

CITY OF CINCINNATI, OHIO

Single Audit Reports

Year Ended December 31, 2008



Mary Taylor, CPA
Auditor of State

City Council
City of Cincinnati
City Hall
801 Plum Street
Cincinnati, Ohio 45202

We have reviewed the *Independent Auditors' Report* of the City of Cincinnati, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2008 through December 31, 2008. 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 Cincinnati is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 27, 2009

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CITY OF CINCINNATI, OHIO
Schedule of Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2008

| Grantor/Program Title | Fund | CFDA # | Grant # | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures |
|---|------|--------|--------------------|--|------------------------------------|------------------|
| <i>1 U.S. Department of Agriculture</i> | | | | | | |
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * Hamilton County WIC Program | 391 | 10.557 | 31-2-001-1-CL-07 | 0 | | (21) |
| * Hamilton County WIC Program | 391 | 10.557 | 31-2-001-1-CL-08 | 52 | | |
| * Hamilton County WIC Program | 391 | 10.557 | 31-2-001-1-WA-0109 | 2,614 | | (2,587) |
| Total for CFDA No. 10.557 | | | | 2,666 | 0 | (2,608) |
| <i>U.S. Department of Agriculture</i> | | | | | | |
| <i>Passed through Ohio Department of Education</i> | | | | | | |
| * CACFP- Child & Adult Care Food Program | 319 | 10.558 | 31-2-001-1-CL-06 | 0 | | 0 |
| * CACFP- Child & Adult Care Food Program | 319 | 10.558 | 009070 | 103 | 0 | (36) |
| * CACFP- Child & Adult Care Food Program | 324 | 10.558 | 009070 | 40 | 0 | (57) |
| Total for CFDA No. 10.558 | | | | 143 | 0 | (93) |
| TOTAL DEPARTMENT OF AGRICULTURE | | | | 2,809 | | (2,701) |
| <i>2 U.S. Department of Health and Human Services</i> | | | | | | |
| <i>* Passed through Council on Aging of Southwestern Ohio</i> | | | | | | |
| * Special Programs for the Aging Title III Part B | 324 | 93.044 | | 23 | | (23) |
| (a.) Total for CFDA No. 93.044 | | | | 23 | 0 | (23) |
| * Special Programs for the Aging Title III Part C | 324 | 93.045 | | 190 | 15 | (276) |
| (a.) Total for CFDA No. 93.045 | | | | 190 | 15 | (276) |
| <i>* Passed through Cincinnati Health Network</i> | | | | | | |
| * Homeless Health Care Program | 448 | 93.151 | Contract #75-9509 | 67 | | (85) |
| * Homeless Health Care Program | 448 | 93.151 | Contract #85-9623 | 172 | | (170) |
| (b.) Total for CFDA No. 93.151 | | | | 239 | 0 | (255) |
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * Regional Lead Poisoning Prevention | 380 | 93.197 | 31-2-001-1-BE-07 | | | (8) |
| * Regional Lead Poisoning Prevention | 380 | 93.197 | 31-2-001-1-BE-08 | 64 | 1 | (72) |
| * Regional Lead Poisoning Prevention | 380 | 93.197 | 31-2-001-1-BE-09 | 20 | | (29) |
| Total for CFDA No. 93.197 | | | | 84 | 1 | (109) |
| <i>* Passed through Neighborhood Health Care</i> | | | | | | |
| * Cincinnati Health Network | 446 | 93.224 | Contract #75-9551 | | | (85) |
| * Cincinnati Health Network | 446 | 93.224 | Contract #85-9668 | | | (108) |
| Total for CFDA No. 93.224 | | | | - | - | (193) |
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * Immunization Action Plan Special | 415 | 93.268 | 31-2-001-2-AZ-07 | 67 | | (64) |
| * Immunization Action Plan Special | 415 | 93.268 | 31-2-001-2-IM-0108 | 375 | | (288) |
| Total for CFDA No. 93.268 | | | | 442 | 0 | (352) |
| <i>* U.S. Department of Health & Human Services</i> | | | | | | |
| <i>* Passed through Ohio Department of Community Dev.</i> | | | | | | |
| * Child Care & Development Block Grant | 323 | 93.575 | | 19 | | (19) |
| Total for CFDA No. 93.575 | | | | 19 | 0 | (19) |
| <i>* Passed through YMCA of Greater Cincinnati</i> | | | | | | |
| * TANF - Child Care Services | 323 | 93.558 | | 39 | | (39) |
| * TANF - Cincy After School | 319 | 93.558 | | 0 | 0 | 0 |
| Total for CFDA No. 93.558 | | | | 39 | 0 | (39) |
| <i>* U.S. Department of Health & Human Services</i> | | | | | | |
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * Social Services Block Grant | 323 | 93.667 | | 19 | | (19) |
| Total for CFDA No. 93.667 | | | | 19 | 0 | (19) |
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * Federal AIDS Prevention | 378 | 93.940 | 31-2-01-2-F-DL-SE1 | | | (191) |
| * Federal AIDS Prevention | 378 | 93.940 | 31-2-001-2-AS-08 | 118 | | (101) |
| * Federal AIDS Prevention | 378 | 93.940 | 31-2-001-2-HP-0108 | 734 | 6 | (648) |
| Total for CFDA No. 93.940 | | | | 852 | 6 | (940) |
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * STD Control Program | 378 | 93.977 | 31-2-001-2-BX-08 | | | (2) |
| * STD Control Program | 378 | 93.977 | 31-2-001-2-ST-0109 | 42 | | (63) |
| Total for CFDA No. 93.977 | | | | 42 | 0 | (65) |
| STD/HIV Prevention Training Centers | 379 | 93.978 | R30/CCR516650-08 | | | (2) |
| STD/HIV Prevention Training Centers | 379 | 93.978 | R30/CCR516650-09 | 400 | | (400) |
| Total for CFDA No. 93.978 | | | | 400 | 0 | (402) |

CITY OF CINCINNATI, OHIO
Schedule of Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2008

| Grantor/Program Title | Fund | CFDA # | Grant # | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures |
|--|------|--------|------------------------|-------------------------------------|---------------------------------|------------------|
| * <i>Passed through Ohio Department of Health</i> | | | | | | |
| * Heart Health in Hamilton County | 425 | 93.991 | 31-2-001-2-ED-07 | 9 | | (53) |
| * Heart Health in Hamilton County | 425 | 93.991 | 31-2-001-2-CH-0108 | 150 | | (93) |
| Total for CFDA No. 93.991 | | | | 159 | 0 | (146) |
| * <i>Passed through Ohio Department of Health</i> | | | | | | |
| * Public Health Infrastructure | 350 | 93.283 | 31-2-001-2-B1-07 | 89 | | 0 |
| Public Health Infrastructure | 350 | 93.283 | 31-2-001-2-B1-08 | 71 | | (82) |
| * Public Health Infrastructure | 350 | 93.283 | 31-2-001-2-PI-0209 | 18 | | (4) |
| Total for CFDA No. 93.283 | | | | 178 | 0 | (86) |
| TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | 2,686 | 22 | (2,924) |
| 3 U.S. Department of Housing & Urban Development | | | | | | |
| * Community Development Block Grant | 304 | 14.218 | B07-MC390003 | 8,503 | | (8,503) |
| * Community Development Block Grant | 304 | 14.218 | B08-MC390003 | 3,365 | 1,536 | (5,449) |
| (c.) Total for CFDA No. 14.218 | | | | 11,868 | 1,536 | (13,952) |
| * Emergency Shelter Grant | 445 | 14.231 | S-07-MC-39-0003 | 70 | | (70) |
| * Emergency Shelter Grant | 445 | 14.231 | S-08-MC-39-0003 | 469 | | (469) |
| Total for CFDA No. 14.231 | | | | 539 | 0 | (539) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C20-0001 | 120 | | (120) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C30-0001 | 185 | | (197) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C40-0001 | 368 | | (368) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C50-0001 | 184 | | (184) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C60-0015 | 1,111 | | (1,111) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C70-0001 | 23 | | (23) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C70-0001 | 1,641 | | (1,641) |
| Total for CFDA No. 14.238 | | | | 3,632 | 0 | (3,644) |
| * HOME | 411 | 14.239 | M-04-MC-39-0213 | 561 | | (561) |
| * HOME | 411 | 14.239 | M-05-MC-39-0213 | 788 | | (788) |
| * HOME | 411 | 14.239 | M-07-MC-39-0213 | 179 | | (495) |
| * HOME | 411 | 14.239 | M-08-MC-39-0213 | 232 | 153 | (350) |
| * HOME | 411 | 14.239 | M-96-MC-39-0213 | 286 | | (286) |
| * HOME | 411 | 14.239 | M-97-MC-39-0213 | 489 | | (489) |
| * HOME | 411 | 14.239 | M-98-MC-39-0213 | 450 | | (450) |
| * HOME | 411 | 14.239 | Outstanding CFDA loans | 0 | | (25,309) |
| Total for CFDA No. 14.239 | | | | 2,985 | 153 | (28,728) |
| * Housing Opportunities For People With Aids | 465 | 14.241 | O-HH-06-F001 | 54 | | (54) |
| * Housing Opportunities For People With Aids | 465 | 14.241 | O-HH-07-F001 | 469 | | (469) |
| Total for CFDA No. 14.241 | | | | 523 | 0 | (523) |
| Empowerment Zone | 386 | 14.244 | EZ-99-04-0009 | 1,180 | | (1,180) |
| Total for CFDA No. 14.244 | | | | 1,180 | 0 | (1,180) |
| FY06 HUD Grant | 472 | 14.246 | B-06-SP-OH-0779 | | | (3) |
| Total for CFDA No. 14.246 | | | | 0 | 0 | (3) |
| Lead Hazard Control Grant | 381 | 14.900 | OHLHB0360-07 | 415 | | (404) |
| Total for CFDA No. 14.900 | | | | 415 | 0 | (404) |
| TOTAL DEPARTMENT OF HOUSING & URBAN DEVELOPMENT | | | | 21,142 | 1,689 | (48,973) |
| 4 U.S. Department of the Interior | | | | | | |
| * <i>Passed through Ohio Department of Natural Resources</i> | | | | | | |
| * ODNR-Hooked on Fishing | 324 | 15.605 | | 10 | | (9) |
| (d.) Total for CFDA No. 15.605 | | | | 10 | 0 | (9) |
| TOTAL DEPARTMENT OF THE INTERIOR | | | | 10 | 0 | (9) |
| 5 U.S. Department of Justice | | | | | | |
| * <i>Passed through Ohio Department of Youth Services</i> | | | | | | |
| Juvenile Accountability | 368 | 16.540 | 2007-JB-015-A242 | 24 | | (9) |
| Total for CFDA No. 16.540 | | | | 24 | 0 | (9) |
| * <i>Passed through Ohio Office of Criminal Justice Services</i> | | | | | | |
| Mental Health Associates (Byrne) | 368 | 16.579 | 2006-JG-A02-6256 | 7 | | (10) |
| * Delinquency Prevention | 447 | 16.579 | 2000-DG-BOV-7655 | 1 | | 0 |
| Computer Cop | 447 | 16.579 | 2006-JG-B01-6260 | 10 | | (10) |
| Computer Cop | 447 | 16.579 | 2000-JG-B01-6238 | 25 | | (25) |
| Total for CFDA No. 16.579 | | | | 43 | 0 | (45) |

CITY OF CINCINNATI, OHIO
Schedule of Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2008

| Grantor/Program Title | Fund | CFDA # | Grant # | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures |
|--|------|--------|------------------------|-------------------------------------|---------------------------------|------------------|
| <i>* Passed through Ohio Office of Criminal Justice Services</i> | | | | | | |
| * Domestic Violence Advocacy | 368 | 16.588 | 2007-WF-VA5-8583 | 54 | | (54) |
| Total for CFDA No. 16.588 | | | | 54 | 0 | (54) |
| Local Law Enforcement Block Grant | 345 | 16.592 | 2004-LB-BX-0452 | | (1) | (107) |
| Total for CFDA No. 16.592 | | | | 0 | (1) | (107) |
| Bulletproof Vests | 368 | 16.607 | 100415 | 4 | | (20) |
| Total for CFDA No. 16.607 | | | | 4 | 0 | (20) |
| <i>* Passed through Ohio Office of Criminal Justice Services</i> | | | | | | |
| * Project Safe Neighborhood | 368 | 16.609 | 2006-PS-PSN-300 | 20 | | (19) |
| Total for CFDA No. 16.609 | | | | 20 | 0 | (19) |
| Computer Aided Dispatch | 980 | 16.710 | 2004-CK-WX-0135 | 309 | 0 | (225) |
| Police Risk Management Systems | 980 | 16.710 | 2003-CK-WX 0167 | 52 | 0 | (1) |
| 2005 Earmark - RMS | 368 | 16.710 | 2005-CK-WX-0118 | (143) | | |
| 2008 Earmark - RMS | 368 | 16.710 | 2005-CK-WX-0558 | 239 | | (41) |
| Total for CFDA No. 16.710 | | | | 457 | 0 | (267) |
| Justice Assistance Grant | 478 | 16.738 | 2005-DJ-BX-1383 | | | (132) |
| Justice Assistance Grant | 361 | 16.738 | 2006-DJ-BX-0957 | | | (86) |
| Justice Assistance Grant | 375 | 16.738 | 2007-DJ-BX-1160 | | 13 | |
| Justice Assistance Grant | 345 | 16.738 | 2008-DJ-BX-0307 | 196 | 1 | (98) |
| Total for CFDA No. 16.738 | | | | 196 | 14 | (316) |
| TOTAL DEPARTMENT OF JUSTICE | | | | 798 | 13 | (837) |
| <i>6 U.S. Department of Transportation</i> | | | | | | |
| Lunken Improvements - '03 | 980 | 20.106 | 3-39-0018-1603 | | | (2) |
| FAA/ODOT Local Match '06 | 980 | 20.106 | 07-07 | 175 | | |
| Total for CFDA No. 20.106 | | | | 175 | 0 | (2) |
| <i>* Passed through Ohio Department of Transportation</i> | | | | | | |
| * L & N Bridge Approach Improvements | 980 | 20.205 | PID20312 | | 239 | |
| * Hopple St., Meeker to I-75 Improv. | 980 | 20.205 | PID 04905 | | | (2) |
| * Queen City Ave-White/Wyoming | 980 | 20.205 | PID04909 | | | (3) |
| * Queen City Ave-White/Wyoming | 980 | 20.205 | PID10599 | | | 43 |
| * Ohio River Trail Salem to Downtown | 980 | 20.205 | PID20399 | | | (69) |
| * ML King Woodside to Eden | 980 | 20.205 | PID 24485 | 210 | | (223) |
| Gilbert Ave Greenway | 980 | 20.205 | PID 78010 ODOT | 168 | | (147) |
| Kennedy Connector | 980 | 20.205 | OH Dept of Dev | | | (106) |
| Columbia Pwy Access Management | 980 | 20.205 | PID 11895 ODOT | | | (207) |
| Hamilton Ave. Windmere to Groesbeck | 980 | 20.205 | PID 24503 ODOT | 987 | | (1,584) |
| Eighth Street Viaduct | 980 | 20.205 | PID 77363 | 6,725 | | (6,725) |
| Zoo-Vine St. Pedestrianbridge | 980 | 20.205 | PID 77706 | 747 | | (845) |
| Park Infrastructure Rehab | 980 | 20.205 | PID 78015 | 485 | | (468) |
| Mt. Adams Steps | 980 | 20.205 | PID 80757 | 630 | | (647) |
| Walvogel Viaduct Replacement 06 | 980 | 20.205 | PID 20082 ODOT | | | (192) |
| Sub-total for ODOT - CFDA No. 20.205 | | | | 9,952 | 239 | (11,175) |
| <i>* Passed through Governor's Highway Safety Office</i> | | | | | | |
| Law Enforcement Overtime Program | 368 | 20.600 | GG-2008-31-00-00-00195 | 82 | | (84) |
| Law Enforcement Overtime Program | 368 | 20.600 | GG-2008-31-00-00-00208 | 57 | | (39) |
| (f.) Total for CFDA No. 20.600 | | | | 139 | 0 | (123) |
| TOTAL DEPARTMENT OF TRANSPORTATION | | | | 10,266 | 239 | (11,300) |
| Brownfield Job Training | 474 | 66.815 | JT96546102 | 81 | | (78) |
| Total for CFDA No. 66.815 | | | | 81 | 0 | (78) |
| TOTAL ENVIRONMENTAL PROTECTION AGENCY | | | | 81 | 0 | (78) |
| <i>8 National Park Service</i> | | | | | | |
| Mt. Airy/Kirby Valley Trail | 980 | 15.919 | RT03 (101) | 7 | | (22) |
| Mt. Auburn Hopkins Park | 980 | 15.919 | 39-CTY-1610-02-01 | 23 | | (36) |
| Total for CFDA No. 15.919 | | | | 30 | 0 | (58) |
| TOTAL NATIONAL PARK SERVICE | | | | 30 | 0 | (58) |

CITY OF CINCINNATI, OHIO
Schedule of Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2008

| Grantor/Program Title | Fund | CFDA # | Grant # | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures |
|---|------|--------|------------------------|--|------------------------------------|------------------|
| 9 Department of Homeland Security | | | | | | |
| <i>* Passed through Hamilton County Emergency Mgt. Agency</i> | | | | | | |
| * Urban Areas Security Initiative | | 97.008 | S03-UASI-31 | (61) | | 61 |
| * Urban Areas Security Initiative | | 97.008 | S04-UASI-31-0546 | (232) | | 232 |
| * Urban Areas Security Initiative | | 97.008 | S05-UASI-31-0297 | (7) | | 7 |
| * Urban Areas Security Initiative | 476 | 97.008 | S06-UASI-31-0236 | 935 | | (932) |
| * Urban Areas Security Initiative | 476 | 97.008 | S07-UASI | 104 | | (104) |
| * Urban Areas Security Initiative | 895 | 97.008 | S06-UASI-31-02326 | 171 | | (171) |
| Total for CFDA No . 97.008 | | | | 910 | 0 | (907) |
| 9 Department of Homeland Security | | | | | | |
| <i>* Passed through Hamilton County Emergency Mgt. Agency</i> | | | | | | |
| | | | 04SHSGP | 175 | | (175) |
| | | | 05SHSGP | (9) | | 9 |
| * Homeland Security Grant Program | | 97.073 | 06SHSCP | 177 | | (177) |
| Total for CFDA No . 97.073 | | | | 343 | 0 | (343) |
| <i>* Passed through Ohio Dept. of Natural Resources</i> | | | | | | |
| * Paddle Safe Cincinnati | 324 | 97.012 | 2006-17 | (1) | | |
| * Paddle Safe Cincinnati | 324 | 97.012 | 2008-34 | 7 | | (3) |
| Total for CFDA No . 97.012 | | | | 6 | 0 | (3) |
| <i>* Passed through Ohio Dept. of Public Safety</i> | | | | | | |
| * FEMA-Windstorm | 479 | 97.036 | FEMA 1805-DR-061-15000 | | | (2,659) |
| Total for CFDA No . 97.036 | | | | 0 | 0 | (2,659) |
| Fire Prevention & Safety Grant | 472 | 97.044 | EMW-2006-FP-02745 | 45 | | (43) |
| Fire Prevention & Safety Grant | 343 | 97.044 | EMW-2006-FP-02745 | 4 | | (15) |
| Total for CFDA No . 97.044 | | | | 49 | 0 | (58) |
| <i>* Passed through Ohio Emergency Management Agency</i> | | | | | | |
| Metropolitan Medical Response System | 454 | 97.071 | S-06-MMRs6-31-0241 | 159 | | (158) |
| Metropolitan Medical Response System | 393 | 97.071 | EMW-2004-GR-0554 | | | (24) |
| Metropolitan Medical Response System | 393 | 97.071 | S-06-MMRs6-31-0241 | | | (12) |
| * Metropolitan Medical Response System | 454 | 97.071 | 70-0560-0-1-999 | | | (7) |
| Total for CFDA No . 97.044 | | | | 159 | 0 | (201) |
| <i>* Passed through Ohio Emergency Management Agency</i> | | | | | | |
| FY07 UASI | 476 | 97.067 | 0000006885 | 11 | | (11) |
| Metropolitan Medical Response System | 454 | 97.067 | 0000007023 | 42 | | (30) |
| Total for CFDA No . 97.067 | | | | 53 | 0 | (41) |
| TOTAL DEPARTMENT OF HOMELAND SECURITY | | | | 1,520 | 0 | (4,212) |
| TOTAL FEDERAL GRANTS & SUBSIDIES (Non-GAAP Basis) | | | | 39,342 | 1,963 | (71,092) |
| Less Amount Recognized as Contributed Capital | | | | (10,518) | | |
| Less Accrual of Federal Grant & Subsidies at 12/31/07 | | | | (675) | | |
| Plus Accrual of Federal Grant & Subsidies at 12/31/08 | | | | 784 | | |
| Less Receivable from Federal Government at 12/31/07 | | | | (1,225) | | |
| Amount Recognized as Federal Grants & Subsidies (GAAP Basis) | | | | 27,708 | | |

* Indicates Federal monies passed through another agency to the City of Cincinnati.

Total Community Development loans outstanding at December 31, 2008 totaled \$37,784,666 under CFDA 14.218 and \$25,309,495 under CFDA 14.239.

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

To the Honorable Mayor and Members of City Council
City of Cincinnati, Ohio:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cincinnati, Ohio (the "City") as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 29, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described and labeled as 2008-1 in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies, and accordingly, would not disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe the significant deficiency described above is a material weakness.

Compliance And Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated June 29, 2009.

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

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 29, 2009

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

To the Honorable Mayor and Member of City Council
City of Cincinnati, Ohio:

Compliance

We have audited the compliance of the City of Cincinnati, Ohio (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

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cincinnati, oh 45202

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p. 513.241.3111
f. 513.241.1212

Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material compliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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 the City's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major funds, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2008, and have issued our report thereon dated June 29, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 29, 2009

CITY OF CINCINNATI, OHIO
Schedule of Findings and Questioned Costs
Year Ended December 31, 2008

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

| | |
|--|-------------|
| Internal control over major programs: | |
| • Material weakness(es) identified? | none |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | none |
| Type of auditors’ report issued on compliance for major programs: | unqualified |
| Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133? | none |
| Identification of major programs: | |
| • <i>CFDA 14.218 – Community Development Block Grants – Entitlement Grants</i> | |
| • <i>CFDA 14.239 – HOME Investment Partnerships Program</i> | |
| • <i>CFDA 97.036 – Disaster Grants – Public Assistance</i> | |
| Dollar threshold to distinguish between Type A and Type B Programs: | \$1,373,490 |
| Auditee qualified as low-risk auditee? | no |

Section II – Financial Statement Findings

Finding 2008-1 – Audit Adjustment

During the course of our audit, we identified a misstatement in the financial statements for the year under audit that were not initially identified by the City’s internal control over financial reporting. State agencies made payments to vendors of approximately \$10.6 million on behalf of the City. The City did not initially record the corresponding intergovernmental revenue and expenditure in the Capital Projects Fund.

Management’s Response: Management concurs with the finding and has implemented procedures to capture State on-behalf payments made throughout the year.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV – Summary of Prior Audit Findings and Questioned Costs

None.

Comprehensive Annual
FINANCIAL REPORT

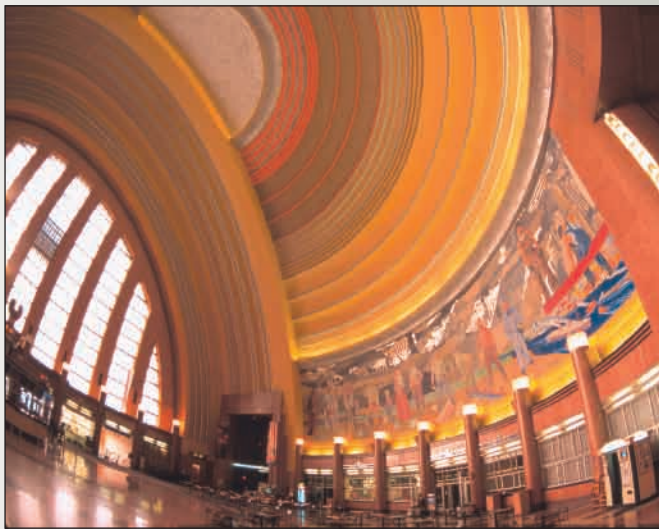
FOR THE YEAR ENDED DECEMBER 31, 2008



2008

CITY OF CINCINNATI, OHIO

75th Anniversary UNION TERMINAL



Built in 1933, the Cincinnati Union Terminal was first proposed in the early part of the 20th century as a solution to the chaotic existing railroad system. While the success of the train station was short lived, the building (now the Cincinnati Museum Center) stands today as a National Historical Landmark and is named as one of the top 50 architecturally significant buildings in America by the American Institute of Architects.



Comprehensive Annual
FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2008

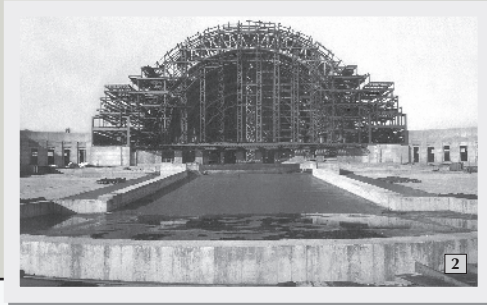
Director of Finance:
Joe Gray

Assistant Director of Finance:
Kathleen A. Creager, CPA

Finance Manager:
Christopher A. Bigham, CPA

CITY OF CINCINNATI, OHIO





INTRODUCTORY SECTION

Designed by the New York firm of Fellheimer and Wagner, the Cincinnati Union terminal was originally a self-sustaining complex of 22 distinct buildings. Work began in August 1929, and was completed in March 1933. Behind its magnificent art deco façade is the largest freestanding half-dome in the western hemisphere, with a span of 180 feet and a height of 106 feet. Their first designs were classical in style until Paul Phillippe Cret, a friend of Steward Wagner, was engaged as a consultant and influenced the art deco style of the building. The final design followed the popular art deco style of that era. The project eventually cost \$41,000,000 to complete and was finished on March 31, 1933.

Fellheimer and Wagner commissioned artist Winold Reiss to design and create huge color mosaic murals for the rotunda and the train concourse to assist in creating Art Deco style for the entire building. The concourse was 450 feet long and contained 14 mosaic murals depicting scenes of Cincinnati's leading industries. The murals in the rotunda depict the development of the nation; he drew the portraits from life, frequently using Cincinnatians as his subjects. The murals were executed in small colored-glass pieces called "terasse." In 1972, just before the concourse was demolished, the murals were moved to their current home in the Greater Cincinnati Airport.



CITY OF CINCINNATI, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended December 31, 2008

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City of Cincinnati



DEPARTMENT OF FINANCE

SUITE 250, CITY HALL
801 PLUM STREET
CINCINNATI OH 45202
PHONE (513) 352-3731

June 30, 2009

JOE GRAY
DIRECTOR OF FINANCE

The Honorable Mayor, Members of City Council,
and the Citizens of the City of Cincinnati, Ohio

We are pleased to submit the City of Cincinnati's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2008. State law requires that the City of Cincinnati annually publish a complete set of financial statements for the results of its fiscal operations, presented in conformity with generally accepted accounting principles (GAAP). This report is prepared by the Department of Finance, which is responsible for the accuracy of the data and the completeness and fairness of its presentation, including disclosures. We believe that the information presented is accurate in all material respects and reported in a manner designed to show the financial position and operating results of the City.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A) that is located on page 19. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The Administration believes that the City's internal control structure provides reasonable assurance that assets are safeguarded, transactions are recorded and reported appropriately, and policies are followed. The concept of reasonable assurance recognizes that the cost of a control procedure should not exceed the expected benefit.

An important element of the City's control structure is the ongoing program to promote control consciousness throughout the organization. The Administration's commitment to this program is emphasized through written policies and procedures, and a well-qualified financial staff.

The firm of Clark, Schaefer, Hackett and Co. was selected, by the Auditor of the State of Ohio, in October 2004 to perform the City's audit for the five years 2004 to 2008. Clark, Schaefer, Hackett and Co. has audited the accompanying financial statements. Their report is included herein.

A single audit is an organization-wide financial and compliance audit that is conducted in lieu of the traditional grant-by-grant multiple audits performed in the past. Federal law requires us to have this single audit of all City activities. We have remained in compliance with this requirement since its inception in 1985. Clark, Schaefer, Hackett and Co. conducted the single audit for the 2008 fiscal year.

Profile of the Government

Cincinnati was founded in 1788, chartered as a village in 1802, and incorporated as a City in 1819. It is located on the Ohio River in Southwestern Ohio near the junction of Ohio, Indiana and Kentucky. Voters approved major revisions to the City Charter in 1926 to provide for home rule and the council-manager form of government. The City's form of government was modified in 2001 based on a charter amendment approved by the voters in 1999 to implement a strong Mayor form of government. The Mayor is chosen through a direct election and the nine-members of City Council are chosen in a separate at-large election.

The Mayor is elected to a four-year term and City Council members are elected to two-year terms. Term limits enacted in November 1993 limit members of City Council to four consecutive two-year terms and the Mayor to two consecutive four-year terms. The Mayor appoints the City Manager subject to prior approval of the City Council.

The City is the only governmental unit in the reporting entity; it has no component units. In determining what constitutes the City reporting entity, the criteria established by the Governmental Accounting Standards Board were used. The City is not financially accountable for any potential component units. Hamilton County and the Cincinnati City School District are separate governmental jurisdictions that overlap the City's boundaries. These entities are not included in the City's financial reports.

An annual operating budget is adopted each fiscal year for the General Fund and several Special Revenue Funds which operate on an annual budget. Budgetary data is presented for these funds as well as the Capital Projects Fund, Debt Service Fund and other Special Revenue Funds which are mostly grants. For each budgeted expenditure classification, the level of appropriation control, which may not be exceeded, is: personal service, non-personal service, capital outlay, and debt service. Any revisions that alter the appropriation control classification of any division within a City department must be approved by the City Council. Encumbrances do not lapse at year-end and are included as expenditures in the current year budget (Non-GAAP Budgetary Basis).

The City provides the full range of municipal services including police and fire protection, parks, recreation, public services (highways, streets, and waste collection), health and human services, culture, public improvements, planning and zoning, general administrative, water and sewer services.

Information Useful in Assessing the Government's Economic Condition

Local Economy

Forty-three percent of the nation's population, 41% of the nation's purchasing power, 44% of the nation's manufacturing establishments, and 54% of the nation's value added by manufacturing are located within 600 miles of the City. The City's diverse economic base has been and continues to be a source of financial stability for the City. Among its prominent manufacturing groups are transportation equipment, which includes aircraft engines and auto parts; food and kindred products; metalworking and general industrial machinery; chemicals; fabricated metal products; printing and publishing.

According to the Greater Cincinnati Chamber of Commerce in its Economic Outlook 2009, the economic slowdown which began in 2007 will continue through 2009. Recovery will depend primarily on the results of the Federal Government stimulus which began in 2008 with the banking industry. However, the regional area maintains recognition as a good place to live which helps improve prospects for future growth and immigration. Recently, expansion and relocation activity has turned more favorable.

During the past five years, the unemployment rate in the Cincinnati MSA rose slightly from an initial low of 5.1% (2004) to a high of 5.8% (2008). Regional job growth is expected to decline by 1.5% in 2009. The overall economic slowdown will continue to affect job growth and unemployment throughout 2009.

Cincinnati's keys to successful recovery are in its ability to attract and maintain business and to reduce impact of loss of population and jobs to growing suburban areas.

Per the U.S. 2000 Census the City of Cincinnati's population was 331,285. The 2008 updated population estimates made by the Census Bureau has the Cincinnati population at 332,458.

Long Term Financial Planning

City Council established standards for a minimum working capital reserve account in 1984 to assure a strong financial position and to protect Cincinnati's general obligation bond rating during periods of fiscal stress. The policy called for achievement of a minimum reserve level, for emergency needs of a catastrophic nature, of no less than 5% or more than 8% of general operating revenues by December 31, 1986. The targeted year-end reserve level was achieved in January of each year 1985 through 2008. For 2009, the target reserve of \$25.3 million (6.9% of 2009 estimated revenues) has already been achieved.

Actual Non-GAAP General Fund expenditures/encumbrances in 2008 were \$365.9 million which is a \$4 million increase compared with 2007 expenditure/encumbrances of \$361.9 million. Actual Non-GAAP revenue in 2008 of \$360.7 million was greater than the original 2008 revenue estimate of \$356.7 million by \$4 million.

Standard and Poor's rates the City's general obligation bonds "AA+", the second highest rating. The City's bond rating by Moody's is Aa1", the second highest rating. The ratings reflect the City's strong financial management and healthy local economy.

Relevant Financial Policies

Cash temporarily idle during the year was invested in Certificates of Deposit, obligations of the U.S. Treasury, and the State Treasurer's investment pool. The City has an investment committee that meets regularly to review investment policies and procedures. Beginning in March 2003, separate portfolios were created for general investments and bond investments in order to track specific interest earned on bond proceeds.

The City's Investment Policy, which was approved by the Mayor and City Council, is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized. The investments held by the City at December 31, 2008 were either backed by the full faith and credit of the U.S. Government or were investments with a credit rating of A-/A3 and above. The Investment Policy uses a laddered approach to schedule investment maturities whose weighted average maturity of the general investment portfolio is not to exceed two years. As of December 31, 2008, the weighted average maturity was 722.37 days. The Investment Policy also identifies a benchmark that is used to monitor the performance of the investment portfolio. During 2008, the benchmark ranged from 3.02% to 4.56% and the rate of return for general investments ranged from 3.82% to 4.73%. The rate of return on general investments was 4.20% in 2008 compared to 4.85% for all investments in 2007.

The City maintains a comprehensive all-risk property insurance program through a commercial carrier, covering approximately \$1 billion in property values. The program contains a \$100,000 deductible, provides 100% replacement cost of property and has a maximum limit of \$100 million for earthquake damage and \$100 million for flood damage.

The City of Cincinnati Retirement System's (CRS) net plan assets decreased from \$2.68 billion as of December 31, 2007 to \$1.82 billion as of December 31, 2008. The decrease of \$865 million was due to the fourth quarter market conditions in 2008. (See Pension Trust Fund financial statements on pages 48 and 49 and footnote 20.)

The Cincinnati Retirement System's actuary reported the funding progress of the plan as of December 31, 2008 deteriorated. The funding ratio at year-end 2008 was 71.2% down from 86.2% year-end 2007. The decrease in the funding ratio was due primarily to a change in the value of plan net assets as well as the increase in retiree health care costs. The City Council changed retiree health care so that those retiring from the CRS after September 2007 will have the same medical coverage as active employees.

Major Initiatives

In 2008, the City continued to improve customer service throughout city government and promote revitalization of neighborhoods, downtown, and the riverfront area. Major initiatives, accomplishments, and positive changes were made in the following areas and are of particular interest.

In November 2007, the City of Cincinnati and Hamilton County approved a series of agreements to develop the Banks on the city's central riverfront. This vibrant riverfront development will include a variety of residential options, entertainment venues including restaurants and bars, riverfront offices and hospitality spaces, and an expansive green 40-acre riverfront park. This first of its kind project in Cincinnati will benefit the entire Greater Cincinnati region. In addition to creating a destination where people can live, work, and play, the Banks will be a catalyst for regional economic growth. It will drive more than \$600 million in private investment to our riverfront, provide a place to live for more than 3,000 residents and create hundreds of jobs during construction alone.

The first phase, which has already begun, will include infrastructure improvements, parking garages, commercial and retail spaces. The City expects to receive \$24.7 million in federal stimulus funding that will go towards the funding of Phase II. The Phase I public infrastructure and garage is expected to be complete by the end of 2010.

The Baldwin Office Complex Project is a newly completed project immediately east of downtown. Corporex Companies, LLC constructed an office and hotel development consisting approximately of 250,000 square feet of single tenant commercial office space, an approximately 123-room select service hotel, and approximately 1,100 parking spaces. The \$86 million dollar project created 300 new jobs and retained 529 existing full time positions.

Queen City Square Tower, the second office building in this complex was commenced construction in June, 2008. The building includes 800,000 square feet of Class A office space, 25,000 square feet of street level retail space and a 1,700 space parking garage. The City pledged TIF revenues for this project.

In April 2007, Neyer Properties, Inc. began construction of a 400,000 square foot Class A office complex known as Keystone Parke east of downtown along I-71. The development will sit atop a three level parking garage and is scheduled for completion in 2010. Upon completion, the tenants at the site will employ approximately 2,000 people.

Tax Incentive Districts

Ohio cities may now create Tax Incentive Districts up to 300 acres in size. In the past, the City's TIF authority was limited to specific projects. This change provides Cincinnati with a new tool to stimulate development and investment in depressed portions of the community. Under the new legislation, eleven areas of Cincinnati were approved as Tax Incentive Districts by Cincinnati's City Council in December 2002 and an additional nine TIF districts were approved in December 2005.

In 2008, the City began development on the Madison Circle project. The development includes 130,000 square foot nursing home facility, a 110 unit assisted living facility and a pet care facility. Approximately 600 jobs are anticipated to be created or retained at completion of the project.

Awards and Acknowledgements

Certificate of Achievement and Budget Award

During 2008 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 Cincinnati for its comprehensive annual financial report for the fiscal year ended December 31, 2007. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

This is the twenty-eighth consecutive year that the City has received this award. In 1979, for our 1978 annual financial report, we were the first governmental unit in Ohio to receive the Certificate. As of December 31, 2006, 116 municipal reporting entities in Ohio and only 1,782 units nationwide are holders of the Certificate. We believe our current report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its' eligibility for another certificate.

We are equally proud of the GFOA's Award for Distinguished Budget Presentation earned by the City for its 2007/2008 biennial budget. This is the 22nd consecutive year that the City has received this award. For the fiscal years beginning in 2007, only 15 entities in Ohio and only 704 nationwide received the award.

The preparation of this Comprehensive Annual Financial Report was accomplished by the efficient and dedicated services provided by the entire staff of the Department of Finance. Each member of the Department has our sincere appreciation for the contribution made in the preparation of this report. Appreciation is also expressed to those in other City departments for their cooperation and assistance in matters pertaining to the financial affairs of the City. We hereby acknowledge and thank all who contributed their time and effort.

Respectfully,



Joe Gray
Director of Finance

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cincinnati
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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.



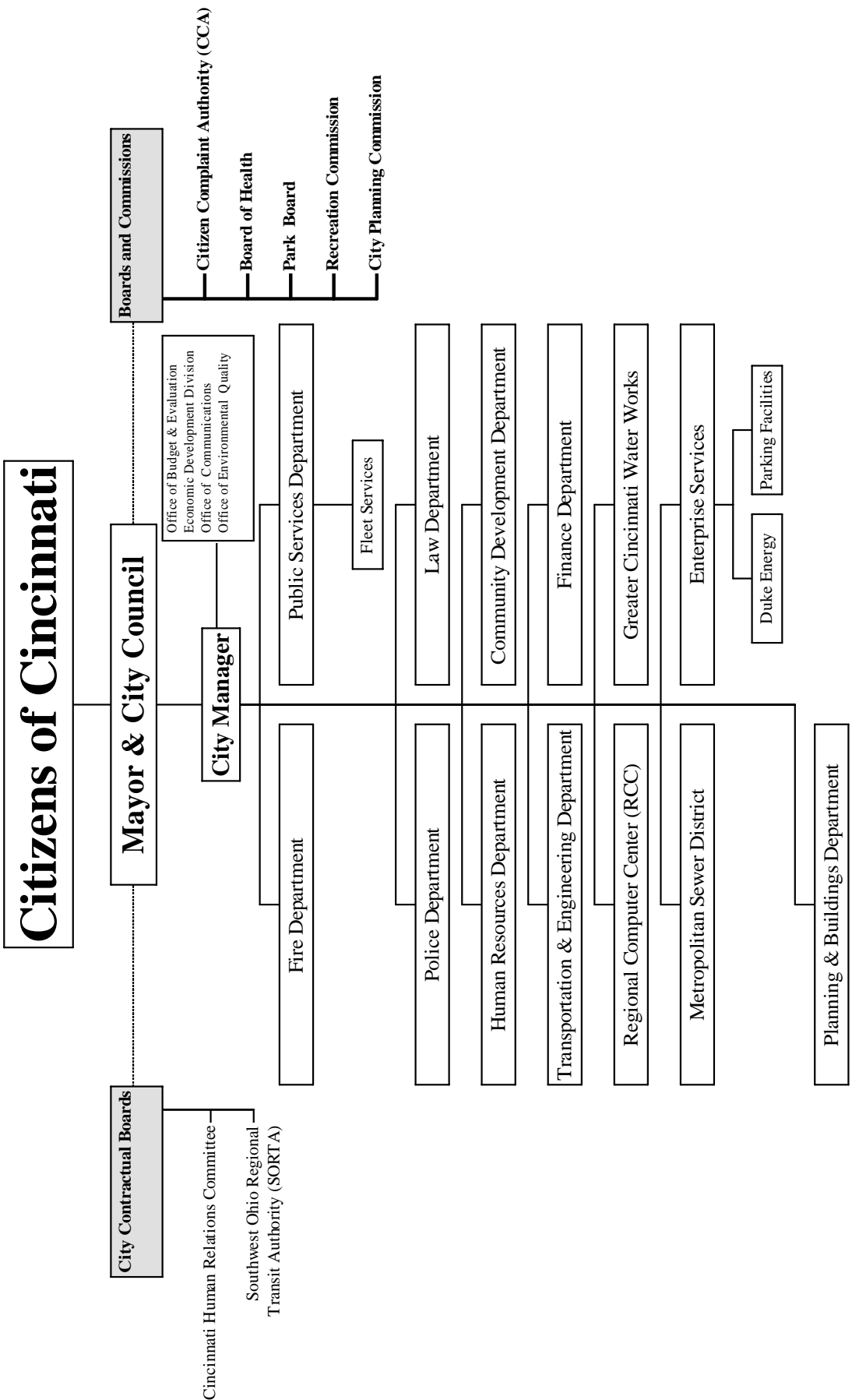
A handwritten signature in black ink, appearing to read "K. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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CITY OF CINCINNATI, OHIO

Principal City Officials

CITY COUNCIL

Mark Mallory, Mayor
First term

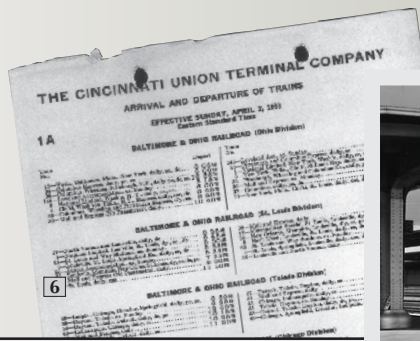
David Crowley, Vice Mayor, fourth term
Chris Monzel, third term
Jeff Berding, second term
Chris Bortz, second term
Roxanne Qualls, first term

Y. Laketa Cole, third term
John Cranley, fourth term
Leslie Ghiz, second term
Cecil Thomas, second term

CITY MANAGER

Milton Dohoney, Jr.

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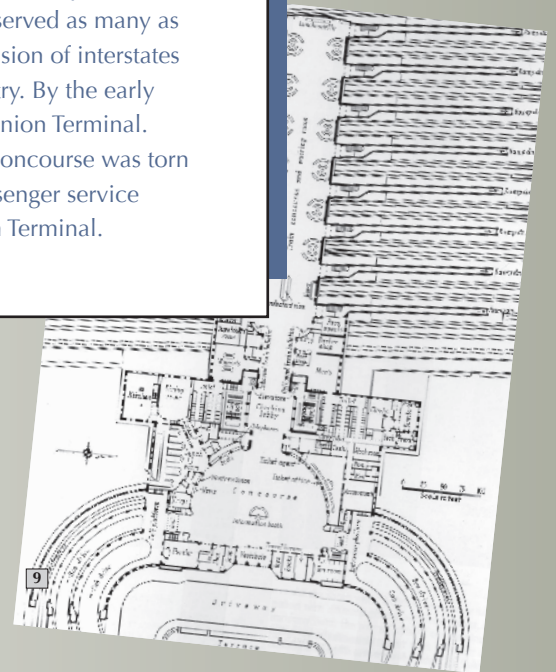


FINANCIAL SECTION

The construction of Union Terminal was the cooperative project of the railroad companies that served the city. Union Terminal centralized the freight and passenger operations of the Big Four railroad companies. The Union Terminal concourse extended from the rear of the rotunda and was built above 16 tracks and 8 platforms where passengers would board. The entry to the terminal rotunda was through the main doors or through side entrances from the three vehicular tunnels used by cars, taxicabs and interurban buses.



The station was designed to accommodate 17,000 passengers and 216 trains a day. During World War II, Cincinnati Union Terminal experienced success as a major transfer point for soldiers; the station served as many as 20,000 passengers a day. In the 1950s, the sudden expansion of interstates and airlines led to the rapid decline of the railroad industry. By the early 1970s, only two passenger trains a day passed through Union Terminal. Passenger train service left Union Terminal in 1972; the concourse was torn down in 1974, but the rest of the building remained. Passenger service resumed in 1991 when Amtrak began operating at Union Terminal.



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Cincinnati, Ohio:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cincinnati, Ohio as of and for the year ended December 31, 2008, which collectively comprise the City of Cincinnati, Ohio's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cincinnati, Ohio's management. Our responsibility is to express opinions on the financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cincinnati, Ohio as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2009 on our consideration of the City of Cincinnati, Ohio'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. The purpose of that report is described the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing* and should be considered in assessing the results of our audit.

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The management's discussion and analysis and the budgetary information on pages 19-31 and 103-106, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Clark, Schaefer, Harknett & Co.

Cincinnati, Ohio
June 29, 2009

City of Cincinnati

Management's Discussion and Analysis

As management of the City of Cincinnati (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5 - 9 of this report. The government-wide financial statements are presented on a GAAP basis; that is, they reflect accrual basis of accounting. The GAAP fund financial statements will differ from those presented on a budgetary basis.

Financial Highlights

- The assets of the City, including all Governmental and Business-type activities, exceeded its liabilities at the close of the most recent fiscal year by \$1.7 billion (net assets). Of this amount, \$159.8 million is considered unrestricted. The unrestricted net assets of the City's governmental activities have a balance of \$64.4 million. The unrestricted net assets of the City's business type activities are \$95.4 million and may be used to meet the on-going obligations of the City's parking, convention center, stormwater, aviation and golf business-type activities. Unrestricted net assets do not include assets with externally imposed restrictions or restrictions imposed by law. They do include assets that are obligated but not paid such as encumbrances and on-going projects.
- The City's total net assets increased \$14.9 million in 2008. Net assets of the governmental activities increased by \$10.4 million which represents a 1.2% increase from the 2007 balance. Net assets of business-type activities increased \$4.5 million or 0.5% increase from 2007. Governmental activities investment in capital assets, net of related debt decreased \$2.8 million. Governmental activities restricted net assets decreased \$14 million. Business-type activities investment in capital assets, net of related debt decreased \$32.1 million. Business-type activities restricted net assets decreased by \$41.5 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$425.1 million, an increase of \$41 million in comparison with the prior year. On a combined basis approximately 46.2%, \$196.6 million, is considered unreserved at December 31, 2008. Unreserved fund balance includes \$107.4 million designated for capital projects.
- At the end of the current fiscal year, the general fund reported a fund balance of \$66.7 million. The unreserved fund balance for the general fund was \$53.5 million, or 14.9% of the total general fund expenditures. There was a \$6.8 million decrease in general fund balance for the year ended December 31, 2008.
- The City's total debt service increased by \$14 million (1.8%) during the current fiscal year.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 35 to 37 of this report.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent

fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

Both of the government-wide financial statements (statement of net assets and statement of activities) distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, economic development, community development, parks and recreation, public safety, transportation and engineering, enterprise services, public services, and public health. The business-type activities of the City include the Water Works, Parking Facilities, Convention Center, General Aviation, Municipal Golf, and Stormwater Management Funds.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The basic governmental fund financial statements can be found on pages 38 to 42 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 28 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, and the debt service fund, all of which are considered to be major funds. Data from the other 25 funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* found elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds. The City maintains two different types of proprietary funds - enterprise and internal service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water works, parking facilities, convention center, municipal airport, municipal golf courses and stormwater management system. *Internal service funds* are an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds for its printing services and general stores operation, municipal garage, property management function, self-insurance medical fund, workers' compensation fund and regional computer center. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 43 to 47 of this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Works Fund and the Convention Center Fund which are considered to be major funds of the City. The other enterprise funds are combined

into a single, aggregated presentation in the proprietary fund financial statements. All internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the other enterprise funds and internal service funds are provided in the form of *combining statements* found elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City uses fiduciary funds to account for pension, trust and agency funds. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 48 and 49 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 53 to 100 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Funding Progress of the City's Pension and Health Care Plans, Employer Contributions to the City's Pension and Health Care Plans and the Budgetary Comparison of the City's General Fund. Required supplementary information can be found on pages 103 to 106 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 111 to 181 of this report.

CITY OF CINCINNATI'S Net Assets

(AMOUNTS IN THOUSANDS)

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------------|------------------------------------|------------------|-------------------------------------|------------------|--------------------|--------------------|
| | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> |
| Current and other assets | \$673,796 | \$635,587 | \$185,135 | \$212,164 | \$858,931 | \$847,751 |
| Capital assets | <u>963,801</u> | <u>929,350</u> | <u>1,082,568</u> | <u>1,059,215</u> | <u>2,046,369</u> | <u>1,988,565</u> |
| Total Assets | 1,637,597 | 1,564,937 | 1,267,703 | 1,271,379 | 2,905,300 | 2,836,316 |
| Long-term liabilities outstanding | 523,191 | 454,878 | 360,542 | 368,064 | 883,733 | 822,942 |
| Other liabilities | <u>241,337</u> | <u>247,401</u> | <u>61,259</u> | <u>61,962</u> | <u>302,596</u> | <u>309,363</u> |
| Total liabilities | 764,528 | 702,279 | 421,801 | 430,026 | 1,186,329 | 1,132,305 |
| Net assets: | | | | | | |
| Invested in capital assets, net of | | | | | | |
| Related debt | 645,883 | 648,708 | 707,549 | 739,650 | 1,353,432 | 1,388,358 |
| Restricted | 162,774 | 176,785 | 42,929 | 84,453 | 205,703 | 261,238 |
| Unrestricted | <u>64,412</u> | <u>37,165</u> | <u>95,424</u> | <u>17,250</u> | <u>159,836</u> | <u>54,415</u> |
| Total net assets | <u>\$873,069</u> | <u>\$862,658</u> | <u>\$845,902</u> | <u>\$841,353</u> | <u>\$1,718,971</u> | <u>\$1,704,011</u> |

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$1.7 billion at the close of the most recent fiscal year.

The largest portion of the City's net assets \$1.35 billion (78.7%) reflects its investment in capital assets (e.g. land,

construction in progress, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, because the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets \$205.7 million (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance \$159.8 million (9.3%) represents *unrestricted net assets* and may be used to meet the government's ongoing obligations to citizens and creditors. It is important to note that although the total unrestricted net assets is \$159.8 million; the unrestricted net assets of the City's business-type activities (\$95.4 million) may not be used to fund governmental activities.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

Overall, net assets of the City increased \$14.9 million in 2008. Net assets for governmental activities increased \$10.4 million, while net assets of business-type activities increased \$4.5 million.

There was a decrease of \$14 million in restricted net assets reported in connection with the City's governmental activities and restricted net assets reported in connection with the City's business-type activities decreased by \$41.5 million in 2008. The key factors in these changes were the decrease in expenditures of funds restricted for capital projects and in unspent bond proceeds. The reason for the increase in business type assets is a increase in restricted activities for Water Works and a decrease in unspent bond proceeds.

The City's governmental activities amount invested in capital assets, net of related debt, decreased \$2.8 million as debt increased and bond proceeds and capital grants were used to complete certain capital projects during 2008. The City's business-type activities amount invested in capital assets, net of related debt, decreased \$32.1 million.

CITY OF CINCINNATI
Changes in Net Assets
(AMOUNTS IN THOUSANDS)

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|-------------------|-----------------------------|-------------------|---------------------|---------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 139,476 | \$ 131,374 | \$ 151,617 | \$ 149,327 | \$ 291,093 | \$ 280,701 |
| Operating Grants and Contributions | 43,632 | 38,051 | | | 43,632 | 38,051 |
| Capital Grants and Contributions | 21,502 | 12,559 | 5,293 | 5,140 | 26,795 | 17,699 |
| General Revenues: | | | | | | |
| Property Taxes | 75,062 | 75,393 | | | 75,062 | 75,393 |
| Income Taxes | 319,565 | 304,466 | | | 319,565 | 304,466 |
| Admission Taxes | 4,570 | 4,309 | | | 4,570 | 4,309 |
| Shared Taxes | 73,079 | 67,927 | | | 73,079 | 67,927 |
| Occupancy Taxes | 2,222 | 2,131 | 1,287 | 1,274 | 3,509 | 3,405 |
| Unrestricted Investment Earnings | 19,363 | 23,361 | 6,320 | 8,380 | 25,683 | 31,741 |
| Miscellaneous | 699 | 127 | 2,455 | 3,819 | 3,154 | 3,946 |
| Total Revenues | 699,170 | 659,698 | 166,972 | 167,940 | 866,142 | 827,638 |
| Expenses: | | | | | | |
| General Government | 139,727 | 141,045 | | | 139,727 | 141,045 |
| Community Development | 48,658 | 45,910 | | | 48,658 | 45,910 |
| Parks and Recreation | 44,616 | 42,069 | | | 44,616 | 42,069 |
| Public Safety | 247,924 | 235,945 | | | 247,924 | 235,945 |
| Transportation and Engineering | 37,965 | 37,734 | | | 37,965 | 37,734 |
| Transit System | 45,389 | 43,814 | | | 45,389 | 43,814 |
| Public Services | 60,227 | 53,166 | | | 60,227 | 53,166 |
| Public Health | 45,703 | 43,367 | | | 45,703 | 43,367 |
| Interest on long-term debt | 21,276 | 19,034 | | | 21,276 | 19,034 |
| Water Works | | | 113,804 | 108,314 | 113,804 | 108,314 |
| Parking Facilities | | | 8,969 | 10,397 | 8,969 | 10,397 |
| Convention Center | | | 18,372 | 14,588 | 18,372 | 14,588 |
| General Aviation | | | 2,753 | 2,319 | 2,753 | 2,319 |
| Municipal Golf | | | 6,369 | 6,428 | 6,369 | 6,428 |
| Stormwater Management | | | 8,452 | 8,258 | 8,452 | 8,258 |
| Total Expenses | 691,485 | 662,084 | 158,719 | 150,304 | 850,204 | 812,388 |
| Change in net assets before transfers and special item | 7,685 | (2,386) | 8,253 | 17,636 | 15,938 | 15,250 |
| Transfers | 2,726 | 3,500 | (2,726) | (3,500) | | |
| Special Items | | 16,543 | (978) | | (978) | 16,543 |
| Change in net assets | 10,411 | 17,657 | 4,549 | 14,136 | 14,960 | 31,793 |
| Net assets – January 1 st | 862,658 | 845,001 | 841,353 | 827,217 | 1,704,011 | 1,672,218 |
| Net assets – December 31st | \$ 873,069 | \$ 862,658 | \$ 845,902 | \$ 841,353 | \$ 1,718,971 | \$ 1,704,011 |

Governmental activities. Governmental activities increased the City's net assets in 2008 by \$10.4 million, thereby accounting for 58.8% of the increase in net assets of the City. Key elements of the change in net assets include:

Revenues

- Charges for Services increased by \$8.1 million. This includes increase of \$2.4 million in General Government. Fees charged to the City Retirement System for medical claims increased \$4.4 million and the Regional Computer Center charges decreased by \$2.0 million. Community Development and Planning revenue increased \$1.2 million due to increases in the vacant building maintenance licenses fees and permit fees. Public Safety EMS fees increased by \$4.3 million due to increases in EMS fees and impound fees.
- Operating Grants and Contributions increased by \$5.6 million.
- Capital Grants and Contributions increased by \$8.9 million. General Government decreased \$10.0 million; Transportation and Engineering increased \$18.2 million; Parks and Recreation increased \$1.7 million.
- Investment earnings decreased by \$4 million due to a decrease in the general investment rate of return.
- Shared Taxes increased \$5.2 million due to increases in Estate Taxes and the State reimbursement related to tangible personal property tax reimbursements.
- Income Tax increased \$15.1 million.

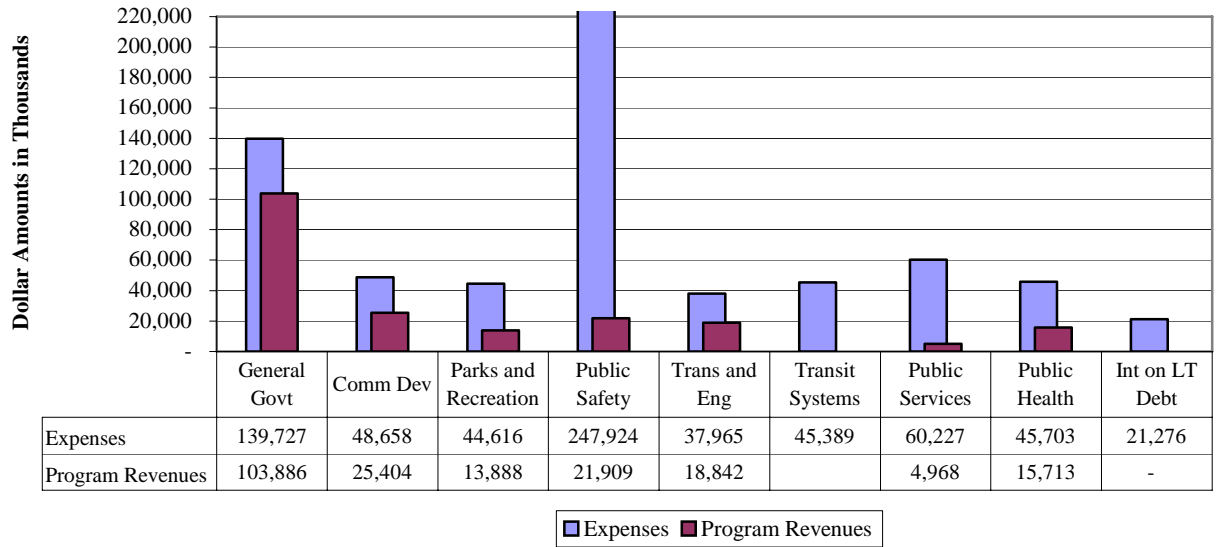
Expenses

- Expenses for Public Safety increased by \$12 million as salary costs and related fringe benefits increased.
- Expenses for Public Services increased by \$7.1 million due to an increase in pension liability of \$4 million and increased cost of road salt for \$2.4 million.
- Expenses for Community Development increased by \$2.7 million. There was a reorganization that shifted \$4.0 million of expenses from general government to Community Development. Pension liability increased \$1.5 million.
- Expenses for transit systems increased by \$1.6 million due to an increase in the revenue and appropriation of income tax collections dedicated to transit systems.
- Expenses for Public Health increased \$2.3 million due to an increase in pension liability for \$4.7 million and a decrease in personal expense of \$1.5 million.
- Expenses for Parks and Recreation increased by \$2.5 million to due pension liability for \$2.6 million.

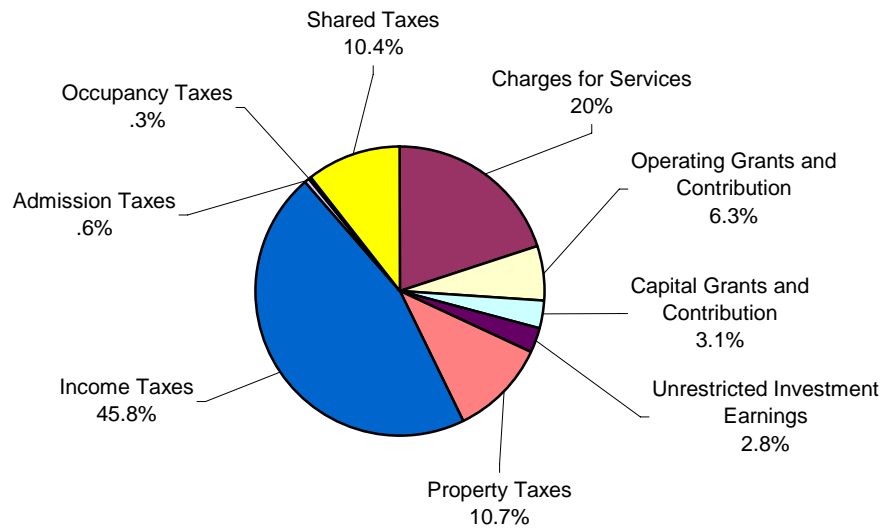
Business-type activities. Business-type activities increased the City's net assets in 2008 by \$4.5 million, accounting for 30.4% of the growth in the government's net assets. Key elements of the increase include:

- Charges for Services increased \$2.3 million due to an increase in water services and rates.
- Water Works expenses increased by \$5.5 million due to increase in service area and demand.
- Investment earnings decreased by \$2.1 million due to a decrease in the general investment rate of return.
- Parking Facilities expenses decreased \$1.4 million.
- Convention Center expenses increased \$3.8 million due to contributions to Convention Facility Authority.

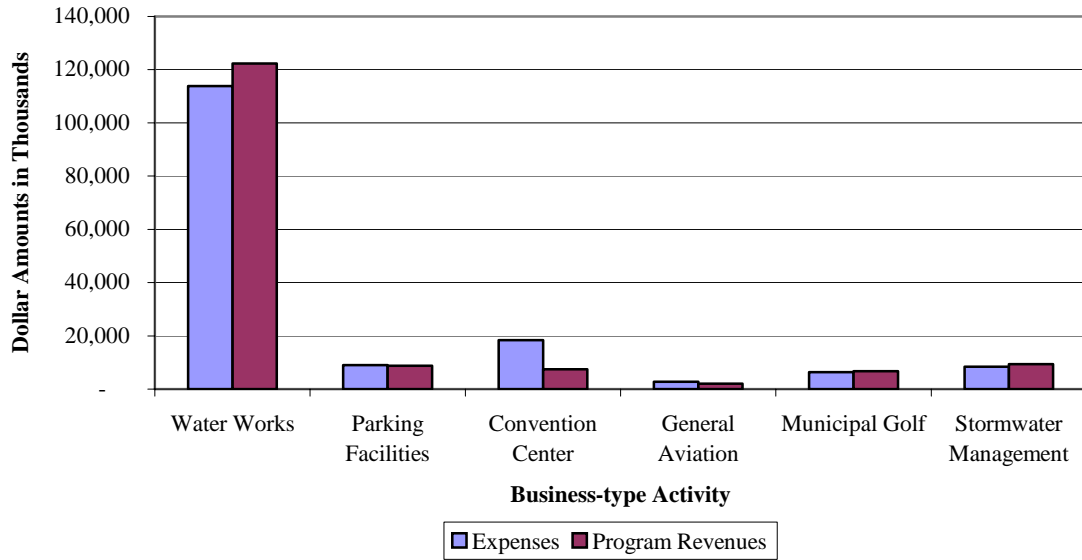
Governmental Activity Expenses and Program Revenues - Governmental Activities



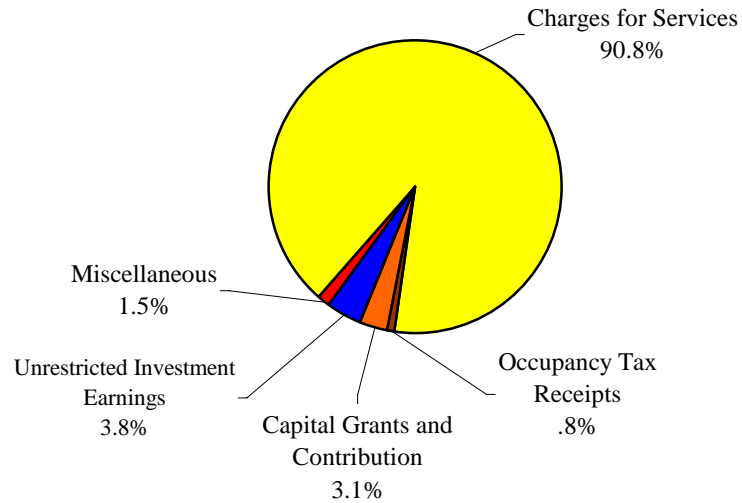
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Revenues by Source-Business-type Activities



Financial analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the City's *governmental funds* (footnote 1) is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$425.1 million, an increase of \$41 million in comparison with the prior year. Approximately 46.2% or \$196.6 million of this total amount constitutes *unreserved fund balance*, which is available for spending. The remainder of the fund balance is reserved to indicate that it is not available for spending because it has already been committed for encumbrances, working capital, capital project, debt service, inventory, and advances to other funds.

The general fund is the primary operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$53.5 million, while total fund balance reached \$66.7 million. As a measure of the general fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 14.9% of total general fund expenditures, while total fund balance represents 18.5% of that same amount.

The fund balance of the City's general fund decreased by \$6.8 million during the current fiscal year. Key factors of the decrease are as follows:

- Total revenues increased by \$3.9 million offset by expenditure increase of \$8.4 million in 2008.
 - Taxes increased by \$1.6 million. Income Tax revenue increased \$2.7 million and Property Tax revenue decreased \$1.3 million. Admission tax increased \$260,000.
 - Investment Income decreased \$3.2 million due to lower interest rates on investments.
 - Intergovernmental Revenue increased \$4.0 million. Estate tax increase \$2.4 million and State reimbursements for Property Tax increased \$1 million.
 - Charges for Services increased \$500,000. The Emergency Transport services increased \$700,000 and Building certifications increased \$200,000. General Fund overhead was down \$500,000.
 - Other increase included \$500,000 increase in collection of parking fines and \$500,000 miscellaneous revenue from reimbursement of prior year expenses.
 - Expenditures for Employee Benefits decreased \$1.6 million and pension contributions decreased \$3 million.
 - Expenditures for Public Safety increased by \$7.6 million due to increases in salaries and fringe benefits.
 - Expenditures for Public Services increased \$1.7 million due to increase salt purchased for winter operations.
 - Other departments had increased expenditures as follows: \$1 million for City Manager's Office for economic development activities, \$1 million increase in Regional Computer Center for 800mhz system, \$2.3 million decrease in Health, \$2.4 million increase in Community Development and \$1.2 million increase in Recreation.
 - Payments to companies with property investment reimbursement agreements increased \$3.2 million.
 - Transfers for 2008 were a net \$3.2 million transfer out. In 2007, the transfers were a net \$1.4 million transfer in.

The capital projects fund has a total fund balance of \$209.7 million, which is an increase of \$33 million from 2007. Key factors of the increase are as follows:

- Taxes increased by \$4.2 million from 2007.
- Federal Grants increased by \$2.0 million.
- Capital Expenditures increased \$19.8 million including public safety projects, street improvement projects, community development improvement projects, urban renewal projects, technology improvements, and facility improvements.
- Net Transfers In increased \$40 million due to new economic development projects that will be supported by tax increment financing.
- General Obligation Bonds and Notes issued decreased \$12.2 million.

The debt service fund has a total fund balance of \$67.1 million of which \$65.7 million is reserved for the payment of debt service. The net increase in fund balance was \$11.5 million which was due to a \$16.6 million decrease in debt service payments. Also, there was an increase of \$3.3 million in General Obligation Bonds, \$25.3 million in TIF Revenue Bonds and \$36.5 million increase in net transfers out. The premium on bonds issued decreased \$2.4 million.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the nonmajor enterprise funds are \$16.8 million. The total growth in net assets for the Water Works fund was \$15.8 million, a decrease for the Convention Center fund of \$8.6 million and a decrease in net assets for the other enterprise funds was \$2.0 million. Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The final amended General Fund budget had total appropriations of approximately \$4.2 million more than the original budget. The original appropriations were \$363.5 million, while the final appropriations were \$367.7 million. Actual expenditures were \$1.8 million less than the final appropriation from savings in public safety activities, public services and employee benefits. Key elements of the changes in appropriation include:

The following increases totaling \$4.2 million were funded from available fund balance:

- \$1,800,000 appropriation increase in Public Services to fund winter operations and replenish salt.
- \$500,000 appropriation increase in the Judgments account for outstanding legal obligations.
- \$323,660 appropriation increase to various departments to fund salary increases related to the new middle management (CODE) agreement.
- \$74,140 appropriation increase in Public Safety for operations.

In June 2008, \$2.415 million was transferred from the unappropriated surplus to an emergency reserve account within the General Fund to be committed to working capital reserve. In November 2008, \$1.488 million was transferred back to the unappropriated surplus and appropriated to various departments to fund clean up and control related to the windstorm of September, 2008. The balance in the emergency reserve account at year end 2008 was \$927,000.

All other changes in appropriations were due to transfers among agencies and were within the original approved budget.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2008 is \$2 billion (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, systems, improvements, machinery and equipment, park facilities, streets, and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 2.9% (1.7% increase for governmental activities and 1.2% increase for business-type activities).

City of Cincinnati's Capital Assets
(net of depreciation)

(AMOUNTS IN THOUSANDS)

| | Governmental Activities | | Business-type Activities | | Total | |
|---|------------------------------------|--------------------------|-------------------------------------|----------------------------|---------------------------|---------------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Land | \$ 167,875 | \$ 168,179 | \$ 39,553 | \$ 39,546 | \$ 207,428 | \$ 207,725 |
| Buildings | 45,626 | 43,383 | 162,550 | 163,094 | 208,176 | 206,477 |
| Improvements | 158,893 | 155,425 | 665,081 | 637,042 | 823,974 | 792,467 |
| Machinery and Equipment | 60,142 | 64,764 | 109,465 | 112,427 | 169,607 | 177,191 |
| Infrastructure | 398,788 | 375,072 | | | 398,788 | 375,072 |
| Construction in Progress | 132,208 | 122,057 | 105,640 | 106,924 | 237,848 | 228,981 |
| Property Acquired under Capital Leases | <u>269</u> | <u>470</u> | <u>279</u> | <u>182</u> | <u>548</u> | <u>652</u> |
| Total | <u>\$ 963,801</u> | <u>\$ 929,350</u> | <u>\$ 1,082,568</u> | <u>\$ 1,059,215</u> | <u>\$2,046,369</u> | <u>\$1,988,565</u> |

Total capital assets, net of accumulated depreciation, increased \$57.8 million. Major capital asset events during 2008 included the following:

- Governmental activities capital assets increased \$34.5 million in 2008 net of depreciation and included:
 - Construction in Progress increased \$10.2 million due to new TIF projects started in 2008.
 - Infrastructure improvement for bridges, retaining walls, traffic signal upgrades and street improvements and upgrades increased by \$23.7 million (Net of Depreciation).
 - Machinery and Equipment decreased \$4.6 million (Net of Depreciation).
 - Buildings increased \$2.2 million (Net of Depreciation).
 - Improvements increased \$3.5 million (Net of Depreciation).
- Business-type activities capital assets increased \$23.4 million net of depreciation and included:
 - Improvements in water utilities increased \$35.9 million
 - Improvements in Convention Center decreased \$6.6 million.
 - Construction in progress decreased \$1.3 million.
 - Machinery and Equipment decreased \$3 million (Net of Depreciation).

Additional information on the City's capital assets can be found in note 14 on pages 84 to 87 of this report.

Long-term debt. At the end of the current fiscal year, the City had \$784.6 million in short and long-term bonds and notes outstanding. Of this amount, \$378.6 million comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**City of Cincinnati's Outstanding Debt
General Obligation and Revenue Bonds
(AMOUNTS IN THOUSANDS)**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|------------------------------------|-------------------|-------------------------------------|-------------------|-------------------|-------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| General Obligation Bonds & Notes | \$ 363,120 | \$ 361,223 | \$ 15,470 | \$ 17,635 | \$ 378,590 | \$ 378,858 |
| Revenue Bonds & Notes | <u>73,375</u> | <u>45,495</u> | <u>332,635</u> | <u>346,255</u> | <u>406,010</u> | <u>391,750</u> |
| Total | <u>\$ 436,495</u> | <u>\$ 406,718</u> | <u>\$ 348,105</u> | <u>\$ 363,890</u> | <u>\$ 784,600</u> | <u>\$ 770,608</u> |

During the current fiscal year, the City's total debt increased by \$14 million (1.8 percent). Key events contributing to the change in long-term debt balances are as follows:

- In March 2008 the City issued \$34.1 million in various purpose general obligation bonds and \$10 million in various purpose general obligation bonds with additional municipal income tax pledge. \$30 million was issued for street, public building and equipment improvements, \$5.7 million for parks and recreation improvements; and \$1.5 million for economic development; and \$5.1 million in judgment bonds.
- In May 2008 the City issued TIF revenue bonds of \$4.2 million for the Keystone Parke project.
- In June 2008 the City issued TIF revenue bonds of \$25.4 million for the Baldwin 300 project.
- In September 2008 the City issued TIF revenue bonds of \$5.7 million for the Madison Circle project.
- In November 2008 the City issued TIF revenue notes of \$2.5 million for the Columbia Square project in anticipation of issuing debt in 2009.
- During 2008 \$16.6 million in revenue bonds were redeemed, of which \$13.6 million were for Water Works and \$3 million were for economic development projects.
- During 2008 \$36 million in general obligation bonds were redeemed, of which \$4.6 million were for Water Works.
- During 2008 \$22.5 million in short-term revenue notes were issued and \$27.3 million were redeemed.
- During 2008 \$46.1 million in short-term general obligation notes were issued and \$41.6 million were redeemed.

The City's general obligation bond rating by Standard and Poor's Corporation and Moody's Investor Services, Inc. is "AA+" and "Aa1", respectively.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not 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 taxation value of property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. The City had a legal debt margin for total debt of \$389.9 million and a legal debt margin for unvoted debt of \$91.6 million.

Additional information about the City's long-term debt can be found in note 9 on pages 74 to 80 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Cincinnati MSA was 5.8% at December 2008, which is higher than a year ago by .8%. This rate compares favorably to the State's average unemployment rate of 6.5% but is equal to the national average rate of 5.8%. The unemployment rate for Cincinnati MSA has risen to 9.1% in 2009.

- The occupancy rate of the central business district Class A office space was 86% at the end of 2008 which is the same as the 2007 occupancy rate.
- The City is experiencing increasing costs for employee health care, retirement and contractually obligated labor costs.

All of these factors were considered in preparing the City's biennial budget for the fiscal year 2009.

The General Fund balance is estimated to be \$5 million, on a budgetary basis, at the end of 2009. This is a reduction of \$9.6 million from the 2008 actual year-end fund balance of \$14.6 million on a budgetary basis. The reduction is primarily due to costs associated with the following: approved Police labor contract and additional police efforts, increase in cost of salt purchased for winter operations and decrease in shared revenues from the State of Ohio.

General Fund revenues for 2009 have been revised downward by \$19.9 million or 5.4% primarily due to less than expected income tax receipts. Income tax revenue is the largest general fund revenue component, making up 65% of the total – that category has been revised downward by \$15.4 million or 6.4% due to the current economic conditions. Other revenue categories that have been revised downward include: admissions taxes (\$394,000); investment income (\$500,000); state shared revenues (\$2.2 million); and estate taxes (\$1.4 million). Revenues through May 2009 are down against forecast by \$11.7 million, with income tax revenues representing \$7.5 million of that amount.

This revenue reduction will require a commensurate reduction in General Fund operating expenditures in order to have a balanced budget as required by state law. The administration has identified solutions to close the projected budget gap that includes a combination of: unpaid workdays; transfers of the excess income tax; and strategic departmental budget reductions.

General Fund expenditures through May 2009 are tracking below budgeted forecast, although as explained above, will be reduced even further to balance the budget.

One of the City's major budget priorities for 2008 was economic development. The Economic Development Division was fully staffed to focus on bringing investments to the City that create jobs and increase the City's tax base. The Baldwin Office Complex, Keystone Parke, and Columbia Square are just a few examples of new economic development happening in Cincinnati.

Requests for Information

The financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City Hall, Room 250, 801 Plum Street, Cincinnati, Ohio, 45202.

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BASIC
FINANCIAL STATEMENTS

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City of Cincinnati, Ohio
Statement of Net Assets
December 31, 2008
(Amounts in Thousands)

| | Governmental Activities | Business-Type Activities | Total |
|--|------------------------------------|-------------------------------------|---------------------|
| ASSETS: | | | |
| <u>Current</u> | | | |
| Cash and Equivalents | \$ 25,281 | \$ 1,482 | \$ 26,763 |
| Equity in City Treasury | 90,690 | 18,602 | 109,292 |
| Advances and Petty Cash | 170 | | 170 |
| Investments, at Fair Value | 65,644 | | 65,644 |
| Receivables: | | | |
| Taxes | 129,041 | 84 | 129,125 |
| Accounts, Net | 9,848 | 20,280 | 30,128 |
| Special Assessments | 9,447 | | 9,447 |
| Accrued Interest | 5,949 | 1,231 | 7,180 |
| Due from Fiduciary Activities | 852 | | 852 |
| Due from Other Government | 25,909 | 13,595 | 39,504 |
| Prepaid Items | 1,260 | 2,098 | 3,358 |
| Inventory | 4,580 | 5,288 | 9,868 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | | 750 | 750 |
| Equity in City Treasury | | 3,405 | 3,405 |
| Investments, at Fair Value | | 32,042 | 32,042 |
| Internal Balances | (8,546) | 8,546 | |
| Total Current Assets | 360,125 | 107,403 | 467,528 |
| <u>Noncurrent</u> | | | |
| Equity in City Treasury | 293,264 | 60,147 | 353,411 |
| Restricted Equity in City Treasury Cash | | 11,014 | 11,014 |
| Restricted Cash and Cash Equivalents | | 2,425 | 2,425 |
| Accounts Receivable, Net | 16,054 | | 16,054 |
| Deferred Charges | 4,353 | 4,146 | 8,499 |
| Land | 167,875 | 39,553 | 207,428 |
| Buildings, net of Accumulated Depreciation | 45,626 | 162,550 | 208,176 |
| Improvements, net of Accumulated Depreciation | 158,893 | 665,081 | 823,974 |
| Machinery and Equipment, net of Accumulated Depreciation | 60,142 | 109,465 | 169,607 |
| Construction in Progress | 132,208 | 105,640 | 237,848 |
| Property Acquired under Capital Leases, net of Accumulated Amortization | 269 | 279 | 548 |
| Infrastructure Assets, net of Accumulated Depreciation | 398,788 | | 398,788 |
| Total Noncurrent Assets | 1,277,472 | 1,160,300 | 2,437,772 |
| Total Assets | \$ 1,637,597 | \$ 1,267,703 | \$ 2,905,300 |

The accompanying notes to the financial statements are an integral part of this statement.

City of Cincinnati, Ohio
Statement of Net Assets
December 31, 2008
(Amounts in Thousands)

| LIABILITIES: | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|--------------|
| <u>Current</u> | | | |
| Accounts Payable | \$ 20,395 | \$ 4,413 | \$ 24,808 |
| Withholdings and Other Deposits | 8,467 | | 8,467 |
| Due to Fiduciary Activities | 869 | 243 | 1,112 |
| Due to Other Governmental Agencies | 1,225 | 1,463 | 2,688 |
| Accrued Payroll | 12,701 | 1,417 | 14,118 |
| Accrued Liabilities | 8,094 | 1,078 | 9,172 |
| Accrued Interest | 1,987 | 53 | 2,040 |
| Deposits Payable | 8,370 | 7 | 8,377 |
| Unearned Revenue | 76,852 | 7,426 | 84,278 |
| Obligations Under Capital Leases | 241 | 87 | 328 |
| Compensated Absences Payable | 35,460 | 3,894 | 39,354 |
| Unpaid Claims | 15,321 | 186 | 15,507 |
| Ohio Public Works Commission Loan | 211 | 157 | 368 |
| Ohio Water Development Authority Loan | | 217 | 217 |
| Matured Bonds and Interest Payable | 543 | | 543 |
| General Obligation Bonds and Notes Payable | 38,135 | 2,315 | 40,450 |
| Revenue Bonds and Notes Payable | 6,005 | 14,000 | 20,005 |
| Other | 414 | | 414 |
| Advances from Other Government | 41 | | 41 |
| Payable from Restricted Assets: | | | |
| Construction Contracts | | 4,603 | 4,603 |
| Deposits Payable | | 2,104 | 2,104 |
| Total Current Liabilities | 235,331 | 43,663 | 278,994 |
| <u>Noncurrent</u> | | | |
| Non-Current Obligations Under Capital Leases | 6 | 181 | 187 |
| General Obligation Bonds and Notes Payable | 324,985 | 13,155 | 338,140 |
| Revenue Bonds and Notes Payable | 67,370 | 318,635 | 386,005 |
| Compensated Absences Payable | 55,602 | 3,805 | 59,407 |
| Deferred Bond Premium | 6,006 | 17,596 | 23,602 |
| Other Liabilities | 1,551 | | 1,551 |
| Ohio Public Works Commission Loan | 3,009 | 2,544 | 5,553 |
| Ohio Water Development Authority Loan | | 5,006 | 5,006 |
| Urban Redevelopment Loan | | 4,698 | 4,698 |
| Unpaid Claims Payable | 25,811 | | 25,811 |
| Net Pension Obligation | 29,834 | 8,451 | 38,285 |
| Net Other Post Employment Benefit Obligation | 15,023 | 4,067 | 19,090 |
| Total NonCurrent Liabilities | 529,197 | 378,138 | 907,335 |
| Total Liabilities | 764,528 | 421,801 | 1,186,329 |
| <u>Net Assets</u> | | | |
| Investment in Capital Assets, Net of Related Debt | 645,883 | 707,549 | 1,353,432 |
| Restricted for: | | | |
| Debt Service | 6,407 | 3,572 | 9,979 |
| Capital Projects | 95,930 | | 95,930 |
| Public Transit | 18,684 | | 18,684 |
| Public Safety | 8,696 | | 8,696 |
| Parks and Recreation | 8,118 | | 8,118 |
| Public Health | 1,525 | | 1,525 |
| Other Purposes | 16,682 | 39,357 | 56,039 |
| Permanent Funds - Expendable | 565 | | 565 |
| Permanent Funds - Nonexpendable | 6,167 | | 6,167 |
| Unrestricted | 64,412 | 95,424 | 159,836 |
| Total Net Assets | \$ 873,069 | \$ 845,902 | \$ 1,718,971 |

The accompanying notes to the financial statements are an integral part of this statement.

City of Cincinnati, Ohio
Statement of Activities
For the year ended December 31, 2008
(Amounts in Thousands)

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | |
|---|------------------|----------------------|--------------------------|----------------------------------|---|--------------------------|--------------|
| | Expenses | Charges for Services | Operating | | Governmental Activities | Business-Type Activities | Total |
| | | | Grants and Contributions | Capital Grants and Contributions | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 139,727 | \$ 100,874 | \$ 2,503 | \$ 509 | \$ (35,841) | | \$ (35,841) |
| Community Development | 48,658 | 2,488 | 22,374 | 542 | (23,254) | | (23,254) |
| Parks and Recreation | 44,616 | 6,833 | 3,863 | 3,192 | (30,728) | | (30,728) |
| Public Safety | 247,924 | 16,404 | 5,505 | | (226,015) | | (226,015) |
| Transportation and Engineering | 37,965 | 1,583 | | 17,259 | (19,123) | | (19,123) |
| Transit System | 45,389 | | | | (45,389) | | (45,389) |
| Public Services | 60,227 | 3,078 | 1,890 | | (55,259) | | (55,259) |
| Public Health | 45,703 | 8,216 | 7,497 | | (29,990) | | (29,990) |
| Interest on long-term debt | 21,276 | | | | (21,276) | | (21,276) |
| Total governmental activities | 691,485 | 139,476 | 43,632 | 21,502 | (486,875) | | (486,875) |
| Business type activities: | | | | | | | |
| Water Works | 113,804 | 119,228 | | 3,099 | | \$ 8,523 | \$ 8,523 |
| Parking Facilities | 8,969 | 8,814 | | 8 | | (147) | (147) |
| Convention Center | 18,372 | 6,440 | | 1,065 | | (10,867) | (10,867) |
| General Aviation | 2,753 | 2,029 | | 74 | | (650) | (650) |
| Municipal Golf | 6,369 | 6,414 | | 362 | | 407 | 407 |
| Stormwater Management | 8,452 | 8,692 | | 685 | | 925 | 925 |
| Total Business-type activities | 158,719 | 151,617 | | 5,293 | | (1,809) | (1,809) |
| Total | \$ 850,204 | \$ 291,093 | \$ 43,632 | \$ 26,795 | (486,875) | (1,809) | (488,684) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | 75,062 | | 75,062 |
| Income taxes | | | | | 319,565 | | 319,565 |
| Admission taxes | | | | | 4,570 | | 4,570 |
| Shared taxes | | | | | 73,079 | | 73,079 |
| Occupancy taxes | | | | | 2,222 | 1,287 | 3,509 |
| Unrestricted investment earnings | | | | | 19,363 | 6,320 | 25,683 |
| Miscellaneous | | | | | 699 | 2,455 | 3,154 |
| Transfers between governmental and business-type activities | | | | | 2,726 | (2,726) | |
| Total general revenues, miscellaneous, and transfers | | | | | 497,286 | 7,336 | 504,622 |
| Special Item - Capital Asset Impairment | | | | | | (978) | (978) |
| Change in net assets | | | | | 10,411 | 4,549 | 14,960 |
| Net assets-beginning | | | | | 862,658 | 841,353 | 1,704,011 |
| Net assets-ending | | | | | \$ 873,069 | \$ 845,902 | \$ 1,718,971 |

The accompanying notes to the financial statements are an integral part of this statement.

City of Cincinnati, Ohio
Balance Sheet
Governmental Funds
December 31, 2008
(Amounts in Thousands)

| | <u>General</u> | <u>Capital Projects</u> | <u>Debt Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|-------------------|-----------------------------|-------------------------|---|---|
| ASSETS | | | | | |
| Cash and Equivalents | \$ 119 | \$ 21,909 | \$ | \$ 3,253 | \$ 25,281 |
| Equity in City Treasury Cash | 59,447 | 160,249 | 53,464 | 66,467 | 339,627 |
| Advances and Petty Cash | 170 | | | | 170 |
| Investments, at Fair Value | | 47,245 | 10,063 | 8,336 | 65,644 |
| Receivables: | | | | | |
| Taxes | 62,285 | 12,967 | 45,047 | 8,742 | 129,041 |
| Accounts, Net | 6,894 | 16,961 | | 1,084 | 24,939 |
| Special Assessments | 314 | 24 | | 9,109 | 9,447 |
| Accrued Interest and Dividends | 3,686 | 663 | 823 | 306 | 5,478 |
| Due from Other Funds | 1,602 | 969 | 1,234 | 1,838 | 5,643 |
| Due from Other Governments | 14,835 | 42 | | 9,585 | 24,462 |
| Inventory | 3,048 | 690 | | 480 | 4,218 |
| Advances to Other Funds | 302 | | | 1,733 | 2,035 |
| Total Assets | <u>\$ 152,702</u> | <u>\$ 261,719</u> | <u>\$ 110,631</u> | <u>\$ 110,933</u> | <u>\$ 635,985</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 5,123 | \$ 4,869 | \$ 24 | \$ 3,992 | \$ 14,008 |
| Revenue Notes Payable | | 2,550 | | | 2,550 |
| Withholdings and Other Deposits | 8,467 | | | | 8,467 |
| Due to Other Funds | 1,818 | 7,808 | 1 | 639 | 10,266 |
| Accrued Payroll | 10,849 | | 12 | 1,309 | 12,170 |
| Accrued Liabilities | 127 | 6 | | 2,722 | 2,855 |
| Deposits Payable | 4,308 | 1,656 | 508 | 1,839 | 8,311 |
| Deferred Revenue | 54,404 | 28,207 | 42,458 | 17,273 | 142,342 |
| Estimated Liability for Unpaid Claims | 388 | | | 151 | 539 |
| Advances from Other Funds | 521 | 6,925 | | 1,337 | 8,783 |
| Advances from Other Governments | | 20 | | | 20 |
| Matured Bonds and Interest Payable | | | 543 | | 543 |
| Total Liabilities | <u>86,005</u> | <u>52,041</u> | <u>43,546</u> | <u>29,262</u> | <u>210,854</u> |
| Fund Balances: | | | | | |
| Reserved for: | | | | | |
| Advances and Petty Cash | 170 | | | | 170 |
| Encumbrances | 9,706 | 77,680 | 5 | 34,380 | 121,771 |
| Accordance with Trusts | | | | 9,394 | 9,394 |
| Working Capital | | 25,312 | | | 25,312 |
| Advances to Other Funds | 302 | | | 1,733 | 2,035 |
| Inventory | 3,048 | 690 | | 480 | 4,218 |
| Debt Service | | | 65,655 | | 65,655 |
| Unreserved, reported in: | | | | | |
| General Fund - Undesignated | 51,044 | | | | 51,044 |
| General Fund - Designated for Int. Service Funds | 1,500 | | | | 1,500 |
| General Fund - Designated for Emergency | 927 | | | | 927 |
| Capital Projects | | 105,996 | 1,425 | | 107,421 |
| Special Revenue Funds - Undesignated | | | | 21,436 | 21,436 |
| Special Revenue Funds - Designated for Contingencies | | | | 5,000 | 5,000 |
| Special Revenue Funds - Designated for Compensated Absences | | | | 8,683 | 8,683 |
| Permanent Funds | | | | 565 | 565 |
| Total Fund Balances | <u>66,697</u> | <u>209,678</u> | <u>67,085</u> | <u>81,671</u> | <u>425,131</u> |
| Total Liabilities and Fund Balances | <u>\$ 152,702</u> | <u>\$ 261,719</u> | <u>\$ 110,631</u> | <u>\$ 110,933</u> | <u>\$ 635,985</u> |

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF CINCINNATI, OHIO
Reconciliation of the Balance Sheet to the
Statement of Net Assets
Governmental Funds
December 31, 2008
(Amounts in Thousands)

| | | |
|---|-----------|----------------|
| Total fund balances - governmental funds | \$ | 425,131 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. | | 963,801 |
| Certain receivables will be collected next year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. | | 65,980 |
| Accrued Interest on Accounts Receivable | | (24) |
| Some amounts reported for governmental-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities. | | (1,138) |
| Seven internal service funds are used by the City's management. The assets and liabilities of the internal service funds are included with governmental activities. The net property of \$34,892 as it relates to the internal service funds is included in the capital asset amount above. | | 14,460 |
| Bond issue costs and discounts are expended in the fund level financial statements but are capitalized and amortized over the life of the bonds in the government-wide financial statements. This is the unamortized portion of those issue costs and discounts. | | 4,353 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of: | | |
| G.O. Bonds and notes payable | | (363,120) |
| Revenue bonds payable | | (70,825) |
| Deferred bond premium | | (6,006) |
| Compensated absences | | (89,189) |
| Net Pension Obligation | | (26,769) |
| Net Other Post Employment Benefit Obligation | | (13,571) |
| Ohio Public Works Commission Loans | | (3,220) |
| Unpaid claims payable | | (17,957) |
| Accrued interest on bonds | | (1,987) |
| Due to Other Governments | | (1,225) |
| Accrued Liabilities | | (3,428) |
| Other liability | | (1,965) |
| Capital leases payable | | (232) |
| Total net assets - - governmental activities (page 36) | \$ | 873,069 |

The accompanying notes to the financial statements are an integral part of this statement.

City of Cincinnati, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | General | Capital Projects | Debt Service | Other Governmental Funds | Total Governmental Funds |
|---|------------------|---------------------|------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | |
| Taxes | \$ 258,435 | \$ 37,707 | \$ 39,673 | \$ 62,705 | \$ 398,520 |
| Licenses and Permits | 7,736 | | | 3,566 | 11,302 |
| Use of Money and Property | 18,004 | 1,826 | 24,013 | 1,380 | 45,223 |
| Special Assessments | | 5 | | 4,322 | 4,327 |
| Intergovernmental Revenue | 51,548 | 1,707 | 5,462 | 19,020 | 77,737 |
| Federal Grants | | 10,631 | | 21,982 | 32,613 |
| State Grants and Subsidies | | 8,643 | | 13,941 | 22,584 |
| Charges for Current Services | 18,153 | 168 | | 14,005 | 32,326 |
| Miscellaneous | 2,570 | 1,387 | | 1,787 | 5,744 |
| Total Revenues | <u>356,446</u> | <u>62,074</u> | <u>69,148</u> | <u>142,708</u> | <u>630,376</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | 39,634 | | 1,466 | 10,728 | 51,828 |
| Community Development | 7,726 | | 2 | 5,359 | 13,087 |
| Parks and Recreation | 20,220 | | | 9,817 | 30,037 |
| Public Safety | 174,488 | | | 5,927 | 180,415 |
| Transportation and Engineering | 2,881 | | | 4,313 | 7,194 |
| Transit System | | | | 45,389 | 45,389 |
| Public Services | 23,609 | | | 16,145 | 39,754 |
| Public Health | 18,971 | | | 13,264 | 32,235 |
| Employee Benefits | 72,492 | | | 9,096 | 81,588 |
| Capital Outlay | | 109,940 | | 20,645 | 130,585 |
| Debt Service: | | | | | |
| Principal Retirement | | 154 | 34,244 | | 34,398 |
| Interest | | 56 | 20,614 | 336 | 21,006 |
| Bond Issuance Cost | | | 1,403 | | 1,403 |
| Total Expenditures | <u>360,021</u> | <u>110,150</u> | <u>57,729</u> | <u>141,019</u> | <u>668,919</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | (3,575) | (48,076) | 11,419 | 1,689 | (38,543) |
| OTHER FINANCING SOURCES(USES) | | | | | |
| General Obligation Bonds and Notes Issued | | 21,180 | 20,420 | | 41,600 |
| Revenue Bonds and Notes Issued | | | 35,280 | | 35,280 |
| Discount on Bonds and Notes Issued | | | (554) | | (554) |
| Premium on Bonds Issued | | | 1,133 | | 1,133 |
| Transfers In | 363 | 92,570 | 34,588 | 3,226 | 130,747 |
| Transfers (Out) | (3,555) | (32,662) | (90,746) | (738) | (127,701) |
| Total Other Financing Sources(Uses) | <u>(3,192)</u> | <u>81,088</u> | <u>121</u> | <u>2,488</u> | <u>80,505</u> |
| Net change in fund balances | (6,767) | 33,012 | 11,540 | 4,177 | 41,962 |
| Fund Balances at January 1 | <u>73,464</u> | <u>176,666</u> | <u>55,545</u> | <u>77,494</u> | <u>383,169</u> |
| Fund Balances at December 31 | <u>\$ 66,697</u> | <u>\$ 209,678</u> | <u>\$ 67,085</u> | <u>\$ 81,671</u> | <u>\$ 425,131</u> |

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF CINCINNATI, OHIO
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | |
|--|------------------|
| Net change in fund balances - total governmental funds | \$ 41,962 |
| 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 and reported as depreciation expense. This is the amount by which capital outlays (\$100,537) exceeded depreciation (\$61,597) in the current period. | 38,940 |
| Governmental funds report cash received for assets disposed of as revenue. However, in the statement of activities, that cash offsets the difference between the book value and accumulated depreciation of the disposed asset. This is the sum of the cash received (\$866) and the net loss (\$3,623) on the sale of assets. | (4,489) |
| Statement of activities reports an increase in revenues due to current activity in deferred revenues which is not reported at fund level. | 9,215 |
| The long-term liability for compensated absences is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities. | (4,614) |
| The long-term liability for unpaid claims is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities. | (5,957) |
| The long-term liability for Net Pension Obligation is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities. | (13,578) |
| The long-term liability for Net Other Post Employment Benefit Obligation is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities. | (7,893) |
| Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments. | (42,721) |

(Continued)

CITY OF CINCINNATI, OHIO
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the year ended December 31, 2008
(Amounts in Thousands)

(Continued)

| | |
|--|-------------------------|
| 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 governmental funds. | \$ (860) |
| Bond premiums are included in revenue at the fund level, but capitalized and amortized over the life of the bonds in the government-wide financial statements. | (572) |
| Bond issuance costs are included in expenditures at the fund level, but are deferred and amortized over the life of the bonds in the government-wide financial statements | 1,110 |
| Bond discounts are included in expenditures at the fund level, but are deferred and amortized over the life of the bonds in the government-wide financial statements | 538 |
| Internal balances between the governmental activities and the business type activities are not reported at the fund level. | 700 |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue(expense) of certain internal service funds is reported with governmental activities. | <u>(1,370)</u> |
| Change in net assets of governmental activities (page 37) | <u><u>\$ 10,411</u></u> |

The accompanying notes to the financial statements are an integral part of this statement.

City of Cincinnati, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2008
(Amounts in Thousands)

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|--|--|--------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Water Works | Convention Center | Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| ASSETS | | | | | |
| <u>Current:</u> | | | | | |
| Cash and Equivalents | \$ 1,400 | \$ 392 | \$ 82 | \$ 1,482 | \$ 10,470 |
| Equity in City Treasury Cash | 13,334 | 392 | 4,876 | 18,602 | 10,470 |
| Receivables: | | | | | |
| Taxes | | 84 | | 84 | |
| Accounts, Net | 17,958 | 399 | 1,923 | 20,280 | 963 |
| Accrued Interest | 903 | | 328 | 1,231 | 495 |
| Due from Other Funds | 1,957 | 38 | 552 | 2,547 | 3,453 |
| Due from Other Governments | 12,781 | 814 | | 13,595 | 1,447 |
| Prepaid Items | 2,063 | 10 | 25 | 2,098 | 1,260 |
| Inventory | 5,288 | | | 5,288 | 362 |
| Advances to Other Funds | 50 | 594 | 4,775 | 5,419 | 1,556 |
| Restricted Assets: | | | | | |
| Cash and Equivalents | 750 | | | 750 | |
| Equity in City Treasury Cash | 3,311 | | 94 | 3,405 | |
| Investments, at Fair Value | 32,042 | | | 32,042 | |
| Total Current Assets | 91,837 | 2,331 | 12,655 | 106,823 | 20,006 |
| <u>Noncurrent:</u> | | | | | |
| Equity in City Treasury Cash | 43,119 | 1,269 | 15,759 | 60,147 | 33,857 |
| Restricted Equity in City Treasury Cash | 10,708 | | 306 | 11,014 | |
| Restricted Cash and Equivalents | 2,425 | | | 2,425 | |
| Deferred Charges | 4,146 | | | 4,146 | |
| Land | 2,727 | 11,555 | 25,271 | 39,553 | 283 |
| Buildings, net of Accumulated Depreciation | 125,704 | 10,464 | 26,382 | 162,550 | |
| Improvements, net of Accumulated Depreciation | 500,281 | 112,307 | 52,493 | 665,081 | 5,477 |
| Machinery and Equipment, net of Accumulated Depreciation | 107,021 | 1,005 | 1,439 | 109,465 | 29,117 |
| Construction in Progress | 91,322 | 593 | 13,725 | 105,640 | |
| Property Acquired under Capital Leases, net of Accumulated Amortization | 138 | | 141 | 279 | 15 |
| Total Noncurrent Assets | 887,591 | 137,193 | 135,516 | 1,160,300 | 68,749 |
| Total Assets | \$ 979,428 | \$ 139,524 | \$ 148,171 | \$ 1,267,123 | \$ 88,755 |

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF CINCINNATI, OHIO
Statement of Net Assets
Proprietary Funds
December 31, 2008
(Amounts in Thousands)

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|--|--|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Water Works | Convention Center | Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| LIABILITIES | | | | | |
| Current: | | | | | |
| Accounts Payable | \$ 3,751 | \$ 149 | \$ 513 | \$ 4,413 | \$ 6,387 |
| Due to Other Funds | 642 | | 159 | 801 | 836 |
| Due to Other Governments | 1,463 | | | 1,463 | |
| Accrued Payroll | 1,187 | | 230 | 1,417 | 531 |
| Accrued Liabilities | | 58 | 1,020 | 1,078 | 1,811 |
| Accrued Interest | 41 | | 12 | 53 | |
| Obligations under Capital Lease | 31 | | 56 | 87 | 9 |
| Deposits Payable | | | 7 | 7 | 59 |
| Unearned Revenue | | 462 | 6,964 | 7,426 | 490 |
| Compensated Absences payable | 3,450 | | 444 | 3,894 | 1,131 |
| Unpaid Claims payable | 183 | 1 | 2 | 186 | 13,960 |
| Ohio Public Works Commission Loan | 157 | | | 157 | |
| Ohio Water Development Authority Loan | 217 | | | 217 | |
| General Obligation Bonds and Notes Payable | 2,000 | | 315 | 2,315 | |
| Revenue Bonds Payable | 14,000 | | | 14,000 | |
| Payable from Restricted Assets: | | | | | |
| Construction Contracts | 4,603 | | | 4,603 | |
| Deposits Payable | 2,104 | | | 2,104 | |
| Total Current Liabilities | 33,829 | 670 | 9,722 | 44,221 | 25,214 |
| Noncurrent: | | | | | |
| Urban Redevelopment Loans Payable | | | 4,698 | 4,698 | |
| Compensated Absences Payable | 3,158 | | 647 | 3,805 | 742 |
| Obligations Under Capital Lease | 107 | | 74 | 181 | 6 |
| Ohio Public Works Commission Loan | 2,544 | | | 2,544 | |
| Ohio Water Development Authority Loan | 5,006 | | | 5,006 | |
| Estimated liability for Unpaid Claims | | | | | 8,676 |
| Advances from Other Funds | | | | | 227 |
| Advances from Other Governments | | | | | 21 |
| Revenue Bonds Payable | 318,635 | | | 318,635 | |
| General Obligation Bonds and Notes Payable | 9,800 | | 3,355 | 13,155 | |
| Unamortized Bond Premiums | 17,596 | | | 17,596 | |
| Net Pension Obligation | 7,302 | 145 | 1,004 | 8,451 | 3,065 |
| Net Other Post Employment Benefit Obligation | 3,535 | 46 | 486 | 4,067 | 1,452 |
| Total Noncurrent Liabilities | 367,683 | 191 | 10,264 | 378,138 | 14,189 |
| Total Liabilities | 401,512 | 861 | 19,986 | 422,359 | 39,403 |
| NET ASSETS | | | | | |
| Invested in Capital Assets, Net of Related Debt | 459,819 | 135,924 | 111,806 | 707,549 | 34,877 |
| Restricted | 42,529 | | 400 | 42,929 | |
| Unrestricted | 75,568 | 2,739 | 15,979 | 94,286 | 14,475 |
| Total Net Assets | \$ 577,916 | \$ 138,663 | \$ 128,185 | 844,764 | \$ 49,352 |
| Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities. | | | | 1,138 | |
| Net assets of business type activities | | | | <u>\$ 845,902</u> | |

The accompanying notes to the financial statements are an integral part of this statement.

City of Cincinnati, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|--|--|--------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Water Works | Convention Center | Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| OPERATING REVENUES | | | | | |
| Charges for Current Services | \$ 119,228 | \$ 6,440 | \$ 25,949 | \$ 151,617 | \$ 129,261 |
| Miscellaneous | 2,280 | 20 | 155 | 2,455 | 1,749 |
| Total Operating Revenues | <u>121,508</u> | <u>6,460</u> | <u>26,104</u> | <u>154,072</u> | <u>131,010</u> |
| OPERATING EXPENSES | | | | | |
| Personal Services | 41,041 | | 6,086 | 47,127 | 15,246 |
| Contractual Services | 9,660 | 11,320 | 8,669 | 29,649 | 4,800 |
| Maintenance and Repairs | 4,115 | | 2,979 | 7,094 | 1,126 |
| Materials and Supplies | 7,869 | 83 | 503 | 8,455 | 13,769 |
| Utilities | 11,287 | | 1,270 | 12,557 | 1,265 |
| Insurance | 114 | 47 | 19 | 180 | 94,689 |
| Taxes | | 15 | 1,118 | 1,133 | |
| Depreciation and Amortization | 22,781 | 6,907 | 4,939 | 34,627 | 4,664 |
| Rent | 1,057 | | 428 | 1,485 | 1,738 |
| Other expense | 823 | | 314 | 1,137 | 81 |
| Total Operating Expenses | <u>98,747</u> | <u>18,372</u> | <u>26,325</u> | <u>143,444</u> | <u>137,378</u> |
| Operating Income(Loss) | 22,761 | (11,912) | (221) | 10,628 | (6,368) |
| NONOPERATING REVENUES(EXPENSES) | | | | | |
| Interest revenue | 5,272 | | 1,048 | 6,320 | 1,787 |
| Occupancy tax receipts | | 1,287 | | 1,287 | |
| Interest expense | (13,997) | | (211) | (14,208) | (12) |
| Loss on Capital Asset Impairment | (978) | | | (978) | |
| Loss on disposal of assets | (360) | | (7) | (367) | |
| Nonoperating Revenues(Expenses) | <u>(10,063)</u> | <u>1,287</u> | <u>830</u> | <u>(7,946)</u> | <u>1,775</u> |
| Income (Loss) before Contributions and Transfers | 12,698 | (10,625) | 609 | 2,682 | (4,593) |
| Transfers In | | 1,000 | 13 | 1,013 | 1,008 |
| Transfers (Out) | | | (3,739) | (3,739) | (1,328) |
| Capital contributions | 3,099 | 1,065 | 1,129 | 5,293 | (4) |
| Change in Net Assets | 15,797 | (8,560) | (1,988) | 5,249 | (4,917) |
| Net Assets at January 1 | <u>562,119</u> | <u>147,223</u> | <u>130,173</u> | | <u>54,269</u> |
| Net Assets at December 31 | <u>\$ 577,916</u> | <u>\$ 138,663</u> | <u>\$ 128,185</u> | | <u>\$ 49,352</u> |

Some amounts reported for business-type activities in the statement of net assets are different because the net revenue of certain internal service funds is reported with business type activities.

(700)

Change in net assets of business type activities

\$ 4,549

The accompanying notes to the financial statements are an integral part of this statement.

City of Cincinnati, Ohio
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities |
|--|--|--------------------------|-------------------------------|-------------------------------|--------------------------------|
| | Water Works | Convention Center | Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| Cash Flows from Operating Activities: | | | | | |
| Receipts from Customers | \$ 124,496 | \$ 6,151 | \$ 25,991 | \$ 156,638 | \$ 12,082 |
| Receipts from Other Funds | | | | | 67,456 |
| Receipts from Retirement System | | | | | 49,887 |
| Payments to Suppliers | (33,642) | (11,315) | (11,463) | (56,420) | (117,191) |
| Payments to Other Funds | | (84) | (3,028) | (3,112) | (1,491) |
| Payments to Employees | (35,698) | (49) | (5,097) | (40,844) | (13,614) |
| Payments for Property Taxes | | (24) | (653) | (677) | |
| Net Cash Provided (Used) by Operating Activities | <u>55,156</u> | <u>(5,321)</u> | <u>5,750</u> | <u>55,585</u> | <u>(2,871)</u> |
| Cash Flows from Noncapital Financing Activities: | | | | | |
| Repayment of Advances Made To Other Funds | 55 | | 555 | 610 | 73 |
| Repayment of Advances Received From Other Funds | | | | | (76) |
| Amount Due to Other Fund for Property Acquisition | | | | | (147) |
| Amount Due from Other Funds for City Notes | (1,625) | (38) | (485) | (2,148) | (1,008) |
| Advances To Other Funds | | (412) | (832) | (1,244) | |
| Occupancy Tax Receipts | | 1,334 | | 1,334 | |
| Transfers to Other Funds | | | (3,739) | (3,739) | (1,405) |
| Transfers from Other Funds | | 1,000 | 13 | 1,013 | 1,008 |
| Net Cash Provided(Used) by Noncapital Financing | <u>(1,570)</u> | <u>1,884</u> | <u>(4,488)</u> | <u>(4,174)</u> | <u>(1,555)</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Capital Contributed by Other Sources | 266 | 1,065 | 752 | 2,083 | |
| Proceeds from State Loans | | | | | |
| Proceeds from the Sale of Capital Assets | 60 | | | 60 | |
| Proceeds from Ohio Public Works Bonds | | | | | |
| Proceeds from Ohio Water Development Authority Loan | 89 | | | 89 | |
| Proceeds from Sale of Bonds and Notes | | | 2,500 | 2,500 | |
| Acquisition of Property, Plant and Equipment | (8,843) | 3,000 | (94) | (5,937) | (239) |
| Interest Paid on Bonds and Notes | (14,917) | | (202) | (15,119) | (12) |
| Amortization Deferred Issuance Costs | (140) | | | (140) | |
| Principal Paid on Bonds and Notes | (18,220) | | (65) | (18,285) | |
| Principal Paid on Ohio Public Works Bonds | (128) | | | (128) | |
| Principal Paid on Ohio Water Development Authority Loan | (207) | | | (207) | |
| Payments on Long Term Capital Lease Obligations | (138) | | (51) | (189) | (8) |
| Additions to Construction in Progress | (45,248) | (382) | (3,213) | (48,843) | (859) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(87,426)</u> | <u>3,683</u> | <u>(373)</u> | <u>(84,116)</u> | <u>(1,118)</u> |
| Cash Flow from Investing Activities: | | | | | |
| Investments Purchased | 646 | | | 646 | |
| Interest on Investments | 4,918 | | 1,008 | 5,926 | 1,712 |
| Net Cash Provided by Investing Activities | <u>5,564</u> | | <u>1,008</u> | <u>6,572</u> | <u>1,712</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (28,276) | 246 | 1,897 | (26,133) | (3,832) |
| Cash and Cash Equivalents at Beginning of Year | <u>103,323</u> | <u>1,415</u> | <u>19,220</u> | <u>123,958</u> | <u>48,159</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 75,047</u> | <u>\$ 1,661</u> | <u>\$ 21,117</u> | <u>\$ 97,825</u> | <u>\$ 44,327</u> |

The accompanying notes to the financial statements are an integral part of this statement.

City of Cincinnati, Ohio
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Business-Type Activities - Enterprise Funds</u> | | | | <u>Governmental</u> |
|---|--|-------------------|-------------------|-------------------|---------------------|
| | <u>Water</u> | <u>Convention</u> | <u>Other</u> | <u>Total</u> | <u>Internal</u> |
| | <u>Works</u> | <u>Center</u> | <u>Enterprise</u> | <u>Enterprise</u> | <u>Service</u> |
| | | | <u>Funds</u> | <u>Funds</u> | <u>Funds</u> |
| <u>Reconciliation of Operating Income (Loss) to</u> | | | | | |
| <u>Net Cash Provided (Used) by</u> | | | | | |
| <u>Operating Activities:</u> | | | | | |
| Operating Income (Loss) | \$ 22,761 | \$ (11,912) | \$ (221) | \$ 10,628 | \$ (6,368) |
| Depreciation and Amortization | 22,781 | 6,907 | 4,939 | 34,627 | 4,664 |
| Changes in Assets and Liabilities: | | | | | |
| (Increase) Decrease in: | | | | | |
| Receivables | (198) | (106) | 73 | (231) | (707) |
| Due from Other Funds | 20 | | 1 | 21 | (758) |
| Due from Other Governments | 3,166 | (279) | | 2,887 | (567) |
| Inventory | (682) | | | (682) | 14 |
| Prepaid Items | 37 | 100 | (21) | 116 | 113 |
| Deferred Charges | 38 | | | 38 | |
| Increase (Decrease) in: | | | | | |
| Accounts Payable | 375 | (89) | (228) | 58 | 245 |
| Deposits Payable | 596 | | | 596 | 23 |
| Due to Other Funds | 175 | (1) | 9 | 183 | (567) |
| Due to Other Governmental Agencies | 706 | | | 706 | |
| Accrued Payroll | (615) | (30) | 36 | (609) | (417) |
| Accrued Liabilities | | 34 | 390 | 424 | (740) |
| Accrued Interest | | | (3) | (3) | |
| Unearned Revenue | | 76 | (165) | (89) | (145) |
| Liability for Compensated Absences | 171 | (20) | 127 | 278 | (204) |
| Estimated Liability for Unpaid Claims | 38 | (2) | (4) | 32 | 261 |
| Net Pension Obligation | 3,646 | 1 | 515 | 4,162 | 1,437 |
| Net Other Post Employment Benefit Obligation | 2,141 | | 302 | 2,443 | 845 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 55,156</u> | <u>\$ (5,321)</u> | <u>\$ 5,750</u> | <u>\$ 55,585</u> | <u>\$ (2,871)</u> |

Schedule of Noncash Investing, Capital
and Financing Activities:

| | | | | | |
|---|-----------------|-----------|-------------|-----------------|----------------|
| Acquisition of Property, Plant and Equipment from | | | | | |
| Acquired Through a Capital Lease | \$ | \$ | \$ | \$ | \$ 33 |
| Transfer to Other Funds | | | | | (224) |
| Capital Contributions | 2,834 | | 8 | 2,842 | 107 |
| Total Noncash Investing, Capital and | | | | | |
| Financing Activities | <u>\$ 2,834</u> | <u>\$</u> | <u>\$ 8</u> | <u>\$ 2,842</u> | <u>\$ (84)</u> |

The accompanying notes to the financial statements are an integral part of this statement.

City of Cincinnati, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2008
(Amounts in Thousands)

| | Pension Trust | Investment Trust Fund | Agency |
|--|------------------|-----------------------------|------------|
| ASSETS | | | |
| Cash and Equivalents | \$ 68,319 | | |
| Equity in City Treasury Cash | | \$ 76,943 | \$ 3,321 |
| Investments, at fair value: | | | |
| Government Bonds | 2,542 | | |
| Government Agencies | 10,647 | | |
| Government Mortgage Backed Securities | 149,911 | | |
| Government Inflation Index Bonds | 18,606 | | |
| Corporate Bonds | 215,838 | | |
| State and Local Obligations | 2,778 | | |
| Equities | 1,012,305 | | |
| Venture Capital | 200,970 | | |
| U. S. Treasury Bills and Notes | | | 295,107 |
| Real Estate | 158,872 | | |
| Other Bonds | 18,647 | | |
| Other | 42,154 | | |
| | 1,833,270 | | 295,107 |
| Total Investments, at Fair Value | | | |
| Collateral on Loaned Securities | 242,380 | | |
| Receivables: | | | |
| Accounts, Net | 271 | | 32,721 |
| Accounts Receivable for Securities Sold | 93,794 | | |
| Accrued Interest and Dividends | 6,913 | | 828 |
| Due from Other Funds | 1,112 | | |
| Due from Other Governments | 2,469 | | |
| Inventory | | | |
| Loans Receivable | 14,500 | | |
| Machinery and Equipment | 1,782 | | |
| Accumulated Depreciation | (1,407) | | |
| Total Assets | 2,263,403 | 76,943 | \$ 331,977 |
| LIABILITIES | | | |
| Accounts Payable | 1,422 | | \$ 14,639 |
| Accounts Payable for Securities Purchase | 191,276 | | |
| Due to Other Funds | 852 | | |
| Due to Other Governmental Agencies | | | 294,123 |
| Obligations Under Securities Lending | 242,380 | | |
| Accrued Payroll | 30 | | 1,643 |
| Accrued Liabilities | 11,201 | | 31 |
| Deposits Payable | | | 2,876 |
| Estimated Liability for Compensated Absences | 102 | | 7,607 |
| Net Pension Obligation | | | 7,627 |
| Net Other Post Employment Benefit Obligation | | | 3,431 |
| Total Liabilities | 447,263 | | \$ 331,977 |
| NET ASSETS | | | |
| Held in Trust for Internal Pool Participant | | | |
| Held in Trust for External Pool Participant | | 76,943 | |
| Held in Trust for Employees' Pension Benefits | 1,242,081 | | |
| Held in Trust for Employees' Postemployment Healthcare Benefits | 574,059 | | |
| Total Net Assets | \$ 1,816,140 | \$ 76,943 | |

The accompanying notes to the financial statements are an integral part of this statement.

City of Cincinnati, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Pension Trust</u> | <u>Investment Trust Fund</u> |
|--|--------------------------|--------------------------------------|
| ADDITIONS | | |
| Contributions: | \$ | \$ |
| Plan members | 11,844 | |
| Employer | 27,250 | |
| Other | 995 | |
| Participant Deposits | | 397,221 |
| Total Contributions | 40,089 | 397,221 |
| Transfers From Other Retirement Systems | 598 | |
| Investment earnings: | | |
| Interest and Dividends | 72,950 | 2,862 |
| Net Appreciation in the Fair Value of Investments | (784,023) | 182 |
| Total Investment Earnings | (711,073) | 3,044 |
| Less Investment Management Expenses | 5,781 | |
| Net Income (Loss) From Investing Activities | (716,854) | 3,044 |
| From Security Lending Activities: | | |
| Securities Lending Income | 10,503 | |
| Securities Lending Expense: | | |
| Borrower Rebates | (7,358) | |
| Management Fees | (780) | |
| Total Securities Lending Expenses | (8,138) | |
| Net Income from Securities Lending Activities | 2,365 | |
| Total Additions (Losses) | (673,802) | 400,265 |
| DEDUCTIONS | | |
| Benefit Payments: | | |
| Pension and Annuities | 130,428 | |
| Distributions to Participants | | 381,429 |
| Hospital and Medical Care | 48,901 | |
| Medicare | 3,831 | |
| Dental Benefits | 1,610 | |
| Vision Benefits | 141 | |
| Death Benefits, Active and Retired | 1,216 | |
| Loss Due to Death of Members with Loans | 1 | |
| Transfers - Retirement to other systems | 2,089 | |
| Total Benefits Payments | 188,217 | 381,429 |
| Refunds of Contributions | 1,366 | |
| Administrative expenses: | | |
| Personal Services | 754 | |
| Contractual Services | 694 | |
| Materials and Supplies | 12 | |
| Depreciation | 49 | |
| Total Administrative Expenses | 1,509 | |
| Total Deductions | 191,092 | 381,429 |
| Change in Net Assets | (864,894) | 18,836 |
| Net Assets at January 1 | 2,681,034 | 58,107 |
| Net Assets at December 31 | \$ 1,816,140 | \$ 76,943 |

The accompanying notes to the financial statements are an integral part of this statement.

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Notes to Financial Statements

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CITY OF CINCINNATI, OHIO
NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cincinnati is a political subdivision of the State of Ohio. It is governed with the powers of home rule by a directly elected mayor with a four-year term and a council of nine members who are elected at large for two-year terms. In 2001, Cincinnati converted from a city manager-council form of government, through which it had operated since 1926, to a strong mayor-council form of government.

A. Reporting Entity

The City as a reporting entity consists of only one governmental unit. Cincinnati has no component units - defined as entities for which the government is considered to be financially accountable.

The following organizations are included in the combined financial statements of the City because, under Ohio law, they have limited corporate powers and are therefore not legally separate organizations:

Cincinnati Park Board
Cincinnati Recreation Commission
City Planning Commission
Cincinnati Board of Health
Civil Service Commission

Cincinnati owns a railway line, the Cincinnati Southern Railway that was completed in 1881 and extends from Cincinnati, Ohio to Chattanooga, Tennessee, a distance of 335 miles. Improvements have been made at various intervals; the most recent, a major line revision to eliminate tunnel clearance restrictions, grades, and curves, was completed in 1964. Improvements other than buildings in Governmental Activities include \$83,224,000 attributable to the City's cost to construct and improve this railway system. The railway is leased to the Cincinnati, New Orleans and Texas Pacific Railway Company until December 31, 2026, with an option to extend the lease for an additional 25 years. The lessee is part of the Norfolk Southern Railway System and is its second largest operating unit. Total rental income from the railway lease was \$18,889,000 in 2008 and \$18,318,000 in 2007.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Interfund receivables and payables between governmental and business type activities have been eliminated in the government-wide statement of net assets. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business type activities total column. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's business type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund financial statements consist of a series of statements focusing on information about the City's major governmental and proprietary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and two major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the City of Cincinnati for 2008 are prepared in accordance with standards promulgated by the Governmental Accounting Standards Board (GASB). These standards include the effective pronouncements of the National Council on Governmental Accounting and the American Institute of Certified Public Accountants which are considered to be "generally accepted accounting principles" for state and local entities, until they are altered, amended, supplemented, revoked or superseded by a subsequent GASB pronouncement.

The City reports the following major governmental funds:

General Fund is the accounting entity in which all governmental activity, except that which is required to be accounted for in other funds, is accounted for. Its revenues consist primarily of taxes, intergovernmental shared revenues, charges for services, and investment income.

General Fund expenditures represent costs of general government, community development, public safety, public services, public health, parks and recreation, and other.

Capital Projects Fund is used primarily to account for resources designated to construct or acquire governmental fund capital assets. Such resources are derived principally from proceeds of general obligation debt, federal and state grants and City income tax (see Note 11). It is the City's policy to use the proceeds derived from the sale of bonds only for the capital improvement purpose detailed in the bond-authorizing ordinance and in accordance with state statutes. Any premium and accrued interest received from the sale of bonds is deposited into the Debt Service Fund.

Debt Service Fund accounts for the resources accumulated and payments made for principal and interest

on general obligation debt and capital lease payments of the governmental funds.

The City reports the following major proprietary funds:

Water Works Fund accounts for all activities of the City's Water Works Department. The City collects, purifies, and sells water to Greater Cincinnati Area residents. Revenues consist primarily of user charges.

Convention Center Fund accounts for the revenues and expenses from the operation of the Duke Energy Convention Center, financed primarily through user fees.

The City reports the following fund types:

Internal Service Funds account for reproduction, printing and stores; automotive repairs and maintenance services; land sales and leasing; employee medical costs; workers' compensation; and data processing services to other departments or agencies of the City, or to other governments. Internal service funds are used to account for the financing of goods or services provided by one department or agency to another department or agencies of the government, generally on a cost reimbursement basis.

Pension Trust Fund – This fund is used to account for the receipts and expenditures of the City's Retirement System, which is a multiple-employer defined benefit pension plan. This fund accounts for both the pension benefits and the post-employment healthcare benefits.

Investment Trust Fund – This fund is used to account for the Metropolitan Sewer District Fund portion of the City's pool of cash and investments.

Agency Funds – These funds are used to account for assets held by the City in a fiduciary capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The assets held by the City include towing and storing charges for impounded vehicles, entertainment facilities deposits, transportation and engineering specific purpose monies, Metropolitan Sewer District monies and the Convention Facility Authority monies.

Measurement Focus

Except for budgetary purposes, the basis of accounting used by the City conforms to generally accepted accounting principles (GAAP) in the United States of America as applicable to governmental units. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

The government-wide and proprietary funds financial statements are reported using the economic resources measurement focus. The government-wide and proprietary funds financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include income taxes, property taxes, grants, shared revenues, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the taxpayer's liability occurs and revenue from property taxes is recognized in the fiscal year for which the taxes are levied. On an accrual basis, revenue in the form of shared revenue is recognized when the provider government recognizes its liability to the City. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Inventories of materials and supplies may be considered expenditures either when purchased or when used; and prepaid expense items may be considered expenditures either when paid for or when consumed. Proceeds of general long-term debt are reported as other financing sources.

Income taxes, delinquent property taxes, liquor permits, fines, local government fund, gasoline tax, and motor vehicle license fees for the current and prior periods are determined to be susceptible to accrual and are recognized as revenue in the current accounting period. All other major revenues of governmental funds are determined not to meet the criteria of either being measurable or available.

The proprietary fund type statements are prepared utilizing the flow of economic resources measurement focus and the accrual basis of accounting for revenues, which are recognized when they are earned, and for expenses, which are recognized when they are incurred. Unbilled service receivables are recognized by proprietary funds when the services are provided.

The fiduciary fund types recognize revenue and expenditures/expenses on a basis consistent with the fund's accounting measurement objective. The pension trust fund and the mixed investment pool statements are prepared utilizing the flow of economic resources measurement focus and the accrual basis of accounting. The pension trust fund accounts for both the pension benefits and the employees' post-employment benefits. Agency funds do not have a measurement focus. Their financial statements are prepared utilizing the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Other Accounting Policies

- A.** *Investments* - The investments of the City (excluding the City of Cincinnati's Retirement System, (see Note 2)) are comprised primarily of time deposits and other securities guaranteed by the United States Government or its agencies and are stated at fair value based on quoted market prices.
- B.** *Inventories* - Inventories are valued at cost using either the moving weighted average or the first-in, first-out method. Inventories in the governmental funds and the proprietary funds are recorded using the consumption method whereby inventories are recorded as expenditures or expenses when they are used.
- C.** *Insurance* - The City maintains a comprehensive all-risk property insurance program that provides

insurance coverage for approximately \$1,132,085,000 in property values. In addition, certain enterprise funds carry insurance coverage for specific purposes as determined by management. An estimated liability for uninsured losses is reported as required by Governmental Accounting Standards Board Statement 10 - Accounting and Financial Reporting for Risk Financing and Related Insurance Issues. State law authorizes the issuance of judgment bonds to settle claims. The City's available legal debt margin of \$91,619,000 at December 31, 2008, is considered adequate for catastrophic loss coverage.

D. *Inter-Fund Transactions* - During the course of normal operations, the City has numerous transactions between funds including expenditures/expenses, advances and transfers of resources to provide services, construct assets and service debt. The governmental and proprietary fund type financial statements generally reflect such transactions as transfers or advances. The internal service funds record charges for services to City departments as operating revenue. All City funds record these payments to the internal service funds as operating expenditures/expenses. The proprietary funds record operating subsidies as other income whereas the fund paying the subsidy records it as either an expenditure/expense or transfer. Transfers are intended to reallocate money permanently from one fund to another. Advances represent the long-term portion of loans between funds. Inter-fund services provided and used are accounted for as revenues, expenditures, or expenses in the funds involved. The General Fund provides administrative services to enterprise funds. Based on an internal cost allocation plan certain costs initially borne by the General Fund are then billed as indirect charges to other funds of the City. The amounts charged for those services are treated as revenue to the General Fund and as operating expenses in the enterprise funds and as program expenses for individual functions and activities.

E. *Capital Assets* -Capital assets which include property, plant and equipment, and infrastructure (e. g. roads, streets, bridges and retaining walls) are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The City defines capital assets as assets with an individual cost of \$5,000 or more (\$100,000 for governmental infrastructure assets) and an estimated useful life in excess of one year. Such assets are capitalized at historical cost, or estimated values that approximate historical cost if purchased or constructed. Pursuant to the implementation of GASB No. 34, the historical cost of infrastructure assets (retroactive to January 1, 1980) are included as part of the governmental capital assets reported in the government-wide statement. Thus, the depreciated value of construction cost for streets, bridges and retaining walls is reported. Donated capital assets are recorded at estimated fair market value at the time of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

| | |
|----------------------------|-------------|
| Water Mains | 100 years |
| Buildings and Improvements | 25-70 years |
| Infrastructure | 15-25 years |
| Machinery and Equipment | 5-40 years |
| Automotive Equipment | 3-20 years |

- F.** *Deferred Revenues* - The City reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Certain intergovernmental receivables, uncollected assessments, miscellaneous receivables, property taxes and income taxes not meeting the availability criteria have been deferred and will be realized in a subsequent period in the governmental funds.
- G.** *Grants and Other Intergovernmental Revenues* - The proprietary fund types recognize the federal reimbursement-type capital grants as intergovernmental receivables and capital contributions as the related expenses are incurred. All other federal reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred. On an accrual basis, revenue in the form of shared revenue is recognized when the provider government recognizes its liability to the City.
- H.** *Operating Revenues and Expenses* - The City, in its proprietary funds, distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.
- I.** *Capitalization of Interest* - Interest is capitalized by the City in proprietary fund types when it is determined to be material. The City capitalizes interest in accordance with Statement of Financial Accounting Standard No. 62, Capitalization of Interest Costs in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants. This statement requires that the interest cost capitalized during construction be reduced by interest income earned on investments of the bond proceeds from the date of the borrowing until the assets constructed from the bond proceeds are ready for their intended use.
- J.** *Statement of Cash Flows* - For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments held by trustees, with a maturity of three months or less when purchased, to be cash equivalents. In addition, all cash and temporary investments with the City Treasurer are also considered to be cash equivalents since they are available to the proprietary funds on demand. The temporary investments primarily consist of certificates of deposit and U. S. Treasury securities that have maturities of up to two years.
- K.** *Debt Issuance Costs, Premiums and Discounts* - Debt Issuance costs, premiums and discounts are capitalized and amortized over the term of the bond.
- L.** *Pronouncements Effective for the 2008 Financial Statements* - With this financial report the City has changed its financial reporting to comply with Governmental Accounting Standards Board (GASB) Statement Number 49, *Accounting and Financial Reporting for Pollution Remediation Costs* which was issued in November 2006. This Statement is effective for financial statements for fiscal periods beginning after December 15, 2007. This Statement establishes criteria that governments will use to ascertain when and how to report a liability related to pollution remediation. This statement enhances the ability of financial information users to access a government's obligations by requiring both earlier reporting of obligations and recognition of obligations that may not have been reported before.

- M.** *Pronouncements Issued But Not Yet Effective* – Governmental Accounting Standards Board (GASB) Statement Number 51, *Accounting and Financial Reporting for Intangible Assets* was issued in June 2007. This statement is effective for fiscal periods beginning after June 15, 2009. This statement defines intangible assets and states the criteria for their inclusion as capital assets for accounting and financial reporting purposes.

Governmental Accounting Standards Board (GASB) Statement Number 52, *Land and Other Real Estate Held as Investments by Endowments* was issued in November 2007. This statement is effective for fiscal periods beginning after June 15, 2008. This statement affects financial reporting for endowments, requiring that land and other real estate be shown at fair value rather than historical cost and requiring that changes in fair value be reported as investment income.

Governmental Accounting Standards Board (GASB) Statement Number 53, *Accounting and Financial Reporting for Derivative Instruments* was issued in June 2008. This statement is effective for fiscal periods beginning after June 15, 2009. Earlier application is encouraged. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

Governmental Accounting Standards Board (GASB) Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions* was issued in March 2009. This statement is effective for fiscal periods beginning after June 15, 2010. Earlier application is encouraged. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

Governmental Accounting Standards Board (GASB) Statement Number 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* was issued in March 2009. This statement is effective upon issuance. The objective of this statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature.

- N.** *Working Capital Reserve* - City Council established standards for a minimum working capital reserve account in 1984 to assure a strong financial position and to protect Cincinnati's general obligation bond rating during periods of fiscal stress. The policy called for achievement of a minimum reserve level, for emergency needs of a catastrophic nature, of no less than 5% or more than 8% of general operating revenues by December 31, 1986. The targeted year-end reserve level was achieved in January of each year 1985 through 2008. The working capital reserve for 2008 was \$25,312,000 and is included in the Fund Balance Reserved for Working Capital in the Capital Projects Fund. The City is a chartered government and the working capital reserve, as established, is allowed by the charter.
- O.** *Restricted resources* - Bond funds and other similar restricted resources are assumed to be expended before non-restricted resources in paying for capital projects of both the governmental funds and the proprietary funds.
- P.** *Liability for Compensated Absences* – City Employees are awarded sick, vacation and compensatory time as determined by union contractual agreements and personnel policies. Compensatory time and vacation time are paid out in full upon termination and are expensed in the year earned. Sick leave is

paid out at various levels upon termination. The liability for sick leave is computed with the Termination Payment Method using a historical average of total years worked and total amount paid. The current portion of the liability is an average of the annual expenditures.

2. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The City of Cincinnati combines the cash balances in individual funds to form a pool of cash and investments. Each fund reports its respective equity in City Treasury cash as an element of its resources. In addition, several funds separately hold cash and equivalents and investments, which are appropriately identified, in the government-wide Statement of Net Assets of the City. Earnings from the pooled cash and investments are allocated on a quarterly basis to eligible fund based on month-end equity balances. The data presented in the accompanying financial statements is for the City of Cincinnati as a whole.

Deposits

At year-end the carrying amount of the City's deposits, including certificates of deposit with various financial institutions was \$391,490,000 and the bank balance was \$406,242,000. The entire bank balance is held in the name of the City and is collateralized either by federal depository insurance or securities pledged as collateral and segregated by the Federal Reserve Bank in a pledge account. The collateral is held by the City's agent in the City's name; it cannot be released by the Federal Reserve Bank without the City's approval.

Statutes specify that the City Treasurer require institutions designated as a public depository to pledge and to deposit with the Treasurer's office, as security for the payment of all public monies to be deposited in the public depository during the period of designation, eligible securities of an aggregate market value equal to the excess of the amount of public monies that are at the time so deposited over and above such portion or amount of such money as is at such time insured by the Federal Deposit Insurance Corporation, or by any other agency or instrumentality of the federal government. As an alternative, the City Treasurer may require such institution to deposit with him surety company bonds which, when executed, shall be for an amount equal to such excess amount.

Excluded from these amounts are deposits held by the City's Retirement System for which the year-end book balance was \$68,319,000. The year-end bank balance was \$20,446,000 and the cash balance was \$20,010,000. The cash balance was held by the City Treasurer. The cash equivalents of \$48,309,000 were held in money managers' custodial accounts at the Bank of New York at year-end and are not subject to the same insurance and collateralization requirements as the City's deposits and are uncollateralized.

Investments

The fair value of investments for the City at December 31, 2008 was \$581,379,000. These investments include \$83,724,000 in Money Market Funds, \$253,489,000 in U. S. Treasury Securities, \$242,328,000 in U. S. Government pass-through mortgage backed securities, STAROhio \$750,000, \$232,000 in Bond Mutual Funds, and \$856,000 in Equity Securities. The City is legally authorized to invest in obligations of the U.S. Treasury, federal agencies or instrumentalities, obligations of the State of Ohio and its political subdivisions and repurchase agreements. All investments of the City of Cincinnati are insured or registered, or are securities held by the City or its agent in the City's name. The City Treasurer may enter into a repurchase agreement of United States Treasury obligations or other obligations for which the full faith and credit of the United States is pledged for the payment of principal and interest, or obligations or securities issued by any

federal government agency. The City has not used reverse repurchase agreements or derivatives as investment instruments.

Excluded from the City’s investments discussed above are assets held in trust by the City’s Retirement System and the Park Board, which includes the Special Revenue Parks, Special Revenue Bettman Nature Center, and Permanent Park Board Funds. The fair value of investments for these funds at December 31, 2008 was \$1,840,518,000. These investments include \$13,352,000 in Government Agencies and Bonds, \$18,606,000 in Government Inflation Indexed Bonds, \$151,926,000 in Government pass-through mortgage backed securities, \$216,831,000 in Corporate Fixed Income, \$200,970,000 in Venture Capital, \$1,016,382,000 in Equity Securities, \$2,778,000 in State and Local Obligations, \$42,154,000 in Other Assets, \$158,872,000 in Real Estate Investments, and \$18,647,000 in other bonds. In those cases where resources are maintained in trust, the authority for investment of the property rests with either the trust agreement or local ordinance. Investments of the City of Cincinnati Retirement System are, by ordinance, subject to certain terms and limitations. These limitations do not apply to investments in securities of the City and federal government or their agencies. Investments of the City of Cincinnati Retirement System and Park Board are uninsured, with securities held by the counterparty, or by its trust department or agent but not in the City’s name. The investment in Venture Capital is not considered an investment in a security for purposes of credit risk classification since it is not evidenced by securities that exist in physical or book entry form.

Investment Policy and Risk

The investment policy and risk will be discussed in four categories: 1) the City investment policy, which includes the General Fund, Debt Service Fund, Capital Project Fund, Water Works Fund (an Enterprise Fund), and the Metropolitan Sewer District (an Agency Fund), 2) the Permanent Funds except for the Park Board Fund, 3) the Park Board, which includes the Special Revenue Parks, Special Revenue Bettman Nature Center and Permanent Park Board Funds and 4) the City of Cincinnati’s Retirement System’s Pension Trust Fund.

A. City Investment Policy

The City’s foremost objective of the investment policy for the funds that are pooled and deposited in the General Bank Depository Account and other accounts authorized by the City Treasurer is safety of principal. The investment policy minimizes credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions with which the City will do business, and diversifying investments to minimize potential losses.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk is reduced by structuring the portfolio to mature to meet cash requirements for ongoing operations in order to avoid the need to sell securities prior to maturity and by investing operating funds in shorter-term securities.

At December 31, 2008, the City had the following investments held by the City Treasurer which were exposed to interest rate risk (amounts in thousands):

| Investment Type | Fair Value | Investment Maturities (in years) | | | |
|---------------------------|------------|----------------------------------|-----------|-----------|--------------|
| | | Less Than 1 | 1 to 5 | 6 to 10 | More than 10 |
| U.S. Treasury Obligations | \$ 253,489 | \$ 177,639 | \$ 47,192 | \$ 19,347 | \$ 9,311 |
| Mortgage Backed | | | | | |
| Government Pass-Through | 242,328 | 10,519 | 231,809 | | |
| | 495,817 | 188,158 | 279,001 | 19,347 | 9,311 |

Currently, the investment policy limits the investments to: 1) obligations issued by the United States Treasury, 2) obligations issued by a federal government agency or instrumentality, 3) certificates of deposits, 4) no-load money market mutual funds which invest in 1), 2), or 3) above, 5) the Ohio subdivision's fund (STAR Ohio), 6) repurchase agreements, or 7) obligations of the State of Ohio or of a political subdivision of the state with at least a AA rating. These investments do not expose the City to foreign currency risk. Therefore, the City does not have a foreign currency risk policy.

At December 31, 2008, the City had \$750,000 invested in STAR Ohio, which is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is an investment alternative defined in section 135.45 (E) (2) of the Ohio Revised Code and created for eligible political subdivisions.

The STAR Ohio investments are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2008. The STAR Ohio fund invests in U. S. government and agency securities, collateralized repurchase agreements with eligible Ohio financial institutions, and eligible banker's acceptances and commercial paper. The STAR Ohio fund had an average 54.66 days to maturity at December 31, 2008 and is rated AAAM by Standard and Poor's.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit ratings indicate the degree of credit risk for an investment. At December 31, 2008 the city held the following investments (amounts in thousands):

| Investment Type | Total Fair Value | A-/A3 and Above | Full Faith & Credit |
|---|-------------------|-------------------|---------------------|
| U.S. Treasury Obligations | \$ 253,489 | \$ 28,657 | \$ 224,832 |
| Mortgage Backed Government Pass-Through | <u>242,328</u> | <u>242,328</u> | <u>224,832</u> |
| | <u>\$ 495,817</u> | <u>\$ 270,985</u> | <u>\$ 224,832</u> |

Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty to a transaction, the City would be unable to recover the value of an investment or collateral securities. The custodial credit risk policy is discussed in the Deposits section above. The City requires the certificates of deposit to be backed by collateral or surety bond with an aggregate market value of one hundred two percent of the City's deposits and investments including accrued interest. Repurchase agreements require collateral. The release of collateral requires the approval of the City Treasurer.

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. At December 31, 2008 the city did not have more than five percent of total investments with a single issuer.

B. Permanent Funds

The Permanent Funds (excluding the Park Board Fund) do not have a written investment policy. Each fund has a separate trust agreement, which limits the activity of the fund. At December 31, 2008, total investments were \$1,089,000. The Permanent Funds do not have an investment policy for interest rate risk, credit risk, custodial credit risk, concentration of credit risk, or foreign currency risk. Their investments consist of equity securities with a fair value of \$856,000, and bond mutual funds with a fair value of \$232,000. Credit Ratings and Maturity information was not available for the investments in bond mutual funds.

C. Park Board

The Park Board Fund investments goals are to generate capital growth for long-term usage and provide operating income to the respective projects and operations. The fund has established asset allocation ranges. For equities the range is seventy to ninety percent. For bonds, the range is ten to thirty percent. And for cash the range is zero to three percent. Each bond investment must have a minimum credit rating of A by Standard and Poor's and A by Moody's. Other than these limitations on investments, the Park Board Fund does not have an established policy for interest rate risk, credit risk, concentration of credit risk, custodial credit risk, or foreign currency risk.

At December 31, 2008 the Park Board had total investments with a fair value of \$7,247,000 which included equity securities with a fair value of \$4,076,000, and bond mutual funds with a fair value of \$499,000. The remaining \$2,672,000 in investments is identified in the chart below.

The following investments were exposed to interest rate risk (amounts in thousands):

| Investment Type | Investment Maturities (in years) | | |
|---------------------------|----------------------------------|-------------|----------|
| | Fair Value | Less Than 1 | 1 to 5 |
| U.S. Treasury Obligations | \$ 163 | \$ 25 | \$ 138 |
| U.S. Government Agency | 27 | | 27 |
| Mortgage Backed | | | |
| Government Pass-Through | 2,015 | 1,045 | 970 |
| Corporate Bonds | 467 | 165 | 302 |
| Total | \$ 2,672 | \$ 1,235 | \$ 1,437 |

The following chart provides information utilized in determining credit rate risk (amounts in thousands):

| Investment Type | Total Fair Value | A-/A3 and Above | Full Faith & Credit |
|--------------------------|------------------|-----------------|---------------------|
| U.S. Government Treasury | \$ 163 | \$ 107 | \$ 56 |
| U.S. Government Agency | 27 | 27 | |
| Mortgage Backed | | | |
| Government Pass-Through | 2,015 | 2,015 | |
| Corporate Bonds | 467 | 467 | |
| Total | \$ 2,672 | \$ 2,616 | \$ 56 |

D. City Retirement

The City of Cincinnati Retirement System's Pension Trust Fund primary investment return objectives are to preserve the safety of principal, earn the highest possible total return consistent with prudent levels of risk, and create a stream of investment returns to insure the systematic and adequate funding of actuarially determined benefits through contributions and professional management of the System assets. The System has established asset allocation goals with acceptable variances specific to the type of investment. The total fixed income target allocation is 17% with a variance of 4%. The fixed income investments are divided between core bonds (target allocation of 12% with a variance of 2%) and high yield bonds (target allocation of 5% with a variance of 2%). The remaining asset target allocations are as follows: domestic equity – 43.5% with a variance of 12.5%, international equity 17% with a variance of 4.5%, real estate equity – 7.5% with a variance of 3%, infrastructure 5% with a variance of 2%, long-short equity – 5% with a variance of 2%, and private equity – 5% with a variance of 5%.

Interest Rate Risk

The interest rate risk is addressed by guidelines that require the weighted duration of the investments to be within a range of the duration of a benchmark index. For the core bonds the average effective duration may not vary more than 25% from the Lehman Brothers Aggregate Bond Index. For the high yield bonds the average duration may not vary more than 30% from the Lehman Brothers High Yield Bond Index. At December 31, 2008, the System had the following investments subject to interest rate risk (amounts in thousands):

| Investment Type | Investment Maturities (in years) | | | | |
|---------------------------------------|----------------------------------|------------------|-------------------|------------------|-------------------|
| | Fair Value | Less Than 1 | 1 to 5 | 6 to 10 | More than 10 |
| Fixed Income Investments | | | | | |
| Government Fixed Income | | | | | |
| Government Agencies | \$ 10,647 | \$ - | \$ 608 | \$ 1,000 | \$ 9,039 |
| Government Bonds | 2,542 | - | - | 275 | 2,267 |
| Government Inflation Indexed | 18,606 | - | - | - | 18,606 |
| Government Assets and Mortgage Backed | | | | | |
| Government National Mortgage Assoc | 3,426 | - | 47 | - | 3,379 |
| Federal Home Loan Mortgage Corp | 37,313 | - | 854 | 284 | 36,175 |
| Federal National Mortgage Assoc | 71,258 | - | 819 | 715 | 69,724 |
| Collateralized Mortgage Obligations | 37,914 | - | 1,106 | 587 | 36,221 |
| Corporate Fixed Income | | | | | |
| Asset Backed Securities | 67,986 | 421 | 15,016 | 541 | 52,008 |
| Corporate Bonds | 161,244 | 12,971 | 76,269 | 38,488 | 33,516 |
| State and Local Obligations | 2,778 | - | - | 633 | 2,145 |
| Other Fixed Income | | | | | |
| Private Placements | 17,498 | 494 | 7,446 | 7,042 | 2,516 |
| Miscellaneous Other Fixed Income | 1,149 | - | - | - | 1,149 |
| | <u>\$ 432,361</u> | <u>\$ 13,886</u> | <u>\$ 102,165</u> | <u>\$ 49,565</u> | <u>\$ 266,745</u> |

The above maturity chart includes investments with a fair value of \$13,392,000 which were reclassified as cash equivalents in the Pension Trust financial statements.

Concentration of Credit Risk

The concentration of credit risk is minimized by the diversification policy, which requires the assets to be allocated across major asset classes and be diversified broadly within each asset class. The investment firm is required to notify the System when, in aggregate as a firm, the organization owns more than 10% of the outstanding shares in a single stock. Also, within the fixed investment asset class each of the investment managers may not allow a single issuer to comprise more than 5% of the portfolio's market value. For the domestic equity and the international equity, no single issuer shall comprise more than 10% of the portfolio's market value for each investment manager. To further limit the concentration of credit risk, the domestic equity investment managers are not permitted for the aggregate position within each equity manager's portfolio to exceed 1% of the fair market value of the outstanding stock in any company. For the international equity investment managers the limit is 1.5%.

Credit Risk

In order to reduce credit risk, the System requires that 90% of the core bonds are of a high quality investment grade security. The remaining 10% may be invested in below investment grade securities, defined as investments with a middle rating below BBB- (S&P), Baa3 (Moody's), or BBB- (Fitch). The high yield bonds overall portfolio average quality rating should be not less than B based upon the rating of at least two of the three rating agencies (S&P, Moody's, and Fitch). The following chart provides the investments held by the System summarized by credit rating at December 31, 2008 (amounts in thousands):

| Investment Type | Total Fair Value | A-/A3 and Above | BBB-/Baa3 to BBB+/Baa1 | B-/B3 to BB+/Ba1 | C/C to CCC/Caa | Not Rated |
|---------------------------------------|------------------|-----------------|------------------------|------------------|----------------|------------|
| Fixed Income Investments | | | | | | |
| Government Fixed Income | | | | | | |
| Government Agencies | \$ 10,647 | \$ 4,292 | \$ - | \$ - | \$ - | \$ 6,355 |
| Government Bonds | 2,542 | 1,113 | 1,429 | - | - | - |
| Government Inflation Indexed | 18,606 | 7,399 | - | - | - | 11,207 |
| Government Assets and Mortgage Backed | | | | | | |
| Government National Mortgage Assoc | 3,426 | - | - | - | - | 3,426 |
| Federal Home Loan Mortgage Corp | 37,313 | - | - | - | - | 37,313 |
| Federal National Mortgage Assoc | 71,258 | 48 | - | - | - | 71,210 |
| Collateralized Mortgage Obligations | 37,914 | 1,171 | - | - | - | 36,743 |
| Corporate Fixed Income | | | | | | |
| Asset Backed Securities | 67,986 | 53,432 | - | - | 657 | 13,897 |
| Corporate Bonds | 161,244 | 47,836 | 29,256 | 75,011 | 5,719 | 3,422 |
| State and Local Obligations | 2,778 | 2,778 | - | - | - | - |
| Other Fixed Income | | | | | | |
| Private Placements | 17,498 | 8,130 | 526 | 2,503 | 949 | 5,390 |
| Miscellaneous Other Fixed Income | 1,149 | 1,149 | - | - | - | - |
| Total | \$ 432,361 | \$ 127,348 | \$ 31,211 | \$ 77,514 | \$ 7,325 | \$ 188,963 |

The above credit rating chart includes investments with a fair value of \$13,392,000 which were reclassified as cash equivalents in the Pension Trust financial statements.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investments or a deposit. The System's target allocation for international equities is 17% of the total investment assets with 14% in core equities and 3% in small cap/emerging market equities. The international equity managers may hold up to 5% of its portfolio in a money market or cash. Currency hedging which includes forward currency contracts and cross currency hedging, are permitted for defensive purposes. The System's exposure to foreign currency risk at December 31, 2008 is as follows (amounts in thousands):

| Currency | Fair Value | Fixed Income | Equity | Forward Contracts | Derivatives | Cash |
|------------------------|------------|--------------|------------|-------------------|-------------|--------|
| Australian Dollar | \$ 14,627 | | \$ 14,614 | \$ (49) | \$ 61 | \$ 1 |
| Brazilian Real | (387) | | | (393) | 6 | |
| British Pound Sterling | 33,407 | \$ 330 | 34,858 | (1,850) | 68 | 1 |
| Canadian Dollar | 4,474 | | 4,481 | | | (7) |
| Euro Currency | 70,696 | 5,925 | 70,962 | (6,524) | (6) | 339 |
| Hong Kong Dollar | 6,164 | | 6,164 | | | |
| Indian Rupee | 99 | | | 99 | | |
| Japanese Yen | 52,844 | | 52,229 | 133 | | 482 |
| Malaysian Ringgit | 2,044 | | 2,044 | | | |
| Mexican Nuevo Peso | 35 | 1,429 | | (1,455) | | 61 |
| New Zealand Dollar | 752 | | 752 | | | |
| Renminbi Yuan | 865 | | | 865 | | |
| Singapore Dollar | 5,641 | | 5,641 | | | |
| South African Rand | 3,732 | | 3,731 | | | 1 |
| South Korean Won | 336 | | 336 | | | |
| Swedish Krona | 3,368 | | 3,368 | | | |
| Swiss Franc | 19,523 | | 19,523 | | | |
| Total | \$ 218,220 | \$ 7,684 | \$ 218,703 | \$ (9,174) | \$ 129 | \$ 878 |

Custodial Credit Risk

As for custodial credit risk, the fund only requires collateral for their securities lending program as discussed in the Securities Lending section of this footnote.

Securities Lending

City statutes and board of trustee policies permit the City of Cincinnati Retirement System to use investments of the plan to enter into securities lending transactions – loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same security in the future. Securities are loaned in exchange for collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned in exchange for collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned in exchange for collateral valued at 105% of the market value of the securities plus any accrued interest. Collateral cannot be pledged or sold unless the borrower defaults. The borrower is required to pay to the Lender the equivalent of all interest and dividends that are paid by the issuer during the term of the loan. All security loans can be terminated on demand by either the lender or the borrower, although the average term of the System's overall loans was 28 days for the year ended December 31, 2008. Cash collateral is invested in a short-term investment pool, which had an average weighted maturity of 2 days as of December 31, 2008. Cash collateral may also be invested separately in "term loans", in which the maturity of the term loan is matched to either the maturity of the cash collateral invested or the interest rate reset of the cash collateral invested. These loans have rights of substitution and securities can be recalled on demand. As of December 31, 2008, there were no violations of legal or contractual provisions, no borrower or lending agent default and no losses known to the securities lending agent. There are no dividends or coupon payments owing on the securities lent.

The following represents the balances relating to the securities lending transactions at the financial statement date (amounts in thousands):

| Securities Lent | Fair Value of Underlying Securities | Cash Collateral Received/Securities Collateral Value |
|-----------------------------|-------------------------------------|--|
| Lent for Cash Collateral: | | |
| U.S. Government | \$ 1,065 | \$ 1,080 |
| U.S. Agencies | 2,507 | 2,582 |
| U.S. Corporate Fixed Income | 31,344 | 32,048 |
| U.S. Equities | 182,396 | 184,908 |
| Non-U.S. Equities | 20,496 | 21,762 |
| Total | <u>\$ 237,808</u> | <u>\$ 242,380</u> |

The following maturity chart for securities lending collateral provides information pertinent to interest rate risk (amounts in thousands):

| MARKET VALUE BY MATURITY RANGE | | | |
|--------------------------------|-------------------|-------------|-------------------|
| Asset class | Less Than 1 Year | 1-5 Years | Total |
| Asset Backed Security | \$ 44,797 | \$ 0 | \$ 44,797 |
| Bank Note | 45,136 | 0 | 45,136 |
| Certificate of Deposit Float | 29,547 | 0 | 29,547 |
| Corporate Floating Rate | 94,489 | 0 | 94,489 |
| Reverse Repurchase Agreements | 114 | 0 | 114 |
| Total | <u>\$ 214,083</u> | <u>\$ 0</u> | <u>\$ 214,083</u> |

In order to determine credit rate risk for the securities lending collateral, the following chart is useful (amounts in thousands):

| Investment Type | Fair Value | A-/A3 and Above | A-1/P-1 and Above | Not Rated |
|-------------------------------|-------------------|-------------------|-------------------|-----------------|
| Asset Backed Security | \$ 44,797 | \$ 44,797 | \$ | \$ |
| Bank Note | 45,136 | 29,285 | 15,851 | |
| Certificate of Deposit Float | 29,547 | 9,655 | 19,892 | |
| Corporate Floating Rate | 94,489 | 19,351 | 73,338 | 1,800 |
| Reverse Repurchase Agreements | 114 | | | 114 |
| Total | <u>\$ 214,083</u> | <u>\$ 103,088</u> | <u>\$ 109,081</u> | <u>\$ 1,914</u> |

Derivatives

Derivatives are generally defined as contracts whose value depend on, or derive from, the value of an underlying asset, reference rate, or index. The retirement system enters into certain derivative financial instruments, primarily to enhance the performance and reduce the volatility of the portfolio. It purchases S&P 500 futures contracts to gain exposure to the U.S. equity market, fixed income futures contracts and options to manage interest rate risk, and foreign exchange contracts are used occasionally to hedge foreign currency exposure. The retirement system's fixed income managers are authorized to invest in mortgage-backed securities (MBS), commercial mortgage-backed securities (CMB), collateralized mortgage obligations (CMO) and asset-backed securities (ABS). MBS securities are issued by government agencies and instrumentalities such as the FHA, FNMA, GNMA, FHLMC, while CMB and CMO securities are issued by non-government corporations. ABS securities are supported by loans, which are secured by first residential mortgages, home equity mortgages, auto loans, credit card receivables, etc.

3. MIXED INVESTMENT POOL

On April 10, 1968, the Board of County Commissioners of Hamilton County and the City of Cincinnati consolidated all County and City sanitary sewer facilities, under the direction and control of the Board of County Commissioners and the management and operation of the City. The cash balance in the fund established for this purpose, the Metropolitan Sewer District fund (MSD), is combined with the City's pool of cash and investments. For the purposes of financial reporting, the MSD portion of the City's pool of cash and investments is reported as an Investment Trust Fund. Assets in the pool are reported at fair value based on quoted market prices. The pool is not subject to regulatory oversight. Fair value amounts are determined at year-end. The City has not provided or obtained any legally binding guarantees to support the value of the Mixed Investment Pool. MSD is required by Chapter 301 of the Cincinnati Municipal Code to participate in the Mixed Investment Pool. The method used to determine participants' shares sold and redeemed is a proration based upon the equity held in City Treasury cash. These amounts increase and decrease based upon the change in the equity balance. This same method is used to report the investments. Disclosures required by GASB Statement 3 are discussed in Note 2.

Summary by major investment classification:

(Amounts in Thousands)

| Description | Cost | Fair Value | Interest Rates | Maturity Dates |
|---------------------------------|-------------------|-------------------|----------------|---------------------|
| Money Market Fund | \$ 13,300 | \$ 13,300 | | |
| Certificates of Deposit | 310,500 | 310,500 | 1.92% to 5.27% | 1/6/09 to 08/16/11 |
| FHLB/FNMA/FHLB/FHLMC Securities | 229,567 | 231,809 | 3.00% to 4.75% | 4/14/10 to 12/15/13 |
| Cash | 1,772 | 1,772 | | |
| Total | <u>\$ 555,139</u> | <u>\$ 557,381</u> | | |

The Mixed Investment Pool does not issue a separate report. The Mixed Investment Pool's financial statements can be found below:

**Mixed Investment Pool
Statement of Net Assets
As of December 31, 2008**
(Amounts in Thousands)

| | |
|--|-------------------|
| <u>Assets</u> | |
| Equity in City Treasury | <u>\$ 557,381</u> |
| <u>Net Assets</u> | |
| Held in Trust for Internal Pool Participants | \$ 480,438 |
| Held in Trust for External Pool Participant | 76,943 |
| Total Net Assets | <u>\$ 557,381</u> |

Mixed Investment Pool
Statement of Changes in Net Assets
For the Year Ended December 31, 2008
(Amounts in Thousands)

| | <u>Internal Participants</u> | <u>External Participants</u> | <u>Total</u> |
|---|------------------------------|------------------------------|-------------------|
| Additions: | | | |
| Contributions: | | | |
| Participant Deposits | \$ 970,080 | \$ 397,221 | \$ 1,367,301 |
| Investment earnings: | | | |
| Interest and dividends | 19,909 | 2,862 | 22,771 |
| Net appreciation in the fair value of investments | 1,499 | 182 | 1,681 |
| Total investment earnings | <u>21,408</u> | <u>3,044</u> | <u>24,452</u> |
| Total additions | 991,488 | 400,265 | 1,391,753 |
| Deductions: | | | |
| Distributions to Participants | <u>961,527</u> | <u>381,429</u> | <u>1,342,956</u> |
| Change in Net Assets | 29,961 | 18,836 | 48,797 |
| Net assets - beginning | <u>450,477</u> | <u>58,107</u> | <u>508,584</u> |
| Net assets - ending | <u>\$ 480,438</u> | <u>\$ 76,943</u> | <u>\$ 557,381</u> |

4. COMMITMENTS

Convention Facilities Authority (CFA) - The CFA is an up to 11-member body corporate and politic, organized and existing under Chapter 351 of the Ohio Revised Code, as amended. The CFA issued bonds netting proceeds of \$111,176,644 dated March 2, 2004 for the purpose of expanding and renovating the Convention Center in Cincinnati.

Pursuant to a Memorandum of Understanding between the City of Cincinnati (City) and Hamilton County (County), a cooperative agreement was reached between the City and the County and a Project Service Agreement between the City and the CFA. The City will: (i) own the Convention Center, (ii) be responsible for the operation and maintenance of the Convention Center and (iii) manage the design and construction of the expansion and renovation project. Construction began in May 2004 and was completed in June 2006.

In the financial plan for the convention center expansion and renovation the dedicated Transient Occupancy Tax (City) and Lodging Excise Tax (County) is expected to cover the outstanding debt service for senior (\$64.4 million) and subordinate (\$22 million) debt. Pursuant to the Memorandum of Understanding between the City, County and the CFA, the City has agreed to guarantee, subject to annual appropriation, the principal and interest on subordinate debt. The maximum annual debt service is \$6,359,600 and has been reserved to guarantee the subordinate debt service.

Subject to annual appropriation, the City shall pay \$1,000,000 (City Annual Contribution) to the Trustee of the CFA subject to the terms of the Cooperative Agreement. This contribution is pledged as an additional revenue source for the payment of the bonds. The City appropriated an amount sufficient to pay the City Annual Contribution for 2008.

The Banks – In November 2007, the City of Cincinnati and Hamilton County approved a series of agreements to develop The Banks on the City’s central riverfront. The City has authorized \$15,000,000 in general obligation bonds or notes to be issued for Phase I of The Banks project. Phase I of the project, which began in Spring 2008, will consist of infrastructure improvements, parking garages, apartments,

retail, office space and a 40-acre riverfront park. Phase I is projected to be complete in 2011.

Columbia Square Town Center Development – The City has committed to issue \$4,300,000 in economic development bonds for Columbia Square. Bond anticipation notes in the amount of \$2,550,000 were issued in 2008 to finance the public infrastructure portion of Phases I and II of this mixed-use project. Phase I consists of three-story 54,000 square foot Class “A” office building with a fine-dining restaurant space on the first floor. Phase II includes a 28,500 square foot retail space in four buildings. The project is located at the southeast corner of Columbia Parkway and Delta Avenue. Phases I and II were completed at the end of 2008. The third phase will include a new office structure on the northwest corner of Delta and Columbia Parkway.

One River Plaza – The City has committed to issue \$17,295,000 in economic development bonds for the One River Plaza Development which will be constructed on approximately 2.8 acres of property located along the eastern portion of the City’s riverfront. It is an \$89 million mixed-use project, consisting of residential and commercial development. It will include 150 new condominium units, approximately 27,600 square feet of retail space and approximately 500 parking spaces in two mid-rise towers.

5. INTERFUND ASSETS/LIABILITIES

The composition of interfund balances as of December 31, 2008, is as follows:

DUE FROM/TO OTHER FUNDS (Amounts in Thousands)

| Due To | Due From | | | | | | | | | Total |
|---------------------------|--------------|-----------------------|-------------------|------------------------------|------------------------|-----------------------------|------------------------|---------------------------|-----------------|-----------|
| | General Fund | Capital Projects Fund | Debt Service Fund | Non Major Governmental Funds | Internal Service Funds | Water Works Enterprise Fund | Convention Center Fund | Nonmajor Enterprise Funds | Fiduciary Funds | |
| General Fund | | \$ 11 | | \$ 169 | \$ 1,053 | \$ 5 | | \$ 22 | \$ 558 | \$ 1,818 |
| Capital Projects Fund | \$ 1,395 | | 1,234 | 1,556 | 1,134 | 1,932 | 38 | 519 | | 7,808 |
| Debt Service Fund | | | | | | | | | 1 | 1 |
| Non Major Governmental | 92 | 2 | | 33 | 252 | 17 | | 8 | 235 | 639 |
| Internal Service Fund | 4 | 689 | | 38 | 30 | | | | 75 | 836 |
| Water Works Fund | 104 | 213 | | 23 | 88 | | | 3 | 211 | 642 |
| Nonmajor Enterprise Funds | 5 | 54 | | 19 | 46 | 3 | | | 32 | 159 |
| Fiduciary Funds | 2 | | | | 850 | | | | | 852 |
| Total | \$ 1,602 | \$ 969 | \$ 1,234 | \$ 1,838 | \$ 3,453 | \$ 1,957 | \$ 38 | \$ 552 | \$ 1,112 | \$ 12,755 |

Included in the balances above are the amounts related to a \$12.8 million note issued by the City in 2008. These amounts are as follows:

(Amounts in Thousands)

| | Due From | Due To |
|------------------------------|----------|----------|
| General Fund | \$ 1,391 | |
| Capital Projects Funds | | \$ 7,324 |
| Debt Service Funds | 1,234 | |
| Non Major Governmental Funds | 1,506 | |
| Internal Service Funds | 1,022 | |
| Water Works Funds | 1,625 | |
| Convention Center Fund | 38 | |
| Nonmajor Enterprise Funds | 485 | |
| Fiduciary Funds | 23 | |
| Total | \$ 7,324 | \$ 7,324 |

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

ADVANCES TO/FROM OTHER FUNDS (Amounts in Thousands)

| | Advance From | | | | Total |
|-----------------------------|--------------|-----------------------|-----------------------------|------------------------|----------|
| | General Fund | Capital Projects Fund | Nonmajor Governmental Funds | Internal Service Funds | |
| Advance To | | | | | |
| General Fund | \$ | \$ | \$ | 125 | \$ 302 |
| Nonmajor Governmental Funds | 521 | | 1,212 | | 1,733 |
| Water Works Fund | | | | 50 | 50 |
| Convention Center | | 594 | | | 594 |
| Nonmajor Enterprise Funds | | 4,775 | | | 4,775 |
| Internal Service Fund | | 1,556 | | | 1,556 |
| Total | \$ 521 | \$ 6,925 | \$ 1,337 | \$ 227 | \$ 9,010 |

The major portion of the amounts payable relate to loans made for the completion of capital projects construction in progress. The remaining portion of the amounts payable relate to working capital loans made to funds upon their creation, none of this balance is scheduled to be collected in the subsequent year.

6. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2008, consisted of the following:

TRANSFERS IN/OUT (Amounts in Thousands)

| | Transfers Out | | | | | | Total |
|---------------------------|---------------|-----------------------|--------------|-----------------------------|------------------------|---------------------------|------------|
| | General Fund | Capital Projects Fund | Debt Service | Nonmajor Governmental Funds | Internal Service Funds | Nonmajor Enterprise Funds | |
| Transfers In | | | | | | | |
| General Fund | \$ | 217 | | | \$ 146 | | \$ 363 |
| Capital Projects Fund | 617 | | 90,746 | 403 | 804 | | 92,570 |
| Debt Service Fund | 2,938 | 29,121 | | | 29 | 2,500 | 34,588 |
| Nonmajor Governmental | | 1,346 | | 305 | 336 | 1,239 | 3,226 |
| Internal Service Fund | | 978 | | 30 | | | 1,008 |
| Convention Center | | 1,000 | | | | | 1,000 |
| Nonmajor Enterprise Funds | | | | | 13 | | 13 |
| Total | \$ 3,555 | \$ 32,662 | \$ 90,746 | \$ 738 | \$ 1,328 | \$ 3,739 | \$ 132,768 |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

7. NET ASSETS / FUND EQUITY DEFICITS

The debt service fund balance includes a designation for capital projects. This amount (\$1,425,000) represents the unspent bond proceeds of the TIF debt issued in 2008 and is expected to be spent on project expenses in 2009.

Included in the financial statements is an internal service fund with a net asset deficit as of December 31, 2008. The net asset deficit in the internal service fund of Self Insurance Medical (\$301,000) is to be covered by future user charges. Also included in the financial statements is a non-major governmental fund with a net fund equity deficit as of December 31, 2008. The fund equity deficit in the Special Revenue Fund for Community Development (\$619,000) is to be covered by reimbursement from a federal grant.

8. LEASES

CITY AS LESSEE

Operating Leases

The City has entered into various leases for property, equipment and office space. These leases are considered for accounting purposes to be operating leases. The total cost for such leases were \$1,221 for the year ended December 31, 2008. Future minimum lease payments are as follows:

(Amounts in Thousands)

| <u>Year</u> | <u>Amounts</u> |
|----------------------------|-----------------|
| 2009 | \$ 1,271 |
| 2010 | 743 |
| 2011 | 731 |
| 2012 | 616 |
| 2013 | 472 |
| Remaining Years | 181 |
| Total Future Minimum Rents | <u>\$ 4,014</u> |

Capital Leases

The City has capitalized leases for the following property and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

(Amounts in Thousands)

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|--------------------------------|------------------------------------|-------------------------------------|
| Leased Property/Equipment | \$ 1,173 | \$ 384 |
| Less: Accumulated Depreciation | 904 | 105 |
| Total | <u>\$ 269</u> | <u>\$ 279</u> |

The following is a schedule of future minimum capital leases and the present value of the net minimum lease payments at December 31, 2008:

(Amounts in Thousands)

| <u>Year</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|---|------------------------------------|-------------------------------------|
| 2009 | \$ 248 | \$ 105 |
| 2010 | 6 | 105 |
| 2011 | | 48 |
| 2012 | | 35 |
| 2013 | | 6 |
| Total Minimum lease payments | <u>254</u> | <u>299</u> |
| Less: Amounts representing interest | <u>7</u> | <u>31</u> |
| Present value of net minimum lease payments | <u>\$ 247</u> | <u>\$ 268</u> |

CITY AS LESSOR

The City has entered into various contractual agreements for the rental of properties to various commercial enterprises, which are reported as operating leases for accounting purposes.

Amounts relating to the operating leases as of December 31, 2008 are included in the financial statements of the following:

| (Amounts in Thousands) | <u>Governmental Activities</u> | <u>Business Type Activities</u> |
|--------------------------|------------------------------------|-------------------------------------|
| Land | \$ 2,505 | \$ 255 |
| Buildings | 3,328 | 1,759 |
| Improvements | 83,345 | |
| Accumulated Depreciation | 82,629 | 1,333 |
| Depreciation Expense | 1,318 | 54 |

Future minimum rentals on non-cancelable operating leases as of December 31, 2008 are as follows:

| (Amounts in Thousands) | Governmental | Business-Type |
|--------------------------------------|-------------------|-------------------|
| <u>Year</u> | <u>Activities</u> | <u>Activities</u> |
| 2009 | \$ 19,416 | \$ 864 |
| 2010 | 19,233 | 739 |
| 2011 | 19,057 | 436 |
| 2012 | 18,927 | 261 |
| 2013 | 18,927 | 2 |
| Remaining years | 226,718 | 31 |
| Total Future Minimum Rental Payments | <u>\$ 322,278</u> | <u>\$ 2,333</u> |
| Total Rentals for 2008: | \$ 19,472 | \$ 1,115 |

Future minimum rentals of the railway line, recorded in Debt Service Fund, are assumed to equal the payments calculated for the current year. These minimum rentals are included in the Governmental Activities column.

Enterprise Funds

The General Aviation rentals (included in business-type activities) do not include contingent rentals, which may be received on the basis of hours or usage in excess of stipulated minimums. Terms of the leases are normally on a five-year basis with renewal options not to exceed fourteen years.

The Parking Facilities has leased the Fountain Square North Parking Garage for a one-time payment of \$7.5 million for a period of 50 years beginning in 2005. The revenue has been deposited into the Parking Facilities fund to offset cash flow losses from the operation of this garage.

Governmental Capital Assets

The City-owned railway line, the Cincinnati Southern Railway, is leased to the Cincinnati, New Orleans, and Texas Pacific Railway Company until December 31, 2026, with a renewal option of twenty-five years. Pursuant to the Ohio Revised Code, the use of the rental income from the railway line is restricted to debt service.

9. LONG-TERM DEBT

General Obligation Bonds and Notes

The City issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds and notes currently outstanding are as follows:

(Amounts in Thousands)

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Amount</u> |
|--------------------------|-----------------------|------------------|
| Governmental activities | 1.78% - 7.875% | \$375,920 |
| Business-type activities | 4.200% - 5.0% | <u>15,470</u> |
| | | <u>\$391,390</u> |

Annual debt service requirements to maturity for the general obligation bonds and notes are as follows:

| <u>Year Ending</u> <u>December 31</u> | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|--|--------------------------------|-------------------|---------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2009 | \$ 50,935 | \$ 16,647 | \$ 2,315 | \$ 639 |
| 2010 | 30,685 | 14,833 | 2,315 | 544 |
| 2011 | 30,270 | 13,524 | 2,315 | 449 |
| 2012 | 29,730 | 12,208 | 2,315 | 355 |
| 2013 | 27,170 | 10,902 | 2,315 | 260 |
| 2014-2018 | 112,420 | 36,986 | 3,375 | 399 |
| 2019-2023 | 52,230 | 16,188 | 325 | 88 |
| 2024-2028 | 27,070 | 6,751 | 195 | 17 |
| 2029-2033 | 11,790 | 2,433 | | |
| 2034-2035 | 3,620 | 212 | | |
| | <u>\$ 375,920</u> | <u>\$ 130,684</u> | <u>\$ 15,470</u> | <u>\$ 2,751</u> |

Revenue Bonds and Notes

The City also issues bonds and notes where the City pledges income derived from the acquired or constructed assets to pay debt service. The net revenues of the Water Works are pledged to pay Water Works revenue bonds debt service. The original amount of revenue bonds and notes authorized in prior years was \$666,821,000 of which \$566,611,000 was issued.

Revenue bonds and notes outstanding at year-end are as follows:

| (Amounts in Thousands) | | |
|------------------------|-----------------------|------------------|
| <u>Purpose</u> | <u>Interest Rates</u> | <u>Amount</u> |
| Economic Development | Various | \$ 73,375 |
| Water Works | Various | <u>332,635</u> |
| | | <u>\$406,010</u> |

The annual debt service requirements to maturity for the revenue bonds and notes are as follows:

(Amounts in Thousands)

| Year Ending December 31 | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|----------------------------|--------------------------------|------------------|---------------------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2009 | \$ 6,005 | \$ 3,814 | \$ 14,000 | \$ 15,715 |
| 2010 | 3,140 | 3,572 | 14,700 | 15,113 |
| 2011 | 2,285 | 3,394 | 15,260 | 14,459 |
| 2012 | 2,435 | 3,258 | 16,070 | 13,751 |
| 2013 | 2,575 | 3,112 | 16,705 | 13,009 |
| 2014-2018 | 13,720 | 13,130 | 96,640 | 52,209 |
| 2019-2023 | 15,875 | 9,384 | 106,080 | 27,026 |
| 2024-2028 | 7,130 | 6,014 | 34,870 | 8,518 |
| 2029-2033 | 10,565 | 3,947 | 18,310 | 2,344 |
| 2034-2038 | 9,645 | 1,670 | | |
| | <u>\$ 73,375</u> | <u>\$ 51,295</u> | <u>\$ 332,635</u> | <u>\$ 162,144</u> |

Long-Term State Loans

The Ohio Public Works Commission extends loans to the City. Notes in the amount of \$3,220,000 accounted for as Governmental type and \$2,701,000 as Business-type represent the amounts due on ten loans from the Ohio Public Works Commission (OPWC) for infrastructure improvements. These notes are non-interest bearing.

Annual debt service requirements to maturity for the Ohio Public Works Commission notes are as follows:

(Amounts in Thousands)

| Year Ending <u>December 31</u> | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|-----------------------------------|--------------------------------|--------------|---------------------------------|--------------|
| | <u>Principal</u> | | <u>Principal</u> | |
| 2009 | \$ | 211 | \$ | 157 |
| 2010 | | 211 | | 156 |
| 2011 | | 211 | | 157 |
| 2012 | | 211 | | 156 |
| 2013 | | 211 | | 156 |
| 2014-2018 | | 913 | | 783 |
| 2019-2023 | | 772 | | 783 |
| 2024-2027 | | 480 | | 353 |
| Total | <u>\$</u> | <u>3,220</u> | <u>\$</u> | <u>2,701</u> |

The Ohio Water Development Authority extends loans to the City. Notes in the amount of \$5,223,000 accounted for as Business type represent the amounts due on two loans from the Ohio Water Development Authority (OWDA) for water works improvements. These notes bear interest at 3.25% per year. Only that portion of the loan commitment actually paid to the City is recognized as a liability by the City.

Annual debt service requirement to maturity for the Ohio Water Development Authority notes are as follows:

(Amounts in Thousands)

| <u>Year Ending</u> <u>December 31</u> | <u>Business-type Activities</u> | |
|--|---------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2009 | \$ 217 | \$ 170 |
| 2010 | 225 | 163 |
| 2011 | 232 | 156 |
| 2012 | 239 | 148 |
| 2013 | 247 | 141 |
| 2014-2018 | 1,363 | 574 |
| 2019-2023 | 1,602 | 337 |
| 2024-2027 | 1,098 | 73 |
| Total | <u>\$ 5,223</u> | <u>\$ 1,762</u> |

The Ohio Department of Development provided an Urban Redevelopment Loan to the City during 2007. This loan is secured by a mortgage on a parking garage. The mortgage is interest free through June 30, 2011 and after that date the interest rate is 3%. In addition a 1% service fee is charged on the outstanding loan balance during the term of the loan. Annual debt service requirement for the Urban Redevelopment Loan are as follows:

| <u>Year Ending</u> <u>December 31</u> | <u>Business-type Activities</u> | |
|--|---------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2012 | \$ 409 | \$ 138 |
| 2013 | 422 | 125 |
| 2014-2018 | 2,308 | 429 |
| 2019-2021 | 1,559 | 83 |
| Total | <u>\$ 4,698</u> | <u>\$ 775</u> |

Bonds and Notes Outstanding at December 31, 2008

(AMOUNTS IN THOUSANDS)

| Description | Interest Rates | Issue Dates | Maturity Dates | Original Authorized | Amount Due 2009 | Amount Outstanding 12/31/2008 |
|---|----------------|-------------|----------------|------------------------|-----------------------|-------------------------------------|
| Bonds: | | | | | | |
| General Property Tax Supported | 4.2% | 1999 | 2009 | \$ 22,000 | \$ 2,290 | \$ 2,290 |
| | 5.0% | 2001-2004 | 2014-2016 | 39,640 | 2,850 | 10,330 |
| | 7.875% | 1987 | 2017 | 30,000 | 1,000 | 9,000 |
| Various Rate Issues Refunding | 3.0% to 5.5% | 2000-2008 | 2010-2027 | 259,580 | 18,560 | 155,055 |
| | 4.25% to 5.00% | 2007 | 2020 | 45,520 | 0 | 41,920 |
| Urban Redevelopment | | | | | | |
| Various Rate Issues | 4.5% to 5.5% | 2004 | 2020 | 2,600 | 120 | 1,795 |
| Municipal Income Tax | | | | | | |
| Refunding | 3.25% to 5.50% | 2000-2008 | 2015-2028 | 55,960 | 3,185 | 47,615 |
| | 4.25% to 5.00% | 2007 | 2020 | 2,480 | 0 | 2,480 |
| Recreational Facilities | | | | | | |
| Refunding | 5.00% to 6.75% | 1990-2001 | 2011-2021 | 10,300 | 550 | 1,650 |
| | 4.25% to 5.00% | 2007 | 2021 | 4,500 | 0 | 4,500 |
| Urban Renewal/Economic Dev. | 3.25% to 6.00% | 2002-2008 | 2012-2032 | 30,425 | 1,715 | 22,405 |
| Judgement | 3.0% to 5.0% | 2005-2008 | 2020 | 9,800 | 5,390 | 8,530 |
| Urban Development Taxable | | | | | | |
| Various Rate Issues Refunding | 3.00% to 6.25% | 1998-2003 | 2016-2021 | 21,905 | 1,590 | 11,535 |
| | 4.25% to 5.00% | 2007 | 2021 | 2,500 | 0 | 2,500 |
| Police & Fire Pension | | | | | | |
| Refunding | 5.10% to 5.25% | 2000 | 2010 | 42,000 | 630 | 1,295 |
| | 3.0% to 4.5% | 2005 | 2035 | 41,000 | 255 | 40,220 |
| Total General Long-Term Bond Obligations | | | | <u>620,210</u> | <u>38,135</u> | <u>363,120</u> |
| Parks & Recreation | 3.25% to 5.0% | 2006-2008 | 2026 | 3,800 | 315 | 3,670 |
| Water Works | 4.20% | 1999 | 2014 | 29,800 | 2,000 | 11,800 |
| Total Proprietary Fund Obligations | | | | <u>33,600</u> | <u>2,315</u> | <u>15,470</u> |
| Total General Obligation Bonds Payable | | | | <u>653,810</u> | <u>40,450</u> | <u>378,590</u> |
| Notes: | | | | | | |
| Public Building Improvement | 1.78 | 2008 | 2009 | 15,000 | 12,800 | 12,800 |
| Total General Obligation Notes Payable | | | | <u>15,000</u> | <u>12,800</u> | <u>12,800</u> |
| Total General Obligation Bonds and Notes Payable | | | | <u>\$ 668,810</u> | <u>\$ 53,250</u> | <u>\$ 391,390</u> |
| Revenue Bonds | 3.49% to 8.00% | 1996-2008 | 2010-2038 | \$ 737,101 | \$ 17,455 | \$ 403,460 |
| Revenue Notes | 3.0% | 2008 | 2009 | 4,300 | 2,550 | 2,550 |
| Total Revenue Bonds and Notes Payable | | | | <u>\$ 741,401</u> | <u>\$ 20,005</u> | <u>\$ 406,010</u> |
| Total Outstanding Debt | | | | <u>\$ 1,410,211</u> | <u>\$ 73,255</u> | <u>\$ 797,400</u> |

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2008, was as follows:

(Amounts in Thousands)

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---|------------------------------|-------------------|-------------------|---------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Bonds Payable: | | | | | |
| General Obligation Bonds | \$ 352,955 | \$ 41,600 | \$ 31,435 | \$ 363,120 | \$ 38,135 |
| Revenue Bonds | 38,115 | 35,280 | 2,570 | 70,825 | 3,455 |
| Total Bonds Payable | <u>391,070</u> | <u>76,880</u> | <u>34,005</u> | <u>433,945</u> | <u>41,590</u> |
| Compensated Absences | 86,652 | 40,102 | 35,692 | 91,062 | 35,460 |
| Claims and Judgments | 34,677 | 104,741 | 98,286 | 41,132 | 15,321 |
| Capital Leases | 471 | 15 | 239 | 247 | 241 |
| Net Pension Obligation | 14,819 | 16,474 | 1,459 | 29,834 | |
| Net Other Post Employment Benefit Obligation | 6,285 | 9,676 | 938 | 15,023 | |
| State Loans | 3,374 | | 154 | 3,220 | 211 |
| Other | 1,741 | 224 | | 1,965 | 414 |
| Governmental Activities Long-term Liabilities | <u>\$ 539,089</u> | <u>\$ 248,112</u> | <u>\$ 170,773</u> | <u>\$ 616,428</u> | <u>\$ 93,237</u> |
| Business-type Activities: | | | | | |
| Bonds Payable: | | | | | |
| General Obligation Bonds | \$ 17,635 | \$ 2,500 | \$ 4,665 | \$ 15,470 | \$ 2,315 |
| Revenue Bonds | 346,255 | | 13,620 | 332,635 | 14,000 |
| Total Bonds Payable | <u>363,890</u> | <u>2,500</u> | <u>18,285</u> | <u>348,105</u> | <u>16,315</u> |
| Compensated Absences | 7,421 | 3,492 | 3,214 | 7,699 | 3,894 |
| Claims and Judgments | 154 | 717 | 685 | 186 | 186 |
| Capital Leases | 181 | 276 | 189 | 268 | 87 |
| Net Pension Obligation | 4,289 | 4,567 | 405 | 8,451 | |
| Net Other Post Employment Benefit Obligation | 1,624 | 2,681 | 238 | 4,067 | |
| State Loans | 12,868 | | 246 | 12,622 | 374 |
| Other | | | | | |
| Business-Type Activities Long-term Liabilities | <u>\$ 390,427</u> | <u>\$ 14,233</u> | <u>\$ 23,262</u> | <u>\$ 381,398</u> | <u>\$ 20,856</u> |

For the governmental activities, claims and judgments are generally liquidated by the general fund. Compensated absences for the governmental activities are generally liquidated by the employee's home fund, the fund from which the employee's regular wages are paid.

Internal Service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$1,873,000 of compensated absences, \$22,636,000 of unpaid claims, \$3,065,000 of net pension obligation, and \$1,452,000 of net other post employment benefit obligation for the internal service funds are included in the above amounts.

Defeased Bonds

Below is a description of the City's defeased bonds and the outstanding balances at 12/31/2008 (in thousands). These bonds are no longer included in the financial statements.

| Description Of Bonds | Date Originally Issued | Original Par Amount | Redemption Call Date | Date Defeased | Maturities Defeased | Interest Rate Defeased bonds % | Amount Defeased | Outstanding 12/31/2008 |
|---------------------------------|------------------------|---------------------|----------------------|---------------|------------------------|--------------------------------|-----------------|------------------------|
| Urban Renewal – GO G1155 | 12/1/1991 | \$ 3,900 | 9/1/2001 | 5/6/2004 | 2004-2008 | 6.2-6.5 | \$ 2,130 | \$ 1,795 |
| Police and Fire Pension –G1213 | 3/1/2000 | 42,000 | | 6/28/2005 | 2005-2006 2011-2035 | 4.9-6.0 | 40,470 | 40,220 |
| Various Purpose GO -Series 2000 | 4/1/2000 | 69,885 | 12/1/2010 | 8/23/2007 | 2012-2020 | 5.0-5.375 | 52,005 | 51,400 |
| GO – Series 2001 | 4/1/2000 | 47,695 | 12/1/2010 | 8/23/2007 | 2012-2021 | 5.0 | | |
| GO – Series 2002 | 4/1/2000 | 27,700 | 12/1/2011 | 8/23/2007 | 2015-2017 | 5.0 | | |
| Water Works Revenue Bonds | | | | | | | | |
| Series 2001 and Series 2003 | 3/1/2001 3/1/2003 | 92,685 112,360 | 6/1/2011 | 1/4/2007 | 2007-2023 | 4.75-5.5 | 127,415 | 127,175 |

10. DEBT LIMITATION

The City's "indirect" (ten mill) debt limit was removed by decision of the Ohio courts. In September 1977, the Supreme Court of Ohio dismissed an appeal from the decision of the Court of Appeals, First Appellate District, Hamilton County, Ohio, involving the City's debt limitations. In summary, the City instituted a test case against the Director of Finance for the purpose of obtaining a definitive construction of certain sections of the City Charter bearing on the right of the City to levy taxes in excess of the ten mill limitation of Section 5705.02 of the Ohio Revised Code. As a result of the Court decision, the City has the right to levy property taxes without limitation to support its lawfully issued bonds and notes, and the City's ability to incur debt will be limited only by the arithmetical (percentage) limitations set forth under Section 133.03 of the Ohio Revised Code.

Section 133.03 provides that the principal amount of both voted and unvoted debt of the City may not exceed 10-1/2% of the City's assessed valuation, and the principal amount of the City's unvoted debt may not exceed 5-1/2% of the City's assessed valuation. The Code also provides several exemptions of debt from the 5-1/2% and 10-1/2% limitations.

11. TAXES

City Income Tax

This locally levied tax applies to gross salaries, wages and other personal service compensation earned by residents both in and out of the City and to earnings of nonresidents (except certain transients) earned in the City. It also applies to net income of business organizations for business conducted in the City. The tax is the largest single source of General Fund revenue.

The City's income tax of 2.1% is subdivided into four components. The first component is 0.1%, which is to be spent only for the maintenance of the City's infrastructure. The second component is the 0.3%, which can be used only for public transit purposes, including both capital and current operating expense. The third component is 0.15%, which can be used only for permanent improvement purposes. The remaining 1.55% is first used to meet annual deficiencies, to the extent required, in the General Fund. The amount of the 1.55% income tax revenue over the fixed allocation to the General Fund at the end of any year is recognized as revenue in the Income Tax Permanent Improvement Fund. The unused amount can be carried forward for

subsequent year capital or operating needs.

Actual collections of \$236,745,066 for the 1.55% portion in 2008 were more than the original allocation of \$231,758,240 for the General Fund. The following table identifies the excess 1.55% income tax collections for the years 2004 through 2008 and collections in excess of allocation:

(Amounts in Thousands)

| <u>Year</u> | <u>Actual Collections of 1.55%</u> | <u>Allocation to General Fund</u> | <u>Collections in Excess of Allocation</u> |
|-------------|--|---------------------------------------|--|
| 2004 | \$ 193,411 | \$ 193,411 | |
| 2005 | 210,537 | 210,537 | |
| 2006 | 222,938 | 219,000 | \$ 3,938 |
| 2007 | 226,509 | 225,008 | 1,501 |
| 2008 | 236,745 | 231,758 | 4,987 |

Property Taxes

The assessed valuation of property within the City subject to the levy of ad valorem taxes includes real property, public utilities property and tangible personal property. The assessed value upon which the 2008 levy was based was \$5,523,141,000, \$259,755,000 and \$182,812,000 for real property, public utility property and tangible personal property, respectively (per Hamilton County Auditor). The City's property taxes are collected by the Hamilton County Auditor and are remitted to the City on a periodic basis. Real property taxes collected in any calendar year are generally levied on assessed values as of January 1 of the preceding year according to the following calendar:

Property Tax Calendar - 2009

| | |
|--------------------------------|------------------|
| Lien date | January 1, 2008 |
| Levy date | October 31, 2008 |
| First installment payment due | February 2, 2009 |
| Second installment payment due | June 22, 2009 |

Assessed values are established by the County Auditor, or at no more than 35% of appraised market value. The laws of the State of Ohio presently require that all property be revalued no less than every six years, at any time the County Auditor finds that true or taxable value thereof has changed, and in the third calendar year following the year in which a sexennial reappraisal is completed if ordered by the State Commissioner of Tax Equalization. Real property was reappraised during 2008 with the results affecting collections beginning in 2009. The City recognizes the property taxes due to be paid in 2009 as deferred revenue since the first settlement date is more than sixty days after year-end and does not meet the availability criteria for accrual.

Tangible personal property of public utilities is assessed at various rates (25% to 88% of true value) depending upon the type of property. Effective for collection year 2002, the assessed valuation of electric utility production equipment was reduced from 100% and natural gas utility property from 88% of true value, both to 25% of true value. Makeup payments in varying and declining amounts are to be made through 2016 to taxing subdivisions such as the City by the State from State resources.

The State's 2005 biennial budget bill included a reduction in the 88% assessment rate for electric utility transmission and distribution equipment to 85%, and a reduction in the 25% assessment rate for all electric

company taxable property to 24% commencing in tax year 2006. That legislation also provides for a phasing out of the taxation of all personal property used by telephone companies, telegraph companies, or interchange telecommunications companies by tax year 2011, with State reimbursement payments to be made in declining amounts through 2018.

House Bill 66 passed June 30, 2005, phases out the taxation of all tangible personal property used in business over four years beginning in 2006 and ending in 2009, when all such property becomes exempted from taxation. The phase out applies to most businesses and includes furniture and fixtures, machinery and equipment, and inventory. Current law provides for an exemption from the tangible personal property tax for assessed value up to \$10,000 per business. To compensate for foregone revenue as the tangible personal property tax is phased out, the State will make distributions to taxing subdivisions (such as the City) from revenue generated by a newly enacted commercial activity tax. Generally, these distributions are expected to fully compensate taxing subdivisions for such tax revenue losses through 2010, with gradual reductions in the reimbursement amount from 2011 through 2017.

Tax Increment Financing Districts (TIF Districts)

The City, pursuant to the Ohio Revised Code and City ordinances, has established 20 TIF Districts. A TIF District represents a geographic area not greater than 300 acres, wherein property values created after the commencement date of the TIF Districts are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as “statutory service payments”, as though the TIF District had not been established. These “statutory service payments” are then dedicated to the payments for various public improvements within or adjacent to the TIF District. Property values existing before the commencement of the TIF District continue to be subjected to property taxes.

In 2008, the City received “statutory service payments” totaling \$4.6 million from the TIF districts. This amount is net of the county auditor fees and the payments to the Cincinnati School Board. In accordance with the agreement with the Cincinnati School district as amended December 18, 2002, twenty-seven percent of the statutory service payments received from the TIF districts is paid to the Cincinnati School Board. This tax revenue is accounted for in the Capital Project Funds since the monies are intended to be used to construct public improvements. Corresponding fixed assets are accounted for in the City’s infrastructure accounts.

TIF Districts have longevity of 30 years. The property tax exemption then ceases; statutory service payments cease, and property taxes then apply to the increased property values.

12. SHORT-TERM DEBT – BOND ANTICIPATION NOTES

The City issues bond anticipation notes in advance of issuance of bonds, depositing the proceeds in its capital projects fund. These notes are necessary to provide adequate funds at the time needed to support contracts for the improvements prior to issuance of the related bonds.

(Amounts in Thousands)

| | Beginning <u>Balance</u> | <u>Issued</u> | <u>Redeemed</u> | Ending <u>Balance</u> |
|--|-----------------------------|---------------|-----------------|--------------------------|
| Revenue Bond Anticipation Notes | \$ 7,380 | \$22,500 | \$27,330 | \$ 2,550 |
| General Obligation Bond Anticipation Notes | \$ 8,268 | \$46,120 | \$41,588 | \$12,800 |

The General Obligation Bond Anticipation Notes issued during the year and outstanding at year end include \$12,800,000 in City issued notes that were purchased by the City. In the financial statements these notes are shown as Due from Other Funds by the funds that purchased the notes and Due to Other Funds by the fund that received the note proceeds.

13. RESTRICTED ASSETS

The balance of the restricted asset accounts in the enterprise funds are as follows:

(Amounts in Thousands)

| | |
|--|-----------------|
| Revenue bond construction account – Water Works | \$ 5,894 |
| Revenue bond reserve account – Water Works | 32,042 |
| Revenue bond construction account – Parking Facilities | 400 |
| Customer deposits – Water Works | 3,432 |
| Construction account - other – Water Works | <u>7,868</u> |
| Total restricted assets | <u>\$49,636</u> |

14. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

| (Amounts in Thousands) | Beginning <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | Ending <u>Balance</u> |
|--|-----------------------------|-------------------|--------------------|--------------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 168,179 | \$ 476 | \$ (780) | \$ 167,875 |
| Construction in Progress | 122,057 | 82,972 | (72,821) | 132,208 |
| Total capital assets, not being depreciated | <u>290,236</u> | <u>83,448</u> | <u>(73,601)</u> | <u>300,083</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 142,616 | 7,331 | | 149,947 |
| Improvements other than buildings | 323,426 | 15,286 | (227) | 338,485 |
| Machinery and Equipment | 149,769 | 11,377 | (7,204) | 153,942 |
| Property acquired under capital leases | 1,209 | 32 | (68) | 1,173 |
| Infrastructure | 610,942 | 55,884 | | 666,826 |
| Total capital assets, being depreciated | <u>1,227,962</u> | <u>89,910</u> | <u>(7,499)</u> | <u>1,310,373</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (99,233) | (5,088) | | (104,321) |
| Improvements other than buildings | (168,001) | (11,718) | 127 | (179,592) |
| Machinery and Equipment | (85,005) | (12,394) | 3,599 | (93,800) |
| Property acquired under capital leases | (739) | (229) | 64 | (904) |
| Infrastructure | (235,870) | (32,168) | | (268,038) |
| Total accumulated depreciation | <u>(588,848)</u> | <u>(61,597)</u> | <u>3,790</u> | <u>(646,655)</u> |
| Total capital assets, being depreciated, net | <u>639,114</u> | <u>28,313</u> | <u>(3,709)</u> | <u>663,718</u> |
| Governmental-type Activities capital assets, net | <u>\$ 929,350</u> | <u>\$ 111,761</u> | <u>\$ (77,310)</u> | <u>\$ 963,801</u> |

Capital asset activity for the year ended December 31, 2008 was as follows:

| (Amounts in Thousands) | Beginning <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | Ending <u>Balance</u> |
|--|-----------------------------|------------------|--------------------|--------------------------|
| Business-type Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 39,546 | \$ 7 | | \$ 39,553 |
| Construction in Progress | 106,924 | 55,427 | (56,711) | 105,640 |
| Total capital assets, not being depreciated | <u>146,470</u> | <u>55,434</u> | <u>(56,711)</u> | <u>145,193</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 316,273 | 8,055 | | 324,328 |
| Improvements other than buildings | 796,027 | 43,488 | (3,035) | 836,480 |
| Machinery and Equipment | 250,639 | 12,075 | (17,109) | 245,605 |
| Property acquired under capital leases | 219 | 165 | | 384 |
| Total capital assets, being depreciated | <u>1,363,158</u> | <u>63,783</u> | <u>(20,144)</u> | <u>1,406,797</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (153,179) | (8,599) | | (161,778) |
| Improvements other than buildings | (158,985) | (12,448) | 34 | (171,399) |
| Machinery and Equipment | (138,212) | (13,376) | 15,448 | (136,140) |
| Property acquired under capital leases | (37) | (68) | | (105) |
| Total accumulated depreciation | <u>(450,413)</u> | <u>(34,491)</u> | <u>15,482</u> | <u>(469,422)</u> |
| Total capital assets, being depreciated, net | <u>912,745</u> | <u>29,292</u> | <u>(4,662)</u> | <u>937,375</u> |
| Business-type Activities capital assets, net | <u>\$1,059,215</u> | <u>\$ 84,726</u> | <u>\$ (61,373)</u> | <u>\$ 1,082,568</u> |

Depreciation expense was charged to functions/programs of the City as follows:

(Amounts in Thousands)

| | |
|--|------------------|
| Governmental activities: | |
| General government | \$ 1,836 |
| Community Development | 6,328 |
| Parks and recreation | 6,016 |
| Public safety | 5,800 |
| Transportation and engineering | 29,487 |
| Public services | 7,021 |
| Public health | 445 |
| Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets | <u>4,664</u> |
| Total depreciation expense - governmental activities: | <u>\$ 61,597</u> |

(Amounts in Thousands)

| | |
|--|------------------|
| Business-type activities: | |
| Water Works | \$ 22,564 |
| Parking Facilities | 1,978 |
| Convention Center | 6,907 |
| General Aviation | 653 |
| Municipal Golf | 516 |
| Stormwater Management | <u>1,873</u> |
| Total depreciation expense - business-type activities: | <u>\$ 34,491</u> |

Governmental Activities Construction in Progress at December 31, 2008 is comprised of the following:

(Amounts in Thousands)

| | Project Authorizations | Expended to December 31 2008 | Committed | Required Future Financing |
|---------------------------------|---------------------------|------------------------------------|-------------------|---------------------------------|
| <u>Administering Department</u> | | | | |
| Transportation and Engineering | \$ 87,506 | \$ 2,944 | \$ 84,562 | \$ 30,006 |
| Community Development | 28,405 | 19,544 | 8,861 | 1,743 |
| Economic Development | 37,827 | 9,904 | 27,923 | 16,822 |
| Recreation | 37,655 | 31,465 | 6,190 | 1,259 |
| Safety | 9,452 | 6,384 | 3,068 | |
| Parks | 42,452 | 25,976 | 16,476 | 385 |
| Public Services | 34,282 | 11,069 | 23,213 | 8 |
| Other | <u>33,416</u> | <u>24,922</u> | <u>8,494</u> | <u>1,769</u> |
| Total | <u>\$ 310,995</u> | <u>\$ 132,208</u> | <u>\$ 178,787</u> | <u>\$ 51,992</u> |

Required future financing represents State and Federal commitments in support of City projects.

Business Activities Construction in Progress at December 31, 2008 is comprised of the following:

(Amounts in Thousands)

| | Project Authorizations | Expended to December 31 2008 | Committed | Required Future Financing |
|------------------------|---------------------------|------------------------------------|------------------|---------------------------------|
| <u>Enterprise Fund</u> | | | | |
| Water Works | \$ 169,787 | \$ 91,322 | \$ 78,465 | \$ 34,035 |
| Parking Facilities | 3,750 | 2,119 | 1,631 | - |
| Convention Center | 2,589 | 593 | 1,996 | 1,000 |
| General Aviation | 1,565 | 972 | 593 | 4 |
| Municipal Golf | 5,600 | 4,208 | 1,392 | - |
| Stormwater Management | <u>6,924</u> | <u>6,426</u> | <u>498</u> | <u>-</u> |
| Total | <u>\$ 190,215</u> | <u>\$ 105,640</u> | <u>\$ 84,575</u> | <u>\$ 35,039</u> |

Special Item

The Greater Cincinnati Water Works (GCWW) contracted with F.B. Leopold Company, Inc, and All Service Contracting Corp. in 1999 to have 4 filters replaced as a pilot program and in 2001 to have 16 additional filters replaced at the Richard Miller Treatment Plant. The filters used new technology and replaced the style of filter that had been used by GCWW since the 1930's. The 20 filters were failing in early 2005 and GCWW had 10 filters temporarily fixed to meet the summer 2005 demands. A contract between F.B. Leopold Company, Inc, All Service Contracting Corp. and the Greater Cincinnati Water Works was agreed to in 2006 to rebuild and reconstruct 14 filters back to the previous style of filters used by GCWW. GCWW had 14 filters permanently replaced leaving 6 temporarily fixed filters to be replaced in approximately 5 years. Leopold agreed to reduce the cost of the project by \$258,000. In 2008 GCWW recorded a non-cash charge of \$1,397,748 to loss on impairment of fixed assets and \$419,862 to maintenance & repair expense to record the write off of the remaining value of the filters.

15. RECEIVABLES

Accounts Receivable are presented in the financial statements net of the allowance for uncollectible accounts. The uncollectible accounts related to the General Fund at December 31, 2008, are as follows: Taxes Receivable (\$1,776,000) and other accounts receivable (\$5,455,000). The uncollectible accounts related to the Debt Service Fund at December 31, 2008 are Taxes Receivable (\$2,228,000). The balance for the allowance for doubtful accounts in the Capital Projects Fund at December 31, 2008 is (\$3,852,000). The balance of the allowance accounts for Special Revenue Funds is (\$4,200,000) as of December 31, 2008. The balances of the allowance accounts of the proprietary funds as of December 31, 2008 are as follows: Water Works (\$5,969,000), Regional Computer Center (\$12,000), General Aviation (\$6,000), Convention Center (\$4,000), and Stormwater Management (\$958,000).

Loans receivable of the special revenue funds are made from revolving type loan accounts financed by allocations from the City's Community Development Block Grant. These loans are secured by liens on the property. Federal regulations provide that the grantor maintains the ownership of the City's Community Development Block Grant funded revolving loan portfolio; accordingly, revolving loan fund transactions do not affect the operating statement. A small number of the special revenue loans, with a value of \$7,759,000, were made from Housing and Urban Development Section 108 funds and do not involve a revolving type loan account. The loans are repaid to the federal government. If the borrower fails to repay the loan, the City's Community Development Block Grant funds may be used to repay the federal government. The total amount receivable for the special revenue loans is offset by an allowance for uncollectible loans receivable. Special revenue loans receivable at December 31, 2008 total \$63,094,000.

Loans receivable of the capital project funds receive similar treatment to the special revenue funds' loans receivable, in that the total amount receivable is offset by an allowance for uncollectible loans receivable. The balance of the loans receivable at December 31, 2008 is \$15,660,000. This amount is related to Goodall Properties Ltd., forgivable housing loans and downtown development loans.

Sale of Blue Ash Airport

The City of Cincinnati sold 130 acres of the Blue Ash Airport property to the City of Blue Ash for \$37,500,000. A payment of \$1,000,000 was made at the closing on the property. The balance of \$36,500,000 is to be received as follows: an annual payment of \$1,000,000 per year for nine years starting on July 1, 2008; an annual payment of \$1,250,000 per year for the next ten years starting on July 1, 2017 ; and an annual payment of \$1,500,000 per year for the next ten years starting on July 1, 2027. The City of Cincinnati has agreed to be responsible for costs associated with completing remedial action work at the Blue Ash Airport up to \$1,500,000.

In accordance with APB 21, the loan receivable has been discounted using a 5% imputed interest rate and will be accounted for as collected using the following present value schedule.

| <u>Year</u> | <u>Loan Repayment</u> | <u>Interest</u> | <u>Received</u> |
|-------------|-----------------------|------------------|------------------|
| 2009 | \$ 907 | \$ 93 | \$ 1,000 |
| 2010 | 864 | 136 | 1,000 |
| 2011 | 823 | 177 | 1,000 |
| 2012 | 784 | 216 | 1,000 |
| 2013 | 746 | 254 | 1,000 |
| 2014-2018 | 3,530 | 1,970 | 5,500 |
| 2019-2023 | 3,164 | 3,086 | 6,250 |
| 2024-2028 | 2,663 | 4,087 | 6,750 |
| 2029-3033 | 2,331 | 5,169 | 7,500 |
| 2034-2036 | <u>1,149</u> | <u>3,351</u> | <u>4,500</u> |
| Total | \$ <u>16,961</u> | \$ <u>18,539</u> | \$ <u>35,500</u> |

16. CONTINGENT LIABILITIES

Federal and State Grants

The City has received Federal and State grants in excess of \$39 million for specific purposes that are subject to review and audit by the grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Such disallowances have been immaterial in prior years. In June 2007, an agreement was reached between the City and the United States Department of Justice for the City to make payments totaling \$3.95 million for the HOME Investment Partnership Program. During 2007, the first payment of \$1.50 million was made, the second payment of \$1.225 was made in January of 2008, and the final payment of \$1.225 million will be paid in January, 2009.

Litigation

Various claims and lawsuits are pending against the City as of December 31, 2008. A liability of \$18 million was recorded for those claims and judgments as of December 31, 2008. Over the past decade, the City has averaged annual payments of \$2.9 million for claim and lawsuit settlements. Adequate funds have been provided to meet the claims paid from the General Fund, restricted funds and the sale of debt. The City Administration believes there is no foreseen problem in having adequate resources to settle presently known cases.

Pollution Remediation Liability

The City has entered into an agreement to clean up and remediate the former Queen City Barrel site. The estimated total cost of the site remediation is \$11,977,994 which will be offset by a Clean Ohio Council Grant of \$3,000,000 and other funding sources of \$4,089,532. The remaining liability of \$4,888,462 less the project expenditures to date of \$2,939,896 is an accrued liability for the City as of December 31, 2008.

The City also has several underground storage tanks for which it is responsible for the ongoing remediation and clean up costs. The remaining estimated liability at December 31, 2008 is approximately \$175,000.

17. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage. The City purchases commercial insurance to cover losses due to: theft of, damage to, or destruction of assets and purchases general liability insurance for specific operations and professional liability insurance for certain operations. All other risks of loss are self-insured by the City. There has been no reduction in insurance coverage from coverage in 2008. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in any of the past three years.

The City of Cincinnati provides a health insurance plan for its employees. The plan is self-insured and accounted for as an internal service fund. This internal service fund, titled "Self Insurance - Medical" has been in existence since 1980. Operating funds are charged a monthly rate per employee, by type of coverage.

In 1990, the City began to account for and finance its risk of loss due to workers' compensation claims and established an internal service fund titled "Self Insurance - Workers' Compensation". Workers' compensation is administered by the State. The City reimburses the Bureau of Workers' Compensation for injured workers' claims. All funds of the City participate in the program and make payments to the internal service fund based on the experience premium that would normally be charged by the Bureau of Workers' Compensation. Policy years 1989 through 2000 were financed through the retrospective rating program. Policy years 2001 and 2002 were financed through the fully insured program with the State Fund workers' compensation program. Beginning with policy year 2003, the City elected to be fully self-insured for workers' compensation. All of the City's workers' compensation liabilities are funded within the "Workers' Compensation – Self-Insurance" fund. Changes in the balances of claims liabilities and claims adjustment expenses during 2008 and 2007 are as follows:

(Amounts in Thousands)

| | General Fund | | Water Works Fund | | Parking Facilities Fund | | Convention Center Fund | | General Aviation Fund | | Municipal Golf Fund | |
|--|--------------|---------|------------------|--------|-------------------------|------|------------------------|------|-----------------------|------|---------------------|------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Balance at January 1 | \$ 275 | \$ 302 | \$ 145 | \$ 128 | \$ 3 | \$ 1 | \$ 3 | \$ 1 | \$ - | \$ 4 | \$ - | \$ - |
| Current-Year Claims and Changes in Estimates | 1,249 | 2,044 | 497 | 131 | 2 | 3 | (2) | 2 | 220 | (4) | 2 | |
| Claim Payments | (1,136) | (2,071) | (459) | (114) | (4) | (1) | 0 | 0 | (220) | | (2) | |
| Balance at December 31 | \$ 388 | \$ 275 | \$ 183 | \$ 145 | \$ 1 | \$ 3 | \$ 1 | \$ 3 | \$ - | \$ - | \$ - | \$ - |

| | Stormwater Management Fund | | Income Tax Infrastructure Fund | | Self Insurance Medical Fund | | Workers' Compensation Fund | | Governmental Activities Obligations | | Totals | |
|--|----------------------------|------|--------------------------------|-------|-----------------------------|-----------|----------------------------|-----------|-------------------------------------|-----------|-----------|-----------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Balance at January 1 | \$ 3 | \$ 2 | \$ 27 | \$ 5 | \$ 12,480 | \$ 12,106 | \$ 15,693 | \$ 18,365 | \$ 12,000 | \$ 6,729 | \$ 40,629 | \$ 37,643 |
| Current-Year Claims and Changes in Estimates | (2) | 1 | 160 | 55 | 91,176 | 84,904 | 4,251 | 3,078 | 8,397 | 9,836 | 105,950 | 100,050 |
| Claim Payments | 0 | 0 | (36) | (33) | (89,321) | (84,530) | (5,504) | (5,750) | (2,440) | (4,565) | (99,122) | (97,064) |
| Balance at December 31 | \$ 1 | \$ 3 | \$ 151 | \$ 27 | \$ 14,335 | \$ 12,480 | \$ 14,440 | \$ 15,693 | \$ 17,957 | \$ 12,000 | \$ 47,457 | \$ 40,629 |

The claims liabilities at December 31, 2008 for the Internal Service Funds above (Self-Insurance Medical and Workers Compensation) are included in the following liabilities in the balance sheet:

(Amounts in Thousands)

| | Self-Insurance Medical | Workers Compensation |
|---|-----------------------------------|---------------------------------|
| Accounts Payable | \$ 4,125 | \$ 629 |
| Accrued Liabilities | | 1,385 |
| Estimated Liability For Unpaid Claim | <u>10,210</u> | <u>12,426</u> |
| Total | <u>\$14,335</u> | <u>\$14,440</u> |

18. SUBSEQUENT EVENTS

On March 4, 2009, City Council authorized various bond or bond anticipation note issues of an amount not to exceed \$32,000,000 of unlimited tax various purpose general obligation bonds. The total bonds that were authorized included property tax supported issues of \$5,375,000 for street improvements, \$4,405,000 for parks and recreation improvements, \$2,775,000 for public building improvements and \$9,445,000 for equipment improvements. Income tax supported issues include \$7,935,000 for street improvements and \$2,065,000 for public building improvements.

On March 6, 2009, \$6,743,000 in street bond anticipation notes and \$2,800,000 in equipment bond anticipation notes were sold.

On March 25, 2009, City Council authorized issuance of bonds or bond anticipation notes of an amount not to exceed \$15,000,000 of unlimited tax various purpose general obligation bonds for the purpose of urban redevelopment improvements at the Banks. This issue will be income tax supported.

On March 31, 2009, \$2,200,000 in public building bond anticipation notes were sold for financing the MSD office building project. \$12,800,000 in bond anticipation notes for this project had been sold in late 2008.

On April 15, 2009, City Council authorized issuance of economic development revenue bonds or notes not to exceed \$10,000,000 for financing certain improvements for the Graeter's Manufacturing Co. Project.

On June 3, 2009, City Council authorized issuance of urban development refunding bonds not to exceed \$5,100,000 for refunding the entire outstanding principal amount of its unlimited tax urban development general obligation bonds (taxable), date December 1, 1998 which were originally issued to finance urban development improvements at the Shillito Lofts.

On June 17, 2009, City Council authorized issuance of water system revenue bonds not to exceed \$100,000,000 to finance certain improvements and \$75,000,000 of water system refunding revenue bonds to refund outstanding bonds.

On June 17, 2009, City Council authorized issuance of bonds or bond anticipation notes in the amount of \$5,000,000 for the purpose of making public building improvements to achieve energy cost reductions within public buildings.

On June 24, 2009, City Council authorized issuance bonds or bond anticipation notes in the amount \$1,250,000 for the purpose of stormwater management improvements (Barrier Dam Project).

19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The City administers a death benefit for its employees, both active and retired, that are police officers or fire fighters. If the police officer or fire fighter is retired, the benefit provides for \$5,000 to be paid to the designated beneficiary of the deceased police officer or fire fighter upon receipt of proof of death. If the police officer or fire fighter is active, the benefit provides for \$35,000 to be paid to the designated beneficiary of the deceased police officer or fire fighter upon receipt of proof of death. Benefit provisions are negotiated individually between the Fire union and the City, and the Police union and the City.

Funding Policy

The benefit is funded on a pay-as-you-go basis. Each year the City budgets for a pre-determined amount based on prior years payments. The members of the Ohio Police and Fire Pension Fund do not make a contribution for this benefit. In 2008 the City budgeted \$300,000 and paid out \$285,000. The benefits unfunded liability for 2008 based on the future value of the liability as calculated by the City is \$609,000.

20. PENSION AND RETIREMENT

City employees are covered by one of three pension systems. They are the Ohio Police and Fire Pension Fund (OP&F) and the Ohio Public Employees Retirement System (OPERS), which are State pension systems, and the City of Cincinnati's Retirement System. The City Retirement System, OP&F and OPERS-Traditional Pension Plan are cost-sharing multiple-employer defined benefit pension plans. OPERS has two other pension plans: 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 contribution plan.

Ohio Police and Fire Pension Fund

Plan Description

Police and Fire Fighters of the City of Cincinnati are members of the Ohio Police and Fire Pension Fund. The City of Cincinnati contributes to the (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy

Plan members are required to contribute 10.0% of their annual covered salary, while the City of Cincinnati is required to contribute 19.5% and 24.0% respectively for police officers and fire fighters. The City of Cincinnati's contributions to OP&F for the years ending December 31, 2008, 2007, and 2006 were \$29,460,000, \$27,974,000 and \$27,448,000, respectively equal to the required contribution for each year.

The OP&F informed the City that the City's only unfunded prior service cost of the fund is the deficiency existing at the time the fund was established in 1967 as determined by actuarial evaluation. On March 1, 2000 the City sold bonds for the refunding of the City's obligation for the employer's accrued liability. Pursuant to Section 742.30 of the Ohio Revised Code, the City and the OP&F (the Fund) have entered into an agreement, which permitted the City to make a one-time payment to the Fund for the purpose of extinguishing the City's obligation to the Fund for employer's accrued liability. The payment amount was \$41,454,864, which represents 68% of the first \$500,000 of the employer's accrued liability and 70% of the balance, plus accrued interest on the full amount of such accrued liability from March 1, 2000 to the date of payment.

Other Postemployment Benefit Information

Plan Description: The City of Cincinnati contributes to the OP&F sponsored healthcare program, a cost-sharing multiple-employer defined postemployment healthcare plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents. OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB 45.

The Ohio Revised code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits, are codified in Chapter 742 of the Ohio Revised code. The OP&F board of trustees also is authorized to establish requirements for contributions to the healthcare 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.

Funding Policy: OP&F maintains funds for health care in two separate accounts; One for health care benefits and one for Medicare Part B reimbursements. An Internal Revenue Service (IRS) Code Section 401(h) is maintained for Medicare Part B and a separate trust accrual account is maintained for health benefits under an IRS Code section 115 trust.

The Ohio Revised Code provides that healthcare cost paid from the funds of OP&F be included in the employer's contribution rate. The portion of the City's contributions for police that were used to pay postemployment benefits for the years ending December 31, 2008, 2007, and 2006, were \$5,312,827, \$5,057,154 and \$5,709,841, respectively. For firefighters the contributions used to pay postemployment benefits for the years ending December 31, 2008, 2007, and 2006, were \$3,963,545, \$3,753,471 and \$4,220,287, respectively.

State PERS

Plan Description

Only City employees who were members in the Public Employees Retirement System of Ohio (OPERS) or another Ohio State Retirement System prior to their City employment, City personnel employed in the building crafts trade since 1961, elected officials and certain part-time employees are enrolled in OPERS.

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

The Traditional Pension Plan- cost-sharing multiple-employer defined benefit pension plan.

The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over 5 years at 20% a year). Under the Member Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

The Combined Plan - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or calling (614) 222-5601 or (800) 222-7377.

Funding Policy

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans. Employees contribute 10.0% of their annual compensation. For 2008 the City's contribution rate was 14.00% of covered payroll: 7% was the portion used to fund pension obligations and 7% was used to fund health care for January 1 through December 31, 2008. City of Cincinnati's contributions to OPERS for the years ending December 31, 2008, 2007, and 2006, were \$2,449,000, \$2,354,000, and \$2,203,000, respectively, equal to the required contributions for each year. The Ohio Revised Code currently limits the City's contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

Other Postemployment Benefit Information

Plan Description: OPERS provides postemployment health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment healthcare coverage.

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

In order to qualify for postemployment healthcare coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten 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 meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB statement 45. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Funding Policy: The Ohio Revised Code provides statutory authority requiring public employers to fund post employment healthcare through their contributions to OPERS. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. The City's contribution rate for 2008 was 14% of covered payroll: 7% was the portion used to fund pension obligations and 7% was used to fund health care for January 1 through December 31, 2008. The portion of the City's employer contributions that were used to fund postemployment benefits for the years ended December 31, 2008, 2007, and 2006

were \$1,224,683, \$938,774 and \$723,744 respectively.

OPERS' Post Employment Health Care plan was established under, and is administrated 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 post employment healthcare benefits. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the healthcare benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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

City of Cincinnati Retirement System

Plan Description

The City of Cincinnati Retirement System is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The System is considered part of the City of Cincinnati's financial reporting entity and is included in the City's financial report as a pension trust fund, see pages 48 and 49. No separate financial report is issued. Article XV of the Administrative Code of the City of Cincinnati provides the statutory authority vesting the general administration and responsibility for the proper operation of the System in the Board of Trustees of the City of Cincinnati Retirement System. There are four employers that contribute to the plan. They are the City of Cincinnati, University of Cincinnati, University Hospital and Hamilton County. Membership of the Retirement System of the City consisted of the following at December 31, 2008, the date of the latest actuarial valuation:

| | <u>Pension</u> | <u>Health care</u> |
|---|----------------|--------------------|
| Retirees and beneficiaries receiving benefits | 4,501 | 4,301 |
| Terminated plan members entitled to future benefits | 148 | 148 |
| Active plan members: | | |
| Vested | 2,551 | 1,575 |
| Nonvested | <u>1,998</u> | <u>2,974</u> |
| Total | <u>9,198</u> | <u>8,998</u> |

1,461 of the nonvested members are part-time employees who are included in the system to comply with the Omnibus Budget Reconciliation Act of 1990, which mandated the inclusion of certain classifications of employees either in state or municipal retirement systems or the Federal Insurance Contribution Act (Social Security). The City of Cincinnati's Retirement System covers the majority of non-uniformed City employees and a closed group of members from other employers which includes employees of the University of Cincinnati and University Hospital who joined before control of these institutions was transferred to the State of Ohio, and former City employees staying with various operations transferred to the control of Hamilton County.

The service retirement allowance vests after five years of creditable service. Medical care benefits are provided after fifteen years of creditable service, or if hired before January 9, 1997 after reaching age sixty with at least five years of creditable service. Any member in service may retire at any age upon completing

thirty or more years of membership service or at age 60 with at least five years creditable service, with a retirement allowance commencing immediately; or any member upon completing five years of creditable service before age sixty may retire with a retirement allowance commencing at age sixty, provided, however, at the time of election of the deferred annuity there is no loan outstanding against his contributions.

The annual retirement allowance is equal to 2.5% of the average of the three highest years' compensation multiplied by the number of years of membership service. Employees hired before July 12, 1998 elected either the 2.5% or a 2.22% formula, which factors in overtime pay and lump sum payments for vacation, sick leave and compensatory balances. All new employees hired July 12, 1998 and thereafter are subject to the 2.5% formula. Pensions are increased by 3% compounded annually, commencing one year after retirement. The System also provides death and disability benefits. These benefit provisions and all other requirements, are established by the Cincinnati Municipal Code.

In 2007, an Early Retirement Window (ERW) was offered to City employees who would have 28 or more years of service by December 31, 2007. Employees who elected the window were granted two additional years of service. The additional actuarial accrued liability associated with the ERW of approximately \$42,300,000 will be funded by separate contributions made by the city over a 15 year time period. The contributions for 2009 will be \$2,353,816. The contribution will increase each year until 2015 when it will be \$6,177,556 through 2023.

Contributions

Each member contributes at a rate of 7% of his salary until his retirement. This percent contributed by the employees is fixed by the fund's Board of Trustees on the basis of authority provided by Chapter 203 Section 77 of the Cincinnati Municipal Code. The City makes annual employer contributions based on a percentage of the salaries of all members. For 2008 the contribution rate was 17% for all employers and the covered payroll was \$167,259,000. The rate based on the actuarial report was 38.71%. The City's contributions to the City of Cincinnati Retirement System for the years ending December 31, 2008, 2007 and 2006 were \$22,514,000, \$26,449,000, and \$23,540,000 respectively. The contributions for 2008 and 2006 were not equal to the required contributions. The contributions for 2007 were equal to the required contributions. Administrative costs are financed from the system assets.

As of December 31, 2008 for the pension plan the unfunded actuarial accrued liability was \$604,265,000 to be amortized over an open period of 15 years, the funded ratio was 71.2%, and the actuarial value of assets was \$1,490,467,000. The unfunded actuarial accrued liability as a percentage of covered payroll was 367%. The required supplementary schedule, which immediately follows the notes, contains multi-year trend information about the actuarial value of plan assets and if it is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Although this is a multiple-employer cost allocation plan, it is being accounted for as a single employer plan. This is due to the fact that the number of active participants from employers other than the City of Cincinnati is insignificant in relation to the total number of active City of Cincinnati participants.

Annual Pension Cost and Net Pension Obligation. The City's annual pension cost and net pension obligation to CRS for the current year were as follows:

| (Amounts in Thousands) | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|------------------|------------------|------------------|
| Annual required contribution | \$ 33,006 | \$ 16,753 | \$ 19,296 |
| Interest on net pension obligation | 1,327 | 1,697 | 1,178 |
| Adjustment to annual required contribution | (1,864) | (1,979) | (1,366) |
| Annual pension costs | <u>32,469</u> | <u>16,471</u> | <u>19,108</u> |
| Actual contribution | (13,294) | (16,753) | (13,184) |
| Increase(decrease) in net pension obligation | 19,175 | (282) | 5,924 |
| Net pension obligation beginning of year | 19,110 | 19,392 | 13,468 |
| Net pension obligation end of year | <u>\$ 38,285</u> | <u>\$ 19,110</u> | <u>\$ 19,392</u> |
| Annual pension costs | \$ 32,469 | \$ 16,471 | \$ 19,108 |
| Percentage of annual pension cost contribution | 40.94% | 101.71% | 69.00% |

Annual OPEB Costs and Net OPEB Obligation

| (Amounts in Thousands) | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|------------------|-----------------|-----------------|
| Annual required contribution | \$ 19,384 | \$ 13,324 | \$ 15,062 |
| Interest on net OPEB | 779 | 641 | 233 |
| Adjustment to annual required contribution | (1,094) | (747) | (270) |
| Annual OPEB | <u>19,069</u> | <u>13,218</u> | <u>15,025</u> |
| Actual contribution | (7,807) | (13,324) | (10,356) |
| Increase(decrease) in net OPEB | 11,262 | (106) | 4,669 |
| Net OPEB beginning of year | 7,219 | 7,325 | 2,656 |
| Net OPEB end of year | <u>\$ 18,481</u> | <u>\$ 7,219</u> | <u>\$ 7,325</u> |
| Annual pension costs | \$ 19,069 | \$ 13,218 | \$ 15,025 |
| Percentage of annual pension cost contribution | 40.94% | 100.80% | 68.93% |

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - The City of Cincinnati Retirement System financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - The Retirement System investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates.

Securities Lending - The Retirement System securities lending program disclosures are presented in accordance with Governmental Accounting Standards Board Statement 28, Accounting and Financial

Reporting for Securities Lending Transactions and Statement 40, Deposit and Investment Risk Disclosures. The disclosures are located in Footnote 2 – Deposits with Financial Institutions and Investments and on the statement of plan net assets and statement of changes in plan net assets.

Derivatives – The Retirement System derivative disclosures are presented in accordance with Governmental Accounting Standards Board Technical Bulletin No. 94 –1, Disclosures about Derivatives and Similar Debt and Investment Transactions, and Governmental Accounting Standards Board Statement 40, Deposit and Investment Risk Disclosures, and can be found in Footnote 2 – Deposits with Financial Institutions and Investments.

Other Postemployment Benefit Information

The System provides hospital and surgical insurance and dental and vision insurance to retired members who have earned fifteen years credited service at the time of termination or terminate after age sixty with five years credited service. Those who are receiving survivor benefits of eligible members are entitled to have their hospital and surgical insurance and dental and vision insurance premiums paid by the System. When benefits would be reduced by reason of the retired member's eligibility for hospital and medical benefits under federal social security laws, the System will pay whatever additional fees are required for the federal medical coverage.

The health care coverage provided by the System is considered an Other Postemployment Benefit (OPEB) as described in GASB statement 45. It is advance-funded on an actuarially determined basis as a portion of the employer contribution requirement to the System. The Cincinnati Municipal Code provides authority for employer contributions. The City of Cincinnati Retirement System's healthcare coverage was established under, and is administrated in accordance with, Internal Revenue Code 401(h).

The actuarial assumptions used for the December 31, 2008 valuation included an assumption for hospital and surgical benefits recognizing adjusted premiums based on experience for recent years adjusted to current year by assumed annual increases in premium costs. The cost of OPEBs is recognized as an expense as claims are paid. The employer contribution that was used to fund postemployment benefits was \$4,275,000 as of December 31, 2008 for the healthcare plan the unfunded actuarial accrued liability was \$309,621,000 to be amortized over an open period of 15 years, the funded ratio was 69%, and the actuarial value of assets was \$688,870,000. The unfunded actuarial accrued liability as a percentage of covered payroll was 188.1%.

The required supplementary schedule, which immediately follows the notes, contains multi-year trend information about the actuarial value of plan assets and if it is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

| | |
|---------------------------|--|
| Valuation date | 12/31/08 |
| Actuarial cost method | Individual entry age normal |
| Asset valuation method | The actuarial value of assets was reset to market value of assets as of December 31, 2003. For future years, asset gains and losses will be recognized at the rate of 20% per year. The investment gain/(loss) is taken as the excess of the actual return on assets over the expected return on assets. The investment gain/(loss) is then recognized at 20% per year until fully recognized. The actuarial value of assets is the market value minus the sum of the deferred investment gains/(losses) during the preceding five plan years. In addition, the actuarial value is restricted to be no less than 80% of the market value or no more than 120% of the market value. |
| Actuarial assumptions: | |
| Investment rate of return | 8% per year, net of expenses, compounded annually. |
| Mortality | |
| Non-disabled lives: | Uninsured Pensioner 1994 Mortality Table projected to 2009 |
| Disabled Retirees: | Pension Benefit Guarantee Corp. Disabled Mortality Table |
| Turnover | 2006 City of Cincinnati Rate of Termination Experience Table |
| Disability | 2006 City of Cincinnati Disability Retirement Experience Table |
| Salary increases | Salary increases are assumed to vary by service. For those who had not elected the 2.50% formula an additional 10% assumption increase in average salary is used to reflect final lump sum payments. |
| Medical Benefits: | The City offers medical benefits (including outpatient prescription drug coverage) to retirees before and during Medicare eligibility. As of January 1, 2008, all future retirees will be covered by the 80/20 PPO plan. The employee contribution for 2008 is \$177.60 per individual and \$490.80 per family plan. Retirees who retired prior to 2008 can retain their prior coverage which included three options, traditional indemnity, a PPO and an HMO, except for employees who retired under a special incentive plan in 2007 and are covered by the PPO plan. |

Starting claim costs were developed based on historical retiree claims and enrollment experience data projected forward to the valuation period with trend and adjusted for the demographics of the historical vs. current retiree population. Historical claims experience was reviewed from January 2003 through December 2007, with data split separately by plan, by medical and prescription drug coverage, and by Medicare status.

Some retirees may have dependent children covered under the retiree health plan. Their cost is included in the historical claims experience used to estimate the adult per capita rate.

Costs are determined on a per capita basis, adjusted to age 65, and annualized for presentation. Costs are developed by plan (Traditional, PPO and HMO), and blended based on the current and expected enrollment among plans.

For health plan projection/valuation purposes, the City's valuation is split into two "Groups". Group 1 refers to current inactive (retiree) participants and active participants hired prior to 1997. Group 2 refers to active participants hired in 1997 or later. The reason for this distinction is that the contribution methodology is materially different for those employees hired after January 8, 1997.

Retiree Contributions

Current retirees only contribute towards the cost of coverage in the HMO plan. Contribution amounts are \$64.20 per year Pre-Medicare and \$62.40 per year Medicare eligible. For retirees with dependent(s) covered, contributions are double the amounts above. Group 1 future retirees pay the active contribution rate for the PPO plan. Group 2 future retirees will pay the higher of the active employee contribution or the point system contribution.

Other Health Benefits

Medicare Part B: The City reimburses the Medicare Part B premiums for retirees and dependents. Medicare Part B premiums are assumed to increase in accordance with estimates from the 2008 Annual Report of the Board of Trustee Report until the year 2016 (same as in last year's valuation) and then increase at 5.0% per year thereafter. 2008 Part B Premiums are \$1,157 (\$1,157 in 2007).

Dental Benefits

One traditional dental indemnity plan is provided to all current and future retirees. The plan includes a \$1,000 annual maximum on plan benefits. 2008 projected starting cost is \$298 per adult per year (\$258 for the 2007 estimate). Costs are assumed to increase at a decreasing rate, starting at 6.00% for 2009, then decreasing by 0.2% per year to .3% and remaining there for 20 years, then decreasing gradually over 16 years to no material trend. This takes the \$1,000 annual maximum on annual dental claims into account.

Dental aging assumptions are a 1.0% increase per year up to age 65, then 0%.

Vision Benefits

One indemnity design plan is provided to all current and future retirees. The plan has fixed benefits with a \$100 annual maximum benefit. The projected starting cost for 2008 is \$23 per adult per year (\$25 was the 2007 estimate). Although the claims benefit level is fixed, we anticipate a 3.0% annual trend increase in costs to account for increases in utilization/administrative costs. No aging impact is assumed in the vision coverage.

Option Electives

75% of male participants and 25% of female participants will have a spouse who is covered under the medical, dental, and vision benefits portions of the plan. Of these participants with a covered spouse, 85% will elect a Joint & Survivor option.

Expenses

The investment return is set based on an implicit expense assumption of approximately 35 basis points.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

(AMOUNTS IN THOUSANDS)

PENSION PLAN

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Liability (AAL) -Entry Age (b) | Unfunded Actuarial Liability (UAAL) (b-a) | % Funded Ratio (a/b) | Covered Payroll (c) | % UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|--|---|----------------------|---------------------|---|
| 12/31/03 | \$ 1,555,672 | \$ 1,636,805 | \$ 81,133 | 95.04 | \$ 184,407 | 44.00 |
| 12/31/04 | 1,607,444 | 1,696,645 | 89,201 | 94.74 | 182,575 | 48.86 |
| 12/31/05 | 1,654,448 | 1,767,359 | 112,911 | 93.61 | 175,335 | 64.40 |
| 12/31/06 | 1,720,978 | 1,968,676 | 247,698 | 87.42 | 175,369 | 141.24 |
| 12/31/07 | 1,794,406 | 2,080,923 | 286,517 | 86.23 | 182,396 | 157.09 |
| 12/31/08 | 1,490,497 | 2,094,762 | 604,265 | 71.15 | 164,640 | 367.02 |

HEALTHCARE PLAN

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Liability (AAL) -Entry Age (b) | Unfunded Actuarial Liability (UAAL) (b-a) | % Funded Ratio (a/b) | Covered Payroll (c) | % UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|--|---|----------------------|---------------------|---|
| 12/31/03 | \$ 724,049 | \$ 782,698 | \$ 58,649 | 92.51 | \$ 184,407 | 31.80 |
| 12/31/04 | 753,105 | 822,938 | 69,833 | 91.51 | 182,575 | 38.25 |
| 12/31/05 | 775,248 | 789,740 | 14,492 | 98.16 | 175,335 | 8.27 |
| 12/31/06 | 805,695 | 966,726 | 161,031 | 83.34 | 175,369 | 91.82 |
| 12/31/07 | 835,486 | 921,985 | 86,499 | 90.62 | 182,396 | 47.42 |
| 12/31/08 | 688,870 | 998,491 | 309,621 | 68.99 | 164,640 | 188.06 |

SCHEDULE OF EMPLOYERS' CONTRIBUTIONS

(AMOUNTS IN THOUSANDS)

PENSION PLAN

| Year Ended December 31 | Annual Required Contribution | % Percentage Contributed |
|------------------------|------------------------------|--------------------------|
| 2003 | \$ 14,854 | 64.04 |
| 2004 | 29,857 | 48.77 |
| 2005 | 34,148 | 46.63 |
| ** 2006 | 23,227 | 107.40 |
| 2007 | 38,571 | 82.35 |
| 2008 | 38,767 | 92.38 |

HEALTHCARE PLAN

| Year Ended December 31 | Annual Required Contribution | % Percentage Contributed |
|------------------------|------------------------------|--------------------------|
| 2003 | \$ 4,951 | 62.78 |
| 2004 | 9,953 | 48.00 |
| 2005 | 5,662 | 55.44 |
| ** 2006 | 18,242 | 20.25 |
| 2007 | 30,691 | 17.18 |
| 2008 | 22,767 | 18.78 |

** Calculation of the annual required contribution was revised in 2006 to reflect the actual amounts required to fund healthcare. In prior years, healthcare amounts were calculated with funding limited per IRS restrictions.

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City of Cincinnati, Ohio
Budgetary Comparison Schedule
Non GAAP
For the year ended December 31, 2008

| | General Fund | | | |
|--|-------------------------|-----------------|---------------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Budget - Positive (Negative) |
| | Original | Final | | |
| General Fund | | | | |
| Revenue | | | | |
| Taxes | \$ 260,528 | \$ 260,528 | \$ 260,738 | \$ 210 |
| Licenses and Permits | 7,762 | 7,762 | 7,707 | (55) |
| Use of Money and Property | 16,571 | 16,571 | 15,549 | (1,022) |
| Intergovernmental Revenue | 50,073 | 50,073 | 51,854 | 1,781 |
| Charges for Services | 18,953 | 18,953 | 19,996 | 1,043 |
| Miscellaneous | 2,768 | 2,768 | 4,866 | 2,098 |
| Total Revenues | <u>356,655</u> | <u>356,655</u> | <u>360,710</u> | <u>4,055</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 37,939 | 38,318 | 37,724 | 594 |
| Community Development | 7,529 | 7,581 | 7,537 | 44 |
| Parks and Recreation | 20,552 | 20,635 | 20,562 | 73 |
| Public Safety | 174,722 | 176,725 | 176,296 | 429 |
| Transportation and Engineering | 3,542 | 3,589 | 3,470 | 119 |
| Public Services | 21,413 | 24,726 | 24,503 | 223 |
| Public Health | 19,542 | 19,527 | 19,494 | 33 |
| Employee Benefits | 78,027 | 76,424 | 76,143 | 281 |
| Capital Outlay | 222 | 150 | 143 | 7 |
| Total Expenditures | <u>363,488</u> | <u>367,675</u> | <u>365,872</u> | <u>1,803</u> |
| Excess (deficiency) of revenues over expenditures | (6,833) | (11,020) | (5,162) | 5,858 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | | 217 | 217 | |
| Transfers (Out) | (200) | (617) | (617) | |
| Total Other Financing Sources (Uses) | <u>(200)</u> | <u>(400)</u> | <u>(400)</u> | <u>-</u> |
| Excess of revenue over (under) Expenditures and Other Financing Sources | (7,033) | (11,420) | (5,562) | 5,858 |
| Cancellation of Prior Years Encumbrances | | 1,720 | 2,634 | 914 |
| Fund balances - beginning | 17,505 | 17,505 | 17,505 | |
| Fund balances - ending | <u>\$ 10,472</u> | <u>\$ 7,805</u> | <u>\$ 14,577</u> | <u>\$ 6,772</u> |

Adjustments necessary to convert the results of operations at end of year on the budget basis to the modified accrual basis (GAAP) are as follows:

| | |
|---|--------------------------|
| Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other uses per the Budgetary Comparison Schedule | \$ (5,562) |
| (Increases) decreases from revenues: | |
| Received in cash during year but already accrued as receivables (GAAP) at December 31, 2007 | (36,127) |
| Accrued as receivables at December 31, 2008 but not recognized in budget | 35,216 |
| (Increases) decreases from encumbrances: | |
| Expenditures of amounts encumbered during prior years | (12,537) |
| Recognized as expenditures in the budget | 10,626 |
| (Increases) decreases from expenditures: | |
| Accrued as liabilities at December 31, 2007 recognized as expenditures (GAAP) but not in budget | 7,807 |
| Accrued as liabilities at December 31, 2008 | (6,207) |
| Inventory purchase recognized as expenditures (budget) but not in GAAP | <u>17</u> |
| Net Change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance (Page 24) | <u>\$ (6,767)</u> |

See notes to required supplementary information.

City Of Cincinnati, Ohio
Note to the Required Supplementary Information
December 31, 2008

Note A- Budgetary Data

An annual operating budget is legally adopted each fiscal year for the General Fund, Debt Service Fund, Capital Projects Fund and some of the Special Revenue Funds. The budgetary data reports included within this report are prepared on a cash basis of accounting, with the exception of certain accrued personal service and employee benefit costs. Encumbrances, which do not lapse at year-end, are included as expenditures in the current year budget (Non-GAAP). The budgetary process begins at least six months prior to the calendar year for which the budget is to be adopted, with the City certifying the proposed budget to the County Auditor by July 20. By January 1, City Council may adopt annual or temporary appropriation measures using, in part, the official certificate of estimated resources approved by the County Budget Commission and tax rates certified by the County Auditor. By April 1, City Council must adopt annual appropriation ordinances. Only unencumbered appropriations lapse at year end.

There are several other special revenue appropriated funds whose revenues are mostly grants which are appropriated monthly as revenues are receipted. The budgets for these funds in the reports included herein are equivalent to the funds expenditures and encumbrances at year end. The budgeted revenue is the amount of resources available for expenditures within the year.

The levels of appropriation control for each budgeted expenditure classification that may not be exceeded are: personal services, non-personal services, capital outlay, and debt service. Any revisions that alter the budgeted expenditure classification of any division within a City department must be approved by City Council. During the year, several supplementary appropriations were necessary.

SUPPLEMENTARY INFORMATION

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MAJOR GOVERNMENTAL FUND

General Fund - is the general operating fund for the City. It is used to account for resources, traditionally associated with governments, which are not required to be accounted for in another fund.

Capital Projects Fund - is used primarily to account for resources designated to construct or acquire governmental fund capital assets. Such resources are derived principally from proceeds of general obligation debt, federal and state grants and City income tax.

Debt Service Fund - accounts for the resources accumulated and payments made for principal and interest on general obligation debt and capital lease payments of the governmental funds.

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CITY OF CINCINNATI, OH
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| General Fund | Original | Final | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------|-----------|-----------|--|
| Revenue | | | | |
| Taxes | | | | |
| Real Property | \$ 23,953 | \$ 23,953 | \$ 23,445 | \$ (508) |
| Personal Property | 617 | 617 | 964 | 347 |
| City Income Tax | 231,758 | 231,758 | 231,758 | - |
| Admissions | 4,200 | 4,200 | 4,571 | 371 |
| Total Taxes | 260,528 | 260,528 | 260,738 | 210 |
| Licenses and Permits | | | | |
| Street Use | 2,310 | 2,310 | 2,402 | 92 |
| Health | 257 | 257 | 94 | (163) |
| Police and Protective | 56 | 56 | 54 | (2) |
| Beer and Liquor | 500 | 500 | 517 | 17 |
| Business and Merchandising | 12 | 12 | 12 | - |
| Amusements | 73 | 73 | 88 | 15 |
| Professional and Occupational | 198 | 198 | 189 | (9) |
| Buildings, Structures and Equipment | 4,356 | 4,356 | 4,351 | (5) |
| Total Licenses and Permits | 7,762 | 7,762 | 7,707 | (55) |
| Use of Money and Property | | | | |
| Fines, Forfeits and Penalties | 5,873 | 5,873 | 4,894 | (979) |
| Income from Treasury Investments | 10,500 | 10,500 | 10,492 | (8) |
| Rents | 149 | 149 | 155 | 6 |
| General Concessions and Commissions | 49 | 49 | 8 | (41) |
| Total Use of Money and Property | 16,571 | 16,571 | 15,549 | (1,022) |
| Intergovernmental Revenue | | | | |
| Proportionately shared State Taxes | | | | |
| Local Government Revenue Assistance | - | - | - | - |
| Local Government Fund - Sales, Franchise, State | | | | |
| Income Tax | 29,110 | 29,110 | 28,487 | (623) |
| Local Government Fund - Financial Institution Tax | 544 | 544 | 562 | 18 |
| Estate Tax | 16,000 | 16,000 | 17,960 | 1,960 |
| Public Utility Property Tax Reimbursement | 551 | 551 | 567 | 16 |
| State Income Tax - Real Property Tax Reduction | 1,948 | 1,948 | 2,238 | 290 |
| State Income Tax - Tangible Property Tax Reduction | 1,920 | 1,920 | 2,040 | 120 |
| Total Intergovernmental Revenue | 50,073 | 50,073 | 51,854 | 1,781 |
| Charges for Services | | | | |
| General Government | 8,396 | 8,396 | 8,923 | 527 |
| Public Recreation | - | - | 2 | 2 |
| Buildings and Inspections | | | | |
| Other Inspection Certificates | 1,078 | 1,078 | 1,339 | 261 |
| Elevator Certificates | 588 | 588 | 687 | 99 |
| Public Safety | | | | |
| Police and Communication Charges | 13 | 13 | 4 | (9) |
| Motor Vehicle Response | 50 | 50 | - | (50) |
| Impounded Vehicle Fees | 1,200 | 1,200 | 1,390 | 190 |
| Protective Inspection Fees | 120 | 120 | 177 | 57 |
| Protective Service - Burglary Alarm | 400 | 400 | 355 | (45) |
| Emergency Transportation Service | 5,390 | 5,390 | 5,416 | 26 |
| Other Public Safety Charges | 100 | 100 | 118 | 18 |
| Public Services | | | | |
| Recycling Incentive Fee | 350 | 350 | 359 | 9 |
| Other Public Services Charges | 150 | 150 | 155 | 5 |
| Public Health | | | | |
| Vital Statistics | 1,002 | 1,002 | 953 | (49) |
| Clinic Fees | 106 | 106 | 106 | - |
| Other Public Health charges | 10 | 10 | 12 | 2 |
| Total Charges for Current Services | 18,953 | 18,953 | 19,996 | 1,043 |
| Miscellaneous | 2,768 | 2,768 | 4,866 | 2,098 |
| Total Revenues | 356,655 | 356,655 | 360,710 | 4,055 |

(Continued)

CITY OF CINCINNATI, OH
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| General Fund (Continued) | Original | Final | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------|--------------|--------------|--|
| Expenditures | | | | |
| City Council | | | | |
| Personal Services | \$ 1,428 | \$ 1,436 | \$ 1,409 | \$ 27 |
| Non Personal Services | 73 | 65 | 41 | 24 |
| Total City Council | <u>1,501</u> | <u>1,501</u> | <u>1,450</u> | <u>51</u> |
| Office of the Mayor | | | | |
| Personal Services | 435 | 407 | 407 | - |
| Non Personal Services | 52 | 79 | 77 | 2 |
| Total Office of the Mayor | <u>487</u> | <u>486</u> | <u>484</u> | <u>2</u> |
| Office of the Clerk of Council | | | | |
| Personal Services | 309 | 309 | 300 | 9 |
| Non Personal Services | 353 | 376 | 311 | 65 |
| Total Office of the Clerk of Council | <u>662</u> | <u>685</u> | <u>611</u> | <u>74</u> |
| Department of Regional Computer Center | | | | |
| Personal Services | 87 | 87 | 87 | - |
| Non Personal Services | 5,138 | 5,464 | 5,464 | - |
| Total Regional Computer Center | <u>5,225</u> | <u>5,551</u> | <u>5,551</u> | <u>-</u> |
| Department of the City Manager | | | | |
| Office of the City Manager | | | | |
| Personal Services | 1,263 | 1,408 | 1,408 | - |
| Non Personal Services | 461 | 660 | 608 | 52 |
| Total Office of the City Manager | <u>1,724</u> | <u>2,068</u> | <u>2,016</u> | <u>52</u> |
| Division of Budget and Evaluation | | | | |
| Personal Services | 739 | 715 | 701 | 14 |
| Non Personal Services | 99 | 117 | 110 | 7 |
| Total Division of Budget and Evaluation | <u>838</u> | <u>832</u> | <u>811</u> | <u>21</u> |
| Division of Environmental Management | | | | |
| Personal Services | 156 | 179 | 161 | 18 |
| Non Personal Services | 68 | 110 | 104 | 6 |
| Total Division of Environmental Management | <u>224</u> | <u>289</u> | <u>265</u> | <u>24</u> |
| Total Department of the City Manager | <u>2,786</u> | <u>3,189</u> | <u>3,092</u> | <u>97</u> |
| Citizen's Complaint Authority | | | | |
| Personal Services | 477 | 491 | 485 | 6 |
| Non Personal Services | 54 | 53 | 49 | 4 |
| Total Citizen's Complaint Authority | <u>531</u> | <u>544</u> | <u>534</u> | <u>10</u> |
| Department of Law | | | | |
| Personal Services | 3,058 | 3,163 | 3,108 | 55 |
| Non Personal Services | 794 | 879 | 854 | 25 |
| Total Department of Law | <u>3,852</u> | <u>4,042</u> | <u>3,962</u> | <u>80</u> |
| Department of Human Resources | | | | |
| Personal Services | 1,277 | 1,291 | 1,291 | - |
| Non Personal Services | 449 | 534 | 497 | 37 |
| Total Department of Human Resources | <u>1,726</u> | <u>1,825</u> | <u>1,788</u> | <u>37</u> |
| Department of Finance | | | | |
| Office of the Director | | | | |
| Personal Services | 265 | 270 | 270 | - |
| Non Personal Services | 23 | 24 | 22 | 2 |
| Capital Outlay | 3 | 3 | 3 | - |
| Total Office of the Director | <u>291</u> | <u>297</u> | <u>295</u> | <u>2</u> |
| Division of Accounts and Audits | | | | |
| Personal Services | 877 | 862 | 860 | 2 |
| Non Personal Services | 72 | 105 | 102 | 3 |
| Total Division of Accounts and Audits | <u>949</u> | <u>967</u> | <u>962</u> | <u>5</u> |

(Continued)

CITY OF CINCINNATI, OH
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| General Fund (Continued) | Original | Final | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------|--------------|--------------|--|
| Expenditures | | | | |
| Department of Finance | | | | |
| Division of Treasury | | | | |
| Personal Services | \$ 299 | \$ 326 | \$ 326 | \$ - |
| Non Personal Services | 159 | 159 | 148 | 11 |
| Total Division of Treasury | <u>458</u> | <u>485</u> | <u>474</u> | <u>11</u> |
| Division of Risk Management | | | | |
| Non Personal Services | 167 | 122 | 122 | - |
| Total Division of Risk Management | <u>167</u> | <u>122</u> | <u>122</u> | <u>-</u> |
| Division of Income Tax | | | | |
| Personal Services | 2,082 | 1,968 | 1,960 | 8 |
| Non Personal Services | 614 | 613 | 607 | 6 |
| Total Division of Income Tax | <u>2,696</u> | <u>2,581</u> | <u>2,567</u> | <u>14</u> |
| Division of Purchasing | | | | |
| Personal Services | 749 | 566 | 563 | 3 |
| Non Personal Services | 201 | 176 | 176 | - |
| Total Division of Purchasing | <u>950</u> | <u>742</u> | <u>739</u> | <u>3</u> |
| Division of Internal Audit | | | | |
| Personal Services | 405 | 369 | 365 | 4 |
| Non Personal Services | 47 | 59 | 58 | 1 |
| Total Division of Internal Audit | <u>452</u> | <u>428</u> | <u>423</u> | <u>5</u> |
| Total Department of Finance | 5,963 | 5,622 | 5,582 | 40 |
| Department of Community Development and Planning | | | | |
| Office of the Director | | | | |
| Personal Services | 524 | 580 | 580 | - |
| Non Personal Services | 4,725 | 4,724 | 4,724 | - |
| Total Office of the Director | <u>5,249</u> | <u>5,304</u> | <u>5,304</u> | <u>-</u> |
| Division of Housing Development | | | | |
| Personal Services | 37 | 92 | 61 | 31 |
| Non Personal Services | 478 | 478 | 477 | 1 |
| Total Division of Housing Development | <u>515</u> | <u>570</u> | <u>538</u> | <u>32</u> |
| Division of Community Development | | | | |
| Personal Services | 133 | 216 | 205 | 11 |
| Non Personal Services | 381 | 422 | 422 | - |
| Total Division of Community Development | <u>514</u> | <u>638</u> | <u>627</u> | <u>11</u> |
| Division of New Construction & Existing Building Standards | | | | |
| Personal Services | 1,120 | 938 | 937 | 1 |
| Non Personal Services | 131 | 131 | 131 | - |
| Total Division of New Construction & Existing Building Standards | <u>1,251</u> | <u>1,069</u> | <u>1,068</u> | <u>1</u> |
| Total Department of Community Development | 7,529 | 7,581 | 7,537 | 44 |
| Department of City Planning | | | | |
| Division of City Planning | | | | |
| Personal Services | 743 | 709 | 709 | - |
| Non Personal Services | 55 | 139 | 113 | 26 |
| Total Division of City Planning | <u>798</u> | <u>848</u> | <u>822</u> | <u>26</u> |
| Division of Licenses and Permits | | | | |
| Personal Services | 3,238 | 3,235 | 3,203 | 32 |
| Non Personal Services | 496 | 579 | 501 | 78 |
| Total Division of Licenses and Permits | <u>3,734</u> | <u>3,814</u> | <u>3,704</u> | <u>110</u> |
| Total Department of City Planning | 4,532 | 4,662 | 4,526 | 136 |
| Department of Public Recreation | | | | |
| West Region Division | | | | |
| Personal Services | 2,077 | 2,206 | 2,205 | 1 |
| Non Personal Services | 657 | 657 | 657 | - |
| Total West Region Division | <u>2,734</u> | <u>2,863</u> | <u>2,862</u> | <u>1</u> |

(Continued)

CITY OF CINCINNATI, OH
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| General Fund (Continued) | Original | Final | Actual | Variance with Final Budget Positive (Negative) |
|---|----------------|----------------|----------------|--|
| Expenditures | | | | |
| East Region Division | | | | |
| Personal Services | \$ 1,776 | \$ 1,671 | \$ 1,665 | \$ 6 |
| Non Personal Services | 647 | 646 | 646 | - |
| Total East Region Division | <u>2,423</u> | <u>2,317</u> | <u>2,311</u> | <u>6</u> |
| Department of Public Recreation | | | | |
| Central Region Division | | | | |
| Personal Services | 2,152 | 1,833 | 1,832 | 1 |
| Non Personal Services | 696 | 687 | 687 | - |
| Total Central Region Division | <u>2,848</u> | <u>2,520</u> | <u>2,519</u> | <u>1</u> |
| Maintenance Division | | | | |
| Personal Services | 2,538 | 2,016 | 2,012 | 4 |
| Non Personal Services | 1,597 | 1,546 | 1,545 | 1 |
| Total Maintenance Division | <u>4,135</u> | <u>3,562</u> | <u>3,557</u> | <u>5</u> |
| Division of Athletics | | | | |
| Personal Services | 1,535 | 1,862 | 1,861 | 1 |
| Non Personal Services | 302 | 322 | 321 | 1 |
| Total Division of Athletics | <u>1,837</u> | <u>2,184</u> | <u>2,182</u> | <u>2</u> |
| Division of Waterfront Activities | | | | |
| Personal Services | 289 | 564 | 526 | 38 |
| Non Personal Services | 138 | 248 | 242 | 6 |
| Total Division of Waterfront Activities | <u>427</u> | <u>812</u> | <u>768</u> | <u>44</u> |
| Division of Administration | | | | |
| Personal Services | 911 | 1,063 | 1,052 | 11 |
| Non Personal Services | 198 | 243 | 241 | 2 |
| Capital Outlay | 22 | 22 | 22 | - |
| Total Division of Administration | <u>1,131</u> | <u>1,328</u> | <u>1,315</u> | <u>13</u> |
| Total Department of Public Recreation | <u>15,535</u> | <u>15,586</u> | <u>15,514</u> | <u>72</u> |
| Department of Parks | | | | |
| Office of the Director | | | | |
| Personal Services | 179 | 179 | 179 | - |
| Non Personal Services | 2 | 2 | 2 | - |
| Total Office of the Director | <u>181</u> | <u>181</u> | <u>181</u> | <u>-</u> |
| Division of Operations and Facilities | | | | |
| Personal Services | 1,430 | 1,488 | 1,488 | - |
| Non Personal Services | 1,281 | 1,240 | 1,240 | - |
| Total Division of Operations and Facilities | <u>2,711</u> | <u>2,728</u> | <u>2,728</u> | <u>-</u> |
| Division of Administration and Program Services | | | | |
| Personal Services | 1,339 | 1,395 | 1,394 | 1 |
| Non Personal Services | 808 | 767 | 767 | - |
| Total Division of Administration and Program Services | <u>2,147</u> | <u>2,162</u> | <u>2,161</u> | <u>1</u> |
| Total Department of Parks | <u>5,039</u> | <u>5,071</u> | <u>5,070</u> | <u>1</u> |
| Department of Police | | | | |
| Personal Services | 90,500 | 90,986 | 90,986 | - |
| Non Personal Services | 13,890 | 15,221 | 15,219 | 2 |
| Total Department of Police | <u>104,390</u> | <u>106,207</u> | <u>106,205</u> | <u>2</u> |
| Department of Fire | | | | |
| Personal Services | 62,111 | 62,015 | 61,672 | 343 |
| Non Personal Services | 8,221 | 8,503 | 8,419 | 84 |
| Capital Outlay | 171 | 99 | 98 | 1 |
| Total Department of Fire | <u>70,503</u> | <u>70,617</u> | <u>70,189</u> | <u>428</u> |
| Department of Transportation and Engineering | | | | |
| Office of the Director | | | | |
| Personal Services | 305 | 411 | 411 | - |
| Non Personal Services | 94 | 94 | 93 | 1 |
| Total Office of the Director | <u>399</u> | <u>505</u> | <u>504</u> | <u>1</u> |

(Continued)

CITY OF CINCINNATI, OH
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| General Fund (Continued) | Original | Final | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------|---------------|---------------|--|
| Expenditures | | | | |
| Department of Transportation and Engineering (Continued) | | | | |
| Division of Transportation Planning | | | | |
| Personal Services | \$ 225 | \$ 241 | \$ 241 | \$ - |
| Non Personal Services | 37 | 37 | 22 | 15 |
| Total Division of Transportation Planning | <u>262</u> | <u>278</u> | <u>263</u> | <u>15</u> |
| Division of Engineering | | | | |
| Personal Services | 448 | 355 | 302 | 53 |
| Non Personal Services | 162 | 181 | 132 | 49 |
| Total Division of Engineering | <u>610</u> | <u>536</u> | <u>434</u> | <u>102</u> |
| Division of Traffic Engineering | | | | |
| Personal Services | 56 | 55 | 55 | - |
| Non Personal Services | 2,215 | 2,215 | 2,214 | 1 |
| Total Division of Traffic Engineering | <u>2,271</u> | <u>2,270</u> | <u>2,269</u> | <u>1</u> |
| Total Department of Transportation and Engineering | 3,542 | 3,589 | 3,470 | 119 |
| Department of Public Services | | | | |
| Office of the Director | | | | |
| Personal Services | 498 | 482 | 475 | 7 |
| Non Personal Services | 189 | 188 | 186 | 2 |
| Capital Outlay | 6 | 6 | - | 6 |
| Total Office of the Director | <u>693</u> | <u>676</u> | <u>661</u> | <u>15</u> |
| Division of Traffic and Road Operations | | | | |
| Personal Services | 432 | 650 | 500 | 150 |
| Non Personal Services | 202 | 2,609 | 2,609 | - |
| Total Traffic and Road Operations | <u>634</u> | <u>3,259</u> | <u>3,109</u> | <u>150</u> |
| Neighborhood Operations Division | | | | |
| Personal Services | 7,898 | 7,977 | 7,924 | 53 |
| Non Personal Services | 9,241 | 9,866 | 9,866 | - |
| Total Neighborhood Operations Division | <u>17,139</u> | <u>17,843</u> | <u>17,790</u> | <u>53</u> |
| Division of City Facility Management | | | | |
| Personal Services | 339 | 339 | 328 | 11 |
| Non Personal Services | 2,614 | 2,615 | 2,615 | - |
| Total City Facility Management | <u>2,953</u> | <u>2,954</u> | <u>2,943</u> | <u>11</u> |
| Total Department of Public Services | 21,419 | 24,732 | 24,503 | 229 |
| Department of Public Health | | | | |
| Office of the Commissioner | | | | |
| Personal Services | 1,148 | 1,163 | 1,158 | 5 |
| Non Personal Services | 309 | 322 | 322 | - |
| Capital Outlay | 20 | 20 | 20 | - |
| Total Office of the Commissioner | <u>1,477</u> | <u>1,505</u> | <u>1,500</u> | <u>5</u> |
| Office of Technical Resources | | | | |
| Personal Services | 1,356 | 1,333 | 1,310 | 23 |
| Non Personal Services | 875 | 895 | 895 | - |
| Total Office of Technical Resources | <u>2,231</u> | <u>2,228</u> | <u>2,205</u> | <u>23</u> |
| Office of Community Health Services | | | | |
| Personal Services | 2,953 | 2,866 | 2,866 | - |
| Non Personal Services | 504 | 505 | 504 | 1 |
| Total Office of Community Health Services | <u>3,457</u> | <u>3,371</u> | <u>3,370</u> | <u>1</u> |
| Division of Primary Care - Special Services | | | | |
| Personal Services | 3,804 | 3,825 | 3,823 | 2 |
| Non Personal Services | 363 | 363 | 363 | - |
| Total Division of Primary Care - Special Services | <u>4,167</u> | <u>4,188</u> | <u>4,186</u> | <u>2</u> |
| Division of Primary Care - Health Centers | | | | |
| Personal Services | 7,057 | 6,832 | 6,831 | 1 |
| Non Personal Services | 1,173 | 1,423 | 1,422 | 1 |
| Total Division of Primary Care - Health Centers | <u>8,230</u> | <u>8,255</u> | <u>8,253</u> | <u>2</u> |
| Total Department of Public Health | 19,562 | 19,547 | 19,514 | 33 |

(Continued)

CITY OF CINCINNATI, OH
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| General Fund (Continued) | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------------|------------------|---|
| Expenditures | | | | |
| Nondepartmental Accounts | | | | |
| Pension | | | | |
| Contributions to Pension System | \$ 12,119 | \$ 11,535 | \$ 11,317 | \$ 218 |
| Contributions to State Pension System | 1,491 | 1,494 | 1,494 | - |
| Contributions to Police Pension System | 16,671 | 16,671 | 16,671 | - |
| Contributions to Fire Pension System | 15,641 | 15,475 | 15,475 | - |
| Employee Benefits | | | | |
| Employee Hospital Care | 23,729 | 23,024 | 23,024 | - |
| Dental and Vision Care | 2,721 | 2,699 | 2,695 | 4 |
| Medicare Tax | 2,419 | 2,628 | 2,593 | 35 |
| Public Employee Assistance | 235 | 235 | 235 | - |
| Workers' Compensation Insurance | 1,922 | 1,882 | 1,880 | 2 |
| Police Officers and Firefighters' Insurance | 300 | 300 | 285 | 15 |
| State Unemployment Compensation | 300 | 300 | 300 | - |
| Lump Sum Payments | 400 | 106 | 106 | - |
| Life Insurance | 74 | 70 | 68 | 2 |
| City Council Benefits | 5 | 5 | - | 5 |
| Professional Services and Legal Fees | | | | |
| Judgments Against the City | 1,000 | 1,500 | 1,500 | - |
| Audit and Examiners' Fees | 275 | 275 | 275 | - |
| Hamilton County Treasurer's and Auditor's Fees | 617 | 617 | 550 | 67 |
| County Clerk Fees | 350 | 350 | 350 | - |
| Election Expense | 325 | 362 | 362 | - |
| Miscellaneous Accounts | | | | |
| Mayor's Office Obligations | 10 | 10 | 10 | - |
| Cincinnati Public Schools | 5,000 | 5,000 | 5,000 | - |
| Port Authority of Greater Cincinnati | 350 | 350 | 350 | - |
| Property Investment Reimbursement Agreements | 1,750 | 1,750 | 1,750 | - |
| Reserve for Contingencies | 1,000 | - | - | - |
| Total Nondepartmental Accounts | <u>88,704</u> | <u>86,638</u> | <u>86,290</u> | <u>348</u> |
| Total Expenditures | <u>363,488</u> | <u>367,675</u> | <u>365,872</u> | <u>1,803</u> |
| Excess (deficiency) of revenues over expenditures | (6,833) | (11,020) | (5,162) | 5,858 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | | 217 | 217 | |
| Transfers (Out) | (200) | (617) | (617) | |
| Total Other Financing Sources (Uses) | <u>(200)</u> | <u>(400)</u> | <u>(400)</u> | <u>-</u> |
| Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing Sources (Uses) | (7,033) | (11,420) | (5,562) | 5,858 |
| Cancellation of Prior Years Encumbrances | - | 1,720 | 2,634 | 914 |
| Fund balances - beginning | 17,505 | 17,505 | 17,505 | |
| Fund balances - ending | <u>\$ 10,472</u> | <u>\$ 7,805</u> | <u>\$ 14,577</u> | <u>\$ 6,772</u> |

City of Cincinnati, Ohio
Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2008
(Amounts in Thousands)

| | |
|---|--------------|
| GENERAL FUND | |
| Revenue | |
| Taxes | |
| Real Property | \$ 23,520 |
| Personal Property | 964 |
| City Income Tax | 229,381 |
| Admissions | <u>4,570</u> |
| Total Taxes | 258,435 |
| Licenses and Permits | |
| Street Use | 2,402 |
| Health | 94 |
| Police and Protective | 54 |
| Beer and Liquor | 540 |
| Business and Merchandising | 12 |
| Amusements | 88 |
| Professional and Occupational | 188 |
| Buildings, Structures and Equipment | <u>4,358</u> |
| Total Licenses and Permits | 7,736 |
| Use of Money and Property | |
| Fines, Forfeits and Penalties | 4,844 |
| Income from Treasury Investments | 13,133 |
| Rents | 19 |
| General Concessions and Commissions | <u>8</u> |
| Total Use of Money and Property | 18,004 |
| Intergovernmental Revenue | |
| Proportionately shared State Taxes | |
| Local Government Fund - Sales, Franchise, State Income Tax | 28,030 |
| Local Government Fund - Financial Institution Tax | 562 |

(Continued)

City of Cincinnati, Ohio
Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2008
(Amounts in Thousands)

GENERAL FUND

(Continued)

Revenue

| | |
|--|----------|
| State Income Tax - Real Property Tax Reduction | \$ 2,238 |
| State Income Tax - Tangible Property Tax Reduction | 2,040 |
| Estate Tax | 17,960 |
| Public Utility Property Tax Reimbursement | 567 |
| Payments from Other Governmental Units | 150 |
| Revenues from Private Sources | <u>1</u> |

Total Intergovernmental Revenue 51,548

Charges for Services

| | |
|-------------------------------------|-------|
| General Government | 6,337 |
| Buildings and Inspections | |
| Other Inspection Certificates | 1,348 |
| Elevator Certificates | 676 |
| Public Safety | |
| Police and Communication Charges | 4 |
| Impounded Vehicle Fees | 1,397 |
| Protective Inspection Fees | 180 |
| Protective Service - Burglary Alarm | 392 |
| Emergency Transportation Service | 5,345 |
| Other Public Safety Charges | 499 |

Public Services 904

Public Health

| | |
|-----------------------------|-----------|
| Vital Statistics | 953 |
| Clinic Fees | 106 |
| Other Public Health charges | <u>12</u> |

Total Charges for Current Services 18,153

Miscellaneous

Total Revenues 2,570
356,446

(Continued)

City of Cincinnati, Ohio
Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2008

(Amounts in Thousands)

GENERAL FUND

(Continued)

Expenditures

| | |
|--------------------------------------|----------|
| City Council | \$ 1,440 |
| Office of the Clerk of Council | 657 |
| Office of the Mayor | 483 |
| Department of the City Manager | 2,174 |
| Division of Budget and Evaluation | 897 |
| Division of Environmental Management | 291 |
| Total Department of City Manager | 3,362 |
| Citizen's Complaint Authority | 533 |
| Department of Law | 3,979 |
| Department of Human Resources | 1,736 |
| Department of Finance | |
| Office of the Director | 304 |
| Division of Accounts and Audits | 956 |
| Division of Treasury | 458 |
| Division of Risk Management | 124 |
| Division of Income Tax | 2,485 |
| Division of Purchasing | 700 |
| Division of Internal Audit | 395 |
| Total Department of Finance | 5,422 |
| Department of City Planning | |
| Office of the Director | 766 |
| Division of Licenses and Permits | 3,548 |
| Total Department of City Planning | 4,314 |

(Continued)

City of Cincinnati, Ohio
Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2008

(Amounts in Thousands)

GENERAL FUND

(Continued)

Expenditures

| | |
|---|---------------|
| Department of Community Development and Planning | |
| Office of the Director | \$ 5,545 |
| Division of Housing Development | 390 |
| Division of Community Development | 622 |
| Division of New Construction & Existing Building Standards | 1,169 |
| Total Department of Community Development | <u>7,726</u> |
| | |
| Department of Public Recreation | |
| Division of Community Activities - West Region Division | 2,825 |
| Division of Community Activities - East Region Division | 2,248 |
| Division of Community Activities - Central Region Division | 2,455 |
| Division of Community Activities - Maintenance Division | 3,474 |
| Division of Athletics | 2,167 |
| Division of Waterfront Activities | 767 |
| Division of Administration | 1,229 |
| Total Department of Public Recreation | <u>15,165</u> |
| | |
| Department of Parks Administration and Program Services | |
| Office of the Director | 180 |
| Division of Operations and Facility Management | 2,725 |
| Division of Planning, Design and Development | 2,150 |
| Total Department of Parks Administration and Program Services | <u>5,055</u> |
| | |
| Department of Police | 104,853 |
| | |
| Department of Fire | 69,635 |

(Continued)

City of Cincinnati, Ohio
Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2008

(Amounts in Thousands)

GENERAL FUND

(Continued)

Expenditures

| | |
|--|---------------|
| Department of Transportation and Engineering | |
| Office of the Director | \$ 467 |
| Division of Engineering | 352 |
| Division of Transportation Planning | 205 |
| Division of Traffic Engineering | 1,857 |
| Total Department of Transportation and Engineering | <u>2,881</u> |
| | |
| Department of Public Services | |
| Office of the Director | 713 |
| Division of Traffic and Road Operations | 3,073 |
| Division of Neighborhood Operations | 17,064 |
| Division of City Facility Management | 2,759 |
| Total Department of Public Services | <u>23,609</u> |
| | |
| Department of Regional Computer Center | 5,698 |
| | |
| Department of Public Health | |
| Office of the Commissioner | 1,493 |
| Division of Technical Resources | 2,095 |
| Division of Community Health Services | 3,303 |
| Division of Primary Care - Programs | 4,053 |
| Division of Primary Care - Health Centers | 8,027 |
| Total Department of Public Health | <u>18,971</u> |
| | |
| Nondepartmental Accounts | |
| Pension | |
| Contributions to City Pension System | 10,118 |
| Contributions to State Pension System | 1,418 |
| Contributions to Police and Fire Pension System for Police | 15,742 |
| Contributions to Police and Fire Pension System for Fire | 13,998 |

(Continued)

City of Cincinnati, Ohio
Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2008

(Amounts in Thousands)

GENERAL FUND
(Continued)
Expenditures

| | | |
|---|----|---------------|
| Employee Benefits | | |
| Employee Hospital Care | \$ | 22,136 |
| Dental and Vision Care | | 2,763 |
| Medicare Tax | | 2,616 |
| Public Employee Assistance | | 235 |
| Workers' Compensation Insurance | | 1,751 |
| Police Officers and Firefighters' Insurance | | 250 |
| State Unemployment Compensation | | 414 |
| Lump Sum Payments | | 996 |
| Life Insurance | | 55 |
| Professional Services and Legal Fees | | |
| Judgments Against the City | | 1,132 |
| Collaborative Policing Efforts | | 75 |
| County Fees | | 900 |
| Election Expense | | 362 |
| Mayor's Office Obligations | | 11 |
| Justice Department Policing Efforts | | 97 |
| Cincinnati Public Schools | | 5,000 |
| Audit Fees | | 307 |
| Port Authority of Greater Cincinnati | | 330 |
| Property Investment Reimbursement Agreements | | 3,796 |
| Total Nondepartmental Accounts | | <u>84,502</u> |
| | | |
| Total Expenditures | | 360,021 |
| | | |
| Excess (Deficiency) of revenues over expenditures | | (3,575) |

(Continued)

City of Cincinnati, Ohio
Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2008
(Amounts in Thousands)

GENERAL FUND
(Continued)

| | | |
|--|----|----------------------|
| Other Financing Sources(Uses) | | |
| Transfers In | \$ | 363 |
| Transfers (Out) | | <u>(3,555)</u> |
| Total Other Financing Sources (Uses) | | (3,192) |
| Excess (Deficiency) of Revenue and Other Financing Sources | | (6,767) |
| Fund balances, January 1 | | <u>73,464</u> |
| Fund balances, December 31 | \$ | <u><u>66,697</u></u> |

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CITY OF CINCINNATI, OH
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------|---------------|---|
| Capital Project Funds | | | |
| Revenue | | | |
| Taxes | \$ 37,939 | \$ 37,939 | \$ - |
| Use of Money and Property | 1,742 | 1,742 | - |
| Special Assessments | 5 | 5 | - |
| Intergovernmental Revenue | 1,780 | 1,780 | - |
| Federal Grants | 6,489 | 6,489 | - |
| State Grants and Subsidies | 2,029 | 2,029 | - |
| Miscellaneous | 1,597 | 1,597 | - |
| Total Revenues | 51,581 | 51,581 | - |
| Capital Outlay Expenditures | | | |
| Regional Computer Center | 1,475 | 1,475 | - |
| Department of the City Manager | | | |
| Office of the City Manager | 3,923 | 3,923 | - |
| Division of Environmental Management | 309 | 309 | - |
| Total Department of the City Manager | 4,232 | 4,232 | - |
| Department of Human Resources | 13 | 13 | - |
| Department of Finance | | | |
| Division of Treasury | 15 | 15 | - |
| Division of Income Tax | 96 | 96 | - |
| Division of Purchasing | 45 | 45 | - |
| Total Department of Finance | 156 | 156 | - |
| Department of Economic Development | 281 | 281 | - |
| Department of Community Development and Planning | | | |
| Division of Housing Development | 15,037 | 15,037 | - |
| Division of Community Development | 4,050 | 4,050 | - |
| Division of New Construction and Building Standards | 136 | 136 | - |
| Total Department of Community Development | 19,223 | 19,223 | - |
| Department of City Planning | 41 | 41 | - |
| Department of Public Recreation | | | |
| Division of Waterfront Activities | 277 | 277 | - |
| Division of Support Services | 9,717 | 9,717 | - |
| Total Department of Public Recreation | 9,994 | 9,994 | - |
| Department of Parks | | | |
| Division of Operations and Facilities | 87 | 87 | - |
| Division of Administration and Program Services | 7,376 | 7,376 | - |
| Total Department of Parks | 7,463 | 7,463 | - |
| Department of Building and Inspections | | | |
| Division of Building Inspections | 937 | 937 | - |
| Total Department of Buildings and Inspections | 937 | 937 | - |

(Continued)

CITY OF CINCINNATI, OH
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------|-------------------|---|
| Capital Project Funds | | | |
| (Continued) | | | |
| Capital Outlay Expenditures | | | |
| Department of Police | \$ 1,587 | \$ 1,587 | \$ - |
| Department of Fire | 747 | 747 | - |
| Department of Transportation and Engineering | | | |
| Office of the Director | 173 | 173 | - |
| Division of Transportation Planning | 10,445 | 10,445 | - |
| Division of Engineering | 67,922 | 67,922 | - |
| Division of Traffic Engineering | 1,280 | 1,280 | - |
| Total Department of Transportation and Engineering | 79,820 | 79,820 | - |
| Department of Public Services | | | |
| Division of Traffic and Road Operations | 195 | 195 | - |
| Neighborhood Operations Division | 193 | 193 | - |
| Division of City Facility Management | 22,286 | 22,286 | - |
| Total Department of Public Services | 22,674 | 22,674 | - |
| Department of Public Health | | | |
| Office of the Commissioner | 940 | 940 | - |
| Total Department of Public Health | 940 | 940 | - |
| Total Capital Outlay Expenditures | 149,583 | 149,583 | - |
| Other Expenditures | | | |
| Department of Law | | | |
| Non Personal Services | 2,406 | 2,406 | - |
| Department of Finance | | | |
| Office of the Director | | | |
| Non Personal Services | 51 | 51 | - |
| Division of Accounts and Audits | | | |
| Non Personal Services | 3,501 | 3,501 | - |
| Department of Community Development and Planning | | | |
| Division of Community Development | | | |
| Non Personal Services | 1 | 1 | - |
| Department of Parks | | | |
| Division of Administration and Program Services | | | |
| Non Personal Services | 35 | 35 | - |
| Motorized Equipment | 7,847 | 7,847 | - |
| Total Other Expenditures | 13,841 | 13,841 | - |
| Total Expenditures | 163,424 | 163,424 | - |
| Excess (deficiency) of revenues over expenditures | (111,843) | (111,843) | - |
| Other Financing Sources (Uses) | | | |
| Bond Proceeds | 67,300 | 67,300 | - |
| Transfers In | 84,307 | 84,307 | - |
| Transfers (Out) | (168) | (168) | - |
| Total Other Financing Sources (Uses) | 151,439 | 151,439 | - |
| Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing Sources (Uses) | 39,596 | 39,596 | - |
| Cancellation of Prior Years Encumbrances | - | - | - |
| Fund balances - beginning | 151,461 | 151,461 | - |
| Fund balances - ending | <u>\$ 191,057</u> | <u>\$ 191,057</u> | <u>\$ -</u> |

CITY OF CINCINNATI, OH
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | Final | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------|-----------|--|
| Debt Service Fund | | | |
| Revenue | | | |
| Taxes | \$ 39,392 | \$ 39,392 | \$ - |
| Use of Money and Property | 21,993 | 21,993 | - |
| Intergovernmental Revenue | 4,948 | 4,948 | - |
| Miscellaneous Revenue | 2,664 | 2,664 | - |
| Total Revenues | 68,997 | 68,997 | - |
| Expenditures | | | |
| Department of the City Manager | | | |
| Non Personal Services | 1,238 | 1,238 | - |
| Capital Outlay | 22,931 | 22,931 | - |
| Debt Service | 26,789 | 26,789 | - |
| Total Department of the City Manager | 50,958 | 50,958 | - |
| Department of Finance | | | |
| Division of Accounts and Audits | | | |
| Personal Services | 110 | 110 | - |
| Non Personal Services | 138 | 138 | - |
| Total Division of Accounts and Audits | 248 | 248 | - |
| Division of Treasury | | | |
| Personal Services | 111 | 111 | - |
| Non Personal Services | 969 | 969 | - |
| Debt Service | 77,721 | 77,721 | - |
| Total Division of Treasury | 78,801 | 78,801 | - |
| Total Department of Finance | 79,049 | 79,049 | - |
| Department of Community Development and Planning | | | |
| Division of Housing Development | | | |
| Non Personal Services | 475 | 475 | - |
| Capital Outlay | 3,606 | 3,606 | - |
| Debt Service | 4,267 | 4,267 | - |
| Total Division of Housing Development | 8,348 | 8,348 | - |
| Division of Community Development | | | |
| Non Personal Services | 74 | 74 | - |
| Debt Service | 9,282 | 9,282 | - |
| Total Division of Community Development | 9,356 | 9,356 | - |
| Total Department of Community Development | 17,704 | 17,704 | - |
| Urban Planning | | | |
| Non Personal Services | 4 | 4 | - |
| Debt Service | 6,672 | 6,672 | - |
| Total Urban Planning | 6,676 | 6,676 | - |
| Total Expenditures | 154,387 | 154,387 | - |
| Excess (deficiency) of revenues over expenditures | (85,390) | (85,390) | - |
| Other Financing Sources (Uses) | | | |
| General Obligation Bond Proceeds | 24,420 | 24,420 | - |
| Bond Premiums | 1,127 | 1,127 | - |
| Revenue Bond Proceeds | 75,054 | 75,054 | - |
| Total Other Financing Sources (Uses) | 100,601 | 100,601 | - |
| Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing Sources (Uses) | 15,211 | 15,211 | - |
| Fund balances - beginning | 50,071 | 50,071 | - |
| Fund balances - ending | \$ 65,282 | \$ 65,282 | \$ - |

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CITY OF CINCINNATI, OHIO

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Health Services Fund - Used to improve, establish, expand, and/or maintain health services to the citizens of Cincinnati.

Street Construction, Maintenance and Repair Fund - Used to account for street maintenance, repair and cleaning, and the operation and maintenance of traffic signals. Financing is provided by the City's share of State-levied Motor Vehicle License Tax, Gasoline Tax, and reimbursements of expenses.

Parking Meter Fund - Used to account for resources provided by collections from parking meters.

Cable T.V. Fund - Used to account for the proceeds of cable franchise fees received from the cable provider.

Income Tax Infrastructure Fund - Used to account for the proceeds of a .1% levy on earned income for infrastructure purposes.

Income Tax Transit Fund - Used to account for the proceeds of a .3% levy on earned income for transit purposes.

Motor Vehicle License Fund - Used to account for resources provided by the locally levied Municipal Motor Vehicle License Tax.

Special Recreation Fund - Used to account for monies received for special activities such as enrichment exercise programs or caretaker services.

Recreation - Used to account for Federal funds, private contributions, and user fees, and for expenditures made for special recreation activities.

Parks - Used to account for State funds, private contributions, and user fees, and for expenditures made for special parks activities.

Safety - Used to account for Federal and State funds and private contributions, and for expenditures made for public safety purposes.

Health - Used to account for Federal and State funds, private contributions and user fees, and for expenditures made for public health purposes.

Cincinnati Blue Ash Airport - Used to account for the revenue and the expenditures for the operation and maintenance of a municipal airport.

Community Development - Used to account for Federal funds received for city-wide development operations.

Department of Labor Grants - Used to account for Federal funds received for the relief of unemployment through jobs and training.

Other - Used to account for Federal and State funds, private contributions and user fees, and for expenditures for specific purposes not otherwise designated.

Bettman Nature Center - Used to account for the investment and expenditure of bequests made for the Bettman Nature Center.

CITY OF CINCINNATI, OHIO

PERMANENT FUNDS

Groesbeck Endowment - Used to account for the investment and expenditure of bequests made for the cost of music concerts in Burnet Woods.

Schmidlapp Park Music - Used to account for the investment and expenditure of bequests made for the cost of music concerts in Eden Park.

Joanna Peters Bequest - Used to account for the investment and expenditure of bequest made for the treatment of alcoholism.

W. M. Ampt Music Endowment - Used to account for the investment and expenditure of bequests made for the cost of concerts in various City parks.

Crosley Field Trust - Used to account for the investment and expenditure of bequests made for the maintenance of the Crosley Field Sports Complex.

Kroger Trust - Used to account for the investment and expenditure of a bequest made for the maintenance of the Hartwell Recreation Center.

Yeatman's Cove Park Trust - Used to account for the investment and expenditure of a bequest made for the maintenance of the Yeatman's Cove Park.

Park Board Fund - Used to account for the investment and expenditure of bequests related to the maintenance and improvement of Fleischmann Gardens, the Geier Esplanade, and various citywide parks.

CITY OF CINCINNATI, OHIO
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2008
 (Amounts in Thousands)

| | Special Revenue Funds | | | | | | | | | |
|---|-----------------------|--|---------------|------------|---------------------------|--------------------|-----------------------|--------------------|----------|--|
| | Health Services | Street Construction Maintenance and Repair | Parking Meter | Cable T.V. | Income Tax Infrastructure | Income Tax Transit | Motor Vehicle License | Special Recreation | | |
| ASSETS | | | | | | | | | | |
| Cash and Equivalents | \$ 1,423 | \$ 2,774 | \$ 937 | \$ 2,963 | \$ 4,000 | \$ 10,989 | \$ 786 | \$ 31 | \$ 1,679 | |
| Equity in City Treasury Cash | | | | | | | | | | |
| Investments | | | | | | | | | | |
| Receivables: | | | | | | | | | | |
| Taxes | | | | | 2,185 | 6,557 | | | | |
| Accounts, Net | 202 | 1 | | 2 | 41 | | 1 | 16 | | |
| Accrued Interest | | | | | | 98 | | 18 | | |
| Due from Other Funds | 33 | 101 | 22 | 286 | 106 | 253 | 30 | 48 | | |
| Due from Other Governments | | 4,086 | | | | | 1,267 | | | |
| Inventory | | | | | 156 | | 63 | | | |
| Advances to Other Funds | | 496 | | | | | | | | |
| Total Assets | \$ 1,658 | \$ 7,458 | \$ 959 | \$ 3,251 | \$ 6,488 | \$ 17,897 | \$ 2,147 | \$ 1,792 | \$ 1,792 | |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts Payable | \$ 97 | \$ 35 | \$ 1 | \$ 216 | \$ 52 | \$ 34 | \$ 2 | \$ 40 | \$ 9 | |
| Due to Other Funds | 9 | 137 | 1 | 94 | 137 | | 38 | | | |
| Accrued Payroll | 80 | 363 | 2 | 83 | 117 | | 89 | 69 | | |
| Accrued Liabilities | 4 | 5 | | 2 | 10 | | 2 | 2 | | |
| Deposits Payable | | 6 | | 238 | 1 | | | | | |
| Deferred Revenue | | 2,632 | | | 797 | 2,459 | 862 | 12 | | |
| Estimated Liability for Unpaid Claims | | | | | 151 | | | | | |
| Total Liabilities | 190 | 3,178 | 3 | 633 | 1,265 | 2,493 | 993 | 132 | | |
| Fund Balances: | | | | | | | | | | |
| Reserved for Encumbrances | 174 | 442 | 49 | 733 | 616 | 204 | 101 | 87 | | |
| Reserved for Advances to Other Funds | | 496 | | | | | | | | |
| Reserved for Inventory | | | | | 156 | | 63 | | | |
| Unreserved - Designated for Contingencies | 1,294 | 3,342 | 907 | 1,885 | 4,451 | 5,000 | 990 | 1,573 | | |
| Unreserved - Undesignated | 1,468 | 4,280 | 956 | 2,618 | 5,223 | 15,404 | 1,154 | 1,660 | | |
| Total Fund Balances | \$ 1,658 | \$ 7,458 | \$ 959 | \$ 3,251 | \$ 6,488 | \$ 17,897 | \$ 2,147 | \$ 1,792 | \$ 1,792 | |
| Total Liabilities and Fund Balances | | | | | | | | | | |

CITY OF CINCINNATI, OHIO
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2008
 (Amounts in Thousands)

| | Special Revenue Funds | | | | | | | | | | Bettman Nature Center | | |
|--|-----------------------|-----------------|------------------|-----------------|-----------------------------------|--------------------------|----------------------------------|------------------|-----------------|-----------|-----------------------------|------------------|-----------------|
| | Recreation | Parks | Safety | Health | Cincinnati Blue Ash Airport | Community Development | Department of Labor Grants | Other | | | | | |
| ASSETS | | | | | | | | | | | | | |
| Cash and Equivalents | \$ 10 | \$ 2,814 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ 46 | \$ 60 |
| Equity in City Treasury Cash | 2,795 | 1,937 | 21,219 | 3,278 | 355 | 82 | 491 | | | | | 9,774 | |
| Investments | | 1,854 | | | | | | | | | | | 1,060 |
| Receivables: | | | | | | | | | | | | | |
| Accounts, Net | | 1 | | 453 | 17 | | | | | | | 350 | |
| Special Assessments | | | | | | 5,418 | | | | | | 3,691 | |
| Accrued Interest | 16 | 28 | 132 | | | | | | | | | | |
| Due from Other Funds | 64 | 44 | 488 | 75 | 8 | 2 | 11 | | | | | 244 | |
| Due from Other Governments | | | 86 | 285 | | 967 | | | | | | 2,894 | |
| Inventory | | | | 198 | | | | | | | | 63 | |
| Advances to Other Funds | 25 | | | | | | | | | | | 1,212 | |
| Total Assets | \$ 2,910 | \$ 6,678 | \$ 21,925 | \$ 4,289 | \$ 380 | \$ 6,469 | \$ 502 | \$ 18,274 | \$ 1,120 | \$ | \$ | \$ 18,274 | \$ 1,120 |
| LIABILITIES AND FUND BALANCE | | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | | |
| Accounts Payable | \$ 10 | \$ 6 | \$ 325 | \$ 512 | \$ 4 | \$ 904 | \$ 14 | \$ 1,741 | \$ | | | \$ 37 | \$ |
| Due to Other Funds | 1 | 2 | 32 | 82 | | 60 | | 65 | | | | 65 | |
| Accrued Payroll | | 15 | 59 | 300 | | 67 | | 2,548 | | | | | |
| Accrued Liabilities | | | 1 | 9 | | 139 | | | | | | | |
| Deposits Payable | | | 1,594 | | | | | | | | | | |
| Deferred Revenue | 11 | 18 | 144 | 226 | | 5,918 | | 4,184 | | | | 125 | |
| Advances from Other Funds | | | 1,212 | | | | | | | | | | |
| Total Liabilities | 22 | 41 | 3,367 | 1,129 | 4 | 7,088 | 14 | 8,700 | \$ | \$ | \$ | \$ 8,700 | \$ |
| Fund Balances: | | | | | | | | | | | | | |
| Reserved for Encumbrances | 2,160 | 41 | 1,061 | 1,094 | 50 | 12,907 | 109 | 14,552 | | | | 1,212 | |
| Reserved for Advances to Other Funds | 25 | | | 198 | | | | 63 | | | | | |
| Reserved for Inventory | | | | | | | | | | | | | 1,120 |
| Reserved in Accordance with Trust | 2,113 | | | | | | | | | | | | |
| Unreserved - Designated for Compensated Absences | | | 8,683 | | | | | | | | | | |
| Unreserved - Undesignated | (1,410) | 6,596 | 8,814 | 1,868 | 326 | (13,526) | 379 | (6,253) | | | | | |
| Total Fund Balances | 2,888 | 6,637 | 18,558 | 3,160 | 376 | (619) | 488 | 9,574 | \$ | \$ | \$ | \$ 9,574 | \$ 1,120 |
| Total Liabilities and Fund Balances | \$ 2,910 | \$ 6,678 | \$ 21,925 | \$ 4,289 | \$ 380 | \$ 6,469 | \$ 502 | \$ 18,274 | \$ | \$ | \$ | \$ 18,274 | \$ 1,120 |

CITY OF CINCINNATI, OHIO
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2008
 (Amounts in Thousands)

| | Permanent Funds | | | | | | | | | | Total |
|--|--------------------------------|----------------------------------|-----------------------------|--|---------------------------|-----------------|---------------------------------|-----------------------|----------------------------------|------------|-------|
| | Groesbeck Endowment Fund | Schmidlapp Park Music Fund | Joanna Peters Bequest | The W.M. Ampt Music Endowment Fund | Crosley Field Trust | Kroger Trust | Yeatman's Cove Park Trust | Park Board Fund | Nonmajor Governmenta Funds | | |
| ASSETS | | | | | | | | | | | |
| Cash and Equivalents | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Equity in City Treasury Cash | 41 | 50 | 108 | 128 | 50 | 81 | 577 | 242 | | 3,253 | |
| Investments, at Fair Value | 354 | | | 140 | 595 | | | 4,333 | | 66,467 | |
| Receivables: | | | | | | | | | | 8,336 | |
| Taxes | | | | | | | | | | 8,742 | |
| Accounts, Net | | | | | | | | | | 1,084 | |
| Special Assessments | | | | | | | | | | 9,109 | |
| Accrued Interest | 1 | 1 | 1 | 2 | | 1 | 8 | | | 306 | |
| Due from Other Funds | 1 | 1 | 3 | 3 | | 2 | 13 | | | 1,838 | |
| Due from Other Governments | | | | | | | | | | 9,585 | |
| Inventory | | | | | | | | | | 480 | |
| Advances to Other Funds | | | | | | | | | | 1,733 | |
| Total Assets | \$ 397 | \$ 52 | \$ 112 | \$ 273 | \$ 645 | \$ 84 | \$ 598 | \$ 4,575 | \$ 110,933 | \$ 110,933 | |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | |
| Accounts Payable | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ 3,992 | |
| Due to Other Funds | | | | | | | | | | 639 | |
| Accrued Payroll | | | | | | | | | | 1,309 | |
| Accrued Liabilities | | | | | | | | | | 2,722 | |
| Deposits Payable | | | | | | | | | | 1,839 | |
| Deferred Revenue | 1 | 1 | 1 | 1 | | 1 | 5 | | | 17,273 | |
| Estimated Liability for Unpaid Claims | | | | | | | | | | 151 | |
| Advances from Other Funds | | | | | | | | | | 1,337 | |
| Total Liabilities | 1 | 1 | 1 | 1 | | 1 | 5 | | | 29,262 | |
| Fund Balances: | | | | | | | | | | | |
| Reserved for Encumbrances | | | | | | | | | | 34,380 | |
| Reserved for Advances to Other Funds | | | | | | | | | | 1,733 | |
| Reserved for Inventory | | | | | | | | | | 480 | |
| Reserved in Accordance with Trust | | | | | | | | | | 9,394 | |
| Unreserved - Designated for Compensated Absences | 385 | 51 | 111 | 261 | 225 | 50 | 503 | 4,575 | | 8,683 | |
| Unreserved - Designated for Contingencies | | | | 11 | 420 | | 90 | | | 5,000 | |
| Unreserved - Undesignated | 11 | | | | | 33 | | | | 22,001 | |
| Total Fund Balances | 396 | 51 | 111 | 272 | 645 | 83 | 593 | 4,575 | | 81,671 | |
| Total Liabilities and Fund Balances | \$ 397 | \$ 52 | \$ 112 | \$ 273 | \$ 645 | \$ 84 | \$ 598 | \$ 4,575 | \$ 110,933 | \$ 110,933 | |

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008
(Amounts in Thousands)

| | Special Revenue Funds | | | | | | | |
|---|-----------------------|--|---------------|------------|---------------------------|--------------------|-----------------------|--------------------|
| | Health Services | Street Construction Maintenance and Repair | Parking Meter | Cable T.V. | Income Tax Infrastructure | Income Tax Transit | Motor Vehicle License | Special Recreation |
| REVENUES | | | | | | | | |
| Taxes | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Licenses and Permits | | | | 2,507 | 15,121 | 45,362 | | |
| Use of Money and Property | | | | (1) | | | | 389 |
| Special Assessments | | | | | | 331 | | |
| Intergovernmental Revenue | | 10,104 | | 12 | | | 2,549 | |
| State Grants and Subsidies | | | | | | | | 80 |
| Charges for Current Services | 3,277 | 1 | | | 33 | | 1 | 3,600 |
| Miscellaneous | 50 | | | | | | | |
| Total Revenues | 3,327 | 10,105 | | 2,518 | 15,154 | 45,693 | 2,550 | 4,069 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General Government | 107 | | 42 | 1,054 | 2,098 | 425 | 71 | 161 |
| Community Development | | | | 140 | 4 | 138 | | |
| Parks and Recreation | | | | | 1,915 | 42 | | 3,350 |
| Public Safety | | 261 | 352 | | | | | |
| Transportation and Engineering | | | 490 | | 3,330 | 31 | 2,112 | |
| Public Services | | 7,216 | | 32 | 3,706 | | | |
| Transit System | | | | | | 45,385 | | |
| Public Health | 2,745 | | | | | | | |
| Employee Benefits | 503 | 2,198 | 37 | 422 | 3,146 | | 465 | 172 |
| Capital Outlay | 6 | | | | | | | 11 |
| Total Expenditures | 3,361 | 9,675 | 921 | 1,648 | 14,199 | 46,021 | 2,648 | 3,694 |
| Excess (Deficiency) of Revenues over (under) Expenditures | (34) | 430 | (921) | 870 | 955 | (328) | (98) | 375 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | | | 1,239 | 22 | | 9 | | 9 |
| Transfers (Out) | | | | | | (100) | | (303) |
| Total Other Financing Sources (Uses) | | | 1,239 | 22 | | (91) | | (294) |
| Net Change in Fund Balances | (34) | 430 | 318 | 892 | 955 | (419) | (98) | 81 |
| Fund Balances, January 1 | 1,502 | 3,650 | 638 | 1,726 | 4,268 | 15,823 | 1,252 | 1,579 |
| Fund Balances, December 31 | 1,468 | 4,280 | 956 | 2,618 | 5,223 | 15,404 | 1,154 | 1,660 |

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | Special Revenue Funds | | | | | | | Department of Labor Grants | Other | Bettman Nature Center |
|---|-----------------------|----------|-----------|----------|-----------------------------|-----------------------|--------|----------------------------|-------|-----------------------|
| | Recreation | Parks | Safety | Health | Cincinnati Blue Ash Airport | Community Development | | | | |
| REVENUES | | | | | | | | | | |
| Taxes | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Licenses and Permits | | | 102 | 957 | | | | | 2,222 | |
| Use of Money and Property | 27 | 556 | 404 | | 85 | 267 | | 1,849 | | (376) |
| Special Assessments | | | | | | 57 | | 4,265 | | |
| Intergovernmental Revenue | | | 5,188 | 1,167 | | | | | | |
| Federal Grants | 371 | | 3,275 | 4,463 | | 13,591 | 81 | 201 | | |
| State Grants and Subsidies | 2,299 | 33 | 1,586 | 1,823 | | | | 8,120 | | |
| Charges for Current Services | 8 | 648 | 1,490 | 2,946 | | 136 | | 1,865 | | |
| Miscellaneous | | 541 | 54 | 200 | | 789 | | 153 | | |
| Total Revenues | 2,705 | 1,778 | 12,099 | 11,556 | 85 | 14,840 | 81 | 18,675 | | (376) |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | | | 68 | 127 | | | | 1,749 | 4,826 | |
| Community Development | | | | | | | | 1,289 | 3,683 | |
| Parks and Recreation | 574 | 1,639 | | | | | | 1,972 | | 10 |
| Public Safety | | | 5,174 | | | 8 | | 393 | 416 | |
| Transportation and Engineering | | | | | 46 | | | 3,057 | | |
| Public Services | | | | | 4 | | | 4 | | |
| Transit System | | | | | | | | | 5 | |
| Public Health | | | | 10,500 | | 14 | | 495 | 1 | |
| Employee Benefits | | | 1 | 1,656 | | 495 | | | | |
| Capital Outlay | | 18 | 2,086 | | | 12,286 | | | 6,236 | |
| Debt Service: | | | | | | | | | | |
| Interest | | | 55 | | | 281 | | | | |
| Total Expenditures | 574 | 1,657 | 7,384 | 12,283 | 52 | 16,140 | 105 | 20,593 | | 10 |
| Excess (Deficiency) of Revenues over (under) Expenditures | 2,131 | 121 | 4,715 | (727) | 33 | (1,300) | (24) | (1,918) | | (386) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers In | 18 | 287 | 30 | 38 | 52 | 1,235 | | 287 | | (52) |
| Transfers (Out) | | | (30) | | | | | | | |
| Total Other Financing Sources (Uses) | 18 | 287 | (30) | 38 | 52 | 1,235 | | 287 | | (52) |
| Net Change in Fund Balances | 2,149 | 408 | 4,715 | (689) | 85 | (65) | (24) | (1,631) | | (438) |
| Fund Balances, January 1 | 739 | 6,229 | 13,843 | 3,849 | 291 | (554) | 512 | 11,205 | | 1,558 |
| Fund Balances, December 31 | \$ 2,888 | \$ 6,637 | \$ 18,558 | \$ 3,160 | \$ 376 | \$ (619) | \$ 488 | \$ 9,574 | | \$ 1,120 |

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | Permanent Funds | | | | | | | | | | Total | |
|--|--------------------------------|----------------------------------|-----------------------------|--|---------------------------|-----------------|---------------------------------|-----------------------|-----------------------------------|-------|-------|-----------|
| | Groesbeck Endowment Fund | Schmidlapp Park Music Fund | Joanna Peters Bequest | The W.M. Ampt Music Endowment Fund | Crosley Field Trust | Kroger Trust | Yeatman's Cove Park Trust | Park Board Fund | Nonmajor Governmental Funds | Total | | |
| REVENUES | | | | | | | | | | | | |
| Taxes | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ 62,705 |
| Licenses and Permits | | | | | | | | | | | | 3,566 |
| Use of Money and Property | (196) | 2 | 4 | (19) | (180) | 4 | 25 | (1,791) | | | | 1,380 |
| Special Assessments | | | | | | | | | | | | 4,322 |
| Intergovernmental Revenue | | | | | | | | | | | | 19,020 |
| Federal Grants | | | | | | | | | | | | 21,982 |
| State Grants and Subsidies | | | | | | | | | | | | 13,941 |
| Charges for Current Services | | | | | | | | | | | | 14,005 |
| Miscellaneous | | | | | | | | | | | | 1,787 |
| Total Revenues | (196) | 2 | 4 | (19) | (180) | 4 | 25 | (1,791) | | | | 142,708 |
| EXPENDITURES | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| General Government | | | | | | | | | | | | 10,728 |
| Community Development | | | | | | | | | | | | 5,359 |
| Parks and Recreation | | | | | | | 1 | 44 | | | | 9,817 |
| Public Safety | | | | | | | | | | | | 5,927 |
| Transportation and Engineering | | | | | | | | | | | | 4,313 |
| Public Services | | | | | | | | | | | | 16,145 |
| Transit System | | | | | | | | | | | | 45,389 |
| Public Health | | | | | | | | | | | | 13,264 |
| Employee Benefits | | | | | | | | | | | | 9,096 |
| Capital Outlay | | | | | | | | | | | | 20,645 |
| Debt Service : | | | | | | | | | | | | |
| Interest | | | | | | | | | | | | 336 |
| Total Expenditures | | | | | 9 | | 1 | 44 | | | | 141,019 |
| Excess (Deficiency) of Revenues over Expenditures | (196) | 2 | 4 | (19) | (189) | 4 | 24 | (1,835) | | | | 1,689 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | |
| Transfers In | | | | | | | | | | | | 3,226 |
| Transfers (Out) | (19) | (3) | | (10) | (18) | | | (203) | | | | (738) |
| Total Other Financing Sources (Uses) | (19) | (3) | | (10) | (18) | | | (203) | | | | 2,488 |
| Net Change in Fund Balances | (215) | (1) | 4 | (28) | (207) | 4 | 24 | (2,038) | | | | 4,177 |
| Fund Balances, January 1 | 611 | 52 | 107 | 301 | 852 | 79 | 569 | 6,613 | | | | 77,494 |
| Fund Balances, December 31 | 396 | 51 | 111 | 272 | 645 | 83 | 593 | 4,575 | | | | 81,671 |

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|-----------------|-----------------|---|
| HEALTH SERVICES FUND | | | |
| REVENUES | | | |
| Charges for Current Services | \$ 4,367 | \$ 3,360 | \$ (1,007) |
| Total Revenues | 4,367 | 3,360 | (1,007) |
| EXPENDITURES | | | |
| Department of Public Health | | | |
| Division of Primary Care - Special Programs | | | |
| Personal Services | 81 | 27 | 54 |
| Non-Personal Services | 169 | 163 | 6 |
| Total Division of Primary Care - Special Programs | 250 | 190 | 60 |
| Division of Primary Care - Health Centers | | | |
| Personal Services | 1,260 | 1,179 | 81 |
| Non-Personal Services | 2,081 | 1,573 | 508 |
| Total Division of Primary Care - Health Centers | 3,341 | 2,752 | 589 |
| Total Department of Health | 3,591 | 2,942 | 649 |
| Nondepartmental Accounts | | | |
| Contribution to Pension System | 247 | 243 | 4 |
| Employee Hospital Care | 207 | 205 | 2 |
| Dental and Vision Care | 28 | 23 | 5 |
| Medicare Tax | 19 | 19 | - |
| Public Employee Assistance | 1 | 1 | - |
| Workers' Compensation Insurance | 11 | 11 | - |
| General Fund Overhead Charge | 106 | 106 | - |
| Total Nondepartmental Accounts | 619 | 608 | 11 |
| Total Expenditures | 4,210 | 3,550 | 660 |
| Excess (Deficiency) of Revenues over (under) Expenditures | 157 | (190) | (347) |
| Cancellation of Prior Year Encumbrances | - | 53 | 53 |
| Fund Balance - January 1 | 1,251 | 1,251 | |
| Fund Balance - December 31 | <u>\$ 1,408</u> | <u>\$ 1,114</u> | <u>\$ (294)</u> |

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|-----------------|-----------------|---|
| STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND | | | |
| REVENUES | | | |
| Intergovernmental Revenue | | | |
| Motor Vehicle License | \$ 2,000 | \$ 2,057 | \$ 57 |
| Gasoline | 7,500 | 8,129 | 629 |
| Miscellaneous | 250 | 341 | 91 |
| Total Revenues | 9,750 | 10,527 | 777 |
| EXPENDITURES | | | |
| Department of Parks | | | |
| Operations and Facility Management | | | |
| Non-Personal Services | 297 | 297 | - |
| Total Operations and Facility Management | 297 | 297 | - |
| Total Department of Parks | 297 | 297 | - |
| Department of Public Services | | | |
| Traffic and Road Operations Division | | | |
| Personal Services | 3,295 | 2,859 | 436 |
| Non-Personal Services | 2,148 | 2,148 | - |
| Capital Outlay | 7 | 7 | - |
| Total Traffic and Road Operations Division | 5,450 | 5,014 | 436 |
| Neighborhood Operations Division | | | |
| Personal Services | 2,402 | 2,390 | 12 |
| Non-Personal Services | 439 | 439 | - |
| Total Neighborhood Operations Division | 2,841 | 2,829 | 12 |
| Total Department of Public Services | 8,291 | 7,843 | 448 |
| Nondepartmental Accounts | | | |
| Contribution to Pension System | 1,023 | 1,011 | 12 |
| Employee Hospital Care | 993 | 985 | 8 |
| Dental and Vision Care | 110 | 109 | 1 |
| Medicare Tax | 77 | 77 | - |
| Workers' Compensation Insurance | 50 | 50 | - |
| State Unemployment Compensation | 15 | 15 | - |
| Life Insurance | 2 | 2 | - |
| Total Nondepartmental Accounts | 2,270 | 2,249 | 21 |
| Total Expenditures | 10,858 | 10,389 | 469 |
| Excess (Deficiency) of Revenues over (under) Expenditures | (1,108) | 138 | 1,246 |
| Cancellation of Prior Year Encumbrances | - | 48 | 48 |
| Fund Balance - January 1 | 2,364 | 2,364 | |
| Fund Balance - December 31 | <u>\$ 1,256</u> | <u>\$ 2,550</u> | <u>\$ 1,294</u> |

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|--------------|---------------|---|
| PARKING METER FUND | | | |
| REVENUES | | | |
| Miscellaneous | \$ 1,239 | \$ 1,249 | \$ 10 |
| Total Revenues | 1,239 | 1,249 | 10 |
| EXPENDITURES | | | |
| Department of Community Development and Planning | | | |
| Housing Development Division | | | |
| Personal Services | - | - | - |
| Non-Personal Services | - | - | - |
| Total Department of Community Development and Planning | - | - | - |
| Department of Police | | | |
| Personal Services | 352 | 352 | - |
| Total Department of Police | 352 | 352 | - |
| Department of Transportation & Engineering | | | |
| Division of Traffic Engineering | | | |
| Personal Services | 101 | 15 | 86 |
| Non-Personal Services | 483 | 456 | 27 |
| Total Department of Transportation and Engineering | 584 | 471 | 113 |
| Nondepartmental Accounts | | | |
| Contribution to Pension System | 31 | 18 | 13 |
| Employee Hospital Care | 12 | 12 | - |
| Dental and Vision Care | 2 | 2 | - |
| Medicare Tax | 1 | 1 | - |
| Workers' Compensation Insurance | 4 | 4 | - |
| Downtown Special Improvement District | 191 | 82 | 109 |
| Reserve for Contingencies | 50 | 0 | 50 |
| Total Nondepartmental Accounts | 291 | 119 | 172 |
| Total Expenditures | 1,227 | 942 | 285 |
| Excess (Deficiency) of Revenues over (under) Expenditures | 12 | 307 | 295 |
| Cancellation of Prior Year Encumbrances | | 3 | 3 |
| Fund Balance - January 1 | 593 | 593 | |
| Fund Balance - December 31 | \$ 605 | \$ 903 | \$ 298 |

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|---|-----------------|-----------------|---|
| CABLE TV FUND | | | |
| REVENUES | | | |
| License and Permits | \$ 2,395 | \$ 2,505 | \$ 110 |
| Miscellaneous | 5 | 14 | 9 |
| Total Revenues | 2,400 | 2,519 | 119 |
| EXPENDITURES | | | |
| Department of Regional Computer Center | | | |
| Personal Services | 630 | 630 | - |
| Non-Personal Services | 777 | 765 | 12 |
| Total Regional Computer Center | 1,407 | 1,395 | 12 |
| Office of the City Manager | | | |
| Personal Services | 322 | 322 | - |
| Non-Personal Services | 412 | 397 | 15 |
| Total Office of the City Manager | 734 | 719 | 15 |
| Department of Community Development and Planning | | | |
| Division of Housing Development | | | |
| Non-Personal Services | 113 | 113 | - |
| Total Department of Community Development and Planning | 113 | 113 | - |
| Department of Public Services | | | |
| Division of Neighborhood Operations | | | |
| Personal Services | 33 | 33 | - |
| Total Department of Public Services | 33 | 33 | - |
| Nondepartmental Accounts | | | |
| Contribution to Pension System | 237 | 237 | - |
| Employee Hospital Care | 148 | 147 | 1 |
| Dental and Vision Care | 20 | 20 | - |
| Medicare Tax | 20 | 19 | 1 |
| Workers' Compensation Insurance | 8 | 8 | - |
| Life Insurance | 1 | 1 | - |
| General Fund Overhead | 69 | 69 | - |
| Total Nondepartmental Accounts | 503 | 501 | 2 |
| Total Expenditures | 2,790 | 2,761 | 29 |
| Excess (Deficiency) of Revenues over (under) Expenditures | (390) | (242) | 148 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating Transfers In | 22 | 22 | - |
| Total Other Financing Sources | 22 | 22 | - |
| Net Change in Fund Balance | (368) | (220) | 148 |
| Cancellation of Prior Years Encumbrances | - | 110 | 110 |
| Fund Balance - January 1 | 1,886 | 1,886 | - |
| Fund Balance - December 31 | <u>\$ 1,518</u> | <u>\$ 1,776</u> | <u>\$ 258</u> |

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|---------------------------------------|--------------|---------------|---|
| INCOME TAX INFRASTRUCTURE FUND | | | |
| REVENUES | | | |
| Taxes | | | |
| City Income Tax | \$ 15,112 | \$ 15,274 | \$ 162 |
| Miscellaneous | 400 | 724 | 324 |
| Total Revenues | 15,512 | 15,998 | 486 |
| EXPENDITURES | | | |
| Regional Computer Center | | | |
| Non-Personal Services | 675 | 658 | 17 |
| Total Regional Computer Center | 675 | 658 | 17 |
| Office of the City Manager | | | |
| Personal Services | 87 | 33 | 54 |
| Non-Personal Services | 4 | 4 | - |
| Total Office of the City Manager | 91 | 37 | 54 |
| Office of Budget and Evaluation | | | |
| Personal Services | 39 | 39 | - |
| Non-Personal Services | 15 | 13 | 2 |
| Total Office of Budget and Evaluation | 54 | 52 | 2 |
| Department of Law | | | |
| Administration | | | |
| Personal Services | 192 | 183 | 9 |
| Non-Personal Services | 6 | 5 | 1 |
| Total Department of Law | 198 | 188 | 10 |
| Department of Human Resources | | | |
| Personal Services | 180 | 180 | - |
| Total Department of Human Resources | 180 | 180 | - |
| Department of Finance | | | |
| Division of Accounts and Audits | | | |
| Personal Services | 173 | 169 | 4 |
| Non-Personal Services | 3 | 1 | 2 |
| Total Division of Accounts and Audits | 176 | 170 | 6 |
| Division of Purchasing | | | |
| Personal Services | 125 | 124 | 1 |
| Non-Personal Services | 6 | 6 | - |
| Total Division of Purchasing | 131 | 130 | 1 |
| Total Department of Finance | 307 | 300 | 7 |

(Continued)

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|---|--------------|---------------|---|
| INCOME TAX INFRASTRUCTURE FUND | | | |
| (Continued) | | | |
| Expenditures | | | |
| Department of City Planning | | | |
| Licenses and Permits | | | |
| Personal Services | \$ 60 | \$ 37 | \$ 23 |
| Total Department of City Planning | <u>60</u> | <u>37</u> | <u>23</u> |
| Department of Public Recreation | | | |
| Division of Maintenance | | | |
| Personal Services | 347 | 347 | - |
| Total Department of Public Recreation | <u>347</u> | <u>347</u> | <u>-</u> |
| Department of Parks | | | |
| Division of Operations and Facility Management | | | |
| Personal Services | 1,294 | 1,294 | - |
| Non-Personal Services | <u>43</u> | <u>43</u> | <u>-</u> |
| Total Division of Operations and Facility Management | 1,337 | 1,337 | - |
| Division of Administration and Program Services | | | |
| Personal Services | <u>34</u> | <u>34</u> | <u>-</u> |
| Total Division of Administration and Program Services | <u>34</u> | <u>34</u> | <u>-</u> |
| Total Department of Parks | 1,371 | 1,371 | - |
| Department of Transportation and Engineering | | | |
| Office of the Director | | | |
| Personal Services | 409 | 409 | - |
| Non-Personal Services | <u>39</u> | <u>36</u> | <u>3</u> |
| Total Office of the Director | 448 | 445 | 3 |
| Division of Transportation, Planning and Urban Design | | | |
| Personal Services | 76 | 76 | - |
| Non-Personal Services | <u>26</u> | <u>25</u> | <u>1</u> |
| Total Division of Transportation, Planning and Urban Design | 102 | 101 | 1 |
| Division of Engineering | | | |
| Personal Services | 1,769 | 1,769 | - |
| Non-Personal Services | <u>682</u> | <u>680</u> | <u>2</u> |
| Total Division of Engineering | 2,451 | 2,449 | 2 |
| Division of Traffic Engineering | | | |
| Personal Services | 924 | 924 | - |
| Non-Personal Services | <u>128</u> | <u>77</u> | <u>51</u> |
| Total Division of Traffic Engineering | <u>1,052</u> | <u>1,001</u> | <u>51</u> |
| Total Department of Transportation and Engineering | 4,053 | 3,996 | 57 |

(Continued)

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|-----------------|-----------------|---|
| INCOME TAX INFRASTRUCTURE FUND | | | |
| (Continued) | | | |
| Expenditures | | | |
| Department of Public Services | | | |
| Office of the Director | | | |
| Personal Services | \$ 184 | \$ 170 | \$ 14 |
| Non-Personal Services | 47 | 11 | 36 |
| Total Office of the Director | 231 | 181 | 50 |
| Division of Traffic and Road Operations | | | |
| Personal Services | 1,143 | 1,030 | 113 |
| Non-Personal Services | 685 | 531 | 154 |
| Capital Outlay | 10 | 9 | 1 |
| Total Division of Traffic and Road Operations | 1,838 | 1,570 | 268 |
| Division of City Facility Management | | | |
| Personal Services | 1,049 | 1,049 | - |
| Non-Personal Services | 1,327 | 1,327 | - |
| Total City Facility Management | 2,376 | 2,376 | - |
| Total Department of Public Services | 4,445 | 4,127 | 318 |
| Nondepartmental Accounts | | | |
| Contribution to Pension System | 1,841 | 1,622 | 219 |
| Employee Hospital Care | 1,365 | 1,204 | 161 |
| Dental and Vision Care | 168 | 144 | 24 |
| Medicare Tax | 122 | 120 | 2 |
| Public Employee Assistance | 10 | 10 | - |
| State Unemployment Compensation | 35 | 32 | 3 |
| Workers' Compensation Insurance | 82 | 82 | - |
| Life Insurance | 11 | 9 | 2 |
| General Fund Overhead | 746 | 746 | - |
| Total Nondepartmental Accounts | 4,380 | 3,969 | 411 |
| Total Expenditures | 16,161 | 15,262 | 899 |
| Excess (Deficiency) of Revenues over (under) Expenditures | (649) | 736 | 1,385 |
| Cancellation of Prior Years Encumbrances | - | 139 | 139 |
| Fund Balance - January 1 | 2,227 | 2,227 | |
| Fund Balance - December 31 | <u>\$ 1,578</u> | <u>\$ 3,102</u> | <u>\$ 1,524</u> |

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|--------------|---------------|---|
| INCOME TAX TRANSIT FUND | | | |
| REVENUES | | | |
| Taxes | | | |
| City Income Tax | \$ 45,336 | \$ 45,821 | \$ 485 |
| Use of Money and Property | 350 | 339 | (11) |
| Total Revenues | 45,686 | 46,160 | 474 |
| EXPENDITURES | | | |
| SORTA | | | |
| Operations | 45,385 | 45,385 | - |
| Total SORTA | 45,385 | 45,385 | - |
| Office of the City Manager | | | |
| Office of Budget and Evaluation | | | |
| Personal Services | 27 | 27 | - |
| Total Office of the City Manager | 27 | 27 | - |
| Department of Community Development and Planning | | | |
| Office of the Director | | | |
| Non-Personal Services | 250 | 250 | - |
| Total Department of Community Development and Planning | 250 | 250 | - |
| Department of Parks | | | |
| Division of Operations and Facility Management | | | |
| Non-Personal Services | 31 | 21 | 10 |
| Total Department of Parks | 31 | 21 | 10 |
| Department of Transportation and Engineering | | | |
| Division of Transportation, Planning & Urban Design | | | |
| Personal Services | 35 | 2 | 33 |
| Non-Personal Services | 137 | 29 | 108 |
| Total Department of Transportation and Engineering | 172 | 31 | 141 |
| Nondepartmental Accounts | | | |
| General Fund Overhead | | | |
| Total Nondepartmental Accounts | 525 | 496 | 29 |
| Total Expenditures | 46,390 | 46,210 | 180 |
| Excess (Deficiency) of Revenues over (under) Expenditures | (704) | (50) | 654 |
| OTHER FINANCING (Uses) | | | |
| Operating Transfers In | 9 | 9 | |
| Transfers Out | (100) | (100) | |
| Total Other Financing Uses | (91) | (91) | - |
| Net Change in Fund Balance | (795) | (141) | 654 |
| Cancellation of Prior Years Encumbrances | | 10 | 10 |
| Fund Balance - January 1 | 11,144 | 11,144 | |
| Fund Balance - December 31 | \$ 10,349 | \$ 11,013 | \$ 664 |

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|---------------|---------------|---|
| MOTOR VEHICLE LICENSE FUND | | | |
| REVENUES | | | |
| Intergovernmental Revenue | \$ 2,500 | \$ 2,556 | \$ 56 |
| Miscellaneous | 15 | 41 | 26 |
| Total Revenues | <u>2,515</u> | <u>2,597</u> | <u>82</u> |
| EXPENDITURES | | | |
| Department of Public Services | | | |
| Traffic and Road Operations Division | | | |
| Personal Services | 1,343 | 1,343 | - |
| Non-Personal Services | 869 | 869 | - |
| Total Department of Public Services | <u>2,212</u> | <u>2,212</u> | <u>-</u> |
| Nondepartmental Accounts | | | |
| Contribution to Pension System | 229 | 227 | 2 |
| Employee Hospital Care | 204 | 202 | 2 |
| Dental and Vision Care | 25 | 23 | 2 |
| Medicare Tax | 14 | 13 | 1 |
| Workers' Compensation Insurance | 8 | 8 | - |
| Life Insurance | 1 | 1 | - |
| General Fund Overhead | 71 | 71 | - |
| Total Nondepartmental Accounts | <u>552</u> | <u>545</u> | <u>7</u> |
| Total Expenditures | <u>2,764</u> | <u>2,757</u> | <u>7</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | (249) | (160) | 89 |
| Cancellation of Prior Years Encumbrances | | 38 | 38 |
| Fund Balance - January 1 | <u>778</u> | <u>778</u> | |
| Fund Balance - December 31 | <u>\$ 529</u> | <u>\$ 656</u> | <u>\$ 127</u> |

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|------------------------------------|--------------|---------------|---|
| SPECIAL RECREATION FUND | | | |
| REVENUES | | | |
| Use of Money and Property | \$ 400 | \$ 395 | \$ (5) |
| Charges for Services | 3,545 | 3,646 | 101 |
| Intergovernmental Revenue | - | 3 | 3 |
| Miscellaneous | - | 2 | 2 |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues | 3,945 | 4,046 | 101 |
| EXPENDITURES | | | |
| Department of Recreation | | | |
| West Region | | | |
| Personal Services | 401 | 401 | - |
| Non-Personal Services | 224 | 218 | 6 |
| | <hr/> | <hr/> | <hr/> |
| Total West Region | 625 | 619 | 6 |
| East Region | | | |
| Personal Services | 703 | 703 | - |
| Non-Personal Services | 162 | 159 | 3 |
| | <hr/> | <hr/> | <hr/> |
| Total East Region | 865 | 862 | 3 |
| Central Region | | | |
| Personal Services | 481 | 467 | 14 |
| Non-Personal Services | 188 | 134 | 54 |
| | <hr/> | <hr/> | <hr/> |
| Total Central Region | 669 | 601 | 68 |
| Division of Athletics | | | |
| Personal Services | 240 | 184 | 56 |
| Non-Personal Services | 387 | 377 | 10 |
| | <hr/> | <hr/> | <hr/> |
| Total Division of Athletics | 627 | 561 | 66 |
| Division of Waterfront | | | |
| Personal Services | 285 | 126 | 159 |
| Non-Personal Services | 560 | 510 | 50 |
| | <hr/> | <hr/> | <hr/> |
| Total Division of Waterfront | 845 | 636 | 209 |
| Division of Support Services | | | |
| Personal Services | 57 | 57 | - |
| Non-Personal Services | 82 | 44 | 38 |
| Capital Outlay | 20 | 20 | - |
| | <hr/> | <hr/> | <hr/> |
| Total Division of Support Services | 159 | 121 | 38 |
| | <hr/> | <hr/> | <hr/> |
| Total Department of Recreation | 3,790 | 3,400 | 390 |

(Continued)

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|---------------|-----------------|---|
| SPECIAL RECREATION FUND | | | |
| (Continued) | | | |
| Nondepartmental Accounts | | | |
| Contribution to Pension System | \$ 112 | \$ 106 | \$ 6 |
| Employee Hospital Care | 18 | 18 | - |
| Dental and Vision Care | 2 | 2 | - |
| Medicare Tax | 31 | 28 | 3 |
| Workers' Compensation Insurance | 20 | 18 | 2 |
| General Fund Overhead | 179 | 163 | 16 |
| Total Nondepartmental Accounts | <u>362</u> | <u>335</u> | <u>27</u> |
| | | | |
| Total Expenditures | <u>4,152</u> | <u>3,735</u> | <u>417</u> |
| | | | |
| Excess (Deficiency) of Revenues over (under) Expenditures | (207) | 311 | 518 |
| | | | |
| OTHER FINANCING (Uses) | | | |
| Transfers Out | <u>(303)</u> | <u>(303)</u> | |
| | | | |
| Total Other Financing Uses | <u>(303)</u> | <u>(303)</u> | |
| | | | |
| Net Change in Fund Balance | (510) | 8 | 518 |
| | | | |
| Cancellation of Prior Year Encumbrances | - | 61 | 61 |
| | | | |
| Fund Balance - January 1 | <u>1,468</u> | <u>1,468</u> | |
| Fund Balance - December 31 | <u>\$ 958</u> | <u>\$ 1,537</u> | <u>\$ 579</u> |

Schedule of Revenue, Expenditures and Changes in Fund Balance
 Budget(Non-GAAP Budgetary Basis) and Actual
 For the year ended December 31, 2008
 (Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|-----------------|-----------------|---|
| RECREATION GRANTS | | | |
| REVENUES | | | |
| Use of Money and Property | \$ 22 | \$ 22 | \$ - |
| Federal Grants | 4 | 4 | |
| State Grants and Subsidies | 2,667 | 2,667 | |
| Charges for Current Services | 16 | 16 | |
| Miscellaneous Revenue | <u>1</u> | <u>1</u> | |
| Total Revenues | 2,710 | 2,710 | |
| EXPENDITURES | | | |
| Department of Recreation | | | |
| Region 1 | | | |
| Personal Services | 15 | 15 | |
| Non-Personal Services | <u>21</u> | <u>21</u> | |
| Total Region 1 | 36 | 36 | |
| Region 2 | | | |
| Personal Services | 6 | 6 | |
| Non-Personal Services | <u>19</u> | <u>19</u> | |
| Total Region 2 | 25 | 25 | |
| Region 3 | | | |
| Personal Services | 192 | 192 | |
| Non-Personal Services | <u>191</u> | <u>191</u> | |
| Total Region 3 | 383 | 383 | |
| Division of Athletics | | | |
| Personal Services | 58 | 58 | |
| Non-Personal Services | <u>25</u> | <u>25</u> | |
| Total Division of Athletics | 83 | 83 | |
| Division of Waterfront | | | |
| Non-Personal Services | <u>3</u> | <u>3</u> | |
| Total Division of Waterfront | 3 | 3 | |
| Division of Support Services | | | |
| Personal Services | 11 | 11 | |
| Non-Personal Services | <u>100</u> | <u>100</u> | |
| Total Division of Support Services | 111 | 111 | |
| Total Department of Recreation | 641 | 641 | |
| Total Expenditures | <u>641</u> | <u>641</u> | |
| Excess (Deficiency) of Revenues over (under) Expenditures | 2,069 | 2,069 | |
| OTHER FINANCING SOURCES: | | | |
| Transfer In | 11 | | (11) |
| Fund Balance - January 1 | <u>687</u> | <u>687</u> | |
| Fund Balance - December 31 | <u>\$ 2,767</u> | <u>\$ 2,756</u> | <u>\$ (11)</u> |

Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|-----------------|-----------------|---|
| PARKS | | | |
| REVENUES | | | |
| Use of Money and Property | \$ 378 | \$ 378 | \$ - |
| Charges for Current Services | 648 | 648 | - |
| Miscellaneous | 72 | 72 | - |
| | <u>1,098</u> | <u>1,098</u> | <u>-</u> |
| Total Revenues | 1,098 | 1,098 | - |
| EXPENDITURES | | | |
| Department of Parks | | | |
| Office of the Director | | | |
| Non-Personal Services | 32 | 32 | - |
| | <u>32</u> | <u>32</u> | <u>-</u> |
| Total Office of the Director | 32 | 32 | - |
| Division of Operations and Facility Management | | | |
| Personal Services | 221 | 221 | - |
| Non-Personal Services | 72 | 72 | - |
| | <u>293</u> | <u>293</u> | <u>-</u> |
| Total Division of Operations and Facility Management | 293 | 293 | - |
| Division of Administration and Program Services | | | |
| Personal Services | 401 | 401 | - |
| Non-Personal Services | 348 | 348 | - |
| Capital Outlay | 18 | 18 | - |
| | <u>767</u> | <u>767</u> | <u>-</u> |
| Total Division of Administration and Program Services | 767 | 767 | - |
| Total Department of Parks | 1,092 | 1,092 | - |
| Total Expenditures | <u>1,092</u> | <u>1,092</u> | <u>-</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | 6 | 6 | - |
| Fund Balance - January 1 | <u>1,775</u> | <u>1,775</u> | <u>-</u> |
| Fund Balance - December 31 | <u>\$ 1,781</u> | <u>\$ 1,781</u> | <u>\$ -</u> |

Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|-----------------|-----------------|---|
| SAFETY | | | |
| REVENUES | | | |
| Licenses and Permits | \$ 102 | \$ 102 | \$ - |
| Use of Money and Property | 41 | 41 | |
| Intergovernmental Revenue | 5,115 | 5,115 | |
| Federal Grants | 930 | 930 | |
| State Grants and Subsidies | 700 | 700 | |
| Charges for Current Services | 1,490 | 1,490 | |
| Miscellaneous | 54 | 54 | |
| | <u>8,432</u> | <u>8,432</u> | |
| Total Revenues | 8,432 | 8,432 | |
| EXPENDITURES | | | |
| Department of Police | | | |
| Personal Services | 238 | 238 | |
| Non-Personal Services | 4,496 | 4,496 | |
| Capital Outlay | 267 | 267 | |
| Debt Services | 270 | 270 | |
| | <u>5,271</u> | <u>5,271</u> | |
| Total Department of Police | 5,271 | 5,271 | |
| Department of Fire | | | |
| Personal Services | 19 | 19 | |
| Non-Personal Services | 334 | 334 | |
| Capital Outlay | 192 | 192 | |
| | <u>545</u> | <u>545</u> | |
| Total Department of Fire | 545 | 545 | |
| Total Expenditures | <u>5,816</u> | <u>5,816</u> | |
| Excess (Deficiency) of Revenues over (under) Expenditures | 2,616 | 2,616 | |
| Fund Balance - January 1 | <u>5,952</u> | <u>5,952</u> | |
| Fund Balance - December 31 | <u>\$ 8,568</u> | <u>\$ 8,568</u> | <u>\$ -</u> |

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|-----------------|-----------------|---|
| HEALTH GRANTS | | | |
| REVENUES | | | |
| Licenses and Permits | \$ 956 | \$ 956 | \$ - |
| Use of Money and Property | 200 | 200 | |
| Intergovernmental Revenue | 1,167 | 1,167 | |
| Federal Grants | 811 | 811 | |
| State Grants and Subsidies | 5,505 | 5,505 | |
| Charges for Current Services | <u>2,845</u> | <u>2,845</u> | |
| Total Revenues | 11,484 | 11,484 | |
| EXPENDITURES | | | |
| Department of Public Health | | | |
| Office of the Commissioner | | | |
| Personal Services | 152 | 152 | |
| Non-Personal Services | <u>766</u> | <u>766</u> | |
| Total Office of the Commissioner | 918 | 918 | |
| Division of Community Health | | | |
| Personal Services | 1,324 | 1,324 | |
| Non-Personal Services | <u>878</u> | <u>878</u> | |
| Total Division of Community Health | 2,202 | 2,202 | |
| Division of Primary Care - Special Programs | | | |
| Personal Services | 2,700 | 2,700 | |
| Non-Personal Services | <u>1,472</u> | <u>1,472</u> | |
| Total Division of Primary Care - Special Programs | 4,172 | 4,172 | |
| Division of Primary Care - Health Centers | | | |
| Personal Services | 1,416 | 1,416 | |
| Non-Personal Services | <u>2,871</u> | <u>2,871</u> | |
| Total Division of Primary Care - Health Centers | 4,287 | 4,287 | |
| Total Department of Health | 11,579 | 11,579 | |
| Nondepartmental Accounts | | | |
| Contribution to Pension System | 838 | 838 | |
| Employee Hospital Care | 650 | 650 | |
| Dental and Vision Care | 81 | 81 | |
| Medicare Tax | 67 | 67 | |
| Public Employee Assistance | 5 | 5 | |
| Workers' Compensation Insurance | 45 | 45 | |
| General Fund Overhead Charge | <u>104</u> | <u>104</u> | |
| Total Nondepartmental Accounts | 1,790 | 1,790 | |
| Total Expenditures | 13,369 | 13,369 | |
| Excess (Deficiency) of Revenues over (under) Expenditures | (1,885) | (1,885) | |
| Cancellation of Prior Years Encumbrances | - | 118 | 118 |
| Fund Balance - January 1 | <u>1,265</u> | <u>1,265</u> | |
| Fund Balance - December 31 | <u>\$ (620)</u> | <u>\$ (502)</u> | <u>\$ 118</u> |

Schedule of Revenue, Expenditures and Changes in Fund Balance
 Budget(Non-GAAP Budgetary Basis) and Actual
 For the year ended December 31, 2008
 (Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|---------------|---------------|---|
| CINCINNATI BLUE ASH AIRPORT | | | |
| REVENUES | | | |
| Use of Money and Property | \$ 83 | \$ 83 | \$ - |
| Total Revenues | 83 | 83 | - |
| EXPENDITURES | | | |
| Department of Transportation and Engineering | | | |
| Division of Aviation | | | |
| Non-Personal Services | 101 | 101 | - |
| Capital Outlay | 3 | 3 | - |
| Total Division of Aviation | 104 | 104 | - |
| Total Department of Transportation and Engineering | 104 | 104 | - |
| Total Expenditures | 104 | 104 | - |
| Excess (Deficiency) of Revenues over (under) Expenditures | (21) | (21) | - |
| Fund Balance - January 1 | 255 | 255 | |
| Fund Balance - December 31 | <u>\$ 234</u> | <u>\$ 234</u> | <u>\$ -</u> |

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|---------------------------------------|--------------|---------------|---|
| COMMUNITY DEVELOPMENT | | | |
| REVENUES | | | |
| Use of Money and Property | \$ 1,237 | \$ 1,237 | \$ - |
| Federal Grants | 14,852 | 14,852 | - |
| Charges for Current Services | 135 | 135 | - |
| Miscellaneous | 317 | 317 | - |
| Total Revenues | 16,541 | 16,541 | - |
| EXPENDITURES | | | |
| Department of the City Manager | | | |
| Office of the City Manager | | | |
| Personal Services | 28 | 28 | - |
| Non-Personal Services | 21 | 21 | - |
| Total Office of the City Manager | 49 | 49 | - |
| Office of Budget and Evaluation | | | |
| Personal Services | 146 | 146 | - |
| Non-Personal Services | 60 | 47 | 13 |
| Total Office of Budget and Evaluation | 206 | 193 | 13 |
| Total Department of the City Manager | 255 | 242 | 13 |
| Department of Law | | | |
| Division of Administration | | | |
| Personal Services | 186 | 186 | - |
| Non-Personal Services | 50 | 45 | 5 |
| Capital Outlay | 152 | 141 | 11 |
| Total Department of Law | 388 | 372 | 16 |
| Department of Finance | | | |
| Division of Accounts and Audits | | | |
| Personal Services | 81 | 73 | 8 |
| Non-Personal Services | 4 | - | 4 |
| Total Division of Accounts and Audits | 85 | 73 | 12 |
| Division of Treasury | | | |
| Personal Services | 79 | 78 | 1 |
| Total Division of Treasury | 79 | 78 | 1 |
| Division of Income Tax | | | |
| Capital Outlay | 10 | 7 | 3 |
| Total Division of Income Tax | 10 | 7 | 3 |
| Division of Purchasing | | | |
| Non-Personal Services | \$ 4 | \$ 4 | \$ - |
| Total Division of Purchasing | 4 | 4 | - |
| Total Department of Finance | 178 | 162 | 12 |

(Continued)

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|---------------|---------------|---|
| COMMUNITY DEVELOPMENT | | | |
| (Continued) | | | |
| EXPENDITURES | | | |
| Department of Community Development | | | |
| Office of the Director | | | |
| Personal Services | \$ 405 | \$ 353 | \$ 52 |
| Non-Personal Services | 216 | 216 | - |
| Capital Outlay | 4,114 | 2,968 | 1,146 |
| Total Office of the Director | <u>4,735</u> | <u>3,537</u> | <u>1,198</u> |
| Division of Housing Development | | | |
| Personal Services | 177 | 177 | - |
| Non-Personal Services | 2 | 2 | - |
| Capital Outlay | 9,545 | 9,545 | - |
| Total Division of Housing Development | <u>9,724</u> | <u>9,724</u> | <u>-</u> |
| Division of Human Services | | | |
| Capital Outlay | 273 | 198 | 75 |
| Total Division of Human Services | <u>273</u> | <u>198</u> | <u>75</u> |
| Division of Community Development | | | |
| Personal Services | 15 | 15 | - |
| Non-Personal Services | 61 | 61 | - |
| Capital Outlay | 13,268 | 11,770 | 1,498 |
| Total Division of Community Development | <u>13,344</u> | <u>11,846</u> | <u>1,498</u> |
| Division of New Construction and Existing Building Standards | | | |
| Capital Outlay | 1,751 | 1,741 | 10 |
| Total Division of New Construction and Existing Building Standards | <u>1,751</u> | <u>1,741</u> | <u>10</u> |
| Total Department of Community Development and Planning | 29,827 | 27,046 | 1,208 |
| Department of City Planning | | | |
| Personal Services | 400 | 400 | - |
| Non-Personal Services | 39 | 38 | 1 |
| Total Department of City Planning | <u>439</u> | <u>438</u> | <u>1</u> |
| Department of Parks | | | |
| Division of Administration and Program Services | | | |
| Capital Outlay | 162 | 162 | - |
| Total Division of Administration and Program Service | <u>162</u> | <u>162</u> | <u>-</u> |
| Total Department of Parks | 162 | 162 | - |
| Department of Police | | | |
| Capital Outlay | 104 | 104 | - |
| Total Department of Police | <u>104</u> | <u>104</u> | <u>-</u> |

(Continued)

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|--------------------|--------------------|---|
| COMMUNITY DEVELOPMENT | | | |
| (Continued) | | | |
| EXPENDITURES | | | |
| Department of Public Services: | | | |
| Division of Neighborhood Operations | | | |
| Capital Outlay | \$ 179 | \$ 179 | \$ - |
| Total Division of Neighborhood Operations | <u>179</u> | <u>179</u> | <u>-</u> |
| Total Department of Public Services | 179 | 179 | - |
| Department of Health | | | |
| Division of Community Health | | | |
| Capital Outlay | 617 | 543 | 74 |
| Division of Community Health | <u>617</u> | <u>543</u> | <u>74</u> |
| Total Department of Health | 617 | 543 | 74 |
| Nondepartmental Accounts: | | | |
| Contribution to Pension System | 300 | 296 | 4 |
| Employee Hospital Care | 157 | 157 | - |
| Dental and Vision Care | 22 | 21 | 1 |
| Medicare Tax | 19 | 19 | - |
| Public Employee Assistance | 1 | 1 | - |
| Workers' Compensation Insurance | 14 | 14 | - |
| State Unemployment Compensation | 1 | - | 1 |
| Life Insurance | 3 | 3 | - |
| Audit and Examiner's Fees | 6 | 6 | - |
| Indirect Costs | 450 | 450 | - |
| Special Investigations and Studies | 622 | 557 | 65 |
| Total Nondepartmental Accounts | <u>1,595</u> | <u>1,524</u> | <u>71</u> |
| Total Expenditures | <u>33,744</u> | <u>30,772</u> | <u>1,395</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | (17,203) | (14,231) | 1,395 |
| Fund Balance - January 1 | <u>(7,508)</u> | <u>(7,508)</u> | |
| Fund Balance - December 31 | <u>\$ (24,711)</u> | <u>\$ (21,739)</u> | <u>\$ 1,395</u> |

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|---------------|---------------|---|
| DEPARTMENT OF LABOR GRANTS | | | |
| REVENUES | | | |
| Federal Grants | \$ 81 | \$ 81 | \$ - |
| Total Revenues | 81 | 81 | - |
| EXPENDITURES | | | |
| Department of Community Development | | | |
| Division of Housing Development | | | |
| Non-Personal Services | 194 | 194 | - |
| Total Division of Housing Development | 194 | 194 | - |
| Division of Community Development | | | |
| Non-Personal Services | 16 | 16 | - |
| Total Division of Housing Development | 16 | 16 | - |
| Division of Workplace Development | | | |
| Non-Personal Services | 7 | 7 | - |
| Total Division of Housing Development | 7 | 7 | - |
| Total Department of Community Development and Planning | 217 | 217 | - |
| Total Expenditures | 217 | 217 | - |
| Excess (Deficiency) of Revenues over (under) Expenditures | (136) | (136) | - |
| Fund Balance - January 1 | 314 | 314 | |
| Fund Balance - December 31 | <u>\$ 178</u> | <u>\$ 178</u> | <u>\$ -</u> |

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|---|---------------|---------------|---|
| OTHER GRANTS AND SPECIAL REVENUES | | | |
| REVENUES | | | |
| Taxes | \$ 2,222 | \$ 2,222 | \$ - |
| Use of Money and Property | 2,079 | 2,079 | - |
| Special Assessments | 4,265 | 4,265 | - |
| Federal Grants | 5,874 | 5,874 | - |
| Charges for Current Services | 1,678 | 1,678 | - |
| Miscellaneous | 440 | 440 | - |
| Total Revenues | 16,558 | 16,558 | - |
| EXPENDITURES | | | |
| Department of the City Manager | | | |
| Office of the City Manager | | | |
| Non-Personal Services | 66 | 66 | - |
| Total Office of the City Manager | 66 | 66 | - |
| Office of Environmental Management | | | |
| Personal Services | 182 | 182 | - |
| Non-Personal Services | 65 | 65 | - |
| Total Office of Environmental Management | 247 | 247 | - |
| Total Department of the City Manager | 313 | 313 | - |
| Department of Law | | | |
| Non-Personal Services | 18 | 18 | - |
| Total Department of Law | 18 | 18 | - |
| Department of Human Resources | | | |
| Non-Personal Services | 7 | 7 | - |
| Total Department of Human Resources | 7 | 7 | - |
| Department of Finance | | | |
| Division of Accounts and Audits | | | |
| Non-Personal Services | 96 | 96 | - |
| Total Division of Accounts and Audits | 96 | 96 | - |
| Division of Treasury | | | |
| Non-Personal Services | 3,996 | 3,996 | - |
| Total Division of Treasury | 3,996 | 3,996 | - |

(Continued)

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|---------------|---------------|---|
| OTHER GRANTS AND SPECIAL REVENUES | | | |
| (Continued) | | | |
| Expenditures | | | |
| Division of Risk Management | | | |
| Personal Services | \$ 349 | \$ 349 | \$ - |
| Non-Personal Services | 643 | 643 | - |
| Total Division of Risk Management | <u>992</u> | <u>992</u> | <u>-</u> |
| Total Department of Finance | 5,084 | 5,084 | - |
| Department of Community Development and Planning | | | |
| Office of the Director | | | |
| Non-Personal Services | 36 | 36 | - |
| Capital Outlay | 1,223 | 1,223 | - |
| Total Office of the Director | <u>1,259</u> | <u>1,259</u> | <u>-</u> |
| Division of Housing Development | | | |
| Non-Personal Services | 5,591 | 5,591 | - |
| Capital Outlay | 9,795 | 9,795 | - |
| Total Division of Housing Development | <u>15,386</u> | <u>15,386</u> | <u>-</u> |
| Division of Human Services | | | |
| Non-Personal Services | 48 | 48 | - |
| Capital Outlay | 4 | 4 | - |
| Total Division of Human Services | <u>52</u> | <u>52</u> | <u>-</u> |
| Division of Community Development | | | |
| Non-Personal Services | 1,124 | 1,124 | - |
| Capital Outlay | 3,594 | 3,594 | - |
| Total Division of Community Development | <u>4,718</u> | <u>4,718</u> | <u>-</u> |
| Division of Workforce Development | | | |
| Non-Personal Services | 7 | 7 | - |
| Total Division of Workforce Development | <u>7</u> | <u>7</u> | <u>-</u> |
| Division of New Construction and Existing Building Standards | | | |
| Personal Services | 107 | 107 | - |
| Non-Personal Services | 330 | 330 | - |
| Total Division of Community Development | <u>437</u> | <u>437</u> | <u>-</u> |
| Total Department of Community Development and Plan | 21,859 | 21,859 | - |

(Continued)

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget - Positive (Negative)</u> |
|--|--------------|---------------|---|
| OTHER GRANTS AND SPECIAL REVENUES | | | |
| (Continued) | | | |
| Expenditures | | | |
| Department of City Planning | | | |
| Non-Personal Services | \$ 13 | \$ 13 | \$ - |
| Total Department of City Planning | 13 | 13 | - |
| Department of Parks | | | |
| Division of Operations and Facility Management | | | |
| Personal Services | 397 | 397 | - |
| Non-Personal Services | 2,592 | 2,592 | - |
| Total Department of Parks | 2,989 | 2,989 | - |
| Department of Police | | | |
| Non-Personal Services | 391 | 391 | - |
| Total Department of Police | 391 | 391 | - |
| Department of Transportation and Engineering | | | |
| Division of Traffic Engineering | | | |
| Personal Services | 52 | 52 | - |
| Non-Personal Services | 603 | 603 | - |
| Capital Outlay | 1 | 1 | - |
| Total Department of Transportation and Engineering | 656 | 656 | - |
| Department of Public Services | | | |
| Division of Traffic and Road Operations | | | |
| Personal Services | 38 | 38 | - |
| Non-Personal Services | 329 | 329 | - |
| Total Division of Traffic and Road Operations | 367 | 367 | - |
| Division of Neighborhood Operations | | | |
| Non-Personal Services | 108 | 108 | - |
| Total Division of Neighborhood Operations | 108 | 108 | - |
| Division of City Facility Management | | | |
| Personal Services | 57 | 57 | - |
| Non-Personal Services | 3,168 | 3,168 | - |
| Total City Facility Management | 3,225 | 3,225 | - |
| Total Department of Public Services | 3,700 | 3,700 | - |

(Continued)

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Final</u> | <u>Actual</u> | Variance with Budget - Positive (Negative) |
|--|--------------------|--------------------|---|
| OTHER GRANTS AND SPECIAL REVENUES | | | |
| (Continued) | | | |
| Expenditures | | | |
| Department of Cincinnati Water Works | | | |
| Non-Personal Services | \$ 5 | \$ 5 | \$ - |
| Total Department of Cincinnati Water Works | <u>5</u> | <u>5</u> | <u>-</u> |
| Nondepartmental Accounts | | | |
| General Fund Overhead | <u>22</u> | <u>22</u> | <u>-</u> |
| Total Nondepartmental Accounts | <u>22</u> | <u>22</u> | <u>-</u> |
| Total Expenditures | <u>35,057</u> | <u>35,057</u> | <u>-</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | (18,499) | (18,499) | - |
| Fund Balance - January 1 | <u>(2,807)</u> | <u>(2,807)</u> | |
| Fund Balance - December 31 | <u>\$ (21,306)</u> | <u>\$ (21,306)</u> | <u>\$ -</u> |

CITY OF CINCINNATI, OHIO

NON-MAJOR ENTERPRISE FUNDS

Parking Facilities - Used to account for the revenue and expenses of the parking meters, garages, and lots of the City.

General Aviation - Used to account for the expenses of Lunken Airport, financed primarily through user fees.

Municipal Golf - Used to account for the revenue received from all golf activities and for the expenses of operating the golf courses of the City.

Stormwater Management - Used to account for the operation, maintenance and improvement of a stormwater management system. Financing is provided by the users of the system in proportion to their use of the system.

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CITY OF CINCINNATI, OHIO
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2008
(Amounts in Thousands)

| | <u>Business Type Activities - Enterprise Funds</u> | | | | Total Nonmajor Enterprise Funds |
|---|--|---------------------|-------------------|--------------------------|--|
| | Parking Facilities | General Aviation | Municipal Golf | Stormwater Management | |
| Assets | | | | | |
| Current Assets: | | | | | |
| Cash and Equivalents | \$ 29 | \$ | \$ 53 | \$ | \$ 82 |
| Equity in City Treasury Cash | 2,819 | 399 | 446 | 1,212 | 4,876 |
| Receivables: | | | | | |
| Accounts, Net | 55 | 42 | 4 | 1,822 | 1,923 |
| Accrued Interest | 178 | 34 | 30 | 86 | 328 |
| Due from Other Funds | 284 | 39 | 44 | 185 | 552 |
| Prepaid Items | 2 | 19 | | 4 | 25 |
| Advances to Other Funds | 1,631 | 631 | 1,331 | 1,182 | 4,775 |
| Restricted Assets: | | | | | |
| Equity in City Treasury Cash | 94 | | | | 94 |
| Total Current Assets | <u>5,092</u> | <u>1,164</u> | <u>1,908</u> | <u>4,491</u> | <u>12,655</u> |
| Noncurrent Assets: | | | | | |
| Equity in City Treasury Cash | 9,113 | 1,288 | 1,440 | 3,918 | 15,759 |
| Restricted Equity in City Treasury | 306 | | | | 306 |
| Land | 7,296 | 13,229 | 1,324 | 3,422 | 25,271 |
| Buildings, net of Accumulated Depreciation | 23,212 | 2,724 | 446 | | 26,382 |
| Improvements, net of Accumulated Depreciation | 5,318 | 7,409 | 4,740 | 35,026 | 52,493 |
| Machinery and Equipment, net of Accumulated | | | | | |
| Depreciation | 829 | 149 | 353 | 108 | 1,439 |
| Property Acquired Under Capital Lease Net of Accumulated | | | | | |
| Amortization | | | 141 | | 141 |
| Construction in Progress | 2,119 | 972 | 4,208 | 6,426 | 13,725 |
| Total Noncurrent Assets | <u>48,193</u> | <u>25,771</u> | <u>12,652</u> | <u>48,900</u> | <u>135,516</u> |
| Total Assets | <u>\$ 53,285</u> | <u>\$ 26,935</u> | <u>\$ 14,560</u> | <u>\$ 53,391</u> | <u>\$ 148,171</u> |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable | \$ 150 | \$ 72 | \$ 76 | \$ 215 | \$ 513 |
| Due to Other Funds | 53 | 13 | 8 | 85 | 159 |
| Accrued Payroll | 105 | 43 | 9 | 73 | 230 |
| Accrued Liabilities | 997 | 21 | 1 | 1 | 1,020 |
| Accrued Interest | | 2 | 10 | | 12 |
| Obligations Under Capital Lease | | | 56 | | 56 |
| Deposits Payable | | 7 | | | 7 |
| Unearned Revenue | 6,964 | | | | 6,964 |
| Compensated Absences Payable | 247 | 70 | 20 | 107 | 444 |
| Unpaid Claims Liability | 1 | | | 1 | 2 |
| General Obligation Bonds Payable | | 33 | 282 | | 315 |
| Total Current Liabilities | <u>8,517</u> | <u>261</u> | <u>462</u> | <u>482</u> | <u>9,722</u> |
| Noncurrent liabilities: | | | | | |
| Urban Redevelopment Loans | 4,698 | | | | 4,698 |
| Compensated Absences Payable | 290 | 136 | 8 | 213 | 647 |
| General Obligation Bonds Payable | | 552 | 2,803 | | 3,355 |
| Obligations Under Capital Lease | | | 74 | | 74 |
| Net Pension Obligation | 557 | 175 | 12 | 260 | 1,004 |
| Net Other Post Employment Benefit Obligation | 266 | 88 | 5 | 127 | 486 |
| Total Noncurrent Liabilities | <u>5,811</u> | <u>951</u> | <u>2,902</u> | <u>600</u> | <u>10,264</u> |
| Total Liabilities | <u>14,328</u> | <u>1,212</u> | <u>3,364</u> | <u>1,082</u> | <u>19,986</u> |
| NET ASSETS | | | | | |
| Invested in Capital Assets, Net of Related Debt | 34,076 | 23,898 | 8,850 | 44,982 | 111,806 |
| Restricted | 400 | | | | 400 |
| Unrestricted | 4,481 | 1,825 | 2,346 | 7,327 | 15,979 |
| Total Net Assets | <u>\$ 38,957</u> | <u>\$ 25,723</u> | <u>\$ 11,196</u> | <u>\$ 52,309</u> | <u>\$ 128,185</u> |

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenses and Changes in Net Assets
Nonmajor Enterprise Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | Business Type Activities - Enterprise Funds | | | | Total Nonmajor Enterprise Funds |
|---|--|---------------------|-------------------|--------------------------|--|
| | Parking Facilities | General Aviation | Municipal Golf | Stormwater Management | |
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 8,814 | \$ 2,029 | \$ 6,414 | \$ 8,692 | \$ 25,949 |
| Miscellaneous Income | 151 | | 1 | 3 | 155 |
| Total Operating Revenues | 8,965 | 2,029 | 6,415 | 8,695 | 26,104 |
| OPERATING EXPENSES | | | | | |
| Personal Services | 3,051 | 1,121 | 240 | 1,674 | 6,086 |
| Contractual Services | 1,892 | 107 | 4,741 | 1,929 | 8,669 |
| Maintenance and Repairs | 187 | 123 | 3 | 2,666 | 2,979 |
| Materials and Supplies | 118 | 93 | 212 | 80 | 503 |
| Utilities | 434 | 310 | 466 | 60 | 1,270 |
| Insurance | 11 | 7 | - | 1 | 19 |
| Taxes | 976 | 67 | 75 | - | 1,118 |
| Rent | 177 | 10 | - | 241 | 428 |
| Other Expense | 80 | 227 | 2 | 5 | 314 |
| Depreciation and Amortization | 1,973 | 654 | 516 | 1,796 | 4,939 |
| Total Operating Expenses | 8,899 | 2,719 | 6,255 | 8,452 | 26,325 |
| Operating Income (Loss) | 66 | (690) | 160 | 243 | (221) |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Interest Revenue | 547 | 119 | 83 | 299 | 1,048 |
| Interest Expense | (70) | (27) | (114) | - | (211) |
| Loss on Disposal of Assets | | (7) | - | - | (7) |
| Total Non-Operating Revenues (Expenses) | 477 | 85 | (31) | 299 | 830 |
| Income (Loss) before Contributions and Transfers | 543 | (605) | 129 | 542 | 609 |
| Transfers In | 8 | | | 5 | 13 |
| Transfers (Out) | (1,239) | | (2,500) | | (3,739) |
| Capital Contributions | 8 | 74 | 362 | 685 | 1,129 |
| Change in Net Assets | (680) | (531) | (2,009) | 1,232 | (1,988) |
| Net Assets, January 1 | 39,637 | 26,254 | 13,205 | 51,077 | 130,173 |
| Net Assets, December 31 | \$ 38,957 | \$ 25,723 | \$ 11,196 | \$ 52,309 | \$ 128,185 |

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Business Type Activities - Enterprise Funds</u> | | | | Total Nonmajor Enterprise Funds |
|---|--|---------------------|-------------------|--------------------------|--|
| | Parking Facilities | General Aviation | Municipal Golf | Stormwater Management | |
| Cash Flows from Operating Activities: | | | | | |
| Receipts from Customers | \$ 8,762 | \$ 2,029 | \$ 6,412 | \$ 8,788 | \$ 25,991 |
| Receipts from Other Funds | | | | | |
| Payments to Suppliers | (2,654) | (820) | (5,598) | (2,391) | (11,463) |
| Payments to Other Funds | (571) | | | (2,457) | (3,028) |
| Payments to Employees | (2,603) | (937) | (228) | (1,329) | (5,097) |
| Payments for Property Taxes | (571) | (82) | | | (653) |
| Net Cash Provided by Operating Activities | <u>2,363</u> | <u>190</u> | <u>586</u> | <u>2,611</u> | <u>5,750</u> |
| Cash Flows from Noncapital Financing Activities: | | | | | |
| Repayment of Advances Made To Other Funds | 34 | 521 | | | 555 |
| Advances to Other Funds | | | (141) | (691) | (832) |
| Amounts Due From Other Funds for Notes | (284) | (39) | (44) | (118) | (485) |
| Transfers to Other Funds | (1,239) | | (2,500) | | (3,739) |
| Transfers from Other Funds | 8 | | | 5 | 13 |
| Net Cash Provided (Used) by Noncapital Financing | <u>\$ (1,481)</u> | <u>\$ 482</u> | <u>\$ (2,685)</u> | <u>\$ (804)</u> | <u>\$ (4,488)</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Capital Contributed by Other Sources | | 67 | | 685 | 752 |
| Proceeds from Urban Redevelopment Loans | | | | | |
| Proceeds from the Sale of Bonds and Notes | | | 2,500 | | 2,500 |
| Acquisition of Property, Plant and Equipment | (32) | | | (62) | (94) |
| Interest Paid on Bonds and Notes | (70) | (26) | (106) | | (202) |
| Principal Paid on Bonds and Notes | | (32) | (33) | | (65) |
| Payments on Long Term Capital Leases Obligations | | | (51) | | (51) |
| Additions to Construction in Progress | (799) | (724) | (209) | (1,481) | (3,213) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(901)</u> | <u>(715)</u> | <u>2,101</u> | <u>(858)</u> | <u>(373)</u> |
| Cash Flow from Investing Activities: | | | | | |
| Interest and Dividends on Investments | 554 | 111 | 75 | 268 | 1,008 |
| Net Cash Provided by Investing Activities | <u>554</u> | <u>111</u> | <u>75</u> | <u>268</u> | <u>1,008</u> |
| Net Increase in Cash and Cash Equivalents | 535 | 68 | 77 | 1,217 | 1,897 |
| Cash and Cash Equivalents at Beginning of Year | 11,826 | 1,619 | 1,862 | 3,913 | 19,220 |
| Cash and Cash Equivalents at End of Year | <u>\$ 12,361</u> | <u>\$ 1,687</u> | <u>\$ 1,939</u> | <u>\$ 5,130</u> | <u>\$ 21,117</u> |

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Business Type Activities - Enterprise Funds</u> | | | | Total Nonmajor Enterprise Funds |
|--|--|---------------------|-------------------|--------------------------|--|
| | Parking Facilities | General Aviation | Municipal Golf | Stormwater Management | |
| <u>Reconciliation of Operating Income (Loss) to</u> | | | | | |
| <u>Net Cash Provided by</u> | | | | | |
| <u>Operating Activities:</u> | | | | | |
| Operating Income (Loss) | \$ 66 | \$ (690) | \$ 160 | \$ 243 | \$ (221) |
| Depreciation and Amortization | 1,973 | 654 | 516 | 1,796 | 4,939 |
| Changes in Assets and Liabilities: | | | | | |
| (Increase) Decrease in: | | | | | |
| Receivables | (38) | | (3) | 114 | 73 |
| Due from Other Funds | | 19 | | (18) | 1 |
| Prepaid Items | 2 | (19) | | (4) | (21) |
| Increase (Decrease) in: | | | | | |
| Accounts Payable | (340) | 63 | (99) | 148 | (228) |
| Due to Other Funds | 14 | (1) | | (4) | 9 |
| Accrued Payroll | 2 | 6 | 2 | 26 | 36 |
| Accrued Liabilities | 405 | (15) | | | 390 |
| Accrued Interest | | | | (3) | (3) |
| Unearned Revenue | (165) | | | | (165) |
| Compensated Absences Payable | 21 | 22 | 1 | 83 | 127 |
| Unpaid Claims Payable | (2) | | | (2) | (4) |
| Net Pension Obligation | 268 | 95 | 6 | 146 | 515 |
| Net Other Post Employment Benefit Obligation | 157 | 56 | 3 | 86 | 302 |
| Net Cash Provided by Operating Activities | <u>\$ 2,363</u> | <u>\$ 190</u> | <u>\$ 586</u> | <u>\$ 2,611</u> | <u>\$ 5,750</u> |
| <u>Schedule of Noncash Investing</u> | | | | | |
| <u>Capital and Financing Activities:</u> | | | | | |
| Property Plant and Equipment | | | | | |
| Acquired through a capital lease | \$ 8 | | | | \$ 8 |
| Contributed by Other Funds | | | | | |
| Total Noncash Investing, Capital and Financing Activities | <u>\$ 8</u> | | | | <u>\$ 8</u> |

CITY OF CINCINNATI, OHIO

INTERNAL SERVICE FUNDS

Purchasing, Reproduction, and Printing - Used to account for revenue from City departments and for the expenses of operations and maintenance of the Division of Reproduction and Printing. Also, used to account for the revenue and expenses related to the distribution and sale of materials and supplies.

Fleet Services - Used to account for revenue from City departments for auto repairs and maintenance and to account for the expenses necessary to provide this service.

Property Management - Used to account for proceeds of City leases and land sales and to account for costs of administering the fixed assets of the City.

Mechanized Street Sweeping – Used to account for revenues from various sources and to track revenues and expenditures for materials, salaries, service contracts and other costs associated with the mechanized street sweeping contract awarded to City employees as a result of the managed competition process for this service.

Self Insurance-Medical - Used to account for monies appropriated from the General or other funds or received from contract agencies, employees, members of council and others, including interest earned, and to make expenditures for employee medical costs.

Self Insurance-Workers' Compensation - Used to receive, from all City funds, workers' compensation premium charges, and to pay workers' compensation premium payments, claim costs and reserve settlements.

Regional Computer Center - Used to account for revenue and expenses related to the delivery of data processing services to the City, Hamilton County, and others.

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CITY OF CINCINNATI, OHIO
Combining Statement of Net Assets
Internal Service Funds
December 31, 2008
(Amounts in Thousands)

| | Purchasing Reproduction and Printing | Fleet Services | Property Management | Mechanized Street Sweeping | Self Insurance Medical | Self Insurance Workers' Compensation | Regional Computer Center | Total Internal Service Funds |
|--|--|-------------------|------------------------|----------------------------------|------------------------------|--|--------------------------------|---------------------------------------|
| ASSETS | | | | | | | | |
| Current Assets: | | | | | | | | |
| Equity in City Treasury Cash | \$ 242 | \$ 66 | \$ 121 | \$ | \$ 2,581 | \$ 7,053 | \$ 407 | \$ 10,470 |
| Receivables: | | | | | | | | |
| Accounts, Net | 25 | 182 | | | 750 | 6 | | 963 |
| Accrued Interest | | | | | 72 | 408 | 15 | 495 |
| Due from Other Funds | 23 | 934 | 12 | | 1,071 | 691 | 722 | 3,453 |
| Due from Other Governments | | | | | | | 1,447 | 1,447 |
| Prepaid Items | | 5 | 10 | | 1,215 | | 30 | 1,260 |
| Inventory | 70 | 292 | | | | | | 362 |
| Advances to Other Funds | | | | | | | 1,556 | 1,556 |
| Total Current Assets | 360 | 1,479 | 143 | | 5,689 | 8,158 | 4,177 | 20,006 |
| Noncurrent Assets: | | | | | | | | |
| Equity in City Treasury Cash | 781 | 211 | 394 | | 8,345 | 22,810 | 1,316 | 33,857 |
| Land | | 283 | | | | | | 283 |
| Improvements, net of Accumulated Depreciation | | 2,956 | 3 | | | | 2,518 | 5,477 |
| Machinery and Equipment, net of Accumulated Depreciation | 140 | 205 | 11 | | | | 28,761 | 29,117 |
| Property Acquired Under Capital Lease, net of Accumulated Amortization | 15 | | | | | | | 15 |
| Total Noncurrent Assets | 936 | 3,655 | 408 | | 8,345 | 22,810 | 32,595 | 68,749 |
| Total Assets | 1,296 | 5,134 | 551 | | 14,034 | 30,968 | 36,772 | 88,755 |

CITY OF CINCINNATI, OHIO
Combining Statement of Net Assets
Internal Service Funds
December 31, 2008
(Amounts in Thousands)

| | Purchasing Reproduction and Printing | Fleet Services | Property Management | Mechanized Street Sweeping | Self Insurance Medical | Self Insurance Workers' Compensation | Regional Computer Center | Total Internal Service Funds |
|---|--|-------------------|------------------------|----------------------------------|------------------------------|--|--------------------------------|---------------------------------------|
| LIABILITIES | | | | | | | | |
| Current Liabilities: | | | | | | | | |
| Accounts Payable | \$ 87 | \$ 791 | \$ | \$ | \$ 4,125 | \$ 629 | \$ 755 | \$ 6,387 |
| Due to Other Funds | 7 | 727 | 8 | | | | 94 | 836 |
| Accrued Payroll | 25 | 170 | 15 | | | | 321 | 531 |
| Accrued Liabilities | 1 | 2 | | | | 1,385 | 423 | 1,811 |
| Obligations under Capital Leases | 9 | | | | | | | 9 |
| Deposits Payable | | | 59 | | | | | 59 |
| Unearned Revenue | | | | | | | 490 | 490 |
| Compensated Absences Payable | 49 | 345 | 42 | | | | 695 | 1,131 |
| Unpaid Claims Payable | | | | | 10,210 | 3,750 | | 13,960 |
| Total Current Liabilities | 178 | 2,035 | 124 | | 14,335 | 5,764 | 2,778 | 25,214 |
| Noncurrent Liabilities: | | | | | | | | |
| Estimated Liability for Compensated Absences | 44 | 186 | 46 | | | | 466 | 742 |
| Estimated Liability for Unpaid Claims | | | | | | 8,676 | | 8,676 |
| Advances from Other Funds | | 50 | 177 | | | | | 227 |
| Advances from Other Governments | | 20 | | | | | 1 | 21 |
| Obligations under Capital Leases | 6 | | | | | | | 6 |
| Net Pension Obligation | 87 | 955 | 57 | | | | 1,966 | 3,065 |
| Net Other Post Employment Benefit Obligation | 41 | 459 | 30 | | | | 922 | 1,452 |
| Total Noncurrent Liabilities | 178 | 1,670 | 310 | | | 8,676 | 3,355 | 14,189 |
| Total Liabilities | 356 | 3,705 | 434 | | 14,335 | 14,440 | 6,133 | 39,403 |
| NET ASSETS | | | | | | | | |
| Investment in Capital Assets, Net of Related Debt Unrestricted | 140 | 3,444 | 14 | | | | 31,279 | 34,877 |
| | 800 | (2,015) | 103 | | (301) | 16,528 | (640) | 14,475 |
| Total Net Assets | \$ 940 | \$ 1,429 | \$ 117 | \$ | \$ (301) | \$ 16,528 | \$ 30,639 | \$ 49,352 |

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | Purchasing Reproduction and Printing | Fleet Services | Property Management | Mechanized Street Sweeping | Self Insurance Medical | Self Insurance Workers' Compensation | Regional Computer Center | Total Internal Service Funds |
|--|--|-------------------|------------------------|----------------------------------|------------------------------|--|--------------------------------|---------------------------------------|
| OPERATING REVENUES | | | | | | | | |
| Charges for Services | \$ 3,014 | \$ 17,435 | \$ 1,749 | \$ | \$ 90,355 | \$ 1,732 | \$ 16,725 | \$ 129,261 |
| Miscellaneous | | | | | | | | 1,749 |
| Total Operating Revenues | 3,014 | 17,435 | 1,749 | | 90,355 | 1,732 | 16,725 | 131,010 |
| OPERATING EXPENSES | | | | | | | | |
| Personal Services | 643 | 5,032 | 410 | | | | 9,161 | 15,246 |
| Contractual Services | 850 | 360 | 37 | | 320 | 535 | 2,698 | 4,800 |
| Maintenance and Repairs | 123 | 568 | | 12 | | 9 | 414 | 1,126 |
| Materials and Supplies | 1,373 | 11,454 | 2 | | | | 940 | 13,769 |
| Utilities | 2 | 241 | 3 | | | | 1,019 | 1,265 |
| Insurance | | 10 | | | 90,417 | 4,232 | 30 | 94,689 |
| Rent | 2 | 43 | 51 | | | | 1,642 | 1,738 |
| Depreciation and Amortization | 64 | 276 | 4 | | | | 4,320 | 4,664 |
| Other Expense | | 46 | 1 | | | | 27 | 81 |
| Total Operating Expenses | 3,057 | 18,030 | 508 | 12 | 90,744 | 4,776 | 20,251 | 137,378 |
| Operating Income (Loss) | (43) | (595) | 1,241 | (12) | (389) | (3,044) | (3,526) | (6,368) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | |
| Interest Expense | (3) | (9) | | | | | | (12) |
| Interest Revenue | | | | | 293 | 1,449 | 45 | 1,787 |
| Total Non-Operating Revenue (Expenses) | (3) | (9) | | | 293 | 1,449 | 45 | 1,775 |
| Income (Loss) before Contributions and Transfers | (46) | (604) | 1,241 | (12) | (96) | (1,595) | (3,481) | (4,593) |
| Transfers In | | | | | | | 1,008 | 1,008 |
| Transfers (Out) | | | (1,106) | | | | (222) | (1,328) |
| Capital Contribution | | (4) | | | | | | (4) |
| Change in Net Assets | (46) | (608) | 135 | (12) | (96) | (1,595) | (2,695) | (4,917) |
| Net Assets, January 1 | 986 | 2,037 | (18) | 12 | (205) | 18,123 | 33,334 | 54,269 |
| Net Assets, December 31 | \$ 940 | \$ 1,429 | \$ 117 | \$ | \$ (301) | \$ 16,528 | \$ 30,639 | \$ 49,352 |

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | Purchasing Reproduction and Printing | Fleet Services | Property Management | Mechanized Street Sweeping | Self Insurance Medical | Self Insurance Workers' Compensation | Regional Computer Center | Total Internal Service Funds |
|--|--|-------------------|------------------------|----------------------------------|------------------------------|--|--------------------------------|---------------------------------------|
| <u>Cash Flows from Operating Activities:</u> | | | | | | | | |
| Receipts from Customers | \$ 159 | \$ 415 | \$ 1,753 | \$ | \$ 3,936 | \$ | \$ 5,819 | \$ 12,082 |
| Receipts from Other Funds | 2,847 | 17,286 | | | 35,536 | 1,732 | 10,055 | 67,456 |
| Receipts from Retirement System | | | | | 49,887 | | | 49,887 |
| Payment to Suppliers | (2,439) | (12,580) | (93) | (12) | (89,657) | (6,059) | (6,351) | (117,191) |
| Payments to Other Funds | (6) | (454) | | | | | (1,031) | (1,491) |
| Payments to Employees | (541) | (4,405) | (326) | | | | (8,342) | (13,614) |
| Net Cash Provided (Used) by Operating Activities | 20 | 262 | 1,334 | (12) | (298) | (4,327) | 150 | (2,871) |
| <u>Cash Flows from Noncapital Financing Activities:</u> | | | | | | | | |
| Repayment of Advances Made to Other Funds | | | | | | | 73 | 73 |
| Repayment of Advances Received From Other Funds | | (55) | | (21) | | (689) | (39) | (76) |
| Due from Other Funds for Note Payable | (23) | (6) | | | (251) | | | (1,008) |
| Repayment of Amount Due to Other Fund | | (147) | | | | | (222) | (147) |
| Transfers to Other Funds | | | (1,183) | | | | 1,008 | (1,405) |
| Transfers from Other Funds | | | | | | | | 1,008 |
| Net Cash Provided (Used) by Noncapital Financing Activities | (23) | (208) | (1,183) | (21) | (251) | (689) | 820 | (1,555) |
| <u>Cash Flows from Capital and Related Financing Activities:</u> | | | | | | | | |
| Acquisition of Property, Plant and Equipment | | | | | | | (239) | (239) |
| Additions to Construction In Progress | | | | | | | (859) | (859) |
| Interest Paid on Debt | (3) | (9) | | | | | | (12) |
| Payment on Long Term Capital Lease Obligations | (8) | | | | | | | (8) |
| Net Cash (Used) by Capital and Related Financing Activities | (11) | (9) | | | | | (1,098) | (1,118) |
| <u>Cash Flows from Investing Activities:</u> | | | | | | | | |
| Interest on Investments | | | | | 288 | 1,379 | 45 | 1,712 |
| Net Cash Provided by Investing Activities | | | | | 288 | 1,379 | 45 | 1,712 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (14) | 45 | 151 | (33) | (261) | (3,637) | (83) | (3,832) |
| Cash and Cash Equivalents at Beginning of Year | 1,037 | 232 | 364 | 33 | 11,187 | 33,500 | 1,806 | 48,159 |
| Cash and Cash Equivalents at End of Year | \$ 1,023 | \$ 277 | \$ 515 | \$ | \$ 10,926 | \$ 29,863 | \$ 1,723 | \$ 44,327 |

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | Purchasing Reproduction and Printing | Fleet Services | Property Management | Mechanized Street Sweeping | Self Insurance Medical | Self Insurance Workers' Compensation | Regional Computer Center | Total Internal Service Funds |
|----|--|-------------------|------------------------|----------------------------------|------------------------------|--|--------------------------------|---------------------------------------|
| \$ | (43) | (595) | 1,241 | \$ | (389) | \$ | (3,526) | \$ |
| | 64 | 276 | 4 | (12) | | | 4,320 | 4,664 |
| | (12) | 37 | 1 | | (750) | (6) | 23 | (707) |
| | 4 | 229 | (12) | | (807) | (2) | (170) | (758) |
| | (7) | 21 | 1 | | (8) | | (567) | 14 |
| | | (2) | | | | | 122 | 113 |
| | (92) | (350) | | | 1,030 | (12) | (331) | 245 |
| | 4 | 9 | 23 | | (189) | | (391) | 23 |
| | 1 | (82) | 4 | | | (709) | (340) | (417) |
| | | | (8) | | | | (31) | (740) |
| | 38 | (13) | 30 | | | (554) | (137) | (145) |
| | 40 | 461 | 31 | | 815 | | (259) | (204) |
| | 23 | 271 | 19 | | | | 905 | 261 |
| | | | | | | | 532 | 1,437 |
| \$ | 20 | 262 | 1,334 | \$ | (298) | \$ | 150 | \$ |
| | | | | (12) | | (4,327) | | (2,871) |
| \$ | | | | | | | | |
| | 33 | (224) | | | | | | (224) |
| | | 107 | | | | | | 33 |
| | | | | | | | | 107 |
| \$ | 33 | (117) | | | | | | |
| | | | | | | | | (84) |

Reconciliation of Operating Income (Loss) to

Net Cash Provided (Used) by

Operating Activities:

Operating Income (Loss)

Depreciation and Amortization

Changes in Assets and Liabilities:

(Increase) Decrease in:

Receivables

Due from Other Funds

Due from Other Governments

Inventory

Prepaid Items

Increase (Decrease) in:

Accounts Payable

Deposits Payable

Due to Other Funds

Accrued Payroll

Accrued Liabilities

Unearned Revenue

Estimated Liability for Compensated Absences

Estimated Liability for Unpaid Claims Payable

Net Pension Obligation

Net Other Post Employment Benefit Obligation

Net Cash Provided (Used) by

Operating Activities

Schedule of Noncash Investing,

Capital and Financing Activities:

Property Plant and Equipment

Transferred to Other Funds

Acquired by Capital Lease

Contributed by Other Funds

Total Noncash Investing, Capital

and Financing Activities

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CITY OF CINCINNATI, OHIO

FIDUCIARY FUNDS

TRUST AND AGENCY FUNDS

Pension Trust Fund

Pension Trust - Used to account for the receipts and expenditures of the City's Retirement System.

Agency Funds

Towing Charges - Used to account for monies received as charges for towing and storage of impounded vehicles.

Convention Facility Authority – Used to account for monies collected by the City of Cincinnati from Transient Occupancy Tax Revenues.

Admission Tax Bond - Used to account for deposits related to entertainment facilities in the City.

Engineering Deposits - Used to account for Transportation & Engineering monies reserved for specific purposes.

Metropolitan Sewer District - Used to account for the monies of the Metropolitan Sewer District.

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CITY OF CINCINNATI, OHIO
Statement of Plan Net Assets
Pension Trust
December 31, 2008
(Amounts in Thousands)

| | Pension | Healthcare | Total |
|---|--------------|------------|--------------|
| ASSETS | | | |
| Cash and Equivalents | \$ 46,724 | \$ 21,595 | \$ 68,319 |
| Investments, at fair value: | | | |
| Government Bonds | 1,738 | 804 | 2,542 |
| Government Agencies | 7,282 | 3,365 | 10,647 |
| Government Mortgage Backed Securities | 102,526 | 47,385 | 149,911 |
| Government Inflation Index Bonds | 12,725 | 5,881 | 18,606 |
| Corporate Bonds | 147,614 | 68,224 | 215,838 |
| State and Local Obligations | 1,900 | 878 | 2,778 |
| Equities | 692,328 | 319,977 | 1,012,305 |
| Venture Capital | 137,446 | 63,524 | 200,970 |
| Real Estate | 108,655 | 50,217 | 158,872 |
| Other Bonds | 12,753 | 5,894 | 18,647 |
| Other Assets | 28,830 | 13,324 | 42,154 |
| Total Investments, at fair value | 1,253,797 | 579,473 | 1,833,270 |
| Collateral on Loaned Securities | 165,767 | 76,613 | 242,380 |
| Receivables: | | | |
| Accounts Receivable - Other | 185 | 86 | 271 |
| Accounts Receivable for Securities Sold | 64,147 | 29,647 | 93,794 |
| Accrued Interest and Dividends | 4,728 | 2,185 | 6,913 |
| Due from Other Funds | 761 | 351 | 1,112 |
| Due from Other Governments | 1,689 | 780 | 2,469 |
| Loans Receivable | 9,917 | 4,583 | 14,500 |
| Machinery and Equipment | 1,219 | 563 | 1,782 |
| Accumulated Depreciation | (962) | (445) | (1,407) |
| Total Assets | 1,547,972 | 715,431 | 2,263,403 |
| LIABILITIES | | | |
| Accounts Payable | 973 | 449 | 1,422 |
| Accounts Payable for Securities Purchased | 130,816 | 60,460 | 191,276 |
| Due to Other Funds | 583 | 269 | 852 |
| Obligations under Securities Lending | 165,767 | 76,613 | 242,380 |
| Accrued Payroll | 21 | 9 | 30 |
| Accrued Liabilities | 7,661 | 3,540 | 11,201 |
| Estimated Liability for Compensated Absences | 70 | 32 | 102 |
| Total Liabilities | 305,891 | 141,372 | 447,263 |
| NET ASSETS | | | |
| Held in Trust for Employees' Pension Benefits | 1,242,081 | | 1,242,081 |
| Held in Trust for Employees' Post employment Healthcare Benefits | | 574,059 | 574,059 |
| Combined Net Assets | \$ 1,242,081 | \$ 574,059 | \$ 1,816,140 |

CITY OF CINCINNATI, OHIO
Combining Statement of Changes in Plan Net Assets
Pension Trust
For the year ended December 31, 2008
(Amounts in Thousands)

| | <u>Pension</u> | <u>Healthcare</u> | <u>Total</u> |
|--|---------------------|-------------------|---------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Member | \$ 10,850 | \$ 994 | \$ 11,844 |
| Employer | 24,964 | 2,286 | 27,250 |
| Other | | 995 | 995 |
| Total Contributions | <u>35,814</u> | <u>4,275</u> | <u>40,089</u> |
| Transfers from Other Retirement Systems | 598 | | 598 |
| Investment Income | | | |
| From Investing Activities: | | | |
| Interest & Dividends | 49,775 | 23,175 | 72,950 |
| Net Appreciation(Depreciation) in Fair Value of Investments | <u>(534,948)</u> | <u>(249,075)</u> | <u>(784,023)</u> |
| Total Investment Earnings (Loss) | (485,173) | (225,900) | (711,073) |
| Less Investment Management Expenses | <u>3,944</u> | <u>1,837</u> | <u>5,781</u> |
| Net Income From Investing Activities | <u>(489,117)</u> | <u>(227,737)</u> | <u>(716,854)</u> |
| From Security Lending Activities: | | | |
| Securities Lending Income | <u>7,159</u> | <u>3,344</u> | <u>10,503</u> |
| Securities Lending Expense: | | | |
| Borrower Rebates | (5,015) | (2,343) | (7,358) |
| Management Fees | <u>(532)</u> | <u>(248)</u> | <u>(780)</u> |
| Total Securities Lending Expenses | <u>(5,547)</u> | <u>(2,591)</u> | <u>(8,138)</u> |
| Net Income from Securities Lending Activities | <u>1,612</u> | <u>753</u> | <u>2,365</u> |
| Total Additions (Losses) | <u>(451,093)</u> | <u>(222,709)</u> | <u>(673,802)</u> |
| DEDUCTIONS | | | |
| Benefits Payments: | | | |
| Pension and Annuities | 130,428 | | 130,428 |
| Hospital and Medical Care | | 48,901 | 48,901 |
| Medicare | | 3,831 | 3,831 |
| Dental Benefits | | 1,610 | 1,610 |
| Vision Benefits | | 141 | 141 |
| Death Benefits, Active and Retired | 1,216 | | 1,216 |
| Loss Due to Death of Members with Loans | 1 | | 1 |
| Transfers - Retirement to Other Systems | <u>2,089</u> | | <u>2,089</u> |
| Total Benefits Payments | <u>133,734</u> | <u>54,483</u> | <u>188,217</u> |
| Refunds of Contributions | <u>1,366</u> | | <u>1,366</u> |
| Administrative Expenses: | | | |
| Personal Services | 514 | 240 | 754 |
| Contractual Services | 473 | 221 | 694 |
| Materials and Supplies | 8 | 4 | 12 |
| Depreciation | <u>33</u> | <u>16</u> | <u>49</u> |
| Total Administration Expenses | <u>1,028</u> | <u>481</u> | <u>1,509</u> |
| Total Deductions | <u>136,128</u> | <u>54,964</u> | <u>191,092</u> |
| Change in Net Assets | (587,221) | (277,673) | (864,894) |
| Net Assets held in Trust for Benefits | | | |
| Beginning of Year | <u>1,829,302</u> | <u>851,732</u> | <u>2,681,034</u> |
| End of Year | <u>\$ 1,242,081</u> | <u>\$ 574,059</u> | <u>\$ 1,816,140</u> |

CITY OF CINCINNATI, OHIO
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2008
(Amounts in Thousands)

| | Agency Funds | | | | | | Total |
|--|---|-------------------------------------|----------------------------|-------------------------|-----------------------------------|-------------------|-------|
| | Towing Charges Private Operators | Convention Facility Authority | Admissions Tax Bonds | Engineering Deposits | Metropolitan Sewer District | | |
| ASSETS | | | | | | | |
| Equity in City Treasury Cash | \$ 333 | \$ 244 | \$ 27 | \$ 2,717 | \$ 295,107 | \$ 3,321 | |
| Investments, at fair value | | | | | | 295,107 | |
| Receivables: | | | | | | | |
| Accounts, Net | 7 | 6 | 1 | 117 | 32,590 | 32,721 | |
| Accrued Interest and Dividends | | | | | 828 | 828 | |
| Total Assets | <u>\$ 340</u> | <u>\$ 250</u> | <u>\$ 28</u> | <u>\$ 2,834</u> | <u>\$ 328,525</u> | <u>\$ 331,977</u> | |
| LIABILITIES | | | | | | | |
| Accounts Payable | \$ 23 | \$ | \$ | 3 | \$ 14,613 | \$ 14,639 | |
| Due to Other Governments | 300 | 250 | | | 293,573 | 294,123 | |
| Accrued Payroll | | | | | 1,643 | 1,643 | |
| Accrued Liabilities | | | | | 31 | 31 | |
| Deposits Payable | 17 | | 28 | 2,831 | | 2,876 | |
| Estimated Liability for Compensated Absences | | | | | 7,607 | 7,607 | |
| Net Pension Obligation | | | | | 7,627 | 7,627 | |
| Net Other Post Employment Benefit Obligation | | | | | 3,431 | 3,431 | |
| Total Liabilities | <u>\$ 340</u> | <u>\$ 250</u> | <u>\$ 28</u> | <u>\$ 2,834</u> | <u>\$ 328,525</u> | <u>\$ 331,977</u> | |

CITY OF CINCINNATI, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | Balance January 1, 2008 | Additions | Deductions | Balance December 31, 2008 |
|--|-------------------------------|--------------|--------------|---------------------------------|
| <u>TOWING CHARGES - PRIVATE OPERATORS</u> | | | | |
| ASSETS | | | | |
| Equity in City Treasury Cash | \$ 293 | \$ 657 | \$ 617 | \$ 333 |
| Accounts Receivable | | 7 | | 7 |
| Total Assets | 293 | 664 | 617 | 340 |
| LIABILITIES | | | | |
| Accounts Payable | \$ 293 | \$ 23 | \$ 293 | \$ 23 |
| Due to Other Governments | | 300 | | 300 |
| Deposits Payable | | 1,265 | 1,248 | 17 |
| Total Liabilities | 293 | 1,588 | 1,541 | 340 |
| <u>CONVENTION FACILITY AUTHORITY</u> | | | | |
| ASSETS | | | | |
| Equity in City Treasury Cash | \$ 244 | \$ 244 | \$ 244 | \$ 244 |
| Accounts Receivable | 304 | 6 | 304 | 6 |
| Due from Other Governments | 304 | | 304 | |
| Total Assets | 852 | 250 | 852 | 250 |
| LIABILITIES | | | | |
| Accounts Payable | \$ 304 | | \$ 304 | |
| Due to Other Governments | 548 | 250 | 548 | 250 |
| Total Liabilities | 548 | 250 | 548 | 250 |
| <u>ADMISSION TAX BONDS</u> | | | | |
| ASSETS | | | | |
| Equity in City Treasury Cash | \$ 27 | \$ 1 | \$ 1 | \$ 27 |
| Accounts Receivable | | 1 | | 1 |
| Total Assets | 27 | 2 | 1 | 28 |
| LIABILITIES | | | | |
| Deposits Payable | \$ 27 | \$ 1 | | \$ 28 |
| <u>ENGINEERING DEPOSITS</u> | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 2 | | \$ 2 | |
| Equity in City Treasury Cash | 2,008 | 1,935 | 1,226 | 2,717 |
| Accounts Receivable | 27 | 240 | 150 | 117 |
| Total Assets | 2,037 | 2,175 | 1,378 | 2,834 |
| LIABILITIES | | | | |
| Accounts Payable | \$ 2,037 | \$ 3 | | \$ 3 |
| Deposits Payable | 2,037 | 2,061 | 1,267 | 2,831 |
| Total Liabilities | 2,037 | 2,061 | 1,267 | 2,831 |

CITY OF CINCINNATI, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended December 31, 2008
(Amounts in Thousands)

| | Balance January 1, 2008 | Additions | Deductions | Balance December 31, 2008 |
|--|-------------------------------|--------------------------|--------------------------|---------------------------------|
| <u>METROPOLITAN SEWER DISTRICT</u> | | | | |
| ASSETS | | | | |
| Investments | \$ 352,442 | \$ 359,873 | \$ 417,208 | \$ 295,107 |
| Cash With Fiscal Agent | 396 | | 396 | |
| Accounts Receivable | 31,770 | 3,077 | 2,257 | 32,590 |
| Accrued Interest Receivable | 1,364 | 828 | 1,364 | 828 |
| Inventory | 207 | 1,238 | 1,445 | |
| Total Assets | <u>\$ 386,179</u> | <u>\$ 365,016</u> | <u>\$ 422,670</u> | <u>\$ 328,525</u> |
| LIABILITIES | | | | |
| Accounts Payable | 13,398 | 256,073 | 254,858 | 14,613 |
| Due to Other Governmental Agencies | 358,630 | 403,038 | 468,095 | 293,573 |
| Accrued Payroll | 2,031 | 1,643 | 2,031 | 1,643 |
| Accrued Liabilities | 23 | 31 | 23 | 31 |
| Estimated Liability for Compensated Absences | 6,821 | 7,607 | 6,821 | 7,607 |
| Net Pension Obligation | 4,406 | 3,221 | | 7,627 |
| Net Other Post Employment Benefit Obligation | 870 | 2,561 | | 3,431 |
| Total Liabilities | <u>\$ 386,179</u> | <u>\$ 674,174</u> | <u>\$ 731,828</u> | <u>\$ 328,525</u> |
| <u>TOTAL AGENCY FUNDS</u> | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 2 | | \$ 2 | \$ |
| Equity in City Treasury Cash | 2,572 | 2,837 | 2,088 | 3,321 |
| Cash with Fiscal Agent | 396 | | 396 | |
| Investments | 352,442 | 359,873 | 417,208 | 295,107 |
| Receivables: | | | | |
| Accounts, Net | 32,101 | 3,331 | 2,711 | 32,721 |
| Accrued Interest Receivable | 1,364 | 828 | 1,364 | 828 |
| Due from Other Governments | 304 | | 304 | |
| Inventory | 207 | 1,238 | 1,445 | |
| Total Assets | <u>\$ 389,388</u> | <u>\$ 368,107</u> | <u>\$ 425,518</u> | <u>\$ 331,977</u> |
| LIABILITIES | | | | |
| Accounts Payable | 13,995 | 256,099 | 255,455 | 14,639 |
| Due to Other Governmental Agencies | 359,178 | 403,588 | 468,643 | 294,123 |
| Accrued Payroll | 2,031 | 1,643 | 2,031 | 1,643 |
| Accrued Liabilities | 23 | 31 | 23 | 31 |
| Deposits Payable | 2,064 | 3,327 | 2,515 | 2,876 |
| Estimated Liability for Compensated Absences | 6,821 | 7,607 | 6,821 | 7,607 |
| Net Pension Obligation | 4,406 | 3,221 | | 7,627 |
| Net Other Post Employment Benefit Obligation | 870 | 2,561 | | 3,431 |
| Total Liabilities | <u>\$ 389,388</u> | <u>\$ 678,077</u> | <u>\$ 735,488</u> | <u>\$ 331,977</u> |

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**CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS**

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CITY OF CINCINNATI, OHIO
Comparative Schedule of Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31
(Amounts In Thousands)

| | <u>2008</u> | <u>2007</u> |
|---|---------------------|---------------------|
| Governmental Funds Capital Assets | | |
| Land | \$ 167,875 | \$ 168,179 |
| Buildings | 149,947 | 142,616 |
| Improvements | 338,485 | 323,425 |
| Machinery and Equipment | 153,942 | 149,771 |
| Infrastructure | 666,826 | 610,942 |
| Construction in Progress | 132,208 | 122,057 |
| Property acquired under capital leases | <u>1,173</u> | <u>1,208</u> |
| | | |
| Total Governmental Capital Assets | <u>\$ 1,610,456</u> | <u>\$ 1,518,198</u> |
| | | |
| Investment in Governmental Capital Assets | <u>\$ 1,610,456</u> | <u>\$ 1,518,198</u> |

Investment in Governmental Capital Assets by Source:

| | | |
|-------------------------------|---------------------|---------------------|
| Permanent Improvement Fund or | | |
| General Obligation Bonds | \$ 1,011,343 | \$ 953,676 |
| Federal Grants | 82,035 | 70,245 |
| State Grants | 155,265 | 149,027 |
| County Grants | 6,962 | 24,845 |
| Private | 12,114 | 9,289 |
| General Fund Revenues | 88,297 | 51,980 |
| Special Revenue Funds | 33,922 | 6,267 |
| Gifts | 2,529 | 6,709 |
| Other and Undifferentiated | <u>217,989</u> | <u>246,160</u> |
| | | |
| Total from All Sources | <u>\$ 1,610,456</u> | <u>\$ 1,518,198</u> |

CITY OF CINCINNATI, OHIO
Schedule of Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
As of December 31, 2008
(Amounts in Thousands)

| | Total | Land | Buildings | Improvements | Equipment | Infrastructure | Property Acquisition under Capital Leases | Construction In Progress |
|---|--------------|------------|------------|--------------|------------|----------------|---|--------------------------|
| Mayor and Council | \$ 92 | | | | \$ 92 | | | \$ |
| City Manager | 353 | | 48 | 4,013 | 305 | 5,093 | | |
| Economic Development | 9,106 | | | | | | | |
| Law | 52 | | | | 52 | | | |
| Human Resources | 4,416 | | | 4,405 | 11 | | | |
| Finance | 310 | | | | 310 | | | |
| Regional Computer Center | 3,823 | | | | 3,823 | | | |
| Community Development | 121,984 | 63,933 | 2,128 | 43,464 | 269 | 12,190 | | |
| Recreation | 115,028 | 6,914 | 22,020 | 82,308 | 3,578 | 208 | | |
| Parks | 41,566 | 12,722 | 12,810 | 8,350 | 2,774 | 4,910 | | |
| Buildings and Inspections | 517 | | | 91 | 426 | | | |
| Public Safety | 65,790 | 1,591 | 7,852 | 9,972 | 45,290 | 644,040 | 1,085 | |
| Transportation & Engineering | 684,255 | 22,187 | 5,450 | 11,631 | 947 | | | |
| Enterprise Services | 1,167 | 297 | | | 870 | | | |
| Public Services | 55,767 | 1,011 | 6,074 | 24,087 | 24,210 | 385 | | |
| Public Health | 13,492 | 237 | 2,736 | 8,009 | 2,510 | | | |
| Pooled, Unassigned Equipment | 911 | | | | 911 | | | |
| Southern Railway Improvement | 83,224 | | | 83,224 | | | | |
| General Government | | | | | | | | |
| Land | 58,700 | 58,700 | | | | | | |
| Buildings | 90,557 | | 90,557 | | | | | |
| Improvements | 51,745 | | | 51,745 | | | | |
| Total Governmental Capital Assets Allocated by Function | 1,402,855 | 167,592 | 149,675 | 331,299 | 86,378 | 666,826 | 1,085 | |
| Construction in Progress | 132,208 | | | | | | | 132,208 |
| Internal Service Funds: | | | | | | | | |
| Purchasing, Printing and Stores | 889 | | | | 801 | | | 88 |
| Fleet Services | 6,392 | 283 | 272 | 4,314 | 1,523 | | | |
| Street Sweeping | | | | | | | | |
| Property Management | 21 | | | 6 | 15 | | | |
| Regional Computer Center | 68,091 | | | 2,866 | 65,225 | | | |
| Total Governmental Capital Assets | \$ 1,610,456 | \$ 167,875 | \$ 149,947 | \$ 338,485 | \$ 153,942 | \$ 666,826 | \$ 1,173 | \$ 132,208 |

CITY OF CINCINNATI, OHIO
Schedule of Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Year Ended December 31, 2008
(Amounts in Thousands)

| | General Capital Assets January 1, 2008 | Additions | Deletions | General Capital Assets December 31, 2008 |
|-----------------------------------|--|-------------------|------------------|--|
| Mayor and Council | \$ 92 | \$ | \$ | \$ 92 |
| City Manager | 378 | | 25 | 353 |
| Economic Development | 9,093 | 13 | | 9,106 |
| Law | 92 | | 40 | 52 |
| Human Resources | 4,416 | | | 4,416 |
| Regional Computer Center | 3,817 | 6 | | 3,823 |
| Finance | 378 | 17 | 85 | 310 |
| Community Development | 119,708 | 3,056 | 780 | 121,984 |
| Recreation | 100,417 | 14,832 | 221 | 115,028 |
| Parks | 36,649 | 4,942 | 25 | 41,566 |
| Buildings and Inspections | 399 | 118 | | 517 |
| Public Safety | 60,546 | 8,570 | 3,326 | 65,790 |
| Transportation & Engineering | 630,480 | 53,811 | 36 | 684,255 |
| Enterprise Services | 1,167 | | | 1,167 |
| Public Services | 55,815 | 1,030 | 1,078 | 55,767 |
| Public Health | 12,756 | 736 | | 13,492 |
| Pooled, Unassigned Equipment | 1,170 | | 259 | 911 |
| Southern Railway Improvement | 83,224 | | | 83,224 |
| General Government | | | | |
| Land | 58,700 | | | 58,700 |
| Buildings | 90,557 | | | 90,557 |
| Improvements | 51,805 | | 60 | 51,745 |
| Construction in Progress | 122,057 | 82,972 | 72,821 | 132,208 |
| Internal Service Funds: | | | | |
| Purchasing, Printing and Stores | 857 | 32 | | 889 |
| Fleet Services | 6,533 | 1,047 | 1,188 | 6,392 |
| Street Sweeping | 77 | | 77 | |
| Property Management | 21 | | | 21 |
| Regional Computer Center | 66,994 | 2,173 | 1,076 | 68,091 |
| Total Governmental Capital Assets | <u>\$ 1,518,198</u> | <u>\$ 173,355</u> | <u>\$ 81,097</u> | <u>\$ 1,610,456</u> |

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SCHEDULE

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CITY OF CINCINNATI, OHIO
Outstanding Bonds and Notes
December 31, 2008

| <u>Year</u> | <u>~General Obligation Bonds and Notes</u> | <u>#Municipal Income Tax Bonds & Notes</u> | <u>@Water Works Bonds</u> | <u>*Revenue Bonds & Notes</u> | <u>@Police & Fire Pension Bonds</u> |
|-------------|--|--|-------------------------------|---------------------------------------|---|
| 1999 | \$123,050,000 | \$22,953,000 | \$110,940,000 | \$ 12,779,000 | \$ ---- |
| 2000 | 164,800,000 | 25,563,000 | 96,500,000 | 12,346,000 | 41,050,000 |
| 2001 | 175,340,000 | 23,780,000 | 82,180,000 | 104,504,000 | 40,620,000 |
| 2002 | 195,500,000 | 14,097,000 | 67,810,000 | 108,407,000 | 40,170,000 |
| 2003 | 221,750,000 | 11,717,000 | 53,340,000 | 237,450,000 | 39,700,000 |
| 2004 | 220,620,000 | 5,937,000 | 41,510,000 | 228,152,000 | 39,205,000 |
| 2005 | 217,710,000 | 13,560,000 | 31,380,000 | 332,094,000 | 42,935,000 |
| 2006 | 223,225,000 | 22,995,000 | 22,950,000 | 321,282,337 | 42,935,000 |
| 2007 | 222,868,000 | 42,655,000 | 16,400,000 | 391,750,000 | 42,365,000 |
| 2008 | 223,695,000 | 50,095,000 | 11,800,000 | 406,010,000 | 41,515,000 |

| <u>Year</u> | <u>++Urban Development Taxable Bonds</u> | <u>@Recreational Facility Bonds & Notes</u> | <u>@Off-Street Parking Facilities Bonds</u> | <u>@ Urban Renewal/ Economic Development Bonds & Notes</u> | <u>*Metropolitan Sewer District Bonds & Notes</u> |
|-------------|--|---|---|--|---|
| 1999 | \$7,200,000 | \$ 7,080,000 | \$ 2,685,000 | \$13,990,000 | \$ ---- |
| 2000 | 7,000,000 | 14,975,000 | 2,100,000 | 16,450,000 | ---- |
| 2001 | 6,790,000 | 13,855,000 | 1,750,000 | 16,440,000 | ---- |
| 2002 | 6,570,000 | 12,265,000 | 10,500,000 | 20,595,000 | ---- |
| 2003 | 6,335,000 | 10,910,000 | 10,150,000 | 18,490,000 | ---- |
| 2004 | 6,090,000 | 9,545,000 | 700,000 | 33,085,000 | ---- |
| 2005 | 5,830,000 | 8,375,000 | 350,000 | 35,046,800 | ---- |
| 2006 | 5,555,000 | 10,090,000 | ---- | 37,694,301 | ---- |
| 2007 | 5,265,000 | 10,435,000 | ---- | 26,640,000 | ---- |
| 2008 | 4,960,000 | 9,820,000 | ---- | 25,835,000 | 12,800,000 |

| <u>Year</u> | <u>@Stormwater Bonds and Notes</u> | <u>@Urban Redevelopment Bonds and Notes</u> | <u>Gross Tax Supported Debt</u> | <u>Gross Revenue Supported Debt</u> | <u>Gross Total Debt</u> |
|-------------|--|---|---|---|---------------------------------|
| 1999 | \$7,000,000 | \$ 2,895,000 | \$123,050,000 | \$187,522,000 | \$310,572,000 |
| 2000 | 6,075,000 | 2,795,000 | 164,800,000 | 224,854,000 | 389,654,000 |
| 2001 | 5,150,000 | 12,180,000 | 175,340,000 | 307,249,000 | 482,589,000 |
| 2002 | 4,225,000 | 7,305,000 | 195,500,000 | 291,944,000 | 487,444,000 |
| 2003 | 3,300,000 | 16,625,000 | 221,750,000 | 408,017,000 | 629,767,000 |
| 2004 | 2,375,000 | 16,235,000 | 220,620,000 | 382,834,000 | 603,454,000 |
| 2005 | 1,450,000 | 14,885,000 | 217,710,000 | 485,905,800 | 703,615,800 |
| 2006 | 725,000 | 13,565,000 | 223,225,000 | 477,791,638 | 701,016,638 |
| 2007 | ---- | 12,230,000 | 222,868,000 | 547,740,000 | 770,608,000 |
| 2008 | ---- | 10,870,000 | 223,695,000 | 573,705,000 | 797,400,000 |

- ~ Supported by general tax levy or special assessment levy.
- # Supported by Municipal Income Tax, but have property tax support if necessary.
- @ Supported by current revenue, but have property tax support if necessary.
- * Supported by current revenue, no tax support pledged.
- ++ Supported by current revenue, but have property tax support if necessary-taxable.

CITY OF CINCINNATI, OHIO
Schedule of Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2008

| Grantor/Program Title | Fund | CFDA # | Grant # | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures |
|---|------|--------|--------------------|--|------------------------------------|------------------|
| <i>1 U.S. Department of Agriculture</i> | | | | | | |
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * Hamilton County WIC Program | 391 | 10.557 | 31-2-001-1-CL-07 | 0 | | (21) |
| * Hamilton County WIC Program | 391 | 10.557 | 31-2-001-1-CL-08 | 52 | | |
| * Hamilton County WIC Program | 391 | 10.557 | 31-2-001-1-WA-0109 | 2614 | | (2587) |
| Total for CFDA No. 10.557 | | | | 2,666 | 0 | (2,608) |
| <i>U.S. Department of Agriculture</i> | | | | | | |
| <i>Passed through Ohio Department of Education</i> | | | | | | |
| * CACFP- Child & Adult Care Food Program | 319 | 10.558 | 31-2-001-1-CL-06 | 0 | | 0 |
| * CACFP- Child & Adult Care Food Program | 319 | 10.558 | 009070 | 103 | 0 | (36) |
| * CACFP- Child & Adult Care Food Program | 324 | 10.558 | 009070 | 40 | 0 | (57) |
| Total for CFDA No. 10.558 | | | | 143 | 0 | (93) |
| TOTAL DEPARTMENT OF AGRICULTURE | | | | 2809 | | (2701) |
| <i>2 U.S. Department of Health and Human Services</i> | | | | | | |
| <i>* Passed through Council on Aging of Southwestern Ohio</i> | | | | | | |
| * Special Programs for the Aging Title III Part B | 324 | 93.044 | | 23 | | (23) |
| (a.) Total for CFDA No. 93.044 | | | | 23 | 0 | (23) |
| * Special Programs for the Aging Title III Part C | 324 | 93.045 | | 190 | 15 | (276) |
| (a.) Total for CFDA No. 93.045 | | | | 190 | 15 | (276) |
| <i>* Passed through Cincinnati Health Network</i> | | | | | | |
| * Homeless Health Care Program | 448 | 93.151 | Contract #75-9509 | 67 | | (85) |
| * Homeless Health Care Program | 448 | 93.151 | Contract #85-9623 | 172 | | (170) |
| (b.) Total for CFDA No. 93.151 | | | | 239 | 0 | (255) |
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * Regional Lead Poisoning Prevention | 380 | 93.197 | 31-2-001-1-BE-07 | | | (8) |
| * Regional Lead Poisoning Prevention | 380 | 93.197 | 31-2-001-1-BE-08 | 64 | 1 | (72) |
| * Regional Lead Poisoning Prevention | 380 | 93.197 | 31-2-001-1-BE-09 | 20 | | (29) |
| Total for CFDA No. 93.197 | | | | 84 | 1 | (109) |
| <i>* Passed through Neighborhood Health Care</i> | | | | | | |
| * Cincinnati Health Network | 446 | 93.224 | Contract #75-9551 | | | (85) |
| * Cincinnati Health Network | 446 | 93.224 | Contract #85-9668 | | | (108) |
| Total for CFDA No. 93.224 | | | | - | - | (193) |
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * Immunization Action Plan Special | 415 | 93.268 | 31-2-001-2-AZ-07 | 67 | | (64) |
| * Immunization Action Plan Special | 415 | 93.268 | 31-2-001-2-IM-0108 | 375 | | (288) |
| Total for CFDA No. 93.268 | | | | 442 | 0 | (352) |
| <i>* U.S. Department of Health & Human Services</i> | | | | | | |
| <i>* Passed through Ohio Department of Community Dev.</i> | | | | | | |
| * Child Care & Development Block Grant | 323 | 93.575 | | 19 | | (19) |
| Total for CFDA No. 93.575 | | | | 19 | 0 | (19) |
| <i>* Passed through YMCA of Greater Cincinnati</i> | | | | | | |
| * TANF - Child Care Services | 323 | 93.558 | | 39 | | (39) |
| * TANF - Cincy After School | 319 | 93.558 | | 0 | 0 | 0 |
| Total for CFDA No. 93.558 | | | | 39 | 0 | (39) |
| <i>* U.S. Department of Health & Human Services</i> | | | | | | |
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * Social Services Block Grant | 323 | 93.667 | | 19 | | (19) |
| Total for CFDA No. 93.667 | | | | 19 | 0 | (19) |
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * Federal AIDS Prevention | 378 | 93.940 | 31-2-01-2-F-DL-SE1 | | | (191) |
| * Federal AIDS Prevention | 378 | 93.940 | 31-2-001-2-AS-08 | 118 | | (101) |
| * Federal AIDS Prevention | 378 | 93.940 | 31-2-001-2-HP-0108 | 734 | 6 | (648) |
| Total for CFDA No. 93.940 | | | | 852 | 6 | (940) |
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * STD Control Program | 378 | 93.977 | 31-2-001-2-BX-08 | | | (2) |
| * STD Control Program | 378 | 93.977 | 31-2-001-2-ST-0109 | 42 | | (63) |
| Total for CFDA No. 93.977 | | | | 42 | 0 | (65) |
| STD/HIV Prevention Training Centers | 379 | 93.978 | R30/CCR516650-08 | | | (2) |
| STD/HIV Prevention Training Centers | 379 | 93.978 | R30/CCR516650-09 | 400 | | (400) |
| Total for CFDA No. 93.978 | | | | 400 | 0 | (402) |

CITY OF CINCINNATI, OHIO
Schedule of Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2008

| Grantor/Program Title | Fund | CFDA # | Grant # | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures |
|--|------|--------|------------------------|-------------------------------------|---------------------------------|------------------|
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * Heart Health in Hamilton County | 425 | 93.991 | 31-2-001-2-ED-07 | 9 | | (53) |
| * Heart Health in Hamilton County | 425 | 93.991 | 31-2-001-2-CH-0108 | 150 | | (93) |
| Total for CFDA No. 93.991 | | | | 159 | 0 | (146) |
| <i>* Passed through Ohio Department of Health</i> | | | | | | |
| * Public Health Infrastructure | 350 | 93.283 | 31-2-001-2-B1-07 | 89 | | 0 |
| * Public Health Infrastructure | 350 | 93.283 | 31-2-001-2-B1-08 | 71 | | (82) |
| * Public Health Infrastructure | 350 | 93.283 | 31-2-001-2-PI-0209 | 18 | | (4) |
| Total for CFDA No. 93.283 | | | | 178 | 0 | (86) |
| TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | 2,686 | 22 | (2,924) |
| <i>3 U.S. Department of Housing & Urban Development</i> | | | | | | |
| * Community Development Block Grant | 304 | 14.218 | B07-MC390003 | 8,503 | | (8,503) |
| * Community Development Block Grant | 304 | 14.218 | B08-MC390003 | 3,365 | 1,536 | (5,449) |
| (c.) Total for CFDA No. 14.218 | | | | 11,868 | 1,536 | (13,952) |
| * Emergency Shelter Grant | 445 | 14.231 | S-07-MC-39-0003 | 70 | | (70) |
| * Emergency Shelter Grant | 445 | 14.231 | S-08-MC-39-0003 | 469 | | (469) |
| Total for CFDA No. 14.231 | | | | 539 | 0 | (539) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C20-0001 | 120 | | (120) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C30-0001 | 185 | | (197) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C40-0001 | 368 | | (368) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C50-0001 | 184 | | (184) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C60-0015 | 1,111 | | (1,111) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C70-0001 | 23 | | (23) |
| * HOME-Shelter Plus Care | 410 | 14.238 | OH16C70-0001 | 1,641 | | (1,641) |
| Total for CFDA No. 14.238 | | | | 3,632 | 0 | (3,644) |
| * HOME | 411 | 14.239 | M-04-MC-39-0213 | 561 | | (561) |
| * HOME | 411 | 14.239 | M-05-MC-39-0213 | 788 | | (788) |
| * HOME | 411 | 14.239 | M-07-MC-39-0213 | 179 | | (495) |
| * HOME | 411 | 14.239 | M-08-MC-39-0213 | 232 | 153 | (350) |
| * HOME | 411 | 14.239 | M-96-MC-39-0213 | 286 | | (286) |
| * HOME | 411 | 14.239 | M-97-MC-39-0213 | 489 | | (489) |
| * HOME | 411 | 14.239 | M-98-MC-39-0213 | 450 | | (450) |
| * HOME | 411 | 14.239 | Outstanding CFDA Loans | 0 | | (25,309) |
| Total for CFDA No. 14.239 | | | | 2,985 | 153 | (28,728) |
| * Housing Opportunities For People With Aids | 465 | 14.241 | O-HH-06-F001 | 54 | | (54) |
| * Housing Opportunities For People With Aids | 465 | 14.241 | O-HH-07-F001 | 469 | | (469) |
| Total for CFDA No. 14.241 | | | | 523 | 0 | (523) |
| Empowerment Zone | 386 | 14.244 | EZ-99-04-0009 | 1,180 | | (1,180) |
| Total for CFDA No. 14.244 | | | | 1,180 | 0 | (1,180) |
| FY06 HUD Grant | 472 | 14.246 | B-06-SP-OH-0779 | | | (3) |
| Total for CFDA No. 14.246 | | | | 0 | 0 | (3) |
| Lead Hazard Control Grant | 381 | 14.900 | OHLHB0360-07 | 415 | | (404) |
| Total for CFDA No. 14.900 | | | | 415 | 0 | (404) |
| TOTAL DEPARTMENT OF HOUSING & URBAN DEVELOPMENT | | | | 21,142 | 1,689 | (48,973) |
| <i>4 U.S. Department of the Interior</i> | | | | | | |
| <i>* Passed through Ohio Department of Natural Resources</i> | | | | | | |
| * ODNR-Hooked on Fishing | 324 | 15.605 | | 10 | | (9) |
| (d.) Total for CFDA No. 15.605 | | | | 10 | 0 | (9) |
| TOTAL DEPARTMENT OF THE INTERIOR | | | | 10 | 0 | (9) |
| <i>5 U.S. Department of Justice</i> | | | | | | |
| <i>* Passed through Ohio Department of Youth Services</i> | | | | | | |
| Juvenile Accountability | 368 | 16.540 | 2007-JB-015-A242 | 24 | | (9) |
| Total for CFDA No. 16.540 | | | | 24 | 0 | (9) |
| <i>* Passed through Ohio Office of Criminal Justice Services</i> | | | | | | |
| Mental Health Associates (Byrne) | 368 | 16.579 | 2006-JG-A02-6256 | 7 | | (10) |
| * Delinquency Prevention | 447 | 16.579 | 2000-DG-BOV-7655 | 1 | | 0 |
| * Computer Cop | 447 | 16.579 | 2006-JG-B01-6260 | 10 | | (10) |
| * Computer Cop | 447 | 16.579 | 2000-JG-B01-6238 | 25 | | (25) |
| Total for CFDA No. 16.579 | | | | 43 | 0 | (45) |
| <i>* Passed through Ohio Office of Criminal Justice Services</i> | | | | | | |
| * Domestic Violence Advocacy | 368 | 16.588 | 2007-WF-VA5-8583 | 54 | | (54) |

CITY OF CINCINNATI, OHIO
Schedule of Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2008

| Grantor/Program Title | Fund | CFDA # | Grant # | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures |
|--|------|--------|------------------------|-------------------------------------|---------------------------------|------------------|
| Total for CFDA No. 16.588 | | | | 54 | 0 | (54) |
| Local Law Enforcement Block Grant | 345 | 16.592 | 2004-LB-BX-0452 | | (1) | (107) |
| Total for CFDA No. 16.592 | | | | 0 | (1) | (107) |
| Bulletproof Vests | 368 | 16.607 | 100415 | 4 | | (20) |
| Total for CFDA No. 16.607 | | | | 4 | 0 | (20) |
| <i>* Passed through Ohio Office of Criminal Justice Services</i> | | | | | | |
| * Project Safe Neighborhood | 368 | 16.609 | 2006-PS-PSN-300 | 20 | | (19) |
| Total for CFDA No. 16.609 | | | | 20 | 0 | (19) |
| Computer Aided Dispatch | 980 | 16.710 | 2004-CK-WX-0135 | 309 | 0 | (225) |
| Police Risk Management Systems | 980 | 16.710 | 2003-CK-WX 0167 | 52 | 0 | (1) |
| 2005 Earmark - RMS | 368 | 16.710 | 2005-CK-WX-0118 | (143) | | |
| 2008 Earmark - RMS | 368 | 16.710 | 2005-CK-WX-0558 | 239 | | (41) |
| Total for CFDA No. 16.710 | | | | 457 | 0 | (267) |
| Justice Assistance Grant | 478 | 16.738 | 2005-DJ-BX-1383 | | | (132) |
| Justice Assistance Grant | 361 | 16.738 | 2006-DJ-BX-0957 | | | (86) |
| Justice Assistance Grant | 375 | 16.738 | 2007-DJ-BX-1160 | | 13 | |
| Justice Assistance Grant | 345 | 16.738 | 2008-DJ-BX-0307 | 196 | 1 | (98) |
| Total for CFDA No. 16.738 | | | | 196 | 14 | (316) |
| TOTAL DEPARTMENT OF JUSTICE | | | | 798 | 13 | (837) |
| <i>6 U.S. Department of Transportation</i> | | | | | | |
| Lunken Improvements - '03 | 980 | 20.106 | 3-39-0018-1603 | | | (2) |
| FAA/ODOT Local Match '06 | 980 | 20.106 | 07-07 | 175 | | |
| Total for CFDA No. 20.106 | | | | 175 | 0 | (2) |
| <i>* Passed through Ohio Department of Transportation</i> | | | | | | |
| * L & N Bridge Approach Improvements | 980 | 20.205 | PID20312 | | 239 | |
| * Hopple St., Meeker to I-75 Improv. | 980 | 20.205 | PID 04905 | | | (2) |
| * Queen City Ave-White/Wyoming | 980 | 20.205 | PID04909 | | | (3) |
| * Queen City Ave-White/Wyoming | 980 | 20.205 | PID10599 | | | 43 |
| * Ohio River Trail Salem to Downtown | 980 | 20.205 | PID20399 | | | (69) |
| * ML King Woodside to Eden | 980 | 20.205 | PID 24485 | 210 | | (223) |
| Gilbert Ave Greenway | 980 | 20.205 | PID 78010 ODOT | 168 | | (147) |
| Kennedy Connector | 980 | 20.205 | OH Dept of Dev | | | (106) |
| Columbia Pwy Access Management | 980 | 20.205 | PID 11895 ODOT | | | (207) |
| Hamilton Ave. Windmere to Groesbeck | 980 | 20.205 | PID 24503 ODOT | 987 | | (1,584) |
| Eighth Street Viaduct | 980 | 20.205 | PID 77363 | 6,725 | | (6,725) |
| Zoo-Vine St. Pedestrianbridge | 980 | 20.205 | PID 77706 | 747 | | (845) |
| Park Infrastructure Rehab | 980 | 20.205 | PID 78015 | 485 | | (468) |
| Mt. Adams Steps | 980 | 20.205 | PID 80757 | 630 | | (647) |
| Walvogel Viaduct Replacement 06 | 980 | 20.205 | PID 20082 ODOT | | | (192) |
| Sub-total for ODOT - CFDA No. 20.205 | | | | 9,952 | 239 | (11,175) |
| <i>* Passed through Governor's Highway Safety Office</i> | | | | | | |
| Law Enforcement Overtime Program | 368 | 20.600 | GG-2008-31-00-00-00195 | 82 | | (84) |
| Law Enforcement Overtime Program | 368 | 20.600 | GG-2008-31-00-00-00208 | 57 | | (39) |
| (f.) Total for CFDA No. 20.600 | | | | 139 | 0 | (123) |
| TOTAL DEPARTMENT OF TRANSPORTATION | | | | 10,266 | 239 | (11,300) |
| Brownfield Job Training | 474 | 66.815 | JT96546102 | 81 | | (78) |
| Total for CFDA No .66.815 | | | | 81 | 0 | (78) |
| TOTAL ENVIRONMENTAL PROTECTION AGENCY | | | | 81 | 0 | (78) |
| <i>8 National Park Service</i> | | | | | | |
| Mt. Airy/Kirby Valley Trail | 980 | 15.919 | RT03 (101) | 7 | | (22) |
| Mt. Auburn Hopkins Park | 980 | 15.919 | 39-CTY-1610-02-01 | 23 | | (36) |
| Total for CFDA No. 15.919 | | | | 30 | 0 | (58) |
| TOTAL NATIONAL PARK SERVICE | | | | 30 | 0 | (58) |
| <i>9 Department of Homeland Security</i> | | | | | | |
| <i>* Passed through Hamilton County Emergency Mgt. Agency</i> | | | | | | |
| * Urban Areas Security Initiative | | 97.008 | S03-UASI-31 | (61) | | 61 |
| * Urban Areas Security Initiative | | 97.008 | S04-UASI-31-0546 | (232) | | 232 |
| * Urban Areas Security Initiative | | 97.008 | S05-UASI-31-0297 | (7) | | 7 |
| * Urban Areas Security Initiative | 476 | 97.008 | S06-UASI-31-0236 | 935 | | (932) |
| * Urban Areas Security Initiative | 476 | 97.008 | S07-UASI | 104 | | (104) |
| * Urban Areas Security Initiative | 895 | 97.008 | S06-UASI-31-02326 | 171 | | (171) |

CITY OF CINCINNATI, OHIO
Schedule of Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2008

| Grantor/Program Title | Fund | CFDA # | Grant # | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures |
|---|------|--------|------------------------|--|------------------------------------|------------------|
| Total for CFDA No . 97.008 | | | | 910 | 0 | (907) |
| 9 Department of Homeland Security | | | | | | |
| <i>* Passed through Hamilton County Emergency Mgt. Agency</i> | | | | | | |
| | | | 04SHSGP | 175 | | (175) |
| | | | 05SHSGP | (9) | | 9 |
| <i>* Homeland Security Grant Program</i> | | 97.073 | 06SHSCP | <u>177</u> | | <u>(177)</u> |
| Total for CFDA No . 97.073 | | | | 343 | 0 | (343) |
| <i>* Passed through Ohio Dept. of Natural Resources</i> | | | | | | |
| <i>* Paddle Safe Cincinnati</i> | 324 | 97.012 | 2006-17 | (1) | | |
| <i>* Paddle Safe Cincinnati</i> | 324 | 97.012 | 2008-34 | 7 | | (3) |
| Total for CFDA No . 97.012 | | | | <u>6</u> | 0 | <u>(3)</u> |
| <i>* Passed through Ohio Dept. of Public Safety</i> | | | | | | |
| <i>* FEMA-Windstorm</i> | 479 | 97.036 | FEMA 1805-DR-061-15000 | | | (2,659) |
| Total for CFDA No . 97.036 | | | | <u>0</u> | 0 | <u>(2,659)</u> |
| Fire Prevention & Safety Grant | 472 | 97.044 | EMW-2006-FP-02745 | 45 | | (43) |
| Fire Prevention & Safety Grant | 343 | 97.044 | EMW-2006-FP-02745 | 4 | | (15) |
| Total for CFDA No . 97.044 | | | | <u>49</u> | 0 | <u>(58)</u> |
| <i>* Passed through Ohio Emergency Management Agency</i> | | | | | | |
| Metropolitan Medical Response System | 454 | 97.071 | S-06-MMRs6-31-0241 | 159 | | (158) |
| Metropolitan Medical Response System | 393 | 97.071 | EMW-2004-GR-0554 | | | (24) |
| Metropolitan Medical Response System | 393 | 97.071 | S-06-MMRs6-31-0241 | | | (12) |
| <i>* Metropolitan Medical Response System</i> | 454 | 97.071 | 70-0560-0-1-999 | | | (7) |
| Total for CFDA No . 97.044 | | | | <u>159</u> | 0 | <u>(201)</u> |
| <i>* Passed through Ohio Emergency Management Agency</i> | | | | | | |
| FY07 UASI | 476 | 97.067 | 0000006885 | 11 | | (11) |
| Metropolitan Medical Response System | 454 | 97.067 | 0000007023 | 42 | | (30) |
| Total for CFDA No . 97.067 | | | | <u>53</u> | 0 | <u>(41)</u> |
| TOTAL DEPARTMENT OF HOMELAND SECURITY | | | | 1,520 | 0 | (4,212) |
| TOTAL FEDERAL GRANTS & SUBSIDIES (Non-GAAP Basis) | | | | 39,342 | 1,963 | (71,092) |
| Less Amount Recognized as Contributed Capital | | | | (10,518) | | |
| Less Accrual of Federal Grant & Subsidies at 12/31/07 | | | | (675) | | |
| Plus Accrual of Federal Grant & Subsidies at 12/31/08 | | | | 784 | | |
| Less Receivable from Federal Government at 12/31/07 | | | | <u>(1,225)</u> | | |
| Amount Recognized as Federal Grants & Subsidies (GAAP Basis) | | | | <u>27,708</u> | | |

* Indicates Federal monies passed through another agency to the City of Cincinnati.

Total Community Development loans outstanding at December 31, 2008 totaled \$37,784,666 under CFDA 14.218 and \$25,309,495 under CFDA 14.239.

CITY OF CINCINNATI, OHIO
INFRASTRUCTURE INCOME TAX

In accordance with the provisions of Chapter 311 of the Cincinnati Municipal Code, an additional earnings tax of .1% shall be levied for costs related to constructing, equipping, maintaining and repair of the City's infrastructure. Such tax shall remain in effect as long as the City appropriates at least the base amount required and subsequently expends funds at a level (ninety percent of the annual base amount within three years) specified in Chapter 311, CMC.

The following data summarizes the results of the City's compliance with the infrastructure income tax requirements for 2008 and 2007.

(AMOUNTS IN THOUSANDS)

| | <u>2008</u> | <u>2007</u> |
|--|--------------------|--------------------|
| Required Base Amount | \$63,189 | \$61,064 |
| Actual Appropriated Amount | \$77,103 | \$75,771 |
| Infrastructure Expenditures - As of December 31, 2008 | \$45,148 | \$58,695 |
| Percentage of Expenditures to Base Amount | 71.4491% | 96.1205% |

I hereby certify that the City of Cincinnati appropriated for 2008 an amount sufficient to meet the requirements for continuation of the Infrastructure Income Tax. I also certify that the City of Cincinnati did expend through 2008 for the 2007 Infrastructure year more than 90% of the annual base amount, which satisfies the requirements for continuation of the Infrastructure Income Tax.



Joe Gray
Director of Finance

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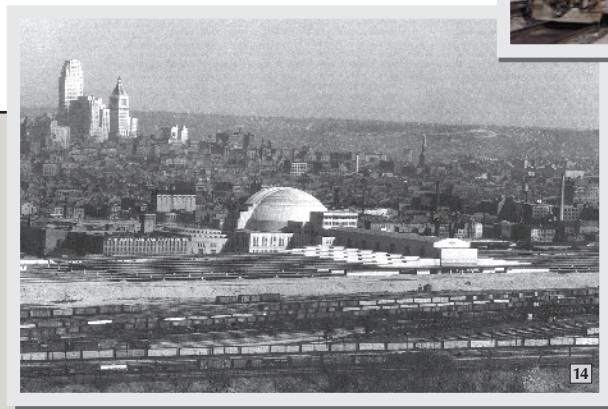


STATISTICAL SECTION



Union Terminal was very successful in the 1930s and 1940s, but by the 1950s it faced competition from automobiles and passenger airline service. The number of trains continued to decline until 1972, when the last train service to Union Terminal ended. In 1975, the City of Cincinnati bought the terminal and ran advertisements to lease the building for a \$1 per year. In 1980, a Columbus developer converted the terminal into a shopping mall; the economic downturn of the 1980s caused the project to fail.

The administrators of the Cincinnati Museum of Natural History and the Cincinnati Historical Society developed plans for a joint museum project. The spaciousness of Union Terminal, along with its history and design, made it the top choice as a location for the project. In 1990, the Cincinnati Union Terminal reopened as the Cincinnati Museum Center, featuring the Cincinnati Museum of Natural History, the Cincinnati Historical Society Museum and Library and an OMNIMAX Theater. In 1997 the Children's Museum joined the Center, helping to attract more visitors each year. The Museum Center has proven to be a great success. That success helped sustain the building; in 2008, we celebrated the 75th Anniversary since the completion of the Union Terminal Building.



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CITY OF CINCINNATI, OHIO

STATISTICAL SECTION

This section of the City of Cincinnati's comprehensive annual financial report provides detailed historical and economic information for users of the financial statements, notes to the financial statements, and required supplementary information for the purpose of assessing and evaluating the City's economic condition.

Financial Trends – This section provides information on the City's net assets, changes to net assets and fund balance for assessing the changes in financial position over time.

Revenue Capacity – This section provides information on the City's ability to generate revenue, specifically income tax (the major source of revenue for governmental activities) and property tax revenue.

Debt Capacity Information – This section provides information on the City's outstanding debt, debt limitations and the ability to leverage and pay future debt.

Demographic and Economic Information – This section provides information about the environment in which the City operates.

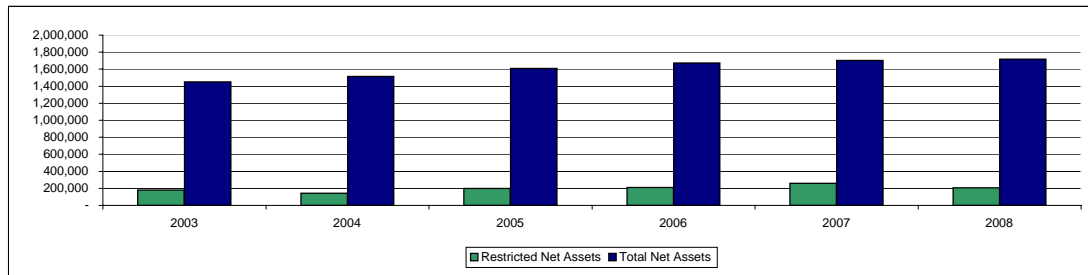
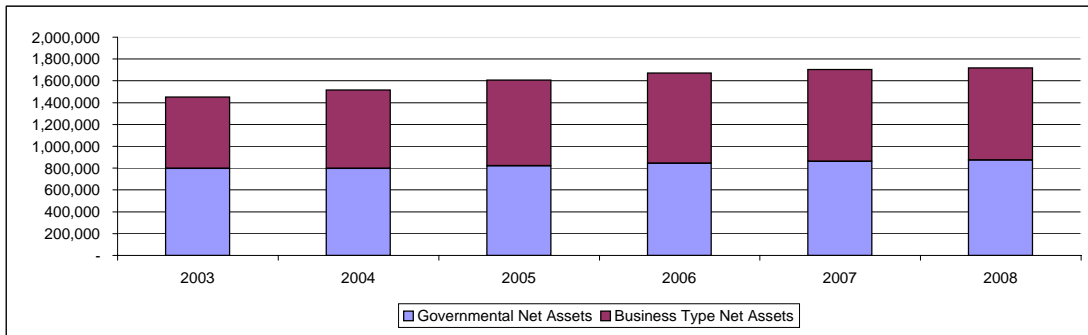
Operating Information – This section provides operating information related to the City's infrastructure, assets and services provided by function.

Sources: Unless otherwise noted, the information in these statistical schedules is from the comprehensive annual financial reports for the relevant years. The City implemented GASB 34 in 2002; schedules presenting government wide information include information beginning in that year.

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**City of Cincinnati
Financial Trends Information
Schedule 1
Net Assets by Category
Last Seven Fiscal Years
(Amounts in thousands)**

| | Fiscal Year | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Governmental Activities | | | | | | | |
| Invested in capital assets, net of related debt | \$ 490,028 | \$ 534,066 | \$ 612,373 | \$ 631,671 | \$ 648,232 | \$ 648,708 | \$ 645,883 |
| Restricted | 197,516 | 176,263 | 141,202 | 151,260 | 158,416 | 176,785 | 162,774 |
| Unrestricted | 77,502 | 86,312 | 44,747 | 37,601 | 38,353 | 37,165 | 64,412 |
| Subtotal governmental activities net assets | 765,046 | 796,641 | 798,322 | 820,532 | 845,001 | 862,658 | 873,069 |
| Business-Type activities | | | | | | | |
| Invested in capital assets, net of related debt | 526,297 | 566,748 | 639,500 | 715,004 | 752,246 | 739,650 | 707,549 |
| Restricted | 3,435 | 4,452 | 3,004 | 48,974 | 51,409 | 84,453 | 42,929 |
| Unrestricted | 105,627 | 85,048 | 75,868 | 23,457 | 23,562 | 17,250 | 95,424 |
| Subtotal business-type activities net assets | 635,359 | 656,248 | 718,372 | 787,435 | 827,217 | 841,353 | 845,902 |
| Primary Government | | | | | | | |
| Invested in capital assets, net of related debt | 1,016,325 | 1,100,814 | 1,251,873 | 1,346,675 | 1,400,478 | 1,388,358 | 1,353,432 |
| Restricted | 200,951 | 180,715 | 144,206 | 200,234 | 209,825 | 261,238 | 205,703 |
| Unrestricted | 183,129 | 171,360 | 120,615 | 61,058 | 61,915 | 54,415 | 159,836 |
| Total primary government net assets | \$ 1,400,405 | \$ 1,452,889 | \$ 1,516,694 | \$ 1,607,967 | \$ 1,672,218 | \$ 1,704,011 | \$ 1,718,971 |



City of Cincinnati, Ohio
Financial Trends Information
Schedule 2
Changes in Net Assets
Last Seven Fiscal Years
(Amounts in Thousands)

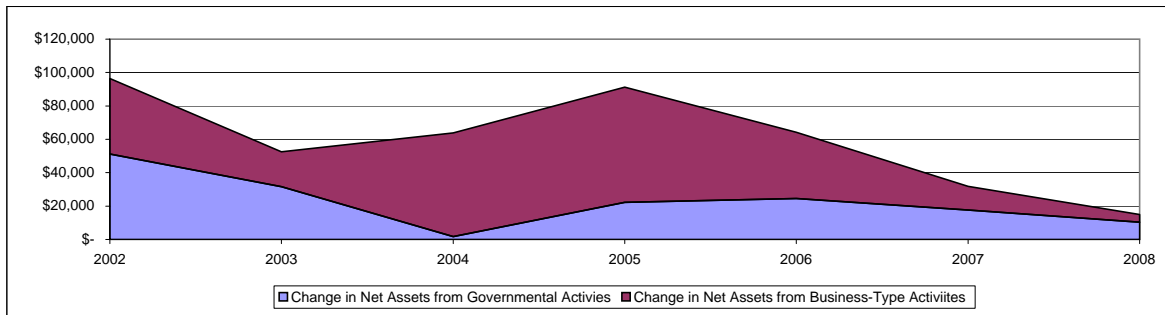
| | Fiscal Year | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Program Revenues | | | | | | | |
| Governmental Activities: | | | | | | | |
| Charges for Services | | | | | | | |
| General Government | \$ 73,052 | \$ 84,702 | \$ 101,089 | \$ 91,650 | \$ 92,798 | \$ 98,413 | \$ 100,874 |
| Community Development | 1,468 | 1,644 | 1,041 | 676 | 706 | 1,274 | 2,488 |
| Parks and Recreation | 5,922 | 6,217 | 6,726 | 5,915 | 6,939 | 7,103 | 6,833 |
| Public Safety | 8,141 | 7,634 | 9,281 | 12,562 | 16,410 | 12,083 | 16,404 |
| Transportation and Engineering | 447 | 393 | 1,278 | 1,189 | 1,247 | 1,185 | 1,583 |
| General Services | 3,926 | | | | | | |
| Public Services | 1,106 | 1,858 | 2,066 | 2,212 | 1,976 | 2,256 | 3,078 |
| Public Health | 9,046 | 9,026 | 8,009 | 8,582 | 8,286 | 9,060 | 8,216 |
| Operating Grants and Contributions | 56,719 | 53,721 | 43,405 | 43,148 | 62,757 | 38,051 | 43,632 |
| Capital Grants and Contributions | 21,247 | 27,323 | 16,834 | 13,478 | 9,954 | 12,559 | 21,502 |
| Total governmental activities program revenue | 181,074 | 192,518 | 189,729 | 179,412 | 201,073 | 181,984 | 204,610 |
| Business-type activities | | | | | | | |
| Charges for Services | | | | | | | |
| Water Works | 88,192 | 87,538 | 90,877 | 98,689 | 101,057 | 117,494 | 119,228 |
| Parking Facilities | 7,576 | 7,885 | 8,969 | 8,827 | 8,196 | 8,567 | 8,814 |
| Convention Center | 3,347 | 2,994 | 2,841 | 1,776 | 3,676 | 6,209 | 6,440 |
| General Aviation | 1,595 | 1,867 | 1,901 | 1,786 | 1,669 | 1,887 | 2,029 |
| Municipal Golf | 5,966 | 5,811 | 6,080 | 5,949 | 6,129 | 6,457 | 6,414 |
| Stormwater Management | 7,335 | 7,348 | 7,224 | 7,063 | 7,230 | 8,713 | 8,692 |
| Capital Grants and Contributions | 14,641 | 12,190 | 43,028 | 61,017 | 32,711 | 5,140 | 5,293 |
| Total business-type activities program revenues | 128,652 | 125,633 | 160,920 | 185,107 | 160,668 | 154,467 | 156,910 |
| Total primary government program revenues | \$ 309,726 | \$ 318,151 | \$ 350,649 | \$ 364,519 | \$ 361,741 | \$ 336,451 | \$ 361,520 |
| Expenses | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 102,323 | \$ 115,988 | \$ 119,686 | \$ 127,826 | \$ 139,436 | \$ 141,045 | \$ 139,727 |
| Economic Development | | | | | 68 | - | - |
| Community Development | 52,327 | 65,028 | 60,367 | 39,235 | 56,751 | 45,910 | 48,658 |
| Parks and Recreation | 34,647 | 35,496 | 37,033 | 39,438 | 40,848 | 42,069 | 44,616 |
| Public Safety | 182,135 | 192,370 | 205,338 | 218,576 | 224,724 | 235,945 | 247,924 |
| Transportation and Engineering | 24,042 | 25,378 | 30,529 | 26,472 | 37,271 | 37,734 | 37,965 |
| Transit Systems | | | | 37,712 | 41,950 | 43,814 | 45,389 |
| Enterprise Services | 51,171 | 35,558 | 37,038 | | | | |
| Public Services | 40,036 | 44,662 | 46,477 | 48,125 | 47,268 | 53,166 | 60,227 |
| Public Health | 39,297 | 40,844 | 42,437 | 44,809 | 44,227 | 43,367 | 45,703 |
| Interest on long-term debt | 17,243 | 17,618 | 18,516 | 21,767 | 18,789 | 19,034 | 21,276 |
| Total governmental activities expenses | 543,221 | 572,942 | 597,421 | 603,960 | 651,332 | 662,084 | 691,485 |
| Business-type activities | | | | | | | |
| Water Works | 78,039 | 84,142 | 88,095 | 99,895 | 99,177 | 108,314 | 113,804 |
| Parking Facilities | 7,127 | 7,416 | 6,845 | 8,637 | 9,118 | 10,397 | 8,969 |
| Convention Center | 7,715 | 7,117 | 7,057 | 6,809 | 10,359 | 14,588 | 18,372 |
| General Aviation | 1,937 | 2,083 | 1,922 | 2,032 | 2,160 | 2,319 | 2,753 |
| Municipal Golf | 5,634 | 6,282 | 5,820 | 6,266 | 6,179 | 6,428 | 6,369 |
| Stormwater Management | 4,652 | 5,829 | 5,722 | 5,739 | 7,226 | 8,258 | 8,452 |
| Total business-type activities expenses | 105,104 | 112,869 | 115,461 | 129,378 | 134,219 | 150,304 | 158,719 |
| Total primary government expenses | \$ 648,325 | \$ 685,811 | \$ 712,882 | \$ 733,338 | \$ 785,551 | \$ 812,388 | \$ 850,204 |
| Net (Expense)/Revenue | | | | | | | |
| Governmental activities | \$ (362,147) | \$ (380,424) | \$ (407,692) | \$ (424,548) | \$ (450,259) | \$ (480,100) | \$ (486,875) |
| Business-type activities | 23,548 | 12,764 | 45,459 | 55,729 | 26,449 | 4,163 | (1,809) |
| Total Primary Government Net Expense | (338,599) | (367,660) | (362,233) | (368,819) | (423,810) | (475,937) | (488,684) |

Continued

City of Cincinnati, Ohio
Financial Trends Information
Schedule 2
Changes in Net Assets
Last Seven Fiscal Years
(Amounts in Thousands)

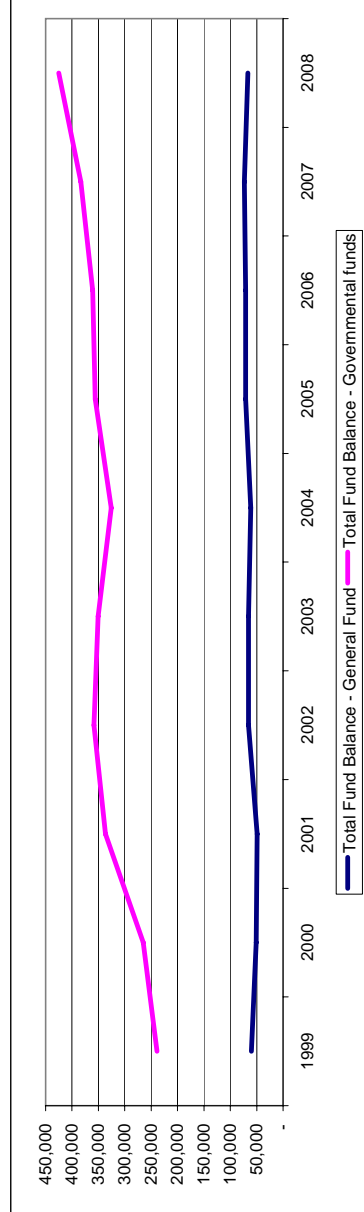
(Continued)

| | Fiscal Year | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| General Revenues and Other Changes in Net Assets | | | | | | | |
| Governmental activities: | | | | | | | |
| Tax | | | | | | | |
| Property taxes | \$ 64,051 | \$ 68,040 | \$ 67,614 | \$ 67,816 | \$ 79,996 | \$ 75,393 | \$ 75,062 |
| Income taxes | 252,790 | 259,488 | 261,712 | 297,583 | 305,254 | 304,466 | 319,565 |
| Admission taxes | 3,446 | 4,075 | 3,890 | 3,691 | 4,494 | 4,309 | 4,570 |
| Shared taxes | 66,386 | 68,018 | 72,162 | 67,304 | 63,412 | 67,927 | 73,079 |
| Occupancy Tax | | 1,449 | 1,810 | 1,909 | 1,874 | 2,131 | 2,222 |
| Unrestricted Investment earnings | 46,277 | 11,199 | 11,252 | 12,234 | 20,344 | 23,361 | 19,363 |
| Miscellaneous | 249 | 52 | 105 | 206 | 55 | 127 | 699 |
| Special Item - Gain on Sale of Property | | | | | | 16,543 | |
| Loss on disposal of assets | (5,331) | | | | | | |
| Transfers between governmental and business-type activities | (14,457) | (302) | (9,172) | (3,985) | (701) | 3,500 | 2,726 |
| Total governmental activities | 413,411 | 412,019 | 409,373 | 446,758 | 474,728 | 497,757 | 497,286 |
| Business-type activities: | | | | | | | |
| Tax | | | | | | | |
| Occupancy taxes | 1,662 | 1,019 | 1,092 | 1,230 | 1,046 | 1,274 | 1,287 |
| Unrestricted Investment earnings | 3,879 | 2,396 | 2,272 | 4,176 | 7,278 | 8,380 | 6,320 |
| Miscellaneous | 2,455 | 4,780 | 4,129 | 3,943 | 4,308 | 3,819 | 2,455 |
| Loss on disposal of assets | (870) | (372) | 0 | | | | |
| Special Item - Fixed Asset Impairment | | | | | | | (978) |
| Transfers between governmental and business-type activities | 14,457 | 302 | 9,172 | 3,985 | 701 | (3,500) | (2,726) |
| Total business-type activities | 21,583 | 8,125 | 16,665 | 13,334 | 13,333 | 9,973 | 6,358 |
| Total Primary Governmental Activities | 434,994 | 420,144 | 426,038 | 460,092 | 488,061 | 507,730 | 503,644 |
| Change in Net Assets | | | | | | | |
| Governmental activities | \$ 51,264 | \$ 31,595 | \$ 1,681 | \$ 22,210 | \$ 24,469 | \$ 17,657 | \$ 10,411 |
| Business-type activities | 45,131 | 20,889 | 62,124 | 69,063 | 39,782 | 14,136 | 4,549 |
| Total Primary Governmental Activities | \$ 96,395 | \$ 52,484 | \$ 63,805 | \$ 91,273 | \$ 64,251 | \$ 31,793 | \$ 14,960 |



City of Cincinnati
Financial Trends Information
Schedule 3
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Amounts in Thousands)

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 13,235 | \$ 12,241 | \$ 11,086 | \$ 12,263 | \$ 14,138 | \$ 12,894 | \$ 15,229 | \$ 13,712 | \$ 17,406 | \$ 13,226 |
| Unreserved | 46,617 | 38,577 | 38,239 | 53,078 | 51,339 | 48,539 | 55,994 | 57,392 | 56,058 | 53,471 |
| Total General Fund | 59,852 | 50,818 | 49,325 | 65,341 | 65,477 | 61,433 | 71,223 | 71,104 | 73,464 | 66,697 |
| Capital Projects Fund | | | | | | | | | | |
| Reserved | 35,031 | 52,217 | 98,255 | 76,025 | 66,639 | 65,634 | 72,364 | 66,454 | 67,052 | 103,682 |
| Unreserved | 52,448 | 59,576 | 77,571 | 112,658 | 97,142 | 87,925 | 94,921 | 94,446 | 109,614 | 105,996 |
| Total Capital Projects Fund | 87,479 | 111,793 | 175,826 | 188,683 | 163,781 | 153,559 | 167,285 | 160,900 | 176,666 | 209,678 |
| Debt Service Fund | | | | | | | | | | |
| Reserved | 16,467 | 25,375 | 34,636 | 36,971 | 53,534 | 44,240 | 44,780 | 51,256 | 55,545 | 65,660 |
| Unreserved | - | - | - | - | - | - | - | - | - | 1,425 |
| Total Debt Service Fund | 16,467 | 25,375 | 34,636 | 36,971 | 53,534 | 44,240 | 44,780 | 51,256 | 55,545 | 67,085 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 38,857 | 40,857 | 60,030 | 54,770 | 47,549 | 42,488 | 41,709 | 45,472 | 40,850 | 45,987 |
| Unreserved | 36,036 | 36,284 | 16,902 | 12,431 | 19,918 | 23,789 | 31,275 | 31,898 | 36,644 | 35,684 |
| Total Other Governmental Funds | 74,893 | 77,141 | 76,932 | 67,201 | 67,467 | 66,277 | 72,984 | 77,370 | 77,494 | 81,671 |
| Total Fund Balance, Governmental Funds | \$ 238,691 | \$ 265,127 | \$ 336,719 | \$ 358,196 | \$ 350,259 | \$ 325,509 | \$ 356,272 | \$ 360,630 | \$ 383,169 | \$ 425,131 |
| Estimated Liability for Compensated Absences | \$ 6,003 | \$ 6,359 | \$ 6,645 | \$ 6,985 | \$ 7,248 | \$ 7,433 | \$ 7,624 | \$ 7,923 | \$ 8,340 | \$ 8,683 |



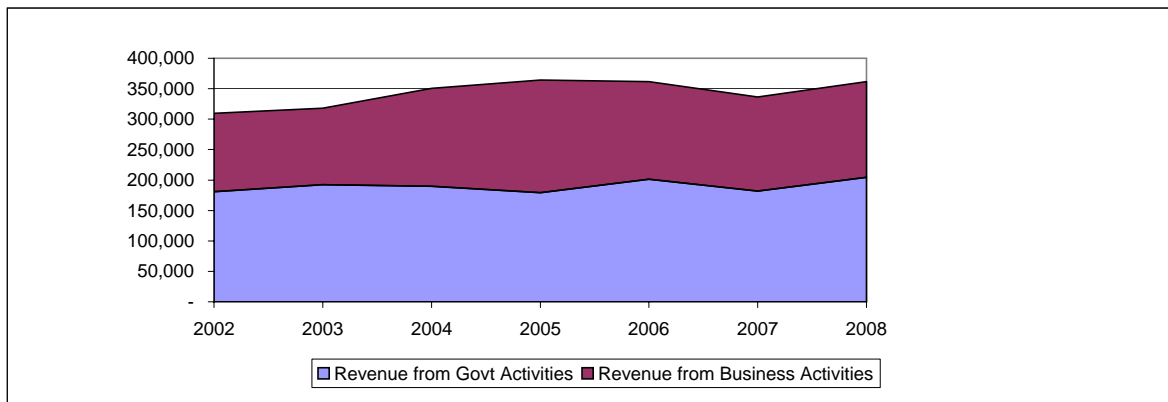
Note: In 2004 a reserve of fund balance was created for the Estimated Liability for Compensated Absences. In prior years this amount has been included in the liability section of the financial statements. Prior years have been restated.

City of Cincinnati
Financial Trends Information
Schedule 4
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Amounts in Thousands)

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 308,885 | \$ 314,404 | \$ 317,263 | \$ 317,356 | \$ 331,539 | \$ 339,750 | \$ 357,636 | \$ 384,108 | \$ 392,302 | \$ 398,520 |
| Licenses and Permits | 8,017 | 8,975 | 9,647 | 9,483 | 9,331 | 9,844 | 10,449 | 10,917 | 11,516 | 11,302 |
| Use of Money and Property | 37,402 | 43,468 | 90,005 | 69,724 | 37,509 | 49,532 | 37,413 | 46,741 | 52,347 | 45,223 |
| Special Assessments | 3,661 | 3,425 | 3,300 | 3,987 | 3,162 | 3,918 | 4,183 | 4,048 | 4,257 | 4,327 |
| Intergovernmental Revenue | 67,973 | 65,333 | 70,092 | 73,332 | 75,209 | 70,976 | 75,976 | 67,800 | 69,001 | 77,737 |
| Federal Grants | 101,078 | 108,438 | 54,753 | 65,408 | 56,349 | 40,343 | 33,723 | 56,410 | 32,613 | 32,613 |
| State Grants and Subsidies | 21,170 | 17,526 | 43,605 | 8,757 | 6,853 | 8,933 | 3,263 | 7,545 | 4,429 | 22,584 |
| Charges for Current Services | 25,452 | 25,039 | 25,357 | 27,917 | 24,006 | 26,483 | 27,441 | 29,979 | 31,448 | 32,326 |
| Miscellaneous | 7,398 | 10,552 | 7,282 | 5,694 | 11,478 | 14,662 | 14,460 | 6,908 | 6,584 | 5,744 |
| Total Revenue | 581,036 | 597,160 | 621,304 | 581,668 | 556,036 | 565,560 | 564,564 | 614,456 | 613,690 | 630,376 |
| Expenditures | | | | | | | | | | |
| Current | | | | | | | | | | |
| General Government | 62,013 | 67,076 | 67,276 | 54,140 | 52,119 | 52,081 | 46,751 | 49,555 | 51,621 | 51,828 |
| Community Development | | | | 15,030 | 46,978 | 27,128 | 10,263 | 9,575 | 8,934 | 13,087 |
| Parks and Recreation | 26,336 | 26,398 | 28,393 | 27,588 | 28,411 | 27,921 | 28,360 | 30,626 | 30,746 | 30,037 |
| Public Safety | 130,434 | 124,839 | 131,084 | 136,615 | 142,126 | 151,301 | 154,319 | 168,514 | 171,533 | 180,415 |
| Transportation and Engineering | 1,236 | 5,117 | 4,576 | 4,783 | 7,328 | 7,220 | 7,386 | 7,586 | 8,422 | 7,194 |
| Transit System | | | | | | | 37,672 | 41,950 | 43,820 | 45,389 |
| General Services | 46,451 | 48,661 | 49,241 | 46,654 | 35,588 | 37,588 | - | - | 38,371 | 39,754 |
| Public Services | 20,830 | 32,857 | 33,971 | 33,261 | 35,358 | 34,776 | 33,724 | 33,529 | 33,461 | 32,235 |
| Public Health | 30,427 | 31,863 | 33,738 | 33,497 | 34,632 | 35,056 | 34,225 | 34,752 | 33,461 | 32,235 |
| Employee Benefits | 52,310 | 50,735 | 53,028 | 56,131 | 58,645 | 67,591 | 72,318 | 77,986 | 84,415 | 81,586 |
| Capital Outlay | 205,216 | 227,892 | 148,419 | 132,843 | 121,460 | 128,012 | 96,133 | 152,032 | 114,358 | 130,585 |
| Debt Services: | | | | | | | | | | |
| Principal Retirement | 45,387 | 46,472 | 66,400 | 47,148 | 55,385 | 48,914 | 35,514 | 50,581 | 53,079 | 34,398 |
| Interest | 9,939 | 13,863 | 17,098 | 17,402 | 17,457 | 18,599 | 18,054 | 18,878 | 19,298 | 21,006 |
| Police and Fire Prior Service Costs | | | | | | | | | | |
| Bond Issuance Cost | | | | 377 | 707 | 342 | 679 | 389 | 1,059 | 1,403 |
| Total Expenditures | 630,579 | 717,189 | 633,224 | 607,469 | 636,164 | 636,529 | 575,418 | 675,963 | 659,117 | 668,919 |
| Excess(Deficiency) of Revenues over(under) Expenditures | (49,543) | (120,029) | (11,920) | (25,811) | (80,128) | (70,969) | (10,854) | (61,507) | (45,427) | (38,543) |
| Other Financing Sources(Uses) | | | | | | | | | | |
| General Obligation Bonds and Notes Issued | 48,019 | 142,387 | 73,623 | 54,380 | 58,840 | 55,695 | 44,431 | 61,190 | 50,500 | 41,600 |
| Refunding Bonds Issued | | | | | | 2,130 | 40,470 | 6,067 | 52,005 | |
| Payment to Refunded Bonds Escrow Agent | | | | | | (2,130) | (40,292) | | 2,300 | |
| State Loans Received | | | | | | | | | | |
| Capital Lease Agreements | | | | | | | | | | |
| Revenue Bonds Issued | 116 | 9 | | 7,270 | 20,505 | 3,213 | 1,021 | 720 | 9,995 | 35,280 |
| Premium on Bonds Issued | | | | 413 | 821 | | | | 1,133 | |
| Discount on Revenue Bonds | | | | | (70) | | | | (654) | |
| State Loan | | | | 363 | | | | | | |
| Other Transfers | | | | 14,069 | | | | | | |
| Net Operating Interest Income | (344) | | | | | | | | | |
| Operating Transfers In | 102,635 | 247,061 | 161,267 | 76,886 | 92,337 | 117,408 | 39,280 | 48,532 | 85,960 | 130,747 |
| Operating Transfers(Out) | (101,063) | (242,831) | (169,601) | (97,581) | (100,582) | (130,097) | (43,293) | (50,664) | (82,030) | (127,701) |
| Total Other Financing Sources(Uses) | 49,363 | 146,626 | 79,721 | 46,976 | 71,928 | 46,219 | 41,617 | 65,865 | 67,966 | 80,505 |
| Net change in fund balances | \$ (180) | \$ 26,597 | \$ 67,801 | \$ 21,165 | \$ (8,200) | \$ (24,750) | \$ 30,763 | \$ 4,358 | \$ 22,539 | \$ 41,962 |
| Debt service as a Percentage of Noncapital Expenditures | 13.01% | 20.80% | 17.22% | 13.68% | 14.29% | 13.34% | 11.32% | 13.33% | 13.48% | 10.55% |

City of Cincinnati
Financial Trends Information
Schedule 5
Program Revenues by Function (Optional Schedule)
Last Seven Fiscal Years
(Amounts in Thousands)

| Function/Program | Program Revenue | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Governmental Activities: | | | | | | | |
| General Government | \$ 77,750 | \$ 94,357 | \$ 106,815 | \$ 94,598 | \$ 100,473 | \$ 110,447 | \$ 103,886 |
| Community Development | 46,610 | 37,877 | 28,716 | 32,316 | 39,478 | 25,617 | 25,404 |
| Parks and Recreation | 9,309 | 10,949 | 8,958 | 7,655 | 10,897 | 9,832 | 13,888 |
| Public Safety | 10,032 | 11,577 | 12,818 | 15,997 | 31,978 | 17,649 | 21,909 |
| Transportation and Engineering | 18,027 | 21,396 | 16,319 | 11,232 | 1,608 | 253 | 18,842 |
| Transit System | | | | | | | |
| Enterprise Services | 3,926 | | | | | | |
| Public Services | 1,106 | 1,858 | 2,066 | 2,326 | 2,036 | 2,296 | 4,968 |
| Public Health | 14,314 | 14,504 | 14,037 | 15,288 | 14,603 | 15,890 | 15,713 |
| Subtotal governmental activities program revenue | 181,074 | 192,518 | 189,729 | 179,412 | 201,073 | 181,984 | 204,610 |
| Business-type activities | | | | | | | |
| Water Works | 98,729 | 96,199 | 95,940 | 113,153 | 106,703 | 122,429 | 122,327 |
| Parking Facilities | 7,576 | 7,891 | 8,969 | 8,827 | 8,218 | 8,610 | 8,822 |
| Convention Center | 7,272 | 6,051 | 40,613 | 48,064 | 29,101 | 6,209 | 7,505 |
| General Aviation | 1,774 | 2,324 | 2,076 | 2,051 | 1,987 | 1,983 | 2,103 |
| Municipal Golf | 5,966 | 5,811 | 6,080 | 5,949 | 7,429 | 6,511 | 6,776 |
| Stormwater Management | 7,335 | 7,357 | 7,242 | 7,063 | 7,230 | 8,725 | 9,377 |
| Subtotal business-type activities program revenues | 128,652 | 125,633 | 160,920 | 185,107 | 160,668 | 154,467 | 156,910 |
| Total primary government program revenues | \$ 309,726 | \$ 318,151 | \$ 350,649 | \$ 364,519 | \$ 361,741 | \$ 336,451 | \$ 361,520 |

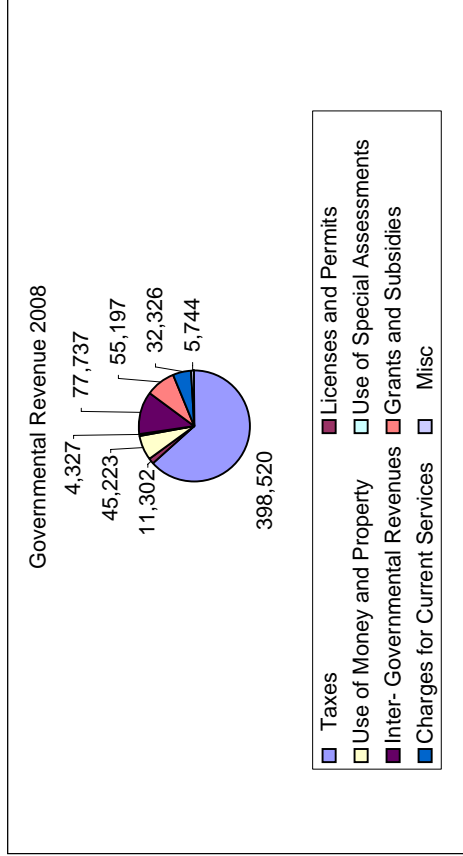


City of Cincinnati
Financial Trends Information
Schedule 6
Total Revenue by Source, Governmental Funds
Last Ten Fiscal Years
(Amounts in Thousands)

| Fiscal Year | Taxes | Licenses and Permits | Use of Money and Property | Special Assessments | Inter-Governmental Revenues | Grants and Subsidies | Charges for Current Services | Misc | Total |
|------------------|---------|----------------------|---------------------------|---------------------|-----------------------------|----------------------|------------------------------|--------|---------|
| 1999 | 308,885 | 8,017 | 37,402 | 3,661 | 67,973 | 122,248 | 25,452 | 7,398 | 581,036 |
| 2000 | 314,404 | 8,975 | 43,468 | 3,425 | 65,333 | 125,964 | 25,039 | 10,552 | 597,160 |
| 2001 | 317,263 | 9,647 | 90,005 | 3,300 | 70,092 | 98,358 | 25,357 | 7,282 | 621,304 |
| 2002 | 317,356 | 9,483 | 69,724 | 3,987 | 73,332 | 65,408 | 36,674 | 5,718 | 581,682 |
| 2003 | 331,539 | 9,331 | 37,509 | 3,762 | 75,209 | 63,202 | 24,006 | 11,478 | 556,036 |
| 2004 | 339,750 | 9,844 | 49,532 | 3,918 | 72,095 | 49,276 | 26,483 | 14,662 | 565,560 |
| 2005 | 357,636 | 10,449 | 37,413 | 4,183 | 75,976 | 37,006 | 27,441 | 14,460 | 564,564 |
| 2006 | 384,108 | 10,917 | 46,741 | 4,048 | 67,800 | 63,955 | 29,979 | 6,908 | 614,456 |
| 2007 | 392,302 | 11,516 | 52,347 | 4,257 | 69,001 | 46,235 | 31,448 | 6,584 | 613,690 |
| 2008 | 398,520 | 11,302 | 45,223 | 4,327 | 77,737 | 55,197 | 32,326 | 5,744 | 630,376 |
| Change 1999-2008 | 29.0% | 41.0% | 20.9% | 18.2% | 14.4% | -54.8% | 27.0% | -22.4% | 8.5% |

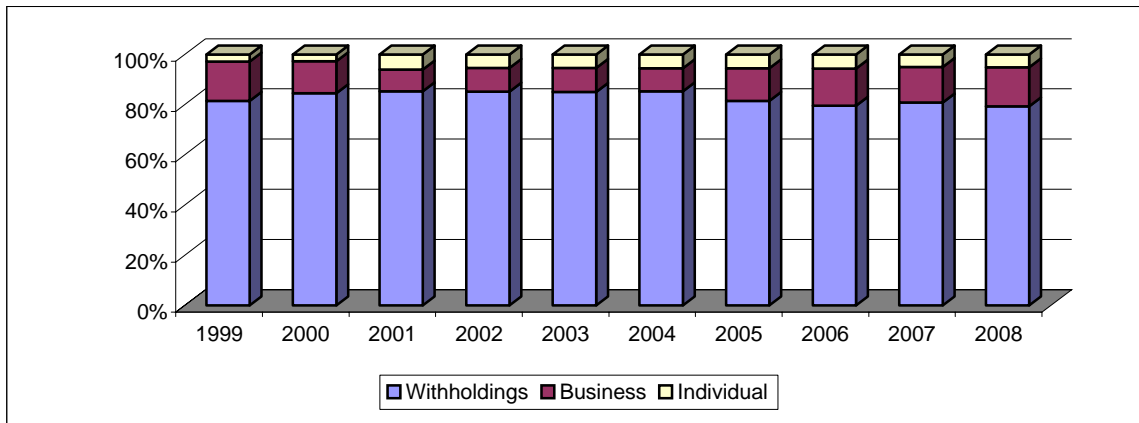
City of Cincinnati
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(Amounts in Thousands)

| Fiscal Year | Income Tax | Property Tax | Admissions Tax | Occupancy Tax | Tax Revenue |
|------------------|------------|--------------|----------------|---------------|-------------|
| 1999 | 247,848 | 58,403 | 2,634 | | 308,885 |
| 2000 | 249,174 | 61,895 | 3,335 | | 314,404 |
| 2001 | 251,824 | 62,190 | 3,249 | | 317,263 |
| 2002 | 251,694 | 62,216 | 3,446 | | 317,356 |
| 2003 | 258,936 | 67,079 | 4,075 | 1,449 | 331,539 |
| 2004 | 267,331 | 66,694 | 3,915 | 1,810 | 339,750 |
| 2005 | 285,116 | 66,956 | 3,673 | 1,891 | 357,636 |
| 2006 | 298,603 | 79,138 | 4,493 | 1,874 | 384,108 |
| 2007 | 311,327 | 74,534 | 4,310 | 2,131 | 392,302 |
| 2008 | 317,532 | 74,196 | 4,570 | 2,222 | 398,520 |
| Change 1999-2008 | 28.1% | 27.0% | 73.5% | 22.8% | 29.0% |



**City of Cincinnati
Revenue Capacity
Schedule 1
Income Tax Revenue Base and Collections
Cash Basis
Last Ten Fiscal Years
(in thousands)**

| Tax Year | Individual | % Total | Business | % Total | Withholding | % Total |
|-----------------|-------------------|----------------|-----------------|----------------|--------------------|----------------|
| 1999 | 7,009 | 2.8% | 39,020 | 15.7% | 202,503 | 81.5% |
| 2000 | 7,125 | 2.8% | 32,606 | 12.7% | 217,183 | 84.5% |
| 2001 | 16,195 | 6.1% | 22,939 | 8.6% | 226,358 | 85.3% |
| 2002 | 14,295 | 5.5% | 24,517 | 9.4% | 223,295 | 85.2% |
| 2003 | 14,654 | 5.4% | 25,676 | 9.5% | 228,875 | 85.0% |
| 2004 | 15,046 | 5.5% | 25,080 | 9.2% | 233,142 | 85.3% |
| 2005 | 16,226 | 5.5% | 38,407 | 13.0% | 240,200 | 81.5% |
| 2006 | 17,984 | 5.7% | 46,714 | 14.8% | 251,446 | 79.5% |
| 2007 | 16,206 | 5.1% | 44,812 | 14.0% | 258,136 | 80.9% |
| 2008 | 17,414 | 5.2% | 51,676 | 15.5% | 264,806 | 79.3% |



Note: 1. In years 1999 and 2000 sole proprietor income is included in business income.
2. The income tax rate is 2.1%.

Source: Cincinnati Income Tax Division

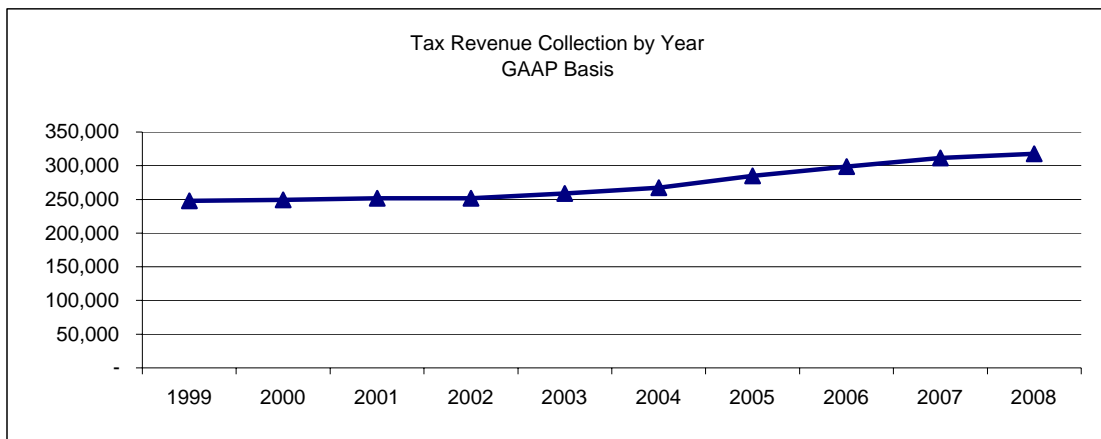
**City of Cincinnati
Revenue Capacity
Schedule 2
Income Tax Revenues
Last Ten Fiscal Years
(in thousands)**

Non GAAP Budgetary Basis

| Year | General Fund | Transit Fund | Infrastructure Fund | Permanent Improvement Fund | Total | % Inc(Dec) PriorYr |
|------|--------------|--------------|---------------------|----------------------------|---------|--------------------|
| 1999 | 180,500 | 35,360 | 11,787 | 19,875 | 247,522 | 4.80% |
| 2000 | 183,035 | 35,426 | 11,809 | 17,713 | 247,983 | 0.19% |
| 2001 | 188,598 | 36,503 | 12,168 | 18,251 | 255,520 | 3.04% |
| 2002 | 185,259 | 35,856 | 11,952 | 17,928 | 250,995 | -1.77% |
| 2003 | 187,993 | 36,802 | 12,267 | 20,550 | 257,612 | 2.64% |
| 2004 | 193,411 | 37,434 | 12,478 | 18,717 | 262,040 | 1.72% |
| 2005 | 210,536 | 40,749 | 13,583 | 20,375 | 285,243 | 8.85% |
| 2006 | 219,000 | 43,149 | 14,383 | 25,512 | 302,044 | 5.89% |
| 2007 | 225,008 | 43,840 | 14,614 | 23,421 | 306,883 | 1.60% |
| 2008 | 231,758 | 45,821 | 15,274 | 27,898 | 320,751 | 4.52% |

GAAP Basis

| Year | General Fund | Transit Fund | Infrastructure Fund | Permanent Improvement Fund | Total | % Inc(Dec) PriorYr |
|------|--------------|--------------|---------------------|----------------------------|---------|--------------------|
| 1999 | 180,741 | 35,407 | 11,802 | 19,898 | 247,848 | 3.83% |
| 2000 | 183,905 | 35,594 | 11,865 | 17,810 | 249,174 | 0.54% |
| 2001 | 185,508 | 35,904 | 11,968 | 18,444 | 251,824 | 1.06% |
| 2002 | 186,137 | 36,026 | 12,009 | 17,522 | 251,694 | -0.05% |
| 2003 | 188,971 | 36,991 | 12,330 | 20,644 | 258,936 | 2.88% |
| 2004 | 197,616 | 38,248 | 12,750 | 18,717 | 267,331 | 3.24% |
| 2005 | 210,415 | 40,726 | 13,575 | 20,364 | 285,080 | 6.64% |
| 2006 | 216,323 | 42,631 | 14,210 | 25,439 | 298,603 | 4.74% |
| 2007 | 226,704 | 44,168 | 14,723 | 25,732 | 311,327 | 4.26% |
| 2008 | 229,381 | 45,362 | 15,121 | 27,668 | 317,532 | 1.99% |



**City of Cincinnati
Revenue Capacity
Schedule 3
Assessed Valuations and Estimated True Values
Last Ten Years**

Assessed Valuations

| Year | Real Property | Public Utility Property | Tangible Personal Property | Total | Direct Tax Rate |
|-------------|----------------------|--------------------------------|-----------------------------------|---------------|------------------------|
| 1999 | 3,749,677,500 | 398,949,700 | 664,939,340 | 4,813,566,540 | 11.46 |
| 2000 | 4,363,343,290 | 400,519,090 | 674,101,770 | 5,437,964,150 | 10.90 |
| 2001 | 4,363,447,780 | 377,645,690 | 687,613,910 | 5,428,707,380 | 10.76 |
| 2002 | 4,379,262,050 | 304,549,100 | 644,918,170 | 5,328,729,320 | 10.76 |
| 2003 | 4,871,308,460 | 319,863,560 | 535,538,450 | 5,726,710,470 | 10.63 |
| 2004 | 4,930,272,530 | 323,749,180 | 536,114,777 | 5,790,136,487 | 10.36 |
| 2005 | 4,836,981,760 | 319,434,990 | 542,827,280 | 5,699,244,030 | 10.34 |
| 2006 | 5,507,516,440 | 324,806,710 | 412,447,200 | 6,244,770,350 | 10.19 |
| 2007 | 5,522,872,120 | 312,711,570 | 337,541,870 | 6,173,125,560 | 9.93 |
| 2008 | 5,523,140,570 | 259,754,620 | 182,812,120 | 5,965,707,310 | 9.89 |

The current assessed valuation for 2008 is computed at approximately the following percentages of estimated true value:

real property - 35%; public utilities, tangible personal property machinery and equipment, and inventory - various.

For real property, the estimated true values for the last ten years are computed as follows:

| Year | Estimated True Values | Year | Estimated True Values |
|-------------|------------------------------|-------------|------------------------------|
| 1999 | \$ 10,713,364,285 | 2004 | \$ 14,086,492,943 |
| 2000 | 12,466,695,114 | 2005 | 13,819,947,886 |
| 2001 | 12,466,993,657 | 2006 | 15,735,761,257 |
| 2002 | 12,512,177,286 | 2007 | 15,779,634,629 |
| 2003 | 13,918,024,171 | 2008 | 15,780,401,629 |

For public utility property and tangible personal property, the City is not able to calculate estimated true values for the last ten years because the tangible personal property components (machinery and equipment, and business inventory) have been assessed over the years at different percentages.

**City of Cincinnati
Revenue Capacity
Schedule 4
Property Tax Rates - Direct and Overlapping Governments
Last Ten Years**

| Year | Year | City Levy | School Levy | County Levy | Total Levy | Residential Effective Millage | Commercial Effective Millage | Debt Service Included in City and Total Levy |
|-------------|-------------|------------------|--------------------|--------------------|-------------------|--------------------------------------|-------------------------------------|---|
| 1998 for | 1999 | 11.46 | 53.13 | 19.54 | 84.13 | 62.02 | 67.08 | 5.36 |
| 1999 for | 2000 | 10.90 | 51.94 | 20.83 | 83.67 | 56.98 | 63.10 | 5.36 |
| 2000 for | 2001 | 10.76 | 56.93 | 19.92 | 87.61 | 61.15 | 67.53 | 5.36 |
| 2001 for | 2002 | 10.76 | 57.15 | 21.47 | 89.38 | 62.83 | 69.32 | 5.36 |
| 2002 for | 2003 | 10.63 | 56.25 | 21.87 | 88.75 | 58.94 | 66.70 | 5.36 |
| 2003 for | 2004 | 10.36 | 60.75 | 21.51 | 92.62 | 62.90 | 70.98 | 5.36 |
| 2004 for | 2005 | 10.34 | 60.83 | 21.06 | 92.23 | 64.21 | 71.87 | 5.36 |
| 2005 for | 2006 | 10.19 | 59.77 | 20.81 | 90.77 | 57.61 | 68.60 | 5.36 |
| 2006 for | 2007 | 9.93 | 59.37 | 20.18 | 89.48 | 56.94 | 67.99 | 5.36 |
| 2007 for | 2008 | 9.89 | 59.67 | 20.56 | 90.12 | 57.57 | 68.69 | 5.36 |

Note: Rates are expressed as dollars of tax per thousand dollars of taxable valuation.

Source: Hamilton County Auditor's Office

**City of Cincinnati
Revenue Capacity
Schedule 5
Principal Property Taxpayers
Current Year and Nine Years Ago**

| Taxpayer | 2008 | | | 1999 | | |
|---------------------------------|------------------------|------|------------------------------------|------------------------|------|------------------------------------|
| | Taxable Assessed Value | Rank | Percentage of Total Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Assessed Value |
| Duke Energy (aka Cinergy) | 266,271,770 | 1 | 4.48% | 308,384,170 | 1 | 6.41% |
| The Procter and Gamble Co | 62,975,800 | 2 | 1.06% | 128,653,610 | 2 | 2.37% |
| Cincinnati Bell Telephone Inc | 34,557,140 | 3 | 0.58% | 95,172,510 | 3 | 1.98% |
| Carew Realty Inc | 29,263,860 | 4 | 0.49% | | | |
| Ohio Teachers Retirement System | 26,250,000 | 5 | 0.44% | 26,775,000 | 7 | 0.56% |
| Columbia Development | 24,239,670 | 6 | 0.41% | 28,000,000 | 6 | 0.58% |
| Fifth Third Bank | 21,799,510 | 7 | 0.37% | | | |
| Jewish Health Systems, Inc | 20,496,940 | 8 | 0.35% | | | |
| Regency Centers LP | 19,619,800 | 9 | 0.33% | | | |
| Centro NP Residual Pool | 15,477,130 | 10 | 0.26% | | | |
| Emery Realty | | | | 30,975,000 | 4 | 0.64% |
| Prudential Insurance | | | | 28,000,000 | 5 | 0.58% |
| Unova Industrial | | | | | | |
| Fath Properties Limited | | | | | | |
| Senior Lifestyle | | | | 19,285,280 | 10 | 0.40% |
| Hewlett Packard Co | | | | | | |
| Fifth Third Center | | | | 21,350,000 | 8 | 0.44% |
| Total | 520,951,620 | | 8.77% | 707,595,570 | | 14.40% |

Total Assessed Value

Source: Hamilton County Auditors' Office

Note:

1. Assessed Valuation is based on both the personal and real property valuation of the largest property holder in the city.
2. The total assessed valuation figure is the 2008 valuation for 2009 real property tax collections.

City of Cincinnati
Revenue Capacity
Schedule 6
Property Tax Levy and Collections
Last Ten Years
(in thousands)

| Year | Net Tax Levy | Current Collections | Percentage of Current Collections to Net Levy | Prior Year Collections | Total Collections | Percentage of Total Collections to Net Levy |
|-------------|-------------------------|--------------------------------|--|-----------------------------------|------------------------------|--|
| 1999 | 56,218 | 52,974 | 94.23% | 1,987 | 54,961 | 97.76% |
| 2000 | 59,878 | 56,588 | 94.51% | 2,282 | 58,870 | 98.32% |
| 2001 | 59,536 | 56,064 | 94.17% | 2,230 | 58,294 | 97.91% |
| 2002 | 58,201 | 54,858 | 94.26% | 2,271 | 57,129 | 98.16% |
| 2003 | 62,769 | 58,366 | 92.99% | 2,580 | 60,946 | 97.10% |
| 2004 | 61,664 | 56,720 | 91.98% | 2,740 | 59,460 | 96.43% |
| 2005 | 60,536 | 56,162 | 92.77% | 2,696 | 58,858 | 97.23% |
| 2006 | 65,893 | 61,046 | 92.64% | 3,279 | 64,325 | 97.62% |
| 2007 | 65,406 | 59,879 | 91.55% | 3,148 | 63,027 | 96.36% |
| 2008 | 63,909 | 59,067 | 92.42% | 2,978 | 62,045 | 97.08% |

City of Cincinnati
Revenue Capacity
Schedule 7
Water Works
Top Ten Retail Customer Data
For The Year Ended December 31, 2008

| RANK | NAME OF CUSTOMER | TOTAL CONSUMPTION, | | TOTAL CONSUMPTION, | | TOTAL CHARGES | | TOTAL CHARGES | |
|------|----------------------------------|------------------------|----------------------|------------------------------|--------------------------|---------------|--------------------------|---------------|--|
| | | HUNDREDS OF CUBIC FEET | THOUSANDS OF GALLONS | PERCENT OF TOTAL CONSUMPTION | PERCENT OF TOTAL CHARGES | TOTAL CHARGES | PERCENT OF TOTAL CHARGES | | |
| 1 | University of Cincinnati | 657,534 | 491,798 | 1.18% | \$ 710,045 | 0.64% | | | |
| 2 | Cognis Corporation | 523,851 | 391,811 | 0.94% | \$ 677,214 | 0.61% | | | |
| 3 | Wornick Company | 406,438 | 303,992 | 0.73% | \$ 644,728 | 0.58% | | | |
| 4 | Flint Ink | 364,214 | 272,411 | 0.66% | \$ 577,993 | 0.52% | | | |
| 5 | Childrens Hospital | 330,426 | 247,140 | 0.60% | \$ 417,681 | 0.37% | | | |
| 6 | John Morrell Co | 321,241 | 240,270 | 0.58% | \$ 511,478 | 0.46% | | | |
| 7 | Procter and Gamble | 319,192 | 238,737 | 0.58% | \$ 405,213 | 0.36% | | | |
| 8 | Cinergy Solutions | 241,699 | 180,777 | 0.44% | \$ 384,133 | 0.34% | | | |
| 9 | Metropolitan Sewer District | 226,425 | 169,353 | 0.41% | \$ 285,884 | 0.26% | | | |
| 10 | Coca Cola Company | 223,936 | 167,491 | 0.40% | \$ 283,821 | 0.25% | | | |
| | Total - Top Ten Retail Customers | 3,614,955 | 1,460,012 | 6.51% | \$ 4,898,189 | 4.38% | | | |
| | Total - Top 75 Users | 19,521,683 | 14,601,109 | 35.18% | \$ 26,876,477 | 24.11% | | | |
| | Total - System | 55,494,321 | 41,506,597 | | \$ 111,710,970 | | | | |

**City of Cincinnati
Revenue Capacity
Schedule 8
Water Works
Historical and Projected Water System Pumpage**

| Year | Total Pumpage (MG's) | Average Day MGD | Maximum Day MGD | System's Rated Pumpage Capacity MGD | Maximum Daily Pumpage as % of Capacity |
|------|----------------------|-----------------|-----------------|-------------------------------------|--|
| 1999 | 49,697.876 | 136.2 | 234.3 | 255 | 91.88% |
| 2000 | 48,747.764 | 133.2 | 196.8 | 255 | 77.18% |
| 2001 | 47,047.006 | 128.9 | 169.6 | 255 | 66.51% |
| 2002 | 49,679.150 | 136.1 | 217.8 | 261 | 83.45% |
| 2003 | 48,574.063 | 133.1 | 207.9 | 261 | 79.66% |
| 2004 | 49,005.613 | 134.3 | 176.8 | 261 | 67.74% |
| 2005 | 50,246.239 | 137.7 | 213.8 | 255 | 83.84% |
| 2006 | 47,990.075 | 131.5 | 211.5 | 260 | 81.35% |
| 2007 | 50,240.000 | 137.6 | 213.0 | 260 | 81.92% |
| 2008 | 51,030.000 | 139.8 | 217.0 | 260 | 83.46% |
| 2009 | 51,830.000 | 142.0 | 220.0 | 260 | 84.62% |

MG - Million Gallons
MGD - Million Gallons per Day

**City of Cincinnati
Revenue Capacity
Schedule 9
Water Works
Accounts Receivable**

| Year | Net Water Sales | Cash Collected During Year for Current & Prior Year's Sales | Percentage of Sales Collected |
|------|-----------------|---|-------------------------------|
| 2008 | \$ 110,122,765 | \$ 109,451,016 | 99.39% |
| 2007 | 108,648,659 | 107,857,042 | 99.27% |
| 2006 | 93,746,893 | 92,171,945 | 98.32% |
| 2005 | 93,542,902 | 92,994,903 | 99.41% |
| 2004 | 86,574,584 | 84,906,679 | 98.07% |
| 2003 | 83,270,619 | 82,523,831 | 99.10% |
| 2002 | 82,815,023 | 82,260,162 | 99.33% |
| 2001 | 77,001,567 | 78,200,650 | 101.56% |
| 2000 | 80,820,774 | 79,806,757 | 98.75% |
| 1999 | 82,617,834 | 82,311,461 | 99.63% |
| | \$ 899,161,620 | \$ 892,484,446 | 99.26% |

City of Cincinnati
Debt Capacity Information
Schedule 1
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Amount in Thousands)

| Fiscal Year | General Obligation Bonds | General Obligation Notes | Revenue Bonds | Revenue Notes | Total Outstanding Debt | Outstanding Debt per Capita (Actual) | % of Personal Income | Debt to Net Asset Ratio |
|--|--------------------------|--------------------------|---------------|---------------|------------------------|--------------------------------------|----------------------|-------------------------|
| Governmental Activities | | | | | | | | |
| 1999 | 162,720 | 11,303 | 12,779 | | 186,802 | 555.30 | 2.0% | N/A |
| 2000 | 249,716 | 11,303 | 12,346 | | 273,365 | 852.32 | 2.8% | N/A |
| 2001 | 265,628 | 21,300 | 11,819 | | 298,747 | 901.77 | 2.9% | 2.39 |
| 2002 | 273,473 | 21,497 | 18,522 | | 313,492 | 946.28 | 3.1% | 2.44 |
| 2003 | 296,530 | 12,532 | 38,140 | | 347,202 | 1,048.03 | 3.2% | 2.29 |
| 2004 | 312,447 | 5,697 | 35,852 | | 353,996 | 1,068.54 | 3.1% | 2.26 |
| 2005 | 320,278 | 9,930 | 33,449 | 3,000 | 366,657 | 1,155.33 | 3.4% | 2.24 |
| 2006 | 340,640 | 6,050 | 30,595 | 6,087 | 383,372 | 1,157.14 | 3.2% | 2.20 |
| 2007 | 352,955 | 8,268 | 38,115 | 7,380 | 406,718 | 1,224.13 | N/A | 2.16 |
| 2008 | 363,120 | 12,800 | 70,825 | 2,550 | 449,295 | 1,351.43 | N/A | 1.95 |
| Business-Type Activities | | | | | | | | |
| 1999 | 123,770 | | | | 123,770 | 367.93 | 1.3% | N/A |
| 2000 | 107,289 | 9,000 | | | 116,289 | 351.02 | 1.2% | N/A |
| 2001 | 91,157 | | 92,685 | | 183,842 | 554.93 | 1.8% | 3.21 |
| 2002 | 74,967 | 9,100 | 89,885 | | 173,952 | 525.07 | 1.6% | 3.65 |
| 2003 | 58,745 | 24,510 | 199,310 | | 282,565 | 852.92 | 2.6% | 3.46 |
| 2004 | 45,158 | 12,000 | 192,300 | | 249,458 | 752.99 | 2.2% | 2.88 |
| 2005 | 33,567 | 7,747 | 295,645 | | 336,959 | 1,061.75 | 3.1% | 2.34 |
| 2006 | 25,170 | 7,874 | 284,600 | | 317,644 | 958.75 | 2.6% | 2.60 |
| 2007 | 17,635 | - | 346,255 | | 363,890 | 1,095.22 | N/A | 2.32 |
| 2008 | 15,470 | - | 332,635 | | 348,105 | 1,047.06 | N/A | 2.44 |
| Total Primary Governmental Activities | | | | | | | | |
| 1999 | 286,490 | 11,303 | 12,779 | | 310,572 | 923.22 | 3.2% | N/A |
| 2000 | 357,005 | 20,303 | 12,346 | | 389,654 | 1,176.18 | 3.9% | N/A |
| 2001 | 356,785 | 21,300 | 104,504 | | 482,589 | 1,456.70 | 4.7% | 2.70 |
| 2002 | 348,440 | 30,597 | 108,407 | | 487,444 | 1,471.35 | 4.6% | 2.87 |
| 2003 | 355,275 | 37,042 | 237,450 | | 629,767 | 1,900.95 | 5.8% | 2.32 |
| 2004 | 357,605 | 17,697 | 228,152 | | 603,454 | 1,821.53 | 5.3% | 2.51 |
| 2005 | 353,845 | 17,677 | 329,094 | 3,000 | 703,616 | 2,217.08 | 6.3% | 2.29 |
| 2006 | 365,810 | 13,924 | 315,195 | 6,087 | 701,016 | 2,115.89 | 5.8% | 2.39 |
| 2007 | 370,590 | 8,268 | 384,370 | 7,380 | 770,608 | 2,319.35 | N/A | 2.24 |
| 2008 | 378,590 | 12,800 | 403,460 | 2,550 | 797,400 | 2,398.50 | N/A | 2.16 |

City of Cincinnati
Debt Capacity Information
Schedule 2
Ratio of Net General Bonded Debt
To Assessed Value and Net Bonded Debt Per Capital
Last Ten Years

| Year | Net Bonded Debt (Note 1) | Assessed Value | Population (Note 2) | Ratio of Net Bonded Debt To Assessed Value | Net Bonded Debt per Capita |
|------|-----------------------------|----------------|------------------------|--|----------------------------|
| 1999 | 112,420,155 | 4,813,566,540 | 336,400 | 2.34% | 334 |
| 2000 | 152,076,405 | 5,437,964,150 | 331,290 | 2.80% | 459 |
| 2001 | 160,794,777 | 5,428,707,380 | 331,290 | 2.96% | 485 |
| 2002 | 181,745,936 | 5,328,729,320 | 331,290 | 3.41% | 549 |
| 2003 | 204,360,090 | 5,726,710,470 | 331,290 | 3.57% | 617 |
| 2004 | 199,851,276 | 5,790,136,487 | 331,290 | 3.45% | 603 |
| 2005 | 195,355,794 | 5,699,244,030 | 317,361 | 3.43% | 616 |
| 2006 | 196,217,743 | 6,244,770,350 | 317,361 | 3.14% | 618 |
| 2007 | 198,642,767 | 6,173,125,560 | 332,252 | 3.22% | 598 |
| 2008 | 267,007,624 | 5,965,707,310 | 332,458 | 4.48% | 803 |

Note 1 - Includes only the net general obligation debt that is tax supported.

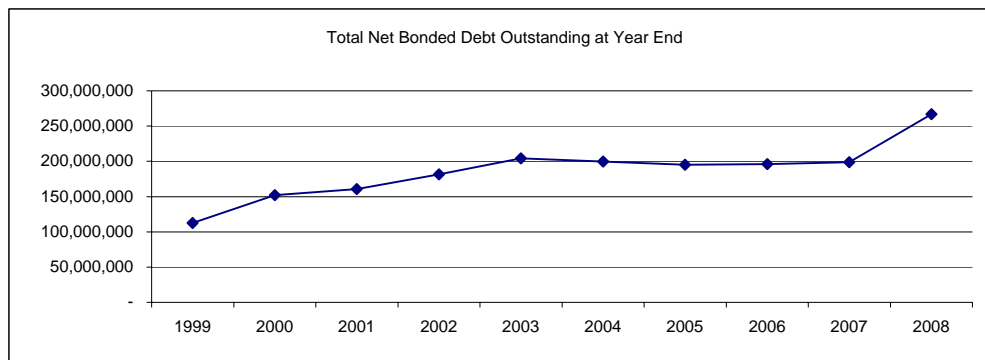
Note 2 - The 1998 - 2008 figures are based on Bureau of the Census data.

City of Cincinnati
Debt Capacity Information
Schedule 3
Computation of Direct and Overlapping Debt
December 31, 2008

| | Assessed Valuation (a) | Net General Tax Supported Debt | Percent Overlapping | Net Tax Supported Overall Debt |
|--|---------------------------|--------------------------------|---------------------|--------------------------------|
| <u>Direct:</u> | | | | |
| City of Cincinnati | \$ 5,965,707,310 | \$ 267,007,624 | 100 % | \$ 267,007,624 |
| <u>Overlapping:</u> | | | | |
| Board of Education - Cincinnati City School District | 6,725,113,100 | 738,530,000 (b) | 89 % | 657,291,700 |
| Hamilton County | 20,161,987,990 | 109,965,564 (a) | 31 % | 32,989,669 |
| Subtotal | | <u>848,495,564</u> | | <u>690,281,369</u> |
| Total | | <u>\$ 1,115,503,188</u> | | <u>\$ 957,288,993</u> |

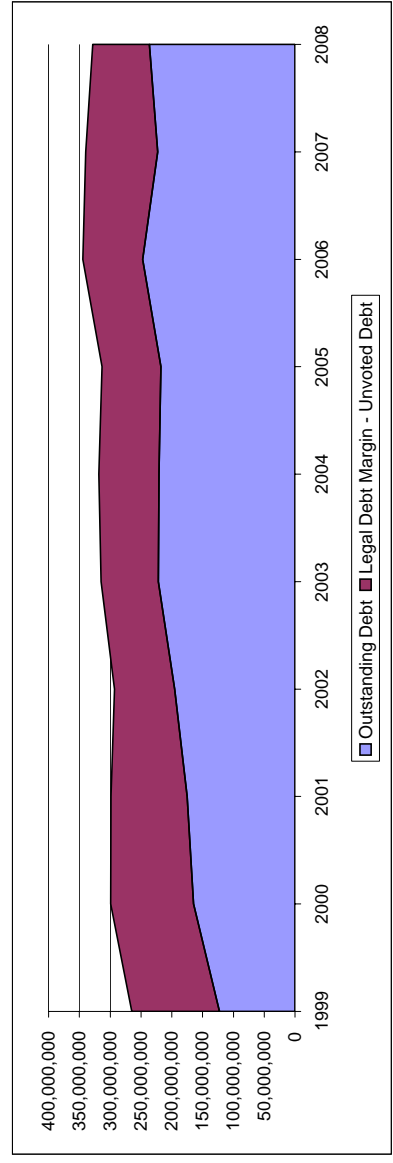
(a) Source: Hamilton County Auditor's Office

(b) Source: Cincinnati City School District



City of Cincinnati
Debt Capacity Information
Schedule 4
Legal Debt Margin
December 31

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Overall Debt Limitation - 10-1/2 % of Assessed Valuation | \$ 505,424,487 | \$ 570,986,236 | \$ 570,014,275 | \$ 559,516,579 | \$ 601,304,599 | \$ 607,964,331 | \$ 598,420,623 | \$ 657,615,564 | \$ 648,178,184 | \$ 626,399,268 |
| Net Debt Within 10-1/2% Limitation | 122,640,000 | 164,535,000 | 175,220,000 | 195,400,000 | 221,670,000 | 220,560,000 | 217,670,000 | 247,190,000 | 222,868,000 | 236,495,000 |
| Legal Debt Margin Within 10-1/2% Limitation | 382,784,487 | 406,451,236 | 394,794,275 | 364,116,579 | 379,634,599 | 387,404,331 | 380,750,623 | 410,425,564 | 425,310,184 | 389,904,268 |
| Net Debt Percentage of 10 1/2 % Limitation | 24.26% | 28.82% | 30.74% | 34.92% | 36.86% | 36.28% | 36.37% | 37.59% | 34.36% | 37.75% |
| Unvoted Debt Limitation - 5-1/2% of Assessed Valuation | \$ 264,746,160 | \$ 289,088,028 | \$ 298,578,906 | \$ 293,080,113 | \$ 314,969,076 | \$ 318,457,507 | \$ 313,458,422 | \$ 344,465,295 | \$ 339,521,906 | \$ 328,113,902 |
| Net Debt Within 5-1/2% Limitation | 122,640,000 | 164,535,000 | 175,220,000 | 195,400,000 | 221,670,000 | 220,560,000 | 217,670,000 | 247,190,000 | 222,868,000 | 236,495,000 |
| Legal Debt Margin Within 5-1/2% Limitation | \$ 142,106,160 | \$ 134,553,028 | \$ 123,359,906 | \$ 97,690,113 | \$ 93,299,076 | \$ 97,897,507 | \$ 95,788,422 | \$ 97,275,295 | \$ 116,653,906 | \$ 91,618,902 |
| Net Debt Percentage of 5 1/2 % Limitation | 46.32% | 55.01% | 58.68% | 66.67% | 70.38% | 69.26% | 69.44% | 71.76% | 65.64% | 72.08% |



City of Cincinnati
Debt Service Capacity
Schedule 5
Revenue Bonds Debt Service Coverage
Last Ten Fiscal Years

| Fiscal Year | Economic Development Financing Bonds | | | | Water Works Bonds | | | | | |
|-------------|--------------------------------------|-----------|-----------|-----------|-------------------|---------------|--------------|--------------|--------------|----------|
| | Payment in Lieu of Taxes | Principal | Interest | Total | Coverage | Revenue | Principal | Interest | Total | Coverage |
| 1999 | 1,650,296 | 344,000 | 1,016,895 | 1,360,895 | 1.21 | | | | | |
| 2000 | 1,423,318 | 368,000 | 992,001 | 1,360,001 | 1.05 | | | | | |
| 2001 | 1,884,766 | 592,000 | 959,174 | 1,551,174 | 1.22 | | | | | |
| 2002 | 1,967,377 | 567,000 | 967,075 | 1,534,075 | 1.28 | \$ 93,034,000 | \$ 2,800,000 | \$ 4,759,000 | \$ 7,559,000 | 4.77 |
| 2003 | 2,651,448 | 887,000 | 1,160,626 | 2,047,626 | 1.29 | 93,597,000 | 2,935,000 | 4,621,000 | 7,556,000 | 4.56 |
| 2004 | 2,651,448 | 887,000 | 1,160,626 | 2,047,626 | 1.29 | 96,651,000 | 7,010,000 | 9,367,000 | 16,377,000 | 2.15 |
| 2005 | 4,848,086 | 2,288,000 | 1,995,000 | 4,283,000 | 1.13 | 105,797,000 | 7,240,000 | 11,174,000 | 18,414,000 | 2.18 |
| 2006 | 4,840,444 | 2,854,000 | 1,915,905 | 4,769,905 | 1.01 | 110,858,000 | 11,045,000 | 12,721,000 | 23,766,000 | 1.91 |
| 2007 | 4,796,765 | 2,475,000 | 1,782,231 | 4,257,231 | 1.13 | 127,995,000 | 11,475,000 | 13,082,000 | 24,557,000 | 2.24 |
| 2008 | 6,486,865 | 2,955,000 | 2,209,510 | 5,164,510 | 1.26 | 126,574,000 | 13,620,000 | 14,840,000 | 28,460,000 | 1.75 |

Includes:

- Urban Renewal Revenue Bonds, Series 1990A - One Gateway Project (165)
- Economic Development Revenue Bonds, Series 1996 - Cincinnati Development Group LLC - Fountain Square West Project (156)
- Economic Development Revenue Bonds, Series 1998 - Convention Place Mall Project - RSJJ Investments Limited (157)
- Economic Development Revenue Bonds, Series 2002 - Saks Fifth Avenue Inc. & Race Street Development LTD (158)
- Economic Development Revenue Bonds, Series 2003 - Convergys Corporation Project (159)

City of Cincinnati
Debt Capacity
Schedule 6
Water Works
Historical Financial Operations
(Dollars in Thousands)

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <u>Operating Revenue</u> | | | | | | | | |
| Total Operating Revenue | \$81,542 | \$90,124 | \$91,556 | \$94,706 | \$102,272 | \$105,059 | \$121,244 | \$121,508 |
| <u>Operating Expense:</u> | | | | | | | | |
| Personal Services | 29,237 | 31,292 | 31,741 | 34,703 | 36,805 | 37,600 | 39,575 | 41,041 |
| Contractual Services | 7,491 | 8,082 | 8,692 | 8,555 | 8,963 | 7,328 | 8,530 | 9,660 |
| Maintenance and Repair | 2,836 | 2,575 | 3,006 | 3,170 | 3,223 | 3,135 | 4,550 | 4,115 |
| Materials and Supplies | 5,917 | 5,992 | 6,256 | 5,389 | 5,651 | 6,105 | 7,451 | 7,869 |
| Utilities | 6,802 | 7,918 | 8,007 | 7,911 | 9,270 | 9,752 | 11,639 | 11,287 |
| Insurance | 181 | 230 | 264 | 205 | 234 | 201 | 169 | 114 |
| Taxes | 16 | - | 1 | 1 | 46 | 48 | 2 | 0 |
| Rent | 306 | 394 | 656 | 989 | 931 | 1,037 | 823 | 1,057 |
| Other | 190 | 470 | 482 | 507 | 470 | 412 | 354 | 823 |
| Depreciation and Amortization Expense | 12,152 | 15,630 | 15,597 | 16,950 | 19,516 | 21,471 | 21,934 | 22,705 |
| Amortization Mason Agreement | - | 48 | 60 | 63 | 66 | - | 72 | 76 |
| Bad Debt Expense | 175 | - | - | - | - | - | - | - |
| Total Operating Expense | 65,303 | 72,631 | 74,762 | 78,443 | 85,175 | 87,089 | 95,099 | 98,747 |
| Operating Income | \$ 16,239 | \$ 17,493 | \$ 16,794 | \$ 16,263 | \$ 17,097 | \$ 17,970 | \$ 26,145 | \$ 22,761 |
| <u>Non-Operating Revenue (Expenses):</u> | | | | | | | | |
| Capital Contribution | \$8,475 | \$10,537 | \$8,661 | \$5,063 | \$14,464 | \$5,646 | \$4,935 | \$3,099 |
| Gain (Loss) on Disposal of Fixed Assets | (516) | (24) | (323) | (828) | (351) | (628) | (52) | (1,338) |
| Transfers In | 236 | - | - | - | - | - | - | - |
| Interest Revenue | 8,521 | 2,910 | 2,041 | 1,945 | 3,525 | 5,799 | 6,751 | 5,272 |
| Interest Expense | (7,416) | (4,749) | (8,234) | (7,164) | (12,155) | (11,113) | (12,359) | (13,997) |
| Total Non-Operating Revenue (Expense): | 9,300 | 8,674 | 2,145 | (984) | 5,483 | (296) | (725) | (6,964) |
| Net Income | \$25,539 | \$26,167 | \$18,939 | \$15,279 | \$22,580 | \$17,674 | \$25,420 | \$15,797 |

City of Cincinnati
Debt Capacity
Schedule 7
Water Works
Projected Operating Results

| <u>Description</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--|------------------|-------------|-------------|
| | \$ | \$ | \$ |
| Metered Water Sales | | | |
| Revenue Under Existing Rates | 96,331,300 | 96,685,100 | 96,532,400 |
| Indicated Revenue Increases (a) | | | |
| Month - Year | Revenue Increase | | |
| January 2007 | 7.00% | 6,800,000 | 6,796,000 |
| January 2008 | 6.00% | 6,237,000 | 6,233,000 |
| January 2009 | 5.50% | 5,303,000 | 6,057,000 |
| January 2010 | 6.00% | | 6,099,000 |
| January 2011 | 6.00% | | 6,465,000 |
| Total Increased Revenue | 18,340,000 | 25,185,000 | 32,520,000 |
| Total Metered Water Sales Revenue | 114,671,300 | 121,870,100 | 129,052,400 |
| Other Revenue | 2,586,500 | 2,586,500 | 2,664,100 |
| Billing Services | 7,750,000 | 7,870,100 | 7,991,900 |
| Construction Reimbursement Charges | 343,000 | 343,000 | 343,000 |
| Interest Income (b) | 2,359,800 | 2,660,500 | 2,900,700 |
| Total Revenue | 127,710,600 | 135,330,200 | 142,952,100 |
| Operating & Maintenance Expense (c) | 76,719,200 | 79,587,700 | 82,801,400 |
| Net Revenue Available for Debt Service | 50,991,400 | 55,742,500 | 60,150,700 |
| Series 2001 Revenue Bond Debt Service | 4,541,345 | 4,545,920 | 4,544,975 |
| Series 2003 Revenue Bond Debt Service | 5,273,800 | 5,274,125 | 5,272,500 |
| Series 2005A Revenue Bond Debt Service | 7,291,781 | 7,384,906 | 7,288,656 |
| Series 2007A Revenue Bond Debt Service | 6,095,350 | 6,096,150 | 6,096,750 |
| Future Senior Lien Revenue Bond Debt Service (d) | 8,708,000 | 11,173,000 | 15,723,000 |
| Total Senior Lien Revenue Bond Debt Service | 31,910,276 | 34,474,101 | 38,925,881 |
| Series 2005B Revenue Bond Debt Service | - | - | - |
| Series 2005B Revenue Bond Conversion Debt Service | 1,500,000 | 1,500,000 | 1,500,000 |
| Total Junior Lien Revenue Bond Debt Service | 1,500,000 | 1,500,000 | 1,500,000 |
| Subordinate General Obligation Bond Debt Service (e) | 2,495,600 | 2,411,600 | 2,327,600 |
| Total Junior Lien Revenue Bond Debt Service | 2,495,600 | 2,411,600 | 2,327,600 |
| State of Ohio Issue 2 Money (\$1M/20Yrs/0%)-2003 | 50,000 | 50,000 | 50,000 |
| State of Ohio Issue 2 Money (\$980K/20Yrs/0%)-2004 | 49,000 | 49,000 | 49,000 |
| State of Ohio Issue 2 Money (\$1.15M/20Yrs/0%)-2005 | 57,500 | 57,500 | 57,500 |
| Ohio EPA Water Supply Revolving Loan (\$1.7M/20Yrs/3.25%)-2006 | 116,100 | 116,100 | 116,100 |
| Ohio EPA Water Supply Revolving Loan (\$4M/20Yrs/3.25%)-2006 | 273,600 | 273,600 | 273,600 |
| Other Financing Requirements | 546,200 | 546,200 | 546,200 |
| Revenues Available for Transfer to Water System Reserve Fund | 14,539,324 | 16,810,599 | 16,851,019 |
| Working Capital Balance | | | |
| Prior Year Revenue Fund Working Capital Balance | 22,416,801 | 25,677,324 | 28,318,599 |
| Revenue Transfer To Water System Reserve Fund | 11,278,801 | 14,169,324 | 16,380,599 |
| Revenues Available for Transfer | 14,539,324 | 16,810,599 | 16,851,019 |
| End of Year Working Capital Balance | 25,677,324 | 28,318,599 | 28,789,019 |
| Working Capital Balance Requirement (f) | 11,508,000 | 11,938,000 | 12,420,000 |
| Revenues Transferred the Next Fiscal Year | 14,169,324 | 16,380,599 | 16,369,019 |
| Water System Reserve Fund | | | |
| Beginning of Year Balance | 13,732,044 | 13,941,645 | 17,329,369 |
| Deposits | 11,278,801 | 14,169,324 | 16,380,599 |
| Transfer to Water Works Capital Improvement Fund | 11,069,200 | 10,781,600 | 10,390,460 |
| End of Year Balance | 13,941,645 | 17,329,369 | 23,319,508 |
| Senior Lien Revenue Bond Debt Service Coverage | 160% | 162% | 155% |
| Total Bond Debt Service Coverage | 142% | 145% | 141% |

*Figures for 3012 and 2013 are not available at this time.

(a) Reflects the effect of a 12.5% bill proration and billing lag on the level of revenues to be received in the first year of each revenue adjustment.

(b) Does not include interest earnings from construction fund which will be used to fund future projects and reduce additional borrowing.

(c) Inflation factors used in calculations are 2.6-6.0% increases for Non-Personnel Costs and 3% increases in Personnel Costs

(d) Estimated Future Issues assuming revenue bonds (25 years bonds) as follows:

| Year | Proceeds | |
|------|------------|---------------|
| | Required | Interest Rate |
| 2009 | \$77.356MM | 5.00% |
| 2011 | \$95.395MM | 5.25% |
| 2013 | \$90.080MM | 5.50% |

(e) General Obligation Bond debt issued for Water System Improvements.

(f) It has been the policy of the Utility to maintain a working capital reserve equal to 15% of the prior fiscal year's O&M Expenses.

City of Cincinnati
Debt Capacity
Schedule 8
Water Works

Senior Bonds and Senior Subordinated Debt Service Requirements

| Year | Senior Bonds and Senior Subordinated Debt Service Requirements | | | | | | Total Senior Bonds and Subordinated Debt Service | |
|------|--|---------------------------|---------------------------|--------------------------------|--------------------------------|---------------------------------|--|---------------------------------|
| | Debt Service Series 2007B | Debt Service Series 2007A | Debt Service Series 2005A | Debt Service Series 2003 Bonds | Debt Service Series 2001 Bonds | Total Senior Bonds Debt Service | Debt Service GO Debt | Total Subordinated Debt Service |
| 2009 | 5,162,363.00 | 6,095,350.00 | 7,291,781.00 | 5,273,800.00 | 4,541,345.00 | 28,364,639.00 | 2,495,600.00 | 3,995,600.00 |
| 2010 | 5,161,563.00 | 6,096,150.00 | 7,384,906.00 | 5,274,125.00 | 4,545,920.00 | 28,462,664.00 | 2,411,600.00 | 3,911,600.00 |
| 2011 | 5,165,323.00 | 6,096,750.00 | 7,288,656.00 | 5,272,500.00 | 4,544,975.00 | 28,368,204.00 | 2,327,600.00 | 3,827,600.00 |
| 2012 | 5,162,123.00 | 10,137,150.00 | 7,386,938.00 | 5,273,850.00 | 500,250.00 | 28,460,311.00 | 2,243,600.00 | 3,743,600.00 |
| 2013 | 5,165,348.00 | 15,195,750.00 | 7,290,438.00 | 5,023,350.00 | 209,100.00 | 28,362,986.00 | 2,159,600.00 | 3,659,600.00 |
| 2014 | 5,164,313.00 | 15,551,500.00 | 7,382,438.00 | 386,960.00 | | 28,455,211.00 | 1,875,600.00 | 3,375,600.00 |
| 2015 | 5,164,438.00 | 15,632,650.00 | 7,383,188.00 | 271,098.00 | | 28,451,374.00 | 1,500,000.00 | 1,500,000.00 |
| 2016 | 5,162,400.00 | 15,148,650.00 | 7,291,438.00 | 762,998.00 | | 28,365,486.00 | 1,500,000.00 | 1,500,000.00 |
| 2017 | 5,165,600.00 | 15,875,250.00 | 7,386,188.00 | 33,948.00 | | 28,460,986.00 | 1,500,000.00 | 1,500,000.00 |
| 2018 | 5,165,000.00 | 15,876,000.00 | 7,287,688.00 | 33,948.00 | | 28,362,636.00 | 1,500,000.00 | 1,500,000.00 |
| 2019 | 5,160,750.00 | 15,876,500.00 | 7,384,688.00 | 33,948.00 | | 28,455,886.00 | 1,500,000.00 | 1,500,000.00 |
| 2020 | 5,165,500.00 | 15,871,875.00 | 7,291,938.00 | 33,948.00 | | 28,363,261.00 | 1,500,000.00 | 1,500,000.00 |
| 2021 | 5,163,500.00 | 15,875,475.00 | 7,382,938.00 | 33,948.00 | | 28,455,861.00 | 1,500,000.00 | 1,500,000.00 |
| 2022 | 5,164,750.00 | 7,855,725.00 | 807,938.00 | 493,948.00 | | 14,322,361.00 | 8,075,000.00 | 8,075,000.00 |
| 2023 | 5,163,750.00 | 8,067,400.00 | | 287,788.00 | | 13,518,938.00 | 8,696,250.00 | 8,696,250.00 |
| 2024 | 5,165,250.00 | | | | | 5,165,250.00 | 8,620,000.00 | 8,620,000.00 |
| 2025 | 5,163,750.00 | | | | | 5,163,750.00 | 8,478,785.00 | 8,478,785.00 |
| 2026 | 5,164,000.00 | | | | | 5,164,000.00 | | |
| 2027 | 5,165,500.00 | | | | | 5,165,500.00 | | |
| 2028 | 5,162,750.00 | | | | | 5,162,750.00 | | |
| 2029 | 5,165,500.00 | | | | | 5,165,500.00 | | |
| 2030 | 5,163,000.00 | | | | | 5,163,000.00 | | |
| 2031 | 5,165,000.00 | | | | | 5,165,000.00 | | |
| 2032 | 5,160,750.00 | | | | | 5,160,750.00 | | |
| | <u>\$ 123,932,221.00</u> | <u>\$ 185,252,175.00</u> | <u>\$ 96,241,161.00</u> | <u>\$ 23,939,157.00</u> | <u>\$ 14,341,590.00</u> | <u>\$ 443,706,304.00</u> | <u>\$ 13,513,600.00</u> | <u>\$ 66,883,635.00</u> |
| | | | | | | | | <u>\$ 510,589,939.00</u> |

City of Cincinnati, Ohio
Demographic and Economic Information
Schedule 1
Population Statistics
Last Ten Calendar Years

| Year | Population | | | | Civilian Labor Force Estimates | | | | % Unemployed | |
|------|---------------|------------|----------------|-----------------|--------------------------------|-----------|----------------|-----------------|--------------|------------|
| | United States | Ohio | Cincinnati MSA | Hamilton County | United States | Ohio | Cincinnati MSA | Hamilton County | | Cincinnati |
| 1999 | 279,040,138 | 11,335,454 | 1,999,126 | 849,917 | 139,368,000 | 5,780,700 | 1,045,700 | 432,000 | 171,500 | 3.3 |
| 2000 | 282,171,936 | 11,363,719 | 2,014,615 | 844,290 | 142,583,000 | 5,807,000 | 1,045,800 | 428,800 | 160,400 | 3.4 |
| 2001 | 285,039,803 | 11,391,298 | 2,035,394 | 849,297 | 143,734,000 | 5,825,600 | 1,049,300 | 425,600 | 159,400 | 4.0 |
| 2002 | 287,726,647 | 11,410,582 | 2,049,629 | 848,120 | 144,863,000 | 5,838,100 | 1,057,000 | 423,900 | 159,900 | 4.9 |
| 2003 | 290,210,914 | 11,430,306 | 2,065,531 | 847,161 | 146,510,000 | 5,860,000 | 1,071,300 | 423,100 | 156,300 | 5.1 |
| 2004 | 292,892,127 | 11,445,095 | 2,082,796 | 846,254 | 147,401,000 | 5,862,800 | 1,081,800 | 420,400 | 154,900 | 5.1 |
| 2005 | 295,560,549 | 11,450,954 | 2,101,215 | 846,225 | 149,320,000 | 5,889,500 | 1,094,500 | 419,000 | 153,000 | 5.4 |
| 2006 | 298,362,973 | 11,458,390 | 2,119,959 | 847,184 | 151,428,000 | 5,942,100 | 1,109,600 | 425,700 | 164,100 | 5.2 |
| 2007 | 301,290,332 | 11,477,641 | 2,143,824 | 853,928 | 153,124,000 | 5,976,700 | 1,121,300 | 436,400 | 164,300 | 5.0 |
| 2008 | 304,059,724 | 11,485,910 | N/A | N/A | 154,287,000 | 5,971,900 | 1,127,500 | 438,200 | 164,800 | 5.8 |

| Year | Personal Income (In Millions) | | | | Per Capita Personal Income | | | |
|------|----------------------------------|---------|----------------|-----------------|----------------------------|--------|----------------|-----------------|
| | United States | Ohio | Cincinnati MSA | Hamilton County | United States | Ohio | Cincinnati MSA | Hamilton County |
| 1999 | 7,992,904 | 311,062 | 295,500 | 27,420 | 27,939 | 26,859 | 29,057 | 32,262 |
| 2000 | 8,554,392 | 322,038 | 318,439 | 28,330 | 29,847 | 28,207 | 30,474 | 33,554 |
| 2001 | 8,746,826 | 326,984 | 323,493 | 29,137 | 30,582 | 28,585 | 31,008 | 34,307 |
| 2002 | 8,923,886 | 335,185 | 328,703 | 30,011 | 30,838 | 29,197 | 31,766 | 35,385 |
| 2003 | 9,326,994 | 346,775 | 335,574 | 30,556 | 31,530 | 29,846 | 32,303 | 36,069 |
| 2004 | 10,013,509 | 361,190 | 352,359 | 32,376 | 33,157 | 30,765 | 33,933 | 38,258 |
| 2005 | 10,541,055 | 368,095 | 370,077 | 33,376 | 34,690 | 31,672 | 35,009 | 39,418 |
| 2006 | 11,207,803 | 382,830 | 393,208 | 34,774 | 36,794 | 33,000 | 36,299 | 41,047 |
| 2007 | 11,839,843 | 399,133 | 421,143 | 36,489 | 38,615 | 34,468 | 37,782 | 42,730 |
| 2008 | 12,125,350 | 409,154 | N/A | N/A | 39,751 | 35,511 | N/A | N/A |

Source: Ohio Department of Job and Family Services (mi.state.oh.us/)
 US Dept of Commerce, Bureau of Economic Commerce (www.bea.gov)
 N/A = Not Available

**City of Cincinnati
Demographic and Economic Information
Schedule 2
Ten Largest Employers
In Cincinnati Primary Metropolitan Statistical Area
Current Year and Nine Years Ago**

| Employer | 2008 | | 1999 | |
|-------------------------------------|---------------------|--------------------------------|---------------------|--------------------------------|
| | Number of Employees | Percentage of Total Employment | Number of Employees | Percentage of Total Employment |
| The Kroger Co | 15,600 | 1 1.49% | 16,200 | 1 1.85% |
| University of Cincinnati | 15,539 | 2 1.49% | 13,600 | 4 1.55% |
| The Procter and Gamble Co | 12,900 | 3 1.23% | 14,200 | 2 1.62% |
| Children's Hospital Medical Center | 10,347 | 4 0.99% | | |
| Tri-Health Inc | 9,850 | 5 0.94% | 7,500 | 7 0.86% |
| Health Alliance | 9,475 | 6 0.91% | 13,400 | 5 1.53% |
| Wal-mart Stores | 7,787 | 7 0.74% | | |
| Fifth Third Bank | 7,633 | 8 0.73% | | |
| ABX Air Inc. | 7,500 | 9 0.72% | | |
| Archdiocese of Cincinnati | 7,500 | 10 0.72% | | |
| General Electric | | | 7,500 | 6 0.86% |
| Cincinnati Public Schools | | | 7,400 | 8 0.85% |
| City of Cincinnati | | | 5,850 | 10 0.67% |
| U S Government | | | 13,600 | 3 1.55% |
| American Financial | | | 6,000 | 9 0.69% |
| Total | 104,131 | 9.95% | 105,250 | 12.02% |
| Total Metropolitan Statistical Area | 1,046,300 | | 875,500 | |

Source: Business Courier 2009 Winter Book of Business Lists

City of Cincinnati, Ohio
Demographic and Economic Information
Schedule 3
Construction and Property Values

| Year | New Residential Construction (1) | | New Non-Residential Construction (1) | | Total Construction (1) | |
|------|----------------------------------|-------------------------------|--------------------------------------|-------------------------------|------------------------|-------------------------------|
| | Number of Permits | Estimated Cost (in thousands) | Number of Permits | Estimated Cost (in thousands) | Number of Permits | Estimated Cost (in thousands) |
| 1999 | 129 | 12,008 | 497 | 196,139 | 9,471 | 448,484 |
| 2000 | 169 | 30,170 | 567 | 250,681 | 10,483 | 540,208 |
| 2001 | 120 | 24,712 | 70 | 136,958 | 9,206 | 570,930 |
| 2002 | 198 | 44,323 | 65 | 52,432 | 8,726 | 559,529 |
| 2003 | 154 | 36,200 | 78 | 67,496 | 8,146 | 333,396 |
| 2004 | 187 | 26,488 | 55 | 97,719 | 7,950 | 486,905 |
| 2005 | 240 | 48,343 | 52 | 119,455 | 8,336 | 509,344 |
| 2006 | 231 | 75,678 | 53 | 93,812 | 8,498 | 543,753 |
| 2007 | 149 | 35,202 | 56 | 125,545 | 8,165 | 414,610 |
| 2008 | 72 | 13,138 | 66 | 183,436 | 8,196 | 431,373 |

| Year | Property Value (2) | |
|------|----------------------------|--------------------------------|
| | Residential (in thousands) | Non-Residential (in thousands) |
| 1999 | 5,979,174 | 4,734,190 |
| 2000 | 7,165,094 | 5,301,602 |
| 2001 | 7,191,011 | 5,275,983 |
| 2002 | 7,190,165 | 5,322,012 |
| 2003 | 8,135,933 | 6,695,987 |
| 2004 | 8,154,379 | 6,857,111 |
| 2005 | 8,191,224 | 6,541,396 |
| 2006 | 9,890,166 | 6,773,615 |
| 2007 | 9,880,248 | 5,899,386 |
| 2008 | 9,944,823 | 5,835,579 |

Source: (1) The City's Department of City Plannings' records
(2) Values obtained from the Hamilton County Auditor's Office

City of Cincinnati, Ohio
Demographic and Economic Information
Schedule 4
Salaries of Principal Officials

| <u>Position</u> | <u>Salary</u> |
|------------------------------|-----------------------|
| Mayor | \$131,904 |
| Councilmember | \$65,952 |
| City Manager | \$223,927 |
| Commissioner of Health | \$114,941 - \$155,171 |
| Deputy City Manager | \$114,941 - \$155,171 |
| City Solicitor | \$114,941 - \$155,171 |
| Various Department Directors | \$ 98,374 - \$132,805 |

MAYOR and CITY COUNCIL

The mayor is elected for a four-year term by the voters of Cincinnati. The legislature of the City is a nine-member council elected at large on a partisan basis for two-year terms. The vice-mayor is chosen by the mayor from the councilmembers. A list of the council incumbents and the term each is presently serving appears on page (xiii). The mayor selects the city manager, but the mayor's nominee must be approved by a majority of the council. The city manager appoints the deputy city manager and the department directors.

City of Cincinnati, Ohio
Demographic and Economic Information
Schedule 5
Surety Bond Coverage

A faithful performance blanket bond coverage of \$5,000,000 is maintained for all City employees.

Cincinnati-Middletown MSA
Demographic and Economic Information
Schedule 6
Annual Employment Average by Industry
(in thousands)

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Goods-Producing Industries | 199.2 | 198.3 | 190.5 | 179.2 | 176.6 | 176.5 | 175.7 | 174.2 | 172.1 | 160.8 |
| Natural Resources, Mining and Construction | 50.2 | 50.6 | 51.1 | 49.2 | 49.6 | 52.4 | 52.4 | 52.6 | 50.6 | 45.0 |
| Construction of Buildings | 11.3 | 11.5 | 11.0 | 11.3 | 12.3 | 12.7 | 12.8 | 12.6 | 12.1 | 9.7 |
| Specialty Trade Contractors | 32.4 | 33.1 | 32.6 | 31.5 | 31.5 | 34.0 | 33.7 | 34.2 | 32.6 | 29.6 |
| Manufacturing | 149.1 | 147.7 | 139.4 | 130.0 | 127.0 | 124.2 | 123.3 | 121.7 | 121.5 | 115.8 |
| Durable Goods | 88.6 | 87.7 | 82.2 | 75.4 | 72.7 | 71.9 | 71.9 | 71.8 | 72.1 | 69.2 |
| Primary Metals | 8.6 | 9.0 | 8.6 | 7.9 | 8.0 | 8.0 | 7.5 | 6.5 | 6.8 | 6.2 |
| Transportation Equipment | 19.3 | 19.9 | 20.1 | 18.2 | 17.1 | 17.1 | 18.2 | 19.5 | 19.8 | 19.1 |
| Motor Vehicle Parts | 6.9 | 7.8 | 8.4 | 8.6 | 8.0 | 7.8 | 8.4 | 8.8 | 8.7 | 7.8 |
| Aerospace Products and Parts | 10.2 | 9.8 | 9.9 | 8.9 | 8.3 | 8.3 | 8.7 | 9.4 | 9.5 | 9.8 |
| Nondurable Goods | 60.4 | 60.0 | 57.2 | 54.7 | 54.4 | 52.3 | 51.4 | 49.9 | 49.4 | 46.6 |
| Chemical Manufacturing | 13.6 | 13.4 | 13.0 | 12.4 | 12.4 | 11.0 | 11.1 | 11.2 | 11.1 | 11.2 |
| Service-Providing Industries | 806.4 | 819.1 | 821.0 | 829.5 | 839.5 | 848.8 | 859.6 | 864.2 | 873.0 | 877.4 |
| Trade, Transportation, and Utilities | 216.4 | 218.1 | 216.1 | 213.7 | 210.9 | 210.3 | 211.0 | 209.6 | 212.8 | 215.4 |
| Wholesale Trade | 58.9 | 59.3 | 58.8 | 58.3 | 57.2 | 56.7 | 58.0 | 59.2 | 61.0 | 60.4 |
| Merchant Wholesalers, Durable Goods | 27.7 | 28.1 | 27.5 | 26.8 | 26.8 | 26.9 | 27.8 | 28.7 | 28.8 | 28.3 |
| Merchant Wholesalers, Non-Durable Goods | 20.9 | 21.6 | 21.8 | 22.1 | 22.3 | 22.3 | 22.5 | 23.2 | 23.8 | 23.6 |
| Retail Trade | 115.0 | 115.6 | 115.0 | 112.6 | 110.6 | 110.8 | 109.4 | 109.2 | 109.7 | 111.5 |
| Food and Beverage Stores | 19.6 | 19.8 | 20.3 | 19.8 | 20.8 | 20.3 | 20.3 | 20.8 | 21.4 | 21.8 |
| Grocery Stores | 16.9 | 17.1 | 17.6 | 17.2 | 17.5 | 17.2 | 17.4 | 17.9 | 18.6 | 18.9 |
| Health and Personal Care Stores | 8.0 | 7.6 | 7.4 | 7.4 | 7.8 | 7.6 | 7.4 | 7.3 | 7.4 | 7.3 |
| Clothing and Clothing Accessories Stores | 7.3 | 7.6 | 7.4 | 7.8 | 8.4 | 9.3 | 9.3 | 9.4 | 8.8 | 9.7 |
| General Merchandise Stores | 27.4 | 25.5 | 23.8 | 22.1 | 22.4 | 22.1 | 21.6 | 22.0 | 22.7 | 25.0 |
| Transportation, Warehousing and Utilities | 42.4 | 43.1 | 42.3 | 42.8 | 43.1 | 42.8 | 43.6 | 41.1 | 42.0 | 43.5 |
| Transportation and Warehousing | 39.5 | 38.5 | 37.1 | 37.6 | 39.0 | 39.6 | 40.4 | 38.0 | 38.9 | 39.8 |
| Air Transportation | 9.2 | 9.5 | 8.9 | 9.8 | 10.3 | 10.4 | 10.0 | 8.6 | 8.0 | 7.0 |
| Information | 20.6 | 20.3 | 19.4 | 17.8 | 16.2 | 16.0 | 15.8 | 15.7 | 15.6 | 15.3 |
| Telecommunications | 6.9 | 7.2 | 6.9 | 6.1 | 5.6 | 5.7 | 5.4 | N/A | N/A | N/A |
| Financial Activities | 57.5 | 59.1 | 60.9 | 64.1 | 66.0 | 65.0 | 65.6 | 65.3 | 65.6 | 64.4 |
| Finance and Insurance | 42.9 | 44.2 | 46.1 | 48.9 | 51.5 | 50.8 | 51.5 | 51.6 | 52.3 | 52.2 |
| Credit Intermediation and Related Activities | 17.0 | 17.8 | 18.5 | 20.1 | 21.3 | 21.1 | 21.5 | 20.8 | 20.5 | 21.3 |
| Insurance Carriers and Related Activities | 20.1 | 20.2 | 20.4 | 21.8 | 23.5 | 22.9 | 22.9 | 23.2 | 23.8 | 24.2 |
| Professional and Business Services | 134.9 | 139.1 | 138.9 | 139.6 | 144.1 | 147.0 | 152.3 | 156.0 | 154.8 | 155.6 |
| Professional and Technical Services | 48.4 | 50.8 | 50.5 | 49.7 | 50.9 | 50.7 | 52.2 | 53.6 | 54.7 | 56.0 |
| Management of Companies and Enterprises | 28.8 | 29.8 | 29.6 | 29.9 | 30.8 | 30.7 | 31.6 | 32.7 | 33.5 | 36.6 |
| Administrative, Support, and Waste Services | 57.7 | 58.6 | 58.8 | 60.0 | 62.4 | 65.6 | 68.5 | 69.7 | 66.7 | 63.0 |
| Employment Services | 27.6 | 28.5 | 27.6 | 26.9 | 29.8 | 33.3 | 35.4 | 36.4 | 34.1 | 30.2 |
| Services to Buildings and Dwellings | 13.1 | 13.2 | 13.0 | 12.8 | 13.1 | 12.8 | 13.4 | 13.4 | 13.6 | 12.5 |
| Educational and Health Services | 118.6 | 119.6 | 121.0 | 124.7 | 127.2 | 131.1 | 134.6 | 137.4 | 141.3 | 147.3 |
| Educational Services | 12.0 | 11.9 | 11.6 | 11.9 | 12.8 | 13.7 | 14.2 | 14.4 | 14.6 | 15.8 |
| Health Care and Social Assistance | 106.6 | 107.7 | 109.5 | 112.7 | 114.4 | 117.4 | 120.4 | 123.1 | 126.7 | 131.5 |
| Hospitals | 35.1 | 35.0 | 35.4 | 35.9 | 37.2 | 38.3 | 39.4 | 40.7 | 41.3 | 44.1 |
| Leisure and Hospitality | 93.2 | 96.0 | 96.1 | 98.2 | 99.9 | 103.2 | 105.4 | 105.2 | 106.9 | 101.9 |
| Arts, Entertainment and Recreation | 17.8 | 18.7 | 17.7 | 17.9 | 18.3 | 18.9 | 18.9 | 18.3 | 18.8 | 16.4 |
| Accommodation and Food Services | 75.4 | 77.3 | 78.5 | 80.3 | 81.6 | 84.3 | 86.6 | 86.9 | 88.0 | 85.5 |
| Other Services | 41.9 | 41.2 | 40.5 | 40.9 | 42.1 | 42.9 | 42.8 | 42.5 | 43.2 | 43.1 |
| Government | 123.3 | 125.9 | 128.1 | 130.6 | 133.1 | 133.2 | 132.2 | 132.5 | 132.9 | 134.4 |
| Federal Government | 16.8 | 18.0 | 17.9 | 18.4 | 17.8 | 17.6 | 17.6 | 17.7 | 17.4 | 16.9 |
| State Government | 25.3 | 25.5 | 25.8 | 26.0 | 26.7 | 27.1 | 27.4 | 27.1 | 27.5 | 29.0 |
| State Government Education | 20.1 | 20.3 | 20.5 | 21.0 | 21.5 | 21.9 | 22.2 | 21.9 | 22.3 | 24.0 |
| Local Government | 81.3 | 82.4 | 84.4 | 86.2 | 88.6 | 88.4 | 87.1 | 87.7 | 88.1 | 88.5 |
| Local Government Education | 46.7 | 47.5 | 48.3 | 48.4 | 49.8 | 49.9 | 49.0 | 49.4 | 49.0 | 50.8 |
| Total | 1005.6 | 1017.4 | 1011.5 | 1008.6 | 1016.1 | 1025.3 | 1035.3 | 1038.4 | 1045.1 | 1038.2 |
| Unemployment Rate | 3.3 | 3.4 | 4.0 | 4.9 | 5.1 | 5.1 | 5.4 | 5.2 | 5.0 | 5.8 |

Note: The Cincinnati-Middletown are included Brown, Butler, Clermont, Hamilton and Warren Counties in Ohio; Dearborn, Franklin and Ohio Counties in Indiana; Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton Counties in Kentucky.

Source: Ohio Department of Job and Family Services, Bureau of Labor Market Information

City of Cincinnati
Operating Information
Schedule 1
Full Time Equivalent Positions by Function/Program
Last Ten Fiscal Years

| Function/Program | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| General Government | 494 | 483 | 478 | 444 | 451 | 582 | 542 | 547 | 497 | 400 |
| Community Development | 93 | 84 | 83 | 77 | 76 | 60 | 56 | 52 | 61 | 140 |
| General Services | 310 | 310 | 317 | 296 | 228 | 75 | 72 | 73 | 66 | 61 |
| Parks and Recreation | 357 | 351 | 343 | 335 | 333 | 310 | 314 | 311 | 311 | 302 |
| Public Safety | 1,342 | 1,319 | 1,304 | 1,312 | 1,326 | 1,365 | 1,322 | 1,333 | 1,342 | 1,356 |
| Police | 839 | 865 | 855 | 860 | 847 | 860 | 855 | 870 | 885 | 905 |
| Fire | 141 | 148 | 148 | 148 | 171 | 168 | 159 | 163 | 151 | 152 |
| Transportation and Engineering | 501 | 473 | 459 | 456 | 464 | 438 | 437 | 464 | 425 | 416 |
| Public Services | 467 | 496 | 500 | 485 | 492 | 470 | 452 | 451 | 414 | 426 |
| Public Health | 644 | 632 | 650 | 624 | 595 | 571 | 563 | 559 | 526 | 532 |
| MSD | | | | | | | | | | |
| Enterprise | | | | | | | | | | |
| Water Works | 580 | 578 | 594 | 573 | 592 | 589 | 570 | 569 | 542 | 541 |
| Parking Facility | 65 | 64 | 54 | 64 | 58 | 56 | 55 | 51 | 44 | 41 |
| Convention Center | 45 | 42 | 37 | 39 | 32 | 31 | 29 | 1 | 1 | |
| General Aviation | 10 | 12 | 12 | 12 | 13 | 11 | 13 | 13 | 13 | 13 |
| Municipal Golf | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Stormwater Management | 15 | 13 | 9 | 15 | 21 | 15 | 16 | 11 | 12 | 31 |
| | 5,905 | 5,872 | 5,845 | 5,742 | 5,701 | 5,603 | 5,457 | 5,470 | 5,292 | 5,318 |

Source: Cincinnati Human Resource Information System

City of Cincinnati
Operating Information
Schedule 2
Operating Indicators by Function/Program
Last Ten Fiscal Years

| Function/Program | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| General Government | | | | | | | | | | |
| Litigations | 150 | 149 | 170 | 195 | 207 | 152 | 121 | 342 | 383 | 117 |
| Total Cases | 28 | 64 | 69 | 43 | 38 | 65 | 83 | 223 | 295 | 79 |
| Open Cases | | | | | | | | | | |
| Community Development | | | | | | | | | | |
| Housing Units | 2,318 | 2,801 | 3,134 | 2,088 | 1,630 | 2,465 | 2,110 | 2,239 | 2,062 | 1,581 |
| Job Created/Retained through Income Tax Credits | 7,708 | 2,715 | 2,200 | 1,994 | 1,531 | 575 | 570 | 273 | 319 | 65 |
| Enterprise Zone Agreement | 26 | 15 | 9 | 5 | 10 | 5 | 1 | 2 | 5 | 0 |
| Police | | | | | | | | | | |
| Service Calls | 298,910 | 300,713 | 288,283 | 288,242 | 295,387 | 292,826 | 291,468 | 303,670 | 273,652 | 287,268 |
| Arrests | 60,852 | 60,146 | 41,829 | 42,497 | 47,007 | 47,830 | 48,757 | 47,474 | 41,510 | 41,542 |
| Reports Filed | 40,209 | 39,863 | 45,635 | 47,639 | 46,923 | 44,798 | 43,427 | 26,850 | 24,678 | 24,743 |
| Fire | | | | | | | | | | |
| Incidences (Fires, EMS) | 63,267 | 63,618 | 64,453 | 65,428 | 65,451 | 65,423 | 65,206 | 65,866 | 67,435 | 68,973 |
| Parks | | | | | | | | | | |
| Annual Visitors | N/A | N/A | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| Nature Education Programs | N/A | N/A | 1,500 | 1,500 | 1,300 | 1,300 | 1,300 | 1,000 | 1,000 | 1,000 |
| Volunteer Hours | N/A | N/A | 30,000 | 30,000 | 32,800 | 33,700 | 33,700 | 62,500 | 87,737 | 87,737 |
| Park Reservations | N/A | N/A | 645 | 660 | 675 | 690 | 690 | 1,300 | 1,350 | 1,350 |
| Visitor Center Phone Calls | N/A | N/A | 16,200 | 17,900 | 18,000 | 21,000 | 21,000 | 24,600 | 26,350 | 26,350 |
| Health | | | | | | | | | | |
| Patients | 48,787 | 44,181 | 43,234 | 47,712 | 48,787 | 46,237 | 48,961 | 37,077 | 34,688 | 41,674 |
| Visits | 144,267 | 140,935 | 139,040 | 135,296 | 138,833 | 134,637 | 137,105 | 125,971 | 123,445 | 119,846 |
| Inspections | 24,627 | 28,077 | 28,935 | 29,337 | 35,098 | 29,203 | 26,317 | 24,312 | 31,244 | 17,635 |
| Birth and Death Certificates | 101,707 | 98,618 | 97,034 | 94,033 | 86,938 | 83,213 | 84,314 | 82,876 | 76,187 | 68,568 |
| Sanitation | | | | | | | | | | |
| Total solid waste collected and disposed | 111,889 | 113,700 | 117,800 | 11,500 | 116,500 | 114,377 | 115,000 | 106,463 | 103,504 | 100,045 |
| Water Works | | | | | | | | | | |
| Water Delivered to Water Mains (Gallons) | 49,697,876,000 | 48,747,763,000 | 47,047,006,000 | 49,679,150,000 | 48,574,063,000 | 49,005,613,000 | 50,246,239,000 | 47,990,075,000 | 53,410,396,000 | 49,566,715,000 |
| Total Water Consumption (Gallons) | 41,049,853,000 | 40,630,682,000 | 39,083,763,000 | 41,198,056,000 | 39,700,260,000 | 41,206,219,000 | 42,128,497,000 | 40,061,250,000 | 44,161,654,000 | 41,510,868,000 |
| Percent of Unmetered Water | 17% | 17% | 17% | 17% | 18% | 16% | 16% | 17% | 17% | 16% |
| Average Daily Delivery (Gallons) | 136,159,000 | 133,191,000 | 128,896,000 | 136,107,000 | 133,080,000 | 134,038,000 | 137,661,000 | 131,480,000 | 146,330,000 | 135,428,000 |
| Maximum Daily Pumpage (Gallons) | 234,267,000 | 196,730,000 | 169,636,000 | 217,882,000 | 207,864,000 | 176,763,000 | 213,827,000 | 211,468,000 | 229,517,000 | 220,566,000 |
| Minimum Daily Pumpage (Gallons) | 104,747,000 | 105,760,000 | 105,529,000 | 101,296,000 | 98,590,000 | 106,310,000 | 108,872,000 | 102,692,000 | 106,102,000 | 99,924,000 |

N/A = Not Available

City of Cincinnati
Operating Information
Schedule 3
Capital Asset and Infrastructure Statistics by Function/Program
Last Seven Fiscal Years

| Function/Program | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety | | | | | | | |
| Police | | | | | | | |
| Stations | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Fire | | | | | | | |
| Fire Stations | 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| Paramedic Units | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Life Support Ambulances | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Aircraft Rescue | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Transportation and Engineering | | | | | | | |
| Streets (lane miles) | 2,820 | 2,840 | 2,840 | 2,840 | 2,840 | 2,840 | 2,840 |
| Sidewalks (miles) | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 |
| Street Signs | 150,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 150,000 |
| Bridges | 71 | 71 | 66 | 68 | 68 | 63 | 62 |
| Retaining Walls (miles) | 48 | 49 | 49 | 51 | 51 | 52 | 52 |
| Public Recreation | | | | | | | |
| Parks | | | | | | | |
| Acreage | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Regional Parks | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Neighborhood parks | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| Preserves and Nature areas | 34 | 34 | 34 | 34 | 34 | 34 | 34 |
| Nature Education Centers | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Playgrounds | 52 | 52 | 52 | 52 | 52 | 52 | 52 |
| Hiking Trails (miles) | 50 | 50 | 50 | 65 | 65 | 65 | 65 |
| Plant Species - Krohn Conservatory | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Park Facilities & Structures | 121 | 121 | 121 | 121 | 121 | 121 | 121 |
| Street Trees | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Recreation | | | | | | | |
| Acreage | 2,300 | 2,300 | 2,300 | 2,600 | 2,600 | 2,600 | 2,600 |
| Recreation and Senior Centers | 45 | 40 | 40 | 40 | 40 | 38 | 38 |
| Play Areas | 108 | 108 | 108 | 108 | 108 | 108 | 108 |
| Swimming Pools | 41 | 40 | 40 | 40 | 40 | 38 | 38 |
| Tennis Courts | 122 | 122 | 122 | 122 | 122 | 122 | 122 |
| Public Services | | | | | | | |
| Traffic Engineering | | | | | | | |
| Traffic Signs | 705 | 725 | 725 | 739 | 745 | 758 | 749 |
| Street Lights | 31,500 | 31,500 | 31,500 | 32,000 | 32,000 | 32,000 | 28,706 |
| Public Health | | | | | | | |
| Health Centers | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Water Works | | | | | | | |
| Total Assets (in thousands) | \$ 642,501 | \$ 759,982 | \$ 751,109 | \$ 877,497 | \$ 877,914 | \$ 970,706 | \$ 980,822 |
| Water Customer Accounts | 235,556 | 236,945 | 238,460 | 239,630 | 240,472 | 241,040 | 241,416 |
| Miles of Water Main in the System | 2,992 | 3,012 | 3,058 | 3,079 | 3,102 | 3,109 | 3,121 |
| Municipal Golf | | | | | | | |
| Golf Courses | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| General Aviation | | | | | | | |
| Acreage | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 870 | 1,253 |
| Convention Center | | | | | | | |
| Meeting Rooms | | 41 | 41 | N/A | 37 | 37 | 37 |
| Exhibit Space (Square Feet) | 162,000 | 162,000 | 162,000 | 162,000 | 195,000 | 195,000 | 195,000 |
| Meeting/Ballroom Space (Square Feet) | 82,000 | 82,000 | 82,000 | 82,000 | 102,000 | 102,000 | 102,000 |
| Parking Facilities | | | | | | | |
| Parking Lots/Garages | 9 | 10 | 10 | 15 | 14 | 14 | 14 |
| Parking Meters | 6,200 | 6,400 | 6,400 | 5,700 | 5,700 | 5,400 | 5,400 |
| Stormwater Management | | | | | | | |
| Miles of Storm Sewers | 315 | 315 | 315 | 315 | 315 | 350 | 350 |

Comprehensive Annual **FINANCIAL REPORT**

PREPARED BY:

Accounts and Audits

*Bea Ebner, Karen Alder, Christopher Bigham,
Kim DeWalt, Jeff Harmon, Monica Morton,
Bev Nussman, Pam Sacherman, Bryan Schmitt,
Linda Weigand, Jessica Young, Carolyn Fehr*

SPECIAL ACKNOWLEDGEMENT FOR CONTRIBUTIONS FROM:

Water Works

Janet Klenk, Andy Remlinger

Retirement

Ron Wilson

Treasury

Nicole Lee

DESIGNED BY:

Transportation and Engineering

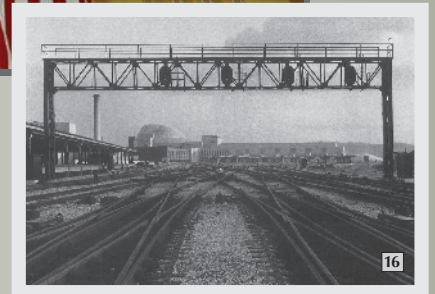
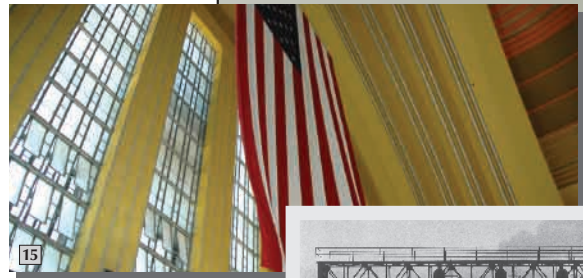
Laura Martin

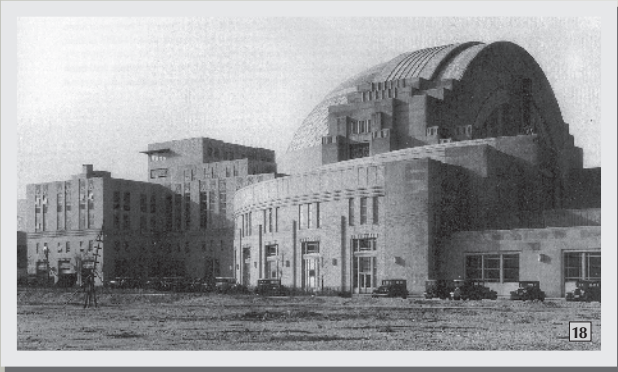
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- 2, 16, 18: Cincinnati Railroad Club, Inc
- 3, 12, 14, 17: Gibson R. Yungblut Collection
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Mary Taylor, CPA
Auditor of State

CITY OF CINCINNATI

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 17, 2009**