

***CITY OF CINCINNATI,  
OHIO***

*Office of Management and Budget Circular A-133  
Reports for the Year Ended December 31, 2001*





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Members of City Council  
City of Cincinnati

We have reviewed the Independent Auditor's Report of the City of Cincinnati, Hamilton County, prepared by Deloitte & Touche LLP for the audit period January 1, 2001 through December 31, 2001. 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

July 26, 2002

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# CITY OF CINCINNATI, OHIO

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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and  
Members of the City Council  
City of Cincinnati, Ohio and  
Jim Petro, Auditor of State of Ohio

We have audited the accompanying general-purpose financial statements of the City of Cincinnati, Ohio (the "City"), as of December 31, 2001 and for the year then ended, listed in the foregoing Table of Contents. These general purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general-purpose 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose 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 opinion.

In our opinion, such general-purpose financial statements present fairly, in all material respects, the financial position of the City of Cincinnati, Ohio as of December 31, 2001 and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. This schedule is the responsibility of the management of the City. Such information has been subjected to the auditing procedures applied in our audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general-purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2002, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Deloitte & Touche LLP*

May 31, 2002

**GENERAL PURPOSE  
FINANCIAL STATEMENTS**



**CITY OF CINCINNATI, OHIO**  
**Combined Balance Sheet - All Fund Types and Account Groups**

December 31, 2001  
(Amounts in Thousands)

|   | Governmental Fund Types |                  |                  | Proprietary Fund Types |                   | Fiduciary Fund Types |                     | Account Groups       |                               |                     | Total               |  |
|---|-------------------------|------------------|------------------|------------------------|-------------------|----------------------|---------------------|----------------------|-------------------------------|---------------------|---------------------|--|
|   | General                 | Special Revenue  | Debit Service    | Capital Projects       | Enterprise        | Internal Service     | Trust and Agency    | General Fixed Assets | General Long-Term Obligations | December 31 2001    | December 31 2000    |  |
| <b>Assets and Other Debits</b>          |                         |                  |                  |                        |                   |                      |                     |                      |                               |                     |                     |  |
| Cash and Equivalents                    | \$ 56,202               | \$ 2,945         | \$ 32,658        | \$ 157,586             | \$ 65,413         | \$ 80,168            | \$ 28,240           | \$                   | \$                            | \$ 122,433          | \$ 63,213           |  |
| Equity in City Treasury Cash            |                         |                  |                  |                        |                   |                      |                     |                      |                               | 484,948             | 471,521             |  |
| Advances and Petty Cash                 | 86                      | 368              | 1,447            | 43,066                 |                   |                      | 2,587,928           |                      |                               | 88                  | 131                 |  |
| Investments, at Fair Value              |                         |                  |                  |                        |                   |                      | 293,689             |                      |                               | 2,612,630           | 2,845,142           |  |
| Collateral on Loaned Securities         |                         |                  |                  |                        |                   |                      |                     |                      |                               | 293,689             |                     |  |
| Receivables:                            |                         |                  |                  |                        |                   |                      |                     |                      |                               |                     |                     |  |
| Taxes                                   | 50,736                  | 6,540            | 35,036           | 5,164                  | 107               |                      |                     |                      |                               | 97,592              | 94,479              |  |
| Accounts, Net                           | 1,690                   | 970              |                  | 2,090                  | 14,515            | 1,192                | 15,164              |                      |                               | 35,581              | 44,526              |  |
| Accounts Receivable for Securities Sold |                         |                  |                  |                        |                   |                      | 117,428             |                      |                               | 117,428             | 112,027             |  |
| Special Assessments                     | 295                     | 3,773            | 300              | 74                     |                   |                      | 9,971               |                      |                               | 4,142               | 4,263               |  |
| Accrued Interest and Dividends          | 1,641                   | 102              |                  | 147                    | 1,797             | 888                  | 451                 |                      |                               | 14,848              | 18,160              |  |
| Due from Other Funds                    | 179                     | 335              |                  | 1,974                  | 1,180             | 3,169                |                     |                      |                               | 7,288               | 8,919               |  |
| Due from Other Governments              | 16,891                  | 3,698            |                  |                        | 10,403            |                      | 255                 |                      |                               | 31,246              | 13,801              |  |
| Prepaid Items                           |                         |                  |                  |                        | 77                | 1,011                |                     |                      |                               | 1,088               | 1,124               |  |
| Inventory                               | 2,105                   | 469              |                  | 768                    | 4,767             | 1,860                | 867                 |                      |                               | 10,656              | 9,751               |  |
| Advances to Other Funds                 | 302                     | 1,021            |                  |                        | 10,740            | 10,215               |                     |                      |                               | 22,278              | 12,916              |  |
| Restricted Assets:                      |                         |                  |                  |                        |                   |                      |                     |                      |                               |                     |                     |  |
| Cash and Cash Equivalents               |                         |                  |                  |                        | 7,784             |                      |                     |                      |                               | 7,784               | 15,740              |  |
| Equity in City Treasury Cash            |                         |                  |                  |                        | 56,836            |                      |                     |                      |                               | 56,836              | 22,008              |  |
| Loans Receivable                        |                         |                  |                  |                        |                   |                      | 20,882              |                      |                               | 20,882              |                     |  |
| Land                                    |                         |                  |                  |                        |                   |                      |                     |                      |                               | 162,453             | 163,195             |  |
| Buildings                               |                         |                  |                  |                        | 25,349            | 133                  |                     | 136,971              |                               | 380,198             | 381,063             |  |
| Accumulated Depreciation                |                         |                  |                  |                        | 248,064           | 272                  |                     | 131,820              |                               | (108,377)           | (101,443)           |  |
| Improvements                            |                         |                  |                  |                        | (108,129)         | (246)                |                     |                      |                               | 597,565             | 546,428             |  |
| Accumulated Depreciation                |                         |                  |                  |                        | 3,991             | 3,991                | 75                  | 214,620              |                               | (117,479)           | (112,727)           |  |
| Machinery and Equipment                 |                         |                  |                  |                        | (117,195)         | (255)                |                     | 62,388               |                               | 234,900             | 223,902             |  |
| Accumulated Depreciation                |                         |                  |                  |                        | 143,016           | 28,077               | 1,318               |                      |                               | (95,909)            | (91,178)            |  |
| Construction in Progress                |                         |                  |                  |                        | (80,187)          | (14,864)             | (237)               | 277,104              |                               | 407,850             | 562,390             |  |
| Property Acquired under Capital Leases  |                         |                  |                  |                        | 130,546           |                      |                     |                      |                               | 2,721               | 2,721               |  |
| Accumulated Amortization                |                         |                  |                  |                        | 637               | 2,064                |                     |                      |                               | (1,742)             | (1,219)             |  |
| Amount Available in Debt Service Fund   |                         |                  |                  |                        | (226)             | (1,514)              |                     |                      | 34,627                        |                     | 25,369              |  |
| Amount to be Provided for Retirement of |                         |                  |                  |                        |                   |                      |                     |                      |                               |                     |                     |  |
| General Long-Term Obligations           |                         |                  |                  |                        |                   |                      |                     |                      |                               |                     |                     |  |
| <b>Total Assets and Other Debits</b>    | <b>\$ 133,150</b>       | <b>\$ 80,972</b> | <b>\$ 99,441</b> | <b>\$ 210,889</b>      | <b>\$ 785,655</b> | <b>\$ 115,619</b>    | <b>\$ 3,175,434</b> | <b>\$ 822,903</b>    | <b>\$ 361,913</b>             | <b>\$ 5,785,785</b> | <b>\$ 5,972,223</b> |  |

|  | Governmental Fund Types |           |           |            | Proprietary Fund Types |            | Fiduciary Fund Types |                  | Account Groups   |                       |                   | Total             |                   |                   |
|--|-------------------------|-----------|-----------|------------|------------------------|------------|----------------------|------------------|------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|
|  | Special                 |           | Debt      |            | Enterprise             |            | Internal Service     |                  | Trust and Agency |                       | General           | General           | (Memorandum Only) |                   |
|  | Revenue                 | Service   | Projects  | Capital    | Enterprise             | Internal   | Service              | Trust and Agency | Assets           | Long-Term Obligations | December 31, 2001 | December 31, 2000 | December 31, 2001 | December 31, 2000 |
| <b>Liabilities, Equity and Other Credits</b>       |                         |           |           |            |                        |            |                      |                  |                  |                       |                   |                   |                   |                   |
| <b>Liabilities</b>                                 |                         |           |           |            |                        |            |                      |                  |                  |                       |                   |                   |                   |                   |
| Accounts Payable                                   | 3,711                   | 4,988     | 19        | 10,489     | 1,074                  | 2,882      | 7,177                | 300,894          |                  |                       | 30,850            | 34,927            | 300,894           | 329,805           |
| Accounts Payable for Securities Purchased          | 7,551                   |           |           |            | 948                    | 1,524      | 1,977                |                  |                  |                       | 7,551             | 7,818             | 7,551             | 7,818             |
| Withholdings and Other Deposits                    | 1,333                   | 427       |           | 1,078      | 1,467                  |            | 167,933              |                  |                  |                       | 7,288             | 8,619             | 7,288             | 8,619             |
| Due to Other Funds                                 |                         |           |           |            |                        |            | 283,689              |                  |                  |                       | 169,000           | 190,866           | 283,689           | 190,866           |
| Due to Other Governmental Agencies                 |                         |           |           |            |                        |            | 988                  |                  |                  |                       | 9,095             | 19,396            | 9,095             | 19,396            |
| Obligations under Securities Lending               | 5,727                   | 637       | 4         |            | 1,334                  | 405        | 868                  |                  |                  |                       | 12,113            | 11,570            | 9,095             | 11,570            |
| Accrued Payroll                                    | 588                     | 54        |           |            | 328                    | 4,300      | 6,843                |                  |                  |                       | 427               | 688               | 427               | 688               |
| Accrued Liabilities                                |                         |           |           |            | 427                    |            |                      |                  |                  |                       |                   |                   |                   |                   |
| Accrued Interest                                   |                         |           |           |            |                        |            |                      |                  |                  |                       |                   |                   |                   |                   |
| Current Obligations under Capital Leases           |                         |           |           |            | 235                    | 488        |                      |                  |                  |                       |                   |                   |                   |                   |
| Deposits Payable                                   | 14,034                  | 376       | 540       |            | 13                     | 187        | 1,617                |                  |                  |                       | 30                | 829               | 753               | 829               |
| Deferred Revenue                                   | 45,687                  | 6,562     | 33,522    | 2,915      | 2,716                  | 52         | 2                    |                  |                  |                       |                   | 18,218            | 18,767            | 18,218            |
| Estimated Liability for Compensated Absences       |                         | 6,845     |           |            | 5,915                  | 2,121      | 5,888                |                  |                  |                       |                   | 68,529            | 91,456            | 68,529            |
| Estimated Liability for Unpaid Claims              | 760                     |           |           |            | 84                     | 21,148     |                      |                  |                  |                       |                   | 76,111            | 70,937            | 70,937            |
| Payable from Restricted Assets:                    |                         |           |           |            |                        |            |                      |                  |                  |                       |                   | 33,516            | 25,155            | 33,516            |
| Construction Contracts                             |                         |           |           |            | 4,461                  |            |                      |                  |                  |                       |                   | 4,461             | 4,461             | 3,223             |
| Deposits Payable                                   |                         |           |           |            | 535                    |            |                      |                  |                  |                       |                   | 535               | 535               | 786               |
| Advances from Other Funds                          | 521                     | 625       |           | 20,580     |                        | 552        |                      |                  |                  |                       |                   | 22,278            | 22,278            | 12,916            |
| Advances from Other Governments                    | 3,902                   |           |           |            |                        | 20         |                      |                  |                  |                       |                   | 3,922             | 3,922             | 3,868             |
| Non-Current Obligations under Capital Leases       |                         |           |           |            | 36                     | 177        |                      |                  |                  |                       |                   | 230               | 230               | 823               |
| Matured Bonds and Interest Payable                 |                         |           | 720       |            |                        |            |                      |                  |                  |                       |                   | 720               | 720               | 1,753             |
| General Obligation Bonds and Notes Payable         |                         |           |           |            | 91,157                 |            |                      |                  |                  |                       |                   | 378,085           | 378,085           | 377,308           |
| Revenue Bonds Payable                              |                         |           |           |            | 92,685                 |            |                      |                  |                  |                       |                   | 104,504           | 104,504           | 12,346            |
| State Loan   |                         |           |           |            |                        |            |                      |                  |                  |                       |                   | 4,334             | 4,334             |                   |
| <b>Total Liabilities</b>                           | 83,834                  | 20,314    | 34,805    | 35,063     | 203,915                | 33,866     | 786,408              |                  |                  |                       | 361,813           | 1,560,118         | 1,560,118         | 1,208,751         |
| <b>Equity and Other Credits</b>                    |                         |           |           |            |                        |            |                      |                  |                  |                       |                   |                   |                   |                   |
| Contributed Capital                                |                         |           |           |            | 140,768                | 26,038     |                      |                  |                  |                       |                   |                   |                   |                   |
| Investment in General Fixed Assets                 |                         |           |           |            |                        |            |                      |                  | 822,903          |                       |                   |                   |                   |                   |
| Retained Earnings:                                 |                         |           |           |            |                        |            |                      |                  |                  |                       |                   |                   |                   |                   |
| Reserved for Restricted Assets                     |                         |           |           |            | 58,424                 |            |                      |                  |                  |                       |                   | 59,424            | 59,424            | 11,730            |
| Unreserved   |                         |           |           |            | 381,428                | 55,715     |                      |                  |                  |                       |                   | 437,143           | 437,143           | 446,432           |
| Fund Balances, Reserved for:                       |                         |           |           |            |                        |            |                      |                  |                  |                       |                   |                   |                   |                   |
| Advances and Petty Cash                            | 88                      |           |           |            |                        |            |                      |                  |                  |                       |                   | 88                | 88                | 131               |
| Prepaid Items                                      |                         |           |           |            |                        |            |                      |                  |                  |                       |                   | 10                | 10                | 10                |
| Encumbrances                                       | 8,591                   | 49,164    | 9         | 78,096     |                        |            |                      |                  |                  |                       |                   | 135,860           | 135,860           | 90,775            |
| External Investment Pool Participant               |                         |           |           |            |                        |            |                      |                  |                  |                       |                   | 26,769            | 26,769            | 24,668            |
| Employees' Retirement System                       |                         |           |           |            |                        |            |                      | 2,352,508        |                  |                       |                   | 2,352,508         | 2,352,508         | 2,560,805         |
| Accordance with Trusts                             |                         |           |           |            |                        |            |                      | 9,376            |                  |                       |                   | 9,376             | 9,376             | 9,715             |
| Capital Projects                                   |                         |           |           |            |                        |            |                      |                  |                  |                       |                   | 77,571            | 77,571            | 41,331            |
| Working Capital                                    |                         |           |           |            |                        |            |                      |                  |                  |                       |                   | 19,371            | 19,371            | 18,245            |
| Advances to Other Funds                            | 302                     | 1,021     |           |            |                        |            |                      |                  |                  |                       |                   | 1,323             | 1,323             | 1,968             |
| Inventory  | 2,105                   | 469       |           | 788        |                        |            |                      |                  |                  |                       |                   | 3,362             | 3,362             | 2,712             |
| Fund Balances, Unreserved:                         |                         |           |           |            |                        |            |                      |                  |                  |                       |                   |                   |                   |                   |
| Designated for Internal Service Funds              | 1,500                   |           |           |            |                        |            |                      |                  |                  |                       |                   | 1,500             | 1,500             | 1,500             |
| Designated for Debt Service                        |                         |           |           |            |                        |            |                      |                  |                  |                       |                   | 34,627            | 34,627            | 25,359            |
| Designated for Contingencies                       |                         |           |           |            |                        |            |                      |                  |                  |                       |                   | 4,000             | 4,000             | 4,000             |
| Undesignated                                       | 36,739                  | 5,904     |           |            |                        |            |                      |                  |                  |                       |                   | 42,996            | 42,996            | 65,002            |
| <b>Total Equity and Other Credits</b>              | 49,325                  | 60,559    | 34,836    | 175,826    | 581,640                | 81,753     | 2,389,026            | 353              | 822,903          |                       |                   | 4,185,667         | 4,185,667         | 4,495,472         |
| <b>Total Liabilities, Equity and Other Credits</b> | \$ 133,169              | \$ 80,872 | \$ 69,441 | \$ 210,889 | \$ 785,555             | \$ 116,619 | \$ 3,175,434         | \$ 822,903       | \$ 822,903       | \$ 361,813            | \$ 5,755,785      | \$ 6,672,223      | \$ 5,755,785      | \$ 6,672,223      |

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

**CITY OF CINCINNATI, OHIO**  
 Combined Statement of Revenue, Expenditures and Changes in Fund Balances  
 All Governmental Fund Types and Expendable Trust Funds  
 For the year ended December 31, 2001  
 (Amounts in Thousands)

|  | Governmental Fund Types |                  | Fiduciary Fund Type Expendable Trust | Total (Memorandum Only) |                   |
|--|-------------------------|------------------|--------------------------------------|-------------------------|-------------------|
|  | General                 | Special Revenue  |                                      | December 31 2001        | December 31 2000  |
| <b>Revenue</b>   |                         |                  |                                      |                         |                   |
| Taxes  | \$ 215,069              | \$ 47,872        | \$                                   | \$ 317,263              | \$ 314,404        |
| Licenses and Permits   | 5,922                   | 3,725            |                                      | 9,647                   | 8,975             |
| Use of Money and Property  | 17,799                  | 3,225            | (79)                                 | 90,005                  | 43,468            |
| Special Assessments  |                         | 3,204            |                                      | 3,300                   | 3,425             |
| Intergovernmental Revenue  | 54,396                  | 11,865           |                                      | 70,092                  | 65,333            |
| Federal Grants   |                         | 36,937           |                                      | 54,753                  | 108,438           |
| State Grants and Subsidies   | 12,598                  | 2,306            |                                      | 43,605                  | 17,526            |
| Charges for Current Services   | 2,640                   | 12,759           |                                      | 25,357                  | 25,039            |
| Miscellaneous  |                         | 3,910            |                                      | 7,282                   | 10,552            |
| <b>Total Revenue</b>   | <b>308,424</b>          | <b>125,803</b>   | <b>(79)</b>                          | <b>621,304</b>          | <b>597,160</b>    |
| <b>Expenditures</b>  |                         |                  |                                      |                         |                   |
| <b>Current</b>   |                         |                  |                                      |                         |                   |
| General Government   | 47,078                  | 19,536           |                                      | 67,276                  | 67,076            |
| Parks and Recreation   | 19,427                  | 8,958            | 8                                    | 28,393                  | 26,398            |
| Public Safety  | 128,345                 | 2,739            |                                      | 131,084                 | 124,839           |
| Transportation & Engineering   | 1,832                   | 2,744            |                                      | 4,576                   | 5,117             |
| General Services   | 8,202                   | 41,039           |                                      | 49,241                  | 48,661            |
| Public Services  | 20,928                  | 13,043           |                                      | 33,971                  | 32,857            |
| Public Health  | 22,534                  | 11,204           |                                      | 33,738                  | 31,863            |
| Employee Benefits  | 49,119                  | 3,909            |                                      | 53,028                  | 50,735            |
| Capital Outlay   | 345                     | 23,459           |                                      | 148,419                 | 227,892           |
| Debt Service   |                         |                  |                                      |                         |                   |
| Principal Retirement   |                         | 66,400           |                                      | 66,400                  | 46,472            |
| Police and Fire Prior Service Cost   |                         |                  |                                      |                         |                   |
| Interest   |                         | 322              |                                      | 17,098                  | 41,416            |
| <b>Total Expenditures</b>  | <b>297,810</b>          | <b>126,953</b>   | <b>8</b>                             | <b>633,224</b>          | <b>717,189</b>    |
| <b>Excess (Deficiency) of Revenue over (under) Expenditures</b>  | <b>10,614</b>           | <b>(1,150)</b>   | <b>(87)</b>                          | <b>(11,920)</b>         | <b>(120,029)</b>  |
| <b>Other Financing Sources (Uses)</b>  |                         |                  |                                      |                         |                   |
| Capital Lease Agreements   |                         |                  |                                      |                         |                   |
| Bond and Note Proceeds   |                         |                  |                                      |                         |                   |
| State Loan   |                         |                  |                                      | 73,623                  | 142,387           |
| Other Transfers  |                         |                  |                                      | 363                     |                   |
| Operating Transfers In   | 16,486                  | 2,982            |                                      | 14,069                  | 247,061           |
| Operating Transfers (Out)  | (31,752)                | (2,559)          | (27)                                 | 161,267                 | (242,831)         |
| <b>Total Other Financing Sources (Uses)</b>  | <b>(15,266)</b>         | <b>423</b>       | <b>(27)</b>                          | <b>(169,601)</b>        | <b>146,626</b>    |
| <b>Excess (Deficiency) of Revenue and Other Financing Sources over (under) Expenditures and Other Uses</b> | <b>(4,652)</b>          | <b>(727)</b>     | <b>(114)</b>                         | <b>67,801</b>           | <b>26,597</b>     |
| <b>Fund Balances, January 1</b>  | <b>50,818</b>           | <b>60,668</b>    | <b>1,168</b>                         | <b>249,822</b>          | <b>223,225</b>    |
| <b>Cumulative Effect of Change in Accounting Principle</b>   | <b>3,159</b>            | <b>617</b>       |                                      | <b>3,776</b>            |                   |
| <b>Fund Balances, December 31</b>  | <b>\$ 49,325</b>        | <b>\$ 60,558</b> | <b>\$ 1,054</b>                      | <b>\$ 321,399</b>       | <b>\$ 249,822</b> |

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

**CITY OF CINCINNATI, OHIO**

Combined Statement of Revenue, Expenditures and Changes in Fund Balances  
**Budget (Non-GAAP Budgetary Basis) and Actual - General and Appropriated Special Revenue Funds**  
 For the year ended December 31, 2001  
 (Amounts in Thousands)

|   | General Fund     |                  |                                  | Appropriated Special Revenue Funds |                  |                                  | Total (Memorandum Only) |                  |                                  |
|---|------------------|------------------|----------------------------------|------------------------------------|------------------|----------------------------------|-------------------------|------------------|----------------------------------|
|   | Budget           | Actual           | Variance Favorable (Unfavorable) | Budget                             | Actual           | Variance Favorable (Unfavorable) | Budget                  | Actual           | Variance Favorable (Unfavorable) |
|   |                  |                  |                                  |                                    |                  |                                  |                         |                  |                                  |
| <b>Revenue</b>  |                  |                  |                                  |                                    |                  |                                  |                         |                  |                                  |
| Taxes   | \$ 228,353       | \$ 217,966       | \$ (10,387)                      | \$ 51,670                          | \$ 48,671        | \$ (2,999)                       | \$ 280,023              | \$ 266,637       | \$ (13,386)                      |
| Licenses and Permits  | 5,401            | 5,910            | 509                              | 5,200                              | 5,094            | (106)                            | 10,601                  | 11,004           | 403                              |
| Use of Money and Property   | 16,144           | 16,097           | (47)                             | 822                                | 605              | (217)                            | 16,966                  | 16,702           | (264)                            |
| Intergovernmental Revenue   | 50,660           | 54,397           | 3,737                            | 7,675                              | 7,512            | (163)                            | 58,335                  | 61,909           | 3,574                            |
| Charges for Current Services  | 14,493           | 14,238           | (255)                            | 6,314                              | 6,877            | 563                              | 20,807                  | 20,915           | 108                              |
| Miscellaneous   | 1,850            | 2,846            | 996                              | 1,697                              | 1,576            | (121)                            | 3,547                   | 4,422            | 875                              |
| <b>Total Revenue</b>  | <b>316,901</b>   | <b>311,454</b>   | <b>(5,447)</b>                   | <b>73,378</b>                      | <b>70,135</b>    | <b>(3,243)</b>                   | <b>390,279</b>          | <b>381,589</b>   | <b>(8,690)</b>                   |
| <b>Expenditures</b>   |                  |                  |                                  |                                    |                  |                                  |                         |                  |                                  |
| <b>Current</b>  |                  |                  |                                  |                                    |                  |                                  |                         |                  |                                  |
| General Government  | 48,128           | 46,889           | 1,239                            | 3,011                              | 2,659            | 352                              | 51,139                  | 49,548           | 1,591                            |
| Parks and Recreation  | 19,387           | 19,169           | 218                              | 4,786                              | 4,337            | 449                              | 24,173                  | 23,506           | 667                              |
| Public Safety   | 133,675          | 131,888          | 1,787                            | 588                                | 544              | 44                               | 134,263                 | 132,432          | 1,831                            |
| Transportation & Engineering  | 1,903            | 1,826            | 77                               | 3,037                              | 2,653            | 384                              | 4,940                   | 4,479            | 461                              |
| General Services  | 8,695            | 8,535            | 160                              | 40,631                             | 40,418           | 213                              | 49,326                  | 48,953           | 373                              |
| Public Services   | 21,026           | 20,865           | 161                              | 13,625                             | 13,471           | 154                              | 34,651                  | 34,336           | 315                              |
| Public Health   | 22,659           | 22,525           | 134                              | 2,757                              | 2,636            | 121                              | 25,416                  | 25,161           | 255                              |
| Employee Benefits   | 52,286           | 50,537           | 1,749                            | 3,224                              | 2,780            | 444                              | 55,510                  | 53,317           | 2,193                            |
| Capital Outlay  | 606              | 584              | 22                               | 66                                 | 61               | 5                                | 672                     | 645              | 27                               |
| <b>Total Expenditures</b>   | <b>308,365</b>   | <b>302,818</b>   | <b>5,547</b>                     | <b>71,725</b>                      | <b>69,559</b>    | <b>2,166</b>                     | <b>380,090</b>          | <b>372,377</b>   | <b>7,713</b>                     |
| <b>Excess (Deficiency) of Revenue over (under) Expenditures</b>                             | <b>8,536</b>     | <b>8,636</b>     | <b>100</b>                       | <b>1,653</b>                       | <b>576</b>       | <b>(1,077)</b>                   | <b>10,189</b>           | <b>9,212</b>     | <b>(977)</b>                     |
| <b>Other Financing Sources (Uses)</b>   |                  |                  |                                  |                                    |                  |                                  |                         |                  |                                  |
| Operating Transfer In   |                  | 20,063           | 20,063                           |                                    | 1,940            | 1,940                            |                         | 22,003           | 22,003                           |
| Operating Transfers (Out)   |                  | (32,068)         | (32,068)                         | (964)                              | (2,349)          | (1,385)                          | (964)                   | (34,417)         | (33,453)                         |
| <b>Total Other Financing Sources (Uses)</b>   |                  | <b>(12,005)</b>  | <b>(12,005)</b>                  | <b>(964)</b>                       | <b>(409)</b>     | <b>555</b>                       | <b>(964)</b>            | <b>(12,414)</b>  | <b>(11,450)</b>                  |
| <b>Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing Sources</b> | <b>8,536</b>     | <b>(3,369)</b>   | <b>(11,905)</b>                  | <b>689</b>                         | <b>167</b>       | <b>(522)</b>                     | <b>9,225</b>            | <b>(3,202)</b>   | <b>(12,427)</b>                  |
| Cancellation of Prior Years   |                  |                  |                                  |                                    |                  |                                  |                         |                  |                                  |
| Encumbrances  |                  | 1,786            | 1,786                            |                                    | 821              | 821                              |                         | 2,607            | 2,607                            |
| <b>Fund Balances, January 1</b>   | <b>19,464</b>    | <b>19,464</b>    |                                  | <b>24,719</b>                      | <b>24,719</b>    |                                  | <b>44,183</b>           | <b>44,183</b>    |                                  |
| <b>Fund Balances, December 31</b>   | <b>\$ 28,000</b> | <b>\$ 17,881</b> | <b>\$ (10,119)</b>               | <b>\$ 25,408</b>                   | <b>\$ 25,707</b> | <b>\$ 289</b>                    | <b>\$ 53,408</b>        | <b>\$ 43,588</b> | <b>\$ (9,820)</b>                |

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

**CITY OF CINCINNATI, OHIO**

**Combined Statement of Revenue, Expenses and Changes in Retained Earnings/Fund Balances  
All Proprietary Fund Types and Nonexpendable Trust Funds**

For the year ended December 31, 2001  
(Amounts in Thousands)

|                                    | Proprietary Fund Types |                   | Fiduciary Fund Types<br>Nonexpendable Trust | Total<br>(Memorandum Only) |                     |
|------------------------------------|------------------------|-------------------|---|----------------------------|---------------------|
|                                    | Enterprise             | Internal Services |   | December 31<br>2001        | December 31<br>2000 |
| <u>Operating Revenue:</u>          |                        |                   |   |                            |                     |
| Charges for Services               | \$ 105,398             | \$ 85,445         | \$  | \$ 190,843                 | \$ 186,694          |
| Earnings (losses) from Investments |                        |                   | (608)                                       | (608)                      | (243)               |
| Contributions                      |                        |                   | 730   | 730                        |                     |
| Miscellaneous Income               | 2,700                  | 955               |   | 3,655                      | 4,130               |
| <b>Total Operating Revenue</b>     | <b>108,098</b>         | <b>86,400</b>     | <b>122</b>                                  | <b>194,620</b>             | <b>190,581</b>      |
| <u>Operating Expenses:</u>         |                        |                   |   |                            |                     |
| Personal Services                  | 35,707                 | 16,209            |   | 51,916                     | 51,340              |
| Contractual Services               | 15,264                 | 6,799             | 61  | 22,124                     | 20,836              |
| Maintenance and Repairs            | 4,202                  | 2,166             |   | 6,368                      | 6,756               |
| Materials and Supplies             | 6,386                  | 9,718             |   | 16,104                     | 15,340              |
| Utilities                          | 8,719                  | 921               |   | 9,640                      | 9,128               |
| Insurance                          | 333                    | 52,088            |   | 52,421                     | 38,484              |
| Taxes                              | 355                    |                   |   | 355                        | 373                 |
| Rent                               | 499                    | 1,445             |   | 1,944                      | 1,309               |
| Interest                           |                        | 68                |   | 68                         | 109                 |
| Other Expense                      | 313                    | 50                |   | 363                        | 634                 |
| Depreciation and Amortization      | 19,089                 | 1,772             | 3   | 20,864                     | 21,640              |
| <b>Total Operating Expenses</b>    | <b>90,867</b>          | <b>91,236</b>     | <b>64</b>                                   | <b>182,167</b>             | <b>165,949</b>      |
| <b>Operating Income (Loss)</b>     | <b>17,231</b>          | <b>(4,836)</b>    | <b>58</b>                                   | <b>12,453</b>              | <b>24,632</b>       |

|   | Proprietary Fund Types |                   | Fiduciary Fund Types |                  | Total (Memorandum Only) |  |
|---|------------------------|-------------------|----------------------|------------------|-------------------------|--|
|   | Enterprise             | Internal Services | Nonexpendable Trust  | December 31 2001 | December 31 2000        |  |
| <b>Non-Operating Revenue (Expenses):</b>                            |                        |                   |                      |                  |                         |  |
| Interest Revenue  | \$ 9,757               | \$ 4,520          | \$                   | \$ 14,277        | \$ 10,357               |  |
| Interest Expense  | (7,994)                |                   |                      | (7,994)          | (5,477)                 |  |
| Occupancy Tax Receipts  | 1,098                  |                   |                      | 1,098            | 1,181                   |  |
| Capital Contribution  | 8,803                  |                   |                      | 8,803            |                         |  |
| (Loss) on Disposal of Assets  | (519)                  | (167)             |                      | (686)            | (346)                   |  |
| <b>Total Non-Operating Revenue (Expenses)</b>                       | <b>11,145</b>          | <b>4,353</b>      |                      | <b>15,498</b>    | <b>5,715</b>            |  |
| Income (Loss) before Operating Transfers                            | 28,376                 | (483)             | 58                   | 27,951           | 30,347                  |  |
| Operating Transfers In  | 296                    | 11,463            |                      | 11,759           | 4                       |  |
| Operating Transfers (Out)   | (959)                  | (2,137)           | (329)                | (3,425)          | (4,234)                 |  |
| Net Operating Transfers   | (663)                  | 9,326             | (329)                | 8,334            | (4,230)                 |  |
| Net Income (Loss)   | 27,713                 | 8,843             | (271)                | 36,285           | 26,117                  |  |
| Add depreciation on contributed assets acquired with capital grants | 1,849                  |                   |                      | 1,849            | 2,742                   |  |
| Changes in Fund Equity  | 29,562                 | 8,843             | (271)                | 38,134           | 28,859                  |  |
| Retained Earnings/Fund Balances, January 1                          | 411,290                | 46,872            | 8,946                | 467,108          | 438,249                 |  |
| Retained Earnings/Fund Balances, December 31                        | \$ 440,852             | \$ 55,715         | \$ 8,675             | \$ 505,242       | \$ 467,108              |  |

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

**CITY OF CINCINNATI, OHIO**

Combined Statement of Cash Flows

**All Proprietary Fund Types and Nonexpendable Trust Funds**

For the year ended December 31, 2001

(Amounts in Thousands)

|  | Proprietary Fund Types |                  | Fiduciary Fund Types<br>Nonexpendable Trust | Total<br>(Memorandum Only) |                     |
|--|------------------------|------------------|---|----------------------------|---------------------|
|  | Enterprise             | Internal Service |   | December 31<br>2001        | December 31<br>2000 |
| <u>Cash Flow from Operating Activities:</u>                          |                        |                  |   |                            |                     |
| Receipts from Customers  | \$ 109,667             | \$ 67,034        | \$  | \$ 196,721                 | \$ 189,410          |
| Payments to Suppliers  | (36,766)               | (75,898)         | (61)  | (112,725)                  | (98,797)            |
| Payments to Employees  | (37,012)               | (17,336)         |   | (54,348)                   | (48,993)            |
| Payments for Property Taxes  | (323)                  |                  |   | (323)                      | (354)               |
| Net Cash Provided (Used) by Operating Activities                     | 35,566                 | (6,200)          | (61)  | 29,325                     | 41,266              |
| <u>Cash Flow from Non-Capital Financing Activities:</u>              |                        |                  |   |                            |                     |
| Repayment of Advances Made to Other Funds                            | 152                    | (161)            |   | 152                        | 1,584               |
| Repayment of Advances Received From Other Funds                      | (1,590)                | (8,588)          |   | (10,176)                   | (35)                |
| Advances to Other Funds  | 991                    |                  |   | 991                        | (2,070)             |
| Occupancy Tax Receipts   | (959)                  | (2,172)          | (329)                                       | (3,460)                    | 1,181               |
| Operating Transfers to Other Funds                                   | 296                    | 11,463           |   | 11,759                     | (4,445)             |
| Operating Transfers from Other Funds                                 | (1,110)                | 542              | (329)                                       | (897)                      | 4                   |
| Net Cash (Used) by Non-Capital Financing Activities                  |                        |                  |   |                            | (3,781)             |
| <u>Cash Flow from Capital and Related Financing Activities:</u>      |                        |                  |   |                            |                     |
| Capital Contributed by Other Funds                                   | 468                    |                  |   | 468                        | 2,296               |
| Capital Contributed by Other Sources                                 | 169                    |                  |   | 169                        | 4,748               |
| Proceeds from Sale of Fixed Assets                                   | 95,154                 |                  |   | 95,154                     | 76                  |
| Proceeds from Sale of Bonds and Notes                                | (30,382)               | (3,450)          |   | (33,832)                   | (6,366)             |
| Acquisition of Property, Plant, and Equipment                        |                        |                  |   |                            | (93)                |
| Repayment of Advances from Other Governments                         | (8,076)                | (78)             |   | (8,154)                    | (5,634)             |
| Interest Paid on Bonds, Notes and Advances                           | (16,132)               |                  |   | (16,132)                   | (16,481)            |
| Principal Paid on Bonds and Notes                                    | (216)                  | (578)            |   | (794)                      | (879)               |
| Payments on Long Term Capital Lease Obligations                      | (29,131)               |                  |   | (29,131)                   | (38,376)            |
| Additions to Construction in Progress                                | 11,854                 | (4,106)          |   | 7,748                      | (60,709)            |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 9,216                  | 4,791            |   | 14,261                     | 10,304              |
| <u>Cash Flow from Investing Activities:</u>                          |                        |                  |   |                            |                     |
| Interest and Dividends on Investments                                |                        |                  | 254   | 14,261                     | 10,304              |
| Acquisition of Investments   |                        |                  | (1,499)                                     | (1,499)                    | (4,458)             |
| Proceeds from Sale of Investments                                    |                        |                  | 1,763                                       | 1,763                      | 14,882              |
| Net Cash Provided by Investing Activities                            | 9,216                  | 4,791            | 518   | 14,525                     | 20,728              |
| Net Increase (Decrease) in Cash and Cash Equivalents                 | 55,546                 | (4,973)          | 128   | 50,701                     | (2,496)             |
| Cash and Cash Equivalents at Beginning of Year                       | 75,351                 | 85,141           | 967   | 161,479                    | 163,972             |
| Cash and Cash Equivalents at End of Year                             | \$ 130,897             | \$ 80,168        | \$ 1,115                                    | \$ 212,180                 | \$ 161,476          |

|   | Proprietary Fund Types |                  | Fiduciary Fund Types | Total            |                                    |
|---|------------------------|------------------|----------------------|------------------|------------------------------------|
|   | Enterprise             | Internal Service |                      | December 31 2001 | (Memorandum Only) December 31 2000 |
| <u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u> |                        |                  |                      |                  |                                    |
| Operating Income (Loss)   | \$ 17,231              | \$ (4,836)       | \$ 58                | \$ 12,453        | \$ 24,632                          |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:        |                        |                  |                      |                  |                                    |
| Contributions   | 19,089                 | 1,772            | (730)                | 20,864           | 21,640                             |
| Depreciation and Amortization   |                        |                  | 3                    | 608              | 243                                |
| Earnings from Investments   |                        | 165              |                      | 165              | 132                                |
| Capitalized Assets Expensed   |                        |                  |                      |                  |                                    |
| Changes in Assets and Liabilities:  |                        |                  |                      |                  |                                    |
| (Increase) Decrease in:   |                        |                  |                      |                  |                                    |
| Receivables   | 1,080                  | 4,265            |                      | 5,345            | (791)                              |
| Due from Other Funds  | (804)                  | 714              |                      | (90)             | (676)                              |
| Due from Other Governments  | 2,043                  |                  |                      | 2,043            | (2,288)                            |
| Inventory   | 59                     | (316)            |                      | (257)            | (464)                              |
| Prepaid Items   | 34                     | (8)              |                      | 26               | (251)                              |
| Deferred Charges  |                        |                  |                      |                  | (483)                              |
| Increase (Decrease) in:   |                        |                  |                      |                  |                                    |
| Accounts Payable  | (1,113)                | (2,118)          |                      | (3,231)          | 1,483                              |
| Deposits Payable  | (253)                  | 187              |                      | (66)             | (43)                               |
| Due to Other Funds  | (818)                  | (68)             |                      | (886)            | (389)                              |
| Due to Other Governmental Agencies  | 264                    |                  |                      | 264              | (1,934)                            |
| Accrued Payroll   | (993)                  | (476)            |                      | (1,469)          | 206                                |
| Accrued Liabilities   | 23                     | (285)            |                      | (262)            | (928)                              |
| Current Obligation Capital Lease  | (11)                   |                  |                      | (11)             | 5                                  |
| Deferred Revenue  | 45                     | (966)            |                      | (921)            | (210)                              |
| Liability for Compensated Absences  | (294)                  | (188)            |                      | (482)            | (364)                              |
| Estimated Liability for Unpaid Claims   | 4                      | (4,042)          |                      | (4,038)          | 1,746                              |
| Net Cash Provided (Used) by Operating Activities  | \$ 35,586              | \$ (6,200)       | \$ (61)              | \$ 29,325        | \$ 41,266                          |

Schedule of Noncash Investing, Capital and Financing Activities:

|   |          |    |    |          |          |
|---|----------|----|----|----------|----------|
| Acquisition of Equipment under Capital Leases                           | \$       | \$ | \$ | \$       | \$       |
| Property, Plant and Equipment Contributed by Other Funds                |          |    |    |          | 447      |
| Acquisition of Property, Plant and Equipment from Capital Contributions | 8,335    |    |    | 8,335    | 1,200    |
| Total Noncash Investing, Capital and Financing Activities               | \$ 8,335 | \$ | \$ | \$ 8,335 | \$ 8,526 |

Reconciliation of Fiduciary Fund Types' Cash and Cash Equivalents to the Combined Balance Sheet:

|  |    |                |
|--|----|----------------|
| External Investment Pool                                       | \$ | 26,789         |
| Expendable Trust   |    | 48             |
| Nonexpendable Trust  |    | 1,115          |
| Pension Trust  |    | 118,102        |
| All Agency   |    | 1,610          |
| Fiduciary Fund Types' Cash and Cash Equivalents at End of Year | \$ | <u>147,664</u> |
| Cash and Cash Equivalents at December 31, 2001                 | \$ | <u>147,664</u> |

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



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

|  | 2001         | 2000         |
|--|--------------|--------------|
| <b>Assets:</b>   |              |              |
| Cash and Equivalents   | \$ 118,102   | \$ 80,474    |
| Receivables:   |              |              |
| Due from Other Funds   | 270          | 24           |
| Due from Other Governments   | 255          | 196          |
| Accounts Receivable for Securities Sold                            | 117,428      | 112,027      |
| Accrued Interest and Dividends                                     | 9,771        | 12,041       |
| Total Receivables  | 127,724      | 124,288      |
| Investments, at fair value:  |              |              |
| U. S. Government Bonds   | 156,403      | 159,416      |
| U. S. Government Agencies  | 59,166       | 40,089       |
| U. S. Government Mortgage Backed Securities                        | 332,911      | 369,861      |
| Corporate Bonds  | 244,340      | 329,998      |
| Equities   | 1,458,090    | 1,590,732    |
| Asset Backed Securities  | 118,876      | 137,031      |
| Venture Capital  | 16,991       | 25,407       |
| U. S. Treasury Bills   | 7,245        |              |
| Commercial Paper   |              | 18,000       |
| Total Investments, at fair value                                   | 2,394,022    | 2,670,534    |
| Collateral on Loaned Securities                                    | 293,689      |              |
| Loans Receivable   | 20,882       | 22,008       |
| Equipment  | 1,319        | 1,122        |
| Accumulated Depreciation   | (237)        | (18)         |
| Total Assets   | 2,955,501    | 2,898,408    |
| <b>Liabilities:</b>  |              |              |
| Accounts Payable for Securities Purchased                          | 300,694      | 329,805      |
| Due to Other Funds   | 1,649        | 1,256        |
| Accrued Payroll  | 31           | 27           |
| Accrued Liabilities  | 6,839        | 6,405        |
| Deferred Revenue   | 2            | 23           |
| Estimated Liability for Compensated Absences                       | 89           | 87           |
| Obligations under Securities Lending                               | 293,689      |              |
| Total Liabilities  | 602,993      | 337,603      |
| <b>Net assets:</b>   |              |              |
| Held in Trust for Employees' Pension Benefits                      | 1,615,234    | 1,762,899    |
| Held in Trust for Employees' Postemployment<br>Healthcare Benefits | 737,274      | 797,906      |
| Combined Net Assets  | \$ 2,352,508 | \$ 2,560,805 |

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

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

|  | Pension<br>2001 | Healthcare<br>2001 | Total<br>2001 | Total<br>2000 |
|--|-----------------|--------------------|---------------|---------------|
| <b>Additions:</b>                              |                 |                    |               |               |
| Contributions:                                 |                 |                    |               |               |
| Member   | \$ 10,233       | \$ 3,339           | \$ 13,572     | \$ 12,992     |
| Employer                                       | 10,085          | 3,290              | 13,375        | 12,521        |
| Total Contributions                            | 20,318          | 6,629              | 26,947        | 25,513        |
| Investment Income                              |                 |                    |               |               |
| From Investing Activities:                     |                 |                    |               |               |
| Net Appreciation (Depreciation) in             |                 |                    |               |               |
| Fair Value of Investments                      | (134,838)       | (61,706)           | (196,544)     | (64,417)      |
| Interest and Dividends                         | 53,188          | 24,341             | 77,529        | 79,769        |
|  | (81,650)        | (37,365)           | (119,015)     | 15,352        |
| Less investment expense                        | 4,450           | 2,037              | 6,487         | 7,146         |
| Net Income (Loss) from Investing Activities:   | (86,100)        | (39,402)           | (125,502)     | 8,206         |
| From Security Lending Activities:              |                 |                    |               |               |
| Securities Lending Income                      | 7,230           | 3,309              | 10,539        |               |
| Securities Lending Expense:                    |                 |                    |               |               |
| Borrower Rebates                               | (6,329)         | (2,896)            | (9,225)       |               |
| Management Fees                                | (270)           | (124)              | (394)         |               |
| Total Securities Lending Expenses              | (6,599)         | (3,020)            | (9,619)       |               |
| Net Income from Securities Lending Activities: | 631             | 289                | 920           |               |
| Total Additions                                | (65,151)        | (32,484)           | (97,635)      | 33,719        |
| <b>Deductions:</b>                             |                 |                    |               |               |
| Benefits Payments:                             |                 |                    |               |               |
| Pension and Annuities                          | 78,754          |                    | 78,754        | 73,240        |
| Hospital and Medical Care                      |                 | 24,564             | 24,564        | 19,398        |
| Medicare                                       |                 | 2,159              | 2,159         | 2,000         |
| Dental Benefits                                |                 | 806                | 806           |               |
| Vision Benefits                                |                 | 138                | 138           |               |
| Death Benefits, Active and Retired             | 1,397           |                    | 1,397         | 1,521         |
| Loss Due to Death of Members with Loans        | 10              |                    | 10            | 15            |
| Transfers - Retirement to Other Systems        | 5               |                    | 5             |               |
| Total Benefits Payments                        | 80,166          | 27,667             | 107,833       | 96,174        |
| Refunds of Contributions                       | 1,296           |                    | 1,296         | 1,776         |
| Administrative Expenses:                       |                 |                    |               |               |
| Personal Services                              | 366             | 167                | 533           | 422           |
| Contractual Services                           | 480             | 220                | 700           | 731           |
| Materials and Supplies                         | 46              | 21                 | 67            | 108           |
| Other  | 7               | 3                  | 10            | 92            |
| Depreciation                                   | 150             | 69                 | 219           | 4             |
| Loss on Disposal of Equipment                  | 3               | 1                  | 4             |               |
| Total Administration Expenses                  | 1,052           | 481                | 1,533         | 1,357         |
| Total Deductions                               | 82,514          | 28,148             | 110,662       | 99,307        |
| Net (Decrease)                                 | (147,665)       | (60,632)           | (208,297)     | (65,588)      |
| Net Assets held in Trust for Benefits          |                 |                    |               |               |
| Beginning of Year                              | 1,762,899       | 797,906            | 2,560,805     | 2,626,393     |
| End of Year                                    | \$ 1,615,234    | \$ 737,274         | \$ 2,352,508  | \$ 2,560,805  |

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

**City of Cincinnati, Ohio**  
**External Investment Pool**  
**Statement of Net Assets**  
**December 31**  
**(Amounts in thousands)**

|                              | 2001      | 2000      |
|------------------------------|-----------|-----------|
| <u>Assets</u>                |           |           |
| Equity in City Treasury Cash | \$ 26,789 | \$ 24,668 |
| <br><u>Net Assets</u>        |           |           |
| Net assets consist of:       |           |           |
| Participant deposits         | \$ 26,789 | \$ 24,668 |

**City of Cincinnati, Ohio**  
**External Investment Pool**  
**Statement of Changes in Net Assets**  
**For the year Ended December 31**  
**(Amounts in Thousands)**

|   | 2001       | 2000       |
|---|------------|------------|
| <u>Additions</u>                              |            |            |
| Participant deposits                          | \$ 171,220 | \$ 197,302 |
| Investment Income:                            |            |            |
| Interest income                               | 1,880      | 1,619      |
| Net appreciation in fair value of investments | 163        | 258        |
| Total investment income                       | 2,043      | 1,877      |
| Total additions                               | 173,263    | 199,179    |
| <br><u>Deductions:</u>                        |            |            |
| Distributions to participants                 | 171,142    | 206,217    |
| Net increase (decrease ) in net assets        | 2,121      | (7,038)    |
| <br>Net assets beginning of period            | 24,668     | 31,706     |
| <br>Net assets end of period                  | \$ 26,789  | \$ 24,668  |

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

## **Notes to Financial Statements**

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# CITY OF CINCINNATI, OHIO

## NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2001

### 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 the General Fixed Assets Account Group includes \$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 \$15,852,000 in 2001 and \$15,511,000 in 2000.

## **B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The financial statements of the City of Cincinnati for 2001 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. For Proprietary Funds, the City has elected only to apply Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

### **Fund and Account Groups**

The City records its transactions in numerous individual funds and account groups to comply with the limitations and restrictions placed on both the resources made available to the City and the services provided. These financial statements present all of the fund types and account groups of the City. Individual funds and account groups summarized in the accompanying financial statements are classified as follows:

#### **1) Governmental Fund Types**

Governmental funds are segregations of financial resources where the measurement focus is upon determination of financial position and changes in that financial position. The City operates within a biennial budget which is authorized by City Council through annual appropriations. The City's records show that revenues, actual and accrued expenditures, and encumbrances comply with legal, accounting and budgetary restrictions.

The governmental fund types include:

*General Fund* - This is the primary operating fund for the City. It is used to account for all revenues and expenditures which are not accounted for in other funds or account groups.

*Special Revenue Funds* - These funds account for the proceeds of specific revenue sources (other than funds for major capital projects) that are legally restricted to expenditures for specific purposes.

*Debt Service Fund* - This fund is used to account for principal and interest on general obligation bonds paid principally from taxes levied by the City. It also accounts for the servicing of general obligation self-supporting bonds and for capital lease payments of governmental funds.

*Capital Project Funds* - These funds are used primarily to account for resources designated to construct or acquire general fixed 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.

#### **2) Proprietary Funds**

*Enterprise Funds* - These funds account for operations of entities that provide services, on a user charge or other basis, to the general public or private organizations.

*Internal Service Funds* - These funds were established to account for the purchase and sale of goods or

services between City departments or agencies on a cost-reimbursement basis.

The measurement focus is on income determination or cost of services. All assets and liabilities are included on the balance sheet, and the reported fund equity is an indication of the economic net worth of the funds involved.

### 3) **Fiduciary Fund Types**

*Trust and Agency Funds* - These funds are used to account for assets held by the City in a fiduciary capacity. These funds include expendable and nonexpendable trust funds, a pension trust fund, an external investment pool and agency funds. Fixed assets are stated at historical cost, and depreciation is determined using the straight-line method over the assets' estimated useful lives (5-40 years).

### 4) **Fixed Assets**

*General Fixed Assets* - Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund making the expenditure and capitalized in the general fixed assets account group. These assets are capitalized at historical cost, or estimated values which approximate historical cost. Contributed fixed assets are recorded at estimated fair value at the time of acquisition. Construction in Progress includes uncompleted infrastructure improvements; however, the cost of completed infrastructure improvements is not included in the general fixed assets account group. Accumulated depreciation is not reported on general fixed assets.

*Proprietary Fund Types* - Fixed assets in the proprietary funds are stated at historical cost (estimated fair market value at time of acquisition for assets contributed). Depreciation is calculated using the straight-line method over the assets' estimated useful lives. The following lives are used:

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

All fixed assets under construction and intended for ultimate use by a proprietary fund are recorded at historical cost in the applicable proprietary funds.

### 5) **General Long-Term Obligations**

All unmatured long-term indebtedness other than that directly related to and expected to be paid from proprietary or fiduciary funds is reported in the general long-term obligations account group. The general obligation bonds are secured by the full faith and credit of the City. In addition to the unmatured general long-term indebtedness, it is the City's policy to record long-term liabilities of the governmental funds for certain compensated absences, non-current obligations under capital leases, and estimated claims and judgments representing the City's commitment to fund such costs from future operations.

The financial statements included herein show the amount available in the Debt Service Fund for debt payment and the amount that must be provided in future years for debt redemption and other long-term liabilities.

### **Measurement Focus**

The governmental fund types utilize the flow of financial resources measurement focus and modified accrual



basis of accounting, with recognition of revenues in the accounting period in which they become measurable and available.

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. Available means they are collectible within the current reporting period or soon enough thereafter (60 days) to pay current liabilities. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditures either when purchased or when used, and (2) prepaid expense items that may be considered expenditures either when paid for or when consumed. Encumbrances are commitments related to unperformed (executory) contracts for goods and services. All encumbrances that are outstanding at year-end are reported as reservations of fund balance for subsequent year expenditures and are not considered either expenditures or liabilities in the current period.

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. Nonexpendable trust funds, the pension trust fund and the external investment pool statements are prepared utilizing the flow of economic resources measurement focus and the accrual basis. Agency fund and expendable trust fund statements are prepared utilizing the flow of financial resources measurement focus and the modified accrual basis.

### **Budgetary Data**

An operating budget is legally adopted each fiscal year for the General Fund and those Special Revenue Funds (i.e. Health Services; Street Construction, Maintenance and Repair; Parking Meter; Cable T.V.; Income Tax Infrastructure; Income Tax Transit; Motor Vehicle License; and Special Recreation) identified as appropriated in the financial statements. Budgetary data for better management control exists over the Nonappropriated Special Revenue Funds. The Combined Statement of Revenue, Expenditures and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual does not include those Nonappropriated Special Revenue Funds. The budgetary data reports included within the financial statements 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.

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.

The adjustments necessary to convert the results of operations and fund balances at the end of the year from the Generally Accepted Accounting Principles (GAAP) basis to the Non-GAAP budgetary basis are as follows:

| (AMOUNTS IN THOUSANDS)  | Revenue and Other Sources Over<br>(Under) Expenditures and Other Uses |                    | Fund Balances<br>December 31, 2001 |                    |
|---|---|--------------------|------------------------------------|--------------------|
|   | General<br>Fund   | Special<br>Revenue | General<br>Fund                    | Special<br>Revenue |
| As reported (GAAP basis)                                      | \$ (4,652)  | \$ (727)           | \$ 49,325                          | \$ 60,558          |
| Increase (Decrease) due to:                                   |   |                    |                                    |                    |
| Revenues:   |   |                    |                                    |                    |
| Received in 2001 and<br>earned in 2000                        | 24,601  | 6,366              |                                    |                    |
| Received in 2002 and<br>earned in 2001                        | (23,543)  | (5,397)            | (23,543)                           | (5,397)            |
| Expenditures:   |   |                    |                                    |                    |
| Accrued December 31, 2000 and<br>paid in 2001                 | (7,983)   | (1,149)            |                                    |                    |
| Accrued December 31, 2001 and<br>paid in 2002                 | 7,504   | 770                | 7,504                              | 770                |
| Purchase of Inventory,  |   |                    |                                    |                    |
| Current Year  | 632   | 51                 |                                    | 51                 |
| Prior Year  | (14)  |                    | (14)                               | (148)              |
| Repayment of Advances   |   | 415                |                                    | 415                |
| Current Year Encumbrances                                     | (9,842)   | (3,183)            | (9,842)                            | (3,183)            |
| Prior Year Encumbrances                                       |   |                    | (1,636)                            | (499)              |
| Expenditures related to                                       |   |                    |                                    |                    |
| Prior Year Encumbrances                                       | 9,928   | 2,697              |                                    |                    |
| Cumulative Effects of   |   |                    |                                    |                    |
| Changes in Accounting Principles                              |   |                    | (3,913)                            | (633)              |
| Adjustments for Non-<br>appropriated Special<br>Revenue Funds |   | 324                |                                    | (26,227)           |
| (Non-GAAP) Budgetary Basis                                    | <u>\$ (3,369)</u>   | <u>\$ 167</u>      | <u>\$17,881</u>                    | <u>\$25,707</u>    |

**Other Accounting Policies**

- A. *Investments* - The investments of the City (excluding the City of Cincinnati's Retirement System, see Notes 2 and 18) 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 \$787 million 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 \$123 million at December 31, 2001, 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 service 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. Quasi-external transactions are accounted for as revenues, expenditures, or expenses in the funds involved. The General Fund provides administrative services to enterprise funds. The amounts charged for those services are treated as revenue to the General Fund and as operating expenses in the enterprise funds.
- E. *Deferred Revenues*** - The City reports deferred revenue on its combined 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 and miscellaneous receivables not meeting the availability criteria have been deferred and will be realized in a subsequent period.
- F. *Grants and Other Intergovernmental Revenues*** - The proprietary fund types recognize the federal reimbursement-type capital grants as intergovernmental receivables and contributed capital 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.
- G. *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.
- H. *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.
- I. *Total (Memorandum Only)*** - The amounts in the Total (Memorandum Only) columns of the combined financial statements are a summation of the accounts of the fund types and account groups and are presented solely to assist in financial analysis. Data included in the columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Eliminations of interfund transactions have not been made, and the data presented is not to be considered consolidated. In addition, the amounts in total are not to be interpreted as total resources and obligations of the City of Cincinnati or sources and uses thereof. Comparative data for the prior year has also been

provided in the general purpose financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain 2000 amounts were reclassified to be in conformity with the current year's presentation.

- J.** *Pronouncements Effective for the 2001 Financial Statements* - Governmental Accounting Standards Board (GASB) Statement Number 33, Accounting and Financial Reporting for Nonexchange Transactions, was issued in December 1998 and established accounting and financial reporting standards to guide state and local governments' decisions about when (in which fiscal year) to report the results of nonexchange transactions. In a nonexchange transaction, a government gives (or receives) value without directly receiving (or giving) equal value in return. This Statement establishes more uniform recognition criteria to promote greater consistency and comparability in financial reporting. Under GASB 33, the City is required to record additions to contributed capital as non-operating revenues in the Proprietary Funds. The provisions of this Statement were implemented for the City of Cincinnati for the 2001 financial statements and had the following effect:

|                               | <u>Increased<br/>Receivables</u> | <u>Increased<br/>Deferred Revenue</u> | <u>Increased<br/>Revenues</u> | <u>Increased<br/>Fund<br/>Balance</u> |
|-------------------------------|----------------------------------|---------------------------------------|-------------------------------|---------------------------------------|
| General Fund                  | \$23,612,000                     | \$20,411,000                          | \$ 42,000                     | \$3,159,000                           |
| Debt Service Fund             | 1,477,000                        | 1,477,000                             |                               |                                       |
| Special Revenue Funds         | 1,914,000                        | 1,311,000                             | (14,000)                      | 617,000                               |
| Permanent Improvement<br>Fund | <u>492,000</u>                   | <u>492,000</u>                        |                               |                                       |
| Total Effect                  | <u>\$27,495,000</u>              | <u>\$23,691,000</u>                   | <u>\$ 28,000</u>              | <u>\$3,776,000</u>                    |

- K.** *Pronouncements Issued But Not Yet Effective* - Governmental Accounting Standards Board (GASB) Statement Number 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, was issued in June 1999 and establishes new financial reporting requirements for state and local governments throughout the United States. The statement will require the addition of management's discussion and analysis and government-wide financial statements, consisting of a statement of net assets and a statement of activities. Prepared using the economic resources measurement focus and the accrual basis of accounting, these statements should report all of the assets, liabilities, revenues, expenses, and gains and losses of the government. The new financial statements will include all governmental and business-type activities, but not fiduciary activities. Capital assets now reported in the general fixed assets account group will henceforth be reported in the governmental activities column of the government-wide statement of net assets. Governments also will be required to report general infrastructure assets in this same column. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2001. The City has not completed the process of evaluating the impact that will result from adopting Statement of Governmental Accounting Standards No. 34. The City is therefore unable to disclose the impact that adopting Statement of Governmental Accounting Standards No. 34 will have on its financial position and results of operations when such statement is adopted.

Governmental Accounting Standards Board (GASB) Statement Number 36, Recipient Reporting for Certain Shared Nonexchange Revenues, was issued in April 2000. This statement provides symmetrical accounting treatment for certain shared revenues by superseding paragraph 28 of GASB Statement No. 33. Paragraph 28 of Statement 33 required governments that receive those shared revenues to account for them differently than the provider governments. In some cases, this resulted in the provider and the recipient governments recognizing the sharing of revenues at different times. However, Statement No. 36 eliminates that timing difference by requiring provider and recipient governments to account for the

shared revenue in the same manner. This statement is effective simultaneously with GASB 34.

Governmental Accounting Standards Board (GASB) Statement Number 37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus. This statement, which was issued in June 2001, clarifies certain important provisions of GASB 34. It should be implemented simultaneously with that statement. GASB 37 restricts information in Management's Discussion and Analysis to eight specific topics and the condensed comparative financial information to fourteen elements. It also requires that program revenues include all charges, fees and fines that derive directly from the program or function, as well as those grants and contributions that are restricted exclusively to it.

In addition, GASB 37 also states that construction period interest should not be capitalized for assets of governmental activities and changes the definition of a segment to an "identifiable activity" for which there is debt outstanding and for which separate accounting is required.

Governmental Accounting Standards Board (GASB) Statement Number 38, Certain Financial Statement Disclosures. Issued in June 2001, most provisions of this statement should be implemented simultaneously with GASB 34. Certain items may be postponed one year from the GASB 34 implementation date. GASB 38 eliminates the required disclosure of the accounting policy for encumbrances. However, it calls for new and modified disclosure rules which include the following: descriptions of activities accounted for in the individual major funds and in the internal service and fiduciary fund types; the length of time used to define "available" resources for purposes of revenue recognition in governmental funds; actions taken to address significant violations of finance-related legal or contractual provisions; and terms of variable rate debt and interest requirements thereof. Debt service principal and interest and lease obligations in each of the subsequent five years and in five-year increments thereafter; short-term debt changes and purposes; inter-fund balances and transfers by major funds and by non-major funds aggregated by type, with descriptions of balance and transfer purposes; and details of receivable and payable balances—where obscured by aggregation—and identification of those receivables not expected to be collected within one year are items required to be disclosed effective for financial statements for periods beginning after June 15, 2002.

- L. *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 2002. The working capital reserve for 2001 was \$19,371,000 and is included in the Fund Balance Reserved for Capital Projects in the Permanent Improvement Funds of the Capital Projects Fund. The City is a chartered government and the working capital reserve, as established, is allowed by the charter.

## **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 combined balance sheet of the City. Earnings from the pooled cash and investments are allocated on a quarterly basis to each participating 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 \$237,279,000 and the bank balance was \$253,537,000. 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 moneys 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 and bank balances totaled \$118,102,000 and \$116,104,000, respectively. These funds 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, 2001 was \$527,468,000. These investments include \$483,455,000 in U. S. Treasury Securities and \$44,013,000 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. (See Footnote 4.) 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 Park Board. The fair value of investments for these funds at December 31, 2001 was \$2,401,782,000. These investments include \$556,515,000 in U. S. Treasury Securities, \$364,868,000 in Corporate Bonds and Notes, \$16,991,000 in Venture Capital and \$1,463,408,000 in Equity Securities. In those cases where resources are maintained in trust, 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. The 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 are uninsured, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

## **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 securities loans can be terminated on demand by either the lender or the borrower, although the average term of the System's overall loans was 25 days in December 2001. Cash collateral is invested in a short-term investment pool, which had an average weighted maturity of 40 days as of December 31, 2001. Cash collateral may also be invested separately in "term loans", in which the maturity of the term loan is always identical to either the maturity of the cash collateral invested or the interest rate reset of the cash collateral invested. These loans can be terminated on demand by either lender or borrower. As of December 31, 2001 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)**

|                                       | Cash Collateral                     |                                       | Cash                        |
|---------------------------------------|-------------------------------------|---------------------------------------|-----------------------------|
|                                       | Fair Value of Underlying Securities | Received/ Securities Collateral Value | Collateral Investment Value |
| <b>Securities Lent</b>                |                                     |                                       |                             |
| <b>Lent for cash collateral</b>       |                                     |                                       |                             |
| Equities                              | \$146,658                           | \$152,780                             | \$152,780                   |
| U.S. Agencies                         | 8,248                               | 8,415                                 | 8,415                       |
| Corporate Bonds                       | 51,074                              | 52,470                                | 52,470                      |
| U.S. Government Fixed Income          | 78,240                              | 80,024                                | 80,024                      |
| <b>Lent for securities collateral</b> |                                     |                                       |                             |
| Equities                              | 2,491                               | 2,611                                 |                             |
| U.S. Agencies                         | 7,111                               | 7,335                                 |                             |
| U.S. Government Fixed Income          | 17,834                              | 18,330                                |                             |
|                                       | <u>\$311,656</u>                    | <u>\$321,965</u>                      | <u>\$293,689</u>            |

**Derivatives**

The City of Cincinnati Retirement System uses the derivative of S&P futures contract to execute their cash equitization program. The cash equitization program is designed to ensure that the policy asset allocation decision is fully implemented regardless of the activity of the managers. Specifically, the aggregate impact of cash positions of the active equity managers can cause a shortfall to the policy asset allocation target for equity. By purchasing futures with a notional value approximately equal to the aggregate cash positions, the cash impact on asset allocation is negated, and secondarily, the cash drag on return is also moderated. The purchase of the S&P futures contract is not leveraged. There are initial margin requirements for futures purchase as well as variation margin required to accommodate market value changes. Any amounts held as margin are held either in Treasury Bills (initial margin) or other principal preserving types of short-term investments. The risk associated with the purchase of S&P 500 futures contracts is limited to the market risk inherent in equity investments. If the S&P 500 index decreases in value, the value of the futures contracts will decrease by similar amounts. The Commodity Futures Trading Commission and the National Futures Association regulate the futures market.

### 3. EXTERNAL 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 External Investment Pool. 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 External Investment Pool. MSD is required by Chapter 301 of the Cincinnati Municipal Code to participate in the External Investment Pool. Disclosures required by GASB Statement 3 are discussed in Note 2. The External Investment Pool does not issue a separate report. The External Investment Pool's financial statements can be found on page 14.

Summary by major investment classification:

| <b>(AMOUNTS IN THOUSANDS)</b> |                 |                   |                      |                       |
|-------------------------------|-----------------|-------------------|----------------------|-----------------------|
|                               | <u>Cost</u>     | <u>Fair Value</u> | <u>Interest Rate</u> | <u>Maturity Dates</u> |
| Money Market Fund             | \$ 2,374        | \$ 2,374          | 2.12%                | OPEN                  |
| Certificates of Deposit       | 9,634           | 9,634             | 1.25% - 7.55%        | 02/26/02 - 12/05/06   |
| U.S. Treasury Notes           | 5,926           | 6,082             | 2.75% - 6.25%        | 01/13/02 - 08/15/04   |
| FHLB/FNMA Securities          | 8,003           | 8,131             | 3.60% - 7.25%        | 06/28/02 - 12/15/04   |
| City of Cincinnati Notes      | 1,054           | 1,054             | 4.50% - 6.75%        | 05/11/02 - 01/01/05   |
| Cash                          | <u>(486)</u>    | <u>(486)</u>      |                      |                       |
| Total                         | <u>\$26,505</u> | <u>\$26,789</u>   |                      |                       |

### 4. ANTHEM DEMUTUALIZATION

In October of 2001, Anthem Inc., which administers the medical insurance for the City's employees, converted, or demutualized, from a mutual insurance company (a policyholder-owned non-profit) to a for-profit stock insurance company. As a result of that conversion, all statutory member policyholders received a one-time payout of stock. Since the City was a policyholder, in December of 2001 it received 870,021 shares of Anthem Inc. common stock worth approximately \$31,000,000 at that time. The shares are recorded in the Permanent Improvement Fund. The fair value of the shares at December 31, 2001 was \$43,066,000.

Under the Ohio constitution, municipalities are prohibited from owning stock. However, the State Auditor recommended "that each public body receiving stock should sell the stock at a reasonably prompt and beneficial time at the discretion of the public body." There were also legal restrictions on selling shares of stock in the 180 days after the initial public offering. Those restrictions expired on April 28, 2002. Before then the City was a participant in the Large Shareholder Program which limited the number of shares to be sold daily until the 180-day restriction lapsed.

The total proceeds received were \$54,761,000 from all of our stock sales between February 26 and April 30, 2002. The lowest price per share for which the stock was sold was \$55.91 on March 8, 2002, and the highest was \$71.06 on April 26, 2002.



## 5. INTERFUND ASSETS/LIABILITIES

### DUE FROM/TO OTHER FUNDS:

(AMOUNTS IN THOUSANDS)

| <u>Fund Type</u>                       |  | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|--|--|---------------------------------|-------------------------------|
| <b>General</b>                         |  | \$ 179                          | \$ 1,333                      |
| <b>Appropriated Special Revenue</b>    | Health Services                              |                                 | 1                             |
|  | Street Construction, Maintenance, and Repair | 27                              | 13                            |
|  | Parking Meter                                | 1                               | 4                             |
|  | Cable T.V.                                   | 4                               | 9                             |
|  | Income Tax Infrastructure                    | 9                               | 81                            |
|  | Motor Vehicle License                        | 1                               | 70                            |
|  | Special Recreation                           | 16                              | 8                             |
|  | <b>Total Appropriated Special Revenue</b>    | <u>58</u>                       | <u>186</u>                    |
| <b>Nonappropriated Special Revenue</b> | Safety                                       |                                 | 3                             |
|  | Health                                       | 127                             | 13                            |
|  | Community Development                        | 6                               | 32                            |
|  | Department of Labor Grants                   | 19                              | 5                             |
|  | Other  | 125                             | 188                           |
|  | <b>Total Nonappropriated Special Revenue</b> | <u>277</u>                      | <u>241</u>                    |
| <b>Capital Project</b>                 | Permanent Improvement                        | 30                              |                               |
|  | Capital Projects                             | 1,944                           | 1,079                         |
|  | <b>Total Capital Project</b>                 | <u>1,974</u>                    | <u>1,079</u>                  |
| <b>Enterprise</b>                      | Water Works                                  | 1,043                           | 358                           |
|  | Parking Facilities                           | 1                               | 18                            |
|  | Convention Center                            |                                 | 494                           |
|  | General Aviation                             |                                 | 4                             |
|  | Municipal Golf                               |                                 | 7                             |
|  | Stormwater Management                        | 136                             | 67                            |
|  | <b>Total Enterprise</b>                      | <u>1,180</u>                    | <u>948</u>                    |
| <b>Internal Service</b>                | Purchasing - Reproduction and Printing       |                                 | 1                             |
|  | Municipal Garage                             | 725                             | 1,469                         |
|  | Property Management                          |                                 | 40                            |
|  | Self Insurance-Medical                       | 1,648                           |                               |
|  | Regional Computer Center                     | 796                             | 14                            |
|  | <b>Total Internal Service</b>                | <u>3,169</u>                    | <u>1,524</u>                  |
| <b>Trust &amp; Agency</b>              | Pension Trust                                | 270                             | 1,649                         |
|  | Agency                                       | 181                             | 328                           |
|  | <b>Total Trust &amp; Agency</b>              | <u>451</u>                      | <u>1,977</u>                  |
|  | <b>TOTAL</b>                                 | <u>\$ 7,288</u>                 | <u>\$ 7,288</u>               |

### ADVANCES FROM/TO OTHER FUNDS:

| <u>Receivable Fund</u>           | <u>Amount</u>    | <u>Payable Fund</u>             |
|----------------------------------|------------------|---------------------------------|
| General Fund                     | \$ 177           | Property Management             |
| General Fund                     | 125              | Nonappropriated-Employee Health |
| Appropriated-Health Services     | 500              | Nonappropriated-Health          |
| Appropriated-Street Construction | 496              | General Fund                    |
| Nonappropriated-Recreation       | 25               | General Fund                    |
| Water Works                      | 375              | Municipal Garage                |
| Parking Facilities               | 2,143            | Capital Improvements            |
| Convention Center                | 523              | Capital Improvements            |
| General Aviation                 | 734              | Capital Improvements            |
| Municipal Golf                   | 752              | Capital Improvements            |
| Stormwater Management            | 6,213            | Capital Improvements            |
| Regional Computer Center         | 10,215           | Capital Improvements            |
| <b>TOTAL</b>                     | <u>\$ 22,278</u> |                                 |

## 6. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains six enterprise funds which provide water, parking, convention center, airport, golf, and stormwater services.

Segment information for the year ended December 31, 2001 for these funds is as follows:

### (AMOUNTS IN THOUSANDS)

|  | Water<br>Works | Parking<br>Facilities | Convention<br>Center | General<br>Aviation | Municipal<br>Golf | Stormwater<br>Management | Total<br>Enterprise<br>Funds |
|--|----------------|-----------------------|----------------------|---------------------|-------------------|--------------------------|------------------------------|
| Operating Revenue                      | \$ 81,367      | \$ 8,454              | \$ 3,198             | \$ 1,571            | \$ 6,332          | \$ 7,176                 | \$ 108,098                   |
| Depreciation and Amortization          | 12,152         | 1,352                 | 3,034                | 610                 | 531               | 1,410                    | 19,089                       |
| Operating Income (Loss)                | 16,239         | 1,965                 | (5,112)              | (227)               | 770               | 3,596                    | 17,231                       |
| Operating Transfers In (Out)           | 236            | (866)                 | (91)                 | 49                  | 6                 | 3                        | (663)                        |
| Current Capital Contributions          | 8,475          |                       |                      | 328                 |                   |                          | 8,803                        |
| Net Income (Loss)                      | 25,539         | 1,235                 | (4,105)              | 273                 | 709               | 4,062                    | 27,713                       |
| Plant, Property and Equipment:         |                |                       |                      |                     |                   |                          |                              |
| Additions                              | 61,139         | 4,046                 | 420                  | 555                 | 1,070             | 1,859                    | 69,089                       |
| Deletions                              | 3,224          | 234                   |                      | 49                  | 26                |                          | 3,533                        |
| Net Working Capital                    | 79,261         | 2,255                 | 1,934                | 1,368               | 628               | 7,451                    | 92,897                       |
| Total Assets                           | 628,124        | 34,163                | 37,837               | 26,935              | 11,044            | 47,452                   | 785,555                      |
| Bonds and Other Long-Term Liabilities: |                |                       |                      |                     |                   |                          |                              |
| Bonds Payable                          | 82,180         | 1,750                 |                      |                     | 2,077             | 5,150                    | 91,157                       |
| Revenue Bonds Payable                  | 92,685         |                       |                      |                     |                   |                          | 92,685                       |
| Total Equity                           | 436,140        | 31,503                | 36,651               | 26,727              | 8,610             | 42,009                   | 581,640                      |

**7. LEASES**

**CITY AS LESSEE**

**A. Capital Leases**

The City has capitalized leases for the following property and equipment in accordance with the Financial Accounting Standards Board Statement No. 13 with the obligation recorded at the present value of future rental payments. The related assets are amortized on a straight line basis over the useful life of the asset. Amounts relating to capitalized leases at December 31, 2001:

**(AMOUNTS IN THOUSANDS)**

|  | Enterprise<br><u>Funds</u> | Internal<br>Service<br><u>Funds</u> |
|--|----------------------------|-------------------------------------|
| Leased Property/Equipment under Capital Leases | \$ 637                     | \$2,084                             |
| Accumulated Amortization                       | 228                        | 1,514                               |
| Current Obligations under Capital Leases       | 235                        | 488                                 |
| Non-Current Obligations under Capital Leases   | 36                         | 177                                 |

The following is a schedule of future minimum capital leases and the present value of the net minimum lease payments at December 31, 2001:

**(AMOUNTS IN THOUSANDS)**

| <u>Year</u>                                    | Enterprise<br><u>Funds</u> | Internal<br>Service<br><u>Funds</u> | General<br>Long-term<br><u>Obligations</u> |
|--|----------------------------|-------------------------------------|--|
| 2002   | \$ 250                     | \$ 504                              | \$ 33                                      |
| 2003   | 38                         | 191                                 | 18   |
| Total minimum lease payments                   | <u>288</u>                 | <u>695</u>                          | <u>51</u>                                  |
| Less: Amounts representing interest            | <u>17</u>                  | <u>30</u>                           | <u>4</u>                                   |
| Present value of net minimum<br>lease payments | <u>\$ 271</u>              | <u>\$ 665</u>                       | <u>\$ 47</u>                               |
| Capital Lease Payments - 2001                  | <u>\$ 255</u>              | <u>\$ 625</u>                       | <u>\$ 33</u>                               |

**B. 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. Future minimum lease payments are as follows:

**(AMOUNTS IN THOUSANDS)**

| <u>Year</u>                         | <u>Amount</u>   |
|-------------------------------------|-----------------|
| 2002                                | \$ 1,416        |
| 2003                                | 457             |
| 2004                                | 296             |
| 2005                                | 111             |
| 2006                                | <u>24</u>       |
| Total Future Minimum Lease Payments | <u>\$ 2,304</u> |
| Operating Lease Payments - 2001     | <u>\$ 1,602</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, 2001 are included in the financial statements of the following:

**(AMOUNTS IN THOUSANDS)**

|                          | <u>Enterprise<br/>Funds</u> | <u>General Fixed<br/>Assets Account Group</u> |
|--------------------------|-----------------------------|---|
| Land                     | \$ 538                      | \$ 2,050                                      |
| Buildings                | 3,675                       | 2,948   |
| Improvements             | 483                         | 83,264  |
| Accumulated Depreciation | 2,570                       |   |

Future minimum rentals on non-cancelable operating leases as of December 31, 2001 are as follows:

**(AMOUNTS IN THOUSANDS)**

| <u>Year</u>                          | <u>Enterprise<br/>Funds</u> | <u>Debt Service<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>General<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> |
|--------------------------------------|-----------------------------|------------------------------|-------------------------------------|-------------------------|--------------------------------------|
| 2002                                 | \$ 905                      | \$ 15,852                    | \$ 210                              | \$ 44                   | \$ 8                                 |
| 2003                                 | 815                         | 15,852                       | 36                                  | 45                      |                                      |
| 2004                                 | 769                         | 15,852                       | 15                                  | 45                      |                                      |
| 2005                                 | 565                         | 15,852                       |                                     | 45                      |                                      |
| 2006                                 | 448                         | 15,852                       |                                     |                         |                                      |
| Remaining years                      | <u>1,115</u>                | <u>317,046</u>               | —                                   | —                       | —                                    |
| Total Future Minimum Rental Payments | <u>\$ 4,617</u>             | <u>\$396,306</u>             | <u>\$ 261</u>                       | <u>\$ 179</u>           | <u>\$ 8</u>                          |
| Total Rentals for 2001:              | \$ 1,011                    | \$ 15,852                    | \$ 372                              | \$ 44                   | \$ 18                                |

Future minimum rentals of the Debt Service Fund are assumed to equal the payments calculated for the current year.

### Enterprise Funds

The General Aviation rentals 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.

### General Fixed Assets Account Group

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.

During 1995, the City entered into a lease involving land with American Commercial Marine. The lease is for ten years, beginning January 1, 1996 and ending December 31, 2005.

In 1997, the City renewed a lease with Columbia Development Corporation for property adjacent to Whetstone Alley. The lease is for five years, beginning June 1, 1997, and ending May 31, 2002.

## **8. LONG-TERM OBLIGATIONS**

The City's long-term debt outstanding and other long-term obligations are reflected in the general long-term obligations account group and in the proprietary funds. Revenues from all sources have been sufficient to meet all of the City's debt service requirements.

### General Long-Term Debt

The composition of this long-term debt is general obligation bonds and notes and revenue bonds. The general obligation debt is subdivided into tax-supported, self-supported and revenue supported debt. Annually, City Council authorizes the property tax rates required to be levied to service the tax-supported debt. The self-supported debt is serviced by revenues received from municipal income taxes and agreements in effect and includes the following types: \$23.8 million from the pledge of municipal income taxes, \$26.3 million from contractual agreements, \$20.9 million from urban renewal and redevelopment tax increment payments, and \$40.6 from the police and fire pension fund. The Debt Service Fund records all revenues and expenditures for the City's general long-term debt. Expenditures of this fund include principal and interest payments on bonded indebtedness and expenses related to the administration of the fund.

### Enterprise Funds

There are various issues of general obligation bonds included in the enterprise funds. The general obligation bonds are serviced by water, stormwater, golf and parking facilities user charges. Should such user charges be insufficient for debt service, the principal and interest would be paid from the levy of ad valorem taxes on all property in the City without limitation as to the rate or amount.

**Annual Long-Term Debt Requirements**

The annual requirements to amortize all long-term debt outstanding at December 31, 2001, including interest payments of \$221,523,000 are as presented below:

| (AMOUNTS IN THOUSANDS)<br>Year Ending | <u>General Obligation</u> |                  |                         |                 |
|---------------------------------------|---------------------------|------------------|-------------------------|-----------------|
|                                       | <u>Governmental Funds</u> |                  | <u>Enterprise Funds</u> |                 |
| <u>December 31</u>                    | <u>Principal</u>          | <u>Interest</u>  | <u>Principal</u>        | <u>Interest</u> |
| 2002                                  | \$ 46,338                 | \$ 15,108        | \$16,190                | \$ 4,420        |
| 2003                                  | 26,634                    | 12,824           | 16,221                  | 3,575           |
| 2004                                  | 27,127                    | 11,525           | 13,588                  | 2,729           |
| 2005                                  | 19,632                    | 10,116           | 11,590                  | 2,050           |
| 2006                                  | 16,762                    | 9,154            | 9,698                   | 1,485           |
| 2007-2011                             | 57,835                    | 34,669           | 18,070                  | 2,958           |
| 2012-2016                             | 44,715                    | 21,218           | 5,800                   | 479             |
| 2017-2021                             | 22,445                    | 10,881           |                         |                 |
| 2022-2035                             | <u>25,440</u>             | <u>12,357</u>    |                         |                 |
| Total                                 | <u>\$286,928</u>          | <u>\$137,852</u> | <u>\$91,157</u>         | <u>\$17,696</u> |

| Year Ending        | <u>Revenue Bonds</u> |                 |                  |
|--------------------|----------------------|-----------------|------------------|
|                    | <u>Principal</u>     | <u>Interest</u> | <u>Total</u>     |
| <u>December 31</u> |                      |                 |                  |
| 2002               | \$ 3,367             | \$ 5,678        | \$ 91,101        |
| 2003               | 3,552                | 5,493           | 68,299           |
| 2004               | 3,743                | 5,302           | 64,014           |
| 2005               | 3,943                | 5,101           | 52,432           |
| 2006               | 4,145                | 4,890           | 46,134           |
| 2007-2011          | 23,804               | 20,883          | 158,219          |
| 2012-2016          | 29,300               | 13,495          | 115,007          |
| 2017-2021          | 32,650               | 5,133           | 71,109           |
| 2022-2035          |                      |                 | <u>37,797</u>    |
| Total              | <u>\$104,504</u>     | <u>\$65,975</u> | <u>\$704,112</u> |

**Changes in Long-Term Obligations**

During the year ended December 31, 2001, the following changes occurred in liabilities reported in the General Long-Term Obligations Account Group:

| (AMOUNTS IN THOUSANDS)                 | <u>January 1</u> | <u>Additions</u> | <u>Reductions</u> | <u>December 31</u> |
|--|------------------|------------------|-------------------|--------------------|
| General Obligation                     |                  |                  |                   |                    |
| Bonds                                  | \$249,716        | \$47,695         | \$31,783          | \$265,628          |
| Notes                                  | 20,303           | 9,997            | 9,000             | 21,300             |
| Revenue Bonds                          | 12,346           |                  | 527               | 11,819             |
| Estimated Liability for                |                  |                  |                   |                    |
| Compensated Absences                   | 56,174           | 19,154           | 19,686            | 55,642             |
| Estimated Liability for                |                  |                  |                   |                    |
| Unpaid Claims                          | 3,056            | 2,522            | 2,435             | 3,143              |
| Current Obligations                    |                  |                  |                   |                    |
| under Capital Leases                   | 26               | 4                |                   | 30                 |
| Non-Current Obligations                |                  |                  |                   |                    |
| under Capital Leases                   | 48               |                  | 31                | 17                 |
| State Loan                             | <u>14,069</u>    | <u>363</u>       | <u>10,098</u>     | <u>4,334</u>       |
| Total Changes in Long-Term Obligations | <u>\$355,738</u> | <u>\$79,735</u>  | <u>\$73,560</u>   | <u>\$361,913</u>   |

**Bonds and Notes Outstanding at December 31, 2001**

(AMOUNTS IN THOUSANDS)

| Description   | Interest Rates   | Issue Dates | Maturity Dates | Original Issues   | Amount Due 2002  | Amount Outstanding 12/31/2001 |
|---|------------------|-------------|----------------|-------------------|------------------|-------------------------------|
| <b>Bonds:</b>   |                  |             |                |                   |                  |                               |
| General Property Tax Supported                          | 3.25%            | 1957-1961   | 2001-2007      | \$ 1,000          | \$ 20            | \$ 120                        |
|   | 4.1% to 5%       | 1971-1999   | 2001-2009      | 113,500           | 12,510           | 57,020                        |
|   | 5.15% to 5.25%   | 1992-2000   | 2001-2020      | 91,025            | 6,180            | 66,545                        |
|   | 5.625% to 6%     | 1984-1991   | 2001-2004      | 2,500             | 130              | 325                           |
|   | 7.875% to 8%     | 1985-1987   | 2001-2017      | 30,000            | 1,000            | 16,000                        |
| Various Rate Issues                                     | 4% to 6.2%       | 1991-2001   | 2004-2016      | 40,780            | 2,800            | 35,330                        |
| <b>Urban Redevelopment</b>                              |                  |             |                |                   |                  |                               |
| Various Rate Issues                                     | 4.8% to 6.3%     | 1995        | 2015           | 3,250             | 125              | 2,680                         |
| <b>Municipal Income Tax</b>                             |                  |             |                |                   |                  |                               |
|   | 4.375% to 5.375% | 1992-2000   | 2002-2020      | 27,960            | 3,280            | 10,980                        |
| <b>Recreational Facilities</b>                          |                  |             |                |                   |                  |                               |
| Various Rate Issues                                     | 5.15% to 6.75%   | 1977-1995   | 2002-2011      | 8,598             | 595              | 2,778                         |
|   | 4% to 5%         | 2001        | 2021           | 9,000             | 450              | 9,000                         |
| <b>Urban Renewal</b>                                    |                  |             |                |                   |                  |                               |
|   | 4.1% to 4.375%   | 1996-1999   | 2001-2004      | 6,000             | 1,200            | 3,600                         |
|   | 4.75% to 5.2%    | 1995-2000   | 2001-2007      | 11,000            | 1,855            | 6,145                         |
|   | 6.75%            | 1990        | 2005           | 1,500             | 100              | 400                           |
| Various Rate Issues                                     | 5.75% to 6.5%    | 1991        | 2008           | 3,900             | 270              | 2,295                         |
| <b>Urban Development Taxable</b>                        |                  |             |                |                   |                  |                               |
| Various Rate Issues                                     | 4% to 6.25%      | 1998-2001   | 2019-2021      | 12,200            | 470              | 11,790                        |
| <b>Police &amp; Fire Pension</b>                        |                  |             |                |                   |                  |                               |
|   | 5.8%             | 2000        | 2035           | 42,000            | 450              | 40,620                        |
| <b>Total General Long-Term Bond Obligations</b>         |                  |             |                | <u>404,213</u>    | <u>31,435</u>    | <u>265,628</u>                |
| <b>Recreational Facilities</b>                          |                  |             |                |                   |                  |                               |
|   | 4.6% to 5.375%   | 1972-1994   | 2002-2007      | 6,302             | 545              | 2,077                         |
| <b>Off Street Parking</b>                               |                  |             |                |                   |                  |                               |
|   | 6.75%            | 1990        | 2006           | 5,000             | 350              | 1,750                         |
| <b>Water Works</b>                                      |                  |             |                |                   |                  |                               |
|   | 4.1% to 6.5%     | 1975-1999   | 2001-2014      | 113,000           | 9,930            | 68,600                        |
|   | 6.7% to 6.75%    | 1989-1990   | 2004-2006      | 37,000            | 2,500            | 9,700                         |
|   | 7%               | 1988        | 2003           | 28,000            | 1,940            | 3,880                         |
| <b>Stormwater</b>                                       |                  |             |                |                   |                  |                               |
|   | 4.2 to 5.15%     | 1995-1999   | 2005-2007      | 8,800             | 925              | 5,150                         |
| <b>Total Proprietary Fund Obligations</b>               |                  |             |                | <u>198,102</u>    | <u>16,190</u>    | <u>91,157</u>                 |
| <b>Total General Obligation Bonds Payable</b>           |                  |             |                | <u>602,315</u>    | <u>47,625</u>    | <u>356,785</u>                |
| <b>Notes:</b>   |                  |             |                |                   |                  |                               |
| Municipal Income Tax                                    | 5.5 to 5.75%     | 1998-2001   | 2002-2005      | 12,800            | 6,403            | 12,800                        |
| Urban Redevelopment                                     | 4.50%            | 2001        | 2002           | 8,500             | 8,500            | 8,500                         |
| <b>Total General Obligation Notes Payable</b>           |                  |             |                | <u>21,300</u>     | <u>14,903</u>    | <u>21,300</u>                 |
| <b>Total General Obligation Bonds and Notes Payable</b> |                  |             |                | <u>\$ 623,615</u> | <u>\$ 62,528</u> | <u>\$ 378,085</u>             |
| <b>Revenue Bonds</b>                                    |                  |             |                |                   |                  |                               |
|   | Various          | 1990-2001   | 2010-2021      | \$ 115,375        | \$ 3,367         | \$ 104,504                    |
| <b>Total Outstanding Debt</b>                           |                  |             |                |                   |                  | <u>\$ 482,589</u>             |

The following changes occurred in long-term debt for both governmental and proprietary funds:

**(AMOUNTS IN THOUSANDS)**

|  | <u>General<br/>Obligation</u> | <u>Revenue<br/>Bonds</u> |
|--|-------------------------------|--------------------------|
| Bonds and Notes Outstanding January 1, 2001      | \$377,308                     | \$12,346                 |
| Notes Issued                                     | 9,997                         |                          |
| Notes Retired                                    | (9,000)                       |                          |
| Bonds Issued                                     | 47,695                        | 92,685                   |
| Bonds Retired                                    | <u>(47,915)</u>               | <u>(527)</u>             |
| Bonds and Notes Outstanding at December 31, 2001 | <u>\$378,085</u>              | <u>\$104,504</u>         |

Bond and Note Proceeds for Governmental Funds includes \$14,965,000 of short-term notes and \$966,000 of bond premium. Proceeds from the sale of Bonds and Notes for Enterprise Funds includes \$2,469,000 of bond premium. Debt Service- Principal Retirement for Governmental Funds includes \$14,965,000 of short term-notes, \$10,098,000 of State Loan principal, and \$27,000 of capital lease principal. These amounts are not included in the notes and bonds issued and notes and bonds retired in the schedule shown above.

**Compensated Absences**

GASB Statement No. 16 requires state and local governments to recognize the liabilities associated with employees' compensated absences. Therefore, the following obligations have been included in the Comparative Schedule of General Long-Term Obligations.

- Vacation - Vacation benefits are considered to be vested benefits of the employees. The obligation at December 31, 2001 for vacation benefits of the governmental funds is approximately \$20,099,000.
- Sick Leave - Sick leave benefits are included in the estimated liability for all employees, based upon the portion of accumulated sick leave liability estimated to eventually be paid as a retirement or death benefit. At December 31, 2001 this liability is approximately \$17,065,000.
- Compensatory Time - Employees of the governmental funds are permitted to accumulate compensatory time for work in excess of their normal forty hour work week. The amount of this obligation at December 31, 2001 is approximately \$18,478,000.

The following is a Summary of the Changes in the Estimated Liability for Compensated Absences of the City of Cincinnati for the year ended December 31, 2001.

**(AMOUNTS IN THOUSANDS)**

|   | <u>Accrued<br/>Vacation</u> | <u>Sick Pay</u> | <u>Compensatory<br/>Time</u> | <u>Total</u>    |
|---|-----------------------------|-----------------|------------------------------|-----------------|
| Estimated Liability for<br>Compensated Absences,<br>January 1, 2001   | \$20,633                    | \$17,152        | \$18,389                     | \$56,174        |
| Earned During 2001  | 11,369                      | 1,359           | 6,426                        | 19,154          |
| Used During 2001  | (11,903)                    | (1,446)         | (5,951)                      | (19,300)        |
| Funded in Non-Appropriated<br>Special Revenue Fund                    | —                           | —               | <u>(386)</u>                 | <u>(386)</u>    |
| Estimated Liability for<br>Compensated Absences,<br>December 31, 2001 | <u>\$20,099</u>             | <u>\$17,065</u> | <u>\$18,478</u>              | <u>\$55,642</u> |



## **State Infrastructure Bank Loan**

On May 19, 1999 City Council authorized the City Manager to amend the repayment terms of an April 30, 1998 note agreement the City had made with the Ohio Department of Transportation, State Infrastructure Bank. The loan to the City has an original principal amount not to exceed \$20,020,000 and was issued for the purpose of paying a portion of the Fort Washington Way Improvement project. The terms of the original note agreement required that the loan be repaid 18 month from the date of the initial disbursement under the note. The initial disbursement was made on May 29, 1998, so the first payment was required on November 29, 1999. Under the terms of the new loan agreement, the City was obligated to pay accrued interest and a principal payment of \$5,000,000 on February 1, 2000. On February 1, 2001, the City made a second principal payment of \$5,000,000. On April 20, 2001, the City made a third principal payment of \$5,000,000 from a federal grant received for Fort Washington Way. A principal and interest payment of \$242,672 was made on August 1, 2001. Thereafter, the note is payable as to principal and interest (5%), in 29 equal semi-annual installments of \$211,873. The balance of the loan was \$4,334,000 at December 31, 2001 and is included as a "State Loan" in the General Long Term Obligations Account Group. This liability was recorded as a "Due to Other Governmental Agencies" in the Capital Projects Fund in prior years and a \$14,069,340 transfer of this liability to General Long Term Obligations Account Group was made during 2001.

## **9. RETAINED EARNINGS DEFICITS**

Included in the general purpose financial statements are certain enterprise funds and internal service funds with retained earnings deficits as of December 31, 2001. The net retained earnings deficits in the two enterprise funds of Convention Center (\$27,132,000) and General Aviation (\$597,000) are to be covered by future user charges and contributions from other City funds. The net retained earnings deficits in the internal service funds of Property Management (\$256,000), and Municipal Garage (\$688,000) are to be covered by future user charges.

## **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 the latest increase of .1% enacted July 1, 1988, to be spent only for the maintenance of the City's infrastructure. The second component is the .3% which can be used only for public transit purposes, including both capital and current operating expense. The third component is .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 \$188,598,108 for the 1.55% portion in 2001 were less than the original allocation of \$199,563,000 for the General Fund. The following table identifies the excess 1.55% income tax collections for the years 1997 through 2001 and collections in excess of allocation:

**(AMOUNTS IN THOUSANDS)**

| <u>Year</u> | <u>Actual<br/>Collections<br/>of 1.55%</u> | <u>Allocation<br/>to General Fund</u> | <u>Collections<br/>in Excess of<br/>Allocation</u> |
|-------------|--|---------------------------------------|--|
| 1997        | \$162,140                                  | \$160,270                             | \$ 1,870   |
| 1998        | 174,335                                    | 164,300                               | 10,035   |
| 1999        | 182,695                                    | 180,500                               | 2,195  |
| 2000        | 183,035                                    | 183,035                               |  |
| 2001        | 188,598                                    | 188,598                               |  |

### **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 2001 levy was based was \$4,363,448,000, \$377,646,000 and \$687,614,000 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 - 2002**

|                                |                  |
|--------------------------------|------------------|
| Lien date                      | January 1, 2001  |
| Levy date                      | October 31, 2001 |
| First installment payment due  | January 31, 2002 |
| Second installment payment due | June 20, 2002    |

Assessed values are established by the County Auditor, 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 1999 with the results affecting collections beginning in 2000. The City recognizes the property taxes due to be paid in 2002 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.

Public utilities property taxes in any calendar year are those levied on assessed values as of December 31 of the preceding year. Tangible personal property of public utilities is assessed at various percentages of true value. Tangible personal property used in business, other than public utilities, is assessed at 25% of true value.

## 12. CONTRIBUTED CAPITAL

During the year, contributed capital decreased by the following amounts:

(AMOUNTS IN THOUSANDS)

| <u>Source</u>                      | <u>Water Works</u> | <u>Parking Facilities</u> | <u>Convention Center</u> | <u>General Aviation</u> | <u>Municipal Golf</u> |
|------------------------------------|--------------------|---------------------------|--------------------------|-------------------------|-----------------------|
| Contributed Capital, January 1     | \$35,872           | \$10,626                  | \$64,928                 | \$27,573                | \$ 1,290              |
| Depreciation on Contributed Assets | <u>(405)</u>       | <u>(50)</u>               | <u>(1,145)</u>           | <u>(249)</u>            | <u>      </u>         |
| Contributed Capital, December 31   | <u>\$35,467</u>    | <u>\$10,576</u>           | <u>\$63,783</u>          | <u>\$27,324</u>         | <u>\$ 1,290</u>       |

| <u>Source</u>                      | <u>Stormwater Management</u> | <u>Purchasing Printing Services</u> | <u>Purchasing General Stores</u> | <u>Municipal Garage</u> | <u>Regional Computer Center</u> | <u>Total</u>     |
|------------------------------------|------------------------------|-------------------------------------|----------------------------------|-------------------------|---------------------------------|------------------|
| Contributed Capital, January 1     | \$ 2,348                     | \$ 25                               | \$ 5                             | \$ 4,384                | \$21,624                        | \$168,675        |
| Depreciation on Contributed Assets | <u>      </u>                | <u>      </u>                       | <u>      </u>                    | <u>      </u>           | <u>      </u>                   | <u>(1,849)</u>   |
| Contributed Capital, December 31   | <u>\$ 2,348</u>              | <u>\$ 25</u>                        | <u>\$ 5</u>                      | <u>\$ 4,384</u>         | <u>\$21,624</u>                 | <u>\$166,826</u> |

## 13. CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets for 2001 is as follows:

(AMOUNTS IN THOUSANDS)

|                          | <u>Balance January 1, 2001</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance December 31, 2001</u> |
|--------------------------|--------------------------------|------------------|------------------|----------------------------------|
| Land                     | \$137,814                      | \$ 999           | \$ 1,842         | \$136,971                        |
| Buildings                | 138,684                        | 1,012            | 7,876            | 131,820                          |
| Improvements             | 206,139                        | 26,375           | 17,894           | 214,620                          |
| Machinery and Equipment  | 61,278                         | 5,139            | 4,029            | 62,388                           |
| Construction in Progress | <u>450,479</u>                 | <u>127,000</u>   | <u>300,375</u>   | <u>277,104</u>                   |
| Total                    | <u>\$994,394</u>               | <u>\$160,525</u> | <u>\$332,016</u> | <u>\$822,903</u>                 |

Construction in Progress at December 31, 2001 is comprised of the following:

**(AMOUNTS IN THOUSANDS)**

| <u>Administering Department</u> | <u>Project Authorizations</u> | <u>Expended to December 31, 2001</u> | <u>Committed</u>        | <u>Required Future Financing</u> |
|---------------------------------|-------------------------------|--------------------------------------|-------------------------|----------------------------------|
| Transportation & Engineering    | \$247,667                     | \$178,300                            | \$ 69,367               | \$ 38,591                        |
| Economic Development            | 50,704                        | 24,618                               | 26,086                  | 5,775                            |
| Neighborhood Services           | 27,856                        | 18,548                               | 9,308                   |                                  |
| Recreation                      | 36,558                        | 13,905                               | 22,653                  | 10,088                           |
| Safety                          | 2,674                         | 1,575                                | 1,099                   |                                  |
| Parks                           | 17,093                        | 6,260                                | 10,833                  | 3,571                            |
| Public Services                 | 7,868                         | 4,440                                | 3,428                   |                                  |
| Other                           | 46,735                        | 29,458                               | 17,277                  | 96                               |
| <b>Totals</b>                   | <b><u>\$437,155</u></b>       | <b><u>\$277,104</u></b>              | <b><u>\$160,051</u></b> | <b><u>\$ 58,121</u></b>          |

The above amounts expended at December 31, 2001 include cash-basis expenditures only and do not reflect payables at that date. Required future financing represents State and Federal commitments in support of City projects.

A summary of proprietary fund type property, plant and equipment at December 31, 2001, is as follows:

**(AMOUNTS IN THOUSANDS)**

|  | <u>Enterprise Funds</u>  | <u>Internal Service Funds</u> |
|--|--------------------------|-------------------------------|
| Land                                   | \$ 25,349                | \$ 133                        |
| Buildings                              | 248,064                  | 272                           |
| Improvements                           | 369,199                  | 3,661                         |
| Machinery and Equipment                | 143,016                  | 28,077                        |
| Construction in Progress               | 130,546                  |                               |
| Property Acquired under Capital Leases | 637                      | 2,084                         |
| <b>Total</b>                           | <b>916,811</b>           | <b>34,227</b>                 |
| Accumulated Depreciation               | (305,511)                | (15,387)                      |
| Accumulated Amortization               | (228)                    | (1,514)                       |
| <b>Net</b>                             | <b><u>\$ 611,072</u></b> | <b><u>\$ 17,326</u></b>       |

Construction in Progress at December 31, 2001 is comprised of the following:

**(AMOUNTS IN THOUSANDS)**

| <u>Enterprise Fund</u> | <u>Project Authorizations</u> | <u>Expended to December 31, 2001</u> | <u>Committed</u>       | <u>Required Future Financing</u> |
|------------------------|-------------------------------|--------------------------------------|------------------------|----------------------------------|
| Water Works            | \$171,486                     | \$113,297                            | \$58,189               | \$                               |
| Parking Facilities     | 9,167                         | 7,024                                | 2,143                  |                                  |
| Convention Center      | 3,540                         | 1,882                                | 1,658                  | 1,600                            |
| General Aviation       | 3,729                         | 2,729                                | 1,000                  | 267                              |
| Municipal Golf         | 2,202                         | 1,450                                | 752                    |                                  |
| Stormwater Management  | 10,377                        | 4,164                                | 6,213                  |                                  |
| <b>Totals</b>          | <b><u>\$200,501</u></b>       | <b><u>\$130,546</u></b>              | <b><u>\$69,955</u></b> | <b><u>\$1,867</u></b>            |

#### **14. RECEIVABLES**

Accounts Receivable are presented in the general purpose financial statements net of the allowance for uncollectible accounts. The uncollectible accounts related to the General Fund at December 31, 2001, are as follows: Taxes Receivable (\$1,838,000) and other accounts receivable (\$2,684,000). The uncollectible accounts related to the Debt Service Fund at December 31, 2001 are Taxes Receivable (\$1,834,000). The balance for the allowance for doubtful accounts in the Capital Projects Fund at December 31, 2001 is (\$521,000). The balances of the allowance accounts of the proprietary funds as of December 31, 2001 are as follows: Water Works (\$1,684,000), Regional Computer Center (\$15,000), Convention Center (\$133,000), General Aviation (\$9,000), Municipal Golf (\$7,000), Parking Facilities (\$9,000), and Stormwater Management (\$3,860,000).

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 \$2,303,000, 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, 2001 total \$58,544,000.

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, 2001 is \$734,000. This amount is related to Goodall Properties Ltd.

#### **15. CONTINGENT LIABILITIES**

##### **Federal and State Grants**

The City has received Federal and State grants in excess of \$54 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. Based on prior experience, the City Administration believes such disallowances, if any, will be immaterial.

##### **Litigation**

Various claims and lawsuits are pending against the City as of December 31, 2001. A liability of \$4 million was recorded for those claims and judgments as of December 31, 2001. Over the past decade, the City has averaged annual payments of \$1,499,000 for claim and lawsuit settlements. Adequate funds have been provided to meet the claims paid both from the General Fund and restricted funds of the City. The City Administration believes there is no foreseen problem in having adequate resources to settle presently known cases.

## 16. 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 2001. 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 the choice of three separate health insurance plans for its employees. All of the plans are 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 under a retrospective rating plan. 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. Changes in the balances of claims liabilities and claims adjustment expenses during 2001 and 2000 are as follows:

### (AMOUNTS IN THOUSANDS)

|  | General       |               | Water Works  |              | Parking Facilities |             | Convention Center |             | Municipal Golf |             | Capital Projects |                |
|--|---------------|---------------|--------------|--------------|--------------------|-------------|-------------------|-------------|----------------|-------------|------------------|----------------|
|  | <u>2001</u>   | <u>2000</u>   | <u>2001</u>  | <u>2000</u>  | <u>2001</u>        | <u>2000</u> | <u>2001</u>       | <u>2000</u> | <u>2001</u>    | <u>2000</u> | <u>2001</u>      | <u>2000</u>    |
| Balance at January 1                         | \$ 563        | \$ 288        | \$ 73        | \$ 57        | \$ 2               | \$ 3        | \$ 2              | \$ 4        | \$             | \$ 5        | \$4,613          | \$4,160        |
| Current-Year Claims and Changes in Estimates | 854           | 531           | 41           | 198          |                    | 1           | 19                | 3           | 1              | (2)         |                  | 453            |
| Claim Payments                               | (637)         | (256)         | (46)         | (182)        | (1)                | (2)         | (9)               | (5)         | (1)            | (3)         | (4,613)          |                |
| Balance at December 31                       | <u>\$ 780</u> | <u>\$ 563</u> | <u>\$ 68</u> | <u>\$ 73</u> | <u>\$ 1</u>        | <u>\$ 2</u> | <u>\$ 12</u>      | <u>\$ 2</u> | <u>\$</u>      | <u>\$</u>   | <u>\$</u>        | <u>\$4,613</u> |

|  | Stormwater Management |             | Income Tax Infrastructure |              | Self Insurance Medical |                 | Workers Compensation |                 | General Long-Term Obligations |                | Totals          |                 |
|--|-----------------------|-------------|---------------------------|--------------|------------------------|-----------------|----------------------|-----------------|-------------------------------|----------------|-----------------|-----------------|
|  | <u>2001</u>           | <u>2000</u> | <u>2001</u>               | <u>2000</u>  | <u>2001</u>            | <u>2000</u>     | <u>2001</u>          | <u>2000</u>     | <u>2001</u>                   | <u>2000</u>    | <u>2001</u>     | <u>2000</u>     |
| Balance at January 1                         | \$ 4                  | \$ 4        | \$ 13                     | \$ 13        | \$9,064                | \$8,833         | \$23,782             | 22,987          | \$3,056                       | \$3,419        | \$41,172        | \$39,773        |
| Current-Year Claims and Changes in Estimates | 8                     | 95          | 9                         | 30           | 51,760                 | 38,375          | 191                  | 2,007           | 2,522                         | 1,664          | 55,405          | 43,355          |
| Claim Payments                               | (9)                   | (95)        | (22)                      | (30)         | (53,354)               | (38,144)        | (4,523)              | (1,212)         | (2,435)                       | (2,027)        | (65,650)        | (41,956)        |
| Balance at December 31                       | <u>\$ 3</u>           | <u>\$ 4</u> | <u>\$</u>                 | <u>\$ 13</u> | <u>\$ 7,470</u>        | <u>\$ 9,064</u> | <u>\$19,450</u>      | <u>\$23,782</u> | <u>\$3,143</u>                | <u>\$3,056</u> | <u>\$30,927</u> | <u>\$41,172</u> |

The claims liabilities at December 31, 2001 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)**

|  | <b>Self Insurance<br/>Medical</b> | <b>Workers<br/>Compensation</b> |
|--|-----------------------------------|---------------------------------|
| Accounts Payable                         | \$1,470                           | \$ 2                            |
| Accrued Liabilities                      |                                   | 4,300                           |
| Estimated Liability<br>For Unpaid Claims | <u>6,000</u>                      | <u>15,148</u>                   |
| Total                                    | <u>\$7,470</u>                    | <u>\$19,450</u>                 |

**17. SUBSEQUENT EVENTS**

On March 20, 2002, City Council authorized the taking of bids on \$39,280,000 of general obligation bonds to be dated May 1, 2002. The six bond issues sold at coupon rates from 3.25% to 5.00%, but with a bid premium of \$413,087 the effective rates were from 2.18% to 4.80%. The bonds include tax supported issues of \$16,975,000 for Street Improvements, \$4,600,000 for Public Building Improvements, \$6,125,000 for Equipment Improvements, \$4,500,000 and \$3,080,000 for Urban Renewal Improvements, and \$4,000,000 for Economic Development Improvements.

In February, 2002 Greater Cincinnati Water Works signed an operating and maintenance agreement with the City of Mason, Ohio. The purpose of the 30-year agreement is to provide retail water services to Mason's water utility customers, to operate and maintain Mason's water distribution system, water treatment plant and associated infrastructure and to provide utility billing and collection services for Mason's wastewater, storm water and garbage utilities. In return for these services Greater Cincinnati Water Work's is entitled to all the water revenues derived from the Mason system in addition to a collection fee for the utility billing services.

## **18. 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 Public Employees Retirement System (PERS), which are State pension systems, and the City of Cincinnati's Retirement System. Each of these three systems is a cost-sharing multiple-employer defined benefit pension 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 benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The 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% respectively for police officers and fire fighters. The City of Cincinnati's contributions to OP&F for the years ending December 31, 2001, 2000, and 1999 were \$21,857,000.00, \$21,005,000, and \$23,961,000, respectively, equal to the required contributions for each year including the installment payments on the unfunded prior service cost for 1999.

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 Post employment Benefit Information**

OP&F provides post-retirement health care coverage to 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 health care coverage provided by the police and firefighters' retirement system is considered an Other Postemployment Benefit (OPEB). A portion of each employer's contribution to the Police and Fire Pension Fund is set aside for the funding of postemployment health care. The Ohio Revised Code provides the statutory authority allowing the fund's board of trustees to provide health care coverage to all eligible individuals. Health care funding and accounting are on a pay-as-you-go basis. In 2001, 7.5% of covered payroll was used to pay retiree health care expenses. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.



The number of participants eligible to receive health care benefits as of December 31, 2000, the date of the last actuarial valuation available was 12,853 for police and 10,037 for firefighters. The portion of the City's 2001 contributions that was used to pay postemployment benefits was \$4,430,708 for police and \$3,239,073 for firefighters. The total health care expense of the fund for the year ending December 31, 2000, the date of the last actuarial valuation available, was \$106,160,054, which was net of member contributions of \$5,657,431.

## **State PERS**

### **Plan Description**

Only City employees who were members in the Public Employees Retirement System of Ohio (PERS) 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 PERS.

PERS is a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to PERS, 277 East Town Street, Columbus, Ohio 43215-4642 or calling (614) 466-2085.

### **Funding Policy**

The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees contribute 8.5% of their annual compensation. The City's contribution rate for 2001 was 13.31% of covered payroll; 9.01% was the portion used to fund pension obligations and 4.30% was used to fund health care for 2001. City of Cincinnati's contributions to PERS for the years ending December 31, 2001, 2000, and 1999, were \$1,822,000, \$1,363,000, and \$1,717,000 respectively, equal to the required contributions for each year.

### **Other Postemployment Benefit Information**

PERS provides postemployment health care coverage to age and service retirees with ten or more years of qualifying service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by PERS is considered an Other Postemployment Benefit (OPEB). A portion of each employer's contribution to PERS is set aside for the funding of postemployment health care. The Ohio Revised Code provides statutory authority for employer contributions.

OPEB are advance-funded on an actuarially determined basis. The number of active contributing participants was 411,076. The portion of the City's employer contribution that was used to fund postemployment benefits was \$588,805. The actuarial value of PERS net assets available for OPEB was \$11,735,900,000 at December 31, 2000. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364,600,000 and \$2,628,700,000, respectively.

## **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 12 and 13. 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, 2001, the date of the latest actuarial valuation:

|   | <u>Pension</u> | <u>Health care</u> |
|---|----------------|--------------------|
| Retirees and beneficiaries receiving benefits       | 4,345          | 4,345              |
| Terminated plan members entitled to future benefits | 85             | 85                 |
| Active plan members:                                |                |                    |
| Vested  | 3,352          | 1,889              |
| Nonvested   | <u>2,191</u>   | <u>3,654</u>       |
| Total   | <u>9,973</u>   | <u>9,973</u>       |

1,597 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 vest 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 the Cincinnati Municipal Code establishes all other requirements.

### **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. The contribution rate for 2001 was 7% for all employers. City of Cincinnati's contributions to the City of Cincinnati Retirement System for the years ending December 31, 2001, 2000, and

1999 were \$12,454,000, \$11,520,000, and \$11,629,000, respectively equal to the required contributions for each year. Administrative costs are financed from the system assets. The System's independent actuary reported that the System's unfunded actuarial accrued liability for prior service cost was paid off as of December 31, 1998.

### **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 exchange 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. 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 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). 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 actuarial assumptions used for the December 31, 2001 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 are recognized as an expense as claims are paid. The employer contribution that was used to fund postemployment benefits was \$3,290,000. The actuarial value of the System's net assets available for OPEB at December 31, 2001 was \$775,960,000. The actuarially accrued liability based on the actuarial cost method used was \$845,443,000.

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                 | 12/31/01  |
| Actuarial cost method          | Entry age normal  |
| Asset valuation method         | Preliminary actuarial value of assets is calculated by projecting the prior year's actuarial value to the current valuation date using the valuation interest assumption and actual contributions, benefit payments and expenses. This preliminary value is then adjusted if it is not within a corridor equal to 90% - 110% of the market value of assets. |
| Actuarial assumptions:         |   |
| Investment rate of return*     | 8.75% per year, prior to 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                       | 2000 City of Cincinnati Rate of Termination Experience Table  |
| Disability                     | The 1995 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.  |
| Hospital and Surgical Benefits | Adjusted premiums are based on experience for recent years adjusted to current year by assumed annual increase in premium costs.  |
| Medicare Part B                | Premiums are assumed to increase in accordance with estimates from the 2001 Annual Report of the Board of Trustees (previously the Congressional Budget Office) until the year 2008 and then increase at 7% per year thereafter.  |
| Dental Benefits                | Premiums are assumed to increase at a decreasing rate, starting at 7% for 2001, then decreasing by 0.5% per year to 4.5% and remaining there for 15 years, then decreasing gradually over 12 years to zero. This takes the \$1,000 fixed cap on annual dental costs into account.   |
| Vision Benefits                | The vision premium is fixed at \$75 per year. The anticipated annual increase in costs is 0.5% to take increases in administrative costs into account.  |
| *Inflation rate                | No assumption.  |
| Cost-of-living adjustments     | 3% compound interest  |

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS**

(AMOUNTS IN THOUSANDS)

**PENSION PLAN**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) -Entry Age (b) | Unfunded Actuarial Accrued Liability (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|--|---|--------------------|---------------------|---|
| 12/31/96                 | \$1,082,980                   | \$1,141,076                                      | \$ 58,096   | 94.91 %            | \$177,943           | 32.65   |
| 12/31/97                 | 1,250,997                     | 1,214,573  | (36,424)  | 103.00             | 181,547             | (20.06)   |
| 12/31/98                 | 1,411,847                     | 1,235,332  | (176,515)   | 114.29             | 181,691             | (97.15)   |
| 12/31/99                 | 1,554,854                     | 1,378,625  | (176,229)   | 112.78             | 184,477             | (95.53)   |
| 12/31/00                 | 1,627,207                     | 1,439,180  | (188,027)   | 113.06             | 182,556             | (103.00)  |
| 12/31/01                 | 1,699,977                     | 1,473,359  | (226,618)   | 115.38             | 191,756             | (118.18)  |

**HEALTHCARE PLAN**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) -Entry Age (b) | Unfunded Actuarial Accrued Liability (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|--|---|--------------------|---------------------|---|
| 12/31/96                 | \$472,559                     | \$497,910  | \$ 25,351   | 94.91 %            | \$177,943           | 14.25   |
| 12/31/97                 | 548,239                       | 532,277  | (15,962)  | 103.00             | 181,547             | (8.79)  |
| 12/31/98                 | 624,185                       | 504,851  | (119,334)   | 123.64             | 181,691             | (65.68)   |
| 12/31/99                 | 696,701                       | 531,059  | (165,642)   | 131.19             | 184,477             | (89.79)   |
| 12/31/00                 | 736,491                       | 623,386  | (113,105)   | 118.14             | 182,556             | (61.96)   |
| 12/31/01                 | 775,960                       | 845,443  | 69,483  | 91.78              | 191,756             | 36.24   |

**SCHEDULE OF EMPLOYERS' CONTRIBUTIONS**

(AMOUNTS IN THOUSANDS)

**PENSION PLAN**

| Year Ended December 31 | Annual Required Contribution | Percentage Contributed |
|------------------------|------------------------------|------------------------|
| 1996                   | \$ 16,823                    | 141.60 %               |
| 1997                   | 23,335                       | 106.80                 |
| 1998                   | 14,560                       | 127.83                 |
| 1999                   | (9,467)                      | N/A                    |
| 2000                   | (12,119)                     | N/A                    |
| 2001                   | (6,443)                      | N/A                    |

**HEALTHCARE PLAN**

| Year Ended December 31 | Annual Required Contribution | Percentage Contributed |
|------------------------|------------------------------|------------------------|
| 1996                   | \$ 5,608                     | 141.60 %               |
| 1997                   | 7,778                        | 106.80                 |
| 1998                   | 4,853                        | 127.83                 |
| 1999                   | (3,156)                      | N/A                    |
| 2000                   | (4,040)                      | N/A                    |
| 2001                   | (2,148)                      | N/A                    |

Schedule of Expenditure of Federal Awards  
(Non-GAAP Budgetary Basis)  
For the year ended December 31, 2001  
(Amounts in Thousands)

| Grantor/Program Title                                 | Fund | CFDA # | Grant #             | Grant and Contract Balance As of 1/1/01 | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures | Advances (Repayments) or Adjustments | Grant and Contract Balance December 31, 2001 |
|---|------|--------|---------------------|---|-------------------------------------|---------------------------------|------------------|--------------------------------------|--|
| <b>1 U.S. Department of Agriculture</b>               |      |        |                     |   |                                     |                                 |                  |                                      |  |
| <b>Passed through Ohio Department of Health</b>       |      |        |                     |   |                                     |                                 |                  |                                      |  |
| Hamilton County WIC Program                           | 391  | 10.557 | GM-137-A95          | 5                                       |                                     |                                 |                  | (5)                                  |  |
| Hamilton County WIC Program                           | 391  | 10.557 | GM-137-A96          | 2                                       |                                     |                                 |                  | (2)                                  |  |
| Hamilton County WIC Program                           | 391  | 10.557 | GM-137-A97          | 156                                     |                                     |                                 |                  | (156)                                |  |
| Hamilton County WIC Program                           | 391  | 10.557 | GM-137-A98          | (32)                                    |                                     |                                 |                  | 32                                   |  |
| Hamilton County WIC Program                           | 391  | 10.557 | 31-2-001-1-CL-01    | 119                                     | 1,579                               |                                 | (1,915)          | 217                                  |  |
| Hamilton County WIC Program                           | 391  | 10.557 | 31-2-001-1-CL-02    | 250                                     | 598                                 |                                 | (472)            |                                      | 126  |
| <b>Total for CFDA No. 10.557</b>                      |      |        |                     |   | 2,177                               |                                 | (2,387)          | 86                                   | 126  |
| Firlday Market Improvements                           | 980  | 10.601 | 12-25-A-3532        | 38                                      |                                     |                                 | 32               |                                      | 2  |
| <b>Total for CFDA No. 10.601</b>                      |      |        |                     | 38                                      |                                     |                                 | 32               |                                      | 2  |
| <b>TOTAL DEPARTMENT OF AGRICULTURE</b>                |      |        |                     |   |                                     |                                 |                  |                                      |  |
| <b>2 U.S. Department of Health and Human Services</b> |      |        |                     |   |                                     |                                 |                  |                                      |  |
| <b>Passed through Cincinnati Health Network</b>       |      |        |                     |   |                                     |                                 |                  |                                      |  |
| Homeless Health Care Program                          | 448  | 93.151 | Contract #55X9035   | 6                                       |                                     |                                 |                  |                                      |  |
| Homeless Health Care Program                          | 448  | 93.151 | Contract #65X9084   | (6)                                     |                                     |                                 |                  |                                      | 6  |
| Homeless Health Care Program                          | 448  | 93.151 | Contract #75X9005   | 52                                      |                                     |                                 |                  |                                      | (6)  |
| Homeless Health Care Program                          | 448  | 93.151 | Contract #75-9105   | 4                                       |                                     |                                 |                  |                                      | 52   |
| Homeless Health Care Program                          | 448  | 93.151 | Contract #15-9022   | 56                                      | 244                                 |                                 | (244)            | (1)                                  | (1)  |
| <b>Total for CFDA No. 93.151</b>                      |      |        |                     |   | 244                                 |                                 | (244)            | (1)                                  | 55   |
| <b>Passed through Ohio Department of Health</b>       |      |        |                     |   |                                     |                                 |                  |                                      |  |
| Childhood Lead Poisoning Prevention Project           | 380  | 93.197 | 137-S96             | (32)                                    |                                     |                                 |                  | 32                                   |  |
| Childhood Lead Poisoning Prevention Project           | 380  | 93.197 | 31-2-01-F-BE-320    | 28                                      |                                     |                                 |                  | (28)                                 |  |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 137-S5              | 39                                      |                                     |                                 |                  | (39)                                 |  |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 137-S6              | 79                                      |                                     |                                 |                  | 7                                    |  |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 137-S7              | 79                                      |                                     |                                 |                  | (79)                                 |  |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 137-N5              | (6)                                     |                                     |                                 |                  | 6                                    |  |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 137-AD              | 6                                       |                                     |                                 |                  | (6)                                  |  |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 31-2-01-P-BP-387    | 20                                      |                                     |                                 |                  | (20)                                 |  |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 31-2-001-1-BE-01    | 89                                      | 89                                  | 21                              | (76)             | (33)                                 | 1  |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 31-2-001-1-BE-02    | 127                                     | 89                                  | 21                              | (19)             | 133                                  | (18)   |
| <b>Total for CFDA No. 93.197</b>                      |      |        |                     |   |                                     |                                 | (95)             | (27)                                 | 133  |
| <b>Passed through Cincinnati Health Network</b>       |      |        |                     |   |                                     |                                 |                  |                                      |  |
| Cincinnati Health Network                             | 446  | 93.224 | Contract #55X9034   | 56                                      |                                     |                                 |                  | (56)                                 |  |
| Cincinnati Health Network                             | 446  | 93.224 | Contract #65X9085   | 13                                      |                                     |                                 |                  | (13)                                 |  |
| Cincinnati Health Network                             | 446  | 93.224 | Contract #75-9104   | 11                                      |                                     |                                 |                  | (11)                                 |  |
| Cincinnati Health Network                             | 446  | 93.224 | Contract #05-9043   | 18                                      |                                     |                                 |                  | (18)                                 |  |
| Cincinnati Health Network                             | 446  | 93.224 | Contract #15-9057   | 98                                      | 313                                 |                                 | (313)            | 75                                   | 75   |
| <b>Total for CFDA No. 93.224</b>                      |      |        |                     |   | 313                                 |                                 | (313)            | (23)                                 | 75   |
| <b>Passed through Ohio Department of Health</b>       |      |        |                     |   |                                     |                                 |                  |                                      |  |
| Hepatitis B/Immunization                              | 350  | 93.268 | 137-T5              | 40                                      |                                     |                                 |                  | (40)                                 |  |
| Immunization Action Plan                              | 415  | 93.268 | 137-V4              | 43                                      |                                     |                                 |                  | (43)                                 |  |
| Immunization Action Plan                              | 415  | 93.268 | 137-V5              | (3)                                     |                                     |                                 |                  | 3                                    |  |
| Immunization Action Plan                              | 415  | 93.268 | 137-V7              | (27)                                    |                                     |                                 |                  | 27                                   |  |
| Immunization Action Plan Special                      | 415  | 93.268 | 1240-HCT-PHS-SP-IAP | 96                                      |                                     |                                 |                  | (96)                                 |  |
| Immunization Action Plan Special                      | 415  | 93.268 | 31-02-01-P-A2-392   | (76)                                    |                                     |                                 |                  | 78                                   |  |
| Immunization Action Plan Special                      | 415  | 93.268 | 31-02-001-2-AZ-01   | 71                                      | 419                                 |                                 | (289)            | 26                                   | 88   |
| <b>Total for CFDA No. 93.268</b>                      |      |        |                     |   | 419                                 |                                 | (289)            | (45)                                 | 88   |
| Avondale Career Program                               | 433  | 93.561 |                     | (108)                                   |                                     |                                 |                  | 108                                  |  |
| <b>Total for CFDA No. 93.561</b>                      |      |        |                     |   |                                     |                                 |                  | 108                                  |  |

Schedule of Expenditure of Federal Awards  
(Non-GAAP Budgetary Basis)  
For the year ended December 31, 2001  
(Amounts in Thousands)

| Grantor/Program Title  | Fund | CFDA # | Grant #             | Grant and Contract Balance As of 1/1/01 | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures | Advances (Repayments) or Adjustments | Grant and Contract Balance December 31, 2001 |
|--|------|--------|---------------------|---|-------------------------------------|---------------------------------|------------------|--------------------------------------|--|
|  |      |        |                     | Grantor                                 | Local                               |                                 |                  |                                      |  |
| <ul style="list-style-type: none"> <li>* Passed through Ohio Job &amp; Family Service</li> <li>* WIA 2001 Allocation</li> <li>* Temporary Assistance to Families TANF</li> <li>* TANF</li> </ul> | 463  | 93.558 | Contract # 95X8002  | 2,347                                   |                                     |                                 |                  | (2,347)                              |  |
|  | 463  | 93.558 |                     | 734                                     |                                     |                                 |                  | (734)                                |  |
|  | 471  | 93.558 | WIA TANF Allocation | 555                                     |                                     |                                 |                  | (555)                                |  |
| Total for CFDA No. 93.558  |      |        |                     | 3,636                                   |                                     |                                 |                  | (3,636)                              |  |
| Ryan White Initiative  | 378  | 93.917 | 137-Y1              | 5                                       |                                     |                                 |                  | (5)                                  |  |
| Ryan White Initiative  | 378  | 93.917 | 137-Y2              | (2)                                     |                                     |                                 |                  | 2                                    |  |
| Ryan White Initiative  | 378  | 93.917 | 137-Y3              | 4                                       |                                     |                                 |                  | (4)                                  |  |
| Ryan White Initiative  | 378  | 93.917 | 137-Y6              | 1                                       |                                     |                                 |                  | (1)                                  |  |
| Ryan White Initiative  | 378  | 93.917 | 137-Y               | (6)                                     |                                     |                                 |                  | 6                                    |  |
| Total for CFDA No. 93.917  |      |        |                     | 2                                       |                                     |                                 |                  | (2)                                  |  |
| Federal AIDS Prevention  | 378  | 93.940 | 31-2-01-P-AS-392    | 244                                     |                                     |                                 |                  | (244)                                |  |
| Federal AIDS Prevention  | 378  | 93.940 | 137-AA7             | (76)                                    |                                     |                                 |                  | 76                                   |  |
| HIV Testing & Counseling Site  | 378  | 93.940 | 137-H5              | (1)                                     |                                     |                                 |                  | 1                                    |  |
| HIV Testing & Counseling Site  | 378  | 93.940 | 137-H6              | 69                                      |                                     |                                 |                  | (69)                                 |  |
| State AIDS Community Based Care  | 378  | 93.940 | 137-AC              | 81                                      |                                     |                                 |                  | (81)                                 |  |
| State AIDS Community Based Care  | 378  | 93.940 | 137-AC-8            | (5)                                     |                                     |                                 |                  | 5                                    |  |
| State AIDS Community Based Care  | 378  | 93.940 | 31-2-01-F-CE-GRF    | 1                                       |                                     |                                 |                  | (1)                                  |  |
| State AIDS Community Based Care  | 378  | 93.940 | 31-2-01-F-DL-SE1    | 138                                     |                                     |                                 |                  | (138)                                |  |
| State AIDS Community Based Care  | 378  | 93.940 | 31-2-01-F-DL-SE1    | 498                                     |                                     |                                 |                  | (498)                                |  |
| Total for CFDA No. 93.940  |      |        |                     | 451                                     |                                     |                                 | (560)            | 79                                   | 17   |
|  |      |        |                     | (76)                                    |                                     |                                 | (560)            | (372)                                | 17   |
| AIDS Health Education  | 378  | 93.977 | 137-K5              | 5                                       |                                     |                                 |                  | (5)                                  |  |
| STD Control Program  | 378  | 93.977 | 137-15              | 50                                      |                                     |                                 |                  | (50)                                 |  |
| STD Control Program  | 378  | 93.977 | 137-16              | 5                                       |                                     |                                 |                  | (5)                                  |  |
| STD Control Program  | 378  | 93.977 | 137-17              | 4                                       |                                     |                                 |                  | (4)                                  |  |
| STD Control Program  | 378  | 93.977 | 137-18              |   |                                     |                                 |                  | (4)                                  |  |
| STD Control Program  | 378  | 93.977 | 137-18              |   |                                     |                                 |                  | (13)                                 |  |
| STD Control Program  | 378  | 93.977 | 31-2-01-P-BX-392    | 13                                      |                                     |                                 |                  | (13)                                 |  |
| STD Control Program  | 378  | 93.977 | 31-2-001-2-BX-02    | 49                                      |                                     |                                 |                  | (49)                                 |  |
| Total for CFDA No. 93.977  |      |        |                     | 77                                      |                                     |                                 | (55)             | (77)                                 | (6)  |
|  |      |        |                     | (246)                                   |                                     |                                 | (55)             | (77)                                 | (6)  |
| STD Training Center  | 378  | 93.978 | 137-R5              | 2                                       |                                     |                                 |                  | (2)                                  |  |
| STD Training Center  | 378  | 93.978 | 137-R6              | (246)                                   |                                     |                                 |                  | 246                                  |  |
| STD Training Center  | 378  | 93.978 | 137-R7              | 261                                     |                                     |                                 |                  | (261)                                |  |
| STD Training Center  | 378  | 93.978 | R30/CCRS16650-01-2  | (21)                                    |                                     |                                 |                  | 21                                   |  |
| STD Training Center  | 378  | 93.978 | 31-2-01-P-BZ-392    | (45)                                    |                                     |                                 |                  | 45                                   |  |
| STD/HIV Prevention Training Centers  | 379  | 93.978 | R30/CCRS00925-15    | 2                                       |                                     |                                 |                  | (2)                                  |  |
| STD/HIV Prevention Training Centers  | 379  | 93.978 | R30/CCRS16650-03    | 13                                      |                                     |                                 |                  | (13)                                 |  |
| Total for CFDA No. 93.978  |      |        |                     | (34)                                    |                                     |                                 | (297)            | 2                                    | 1  |
|  |      |        |                     | 283                                     |                                     |                                 | (297)            | 49                                   | 1  |
| Passed through Ohio Department of Health   | 425  | 93.991 | 137-Z94             | 132                                     |                                     |                                 |                  | (132)                                |  |
| Heart Health in Hamilton County  | 425  | 93.991 | 137-Z95             | 2                                       |                                     |                                 |                  | (2)                                  |  |
| Heart Health in Hamilton County  | 425  | 93.991 | 137-Z96             | (1)                                     |                                     |                                 |                  | 1                                    |  |
| Heart Health in Hamilton County  | 425  | 93.991 | 137-Z97             | (26)                                    |                                     |                                 |                  | 26                                   |  |
| Heart Health in Hamilton County  | 425  | 93.991 | 31-2-01-P-BP-392    | (12)                                    |                                     |                                 |                  | 12                                   |  |
| Heart Health in Hamilton County  | 425  | 93.991 | 31-2-01-P-BP-387    | 19                                      |                                     |                                 |                  | (19)                                 |  |
| Heart Health in Hamilton County  | 425  | 93.991 | 31-2-001-2-ED-01    | 179                                     |                                     |                                 |                  | (179)                                |  |
| Total for CFDA No. 93.991  |      |        |                     | 114                                     |                                     |                                 | (136)            | 110                                  | 155  |
|  |      |        |                     | 4,480                                   |                                     | 2,074                           | (1,989)          | (4)                                  | 80   |
| TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES  |      |        |                     | 4,480                                   | 2,074                               | 21                              | (1,989)          | (4,030)                              | 80   |
|  |      |        |                     |   |                                     |                                 |                  |                                      | 486  |

Schedule of Expenditure of Federal Awards  
(Non-GAAP Budgetary Basis)  
For the year ended December 31, 2001  
(Amounts in Thousands)

| Grantor/Program Title                            | Fund | CFDA # | Grant #         | Grant and Contract Balance As of 1/1/01 | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures | Advances (Repayments) or Adjustments | Grant and Contract Balance December 31, 2001 |
|--|------|--------|-----------------|---|-------------------------------------|---------------------------------|------------------|--------------------------------------|--|
| 3 U.S. Department of Housing & Urban Development |      |        |                 |   |                                     |                                 |                  |                                      |  |
| • Passed through Ohio Department of Development  |      |        |                 |   |                                     |                                 |                  |                                      |  |
| • Community Development Block Grant              | 304  | 14.218 | B99-MC390003    |   | 5,065                               |                                 | (5,065)          |                                      |  |
| • Community Development Block Grant              | 304  | 14.218 | B00-MC390003    | 550                                     | 10,695                              | 2,871                           | (13,785)         |                                      | 333  |
| • HUD Disaster Recovery Initiative               | 486  | 14.218 | B98MU390003     | 550                                     | 284                                 |                                 | (284)            |                                      |  |
| Total for CFDA No. 14.218                        |      |        |                 |   | 16,044                              | 2,871                           | (19,132)         |                                      | 333  |
| • Passed through Ohio Department of Development  |      |        |                 |   |                                     |                                 |                  |                                      |  |
| • Emergency Shelter Grant                        | 445  | 14.231 | S-00-MC-39-0003 |   | 343                                 |                                 | (343)            |                                      |  |
| • Emergency Shelter Grant                        | 445  | 14.231 | S-01-MC-39-0003 |   | 349                                 |                                 | (349)            |                                      |  |
| Total for CFDA No. 14.231                        |      |        |                 |   | 692                                 |                                 | (692)            |                                      |  |
| • Passed through Ohio Department of Development  |      |        |                 |   |                                     |                                 |                  |                                      |  |
| • HOME-Shelter Plus Care                         | 410  | 14.238 | OH16C93-1093    |   | 33                                  |                                 | (33)             |                                      |  |
| • HOME-Shelter Plus Care                         | 410  | 14.238 | OH16C95-0132    |   | 231                                 |                                 | (231)            |                                      |  |
| • HOME-Shelter Plus Care                         | 410  | 14.238 | OH16C96-0002    |   | 221                                 |                                 | (221)            |                                      |  |
| • HOME-Shelter Plus Care                         | 410  | 14.238 | OH16C97-0013    |   | 87                                  |                                 | (87)             |                                      |  |
| • HOME-Shelter Plus Care                         | 410  | 14.238 | OH16C90-0003    |   | 281                                 |                                 | (281)            |                                      |  |
| • HOME-Shelter Plus Care                         | 410  | 14.238 | OH16C900-004    |   | 326                                 |                                 | (326)            |                                      |  |
| Total for CFDA No. 14.238                        |      |        |                 |   | 1,179                               |                                 | (1,179)          |                                      |  |
| • Passed through Ohio Department of Development  |      |        |                 |   |                                     |                                 |                  |                                      |  |
| • HOME   | 411  | 14.239 | M-95-MC-39-0213 |   | 9                                   |                                 | (9)              |                                      |  |
| • HOME   | 411  | 14.239 | M-96-MC-39-0213 |   | 86                                  |                                 | (86)             |                                      |  |
| • HOME   | 411  | 14.239 | M-98-MC-39-0213 |   | 703                                 |                                 | (703)            |                                      |  |
| • HOME   | 411  | 14.239 | M-99-MC-39-0213 |   | 3,117                               |                                 | (3,117)          |                                      |  |
| • HOME   | 411  | 14.239 | M-00-MC-39-0213 | 480                                     |                                     | 401                             | (311)            |                                      | 801  |
| • HOME   | 411  | 14.239 | M-01-MC-39-0213 |   | 16                                  |                                 | (16)             |                                      |  |
| Total for CFDA No. 14.239                        |      |        |                 |   | 4,162                               | 401                             | (4,242)          |                                      | 801  |
| • Passed through Ohio Department of Development  |      |        |                 |   |                                     |                                 |                  |                                      |  |
| • Housing Opportunities For People With Aids     | 465  | 14.241 | OH16H00F001     |   | 351                                 |                                 | (351)            |                                      |  |
| • Housing Opportunities For People With Aids     | 465  | 14.241 | OH16H01F001     |   | 344                                 |                                 | (344)            |                                      |  |
| Total for CFDA No. 14.241                        |      |        |                 |   | 695                                 |                                 | (695)            |                                      |  |
| • Empowerment Zone                               | 324  | 14.244 |                 |   | 150                                 |                                 | (221)            |                                      | (71)   |
| • Empowerment Zone                               | 386  | 14.244 | EZ99OH0009      |   | 1,629                               |                                 | (1,629)          |                                      |  |
| Total for CFDA No. 14.244                        |      |        |                 |   | 1,779                               |                                 | (1,850)          |                                      | (71)   |
| • Findlay Market Phase III                       | 980  | 14.246 | 06-01-04417     | 440                                     |                                     |                                 | (33)             |                                      | 407  |
| Total for CFDA No. 14.246                        |      |        |                 | 440                                     |                                     |                                 | (33)             |                                      | 407  |
| • Passed through Ohio Department of Development  |      |        |                 |   |                                     |                                 |                  |                                      |  |
| • HUD Section 108 Loan Program                   | 304  | 14.248 | B99-MC390003    |   | 540                                 |                                 | (540)            |                                      |  |
| Total for CFDA No. 14.248                        |      |        |                 |   | 540                                 |                                 | (540)            |                                      |  |
| • Hope VI Implementation Grant                   | 980  | 14.866 |                 |   |                                     |                                 |                  |                                      |  |
| Total for CFDA No. 14.866                        |      |        |                 |   | 2,022                               |                                 | (54)             |                                      | 2,103  |
| Cincinnati Lead Abatement Program                | 381  | 14.900 | OHLA0022-94     | 240                                     |                                     |                                 | (54)             |                                      | 105  |
| Cincinnati Lead Abatement Program                | 387  | 14.900 | OHLHR0063-99    | 240                                     |                                     |                                 | (54)             |                                      | 105  |
| Total for CFDA No. 14.900                        |      |        |                 | 721                                     | 408                                 |                                 | (408)            |                                      | 26   |
|  |      |        |                 | 721                                     | 408                                 |                                 | (1,103)          |                                      | 26   |
| TOTAL DEPARTMENT OF HOUSING & URBAN DEVELOPMENT  |      |        |                 | 2,431                                   | 27,521                              | 3,272                           | (29,520)         |                                      | 3,192  |



Schedule of Expenditure of Federal Awards  
(Non-GAAP Budgetary Basis)  
For the year ended December 31, 2001  
(Amounts in Thousands)

| Grantor/Program Title   | Fund | CFDA # | Grant #          | Grant and Contract Balance As of 1/1/01 | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures | Advances (Repayments) or Adjustments | Grant and Contract Balance December 31, 2001 | Local |
|---|------|--------|------------------|---|-------------------------------------|---------------------------------|------------------|--------------------------------------|--|-------|
| 4 U.S. Department of the Interior<br>Cincinnati Historic Properties                   | 338  | 15.904 | 490297           | 1                                       | 1                                   |                                 |                  | (1)                                  |  |       |
| Total for CFDA No. 15.904   |      |        |                  | 3                                       | 10                                  |                                 | (8)              | (8)                                  | 5  |       |
| ODNR-Hooked on Fishing  | 324  | 15.605 |                  | 3                                       | 10                                  |                                 | (8)              | (8)                                  | 5  |       |
| TOTAL DEPARTMENT OF THE INTERIOR  |      |        |                  | 4                                       | 10                                  |                                 | (8)              | (1)                                  | 5  |       |
| 5 U.S. Department of Justice<br>Local Law Enforcement Block Grant                     | 342  | 16.200 | 98-LB-VX-2740    | 538                                     |                                     |                                 | (11)             |                                      | 474  | 53    |
| Local Law Enforcement Block Grant   | 345  | 16.200 | 96-LB-VX-3472    | (89)                                    |                                     |                                 |                  |                                      | (80)   | (9)   |
| Local Law Enforcement Block Grant   | 345  | 16.200 | 97-LB-VX-2740    | 89                                      |                                     |                                 |                  |                                      | 80   | 8     |
| Local Law Enforcement Block Grant   | 365  | 16.200 | 1999-LBVX-9040   | 621                                     |                                     | 119                             | (381)            |                                      | 323  | 36    |
| Local Law Enforcement Block Grant   | 364  | 16.200 | 2000-LBBX-1630   | 452                                     |                                     | 68                              | (60)             |                                      | 415  | 46    |
| Total for CFDA No. 16.200   |      |        |                  | 1,611                                   |                                     | 188                             | (452)            |                                      | 1,212  | 135   |
| Bloom Earn & Learn<br>Delinquency Collaboration                                       | 447  | 16.548 | 99-JV-T50-5035   | 35                                      | 9                                   |                                 | (36)             |                                      | 8  |       |
|   | 447  | 16.548 | 97-JV-T50-5013   | 9                                       | 9                                   |                                 | (9)              |                                      | 8  |       |
| Total for CFDA No. 16.548   |      |        |                  | 44                                      | 9                                   |                                 | (45)             |                                      | 8  |       |
| Passed through Ohio Office of Criminal Justice Service                                |      |        |                  | (2)                                     | 20                                  |                                 | (20)             |                                      | (2)  |       |
| Bushido   | 350  | 16.579 | 93-DG-B01-7362   |   |                                     |                                 |                  |                                      |  |       |
| Bulletproof Vests   | 368  | 16.579 | 00001816         |   | 20                                  |                                 |                  |                                      | (2)  |       |
| Child Advocacy (Byrne)  | 368  | 16.579 | 00-DG-E01-7357   |   | 5                                   |                                 |                  |                                      | (3)  | (1)   |
| Drug Abuse Resistance Education   | 368  | 16.579 |                  |   |                                     | 80                              |                  |                                      | 80   |       |
| Law Enforcement Advocate (Byrne)  | 368  | 16.579 | 99-DG-D02-7366   |   | 14                                  |                                 |                  |                                      | (16)   |       |
| School/Community Oriented Policing Efforts  | 368  | 16.579 | 1998-JJCP-10013  |   |                                     | 1                               |                  |                                      | (20)   |       |
| Targeted Prevention (Byrne)   | 368  | 16.579 | 99-DG-B01-7355   |   | (1)                                 |                                 |                  |                                      | (1)  |       |
| Third Grade Safety Belt Program   | 368  | 16.579 | H60208           |   | 1                                   |                                 |                  |                                      | 1  |       |
| Third Grade Safety Belt Program   | 368  | 16.579 | TSB020031        |   |                                     | 7                               |                  |                                      | 3  |       |
| Weed and Seed   | 368  | 16.579 | 1775             |   |                                     |                                 |                  |                                      | 3  |       |
| Weed and Seed   | 368  | 16.579 | 2000WSQX0164     |   |                                     | 78                              | (57)             |                                      | 21   |       |
| One Stop Career Center  | 433  | 16.579 | 8800             | 33                                      |                                     |                                 |                  |                                      |  |       |
| One Stop Career Center  | 433  | 16.579 | 5700             | 50                                      |                                     |                                 |                  | (66)                                 |  |       |
| Alcoholism Clinic   | 447  | 16.579 | 94-DG-F01-7374   | (18)                                    |                                     |                                 |                  |                                      | (18)   |       |
| Alcoholism Clinic   | 447  | 16.579 | 95-DG-F01-7374   | 15                                      |                                     |                                 |                  |                                      | 15   |       |
| Back on the Block   | 447  | 16.579 | 94-DG-B01-7367   | 3                                       |                                     |                                 |                  |                                      | 3  |       |
| Family Violence Project   | 447  | 16.579 | 96-DG-B01-7379   | 9                                       |                                     |                                 |                  |                                      | 9  |       |
| Family Violence Project   | 447  | 16.579 | 97-DG-B01-7379   | (14)                                    |                                     |                                 |                  |                                      | (14)   |       |
| Mallory Center  | 447  | 16.579 | 99-DG-B01-7352   |   | 16                                  |                                 |                  |                                      | (24)   |       |
| Mallory Center  | 447  | 16.579 | 99-DG-B01-7381   |   | 35                                  |                                 |                  |                                      | (23)   |       |
| Stay Center Life Skills   | 447  | 16.579 | 98-DG-F01-7381   |   |                                     |                                 |                  |                                      | (8)  |       |
| Stay Center Life Skills   | 447  | 16.579 | 93-DG-D02-7358   |   |                                     |                                 |                  |                                      | 12   |       |
| Victim Service Center   | 447  | 16.579 | 98-DG-B01-7378   | 5                                       | 2                                   |                                 |                  |                                      | 18   |       |
| Youth Crime Prevention  | 447  | 16.579 | 97-DG-B01-7378   | 18                                      |                                     |                                 |                  |                                      |  |       |
| Youth Crime Prevention  | 447  | 16.579 | 99-JB-010-0071   |   | 4                                   |                                 |                  |                                      | 18   |       |
| YMCA Amend Adolescent Program   | 447  | 16.579 |                  | 101                                     | 96                                  | 263                             | (185)            | (180)                                | 96   | (1)   |
| Total for CFDA No. 16.579   |      |        |                  |   |                                     |                                 |                  |                                      |  |       |
| Passed through Ohio Office of Criminal Justice Services<br>Domestic Violence Advocacy | 368  | 16.588 | 1997-WF-VAS-8583 |   |                                     |                                 |                  |                                      | (2)  |       |
| Total for CFDA No. 16.588   |      |        |                  |   |                                     |                                 |                  |                                      | (2)  |       |
| Local Law Enforcement Block Grant   | 361  | 16.592 | 2001-LB-BX-2319  |   | 633                                 | 9                               |                  |                                      | 642  |       |
| Total for CFDA No. 16.592   |      |        |                  |   | 633                                 | 9                               |                  |                                      | 642  |       |

Schedule of Expenditure of Federal Awards  
(Non-GAAP Budgetary Basis)  
For the year ended December 31, 2001  
(Amounts in Thousands)

| Grantor/Program Title                              | Fund     | CFDA # | Grant #           | Grant and Contract Balance As of 1/1/01 | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures | Advances (Repayments) or Adjustments | Grant and Contract Balance December 31, 2001 |
|--|----------|--------|-------------------|---|-------------------------------------|---------------------------------|------------------|--------------------------------------|--|
|  |          |        |                   |   |                                     |                                 |                  |                                      | Grantor Local                                |
| Universal Hiring Program                           | 346      | 16.710 | 97-UL-WX-0034     |   | 376                                 |                                 | (376)            |                                      | 25   |
| School Community Oriented Police Efforts           | 368      | 16.710 | 97-JJ-CP1         | 25                                      |                                     |                                 |                  |                                      | 38   |
| School Community Oriented Police Efforts           | 368      | 16.710 | 1998JJCP10073     | 63                                      | 376                                 |                                 | (376)            |                                      | 63   |
| Total for CFDA No. 16.710                          |          |        |                   | 13                                      |                                     |                                 |                  |                                      | 13   |
| Troops to Cops                                     | 368      | 16.711 | 1999-TCWX-0174    | 13                                      |                                     |                                 |                  |                                      | 13   |
| Total for CFDA No. 16.711                          |          |        |                   | 1,832                                   | 1,114                               | 460                             | (1,060)          | (180)                                | 2,032  |
| <b>TOTAL DEPARTMENT OF JUSTICE</b>                 |          |        |                   |   |                                     |                                 |                  |                                      |  |
| 6 U.S. Department of Labor                         |          |        |                   |   |                                     |                                 |                  |                                      |  |
| * Passed through Ohio Job & Family Service         |          |        |                   |   |                                     |                                 |                  |                                      |  |
| JTPA-Title II-A                                    | 431      | 17.250 | 0-99-08-00-01     | (100)                                   |                                     |                                 |                  | 100                                  |  |
| JTPA-Title II-B                                    | 435      | 17.250 | 5-99-08-00-01     | (1)                                     |                                     |                                 |                  | 1                                    |  |
| JTPA-Title II-A                                    | 437      | 17.250 | 1-99-08-00-01     |   |                                     |                                 |                  |                                      |  |
| JTPA-Title III(EDWAAA)                             | 438      | 17.250 | 8-99-08-00-01     | 101                                     |                                     |                                 |                  | (101)                                |  |
| JTPA-Title III(EDWAAA)                             | 438      | 17.250 | A-99-08-00-01     | (157)                                   |                                     |                                 |                  | 157                                  |  |
| JTPA-Title III(EDWAAA)                             | 438      | 17.250 | N-7498-9-00-87-60 | (45)                                    | 837                                 |                                 | (300)            | (492)                                |  |
| JTPA-Title II-A                                    | 439      | 17.250 | 4-98-08-00-01     | (16)                                    |                                     |                                 |                  | 16                                   |  |
| JTPA-Title II-C                                    | 443      | 17.250 | Y-99-08-00-00     | 36                                      |                                     |                                 |                  | (36)                                 |  |
| JTPA-Title II-A                                    | 444      | 17.250 | 3-97-08-00-00     | 2                                       |                                     |                                 |                  | (2)                                  |  |
| JTPA-Title II-A                                    | 444      | 17.250 | 3-98-08-00-00     | 36                                      |                                     |                                 |                  | (36)                                 |  |
| Total for CFDA No. 17.250                          |          |        |                   | (144)                                   | 837                                 |                                 | (300)            | (393)                                |  |
| * Passed through Ohio Job & Family Service         |          |        |                   |   |                                     |                                 |                  |                                      |  |
| WIA  | 464      | 17.260 | Administration    | 126                                     | 357                                 |                                 | (333)            |                                      | 150  |
| SFY 2001 WIA Adult                                 | 464      | 17.260 | WIA Adult         | (42)                                    | 993                                 |                                 | (982)            |                                      | (31)   |
| SFY 2001 WIA Older Youth                           | 464      | 17.260 | WIA Older Youth   | 37                                      | 445                                 |                                 | (253)            |                                      | 189  |
| SFY 2001 WIA Younger Youth                         | 464      | 17.260 | WIA Younger Youth |   | 403                                 |                                 | (243)            |                                      | 160  |
| SFY 2001 WIA Dislocated                            | 464      | 17.260 | WIA Disc Wkr      | 8                                       | 551                                 |                                 | (273)            |                                      | 286  |
| IT Allocation                                      | 464      | 17.260 | C-89C0000         | (32)                                    | 84                                  |                                 | (215)            |                                      | (163)  |
| WIA Planning                                       | 464      | 17.260 | WIA Planning      | 260                                     | 90                                  |                                 | (127)            |                                      | 223  |
| Total for CFDA No. 17.260                          |          |        |                   | 357                                     | 2,323                               |                                 | (2,466)          |                                      | 814  |
| <b>TOTAL DEPARTMENT OF LABOR</b>                   |          |        |                   |   |                                     |                                 |                  |                                      |  |
| 7 U.S. Department of Transportation                |          |        |                   |   |                                     |                                 |                  |                                      |  |
| * Passed through Ohio Department of Transportation |          |        |                   |   |                                     |                                 |                  |                                      |  |
| Lunken Airport Signal Upgrade                      | 980-1801 | 20.106 | 3-39-0018-09      | (1)                                     |                                     |                                 | 1                |                                      |  |
| Lunken 97 FAA Grant Improvement                    | 980-2115 | 20.106 | 3-39-0018-1195    |   |                                     |                                 |                  |                                      |  |
| Local Match Funds - FAA Projects                   | 980-2267 | 20.106 |                   | (742)                                   | 1,073                               |                                 | (156)            |                                      | 139  |
| Total for CFDA No. 20.106                          |          |        |                   | (743)                                   | 1,073                               |                                 | (155)            |                                      | 36   |

**Schedule of Expenditure of Federal Awards**  
 (Non-GAAP Budgetary Basis)  
 For the year ended December 31, 2001  
 (Amounts in Thousands)

| Grantor/Program Title   | Fund   | CFDA #   | Grant #                                    | Grant and Contract Balance As of 1/1/01  | Grant and Contract Revenue Received                    | Contributions and other Revenue  | CFS Expenditures  | Advances (Repayments) or Adjustments      | Grant and Contract Balance December 31, 2001 |
|---|--|--|--|--|--|--|---|---|--|
|   |  |  |  | Grantor  | Local  |  |   |   | Grantor                                      |
| <ul style="list-style-type: none"> <li>Passed through Ohio Department of Transportation</li> <li>Highway Planning and Construction</li> <li>Highway Planning and Construction</li> <li>Highway Planning and Construction</li> <li>Highway Planning and Construction</li> <li>Highway Planning and Construction</li> <li>Highway Planning and Construction</li> <li>Highway Planning and Construction</li> <li>Highway Planning and Construction</li> <li>Highway Planning and Construction</li> <li>Highway Planning and Construction</li> <li>Highway Planning and Construction</li> </ul> | 980-0000<br>980-1953<br>980-2295<br>980-2296<br>980-2298<br>980-2393<br>980-2401<br>980-2161<br>980-2162<br>980-2504<br>980-2507 | 20.205<br>20.205<br>20.205<br>20.205<br>20.205<br>20.205<br>20.205<br>20.205<br>20.205<br>20.205<br>20.205<br>20.205 |  | (122)<br>5,000<br>25<br>1,041<br>210<br>879<br>666<br>13<br>1,843<br>6,998<br>15,796 | 3,641<br>10,762<br>4,479<br>14,699<br>33,581<br>33,581 | (5,000)<br>(167)<br>(3,641)<br>(10,762)<br>(1,041)<br>(210)<br>(4,479)<br>(1,649)<br>(32)<br>(21,165)<br>(6,998)<br>(65,144) | (66)<br>(196)<br>(105)<br>(14)<br>(2,708)<br>(2,895)<br>(2,756) | 1<br>(5)<br>(1,915)<br>(2,115)<br>(2,079) |  |
| <b>TOTAL DEPARTMENT OF TRANSPORTATION</b>   |  |  |  | <b>14</b>  | <b>16,869</b>  | <b>33,581</b>  | <b>(65,299)</b>   |   | <b>(2,756)</b>                               |
| <ul style="list-style-type: none"> <li>8 Corporation for National and Community Service</li> <li>Passed through Council on Aging of Southwestern Ohio</li> <li>Retired Senior Volunteer Program</li> </ul>  | 324  | 94.002   | 440-3664-0                                 | 77   | 281  | 35   | (251)   |   | 142  |
| Total for CFDA No. 94.002   |  |  |  | 77   | 281  | 35   | (251)   |   | 142  |
| <b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>   |  |  |  | <b>77</b>  | <b>281</b>   | <b>35</b>  | <b>(251)</b>  |   | <b>142</b>                                   |
| <ul style="list-style-type: none"> <li>9 Federal Emergency Management Agency</li> <li>Emergency Response Outreach</li> </ul>  | 343  | 83.010   | X985730-01-0                               | 14   |  |  |   |   | 10   |
| Total for CFDA No. 83.010   |  |  |  | 14   |  |  |   |   | 10   |
| <ul style="list-style-type: none"> <li>FEMA Flood Control Grant</li> <li>FEMA Flood Control Grant</li> </ul>  | 461<br>461   | 83.544<br>83.544   | 1164-DR-61-15000<br>FEMA-1390-DR-061-15000 | 95   | 127  | 15   | (3)   |   | 92   |
| Total for CFDA No. 83.544   |  |  |  | 95   | 127  | 15   | (3)   |   | 142  |
| <ul style="list-style-type: none"> <li>Passed through Ohio Office of Emergency Management</li> <li>Hazard Mitigation Grant</li> <li>Hazard Mitigation Grant</li> </ul>  | 467<br>637   | 83.548<br>83.548   | FEMA-DR-1164-OH<br>1122-DR-61-15000        | 375<br>49  | 119  | 119  | (325)   |   | 169  |
| Total for CFDA No. 83.548   |  |  |  | 424  | 119  | 119  | (325)   |   | 49   |
| <b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>  |  |  |  | <b>533</b>   | <b>127</b>   | <b>134</b>   | <b>(328)</b>  |   | <b>462</b>                                   |
| <b>TOTAL FEDERAL GRANTS &amp; SUBSIDIES (Non-GAAP Basis)</b>  |  |  |  | <b>9,882</b>   | <b>53,933</b>  | <b>37,503</b>  | <b>(93,576)</b>   | <b>(4,518)</b>                            | <b>4,099</b>                                 |
| <ul style="list-style-type: none"> <li>Less Amounts Recognized as Federal Grants for Capital Projects</li> <li>Less Accrual of Federal Grant &amp; Subsidies at 12/31/00</li> <li>Plus Accrual of Federal Grant &amp; Subsidies at 12/31/01</li> <li>Less Deferral of Federal Grant &amp; Subsidies at 12/31/00</li> <li>Less Deferral of Federal Grant &amp; Subsidies at 12/31/01</li> </ul>  |  |  |  | (18,889)<br>(1,156)<br>3,095<br>378<br>(424)   |  |  |   |   |  |
| Amount Recognized as Federal Grants & Subsidies (GAAP Basis)  |  |  |  | <u>36,937</u>  |  |  |   |   |  |

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

The Schedule of Expenditures of Federal Awards is presented on a Non-GAAP budgetary basis. Total community development loans outstanding at December 31, 2001 totaled \$58,544,000.



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and  
Members of the City Council  
City of Cincinnati, Ohio and  
Jim Petro, Auditor of State of Ohio

We have audited the general-purpose financial statements of the City of Cincinnati, Ohio (the "City") as of and for the year ended December 31, 2001, and have issued our report thereon dated May 31, 2002. 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.

### **COMPLIANCE**

As part of obtaining reasonable assurance about whether the City's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 are required to be reported under *Government Auditing Standards*.

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated May 31, 2002.

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

*Deloitte & Touche LLP*

May 31, 2002

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL  
OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD  
PROGRAM**

The Honorable Mayor and  
Members of the City Council  
City of Cincinnati, Ohio and  
Jim Petro, Auditor of State of 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, 2001. 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 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; 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, 2001.

**INTERNAL CONTROL OVER COMPLIANCE**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal

program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

*Deloitte & Touche LLP*

May 31, 2002

**CITY OF CINCINNATI, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_yes \_\_\_\_\_X\_\_\_\_\_no

Reportable condition(s) identified not considered to be material weakness(es)? \_\_\_\_\_yes \_\_\_\_\_X\_\_\_\_\_N/A

Noncompliance material to financial statements noted? \_\_\_\_\_yes \_\_\_\_\_X\_\_\_\_\_no

**Federal Awards**

Internal Control over major programs:

Material weakness(es) identified? \_\_\_\_\_yes \_\_\_\_\_X\_\_\_\_\_no

Reportable condition(s) identified not considered to be material weakness(es)? \_\_\_\_\_yes \_\_\_\_\_X\_\_\_\_\_N/A

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (Section .510(a))? \_\_\_\_\_yes \_\_\_\_\_X\_\_\_\_\_no

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster Number</u> |
|-----------------------|--|
| 14.218                | Community Development Block Grant                |
| 14.239                | HOME   |
| 20.205                | Highway Planning and Construction                |

Dollar threshold used to distinguish between Type A and Type B programs \$2,807,212

Auditee qualified as low-risk auditee? \_\_\_\_\_yes \_\_\_\_\_X\_\_\_\_\_no



- II. FINANCIAL STATEMENT FINDINGS SECTION - No matters are reportable**
- III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION – No findings are reportable**

# **CITY OF CINCINNATI, OHIO**

## **SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

No audit findings and questioned costs were reported in the Schedule of Findings and Questioned Costs from the Independent Auditors' Single Audit Reports for the year ended December 31, 2000.

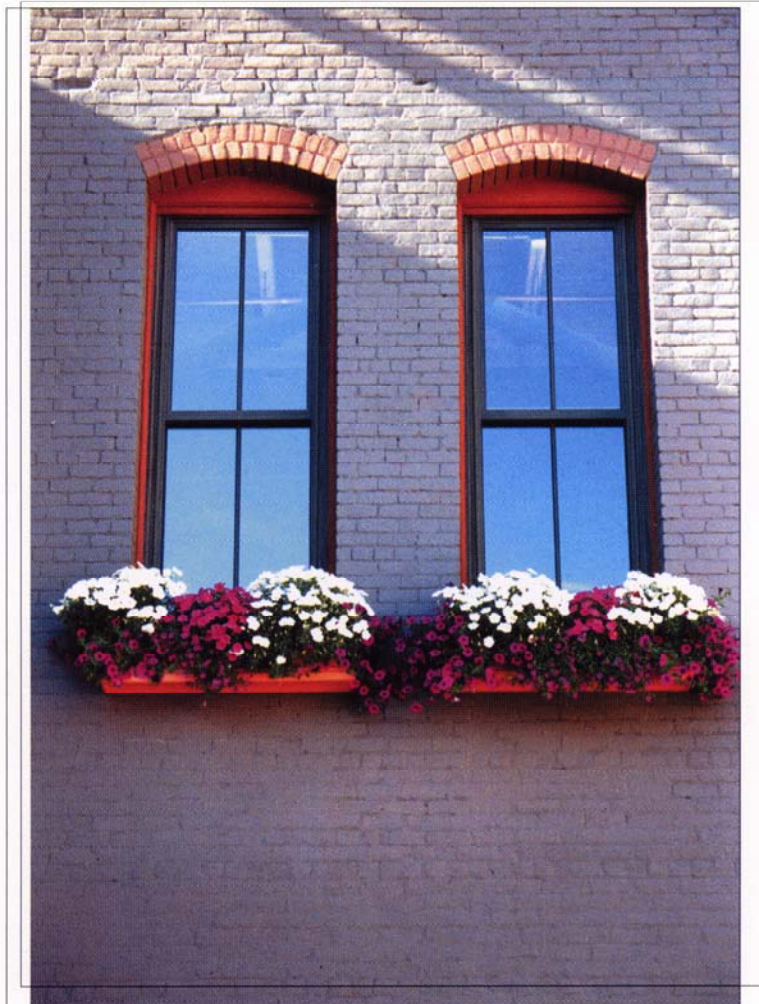
2001



Comprehensive Annual

# Financial Report

FOR THE YEAR ENDED DECEMBER 31, 2001



CITY OF CINCINNATI, OHIO



THE MIRACLE MILE WAS CREATED  
BY PLANTING OVER 240 FLOWER  
BOXES IN THE SUMMER OF 2001. THE  
COLORFUL BLOSSOMS THROUGHOUT  
OVER-THE-RHINE HELPED CHANGE  
THE VISION OF THE NEIGHBORHOOD.  
THE FIBERGLASS WINDOW BOXES  
WERE PAINTED TO COMPLEMENT THE  
EXTERIOR OF THE BUILDINGS; A SELF-  
WATERING SYSTEM KEPT THE PLANTS  
WATERED AND HEALTHY.

Comprehensive Annual

# Financial Report

FOR THE YEAR ENDED DECEMBER 31, 2001

Director of Finance

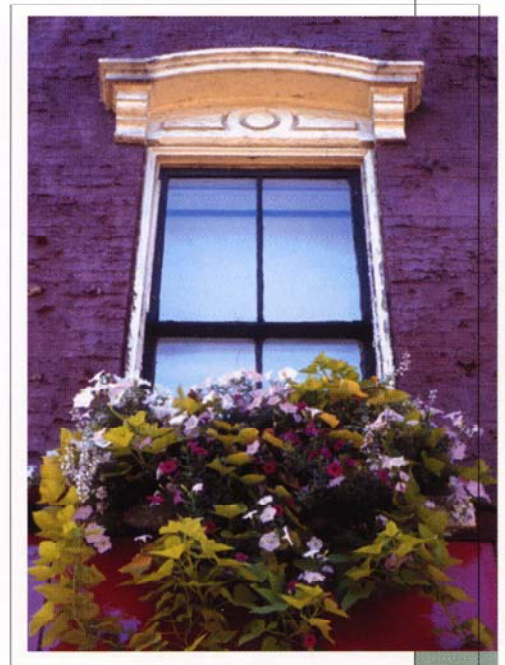
**William E. Moller**

Assistant Finance Director

**Francis X. Wagner**

Superintendent of Accounts and Audits

**Pam Sacherman**



CITY OF CINCINNATI, OHIO

# 2001

**CITY OF CINCINNATI, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the year ended December 31, 2000**

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MIRACLE MILE



CINCINNATI

2001

# City of Cincinnati



Department of Finance

Suite 250, City Hall  
801 Plum Street  
Cincinnati, Ohio 45202  
Phone (513) 352-3731  
Fax (513) 352-2370

May 31, 2002

William E. Moller  
*Director*

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, 2001. 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.

Cincinnati's 2001 CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory section, which provides information on the general contents of the report, contains this letter of transmittal, an organizational chart of City government, and a list of City officials. The Financial section is comprised of the auditor's report, the general-purpose financial statements and the combining financial statements. The Statistical section provides various financial, economic, and demographic data about the City, generally on a multi-year basis.

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.

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.

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

## **ECONOMIC CONDITION AND OUTLOOK**

According to the Greater Cincinnati Chamber of Commerce in its Economic Outlook 2002, “The Greater Cincinnati economy faces many challenges in terms of coping with the effects of a national economic slowdown as well as the aftermath of the civil unrest. The slowing of the national economy has had a significant impact on the local outlook. . . . However, this region has many great assets that can help drive the local economy to new success. Greater Cincinnati’s diversified economy, competitive cost structure, international airport, and easy access to markets continue to provide a great environment for attracting new businesses and a strong foundation for future growth.”

In 2001, the Department of Economic Development (now Community Development) recommended and the City Council approved 9 Enterprise Zone project agreements worth \$102 million of new private investment that will create or retain 813 jobs within the City. The Department of Economic Development also established 5 Job Creation/Income Tax Credit Agreements in 2001. These agreements will result in \$13 million of new private investment and will create or retain 553 jobs.

Employment in the 12-county Greater Cincinnati area decreased 2.2% from December of 2000 through December of 2001, following a 1.5% growth in 2000. The Chamber of Commerce projects local employment levels are expected to increase in line with national trends. In a comparison with eleven other Metropolitan Statistical Areas in Ohio, using information provided by the Ohio Department of Job & Family Services, Greater Cincinnati’s December 2001 unemployment rate of 4.0% was the third lowest in the State of Ohio. The state and national employment decreased from December of 2000 through December of 2001 by 1.0% and 0.8%, respectively.

## **MAJOR INITIATIVES**

The City had many accomplishments in 2001. The City continued to improve customer service throughout the city government and promote revitalization of neighborhoods, downtown and the riverfront area. While it is not possible to describe all of the major initiatives and accomplishments that have occurred during 2001, positive changes made in the following areas are of particular interest.

### **I. Economic Development**

City Council and the Hamilton County Board of Commissioners approved a funding plan for expanding the Convention Center. The plan includes financial participation by the City, County, State of Ohio, and the private sector. The Convention Center Task Force recommended an expansion to 198,000 square feet of exhibit space (currently 162,000 square feet) and 128,000 square feet of meeting/ballroom space (currently 88,000 square feet.) The estimated cost of expansion is \$198 million. The expansion would be partially funded by an increase in the Transient Occupancy Tax (TOT) for the City and the County.

The future home of the Cincinnati Reds, the \$322 million Great American Ballpark, is currently under construction and on schedule to open in April 2003. The new baseball stadium, along with the Bengals' Paul Brown Stadium, were funded by a voter-approved 1/2 cent increase in the County's sales tax and will anchor each end of a planned major riverfront development called "The Banks".

The Banks will include a 52-acre riverfront park, retail shops, office space, pedestrian plazas, additional green spaces, and amenities. In late 2000, the City and Hamilton County created the Port of Greater Cincinnati Development Authority in part to implement the development of Cincinnati's Central Riverfront Area. The Port Authority, led by eighteen private sector board members jointly appointed by the City and the County, is serving as a developer-friendly public entity to implement The Banks Plan. Hamilton County has committed to finance parking garages with 5,000 spaces to accompany the development.

In June 2002, construction is planned to begin for the National Underground Railroad Freedom Center, an \$82 million national education center that will commemorate the historic efforts of the Underground Railroad. The 160,000 square foot facility will be located on 2<sup>nd</sup> Street between Vine and Walnut Streets and has been financed with both public and private funding. The Freedom Center will be the centerpiece cultural attraction of the The Banks development and will be the first of its kind in the United States.

The Fort Washington Way project, which reworked the entire riverfront expressway network of I-71, I-75, and U.S. 50, was completed in late 2001. The \$300 million project was one of the largest and most innovative urban expressway projects in the country. It resulted in the following improvements: an increase in the number of lanes, and reduction in the overall width of the highway; eight lanes of through, direct traffic for I-71 and U.S. Route 50; a new Second Street and renovated Third Street as grand boulevard entrances into downtown Cincinnati; and safer access ramps into downtown. The project opens up an additional 17 acres of riverfront property for development and provides more direct access between the riverfront and the heart of downtown Cincinnati. Future construction will include a transit center which will serve as the hub of a proposed mass transit system and provide public transportation to and from The Banks.

The City will invest \$6.6 million in tax increment bond funding to complete an upgrade and remodeling of Saks Fifth Avenue to retain the store in downtown Cincinnati. The upgrade of Saks will anchor and strengthen the downtown shopping district. As a result of the City's investment, Saks entered into a long term agreement that will retain the store as a major anchor for downtown for at least 15 years.

The 6<sup>th</sup> and Race redevelopment project is an \$8.3 million renovation of several buildings on the northeast corner of 6<sup>th</sup> and Race Streets. The redeveloped buildings will contain 11,940 square feet of retail space on the first floor and approximately 24 housing units on the second and third floors. The City is providing \$3.6 million of tax increment bond funding for this project.

The 4<sup>th</sup> and Race redevelopment project is a \$27 million renovation of two vacant buildings on the southeast corner of 4<sup>th</sup> and Race Streets. The redeveloped buildings will contain at least 65,000 square feet of retail space on the first and second floors, 80,000 square feet of office space on the upper floors, and 30 parking spaces in the basement. The City is providing \$8.5 million in tax increment bond funding for this project.

Another redevelopment project planned for downtown is St. Xavier Park, an eight city block area in the eastern quadrant of downtown. It will potentially include 850 units in a variety of housing types and street level retail comprised of small-scale unique shops and restaurants with outdoor seating. The first phase of the St. Xavier

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Park project will be the conversion of the Krippendorf Building at the corner of 7<sup>th</sup> and Broadway in to office/retail on the first floor and approximately 102 market rate rental units on the floors above. That will be followed by the construction of a 400 space parking garage/150 housing unit combination which will provide parking for the Krippendorf Building. It will also serve as a garage for the nearby Power Building (117 units) which is currently being renovated. Garage construction will begin in 2002 and the developers are contracted to begin the residential units by 2007.

A \$17 million Delta Airlines reservation facility opened in May of 2001 at the corner of Plum Street and West 7th Street. The new facility employs 1,000 people and includes 57,000 square feet of office space, 8,000 square feet of retail space, and a 600 space parking garage.

In May of 2001, construction began on the \$34 million Lois & Richard Rosenthal Center for Contemporary Art at the corner of 6<sup>th</sup> and Walnut Streets. The Contemporary Arts Center will provide the City with a major tourist attraction and an additional anchor for the Backstage Entertainment District when completed in 2003.

## **II. Livable Neighborhoods/ Safe Communities**

The vitality of our 52 neighborhoods is key to the success of our City. In the final analysis, our success is measured by the City's responsiveness to its citizens. In 2001, significant steps were taken to provide high quality, timely services in a more cost effective manner. The City has been challenged to continue providing basic services while resources have shown modest growth. We partnered with our neighborhoods to make them cleaner and safer in 2001.

In April 2001, a groundbreaking was held for the Rockford Woods CiTiRAMA V. Rockford Woods is a 58-lot moderately priced new housing development in Northside. The City also helped break ground in April 2001 for Spring House Lane Estates, a new subdivision of 17 upscale homes in North Avondale.

In May of 2001, the Hale Justis Lofts opened on Central Parkway. This renovation converted a seven story former warehouse for the Hale Justis Drug Company into 30 upscale loft apartments on the upper 5 stories and residential parking in the basement. The Hale Justice Lofts are an important development for Over-the-Rhine and Downtown.

The Lincoln Court development is the first phase in the West End Urban Design Plan to revitalize that inner-city neighborhood. Lincoln Court is a HOPE VI project. HOPE VI developments are federally funded mixed-income communities that include public housing. This project involves demolishing 886 outdated public housing units and replacing them with 500 new townhouse units. The units will consist of 100 homeownership units, 150 market-rate rental units, and 250 public housing units. Lincoln Court will be a combination of two and three story townhouses, a senior building, garden flats, homes with rear garages, individual entrances, pitched roofs, and new streets. The anticipated completion date for the entire development is December 2003 and the estimated cost is about \$85 million.

A groundbreaking ceremony was held on November 9, 2001 for Laurel Homes, another HOPE VI development. Laurel Homes is the second phase in the West End Urban Design Plan and the largest new home development in the City in 30 years. This development also consists of demolishing old public housing units and replacing them with newly constructed attached townhouses. It is expected to be completed in December

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of 2005. Laurel Homes will be a mixed-income development and includes 715 housing units over three census tracts. It will be a mixture of 150 homeownership units, 251 market-rate rentals, and 184 low-rent public housing units. In addition, this development will also include 18,000 square feet of commercial space as well as green space. The total cost for this project will be approximately \$90 million.

In Over-the-Rhine, Findlay Market, Cincinnati's largest open air market which celebrated its 149<sup>th</sup> anniversary in 2001, is currently undergoing a renovation that will nearly double the square footage of the Market House and will double the number of indoor vending stalls. In addition, public improvements are being made to the Market Square that will enhance its appearance and provide additional sidewalk vending opportunities for independent entrepreneurs.

The University of Cincinnati has constructed a conference center, molecular science research house, and guest lodging facility. This new \$60 million investment retains 70 jobs and creates 374 new jobs. The University of Cincinnati has also completed the \$46 million Vontz Center for molecular studies. The Vontz Center was designed to house an advanced laboratory and teaching facility for the study of cancer and neuroscience. Children's Hospital Medical Center is investing \$35 million to house a new research facility, and it recently expanded its clinical services and administrative operations.

In 2001, the Community Development Department awarded \$83.7 million in public funds to construct or provide assistance for 3,134 housing units in 43 City neighborhoods. Development programs administered by that department resulted in the retention/creation of approximately 2,200 jobs in 2001. Assistance provided by the City to retain/create these jobs amounted to \$21.7 million, which was leveraged by \$137 million in private investment.

The Fire Department responded to 62,235 incidents in the City's 52 neighborhoods in 2001. The department employs approximately 800 uniformed employees and includes 26 fire stations that house 40 companies, 4 paramedic units, 6 basic life support ambulances, and an aircraft rescue firefighting unit.

The Police Department, with approximately 1,000 uniformed officers, provided many services designed to reduce crime and improve public safety and the quality of life in the City. Over the past ten years, the Police Department has been continually successful in reducing criminal activity in Cincinnati. For the time period 1991 to 2000, the incidents of violent crime were reduced by 48% and property crimes by 31%.

In 2001, the Parks Department conserved and maintained 70 neighborhood parks, 34 preserves and nature areas, 5 parkways, 50 miles of hiking and bridle trails, 80,000 street trees along the 1,000 miles of City streets, 6 nature centers, 9 scenic overlooks, 53 playgrounds, and over 100 picnic areas. The Parks Department also manages Krohn Conservatory and is responsible for picnic shelters, pavilions, and lodges.

In 2001, the Recreation Department maintained 204 individual recreation areas encompassing approximately 2,300 acres. The department's facilities also include 45 recreation and senior centers, 105 play areas, 42 swimming pools, 7 golf courses, 125 tennis courts at 35 locations, athletic fields at 140 sites throughout the city, 3 boat ramps and the Airport Play Field. It also controls the 33-acre Central Riverfront Complex, which includes Bicentennial Commons at Sawyer Point, Yeatman's Cove, the Public Landing, Concourse Fountain Marina, Serpentine Wall, the Rowing & Fitness Center, and the historic Showboat *Majestic*.

The Department of Transportation and Engineering was responsible for the paving of a total of 172 lane miles

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Page Six

over 100 different city streets in 2001. Transportation and Engineering is in charge of planning, designing, building, and maintaining the City's transportation network which includes 2,820 street lane miles, 71 bridges, 48 miles of retaining walls, 1,700 miles of sidewalks, and 388 sets of hillside steps.

The Health Department provides comprehensive primary health care and dental services for underserved and high-risk populations through the operation of six health centers and a sexually transmitted disease center. Also provided are laboratory, pharmacy, immunization, nutritional services, and public health nursing programs. In 2001, services were provided to almost 48,000 users (34,000 uninsured) who made more than 140,000 visits to the health centers. The Health Department also made over 30,000 public health inspections resulting from citizen requests or licensing requirements of state and municipal laws. It also issued about 100,000 birth and death certificates.

In November of 2001, 29 people graduated from the Police Department's Citizen Police Academy. Since 1995, more than 600 people have completed this eight-week program designed to provide citizens with information on the governing principles of law enforcement, current issues, and police procedures. Participants also get an overview of the training officers receive and the functions they perform.

The City's Customer Service Center provides 24-hour-a-day access to services through the 591-6000 telephone number.

The Traffic and Road Operations Division of the Public Services Department maintained 705 traffic signals and 31,500 streetlights in 2001. The Neighborhood Operations division of that department collected approximately 112,000 tons of solid waste and 8,800 tons of yard waste from 127,000 households and 12,000 small businesses.

The Traffic and Road Operations Division's continued proactive approach to potholes (filling year-round, utilizing all city employees to identify locations, and establishing [www.pot.hole@rcc.org](http://www.pot.hole@rcc.org)) has resulted in reduced complaints and related legal claims filed against the City for damages.

In 2001, the Recreation Department provided services such as senior and therapeutic recreation programs, fitness programs, after school programs, and summer day camps. Swimming lessons, life guard training, golf lessons, and martial arts classes were offered as well. The department also organizes athletic leagues for volleyball, baseball, softball, basketball, tennis, touch football, golf, and soccer. In addition, approximately 13,000 inner-city teens participated in Recreation Department activities in 2001 including teen socials, sports programs, youth summits with business and political leaders, and drug abuse seminars.

In a survey of water rates done in January of 2002 by the City of Englewood, Ohio, Cincinnati's Water Works Department had the sixth lowest rate of 28 cities surveyed. An average customer in Cincinnati pays \$38.67 per quarter year for water.

Lunken Airport, a 1,000-acre facility owned and operated by the City since 1930, handled approximately 130,000 flights in 2001. Lunken services many major corporations as well as local small businesses, private pilots, medical, and military flights.



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## **FINANCIAL INFORMATION**

### **Internal Control**

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.

### **Budgetary Control**

An operating budget is adopted each fiscal year for the General Fund and those Special Revenue Funds identified as appropriated in the financial statements. Budgetary data for better management control does exist for the Nonappropriated Special Revenue Funds. 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 City Council. Encumbrances do not lapse at year-end and are included as expenditures in the current year budget (Non-GAAP Budgetary Basis).

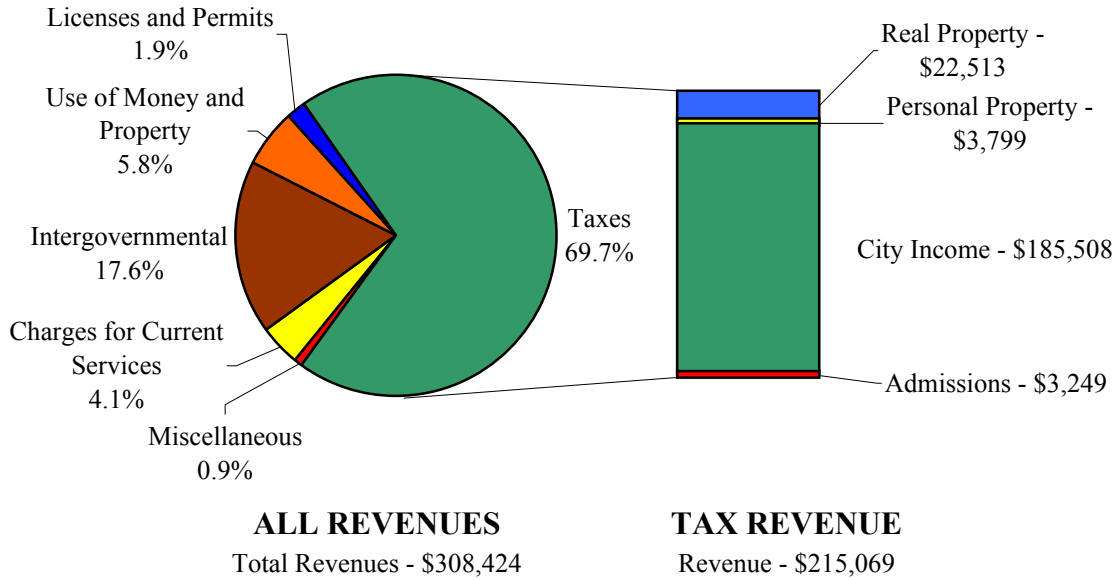
Virtually all of the general services of the City have been financed with resources from the General Fund. General Fund revenues include property taxes, the City income tax, the Ohio Local Government Fund, the Ohio Estate Tax, and other revenues provided by the citizens of this community.

Actual Non-GAAP General Fund expenditures/encumbrances in 2001 were \$302.8 million; this is a \$5.6 million savings compared with a 2001 expenditure appropriation of \$308.4 million. Actual Non-GAAP revenue of \$311.5 million fell short of the original 2001 revenue estimate of \$316.9 million by \$5.4 million.

# GENERAL FUND

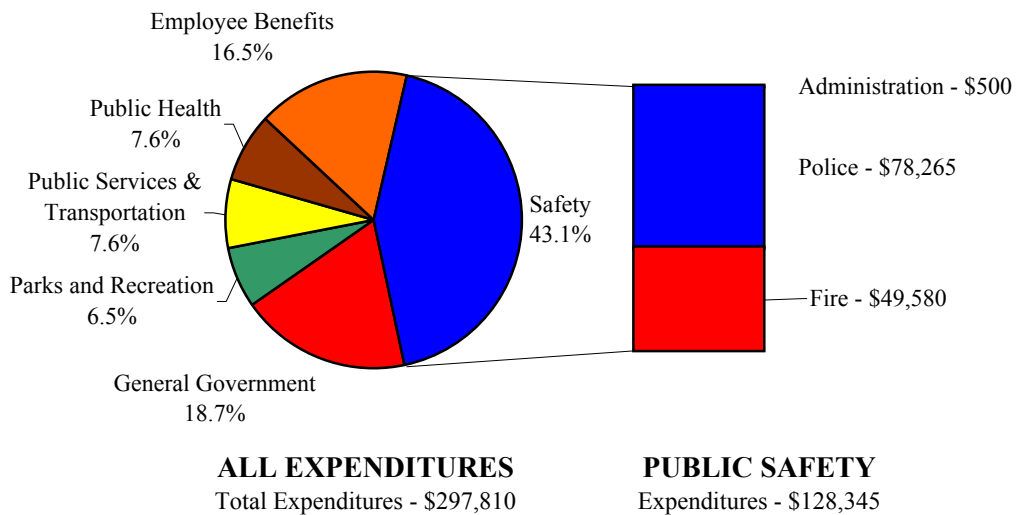
## 2001 Revenues

(Amounts in Thousands)



## 2001 Expenditures

(Amounts in Thousands)



**General Government Functions**

The revenues and expenditures for 2001 compared with 2000 were as follows (000's omitted):

| <u>General Fund</u>              | <u>2001</u>             | <u>2000</u>             | <b>Increase (Decrease)</b> |                |
|----------------------------------|-------------------------|-------------------------|----------------------------|----------------|
|                                  |                         |                         | <u>Amount</u>              | <u>Percent</u> |
| <u>Revenues (GAAP Basis)</u>     |                         |                         |                            |                |
| Real and Personal Property Taxes | \$ 26,312               | \$ 26,742               | \$ (430)                   | (1.6)%         |
| Income Tax                       | 185,508                 | 183,905                 | 1,603                      | 0.9            |
| Admissions and Other Taxes       | 3,249                   | 3,335                   | (86)                       | (2.6)          |
| Licenses and Permits             | 5,922                   | 5,688                   | 234                        | 4.1            |
| Use of Money and Property        | 17,799                  | 17,584                  | 215                        | 1.2            |
| Intergovernmental Revenue        | 54,396                  | 48,614                  | 5,782                      | 11.9           |
| Charges for Current Services     | 12,598                  | 12,736                  | (138)                      | (1.1)          |
| Miscellaneous                    | <u>2,640</u>            | <u>3,783</u>            | <u>(1,143)</u>             | <u>(30.2)</u>  |
| <b>TOTAL</b>                     | <b><u>\$308,424</u></b> | <b><u>\$302,387</u></b> | <b><u>\$6,037</u></b>      | <b>2.0%</b>    |

| <u>Expenditures (GAAP Basis)</u> | <u>2001</u>             | <u>2000</u>             | <b>Increase(Decrease)</b> |                |
|----------------------------------|-------------------------|-------------------------|---------------------------|----------------|
|                                  |                         |                         | <u>Amount</u>             | <u>Percent</u> |
| General Government               | \$ 43,228               | \$ 48,808               | \$ (5,580)                | (11.4)%        |
| Neighborhood Services            | 6,651                   | 6,803                   | (152)                     | (2.2)          |
| Parks and Recreation             | 19,427                  | 19,201                  | 226                       | 1.2            |
| Buildings and Inspections        | 5,746                   | 5,782                   | (36)                      | (0.6)          |
| Public Safety                    | 128,345                 | 120,568                 | 7,777                     | 6.5            |
| Transportation & Engineering     | 1,832                   | 2,137                   | (305)                     | (14.3)         |
| Public Services                  | 20,928                  | 20,470                  | 458                       | 2.2            |
| Public Health                    | 22,534                  | 22,300                  | 234                       | 1.0            |
| Employee Benefits                | <u>49,119</u>           | <u>47,634</u>           | <u>1,485</u>              | <u>3.1</u>     |
| <b>TOTAL</b>                     | <b><u>\$297,810</u></b> | <b><u>\$293,703</u></b> | <b><u>\$4,107</u></b>     | <b>1.4%</b>    |

**Revenues**

Income Tax

The 2.1% locally levied income tax applies to gross salaries, wages and other personal service compensation earned by City residents, and to the same income of nonresidents earned while working in the City. Credits against the tax are granted for residents employed outside the City who must pay a local income tax where they work. The tax also applies to the net income of business organizations derived from business activities conducted in the City.

The 2.1% tax is subdivided into four components. The first component is the latest increase of 0.1% enacted July 1, 1988 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. 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 in the General Fund revenues and then to provide funds for capital or operating needs. Receipts from this tax are directly related to employment levels and general economic conditions in the Cincinnati area. Collections and allocations for the past three years were as follows (000's omitted):

|   | <u>2001</u>  | <u>2000</u>  | <u>1999</u>  |
|---|--------------|--------------|--------------|
| Gross Revenue (Non-GAAP Basis)          | \$265,492    | \$256,974    | \$255,048    |
| Refunds                                 | <u>9,972</u> | <u>8,991</u> | <u>7,526</u> |
| Net Revenue                             | \$255,520    | \$247,983    | \$247,522    |
| Allocated to General Fund               | 188,598      | 183,035      | 180,500      |
| Allocated to Transit Fund               | 36,503       | 35,426       | 35,360       |
| Allocated to Permanent Improvement Fund | 18,251       | 17,713       | 19,875       |
| Allocated to Infrastructure Fund        | 12,168       | 11,809       | 11,787       |

Use of Money and Property

The benchmark for the City's general investments is a blended twelve-month moving average return. To measure our investment performance the Finance Department uses an index comprised of 20% of the 3-month Star Ohio rate and 80% of the average two-year U.S. Treasury Note rate. The benchmark ranged from 4.64% to 5.97%. For each month in 2001, the City consistently had good returns by exceeding the benchmark from 0.15 to 0.58 percentage points. The 2001 rate of return on all investments was 6.1% compared with a 2000 average of 5.5%.

The total return for our Retirement System investment portfolio was -4.60% in 2001 outperforming the blended benchmark index (50% Russell 3000, 16.5% MSCI EAFE, 33.5% Lehman Aggregate) which returned -6.53% in 2001. The portfolio averaged an annualized rate of return of 2.16% (compared to 1.59% for the blended benchmark index) for the three-year period beginning January 1, 1999 through December 31, 2001.

Intergovernmental Revenue

The Intergovernmental Revenue category includes three major revenues -- Estate Tax, Property Tax Reimbursements and Local Government Fund. Estate tax collected in 2001 was \$19,471,000, which was

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approximately \$4,782,000 more than the amount received in 2000. Property tax reimbursements were \$102,000 less than the 2000 collections, and Local Government Fund revenue increased \$1,107,000 over 2000's collections.

### **Expenditures**

General Fund Non-GAAP expenditures, including encumbrances, for 2001 increased 0.7% over 2000. Budgeted General Fund expenditures appropriated for 2002 are \$314 million, which is an increase of 1.8% from the total 2001 appropriation of \$308.4 million.

### **Working Capital Reserve and General Fund Balance**

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 2001. For 2002, the target reserve of \$19.4 million (6.3% of 2002 estimated revenues) has already been achieved.

### **Proprietary Operations**

The following events and trends had a significant effect on the financial results of operations of the proprietary funds:

#### Enterprise Funds

The Department of Water Works has 2,800 miles of water main in its system to deliver a safe, abundant supply of water to its customers. In order to assure a continuous, reliable supply of water, the department replaces the infrastructure at a rate of 25 miles or approximately 1% each year.

Water Works entered into an important agreement to supply Boone County and the City of Florence in Northern Kentucky with drinking water. In December of 2001, crews began drilling a tunnel 40 feet below the Ohio River bed for the 36-inch water main that will eventually provide 60,000 people with water services. The City is under contract to provide water to Boone County by March of 2003. When complete, the tunnel will be the largest interstate transfer of water in the country, pumping 30 million gallons of water to Kentucky each day.

In February, 2002 Greater Cincinnati Water Works signed an operating and maintenance agreement with the City of Mason, Ohio. The purpose of the 30-year agreement is to provide retail water services to Mason's water utility customers, to operate and maintain Mason's water distribution system, water treatment plant and associated infrastructure and to provide utility billing and collection services for Mason's wastewater, storm water and garbage utilities. In return for these services, Water Works is entitled to all the water revenues derived from the Mason system in addition to a collection fee for the utility billing services.

At Lunken Airport, the annual number of flights is expected to increase from 130,000 in 2001 to 150,000 in 2002 due to the construction of 90 new hangars.

### **Pension Trust Fund Operations**

In 2001, the City of Cincinnati Retirement System's net plan assets decreased \$205 million or -8.1% from 2000. The decrease is the result of benefit payments and the general stock market decline for both U.S. equities and international equities that were partially offset by increased returns in U.S. fixed income markets.

### **Debt and Bonds Issued**

The gross debt at December 31, 2001 was \$483 million, consisting of \$175 million general long-term debt and \$308 million in self-supporting bonds and notes, as compared to \$390 million at December 31, 2000. The net tax supported debt at the end of the year was \$161 million, which is \$9 million more than the amount outstanding at the end of the previous year. During 2001, \$47,915,000 of bonds and notes matured and were paid.

On May 19, 1999 City Council authorized the City Manager to amend the repayment terms of an April 30, 1998 note agreement the City had made with the Ohio Department of Transportation, State Infrastructure Bank. The loan to the City has an original principal amount not to exceed \$20,020,000 and was issued for the purpose of paying a portion of the Fort Washington Way Improvement project. The terms of the original note agreement required that the loan be repaid 18 months from the date of the initial disbursement under the note. The initial disbursement was made on May 29, 1998, so the first payment was required on November 29, 1999. Under the terms of the new loan agreement, the City was obligated to pay accrued interest and a principal payment of \$5,000,000 on February 1, 2000. On February 1, 2001, the City made a second principal payment of \$5,000,000. On April 20, 2001, the City made a third principal payment of \$5,000,000 from a federal grant received for Fort Washington Way. A principal and interest payment of \$242,672 was made on August 1, 2001. Thereafter, the note is payable as to principal and interest (5%), in 29 equal semi-annual installments of \$211,873. The balance of the loan was \$4,334,000 at December 31, 2001.

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

On January 10, 2001, City Council authorized the taking of bids on \$92,685,000 of Water Works revenue bonds to be dated March 1, 2001. The bond issues were sold at coupon rates from 3.4% to 5.5%, but with a bid premium of \$3,228,859 the effective rates were from 3.4% to 5.17%.

On January 24, 2001, City Council authorized the taking of bids on \$47,695,000 of general obligation bonds to be dated April 1, 2001. The six bond issues were sold at coupon rates from 4.0% to 5.0%, but with a bid premium of \$965,894 the effective rates were from 3.2% to 5.3%. The bonds include tax supported issues of \$9,000,000 for the purpose of refunding notes originally issued for the Cincinnati Zoo, \$17,625,000 for Street Improvements, \$4,245,000 for Public Building Improvements, \$5,000,000 for Urban Redevelopment Improvements, \$1,750,000 for Parks and Recreation Improvements, and \$10,075,000 for Equipment Improvements.

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On March 28, 2001, City Council authorized the taking of bids on \$8,500,000 of bond anticipation notes to be dated May 11, 2001 for Urban Renewal Improvements. The notes were sold at a coupon rate of 4.5%.

### **Cash Management**

Cash temporarily idle during the year was invested in Certificates of Deposit with maturities ranging from 344 to 1,828 days; in FHLB/FNMA Securities with maturities ranging from 520 to 1,825 days; and in U.S. Treasury Notes ranging from 676 to 1214 days to maturity. The average yield on maturing investments during the year was 6.1% compared with a 2000 average of 5.5%. In 2001, the interest income from investments of temporarily idle money totaled \$35.7 million compared with \$28.6 million in 2000. The \$7.1 million increase resulted from an expanded investment portfolio due to the temporary availability of pooled bond sale proceeds.

The City's investment policy 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. One hundred percent of the investments held by the City at December 31, 2001 are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. This percentage did not change at any time during the year.

### **Risk Management**

The City maintains a comprehensive all-risk property insurance program through a commercial carrier, covering approximately \$787 million 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.

## **OTHER INFORMATION**

### **Independent Audit**

The firm of Deloitte & Touche LLP was selected in October 1999 to perform the City's audit for the five years 1999 to 2003. Deloitte & Touche LLP has audited the accompanying general-purpose 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. Deloitte & Touche LLP conducted the single audit for the 2001 fiscal year.

### **Certificate of Achievement and Budget Award**

During 2001, 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, 2000. The Certificate of

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Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a one-year period.

This is the 21st consecutive year that the City has received this prestigious 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, 2000, 110 municipal reporting entities in Ohio and only 1,567 units nationwide are holders of the Certificate. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for their review.

We are equally proud of the GFOA's Award for Distinguished Budget Presentation earned by the City for our 1999/2000 biennial budget. Only ten cities in Ohio received this award for fiscal years beginning 1999 and only 564 cities received the award nationwide.

#### **ACKNOWLEDGMENTS**

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,



William E. Moller  
Director of Finance



# CERTIFICATE OF ACHIEVEMENT

## 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, 2000

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.



*Imelda Chew*  
President

*Jeffrey L. Esser*  
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cincinnati, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2000.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government 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. The City of Cincinnati has received a Certificate of Achievement for the last twenty-one consecutive years (fiscal years ended 1980 - 2000). We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

# CITY OF CINCINNATI

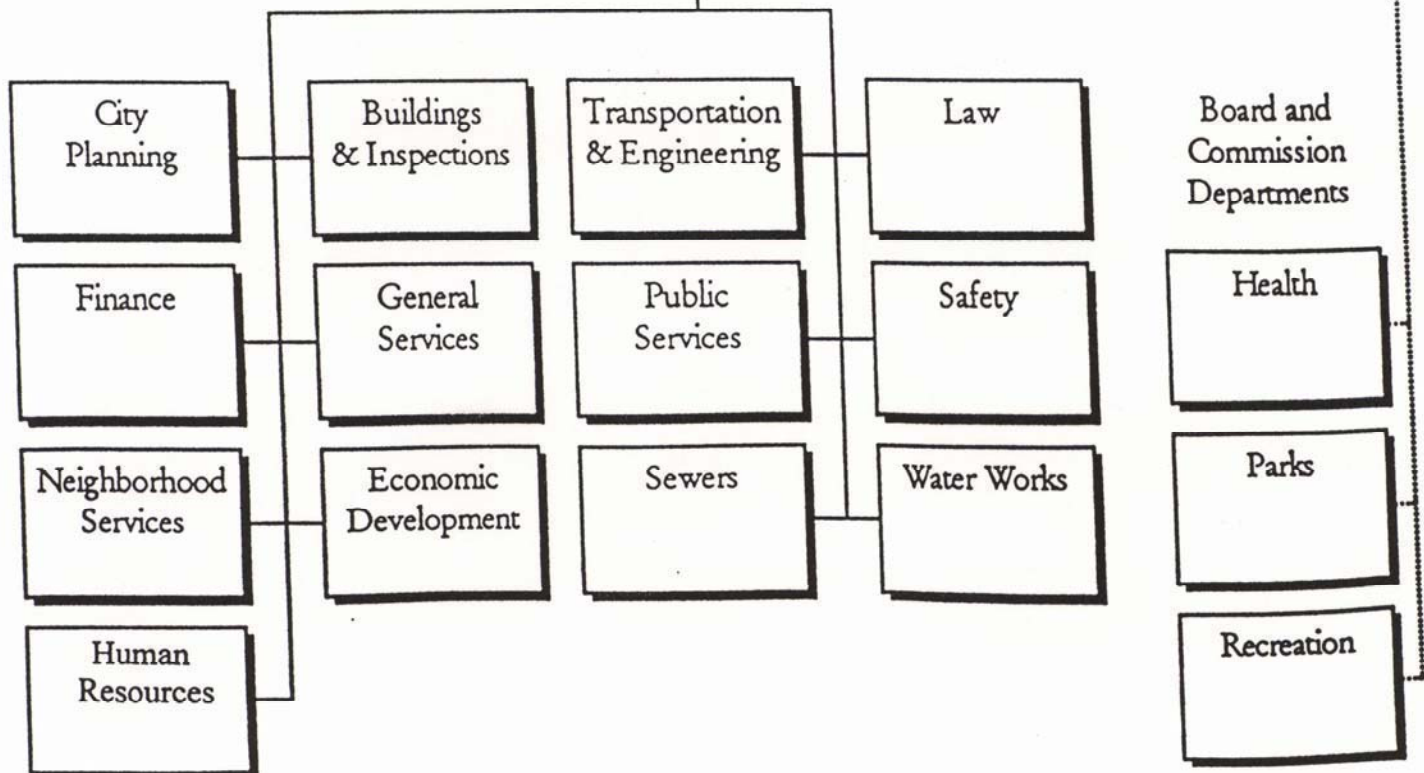


CITIZENS  
OF CINCINNATI

MAYOR &  
CITY COUNCIL

Clerk of Council

CITY MANAGER



# **CITY OF CINCINNATI, OHIO**

## Principal City Officials

### **CITY COUNCIL**

Charles J. Luken, Mayor  
Second term

Paul M. Booth, second term  
Minette J. Cooper, fourth term  
John Cranley, second term  
David Crowley, first term  
Pat B. DeWine, second term

Christopher R. Monzel, second term  
David Pepper, first term  
Alicia Reece, second term  
James R. Tarbell, second term

### **CITY MANAGER**

Valerie A. Lemmie

2001

CINCINNATI



MIRACLE MILE

## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and  
Members of the City Council  
City of Cincinnati, Ohio and  
Jim Petro, Auditor of State of Ohio

We have audited the accompanying general purpose financial statements of the City of Cincinnati, Ohio (the "City"), as of December 31, 2001 and for the year then ended, listed in the foregoing Table of Contents. These general purpose financial statements are the responsibility of the management of the City of Cincinnati, Ohio. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 opinion.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the City of Cincinnati, Ohio as of December 31, 2001 and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the general-purpose financial statements, in 2001 the City changed its method of accounting and reporting for nonexchange transactions to conform with Governmental Accounting Standards Board Statement No. 33, *"Accounting and Reporting for Nonexchange Transactions."*

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of the City taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing Table of Contents, are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the City of Cincinnati, Ohio. These financial statements are also the responsibility of the management of the City of Cincinnati, Ohio. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The statistical data on pages 131 through 141 is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the City of Cincinnati, Ohio. Such additional information has not been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, accordingly, we express no opinion on it.

Deloitte & Touche LLP

May 31, 2002

**GENERAL PURPOSE  
FINANCIAL STATEMENTS**

# CITY OF CINCINNATI, OHIO

## Combined Balance Sheet - All Fund Types and Account Groups

December 31, 2001  
(Amounts in Thousands)

|   | Governmental Fund Types |                  |                  |                   | Proprietary Fund Types |                   | Fiduciary Fund Types |                   | Account Groups       |                               |                     | Total            |  |
|---|-------------------------|------------------|------------------|-------------------|------------------------|-------------------|----------------------|-------------------|----------------------|-------------------------------|---------------------|------------------|--|
|   | General                 | Special Revenue  | Debt Service     | Capital Projects  | Enterprise             | Internal Service  | Trust and Agency     | General           | General Fixed Assets | General Long-Term Obligations | December 31 2001    | December 31 2000 |  |
|   |                         |                  |                  |                   |                        |                   |                      |                   |                      |                               |                     |                  |  |
| <b>Assets and Other Debits</b>          |                         |                  |                  |                   |                        |                   |                      |                   |                      |                               |                     |                  |  |
| Cash and Equivalents                    | \$ 59,262               | \$ 2,945         | \$ 32,658        | \$ 157,586        | \$ 1,064               | \$ 80,188         | \$ 118,424           | \$                | \$                   | \$                            | \$ 122,433          | \$ 85,213        |  |
| Equity in City Treasury Cash            |                         | 50,621           |                  | 157,586           | 65,413                 | 80,188            | 29,240               |                   |                      |                               | 484,948             | 471,521          |  |
| Advances and Petty Cash                 | 88                      |                  |                  |                   |                        |                   |                      |                   |                      |                               | 88                  | 131              |  |
| Investments, at Fair Value              |                         | 388              | 1,447            | 43,066            |                        |                   | 2,567,929            |                   |                      |                               | 2,612,830           | 2,845,142        |  |
| Collateral on Loaned Securities         |                         |                  |                  |                   |                        |                   | 293,689              |                   |                      |                               | 293,689             |                  |  |
| Receivables:                            |                         |                  |                  |                   |                        |                   |                      |                   |                      |                               |                     |                  |  |
| Taxes                                   | 50,736                  | 6,549            | 35,036           | 5,164             | 107                    |                   |                      |                   |                      |                               | 97,592              | 94,479           |  |
| Accounts, Net                           | 1,660                   | 970              |                  | 2,090             | 14,515                 | 1,182             | 15,164               |                   |                      |                               | 35,581              | 44,526           |  |
| Accounts Receivable for Securities Sold |                         |                  |                  |                   |                        |                   | 117,428              |                   |                      |                               | 117,428             | 112,027          |  |
| Special Assessments                     | 295                     | 3,773            |                  | 74                |                        |                   |                      |                   |                      |                               | 4,142               | 4,263            |  |
| Accrued Interest and Dividends          | 1,641                   | 102              | 300              | 147               | 1,797                  | 888               | 9,971                |                   |                      |                               | 14,846              | 18,160           |  |
| Due from Other Funds                    | 179                     | 335              |                  | 1,974             | 1,180                  | 3,169             | 451                  |                   |                      |                               | 7,288               | 8,619            |  |
| Due from Other Governments              | 16,891                  | 3,699            |                  |                   | 10,403                 |                   | 255                  |                   |                      |                               | 31,248              | 13,801           |  |
| Prepaid Items                           |                         |                  |                  |                   | 77                     | 1,011             |                      |                   |                      |                               | 1,088               | 1,124            |  |
| Inventory                               | 2,105                   | 469              |                  | 788               | 4,767                  | 1,660             | 867                  |                   |                      |                               | 10,656              | 9,751            |  |
| Advances to Other Funds                 | 302                     | 1,021            |                  |                   | 10,740                 | 10,215            |                      |                   |                      |                               | 22,278              | 12,916           |  |
| <b>Restricted Assets:</b>               |                         |                  |                  |                   |                        |                   |                      |                   |                      |                               |                     |                  |  |
| Cash and Cash Equivalents               |                         |                  |                  |                   | 7,784                  |                   |                      |                   |                      |                               | 7,784               |                  |  |
| Equity in City Treasury Cash            |                         |                  |                  |                   | 56,636                 |                   |                      |                   |                      |                               | 56,636              | 15,740           |  |
| Loans Receivable                        |                         |                  |                  |                   |                        |                   | 20,882               |                   |                      |                               | 20,882              | 22,008           |  |
| Land                                    |                         |                  |                  |                   | 25,349                 | 133               |                      | 136,971           |                      |                               | 162,453             | 163,195          |  |
| Buildings                               |                         |                  |                  |                   | 248,064                | 272               |                      | 131,820           |                      |                               | 380,156             | 381,063          |  |
| Accumulated Depreciation                |                         |                  |                  |                   | (108,129)              | (248)             |                      |                   |                      |                               | (108,377)           | (101,443)        |  |
| Improvements                            |                         |                  |                  |                   | 369,199                | 3,661             | 75                   | 214,620           |                      |                               | 587,555             | 546,429          |  |
| Machinery and Equipment                 |                         |                  |                  |                   | (117,195)              | (255)             | (23)                 |                   |                      |                               | (117,473)           | (112,727)        |  |
| Accumulated Depreciation                |                         |                  |                  |                   | 143,016                | 28,077            | 1,319                | 62,388            |                      |                               | 234,800             | 223,902          |  |
| Construction in Progress                |                         |                  |                  |                   | (80,187)               | (14,884)          | (237)                |                   |                      |                               | (95,308)            | (91,178)         |  |
| Property Acquired under Capital Leases  |                         |                  |                  |                   | 130,546                |                   |                      | 277,104           |                      |                               | 407,850             | 562,390          |  |
| Accumulated Amortization                |                         |                  |                  |                   | 637                    | 2,084             |                      |                   |                      |                               | 2,721               | 2,721            |  |
| Amount Available in Debt Service Fund   |                         |                  |                  |                   | (228)                  | (1,514)           |                      |                   |                      |                               | (1,742)             | (1,219)          |  |
| Amount to be Provided for Retirement of |                         |                  |                  |                   |                        |                   |                      |                   |                      |                               | 34,627              | 25,359           |  |
| General Long-Term Obligations           |                         |                  |                  |                   |                        |                   |                      |                   |                      |                               | 327,286             | 316,310          |  |
| <b>Total Assets and Other Debits</b>    | <b>\$ 133,159</b>       | <b>\$ 80,872</b> | <b>\$ 69,441</b> | <b>\$ 210,889</b> | <b>\$ 785,555</b>      | <b>\$ 115,619</b> | <b>\$ 3,175,434</b>  | <b>\$ 822,903</b> | <b>\$ 361,913</b>    | <b>\$ 5,755,785</b>           | <b>\$ 5,672,223</b> |                  |  |



|  | Governmental Fund Types |                 |               |                  | Proprietary Fund Types |                  | Fiduciary Fund Types |                      | Account Groups                |                  |                  | Total (Memorandum Only) |                  |
|--|-------------------------|-----------------|---------------|------------------|------------------------|------------------|----------------------|----------------------|-------------------------------|------------------|------------------|-------------------------|------------------|
|  | General                 | Special Revenue | Debt Service  | Capital Projects | Enterprise             | Internal Service | Trust and Agency     | General Fixed Assets | General Long-Term Obligations | December 31      |                  | December 31 2000        |                  |
|  |                         |                 |               |                  |                        |                  |                      |                      |                               | 2001             | 2000             |                         |                  |
| <u>Liabilities, Equity and Other Credits</u> |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  |                         |                  |
| <u>Liabilities</u>                           |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  |                         |                  |
| Accounts Payable                             | 7,551                   |                 |               |                  |                        |                  | 300,694              |                      |                               |                  |                  | 30,950                  | 34,927           |
| Accounts Payable for Securities Purchased    | 1,333                   | 427             |               | 1,079            |                        |                  |                      |                      |                               |                  |                  | 300,694                 | 329,805          |
| Withholdings and Other Deposits              |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 7,551                   | 7,818            |
| Due to Other Funds                           |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 7,288                   | 8,619            |
| Due to Other Governmental Agencies           |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 169,000                 | 190,866          |
| Obligations under Securities Lending         | 5,727                   | 637             | 4             |                  |                        |                  |                      |                      |                               |                  |                  | 293,689                 |                  |
| Accrued Payroll                              | 588                     | 54              |               |                  |                        |                  |                      |                      |                               |                  |                  | 9,095                   | 19,396           |
| Accrued Liabilities                          |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 12,113                  | 11,570           |
| Accrued Interest                             |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 427                     | 698              |
| Current Obligations under Capital Leases     |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 753                     | 829              |
| Deposits Payable                             | 14,034                  | 376             | 540           |                  |                        |                  |                      |                      |                               |                  |                  | 16,767                  | 16,218           |
| Deferred Revenue                             | 45,687                  | 6,562           | 33,522        | 2,915            |                        |                  |                      |                      |                               |                  |                  | 91,456                  | 68,529           |
| Estimated Liability for Compensated Absences |                         | 6,645           |               |                  |                        |                  |                      |                      |                               |                  |                  | 76,111                  | 70,937           |
| Estimated Liability for Unpaid Claims        | 780                     |                 |               |                  | 84                     | 21,148           |                      |                      |                               |                  |                  | 25,155                  | 33,516           |
| Payable from Restricted Assets:              |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  |                         |                  |
| Construction Contracts                       |                         |                 |               |                  | 4,461                  |                  |                      |                      |                               |                  |                  | 4,461                   | 3,223            |
| Deposits Payable                             |                         |                 |               |                  | 535                    |                  |                      |                      |                               |                  |                  | 535                     | 786              |
| Advances from Other Funds                    | 521                     | 625             |               | 20,580           |                        | 552              |                      |                      |                               |                  |                  | 22,278                  | 12,916           |
| Advances from Other Governments              | 3,902                   |                 |               |                  |                        | 20               |                      |                      |                               |                  |                  | 3,922                   | 3,868            |
| Non-Current Obligations under Capital Leases |                         |                 |               |                  | 36                     | 177              |                      |                      |                               |                  |                  | 230                     | 823              |
| Matured Bonds and Interest Payable           |                         |                 | 720           |                  |                        |                  |                      |                      |                               |                  |                  | 720                     | 1,753            |
| General Obligation Bonds and Notes Payable   |                         |                 |               |                  | 91,157                 |                  |                      |                      |                               |                  |                  | 378,085                 | 377,306          |
| Revenue Bonds Payable                        |                         |                 |               |                  | 92,685                 |                  |                      |                      |                               |                  |                  | 104,504                 | 12,346           |
| State Loan                                   |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 4,334                   |                  |
| <b>Total Liabilities</b>                     | <b>83,634</b>           | <b>20,314</b>   | <b>34,805</b> | <b>35,063</b>    | <b>203,915</b>         | <b>33,866</b>    | <b>786,408</b>       | <b>361,913</b>       | <b>1,560,118</b>              | <b>1,206,751</b> | <b>1,560,118</b> | <b>1,560,118</b>        | <b>1,206,751</b> |
| <u>Equity and Other Credits</u>              |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  |                         |                  |
| Contributed Capital                          |                         |                 |               |                  | 140,788                | 26,038           |                      |                      |                               |                  |                  | 166,826                 | 169,675          |
| Investment in General Fixed Assets           |                         |                 |               |                  |                        |                  |                      |                      | 822,903                       |                  |                  | 822,903                 | 994,394          |
| Retained Earnings:                           |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  |                         |                  |
| Reserved for Restricted Assets               |                         |                 |               |                  | 59,424                 |                  |                      |                      |                               |                  |                  | 59,424                  | 11,730           |
| Unreserved                                   |                         |                 |               |                  | 381,428                | 55,715           |                      |                      |                               |                  |                  | 437,143                 | 446,432          |
| Fund Balances, Reserved for:                 |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  |                         |                  |
| Advances and Petty Cash                      | 88                      |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 88                      | 131              |
| Prepaid Items                                |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  |                         | 10               |
| Encumbrances                                 | 8,591                   | 49,164          | 9             | 78,096           |                        |                  |                      |                      |                               |                  |                  | 135,860                 | 90,775           |
| External Investment Pool Participant         |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 26,789                  | 24,668           |
| Employees' Retirement System                 |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 2,352,508               | 2,560,805        |
| Accordance with Trusts                       |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 9,376                   | 9,715            |
| Capital Projects                             |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 77,571                  | 41,331           |
| Working Capital                              |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 19,371                  | 18,245           |
| Advances to Other Funds                      | 302                     | 1,021           |               |                  |                        |                  |                      |                      |                               |                  |                  | 1,323                   | 1,988            |
| Inventory                                    | 2,105                   | 469             |               | 788              |                        |                  |                      |                      |                               |                  |                  | 3,362                   | 2,712            |
| Fund Balances, Unreserved:                   |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  |                         |                  |
| Designated for Internal Service Funds        | 1,500                   |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 1,500                   | 1,500            |
| Designated for Debt Service                  |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 34,627                  | 25,359           |
| Designated for Contingencies                 |                         |                 |               |                  |                        |                  |                      |                      |                               |                  |                  | 4,000                   | 4,000            |
| Undesignated                                 | 36,739                  | 4,000           | 34,627        |                  |                        |                  |                      |                      |                               |                  |                  | 42,996                  | 63,002           |
| Total Equity and Other Credits               | 49,325                  | 60,558          | 34,636        | 175,826          | 581,640                | 81,753           | 2,389,026            | 822,903              | 4,465,472                     | 4,465,472        | 4,465,472        | 4,465,472               | 4,465,472        |
| Total Liabilities, Equity and Other Credits  | \$ 133,159              | \$ 80,872       | \$ 69,441     | \$ 210,889       | \$ 785,555             | \$ 115,619       | \$ 3,175,434         | \$ 822,903           | \$ 5,755,785                  | \$ 5,755,785     | \$ 5,755,785     | \$ 5,755,785            | \$ 5,755,785     |

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

**CITY OF CINCINNATI, OHIO**

Combined Statement of Revenue, Expenditures and Changes in Fund Balances  
All Governmental Fund Types and Expendable Trust Funds

For the year ended December 31, 2001  
(Amounts in Thousands)

|   | Governmental Fund Types |                  |                  | Fiduciary Fund Type Expendable Trust | Total (Memorandum Only) |                   |
|---|-------------------------|------------------|------------------|--------------------------------------|-------------------------|-------------------|
|   | General                 | Special Revenue  | Debt Service     |                                      | December 31 2001        | December 31 2000  |
| <b>Revenue</b>  |                         |                  |                  |                                      |                         |                   |
| Taxes   | \$ 215,069              | \$ 47,872        | \$ 32,931        | \$                                   | \$ 317,263              | \$ 314,404        |
| Licenses and Permits  | 5,922                   | 3,725            |                  |                                      | 9,647                   | 8,975             |
| Use of Money and Property   | 17,799                  | 3,225            | 23,937           | (79)                                 | 90,005                  | 43,468            |
| Special Assessments   |                         | 3,204            |                  |                                      | 3,300                   | 3,425             |
| Intergovernmental Revenue   | 54,396                  | 11,865           | 2,831            |                                      | 70,092                  | 65,333            |
| Federal Grants  |                         | 36,937           |                  |                                      | 54,753                  | 108,438           |
| State Grants and Subsidies  | 12,598                  | 2,306            |                  |                                      | 43,605                  | 17,526            |
| Charges for Current Services  | 2,640                   | 12,759           |                  |                                      | 25,357                  | 25,039            |
| Miscellaneous   |                         | 3,910            |                  |                                      | 7,282                   | 10,552            |
| <b>Total Revenue</b>  | <b>308,424</b>          | <b>125,803</b>   | <b>59,699</b>    | <b>(79)</b>                          | <b>621,304</b>          | <b>597,160</b>    |
| <b>Expenditures</b>   |                         |                  |                  |                                      |                         |                   |
| Current   |                         |                  |                  |                                      |                         |                   |
| General Government  | 47,078                  | 19,536           | 662              | 8                                    | 67,276                  | 67,076            |
| Parks and Recreation  | 19,427                  | 8,958            |                  |                                      | 28,393                  | 26,398            |
| Public Safety   | 128,345                 | 2,739            |                  |                                      | 131,084                 | 124,839           |
| Transportation & Engineering  | 1,832                   | 2,744            |                  |                                      | 4,576                   | 5,117             |
| General Services  | 8,202                   | 41,039           |                  |                                      | 49,241                  | 48,661            |
| Public Services   | 20,928                  | 13,043           |                  |                                      | 33,971                  | 32,857            |
| Public Health   | 22,534                  | 11,204           |                  |                                      | 33,738                  | 31,863            |
| Employee Benefits   | 49,119                  | 3,909            |                  |                                      | 53,028                  | 50,735            |
| Capital Outlay  | 345                     | 23,459           |                  |                                      | 148,419                 | 227,892           |
| Debt Service  |                         |                  | 66,400           |                                      | 66,400                  | 46,472            |
| Principal Retirement  |                         |                  |                  |                                      |                         | 41,416            |
| Police and Fire Prior Service Cost  |                         | 322              | 16,776           |                                      | 17,098                  | 13,863            |
| Interest  | 297,810                 | 126,953          | 83,838           | 8                                    | 633,224                 | 717,189           |
| <b>Total Expenditures</b>   | <b>10,614</b>           | <b>(1,150)</b>   | <b>(24,139)</b>  | <b>(87)</b>                          | <b>(11,920)</b>         | <b>(120,029)</b>  |
| Excess (Deficiency) of Revenue over (under) Expenditures  |                         |                  |                  |                                      |                         |                   |
| Other Financing Sources (Uses)  |                         |                  |                  |                                      |                         |                   |
| Capital Lease Agreements  |                         |                  | 9,966            |                                      | 73,623                  | 142,387           |
| Bond and Note Proceeds  |                         |                  |                  |                                      | 363                     |                   |
| State Loan  |                         |                  |                  |                                      | 14,069                  |                   |
| Other Transfers   |                         |                  |                  |                                      | 161,267                 | 247,061           |
| Operating Transfers In  | 16,486                  | 2,982            | 23,434           | (27)                                 | (169,601)               | (242,831)         |
| Operating Transfers (Out)   | (31,752)                | (2,559)          |                  |                                      |                         |                   |
| <b>Total Other Financing Sources (Uses)</b>   | <b>(15,266)</b>         | <b>423</b>       | <b>33,400</b>    | <b>(27)</b>                          | <b>79,721</b>           | <b>146,626</b>    |
| Excess (Deficiency) of Revenue and Other Financing Sources over (under) Expenditures and Other Uses | (4,652)                 | (727)            | 9,261            | (114)                                | 67,801                  | 26,597            |
| Fund Balances, January 1  | 50,818                  | 60,668           | 25,375           | 1,168                                | 249,822                 | 223,225           |
| Cumulative Effect of Change in Accounting Principle   | 3,159                   | 617              |                  |                                      | 3,776                   |                   |
| <b>Fund Balances, December 31</b>   | <b>\$ 49,325</b>        | <b>\$ 60,558</b> | <b>\$ 34,636</b> | <b>\$ 1,054</b>                      | <b>\$ 321,399</b>       | <b>\$ 249,822</b> |

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

CITY OF CINCINNATI, OHIO

Combined Statement of Revenue, Expenditures and Changes in Fund Balances

Budget (Non-GAAP Budgetary Basis) and Actual - General and Appropriated Special Revenue Funds

For the year ended December 31, 2001

(Amounts in Thousands)

|  | General Fund     |                  |                                  | Appropriated Special Revenue Funds |                  |                                  | Total (Memorandum Only) |                  |                                  |
|--|------------------|------------------|----------------------------------|------------------------------------|------------------|----------------------------------|-------------------------|------------------|----------------------------------|
|  | Budget           | Actual           | Variance Favorable (Unfavorable) | Budget                             | Actual           | Variance Favorable (Unfavorable) | Budget                  | Actual           | Variance Favorable (Unfavorable) |
| <b>Revenue</b>   |                  |                  |                                  |                                    |                  |                                  |                         |                  |                                  |
| Taxes  | \$ 228,353       | \$ 217,966       | \$ (10,387)                      | \$ 51,670                          | \$ 48,671        | \$ (2,999)                       | \$ 280,023              | \$ 266,637       | \$ (13,386)                      |
| Licenses and Permits   | 5,401            | 5,910            | 509                              | 5,200                              | 5,094            | (106)                            | 10,601                  | 11,004           | 403                              |
| Use of Money and Property  | 16,144           | 16,097           | (47)                             | 822                                | 605              | (217)                            | 16,966                  | 16,702           | (264)                            |
| Intergovernmental Revenue  | 50,660           | 54,397           | 3,737                            | 7,675                              | 7,512            | (163)                            | 58,335                  | 61,909           | 3,574                            |
| Charges for Current Services   | 14,493           | 14,238           | (255)                            | 6,314                              | 6,677            | 363                              | 20,807                  | 20,915           | 108                              |
| Miscellaneous  | 1,850            | 2,846            | 996                              | 1,697                              | 1,576            | (121)                            | 3,547                   | 4,422            | 875                              |
| <b>Total Revenue</b>   | <b>316,901</b>   | <b>311,454</b>   | <b>(5,447)</b>                   | <b>73,378</b>                      | <b>70,135</b>    | <b>(3,243)</b>                   | <b>390,279</b>          | <b>381,589</b>   | <b>(8,690)</b>                   |
| <b>Expenditures</b>  |                  |                  |                                  |                                    |                  |                                  |                         |                  |                                  |
| Current  |                  |                  |                                  |                                    |                  |                                  |                         |                  |                                  |
| General Government   | 48,128           | 46,889           | 1,239                            | 3,011                              | 2,659            | 352                              | 51,139                  | 49,548           | 1,591                            |
| Parks and Recreation   | 19,387           | 19,169           | 218                              | 4,786                              | 4,337            | 449                              | 24,173                  | 23,506           | 667                              |
| Public Safety  | 133,675          | 131,888          | 1,787                            | 588                                | 544              | 44                               | 134,263                 | 132,432          | 1,831                            |
| Transportation & Engineering   | 1,903            | 1,826            | 77                               | 3,037                              | 2,653            | 384                              | 4,940                   | 4,479            | 461                              |
| General Services   | 8,695            | 8,535            | 160                              | 40,631                             | 40,418           | 213                              | 49,326                  | 48,953           | 373                              |
| Public Services  | 21,026           | 20,865           | 161                              | 13,625                             | 13,471           | 154                              | 34,651                  | 34,336           | 315                              |
| Public Health  | 22,659           | 22,525           | 134                              | 2,757                              | 2,636            | 121                              | 25,416                  | 25,161           | 255                              |
| Employee Benefits  | 52,286           | 50,537           | 1,749                            | 3,224                              | 2,780            | 444                              | 55,510                  | 53,317           | 2,193                            |
| Capital Outlay   | 606              | 584              | 22                               | 66                                 | 61               | 5                                | 672                     | 645              | 27                               |
| <b>Total Expenditures</b>  | <b>308,365</b>   | <b>302,818</b>   | <b>5,547</b>                     | <b>71,725</b>                      | <b>69,559</b>    | <b>2,166</b>                     | <b>380,090</b>          | <b>372,377</b>   | <b>7,713</b>                     |
| Excess (Deficiency) of Revenue over (under) Expenditures                             | 8,536            | 8,636            | 100                              | 1,653                              | 576              | (1,077)                          | 10,189                  | 9,212            | (977)                            |
| Other Financing Sources (Uses)   |                  |                  |                                  |                                    |                  |                                  |                         |                  |                                  |
| Operating Transfer In  |                  | 20,063           | 20,063                           |                                    | 1,940            | 1,940                            |                         | 22,003           | 22,003                           |
| Operating Transfers (Out)  |                  | (32,068)         | (32,068)                         | (964)                              | (2,349)          | (1,385)                          | (964)                   | (34,417)         | (33,453)                         |
| <b>Total Other Financing Sources (Uses)</b>  |                  | <b>(12,005)</b>  | <b>(12,005)</b>                  | <b>(964)</b>                       | <b>(409)</b>     | <b>555</b>                       | <b>(964)</b>            | <b>(12,414)</b>  | <b>(11,450)</b>                  |
| Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing Sources | 8,536            | (3,369)          | (11,905)                         | 689                                | 167              | (522)                            | 9,225                   | (3,202)          | (12,427)                         |
| Cancellation of Prior Years Encumbrances   |                  | 1,786            | 1,786                            |                                    | 821              | 821                              |                         | 2,607            | 2,607                            |
| <b>Fund Balances, January 1</b>  | <b>19,464</b>    | <b>19,464</b>    |                                  | <b>24,719</b>                      | <b>24,719</b>    |                                  | <b>44,183</b>           | <b>44,183</b>    |                                  |
| <b>Fund Balances, December 31</b>  | <b>\$ 28,000</b> | <b>\$ 17,881</b> | <b>\$ (10,119)</b>               | <b>\$ 25,408</b>                   | <b>\$ 25,707</b> | <b>\$ 299</b>                    | <b>\$ 53,408</b>        | <b>\$ 43,588</b> | <b>\$ (9,820)</b>                |

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

**CITY OF CINCINNATI, OHIO**

Combined Statement of Revenue, Expenses and Changes in Retained Earnings/Fund Balances

**All Proprietary Fund Types and Nonexpendable Trust Funds**

For the year ended December 31, 2001

(Amounts in Thousands)

|                                    | Proprietary Fund Types |                   | Fiduciary Fund Types<br>Nonexpendable Trust | Total<br>(Memorandum Only) |                  |
|------------------------------------|------------------------|-------------------|---|----------------------------|------------------|
|                                    | Enterprise             | Internal Services |   | December 31 2001           | December 31 2000 |
| <u>Operating Revenue:</u>          |                        |                   |   |                            |                  |
| Charges for Services               | \$ 105,398             | \$ 85,445         | \$  | \$ 190,843                 | \$ 186,694       |
| Earnings (losses) from Investments |                        |                   | (608)                                       | (608)                      | (243)            |
| Contributions                      |                        |                   | 730   | 730                        |                  |
| Miscellaneous Income               | 2,700                  | 955               |   | 3,655                      | 4,130            |
| <b>Total Operating Revenue</b>     | <b>108,098</b>         | <b>86,400</b>     | <b>122</b>                                  | <b>194,620</b>             | <b>190,581</b>   |
| <u>Operating Expenses:</u>         |                        |                   |   |                            |                  |
| Personal Services                  | 35,707                 | 16,209            |   | 51,916                     | 51,340           |
| Contractual Services               | 15,264                 | 6,799             | 61  | 22,124                     | 20,836           |
| Maintenance and Repairs            | 4,202                  | 2,166             |   | 6,368                      | 6,756            |
| Materials and Supplies             | 6,386                  | 9,718             |   | 16,104                     | 15,340           |
| Utilities                          | 8,719                  | 921               |   | 9,640                      | 9,128            |
| Insurance                          | 333                    | 52,088            |   | 52,421                     | 38,484           |
| Taxes                              | 355                    |                   |   | 355                        | 373              |
| Rent                               | 499                    | 1,445             |   | 1,944                      | 1,309            |
| Interest                           |                        | 68                |   | 68                         | 109              |
| Other Expense                      | 313                    | 50                |   | 363                        | 634              |
| Depreciation and Amortization      | 19,089                 | 1,772             | 3   | 20,864                     | 21,640           |
| <b>Total Operating Expenses</b>    | <b>90,867</b>          | <b>91,236</b>     | <b>64</b>                                   | <b>182,167</b>             | <b>165,949</b>   |
| <b>Operating Income (Loss)</b>     | <b>17,231</b>          | <b>(4,836)</b>    | <b>58</b>                                   | <b>12,453</b>              | <b>24,632</b>    |

|   | Proprietary Fund Types |                   | Fiduciary Fund Types |                  | Total (Memorandum Only) |  |
|---|------------------------|-------------------|----------------------|------------------|-------------------------|--|
|   | Enterprise             | Internal Services | Nonexpendable Trust  | December 31 2001 | December 31 2000        |  |
| <u>Non-Operating Revenue (Expenses):</u>                            |                        |                   |                      |                  |                         |  |
| Interest Revenue  | \$ 9,757               | \$ 4,520          | \$                   | \$ 14,277        | \$ 10,357               |  |
| Interest Expense  | (7,994)                |                   |                      | (7,994)          | (5,477)                 |  |
| Occupancy Tax Receipts  | 1,098                  |                   |                      | 1,098            | 1,181                   |  |
| Capital Contribution  | 8,803                  |                   |                      | 8,803            |                         |  |
| (Loss) on Disposal of Assets  | (519)                  | (167)             |                      | (686)            | (346)                   |  |
| Total Non-Operating Revenue (Expenses)                              | 11,145                 | 4,353             |                      | 15,498           | 5,715                   |  |
| Income (Loss) before Operating Transfers                            | 28,376                 | (483)             | 58                   | 27,951           | 30,347                  |  |
| Operating Transfers In  | 296                    | 11,463            |                      | 11,759           | 4                       |  |
| Operating Transfers (Out)   | (959)                  | (2,137)           | (329)                | (3,425)          | (4,234)                 |  |
| Net Operating Transfers   | (663)                  | 9,326             | (329)                | 8,334            | (4,230)                 |  |
| Net Income (Loss)   | 27,713                 | 8,843             | (271)                | 36,285           | 26,117                  |  |
| Add depreciation on contributed assets acquired with capital grants | 1,849                  |                   |                      | 1,849            | 2,742                   |  |
| Changes in Fund Equity  | 29,562                 | 8,843             | (271)                | 38,134           | 28,859                  |  |
| Retained Earnings/Fund Balances, January 1                          | 411,290                | 46,872            | 8,946                | 467,108          | 438,249                 |  |
| Retained Earnings/Fund Balances, December 31                        | \$ 440,852             | \$ 55,715         | \$ 8,675             | \$ 505,242       | \$ 467,108              |  |

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

**CITY OF CINCINNATI, OHIO**

Combined Statement of Cash Flows

**All Proprietary Fund Types and Nonexpendable Trust Funds**

For the year ended December 31, 2001

(Amounts in Thousands)

|  | Proprietary Fund Types |                  | Fiduciary Fund Types<br>Nonexpendable Trust | Total<br>(Memorandum Only) |                     |
|--|------------------------|------------------|---|----------------------------|---------------------|
|  | Enterprise             | Internal Service |   | December 31<br>2001        | December 31<br>2000 |
| <u>Cash Flow from Operating Activities:</u>                          |                        |                  |   |                            |                     |
| Receipts from Customers  | \$ 109,687             | \$ 87,034        | \$  | \$ 189,410                 |                     |
| Payments to Suppliers  | (36,766)               | (75,898)         | (61)  | (98,797)                   |                     |
| Payments to Employees  | (37,012)               | (17,336)         |   | (48,993)                   |                     |
| Payments for Property Taxes  | (323)                  |                  |   | (354)                      |                     |
| Net Cash Provided (Used) by Operating Activities                     | 35,586                 | (6,200)          | (61)  | 29,325                     | 41,266              |
| <u>Cash Flow from Non Capital Financing Activities:</u>              |                        |                  |   |                            |                     |
| Repayment of Advances Made to Other Funds                            | 152                    | (161)            |   | 152                        | 1,584               |
| Repayment of Advances Received From Other Funds                      | (1,590)                | (8,588)          |   | (161)                      | (35)                |
| Advances to Other Funds  | 991                    |                  |   | (10,178)                   | (2,070)             |
| Occupancy Tax Receipts   | (959)                  | (2,172)          | (329)                                       | 991                        | 1,181               |
| Operating Transfers to Other Funds                                   | 296                    | 11,463           |   | (3,460)                    | (4,445)             |
| Operating Transfers from Other Funds                                 | (1,110)                | 542              | (329)                                       | 11,759                     | 4                   |
| Net Cash (Used) by Non Capital Financing Activities                  |                        |                  |   | (897)                      | (3,781)             |
| <u>Cash Flow from Capital and Related Financing Activities:</u>      |                        |                  |   |                            |                     |
| Capital Contributed by Other Funds                                   | 468                    |                  |   | 468                        | 2,296               |
| Capital Contributed by Other Sources                                 | 169                    |                  |   | 169                        | 4,748               |
| Proceeds from Sale of Fixed Assets                                   | 95,154                 |                  |   | 95,154                     | 76                  |
| Proceeds from the Sale of Bonds and Notes                            | (30,382)               | (3,450)          |   | (33,832)                   | (6,366)             |
| Acquisition of Property, Plant, and Equipment                        | (8,076)                | (78)             |   | (8,154)                    | (93)                |
| Repayment of Advances from Other Governments                         | (16,132)               |                  |   | (16,132)                   | (5,634)             |
| Interest Paid on Bonds, Notes and Advances                           | (216)                  | (578)            |   | (794)                      | (16,481)            |
| Principal Paid on Bonds and Notes                                    | (29,131)               |                  |   | (29,131)                   | (879)               |
| Payments on Long Term Capital Lease Obligations                      | 11,854                 | (4,106)          |   | 7,748                      | (38,376)            |
| Additions to Construction in Progress                                |                        |                  |   |                            | (60,709)            |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 9,216                  | 4,791            |   | 14,261                     | 10,304              |
| <u>Cash Flow from Investing Activities:</u>                          |                        |                  |   |                            |                     |
| Interest and Dividends on Investments                                |                        |                  | 254   | (1,499)                    | (4,458)             |
| Acquisition of Investments   |                        |                  | 1,763                                       |                            | 14,882              |
| Proceeds from Sale of Investments                                    | 9,216                  | 4,791            | 518   | 14,525                     | 20,728              |
| Net Cash Provided by Investing Activities                            | 55,546                 | (4,973)          | 128   | 50,701                     | (2,496)             |
| Net Increase (Decrease) in Cash and Cash Equivalents                 | 75,351                 | 85,141           | 987   | 161,479                    | 163,972             |
| Cash and Cash Equivalents at Beginning of Year                       | \$ 130,897             | \$ 80,168        | \$ 1,115                                    | \$ 212,180                 | \$ 161,476          |
| Cash and Cash Equivalents at End of Year                             |                        |                  |   |                            |                     |

|   | Proprietary Fund Types |                  | Fiduciary Fund Types |                   | Total            |                  |
|---|------------------------|------------------|----------------------|-------------------|------------------|------------------|
|   | Enterprise             | Internal Service | Nonexpendable Trust  | (Memorandum Only) | December 31 2001 | December 31 2000 |
| <u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>   |                        |                  |                      |                   |                  |                  |
| Operating Income (Loss)   | \$ 17,231              | \$ (4,836)       | \$ 58                | \$ 12,453         | \$ 24,632        |                  |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:          |                        |                  |                      |                   |                  |                  |
| Contributions   | 19,089                 | 1,772            | (730)                | 20,864            | 21,640           |                  |
| Depreciation and Amortization   |                        |                  | 3                    | 608               | 243              |                  |
| Earnings from Investments   |                        | 165              |                      | 165               | 132              |                  |
| Capitalized Assets Expensed   |                        |                  |                      |                   |                  |                  |
| Changes in Assets and Liabilities:  |                        |                  |                      |                   |                  |                  |
| (Increase) Decrease in:   |                        |                  |                      |                   |                  |                  |
| Receivables   | 1,080                  | 4,265            |                      | 5,345             | (791)            |                  |
| Due from Other Funds  | (804)                  | 714              |                      | (90)              | (676)            |                  |
| Due from Other Governments  | 2,043                  |                  |                      | 2,043             | (2,288)          |                  |
| Inventory   | 59                     | (316)            |                      | (257)             | (464)            |                  |
| Prepaid Items   | 34                     | (8)              |                      | 26                | (251)            |                  |
| Deferred Charges  |                        |                  |                      |                   | (483)            |                  |
| Increase (Decrease) in:   |                        |                  |                      |                   |                  |                  |
| Accounts Payable  | (1,113)                | (2,118)          |                      | (3,231)           | 1,483            |                  |
| Deposits Payable  | (253)                  | 187              |                      | (66)              | (43)             |                  |
| Due to Other Funds  | (818)                  | (68)             |                      | (886)             | (389)            |                  |
| Due to Other Governmental Agencies  | 264                    | (476)            |                      | 264               | (1,934)          |                  |
| Accrued Payroll   | (993)                  | (285)            |                      | (1,469)           | 206              |                  |
| Accrued Liabilities   | 23                     |                  |                      | (262)             | (928)            |                  |
| Current Obligation Capital Lease  | (11)                   |                  |                      | (11)              | 5                |                  |
| Deferred Revenue  | 45                     | (966)            |                      | (921)             | (210)            |                  |
| Liability for Compensated Absences  | (294)                  | (188)            |                      | (482)             | (364)            |                  |
| Estimated Liability for Unpaid Claims   | 4                      | (4,042)          |                      | (4,038)           | 1,746            |                  |
| Net Cash Provided (Used) by Operating Activities  | \$ 35,586              | \$ (6,200)       | \$ (61)              | \$ 29,325         | \$ 41,266        |                  |
| <u>Schedule of Noncash Investing, Capital and Financing Activities:</u>                                 |                        |                  |                      |                   |                  |                  |
| Acquisition of Equipment under Capital Leases   |                        |                  |                      |                   | \$ 447           |                  |
| Property, Plant and Equipment Contributed by Other Funds  |                        |                  |                      |                   | 1,200            |                  |
| Acquisition of Property, Plant and Equipment from Capital Contributions                                 | 8,335                  |                  |                      | 8,335             | 8,526            |                  |
| Total Noncash Investing, Capital and Financing Activities   | \$ 8,335               | \$               | \$                   | \$ 8,335          | \$ 10,173        |                  |
| <u>Reconciliation of Fiduciary Fund Types' Cash and Cash Equivalents to the Combined Balance Sheet:</u> |                        |                  |                      |                   |                  |                  |
| Cash and Cash Equivalents at December 31, 2001  |                        |                  |                      |                   |                  |                  |
| External Investment Pool  |                        |                  | \$                   | \$                | \$               |                  |
| Expendable Trust  |                        |                  |                      |                   | 26,789           |                  |
| Nonexpendable Trust   |                        |                  |                      |                   | 48               |                  |
| Pension Trust   |                        |                  |                      |                   | 1,115            |                  |
| All Agency  |                        |                  |                      |                   | 118,102          |                  |
| Fiduciary Fund Types' Cash and Cash Equivalents at End of Year  |                        |                  |                      |                   | 1,610            |                  |
|   |                        |                  |                      |                   | <u>147,664</u>   |                  |

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

**CITY OF CINCINNATI, OHIO**  
Comparative Statement of Plan Net Assets

**Pension Trust**

December 31

(Amounts in Thousands)

|  | 2001         | 2000         |
|--|--------------|--------------|
| <b><u>Assets:</u></b>  |              |              |
| Cash and Equivalents   | \$ 118,102   | \$ 80,474    |
| Receivables:   |              |              |
| Due from Other Funds   | 270          | 24           |
| Due from Other Governments   | 255          | 196          |
| Accounts Receivable for Securities Sold                            | 117,428      | 112,027      |
| Accrued Interest and Dividends                                     | 9,771        | 12,041       |
| Total Receivables  | 127,724      | 124,288      |
| Investments, at fair value:  |              |              |
| U. S. Government Bonds   | 156,403      | 159,416      |
| U. S. Government Agencies  | 59,166       | 40,089       |
| U. S. Government Mortgage Backed Securities                        | 332,911      | 369,861      |
| Corporate Bonds  | 244,340      | 329,998      |
| Equities   | 1,458,090    | 1,590,732    |
| Asset Backed Securities  | 118,876      | 137,031      |
| Venture Capital  | 16,991       | 25,407       |
| U. S. Treasury Bills   | 7,245        |              |
| Commercial Paper   |              | 18,000       |
| Total Investments, at fair value                                   | 2,394,022    | 2,670,534    |
| Collateral on Loaned Securities                                    | 293,689      |              |
| Loans Receivable   | 20,882       | 22,008       |
| Equipment  | 1,319        | 1,122        |
| Accumulated Depreciation   | (237)        | (18)         |
| Total Assets   | 2,955,501    | 2,898,408    |
| <b><u>Liabilities:</u></b>   |              |              |
| Accounts Payable for Securities Purchased                          | 300,694      | 329,805      |
| Due to Other Funds   | 1,649        | 1,256        |
| Accrued Payroll  | 31           | 27           |
| Accrued Liabilities  | 6,839        | 6,405        |
| Deferred Revenue   | 2            | 23           |
| Estimated Liability for Compensated Absences                       | 89           | 87           |
| Obligations under Securities Lending                               | 293,689      |              |
| Total Liabilities  | 602,993      | 337,603      |
| <b><u>Net assets:</u></b>  |              |              |
| Held in Trust for Employees' Pension Benefits                      | 1,615,234    | 1,762,899    |
| Held in Trust for Employees' Postemployment<br>Healthcare Benefits | 737,274      | 797,906      |
| Combined Net Assets  | \$ 2,352,508 | \$ 2,560,805 |

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



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

|   | <u>Pension</u>      | <u>Healthcare</u> | <u>Total</u>        | <u>Total</u>        |
|---|---------------------|-------------------|---------------------|---------------------|
|   | 2001                | 2001              | 2001                | 2000                |
| <b>Additions:</b>                             |                     |                   |                     |                     |
| Contributions:                                |                     |                   |                     |                     |
| Member  | \$ 10,233           | \$ 3,339          | \$ 13,572           | \$ 12,992           |
| Employer                                      | 10,085              | 3,290             | 13,375              | 12,521              |
| Total Contributions                           | <u>20,318</u>       | <u>6,629</u>      | <u>26,947</u>       | <u>25,513</u>       |
| Investment Income                             |                     |                   |                     |                     |
| From Investing Activities:                    |                     |                   |                     |                     |
| Net Appreciation (Depreciation) in            |                     |                   |                     |                     |
| Fair Value of Investments                     | (134,838)           | (61,706)          | (196,544)           | (64,417)            |
| Interest and Dividends                        | 53,188              | 24,341            | 77,529              | 79,769              |
|   | <u>(81,650)</u>     | <u>(37,365)</u>   | <u>(119,015)</u>    | <u>15,352</u>       |
| Less investment expense                       | 4,450               | 2,037             | 6,487               | 7,146               |
| Net Income (Loss) from Investing Activities:  | (86,100)            | (39,402)          | (125,502)           | 8,206               |
| From Security Lending Activities:             |                     |                   |                     |                     |
| Securities Lending Income                     | 7,230               | 3,309             | 10,539              |                     |
| Securities Lending Expense:                   |                     |                   |                     |                     |
| Borrower Rebates                              | (6,329)             | (2,896)           | (9,225)             |                     |
| Management Fees                               | (270)               | (124)             | (394)               |                     |
| Total Securities Lending Expenses             | <u>(6,599)</u>      | <u>(3,020)</u>    | <u>(9,619)</u>      |                     |
| Net Income from Securities Lending Activities | 631                 | 289               | 920                 |                     |
| Total Additions                               | <u>(65,151)</u>     | <u>(32,484)</u>   | <u>(97,635)</u>     | <u>33,719</u>       |
| <b>Deductions:</b>                            |                     |                   |                     |                     |
| Benefits Payments:                            |                     |                   |                     |                     |
| Pension and Annuities                         | 78,754              |                   | 78,754              | 73,240              |
| Hospital and Medical Care                     |                     | 24,564            | 24,564              | 19,398              |
| Medicare                                      |                     | 2,159             | 2,159               | 2,000               |
| Dental Benefits                               |                     | 806               | 806                 |                     |
| Vision Benefits                               |                     | 138               | 138                 |                     |
| Death Benefits, Active and Retired            | 1,397               |                   | 1,397               | 1,521               |
| Loss Due to Death of Members with Loans       | 10                  |                   | 10                  | 15                  |
| Transfers - Retirement to Other Systems       | 5                   |                   | 5                   |                     |
| Total Benefits Payments                       | <u>80,166</u>       | <u>27,667</u>     | <u>107,833</u>      | <u>96,174</u>       |
| Refunds of Contributions                      | 1,296               |                   | 1,296               | 1,776               |
| Administrative Expenses:                      |                     |                   |                     |                     |
| Personal Services                             | 366                 | 167               | 533                 | 422                 |
| Contractual Services                          | 480                 | 220               | 700                 | 731                 |
| Materials and Supplies                        | 46                  | 21                | 67                  | 108                 |
| Other   | 7                   | 3                 | 10                  | 92                  |
| Depreciation                                  | 150                 | 69                | 219                 | 4                   |
| Loss on Disposal of Equipment                 | 3                   | 1                 | 4                   |                     |
| Total Administration Expenses                 | <u>1,052</u>        | <u>481</u>        | <u>1,533</u>        | <u>1,357</u>        |
| Total Deductions                              | <u>82,514</u>       | <u>28,148</u>     | <u>110,662</u>      | <u>99,307</u>       |
| Net (Decrease)                                | (147,665)           | (60,632)          | (208,297)           | (65,588)            |
| Net Assets held in Trust for Benefits         |                     |                   |                     |                     |
| Beginning of Year                             | <u>1,762,899</u>    | <u>797,906</u>    | <u>2,560,805</u>    | <u>2,626,393</u>    |
| End of Year                                   | <u>\$ 1,615,234</u> | <u>\$ 737,274</u> | <u>\$ 2,352,508</u> | <u>\$ 2,560,805</u> |

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

**City of Cincinnati, Ohio**  
**External Investment Pool**  
**Statement of Net Assets**  
**December 31**  
**(Amounts in thousands)**

|                              | 2001      | 2000      |
|------------------------------|-----------|-----------|
| <u>Assets</u>                |           |           |
| Equity in City Treasury Cash | \$ 26,789 | \$ 24,668 |
| <br><u>Net Assets</u>        |           |           |
| Net assets consist of:       |           |           |
| Participant deposits         | \$ 26,789 | \$ 24,668 |

**City of Cincinnati, Ohio**  
**External Investment Pool**  
**Statement of Changes in Net Assets**  
**For the year Ended December 31**  
**(Amounts in Thousands)**

|   | 2001       | 2000       |
|---|------------|------------|
| <u>Additions</u>                              |            |            |
| Participant deposits                          | \$ 171,220 | \$ 197,302 |
| Investment Income:                            |            |            |
| Interest income                               | 1,880      | 1,619      |
| Net appreciation in fair value of investments | 163        | 258        |
| Total investment income                       | 2,043      | 1,877      |
| Total additions                               | 173,263    | 199,179    |
| <br><u>Deductions:</u>                        |            |            |
| Distributions to participants                 | 171,142    | 206,217    |
| Net increase (decrease ) in net assets        | 2,121      | (7,038)    |
| Net assets beginning of period                | 24,668     | 31,706     |
| Net assets end of period                      | \$ 26,789  | \$ 24,668  |

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

# **Notes to Financial Statements**

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# CITY OF CINCINNATI, OHIO

## NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2001

### 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 the General Fixed Assets Account Group includes \$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 \$15,852,000 in 2001 and \$15,511,000 in 2000.

## **B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The financial statements of the City of Cincinnati for 2001 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. For Proprietary Funds, the City has elected only to apply Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

### **Fund and Account Groups**

The City records its transactions in numerous individual funds and account groups to comply with the limitations and restrictions placed on both the resources made available to the City and the services provided. These financial statements present all of the fund types and account groups of the City. Individual funds and account groups summarized in the accompanying financial statements are classified as follows:

#### **1) Governmental Fund Types**

Governmental funds are segregations of financial resources where the measurement focus is upon determination of financial position and changes in that financial position. The City operates within a biennial budget which is authorized by City Council through annual appropriations. The City's records show that revenues, actual and accrued expenditures, and encumbrances comply with legal, accounting and budgetary restrictions.

The governmental fund types include:

*General Fund* - This is the primary operating fund for the City. It is used to account for all revenues and expenditures which are not accounted for in other funds or account groups.

*Special Revenue Funds* - These funds account for the proceeds of specific revenue sources (other than funds for major capital projects) that are legally restricted to expenditures for specific purposes.

*Debt Service Fund* - This fund is used to account for principal and interest on general obligation bonds paid principally from taxes levied by the City. It also accounts for the servicing of general obligation self-supporting bonds and for capital lease payments of governmental funds.

*Capital Project Funds* - These funds are used primarily to account for resources designated to construct or acquire general fixed 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.

#### **2) Proprietary Funds**

*Enterprise Funds* - These funds account for operations of entities that provide services, on a user charge or other basis, to the general public or private organizations.

*Internal Service Funds* - These funds were established to account for the purchase and sale of goods or

services between City departments or agencies on a cost-reimbursement basis.

The measurement focus is on income determination or cost of services. All assets and liabilities are included on the balance sheet, and the reported fund equity is an indication of the economic net worth of the funds involved.

### 3) **Fiduciary Fund Types**

*Trust and Agency Funds* - These funds are used to account for assets held by the City in a fiduciary capacity. These funds include expendable and nonexpendable trust funds, a pension trust fund, an external investment pool and agency funds. Fixed assets are stated at historical cost, and depreciation is determined using the straight-line method over the assets' estimated useful lives (5-40 years).

### 4) **Fixed Assets**

*General Fixed Assets* - Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund making the expenditure and capitalized in the general fixed assets account group. These assets are capitalized at historical cost, or estimated values which approximate historical cost. Contributed fixed assets are recorded at estimated fair value at the time of acquisition. Construction in Progress includes uncompleted infrastructure improvements; however, the cost of completed infrastructure improvements is not included in the general fixed assets account group. Accumulated depreciation is not reported on general fixed assets.

*Proprietary Fund Types* - Fixed assets in the proprietary funds are stated at historical cost (estimated fair market value at time of acquisition for assets contributed). Depreciation is calculated using the straight-line method over the assets' estimated useful lives. The following lives are used:

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

All fixed assets under construction and intended for ultimate use by a proprietary fund are recorded at historical cost in the applicable proprietary funds.

### 5) **General Long-Term Obligations**

All unmatured long-term indebtedness other than that directly related to and expected to be paid from proprietary or fiduciary funds is reported in the general long-term obligations account group. The general obligation bonds are secured by the full faith and credit of the City. In addition to the unmatured general long-term indebtedness, it is the City's policy to record long-term liabilities of the governmental funds for certain compensated absences, non-current obligations under capital leases, and estimated claims and judgments representing the City's commitment to fund such costs from future operations.

The financial statements included herein show the amount available in the Debt Service Fund for debt payment and the amount that must be provided in future years for debt redemption and other long-term liabilities.

### **Measurement Focus**

The governmental fund types utilize the flow of financial resources measurement focus and modified accrual

basis of accounting, with recognition of revenues in the accounting period in which they become measurable and available.

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. Available means they are collectible within the current reporting period or soon enough thereafter (60 days) to pay current liabilities. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditures either when purchased or when used, and (2) prepaid expense items that may be considered expenditures either when paid for or when consumed. Encumbrances are commitments related to unperformed (executory) contracts for goods and services. All encumbrances that are outstanding at year-end are reported as reservations of fund balance for subsequent year expenditures and are not considered either expenditures or liabilities in the current period.

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. Nonexpendable trust funds, the pension trust fund and the external investment pool statements are prepared utilizing the flow of economic resources measurement focus and the accrual basis. Agency fund and expendable trust fund statements are prepared utilizing the flow of financial resources measurement focus and the modified accrual basis.

### **Budgetary Data**

An operating budget is legally adopted each fiscal year for the General Fund and those Special Revenue Funds (i.e. Health Services; Street Construction, Maintenance and Repair; Parking Meter; Cable T.V.; Income Tax Infrastructure; Income Tax Transit; Motor Vehicle License; and Special Recreation) identified as appropriated in the financial statements. Budgetary data for better management control exists over the Nonappropriated Special Revenue Funds. The Combined Statement of Revenue, Expenditures and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual does not include those Nonappropriated Special Revenue Funds. The budgetary data reports included within the financial statements 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.

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.



The adjustments necessary to convert the results of operations and fund balances at the end of the year from the Generally Accepted Accounting Principles (GAAP) basis to the Non-GAAP budgetary basis are as follows:

| <b>(AMOUNTS IN THOUSANDS)</b>                                 | <u>Revenue and Other Sources Over<br/>(Under) Expenditures and Other Uses</u> |                            | <u>Fund Balances<br/>December 31, 2001</u> |                            |
|---|---|----------------------------|--|----------------------------|
|   | <u>General<br/>Fund</u>   | <u>Special<br/>Revenue</u> | <u>General<br/>Fund</u>                    | <u>Special<br/>Revenue</u> |
| As reported (GAAP basis)                                      | \$ (4,652)  | \$ (727)                   | \$ 49,325                                  | \$ 60,558                  |
| Increase (Decrease) due to:                                   |   |                            |  |                            |
| Revenues:   |   |                            |  |                            |
| Received in 2001 and<br>earned in 2000                        | 24,601  | 6,366                      |  |                            |
| Received in 2002 and<br>earned in 2001                        | (23,543)  | (5,397)                    | (23,543)                                   | (5,397)                    |
| Expenditures:   |   |                            |  |                            |
| Accrued December 31, 2000 and<br>paid in 2001                 | (7,983)   | (1,149)                    |  |                            |
| Accrued December 31, 2001 and<br>paid in 2002                 | 7,504   | 770                        | 7,504                                      | 770                        |
| Purchase of Inventory,  |   |                            |  |                            |
| Current Year  | 632   | 51                         |  | 51                         |
| Prior Year  | (14)  |                            | (14)                                       | (148)                      |
| Repayment of Advances   |   | 415                        |  | 415                        |
| Current Year Encumbrances                                     | (9,842)   | (3,183)                    | (9,842)                                    | (3,183)                    |
| Prior Year Encumbrances                                       |   |                            | (1,636)                                    | (499)                      |
| Expenditures related to<br>Prior Year Encumbrances            | 9,928   | 2,697                      |  |                            |
| Cumulative Effects of<br>Changes in Accounting Principles     |   |                            | (3,913)                                    | (633)                      |
| Adjustments for Non-<br>appropriated Special<br>Revenue Funds | <u>          </u>   | <u>      324</u>           | <u>          </u>                          | <u>  (26,227)</u>          |
| (Non-GAAP) Budgetary Basis                                    | <u>\$ (3,369)</u>   | <u>\$ 167</u>              | <u>\$17,881</u>                            | <u>\$25,707</u>            |

**Other Accounting Policies**

- A. *Investments* - The investments of the City (excluding the City of Cincinnati's Retirement System, see Notes 2 and 18) 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 \$787 million 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 \$123 million at December 31, 2001, 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 service 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. Quasi-external transactions are accounted for as revenues, expenditures, or expenses in the funds involved. The General Fund provides administrative services to enterprise funds. The amounts charged for those services are treated as revenue to the General Fund and as operating expenses in the enterprise funds.
- E. *Deferred Revenues*** - The City reports deferred revenue on its combined 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 and miscellaneous receivables not meeting the availability criteria have been deferred and will be realized in a subsequent period.
- F. *Grants and Other Intergovernmental Revenues*** - The proprietary fund types recognize the federal reimbursement-type capital grants as intergovernmental receivables and contributed capital 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.
- G. *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.
- H. *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.
- I. *Total (Memorandum Only)*** - The amounts in the Total (Memorandum Only) columns of the combined financial statements are a summation of the accounts of the fund types and account groups and are presented solely to assist in financial analysis. Data included in the columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Eliminations of interfund transactions have not been made, and the data presented is not to be considered consolidated. In addition, the amounts in total are not to be interpreted as total resources and obligations of the City of Cincinnati or sources and uses thereof. Comparative data for the prior year has also been

provided in the general purpose financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain 2000 amounts were reclassified to be in conformity with the current year's presentation.

- J.** *Pronouncements Effective for the 2001 Financial Statements* - Governmental Accounting Standards Board (GASB) Statement Number 33, Accounting and Financial Reporting for Nonexchange Transactions, was issued in December 1998 and established accounting and financial reporting standards to guide state and local governments' decisions about when (in which fiscal year) to report the results of nonexchange transactions. In a nonexchange transaction, a government gives (or receives) value without directly receiving (or giving) equal value in return. This Statement establishes more uniform recognition criteria to promote greater consistency and comparability in financial reporting. Under GASB 33, the City is required to record additions to contributed capital as non-operating revenues in the Proprietary Funds. The provisions of this Statement were implemented for the City of Cincinnati for the 2001 financial statements and had the following effect:

|                               | <u>Increased<br/>Receivables</u> | <u>Increased<br/>Deferred Revenue</u> | <u>Increased<br/>Revenues</u> | <u>Increased<br/>Fund<br/>Balance</u> |
|-------------------------------|----------------------------------|---------------------------------------|-------------------------------|---------------------------------------|
| General Fund                  | \$23,612,000                     | \$20,411,000                          | \$ 42,000                     | \$3,159,000                           |
| Debt Service Fund             | 1,477,000                        | 1,477,000                             |                               |                                       |
| Special Revenue Funds         | 1,914,000                        | 1,311,000                             | (14,000)                      | 617,000                               |
| Permanent Improvement<br>Fund | <u>492,000</u>                   | <u>492,000</u>                        |                               |                                       |
| Total Effect                  | <u>\$27,495,000</u>              | <u>\$23,691,000</u>                   | <u>\$ 28,000</u>              | <u>\$3,776,000</u>                    |

- K.** *Pronouncements Issued But Not Yet Effective* - Governmental Accounting Standards Board (GASB) Statement Number 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, was issued in June 1999 and establishes new financial reporting requirements for state and local governments throughout the United States. The statement will require the addition of management's discussion and analysis and government-wide financial statements, consisting of a statement of net assets and a statement of activities. Prepared using the economic resources measurement focus and the accrual basis of accounting, these statements should report all of the assets, liabilities, revenues, expenses, and gains and losses of the government. The new financial statements will include all governmental and business-type activities, but not fiduciary activities. Capital assets now reported in the general fixed assets account group will henceforth be reported in the governmental activities column of the government-wide statement of net assets. Governments also will be required to report general infrastructure assets in this same column. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2001. The City has not completed the process of evaluating the impact that will result from adopting Statement of Governmental Accounting Standards No. 34. The City is therefore unable to disclose the impact that adopting Statement of Governmental Accounting Standards No. 34 will have on its financial position and results of operations when such statement is adopted.

Governmental Accounting Standards Board (GASB) Statement Number 36, Recipient Reporting for Certain Shared Nonexchange Revenues, was issued in April 2000. This statement provides symmetrical accounting treatment for certain shared revenues by superseding paragraph 28 of GASB Statement No. 33. Paragraph 28 of Statement 33 required governments that receive those shared revenues to account for them differently than the provider governments. In some cases, this resulted in the provider and the recipient governments recognizing the sharing of revenues at different times. However, Statement No. 36 eliminates that timing difference by requiring provider and recipient governments to account for the

shared revenue in the same manner. This statement is effective simultaneously with GASB 34.

Governmental Accounting Standards Board (GASB) Statement Number 37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus. This statement, which was issued in June 2001, clarifies certain important provisions of GASB 34. It should be implemented simultaneously with that statement. GASB 37 restricts information in Management's Discussion and Analysis to eight specific topics and the condensed comparative financial information to fourteen elements. It also requires that program revenues include all charges, fees and fines that derive directly from the program or function, as well as those grants and contributions that are restricted exclusively to it.

In addition, GASB 37 also states that construction period interest should not be capitalized for assets of governmental activities and changes the definition of a segment to an "identifiable activity" for which there is debt outstanding and for which separate accounting is required.

Governmental Accounting Standards Board (GASB) Statement Number 38, Certain Financial Statement Disclosures. Issued in June 2001, most provisions of this statement should be implemented simultaneously with GASB 34. Certain items may be postponed one year from the GASB 34 implementation date. GASB 38 eliminates the required disclosure of the accounting policy for encumbrances. However, it calls for new and modified disclosure rules which include the following: descriptions of activities accounted for in the individual major funds and in the internal service and fiduciary fund types; the length of time used to define "available" resources for purposes of revenue recognition in governmental funds; actions taken to address significant violations of finance-related legal or contractual provisions; and terms of variable rate debt and interest requirements thereof. Debt service principal and interest and lease obligations in each of the subsequent five years and in five-year increments thereafter; short-term debt changes and purposes; inter-fund balances and transfers by major funds and by non-major funds aggregated by type, with descriptions of balance and transfer purposes; and details of receivable and payable balances—where obscured by aggregation—and identification of those receivables not expected to be collected within one year are items required to be disclosed effective for financial statements for periods beginning after June 15, 2002.

- L. *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 2002. The working capital reserve for 2001 was \$19,371,000 and is included in the Fund Balance Reserved for Capital Projects in the Permanent Improvement Funds of the Capital Projects Fund. The City is a chartered government and the working capital reserve, as established, is allowed by the charter.

## **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 combined balance sheet of the City. Earnings from the pooled cash and investments are allocated on a quarterly basis to each participating 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 \$237,279,000 and the bank balance was \$253,537,000. 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 moneys 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 and bank balances totaled \$118,102,000 and \$116,104,000, respectively. These funds 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, 2001 was \$527,468,000. These investments include \$483,455,000 in U. S. Treasury Securities and \$44,013,000 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. (See Footnote 4.) 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 Park Board. The fair value of investments for these funds at December 31, 2001 was \$2,401,782,000. These investments include \$556,515,000 in U. S. Treasury Securities, \$364,868,000 in Corporate Bonds and Notes, \$16,991,000 in Venture Capital and \$1,463,408,000 in Equity Securities. In those cases where resources are maintained in trust, 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. The 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 are uninsured, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

## **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 securities loans can be terminated on demand by either the lender or the borrower, although the average term of the System's overall loans was 25 days in December 2001. Cash collateral is invested in a short-term investment pool, which had an average weighted maturity of 40 days as of December 31, 2001. Cash collateral may also be invested separately in "term loans", in which the maturity of the term loan is always identical to either the maturity of the cash collateral invested or the interest rate reset of the cash collateral invested. These loans can be terminated on demand by either lender or borrower. As of December 31, 2001 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)**

| <u>Securities Lent</u>                | <b>Fair Value of<br/>Underlying<br/>Securities</b> | <b>Cash Collateral<br/>Received/<br/>Securities<br/>Collateral Value</b> | <b>Cash<br/>Collateral<br/>Investment<br/>Value</b> |
|---------------------------------------|--|--|---|
| <b>Lent for cash collateral</b>       |  |  |   |
| <b>Equities</b>                       | \$146,658  | \$152,780  | \$152,780   |
| <b>U.S. Agencies</b>                  | 8,248  | 8,415  | 8,415   |
| <b>Corporate Bonds</b>                | 51,074   | 52,470   | 52,470  |
| <b>U.S. Government Fixed Income</b>   | 78,240   | 80,024   | 80,024  |
| <b>Lent for securities collateral</b> |  |  |   |
| <b>Equities</b>                       | 2,491  | 2,611  |   |
| <b>U.S. Agencies</b>                  | 7,111  | 7,335  |   |
| <b>U.S. Government Fixed Income</b>   | 17,834   | 18,330   |   |
|                                       | <u>\$311,656</u>                                   | <u>\$321,965</u>   | <u>\$293,689</u>                                    |

**Derivatives**

The City of Cincinnati Retirement System uses the derivative of S&P futures contract to execute their cash equitization program. The cash equitization program is designed to ensure that the policy asset allocation decision is fully implemented regardless of the activity of the managers. Specifically, the aggregate impact of cash positions of the active equity managers can cause a shortfall to the policy asset allocation target for equity. By purchasing futures with a notional value approximately equal to the aggregate cash positions, the cash impact on asset allocation is negated, and secondarily, the cash drag on return is also moderated. The purchase of the S&P futures contract is not leveraged. There are initial margin requirements for futures purchase as well as variation margin required to accommodate market value changes. Any amounts held as margin are held either in Treasury Bills (initial margin) or other principal preserving types of short-term investments. The risk associated with the purchase of S&P 500 futures contracts is limited to the market risk inherent in equity investments. If the S&P 500 index decreases in value, the value of the futures contracts will decrease by similar amounts. The Commodity Futures Trading Commission and the National Futures Association regulate the futures market.

### 3. EXTERNAL 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 External Investment Pool. 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 External Investment Pool. MSD is required by Chapter 301 of the Cincinnati Municipal Code to participate in the External Investment Pool. Disclosures required by GASB Statement 3 are discussed in Note 2. The External Investment Pool does not issue a separate report. The External Investment Pool's financial statements can be found on page 14.

Summary by major investment classification:

|                          | <b>(AMOUNTS IN THOUSANDS)</b> |                   |                      |                       |
|--------------------------|-------------------------------|-------------------|----------------------|-----------------------|
|                          | <u>Cost</u>                   | <u>Fair Value</u> | <u>Interest Rate</u> | <u>Maturity Dates</u> |
| Money Market Fund        | \$ 2,374                      | \$ 2,374          | 2.12%                | OPEN                  |
| Certificates of Deposit  | 9,634                         | 9,634             | 1.25% - 7.55%        | 02/26/02 - 12/05/06   |
| U.S. Treasury Notes      | 5,926                         | 6,082             | 2.75% - 6.25%        | 01/13/02 - 08/15/04   |
| FHLB/FNMA Securities     | 8,003                         | 8,131             | 3.60% - 7.25%        | 06/28/02 - 12/15/04   |
| City of Cincinnati Notes | 1,054                         | 1,054             | 4.50% - 6.75%        | 05/11/02 - 01/01/05   |
| Cash                     | <u>(486)</u>                  | <u>(486)</u>      |                      |                       |
| Total                    | <u>\$26,505</u>               | <u>\$26,789</u>   |                      |                       |

### 4. ANTHEM DEMUTUALIZATION

In October of 2001, Anthem Inc., which administers the medical insurance for the City's employees, converted, or demutualized, from a mutual insurance company (a policyholder-owned non-profit) to a for-profit stock insurance company. As a result of that conversion, all statutory member policyholders received a one-time payout of stock. Since the City was a policyholder, in December of 2001 it received 870,021 shares of Anthem Inc. common stock worth approximately \$31,000,000 at that time. The shares are recorded in the Permanent Improvement Fund. The fair value of the shares at December 31, 2001 was \$43,066,000.

Under the Ohio constitution, municipalities are prohibited from owning stock. However, the State Auditor recommended "that each public body receiving stock should sell the stock at a reasonably prompt and beneficial time at the discretion of the public body." There were also legal restrictions on selling shares of stock in the 180 days after the initial public offering. Those restrictions expired on April 28, 2002. Before then the City was a participant in the Large Shareholder Program which limited the number of shares to be sold daily until the 180-day restriction lapsed.

The total proceeds received were \$54,761,000 from all of our stock sales between February 26 and April 30, 2002. The lowest price per share for which the stock was sold was \$55.91 on March 8, 2002, and the highest was \$71.06 on April 26, 2002.

**5. INTERFUND ASSETS/LIABILITIES**

(AMOUNTS IN THOUSANDS)

**DUE FROM/TO OTHER FUNDS:**

| <u>Fund Type</u>                       |  | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|--|--|---------------------------------|-------------------------------|
| <b>General</b>                         |  | \$ 179                          | \$ 1,333                      |
| <b>Appropriated Special Revenue</b>    | Health Services                              |                                 | 1                             |
|  | Street Construction, Maintenance, and Repair | 27                              | 13                            |
|  | Parking Meter                                | 1                               | 4                             |
|  | Cable T.V.                                   | 4                               | 9                             |
|  | Income Tax Infrastructure                    | 9                               | 81                            |
|  | Motor Vehicle License                        | 1                               | 70                            |
|  | Special Recreation                           | 16                              | 8                             |
|  | Total Appropriated Special Revenue           | <u>58</u>                       | <u>186</u>                    |
| <b>Nonappropriated Special Revenue</b> | Safety                                       |                                 | 3                             |
|  | Health                                       | 127                             | 13                            |
|  | Community Development                        | 6                               | 32                            |
|  | Department of Labor Grants                   | 19                              | 5                             |
|  | Other  | 125                             | 188                           |
|  | Total Nonappropriated Special Revenue        | <u>277</u>                      | <u>241</u>                    |
| <b>Capital Project</b>                 | Permanent Improvement                        | 30                              |                               |
|  | Capital Projects                             | 1,944                           | 1,079                         |
|  | Total Capital Project                        | <u>1,974</u>                    | <u>1,079</u>                  |
| <b>Enterprise</b>                      | Water Works                                  | 1,043                           | 358                           |
|  | Parking Facilities                           | 1                               | 18                            |
|  | Convention Center                            |                                 | 494                           |
|  | General Aviation                             |                                 | 4                             |
|  | Municipal Golf                               |                                 | 7                             |
|  | Stormwater Management                        | 136                             | 67                            |
|  | Total Enterprise                             | <u>1,180</u>                    | <u>948</u>                    |
| <b>Internal Service</b>                | Purchasing - Reproduction and Printing       |                                 | 1                             |
|  | Municipal Garage                             | 725                             | 1,469                         |
|  | Property Management                          |                                 | 40                            |
|  | Self Insurance-Medical                       | 1,648                           |                               |
|  | Regional Computer Center                     | 796                             | 14                            |
|  | Total Internal Service                       | <u>3,169</u>                    | <u>1,524</u>                  |
| <b>Trust &amp; Agency</b>              | Pension Trust                                | 270                             | 1,649                         |
|  | Agency                                       | 181                             | 328                           |
|  | Total Trust & Agency                         | <u>451</u>                      | <u>1,977</u>                  |
|  | <b>TOTAL</b>                                 | <u><u>\$ 7,288</u></u>          | <u><u>\$ 7,288</u></u>        |

**ADVANCES FROM/TO OTHER FUNDS:**

| <u>Receivable Fund</u>           | <u>Amount</u>           | <u>Payable Fund</u>             |
|----------------------------------|-------------------------|---------------------------------|
| General Fund                     | \$ 177                  | Property Management             |
| General Fund                     | 125                     | Nonappropriated-Employee Health |
| Appropriated-Health Services     | 500                     | Nonappropriated-Health          |
| Appropriated-Street Construction | 496                     | General Fund                    |
| Nonappropriated-Recreation       | 25                      | General Fund                    |
| Water Works                      | 375                     | Municipal Garage                |
| Parking Facilities               | 2,143                   | Capital Improvements            |
| Convention Center                | 523                     | Capital Improvements            |
| General Aviation                 | 734                     | Capital Improvements            |
| Municipal Golf                   | 752                     | Capital Improvements            |
| Stormwater Management            | 6,213                   | Capital Improvements            |
| Regional Computer Center         | 10,215                  | Capital Improvements            |
| <b>TOTAL</b>                     | <u><u>\$ 22,278</u></u> |                                 |



## 6. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains six enterprise funds which provide water, parking, convention center, airport, golf, and stormwater services.

Segment information for the year ended December 31, 2001 for these funds is as follows:

### (AMOUNTS IN THOUSANDS)

|  | Water<br>Works | Parking<br>Facilities | Convention<br>Center | General<br>Aviation | Municipal<br>Golf | Stormwater<br>Management | Total<br>Enterprise<br>Funds |
|--|----------------|-----------------------|----------------------|---------------------|-------------------|--------------------------|------------------------------|
| Operating Revenue                      | \$ 81,367      | \$ 8,454              | \$ 3,198             | \$ 1,571            | \$ 6,332          | \$ 7,176                 | \$ 108,098                   |
| Depreciation and Amortization          | 12,152         | 1,352                 | 3,034                | 610                 | 531               | 1,410                    | 19,089                       |
| Operating Income (Loss)                | 16,239         | 1,965                 | (5,112)              | (227)               | 770               | 3,596                    | 17,231                       |
| Operating Transfers In (Out)           | 236            | (866)                 | (91)                 | 49                  | 6                 | 3                        | (663)                        |
| Current Capital Contributions          | 8,475          |                       |                      | 328                 |                   |                          | 8,803                        |
| Net Income (Loss)                      | 25,539         | 1,235                 | (4,105)              | 273                 | 709               | 4,062                    | 27,713                       |
| Plant, Property and Equipment:         |                |                       |                      |                     |                   |                          |                              |
| Additions                              | 61,139         | 4,046                 | 420                  | 555                 | 1,070             | 1,859                    | 69,089                       |
| Deletions                              | 3,224          | 234                   |                      | 49                  | 26                |                          | 3,533                        |
| Net Working Capital                    | 79,261         | 2,255                 | 1,934                | 1,368               | 628               | 7,451                    | 92,897                       |
| Total Assets                           | 628,124        | 34,163                | 37,837               | 26,935              | 11,044            | 47,452                   | 785,555                      |
| Bonds and Other Long-Term Liabilities: |                |                       |                      |                     |                   |                          |                              |
| Bonds Payable                          | 82,180         | 1,750                 |                      |                     | 2,077             | 5,150                    | 91,157                       |
| Revenue Bonds Payable                  | 92,685         |                       |                      |                     |                   |                          | 92,685                       |
| Total Equity                           | 436,140        | 31,503                | 36,651               | 26,727              | 8,610             | 42,009                   | 581,640                      |

## 7. LEASES

### CITY AS LESSEE

#### A. Capital Leases

The City has capitalized leases for the following property and equipment in accordance with the Financial Accounting Standards Board Statement No. 13 with the obligation recorded at the present value of future rental payments. The related assets are amortized on a straight line basis over the useful life of the asset. Amounts relating to capitalized leases at December 31, 2001:

#### (AMOUNTS IN THOUSANDS)

|  | Enterprise<br><u>Funds</u> | Internal<br>Service<br><u>Funds</u> |
|--|----------------------------|-------------------------------------|
| Leased Property/Equipment under Capital Leases | \$ 637                     | \$2,084                             |
| Accumulated Amortization                       | 228                        | 1,514                               |
| Current Obligations under Capital Leases       | 235                        | 488                                 |
| Non-Current Obligations under Capital Leases   | 36                         | 177                                 |

The following is a schedule of future minimum capital leases and the present value of the net minimum lease payments at December 31, 2001:

#### (AMOUNTS IN THOUSANDS)

| <u>Year</u>                                    | Enterprise<br><u>Funds</u> | Internal<br>Service<br><u>Funds</u> | General<br>Long-term<br><u>Obligations</u> |
|--|----------------------------|-------------------------------------|--|
| 2002   | \$ 250                     | \$ 504                              | \$ 33                                      |
| 2003   | 38                         | 191                                 | 18   |
| Total minimum lease payments                   | <u>288</u>                 | <u>695</u>                          | <u>51</u>                                  |
| Less: Amounts representing interest            | <u>17</u>                  | <u>30</u>                           | <u>4</u>                                   |
| Present value of net minimum<br>lease payments | <u>\$ 271</u>              | <u>\$ 665</u>                       | <u>\$ 47</u>                               |
| Capital Lease Payments - 2001                  | <u>\$ 255</u>              | <u>\$ 625</u>                       | <u>\$ 33</u>                               |

#### B. 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. Future minimum lease payments are as follows:

#### (AMOUNTS IN THOUSANDS)

| <u>Year</u>                         | <u>Amount</u>   |
|-------------------------------------|-----------------|
| 2002                                | \$ 1,416        |
| 2003                                | 457             |
| 2004                                | 296             |
| 2005                                | 111             |
| 2006                                | <u>24</u>       |
| Total Future Minimum Lease Payments | <u>\$ 2,304</u> |
| Operating Lease Payments - 2001     | <u>\$ 1,602</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, 2001 are included in the financial statements of the following:

### (AMOUNTS IN THOUSANDS)

|                          | <u>Enterprise<br/>Funds</u> | <u>General Fixed<br/>Assets Account Group</u> |
|--------------------------|-----------------------------|---|
| Land                     | \$ 538                      | \$ 2,050                                      |
| Buildings                | 3,675                       | 2,948   |
| Improvements             | 483                         | 83,264  |
| Accumulated Depreciation | 2,570                       |   |

Future minimum rentals on non-cancelable operating leases as of December 31, 2001 are as follows:

### (AMOUNTS IN THOUSANDS)

| <u>Year</u>                          | <u>Enterprise<br/>Funds</u> | <u>Debt Service<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>General<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> |
|--------------------------------------|-----------------------------|------------------------------|-------------------------------------|-------------------------|--------------------------------------|
| 2002                                 | \$ 905                      | \$ 15,852                    | \$ 210                              | \$ 44                   | \$ 8                                 |
| 2003                                 | 815                         | 15,852                       | 36                                  | 45                      |                                      |
| 2004                                 | 769                         | 15,852                       | 15                                  | 45                      |                                      |
| 2005                                 | 565                         | 15,852                       |                                     | 45                      |                                      |
| 2006                                 | 448                         | 15,852                       |                                     |                         |                                      |
| Remaining years                      | <u>1,115</u>                | <u>317,046</u>               | _____                               | _____                   | _____                                |
| Total Future Minimum Rental Payments | <u>\$ 4,617</u>             | <u>\$396,306</u>             | <u>\$ 261</u>                       | <u>\$ 179</u>           | <u>\$ 8</u>                          |
| Total Rentals for 2001:              | \$ 1,011                    | \$ 15,852                    | \$ 372                              | \$ 44                   | \$ 18                                |

Future minimum rentals of the Debt Service Fund are assumed to equal the payments calculated for the current year.

## Enterprise Funds

The General Aviation rentals 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.

## General Fixed Assets Account Group

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.

During 1995, the City entered into a lease involving land with American Commercial Marine. The lease is for ten years, beginning January 1, 1996 and ending December 31, 2005.

In 1997, the City renewed a lease with Columbia Development Corporation for property adjacent to Whetstone Alley. The lease is for five years, beginning June 1, 1997, and ending May 31, 2002.

## **8. LONG-TERM OBLIGATIONS**

The City's long-term debt outstanding and other long-term obligations are reflected in the general long-term obligations account group and in the proprietary funds. Revenues from all sources have been sufficient to meet all of the City's debt service requirements.

### **General Long-Term Debt**

The composition of this long-term debt is general obligation bonds and notes and revenue bonds. The general obligation debt is subdivided into tax-supported, self-supported and revenue supported debt. Annually, City Council authorizes the property tax rates required to be levied to service the tax-supported debt. The self-supported debt is serviced by revenues received from municipal income taxes and agreements in effect and includes the following types: \$23.8 million from the pledge of municipal income taxes, \$26.3 million from contractual agreements, \$20.9 million from urban renewal and redevelopment tax increment payments, and \$40.6 from the police and fire pension fund. The Debt Service Fund records all revenues and expenditures for the City's general long-term debt. Expenditures of this fund include principal and interest payments on bonded indebtedness and expenses related to the administration of the fund.

### **Enterprise Funds**

There are various issues of general obligation bonds included in the enterprise funds. The general obligation bonds are serviced by water, stormwater, golf and parking facilities user charges. Should such user charges be insufficient for debt service, the principal and interest would be paid from the levy of ad valorem taxes on all property in the City without limitation as to the rate or amount.

## Annual Long-Term Debt Requirements

The annual requirements to amortize all long-term debt outstanding at December 31, 2001, including interest payments of \$221,523,000 are as presented below:

| <b>(AMOUNTS IN THOUSANDS)</b><br>Year Ending | <u>General Obligation</u> |                  |                         |                 |
|--|---------------------------|------------------|-------------------------|-----------------|
|  | <u>Governmental Funds</u> |                  | <u>Enterprise Funds</u> |                 |
| <u>December 31</u>                           | <u>Principal</u>          | <u>Interest</u>  | <u>Principal</u>        | <u>Interest</u> |
| 2002   | \$ 46,338                 | \$ 15,108        | \$16,190                | \$ 4,420        |
| 2003   | 26,634                    | 12,824           | 16,221                  | 3,575           |
| 2004   | 27,127                    | 11,525           | 13,588                  | 2,729           |
| 2005   | 19,632                    | 10,116           | 11,590                  | 2,050           |
| 2006   | 16,762                    | 9,154            | 9,698                   | 1,485           |
| 2007-2011                                    | 57,835                    | 34,669           | 18,070                  | 2,958           |
| 2012-2016                                    | 44,715                    | 21,218           | 5,800                   | 479             |
| 2017-2021                                    | 22,445                    | 10,881           |                         |                 |
| 2022-2035                                    | <u>25,440</u>             | <u>12,357</u>    |                         |                 |
| Total  | <u>\$286,928</u>          | <u>\$137,852</u> | <u>\$91,157</u>         | <u>\$17,696</u> |

| Year Ending        | <u>Revenue Bonds</u> |                 |                  |
|--------------------|----------------------|-----------------|------------------|
|                    | <u>Principal</u>     | <u>Interest</u> | <u>Total</u>     |
| <u>December 31</u> |                      |                 |                  |
| 2002               | \$ 3,367             | \$ 5,678        | \$ 91,101        |
| 2003               | 3,552                | 5,493           | 68,299           |
| 2004               | 3,743                | 5,302           | 64,014           |
| 2005               | 3,943                | 5,101           | 52,432           |
| 2006               | 4,145                | 4,890           | 46,134           |
| 2007-2011          | 23,804               | 20,883          | 158,219          |
| 2012-2016          | 29,300               | 13,495          | 115,007          |
| 2017-2021          | 32,650               | 5,133           | 71,109           |
| 2022-2035          |                      |                 | <u>37,797</u>    |
| Total              | <u>\$104,504</u>     | <u>\$65,975</u> | <u>\$704,112</u> |

## Changes in Long-Term Obligations

During the year ended December 31, 2001, the following changes occurred in liabilities reported in the General Long-Term Obligations Account Group:

| <b>(AMOUNTS IN THOUSANDS)</b>          | <u>January 1</u> | <u>Additions</u> | <u>Reductions</u> | <u>December 31</u> |
|--|------------------|------------------|-------------------|--------------------|
| General Obligation                     |                  |                  |                   |                    |
| Bonds                                  | \$249,716        | \$47,695         | \$31,783          | \$265,628          |
| Notes                                  | 20,303           | 9,997            | 9,000             | 21,300             |
| Revenue Bonds                          | 12,346           |                  | 527               | 11,819             |
| Estimated Liability for                |                  |                  |                   |                    |
| Compensated Absences                   | 56,174           | 19,154           | 19,686            | 55,642             |
| Estimated Liability for                |                  |                  |                   |                    |
| Unpaid Claims                          | 3,056            | 2,522            | 2,435             | 3,143              |
| Current Obligations                    |                  |                  |                   |                    |
| under Capital Leases                   | 26               | 4                |                   | 30                 |
| Non-Current Obligations                |                  |                  |                   |                    |
| under Capital Leases                   | 48               |                  | 31                | 17                 |
| State Loan                             | <u>14,069</u>    | <u>363</u>       | <u>10,098</u>     | <u>4,334</u>       |
| Total Changes in Long-Term Obligations | <u>\$355,738</u> | <u>\$79,735</u>  | <u>\$73,560</u>   | <u>\$361,913</u>   |

**Bonds and Notes Outstanding at December 31, 2001**

(AMOUNTS IN THOUSANDS)

| Description                                      | Interest Rates   | Issue Dates | Maturity Dates | Original Issues | Amount Due 2002 | Amount Outstanding 12/31/2001 |
|--|------------------|-------------|----------------|-----------------|-----------------|-------------------------------|
| Bonds:   |                  |             |                |                 |                 |                               |
| General Property Tax Supported                   | 3.25%            | 1957-1961   | 2001-2007      | \$ 1,000        | \$ 20           | \$ 120                        |
|  | 4.1% to 5%       | 1971-1999   | 2001-2009      | 113,500         | 12,510          | 57,020                        |
|  | 5.15% to 5.25%   | 1992-2000   | 2001-2020      | 91,025          | 6,180           | 66,545                        |
|  | 5.625% to 6%     | 1984-1991   | 2001-2004      | 2,500           | 130             | 325                           |
|  | 7.875% to 8%     | 1985-1987   | 2001-2017      | 30,000          | 1,000           | 16,000                        |
| Various Rate Issues                              | 4% to 6.2%       | 1991-2001   | 2004-2016      | 40,780          | 2,800           | 35,330                        |
| Urban Redevelopment                              |                  |             |                |                 |                 |                               |
| Various Rate Issues                              | 4.8% to 6.3%     | 1995        | 2015           | 3,250           | 125             | 2,680                         |
| Municipal Income Tax                             | 4.375% to 5.375% | 1992-2000   | 2002-2020      | 27,960          | 3,280           | 10,980                        |
| Recreational Facilities                          | 5.15% to 6.75%   | 1977-1995   | 2002-2011      | 8,598           | 595             | 2,778                         |
| Various Rate Issues                              | 4% to 5%         | 2001        | 2021           | 9,000           | 450             | 9,000                         |
| Urban Renewal                                    |                  |             |                |                 |                 |                               |
|  | 4.1% to 4.375%   | 1996-1999   | 2001-2004      | 6,000           | 1,200           | 3,600                         |
|  | 4.75% to 5.2%    | 1995-2000   | 2001-2007      | 11,000          | 1,855           | 6,145                         |
|  | 6.75%            | 1990        | 2005           | 1,500           | 100             | 400                           |
| Various Rate Issues                              | 5.75% to 6.5%    | 1991        | 2008           | 3,900           | 270             | 2,295                         |
| Urban Development Taxable                        |                  |             |                |                 |                 |                               |
| Various Rate Issues                              | 4% to 6.25%      | 1998-2001   | 2019-2021      | 12,200          | 470             | 11,790                        |
| Police & Fire Pension                            | 5.8%             | 2000        | 2035           | 42,000          | 450             | 40,620                        |
| Total General Long-Term Bond Obligations         |                  |             |                | 404,213         | 31,435          | 265,628                       |
| Recreational Facilities                          | 4.6% to 5.375%   | 1972-1994   | 2002-2007      | 6,302           | 545             | 2,077                         |
| Off Street Parking                               | 6.75%            | 1990        | 2006           | 5,000           | 350             | 1,750                         |
| Water Works                                      |                  |             |                |                 |                 |                               |
|  | 4.1% to 6.5%     | 1975-1999   | 2001-2014      | 113,000         | 9,930           | 68,600                        |
|  | 6.7% to 6.75%    | 1989-1990   | 2004-2006      | 37,000          | 2,500           | 9,700                         |
|  | 7%               | 1988        | 2003           | 28,000          | 1,940           | 3,880                         |
| Stormwater                                       | 4.2 to 5.15%     | 1995-1999   | 2005-2007      | 8,800           | 925             | 5,150                         |
| Total Proprietary Fund Obligations               |                  |             |                | 198,102         | 16,190          | 91,157                        |
| Total General Obligation Bonds Payable           |                  |             |                | 602,315         | 47,625          | 356,785                       |
| Notes:   |                  |             |                |                 |                 |                               |
| Municipal Income Tax                             | 5.5 to 5.75%     | 1998-2001   | 2002-2005      | 12,800          | 6,403           | 12,800                        |
| Urban Redevelopment                              | 4.50%            | 2001        | 2002           | 8,500           | 8,500           | 8,500                         |
| Total General Obligation Notes Payable           |                  |             |                | 21,300          | 14,903          | 21,300                        |
| Total General Obligation Bonds and Notes Payable |                  |             |                | \$ 623,615      | \$ 62,528       | \$ 378,085                    |
| Revenue Bonds                                    | Various          | 1990-2001   | 2010-2021      | \$ 115,375      | \$ 3,367        | \$ 104,504                    |
| Total Outstanding Debt                           |                  |             |                |                 |                 | \$ 482,589                    |

The following changes occurred in long-term debt for both governmental and proprietary funds:

**(AMOUNTS IN THOUSANDS)**

|  | General<br><u>Obligation</u> | Revenue<br><u>Bonds</u> |
|--|------------------------------|-------------------------|
| Bonds and Notes Outstanding January 1, 2001      | \$377,308                    | \$12,346                |
| Notes Issued                                     | 9,997                        |                         |
| Notes Retired                                    | (9,000)                      |                         |
| Bonds Issued                                     | 47,695                       | 92,685                  |
| Bonds Retired                                    | <u>(47,915)</u>              | <u>(527)</u>            |
| Bonds and Notes Outstanding at December 31, 2001 | <u>\$378,085</u>             | <u>\$104,504</u>        |

Bond and Note Proceeds for Governmental Funds includes \$14,965,000 of short-term notes and \$966,000 of bond premium. Proceeds from the sale of Bonds and Notes for Enterprise Funds includes \$2,469,000 of bond premium. Debt Service- Principal Retirement for Governmental Funds includes \$14,965,000 of short term-notes, \$10,098,000 of State Loan principal, and \$27,000 of capital lease principal. These amounts are not included in the notes and bonds issued and notes and bonds retired in the schedule shown above.

**Compensated Absences**

GASB Statement No. 16 requires state and local governments to recognize the liabilities associated with employees' compensated absences. Therefore, the following obligations have been included in the Comparative Schedule of General Long-Term Obligations.

|                   |  |
|-------------------|--|
| Vacation          | - Vacation benefits are considered to be vested benefits of the employees. The obligation at December 31, 2001 for vacation benefits of the governmental funds is approximately \$20,099,000.  |
| Sick Leave        | - Sick leave benefits are included in the estimated liability for all employees, based upon the portion of accumulated sick leave liability estimated to eventually be paid as a retirement or death benefit. At December 31, 2001 this liability is approximately \$17,065,000. |
| Compensatory Time | - Employees of the governmental funds are permitted to accumulate compensatory time for work in excess of their normal forty hour work week. The amount of this obligation at December 31, 2001 is approximately \$18,478,000.   |

The following is a Summary of the Changes in the Estimated Liability for Compensated Absences of the City of Cincinnati for the year ended December 31, 2001.

**(AMOUNTS IN THOUSANDS)**

|   | <u>Accrued<br/>Vacation</u> | <u>Sick Pay</u> | <u>Compensatory<br/>Time</u> | <u>Total</u>    |
|---|-----------------------------|-----------------|------------------------------|-----------------|
| Estimated Liability for<br>Compensated Absences,<br>January 1, 2001   | \$20,633                    | \$17,152        | \$18,389                     | \$56,174        |
| Earned During 2001  | 11,369                      | 1,359           | 6,426                        | 19,154          |
| Used During 2001  | (11,903)                    | (1,446)         | (5,951)                      | (19,300)        |
| Funded in Non-Appropriated<br>Special Revenue Fund                    | _____                       | _____           | <u>(386)</u>                 | <u>(386)</u>    |
| Estimated Liability for<br>Compensated Absences,<br>December 31, 2001 | <u>\$20,099</u>             | <u>\$17,065</u> | <u>\$18,478</u>              | <u>\$55,642</u> |

## **State Infrastructure Bank Loan**

On May 19, 1999 City Council authorized the City Manager to amend the repayment terms of an April 30, 1998 note agreement the City had made with the Ohio Department of Transportation, State Infrastructure Bank. The loan to the City has an original principal amount not to exceed \$20,020,000 and was issued for the purpose of paying a portion of the Fort Washington Way Improvement project. The terms of the original note agreement required that the loan be repaid 18 month from the date of the initial disbursement under the note. The initial disbursement was made on May 29, 1998, so the first payment was required on November 29, 1999. Under the terms of the new loan agreement, the City was obligated to pay accrued interest and a principal payment of \$5,000,000 on February 1, 2000. On February 1, 2001, the City made a second principal payment of \$5,000,000. On April 20, 2001, the City made a third principal payment of \$5,000,000 from a federal grant received for Fort Washington Way. A principal and interest payment of \$242,672 was made on August 1, 2001. Thereafter, the note is payable as to principal and interest (5%), in 29 equal semi-annual installments of \$211,873. The balance of the loan was \$4,334,000 at December 31, 2001 and is included as a "State Loan" in the General Long Term Obligations Account Group. This liability was recorded as a "Due to Other Governmental Agencies" in the Capital Projects Fund in prior years and a \$14,069,340 transfer of this liability to General Long Term Obligations Account Group was made during 2001.

## **9. RETAINED EARNINGS DEFICITS**

Included in the general purpose financial statements are certain enterprise funds and internal service funds with retained earnings deficits as of December 31, 2001. The net retained earnings deficits in the two enterprise funds of Convention Center (\$27,132,000) and General Aviation (\$597,000) are to be covered by future user charges and contributions from other City funds. The net retained earnings deficits in the internal service funds of Property Management (\$256,000), and Municipal Garage (\$688,000) are to be covered by future user charges.

## **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 the latest increase of .1% enacted July 1, 1988, to be spent only for the maintenance of the City's infrastructure. The second component is the .3% which can be used only for public transit purposes, including both capital and current operating expense. The third component is .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 \$188,598,108 for the 1.55% portion in 2001 were less than the original allocation of \$199,563,000 for the General Fund. The following table identifies the excess 1.55% income tax collections for the years 1997 through 2001 and collections in excess of allocation:

**(AMOUNTS IN THOUSANDS)**

| <u>Year</u> | <u>Actual<br/>Collections<br/>of 1.55%</u> | <u>Allocation<br/>to General Fund</u> | <u>Collections<br/>in Excess of<br/>Allocation</u> |
|-------------|--|---------------------------------------|--|
| 1997        | \$162,140                                  | \$160,270                             | \$ 1,870   |
| 1998        | 174,335                                    | 164,300                               | 10,035   |
| 1999        | 182,695                                    | 180,500                               | 2,195  |
| 2000        | 183,035                                    | 183,035                               |  |
| 2001        | 188,598                                    | 188,598                               |  |

**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 2001 levy was based was \$4,363,448,000, \$377,646,000 and \$687,614,000 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 - 2002**

|                                |                  |
|--------------------------------|------------------|
| Lien date                      | January 1, 2001  |
| Levy date                      | October 31, 2001 |
| First installment payment due  | January 31, 2002 |
| Second installment payment due | June 20, 2002    |

Assessed values are established by the County Auditor, 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 1999 with the results affecting collections beginning in 2000. The City recognizes the property taxes due to be paid in 2002 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.

Public utilities property taxes in any calendar year are those levied on assessed values as of December 31 of the preceding year. Tangible personal property of public utilities is assessed at various percentages of true value. Tangible personal property used in business, other than public utilities, is assessed at 25% of true value.

## 12. CONTRIBUTED CAPITAL

During the year, contributed capital decreased by the following amounts:

### (AMOUNTS IN THOUSANDS)

| <u>Source</u>                      | <u>Water Works</u> | <u>Parking Facilities</u> | <u>Convention Center</u> | <u>General Aviation</u> | <u>Municipal Golf</u> |
|------------------------------------|--------------------|---------------------------|--------------------------|-------------------------|-----------------------|
| Contributed Capital, January 1     | \$35,872           | \$10,626                  | \$64,928                 | \$27,573                | \$ 1,290              |
| Depreciation on Contributed Assets | <u>(405)</u>       | <u>(50)</u>               | <u>(1,145)</u>           | <u>(249)</u>            | <u>      </u>         |
| Contributed Capital, December 31   | <u>\$35,467</u>    | <u>\$10,576</u>           | <u>\$63,783</u>          | <u>\$27,324</u>         | <u>\$ 1,290</u>       |

| <u>Source</u>                      | <u>Stormwater Management</u> | <u>Purchasing Printing Services</u> | <u>Purchasing General Stores</u> | <u>Municipal Garage</u> | <u>Regional Computer Center</u> | <u>Total</u>     |
|------------------------------------|------------------------------|-------------------------------------|----------------------------------|-------------------------|---------------------------------|------------------|
| Contributed Capital, January 1     | \$ 2,348                     | \$ 25                               | \$ 5                             | \$ 4,384                | \$21,624                        | \$168,675        |
| Depreciation on Contributed Assets | <u>      </u>                | <u>      </u>                       | <u>      </u>                    | <u>      </u>           | <u>      </u>                   | <u>(1,849)</u>   |
| Contributed Capital, December 31   | <u>\$ 2,348</u>              | <u>\$ 25</u>                        | <u>\$ 5</u>                      | <u>\$ 4,384</u>         | <u>\$21,624</u>                 | <u>\$166,826</u> |

## 13. CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets for 2001 is as follows:

### (AMOUNTS IN THOUSANDS)

|                          | <u>Balance January 1, 2001</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance December 31, 2001</u> |
|--------------------------|--------------------------------|------------------|------------------|----------------------------------|
| Land                     | \$137,814                      | \$ 999           | \$ 1,842         | \$136,971                        |
| Buildings                | 138,684                        | 1,012            | 7,876            | 131,820                          |
| Improvements             | 206,139                        | 26,375           | 17,894           | 214,620                          |
| Machinery and Equipment  | 61,278                         | 5,139            | 4,029            | 62,388                           |
| Construction in Progress | <u>450,479</u>                 | <u>127,000</u>   | <u>300,375</u>   | <u>277,104</u>                   |
| Total                    | <u>\$994,394</u>               | <u>\$160,525</u> | <u>\$332,016</u> | <u>\$822,903</u>                 |

Construction in Progress at December 31, 2001 is comprised of the following:

**(AMOUNTS IN THOUSANDS)**

| <u>Administering Department</u> | <u>Project Authorizations</u> | <u>Expended to December 31, 2001</u> | <u>Committed</u> | <u>Required Future Financing</u> |
|---------------------------------|-------------------------------|--------------------------------------|------------------|----------------------------------|
| Transportation & Engineering    | \$247,667                     | \$178,300                            | \$ 69,367        | \$ 38,591                        |
| Economic Development            | 50,704                        | 24,618                               | 26,086           | 5,775                            |
| Neighborhood Services           | 27,856                        | 18,548                               | 9,308            |                                  |
| Recreation                      | 36,558                        | 13,905                               | 22,653           | 10,088                           |
| Safety                          | 2,674                         | 1,575                                | 1,099            |                                  |
| Parks                           | 17,093                        | 6,260                                | 10,833           | 3,571                            |
| Public Services                 | 7,868                         | 4,440                                | 3,428            |                                  |
| Other                           | <u>46,735</u>                 | <u>29,458</u>                        | <u>17,277</u>    | <u>96</u>                        |
| Totals                          | <u>\$437,155</u>              | <u>\$277,104</u>                     | <u>\$160,051</u> | <u>\$ 58,121</u>                 |

The above amounts expended at December 31, 2001 include cash-basis expenditures only and do not reflect payables at that date. Required future financing represents State and Federal commitments in support of City projects.

A summary of proprietary fund type property, plant and equipment at December 31, 2001, is as follows:

**(AMOUNTS IN THOUSANDS)**

|  | <u>Enterprise Funds</u> | <u>Internal Service Funds</u> |
|--|-------------------------|-------------------------------|
| Land                                   | \$ 25,349               | \$ 133                        |
| Buildings                              | 248,064                 | 272                           |
| Improvements                           | 369,199                 | 3,661                         |
| Machinery and Equipment                | 143,016                 | 28,077                        |
| Construction in Progress               | 130,546                 |                               |
| Property Acquired under Capital Leases | <u>637</u>              | <u>2,084</u>                  |
| Total                                  | 916,811                 | 34,227                        |
| Accumulated Depreciation               | (305,511)               | (15,387)                      |
| Accumulated Amortization               | <u>(228)</u>            | <u>(1,514)</u>                |
| Net                                    | <u>\$ 611,072</u>       | <u>\$ 17,326</u>              |

Construction in Progress at December 31, 2001 is comprised of the following:

**(AMOUNTS IN THOUSANDS)**

| <u>Enterprise Fund</u> | <u>Project Authorizations</u> | <u>Expended to December 31, 2001</u> | <u>Committed</u> | <u>Required Future Financing</u> |
|------------------------|-------------------------------|--------------------------------------|------------------|----------------------------------|
| Water Works            | \$171,486                     | \$113,297                            | \$58,189         | \$                               |
| Parking Facilities     | 9,167                         | 7,024                                | 2,143            |                                  |
| Convention Center      | 3,540                         | 1,882                                | 1,658            | 1,600                            |
| General Aviation       | 3,729                         | 2,729                                | 1,000            | 267                              |
| Municipal Golf         | 2,202                         | 1,450                                | 752              |                                  |
| Stormwater Management  | <u>10,377</u>                 | <u>4,164</u>                         | <u>6,213</u>     | <u>_____</u>                     |
| Totals                 | <u>\$200,501</u>              | <u>\$130,546</u>                     | <u>\$69,955</u>  | <u>\$1,867</u>                   |

## **14. RECEIVABLES**

Accounts Receivable are presented in the general purpose financial statements net of the allowance for uncollectible accounts. The uncollectible accounts related to the General Fund at December 31, 2001, are as follows: Taxes Receivable (\$1,838,000) and other accounts receivable (\$2,684,000). The uncollectible accounts related to the Debt Service Fund at December 31, 2001 are Taxes Receivable (\$1,834,000). The balance for the allowance for doubtful accounts in the Capital Projects Fund at December 31, 2001 is (\$521,000). The balances of the allowance accounts of the proprietary funds as of December 31, 2001 are as follows: Water Works (\$1,684,000), Regional Computer Center (\$15,000), Convention Center (\$133,000), General Aviation (\$9,000), Municipal Golf (\$7,000), Parking Facilities (\$9,000), and Stormwater Management (\$3,860,000).

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 \$2,303,000, 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, 2001 total \$58,544,000.

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, 2001 is \$734,000. This amount is related to Goodall Properties Ltd.

## **15. CONTINGENT LIABILITIES**

### **Federal and State Grants**

The City has received Federal and State grants in excess of \$54 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. Based on prior experience, the City Administration believes such disallowances, if any, will be immaterial.

### **Litigation**

Various claims and lawsuits are pending against the City as of December 31, 2001. A liability of \$4 million was recorded for those claims and judgments as of December 31, 2001. Over the past decade, the City has averaged annual payments of \$1,499,000 for claim and lawsuit settlements. Adequate funds have been provided to meet the claims paid both from the General Fund and restricted funds of the City. The City Administration believes there is no foreseen problem in having adequate resources to settle presently known cases.

## 16. 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 2001. 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 the choice of three separate health insurance plans for its employees. All of the plans are 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 under a retrospective rating plan. 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. Changes in the balances of claims liabilities and claims adjustment expenses during 2001 and 2000 are as follows:

### (AMOUNTS IN THOUSANDS)

|  | General       |               | Water Works  |              | Parking Facilities |             | Convention Center |             | Municipal Golf |             | Capital Projects |                |
|--|---------------|---------------|--------------|--------------|--------------------|-------------|-------------------|-------------|----------------|-------------|------------------|----------------|
|  | <u>2001</u>   | <u>2000</u>   | <u>2001</u>  | <u>2000</u>  | <u>2001</u>        | <u>2000</u> | <u>2001</u>       | <u>2000</u> | <u>2001</u>    | <u>2000</u> | <u>2001</u>      | <u>2000</u>    |
| Balance at January 1                         | \$ 563        | \$ 288        | \$ 73        | \$ 57        | \$ 2               | \$ 3        | \$ 2              | \$ 4        | \$             | \$ 5        | \$4,613          | \$ 4,160       |
| Current-Year Claims and Changes in Estimates | 854           | 531           | 41           | 198          |                    | 1           | 19                | 3           | 1              | (2)         |                  | 453            |
| Claim Payments                               | (637)         | (256)         | (46)         | (182)        | (1)                | (2)         | (9)               | (5)         | (1)            | (3)         | (4,613)          |                |
| Balance at December 31                       | <u>\$ 780</u> | <u>\$ 563</u> | <u>\$ 68</u> | <u>\$ 73</u> | <u>\$ 1</u>        | <u>\$ 2</u> | <u>\$ 12</u>      | <u>\$ 2</u> | <u>\$</u>      | <u>\$</u>   | <u>\$</u>        | <u>\$4,613</u> |

|  | Stormwater Management |             | Income Tax Infrastructure |              | Self Insurance Medical |                 | Workers Compensation |                 | General Long-Term Obligations |                | Totals          |                 |
|--|-----------------------|-------------|---------------------------|--------------|------------------------|-----------------|----------------------|-----------------|-------------------------------|----------------|-----------------|-----------------|
|  | <u>2001</u>           | <u>2000</u> | <u>2001</u>               | <u>2000</u>  | <u>2001</u>            | <u>2000</u>     | <u>2001</u>          | <u>2000</u>     | <u>2001</u>                   | <u>2000</u>    | <u>2001</u>     | <u>2000</u>     |
| Balance at January 1                         | \$ 4                  | \$ 4        | \$ 13                     | \$ 13        | \$9,064                | \$8,833         | \$23,782             | 22,987          | \$3,056                       | \$3,419        | \$41,172        | \$39,773        |
| Current-Year Claims and Changes in Estimates | 8                     | 95          | 9                         | 30           | 51,760                 | 38,375          | 191                  | 2,007           | 2,522                         | 1,664          | 55,405          | 43,355          |
| Claim Payments                               | (9)                   | (95)        | (22)                      | (30)         | (53,354)               | (38,144)        | (4,523)              | (1,212)         | (2,435)                       | (2,027)        | (65,650)        | (41,956)        |
| Balance at December 31                       | <u>\$ 3</u>           | <u>\$ 4</u> | <u>\$</u>                 | <u>\$ 13</u> | <u>\$ 7,470</u>        | <u>\$ 9,064</u> | <u>\$19,450</u>      | <u>\$23,782</u> | <u>\$3,143</u>                | <u>\$3,056</u> | <u>\$30,927</u> | <u>\$41,172</u> |

The claims liabilities at December 31, 2001 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)**

|  | <b>Self Insurance<br/>Medical</b> | <b>Workers<br/>Compensation</b> |
|--|-----------------------------------|---------------------------------|
| Accounts Payable                         | \$1,470                           | \$ 2                            |
| Accrued Liabilities                      |                                   | 4,300                           |
| Estimated Liability<br>For Unpaid Claims | <u>6,000</u>                      | <u>15,148</u>                   |
| Total                                    | <u>\$7,470</u>                    | <u>\$19,450</u>                 |

**17. SUBSEQUENT EVENTS**

On March 20, 2002, City Council authorized the taking of bids on \$39,280,000 of general obligation bonds to be dated May 1, 2002. The six bond issues sold at coupon rates from 3.25% to 5.00%, but with a bid premium of \$413,087 the effective rates were from 2.18% to 4.80%. The bonds include tax supported issues of \$16,975,000 for Street Improvements, \$4,600,000 for Public Building Improvements, \$6,125,000 for Equipment Improvements, \$4,500,000 and \$3,080,000 for Urban Renewal Improvements, and \$4,000,000 for Economic Development Improvements.

In February, 2002 Greater Cincinnati Water Works signed an operating and maintenance agreement with the City of Mason, Ohio. The purpose of the 30-year agreement is to provide retail water services to Mason's water utility customers, to operate and maintain Mason's water distribution system, water treatment plant and associated infrastructure and to provide utility billing and collection services for Mason's wastewater, storm water and garbage utilities. In return for these services Greater Cincinnati Water Work's is entitled to all the water revenues derived from the Mason system in addition to a collection fee for the utility billing services.

## **18. 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 Public Employees Retirement System (PERS), which are State pension systems, and the City of Cincinnati's Retirement System. Each of these three systems is a cost-sharing multiple-employer defined benefit pension 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 benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The 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% respectively for police officers and fire fighters. The City of Cincinnati's contributions to OP&F for the years ending December 31, 2001, 2000, and 1999 were \$21,857,000.00, \$21,005,000, and \$23,961,000, respectively, equal to the required contributions for each year including the installment payments on the unfunded prior service cost for 1999.

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 Post employment Benefit Information**

OP&F provides post-retirement health care coverage to 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 health care coverage provided by the police and firefighters' retirement system is considered an Other Postemployment Benefit (OPEB). A portion of each employer's contribution to the Police and Fire Pension Fund is set aside for the funding of postemployment health care. The Ohio Revised Code provides the statutory authority allowing the fund's board of trustees to provide health care coverage to all eligible individuals. Health care funding and accounting are on a pay-as-you-go basis. In 2001, 7.5% of covered payroll was used to pay retiree health care expenses. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The number of participants eligible to receive health care benefits as of December 31, 2000, the date of the last actuarial valuation available was 12,853 for police and 10,037 for firefighters. The portion of the City's 2001 contributions that was used to pay postemployment benefits was \$4,430,708 for police and \$3,239,073 for firefighters. The total health care expense of the fund for the year ending December 31, 2000, the date of the last actuarial valuation available, was \$106,160,054, which was net of member contributions of \$5,657,431.

## **State PERS**

### **Plan Description**

Only City employees who were members in the Public Employees Retirement System of Ohio (PERS) 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 PERS.

PERS is a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to PERS, 277 East Town Street, Columbus, Ohio 43215-4642 or calling (614) 466-2085.

### **Funding Policy**

The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees contribute 8.5% of their annual compensation. The City's contribution rate for 2001 was 13.31% of covered payroll; 9.01% was the portion used to fund pension obligations and 4.30% was used to fund health care for 2001. City of Cincinnati's contributions to PERS for the years ending December 31, 2001, 2000, and 1999, were \$1,822,000, \$1,363,000, and \$1,717,000 respectively, equal to the required contributions for each year.

### **Other Postemployment Benefit Information**

PERS provides postemployment health care coverage to age and service retirees with ten or more years of qualifying service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by PERS is considered an Other Postemployment Benefit (OPEB). A portion of each employer's contribution to PERS is set aside for the funding of postemployment health care. The Ohio Revised Code provides statutory authority for employer contributions.

OPEB are advance-funded on an actuarially determined basis. The number of active contributing participants was 411,076. The portion of the City's employer contribution that was used to fund postemployment benefits was \$588,805. The actuarial value of PERS net assets available for OPEB was \$11,735,900,000 at December 31, 2000. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364,600,000 and \$2,628,700,000, respectively.

## **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 12 and 13. 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, 2001, the date of the latest actuarial valuation:

|   | <u>Pension</u> | <u>Health care</u> |
|---|----------------|--------------------|
| Retirees and beneficiaries receiving benefits       | 4,345          | 4,345              |
| Terminated plan members entitled to future benefits | 85             | 85                 |
| Active plan members:                                |                |                    |
| Vested  | 3,352          | 1,889              |
| Nonvested   | <u>2,191</u>   | <u>3,654</u>       |
| Total   | <u>9,973</u>   | <u>9,973</u>       |

1,597 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 vest 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 the Cincinnati Municipal Code establishes all other requirements.

### **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. The contribution rate for 2001 was 7% for all employers. City of Cincinnati's contributions to the City of Cincinnati Retirement System for the years ending December 31, 2001, 2000, and

1999 were \$12,454,000, \$11,520,000, and \$11,629,000, respectively equal to the required contributions for each year. Administrative costs are financed from the system assets. The System's independent actuary reported that the System's unfunded actuarial accrued liability for prior service cost was paid off as of December 31, 1998.

### **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 exchange 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. 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 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). 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 actuarial assumptions used for the December 31, 2001 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 are recognized as an expense as claims are paid. The employer contribution that was used to fund postemployment benefits was \$3,290,000. The actuarial value of the System's net assets available for OPEB at December 31, 2001 was \$775,960,000. The actuarially accrued liability based on the actuarial cost method used was \$845,443,000.

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                 | 12/31/01  |
| Actuarial cost method          | Entry age normal  |
| Asset valuation method         | Preliminary actuarial value of assets is calculated by projecting the prior year's actuarial value to the current valuation date using the valuation interest assumption and actual contributions, benefit payments and expenses. This preliminary value is then adjusted if it is not within a corridor equal to 90% - 110% of the market value of assets. |
| Actuarial assumptions:         |   |
| Investment rate of return*     | 8.75% per year, prior to 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                       | 2000 City of Cincinnati Rate of Termination Experience Table  |
| Disability                     | The 1995 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.  |
| Hospital and Surgical Benefits | Adjusted premiums are based on experience for recent years adjusted to current year by assumed annual increase in premium costs.  |
| Medicare Part B                | Premiums are assumed to increase in accordance with estimates from the 2001 Annual Report of the Board of Trustees (previously the Congressional Budget Office) until the year 2008 and then increase at 7% per year thereafter.  |
| Dental Benefits                | Premiums are assumed to increase at a decreasing rate, starting at 7% for 2001, then decreasing by 0.5% per year to 4.5% and remaining there for 15 years, then decreasing gradually over 12 years to zero. This takes the \$1,000 fixed cap on annual dental costs into account.   |
| Vision Benefits                | The vision premium is fixed at \$75 per year. The anticipated annual increase in costs is 0.5% to take increases in administrative costs into account.  |
| *Inflation rate                | No assumption.  |
| Cost-of-living adjustments     | 3% compound interest  |

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS**

(AMOUNTS IN THOUSANDS)

**PENSION PLAN**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) -Entry Age (b) | Unfunded Actuarial Accrued Liability (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|--|---|--------------------|---------------------|---|
| 12/31/96                 | \$1,082,980                   | \$1,141,076                                      | \$ 58,096   | 94.91 %            | \$177,943           | 32.65   |
| 12/31/97                 | 1,250,997                     | 1,214,573  | (36,424)  | 103.00             | 181,547             | (20.06)   |
| 12/31/98                 | 1,411,847                     | 1,235,332  | (176,515)   | 114.29             | 181,691             | (97.15)   |
| 12/31/99                 | 1,554,854                     | 1,378,625  | (176,229)   | 112.78             | 184,477             | (95.53)   |
| 12/31/00                 | 1,627,207                     | 1,439,180  | (188,027)   | 113.06             | 182,556             | (103.00)  |
| 12/31/01                 | 1,699,977                     | 1,473,359  | (226,618)   | 115.38             | 191,756             | (118.18)  |

**HEALTHCARE PLAN**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) -Entry Age (b) | Unfunded Actuarial Accrued Liability (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|--|---|--------------------|---------------------|---|
| 12/31/96                 | \$472,559                     | \$497,910  | \$ 25,351   | 94.91 %            | \$177,943           | 14.25   |
| 12/31/97                 | 548,239                       | 532,277  | (15,962)  | 103.00             | 181,547             | (8.79)  |
| 12/31/98                 | 624,185                       | 504,851  | (119,334)   | 123.64             | 181,691             | (65.68)   |
| 12/31/99                 | 696,701                       | 531,059  | (165,642)   | 131.19             | 184,477             | (89.79)   |
| 12/31/00                 | 736,491                       | 623,386  | (113,105)   | 118.14             | 182,556             | (61.96)   |
| 12/31/01                 | 775,960                       | 845,443  | 69,483  | 91.78              | 191,756             | 36.24   |

**SCHEDULE OF EMPLOYERS' CONTRIBUTIONS**

(AMOUNTS IN THOUSANDS)

**PENSION PLAN**

| Year Ended December 31 | Annual Required Contribution | Percentage Contributed |
|------------------------|------------------------------|------------------------|
| 1996                   | \$ 16,823                    | 141.60 %               |
| 1997                   | 23,335                       | 106.80                 |
| 1998                   | 14,560                       | 127.83                 |
| 1999                   | (9,467)                      | N/A                    |
| 2000                   | (12,119)                     | N/A                    |
| 2001                   | (6,443)                      | N/A                    |

**HEALTHCARE PLAN**

| Year Ended December 31 | Annual Required Contribution | Percentage Contributed |
|------------------------|------------------------------|------------------------|
| 1996                   | \$ 5,608                     | 141.60 %               |
| 1997                   | 7,778                        | 106.80                 |
| 1998                   | 4,853                        | 127.83                 |
| 1999                   | (3,156)                      | N/A                    |
| 2000                   | (4,040)                      | N/A                    |
| 2001                   | (2,148)                      | N/A                    |

# GOVERNMENTAL FUNDS



## GENERAL FUND

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

## CITY OF CINCINNATI, OHIO

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

| GENERAL FUND   | 2001      | 2000      |
|--|-----------|-----------|
| Revenue  |           |           |
| Taxes  |           |           |
| Real Property  | \$ 22,513 | \$ 23,124 |
| Personal Property                                      | 3,799     | 3,618     |
| City Income Tax  | 185,508   | 183,905   |
| Admissions   | 3,249     | 3,335     |
| Total Taxes  | 215,069   | 213,982   |
| Licenses and Permits                                   |           |           |
| Street Use   | 1,695     | 1,716     |
| Health   | 151       | 156       |
| Police and Protective                                  | 52        | 120       |
| Beer and Liquor  | 486       | 522       |
| Business and Merchandising                             | 17        | 17        |
| Amusements   | 91        | 105       |
| Professional and Occupational                          | 139       | 122       |
| Buildings, Structures and Equipment                    | 3,291     | 2,930     |
| Total Licenses and Permits                             | 5,922     | 5,688     |
| Use of Money and Property                              |           |           |
| Fines, Forfeits and Penalties                          | 2,917     | 3,963     |
| Income from Treasury Investments                       | 14,765    | 13,474    |
| Rents  | 6         | 1         |
| General Concessions and Commissions                    | 111       | 146       |
| Total Use of Money and Property                        | 17,799    | 17,584    |
| Intergovernmental Revenue                              |           |           |
| Proportionately Shared State Taxes                     |           |           |
| Local Government Revenue Assistance                    | 3,065     | 3,030     |
| Local Government Fund - Sales, Franchise, State Income | 27,677    | 26,808    |
| Local Government Fund - Financial Institution Tax      | 1,315     | 1,112     |
| State Income Tax - Real Property Tax Reduction         | 2,646     | 2,735     |
| State Income Tax - Tangible Property Tax Reduction     | 206       | 219       |
| Estate Tax   | 19,471    | 14,689    |
| Payments from Other Governmental Units                 | 16        | 19        |
| Revenue from Private Sources                           | 2         | 2         |
| Total Intergovernmental Revenue                        | 54,396    | 48,614    |

(Continued)

**CITY OF CINCINNATI, OHIO**

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

| GENERAL FUND<br>(Continued)             | <u>2001</u>   | <u>2000</u>   |
|---|---------------|---------------|
| Revenue                                 |               |               |
| Charges for Current Services            |               |               |
| General Government                      | \$ 6,534      | \$ 6,060      |
| Recreation                              | 5             | 2             |
| Charges for Current Services            |               |               |
| Buildings and Inspections               |               |               |
| Other Inspection Certificates           | 201           | 681           |
| Elevator Certifications                 | 477           | 518           |
| Public Safety                           |               |               |
| Police and Communication Charges        | 12            | 32            |
| Fire Protection Service Outside of City | 33            | 34            |
| Impounded Vehicle Fees                  | 538           | 694           |
| Protective Inspection Fees              | 54            | 42            |
| Protection Service - Burglary Alarm     | 145           | 142           |
| Emergency Transportation Service        | 3,233         | 3,026         |
| Other Public Safety Charges             | 115           | 296           |
| General Services                        | 2             | 2             |
| Transportation and Engineering          |               | 5             |
| Public Services                         | 456           | 366           |
| Public Health                           |               |               |
| Vital Statistics                        | 686           | 713           |
| Clinic Fees                             | 106           | 106           |
| Other Public Health Charges             | 1             | 17            |
| Total Charges for Current Services      | <u>12,598</u> | <u>12,736</u> |
| Miscellaneous Revenue                   | <u>2,640</u>  | <u>3,783</u>  |
| TOTAL REVENUE                           | 308,424       | 302,387       |
| Expenditures                            |               |               |
| City Council                            | 1,214         | 1,139         |
| Office of the Clerk of Council          | 586           | 1,033         |
| Office of the Mayor                     | 180           | 150           |

(Continued)

**CITY OF CINCINNATI, OHIO**

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

| GENERAL FUND<br>(Continued)                                 | <u>2001</u>  | <u>2000</u>  |
|---|--------------|--------------|
| Expenditures  |              |              |
| Office of the City Manager                                  |              |              |
| Division of the City Manager                                | \$ 1,361     | \$ 1,157     |
| Division of Contract Compliance and Administrative Hearings | 1,165        | 1,432        |
| Division of Environmental Management                        | 467          | 466          |
| Division of Employment and Training                         | 653          | 1,352        |
| Division of Municipal Investigations                        | 509          | 477          |
| Division of Internal Audit                                  | <u>388</u>   | <u>429</u>   |
| Total Office of the City Manager                            | 4,543        | 5,313        |
| Department of Law   | 5,005        | 3,976        |
| Department of Human Resources                               | 2,240        | 1,911        |
| Department of Finance                                       |              |              |
| Office of the Director                                      | 240          | 370          |
| Division of Budget and Evaluation                           | 884          | 946          |
| Division of Treasury  | 897          | 5,271        |
| Division of Income Tax                                      | 3,210        | 3,186        |
| Division of Risk Management                                 | 165          | 243          |
| Division of Purchasing                                      | 1,058        | 1,102        |
| Division of Accounts and Audits                             | <u>1,779</u> | <u>1,753</u> |
| Total Department of Finance                                 | 8,233        | 12,871       |
| Department of Economic Development                          | 2,105        | 1,664        |
| Department of Neighborhood Services                         |              |              |
| Office of the Director                                      | 344          | 385          |
| Division of Housing Development                             | 900          | 853          |
| Division of Human Services                                  | <u>5,407</u> | <u>5,565</u> |
| Total Department of Neighborhood Services                   | 6,651        | 6,803        |
| Department of City Planning                                 | 1,303        | 1,527        |

(Continued)



**CITY OF CINCINNATI, OHIO**

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

| GENERAL FUND<br>(Continued)                    | <u>2001</u>   | <u>2000</u>   |
|--|---------------|---------------|
| Expenditures                                   |               |               |
| Department of Public Recreation                |               |               |
| Division of Community Activities - Region 1    | \$ 2,288      | \$ 2,264      |
| Division of Community Activities - Region 2    | 1,940         | 2,016         |
| Division of Community Activities - Region 3    | 2,057         | 2,391         |
| Division of Community Activities - Region 4    | 1,819         | 1,875         |
| Division of Seniors and Special Populations    | 963           | 1,082         |
| Division of Athletics                          | 403           | 417           |
| Division of Waterfront Activities              | 692           | 690           |
| Division of Administrative Services            | <u>4,416</u>  | <u>3,809</u>  |
| Total Department of Public Recreation          | 14,578        | 14,544        |
| Department of Parks                            |               |               |
| Division of Administration and Program Service | 149           | 138           |
| Division of Planning, Design and Development   | 2,277         | 2,080         |
| Division of Operations                         | <u>2,423</u>  | <u>2,439</u>  |
| Total Department of Parks                      | 4,849         | 4,657         |
| Department of Buildings and Inspections        |               |               |
| Office of the Director                         | 580           | 704           |
| Division of Licenses and Permits               | 1,384         | 1,345         |
| Division of Building Construction Inspection   | 2,110         | 2,061         |
| Division of Safety and Maintenance Inspection  | <u>1,672</u>  | <u>1,672</u>  |
| Total Department of Buildings and Inspections  | 5,746         | 5,782         |
| Department of Public Safety                    |               |               |
| Office of the Director                         | 500           | 589           |
| Division of Police                             | 78,265        | 70,325        |
| Division of Fire                               | <u>49,580</u> | <u>49,654</u> |
| Total Department of Public Safety              | 128,345       | 120,568       |

(Continued)

**CITY OF CINCINNATI, OHIO**

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

| GENERAL FUND<br>(Continued)                        | 2001   | 2000   |
|--|--------|--------|
| Expenditures                                       |        |        |
| Department of Transportation and Engineering       |        |        |
| Office of the Director                             | \$ 408 | \$ 281 |
| Division of Transportation Planning                | 642    | 450    |
| Division of Engineering                            | 782    | 1,406  |
| Total Department of Transportation and Engineering | 1,832  | 2,137  |
| Department of General Services                     |        |        |
| Division of Facility Management                    | 3,929  | 3,881  |
| Regional Computer Center                           | 4,273  | 4,646  |
| Total Department of General Services               | 8,202  | 8,527  |
| Department of Public Services                      |        |        |
| Director's Office                                  | 723    | 956    |
| Traffic and Road Operations Division               | 2,693  | 4,511  |
| Neighborhood Operations Division                   | 17,512 | 15,003 |
| Total Department of Public Services                | 20,928 | 20,470 |
| Department of Public Health                        |        |        |
| Office of the Commissioner                         | 780    | 715    |
| Division of Technical Resources                    | 3,589  | 3,329  |
| Division of Community Health Services              | 3,122  | 7,677  |
| Division of Primary Health Care - Special Programs | 5,890  | 4,152  |
| Division of Primary Health Care - Health Centers   | 9,128  | 5,553  |
| Division of Primary Care - Contract Centers        | 25     | 874    |
| Total Department of Public Health                  | 22,534 | 22,300 |
| Nondepartmental Accounts                           |        |        |
| Contribution to City Pension System                | 5,014  | 4,548  |
| Contribution to State Pension System               | 1,200  | 677    |
| Contribution to Police Pension System              | 12,970 | 12,466 |
| Contribution to Fire Pension System                | 12,224 | 11,475 |
| Contribution to Employee Hospital Care             | 11,470 | 10,411 |
| Contribution to Dental and Vision Care             | 2,233  | 2,098  |
| Contribution to Medicare                           | 1,848  | 1,644  |

(Continued)

**CITY OF CINCINNATI, OHIO**

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

| GENERAL FUND<br>(Continued)  | 2001      | 2000      |
|--|-----------|-----------|
| Expenditures   |           |           |
| Public Employees Assistance Program  | \$ 162    | \$ 162    |
| Contribution to Workers' Compensation Insurance  | 1,514     | 3,725     |
| Police Officers and Firefighters' Insurance  | 185       | 195       |
| State Unemployment Compensation  | 186       | 129       |
| Life Insurance   | 106       | 104       |
| City Council Staff Benefits  | 7         |           |
| Judgments against the City   | 2,946     | 2,144     |
| Cincinnati Human Relations Commission  | 423       | 398       |
| Citizen's Committee on Youth   | 892       | 807       |
| Cincinnati Public Schools  | 5,000     | 5,000     |
| Mayor's Office Obligations   | 11        | 2         |
|  | 58,391    | 55,985    |
| Total Nondepartmental Accounts   |           |           |
| Capital Outlay - Motorized and Construction Equipment  | 345       | 2,346     |
|  |           |           |
| TOTAL EXPENDITURES   | 297,810   | 293,703   |
| Excess of Revenue over Expenditures  | 10,614    | 8,684     |
| Other Financing Sources (Uses)   |           |           |
| Operating Transfers In   | 16,486    | 20,980    |
| Operating Transfers (Out)  | (31,752)  | (38,698)  |
| Total Other Financing Sources (Uses)   | (15,266)  | (17,718)  |
| Excess (Deficiency) of Revenue and Other Financing Sources<br>over (under) Expenditures and Other Uses | (4,652)   | (9,034)   |
| Fund Balance, January 1  | 50,818    | 59,852    |
| Cumulative Effect of a Change in Accounting Principle  | 3,159     |           |
| Fund Balance, December 31  | \$ 49,325 | \$ 50,818 |

**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  
(Amounts in Thousands)

| GENERAL FUND                                       | Budget<br>2001 | Actual<br>2001 | Variance<br>Favorable<br>(Unfavorable) |
|--|----------------|----------------|--|
| Revenue  |                |                |  |
| Taxes  |                |                |  |
| Real Property                                      | \$ 22,500      | \$ 22,320      | \$ (180)                               |
| Personal Property                                  | 3,300          | 3,799          | 499                                    |
| City Income Tax                                    | 199,563        | 188,598        | (10,965)                               |
| Admissions   | 2,990          | 3,249          | 259                                    |
| Total Taxes  | <u>228,353</u> | <u>217,966</u> | <u>(10,387)</u>                        |
| Licenses and Permits                               |                |                |  |
| Street Use   | 1,726          | 1,696          | (30)                                   |
| Health   | 143            | 150            | 7                                      |
| Police and Protective                              | 136            | 52             | (84)                                   |
| Beer and Liquor                                    | 525            | 474            | (51)                                   |
| Business and Merchandising                         | 19             | 17             | (2)                                    |
| Amusements   | 112            | 91             | (21)                                   |
| Professional and Occupational                      | 115            | 139            | 24                                     |
| Buildings, Structures and Equipment                | 2,625          | 3,291          | 666                                    |
| Total Licenses and Permits                         | <u>5,401</u>   | <u>5,910</u>   | <u>509</u>                             |
| Use of Money and Property                          |                |                |  |
| Fines, Forfeits and Penalties                      | 4,189          | 2,886          | (1,303)                                |
| Income from Treasury Investments                   | 11,700         | 12,976         | 1,276                                  |
| Rents  | 110            | 123            | 13                                     |
| General Concessions and Commissions                | 145            | 112            | (33)                                   |
| Total Use of Money and Property                    | <u>16,144</u>  | <u>16,097</u>  | <u>(47)</u>                            |
| Intergovernmental Revenue                          |                |                |  |
| Proportionately Shared State Taxes                 |                |                |  |
| Local Government Revenue Assistance                | 3,100          | 3,065          | (35)                                   |
| Local Government Fund - Sales, Franchise, State    |                |                |  |
| Income Tax   | 27,905         | 27,677         | (228)                                  |
| Local Government Fund - Financial Institution Tax  | 1,030          | 1,315          | 285                                    |
| Estate Tax   | 15,750         | 19,471         | 3,721                                  |
| State Income Tax - Real Property Tax Reduction     | 2,650          | 2,646          | (4)                                    |
| State Income Tax - Tangible Property Tax Reduction | 210            | 207            | (3)                                    |
| Payments from Other Governmental Units             | 15             | 16             | 1                                      |
| Total Intergovernmental Revenue                    | <u>50,660</u>  | <u>54,397</u>  | <u>3,737</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  
(Amounts in Thousands)

| GENERAL FUND<br>(Continued)             | <u>Budget<br/>2001</u> | <u>Actual<br/>2001</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|------------------------|------------------------|---|
| Revenue                                 |                        |                        |   |
| Charges for Current Services            |                        |                        |   |
| General Government                      | \$ 7,697               | \$ 8,177               | \$ 480  |
| Parks and Recreation                    | 3                      | 5                      | 2   |
| Buildings and Inspections               |                        |                        |   |
| Other Inspection Certificates           | 700                    | 201                    | (499)   |
| Elevator Certifications                 | 510                    | 477                    | (33)  |
| Public Safety                           |                        |                        |   |
| Police and Communication Charges        | 33                     | 12                     | (21)  |
| Fire Protection Service Outside of City | 34                     | 33                     | (1)   |
| Impounded Vehicle Fees                  | 929                    | 538                    | (391)   |
| Protective Inspection Fees              | 50                     | 54                     | 4   |
| Protection Service - Burglary Alarm     | 150                    | 145                    | (5)   |
| Emergency Transportation Service        | 3,000                  | 3,233                  | 233   |
| Other Public Safety Charges             | 300                    | 115                    | (185)   |
| Public Services                         |                        |                        |   |
| Recycling Incentive Fee                 | 200                    | 325                    | 125   |
| Other Public Services Charges           | 100                    | 130                    | 30  |
| Public Health                           |                        |                        |   |
| Vital Statistics                        | 672                    | 686                    | 14  |
| Clinic Fees                             | 106                    | 106                    |   |
| Other Public Health Charges             | 9                      | 1                      | (8)   |
| Total Charges for Current Services      | <u>14,493</u>          | <u>14,238</u>          | <u>(255)</u>                                    |
| Miscellaneous Revenue                   | <u>1,850</u>           | <u>2,846</u>           | <u>996</u>                                      |
| TOTAL REVENUE                           | 316,901                | 311,454                | (5,447)   |
| Expenditures                            |                        |                        |   |
| City Council                            |                        |                        |   |
| Personal Services                       | 1,231                  | 1,148                  | 83  |
| Non-Personal Services                   | <u>77</u>              | <u>72</u>              | <u>5</u>  |
| Total City Council                      | 1,308                  | 1,220                  | 88  |

(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  
(Amounts in Thousands)

| GENERAL FUND<br>(Continued)  | <u>Budget<br/>2001</u> | <u>Actual<br/>2001</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|------------------------|------------------------|---|
| Expenditures   |                        |                        |   |
| Office of the Mayor  |                        |                        |   |
| Personal Services  | \$ 141                 | \$ 141                 | \$  |
| Non-Personal Services  | <u>47</u>              | <u>38</u>              | <u>9</u>  |
| Total Office of the Mayor  | 188                    | 179                    | 9   |
| Office of the Clerk of Council                                     |                        |                        |   |
| Personal Services  | 327                    | 288                    | 39  |
| Non-Personal Services  | 431                    | 398                    | 33  |
| Capital Outlay   | <u>1</u>               | <u></u>                | <u>1</u>  |
| Total Office of the Clerk of Council                               | 759                    | 686                    | 73  |
| Department of the City Manager                                     |                        |                        |   |
| Office of the City Manager   |                        |                        |   |
| Personal Services  | 1,029                  | 922                    | 107   |
| Non-Personal Services  | 424                    | 424                    |   |
| Capital Outlay   | <u>1</u>               | <u></u>                | <u>1</u>  |
| Total Office of the City Manager                                   | 1,454                  | 1,346                  | 108   |
| Division of Environmental Management                               |                        |                        |   |
| Personal Services  | 219                    | 219                    |   |
| Non-Personal Services  | <u>267</u>             | <u>252</u>             | <u>15</u>                                       |
| Total Division of Environmental Management                         | 486                    | 471                    | 15  |
| Division of Employment and Training                                |                        |                        |   |
| Personal Services  | 73                     | 73                     |   |
| Non-Personal Services  | 682                    | 682                    |   |
| Capital Outlay   | <u>1</u>               | <u>1</u>               |   |
| Total Division of Employment and Training                          | 756                    | 756                    |   |
| Office of Contract Compliance and Administrative Hearings          |                        |                        |   |
| Personal Services  | 758                    | 716                    | 42  |
| Non-Personal Services  | <u>193</u>             | <u>192</u>             | <u>1</u>  |
| Total Office of Contract Compliance and<br>Administrative Hearings | 951                    | 908                    | 43  |
| Office of Municipal Investigations                                 |                        |                        |   |
| Personal Services  | 502                    | 473                    | 29  |
| Non-Personal Services  | <u>37</u>              | <u>36</u>              | <u>1</u>  |
| Total Office of Municipal Investigations                           | 539                    | 509                    | 30  |

(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  
(Amounts in Thousands)

| GENERAL FUND<br>(Continued)             | <u>Budget<br/>2001</u> | <u>Actual<br/>2001</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|------------------------|------------------------|---|
| Expenditures                            |                        |                        |   |
| Internal Audit Unit                     |                        |                        |   |
| Personal Services                       | \$ 363                 | \$ 333                 | \$ 30   |
| Non-Personal Services                   | <u>50</u>              | <u>44</u>              | <u>6</u>  |
| Total Internal Audit Unit               | <u>413</u>             | <u>377</u>             | <u>36</u>                                       |
| Total Department of the City Manager    | 4,599                  | 4,367                  | 232   |
| Department of Law                       |                        |                        |   |
| Division of Legal Services              |                        |                        |   |
| Personal Services                       | 3,705                  | 3,705                  |   |
| Non-Personal Services                   | <u>1,221</u>           | <u>1,219</u>           | <u>2</u>  |
| Total Department of Law                 | 4,926                  | 4,924                  | 2   |
| Department of Human Resources           |                        |                        |   |
| Personal Services                       | 1,571                  | 1,474                  | 97  |
| Non-Personal Services                   | <u>731</u>             | <u>711</u>             | <u>20</u>                                       |
| Total Department of Human Resources     | 2,302                  | 2,185                  | 117   |
| Department of Finance                   |                        |                        |   |
| Office of the Director                  |                        |                        |   |
| Personal Services                       | 214                    | 214                    |   |
| Non-Personal Services                   | 89                     | 29                     | 60  |
| Capital Outlay                          | <u>21</u>              | <u>19</u>              | <u>2</u>  |
| Total Office of the Director            | 324                    | 262                    | 62  |
| Division of Budget & Evaluation         |                        |                        |   |
| Personal Services                       | 793                    | 768                    | 25  |
| Non-Personal Services                   | <u>153</u>             | <u>144</u>             | <u>9</u>  |
| Total Division of Budget and Evaluation | 946                    | 912                    | 34  |
| Division of Accounts and Audits         |                        |                        |   |
| Personal Services                       | 1,012                  | 1,011                  | 1   |
| Non-Personal Services                   | <u>852</u>             | <u>846</u>             | <u>6</u>  |
| Total Division of Accounts and Audits   | 1,864                  | 1,857                  | 7   |
| Division of Treasury                    |                        |                        |   |
| Personal Services                       | 494                    | 377                    | 117   |
| Non-Personal Services                   | 524                    | 491                    | 33  |
| Capital Outlay                          | <u>11</u>              | <u>8</u>               | <u>3</u>  |
| Total Division of Treasury              | 1,029                  | 876                    | 153   |

(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  
(Amounts in Thousands)

| GENERAL FUND<br>(Continued)               | <u>Budget<br/>2001</u> | <u>Actual<br/>2001</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|------------------------|------------------------|---|
| Expenditures                              |                        |                        |   |
| Division of Risk Management               |                        |                        |   |
| Non-Personal Services                     | \$ 213                 | \$ 206                 | \$ 7  |
| Total Division of Risk Management         | 213                    | 206                    | 7   |
| Division of Income Tax                    |                        |                        |   |
| Personal Services                         | 2,383                  | 2,364                  | 19  |
| Non-Personal Services                     | 927                    | 924                    | 3   |
| Total Division of Income Tax              | 3,310                  | 3,288                  | 22  |
| Division of Purchasing                    |                        |                        |   |
| Personal Services                         | 958                    | 844                    | 114   |
| Non-Personal Services                     | 260                    | 249                    | 11  |
| Total Division of Purchasing              | 1,218                  | 1,093                  | 125   |
| Total Department of Finance               | 8,904                  | 8,494                  | 410   |
| Department of Economic Development        |                        |                        |   |
| Personal Services                         | 164                    | 164                    |   |
| Non-Personal Services                     | 2,439                  | 2,400                  | 39  |
| Total Department of Economic Development  | 2,603                  | 2,564                  | 39  |
| Department of Neighborhood Services       |                        |                        |   |
| Office of the Director                    |                        |                        |   |
| Personal Services                         | 287                    | 287                    |   |
| Non-Personal Services                     | 76                     | 54                     | 22  |
| Total Office of the Director              | 363                    | 341                    | 22  |
| Division of Housing Development           |                        |                        |   |
| Personal Services                         | 73                     | 73                     |   |
| Non-Personal Services                     | 930                    | 895                    | 35  |
| Total Division of Housing Development     | 1,003                  | 968                    | 35  |
| Division of Human Services                |                        |                        |   |
| Personal Services                         | 518                    | 518                    |   |
| Non-Personal Services                     | 5,229                  | 5,167                  | 62  |
| Total Division of Human Services          | 5,747                  | 5,685                  | 62  |
| Total Department of Neighborhood Services | 7,113                  | 6,994                  | 119   |

(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  
(Amounts in Thousands)

| GENERAL FUND<br>(Continued)                       | Budget<br>2001 | Actual<br>2001 | Variance<br>Favorable<br>(Unfavorable) |
|---|----------------|----------------|--|
| Expenditures                                      |                |                |  |
| Department of City Planning                       |                |                |  |
| Personal Services                                 | \$ 1,074       | \$ 1,047       | \$ 27                                  |
| Non-Personal Services                             | 133            | 133            |  |
| Capital Outlay                                    | 5              | 4              | 1                                      |
| Total Department of City Planning                 | 1,212          | 1,184          | 28                                     |
| Department of Public Recreation                   |                |                |  |
| Community Activities - Region 1                   |                |                |  |
| Personal Services                                 | 2,087          | 2,087          |  |
| Non-Personal Services                             | 202            | 194            | 8                                      |
| Total Community Activities - Region 1             | 2,289          | 2,281          | 8                                      |
| Community Activities - Region 2                   |                |                |  |
| Personal Services                                 | 1,773          | 1,773          |  |
| Non-Personal Services                             | 145            | 140            | 5                                      |
| Total Community Activities - Region 2             | 1,918          | 1,913          | 5                                      |
| Community Activities - Region 3                   |                |                |  |
| Personal Services                                 | 1,872          | 1,837          | 35                                     |
| Non-Personal Services                             | 218            | 209            | 9                                      |
| Total Community Activities - Region 3             | 2,090          | 2,046          | 44                                     |
| Community Activities - Region 4                   |                |                |  |
| Personal Services                                 | 1,702          | 1,689          | 13                                     |
| Non-Personal Services                             | 114            | 110            | 4                                      |
| Total Community Activities - Region 4             | 1,816          | 1,799          | 17                                     |
| Division of Seniors and Special Populations       |                |                |  |
| Personal Services                                 | 961            | 935            | 26                                     |
| Non-Personal Services                             | 33             | 29             | 4                                      |
| Total Division of Seniors and Special Populations | 994            | 964            | 30                                     |
| Division of Athletics                             |                |                |  |
| Personal Services                                 | 382            | 382            |  |
| Non-Personal Services                             | 24             | 22             | 2                                      |
| Total Division of Athletics                       | 406            | 404            | 2                                      |
| Division of Waterfront Activities                 |                |                |  |
| Personal Services                                 | 550            | 549            | 1                                      |
| Non-Personal Services                             | 87             | 84             | 3                                      |
| Total Division of Waterfront Activities           | 637            | 633            | 4                                      |

(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  
(Amounts in Thousands)

| GENERAL FUND<br>(Continued)                           | <u>Budget<br/>2001</u> | <u>Actual<br/>2001</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|------------------------|------------------------|---|
| Expenditures  |                        |                        |   |
| Division of Administration                            |                        |                        |   |
| Personal Services                                     | \$ 1,862               | \$ 1,854               | \$ 8  |
| Non-Personal Services                                 | 2,528                  | 2,525                  | 3   |
| Capital Outlay  | <u>20</u>              | <u>20</u>              |   |
| Total Division of Administration                      | <u>4,410</u>           | <u>4,399</u>           | <u>11</u>                                       |
| Total Department of Public Recreation                 | 14,560                 | 14,439                 | 121   |
| Department of Parks                                   |                        |                        |   |
| Division of Administration and Program Services       |                        |                        |   |
| Personal Services                                     | 147                    | 147                    |   |
| Non-Personal Services                                 | <u>4</u>               | <u>3</u>               | <u>1</u>  |
| Total Division of Administration and Program Services | 151                    | 150                    | 1   |
| Division of Operations                                |                        |                        |   |
| Personal Services                                     | 1,693                  | 1,597                  | 96  |
| Non-Personal Services                                 | <u>747</u>             | <u>747</u>             |   |
| Total Division of Operations                          | 2,440                  | 2,344                  | 96  |
| Division of Planning, Design and Development          |                        |                        |   |
| Personal Services                                     | 1,521                  | 1,521                  |   |
| Non-Personal Services                                 | <u>735</u>             | <u>735</u>             |   |
| Total Division of Planning, Design and Development    | <u>2,256</u>           | <u>2,256</u>           |   |
| Total Department of Parks                             | 4,847                  | 4,750                  | 97  |
| Department of Buildings and Inspections               |                        |                        |   |
| Office of the Director                                |                        |                        |   |
| Personal Services                                     | 382                    | 381                    | 1   |
| Non-Personal Services                                 | <u>177</u>             | <u>177</u>             |   |
| Total Office of the Director                          | 559                    | 558                    | 1   |
| Division of Licenses and Permits                      |                        |                        |   |
| Personal Services                                     | 1,288                  | 1,288                  |   |
| Non-Personal Services                                 | <u>91</u>              | <u>91</u>              |   |
| Total Division of Licenses and Permits                | 1,379                  | 1,379                  |   |
| Division of Building Construction Inspection          |                        |                        |   |
| Personal Services                                     | 1,948                  | 1,947                  | 1   |
| Non-Personal Services                                 | <u>161</u>             | <u>161</u>             |   |
| Total Division of Building Construction Inspection    | 2,109                  | 2,108                  | 1   |

(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  
(Amounts in Thousands)

| GENERAL FUND<br>(Continued)                                 | Budget<br>2001    | Actual<br>2001    | Variance<br>Favorable<br>(Unfavorable) |
|---|-------------------|-------------------|--|
|   | <u>          </u> | <u>          </u> | <u>          </u>                      |
| Expenditures  |                   |                   |  |
| Division of Safety and Maintenance Inspection               |                   |                   |  |
| Personal Services   | \$ 1,316          | \$ 1,314          | \$ 2                                   |
| Non-Personal Services                                       | <u>345</u>        | <u>345</u>        |  |
| Total Division of Safety and Maintenance Inspection         | <u>1,661</u>      | <u>1,659</u>      | <u>2</u>                               |
| Total Department of Buildings and Inspections               | 5,708             | 5,704             | 4                                      |
| Department of Public Safety                                 |                   |                   |  |
| Office of the Director                                      |                   |                   |  |
| Personal Services   | 464               | 367               | 97                                     |
| Non-Personal Services                                       | 171               | 152               | 19                                     |
| Capital Outlay  | <u>11</u>         | <u>          </u> | <u>11</u>                              |
| Total Office of the Director                                | <u>646</u>        | <u>519</u>        | <u>127</u>                             |
| Division of Police  |                   |                   |  |
| Personal Services   | 69,991            | 69,638            | 353                                    |
| Non-Personal Services                                       | 10,432            | 10,088            | 344                                    |
| Capital Outlay  | <u>69</u>         | <u>69</u>         |  |
| Total Division of Police                                    | <u>80,492</u>     | <u>79,795</u>     | <u>697</u>                             |
| Division of Fire Protection                                 |                   |                   |  |
| Personal Services   | 46,627            | 45,809            | 818                                    |
| Non-Personal Services                                       | 5,990             | 5,834             | 156                                    |
| Capital Outlay  | <u>103</u>        | <u>103</u>        |  |
| Total Division of Fire Protection                           | <u>52,720</u>     | <u>51,746</u>     | <u>974</u>                             |
| Total Department of Public Safety                           | 133,858           | 132,060           | 1,798                                  |
| Department of Transportation and Engineering                |                   |                   |  |
| Office of the Director                                      |                   |                   |  |
| Personal Services   | 392               | 344               | 48                                     |
| Non-Personal Services                                       | <u>80</u>         | <u>64</u>         | <u>16</u>                              |
| Total Office of the Director                                | <u>472</u>        | <u>408</u>        | <u>64</u>                              |
| Division of Transportation, Planning and Urban Design       |                   |                   |  |
| Personal Services   | 413               | 413               |  |
| Non-Personal Services                                       | <u>188</u>        | <u>175</u>        | <u>13</u>                              |
| Total Division of Transportation, Planning and Urban Design | <u>601</u>        | <u>588</u>        | <u>13</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  
(Amounts in Thousands)

| GENERAL FUND<br>(Continued)                        | <u>Budget<br/>2001</u> | <u>Actual<br/>2001</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|------------------------|------------------------|---|
| Expenditures                                       |                        |                        |   |
| Division of Engineering                            |                        |                        |   |
| Personal Services                                  | \$ 640                 | \$ 640                 | \$  |
| Non-Personal Services                              | <u>190</u>             | <u>190</u>             | <u></u>   |
| Total Division of Engineering                      | <u>830</u>             | <u>830</u>             | <u></u>   |
| Total Department of Transportation and Engineering | 1,903                  | 1,826                  | 77  |
| Department of General Services                     |                        |                        |   |
| Division of Facility Management                    |                        |                        |   |
| Personal Services                                  | 1,183                  | 1,105                  | 78  |
| Non-Personal Services                              | <u>2,823</u>           | <u>2,784</u>           | <u>39</u>                                       |
| Total Division of Facility Management              | 4,006                  | 3,889                  | 117   |
| Regional Computer Center                           |                        |                        |   |
| Non-Personal Services                              | <u>4,689</u>           | <u>4,646</u>           | <u>43</u>                                       |
| Total Regional Computer Center                     | <u>4,689</u>           | <u>4,646</u>           | <u>43</u>                                       |
| Total Department of General Services               | 8,695                  | 8,535                  | 160   |
| Department of Public Services                      |                        |                        |   |
| Office of the Director                             |                        |                        |   |
| Personal Services                                  | 675                    | 673                    | 2   |
| Non-Personal Services                              | 106                    | 98                     | 8   |
| Capital Outlay                                     | <u>2</u>               | <u></u>                | <u>2</u>  |
| Total Office of the Director                       | 783                    | 771                    | 12  |
| Traffic and Road Operations Division               |                        |                        |   |
| Personal Services                                  | 646                    | 613                    | 33  |
| Non-Personal Services                              | <u>2,141</u>           | <u>2,140</u>           | <u>1</u>  |
| Total Traffic and Road Operations Division         | 2,787                  | 2,753                  | 34  |
| Neighborhood Operations Division                   |                        |                        |   |
| Personal Services                                  | 8,377                  | 8,280                  | 97  |
| Non-Personal Services                              | <u>9,081</u>           | <u>9,061</u>           | <u>20</u>                                       |
| Total Neighborhood Operations Division             | <u>17,458</u>          | <u>17,341</u>          | <u>117</u>                                      |
| Total Department of Public Services                | 21,028                 | 20,865                 | 163   |

(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  
(Amounts in Thousands)

| GENERAL FUND<br>(Continued)                       | Budget<br>2001 | Actual<br>2001 | Variance<br>Favorable<br>(Unfavorable) |
|---|----------------|----------------|--|
| Expenditures                                      |                |                |  |
| Department of Public Health                       |                |                |  |
| Office of the Commissioner                        |                |                |  |
| Personal Services                                 | \$ 625         | \$ 625         | \$                                     |
| Non-Personal Services                             | 112            | 111            | 1                                      |
| Capital Outlay                                    | 18             | 18             |  |
| Total Office of the Commissioner                  | 755            | 754            | 1                                      |
| Division of Technical Resources                   |                |                |  |
| Personal Services                                 | 2,313          | 2,313          |  |
| Non-Personal Services                             | 1,186          | 1,130          | 56                                     |
| Total Division of Technical Resources             | 3,499          | 3,443          | 56                                     |
| Division of Community Health Services             |                |                |  |
| Personal Services                                 | 2,635          | 2,635          |  |
| Non-Personal Services                             | 494            | 484            | 10                                     |
| Total Division of Community Health Services       | 3,129          | 3,119          | 10                                     |
| Division of Primary Care - Special Services       |                |                |  |
| Personal Services                                 | 5,186          | 5,162          | 24                                     |
| Non-Personal Services                             | 786            | 778            | 8                                      |
| Total Division of Primary Care - Special Services | 5,972          | 5,940          | 32                                     |
| Division of Primary Care - Health Centers         |                |                |  |
| Personal Services                                 | 6,360          | 6,360          |  |
| Non-Personal Services                             | 2,962          | 2,927          | 35                                     |
| Total Division of Primary Care - Health Centers   | 9,322          | 9,287          | 35                                     |
| Total Department of Public Health                 | 22,677         | 22,543         | 134                                    |
| Nondepartmental Accounts                          |                |                |  |
| Pension Systems                                   |                |                |  |
| Contribution to City Pension System               | 5,850          | 5,736          | 114                                    |
| Contribution to State Pension System              | 1,055          | 1,055          |  |
| Contribution to Police Pension System             | 12,970         | 12,970         |  |
| Contribution to Fire Pension System               | 12,233         | 12,224         | 9                                      |

(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  
(Amounts in Thousands)

| GENERAL FUND<br>(Continued)  | <u>Budget<br/>2001</u> | <u>Actual<br/>2001</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|------------------------|------------------------|---|
| Expenditures   |                        |                        |   |
| Employee Benefits  |                        |                        |   |
| Contribution to Employee Hospital Care   | \$ 12,217              | \$ 12,181              | \$ 36   |
| Dental and Vision Care   | 2,322                  | 2,245                  | 77  |
| Medicare Tax   | 1,913                  | 1,789                  | 124   |
| Public Employee Assistance   | 225                    | 162                    | 63  |
| Contribution to Workers' Compensation Insurance  | 2,925                  | 1,700                  | 1,225   |
| Police Officers and Firefighters' Insurance  | 280                    | 185                    | 95  |
| State Unemployment Compensation  | 177                    | 177                    |   |
| Life Insurance   | 108                    | 106                    | 2   |
| City Council Staff Benefits  | 11                     | 7                      | 4   |
| Professional Services and Legal Fees   |                        |                        |   |
| Judgments against the City   | 2,062                  | 2,062                  |   |
| Cincinnati Human Relations Commission  | 444                    | 444                    |   |
| Citizen's Committee on Youth   | 905                    | 905                    |   |
| Miscellaneous Accounts   |                        |                        |   |
| Mayor's Office Obligations   | 10                     | 9                      | 1   |
| Reserve for Contingencies  | 125                    |                        | 125   |
| Cincinnati Public Schools  | 5,000                  | 5,000                  |   |
| Motorized and Construction Equipment   | 343                    | 342                    | 1   |
| Total Nondepartmental Accounts   | <u>61,175</u>          | <u>59,299</u>          | <u>1,876</u>                                    |
| TOTAL EXPENDITURES   | <u>308,365</u>         | <u>302,818</u>         | <u>5,547</u>                                    |
| Excess of Revenue over (under) Expenditures  | 8,536                  | 8,636                  | 100   |
| Other Financing Sources (Uses)   |                        |                        |   |
| Operating Transfer In  |                        | 20,063                 | 20,063  |
| Operating Transfer (Out)   |                        | <u>(32,068)</u>        | <u>(32,068)</u>                                 |
| Total Other Financing Sources (Uses)   |                        | <u>(12,005)</u>        | <u>(12,005)</u>                                 |
| Excess (Deficiency) of Revenue over (under) Expenditures<br>and Other Financing Sources (Uses) | 8,536                  | (3,369)                | (11,905)  |
| Cancellation of Prior Years Encumbrances   |                        | 1,786                  | 1,786   |
| Fund Balance, January 1  | <u>19,464</u>          | <u>19,464</u>          |   |
| Fund Balance, December 31  | <u>\$ 28,000</u>       | <u>\$ 17,881</u>       | <u>\$ (10,119)</u>                              |

# GOVERNMENTAL FUNDS

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## SPECIAL REVENUE FUNDS

### **Appropriated:**

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.

### **Nonappropriated:**

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.

**CITY OF CINCINNATI, OHIO**

Combining Balance Sheet  
All Special Revenue Funds  
December 31

(Amounts in Thousands)

|  | Special Revenue<br>Appropriated | Special Revenue<br>Nonappropriated | December 31<br>2001 | December 31<br>2000 |
|--|---------------------------------|------------------------------------|---------------------|---------------------|
| <b>Assets</b>                                |                                 |                                    |                     |                     |
| Cash and Equivalents                         | 12                              | 2,933                              | \$ 2,945            | \$ 2,496            |
| Equity in City Treasury Cash                 | 28,696                          | 31,925                             | 60,621              | 60,754              |
| Investments                                  |                                 | 388                                | 388                 | 474                 |
| Receivables:                                 |                                 |                                    |                     |                     |
| Taxes  | 6,196                           | 353                                | 6,549               | 5,732               |
| Accounts, Net                                | 393                             | 577                                | 970                 | 1,408               |
| Special Assessments                          |                                 | 3,773                              | 3,773               | 3,926               |
| Accrued Interest                             | 36                              | 66                                 | 102                 | 97                  |
| Due from Other Funds                         | 58                              | 277                                | 335                 | 455                 |
| Due from Other Governments                   | 603                             | 3,096                              | 3,699               | 1,159               |
| Prepaid Items                                |                                 |                                    |                     | 10                  |
| Inventory                                    | 98                              | 371                                | 469                 | 634                 |
| Advances to Other Funds                      | 996                             | 25                                 | 1,021               | 1,436               |
| Total Assets                                 | \$ 37,088                       | \$ 43,784                          | \$ 80,872           | \$ 78,581           |
| <b>Liabilities and Fund Equity</b>           |                                 |                                    |                     |                     |
| <b>Liabilities</b>                           |                                 |                                    |                     |                     |
| Accounts Payable                             | 465                             | 4,523                              | \$ 4,988            | \$ 2,611            |
| Due to Other Funds                           | 186                             | 241                                | 427                 | 449                 |
| Accrued Payroll                              | 417                             | 220                                | 637                 | 1,520               |
| Accrued Liabilities                          | 2                               | 52                                 | 54                  |                     |
| Accrued Interest                             |                                 |                                    |                     | 189                 |
| Deposits Payable                             | 376                             |                                    | 376                 | 367                 |
| Deferred Revenue                             | 1,311                           | 5,251                              | 6,562               | 5,340               |
| Estimated Liability for Compensated Absences |                                 | 6,645                              | 6,645               | 6,259               |
| Estimated Liability for Unpaid Claims        |                                 |                                    |                     | 13                  |
| Advances from Other Funds                    |                                 | 625                                | 625                 | 1,165               |
| Total Liabilities                            | 2,757                           | 17,557                             | 20,314              | 17,913              |
| <b>Fund Equity</b>                           |                                 |                                    |                     |                     |
| Fund Balances:                               |                                 |                                    |                     |                     |
| Reserved for Prepaid Items                   |                                 |                                    |                     | 10                  |
| Reserved for Encumbrances                    | 3,337                           | 45,827                             | 49,164              | 29,062              |
| Reserved for Advances to Other Funds         | 996                             | 25                                 | 1,021               | 1,436               |
| Reserved for Inventory                       | 98                              | 371                                | 469                 | 634                 |
| Fund Balances, Unreserved                    | 4,000                           |                                    | 4,000               | 4,000               |
| Designated for Contingencies                 | 25,900                          | (19,996)                           | 5,904               | 25,526              |
| Undesignated                                 | 34,331                          | 26,227                             | 60,558              | 60,668              |
| Total Fund Equity                            | \$ 37,088                       | \$ 43,784                          | \$ 80,872           | \$ 78,581           |
| Total Liabilities and Fund Equity            |                                 |                                    |                     |                     |



**CITY OF CINCINNATI, OHIO**

Combining Statement of Revenue, Expenditures and Changes in Fund Balances  
**All Special Revenue Funds**  
 For the Year Ended December 31  
 (Amounts in Thousands)

|  | Special Revenue<br>Appropriated | Special Revenue<br>Nonappropriated | Total               |
|--|---------------------------------|------------------------------------|---------------------|
|  | December 31<br>2001             | December 31<br>2001                | December 31<br>2000 |
| <b>Revenue</b>   |                                 |                                    |                     |
| Taxes  | \$ 47,872                       | \$                                 | \$ 47,872           |
| Licenses and Permits   | 2,299                           | 1,426                              | 3,725               |
| Use of Money and Property  | 614                             | 2,611                              | 3,225               |
| Special Assessments  |                                 | 3,204                              | 3,204               |
| Intergovernmental Revenue  | 10,292                          | 1,573                              | 11,865              |
| Federal Grants   |                                 | 36,937                             | 36,937              |
| State Grants and Subsidies   | 4                               | 2,302                              | 2,306               |
| Charges for Current Services   | 6,508                           | 6,251                              | 12,759              |
| Miscellaneous  | 38                              | 3,872                              | 3,910               |
| <b>Total Revenue</b>   | <b>67,627</b>                   | <b>58,176</b>                      | <b>125,803</b>      |
| <b>Expenditures</b>  |                                 |                                    |                     |
| <b>Current</b>   |                                 |                                    |                     |
| General Government   | 2,391                           | 17,145                             | 19,536              |
| Parks and Recreation   | 4,347                           | 4,611                              | 8,958               |
| Public Safety  | 543                             | 2,196                              | 2,739               |
| Transportation and Engineering   | 2,744                           |                                    | 2,744               |
| Public Services  | 12,328                          | 715                                | 13,043              |
| General Services   | 40,481                          | 558                                | 41,039              |
| Public Health  | 2,415                           | 8,789                              | 11,204              |
| Employee Benefits  | 2,769                           | 1,140                              | 3,909               |
| Capital Outlay   | 68                              | 23,391                             | 23,459              |
| Debt Service   |                                 |                                    |                     |
| Interest   |                                 | 322                                | 377                 |
| <b>Total Expenditures</b>  | <b>68,086</b>                   | <b>58,867</b>                      | <b>126,953</b>      |
| <b>Excess of Revenue (Deficiency) over (under) Expenditures</b>  | <b>(459)</b>                    | <b>(691)</b>                       | <b>6,111</b>        |
| <b>Other Financing Sources (Uses)</b>  |                                 |                                    |                     |
| Operating Transfers In   | 2,405                           | 577                                | 2,982               |
| Operating Transfers (Out)  | (2,349)                         | (210)                              | (2,559)             |
| <b>Total Other Financing Sources (Uses)</b>  | <b>56</b>                       | <b>367</b>                         | <b>423</b>          |
| <b>Excess of Revenue (Deficiency) and Other Financing Sources over (under) Expenditures and Other Uses</b> | <b>(403)</b>                    | <b>(324)</b>                       | <b>(727)</b>        |
| <b>Fund Balances, January 1</b>  | <b>34,117</b>                   | <b>26,551</b>                      | <b>60,668</b>       |
| <b>Cumulative Effect of a Change in Accounting Principle</b>   | <b>617</b>                      | <b>617</b>                         | <b>617</b>          |
| <b>Fund Balances, December 31</b>  | <b>\$ 34,331</b>                | <b>\$ 26,227</b>                   | <b>\$ 60,558</b>    |

**CITY OF CINCINNATI, OHIO**  
 Combining Balance Sheet  
**Appropriated Special Revenue Funds**  
 December 31  
 (Amounts in Thousands)

|                                       | Street          |                                     |               |            | Motor Vehicle License | Special Recreation | Total                     |                    |
|---------------------------------------|-----------------|-------------------------------------|---------------|------------|-----------------------|--------------------|---------------------------|--------------------|
|                                       | Health Services | Construction Maintenance and Repair | Parking Meter | Cable T.V. |                       |                    | Income Tax Infrastructure | Income Tax Transit |
| <b>Assets</b>                         |                 |                                     |               |            |                       |                    |                           |                    |
| Cash and Equivalents                  | \$ 1,913        | \$ 2,336                            | \$ 2,100      | \$ 4,513   | \$ 890                | \$ 12              | \$ 28,696                 | \$ 105             |
| Equity in City Treasury Cash          |                 |                                     |               |            |                       |                    |                           | 28,563             |
| Receivables:                          |                 |                                     |               |            |                       |                    |                           |                    |
| Taxes                                 |                 |                                     |               |            |                       |                    | 6,196                     | 5,681              |
| Accounts, Net                         | 270             | 102                                 | 2             | 6          | 5                     | 8                  | 393                       | 438                |
| Accrued Interest                      |                 |                                     | 1             | 2          |                       | 8                  | 36                        | 45                 |
| Due from Other Funds                  |                 | 27                                  | 1             | 4          | 1                     | 16                 | 58                        | 96                 |
| Due from Other Governments            |                 | 468                                 |               |            | 135                   |                    | 603                       |                    |
| Prepaid Items                         |                 |                                     |               |            |                       |                    |                           | 6                  |
| Inventory                             |                 |                                     | 3             |            |                       |                    | 98                        | 148                |
| Advances to Other Funds               | 500             | 496                                 |               |            |                       |                    | 996                       | 1,411              |
| Total Assets                          | \$ 2,683        | \$ 3,429                            | \$ 2,106      | \$ 4,525   | \$ 1,031              | \$ 1,273           | \$ 37,088                 | \$ 36,493          |
| <b>Liabilities and Fund Equity</b>    |                 |                                     |               |            |                       |                    |                           |                    |
| Liabilities                           |                 |                                     |               |            |                       |                    |                           |                    |
| Accounts Payable                      | \$ 109          | \$ 56                               | \$ 60         | \$ 74      | \$ 25                 | \$ 66              | \$ 465                    | \$ 677             |
| Due to Other Funds                    | 1               | 13                                  | 4             | 9          | 70                    | 8                  | 186                       | 301                |
| Accrued Payroll                       | 17              | 138                                 | 2             | 36         | 8                     | 25                 | 417                       | 1,020              |
| Accrued Liabilities                   |                 | 2                                   |               |            |                       |                    | 2                         |                    |
| Deposits Payable                      |                 | 6                                   |               | 367        | 1                     | 1                  | 376                       | 365                |
| Deferred Revenue                      |                 |                                     |               |            | 328                   |                    | 1,311                     |                    |
| Estimated Liability for Unpaid Claims |                 |                                     |               |            |                       |                    |                           | 13                 |
| Total Liabilities                     | 127             | 215                                 | 66            | 486        | 104                   | 100                | 2,757                     | 2,376              |
| Fund Equity                           |                 |                                     |               |            |                       |                    |                           |                    |
| Fund Balances:                        |                 |                                     |               |            |                       |                    |                           | 6                  |
| Reserved for Prepaid Items            |                 |                                     |               |            |                       |                    |                           | 3,381              |
| Reserved for Encumbrances             | 202             | 360                                 | 29            | 186        | 227                   | 132                | 3,337                     |                    |
| Reserved for Advances to Other Funds  | 500             | 496                                 | 3             |            |                       |                    | 996                       | 1,411              |
| Reserved for Inventory                |                 |                                     |               |            |                       |                    | 98                        | 148                |
| Fund Balances, Unreserved             |                 |                                     |               |            |                       |                    |                           | 4,000              |
| Designated for Contingencies          | 1,854           | 2,358                               | 2,008         | 3,853      | 700                   | 1,041              | 25,900                    | 25,171             |
| Undesignated                          | 2,556           | 3,214                               | 2,040         | 4,039      | 927                   | 1,173              | 34,331                    | 34,117             |
| Total Fund Equity                     | \$ 2,683        | \$ 3,429                            | \$ 2,106      | \$ 4,525   | \$ 1,031              | \$ 1,273           | \$ 37,088                 | \$ 36,493          |
| Total Liabilities and Fund Equity     |                 |                                     |               |            |                       |                    |                           |                    |

**CITY OF CINCINNATI, OHIO**

Combining Statement of Revenue, Expenditures and Changes in Fund Balances  
**Appropriated Special Revenue Funds**  
 For the year ended December 31  
 (Amounts in Thousands)

|  | Health Services | Street Construction Maintenance and Repair | Parking Meter   | Cable T.V.      | Income Tax Infrastructure | Income Tax Transit | Motor Vehicle License | Special Recreation | December 31 2001 | December 31 2000 |
|--|-----------------|--|-----------------|-----------------|---------------------------|--------------------|-----------------------|--------------------|------------------|------------------|
| <b>Revenue</b>   |                 |  |                 |                 |                           |                    |                       |                    |                  |                  |
| Taxes  | \$              | \$   | \$              | \$              | \$                        | \$                 | \$                    | \$                 | \$               | \$               |
| Licenses and Permits   |                 |  |                 | 2,299           | 11,968                    | 35,904             |                       |                    | 47,872           | 47,459           |
| Use of Money and Property  |                 |  |                 | 4               |                           |                    |                       |                    | 2,299            | 2,206            |
| Intergovernmental Revenue  |                 | 7,488                                      |                 |                 | 318                       |                    | 2,804                 | 292                | 614              | 773              |
| State Grants and Subsidies   |                 |  |                 |                 | 2                         |                    |                       | 2                  | 10,292           | 10,528           |
| Charges for Current Services   | 3,365           |  | 5               | 25              |                           |                    |                       | 3,143              | 6,508            | 6,338            |
| Miscellaneous  |                 |  | 5               |                 |                           |                    | 8                     |                    | 38               | 50               |
| <b>Total Revenue</b>   | <b>3,365</b>    | <b>7,488</b>                               | <b>5</b>        | <b>2,328</b>    | <b>11,970</b>             | <b>36,222</b>      | <b>2,812</b>          | <b>3,437</b>       | <b>67,627</b>    | <b>67,354</b>    |
| <b>Expenditures</b>  |                 |  |                 |                 |                           |                    |                       |                    |                  |                  |
| <b>Current</b>   |                 |  |                 |                 |                           |                    |                       |                    |                  |                  |
| General Government   | 106             |  | 178             | 35              | 1,359                     | 456                | 115                   | 142                | 2,391            | 2,732            |
| Parks and Recreation   |                 |  |                 |                 | 1,026                     | 8                  |                       | 3,313              | 4,347            | 4,155            |
| Public Safety  |                 |  |                 | 543             |                           |                    |                       |                    | 543              | 530              |
| Transportation and Engineering   |                 |  |                 |                 | 2,096                     | 369                | 279                   |                    | 2,744            | 2,980            |
| Public Services  |                 | 6,277                                      | 482             | 30              | 3,152                     |                    | 2,387                 |                    | 12,328           | 12,385           |
| General Services   |                 |  |                 | 794             | 1,992                     | 37,695             |                       |                    | 40,481           | 39,622           |
| Public Health  | 2,415           |  |                 |                 |                           |                    |                       |                    | 2,415            | 2,258            |
| Employee Benefits  | 128             | 1,178                                      |                 | 152             | 1,148                     |                    | 48                    | 115                | 2,769            | 2,072            |
| Capital Outlay   |                 | 68   |                 |                 |                           |                    |                       |                    | 68               | 216              |
| <b>Total Expenditures</b>  | <b>2,649</b>    | <b>7,523</b>                               | <b>660</b>      | <b>1,554</b>    | <b>10,773</b>             | <b>38,528</b>      | <b>2,829</b>          | <b>3,570</b>       | <b>68,086</b>    | <b>66,950</b>    |
| Excess of Revenue over (under) Expenditures  | 716             | (35)                                       | (655)           | 774             | 1,197                     | (2,306)            | (17)                  | (133)              | (459)            | 404              |
| <b>Other Financing Sources (Uses)</b>  |                 |  |                 |                 |                           |                    |                       |                    |                  |                  |
| Operating Transfers In   |                 |  | 892             | 1,500           |                           |                    |                       | 13                 | 2,405            | 651              |
| Operating Transfers (Out)  |                 |  |                 |                 | (1,164)                   | (785)              |                       | (400)              | (2,349)          | (4,492)          |
| <b>Total Other Financing Sources (Uses)</b>  |                 |  | <b>892</b>      | <b>1,500</b>    | <b>(1,164)</b>            | <b>(785)</b>       |                       | <b>(387)</b>       | <b>56</b>        | <b>(3,841)</b>   |
| Excess of Revenue and Other Financing Sources over (under) Expenditures and Other Uses | 716             | (35)                                       | 237             | 2,274           | 33                        | (3,091)            | (17)                  | (520)              | (403)            | (3,437)          |
| Fund Balances, January 1   | 1,840           | 2,757                                      | 1,803           | 1,765           | 10,425                    | 13,015             | 819                   | 1,693              | 34,117           | 37,554           |
| Cumulative Effect of a Change in Accounting Principle                                  |                 | 492  |                 |                 |                           |                    | 125                   |                    | 617              |                  |
| <b>Fund Balances, December 31</b>  | <b>\$ 2,556</b> | <b>\$ 3,214</b>                            | <b>\$ 2,040</b> | <b>\$ 4,039</b> | <b>\$ 10,458</b>          | <b>\$ 9,924</b>    | <b>\$ 927</b>         | <b>\$ 1,173</b>    | <b>\$ 34,331</b> | <b>\$ 34,117</b> |

**CITY OF CINCINNATI, OHIO**  
 Combining Balance Sheet  
**Nonappropriated Special Revenue Funds**  
 December 31

(Amounts in Thousands)

|  | Recreation | Parks    | Safety    | Health   | Cincinnati<br>Blue Ash<br>Airport | Community<br>Development | Department<br>of Labor<br>Grants | Other    | Total               |                     |
|--|------------|----------|-----------|----------|-----------------------------------|--------------------------|----------------------------------|----------|---------------------|---------------------|
|  |            |          |           |          |                                   |                          |                                  |          | December 31<br>2001 | December 31<br>2000 |
| <b>Assets</b>                                |            |          |           |          |                                   |                          |                                  |          |                     |                     |
| Cash and Equivalents                         | \$ 12      | \$ 2,481 | \$        | \$       | \$                                | \$ 440                   | \$                               | \$       | \$ 2,933            | \$ 2,391            |
| Equity in City Treasury Cash                 | 550        | 973      | 12,321    | 6,218    | 118                               | 1,143                    | 3,230                            | 7,372    | 31,925              | 32,191              |
| Investments                                  |            | 388      |           |          |                                   |                          |                                  |          | 388                 | 474                 |
| Receivables:                                 |            |          |           |          |                                   |                          |                                  |          |                     |                     |
| Taxes  |            |          |           | 353      |                                   |                          |                                  |          | 353                 | 51                  |
| Accounts, Net                                | 106        | 9        |           |          | 3                                 |                          | 345                              | 114      | 577                 | 970                 |
| Special Assessments                          |            |          |           |          |                                   | 2,587                    |                                  | 1,186    | 3,773               | 3,926               |
| Accrued Interest                             | 3          | 6        | 57        |          |                                   |                          |                                  |          | 66                  | 52                  |
| Due from Other Funds                         |            |          |           | 127      |                                   | 6                        | 19                               | 125      | 277                 | 359                 |
| Due from Other Governments                   | 6          |          | 1         | 245      |                                   | 1,902                    | 572                              | 370      | 3,096               | 1,159               |
| Prepaid Items                                |            |          |           |          |                                   |                          |                                  |          |                     | 4                   |
| Inventory                                    |            |          |           | 336      |                                   |                          |                                  | 35       | 371                 | 486                 |
| Advances to Other Funds                      | 25         |          |           |          |                                   |                          |                                  |          | 25                  | 25                  |
| Total Assets                                 | \$ 702     | \$ 3,857 | \$ 12,379 | \$ 7,279 | \$ 121                            | \$ 6,078                 | \$ 4,166                         | \$ 9,202 | \$ 43,784           | \$ 42,088           |
| <b>Liabilities and Fund Equity</b>           |            |          |           |          |                                   |                          |                                  |          |                     |                     |
| <b>Liabilities</b>                           |            |          |           |          |                                   |                          |                                  |          |                     |                     |
| Accounts Payable                             | \$ 13      | \$ 21    | \$ 74     | \$ 404   | \$                                | \$ 2,280                 | \$ 1,116                         | \$ 615   | \$ 4,523            | \$ 1,934            |
| Due to Other Funds                           |            |          | 3         | 13       |                                   | 32                       | 5                                | 188      | 241                 | 148                 |
| Accrued Payroll                              | 2          | 4        |           | 126      |                                   | 46                       | 10                               | 32       | 220                 | 500                 |
| Accrued Liabilities                          |            |          |           | 51       |                                   |                          |                                  | 1        | 52                  | 189                 |
| Accrued Interest                             |            |          |           |          |                                   |                          |                                  |          |                     | 2                   |
| Deposits Payable                             |            |          |           |          |                                   |                          |                                  |          | 5,251               | 5,340               |
| Deferred Revenue                             |            |          | 6,645     |          |                                   | 3,720                    | 345                              | 1,186    | 6,645               | 6,259               |
| Estimated Liability for Compensated Absences |            |          |           | 500      |                                   |                          |                                  | 125      | 625                 | 1,165               |
| Advances from Other Funds                    |            |          |           |          |                                   |                          |                                  |          |                     |                     |
| Total Liabilities                            | 15         | 25       | 6,722     | 1,094    |                                   | 6,078                    | 1,476                            | 2,147    | 17,557              | 15,537              |
| <b>Fund Equity</b>                           |            |          |           |          |                                   |                          |                                  |          |                     |                     |
| Fund Balances:                               |            |          |           |          |                                   |                          |                                  |          |                     |                     |
| Reserved for Prepaid Items                   | 51         | 34       | 616       | 1,181    | 9                                 | 27,408                   | 3,828                            | 12,700   | 45,827              | 25,681              |
| Reserved for Encumbrances                    | 25         |          |           |          |                                   |                          |                                  |          | 25                  | 25                  |
| Reserved for Advances to Other Funds         |            |          |           | 336      |                                   |                          |                                  | 35       | 371                 | 486                 |
| Reserved for Inventory                       |            |          |           | 4,668    |                                   | (27,408)                 | (1,138)                          | (5,680)  | (19,996)            | 355                 |
| Unreserved                                   | 611        | 3,798    | 5,041     | 6,185    | 112                               |                          |                                  |          | 26,227              | 26,551              |
| Total Fund Equity                            | 687        | 3,832    | 5,657     | 6,185    | 121                               |                          | 2,690                            | 7,055    | 26,227              | 26,551              |
| Total Liabilities and Fund Equity            | \$ 702     | \$ 3,857 | \$ 12,379 | \$ 7,279 | \$ 121                            | \$ 6,078                 | \$ 4,166                         | \$ 9,202 | \$ 43,784           | \$ 42,088           |

**CITY OF CINCINNATI, OHIO**

Combining Statement of Revenue, Expenditures and Changes in Fund Balances  
**Nonappropriated Special Revenue Funds**  
 For the year ended December 31  
 (Amounts in Thousands)

|  | Recreation   | Parks        | Safety       | Health       | Cincinnati |               | Community Development | Department of Labor Grants | Other         | Total            |                  |
|--|--------------|--------------|--------------|--------------|------------|---------------|-----------------------|----------------------------|---------------|------------------|------------------|
|  |              |              |              |              | Blue Ash   | Airport       |                       |                            |               | December 31 2001 | December 31 2000 |
| <b>Revenue</b>   |              |              |              |              |            |               |                       |                            |               |                  |                  |
| Licenses and Permits   | \$ 33        | \$ 341       | \$ 575       | \$ 851       | \$ 73      | \$ 526        | \$ 1,400              | \$ 1,426                   | \$ 1,081      | \$ 1,426         | \$ 1,081         |
| Use of Money and Property  |              |              | 238          |              |            | 66            | 3,138                 | 3,204                      | 3,099         | 3,204            | 3,099            |
| Special Assessments  |              |              |              |              |            |               |                       |                            |               |                  |                  |
| Intergovernmental Revenue  |              |              | 1,463        | 110          |            |               |                       |                            |               |                  |                  |
| Federal Grants   | 444          |              | 1,005        | 4,216        |            | 21,803        | 5,282                 | 36,937                     | 31,750        | 36,937           | 31,750           |
| State Grants and Subsidies   | 357          | 68           | 147          | 491          |            |               | 239                   | 2,302                      | 882           | 2,302            | 882              |
| Charges for Current Services   | 150          | 485          | 128          | 3,006        |            | 38            | 1,585                 | 6,251                      | 5,965         | 6,251            | 5,965            |
| Miscellaneous  | 23           | 871          | 43           | 279          |            | 2,253         | 403                   | 3,872                      | 5,547         | 3,872            | 5,547            |
| <b>Total Revenue</b>   | <b>1,007</b> | <b>1,765</b> | <b>3,599</b> | <b>8,953</b> | <b>73</b>  | <b>24,686</b> | <b>12,047</b>         | <b>58,176</b>              | <b>53,563</b> | <b>58,176</b>    | <b>53,563</b>    |
| <b>Expenditures</b>  |              |              |              |              |            |               |                       |                            |               |                  |                  |
| Current  |              |              |              |              |            |               |                       |                            |               |                  |                  |
| General Government   |              |              |              | 224          |            | 3,104         | 6,431                 | 17,145                     | 13,189        | 17,145           | 13,189           |
| Parks and Recreation   | 845          | 1,810        | 40           |              |            |               | 1,916                 | 4,611                      | 3,032         | 4,611            | 3,032            |
| Public Safety  |              |              | 2,081        |              |            |               | 115                   | 2,196                      | 3,741         | 2,196            | 3,741            |
| Public Services  |              |              | 75           |              | 42         |               | 715                   | 715                        | 2             | 715              | 2                |
| General Services   |              |              |              | 8,789        |            |               | 441                   | 558                        | 512           | 558              | 512              |
| Public Health  |              |              |              | 890          |            |               |                       | 8,789                      | 7,305         | 8,789            | 7,305            |
| Employee Benefits  |              |              |              |              |            | 250           |                       | 1,140                      | 1,002         | 1,140            | 1,002            |
| Capital Outlay   | 68           |              | 54           | 10           |            | 21,016        | 2,243                 | 23,391                     | 18,696        | 23,391           | 18,696           |
| Debt Service   |              |              |              |              |            |               |                       |                            |               |                  |                  |
| Interest   |              |              |              |              |            | 322           |                       | 322                        | 377           | 322              | 377              |
| <b>Total Expenditures</b>  | <b>913</b>   | <b>1,810</b> | <b>2,250</b> | <b>9,913</b> | <b>42</b>  | <b>24,692</b> | <b>11,861</b>         | <b>58,867</b>              | <b>47,856</b> | <b>58,867</b>    | <b>47,856</b>    |
| <b>Excess of Revenue over (under) Expenditures</b>                           | <b>94</b>    | <b>(45)</b>  | <b>1,349</b> | <b>(960)</b> | <b>31</b>  | <b>(6)</b>    | <b>186</b>            | <b>(691)</b>               | <b>5,707</b>  | <b>(691)</b>     | <b>5,707</b>     |
| Other Financing Sources (Uses)   |              |              |              |              |            |               |                       |                            |               |                  |                  |
| Operating Transfers In   | 16           | 340          |              |              |            | 6             | 215                   | 577                        | 569           | 577              | 569              |
| Operating Transfers (Out)  |              |              |              |              |            |               | (210)                 | (210)                      | (130)         | (210)            | (130)            |
| <b>Total Other Financing Sources (Uses)</b>                                  | <b>16</b>    | <b>340</b>   |              |              |            | <b>6</b>      | <b>5</b>              | <b>367</b>                 | <b>439</b>    | <b>367</b>       | <b>439</b>       |
| Excess of Revenue and Other Sources over (under) Expenditures and Other Uses | 110          | 295          | 1,349        | (960)        | 31         |               | (1,340)               | (324)                      | 6,146         | (324)            | 6,146            |
| Fund Balances, January 1   | 577          | 3,537        | 4,308        | 7,145        | 90         |               | 6,864                 | 26,551                     | 20,405        | 26,551           | 20,405           |
| <b>Fund Balances, December 31</b>  | <b>687</b>   | <b>3,832</b> | <b>5,657</b> | <b>6,185</b> | <b>121</b> |               | <b>7,055</b>          | <b>26,227</b>              | <b>26,551</b> | <b>26,227</b>    | <b>26,551</b>    |

**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  
(Amounts in Thousands)

|  | Budget<br><u>2001</u> | Actual<br><u>2001</u> | Variance<br>Favorable<br>(Unfavorable) |
|--|-----------------------|-----------------------|--|
| HEALTH SERVICES FUND   |                       |                       |  |
| Revenue  |                       |                       |  |
| Charges for Current Services                                     | \$ 2,700              | \$ 3,324              | \$ 624                                 |
| TOTAL REVENUE  | <u>2,700</u>          | <u>3,324</u>          | <u>624</u>                             |
| Expenditures   |                       |                       |  |
| Department of Public Health                                      |                       |                       |  |
| Division of Primary Care - Special Programs                      |                       |                       |  |
| Personal Services  | 142                   | 142                   |  |
| Non-Personal Services  | 288                   | 255                   | 33                                     |
| Capital Outlay   | <u>10</u>             | <u>6</u>              | <u>4</u>                               |
| Total Division of Primary Care - Special Progr                   | 440                   | 403                   | 37                                     |
| Division of Primary Care - Health Centers                        |                       |                       |  |
| Personal Services  | 825                   | 820                   | 5                                      |
| Non-Personal Services  | <u>1,502</u>          | <u>1,419</u>          | <u>83</u>                              |
| Total Division of Primary Care - Health Center                   | <u>2,327</u>          | <u>2,239</u>          | <u>88</u>                              |
| Total Department of Health                                       | 2,767                 | 2,642                 | 125                                    |
| Nondepartmental Accounts   |                       |                       |  |
| Contribution to City Pension System                              | 54                    | 53                    | 1                                      |
| Employee Hospital Care   | 54                    | 52                    | 2                                      |
| Dental and Vision Care   | 10                    | 9                     | 1                                      |
| Medicare Tax   | 8                     | 8                     |  |
| Public Employee Assistance                                       | 1                     | 1                     |  |
| Workers' Compensation Insurance                                  | 8                     | 8                     |  |
| General Fund Overhead Charge                                     | <u>106</u>            | <u>106</u>            |  |
| Total Nondepartmental Accounts                                   | <u>241</u>            | <u>237</u>            | <u>4</u>                               |
| TOTAL EXPENDITURES   | <u>3,008</u>          | <u>2,879</u>          | <u>129</u>                             |
| Excess of Revenue over (under) Expenditures                      | (308)                 | 445                   | 753                                    |
| Other Financing Sources  |                       |                       |  |
| Operating Transfers In   |                       | <u>415</u>            | <u>415</u>                             |
| Excess of Revenue and Other Sources over (under)<br>Expenditures | (308)                 | 860                   | 1,168                                  |
| Cancellation of Prior Years Encumbrances                         |                       | 154                   | 154                                    |
| Fund Balance, January 1  | <u>1,467</u>          | <u>1,467</u>          |  |
| Fund Balance, December 31  | <u>\$ 1,159</u>       | <u>\$ 2,481</u>       | <u>\$ 1,322</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  
(Amounts in Thousands)

|   | Budget          | Actual          | Variance                   |
|---|-----------------|-----------------|----------------------------|
|   | 2001            | 2001            | Favorable<br>(Unfavorable) |
| STREET CONSTRUCTION, MAINTENANCE<br>AND REPAIR FUND |                 |                 |                            |
| Revenue   |                 |                 |                            |
| Intergovernmental Revenue                           |                 |                 |                            |
| Motor Vehicle License                               | \$ 2,700        | \$ 2,692        | \$ (8)                     |
| Gasoline  | 4,975           | 4,820           | (155)                      |
| Miscellaneous                                       | 400             | 260             | (140)                      |
| TOTAL REVENUE                                       | <u>8,075</u>    | <u>7,772</u>    | <u>(303)</u>               |
| Expenditures  |                 |                 |                            |
| Department of Public Services                       |                 |                 |                            |
| Traffic and Road Operations Division                |                 |                 |                            |
| Personal Services                                   | 3,172           | 3,157           | 15                         |
| Non-Personal Services                               | 1,769           | 1,767           | 2                          |
| Capital Outlay                                      | 56              | 55              | 1                          |
| Total Traffic and Road Operations Division          | <u>4,997</u>    | <u>4,979</u>    | <u>18</u>                  |
| Neighborhood Operations Division                    |                 |                 |                            |
| Non-Personal Services                               | 1,800           | 1,772           | 28                         |
| Total Neighborhood Operations Division              | <u>1,800</u>    | <u>1,772</u>    | <u>28</u>                  |
| Total Department of Public Services                 | <u>6,797</u>    | <u>6,751</u>    | <u>46</u>                  |
| Nondepartmental Accounts                            |                 |                 |                            |
| Contribution to City Pension System                 | 473             | 457             | 16                         |
| Employee Hospital Care                              | 534             | 527             | 7                          |
| Dental and Vision Care                              | 95              | 92              | 3                          |
| Medicare Tax  | 56              | 53              | 3                          |
| Workers' Compensation Insurance                     | 75              | 49              | 26                         |
| Life Insurance                                      | 4               | 3               | 1                          |
| Total Nondepartmental Accounts                      | <u>1,237</u>    | <u>1,181</u>    | <u>56</u>                  |
| TOTAL EXPENDITURES                                  | <u>8,034</u>    | <u>7,932</u>    | <u>102</u>                 |
| Excess of Revenues over (under)<br>Expenditures     | 41              | (160)           | (201)                      |
| Cancellation of Prior Years Encumbrances            |                 | 470             | 470                        |
| Fund Balance, January 1                             | <u>1,981</u>    | <u>1,981</u>    |                            |
| Fund Balance, December 31                           | <u>\$ 2,022</u> | <u>\$ 2,291</u> | <u>\$ 269</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  
(Amounts in Thousands)

|   | Budget<br>2001  | Actual<br>2001  | Variance<br>Favorable<br>(Unfavorable) |
|---|-----------------|-----------------|--|
|   | <u>2001</u>     | <u>2001</u>     | <u>(Unfavorable)</u>                   |
| PARKING METER FUND                                      |                 |                 |  |
| Revenue   |                 |                 |  |
| Miscellaneous   | \$ 868          | \$ 875          | \$ 7                                   |
| TOTAL REVENUE   | 868             | 875             | 7                                      |
| Expenditures  |                 |                 |  |
| Department of Economic Development                      |                 |                 |  |
| Non-Personal Services                                   | 81              | 81              |  |
| Total Department of Economic Development                | 81              | 81              |  |
| Department of Public Services                           |                 |                 |  |
| Traffic and Road Operations Division                    |                 |                 |  |
| Personal Services                                       | 123             | 123             |  |
| Non-Personal Services                                   | 382             | 382             |  |
| Total Department of Public Services                     | 505             | 505             |  |
| Downtown Special Improvements District                  |                 |                 |  |
| Non-Personal Services                                   | 145             | 74              | 71                                     |
| Total Downtown Special Improvements District            | 145             | 74              | 71                                     |
| TOTAL EXPENDITURES                                      | 731             | 660             | 71                                     |
| Excess of Revenue over Expenditures                     | 137             | 215             | 78                                     |
| Other Financing Sources                                 |                 |                 |  |
| Operating Transfers In                                  |                 | 25              | 25                                     |
| Total Other Financing Sources                           |                 | 25              | 25                                     |
| Excess of Revenue and Other Financing over Expenditures | 137             | 240             | 103                                    |
| Cancellation of Prior Years Encumbrances                |                 |                 |  |
| Fund Balance, January 1                                 | 1,806           | 1,806           |  |
| Fund Balance, December 31                               | <u>\$ 1,943</u> | <u>\$ 2,046</u> | <u>\$ 103</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  
(Amounts in Thousands)

|  | Budget<br>2001 | Actual<br>2001 | Variance<br>Favorable<br>(Unfavorable) |
|--|----------------|----------------|--|
| CABLE T.V. FUND                        |                |                |  |
| Revenue                                |                |                |  |
| Licenses and Permits                   | \$ 2,350       | \$ 2,300       | \$ (50)                                |
| Miscellaneous                          | 100            | 135            | 35                                     |
| TOTAL REVENUE                          | 2,450          | 2,435          | (15)                                   |
| Expenditures                           |                |                |  |
| Department of Public Safety            |                |                |  |
| Division of Police                     |                |                |  |
| Personal Services                      | 85             | 41             | 44                                     |
| Non-Personal Services                  | 503            | 503            |  |
| Total Department of Public Safety      | 588            | 544            | 44                                     |
| Department of General Services         |                |                |  |
| Division of Cable Communications       |                |                |  |
| Personal Services                      | 245            | 225            | 20                                     |
| Non-Personal Services                  | 279            | 191            | 88                                     |
| Total Division of Cable Communications | 524            | 416            | 108                                    |
| Regional Computer Center               |                |                |  |
| Personal Services                      | 201            | 201            |  |
| Non-Personal Services                  | 159            | 143            | 16                                     |
| Total Regional Computer Center         | 360            | 344            | 16                                     |
| Total Department of General Services   | 884            | 760            | 124                                    |
| Department of Public Services          |                |                |  |
| Neighborhood Operations Division       |                |                |  |
| Non-Personal Services                  | 29             | 29             |  |
| Total Neighborhood Operations Division | 29             | 29             |  |
| Total Department of Public Services    | 29             | 29             |  |
| Nondepartmental Accounts               |                |                |  |
| Contribution to City Pension System    | 75             | 75             |  |
| Employee Hospital Care                 | 65             | 44             | 21                                     |
| Dental and Vision Care                 | 12             | 11             | 1                                      |
| Medicare Tax                           | 14             | 14             |  |
| Workers' Compensation Insurance        | 10             | 4              | 6                                      |
| Life Insurance                         | 1              | 1              |  |
| General Fund Overhead Charge           | 36             | 35             | 1                                      |
| Total Nondepartmental Accounts         | 213            | 184            | 29                                     |
| TOTAL EXPENDITURES                     | 1,714          | 1,517          | 197                                    |
| Excess of Revenues over Expenditures   | 736            | 918            | 182                                    |
| Other Financing Sources                |                |                |  |
| Operating Transfers In                 |                | 1,500          | 1,500                                  |
| TOTAL OTHER FINANCING SOURCES          |                | 1,500          | 1,500                                  |

(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  
(Amounts in Thousands)

|   | Budget<br>2001         | Actual<br>2001         | Variance<br>Favorable<br>(Unfavorable) |
|---|------------------------|------------------------|--|
| CABLE T.V. FUND<br>(Continued)                                      |                        |                        |  |
| Excess of Revenues over<br>Expenditures and other Financing Sources | \$ 736                 | \$ 2,418               | \$ 1,682                               |
| Cancellation of Prior Years Encumbrances                            |                        | 18                     | 18                                     |
| Fund Balance, January 1   | <u>1,513</u>           | <u>1,513</u>           |  |
| Fund Balance, December 31   | <u><u>\$ 2,249</u></u> | <u><u>\$ 3,949</u></u> | <u><u>\$ 1,700</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  
(Amounts in Thousands)

|   | Budget        | Actual        | Variance      |
|---|---------------|---------------|---------------|
|   | 2001          | 2001          | Favorable     |
|   |               |               | (Unfavorable) |
| INCOME TAX INFRASTRUCTURE FUND                                  |               |               |               |
| Revenue   |               |               |               |
| Taxes   |               |               |               |
| City Income Tax   | \$ 13,058     | \$ 12,168     | \$ (890)      |
| Miscellaneous   | 255           | 296           | 41            |
| TOTAL REVENUE   | <u>13,313</u> | <u>12,464</u> | <u>(849)</u>  |
| Expenditures  |               |               |               |
| Office of the City Manager                                      |               |               |               |
| Office of Environmental Management                              |               |               |               |
| Personal Services   | 169           | 161           | 8             |
| Non-Personal Services   | 49            | 37            | 12            |
| Total Office of Environmental Management                        | <u>218</u>    | <u>198</u>    | <u>20</u>     |
| Office of Contract Compliance and Administrative Hearings       |               |               |               |
| Personal Services   | 46            | 44            | 2             |
| Non-Personal Services   | 6             | 1             | 5             |
| Total Office of Contract Compliance and Administrative Hearings | <u>52</u>     | <u>45</u>     | <u>7</u>      |
| Total Office of the City Manager                                | 270           | 243           | 27            |
| Department of Law   |               |               |               |
| Division of Legal Services                                      |               |               |               |
| Personal Services   | 148           | 141           | 7             |
| Non-Personal Services   | 9             | 9             |               |
| Total Department of Law   | <u>157</u>    | <u>150</u>    | <u>7</u>      |
| Department of Human Resources                                   |               |               |               |
| Personal Services   | 149           | 144           | 5             |
| Total Department of Human Resources                             | 149           | 144           | 5             |
| Department of Finance   |               |               |               |
| Division of Budget & Evaluation                                 |               |               |               |
| Personal Services   | 51            | 36            | 15            |
| Non-Personal Services   | 8             | 1             | 7             |
| Total Division of Budget & Evaluation                           | <u>59</u>     | <u>37</u>     | <u>22</u>     |
| Division of Accounts and Audits                                 |               |               |               |
| Personal Services   | 97            | 97            |               |
| Non-Personal Services   | 3             | 1             | 2             |
| Total Division of Accounts and Audits                           | <u>100</u>    | <u>98</u>     | <u>2</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  
(Amounts in Thousands)

| INCOME TAX INFRASTRUCTURE FUND<br>(Continued)                  | Budget<br>2001 | Actual<br>2001 | Variance<br>Favorable<br>(Unfavorable) |
|--|----------------|----------------|--|
| Division of Purchasing   |                |                |  |
| Personal Services  | \$ 175         | \$ 167         | \$ 8                                   |
| Non-Personal Services  | 46             | 27             | 19                                     |
| Total Division of Purchasing                                   | <u>221</u>     | <u>194</u>     | <u>27</u>                              |
| Total Department of Finance                                    | 380            | 329            | 51                                     |
| Department of Public Recreation                                |                |                |  |
| Division of Recreation Administration                          |                |                |  |
| Personal Services  | 229            | 229            |  |
| Total Department of Public Recreation                          | <u>229</u>     | <u>229</u>     |  |
| Department of Parks  |                |                |  |
| Division of Operations   |                |                |  |
| Personal Services  | 787            | 787            |  |
| Total Department of Parks                                      | <u>787</u>     | <u>787</u>     |  |
| Department of Buildings & Inspections                          |                |                |  |
| Division of Building Construction Inspection                   |                |                |  |
| Personal Services  | 41             | 41             |  |
| Total Department of Buildings & Inspection                     | <u>41</u>      | <u>41</u>      |  |
| Department of Transportation & Engineering                     |                |                |  |
| Office of the Director   |                |                |  |
| Personal Services  | 55             | 55             |  |
| Non-personal Services  | 4              | 3              | 1                                      |
| Total Office of the Director                                   | <u>59</u>      | <u>58</u>      | <u>1</u>                               |
| Division of Transportation, Planning and<br>Urban Design       |                |                |  |
| Personal Services  | 299            | 207            | 92                                     |
| Non-Personal Services  | 36             | 13             | 23                                     |
| Total Division of Transportation, Planning<br>and Urban Design | <u>335</u>     | <u>220</u>     | <u>115</u>                             |
| Division of Engineering  |                |                |  |
| Personal Services  | 1,746          | 1,746          |  |
| Non-Personal Services  | 750            | 620            | 130                                    |
| Total Division of Engineering                                  | <u>2,496</u>   | <u>2,366</u>   | <u>130</u>                             |
| Total Department of Transportation & Engineering               | 2,890          | 2,644          | 246                                    |
| Department of General Services                                 |                |                |  |
| Division of Facility Management                                |                |                |  |
| Personal Services  | 632            | 548            | 84                                     |
| Non-Personal Services  | 793            | 788            | 5                                      |
| Total Division of Facility Management                          | <u>1,425</u>   | <u>1,336</u>   | <u>89</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  
(Amounts in Thousands)

| INCOME TAX INFRASTRUCTURE FUND<br>(Continued)                             | Budget<br>2001 | Actual<br>2001 | Variance<br>Favorable<br>(Unfavorable) |
|---|----------------|----------------|--|
| Regional Computer Center  |                |                |  |
| Non-Personal Services   | \$ 627         | 627            |  |
| Total Regional Computer Center  | 627            | 627            |  |
| Total Department of General Services                                      | 2,052          | 1,963          | 89                                     |
| Department of Public Services   |                |                |  |
| Office of the Director  |                |                |  |
| Personal Services   | 128            | 125            | 3                                      |
| Non-Personal Services   | 62             | 60             | 2                                      |
| Total Office of the Director  | 190            | 185            | 5                                      |
| Traffic and Road Operations Division                                      |                |                |  |
| Personal Services   | 1,806          | 1,794          | 12                                     |
| Non-Personal Services   | 1,720          | 1,719          | 1                                      |
| Total Traffic and Road Operations Division                                | 3,526          | 3,513          | 13                                     |
| Total Department of Public Services                                       | 3,716          | 3,698          | 18                                     |
| Nondepartmental Accounts  |                |                |  |
| Contribution to City Pension System                                       | 567            | 485            | 82                                     |
| Employee Hospital Care  | 508            | 435            | 73                                     |
| Dental and Vision Care  | 93             | 80             | 13                                     |
| Medicare Tax  | 78             | 62             | 16                                     |
| Public Employee Assistance  | 8              | 5              | 3                                      |
| Workers' Compensation Insurance   | 117            | 57             | 60                                     |
| State Unemployment Compensation   | 25             | 25             |  |
| Life Insurance  | 9              | 8              | 1                                      |
| General Fund Overhead   | 470            | 470            |  |
| Reserve for Contingencies   | 163            |                | 163                                    |
| Total Nondepartmental Accounts  | 2,038          | 1,627          | 411                                    |
| TOTAL EXPENDITURES  | 12,709         | 11,855         | 854                                    |
| Excess of Revenue over Expenditures                                       | 604            | 609            | 5                                      |
| Other Financing (Uses)  |                |                |  |
| Operating Transfers Out   | (964)          | (1,164)        | (200)                                  |
| TOTAL OTHER FINANCING (USES)  | (964)          | (1,164)        | (200)                                  |
| Excess of Revenue over (under) Expenditures<br>and Other Financing (Uses) | (360)          | (555)          | (195)                                  |
| Cancellation of Prior Years Encumbrances                                  |                | 70             | 70                                     |
| Fund Balance, January 1   | 7,698          | 7,698          |  |
| Fund Balance, December 31   | \$ 7,338       | \$ 7,213       | \$ (125)                               |

**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  
(Amounts in Thousands)

|   | Budget<br>2001 | Actual<br>2001 | Variance<br>Favorable<br>(Unfavorable) |
|---|----------------|----------------|--|
| INCOME TAX TRANSIT FUND                         |                |                |  |
| Revenue   |                |                |  |
| Taxes   |                |                |  |
| City Income Tax                                 | \$ 38,612      | \$ 36,503      | \$ (2,109)                             |
| Use of Money and Property                       | 500            | 303            | (197)                                  |
| TOTAL REVENUE                                   | <u>39,112</u>  | <u>36,806</u>  | <u>(2,306)</u>                         |
| Expenditures                                    |                |                |  |
| SORTA   |                |                |  |
| Operations                                      | <u>37,695</u>  | <u>37,695</u>  |  |
| Total SORTA                                     | 37,695         | 37,695         |  |
| Office of the City Manager                      |                |                |  |
| Division of Employment and Training             |                |                |  |
| Non Personal Services                           | <u>70</u>      | <u>70</u>      |  |
| Total Division of Employment and Training       | 70             | 70             |  |
| Total Office of the City Manager                | 70             | 70             |  |
| Department of Finance                           |                |                |  |
| Division of Budget and Evaluation               |                |                |  |
| Personal Services                               | 7              | 3              | 4                                      |
| Non Personal Services                           | <u>11</u>      | <u>6</u>       | <u>5</u>                               |
| Total Department of Finance                     | 18             | 9              | 9                                      |
| Department of Parks                             |                |                |  |
| Division of Operations                          |                |                |  |
| Non Personal Services                           | <u>8</u>       | <u>8</u>       |  |
| Total Department of Parks                       | 8              | 8              |  |
| Department Transportation and Engineering       |                |                |  |
| Division of Engineering                         |                |                |  |
| Personal Services                               | 30             | 4              | 26                                     |
| Non Personal Services                           | <u>117</u>     | <u>5</u>       | <u>112</u>                             |
| Total Department Transportation and Engineering | 147            | 9              | 138                                    |
| Nondepartmental Accounts                        |                |                |  |
| Contribution to City Pension System             | 3              |                | 3                                      |
| Workers' Compensation Insurance                 | 1              |                | 1                                      |
| General Fund Overhead                           | <u>653</u>     | <u>650</u>     | <u>3</u>                               |
| Total Nondepartmental Accounts                  | <u>657</u>     | <u>650</u>     | <u>7</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  
(Amounts in Thousands)

| INCOME TAX TRANSIT FUND<br>(Continued)                                    | Budget<br>2001    | Actual<br>2001    | Variance<br>Favorable<br>(Unfavorable) |
|---|-------------------|-------------------|--|
|   | <u>          </u> | <u>          </u> | <u>          </u>                      |
| TOTAL EXPENDITURES  | \$ 38,595         | \$ 38,441         | \$ 154                                 |
| Excess of Revenue over (under) Expenditures                               | 517               | (1,635)           | (2,152)                                |
| Other Financing (Uses)  |                   |                   |  |
| Operating Transfers Out   | <u>          </u> | <u>(785)</u>      | <u>(785)</u>                           |
| TOTAL OTHER FINANCING (USES)  | <u>          </u> | <u>(785)</u>      | <u>(785)</u>                           |
| Excess of Revenue over (under)<br>Expenditures and Other Financing (Uses) | 517               | (2,420)           | (2,937)                                |
| Cancellation of Prior Years Encumbrances                                  |                   | 7                 | 7                                      |
| Fund Balance, January 1   | <u>8,501</u>      | <u>8,501</u>      | <u>          </u>                      |
| Fund Balance, December 31   | <u>\$ 9,018</u>   | <u>\$ 6,088</u>   | <u>\$ (2,930)</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  
(Amounts in Thousands)

|  | Budget        | Actual        | Variance                   |
|--|---------------|---------------|----------------------------|
|  | 2001          | 2001          | Favorable<br>(Unfavorable) |
|  | <u>2001</u>   | <u>2001</u>   | <u>(Unfavorable)</u>       |
| MOTOR VEHICLE LICENSE FUND                 |               |               |                            |
| Revenue                                    |               |               |                            |
| Licenses and Permits                       | \$ 2,850      | \$ 2,794      | \$ (56)                    |
| Miscellaneous                              | 60            | 7             | (53)                       |
| TOTAL REVENUE                              | <u>2,910</u>  | <u>2,801</u>  | <u>(109)</u>               |
| Expenditures                               |               |               |                            |
| Department of Public Service               |               |               |                            |
| Traffic and Road Operations Division       |               |               |                            |
| Personal Services                          | 898           | 807           | 91                         |
| Non-Personal Services                      | <u>1,736</u>  | <u>1,736</u>  |                            |
| Total Traffic and Road Operations Division | <u>2,634</u>  | <u>2,543</u>  | <u>91</u>                  |
| Total Department of Public Service         | 2,634         | 2,543         | 91                         |
| Nondepartmental Accounts                   |               |               |                            |
| Contribution to City Pension System        | 44            | 11            | 33                         |
| Employee Hospital Care                     | 15            | 15            |                            |
| Dental and Vision Care                     | 5             | 3             | 2                          |
| Medicare Tax                               | 8             | 2             | 6                          |
| Workers' Compensation Insurance            | 29            | 14            | 15                         |
| General Fund Overhead                      | <u>115</u>    | <u>115</u>    |                            |
| Total Nondepartmental Accounts             | <u>216</u>    | <u>160</u>    | <u>56</u>                  |
| TOTAL EXPENDITURES                         | <u>2,850</u>  | <u>2,703</u>  | <u>147</u>                 |
| Excess of Revenue over Expenditures        | 60            | 98            | 38                         |
| Cancellation of Prior Year Encumbrances    |               | 51            | 51                         |
| Fund Balance, January 1                    | <u>487</u>    | <u>487</u>    |                            |
| Fund Balance, December 31                  | <u>\$ 547</u> | <u>\$ 636</u> | <u>\$ 89</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  
(Amounts in Thousands)

|                                       | Budget       | Actual       | Variance                   |
|---------------------------------------|--------------|--------------|----------------------------|
|                                       | 2001         | 2001         | Favorable<br>(Unfavorable) |
|                                       | <u>2001</u>  | <u>2001</u>  | <u>(Unfavorable)</u>       |
| SPECIAL RECREATION FUND               |              |              |                            |
| Revenue                               |              |              |                            |
| Use of Money and Property             | \$ 322       | \$ 302       | \$ (20)                    |
| Charges for Current Services          | 3,614        | 3,353        | (261)                      |
| Miscellaneous                         | 14           | 3            | (11)                       |
|                                       | <u>3,950</u> | <u>3,658</u> | <u>(292)</u>               |
| TOTAL REVENUE                         |              |              |                            |
| Expenditures                          |              |              |                            |
| Department of Recreation              |              |              |                            |
| Community Activities - Region 1       |              |              |                            |
| Personal Services                     | 268          | 264          | 4                          |
| Non-Personal Services                 | 227          | 209          | 18                         |
|                                       | <u>495</u>   | <u>473</u>   | <u>22</u>                  |
| Total Community Activities - Region 1 |              |              |                            |
| Community Activities - Region 2       |              |              |                            |
| Personal Services                     | 327          | 326          | 1                          |
| Non-Personal Services                 | 114          | 96           | 18                         |
|                                       | <u>441</u>   | <u>422</u>   | <u>19</u>                  |
| Total Community Activities - Region 2 |              |              |                            |
| Community Activities - Region 3       |              |              |                            |
| Personal Services                     | 316          | 304          | 12                         |
| Non-Personal Services                 | 247          | 238          | 9                          |
|                                       | <u>563</u>   | <u>542</u>   | <u>21</u>                  |
| Total Community Activities - Region 3 |              |              |                            |
| Community Activities - Region 4       |              |              |                            |
| Personal Services                     | 466          | 446          | 20                         |
| Non-Personal Services                 | 120          | 103          | 17                         |
|                                       | <u>586</u>   | <u>549</u>   | <u>37</u>                  |
| Total Community Activities - Region 4 |              |              |                            |
| Seniors & Special Populations         |              |              |                            |
| Personal Services                     | 8            | 8            |                            |
| Non-Personal Services                 | 103          | 86           | 17                         |
|                                       | <u>111</u>   | <u>94</u>    | <u>17</u>                  |
| Total Seniors & Special Populations   |              |              |                            |

(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  
(Amounts in Thousands)

| SPECIAL RECREATION FUND<br>(Continued)                               | Budget<br>2001 | Actual<br>2001 | Variance<br>Favorable<br>(Unfavorable) |
|--|----------------|----------------|--|
| Division of Athletics  |                |                |  |
| Personal Services  | \$ 184         | \$ 184         | \$                                     |
| Non-Personal Services  | 262            | 259            | 3                                      |
| Total Division of Athletics  | 446            | 443            | 3                                      |
| Division of Waterfront   |                |                |  |
| Personal Services  | 297            | 294            | 3                                      |
| Non-Personal Services  | 769            | 447            | 322                                    |
| Total Division of Waterfront   | 1,066          | 741            | 325                                    |
| Division of Administration   |                |                |  |
| Personal Services  | 30             | 28             | 2                                      |
| Non-Personal Services  | 24             | 21             | 3                                      |
| Total Division of Administration                                     | 54             | 49             | 5                                      |
| Total Department of Recreation                                       | 3,762          | 3,313          | 449                                    |
| Nondepartmental Accounts   |                |                |  |
| Contribution to City Pension System                                  | 85             | 71             | 14                                     |
| Hospital Care  | 11             | 6              | 5                                      |
| Dental & Vision Care   | 3              | 2              | 1                                      |
| Medicare Tax   | 26             | 21             | 5                                      |
| Workers' Compensation Insurance                                      | 40             | 17             | 23                                     |
| General Fund Overhead  | 157            | 142            | 15                                     |
| Total Nondepartmental Accounts                                       | 322            | 259            | 63                                     |
| TOTAL EXPENDITURES   | 4,084          | 3,572          | 512                                    |
| Excess of Revenue over (under) Expenditures                          | (134)          | 86             | 220                                    |
| Other Financing (Uses)   |                |                |  |
| Operating Transfers Out  |                | (400)          | (400)                                  |
| TOTAL OTHER FINANCING (USES)   |                | (400)          | (400)                                  |
| Excess of Revenue (under) Expenditures<br>and Other Financing (Uses) | (134)          | (314)          | (180)                                  |
| Cancellation of Prior Years Encumbrances                             |                | 51             | 51                                     |
| Fund Balance, January 1  | 1,266          | 1,266          |  |
| Fund Balance, December 31  | \$ 1,132       | \$ 1,003       | \$ (129)                               |

## GOVERNMENTAL FUNDS



## CAPITAL PROJECT FUNDS

**Permanent Improvement Funds** - Used to account for special receipts limited in their use to capital projects and to account for the transfers of funds for those projects.

**Bond Fund** - Used to account for the proceeds of debt issuances and to account for transfers of funds to capital projects.

**Capital Project Fund** - Used to account for various revenue and transfers received for capital projects and for the expenditures of those funds on capital projects.

**CITY OF CINCINNATI, OHIO**

Combining Balance Sheet  
**Capital Project Funds**  
 December 31  
 (Amounts in Thousands)

|  | Permanent<br>Improvement<br>Funds | Bond<br>Fund        | Capital<br>Project<br>Fund | Total               |
|--|-----------------------------------|---------------------|----------------------------|---------------------|
|  | December 31<br>2001               | December 31<br>2001 | December 31<br>2001        | December 31<br>2000 |
| <b>Assets</b>                            |                                   |                     |                            |                     |
| Equity in City Treasury Cash             | \$ 35,371                         | \$ 1,250            | \$ 120,965                 | \$ 157,586          |
| Investments                              | 43,066                            |                     |                            | 43,066              |
| Receivables:                             |                                   |                     |                            |                     |
| Taxes                                    | 5,164                             |                     |                            | 5,164               |
| Accounts, Net                            | 5                                 |                     | 2,085                      | 2,090               |
| Special Assessments                      | 74                                |                     | 74                         | 42                  |
| Accrued Interest                         | 117                               | 4                   | 26                         | 120                 |
| Due from Other Funds                     | 30                                |                     | 1,944                      | 3,203               |
| Inventory                                |                                   |                     | 788                        | 740                 |
| <b>Total Assets</b>                      | <b>\$ 83,827</b>                  | <b>\$ 1,254</b>     | <b>\$ 125,808</b>          | <b>\$ 158,127</b>   |
| <b>Liabilities and Fund Equity</b>       |                                   |                     |                            |                     |
| <b>Liabilities</b>                       |                                   |                     |                            |                     |
| Accounts Payable                         | \$ 296                            | \$                  | \$ 10,193                  | \$ 13,673           |
| Due to Other Funds                       |                                   |                     | 1,079                      | 765                 |
| Due to Other Governmental Agencies       |                                   |                     |                            | 14,069              |
| Deferred Revenue                         | 2,915                             |                     | 2,915                      | 2,697               |
| Advances from Other Funds                |                                   |                     | 20,580                     | 10,517              |
| Estimated Liability for Unpaid Claims    |                                   |                     |                            | 4,613               |
| <b>Total Liabilities</b>                 | <b>3,211</b>                      |                     | <b>31,852</b>              | <b>46,334</b>       |
| <b>Fund Equity</b>                       |                                   |                     |                            |                     |
| <b>Fund Balances:</b>                    |                                   |                     |                            |                     |
| Reserved for Encumbrances                | 34                                |                     | 78,062                     | 51,477              |
| Reserved for Capital Projects            | 61,211                            | 1,254               | 15,106                     | 41,331              |
| Reserved for Working Capital             | 19,371                            |                     | 788                        | 18,245              |
| Reserved for Inventory                   |                                   |                     |                            | 740                 |
| <b>Total Fund Equity</b>                 | <b>80,616</b>                     | <b>1,254</b>        | <b>93,956</b>              | <b>111,793</b>      |
| <b>Total Liabilities and Fund Equity</b> | <b>\$ 83,827</b>                  | <b>\$ 1,254</b>     | <b>\$ 125,808</b>          | <b>\$ 158,127</b>   |

\*Includes the City's Working Capital Reserve of \$19,371,000, established pursuant to City Council Ordinance #63-1992 and Resolution #50-1984.

**CITY OF CINCINNATI, OHIO**

Combining Statement of Revenue, Expenditures and Changes in Fund Balances  
**Capital Project Funds**

For the year ended December 31  
 (Amounts in Thousands)

|   | Permanent<br>Improvement<br>Funds | Bond<br>Fund    | Capital<br>Project<br>Fund | Total               |                     |
|---|-----------------------------------|-----------------|----------------------------|---------------------|---------------------|
|   |                                   |                 |                            | December 31<br>2001 | December 31<br>2000 |
| <u>Revenue</u>  |                                   |                 |                            |                     |                     |
| Taxes   | \$ 21,391                         | \$ 8            | \$ 335                     | \$ 21,391           | \$ 20,714           |
| Use of Money and Property   | 44,780                            |                 |                            | 45,123              | 1,970               |
| Special Assessments   | 96                                |                 |                            | 96                  | 219                 |
| Intergovernmental Revenue   |                                   |                 | 1,000                      | 1,000               | 1,300               |
| Federal Grants  |                                   |                 | 17,816                     | 17,816              | 76,688              |
| State Grants and Subsidies  |                                   |                 | 41,299                     | 41,299              | 16,644              |
| Miscellaneous   | 252                               |                 | 480                        | 732                 | 1,172               |
| <b>Total Revenue</b>  | <b>66,519</b>                     | <b>8</b>        | <b>60,930</b>              | <b>127,457</b>      | <b>118,707</b>      |
| <u>Expenditures</u>   |                                   |                 |                            |                     |                     |
| Capital Outlay  | 1,066                             | 96              | 123,453                    | 124,615             | 206,634             |
| <b>Total Expenditures</b>   | <b>1,066</b>                      | <b>96</b>       | <b>123,453</b>             | <b>124,615</b>      | <b>206,634</b>      |
| <b>Excess of Revenues over (under) Expenditures</b>                                   | <b>65,453</b>                     | <b>(88)</b>     | <b>(62,523)</b>            | <b>2,842</b>        | <b>(87,927)</b>     |
| Other Financing Sources (Uses)  |                                   |                 |                            |                     | 9                   |
| Capital Lease Agreements  |                                   |                 |                            |                     |                     |
| Bond and Note Proceeds  |                                   | 63,657          |                            | 63,657              | 142,202             |
| State Loan  |                                   |                 | 363                        | 363                 |                     |
| Other Transfers In  |                                   |                 | 14,069                     | 14,069              |                     |
| Operating Transfers In  | 4,279                             | 7,452           | 106,634                    | 118,365             | 169,427             |
| Operating Transfers (Out)   | (25,082)                          | (70,862)        | (39,319)                   | (135,263)           | (199,397)           |
| <b>Total Other Financing Sources (Uses)</b>   | <b>(20,803)</b>                   | <b>247</b>      | <b>81,747</b>              | <b>61,191</b>       | <b>112,241</b>      |
| <b>Excess of Revenue and Other Financing Sources over Expenditures and Other Uses</b> | <b>44,650</b>                     | <b>159</b>      | <b>19,224</b>              | <b>64,033</b>       | <b>24,314</b>       |
| <b>Fund Balances, January 1</b>   | <b>35,966</b>                     | <b>1,095</b>    | <b>74,732</b>              | <b>111,793</b>      | <b>87,479</b>       |
| <b>Fund Balances, December 31</b>   | <b>\$ 80,616</b>                  | <b>\$ 1,254</b> | <b>\$ 93,956</b>           | <b>\$ 175,826</b>   | <b>\$ 111,793</b>   |

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## **PROPRIETARY FUNDS**



## **ENTERPRISE FUNDS**

**Water Works** - Used to account for sale of water to the general public and the operation of the water delivery system.

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

**Convention Center** - Used to account for the expenses from the operation of the Albert B. Sabin Convention Center, financed primarily through user fees.

**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.

**CITY OF CINCINNATI, OHIO**

Combining Balance Sheet

**Enterprise Funds**

December 31

(Amounts in Thousands)

|  | Water Works       | Parking Facilities | Convention Center | General Aviation | Municipal Golf   | Stormwater Management | Total             |                   |
|--|-------------------|--------------------|-------------------|------------------|------------------|-----------------------|-------------------|-------------------|
|  |                   |                    |                   |                  |                  |                       | December 31 2001  | December 31 2000  |
| <b>Assets</b>                          |                   |                    |                   |                  |                  |                       |                   |                   |
| Cash and Equivalents                   | \$ 981            | \$ 67              | \$ 2,326          | \$ 1,428         | \$ 16            | \$ 5,890              | \$ 1,064          | \$ 79             |
| Equity in City Treasury Cash           | 52,508            | 2,365              |                   |                  | 896              |                       | 65,413            | 59,532            |
| Receivables:                           |                   |                    |                   |                  |                  |                       |                   |                   |
| Taxes                                  |                   |                    | 107               |                  |                  |                       | 107               |                   |
| Accounts, Net                          | 12,692            | 209                | 144               | 31               | 1                | 1,438                 | 14,515            | 15,595            |
| Accrued Interest                       | 1,537             | 56                 |                   | 26               | 25               | 153                   | 1,797             | 1,255             |
| Due from Other Funds                   | 1,043             | 1                  |                   |                  |                  | 136                   | 1,180             | 376               |
| Due from Other Governments             | 10,403            |                    |                   |                  |                  |                       | 10,403            | 12,446            |
| Prepaid Items                          | 25                | 1                  | 51                |                  |                  |                       | 77                | 111               |
| Inventory                              | 4,767             |                    |                   |                  |                  |                       | 4,767             | 4,826             |
| Advances to Other Funds                | 375               | 2,143              | 523               | 734              | 752              | 6,213                 | 10,740            | 9,302             |
| Restricted Assets:                     |                   |                    |                   |                  |                  |                       |                   |                   |
| Cash and Cash Equivalents              | 7,784             |                    |                   |                  |                  |                       | 7,784             |                   |
| Equity in City Treasury Cash           | 56,628            | 8                  |                   |                  |                  |                       | 56,636            | 15,740            |
| Land                                   | 2,610             | 4,368              | 778               | 13,228           | 1,337            | 3,028                 | 25,349            | 25,248            |
| Buildings                              | 141,512           | 26,708             | 73,488            | 2,914            | 1,342            | 2,100                 | 248,064           | 242,107           |
| Accumulated Depreciation               | (44,790)          | (14,769)           | (43,596)          | (1,960)          | (914)            | (2,100)               | (108,129)         | (101,201)         |
| Improvements                           | 249,566           | 8,217              | 2,517             | 13,813           | 9,550            | 85,536                | 369,199           | 336,834           |
| Accumulated Depreciation               | (44,322)          | (2,544)            | (486)             | (6,300)          | (3,988)          | (59,555)              | (117,195)         | (112,551)         |
| Machinery and Equipment                | 127,732           | 852                | 1,019             | 816              | 2,224            | 10,373                | 143,016           | 134,519           |
| Accumulated Depreciation               | (66,275)          | (543)              | (916)             | (524)            | (2,005)          | (9,924)               | (80,187)          | (75,647)          |
| Construction in Progress               | 113,297           | 7,024              | 1,882             | 2,729            | 1,450            | 4,164                 | 130,546           | 111,911           |
| Property Acquired under Capital Leases | 190               |                    |                   |                  | 447              |                       | 637               | 637               |
| Accumulated Amortization               | (139)             |                    |                   |                  | (89)             |                       | (228)             | (92)              |
| <b>Total Assets</b>                    | <b>\$ 628,124</b> | <b>\$ 34,163</b>   | <b>\$ 37,837</b>  | <b>\$ 26,935</b> | <b>\$ 11,044</b> | <b>\$ 47,452</b>      | <b>\$ 785,555</b> | <b>\$ 681,027</b> |



|  | Water Works | Parking Facilities | Convention Center | General Aviation | Municipal Golf | Stormwater Management | Total            |                  |
|--|-------------|--------------------|-------------------|------------------|----------------|-----------------------|------------------|------------------|
|  |             |                    |                   |                  |                |                       | December 31 2001 | December 31 2000 |
| <u>Liabilities and Fund Equity</u>                                   |             |                    |                   |                  |                |                       |                  |                  |
| Liabilities  |             |                    |                   |                  |                |                       |                  |                  |
| Accounts Payable   | \$ 1,274    | \$ 89              | \$ 120            | \$ 29            | \$ 100         | \$ 62                 | \$ 1,674         | \$ 2,787         |
| Due to Other Funds   | 358         | 18                 | 494               | 4                | 7              | 67                    | 948              | 1,766            |
| Due to Other Governmental Agencies                                   | 1,467       |                    |                   |                  |                |                       | 1,467            | 1,203            |
| Accrued Payroll  | 1,162       | 78                 | 54                | 18               | 5              | 17                    | 1,334            | 2,327            |
| Accrued Liabilities  |             | 249                | 26                | 53               |                |                       | 328              | 305              |
| Accrued Interest   | 383         | 10                 |                   |                  | 14             | 20                    | 427              | 509              |
| Current Obligation Capital Leases                                    | 51          |                    |                   |                  | 184            |                       | 235              | 228              |
| Deposits Payable   |             | 74                 | 165               | 13               |                |                       | 13               | 15               |
| Deferred Revenue   | 2,469       |                    |                   | 8                |                |                       | 2,716            | 201              |
| Estimated Liability for Compensated Absences                         | 4,887       | 391                | 315               | 83               | 15             | 124                   | 5,815            | 6,109            |
| Estimated Liability for Unpaid Claims                                | 68          | 1                  | 12                |                  |                | 3                     | 84               | 81               |
| Non Current Obligation Capital Lease Payable from Restricted Assets: | 4           |                    |                   |                  | 32             |                       | 36               | 271              |
| Construction Contracts   | 4,461       |                    |                   |                  |                |                       | 4,461            | 3,223            |
| Deposits Payable   | 535         |                    |                   |                  |                |                       | 535              | 786              |
| Revenue Bonds Payable  | 92,685      |                    |                   |                  |                |                       | 92,685           |                  |
| General Obligation Bonds Payable                                     | 82,180      | 1,750              |                   |                  | 2,077          | 5,150                 | 91,157           | 107,289          |
| Total Liabilities  | 191,984     | 2,660              | 1,186             | 208              | 2,434          | 5,443                 | 203,915          | 127,100          |
| Fund Equity  |             |                    |                   |                  |                |                       |                  |                  |
| Contributed Capital  | 35,467      | 10,576             | 63,783            | 27,324           | 1,290          | 2,348                 | 140,788          | 142,637          |
| Retained Earnings (Deficit):   | 59,416      | 8                  |                   |                  |                |                       | 59,424           | 11,730           |
| Reserved for Restricted Assets Unreserved                            | 341,257     | 20,919             | (27,132)          | (597)            | 7,320          | 39,661                | 381,428          | 399,560          |
| Total Fund Equity  | 436,140     | 31,503             | 36,651            | 26,727           | 8,610          | 42,009                | 581,640          | 553,927          |
| Total Liabilities and Fund Equity                                    | \$ 628,124  | \$ 34,163          | \$ 37,837         | \$ 26,935        | \$ 11,044      | \$ 47,452             | \$ 785,555       | \$ 681,027       |

**CITY OF CINCINNATI, OHIO**

Combining Statement of Revenue, Expenses and Changes in Retained Earnings  
Enterprise Funds

For the year ended December 31  
(Amounts in Thousands)

|                                 | Water Works   | Parking Facilities | Convention Center | General Aviation | Municipal Golf | Stormwater Management | Total            |                  |
|---------------------------------|---------------|--------------------|-------------------|------------------|----------------|-----------------------|------------------|------------------|
|                                 |               |                    |                   |                  |                |                       | December 31 2001 | December 31 2000 |
| <u>Operating Revenue:</u>       |               |                    |                   |                  |                |                       |                  |                  |
| Charges for Services            | \$ 79,451     | \$ 7,821           | \$ 3,051          | \$ 1,570         | \$ 6,329       | \$ 7,176              | \$ 105,398       | \$ 107,719       |
| Miscellaneous Income            | 1,916         | 633                | 147               | 1                | 3              |                       | 2,700            | 2,642            |
| <b>Total Operating Revenue</b>  | <b>81,367</b> | <b>8,454</b>       | <b>3,198</b>      | <b>1,571</b>     | <b>6,332</b>   | <b>7,176</b>          | <b>108,098</b>   | <b>110,361</b>   |
| <u>Operating Expenses:</u>      |               |                    |                   |                  |                |                       |                  |                  |
| Personal Services               | 29,237        | 2,530              | 2,593             | 671              | 179            | 497                   | 35,707           | 35,475           |
| Contractual Services            | 7,491         | 978                | 991               | 184              | 4,433          | 1,187                 | 15,284           | 15,310           |
| Maintenance and Repairs         | 2,836         | 604                | 319               | 56               | 4              | 383                   | 4,202            | 4,115            |
| Materials and Supplies          | 5,917         | 137                | 151               | 86               | 74             | 21                    | 6,386            | 5,677            |
| Utilities                       | 6,802         | 349                | 1,049             | 141              | 339            | 39                    | 8,719            | 8,331            |
| Insurance                       | 181           | 36                 | 96                | 19               |                | 1                     | 333              | 194              |
| Taxes                           | 16            | 266                | 51                | 18               |                | 4                     | 355              | 373              |
| Rent                            | 306           | 134                | 19                | 8                |                | 32                    | 499              | 686              |
| Other Expense                   | 190           | 103                | 7                 | 5                | 2              | 6                     | 313              | 567              |
| Depreciation and Amortization   | 12,152        | 1,352              | 3,034             | 610              | 531            | 1,410                 | 19,089           | 18,705           |
| <b>Total Operating Expenses</b> | <b>65,128</b> | <b>6,489</b>       | <b>8,310</b>      | <b>1,798</b>     | <b>5,562</b>   | <b>3,580</b>          | <b>90,867</b>    | <b>89,433</b>    |
| <b>Operating Income (Loss)</b>  | <b>16,239</b> | <b>1,965</b>       | <b>(5,112)</b>    | <b>(227)</b>     | <b>770</b>     | <b>3,596</b>          | <b>17,231</b>    | <b>20,928</b>    |

|   | Water Works       | Parking Facilities | Convention Center  | General Aviation | Municipal Golf  | Stormwater Management | December 31 2001  | December 31 2000  |
|---|-------------------|--------------------|--------------------|------------------|-----------------|-----------------------|-------------------|-------------------|
|   |                   |                    |                    |                  |                 |                       |                   | Total             |
| <u>Non-Operating Revenue (Expenses):</u>                            |                   |                    |                    |                  |                 |                       |                   |                   |
| Interest Revenue  | \$ 8,521          | 279                |                    | 123              | 91              | 743                   | \$ 9,757          | \$ 5,613          |
| Interest Expense  | (7,416)           | (140)              |                    |                  | (158)           | (280)                 | (7,994)           | (5,477)           |
| Occupancy Tax Receipts  |                   |                    | 1,098              |                  |                 |                       | 1,098             | 1,181             |
| Capital Contribution  | 8,475             |                    |                    | 328              |                 |                       | 8,803             |                   |
| (Loss) on Disposal of Assets  | (516)             | (3)                |                    |                  |                 |                       | (519)             | (261)             |
|   | <u>9,064</u>      | <u>136</u>         | <u>1,098</u>       | <u>451</u>       | <u>(67)</u>     | <u>463</u>            | <u>11,145</u>     | <u>1,056</u>      |
| Total Non-Operating Revenue (Expenses)                              |                   |                    |                    |                  |                 |                       |                   |                   |
| Income (Loss) before Operating Transfers                            | 25,303            | 2,101              | (4,014)            | 224              | 703             | 4,059                 | 28,376            | 21,984            |
| Operating Transfers In  | 236               | 2                  |                    | 49               | 6               | 3                     | 296               | 4                 |
| Operating Transfers (Out)   |                   | (868)              | (91)               |                  |                 |                       | (959)             | (637)             |
| Net Operating Transfers   | <u>236</u>        | <u>(866)</u>       | <u>(91)</u>        | <u>49</u>        | <u>6</u>        | <u>3</u>              | <u>(663)</u>      | <u>(633)</u>      |
| Net Income (Loss)   | 25,539            | 1,235              | (4,105)            | 273              | 709             | 4,062                 | 27,713            | 21,351            |
| Add depreciation on contributed assets acquired with capital grants | 405               | 50                 | 1,145              | 249              |                 |                       | 1,849             | 1,802             |
| Change in Retained Earnings   | <u>25,944</u>     | <u>1,285</u>       | <u>(2,960)</u>     | <u>522</u>       | <u>709</u>      | <u>4,062</u>          | <u>29,562</u>     | <u>23,153</u>     |
| Retained Earnings (Deficit), January 1                              | 374,729           | 19,642             | (24,172)           | (1,119)          | 6,611           | 35,599                | 411,290           | 388,137           |
| Retained Earnings (Deficit), December 31                            | <u>\$ 400,673</u> | <u>\$ 20,927</u>   | <u>\$ (27,132)</u> | <u>\$ (597)</u>  | <u>\$ 7,320</u> | <u>\$ 39,661</u>      | <u>\$ 440,852</u> | <u>\$ 411,290</u> |

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

|  | Water Works       | Parking Facilities | Convention Center | General Aviation | Municipal Golf | Stormwater Management | Total             |                  |
|--|-------------------|--------------------|-------------------|------------------|----------------|-----------------------|-------------------|------------------|
|  |                   |                    |                   |                  |                |                       | December 31 2001  | December 31 2000 |
| <u>Cash Flows from Operating Activities:</u>                         |                   |                    |                   |                  |                |                       |                   |                  |
| Receipts from Customers  | \$ 82,962         | \$ 8,428           | \$ 3,231          | \$ 1,567         | \$ 6,326       | \$ 7,173              | \$ 109,687        | \$ 110,680       |
| Payments to Suppliers  | (25,213)          | (2,276)            | (2,141)           | (572)            | (4,937)        | (1,627)               | (36,766)          | (40,382)         |
| Payments to Employees  | (30,162)          | (2,691)            | (2,743)           | (701)            | (183)          | (532)                 | (37,012)          | (32,933)         |
| Payments for Property Taxes  | (16)              | (261)              | (46)              |                  |                | (323)                 |                   | (354)            |
| Net Cash Provided (Used) by Operating Activities                     | 27,571            | 3,200              | (1,699)           | 294              | 1,206          | 5,014                 | 35,586            | 37,011           |
| <u>Cash Flows from Non Capital Financing Activities:</u>             |                   |                    |                   |                  |                |                       |                   |                  |
| Repayment of Advances Made To Other Funds                            | 36                |                    | 107               |                  | 9              |                       | 152               | 761              |
| Advances To Other Funds  |                   | (228)              |                   | (506)            |                | (856)                 | (1,590)           | (2,070)          |
| Occupancy Tax Receipts   |                   |                    | 991               |                  |                | 991                   | 991               | 1,181            |
| Operating Transfers to Other Funds                                   |                   | (868)              | (91)              |                  | 6              | 3                     | (959)             | (848)            |
| Operating Transfers from Other Funds                                 | 236               | 2                  |                   | 49               |                |                       | 296               | 4                |
| Net Cash Provided (Used) by Non Capital Financing                    | \$ 272            | \$ (1,094)         | \$ 1,007          | \$ (457)         | \$ 15          | \$ (853)              | \$ (1,110)        | \$ (972)         |
| <u>Cash Flows from Capital and Related Financing Activities:</u>     |                   |                    |                   |                  |                |                       |                   |                  |
| Capital Contributed by Other Funds                                   | 140               |                    |                   |                  |                |                       | 468               | 630              |
| Capital Contributed by Other Sources                                 | 169               |                    |                   | 328              |                |                       | 169               | 4,748            |
| Proceeds from the Sale of Fixed Assets                               | 95,154            |                    |                   |                  |                |                       | 95,154            | 76               |
| Proceeds from the Sale of Bonds and Notes                            | (29,144)          | (117)              |                   | (147)            | (92)           | (882)                 | (30,382)          | (3,454)          |
| Acquisition of Property, Plant and Equipment                         |                   |                    |                   |                  |                |                       |                   | (93)             |
| Repayment of Advance from Other Governments                          | (7,489)           | (142)              |                   |                  | (161)          | (284)                 | (8,076)           | (5,549)          |
| Interest Paid on Bonds and Notes                                     | (14,320)          | (350)              |                   |                  | (537)          | (925)                 | (16,132)          | (16,481)         |
| Principal Paid on Bonds and Notes                                    |                   |                    |                   |                  |                |                       |                   |                  |
| Payments on Long Term Capital Lease Obligations                      | (50)              |                    |                   |                  | (166)          |                       | (216)             | (127)            |
| Additions to Construction in Progress                                | (22,419)          | (3,929)            | (420)             | (408)            | (978)          | (977)                 | (29,131)          | (38,376)         |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 22,041            | (4,538)            | (420)             | (227)            | (1,934)        | (3,068)               | 11,854            | (58,626)         |
| <u>Cash Flow from Investing Activities:</u>                          |                   |                    |                   |                  |                |                       |                   |                  |
| Interest and Dividends on Investments                                | 7,997             | 289                |                   | 117              | 98             | 715                   | 9,216             | 5,413            |
| Proceeds from Sale of Investments                                    |                   |                    |                   |                  |                |                       |                   | 10,047           |
| Net Cash Provided by Investing Activities                            | 7,997             | 289                |                   | 117              | 98             | 715                   | 9,216             | 15,460           |
| Net Increase (Decrease) in Cash and Cash Equivalents                 | 57,881            | (2,143)            | (1,112)           | (273)            | (615)          | 1,808                 | 55,546            | (7,127)          |
| Cash and Cash Equivalents at Beginning of Year                       | 60,020            | 4,583              | 3,438             | 1,701            | 1,527          | 4,082                 | 75,351            | 82,478           |
| <u>Cash and Cash Equivalents at End of Year</u>                      | <u>\$ 117,901</u> | <u>\$ 2,440</u>    | <u>\$ 2,326</u>   | <u>\$ 1,428</u>  | <u>\$ 912</u>  | <u>\$ 5,890</u>       | <u>\$ 130,897</u> | <u>\$ 75,351</u> |

|  | Water Works | Parking Facilities | Convention Center | General Aviation | Municipal Golf | Stormwater Management | Total            |                  |
|--|-------------|--------------------|-------------------|------------------|----------------|-----------------------|------------------|------------------|
|  |             |                    |                   |                  |                |                       | December 31 2001 | December 31 2000 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: |             |                    |                   |                  |                |                       |                  |                  |
| Operating Income (Loss)  | \$ 16,239   | \$ 1,965           | \$ (5,112)        | \$ (227)         | \$ 770         | \$ 3,596              | \$ 17,231        | \$ 20,928        |
| Depreciation and Amortization  | 12,152      | 1,352              | 3,034             | 610              | 531            | 1,410                 | 19,089           | 18,705           |
| Capitalized Assets Expensed  |             |                    |                   |                  |                |                       |                  | 132              |
| Changes in Assets and Liabilities:   |             |                    |                   |                  |                |                       |                  |                  |
| (Increase) Decrease in:  |             |                    |                   |                  |                |                       |                  |                  |
| Receivables  | 1,127       | (26)               | 19                | (9)              |                | (31)                  | 1,080            | 2,297            |
| Due from Other Funds   | (833)       | (1)                | 3                 |                  |                | 27                    | (804)            | (262)            |
| Due from Other Governments   | 1,299       |                    |                   | 744              |                |                       | 2,043            | (2,288)          |
| Inventory  | 59          |                    |                   |                  |                |                       | 59               | (228)            |
| Prepaid Items  | 46          | (1)                | (14)              |                  | 2              | 1                     | 34               | 113              |
| Increase (Decrease) in:  |             |                    |                   |                  |                |                       |                  |                  |
| Accounts Payable   | (1,195)     | 87                 | 68                | (15)             | (89)           | 31                    | (1,113)          | (104)            |
| Deposits Payable   | (251)       |                    |                   | (2)              |                |                       | (253)            | (43)             |
| Due to Other Funds   | (439)       | (20)               | 409               | (784)            | 2              | 14                    | (818)            | (399)            |
| Due to Other Governmental Agencies   | 264         |                    |                   |                  |                |                       | 264              | (1,934)          |
| Accrued Payroll  | (758)       | (83)               | (110)             | (15)             | (3)            | (24)                  | (993)            | 219              |
| Accrued Liabilities  |             | 6                  | 26                | (3)              | (6)            |                       | 23               | 22               |
| Current Obligation Capital Lease   | (11)        |                    |                   |                  |                |                       | (11)             | 5                |
| Deferred Revenue   |             | 2                  | 36                | 8                |                | (1)                   | 45               | 23               |
| Liability for Compensated Absences   | (123)       | (80)               | (68)              | (13)             | (1)            | (9)                   | (294)            | (183)            |
| Estimated Liability for Unpaid Claims  | (5)         | (1)                | 10                |                  |                |                       | 4                | 8                |
| Net Cash Provided (Used) by Operating Activities   | \$ 27,571   | \$ 3,200           | \$ (1,699)        | \$ 294           | \$ 1,206       | \$ 5,014              | \$ 35,586        | \$ 37,011        |

Schedule of Noncash Investing, Capital and Financing Activities:

|   |          |    |    |    |    |    |          |          |
|---|----------|----|----|----|----|----|----------|----------|
| Acquisition of Equipment under Capital Leases                           | \$       | \$ | \$ | \$ | \$ | \$ | \$       | \$ 447   |
| Acquisition of Property, Plant and Equipment from Capital Contributions |          |    |    |    |    |    | 8,335    | 8,526    |
| Total Noncash Investing, Capital and Financing Activities               | \$ 8,335 | \$ | \$ | \$ | \$ | \$ | \$ 8,335 | \$ 8,973 |

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# PROPRIETARY FUNDS



## 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.

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

**Purchasing-General Stores** - Used to account for the revenue and expenses related to the distribution and sale of materials and supplies.

**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.

**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.

**CITY OF CINCINNATI, OHIO**

Combining Balance Sheet

Internal Service Funds

December 31

(Amounts in Thousands)

|                              | Purchasing<br>Reproduction<br>and Printing | Municipal<br>Garage | Purchasing<br>General<br>Stores | Property<br>Management | Self<br>Insurance<br>Medical | Self Insurance<br>Workers'<br>Compensation | Regional<br>Computer<br>Center | Total               |                     |
|------------------------------|--|---------------------|---------------------------------|------------------------|------------------------------|--|--------------------------------|---------------------|---------------------|
|                              |  |                     |                                 |                        |                              |  |                                | December 31<br>2001 | December 31<br>2000 |
| Equity in City Treasury Cash | \$ 225                                     | \$ 645              | \$ 489                          | \$ 190                 | \$ 14,867                    | \$ 57,482                                  | \$ 6,270                       | \$ 80,168           | \$ 85,141           |
| Receivables:                 |  |                     |                                 |                        |                              |  |                                |                     |                     |
| Accounts, Net                | 10   | 11                  | 1                               | 24                     | 3                            | 690  | 1,133                          | 1,182               | 5,447               |
| Accrued Interest             |  |                     |                                 |                        | 166                          |  | 32                             | 888                 | 1,082               |
| Due from Other Funds         |  | 725                 |                                 |                        | 1,648                        |  | 796                            | 3,169               | 3,883               |
| Prepaid Items                | 10   | 2                   |                                 |                        | 879                          | 1  | 119                            | 1,011               | 1,003               |
| Inventory                    | 45   | 1,516               | 99                              |                        |                              |  | 1,660                          | 1,660               | 1,344               |
| Advances to Other Funds      |  |                     |                                 |                        |                              |  | 10,215                         | 10,215              | 1,626               |
| Land                         |  | 133                 |                                 |                        |                              |  |                                | 133                 | 133                 |
| Buildings                    |  | 272                 |                                 |                        |                              |  |                                | 272                 | 272                 |
| Accumulated Depreciation     |  | (248)               |                                 |                        |                              |  |                                | (248)               | (242)               |
| Improvements                 |  | 3,378               | 9                               |                        |                              |  | 274                            | 3,661               | 3,381               |
| Accumulated Depreciation     |  | (239)               |                                 |                        |                              |  | (16)                           | (255)               | (156)               |
| Machinery and Equipment      | 436  | 1,830               | 6                               | 60                     |                              |  | 25,745                         | 28,077              | 26,983              |
| Accumulated Depreciation     | (325)                                      | (1,371)             | (3)                             | (60)                   |                              |  | (13,125)                       | (14,884)            | (15,513)            |
| Property Acquired under      |  |                     |                                 |                        |                              |  |                                |                     |                     |
| Capital Leases               | 124  |                     |                                 |                        |                              |  | 1,960                          | 2,084               | 2,084               |
| Accumulated Amortization     | (99)                                       |                     |                                 |                        |                              |  | (1,415)                        | (1,514)             | (1,127)             |
| <b>Total Assets</b>          | <b>\$ 426</b>                              | <b>\$ 6,654</b>     | <b>\$ 601</b>                   | <b>\$ 214</b>          | <b>\$ 17,563</b>             | <b>\$ 58,173</b>                           | <b>\$ 31,988</b>               | <b>\$ 115,619</b>   | <b>\$ 115,341</b>   |

Assets



|   | Purchasing<br>Reproduction<br>and Printing | Municipal<br>Garage | Purchasing<br>General<br>Stores | Property<br>Management | Self<br>Insurance<br>Medical | Self Insurance<br>Workers'<br>Compensation | Regional<br>Computer<br>Center | Total<br>December 31<br>2001 | December 31<br>2000 |
|---|--|---------------------|---------------------------------|------------------------|------------------------------|--|--------------------------------|------------------------------|---------------------|
| <b>Liabilities and Fund Equity</b>              |  |                     |                                 |                        |                              |  |                                |                              |                     |
| <b>Liabilities</b>                              |  |                     |                                 |                        |                              |  |                                |                              |                     |
| Accounts Payable                                | 18   | \$ 433              | \$ 29                           | \$ 3                   | \$ 1,495                     | \$ 2                                       | \$ 912                         | \$ 2,892                     | \$ 5,010            |
| Due to Other Funds                              | 1  | 1,469               |                                 | 40                     |                              |  | 14                             | 1,524                        | 1,627               |
| Accrued Payroll                                 | 7  | 106                 | 1                               | 4                      |                              |  | 287                            | 405                          | 881                 |
| Accrued Liabilities                             |  |                     |                                 |                        |                              | 4,300                                      |                                | 4,300                        | 4,585               |
| Current Obligations under<br>Capital Leases     | 24   |                     |                                 |                        |                              |  | 464                            | 488                          | 575                 |
| Deposits Payable                                |  |                     |                                 | 187                    |                              |  |                                | 187                          |                     |
| Deferred Revenue                                |  |                     |                                 | 29                     |                              |  | 23                             | 52                           | 1,018               |
| Estimated Liability for<br>Compensated Absences | 43   | 555                 | 5                               | 30                     |                              |  | 1,488                          | 2,121                        | 2,308               |
| Estimated Liability for<br>Unpaid Claims        |  | 375                 |                                 | 177                    | 6,000                        | 15,148                                     |                                | 21,148                       | 25,190              |
| Advances from Other Funds                       |  | 20                  |                                 |                        |                              |  |                                | 552                          | 713                 |
| Advances from Other Governments                 |  |                     |                                 |                        |                              |  |                                | 20                           | 20                  |
| Non-Current Obligations under<br>Capital Leases |  |                     |                                 |                        |                              |  | 177                            | 177                          | 504                 |
| <b>Total Liabilities</b>                        | 93   | 2,958               | 35                              | 470                    | 7,495                        | 19,450                                     | 3,365                          | 33,866                       | 42,431              |
| <b>Fund Equity</b>                              |  |                     |                                 |                        |                              |  |                                |                              |                     |
| Contributed Capital                             | 25   | 4,384               | 5                               |                        |                              |  | 21,624                         | 26,038                       | 26,038              |
| Retained Earnings (Deficit)<br>Unreserved       | 308  | (688)               | 561                             | (256)                  | 10,068                       | 38,723                                     | 6,999                          | 55,715                       | 46,872              |
| <b>Total Fund Equity</b>                        | 333  | 3,696               | 566                             | (256)                  | 10,068                       | 38,723                                     | 28,623                         | 81,753                       | 72,910              |
| <b>Total Liabilities and Fund Equity</b>        | \$ 426                                     | \$ 6,654            | \$ 601                          | \$ 214                 | \$ 17,563                    | \$ 58,173                                  | \$ 31,988                      | \$ 115,619                   | \$ 115,341          |

**CITY OF CINCINNATI, OHIO**

Combining Statement of Revenue, Expenses and Changes in Retained Earnings

**Internal Service Funds**

For the year ended December 31

(Amounts in Thousands)

|                                 | Purchasing<br>Reproduction<br>and Printing | Municipal<br>Garage | Purchasing<br>General<br>Stores | Property<br>Management | Self<br>Insurance<br>Medical | Self Insurance<br>Workers'<br>Compensation | Regional<br>Computer<br>Center | Total<br>December 31<br>2001 | December 31<br>2000 |
|---------------------------------|--|---------------------|---------------------------------|------------------------|------------------------------|--|--------------------------------|------------------------------|---------------------|
| <b>Operating Revenue:</b>       |  |                     |                                 |                        |                              |  |                                |                              |                     |
| Charges for Services            | \$ 1,280                                   | \$ 12,218           | \$ 1,217                        | \$ 892                 | \$ 46,584                    | \$ 1,133                                   | \$ 23,013                      | \$ 85,445                    | \$ 78,975           |
| Miscellaneous Income            |  |                     |                                 |                        |                              |  | 63                             | 955                          | 1,488               |
| <b>Total Operating Revenue</b>  | <b>1,280</b>                               | <b>12,218</b>       | <b>1,217</b>                    | <b>892</b>             | <b>46,584</b>                | <b>1,133</b>                               | <b>23,076</b>                  | <b>86,400</b>                | <b>80,463</b>       |
| <b>Operating Expenses:</b>      |  |                     |                                 |                        |                              |  |                                |                              |                     |
| Personal Services               | 350  | 4,399               | 71                              | 409                    |                              |  | 10,980                         | 16,209                       | 15,865              |
| Contractual Services            | 529  | 216                 | 48                              | 112                    | 154                          | 255  | 5,485                          | 6,799                        | 5,447               |
| Maintenance and Repairs         | 93   | 829                 |                                 | 33                     |                              | 2  | 1,209                          | 2,166                        | 2,641               |
| Materials and Supplies          | 165  | 6,305               | 1,033                           | 8                      |                              |  | 2,207                          | 9,718                        | 9,663               |
| Utilities                       | 3  | 244                 | 4                               |                        |                              |  | 670                            | 921                          | 797                 |
| Insurance                       | 1  | 10                  |                                 |                        | 51,823                       | 191  | 63                             | 52,088                       | 38,290              |
| Rent                            | 2  | 27                  | 1                               | 2                      |                              |  | 1,413                          | 1,445                        | 623                 |
| Interest                        | 6  |                     |                                 |                        |                              |  | 62                             | 68                           | 109                 |
| Other Expense                   |  | 6                   |                                 | 11                     |                              |  | 33                             | 50                           | 67                  |
| Depreciation and Amortization   | 66   | 180                 | 1                               |                        |                              |  | 1,525                          | 1,772                        | 2,932               |
| <b>Total Operating Expenses</b> | <b>1,215</b>                               | <b>12,216</b>       | <b>1,158</b>                    | <b>575</b>             | <b>51,977</b>                | <b>448</b>                                 | <b>23,647</b>                  | <b>91,236</b>                | <b>76,434</b>       |
| <b>Operating Income (Loss)</b>  | <b>65</b>                                  | <b>2</b>            | <b>59</b>                       | <b>317</b>             | <b>(5,393)</b>               | <b>685</b>                                 | <b>(571)</b>                   | <b>(4,836)</b>               | <b>4,029</b>        |

|  | Purchasing<br>Reproduction<br>and Printing | Municipal<br>Garage | Purchasing<br>General<br>Stores | Property<br>Management | Self<br>Insurance<br>Medical | Self Insurance<br>Workers'<br>Compensation | Regional<br>Computer<br>Center | Total<br>December 31<br>2001 | December 31<br>2000 |
|--|--|---------------------|---------------------------------|------------------------|------------------------------|--|--------------------------------|------------------------------|---------------------|
| <b>Non-Operating Revenue (Expenses):</b>                               |  |                     |                                 |                        |                              |  |                                |                              |                     |
| Interest Revenue (Expense)   |  | (78)                |                                 |                        | 869                          | 3,621                                      | 108                            | 4,520                        | 4,744               |
| (Loss) on Disposal of Assets   |  |                     |                                 |                        |                              |  | (167)                          | (167)                        | (85)                |
| <b>Total Non-Operating Revenue (Expenses)</b>                          |  | <b>(78)</b>         |                                 |                        | <b>869</b>                   | <b>3,621</b>                               | <b>(59)</b>                    | <b>4,353</b>                 | <b>4,659</b>        |
| Income (Loss) before Operating<br>Transfers                            | 65   | (76)                | 59                              | 317                    | (4,524)                      | 4,306                                      | (630)                          | (483)                        | 8,688               |
| Operating Transfers In   |  | 93                  |                                 |                        |                              |  | 11,370                         | 11,463                       |                     |
| Operating Transfers (Out)  |  |                     |                                 | (601)                  |                              | (1,300)                                    | (236)                          | (2,137)                      | (3,405)             |
| <b>Net Operating Transfers</b>   |  | <b>93</b>           |                                 | <b>(601)</b>           |                              | <b>(1,300)</b>                             | <b>11,134</b>                  | <b>9,326</b>                 | <b>(3,405)</b>      |
| <b>Net Income (Loss)</b>   | <b>65</b>                                  | <b>17</b>           | <b>59</b>                       | <b>(284)</b>           | <b>(4,524)</b>               | <b>3,006</b>                               | <b>10,504</b>                  | <b>8,843</b>                 | <b>5,283</b>        |
| Add depreciation on contributed assets<br>acquired with capital grants |  |                     |                                 |                        |                              |  |                                |                              | 940                 |
| <b>Change in Retained Earnings</b>                                     | <b>65</b>                                  | <b>17</b>           | <b>59</b>                       | <b>(284)</b>           | <b>(4,524)</b>               | <b>3,006</b>                               | <b>10,504</b>                  | <b>8,843</b>                 | <b>6,223</b>        |
| <b>Retained Earnings (Deficit), January 1</b>                          | <b>243</b>                                 | <b>(705)</b>        | <b>502</b>                      | <b>28</b>              | <b>14,592</b>                | <b>35,717</b>                              | <b>(3,505)</b>                 | <b>46,872</b>                | <b>40,649</b>       |
| <b>Retained Earnings (Deficit),<br/>December 31</b>                    | <b>\$ 308</b>                              | <b>\$ (688)</b>     | <b>\$ 561</b>                   | <b>\$ (256)</b>        | <b>\$ 10,068</b>             | <b>\$ 38,723</b>                           | <b>\$ 6,999</b>                | <b>\$ 55,715</b>             | <b>\$ 46,872</b>    |

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

|   | Purchasing<br>Reproduction<br>and Printing | Municipal<br>Garage | Purchasing<br>General<br>Stores | Property<br>Management | Self<br>Insurance<br>Medical | Self Insurance<br>Workers'<br>Compensation | Regional<br>Computer<br>Center | Total               |
|---|--|---------------------|---------------------------------|------------------------|------------------------------|--|--------------------------------|---------------------|
|   |  |                     |                                 |                        |                              |  | December 31<br>2001            | December 31<br>2000 |
| <u>Cash Flows from Operating Activities:</u>                            |  |                     |                                 |                        |                              |  |                                |                     |
| Receipts from Customers   | \$ 1,337                                   | \$ 12,418           | \$ 1,324                        | \$ 1,095               | \$ 46,189                    | \$ 1,133                                   | \$ 23,538                      | \$ 78,730           |
| Payment to Suppliers  | (852)                                      | (7,887)             | (1,093)                         | (164)                  | (53,484)                     | (1,216)                                    | (11,202)                       | (58,336)            |
| Payments to Employees   | (375)                                      | (4,567)             | (79)                            | (416)                  |                              | (11,899)                                   | (17,336)                       | (16,060)            |
| Net Cash Provided (Used) by Operating Activities                        | 110  | (36)                | 152                             | 515                    | (7,295)                      | (83)                                       | (6,200)                        | 4,334               |
| <u>Cash Flows from Non Capital<br/>Financing Activities:</u>            |  |                     |                                 |                        |                              |  |                                |                     |
| Repayment of Advances From other Funds                                  |  | (36)                | (125)                           |                        |                              |  | (161)                          | (35)                |
| Advances to Other Funds   |  |                     |                                 |                        |                              | (8,588)                                    | (8,588)                        | 823                 |
| Operating Transfers from Other Funds                                    |  | 93                  |                                 | (636)                  |                              | 11,370                                     | 11,463                         |                     |
| Operating Transfers to Other Funds                                      |  |                     |                                 |                        |                              | (236)                                      | (2,172)                        | (3,405)             |
| Net Cash (Used) by Non-Capital Financing<br>Activities                  |  | 57                  | (125)                           | (636)                  |                              | (1,300)                                    | 542                            | (2,617)             |
| <u>Cash Flows from Capital and Related<br/>Financing Activities:</u>    |  |                     |                                 |                        |                              |  |                                |                     |
| Capital Contributed by Other Funds                                      |  |                     |                                 |                        |                              |  |                                | 1,666               |
| Acquisition of Property, Plant and<br>Equipment                         |  | (131)               | (9)                             |                        |                              | (3,310)                                    | (3,450)                        | (2,912)             |
| Interest paid on Debt   |  | (78)                |                                 |                        |                              |  | (78)                           | (85)                |
| Payments on Long Term<br>Capital Leases                                 | (32)                                       |                     |                                 |                        |                              |  | (578)                          | (752)               |
| Net Cash Provided (Used) by Capital<br>and Related Financing Activities | (32)                                       | (209)               | (9)                             |                        |                              | (3,856)                                    | (4,106)                        | (2,083)             |
| <u>Cash Flows from Investing Activities:</u>                            |  |                     |                                 |                        |                              |  |                                |                     |
| Interest and Dividends<br>on Investments                                |  |                     |                                 |                        | 995                          | 3,684                                      | 112                            | 4,634               |
| Net Cash Provided by<br>Investing Activities                            |  |                     |                                 |                        | 995                          | 3,684                                      | 112                            | 4,634               |

|   | Purchasing<br>Reproduction<br>and Printing | Municipal<br>Garage | Purchasing<br>General<br>Stores | Property<br>Management | Self<br>Insurance<br>Medical | Self Insurance<br>Workers'<br>Compensation | Regional<br>Computer<br>Center | Total               |                     |
|---|--|---------------------|---------------------------------|------------------------|------------------------------|--|--------------------------------|---------------------|---------------------|
|   |  |                     |                                 |                        |                              |  |                                | December 31<br>2001 | December 31<br>2000 |
| Net Increase (Decrease) in Cash<br>and Cash Equivalents                     | \$ 78                                      | \$ (188)            | \$ 18                           | \$ (121)               | \$ (6,300)                   | \$ 2,301                                   | \$ (761)                       | \$ (4,973)          | \$ 4,268            |
| Cash and Cash Equivalents<br>at Beginning of Year                           | 147  | 833                 | 471                             | 311                    | 21,167                       | 55,181                                     | 7,031                          | 85,141              | 80,873              |
| Cash and Cash Equivalents<br>at End of Year                                 | \$ 225                                     | \$ 645              | \$ 489                          | \$ 190                 | \$ 14,867                    | \$ 57,482                                  | \$ 6,270                       | \$ 80,168           | \$ 85,141           |
| <u>Reconciliation of Operating Income to</u>                                |  |                     |                                 |                        |                              |  |                                |                     |                     |
| <u>Net Cash Provided (Used) by</u>  |  |                     |                                 |                        |                              |  |                                |                     |                     |
| <u>Operating Activities:</u>  |  |                     |                                 |                        |                              |  |                                |                     |                     |
| Operating Income (Loss)   | \$ 65                                      | \$ 2                | \$ 59                           | \$ 317                 | \$ (5,393)                   | \$ 685                                     | \$ (571)                       | \$ (4,836)          | \$ 4,029            |
| Depreciation and Amortization   | 66   | 180                 | 1                               |                        |                              | 1,525                                      | 165                            | 1,772               | 2,932               |
| Capitalized Assets Expensed   |  |                     |                                 |                        |                              |  |                                |                     |                     |
| Changes in Assets and Liabilities:  |  |                     |                                 |                        |                              |  |                                |                     |                     |
| (Increase) Decrease in:   |  |                     |                                 |                        |                              |  |                                |                     |                     |
| Receivables   |  | (5)                 |                                 | 50                     | (3)                          | 3,565                                      | 658                            | 4,265               | (3,088)             |
| Due from Other Funds  | 57   | 205                 | 106                             |                        | (392)                        |  | 738                            | 714                 | (414)               |
| Inventory   | (2)  | (279)               | (35)                            |                        |                              |  |                                | (316)               | (236)               |
| Prepaid Items   | (10)                                       |                     |                                 |                        | 62                           | (1)  | (59)                           | (8)                 | (364)               |
| Deposits  |  |                     |                                 |                        |                              |  |                                |                     | (483)               |
| Increase (Decrease) in:   |  |                     |                                 |                        |                              |  |                                |                     |                     |
| Accounts Payable  | (36)                                       | 84                  | 28                              | 1                      | (1,569)                      | (5)  | (621)                          | (2,118)             | 1,587               |
| Deposits Payable  |  |                     |                                 | 187                    |                              |  |                                | 187                 |                     |
| Due to Other Funds  | (5)  | (56)                | (1)                             | (1)                    |                              |  | (6)                            | (68)                | 10                  |
| Accrued Payroll   | (17)                                       | (138)               | (3)                             | (5)                    |                              | (285)                                      | (313)                          | (476)               | (13)                |
| Accrued Liabilities   |  |                     |                                 |                        |                              |  |                                | (285)               | (950)               |
| Deferred Revenue  |  |                     |                                 | (32)                   |                              |  | (934)                          | (966)               | (233)               |
| Liability for Compensated Absences  | (8)  | (29)                | (4)                             | (2)                    |                              |  | (145)                          | (188)               | (181)               |
| Estimated Liability for<br>Unpaid Claims                                    |  |                     |                                 |                        |                              | (4,042)                                    |                                | (4,042)             | 1,738               |
| Net Cash Provided (Used) by<br>Operating Activities                         | \$ 110                                     | \$ (36)             | \$ 152                          | \$ 515                 | \$ (7,295)                   | \$ (83)                                    | \$ 437                         | \$ (6,200)          | \$ 4,334            |
| <u>Schedule of Noncash Investing,<br/>Capital and Financing Activities:</u> |  |                     |                                 |                        |                              |  |                                |                     |                     |
| Property Plant and Equipment<br>Contributed by Other Funds                  | \$   | \$                  | \$                              | \$                     | \$                           | \$   | \$                             | \$                  | \$ 1,200            |
| Total Noncash Investing, Capital<br>and Financing Activities                | \$   | \$                  | \$                              | \$                     | \$                           | \$   | \$                             | \$                  | \$ 1,200            |

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# FIDUCIARY FUNDS

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## TRUST AND AGENCY FUNDS

### Expendable Trust Fund

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

### Nonexpendable Trust 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 bequest made for the maintenance of the Hartwell Recreation Center.

**Yeatman's Cove Park Trust** - Used to account for the investment and expenditure of 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 Fleishmann Gardens, the Geier Esplanade, and various citywide parks.

### 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.

**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.

**External Investment Pool** - Used to account for the Metropolitan Sewer District Fund portion of the City's pool of cash and investments.

**CITY OF CINCINNATI, OHIO**  
 Combining Balance Sheet  
**Fiduciary Funds - Trust and Agency**  
 December 31  
 (Amounts in Thousands)

|  | Expendable Trust | Non-expendable Trust | Pension Trust       | Agency            | External Investment Pool | Total               |  |
|--|------------------|----------------------|---------------------|-------------------|--------------------------|---------------------|--|
|  |                  |                      |                     |                   | December 31 2001         | December 31 2000    |  |
| <b>Assets</b>  |                  |                      |                     |                   |                          |                     |  |
| Cash and Equivalents                                       | \$ 48            | \$ 274               | \$ 118,102          | \$ 1,610          | \$ 26,789                | \$ 80,638           |  |
| Equity in City Treasury Cash Investments, at fair value    | 1,006            | 841                  | 2,394,022           | 165,410           |                          | 27,281              |  |
| Collateral on Loaned Securities                            |                  | 7,491                | 293,689             |                   |                          | 2,843,562           |  |
| Receivables:   |                  |                      |                     |                   |                          |                     |  |
| Accounts, Net  |                  |                      |                     | 15,164            | 15,164                   | 17,979              |  |
| Accounts Receivable for Securities Sold                    |                  |                      | 117,428             |                   | 117,428                  | 112,027             |  |
| Accrued Interest and Dividends                             |                  | 17                   | 9,771               | 183               | 9,971                    | 13,891              |  |
| Due from Other Funds                                       |                  |                      | 270                 | 181               | 451                      | 434                 |  |
| Due from Other Governments                                 |                  |                      | 255                 |                   | 255                      | 196                 |  |
| Inventory  |                  |                      |                     | 867               | 867                      | 869                 |  |
| Loans Receivable   |                  |                      | 20,882              |                   | 20,882                   | 22,008              |  |
| Improvements   |                  | 75                   |                     |                   | 75                       | 75                  |  |
| Accumulated Depreciation                                   |                  | (23)                 |                     |                   | (23)                     | (20)                |  |
| Machinery and Equipment                                    |                  |                      | 1,319               |                   | 1,319                    | 1,122               |  |
| Accumulated Depreciation                                   |                  |                      | (237)               |                   | (237)                    | (18)                |  |
| <b>Total Assets</b>  | <b>\$ 1,054</b>  | <b>\$ 8,675</b>      | <b>\$ 2,955,501</b> | <b>\$ 183,415</b> | <b>\$ 26,789</b>         | <b>\$ 3,120,044</b> |  |
| <b>Liabilities and Fund Equity</b>                         |                  |                      |                     |                   |                          |                     |  |
| <b>Liabilities</b>   |                  |                      |                     |                   |                          |                     |  |
| Accounts Payable   | \$               | \$                   | \$                  | \$ 7,177          | \$                       | \$ 6,694            |  |
| Accounts Payable for Securities Purchased                  |                  |                      | 300,694             |                   | 300,694                  | 329,805             |  |
| Due to Other Funds   |                  |                      | 1,649               | 328               | 1,977                    | 2,142               |  |
| Due to Other Governmental Agencies                         |                  |                      |                     | 167,533           |                          | 175,545             |  |
| Obligations Under Securities Lending                       |                  |                      | 293,689             |                   | 293,689                  |                     |  |
| Accrued Payroll  |                  |                      | 31                  | 957               | 988                      | 1,949               |  |
| Accrued Liabilities  |                  |                      | 6,839               | 4                 | 6,843                    | 6,405               |  |
| Deposits Payable   |                  |                      |                     | 1,617             | 1,617                    | 1,807               |  |
| Deferred Revenue   |                  |                      | 2                   |                   | 2                        | 23                  |  |
| Estimated Liability for Compensated Absences               |                  |                      | 89                  |                   | 89                       | 87                  |  |
| <b>Total Liabilities</b>                                   |                  |                      | <b>602,993</b>      | <b>183,415</b>    | <b>786,408</b>           | <b>524,457</b>      |  |
| <b>Fund Equity</b>   |                  |                      |                     |                   |                          |                     |  |
| Fund Balance   |                  |                      |                     |                   |                          |                     |  |
| Reserved for External Investment Pool                      |                  |                      | 1,615,234           |                   | 26,789                   | 24,668              |  |
| Reserved for Employees' Pension Benefits                   |                  |                      |                     |                   | 1,615,234                | 1,762,899           |  |
| Reserved for Employees' Postemployment Healthcare Benefits |                  |                      | 737,274             |                   | 737,274                  | 797,906             |  |
| Reserved in Accordance with Trusts Unreserved              | 1,054            | 8,322                |                     |                   | 9,376                    | 9,715               |  |
|  |                  | 353                  |                     |                   | 353                      | 399                 |  |
| <b>Total Fund Equity</b>                                   | <b>1,054</b>     | <b>8,675</b>         | <b>2,352,508</b>    | <b>183,415</b>    | <b>26,789</b>            | <b>2,595,587</b>    |  |
| <b>Total Liabilities and Fund Equity</b>                   | <b>\$ 1,054</b>  | <b>\$ 8,675</b>      | <b>\$ 2,955,501</b> | <b>\$ 183,415</b> | <b>\$ 3,175,434</b>      | <b>\$ 3,120,044</b> |  |



**CITY OF CINCINNATI, OHIO**

Combining Balance Sheet

**Nonexpendable Trust Funds**

December 31

(Amounts in Thousands)

|  | Groesbeck<br>Endowment<br>Fund | Schmidlapp<br>Park Music<br>Fund | Joanna<br>Peters<br>Bequest | W. M. Ampt<br>Music<br>Fund | Crosley<br>Field<br>Trust | Kroger<br>Trust | Yeatman's<br>Cove Park<br>Trust | Park<br>Board<br>Fund | Total               |                     |
|--|--------------------------------|----------------------------------|-----------------------------|-----------------------------|---------------------------|-----------------|---------------------------------|-----------------------|---------------------|---------------------|
|  |                                |                                  |                             |                             |                           |                 |                                 |                       | December 31<br>2001 | December 31<br>2000 |
| <b>Assets</b>  |                                |                                  |                             |                             |                           |                 |                                 |                       |                     |                     |
| Cash and Equivalents                                       | \$ 39                          | \$ 53                            | \$ 84                       | \$ 89                       | \$ 66                     | \$ 510          | \$ 274                          | \$ 274                | \$ 157              | \$ 827              |
| Equity in City Treasury Cash<br>Investments, at fair value | 465                            |                                  | 1                           | 119                         | 540                       |                 | 6,366                           |                       | 7,491               | 7,895               |
| Receivables:   |                                |                                  |                             |                             |                           |                 |                                 |                       |                     |                     |
| Accrued Interest   |                                | 1                                | 1                           | 1                           | 1                         | 13              |                                 |                       | 17                  | 12                  |
| Improvements   |                                |                                  |                             |                             |                           | 23              |                                 |                       | 75                  | 75                  |
| Accumulated Depreciation                                   |                                |                                  |                             |                             |                           | (2)             |                                 |                       | (23)                | (20)                |
| <b>Total Assets</b>  | <b>\$ 504</b>                  | <b>\$ 54</b>                     | <b>\$ 86</b>                | <b>\$ 209</b>               | <b>\$ 540</b>             | <b>\$ 88</b>    | <b>\$ 554</b>                   | <b>\$ 6,640</b>       | <b>\$ 8,675</b>     | <b>\$ 8,946</b>     |
| <b>Fund Equity</b>   |                                |                                  |                             |                             |                           |                 |                                 |                       |                     |                     |
| Fund Balance   | \$ 504                         | \$ 54                            | \$ 86                       | \$ 209                      | \$ 225                    | \$ 50           | \$ 554                          | \$ 6,640              | \$ 8,322            | \$ 8,547            |
| Reserved in Accordance with Trusts<br>Unreserved           |                                |                                  |                             |                             | 315                       | 38              |                                 |                       | 353                 | 399                 |
| <b>Total Fund Equity</b>                                   | <b>504</b>                     | <b>54</b>                        | <b>86</b>                   | <b>209</b>                  | <b>540</b>                | <b>88</b>       | <b>554</b>                      | <b>6,640</b>          | <b>8,675</b>        | <b>8,946</b>        |
| <b>Total Fund Equity</b>                                   | <b>\$ 504</b>                  | <b>\$ 54</b>                     | <b>\$ 86</b>                | <b>\$ 209</b>               | <b>\$ 540</b>             | <b>\$ 88</b>    | <b>\$ 554</b>                   | <b>\$ 6,640</b>       | <b>\$ 8,675</b>     | <b>\$ 8,946</b>     |

**CITY OF CINCINNATI, OHIO**

Combining Statement of Revenue, Expenses and Changes in Fund Balances

**Nonexpendable Trust Funds**

For the year ended December 31

(Amounts in Thousands)

|   | Groesbeck<br>Endowment<br>Fund | Schmidlapp<br>Park Music<br>Fund | Joanna<br>Peters<br>Bequest | W. M. Ampt<br>Music<br>Fund | Crosley<br>Field<br>Trust | Kroger<br>Trust | Yeatman's<br>Cove Park<br>Trust | Park<br>Board<br>Fund | Total<br>December 31<br>2001 | December 31<br>2000 |
|---|--------------------------------|----------------------------------|-----------------------------|-----------------------------|---------------------------|-----------------|---------------------------------|-----------------------|------------------------------|---------------------|
| <u>Operating Revenue:</u>                   |                                |                                  |                             |                             |                           |                 |                                 |                       |                              |                     |
| Contributions                               | \$                             | \$                               | \$                          | \$                          | \$                        | \$              | \$                              | \$                    | \$                           | \$                  |
| Earnings (losses) from Investments          | (49)                           | 2                                | 2                           | 14                          | (32)                      | 4               | 40                              | (589)                 | (608)                        | (243)               |
| Total Operating Revenue                     | (49)                           | 2                                | 2                           | 14                          | (32)                      | 4               | 40                              | 141                   | 122                          | (243)               |
| <u>Operating Expenses:</u>                  |                                |                                  |                             |                             |                           |                 |                                 |                       |                              |                     |
| Contractual Services                        |                                |                                  |                             |                             | 1                         |                 | 32                              | 28                    | 61                           | 79                  |
| Depreciation and Amortization               |                                |                                  |                             |                             |                           | 1               | 2                               |                       | 3                            | 3                   |
| Total Operating Expenses                    |                                |                                  |                             |                             | 1                         | 1               | 34                              | 28                    | 64                           | 82                  |
| Income (Loss) before Operating<br>Transfers | (49)                           | 2                                | 2                           | 14                          | (33)                      | 3               | 6                               | 113                   | 58                           | (325)               |
| Operating Transfers (Out)                   | (13)                           | (2)                              |                             | (8)                         | (16)                      |                 |                                 | (290)                 | (329)                        | (192)               |
| Net Income (Loss)                           | (62)                           |                                  | 2                           | 6                           | (49)                      | 3               | 6                               | (177)                 | (271)                        | (517)               |
| Fund Balance, January 1                     | 566                            | 54                               | 84                          | 203                         | 589                       | 85              | 548                             | 6,817                 | 8,946                        | 9,463               |
| Fund Balance, December 31                   | \$ 504                         | \$ 54                            | \$ 86                       | \$ 209                      | \$ 540                    | \$ 88           | \$ 554                          | \$ 6,640              | \$ 8,675                     | \$ 8,946            |

**CITY OF CINCINNATI, OHIO**

Combining Statement of Cash Flows

**Nonexpendable Trust Funds**

For the year ended December 31  
(Amounts in Thousands)

|   | Groesbeck<br>Endowment<br>Fund | Schmidlapp<br>Park Music<br>Fund | Joanna<br>Peters<br>Bequest | W.M. Ampt<br>Music<br>Fund | Crosley<br>Field<br>Trust | Kroger<br>Trust | Yeatman's<br>Cove Park<br>Trust | Park<br>Board<br>Fund | Total               |                     |
|---|--------------------------------|----------------------------------|-----------------------------|----------------------------|---------------------------|-----------------|---------------------------------|-----------------------|---------------------|---------------------|
|   |                                |                                  |                             |                            |                           |                 |                                 |                       | December 31<br>2001 | December 31<br>2000 |
| Cash Flows from Operating Activities:               |                                |                                  |                             |                            |                           |                 |                                 |                       |                     |                     |
| Payments to Suppliers                               | \$                             | \$                               | \$                          | \$                         | \$ (1)                    | \$              | \$ (32)                         | \$ (28)               | \$ (61)             | \$ (79)             |
| Net Cash (Used) by Operating Activities             |                                |                                  |                             |                            | (1)                       |                 | (32)                            | (28)                  | (61)                | (79)                |
| Cash Flows from Non Capital Financing Activities:   |                                |                                  |                             |                            |                           |                 |                                 |                       |                     |                     |
| Operating Transfers to Other Funds                  | (13)                           | (2)                              |                             | (8)                        | (16)                      |                 |                                 | (290)                 | (329)               | (192)               |
| Net Cash (Used) by Non Capital Financing Activities | (13)                           | (2)                              |                             | (8)                        | (16)                      |                 |                                 | (290)                 | (329)               | (192)               |
| Cash Flows from Investing Activities                | 14                             | 3                                | 5                           | 8                          | 17                        | 4               | 35                              | 168                   | 254                 | 257                 |
| Earnings from Investments                           |                                |                                  |                             |                            |                           |                 |                                 | (1,499)               | (1,499)             | (4,458)             |
| Acquisition of Investments                          |                                |                                  |                             |                            |                           |                 |                                 | 1,763                 | 1,763               | 4,835               |
| Proceeds from Sale of Investments                   |                                |                                  |                             |                            |                           |                 |                                 |                       |                     |                     |
| Net Cash Provided by Investing Activities           | 14                             | 3                                | 5                           | 8                          | 17                        | 4               | 35                              | 432                   | 518                 | 634                 |
| Net Increase in Cash and Cash Equivalents           | 1                              | 1                                | 5                           |                            |                           | 4               | 3                               | 114                   | 128                 | 363                 |
| Cash and Cash Equivalents at Beginning of Year      | 38                             | 52                               | 79                          | 89                         |                           | 62              | 507                             | 160                   | 987                 | 621                 |
| Cash and Cash Equivalents at End of Year            | \$ 39                          | \$ 53                            | \$ 84                       | \$ 89                      | \$                        | \$ 66           | \$ 510                          | \$ 274                | \$ 1,115            | \$ 984              |

Reconciliation of Operating Income (Loss) to

Net Cash Provided by Operations:

|   |         |      |      |       |         |      |         |         |         |          |
|---|---------|------|------|-------|---------|------|---------|---------|---------|----------|
| Operating Income (Loss)                 | \$ (49) | \$ 2 | \$ 2 | \$ 14 | \$ (33) | \$ 3 | \$ 6    | \$ 113  | \$ 58   | \$ (325) |
| Contributions                           |         |      |      |       |         |      |         | (730)   | (730)   |          |
| Depreciation and Amortization           |         |      |      |       |         | 1    | 2       |         | 3       | 3        |
| Earnings (losses) from Investments      | 49      | (2)  | (2)  | (14)  | 32      | (4)  | (40)    | 589     | 608     | 243      |
| Net Cash (Used) by Operating Activities | \$      | \$   | \$   | \$    | \$ (1)  | \$   | \$ (32) | \$ (28) | \$ (61) | \$ (79)  |

**CITY OF CINCINNATI, OHIO**  
Combining Statement of Changes in Assets and Liabilities  
**All Agency Funds**  
For the year ended December 31, 2001  
(Amounts in Thousands)

|  | Balance<br>January 1,<br>2001 | Additions         | Deductions        | Balance<br>December 31,<br>2001 |
|--|-------------------------------|-------------------|-------------------|---------------------------------|
| <b><u>TOWING CHARGES - PRIVATE OPERATORS</u></b> |                               |                   |                   |                                 |
| ASSETS   |                               |                   |                   |                                 |
| Equity in City Treasury Cash                     | \$ 24                         | \$ 413            | \$ 419            | \$ 18                           |
| LIABILITIES                                      |                               |                   |                   |                                 |
| Deposits Payable                                 | \$ 24                         | \$ 413            | \$ 419            | \$ 18                           |
| <b><u>ADMISSION TAX BONDS</u></b>                |                               |                   |                   |                                 |
| ASSETS   |                               |                   |                   |                                 |
| Equity in City Treasury Cash                     | \$ 23                         | \$ 7              | \$ 7              | \$ 23                           |
| LIABILITIES                                      |                               |                   |                   |                                 |
| Deposits Payable                                 | \$ 23                         | \$ 8              | \$ 8              | \$ 23                           |
| <b><u>ENGINEERING DEPOSITS</u></b>               |                               |                   |                   |                                 |
| ASSETS   |                               |                   |                   |                                 |
| Equity in City Treasury Cash                     | \$ 1,739                      | \$ 1,706          | \$ 1,876          | \$ 1,569                        |
| Accounts Receivable                              |                               | 164               | 157               | 7                               |
| Due From Other Funds                             | 21                            |                   | 21                |                                 |
| Total Assets                                     | <u>\$ 1,760</u>               | <u>\$ 1,870</u>   | <u>\$ 2,054</u>   | <u>\$ 1,576</u>                 |
| LIABILITIES                                      |                               |                   |                   |                                 |
| Deposits Payable                                 | <u>\$ 1,760</u>               | <u>\$ 1,802</u>   | <u>\$ 1,986</u>   | <u>\$ 1,576</u>                 |
| <b><u>METROPOLITAN SEWER DISTRICT</u></b>        |                               |                   |                   |                                 |
| ASSETS   |                               |                   |                   |                                 |
| Investments                                      | \$ 163,972                    | \$ 133,839        | \$ 132,401        | \$ 165,410                      |
| Accounts Receivable                              | 17,979                        | 15,157            | 17,979            | 15,157                          |
| Accrued Interest Receivable                      | 1,838                         | 288               | 1,943             | 183                             |
| Due From Other Funds                             | 389                           | 181               | 389               | 181                             |
| Inventory  | 869                           | 655               | 657               | 867                             |
| Total Assets                                     | <u>\$ 185,047</u>             | <u>\$ 150,120</u> | <u>\$ 153,369</u> | <u>\$ 181,798</u>               |
| LIABILITIES                                      |                               |                   |                   |                                 |
| Accounts Payable                                 | \$ 6,694                      | \$ 7,177          | \$ 6,694          | \$ 7,177                        |
| Vouchers Payable                                 |                               | 92,457            | 92,457            |                                 |
| Due to Other Funds                               | 886                           | 328               | 886               | 328                             |
| Due to Other Governmental Agencies               | 175,545                       | 167,533           | 175,545           | 167,533                         |
| Accrued Payroll                                  | 1,922                         | 957               | 1,922             | 957                             |
| Accrued Liabilities                              |                               | 4                 |                   | 4                               |
| Estimated Liability for Compensated Absences     |                               | 5,799             |                   | 5,799                           |
| Total Liabilities                                | <u>\$ 185,047</u>             | <u>\$ 274,255</u> | <u>\$ 277,504</u> | <u>\$ 181,798</u>               |

**CITY OF CINCINNATI, OHIO**  
Combining Statement of Changes in Assets and Liabilities  
**All Agency Funds**  
For the year ended December 31, 2001  
(Amounts in Thousands)

|  | <u>Balance</u><br>January 1,<br>2001 | <u>Additions</u>  | <u>Deductions</u> | <u>Balance</u><br>December 31,<br>2001 |
|--|--------------------------------------|-------------------|-------------------|--|
| <b><u>TOTAL AGENCY FUNDS</u></b>             |                                      |                   |                   |  |
| <b>ASSETS</b>                                |                                      |                   |                   |  |
| Equity in City Treasury Cash                 | \$ 1,786                             | \$ 2,126          | \$ 2,302          | \$ 1,610                               |
| Investments                                  | 163,972                              | 133,839           | 132,401           | 165,410                                |
| Receivables:                                 |                                      |                   |                   |  |
| Accounts, Net                                | 17,979                               | 15,321            | 18,136            | 15,164                                 |
| Accrued Interest Receivable                  | 1,838                                | 288               | 1,943             | 183                                    |
| Due from Other Funds                         | 410                                  | 181               | 410               | 181                                    |
| Inventory                                    | 869                                  | 655               | 657               | 867                                    |
| Total Assets                                 | <u>\$ 186,854</u>                    | <u>\$ 152,410</u> | <u>\$ 155,849</u> | <u>\$ 183,415</u>                      |
| <b>LIABILITIES</b>                           |                                      |                   |                   |  |
| Accounts Payable                             | \$ 6,694                             | \$ 7,177          | \$ 6,694          | \$ 7,177                               |
| Vouchers Payable                             |                                      | 92,457            | 92,457            |  |
| Withholding and Other Deposits               |                                      |                   |                   |  |
| Due to Other Governmental Agencies           | 175,545                              | 167,533           | 175,545           | 167,533                                |
| Due to Other Funds                           | 886                                  | 328               | 886               | 328                                    |
| Accrued Payroll                              | 1,922                                | 957               | 1,922             | 957                                    |
| Accrued Liabilities                          |                                      | 4                 |                   | 4                                      |
| Deposits Payable                             | 1,807                                | 2,223             | 2,413             | 1,617                                  |
| Estimated Liability for Compensated Absences |                                      | 5,799             |                   | 5,799                                  |
| Total Liabilities                            | <u>\$ 186,854</u>                    | <u>\$ 276,478</u> | <u>\$ 279,917</u> | <u>\$ 183,415</u>                      |

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## **ACCOUNT GROUPS**

**CITY OF CINCINNATI, OHIO**  
 Comparative Schedule of General Fixed Assets  
 December 31  
 (Amounts In Thousands)

|                                    | 2001       | 2000       |
|------------------------------------|------------|------------|
| General Fixed Assets               |            |            |
| Land                               | \$ 136,971 | \$ 137,814 |
| Buildings                          | 131,820    | 138,684    |
| Improvements                       | 214,620    | 206,139    |
| Machinery and Equipment            | 62,388     | 61,278     |
| Construction in Progress           | 277,104    | 450,479    |
| Total General Fixed Assets         | \$ 822,903 | \$ 994,394 |
| Investment in General Fixed Assets | \$ 822,903 | \$ 994,394 |

**CITY OF CINCINNATI, OHIO**  
 Comparative Schedule of General Fixed Assets by Source  
 December 31  
 (Amounts In Thousands)

|   | 2001       | 2000       |
|---|------------|------------|
| Investment in General Fixed Assets from:                  |            |            |
| Permanent Improvement Fund or<br>General Obligation Bonds | \$ 507,941 | \$ 613,026 |
| Federal Grants  | 43,965     | 29,479     |
| State Grants  | 49,431     | 142,689    |
| County Grants   | 17,648     | 22,643     |
| General Fund Revenues                                     | 26,578     | 14,694     |
| Special Revenue Funds                                     | 7,101      | 7,611      |
| Gifts   | 10,607     | 4,292      |
| Other and Undifferentiated                                | 159,632    | 159,960    |
| Total from All Sources                                    | \$ 822,903 | \$ 994,394 |



**CITY OF CINCINNATI, OHIO**

Schedule of General Fixed Assets by Function and Activity

As of December 31, 2001

(Amounts In Thousands)

|   | <u>Total</u>          | <u>Land</u>           | <u>Buildings</u>      | <u>Improvements</u>   | <u>Equipment</u>     |
|---|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| Mayor and Council                                       | \$ 159                | \$                    | \$                    | \$                    | \$ 159               |
| City Manager  | 520                   |                       | 48                    |                       | 472                  |
| Law   | 93                    |                       |                       |                       | 93                   |
| Human Resources   | 244                   |                       |                       |                       | 244                  |
| Finance   | 404                   |                       |                       |                       | 404                  |
| Economic Development                                    | 44,586                | 44,539                |                       |                       | 47                   |
| Neighborhood Services                                   | 5,770                 | 3,241                 | 1,775                 | 746                   | 8                    |
| City Planning   | 19                    |                       |                       |                       | 19                   |
| Recreation  | 69,850                | 7,218                 | 13,568                | 45,922                | 3,142                |
| Parks   | 31,336                | 11,930                | 9,755                 | 7,298                 | 2,353                |
| Buildings and Inspections                               | 279                   |                       |                       |                       | 279                  |
| Public Safety   | 44,560                | 1,352                 | 5,457                 | 9,541                 | 28,210               |
| Transportation & Engineering                            | 26,890                | 10,692                | 5,464                 | 9,458                 | 1,276                |
| General Services  | 11,790                | 296                   |                       | 8,052                 | 3,442                |
| Public Services   | 25,831                | 332                   | 2,632                 | 2,804                 | 20,063               |
| Public Health   | 10,035                | 237                   | 2,722                 | 5,037                 | 2,039                |
| Pooled, Unassigned Equipment                            | 138                   |                       |                       |                       | 138                  |
| Southern Railway Improvement                            | 83,224                |                       |                       | 83,224                |                      |
| General Government                                      |                       |                       |                       |                       |                      |
| Land  | 57,134                | 57,134                |                       |                       |                      |
| Buildings   | 90,399                |                       | 90,399                |                       |                      |
| Improvements  | 42,538                |                       |                       | 42,538                |                      |
| <br>Total General Fixed Assets<br>Allocated by Function | <br>545,799           | <br><u>\$ 136,971</u> | <br><u>\$ 131,820</u> | <br><u>\$ 214,620</u> | <br><u>\$ 62,388</u> |
| Construction in Progress                                | <u>277,104</u>        |                       |                       |                       |                      |
| <br>Total General Fixed Assets                          | <br><u>\$ 822,903</u> |                       |                       |                       |                      |

**CITY OF CINCINNATI, OHIO**  
Schedule of Changes in General Fixed Assets  
By Function and Activity  
For the Year Ended December 31, 2001  
(Amounts in Thousands)

|                              | General<br>Fixed Assets<br>January 1, 2001 | Additions         | Deletions         | General<br>Fixed Assets<br>December 31, 2001 |
|------------------------------|--|-------------------|-------------------|--|
| Mayor and Council            | \$ 107                                     | \$ 59             | \$ 7              | \$ 159                                       |
| City Manager                 | 709  | 16                | 205               | 520  |
| Law                          | 93   | 10                | 10                | 93   |
| Human Resources              | 238  | 6                 |                   | 244  |
| Finance                      | 420  | 24                | 40                | 404  |
| Economic Development         | 45,302                                     | 408               | 1,124             | 44,586                                       |
| Neighborhood Services        | 6,381                                      | 130               | 741               | 5,770  |
| City Planning                | 29   | 20                | 30                | 19   |
| Recreation                   | 65,976                                     | 7,641             | 3,767             | 69,850                                       |
| Parks                        | 35,061                                     | 952               | 4,677             | 31,336                                       |
| Buildings and Inspections    | 319  | 15                | 55                | 279  |
| Public Safety                | 41,807                                     | 8,603             | 5,850             | 44,560                                       |
| Transportation & Engineering | 28,857                                     | 271               | 2,238             | 26,890                                       |
| General Services             | 6,454                                      | 9,190             | 3,854             | 11,790                                       |
| Public Services              | 23,503                                     | 4,666             | 2,338             | 25,831                                       |
| Public Health                | 9,461                                      | 614               | 40                | 10,035                                       |
| Pooled, Unassigned Equipment | 138  |                   |                   | 138  |
| Southern Railway Improvement | 83,224                                     |                   |                   | 83,224                                       |
| General Government           |  |                   |                   |  |
| Land                         | 57,296                                     |                   | 162               | 57,134                                       |
| Buildings                    | 93,186                                     | 900               | 3,687             | 90,399                                       |
| Improvements                 | 45,354                                     |                   | 2,816             | 42,538                                       |
| Construction in Progress     | 450,479                                    | 127,000           | 300,375           | 277,104                                      |
| Total General Fixed Asset    | <u>\$ 994,394</u>                          | <u>\$ 160,525</u> | <u>\$ 332,016</u> | <u>\$ 822,903</u>                            |

**CITY OF CINCINNATI, OHIO**

Comparative Schedule of General Long-Term Obligations

December 31

(Amounts in Thousands)

|   | <u>2001</u>       | <u>2000</u>       |
|---|-------------------|-------------------|
| <u>Amounts Available and to be Provided for the Retirement of General Long-Term Obligations</u> |                   |                   |
| Amount Available in Debt Service Funds  | \$ 34,627         | \$ 25,359         |
| Amount to be Provided   | <u>327,286</u>    | <u>316,310</u>    |
| Total Available and to be Provided  | <u>\$ 361,913</u> | <u>\$ 341,669</u> |
| <br><u>General Long-Term Obligations Payable</u>  |                   |                   |
| General Long-Term Debt:   |                   |                   |
| Tax-Supported   | \$ 175,340        | \$ 217,153        |
| Self-Supported  | 111,588           | 52,866            |
| Revenue   | <u>11,819</u>     | <u>12,346</u>     |
| Total General Long-Term Debt  | 298,747           | 282,365           |
| Estimated Liability for Compensated Absences  | 55,642            | 56,174            |
| Estimated Liability for Unpaid Claims   | 3,143             | 3,056             |
| Current Obligations under Capital Leases  | 30                | 26                |
| Non-Current Obligations under Capital Leases  | 17                | 48                |
| State Loan  | <u>4,334</u>      | <u></u>           |
| Total General Long-Term Obligations   | <u>\$ 361,913</u> | <u>\$ 341,669</u> |

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## **SCHEDULES**

**CITY OF CINCINNATI, OHIO**  
**Outstanding Bonds and Notes**  
December 31, 2001

| <u>Year</u> | <u>~General<br/>Obligation<br/>Bonds<br/>and Notes</u> | <u>#Municipal<br/>Income Tax<br/>Bonds and Notes</u> | <u>@Water Works<br/>Bonds</u> | <u>@Expressway<br/>Bonds</u> | <u>Revenue*<br/>Bonds</u> | <u>@Police &amp; Fire<br/>Pension Bonds</u> |
|-------------|--|--|-------------------------------|------------------------------|---------------------------|---|
| 1992        | \$138,640,000  | \$20,600,000   | \$67,165,000                  | \$896,000                    | \$7,462,000               | \$ ----                                     |
| 1993        | 138,600,000  | 17,000,000   | 67,040,000                    | 466,000                      | 5,167,000                 | ----  |
| 1994        | 135,320,000  | 13,300,000   | 68,315,000                    | 150,000                      | 3,899,000                 | ----  |
| 1995        | 133,580,000  | 11,800,000   | 69,790,000                    | 50,000                       | 1,104,000                 | ----  |
| 1996        | 126,825,000  | 10,300,000   | 73,290,000                    | ----                         | 11,410,000                | ----  |
| 1997        | 126,000,000  | 8,800,000  | 79,160,000                    | ----                         | 11,368,000                | ----  |
| 1998        | 124,185,000  | 21,003,000   | 93,780,000                    | ----                         | 13,123,000                | ----  |
| 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                                  |

| <u>Year</u> | <u>++Urban<br/>Development<br/>Taxable<br/>Bonds</u> | <u>@University<br/>Dormitory<br/>and<br/>Improvement<br/>Bonds</u> | <u>@Recreational<br/>Facility<br/>Bonds &amp; Notes</u> | <u>@Off-Street<br/>Parking<br/>Facilities<br/>Bonds</u> | <u>Economic<br/>Development<br/>Notes</u> | <u>@Urban<br/>Renewal<br/>Bonds</u> |
|-------------|--|--|---|---|---|-------------------------------------|
| 1992        | \$ ----  | \$2,275,000  | \$6,455,000   | \$7,780,000   | \$ ----                                   | \$12,055,000                        |
| 1993        | ----   | 1,925,000  | 6,105,000   | 7,045,000   | ----                                      | 13,110,000                          |
| 1994        | ----   | 1,575,000  | 8,245,000   | 6,310,000   | ----                                      | 12,520,000                          |
| 1995        | ----   | 1,200,000  | 10,770,000  | 5,575,000   | ----                                      | 17,930,000                          |
| 1996        | ----   | 800,000  | 9,880,000   | 4,840,000   | ----                                      | 14,840,000                          |
| 1997        | ----   | 400,000  | 8,980,000   | 4,055,000   | ----                                      | 15,735,000                          |
| 1998        | 7,200,000  | ----   | 8,065,000   | 3,270,000   | ----                                      | 11,620,000                          |
| 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   | 4,000,000                                 | 12,440,000                          |

| <u>Year</u> | <u>@Stormwater<br/>Bonds and Notes</u> | <u>@Urban<br/>Redevelopment<br/>Bonds and Notes</u> | <u>Gross<br/>Tax<br/>Supported<br/>Debt</u> | <u>Gross<br/>Revenue<br/>Supported<br/>Debt</u> | <u>Gross<br/>Total<br/>Debt</u> |
|-------------|--|---|---|---|---------------------------------|
| 1992        | \$ ----                                | \$ ----   | \$138,640,000                               | \$124,688,000                                   | \$263,328,000                   |
| 1993        | ----                                   | ----  | 138,600,000                                 | 117,858,000                                     | 256,458,000                     |
| 1994        | 2,000,000                              | ----  | 135,320,000                                 | 116,314,000                                     | 251,634,000                     |
| 1995        | 2,000,000                              | 3,250,000   | 133,580,000                                 | 123,469,000                                     | 257,049,000                     |
| 1996        | 1,800,000                              | 3,170,000   | 126,825,000                                 | 130,330,000                                     | 257,155,000                     |
| 1997        | 6,600,000                              | 3,085,000   | 126,000,000                                 | 138,183,000                                     | 264,183,000                     |
| 1998        | 5,900,000                              | 2,995,000   | 124,185,000                                 | 166,956,000                                     | 291,141,000                     |
| 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                     |

- ~ 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 ANNUAL DEBT SERVICE**  
**DECEMBER 31, 2001**

| <u>Year</u> | <u>Maturing</u> |                      |                                 |                                     |                 |                      |                                 |                                     |             |
|-------------|-----------------|----------------------|---------------------------------|-------------------------------------|-----------------|----------------------|---------------------------------|-------------------------------------|-------------|
|             |                 | <u>Interest Cost</u> | <u>Debt Service Requirement</u> | <u>Outstanding Debt End of Year</u> | <u>Maturing</u> | <u>Interest Cost</u> | <u>Debt Service Requirement</u> | <u>Outstanding Debt End of Year</u> | <u>Year</u> |
| 2001        |                 |                      |                                 | \$175,340,000                       |                 |                      | \$178,965,000                   | 2001                                |             |
| 2002        | \$22,640,000    | \$8,991,756          | \$31,631,756                    | 152,700,000                         | \$30,205,000    | \$9,211,125          | \$39,416,125                    | 148,760,000                         | 2002        |
| 2003        | 19,840,000      | 7,889,581            | 27,729,581                      | 132,860,000                         | 20,635,000      | 7,713,215            | 28,348,215                      | 128,125,000                         | 2003        |
| 2004        | 16,875,000      | 6,919,411            | 23,794,411                      | 115,985,000                         | 18,060,000      | 6,646,949            | 24,706,949                      | 110,065,000                         | 2004        |
| 2005        | 14,415,000      | 6,101,821            | 20,516,821                      | 101,570,000                         | 15,030,000      | 5,749,879            | 20,779,879                      | 95,035,000                          | 2005        |
| 2006        | 13,415,000      | 5,412,084            | 18,827,084                      | 88,155,000                          | 12,765,000      | 5,008,728            | 17,773,728                      | 82,270,000                          | 2006        |
| 2007        | 12,095,000      | 4,751,296            | 16,846,296                      | 76,060,000                          | 10,630,000      | 4,389,083            | 15,019,083                      | 71,640,000                          | 2007        |
| 2008        | 10,375,000      | 4,144,629            | 14,519,629                      | 65,685,000                          | 6,870,000       | 3,882,185            | 10,752,185                      | 64,770,000                          | 2008        |
| 2009        | 9,025,000       | 3,606,311            | 12,631,311                      | 56,660,000                          | 3,940,000       | 3,557,780            | 7,497,780                       | 60,830,000                          | 2009        |
| 2010        | 6,735,000       | 3,127,231            | 9,862,231                       | 49,925,000                          | 4,010,000       | 3,367,545            | 7,377,545                       | 56,820,000                          | 2010        |
| 2011        | 6,735,000       | 2,761,731            | 9,496,731                       | 43,190,000                          | 4,090,000       | 3,169,186            | 7,259,186                       | 52,730,000                          | 2011        |
| 2012        | 6,735,000       | 2,396,231            | 9,131,231                       | 36,455,000                          | 4,060,000       | 2,968,181            | 7,028,181                       | 48,670,000                          | 2012        |
| 2013        | 6,735,000       | 2,030,731            | 8,765,731                       | 29,720,000                          | 4,135,000       | 2,769,474            | 6,904,474                       | 44,535,000                          | 2013        |
| 2014        | 6,735,000       | 1,660,881            | 8,395,881                       | 22,985,000                          | 4,030,000       | 2,565,149            | 6,595,149                       | 40,505,000                          | 2014        |
| 2015        | 6,755,000       | 1,286,681            | 8,041,681                       | 16,230,000                          | 2,320,000       | 2,363,084            | 4,683,084                       | 38,185,000                          | 2015        |
| 2016        | 5,495,000       | 911,431              | 6,406,431                       | 10,735,000                          | 2,115,000       | 2,235,390            | 4,350,390                       | 36,070,000                          | 2016        |
| 2017        | 3,370,000       | 602,006              | 3,972,006                       | 7,365,000                           | 2,200,000       | 2,115,903            | 4,315,903                       | 33,870,000                          | 2017        |
| 2018        | 2,370,000       | 395,869              | 2,765,869                       | 4,995,000                           | 2,290,000       | 1,991,183            | 4,281,183                       | 31,580,000                          | 2018        |
| 2019        | 2,370,000       | 268,481              | 2,638,481                       | 2,625,000                           | 2,380,000       | 1,860,283            | 4,240,283                       | 29,200,000                          | 2019        |
| 2020        | 2,625,000       | 141,094              | 2,766,094                       | 0                                   | 1,845,000       | 1,733,438            | 3,578,438                       | 27,355,000                          | 2020        |
|             |                 |                      |                                 |                                     | 1,915,000       | 1,630,883            | 3,545,883                       | 25,440,000                          | 2021        |
|             |                 |                      |                                 |                                     | 1,285,000       | 1,523,590            | 2,808,590                       | 24,155,000                          | 2022        |
|             |                 |                      |                                 |                                     | 1,360,000       | 1,447,133            | 2,807,133                       | 22,795,000                          | 2023        |
|             |                 |                      |                                 |                                     | 1,445,000       | 1,366,213            | 2,811,213                       | 21,350,000                          | 2024        |
|             |                 |                      |                                 |                                     | 1,530,000       | 1,280,235            | 2,810,235                       | 19,820,000                          | 2025        |
|             |                 |                      |                                 |                                     | 1,620,000       | 1,189,200            | 2,809,200                       | 18,200,000                          | 2026        |
|             |                 |                      |                                 |                                     | 1,715,000       | 1,092,000            | 2,807,000                       | 16,485,000                          | 2027        |
|             |                 |                      |                                 |                                     | 1,820,000       | 989,100              | 2,809,100                       | 14,665,000                          | 2028        |
|             |                 |                      |                                 |                                     | 1,930,000       | 879,900              | 2,809,900                       | 12,735,000                          | 2029        |
| 2001        |                 |                      |                                 | \$23,780,000                        | 1,930,000       | 879,900              | 2,809,900                       | 12,735,000                          | 2029        |
| 2002        | \$9,683,000     | \$1,325,186          | \$11,008,186                    | 14,097,000                          | 2,045,000       | 764,100              | 2,809,100                       | 10,690,000                          | 2030        |
| 2003        | 2,380,000       | 796,010              | 3,176,010                       | 11,717,000                          | 2,170,000       | 641,400              | 2,811,400                       | 8,520,000                           | 2031        |
| 2004        | 5,780,000       | 688,085              | 6,468,085                       | 5,937,000                           | 2,300,000       | 511,200              | 2,811,200                       | 6,220,000                           | 2032        |
| 2005        | 1,777,000       | 314,685              | 2,091,685                       | 4,160,000                           | 2,435,000       | 373,200              | 2,808,200                       | 3,785,000                           | 2033        |
| 2006        | 280,000         | 218,000              | 498,000                         | 3,880,000                           | 2,580,000       | 227,100              | 2,807,100                       | 1,205,000                           | 2034        |
| 2007        | 280,000         | 203,650              | 483,650                         | 3,600,000                           | 1,205,000       | 72,300               | 1,277,300                       | 0                                   | 2035        |
| 2008        | 280,000         | 189,300              | 469,300                         | 3,320,000                           |                 |                      |                                 |                                     |             |
| 2009        | 280,000         | 173,900              | 453,900                         | 3,040,000                           |                 |                      |                                 |                                     |             |
| 2010        | 280,000         | 158,500              | 438,500                         | 2,760,000                           |                 |                      |                                 |                                     |             |
| 2011        | 280,000         | 144,500              | 424,500                         | 2,480,000                           |                 |                      |                                 |                                     |             |
| 2012        | 280,000         | 130,500              | 410,500                         | 2,200,000                           |                 |                      |                                 |                                     |             |
| 2013        | 280,000         | 116,500              | 396,500                         | 1,920,000                           |                 |                      |                                 |                                     |             |
| 2014        | 280,000         | 102,150              | 382,150                         | 1,640,000                           |                 |                      |                                 |                                     |             |
| 2015        | 280,000         | 87,450               | 367,450                         | 1,360,000                           |                 |                      |                                 |                                     |             |
| 2016        | 280,000         | 72,750               | 352,750                         | 1,080,000                           |                 |                      |                                 |                                     |             |
| 2017        | 280,000         | 58,050               | 338,050                         | 800,000                             | \$65,895,000    | \$25,206,099         | \$91,101,099                    | \$482,589,000                       | 2001        |
| 2018        | 280,000         | 43,000               | 323,000                         | 520,000                             | 46,407,000      | 21,892,212           | 68,299,212                      | 416,694,000                         | 2002        |
| 2019        | 280,000         | 27,950               | 307,950                         | 240,000                             | 44,458,000      | 19,556,607           | 64,014,607                      | 370,287,000                         | 2003        |
| 2020        | 240,000         | 12,900               | 252,900                         | 0                                   | 44,458,000      | 19,556,607           | 64,014,607                      | 325,829,000                         | 2004        |
|             |                 |                      |                                 |                                     | 35,165,000      | 17,267,017           | 52,432,017                      | 290,664,000                         | 2005        |
|             |                 |                      |                                 |                                     | 30,605,000      | 15,528,374           | 46,133,374                      | 260,059,000                         | 2006        |
|             |                 |                      |                                 |                                     | 27,387,000      | 14,003,713           | 41,390,713                      | 232,672,000                         | 2007        |
|             |                 |                      |                                 |                                     | 22,125,000      | 12,670,239           | 34,795,239                      | 210,547,000                         | 2008        |
|             |                 |                      |                                 |                                     | 18,078,000      | 11,544,079           | 29,622,079                      | 192,469,000                         | 2009        |
|             |                 |                      |                                 |                                     | 15,979,000      | 10,578,143           | 26,557,143                      | 176,490,000                         | 2010        |
|             |                 |                      |                                 |                                     | 16,140,000      | 9,713,564            | 25,853,564                      | 160,350,000                         | 2011        |
|             |                 |                      |                                 |                                     | 16,390,000      | 8,853,510            | 25,243,510                      | 143,960,000                         | 2012        |
|             |                 |                      |                                 |                                     | 16,770,000      | 7,966,686            | 24,736,686                      | 127,190,000                         | 2013        |
| 2001        |                 |                      |                                 | \$104,504,000                       | 16,995,000      | 7,048,043            | 24,043,043                      | 110,195,000                         | 2014        |
| 2002        | \$3,367,000     | \$5,678,032          | \$9,045,032                     | 101,137,000                         | 15,655,000      | 6,105,053            | 21,760,053                      | 94,540,000                          | 2015        |
| 2003        | 3,552,000       | 5,493,406            | 9,045,406                       | 97,585,000                          | 14,005,000      | 5,218,184            | 19,223,184                      | 80,535,000                          | 2016        |
| 2004        | 3,743,000       | 5,302,162            | 9,045,162                       | 93,842,000                          | 11,735,000      | 4,446,271            | 16,181,271                      | 68,800,000                          | 2017        |
| 2005        | 3,943,000       | 5,100,632            | 9,043,632                       | 89,899,000                          | 11,150,000      | 3,777,289            | 14,927,289                      | 57,650,000                          | 2018        |
| 2006        | 4,145,000       | 4,889,563            | 9,034,563                       | 85,754,000                          | 11,550,000      | 3,193,451            | 14,743,451                      | 46,100,000                          | 2019        |
| 2007        | 4,382,000       | 4,659,684            | 9,041,684                       | 81,372,000                          | 11,555,000      | 2,598,169            | 14,153,169                      | 34,545,000                          | 2020        |
| 2008        | 4,600,000       | 4,454,125            | 9,054,125                       | 76,772,000                          | 9,105,000       | 1,999,370            | 11,104,370                      | 25,440,000                          | 2021        |
| 2009        | 4,833,000       | 4,206,088            | 9,039,088                       | 71,939,000                          | 1,285,000       | 1,523,590            | 2,808,590                       | 24,155,000                          | 2022        |
| 2010        | 4,954,000       | 3,924,866            | 8,878,866                       | 66,985,000                          | 1,360,000       | 1,447,133            | 2,807,133                       | 22,795,000                          | 2023        |
| 2011        | 5,035,000       | 3,638,146            | 8,673,146                       | 61,950,000                          | 1,445,000       | 1,366,213            | 2,811,213                       | 21,350,000                          | 2024        |
| 2012        | 5,315,000       | 3,358,598            | 8,673,598                       | 56,635,000                          | 1,530,000       | 1,280,235            | 2,810,235                       | 19,820,000                          | 2025        |
| 2013        | 5,620,000       | 3,049,981            | 8,669,981                       | 51,015,000                          | 1,620,000       | 1,189,200            | 2,809,200                       | 18,200,000                          | 2026        |
| 2014        | 5,950,000       | 2,719,863            | 8,669,863                       | 45,065,000                          | 1,715,000       | 1,092,000            | 2,807,000                       | 16,485,000                          | 2027        |
| 2015        | 6,300,000       | 2,367,838            | 8,667,838                       | 38,765,000                          | 1,820,000       | 989,100              | 2,809,100                       | 14,665,000                          | 2028        |
| 2016        | 6,115,000       | 1,998,613            | 8,113,613                       | 32,650,000                          | 1,930,000       | 879,900              | 2,809,900                       | 12,735,000                          | 2029        |
| 2017        | 5,885,000       | 1,670,313            | 7,555,313                       | 26,765,000                          | 2,045,000       | 764,100              | 2,809,100                       | 10,690,000                          | 2030        |
| 2018        | 6,210,000       | 1,347,238            | 7,557,238                       | 20,555,000                          | 2,170,000       | 641,400              | 2,811,400                       | 8,520,000                           | 2031        |
| 2019        | 6,520,000       | 1,036,738            | 7,556,738                       | 14,035,000                          | 2,300,000       | 511,200              | 2,811,200                       | 6,220,000                           | 2032        |
| 2020        | 6,845,000       | 710,738              | 7,555,738                       | 7,190,000                           | 2,435,000       | 373,200              | 2,808,200                       | 3,785,000                           | 2033        |
| 2021        | 7,190,000       | 368,488              | 7,558,488                       | 0                                   | 2,580,000       | 227,100              | 2,807,100                       | 1,205,000                           | 2034        |
|             |                 |                      |                                 |                                     | 1,205,000       | 72,300               | 1,277,300                       | 0                                   | 2035        |

Schedule of Expenditure of Federal Awards  
(Non-GAAP Budgetary Basis)  
For the year ended December 31, 2001  
(Amounts in Thousands)

| Grantor/Program Title                                 | Fund | CFDA # | Grant #             | Grant and Contract Balance As of 1/1/01 | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures | Advances (Repayments) or Adjustments | Grant and Contract Balance December 31, 2001 | Local |
|---|------|--------|---------------------|---|-------------------------------------|---------------------------------|------------------|--------------------------------------|--|-------|
| <b>1 U.S. Department of Agriculture</b>               |      |        |                     |   |                                     |                                 |                  |                                      |  |       |
| Passed through Ohio Department of Health              |      |        |                     |   |                                     |                                 |                  |                                      |  |       |
| Hamilton County WIC Program                           | 391  | 10.557 | GM-137-A95          | 5                                       |                                     |                                 |                  | (5)                                  |  |       |
| Hamilton County WIC Program                           | 391  | 10.557 | GM-137-A96          | 2                                       |                                     |                                 |                  | (2)                                  |  |       |
| Hamilton County WIC Program                           | 391  | 10.557 | GM-137-A97          | 156                                     |                                     |                                 |                  | (156)                                |  |       |
| Hamilton County WIC Program                           | 391  | 10.557 | GM-137-A98          | (32)                                    |                                     |                                 |                  | 32                                   |  |       |
| Hamilton County WIC Program                           | 391  | 10.557 | 31-2-001-1-CL-01    | 119                                     | 1,579                               |                                 | (1,915)          | 217                                  |  |       |
| Hamilton County WIC Program                           | 391  | 10.557 | 31-2-001-1-CL-02    | 250                                     | 598                                 |                                 | (472)            | 86                                   | 126  |       |
| Total for CFDA No. 10.557                             |      |        |                     | 38                                      | 2,177                               |                                 |                  |                                      | 126  |       |
| Findlay Market Improvements                           | 980  | 10.601 | 12-25-A-3532        | 38                                      |                                     |                                 | 32               |                                      | 2  | 68    |
| Total for CFDA No. 10.601                             |      |        |                     | 38                                      |                                     |                                 | 32               |                                      | 2  | 68    |
| <b>TOTAL DEPARTMENT OF AGRICULTURE</b>                |      |        |                     | 288                                     | 2,177                               |                                 | (2,355)          | 86                                   | 128  | 68    |
| <b>2 U.S. Department of Health and Human Services</b> |      |        |                     |   |                                     |                                 |                  |                                      |  |       |
| Passed through Cincinnati Health Network              |      |        |                     |   |                                     |                                 |                  |                                      |  |       |
| Homeless Health Care Program                          | 448  | 93.151 | Contract #55X9035   | 6                                       |                                     |                                 |                  |                                      |  | 6     |
| Homeless Health Care Program                          | 448  | 93.151 | Contract #65X9084   | (6)                                     |                                     |                                 |                  |                                      |  | (6)   |
| Homeless Health Care Program                          | 448  | 93.151 | Contract #75X9005   | 52                                      |                                     |                                 |                  |                                      |  | 52    |
| Homeless Health Care Program                          | 448  | 93.151 | Contract #75-9105   | 4                                       |                                     |                                 |                  |                                      |  | 4     |
| Homeless Health Care Program                          | 448  | 93.151 | Contract #15-9022   | 56                                      | 244                                 |                                 | (244)            | (1)                                  |  | (1)   |
| Total for CFDA No. 93.151                             |      |        |                     | 56                                      | 244                                 |                                 | (244)            | (1)                                  |  | 55    |
| Passed through Ohio Department of Health              |      |        |                     |   |                                     |                                 |                  |                                      |  |       |
| Childhood Lead Poisoning Prevention Project           | 380  | 93.197 | 137-S96             | (32)                                    |                                     |                                 |                  | 32                                   |  |       |
| Childhood Lead Poisoning Prevention Project           | 380  | 93.197 | 31-2-01-F-BE-320    | 28                                      |                                     |                                 |                  | (28)                                 |  |       |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 137-S5              | 39                                      |                                     |                                 |                  | (39)                                 |  |       |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 137-S6              | (7)                                     |                                     |                                 |                  | 7                                    |  |       |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 137-S7              | 79                                      |                                     |                                 |                  | (79)                                 |  |       |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 137-N5              | (6)                                     |                                     |                                 |                  | 6                                    |  |       |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 137-AD              | 6                                       |                                     |                                 |                  | (6)                                  |  |       |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 31-2-01-P-BP-387    | 20                                      |                                     |                                 |                  | (20)                                 |  |       |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 31-2-001-1-BE-01    |   | 89                                  | 21                              | (76)             | (33)                                 | 1  | 133   |
| Regional Lead Poisoning Prevention                    | 380  | 93.197 | 31-2-001-1-BE-02    |   | 89                                  | 21                              | (19)             | 133                                  | (19)   | 133   |
| Total for CFDA No. 93.197                             |      |        |                     | 127                                     | 89                                  | 21                              | (95)             | (27)                                 | (18)   | 133   |
| Passed through Cincinnati Health Network              |      |        |                     |   |                                     |                                 |                  |                                      |  |       |
| Cincinnati Health Network                             | 446  | 93.224 | Contract #55X9034   | 56                                      |                                     |                                 |                  | (56)                                 |  |       |
| Cincinnati Health Network                             | 446  | 93.224 | Contract #65X9085   | 13                                      |                                     |                                 |                  | (13)                                 |  |       |
| Cincinnati Health Network                             | 446  | 93.224 | Contract #75-9104   | 11                                      |                                     |                                 |                  | (11)                                 |  |       |
| Cincinnati Health Network                             | 446  | 93.224 | Contract #05-9043   | 18                                      |                                     |                                 |                  | (18)                                 |  |       |
| Cincinnati Health Network                             | 446  | 93.224 | Contract #15-9057   | 98                                      | 313                                 |                                 | (313)            | 75                                   |  | 75    |
| Total for CFDA No. 93.224                             |      |        |                     | 98                                      | 313                                 |                                 | (313)            | (23)                                 |  | 75    |
| Passed through Ohio Department of Health              |      |        |                     |   |                                     |                                 |                  |                                      |  |       |
| Hepatitis B/Immunization                              | 350  | 93.268 | 137-T5              | 40                                      |                                     |                                 |                  | (40)                                 |  |       |
| Immunization Action Plan                              | 415  | 93.268 | 137-V4              | 43                                      |                                     |                                 |                  | (43)                                 |  |       |
| Immunization Action Plan                              | 415  | 93.268 | 137-V5              | (3)                                     |                                     |                                 |                  | 3                                    |  |       |
| Immunization Action Plan                              | 415  | 93.268 | 137-V7              | (27)                                    |                                     |                                 |                  | 27                                   |  |       |
| Immunization Action Plan Special                      | 415  | 93.268 | 1240-HCT-PHS-SP-IAP | 96                                      |                                     |                                 |                  | (96)                                 |  |       |
| Immunization Action Plan Special                      | 415  | 93.268 | 31-02-01-P-AZ-392   | (76)                                    |                                     |                                 |                  | 76                                   |  |       |
| Immunization Action Plan Special                      | 415  | 93.268 | 31-02-001-2-AZ-01   | 71                                      | 419                                 |                                 | (289)            | 26                                   | 88   | 68    |
| Total for CFDA No. 93.268                             |      |        |                     | 71                                      | 419                                 |                                 | (289)            | (45)                                 | 88   | 68    |
| Avondale Career Program                               | 433  | 93.561 |                     | (106)                                   |                                     |                                 |                  | 108                                  |  |       |
| Total for CFDA No. 93.561                             |      |        |                     | (106)                                   |                                     |                                 |                  | 108                                  |  |       |



Schedule of Expenditure of Federal Awards  
(Non-GAAP Budgetary Basis)  
For the year ended December 31, 2001  
(Amounts in Thousands)

| Grantor/Program Title                         | Fund | CFDA # | Grant #             | Grant and Contract Balance As of 1/1/01 | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures | Advances (Repayments) or Adjustments | Grant and Contract Balance December 31, 2001 |
|---|------|--------|---------------------|---|-------------------------------------|---------------------------------|------------------|--------------------------------------|--|
|   |      |        |                     | Grantor                                 | Contract                            | Grantor                         | Contract         | Grantor                              | Local  |
| * Passed through Ohio Job & Family Service    |      |        |                     |   |                                     |                                 |                  |                                      |  |
| * WIA 2001 Allocation                         | 463  | 93-558 |                     | 2,347                                   |                                     |                                 |                  | (2,347)                              |  |
| * Temporary Assistance to Families TANF       | 463  | 93-558 | Contract # 95x8002  | 734                                     |                                     |                                 |                  | (734)                                |  |
| * TANF  | 471  | 93-558 | WIA TANF Allocation | 555                                     |                                     |                                 |                  | (555)                                |  |
|   |      |        |                     | 3,636                                   |                                     |                                 |                  | (3,636)                              |  |
|   |      |        |                     |   |                                     |                                 |                  |                                      |  |
| Total for CFDA No. 93.558                     |      |        |                     |   |                                     |                                 |                  |                                      |  |
| Ryan White Initiative                         | 378  | 93-917 | 137-Y1              | 5                                       |                                     |                                 |                  | (5)                                  |  |
| Ryan White Initiative                         | 378  | 93-917 | 137-Y2              | (2)                                     |                                     |                                 |                  | 2                                    |  |
| Ryan White Initiative                         | 378  | 93-917 | 137-Y3              | 4                                       |                                     |                                 |                  | (4)                                  |  |
| Ryan White Initiative                         | 378  | 93-917 | 137-Y6              | 1                                       |                                     |                                 |                  | (1)                                  |  |
| Ryan White Initiative                         | 378  | 93-917 | 137-Y               | (6)                                     |                                     |                                 |                  | 6                                    |  |
|   |      |        |                     | 2                                       |                                     |                                 |                  | (2)                                  |  |
| Total for CFDA No. 93.917                     |      |        |                     |   |                                     |                                 |                  |                                      |  |
| Federal AIDS Prevention                       | 378  | 93-940 | 31-2-01-P-PAS-392   | 244                                     |                                     |                                 |                  | (244)                                |  |
| Federal AIDS Prevention                       | 378  | 93-940 | 137-AA7             | (76)                                    |                                     |                                 |                  | 76                                   |  |
| HIV Testing & Counseling Site                 | 378  | 93-940 | 137-H5              | (1)                                     |                                     |                                 |                  | 1                                    |  |
| HIV Testing & Counseling Site                 | 378  | 93-940 | 137-H6              | 69                                      |                                     |                                 |                  | (69)                                 |  |
| State AIDS Community Based Care               | 378  | 93-940 | 137-AC              | 81                                      |                                     |                                 |                  | (81)                                 |  |
| State AIDS Community Based Care               | 378  | 93-940 | 137-AC-8            | (5)                                     |                                     |                                 |                  | 5                                    |  |
| State AIDS Community Based Care               | 378  | 93-940 | 31-2-01-F-CE-GRF    | 1                                       |                                     |                                 |                  | (1)                                  |  |
| State AIDS Community Based Care               | 378  | 93-940 | 31-2-01-F-DL-SE1    | 138                                     |                                     |                                 |                  | (138)                                |  |
| STD Diagnosis and Treatment                   | 378  | 93-940 | 31-2-01-F-DL-SE1    |   | 498                                 |                                 |                  | 79                                   | 17   |
| Federal AIDS Prevention                       | 378  | 93-940 | 31-2-01-F-DL-SE1    | 451                                     |                                     |                                 |                  | (372)                                | 17   |
|   |      |        |                     |   | 498                                 |                                 |                  | (560)                                |  |
| Total for CFDA No. 93.940                     |      |        |                     |   |                                     |                                 |                  |                                      |  |
| AIDS Health Education                         | 378  | 93-977 | 137-K5              | 5                                       |                                     |                                 |                  | (5)                                  |  |
| STD Control Program                           | 378  | 93-977 | 137-15              | 50                                      |                                     |                                 |                  | (50)                                 |  |
| STD Control Program                           | 378  | 93-977 | 137-16              | 5                                       |                                     |                                 |                  | (5)                                  |  |
| STD Control Program                           | 378  | 93-977 | 137-17              | 4                                       |                                     |                                 |                  | (4)                                  |  |
| STD Control Program                           | 378  | 93-977 | 137-18              |   |                                     |                                 |                  |                                      |  |
| STD Control Program                           | 378  | 93-977 | 31-2-01-P-BX-392    | 13                                      |                                     |                                 |                  | (13)                                 |  |
| STD Control Program                           | 378  | 93-977 | 31-2-001-2-BX-02    | 77                                      |                                     |                                 |                  | (55)                                 | (6)  |
|   |      |        |                     |   | 49                                  |                                 |                  | (77)                                 | (6)  |
| Total for CFDA No. 93.977                     |      |        |                     |   |                                     |                                 |                  |                                      |  |
| STD Training Center                           | 378  | 93-978 | 137-R5              | 2                                       |                                     |                                 |                  | (2)                                  |  |
| STD Training Center                           | 378  | 93-978 | 137-R6              | (246)                                   |                                     |                                 |                  | 246                                  |  |
| STD Training Center                           | 378  | 93-978 | 137-R7              | 261                                     |                                     |                                 |                  | (261)                                |  |
| STD Training Center                           | 378  | 93-978 | R30/CCR516650-01-2  | (21)                                    |                                     |                                 |                  | 21                                   |  |
| STD Training Center                           | 378  | 93-978 | 31-2-01-P-BZ-392    | (45)                                    |                                     |                                 |                  | 45                                   |  |
| STD/HIV Prevention Training Centers           | 379  | 93-978 | R30/CCR500925-15    | 2                                       |                                     |                                 |                  | (2)                                  |  |
| STD/HIV Prevention Training Centers           | 379  | 93-978 | R30/CCR516650-03    | 13                                      |                                     |                                 |                  | (297)                                | 1  |
|   |      |        |                     | (34)                                    |                                     |                                 |                  | (297)                                | 1  |
| Total for CFDA No. 93.978                     |      |        |                     |   |                                     |                                 |                  |                                      |  |
| Passed through Ohio Department of Health      |      |        |                     |   |                                     |                                 |                  |                                      |  |
| Heart Health in Hamilton County               | 425  | 93-991 | 137-Z94             | 132                                     |                                     |                                 |                  | (132)                                |  |
| Heart Health in Hamilton County               | 425  | 93-991 | 137-Z95             | 2                                       |                                     |                                 |                  | (2)                                  |  |
| Heart Health in Hamilton County               | 425  | 93-991 | 137-Z96             | (1)                                     |                                     |                                 |                  | 1                                    |  |
| Heart Health in Hamilton County               | 425  | 93-991 | 137-Z97             | (26)                                    |                                     |                                 |                  | 26                                   |  |
| Heart Health in Hamilton County               | 425  | 93-991 | 31-2-01-P-BP-392    | (12)                                    |                                     |                                 |                  | 12                                   |  |
| Heart Health in Hamilton County               | 425  | 93-991 | 31-2-01-P-BP-387    | 19                                      |                                     |                                 |                  | (19)                                 |  |
| Heart Health in Hamilton County               | 425  | 93-991 | 31-2-001-2-ED-01    | 179                                     |                                     |                                 |                  | (136)                                | 155  |
|   |      |        |                     | 114                                     |                                     |                                 |                  | (136)                                | 155  |
| Total for CFDA No. 93.991                     |      |        |                     |   |                                     |                                 |                  |                                      |  |
| TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES |      |        |                     | 4,490                                   | 2,074                               | 21                              | (1,989)          | (4,030)                              | 80   |
|   |      |        |                     |   |                                     |                                 |                  |                                      | 486  |

Schedule of Expenditure of Federal Awards  
(Non-GAAP Budgetary Basis)  
For the year ended December 31, 2001  
(Amounts in Thousands)

| Grantor/Program Title                           | Fund | CFDA # | Grant #         | Grant and Contract Balance As of 1/1/01 | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures | Advances (Repayments) or Adjustments | Grant and Contract Balance December 31, 2001 |
|---|------|--------|-----------------|---|-------------------------------------|---------------------------------|------------------|--------------------------------------|--|
|   |      |        |                 |   |                                     |                                 |                  |                                      | Grantor Local                                |
| 3 U.S.Department of Housing & Urban Development |      |        |                 |   |                                     |                                 |                  |                                      |  |
| * Passed through Ohio Department of Development |      |        |                 |   |                                     |                                 |                  |                                      |  |
| * Community Development Block Grant             | 304  | 14.218 | B99-MC390003    | 550                                     | 5,065                               | 2,871                           | (5,065)          |                                      | 333  |
| * Community Development Block Grant             | 304  | 14.218 | B00-MC390003    |   | 10,695                              |                                 | (13,783)         |                                      |  |
| * HUD Disaster Recovery Initiative              | 466  | 14.218 | B98MU390003     | 550                                     | 284                                 | 2,871                           | (284)            |                                      | 333  |
| Total for CFDA No. 14.218                       |      |        |                 |   | 16,044                              |                                 | (19,132)         |                                      |  |
| * Passed through Ohio Department of Development |      |        |                 |   |                                     |                                 |                  |                                      |  |
| * Emergency Shelter Grant                       | 445  | 14.231 | S-00-MC-39-0003 |   | 343                                 |                                 | (343)            |                                      |  |
| * Emergency Shelter Grant                       | 445  | 14.231 | S-01-MC-39-0003 |   | 349                                 |                                 | (349)            |                                      |  |
| Total for CFDA No. 14.231                       |      |        |                 |   | 692                                 |                                 | (692)            |                                      |  |
| * Passed through Ohio Department of Development |      |        |                 |   |                                     |                                 |                  |                                      |  |
| * HOME-Shelter Plus Care                        | 410  | 14.238 | OH16C93-1093    |   | 33                                  |                                 | (33)             |                                      |  |
| * HOME-Shelter Plus Care                        | 410  | 14.238 | OH16C95-0132    |   | 231                                 |                                 | (231)            |                                      |  |
| * HOME-Shelter Plus Care                        | 410  | 14.238 | OH16C96-0002    |   | 221                                 |                                 | (221)            |                                      |  |
| * HOME-Shelter Plus Care                        | 410  | 14.238 | OH16C97-0013    |   | 87                                  |                                 | (87)             |                                      |  |
| * HOME-Shelter Plus Care                        | 410  | 14.238 | OH16C800-0003   |   | 281                                 |                                 | (281)            |                                      |  |
| * HOME-Shelter Plus Care                        | 410  | 14.238 | OH16C900-0004   |   | 326                                 |                                 | (326)            |                                      |  |
| Total for CFDA No. 14.238                       |      |        |                 |   | 1,179                               |                                 | (1,179)          |                                      |  |
| * Passed through Ohio Department of Development |      |        |                 |   |                                     |                                 |                  |                                      |  |
| * HOME  | 411  | 14.239 | M-95-MC-39-0213 |   | 9                                   |                                 | (9)              |                                      |  |
| * HOME  | 411  | 14.239 | M-96-MC-39-0213 |   | 86                                  |                                 | (86)             |                                      |  |
| * HOME  | 411  | 14.239 | M-98-MC-39-0213 |   | 703                                 |                                 | (703)            |                                      |  |
| * HOME  | 411  | 14.239 | M-99-MC-39-0213 |   | 3,117                               |                                 | (3,117)          |                                      |  |
| * HOME  | 411  | 14.239 | M-00-MC-39-0213 | 480                                     | 231                                 | 401                             | (311)            |                                      | 801  |
| * HOME  | 411  | 14.239 | M-01-MC-39-0213 |   | 16                                  |                                 | (16)             |                                      |  |
| Total for CFDA No. 14.239                       |      |        |                 |   | 4,162                               | 401                             | (4,242)          |                                      | 801  |
| * Passed through Ohio Department of Development |      |        |                 |   |                                     |                                 |                  |                                      |  |
| * Housing Opportunities For People With Aids    | 465  | 14.241 | OH16H00F001     |   | 351                                 |                                 | (351)            |                                      |  |
| * Housing Opportunities For People With Aids    | 465  | 14.241 | OH16H01F001     |   | 344                                 |                                 | (344)            |                                      |  |
| Total for CFDA No. 14.241                       |      |        |                 |   | 695                                 |                                 | (695)            |                                      |  |
| Empowerment Zone                                | 324  | 14.244 |                 |   | 150                                 |                                 | (221)            |                                      | (71)   |
| Empowerment Zone                                | 386  | 14.244 | EZ99OH0009      |   | 1,629                               |                                 | (1,629)          |                                      |  |
| Total for CFDA No. 14.244                       |      |        |                 |   | 1,779                               |                                 | (1,850)          |                                      | (71)   |
| Findlay Market Phase III                        | 980  | 14.246 | 06-01-04417     | 440                                     |                                     |                                 | (33)             |                                      | 407  |
| Total for CFDA No 14.246                        |      |        |                 | 440                                     |                                     |                                 | (33)             |                                      | 407  |
| * Passed through Ohio Department of Development |      |        |                 |   |                                     |                                 |                  |                                      |  |
| * HUD Section 108 Loan Program                  | 304  | 14.248 | B99-MC390003    |   | 540                                 |                                 | (540)            |                                      |  |
| Total for CFDA No. 14.248                       |      |        |                 |   | 540                                 |                                 | (540)            |                                      |  |
| Hope VI Implementation Grant                    | 980  | 14.866 |                 | 240                                     | 2,022                               |                                 | (54)             |                                      | 2,103  |
| Total for CFDA No. 14.866                       |      |        |                 | 240                                     | 2,022                               |                                 | (54)             |                                      | 2,103  |
| Cincinnati Lead Abatement Program               | 381  | 14.900 | OHLAG0022-94    | 721                                     | 408                                 |                                 | (695)            |                                      | 26   |
| Cincinnati Lead Abatement Program               | 387  | 14.900 | OHLHR0063-99    | 721                                     | 408                                 |                                 | (408)            |                                      | 26   |
| Total for CFDA No. 14.900                       |      |        |                 | 721                                     | 408                                 |                                 | (1,103)          |                                      | 26   |
| TOTAL DEPARTMENT OF HOUSING & URBAN DEVELOPMENT |      |        |                 | 2,431                                   | 27,521                              | 3,272                           | (29,520)         |                                      | 3,192  |
|   |      |        |                 |   |                                     |                                 |                  |                                      | 512  |

Schedule of Expenditure of Federal Awards  
(Non-GAAP Budgetary Basis)  
For the year ended December 31, 2001  
(Amounts in Thousands)

| Grantor/Program Title   | Fund | CFDA # | Grant #          | Grant and Contract Balance As of 1/1/01 | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures | Advances (Repayments) or Adjustments | Grant and Contract Balance December 31, 2001 | Local |
|---|------|--------|------------------|---|-------------------------------------|---------------------------------|------------------|--------------------------------------|--|-------|
| 4 U.S. Department of the Interior<br>Cincinnati Historic Properties | 338  | 15.904 | 490297           | 1                                       |                                     |                                 |                  | (1)                                  |  |       |
| Total for CFDA No. 15.904   |      |        |                  | 1                                       |                                     |                                 |                  | (1)                                  |  |       |
| ODNR-Hooked on Fishing  | 324  | 15.605 |                  | 3                                       | 10                                  |                                 | (8)              |                                      | 5  |       |
| Total for CFDA No. 15.605   |      |        |                  | 3                                       | 10                                  |                                 | (8)              |                                      | 5  |       |
| <b>TOTAL DEPARTMENT OF THE INTERIOR</b>                             |      |        |                  | 4                                       | 10                                  |                                 | (8)              | (1)                                  | 5  |       |
| 5 U.S. Department of Justice  |      |        |                  | 538                                     |                                     |                                 |                  |                                      | 474  | 53    |
| Local Law Enforcement Block Grant                                   | 342  | 16.200 | 98-LB-VX-2740    | (89)                                    |                                     |                                 | (11)             |                                      | (80)   | (9)   |
| Local Law Enforcement Block Grant                                   | 345  | 16.200 | 96-LB-VX-3472    | 89                                      |                                     |                                 |                  |                                      | 80   | 9     |
| Local Law Enforcement Block Grant                                   | 345  | 16.200 | 97-LB-VX-2740    | 621                                     |                                     | 119                             | (381)            |                                      | 323  | 36    |
| Local Law Enforcement Block Grant                                   | 365  | 16.200 | 1999 LBVX 9040   | 452                                     |                                     | 69                              | (60)             |                                      | 415  | 46    |
| Local Law Enforcement Block Grant                                   | 364  | 16.200 | 2000 LBBX 1630   | 1,611                                   |                                     | 188                             | (452)            |                                      | 1,212  | 135   |
| Total for CFDA No. 16.200   |      |        |                  | 35                                      | 9                                   |                                 | (36)             |                                      | 8  |       |
| Bloom Earn & Learn  | 447  | 16.548 | 99-JV-T50-5035   | 9                                       |                                     |                                 | (9)              |                                      | 8  |       |
| Delinquency Collaboration   | 447  | 16.548 | 97-JV-T50-5013   | 44                                      |                                     |                                 | (45)             |                                      | 8  |       |
| Total for CFDA No. 16.548   |      |        |                  | (2)                                     | 20                                  |                                 | (20)             |                                      | (2)  |       |
| Passed through Ohio Office of Criminal Justice Service              |      |        |                  | 16,579                                  |                                     |                                 |                  |                                      |  |       |
| Bushido   | 350  | 16.579 | 93-DG-B01-7362   |   |                                     |                                 |                  |                                      |  |       |
| Bulletproof Vests   | 368  | 16.579 | 00001816         |   | 20                                  |                                 |                  |                                      | (3)  | (1)   |
| Child Advocacy (Byrne)  | 368  | 16.579 | 00-DG-E01-7357   |   | 5                                   | 80                              |                  |                                      | 80   |       |
| Drug Abuse Resistance Education                                     | 368  | 16.579 |                  |   |                                     |                                 |                  |                                      |  |       |
| Law Enforcement Advocate (Byrne)                                    | 368  | 16.579 | 99-DG-D02-7356   |   | 14                                  |                                 |                  |                                      | (20)   |       |
| School/Community Oriented Policing Efforts                          | 368  | 16.579 | 1998-JJCP10013   |   | 1                                   |                                 |                  |                                      | (1)  |       |
| Targeted Prevention (Byrne)   | 368  | 16.579 | 99-DG-B01-7355   |   |                                     |                                 |                  |                                      | 1  |       |
| Third Grade Safety Belt Program                                     | 368  | 16.579 | H60208           |   | 1                                   |                                 |                  |                                      | 1  |       |
| Third Grade Safety Belt Program                                     | 368  | 16.579 | TSB0200031       |   |                                     | 7                               | (4)              |                                      | 3  |       |
| Weed and Seed   | 368  | 16.579 | 1775             |   |                                     |                                 |                  |                                      | 21   |       |
| Weed and Seed   | 368  | 16.579 | 2000WSQX0164     |   |                                     |                                 | (57)             | (66)                                 |  |       |
| One Stop Career Center  | 433  | 16.579 | 8800             | 33                                      |                                     |                                 |                  |                                      |  |       |
| One Stop Career Center  | 433  | 16.579 | 5700             | 50                                      |                                     |                                 |                  |                                      |  |       |
| Alcoholism Clinic   | 447  | 16.579 | 94-DG-F01-7374   | (18)                                    |                                     |                                 |                  |                                      | (18)   |       |
| Alcoholism Clinic   | 447  | 16.579 | 95-DG-F01-7374   | 15                                      |                                     |                                 |                  |                                      | 15   |       |
| Back on the Block   | 447  | 16.579 | 94-DG-B01-7367   | 3                                       |                                     |                                 |                  |                                      | 3  |       |
| Family Violence Project   | 447  | 16.579 | 96-DG-B01-7379   | 9                                       |                                     |                                 |                  |                                      | 9  |       |
| Family Violence Project   | 447  | 16.579 | 97-DG-B01-7379   | (14)                                    |                                     |                                 |                  |                                      | (14)   |       |
| Mallory Center  | 447  | 16.579 | 99-DG-B01-7352   |   | 16                                  |                                 | (24)             |                                      | (8)  |       |
| Mallory Center  | 447  | 16.579 | 00-DG-B01-7352   |   | 35                                  |                                 | (23)             |                                      | 12   |       |
| Stay Center Life Skills   | 447  | 16.579 | 98-DG-F01-7381   |   |                                     |                                 |                  |                                      |  |       |
| Stay Center Life Skills   | 447  | 16.579 | 95-DG-F01-7381   |   | 2                                   |                                 |                  |                                      | 18   |       |
| Victim Service Center   | 447  | 16.579 | 93-DG-D02-7358   |   |                                     |                                 |                  |                                      |  |       |
| Youth Crime Prevention  | 447  | 16.579 | 98-DG-B01-7378   | 18                                      |                                     |                                 |                  |                                      |  |       |
| Youth Crime Prevention  | 447  | 16.579 | 97-DG-B01-7378   |   | 4                                   |                                 | (4)              |                                      |  |       |
| YMCA Amend Adolescent Program                                       | 447  | 16.579 | 99-JB-010-0071   | 101                                     | 96                                  | 263                             | (185)            | (180)                                | 96   | (1)   |
| Total for CFDA No. 16.579   |      |        |                  |   |                                     |                                 |                  |                                      |  |       |
| Passed through Ohio Office of Criminal Justice Services             |      |        |                  | 16,588                                  |                                     |                                 |                  |                                      | (2)  |       |
| Domestic Violence Advocacy  | 368  | 16.588 | 1997-WF-VAS-8583 |   |                                     |                                 |                  |                                      | (2)  |       |
| Total for CFDA No. 16.588   |      |        |                  |   |                                     |                                 |                  |                                      |  |       |
| Local Law Enforcement Block Grant                                   | 361  | 16.592 | 2001-LB-BX-2319  |   | 633                                 | 9                               |                  |                                      | 642  |       |
| Total for CFDA No. 16.592   |      |        |                  |   | 633                                 | 9                               |                  |                                      | 642  |       |

Schedule of Expenditure of Federal Awards  
(Non-GAAP Budgetary Basis)  
For the year ended December 31, 2001  
(Amounts in Thousands)

| Grantor/Program Title                              | Fund     | CFDA # | Grant #           | Grant and Contract Balance As of 1/1/01 | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures | Advances (Repayments) or Adjustments | Grant and Contract Balance December 31, 2001 |
|--|----------|--------|-------------------|---|-------------------------------------|---------------------------------|------------------|--------------------------------------|--|
|  |          |        |                   | Grantor                                 | Local                               |                                 |                  |                                      | Grantor                                      |
| Universal Hiring Program                           | 346      | 16.710 | 97-UL-WX-0034     | 25                                      | 376                                 |                                 | (376)            |                                      | 25   |
| School Community Oriented Police Efforts           | 368      | 16.710 | 97-JJ-CP1         | 38                                      |                                     |                                 |                  |                                      | 38   |
| School Community Oriented Police Efforts           | 368      | 16.710 | 1998JJCP10073     | 63                                      | 376                                 |                                 | (376)            |                                      | 63   |
| Total for CFDA No. 16.710                          |          |        |                   | 13                                      |                                     |                                 |                  |                                      | 13   |
| Troops to Cops                                     | 368      | 16.711 | 1999-TCWX-0174    | 13                                      |                                     |                                 |                  |                                      | 13   |
| Total for CFDA No. 16.711                          |          |        |                   | 1,832                                   | 1,114                               | 460                             | (1,060)          | (180)                                | 2,032  |
| <b>TOTAL DEPARTMENT OF JUSTICE</b>                 |          |        |                   |   |                                     |                                 |                  |                                      | <b>134</b>                                   |
| 6 U.S. Department of Labor                         |          |        |                   |   |                                     |                                 |                  |                                      |  |
| • Passed through Ohio Job & Family Service         |          |        |                   |   |                                     |                                 |                  |                                      |  |
| • JTPA-Title II-A                                  | 431      | 17.250 | 0-99-08-00-01     | (100)                                   |                                     |                                 |                  | 100                                  |  |
| • JTPA-Title II-B                                  | 435      | 17.250 | 5-99-08-00-01     | (1)                                     |                                     |                                 |                  | 1                                    |  |
| • JTPA-Title II-A                                  | 437      | 17.250 | 1-99-08-00-01     |   |                                     |                                 |                  |                                      |  |
| • JTPA-Title III(EDWAAA)                           | 438      | 17.250 | B-99-08-00-01     | 101                                     |                                     |                                 |                  | (101)                                |  |
| • JTPA-Title III(EDWAAA)                           | 438      | 17.250 | A-99-08-00-01     | (157)                                   |                                     |                                 |                  | 157                                  |  |
| • JTPA-Title III(EDWAAA)                           | 438      | 17.250 | N-7498-9-00-87-60 | (45)                                    | 837                                 |                                 | (300)            | (492)                                |  |
| • JTPA-Title II-A                                  | 439      | 17.250 | 4-98-08-00-01     | (16)                                    |                                     |                                 |                  | 16                                   |  |
| • JTPA-Title II-C                                  | 443      | 17.250 | Y-99-08-00-00     | 36                                      |                                     |                                 |                  | (36)                                 |  |
| • JTPA-Title II-A                                  | 444      | 17.250 | 3-97-08-00-00     | 2                                       |                                     |                                 |                  | (2)                                  |  |
| • JTPA-Title II-A                                  | 444      | 17.250 | 3-98-08-00-00     | 36                                      |                                     |                                 |                  | (36)                                 |  |
| Total for CFDA No. 17.250                          |          |        |                   | (144)                                   | 837                                 |                                 | (300)            | (393)                                |  |
| • Passed through Ohio Job & Family Service         |          |        |                   |   |                                     |                                 |                  |                                      |  |
| • WIA  | 464      | 17.260 | Administration    | 126                                     | 357                                 |                                 | (333)            |                                      | 150  |
| • SFY 2001 WIA Adult                               | 464      | 17.260 | WIA Adult         | (42)                                    | 993                                 |                                 | (982)            |                                      | (31)   |
| • SFY 2001 WIA Older Youth                         | 464      | 17.260 | WIA Older Youth   | 37                                      | 445                                 |                                 | (293)            |                                      | 189  |
| • SFY 2001 WIA Younger Youth                       | 464      | 17.260 | WIA Younger Youth |   | 403                                 |                                 | (243)            |                                      | 160  |
| • SFY 2001 WIA Dislocated                          | 464      | 17.260 | WIA Disc Wkr      | 8                                       | 551                                 |                                 | (273)            |                                      | 286  |
| • IT Allocation                                    | 464      | 17.260 | C-99C0000         | (32)                                    | 84                                  |                                 | (215)            |                                      | (163)  |
| • WIA Planning                                     | 464      | 17.260 | WIA Planning      | 260                                     | 90                                  |                                 | (127)            |                                      | 223  |
| Total for CFDA No. 17.260                          |          |        |                   | 357                                     | 2,923                               |                                 | (2,466)          |                                      | 814  |
| <b>TOTAL DEPARTMENT OF LABOR</b>                   |          |        |                   | <b>213</b>                              | <b>3,760</b>                        |                                 | <b>(2,766)</b>   | <b>(393)</b>                         | <b>814</b>                                   |
| 7 U.S. Department of Transportation                |          |        |                   |   |                                     |                                 |                  |                                      |  |
| • Passed through Ohio Department of Transportation |          |        |                   |   |                                     |                                 |                  |                                      |  |
| • Lunken Airport Signal Upgrade                    | 980-1801 | 20.106 | 3-39-0018-09      | (1)                                     |                                     |                                 | 1                |                                      |  |
| • Lunken '97 FAA Grant Improvement                 | 980-2115 | 20.106 | 3-39-0018-1195    | (742)                                   | 1,073                               |                                 | (156)            |                                      | 139  |
| • Local Match Funds - FAA Projects                 | 980-2267 | 20.106 |                   | (743)                                   | 1,073                               |                                 | (155)            |                                      | 139  |
| Total for CFDA No. 20.106                          |          |        |                   |   |                                     |                                 |                  |                                      | 36   |

Schedule of Expenditure of Federal Awards  
(Non-GAAP Budgetary Basis)  
For the year ended December 31, 2001  
(Amounts in Thousands)

| Grantor/Program Title  | Fund     | CFDA # | Grant #                | Grant and Contract Balance As of 1/1/01 | Grant and Contract Revenue Received | Contributions and other Revenue | CFS Expenditures | Advances (Repayments) or Adjustments | Grant and Contract Balance December 31, 2001 |
|--|----------|--------|------------------------|---|-------------------------------------|---------------------------------|------------------|--------------------------------------|--|
| * Passed through Ohio Department of Transportation             |          |        |                        |   |                                     |                                 |                  |                                      |  |
| * Highway Planning and Construction                            | 980-0000 | 20.205 |                        | (122)                                   | 5,000                               |                                 | (5,000)          |                                      | (68)   |
| * Highway Planning and Construction                            | 980-1953 | 20.205 |                        |   | 25                                  |                                 | (167)            |                                      | (196)  |
| * Highway Planning and Construction                            | 980-2295 | 20.205 |                        |   |                                     | 3,641                           | (3,641)          |                                      |  |
| * Highway Planning and Construction                            | 980-2296 | 20.205 |                        |   |                                     | 10,762                          | (10,762)         |                                      |  |
| * Highway Planning and Construction                            | 980-2298 | 20.205 |                        |   | 1,041                               |                                 | (1,041)          |                                      |  |
| * Highway Planning and Construction                            | 980-2393 | 20.205 |                        |   | 210                                 |                                 | (210)            |                                      |  |
| * Highway Planning and Construction                            | 980-2401 | 20.205 |                        |   |                                     | 4,479                           | (4,479)          |                                      |  |
| * Highway Planning and Construction                            | 980-2161 | 20.205 |                        | 879                                     | 666                                 |                                 | (1,649)          |                                      | (105)  |
| * Highway Planning and Construction                            | 980-2162 | 20.205 |                        |   | 13                                  |                                 | (32)             |                                      | (14)   |
| * Highway Planning and Construction                            | 980-2504 | 20.205 |                        |   | 1,843                               |                                 | (21,165)         |                                      | (2,708)                                      |
| * Highway Planning and Construction                            | 980-2507 | 20.205 |                        | 757                                     | 6,998                               |                                 | (6,998)          |                                      | (2,895)                                      |
| Total for CFDA No. 20.205                                      |          |        |                        | 14                                      | 16,869                              | 33,581                          | (55,299)         |                                      | (2,079)                                      |
| TOTAL DEPARTMENT OF TRANSPORTATION                             |          |        |                        |   |                                     |                                 |                  |                                      |  |
| 8 Corporation for National and Community Service               |          |        |                        |   |                                     |                                 |                  |                                      |  |
| Passed through Council on Aging of Southwestern Ohio           |          |        |                        |   |                                     |                                 |                  |                                      |  |
| * Retired Senior Volunteer Program                             | 324      | 94.002 | 440-3664-0             | 77                                      | 281                                 | 35                              | (251)            |                                      | 142  |
| Total for CFDA No. 94.002                                      |          |        |                        | 77                                      | 281                                 | 35                              | (251)            |                                      | 142  |
| TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE           |          |        |                        |   |                                     |                                 |                  |                                      |  |
| 9 Federal Emergency Management Agency                          |          |        |                        |   |                                     |                                 |                  |                                      |  |
| Emergency Response Outreach                                    | 343      | 83.010 | X985730-01-0           | 14                                      |                                     |                                 |                  |                                      | 142  |
| Total for CFDA No. 83.010                                      |          |        |                        | 14                                      |                                     |                                 |                  |                                      | 142  |
| FEMA Flood Control Grant                                       | 461      | 83.544 | 1164-DR-61-15000       | 95                                      |                                     |                                 | (3)              |                                      | 92   |
| FEMA Flood Control Grant                                       | 461      | 83.544 | FEMA-1390-DR-061-15000 | 95                                      | 127                                 | 15                              | (3)              |                                      | 142  |
| Total for CFDA No. 83.544                                      |          |        |                        | 190                                     | 127                                 | 15                              | (3)              |                                      | 234  |
| * Passed through Ohio Office of Emergency Management           |          |        |                        |   |                                     |                                 |                  |                                      |  |
| * Hazard Mitigation Grant                                      | 467      | 83.548 | FEMA-DR-1164-OH        | 375                                     |                                     | 119                             | (325)            |                                      | 169  |
| * Hazard Mitigation Grant                                      | 637      | 83.548 | 1122-DR-61-15000       | 49                                      |                                     |                                 |                  |                                      | 49   |
| Total for CFDA No. 83.548                                      |          |        |                        | 424                                     |                                     | 119                             | (325)            |                                      | 218  |
| TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY                      |          |        |                        |   |                                     |                                 |                  |                                      |  |
|  |          |        |                        | 533                                     | 127                                 | 134                             | (328)            |                                      | 462  |
| TOTAL FEDERAL GRANTS & SUBSIDIES (Non-GAAP Basis)              |          |        |                        | 9,882                                   | 53,933                              | 37,503                          | (93,576)         | (4,518)                              | 4,099  |
| Less Amounts Recognized as Federal Grants for Capital Projects |          |        |                        |   | (18,889)                            |                                 |                  |                                      |  |
| Less Accrual of Federal Grant & Subsidies at 12/31/00          |          |        |                        |   | (1,156)                             |                                 |                  |                                      |  |
| Plus Accrual of Federal Grant & Subsidies at 12/31/01          |          |        |                        |   | 3,095                               |                                 |                  |                                      |  |
| Plus Deferral of Federal Grant & Subsidies at 12/31/00         |          |        |                        |   | 378                                 |                                 |                  |                                      |  |
| Less Deferral of Federal Grant & Subsidies at 12/31/01         |          |        |                        |   | (424)                               |                                 |                  |                                      |  |
| Amount Recognized as Federal Grants & Subsidies (GAAP Basis)   |          |        |                        |   | 36,937                              |                                 |                  |                                      |  |

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

The Schedule of Expenditures of Federal Awards is presented on a Non-GAAP budgetary basis. Total community development loans outstanding at December 31, 2001 totaled \$58,544,000.

**CITY OF CINCINNATI, OHIO**  
**INFRASTRUCTURE INCOME TAX**

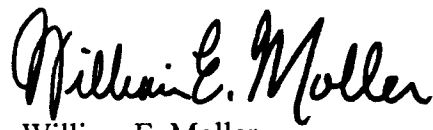
In accordance with the provisions of Chapter 311 of the Cincinnati Municipal Code, an additional earnings tax of .1% shall be levied for costs related to constructing, equipping, maintaining and repair of the City's infrastructure. Such tax shall remain in effect as long as the City appropriates at least 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 2001 and 2000.

**(AMOUNTS IN THOUSANDS)**

|  | <u><b>2001</b></u> | <u><b>2000</b></u> |
|--|--------------------|--------------------|
| Required Base Amount                                     | \$57,583           | \$56,760           |
| Actual Appropriated Amount                               | \$75,002           | \$86,442           |
| Infrastructure Expenditures<br>- As of December 31, 2001 | \$47,944           | \$67,248           |
| Percentage of Expenditures to Base Amount                | 83.2607%           | 118.4778%          |

I hereby certify that the City of Cincinnati appropriated for 2001 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 2001 for the 2000 Infrastructure year more than 90% of the annual base amount, which satisfies the requirements for continuation of the Infrastructure Income Tax.

  
William E. Moller  
Director of Finance

MIRACLE MILE

2001



statistical section

**CITY OF CINCINNATI, OHIO**  
**General Fund**  
**General Governmental Expenditures by Function**  
Last Ten Years

(AMOUNTS IN THOUSANDS)

| <u>Year</u> | <u>General Government</u> | <u>Parks and Recreation</u> | <u>Public Safety</u> | <u>Public Services, Transportation and Engineering</u> | <u>Health</u> | <u>Benefits</u> | <u>Total</u> |
|-------------|---------------------------|-----------------------------|----------------------|--|---------------|-----------------|--------------|
| 1992        | \$32,959                  | \$14,446                    | \$ 92,137            | \$21,934   | \$16,291      | \$48,174        | \$225,941    |
| 1993        | 30,055                    | 13,837                      | 94,809               | 19,765   | 14,703        | 48,215          | 221,384      |
| 1994        | 31,772                    | 14,621                      | 98,052               | 19,376   | 14,887        | 50,788          | 229,496      |
| 1995        | 34,333                    | 14,668                      | 103,231              | 20,522   | 15,380        | 51,775          | 239,909      |
| 1996        | 38,578                    | 15,314                      | 107,156              | 18,839   | 16,306        | 52,685          | 248,878      |
| 1997        | 40,307                    | 16,535                      | 113,958              | 19,699   | 17,791        | 53,659          | 261,949      |
| 1998        | 44,849                    | 17,338                      | 118,730              | 20,525   | 18,682        | 49,997          | 270,121      |
| 1999        | 50,248                    | 19,146                      | 126,205              | 22,066   | 20,831        | 48,782          | 287,278      |
| 2000        | 61,393                    | 19,201                      | 120,568              | 22,607   | 22,300        | 47,634          | 293,703      |
| 2001        | 55,625                    | 19,427                      | 128,345              | 22,760   | 22,534        | 49,119          | 297,810      |

Note - The column titled "General Government" includes expenditures made in various departments including Office of City Manager, Law, Personnel, Finance, City Planning, Economic Development, Buildings and Inspections, and General Services.

**CITY OF CINCINNATI, OHIO**  
**General Fund**  
**General Governmental Revenues by Source**  
Last Ten Years

(AMOUNTS IN THOUSANDS)

| <u>Year</u> | <u>Taxes</u> | <u>Licenses and Permits</u> | <u>Use of Money and Property</u> | <u>Inter-governmental Revenues</u> | <u>Charges For Current Services</u> | <u>Miscellaneous</u> | <u>Total</u> |
|-------------|--------------|-----------------------------|----------------------------------|------------------------------------|-------------------------------------|----------------------|--------------|
| 1992        | \$158,342    | \$4,562                     | \$10,564                         | \$31,518                           | \$10,302                            | \$1,752              | \$217,040    |
| 1993        | 164,490      | 4,603                       | 9,343                            | 35,170                             | 10,648                              | 1,122                | 225,376      |
| 1994        | 170,407      | 4,899                       | 9,280                            | 38,802                             | 11,785                              | 1,201                | 236,374      |
| 1995        | 174,688      | 5,010                       | 12,071                           | 38,963                             | 12,282                              | 1,266                | 244,280      |
| 1996        | 176,397      | 5,569                       | 14,366                           | 41,371                             | 13,202                              | 850                  | 251,755      |
| 1997        | 191,346      | 5,202                       | 13,876                           | 45,454                             | 12,842                              | 2,102                | 270,822      |
| 1998        | 194,702      | 5,043                       | 14,717                           | 49,581                             | 11,392                              | 2,870                | 278,305      |
| 1999        | 209,606      | 5,200                       | 14,134                           | 52,355                             | 12,901                              | 1,885                | 296,081      |
| 2000        | 213,982      | 5,688                       | 17,584                           | 48,614                             | 12,736                              | 3,783                | 302,387      |
| 2001        | 215,069      | 5,922                       | 17,799                           | 54,396                             | 12,598                              | 2,640                | 308,424      |



**CITY OF CINCINNATI, OHIO**  
**Property Tax Levy and Collections**  
 Last Ten Years

| <u>Year</u> | <u>Net Tax Levy</u> | <u>Current Collections</u> | <u>Percentage of Current Collections to Net Levy</u> | <u>Prior Year Collections</u> | <u>Total Collections</u> | <u>Percentage of Total Collections to Net Levy</u> |
|-------------|---------------------|----------------------------|--|-------------------------------|--------------------------|--|
| 1992        | \$48,879,896        | \$46,917,332               | 95.98%   | \$1,511,000                   | \$48,428,332             | 99.08%   |
| 1993        | 49,284,901          | 47,532,229                 | 96.44  | 1,847,653                     | 49,379,882               | 100.19   |
| 1994        | 54,050,028          | 51,869,952                 | 95.97  | 2,028,235                     | 53,898,187               | 99.72  |
| 1995        | 53,978,024          | 52,084,199                 | 96.49  | 1,858,948                     | 53,943,147               | 99.94  |
| 1996        | 53,713,379          | 51,586,332                 | 96.04  | 1,572,712                     | 53,159,044               | 98.97  |
| 1997        | 56,128,543          | 53,274,996                 | 94.92  | 2,080,494                     | 55,355,490               | 98.62  |
| 1998        | 56,435,352          | 53,642,749                 | 95.05  | 1,892,964                     | 55,535,713               | 98.41  |
| 1999        | 56,218,046          | 52,974,060                 | 94.23  | 1,986,691                     | 54,960,751               | 97.76  |
| 2000        | 59,878,090          | 56,587,823                 | 94.51  | 2,281,771                     | 58,869,594               | 98.32  |
| 2001        | 60,020,478          | 56,489,930                 | 94.22  | 2,229,855                     | 58,778,785               | 97.93  |

**CITY OF CINCINNATI, OHIO**  
**Assessed Valuations and Estimated True Values**  
 Last Ten Years

**Assessed Valuations**

| <u>Year</u> | <u>Real Property</u> | <u>Public Utility Property</u> | <u>Tangible Personal Property</u> | <u>Total</u>    |
|-------------|----------------------|--------------------------------|-----------------------------------|-----------------|
| 1992        | \$3,161,209,230      | \$393,517,770                  | \$690,438,300                     | \$4,245,165,300 |
| 1993        | 3,165,220,020        | 422,856,220                    | 675,662,090                       | 4,263,738,330   |
| 1994        | 3,561,282,660        | 439,762,520                    | 672,466,430                       | 4,673,511,610   |
| 1995        | 3,540,684,410        | 450,760,050                    | 689,532,610                       | 4,680,977,070   |
| 1996        | 3,531,863,130        | 421,404,651                    | 707,228,240                       | 4,660,496,021   |
| 1997        | 3,732,312,910        | 419,703,440                    | 689,982,870                       | 4,841,999,220   |
| 1998        | 3,734,237,420        | 395,256,670                    | 672,898,830                       | 4,802,392,920   |
| 1999        | 3,749,677,500        | 398,949,700                    | 664,939,340                       | 4,813,566,540   |
| 2000        | 4,363,343,290        | 400,519,090                    | 674,101,770                       | 5,437,964,150   |
| 2001        | 4,363,447,780        | 377,645,690                    | 687,613,910                       | 5,428,707,380   |

The current assessed valuation for 2001 is computed at approximately the following percentages of estimated true value:

real property - 35%; public utilities - various; and tangible personal property machinery and equipment - 25%; inventory - 25%.

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

| <u>Year</u> | <u>Estimated True Values</u> | <u>Year</u> | <u>Estimated True Values</u> |
|-------------|------------------------------|-------------|------------------------------|
| 1992        | \$ 9,032,026,371             | 1997        | \$10,663,751,117             |
| 1993        | 9,043,485,771                | 1998        | 10,669,249,771               |
| 1994        | 10,175,093,314               | 1999        | 10,713,364,285               |
| 1995        | 10,116,241,171               | 2000        | 12,466,695,114               |
| 1996        | 10,091,037,514               | 2001        | 12,466,993,657               |

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, OHIO**  
**Property Tax Rates - Direct and Overlapping Governments**  
 Last Ten Years

| <u>Year</u> | <u>Year</u> | <u>City Levy</u> | <u>School Levy</u> | <u>County Levy</u> | <u>Total Levy</u> | <u>Effective Millage</u> | <u>Debt Service Included in</u> |                   |
|-------------|-------------|------------------|--------------------|--------------------|-------------------|--------------------------|---------------------------------|-------------------|
|             |             |                  |                    |                    |                   |                          | <u>City Levy</u>                | <u>Total Levy</u> |
| 1991        | “ 1992      | \$11.46          | \$50.04            | \$17.50            | \$79.00           | \$63.27                  | \$5.36                          | \$6.18            |
| 1992        | “ 1993      | 11.46            | 49.94              | 18.56              | 79.96             | 64.20                    | 5.36                            | 6.14              |
| 1993        | “ 1994      | 11.46            | 48.75              | 18.33              | 78.54             | 59.07                    | 5.36                            | 6.03              |
| 1994        | “ 1995      | 11.46            | 48.58              | 18.30              | 78.34             | 59.99                    | 5.36                            | 5.91              |
| 1995        | “ 1996      | 11.46            | 53.52              | 18.30              | 83.28             | 65.33                    | 5.36                            | 5.88              |
| 1996        | “ 1997      | 11.46            | 53.19              | 19.44              | 84.09             | 66.56                    | 5.36                            | 5.81              |
| 1997        | “ 1998      | 11.46            | 53.13              | 19.01              | 83.60             | 66.38                    | 5.36                            | 5.71              |
| 1998        | “ 1999      | 11.46            | 53.13              | 19.54              | 84.13             | 67.08                    | 5.36                            | 5.71              |
| 1999        | “ 2000      | 10.90            | 51.94              | 20.83              | 83.67             | 63.10                    | 5.36                            | 5.71              |
| 2000        | “ 2001      | 10.76            | 56.93              | 19.92              | 87.61             | 67.53                    | 5.36                            | 5.40              |

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

Source: Hamilton County Auditor's Office

**CITY OF CINCINNATI, OHIO**  
**Computation of Direct and Overlapping Debt**  
 December 31, 2001

|  | <u>Assessed Valuation (a)</u> | <u>Net General Tax Supported Debt</u> | <u>Percent Overlapping</u> | <u>Net Tax Supported Overall Debt</u> |
|--|-------------------------------|---------------------------------------|----------------------------|---------------------------------------|
| <u>Direct:</u>                                       |                               |                                       |                            |                                       |
| City of Cincinnati                                   | \$5,428,707,380               | \$160,794,777                         | 100%                       | \$160,794,777                         |
| <u>Overlapping:</u>                                  |                               |                                       |                            |                                       |
| Board of Education - Cincinnati City School District | 6,107,155,290                 | 172,180,000 (a)                       | 89%                        | 153,240,200                           |
| Hamilton County                                      | 17,410,230,090                | 180,160,348 (b)                       | 31%                        | 55,849,708                            |
| Subtotal   |                               | <u>352,340,348</u>                    |                            | <u>209,089,908</u>                    |
| Total  |                               | <u>\$513,135,125</u>                  |                            | <u>\$369,884,685</u>                  |

(a) Source: Cincinnati City School District

(b) Source: Hamilton County Auditor's Office

**CITY OF CINCINNATI, OHIO**  
**Special Assessment Billings and Collections**  
 Last Ten Years

(AMOUNTS IN THOUSANDS)

| <u>Year</u> | <u>Billings</u> | <u>Collections</u> | <u>Year</u> | <u>Billings</u> | <u>Collections</u> |
|-------------|-----------------|--------------------|-------------|-----------------|--------------------|
| 1992        | \$2,137         | \$2,047            | 1997        | \$2,937         | \$2,004            |
| 1993        | 3,202           | 2,068              | 1998        | 2,150           | 2,079              |
| 1994        | 1,038           | 2,225              | 1999        | 2,041           | 2,343              |
| 1995        | 1,918           | 2,344              | 2000        | 1,529           | 2,058              |
| 1996        | 2,215           | 2,437              | 2001        | 1,822           | 1,945              |

Source: City of Cincinnati Finance Department

**CITY OF CINCINNATI, OHIO**  
**Ratio of Net General Bonded Debt**  
**To Assessed Value and Net Bonded Debt Per Capita**  
Last Ten Years

| <u>Year</u> | <u>Net Bonded Debt (Note 1)</u> | <u>Assessed Value</u> | <u>Population (Note 2)</u> | <u>Ratio of Net Bonded Debt To Assessed Value</u> | <u>Net Bonded Debt Per Capita</u> |
|-------------|---------------------------------|-----------------------|----------------------------|---|-----------------------------------|
| 1992        | \$128,737,521                   | \$4,245,165,300       | 364,000                    | 3.03%   | \$354                             |
| 1993        | 128,416,636                     | 4,263,738,300         | 364,000                    | 3.01  | 353                               |
| 1994        | 125,291,191                     | 4,673,511,610         | 364,000                    | 2.68  | 344                               |
| 1995        | 121,543,637                     | 4,680,977,070         | 364,000                    | 2.60  | 334                               |
| 1996        | 114,646,410                     | 4,660,496,021         | 345,820                    | 2.46  | 332                               |
| 1997        | 113,189,887                     | 4,841,999,220         | 345,820                    | 2.34  | 327                               |
| 1998        | 112,490,050                     | 4,802,392,920         | 345,820                    | 2.34  | 325                               |
| 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                               |

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

Note 2 - The 1991 - 2001 figures are based on Bureau of the Census data.

**CITY OF CINCINNATI, OHIO**  
**Ratio of Annual Debt Service for General**  
**Bonded Debt to Total General Fund Expenditures**  
Last Ten Years

(AMOUNTS IN THOUSANDS)

| <u>Year</u> | <u>Debt Service on General Obligation Debt</u> | <u>General Fund Expenditures</u> | <u>Ratio</u> |
|-------------|--|----------------------------------|--------------|
| 1992        | \$48,582                                       | \$225,941                        | 21.50%       |
| 1993        | 48,871   | 221,384                          | 22.08        |
| 1994        | 54,834   | 229,496                          | 23.89        |
| 1995        | 55,354   | 239,909                          | 23.07        |
| 1996        | 56,979   | 248,878                          | 22.89        |
| 1997        | 55,714   | 261,949                          | 21.27        |
| 1998        | 58,019   | 270,121                          | 21.48        |
| 1999        | 60,869   | 287,278                          | 21.19        |
| 2000        | 68,032   | 293,703                          | 23.16        |
| 2001        | 73,121   | 297,810                          | 24.55        |

**CITY OF CINCINNATI, OHIO**  
**Legal Debt Margin**  
December 31

|  | <u><b>2001</b></u>   | <u><b>2000</b></u>   |
|--|----------------------|----------------------|
| Overall Debt Limitation - 10-1/2%<br>of Assessed Valuation | \$570,014,236        | \$570,986,236        |
| Gross Indebtedness   | \$482,589,000        |                      |
| Less Debt Outside Limitations:                             |                      |                      |
| Self-Supporting Debt                                       | 307,249,000          |                      |
| Urban Redevelopment Bonds                                  | <u>120,000</u>       |                      |
|  | <u>307,369,000</u>   |                      |
| Net Debt Within 10-1/2% Limitation                         | <u>175,220,000</u>   | <u>164,535,000</u>   |
| Legal Debt Margin Within<br>10-1/2% Limitation             | <u>\$394,794,275</u> | <u>\$406,451,236</u> |

|   | <u><b>2001</b></u>   | <u><b>2000</b></u>   |
|---|----------------------|----------------------|
| Unvoted Debt Limitation - 5-1/2%<br>of Assessed Valuation | \$298,578,906        | \$299,088,028        |
| Gross Indebtedness Authorized by Council                  | \$482,469,000        |                      |
| Less Debt Outside Limitations:                            |                      |                      |
| Economic Development Note                                 | 4,000,000            |                      |
| Municipal Income Tax Supported Bonds<br>and Notes         | 23,780,000           |                      |
| Off-Street Parking Facilities Bonds                       | 1,750,000            |                      |
| Police and Fire Pension Bonds                             | 40,620,000           |                      |
| Recreational Facilities Bonds and Notes                   | 13,855,000           |                      |
| Revenue Bonds   | 104,504,000          |                      |
| Stormwater Management Bonds                               | 5,150,000            |                      |
| Urban Development Bonds                                   | 6,790,000            |                      |
| Urban Redevelopment Bonds                                 | 12,180,000           |                      |
| Urban Renewal Bonds                                       | 12,440,000           |                      |
| Water Works Bonds   | <u>82,180,000</u>    |                      |
|   | <u>307,249,000</u>   |                      |
| Net Debt Within 5-1/2% Limitation                         | <u>175,220,000</u>   | <u>164,535,000</u>   |
| Legal Debt Margin Within 5-1/2% Limitation                | <u>\$123,358,906</u> | <u>\$134,553,028</u> |

TEN LARGEST AD VALOREM TAXPAYERS IN  
CITY OF CINCINNATI 2001

The following is a list of the ten largest ad valorem taxpayers (based on the taxable valuation of their property) subject to the City's taxing jurisdiction. The valuations were provided to the City's Finance Department by the Hamilton County Auditor's Office.

| <u>Name of Taxpayer</u>         | <u>Nature of Business</u>    | <u>Taxable Valuation (a)</u> | <u>Percentage of Total Assessed Valuations</u> |
|---------------------------------|------------------------------|------------------------------|--|
| Cinergy                         | Public Utility               | \$ 222,250,760               | 4.09%  |
| The Procter & Gamble Co.        | Consumer Goods Manufacturing | 119,942,960                  | 2.21   |
| Cincinnati Bell Telephone, Inc. | Public Utility               | 74,240,730                   | 1.37   |
| Emery Realty                    | Real Estate Holdings         | 30,975,000                   | .57  |
| Prudential Insurance            | Real Estate Holdings         | 28,000,000                   | .52  |
| Columbia Development            | Real Estate Holdings         | 27,720,000                   | .51  |
| Ohio Teachers Retirement System | Real Estate Holdings         | 26,320,000                   | .48  |
| Kroger Company                  | Consumer Goods Retail        | 26,045,940                   | .48  |
| Unova Industrial                |                              | 25,319,580                   | .47  |
| Fifth Third Center              | Real Estate Holdings         | 21,350,000                   | .39  |
| All Others                      |                              | <u>4,826,542,410</u>         | <u>88.91</u>                                   |
| Total Taxable Valuation         |                              | <u>\$5,428,707,380(b)</u>    | <u>100.00%</u>                                 |

(a) The taxable valuation is based upon both the Personal and Real Property Valuation of the largest property holders in the City.

(b) The total assessed valuation figure is the 2000 for 2001 purposes amount.

**TEN LARGEST EMPLOYERS  
IN CINCINNATI PRIMARY  
METROPOLITAN STATISTICAL AREA**

| <u>Name of Employer</u>   | <u>Nature of Business</u>    | <u>Approximate<br/>Number of<br/>Employees</u> |
|---------------------------|------------------------------|--|
| The Kroger Co.            | Consumer Goods Distribution  | 16,000   |
| U.S. Government           | Federal Government           | 15,600   |
| The Procter & Gamble Co.  | Consumer Goods Manufacturing | 14,000   |
| University of Cincinnati  | Education                    | 14,000   |
| Health Alliance           | Healthcare                   | 13,600   |
| Mercy Health Partners     | Healthcare                   | 8,000  |
| General Electric          | Aircraft Engines             | 7,500  |
| Cincinnati Public Schools | Education                    | 6,700  |
| Tri-Health Inc.           | Healthcare                   | 6,400  |
| Archdiocese of Cincinnati | Education                    | 6,300  |

Source: Greater Cincinnati Chamber of Commerce  
internet site March, 2002.

**Unemployment Statistics**

The following table lists the unemployment rates for the Cincinnati Metropolitan area for the past five years. The figures are expressed in percentages and represent the ratio of the total unemployed to the total labor force.

| <u>Year</u> | <u>Rate</u> |
|-------------|-------------|
| 1997        | 3.8%        |
| 1998        | 3.4         |
| 1999        | 3.3         |
| 2000        | 3.5         |
| 2001        | 3.9         |

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

**CITY OF CINCINNATI, OHIO**  
**Construction, Bank Deposits and Property Value**  
 Last Ten Years

| <u>Year</u> | <u>New Residential Construction(1)</u> |                                      | <u>New Non-Residential Construction(1)</u> |                                      | <u>Total Construction(1)</u> |                                      |
|-------------|--|--------------------------------------|--|--------------------------------------|------------------------------|--------------------------------------|
|             | <u>Number of Permits</u>               | <u>Estimated Cost (in thousands)</u> | <u>Number of Permits</u>                   | <u>Estimated Cost (in thousands)</u> | <u>Number of Permits</u>     | <u>Estimated Cost (in thousands)</u> |
| 1992        | 167                                    | \$37,090                             | 828  | \$ 38,217                            | 11,837                       | \$224,424                            |
| 1993        | 138                                    | 21,228                               | 817  | 63,218                               | 12,131                       | 216,233                              |
| 1994        | 148                                    | 20,553                               | 838  | 19,068                               | 11,724                       | 182,643                              |
| 1995        | 136                                    | 16,051                               | 778  | 40,881                               | 11,108                       | 201,767                              |
| 1996        | 160                                    | 20,062                               | 1,003                                      | 56,595                               | 11,306                       | 258,999                              |
| 1997        | 127                                    | 13,332                               | 735  | 32,095                               | 11,911                       | 231,917                              |
| 1998        | 142                                    | 12,973                               | 533  | 36,588                               | 11,433                       | 266,664                              |
| 1999        | 129                                    | 12,088                               | 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                              |

| <u>Year</u> | <u>Property Value (3)</u>               |  |
|-------------|---|--|
|             | <u>Bank Deposits (2) (in thousands)</u> | <u>Residential (in thousands) Non-Residential (in thousands)</u> |
| 1992        | \$13,500,357                            | \$4,757,714 \$4,274,312  |
| 1993        | 15,290,052                              | 4,757,764 4,285,722  |
| 1994        | 17,301,493                              | 5,342,062 4,833,031  |
| 1995        | 18,661,138                              | 5,360,460 4,755,871  |
| 1996        | 21,598,936                              | 5,376,340 4,714,698  |
| 1997        | 18,070,437                              | 5,954,496 4,709,255  |
| 1998        | 24,305,322                              | 5,961,433 4,707,816  |
| 1999        | 41,678,898                              | 5,979,174 4,734,190  |
| 2000        | 21,394,000                              | 7,165,094 5,301,602  |
| 2001        | 28,358,000                              | 7,191,011 5,275,983  |

Source: (1) The City's Department of Buildings and Inspections' records.  
 (2) Greater Cincinnati Chamber of Commerce for the Hamilton County Area (1991-1998), Federal Reserve Bank (1999), FDIC (2000 - 2001)  
 (3) Values obtained from the Hamilton County Auditor's Office.

**CITY OF CINCINNATI, OHIO**  
**Salaries of Principal Officials**

| <u>Position</u>                 | <u>Salary</u>         |
|---------------------------------|-----------------------|
| Mayor                           | \$114,740             |
| Councilmember, other than Mayor | \$57,370              |
| City Manager                    | \$187,000             |
| Commissioner of Health          | \$101,210 - \$136,630 |
| Deputy City Manager             | \$101,210 - \$136,630 |
| City Solicitor                  | \$101,210 - \$136,630 |
| Various Department Directors    | \$86,620 - \$116,940  |

**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 (xxi). 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**  
**Surety Bond Coverage**

Specific surety bond coverage is maintained by the City for the following employees at the amounts listed.

|                         |           |
|-------------------------|-----------|
| City Treasurer          | \$500,000 |
| Income Tax Commissioner | 100,000   |

A faithful performance blanket bond coverage of \$100,000 is maintained for all City employees.



**CITY OF CINCINNATI, OHIO**  
**Demographic Statistics**

|   | <u>2000</u> | <u>1990</u> | <u>1980</u> | <u>1970</u> | <u>1960</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| <b><u>Population</u></b>                | 331,285     | 364,040     | 385,457     | 453,514     | 502,550     |
| <b><u>Age Distribution</u></b>          |             |             |             |             |             |
| 0 - 4                                   | 23,862      | 30,595      | 28,781      | 38,520      | 56,316      |
| 5 - 19                                  | 68,724      | 73,156      | 82,125      | 119,261     | 118,827     |
| 20 - 64                                 | 198,045     | 209,563     | 218,839     | 235,884     | 268,796     |
| 65 - 99                                 | 40,654      | 50,726      | 55,712      | 58,859      | 58,611      |
| <b><u>Race</u></b>                      |             |             |             |             |             |
| White                                   | 175,492     | 220,285     | 251,144     | 325,394     | 392,865     |
| Black                                   | 142,176     | 138,132     | 130,467     | 125,070     | 108,757     |
| Other                                   | 13,617      | 5,623       | 3,846       | 2,060       | 928         |
| <b><u>Employment</u></b>                |             |             |             |             |             |
| Labor Force                             | 160,722     | 158,881     | 159,396     | 183,877     | 201,729     |
| Male                                    | 81,347      | 79,866      | 85,303      | 105,618     | 127,816     |
| Female                                  | 79,375      | 79,015      | 74,093      | 78,259      | 73,913      |
| <b><u>Class of Worker</u></b>           |             |             |             |             |             |
| Private                                 | 118,143     | 126,181     | 122,095     | 139,737     | 156,827     |
| Government                              | 22,622      | 24,591      | 30,738      | 27,072      | 20,495      |
| Self Employed                           | 7,052       | 7,673       | 6,323       | 8,091       | 11,498      |
| <b><u>Housing Units</u></b>             |             |             |             |             |             |
| Total Units                             | 166,012     | 169,088     | 172,571     | 172,551     | 171,679     |
| Units Occupied                          | 148,095     | 154,342     | 157,677     | 159,838     | 161,827     |
| Owner Occupied                          | 57,715      | 59,172      | 60,673      | 61,504      | 65,355      |
| Renter Occupied                         | 90,380      | 95,170      | 97,004      | 98,334      | 96,472      |
| <b><u>Persons Per Unit (Median)</u></b> |             |             |             |             |             |
| All Units                               | 2.15        | 1.9         | 1.9         | 2.2         | 2.4         |
| Owner Occupied                          | 2.43        | 2.3         | 2.4         | 2.7         | 2.9         |
| Renter Occupied                         | 1.97        | 1.6         | 1.6         | 1.9         | 2.3         |
| <b><u>Education (In School)</u></b>     |             |             |             |             |             |
| Elementary                              | *27,000     | *36,321     | 46,909      | 64,681      | 69,996      |
| High School                             | *15,000     | *20,000     | 21,049      | 26,575      | 22,145      |
| College                                 | 33,085      | 33,105      | 29,397      | 22,494      | 10,650      |
| <b><u>Income of Families</u></b>        |             |             |             |             |             |
| Median                                  | \$ 27,781   | \$ 26,774   | \$ 16,800   | \$ 8,894    | \$ 5,701    |

Source: City Planning Commission. This data was extracted by the Commission from various reports of the U.S. Bureau of the Census.

\* Estimated by the City's Finance Department.

**CITY OF CINCINNATI, OHIO**  
**Cincinnati Profile**

**Government and History**

Cincinnati was founded in 1788, chartered as a village in 1802, and incorporated as a City within Hamilton County in 1819. Major revisions to the City Charter were approved by the voters in 1926 to provide for home rule and the council-manager form of government. In 2001, the City adopted a strong mayor-council form of government. Copies of the City Charter are available on request from the Clerk of Council; City Hall; Cincinnati, Ohio 45202.

| <b>Population</b>       | <b>Census<br/><u>2000</u></b> | <b>Census<br/><u>1990</u></b> | <b>Census<br/><u>1980</u></b> | <b>Census<br/><u>1970</u></b> | <b>Census<br/><u>1960</u></b> |
|-------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Cincinnati - City ..... | 331,285                       | 364,040                       | 385,457                       | 453,514                       | 502,550                       |
| Hamilton County .....   | 845,303                       | 866,228                       | 873,224                       | 925,944                       | 864,121                       |
| Metropolitan Area ..... | 1,979,202                     | 1,452,645                     | 1,401,491                     | 1,387,207                     | 1,268,479                     |

**Area**

|                        |                 |
|------------------------|-----------------|
| Cincinnati.....        | 77 sq. miles    |
| Hamilton County .....  | 413 sq. miles   |
| Metropolitan Area..... | 3,343 sq. miles |

Geographically, the City of Cincinnati is located on the Ohio River in Southwestern Ohio near the junction of Ohio, Indiana and Kentucky. Cincinnati is centrally located relative to the thirty-three major U. S. distribution centers. Within 600 miles of Cincinnati reside 54% percent of the nation's population, 53% of the nation's purchasing power, 54% of the nation's manufacturing establishments and 57% of the nation's value added by manufacturing.

**2001 City Data**

|   |               |
|---|---------------|
| Miles of Street .....                           | 2,820         |
| Miles of Sewer Mains.....                       | 2,900         |
| Miles of Water Mains .....                      | 2,813         |
| Number of Water Customers .....                 | 900,000       |
| Number of Water Customer Accounts .....         | 225,000       |
| Number of Sewer Customers .....                 | 800,000       |
| Number of Sewer Customer Accounts .....         | 200,000       |
| Acres of Parks and Recreation Land .....        | 7,300         |
| Number of Recreation Facilities .....           | 204           |
| Gross General Bonded Debt.....                  | \$482,589,000 |
| Gross Debt per Capita (331,285 population)..... | \$1,456.71    |

**Number of Municipal Employees, including three/quarter time**

|                |       |                     |       |
|----------------|-------|---------------------|-------|
| Police         | 1,017 | Service Maintenance | 906   |
| Fire           | 747   | Technicians         | 434   |
| Security       | 11    | Professionals       | 1,297 |
| Clerical       | 534   | Para-Professionals  | 326   |
| Skilled Crafts | 316   | Administrators      | 279   |

- 
- PHOTOS ON FRONT/BACK COVERS AND INTRODUCTORY DIVIDER PAGE COURTESY OF FLOWER FRAMERS
  - ADDITIONAL PHOTOS COURTESY OF LAURA MARTIN



# City of Cincinnati



Department of Finance

Suite 250, City Hall  
801 Plum Street  
Cincinnati, Ohio 45202  
Phone (513) 352-3731  
Fax (513) 352-2370

June 26, 2002

William E. Moller  
*Director*

Dear Users of the City's General Purpose Financial Statements:

The accompanying general purpose financial statements of the City as of and for the year ended December 31, 2001 include the financial statements and notes required under accounting principles generally accepted in the United States of America that are essential to fair presentation of the City's financial position and results of operations and of the cash flows of the City's proprietary fund types. Additional information regarding the County's financial activities for 2001 is available in the City's separately issued Comprehensive Annual Financial Report. ("CAFR") for the year ended December 31, 2001. Copies of the CAFR can be obtained by contacting me at:

City of Cincinnati, Finance Department  
Division of Accounts and Audits  
801 Plum Street, Room 246  
Cincinnati, Ohio 45202

Telephone: (513) 352-2574

Sincerely,

A handwritten signature in cursive script that reads "Pamela J. Sacherman".

Pamela J. Sacherman  
Superintendent of  
Accounts and Audits





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**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  
AUGUST 20, 2002**