</u>	<u>(\$408,376)</u>	<u>\$79,692</u>





# Statistical Section





## ***STATISTICAL TABLES***

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This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city’s overall financial health.

### ***Contents***

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the city’s financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the city's ability to generate its most significant local revenue source, income tax.	
<b>Debt Capacity</b>	S 18 – S 27
These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the city’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 32 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

## *City of Blue Ash*

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Governmental Activities:</b>				
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	<u>(8,625,857)</u>	<u>7,790,282</u>	<u>7,349,937</u>	<u>11,353,572</u>
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>
<b>Business-type Activities:</b>				
Invested in Capital Assets, Net of Related Debt	\$2,825,114	\$2,694,683	\$2,712,921	\$2,640,807
Unrestricted (Deficit)	<u>(26,005)</u>	<u>(23,320)</u>	<u>(21,594)</u>	<u>(30,031)</u>
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>
<b>Primary Government:</b>				
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	<u>(8,651,862)</u>	<u>7,766,962</u>	<u>7,328,343</u>	<u>11,323,541</u>
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*

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2006	2007	2008	2009	2010	2011
\$34,881,463	\$41,228,022	\$46,397,044	\$51,850,887	\$52,322,247	\$49,870,997
4,839,111	2,657,256	6,177,078	3,617,547	3,887,408	8,010,630
14,150,187	17,428,349	17,007,777	18,716,037	21,877,839	18,694,226
<u>\$53,870,761</u>	<u>\$61,313,627</u>	<u>\$69,581,899</u>	<u>\$74,184,471</u>	<u>\$78,087,494</u>	<u>\$76,575,853</u>
\$2,616,516	\$2,663,932	\$2,529,047	\$2,523,039	\$4,363,628	\$11,749,406
(13,743)	(26,609)	(37,114)	(77,742)	(60,056)	87,108
<u>\$2,602,773</u>	<u>\$2,637,323</u>	<u>\$2,491,933</u>	<u>\$2,445,297</u>	<u>\$4,303,572</u>	<u>\$11,836,514</u>
\$37,497,979	\$43,891,954	\$48,926,091	\$54,373,926	\$56,685,875	\$61,620,403
4,839,111	2,657,256	6,177,078	3,617,547	3,887,408	8,010,630
14,136,444	17,401,740	16,970,663	18,638,295	21,817,783	18,781,334
<u>\$56,473,534</u>	<u>\$63,950,950</u>	<u>\$72,073,832</u>	<u>\$76,629,768</u>	<u>\$82,391,066</u>	<u>\$88,412,367</u>

## City of Blue Ash

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

	2002	2003	2004	2005
<b>Expenses</b>				
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>\$30,358,893</u>	<u>\$25,442,418</u>	<u>\$28,323,556</u>	<u>\$27,701,780</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$407,291	\$483,282	\$218,704	\$415,652
Leisure Time Activities	680,730	652,338	641,986	667,712
Community Development	179,487	180,035	195,256	346,095
Transportation	12,189	820	2,584	725
General Government	208,466	367,610	390,473	287,798
Operating Grants and Contributions	1,012,192	569,887	1,801,713	998,262
Capital Grants and Contributions	988,047	112,804	1,717,293	0
<i>Total Governmental Activities Program Revenues</i>	<u>3,488,402</u>	<u>2,366,776</u>	<u>4,968,009</u>	<u>2,716,244</u>

*City of Blue Ash*

2006	2007	2008	2009	2010	2011
\$10,330,009	\$10,583,392	\$10,808,527	\$10,971,088	\$10,200,445	\$10,106,451
4,629,671	4,942,967	5,463,869	5,262,217	3,965,278	12,798,189
1,128,585	864,853	809,377	784,808	1,602,342	1,228,985
1,879,424	2,092,167	1,864,013	2,401,524	79,730	0
1,919,917	2,311,705	2,024,089	2,415,412	4,058,682	4,916,322
7,401,144	7,512,638	8,133,593	8,351,370	10,227,100	9,061,273
842,242	1,559,980	2,299,658	2,099,365	1,999,212	2,216,492
<u>28,130,992</u>	<u>29,867,702</u>	<u>31,403,126</u>	<u>32,285,784</u>	<u>32,132,789</u>	<u>40,327,712</u>
<u>1,482,474</u>	<u>1,592,043</u>	<u>1,612,555</u>	<u>1,523,894</u>	<u>1,461,696</u>	<u>1,678,250</u>
<u>1,482,474</u>	<u>1,592,043</u>	<u>1,612,555</u>	<u>1,523,894</u>	<u>1,461,696</u>	<u>1,678,250</u>
<u>\$29,613,466</u>	<u>\$31,459,745</u>	<u>\$33,015,681</u>	<u>\$33,809,678</u>	<u>\$33,594,485</u>	<u>\$42,005,962</u>
\$127,044	\$93,483	\$96,637	\$46,524	\$39,045	\$30,966
705,492	704,280	633,303	773,855	844,815	903,915
523,062	333,467	236,921	153,767	266,574	320,669
13,183	900	7,117	1,977	1,977	9,669
199,771	268,784	276,842	305,634	188,747	207,794
822,921	823,631	875,492	1,183,899	1,037,723	965,315
0	50,000	1,011,720	639,330	65,390	668,490
<u>2,391,473</u>	<u>2,274,545</u>	<u>3,138,032</u>	<u>3,104,986</u>	<u>2,444,271</u>	<u>3,106,818</u>

(continued)

## City of Blue Ash

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

	2002	2003	2004	2005
<b>Business-type Activities:</b>				
Charges for Services				
Golf Course	1,014,440	981,482	1,105,883	1,093,114
Capital Grants and Contributions	0	0	0	0
<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
<b>Net (Expense)/Revenue</b>				
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)
<b>General Revenues and Other Changes in Net Assets</b>				
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
<b>Change in Net Assets</b>				
Governmental Activities	(\$3,390,614)	\$4,283,588	\$2,691,584	\$4,849,372
Business-type Activities	(135,866)	(127,746)	19,964	(80,551)
<i>Total Primary Government Change in Net Assets</i>	(\$3,526,480)	\$4,155,842	\$2,711,548	\$4,768,821

Source: Finance Office



*City of Blue Ash*

2006	2007	2008	2009	2010	2011
1,122,849	1,153,749	1,084,768	1,076,427	1,001,624	911,220
0	0	0	0	0	7,371,069
1,122,849	1,153,749	1,084,768	1,076,427	1,001,624	8,282,289
3,514,322	3,428,294	4,222,800	4,181,413	3,445,895	11,389,107
(25,739,519)	(27,593,157)	(28,265,094)	(29,180,798)	(29,688,518)	(37,220,894)
(359,625)	(438,294)	(527,787)	(447,467)	(460,072)	6,604,039
<u>(\$26,099,144)</u>	<u>(\$28,031,451)</u>	<u>(\$28,792,881)</u>	<u>(\$29,628,265)</u>	<u>(\$30,148,590)</u>	<u>(\$30,616,855)</u>
\$2,284,018	\$2,170,820	\$2,113,553	\$2,169,222	\$2,122,642	\$2,090,590
108,801	276,381	727,746	984,447	1,172,283	1,042,031
22,145,729	26,914,805	29,147,868	27,251,070	27,380,888	30,159,819
869,253	902,725	966,974	891,104	875,608	927,172
1,726,738	3,185,974	2,288,739	1,936,325	3,201,037	1,451,654
720,964	1,013,428	642,916	61,302	28,331	18,069
861,002	1,044,534	1,028,167	890,731	1,129,099	948,821
(351,622)	(472,644)	(382,597)	(400,831)	(2,318,347)	(928,903)
0	0	0	0	0	0
28,364,883	35,036,023	36,533,366	33,783,370	33,591,541	35,709,253
351,622	472,644	382,597	400,831	2,318,347	928,903
0	0	0	0	0	0
351,622	472,644	382,597	400,831	2,318,347	928,903
<u>\$28,716,505</u>	<u>\$35,508,667</u>	<u>\$36,915,963</u>	<u>\$34,184,201</u>	<u>\$35,909,888</u>	<u>\$36,638,156</u>
\$2,625,364	\$7,442,866	\$8,268,272	\$4,602,572	\$3,903,023	(\$1,511,641)
(8,003)	34,350	(145,190)	(46,636)	1,858,275	7,532,942
<u>\$2,617,361</u>	<u>\$7,477,216</u>	<u>\$8,123,082</u>	<u>\$4,555,936</u>	<u>\$5,761,298</u>	<u>\$6,021,301</u>

## *City of Blue Ash*

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	510,629	392,003	336,403	510,338	1,614,323
Unreserved	<u>5,087,578</u>	<u>7,638,598</u>	<u>7,344,816</u>	<u>9,181,613</u>	<u>9,684,919</u>
<i>Total General Fund</i>	<u>5,598,207</u>	<u>8,030,601</u>	<u>7,681,219</u>	<u>9,691,951</u>	<u>11,299,242</u>
All Other Governmental Funds					
Nonspendable	0	0	0	0	0
Restricted	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	5,246,029	1,177,875	6,537,653	4,077,834	6,852,199
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	516,883	675,620	626,637	918,193	595,933
Capital Projects Funds	<u>(9,001,332)</u>	<u>(2,121,141)</u>	<u>(9,888,439)</u>	<u>(4,282,921)</u>	<u>(351,904)</u>
<i>Total All Other Governmental Funds</i>	<u>(3,238,420)</u>	<u>(267,646)</u>	<u>(2,724,149)</u>	<u>713,106</u>	<u>7,096,228</u>
<i>Total Governmental Funds</i>	<u>\$2,359,787</u>	<u>\$7,762,955</u>	<u>\$4,957,070</u>	<u>\$10,405,057</u>	<u>\$18,395,470</u>

Source: Finance Office

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

*City of Blue Ash*

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

## *City of Blue Ash*

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

	2002	2003	2004	2005
<b>Revenues:</b>				
Taxes				
Property	\$2,134,376	\$2,262,022	\$2,259,907	\$2,225,710
Municipal Income	16,532,390	20,585,615	19,482,112	21,780,007
Other Local	682,029	669,641	699,467	782,470
Intergovernmental Revenues	3,134,793	3,005,859	3,976,014	3,661,407
Charges for Services	834,809	1,228,620	995,850	1,170,430
Licenses and Permits	253,622	258,015	281,498	437,106
Investment Earnings	279,789	182,281	128,697	357,462
Fines and Forfeitures	582,167	623,175	378,006	659,328
All Other Revenue	263,332	347,352	343,018	319,332
<b>Total Revenue</b>	<u>24,697,307</u>	<u>29,162,580</u>	<u>28,544,569</u>	<u>31,393,252</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	9,243,373	9,205,777	9,972,468	10,111,541
Leisure Time Activities	4,115,009	3,793,655	3,837,782	3,885,242
Community Environment	690,755	682,771	657,461	882,499
Basic Utility Services	3,714,209	3,154,613	2,498,477	2,144,168
Transportation	3,775,004	2,022,193	1,876,750	1,755,940
General Government	4,350,054	4,583,358	5,766,124	5,669,339
Capital Outlay	7,092,437	8,085,301	3,238,694	1,737,644
Debt Service:				
Principal Retirement	2,037,715	2,037,955	2,463,216	2,463,503
Interest and Fiscal Charges	794,888	865,931	800,502	850,590
<b>Total Expenditures</b>	<u>35,813,444</u>	<u>34,431,554</u>	<u>31,111,474</u>	<u>29,500,466</u>
Excess (Deficiency) of Revenues Over Expenditures	(11,116,137)	(5,268,974)	(2,566,905)	1,892,786

*City of Blue Ash*

2006	2007	2008	2009	2010	2011
\$2,376,614	\$2,359,974	\$2,896,080	\$3,239,625	\$3,210,343	\$3,214,814
22,053,892	27,037,678	28,934,385	27,084,620	27,411,890	29,937,730
869,253	902,725	966,974	891,104	875,608	927,172
2,843,102	4,098,400	4,181,614	3,806,303	4,296,177	3,196,489
1,259,704	1,417,539	1,355,985	1,450,662	1,568,165	1,560,635
619,984	430,549	335,746	252,611	367,608	425,185
648,480	1,011,620	642,916	61,302	28,331	18,069
254,781	172,999	174,305	133,095	114,812	144,371
295,085	424,361	412,951	336,120	419,672	292,853
<u>31,220,895</u>	<u>37,855,845</u>	<u>39,900,956</u>	<u>37,255,442</u>	<u>38,292,606</u>	<u>39,717,318</u>
10,595,745	11,260,376	11,064,811	10,873,558	10,230,976	10,014,242
4,310,565	4,413,957	5,034,298	4,248,364	3,823,146	4,081,680
1,360,707	944,529	910,816	782,176	1,601,674	1,220,875
1,912,102	2,390,755	1,958,071	2,406,148	114,224	0
2,017,696	2,167,150	2,323,589	2,073,586	3,500,677	4,443,374
5,580,307	5,700,274	7,860,934	6,566,020	7,846,087	7,639,034
3,447,714	26,962,418	9,059,084	7,325,932	2,689,388	8,709,260
2,830,000	3,830,000	3,034,334	3,826,800	2,588,598	3,543,420
1,065,088	1,185,353	2,303,704	2,108,322	1,955,738	2,273,692
<u>33,119,924</u>	<u>58,854,812</u>	<u>43,549,641</u>	<u>40,210,906</u>	<u>34,350,508</u>	<u>41,925,577</u>
(1,899,029)	(20,998,967)	(3,648,685)	(2,955,464)	3,942,098	(2,208,259)

(continued)

## *City of Blue Ash*

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	20	580,524	616	2,520
Ohio Public Works Commission Loan	0	0	0	0
General Obligation Bonds Issued	0	10,000,000	0	3,700,000
Property Acquisition Loan	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0
Transfers In	9,829,714	17,052,402	12,040,770	18,233,922
Transfers Out	(9,975,098)	(17,243,010)	(12,269,713)	(18,378,965)
<b>Total Other Financing Sources (Uses)</b>	<u>(145,364)</u>	<u>10,389,916</u>	<u>(228,327)</u>	<u>3,557,477</u>
<b>Net Change in Fund Balance</b>	<u>(\$11,261,501)</u>	<u>\$5,120,942</u>	<u>(\$2,795,232)</u>	<u>\$5,450,263</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 9.84%	 12.13%	 12.13%	 12.69%

Source: Finance Office

*City of Blue Ash*

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2006	2007	2008	2009	2010	2011
305,145	261,920	72,728	17,521	13,134	0
0	0	1,147,701	1,218,401	160,307	0
9,790,000	9,975,000	0	0	9,775,000	3,125,000
0	18,913,325	0	0	0	0
72,484	1,808	0	0	488,232	0
12,067,135	12,272,969	13,558,928	11,508,399	11,997,678	11,553,238
(12,418,757)	(12,745,613)	(14,118,625)	(11,909,230)	(12,342,103)	(12,482,141)
9,816,007	28,679,409	660,732	835,091	10,092,248	2,196,097
<u>\$7,916,978</u>	<u>\$7,680,442</u>	<u>(\$2,987,953)</u>	<u>(\$2,120,373)</u>	<u>\$14,034,346</u>	<u>(\$12,162)</u>
13.89%	16.64%	16.99%	17.76%	13.86%	14.26%

## *City of Blue Ash*

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

<b>Tax year</b>	2002	2003	2004	2005	2006
Income Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Total Tax Collected	\$19,657,020	\$20,595,096	\$20,483,282	\$22,419,840	\$23,127,864
Income Tax Receipts					
Withholding	15,850,948	16,099,711	16,209,336	16,295,486	16,969,100
Percentage	80.63%	78.17%	79.14%	72.68%	73.37%
Corporate	2,875,284	3,542,607	3,308,918	5,061,717	5,124,123
Percentage	14.63%	17.20%	16.15%	22.58%	22.16%
Individuals	930,788	952,778	965,028	1,062,637	1,034,641
Percentage	4.74%	4.63%	4.71%	4.74%	4.47%

Source: Finance Office



*City of Blue Ash*

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



# City of Blue Ash

## Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2011				
<i>Withholding Tax</i>	Number of Filers	Percent of Total Filers	Income Tax Collections	Percent of Income
Income Tax Filers				
Top Ten	10	0.41%	\$7,454,437	31.02%
All Others	2,455	99.59%	16,575,615	68.98%
Total	2,465	100.00%	\$24,030,052	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%	\$2,977,660	43.77%
All Others	6,500	99.85%	3,826,040	56.23%
Total	6,510	100.00%	\$6,803,700	100.00%
<i>Total Income Tax Collections</i>			\$30,833,752	
Calendar Year 2002				
<i>Withholding Tax</i>				
Income Tax Filers	Number of Filers	Percent of Total Filers	Income Tax Collections	Percent of Income
Top Ten	10	0.41%	\$4,756,050	30.00%
All Others	2,457	99.59%	11,094,898	70.00%
Total	2,467	100.00%	\$15,850,948	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	0.18%	\$1,483,226	38.97%
All Others	5,686	99.82%	2,322,846	61.03%
Total	5,696	100.00%	\$3,806,072	100.00%
<i>Total Income Tax Collections</i>			\$19,657,020	

Source: City Income Tax Department

## *City of Blue Ash*

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

	2002	2003	2004	2005
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$10,795,000	\$18,760,000	\$16,300,000	\$17,540,000
Tax Increment Financing Bonds	0	0	0	0
Capital Leases	9,674	6,719	3,503	0
Property Acquisition Loan	0	0	0	0
Ohio Public Works Commission Loan	0	0	0	0
Total Primary Government	<u>\$10,804,674</u>	<u>\$18,766,719</u>	<u>\$16,303,503</u>	<u>\$17,540,000</u>
<b>Population</b> <sup>(2)</sup>				
City of Blue Ash	12,513	12,513	12,513	12,513
Outstanding Debt Per Capita	\$863	\$1,500	\$1,303	\$1,402
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	452,420	466,184	493,851	499,732
Percentage of Personal Income	2.39%	4.03%	3.30%	3.51%

**Sources:**

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

*City of Blue Ash*

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2006	2007	2008	2009	2010	2011
\$14,710,000	\$21,855,000	\$19,025,000	\$15,480,000	\$23,658,232	\$23,763,847
9,790,000	9,790,000	9,690,000	9,590,000	9,400,000	9,205,000
0	0	0	0	0	0
0	17,913,325	17,808,991	17,699,441	17,584,413	17,463,634
0	0	1,147,701	2,293,852	2,255,589	2,002,948
<u>\$24,500,000</u>	<u>\$49,558,325</u>	<u>\$47,671,692</u>	<u>\$45,063,293</u>	<u>\$52,898,234</u>	<u>\$52,435,429</u>
12,513	12,513	12,513	12,513	12,114	12,114
\$1,958	\$3,961	\$3,810	\$3,601	\$4,367	\$4,328
519,002	519,002	534,680	534,680	532,023	555,451
4.72%	9.55%	8.92%	8.43%	9.94%	9.44%

## *City of Blue Ash*

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

Year	2002	2003	2004	2005
<b>Population</b> (1)	12,513	12,513	12,513	12,513
<b>Personal Income</b> (2)	\$452,420	\$466,184	\$493,851	\$499,732
<b>General Bonded Debt</b> (3)				
General Obligation Bonds	\$10,795,000	\$18,760,000	\$16,300,000	\$17,540,000
<b>Resources Available to Pay Principal</b> (4)	\$48,216	\$80,475	\$5,131,585	\$26,082
<b>Net General Bonded Debt</b>	\$10,746,784	\$18,679,525	\$11,168,415	\$17,513,918
<b>Ratio of Net Bonded Debt to Estimated Personal Income</b> (in thousands)	2.38%	4.01%	2.26%	3.50%
<b>Net Bonded Debt per Capita</b>	\$858.85	\$1,492.81	\$892.54	\$1,399.66

**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*

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2006	2007	2008	2009	2010	2011
12,513	12,513	12,513	12,513	12,114	12,114
\$519,002	\$519,002	\$534,680	\$534,680	\$532,023	\$555,451
\$14,710,000	\$21,855,000	\$19,025,000	\$15,480,000	\$23,658,232	\$23,763,847
\$28,878	\$31,585	\$25,123	\$25,000	\$550,658	\$500,000
\$14,681,122	\$21,823,415	\$18,999,877	\$15,455,000	\$23,107,574	\$23,263,847
2.83%	4.20%	3.55%	2.89%	4.34%	4.19%
\$1,173.27	\$1,744.06	\$1,518.41	\$1,235.12	\$1,907.51	\$1,920.41





**City of Blue Ash**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2011*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Blue Ash</u>	<u>Amount Applicable to the City of Blue Ash</u>
<b>Direct:</b>			
City of Blue Ash	\$52,435,429	100.00%	\$52,435,429
<b>Overlapping:</b>			
Sycamore Community School District	52,307,763	42.73%	22,351,107
Princeton City School District	194,554,930	0.73%	1,420,251
Great Oaks Joint Vocational School District	17,500,000	3.94%	689,500
Hamilton County	84,155,000	3.86%	<u>3,248,383</u>
		Subtotal	<u>27,709,241</u>
		Total	<u><u>\$80,144,670</u></u>

**Source:** Ohio Municipal Advisory Council

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

## *City of Blue Ash*

### *Debt Limitations Last Ten Years*

<b>Tax Year</b>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Total Debt</b>				
Net Assessed Valuation	\$829,806,860	\$782,909,360	\$799,130,325	\$803,638,420
Legal Debt Limitation (%) <sup>(1)</sup>	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) <sup>(1)</sup>	87,129,720	82,205,483	83,908,684	84,382,034
City Debt Outstanding <sup>(2)</sup>	0	0	0	0
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u><u>\$87,129,720</u></u>	<u><u>\$82,205,483</u></u>	<u><u>\$83,908,684</u></u>	<u><u>\$84,382,034</u></u>
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$829,806,860	\$782,909,360	\$799,130,325	\$803,638,420
Legal Debt Limitation (%) <sup>(1)</sup>	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) <sup>(1)</sup>	45,639,377	43,060,015	43,952,168	44,200,113
City Debt Outstanding <sup>(2)</sup>	0	0	0	0
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u><u>\$45,639,377</u></u>	<u><u>\$43,060,015</u></u>	<u><u>\$43,952,168</u></u>	<u><u>\$44,200,113</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*

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2006	2007	2008	2009	2010	2011
\$751,507,450	\$744,215,915	\$769,438,003	\$774,127,710	\$758,327,730	\$706,449,050
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
78,908,282	78,142,671	80,790,990	81,283,410	79,624,412	74,177,150
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$78,908,282</u>	<u>\$78,142,671</u>	<u>\$80,790,990</u>	<u>\$81,283,410</u>	<u>\$79,624,412</u>	<u>\$74,177,150</u>
\$751,507,450	\$744,215,915	\$769,438,003	\$774,127,710	\$758,327,730	\$706,449,050
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
41,332,910	40,931,875	42,319,090	42,577,024	41,708,025	38,854,698
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$41,332,910</u>	<u>\$40,931,875</u>	<u>\$42,319,090</u>	<u>\$42,577,024</u>	<u>\$41,708,025</u>	<u>\$38,854,698</u>

## *City of Blue Ash*

### *Pledged Revenue Coverage Last Six Years*

	2006	2007	2008	2009
<b>Tax Increment Financing Bonds (1)</b>				
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*

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<u>2010</u>	<u>2011</u>
\$1,001,648	\$1,039,471
190,000	195,000
486,963	470,000
1.48	1.56

## *City of Blue Ash*

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

Calendar Year	2002	2003	2004	2005	2006
<b>Population</b> <sup>(1)</sup>					
City of Blue Ash	12,513	12,513	12,513	12,513	12,513
Hamilton County	845,303	845,303	845,303	806,652	806,652
<b>Income</b> <sup>(2) (a)</sup>					
Total Personal (in thousands)	452,420	466,184	493,851	499,732	519,002
Per Capita	36,156	37,256	39,467	39,937	41,477
<b>Unemployment Rate</b> <sup>(3)</sup>					
Federal	4.8%	5.8%	6.0%	5.5%	5.0%
State	4.3%	5.7%	6.1%	6.0%	5.9%
Hamilton County	4.8%	4.5%	5.1%	5.6%	5.0%
<b>Civilian Work Force Estimates</b> <sup>(3)</sup>					
State	5,828,000	5,915,000	5,875,300	5,900,400	5,934,000
Hamilton County	435,200	437,900	422,200	426,800	423,500
<b>Daytime Population</b> <sup>(4)</sup>	54,000	54,000	54,600	55,000	56,700

**Sources:**

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

*City of Blue Ash*

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2007	2008	2009	2010	2011
12,513	12,513	12,513	12,114	12,114
806,652	806,652	806,652	802,374	801,948
519,002	534,680	534,680	532,023	555,451
41,477	42,730	42,730	43,918	45,852
4.6%	5.8%	10.0%	9.4%	8.9%
5.6%	6.6%	10.8%	9.6%	8.6%
5.0%	5.6%	10.4%	8.5%	8.6%
5,976,500	5,986,400	5,986,400	5,906,000	5,806,000
431,200	432,400	432,400	434,700	406,900
58,000	58,000	55,000	53,000	53,000





## City of Blue Ash

### Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	Rank (1)	
		2011	2002
Procter and Gamble	Technical Center - Home Product Division	1	1
Ethicon	Surgical Instruments Manufacturer	2	2
Kroger	Administrative Offices	3	
Warner Cable	Cable Company	4	5
Ingersoll-Rand (Steelcraft)	Steel Products Manufacturer	5	4
Belcan Engineering Services	Engineering Services	6	6
Citigroup	Financial Services	7	
Mercy Health Systems	Home Health Services	8	8
Wornick	Pre-Packaged Food Manufacturer	9	
Coca Cola USA	Beverage Distributor	10	
Fidelity Investments	Investments		3
Sara Lee	Headquarters		7
LSI Industries	Lighting Manufacturer		9
United Medical Resources	Third Party Administrator		10

Employer	Nature of Business	2011 Number of Employees (2)	Percentage of Total Employment
Procter and Gamble	Technical Center - Home Product Division	1,750	3.65%
Kroger	Administrative Offices	1,342	2.80%
Ethicon	Surgical Instruments Manufacturer	1,041	2.17%
Warner Cable	Cable Company	666	1.39%
Mercy Health Systems	Home Health Services	638	1.33%
Citigroup	Financial Services	600	1.25%
Ingersoll-Rand (Steelcraft)	Steel Products Manufacturer	540	1.13%
Wornick	Pre-Packaged Food Manufacturer	534	1.11%
Coca Cola USA	Beverage Distributor	423	0.88%
Belcan Engineering Services	Engineering Services	375	0.78%
Total Top Ten Employers		7,909	
Estimated Total Employment within the City		48,000	

**Sources:**

(1) Rankings provided by City Income Tax Department

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

## *City of Blue Ash*

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Governmental Activities</b>						
General Government						
Finance/Tax	8.00	8.00	9.25	7.50	7.50	7.00
Judicial	2.50	3.00	3.50	3.50	3.50	2.50
Administration/General Gov't	11.25	12.50	14.75	12.25	12.25	13.50
Facilities Maintenance	13.50	14.00	14.00	14.00	14.75	15.50
Security of Persons and Property						
Police	55.25	56.25	55.25	52.75	49.00	47.75
Fire	33.00	36.00	38.00	39.75	41.50	36.00
Basic Utility Services						
Public Service	13.50	13.50	11.50	10.50	10.50	9.00
Transportation						
Street	11.00	11.50	12.50	12.50	12.00	10.00
Leisure Time Activities						
Recreation	54.00	50.25	48.00	40.50	41.25	41.50
Parks and Grounds	20.25	19.75	18.00	13.50	14.50	16.00
Community Environment						
Community Development	4.50	4.50	4.50	3.50	3.50	4.50
<b>Business-Type Activities</b>						
Golf Course	<u>27.50</u>	<u>28.50</u>	<u>27.50</u>	<u>23.25</u>	<u>23.75</u>	<u>22.50</u>
<i>Total Employees</i>	<u><u>254.25</u></u>	<u><u>257.75</u></u>	<u><u>256.75</u></u>	<u><u>233.50</u></u>	<u><u>234.00</u></u>	<u><u>225.75</u></u>

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

Source: Finance Office

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

*City of Blue Ash*

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<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
7.00	8.00	7.00	7.00
2.50	2.50	2.50	1.50
13.50	14.50	14.50	14.00
16.00	17.00	17.50	17.00
47.75	47.25	46.75	45.25
41.75	42.25	38.75	36.75
7.25	10.50	(A) 0.00	0.00
9.00	9.25	17.00	17.50
42.00	42.00	40.50	40.00
17.75	15.75	15.00	16.00
4.25	4.50	4.50	4.25
<u>24.25</u>	<u>22.75</u>	<u>22.25</u>	<u>24.25</u>
<u>233.00</u>	<u>236.25</u>	<u>226.25</u>	<u>223.50</u>

## *City of Blue Ash*

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

	2002	2003	2004	2005	2006
<b>Governmental Activities</b>					
General Government					
<u>Court</u>					
Number of Citations Heard	3,707	3,757	3,866	3,588	2,385
<u>Community Development</u>					
Number of Residential Building Permits Issued	158	199	191	108	177
Number of Commercial Building Permits Issued	405	420	319	399	435
Security of Persons and Property					
<u>Police</u>					
Number of Offenses	2,105	1,834	1,683	1,763	1,744
Number of Arrests	4,905	5,025	5,270	6,135	4,700
Number of Accidents	550	744	564	636	620
Number of Service Calls/Details	19,542	18,167	18,710	15,915	16,177
<u>Fire</u>					
Number of Fire Runs	691	750	679	739	674
Number of EMS Runs	1,290	1,322	1,283	1,434	1,545
Transportation					
<u>Street</u>					
Miles of Streets Resurfaced	11	5	8	15	4
Feet of Walking/Biking Paths Maintained	1,124	185	1,290	580	555
Leisure Time Activities					
<u>Parks</u>					
Number of Active Recreation Center Memberships	3,670	3,662	3,612	3,438	3,671
<b>Business-Type Activities</b>					
<u>Golf Course</u>					
Number of Golf Rounds	36,127	35,499	38,409	37,237	37,314

Source: Finance Office

*City of Blue Ash*

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2007	2008	2009	2010	2011
1,929	1,960	1,439	1,942	2,148
161	126	182	200	163
423	384	302	398	438
1,326	1,340	1,171	1,298	1,333
4,091	3,869	3,660	4,045	3,863
648	655	620	579	697
13,840	15,210	19,183	17,440	17,588
787	1,001	917	887	766
1,561	1,675	1,507	1,594	1,628
6	10	15	3	8
120	209	178	755	570
3,677	3,511	4,543	4,944	4,970
37,684	35,600	35,532	32,328	31,799

## *City of Blue Ash*

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

	2002	2003	2004	2005	2006
<b>Governmental Activities</b>					
General Government					
Public Land and Buildings					
Land (acres)	123	131	131	132	131
Buildings	7	7	7	7	7
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	34	33	33	32	31
Fire					
Stations	2	2	2	2	2
Vehicles	14	14	14	14	14
Transportation					
Street					
Streets (lane miles)	153.5	155.1	155.1	160.9	160.9
Street Lights	1,049	1,049	1,049	1,049	1,049
Vehicles	31	31	31	31	31
Leisure Time Activities					
Parks					
Land (acres)	146	146	146	146	146
Buildings	15	15	15	16	17
Parks	10	10	10	10	9
Playgrounds	8	8	8	8	8
Swimming Pools	2	2	2	2	2
Tennis Courts	8	8	8	8	8
Baseball/Softball Diamonds	11	11	11	11	11
Soccer Fields	5	5	5	5	5
<b>Business-Type Activities</b>					
Golf Course					
Land (acres)	151	151	151	151	151
Buildings	7	7	7	7	7
Vehicles	5	6	6	5	5

Source: Finance Office

*City of Blue Ash*

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2007	2008	2009	2010	2011
131 7	132 8	132 8	132 8	132 8
1 32	1 32	1 34	1 33	1 31
2 14	2 14	2 14	2 14	2 13
160.9 1,053 31	163.4 1,055 31	167.3 1,055 29	167.3 1,055 28	167.3 1,055 29
275 17 9 8 2 8 11 5	275 17 9 8 2 8 11 5	275 17 9 8 2 8 11 5	275 17 9 8 2 8 11 5	275 17 9 8 2 8 11 5
151 7 5	151 7 4	151 7 6	151 6 5	151 7 6







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

*SUPPLEMENTAL REPORTS*

FOR THE YEAR ENDED  
DECEMBER 31, 2011

**SHERRY POPPE, TREASURER/ADMINISTRATIVE SERVICES DIRECTOR**

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

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**CITY OF BLUE ASH  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A),(B) CASH DISBURSEMENTS
<b>U. S. DEPARTMENT OF JUSTICE</b>			
<b>BUREAU OF JUSTICE ASSISTANCE</b>			
<b>PASSED THROUGH THE</b>			
<b>OHIO OFFICE OF CRIMINAL JUSTICE SERVICES</b>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-JG-LLE-5844	\$ 10,000
<b>Total U.S. Department of Justice</b>			<b>10,000</b>
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>			
<b>PASSED THROUGH THE</b>			
<b>OHIO DEPARTMENT OF TRANSPORTATION</b>			
Highway Planning and Construction	20.205	81770	417,281
<b>PASSED THROUGH THE</b>			
<b>OHIO DEPARTMENT OF PUBLIC SAFETY</b>			
State and Community Highway Safety	20.600	GG-2012-31-00-00-00266-00	12,892
Minimal Penalties for Repeat Offenders for Driving While Intoxicated	20.608	OVITF-2011-31-00-00-00378-00	171,572
Minimal Penalties for Repeat Offenders for Driving While Intoxicated	20.608	OVITF-2012-31-00-00-00452-00	26,619
<b>Total Minimal Penalties for Repeat Offenders for Driving While Intoxicated</b>			<b>198,191</b>
<b>Total U.S. Department of Transportation</b>			<b>628,364</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 638,364</b>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

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

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



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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

**Independent Accountants' Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Required by *Government Auditing Standards***

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

To the Members of Council and Mayor:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blue Ash, Hamilton County, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the City of Blue Ash's basic financial statements and have issued our report thereon dated June 15, 2012. We noted the City of Blue Ash adopted Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Blue Ash's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the City of Blue Ash's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City of Blue Ash'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, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City of Blue Ash's financial statements will not be prevented, or detected and timely corrected.

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 material weaknesses, as defined above.

Members of Council and Mayor  
City of Blue Ash

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the City of Blue Ash's management in a separate letter dated June 15, 2012.

We intend this report solely for the information and use of the management and Members of Council and Mayor of the City of Blue Ash, federal awarding agencies and pass-through entities, and others within the City of Blue Ash. We intend it for no one other than these specified parties.

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

Julian & Grube, Inc.  
June 15, 2012



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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

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

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

To the Members of Council and Mayor:

Compliance

We have audited the compliance of the City of Blue Ash with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Blue Ash's major federal program for the year ended December 31, 2011. The summary of auditor's results section of the accompanying schedule of findings identifies the City of Blue Ash's major federal program. The City of Blue Ash's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the City of Blue Ash's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City of Blue Ash's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Blue Ash's compliance with these requirements.

In our opinion, the City of Blue Ash complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2011.

Members of Council and Mayor  
City of Blue Ash

### Internal Control Over Compliance

The City of Blue Ash's management 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 of Blue Ash's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining 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 opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City of Blue Ash's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be 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 also audited and issued our unqualified opinion on the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Blue Ash as of and for the year ended December 31, 2011, and have issued our report thereon dated June 15, 2012. Our opinion also explained that the City of Blue Ash adopted *Governmental Accounting Standard No. 54* during the year. Our audit was performed to form opinions on the financial statements that collectively comprise the City of Blue Ash's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards (the "schedule") provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Members of Council and Mayor  
City of Blue Ash

We intend this report solely for the information and use of the management and Members of Council and Mayor of the City of Blue Ash, federal awarding agencies and pass-through entities, and others within the City of Blue Ash. We intend it for no one other than these specified parties.

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

Julian & Grube, Inc.  
June 15, 2012

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2011**

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

<b>2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None

<b>3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS</b>
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None

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

**STATUS OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2011**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i></b>
2010-1	<u>Significant Deficiency - Financial Statement Reporting</u> - The City had audit adjustments that were not initially identified by the City's internal control.	Yes	N/A

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# Dave Yost • Auditor of State

CITY OF BLUE ASH

HAMILTON COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
OCTOBER 4, 2012