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## **CITY OF CINCINNATI, OHIO**

Single Audit Reports

Six Months Ended June 30, 2013





# Dave Yost • Auditor of State

City Council  
City of Cincinnati  
801 Plum Street, Room 250  
Cincinnati, Ohio 45202

We have reviewed the *Independent Auditors' Report* of the City of Cincinnati, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2013 through June 30, 2013. 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 that reads "Dave Yost".

Dave Yost  
Auditor of State

March 13, 2014

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CITY OF CINCINNATI, OHIO  
Schedule of Expenditures of Federal Awards  
(Non-GAAP Budgetary Basis)  
For the Six Month Period ended June 30, 2013  
Amounts in Thousands

Grantor/Program Title	Fund	CFDA #	Grant #	Agency	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures	Advances (Repayments) or Adjustments
<b>1 U.S. Department of Agriculture</b>								
* Passed through Ohio Department of Health Hamilton County WIC Program	391	10.557	31-2-001-1-WA-0613	NAM Health	\$ 1,831.00		\$ (1,521.00)	
Total for CFDA No. 10.557					1,831.00	0.00	(1,521.00)	0.00
* Passed through Ohio Department of Education CACFP- Child & Adult Care Food Program	324	10.558	009070	NAR Recreation	65.00	-	(58.00)	
Total for CFDA No. 10.558					65.00	-	(58.00)	-
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>					<b>1,896.00</b>	<b>0.00</b>	<b>(1,579.00)</b>	<b>0.00</b>
<b>2 U.S. Department of Health and Human Services</b>								
* Passed through Ohio Department of Community Dev. Child Care & Development Block Grant	323	93.575		APR Recreation	6.00		(6.00)	
(a.) Total for CFDA No. 93.575					6.00	0.00	(6.00)	0.00
* Passed through Ohio Department of Health Social Services Block Grant	323	93.667		APR Recreation	6.00		(6.00)	
Total for CFDA No. 93.667					6.00	0.00	(6.00)	0.00
* Passed through Council on Aging of Southwestern Ohio Special Programs for the Aging Title III Part B	324	93.044		NAR Recreation	22.00		(22.00)	
(b.) Total for CFDA No. 93.044					22.00	-	(22.00)	-
Special Programs for the Aging Title III Part C	324	93.045		NAR Recreation	101.00	4.00	(106.00)	
(b.) Total for CFDA No. 93.045					101.00	4.00	(106.00)	-
* Passed through Ohio Department of Health Medical Assistance - T.R. Waivers	324	93.778		NAR Recreation	1.00		(1.00)	
(c.) Total for CFDA No. 93.778					1.00	0.00	(1.00)	0.00
* Passed through YMCA of Greater Cincinnati Temporary Assistance for Needy Families	323	93.558		APR Recreation	13.00		(13.00)	
Total for CFDA No. 93.558					13.00	-	(13.00)	-
* Passed through Ohio Department of Health Homeless Health Care Program	448	93.151	Contract #15x0059	NAM Health	0.00		(44.00)	
Total for CFDA No. 93.151					-	-	(44.00)	-
* Passed through Ohio Department of Health Regional Lead Poisoning Prevention	380	93.197	31-2-001-1-HH-0212	NAM Health	0.00	19.00	(40.00)	
Total for CFDA No. 93.197					0.00	19.00	(40.00)	0.00
Cincinnati Health Network	446	93.224	H80CS25683	NAM Health	236.00		(171.00)	
Total for CFDA No. 93.224					236.00	-	(171.00)	-
* Passed through Ohio Department of Health Immunization Action Plan Special	415	93.268	31-2-001-2-IM-0512	NAM Health	56.00		(1.00)	
Immunization Action Plan Special	415	93.268	31-2-001-2-IM-0613	NAM Health	111.00		(75.00)	
Total for CFDA No. 93.268					167.00	-	(76.00)	-
* Passed through Ohio Department of Health Heart Health in Hamilton County	425	93.991	31-2-001-4-CC-0312	NAM Health	5.00		-	
Heart Health in Hamilton County	425	93.991	31-2-001-4-CC-0413	NAM Health	60.00		(40.00)	
Total for CFDA No. 93.991					65.00	-	(40.00)	-
Adv. Conformance w/Voluntary NRRFPSG	350	93.103	1U18FD004688-01	NAM Health	66.00		(70.00)	
Total for CFDA No. 93.103					66.00	0.00	(70.00)	0.00
* Passed through Ohio Department of Health Reproductive Health and Wellness	350	93.217	31-2-001-2-RH-0213	NAM Health	223.00		(442.00)	
Total for CFDA No. 93.217					223.00	0.00	(442.00)	0.00

CITY OF CINCINNATI, OHIO  
Schedule of Expenditures of Federal Awards  
(Non-GAAP Budgetary Basis)  
For the Six Month Period ended June 30, 2013  
Amounts in Thousands

Grantor/Program Title	Fund	CFDA #	Grant #	Agency	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures	Advances (Repayments) or Adjustments
<i>Passed through Ohio Department of Health</i>								
Public Health Emergency Preparedness	350	93.069	31-2-001-2-PH-0413	NAM Health	\$ 110.00		\$ (183.00)	
Public Health Emergency Preparedness	350	93.069	31-2-001-2-PH-0312	NAM Health	0.00		(89.00)	
Total for CFDA No. 93.069					110.00	0.00	(272.00)	0.00
Affordable Care Act Grants/SBHCCP	353	93.501	C-12-CS-21795	NAM Health	158.00		(158.00)	
Total for CFDA No. 93.501					158.00	0.00	(158.00)	0.00
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					<b>1,174.00</b>	<b>23.00</b>	<b>(1,467.00)</b>	<b>0.00</b>
<b>3 U.S.Department of Housing &amp; Urban Development</b>								
Community Development Block Grant	304	14.218	B12-MC390003	NAC Comm Dev	4,017.00	133.00	(4,438.00)	
Community Development Block Grant	304	14.218	B13-MC390003	NAC Comm Dev	0.00	615.00	(416.00)	5.00
Neighborhood Stabilization Program 3	438	14.218	B11-MN390003	NAO Comm Dev	1,170.00	81.00	(1,167.00)	
Community Development Block Grant	304	14.218	New CFDA Loans	NAC Comm Dev	0.00		-	
(d.) Total for CFDA No. 14.218					5,187.00	829.00	(6,021.00)	5.00
Emergency Shelter Grant	445	14.231	E-11-MC-39-0003	NAO Comm Dev	288.00		(288.00)	
Emergency Shelter Grant	445	14.231	E-12-MC-39-0003	NAO Comm Dev	141.00		(222.00)	-
Total for CFDA No. 14.231					429.00	0.00	(510.00)	0.00
HOME-Shelter Plus Care	410	14.238	OH16C70-001	NAO Comm Dev	84.00		(84.00)	
HOME-Shelter Plus Care	410	14.238	OH0002C5E000800	NAO Comm Dev	13.00		(13.00)	-
HOME-Shelter Plus Care	410	14.238	OH0003C5E000800	NAO Comm Dev	71.00		(71.00)	-
HOME-Shelter Plus Care	410	14.238	OH0006C5E000800	NAO Comm Dev	36.00		(36.00)	-
HOME-Shelter Plus Care	410	14.238	OH0009C5E001104	NAO Comm Dev	1,853.00		(1,853.00)	-
HOME-Shelter Plus Care	410	14.238	OH0302C5E000900	NAO Comm Dev	31.00		(31.00)	-
HOME-Shelter Plus Care	410	14.238	OH0307C5E000900	NAO Comm Dev	20.00		(20.00)	-
HOME-Shelter Plus Care	410	14.238	OH0308C5E000900	NAO Comm Dev	80.00		(80.00)	-
HOME-Shelter Plus Care	410	14.238	OH0362C5E001000	NAO Comm Dev	35.00		(35.00)	-
Total for CFDA No. 14.238					2,223.00	0.00	(2,223.00)	0.00
HOME	411	14.239	M-04-MC-39-0213	NAC Comm Dev	0.00		0.00	(2.00)
HOME	411	14.239	M-07-MC-39-0213	NAC Comm Dev	36.00		(36.00)	36.00
HOME	411	14.239	M-08-MC-39-0213	NAC Comm Dev	10.00		(10.00)	
HOME	411	14.239	M-09-MC-39-0213	NAC Comm Dev	569.00		(569.00)	-
HOME	411	14.239	M-10-MC-39-0213	NAC Comm Dev	109.00		(109.00)	-
HOME	411	14.239	M-11-MC-39-0213	NAC Comm Dev	110.00		(110.00)	-
HOME	411	14.239	M-12-MC-39-0213	NAC Comm Dev	76.00		(85.00)	-
HOME	411	14.239	M-13-MC-39-0213	NAC Comm Dev	0.00	144.00	(150.00)	-
HOME	411	14.239	Outstanding CFDA Loans	NAC Comm Dev	0.00		(26,223.00)	
Total for CFDA No. 14.239					910.00	144.00	(27,292.00)	34.00
Housing Opportunities For People With Aids	465	14.241	O-HH-12-F001	NAO Comm Dev	274.00		(454.00)	
Total for CFDA No. 14.241					274.00	0.00	(454.00)	0.00
ARRA - Neighborhood Stabilization Program 2	502	14.256	B-09-CN-OH-0033	NAO Comm Dev	180.00	223.00	(75.00)	
Total for CFDA No 14.256					180.00	223.00	(75.00)	-

CITY OF CINCINNATI, OHIO  
Schedule of Expenditures of Federal Awards  
(Non-GAAP Budgetary Basis)  
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Amounts in Thousands

Grantor/Program Title	Fund	CFDA #	Grant #	Agency	Agency Econ Dev	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures	Advances (Repayments) or Adjustments
Sustainable Housing Grant -10253	980	14.704	CCPOH0019-10	CP		\$ 341.00		\$ (338.00)	\$ -
Total for CFDA No. 14.704						341.00	0.00	(338.00)	0.00
Lead Hazard Control Grant	381	14.900	OHLHD0217-10	NAM	HEALTH	209.00	10.00	(312.00)	
Cincinnati Lead Abatement Program	387	14.900	OHLHD 0245-12	NAO	Comm Dev	52.00		(60.00)	
Total for CFDA No. 14.900						261.00	10.00	(372.00)	0.00
<b>TOTAL DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>						<b>9,805.00</b>	<b>1,206.00</b>	<b>(37,285.00)</b>	<b>39.00</b>
<i>4 U.S. Department of the Interior</i>									
* Passed through Ohio Department of Natural Resources									
ODNR-Hooked on Fishing	324	15.605		NAR	Recreation	0.00		(2.00)	
(e.) Total for CFDA No. 15.605						-	-	(2.00)	-
<b>TOTAL DEPARTMENT OF THE INTERIOR</b>						<b>0.00</b>	<b>0.00</b>	<b>(2.00)</b>	<b>0.00</b>
<i>5 U.S. Department of Justice</i>									
* Passed through Ohio Department of Youth Services									
Juvenile Accountability	368	16.540	2010-JB-012-A242-A	NAS	Police	21.00	3.00	(18.00)	
Total for CFDA No. 16.540						21.00	3.00	(18.00)	0.00
* Passed through Ohio Office of Criminal Justice Services									
VALU/SVAA 12VALU	368	16.575	2012-SAGENE757	NAS	Police	(4.00)		0.00	
VALU/SVAA 13VALU	368	16.575	2013-SAGENE757	NAS	Police	30.00		(25.00)	
Total for CFDA No. 16.575						26.00	-	(25.00)	-
* Passed through Ohio Office of Criminal Justice Services									
Domestic Violence Advocacy	368	16.588	2011-WF-VA5-8583	NAS	Police	12.00		(12.00)	
Domestic Violence Advocacy	368	16.588	2012-WF-VA5-8583	NAS	Police	15.00		(15.00)	
Total for CFDA No. 16.588						27.00	-	(27.00)	-
* Passed through Ohio Office of Criminal Justice Services									
Bulletproof Vests	368	16.607	100415	NAS	Police	7.00		(7.00)	
Total for CFDA No. 16.607						7.00	0.00	(7.00)	0.00
Project Safe Neighborhood	368	16.609	2012-PS-PSN-419	NAS	Police	7.00		-	
Total for CFDA No. 16.609						7.00	0.00	-	0.00
2011 COPS Hiring	368	16.710	2011-JL-WX-0024	NAS	Police	1,139.00		(1,402.00)	
ARRA - 2009 COPS Hiring Recovery Project	502	16.710	2009-RJ-WX-0069	NAO	Police	44.00		(419.00)	6.00
COPS Technology Program-10010	980	16.710	2010-CK-WX-0307	CP	RCC	140.00	0.00	(140.00)	
Total for CFDA No. 16.710						1,323.00	0.00	(1,961.00)	6.00
Justice Assistance Grant	368	16.738	2010-JG-A02-6810	NAS	Police	0.00		(29.00)	
Justice Assistance Grant	368	16.738	2011-JG-A02-6810	NAS	Police	23.00		(23.00)	
Justice Assistance Grant	368	16.738	2012-JG-A02-6810	NAS	Police	12.00		(12.00)	
Justice Assistance Grant	368	16.738	2010-DJ-BX-0003	NAS	Police	25.00		(15.00)	
Justice Assistance Grant	478	16.738	2010-DJ-BX-0260	NAS	Police	0.00	1.00	(48.00)	
Justice Assistance Grant	478	16.738	2011-DJ-BX-3278	NAS	Police	0.00	1.00	(16.00)	
Justice Assistance Grant	478	16.738	2012-DJ-BX-0145	NAS	Police	0.00	2.00	0.00	
(h.) Total for CFDA No. 16.738						60.00	4.00	(143.00)	-
2008 Earmark-Cameras	368	16.753	2008-DD-BX-0175	NAS	Police	47.00	0.00	(52.00)	
Total for CFDA No. 16.753						47.00	-	(52.00)	-
ARRA - SVAA/VOCA	368	16.801	2013-VAGENE757	NAS	Police	30.00	0.00	(25.00)	
Total for CFDA No. 16.801						30.00	-	(25.00)	-
DOJ Equitable Sharing/Asset Forfeiture	367	16.000		NAS	Police	204.00	1.00	(155.00)	
Total for CFDA No. 16.000						204.00	1.00	(155.00)	-
<b>TOTAL DEPARTMENT OF JUSTICE</b>						<b>1,752.00</b>	<b>8.00</b>	<b>(2,413.00)</b>	<b>6.00</b>



**CITY OF CINCINNATI, OHIO**  
**Schedule of Expenditures of Federal Awards**  
**(Non-GAAP Budgetary Basis)**  
**For the Six Month Period ended June 30, 2013**  
**Amounts in Thousands**

Grantor/Program Title	Fund	CFDA #	Grant #	Agency	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures	Advances (Repayments) or Adjustments	
<b>6 U.S. Department of Transportation</b>									
<i>* Passed through Ohio Department of Transportation</i>									
Uptown Access Improvement West MLK Dr-11330	980	20.205	PID 87036 ODOT	CP	980	\$ 1,066.00	-	\$ (2,459.00)	-
M.L. King/1-71 Interchange '06 -03221	980	20.205	PID 77628 ODOT	CP	980	94.00	-	(246.00)	-
Montana - Boudinot to Farrell '09-03618	980	20.205	PID 79088 ODOT	CP	980	238.00	-	(238.00)	-
Colerain Avenue Virginia to Leeper Improv. -10307	980	20.205	PID 81845	CP	980	706.00	-	(706.00)	-
Ohl River Trail - Downtown to Salem -11340	980	20.205	PID 80530	CP	980	316.00	-	(316.00)	-
Kennedy Connector-03354	980	20.205	PID 88706	CP	980	2,947.00	-	(2,947.00)	-
Harrison Avenue Improvements-11338	980	20.205	PID 81853	CP	980	1,147.00	-	(1,147.00)	-
(f.) Sub-total for ODOT - CFDA No. 20.205						6,514.00	-	(8,059.00)	-
<i>* Passed through Southwest Ohio Regional Transit Authority</i>									
3 FTA -Urban Circulator Grant	980	20.500	OH-03-0303-00	CP	980	1,734.00	-	(1,734.00)	-
(i.) Sub-total for CFDA No. 20.500						1,734.00	-	(1,734.00)	-
3 Tiger Grant	980	20.933	OH-79-002	CP	980	62.00	-	(62.00)	-
Sub-total for CFDA No. 20.933						62.00	0.00	(62.00)	0.00
<i>* Pass through City of Blue Ash, Ohio</i>									
* DUI	368	20.600	OVITF-2010-31-00377-00	NAS	Police	-	-	-	0.00
* DUI	368	20.600	HVEO-2013-31-00307-01	NAS	Police	31.00	0.00	(31.00)	0.00
* DUI	368	20.600	OVITF-2013-31-00311-00	NAS	Police	26.00	0.00	(42.00)	0.00
(g.) Total for CFDA No. 20.600						57.00	0.00	(73.00)	0.00
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>						<b>8,367.00</b>	<b>-</b>	<b>(9,928.00)</b>	<b>-</b>
<b>7 U.S. Environmental Protection Agency</b>									
Green Cincinnati Plan	436	66.041	AF 83454001-0	NAO	OEQ	108.00	-	(108.00)	-
Total for CFDA No. 66.041						108.00	-	(108.00)	-
<i>* Passed through Ohio Water Development Authority</i>									
OWDA Loan Project	756	66.468	FS390255-0009	CP	GCWW	67.00	-	(67.00)	-
OWDA Loan Project	756	66.468	FS390255-0010	CP	GCWW	116.00	-	(116.00)	-
OWDA Loan Project	756	66.468	FS390255-0012	CP	GCWW	102.00	-	(102.00)	-
OWDA Loan Project	756	66.468	FS390255-0015	CP	GCWW	1,195.00	-	(1,195.00)	-
OWDA Loan Project	756	66.468	FS390255-0028	CP	GCWW	806.00	-	(806.00)	-
OWDA Loan Project	756	66.468	FS390255-0023	CP	GCWW	1,313.00	-	(1,313.00)	-
OWDA Loan Project	756	66.468	FS390255-0026	CP	GCWW	946.00	-	(946.00)	-
OWDA Loan Project	756	66.468	FS390255-0022	CP	GCWW	261.00	-	(261.00)	-
OWDA Loan Project	756	66.468	FS390255-0020	CP	GCWW	1,334.00	-	(1,334.00)	-
OWDA Loan Project	756	66.468	FS390255-0019	CP	GCWW	357.00	-	(357.00)	-
OWDA Loan Project	756	66.468	FS390255-0025	CP	GCWW	830.00	-	(830.00)	-
OWDA Loan Project	756	66.468	FS390255-0024	CP	GCWW	501.00	-	(501.00)	-
OWDA Loan Project	756	66.468	FS390255-0017	CP	GCWW	1,798.00	-	(1,798.00)	-
OWDA Loan Project	756	66.468	FS390255-0027	CP	GCWW	588.00	-	(588.00)	-
OWDA Loan Project	756	66.468	FS390255-0029	CP	GCWW	699.00	-	(699.00)	-
OWDA Loan Project	756	66.468	FS390255-0021	CP	GCWW	150.00	-	(150.00)	-
OWDA Loan Project	756	66.468	FS390255-0031	CP	GCWW	999.00	-	(999.00)	-
OWDA Loan Project	756	66.468	FS390255-0030	CP	GCWW	1,062.00	-	(1,062.00)	-
Total for CFDA No. 66.468						13,124.00	-	(13,124.00)	-
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>						<b>13,232.00</b>	<b>-</b>	<b>(13,232.00)</b>	<b>-</b>
<b>8 U.S. Department of Homeland Security</b>									
<i>* Passed through Ohio Dept. of Natural Resources</i>									
Paddle Safe Cincinnati	324	97.012	11-05	NAR	Recreation	7.00	-	-	-
Total for CFDA No. 97.012						7.00	-	-	-
<i>* Passed through Ohio Dept. of Public Safety</i>									
FEMA 2011 Spring Rains	461	97.036	FEMA 4002-DR-061-15000	NAO	Finance	0.00	0.00	(228.00)	-
Total for CFDA No. 97.036						-	-	(228.00)	-

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 Schedule of Expenditures of Federal Awards  
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 For the Six Month Period ended June 30, 2013  
 Amounts in Thousands

Grantor/Program Title	Fund	CFDA #	Grant #	Agency	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures	Advances (Repayments) or Adjustments
Assistance to Firefighters Grant - FY10	472	97.044	EMW-2010-FO-09685	NAS Fire	\$ 112.00	-	\$ (120.00)	
Assistance to Firefighters Grant - FY11	472	97.044	EMW-2011-FO-09648	NAS Fire	48.00	-	(48.00)	
Total for CFDA No. 97.044					160.00	-	(168.00)	-
FY08Port Security Grant Program(PSGP)	368/472	97.056	2008-GB-T8-K082	NAS Police/Fire	465.00		(323.00)	
FY09Port Security Grant Program(PSGP)	368	97.056	2009-PU-T9-K016	NAS Police	222.00		(244.00)	
FY10Port Security Grant Program(PSGP)	368	97.056	2010-PU-T0-K020	NAS Police	6.00		(9.00)	
Total for CFDA No. 97.056					693.00	-	(576.00)	-
<i>* Passed through Ohio Emergency Management Agency</i>								
FY10 Urban Area Security Initiative	476	97.067	0000052996	NAS Fire/Pol	27.00		(27.00)	
Metropolitan Medical Response System FY10	454	97.067	0000025496	NAS Fire	55.00		(50.00)	
Total for CFDA No. 97.067					82.00	-	(77.00)	-
<i>* FY11 Staffing for Adequate Fire &amp; Emergency Response (SAFEI)</i>								
	472	97.083	EMW-2011-FH-01122	NAS Fire	1,305.00		(1,244.00)	
Total for CFDA No. 97.083					1,305.00	-	(1,244.00)	-
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>					<b>2,247.00</b>	<b>0.00</b>	<b>(2,293.00)</b>	<b>0.00</b>
<i>9 U.S. Dept of Energy</i>								
<i>* Pass thru Ohio</i>								
ARRA -Energy Efficiency & Conservation Block Grant	502	81.128	DE-EE0000704	NAO EQ	14.00		(14.00)	
Total for CFDA No. 81.128					14.00	-	(14.00)	-
<b>TOTAL DEPARTMENT OF ENERGY</b>					<b>14.00</b>	<b>0.00</b>	<b>(14.00)</b>	<b>0.00</b>
<b>TOTAL FEDERAL GRANTS &amp; SUBSIDIES (Non-GAAP Basis)</b>					<b>38,487.00</b>	<b>\$ 1,237.00</b>	<b>\$ (68,213.00)</b>	<b>\$ 45.00</b>
Less Amount Recognized as Contributed Capital					(21,916.00)			
Less Accrual of Federal Grant & Subsidies at 12/31/12					(1,947.00)			
Plus Accrual of Federal Grant & Subsidies at 6/30/13					2,324.00			
<b>Amount Recognized as Federal Grants &amp; Subsidies (GAAP Basis)</b>					<b>\$ 16,948.00</b>			

**CITY OF CINCINNATI, OHIO**  
**Schedule of Expenditures of Federal Awards**  
**(Non-GAAP Budgetary Basis)**  
**For the Six Month Period ended June 30, 2013**  
**Amounts in Thousands**

Grantor/Program Title	Fund	CFDA #	Grant #	Agency	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures	Advances (Repayments) or Adjustments
1	Indicates Federal monies passed through another agency to the City of Cincinnati.							
2	Total Community Development loans outstanding at June 30, 2013 totaled \$23,040,185.77 under CFDA 14.218, \$26,222,575.74 under CFDA 14.239, \$1,895,901.23 under CFDA 14.244, and \$184,931.20 under CFDA 14.256.							
3	In 2012 the City entered into an intergovernmental cooperative agreement with SORTA to administer the following grants awarded to the City as a sub-recipient. The City is responsible for the to assure that invoices paid are in compliance with the grants. The three grants covered under this agreement are:							
	The Urban Circulator Grant	CFDA 20.500	\$ 24,990,000.00					
	Congestion Mitigation & Air Quality (CMAQ) Grant	CFDA 20.205	\$ 4,000,000.00					
	TIGER 3 Grant	CFDA 20.933	\$ 10,920,000.00					
4	The City of Cincinnati and the State of Ohio Department of Transportation (ODOT) have entered into an intergovernmental agreement to complete construction of the Wildvogel Viaduct and the 6th Street expressway. The following grants were awarded to the City as pass through grants and will be administered by ODOT.							
	SAFETEA-LU Grant	CFDA 20.205	\$ 8,430,076.00					
	OKI - Grant from FHWA	CFDA 20.205	\$ 16,436,014.00					
	Local Major Bridge Fund Grant	CFDA 20.205	\$ 8,700,000.00					
5	<b>CLUSTERS</b>							
a.	CCDF Cluster							
b.	Aging Cluster							
c.	Medicaid Cluster							
d.	CDBG - Entitlement and (HUD-Administered) Small Cities Cluster							
e.	Fish and Wildfire Cluster							
f.	Highway Planning and Construction Cluster							
g.	Highway Safety Cluster							
h.	JAG Program Cluster							
i.	Federal Transit Cluster							

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

**INDEPENDENT AUDITORS' REPORT**

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cincinnati, Ohio (the "City") as of and for the six month period ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 9, 2014, wherein we noted the City changed fiscal years.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompany schedule of findings and questioned costs as finding 2013-001 that we consider to be a significant deficiency.

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## **Compliance and Other Matters**

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

## **City's Response to Finding**

The City's response to the finding identified in our audit is describe in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
January 9, 2014

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

**INDEPENDENT AUDITORS' REPORT**

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Cincinnati, Ohio's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the six month period ended June 30, 2013. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the six month period ended June 30, 2013.

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## Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the six month period ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated January 9, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
January 9, 2014



**CITY OF CINCINNATI, OHIO**  
**Schedule of Findings and Questioned Costs**  
**Six Month Period Ended June 30, 2013**

**Section I – Summary of Auditors’ Results**

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified not considered to be material weaknesses?	None
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	No

Identification of major programs:

- CFDA 14.239 – HOME Investment Partnerships Program
- CFDA 14.218 – Community Development Block Grants/Entitlement Grants
- CFDA 16.710 – ARRA-Public Safety Partnership and Community Policing Grants
- CFDA 20.205 – Highway Planning and Construction
- CFDA 20.500 – Federal Transit – Capital Investment Grants
- CFDA 97.083 – Staffing for Adequate Fire and Emergency Response (SAFER)

Dollar threshold to distinguish between Type A and Type B Programs:	\$2,046,385
---	-------------

Auditee qualified as low-risk auditee?	No
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**CITY OF CINCINNATI, OHIO**  
**Schedule of Findings and Questioned Costs**  
**Six Month Period Ended June 30, 2013**  
**(Continued)**

**Section II – Financial Statement Findings**

**Finding 2013-001 – Audit Adjustment**

During the course of our audit, we identified misstatements in the financial statements for the period under audit that were not initially identified by the City's internal control over financial reporting. A deficiency in internal control exists when the design of operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A deficiency in operation exists when a properly designed control does not operate as designed. In this case, the internal controls over the preparation and review of the City's financial statements did not operate as designed and we consider this a significant deficiency.

The adjustments were necessary to properly record an unpaid claims liability in the Capital Projects Fund and properly report income tax receivables in the General Fund, Capital Projects Fund and Other Governmental Funds.

We recommend the City enhance its internal controls over financial reporting with steps such as management analysis of the financial statements.

*Management Response: The City has corrected the financial transactions related to the findings and concurs that additional review procedures are necessary for financial reporting. In the case of unpaid claims, the error is a result of transactions not properly recorded in CFS. There will be a process developed to identify and record new bank accounts in CFS.*

*The income tax receivable error was related to the fiscal year conversion. A new process has been developed to estimate the receivable that can be used in future periods.*

**Section III – Federal Award Findings and Questioned Costs**

**None.**

**Section IV – Summary of Prior Audit Findings and Questioned Costs**

**Finding 2012-1 – Audit Adjustment**

During the course of our audit, we identified misstatements in the financial statements for the year under audit that were not initially identified by the City's internal control over financial reporting. A deficiency in internal control exists when the design of operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A deficiency in operation exists when a properly designed control does not operate as designed. In this case, the internal controls over the preparation and review of the City's financial statements did not operate as designed and we consider this a significant deficiency.

*Status: Repeated as Finding 2013-001*

**CITY OF CINCINNATI, OHIO**  
**Schedule of Findings and Questioned Costs**  
**Six Month Period Ended June 30, 2013**  
**(Continued)**

**Finding 2012-2 – ARRA – Neighborhood Stabilization Program – 14.256**

We performed tests to determine if the City was in compliance with time and effort documentation requirements for payroll charged to the federal program. The City allocates payroll and benefits for certain employees working on the federal program. Employees spending less than 100% of their time on the program do not track actual time spent on the program, but instead charged their time based on a budget estimate.

*Status:* Corrected during the six month period ended June 30, 2013.

**Finding 2012-3 – HOME Investment Partnerships Program – CFDA 14.239 and Shelter Plus Care Program – CFDA 14.238**

We performed tests to determine if the City was in compliance with Federal Funding Accountability and Transparency Act reporting requirements. The City did not submit the required reports timely or did not submit the reports entirely.

*Status:* Corrected during the six month period ended June 30, 2013.

**Finding 2012-4 – ARRA – Public Safety Partnership and Community Policing Grants – CFDA 16.710**

We performed tests to determine if the City was in compliance with the grant agreement regarding payroll charged to the federal program. Specifically we performed tests to ensure the fringe benefit rate specified in the grant agreement was being utilized by the City in the calculation of grant reimbursements. The City used a fringe benefit rate that was higher than specified in the grant agreement.

*Status:* Corrected during the six month period ended June 30, 2013.

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the six month period ended June 30, 2013



city of  
**CINCINNATI**   
**2013**  
CINCINNATI, OHIO

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the six month period ended June 30, 2013

Director of Finance:

**Reginald E. Zeno**

Assistant Director of Finance:

**Kathleen A. Creager, CPA**

Finance Manager:

**Mark Ashworth**



# INTRODUCTORY SECTION

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**CITY OF CINCINNATI, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the six month period ended June 30, 2013**

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January 10, 2014

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 fiscal period ended June 30, 2013. State law requires that the City of Cincinnati annually publish a complete set of financial statements for the results of its fiscal operations, presented in conformity with generally accepted accounting principles (GAAP). This report is prepared by the Department of Finance, which is responsible for the accuracy of the data and the completeness and fairness of its presentation, including disclosures. We believe that the information presented is accurate in all material respects and reported in a manner designed to show the financial position and operating results of the City.

GAAP require that management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A) that is located on page 24. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

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

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

The firm of Clark, Schaefer, Hackett and Co. was selected, by the Auditor of the State of Ohio, in November 2009 to perform the City's audit for the five years 2009 to 2013. In 2012 the decision was made to change fiscal years with 2013 being a six month conversion year. Clark, Schaefer, Hackett and Co. has audited the accompanying financial statements. Their report is included herein.

A single audit is an organization-wide financial and compliance audit that is conducted in lieu of the traditional grant-by-grant multiple audits performed in the past. Federal law requires us to have this single audit of all City activities. We have remained in compliance with this requirement since its inception in 1985. Clark, Schaefer, Hackett and Co. conducted the single audit for the 2013 fiscal period.

## **Profile of the Government**

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

The Mayor is elected to a four-year term and City Council members are elected to two-year terms. Term limits enacted in November 1993 limit members of City Council to four consecutive two-year terms and the Mayor to two consecutive four-year terms. In November 2012 voters approved a change in the City Council terms to two consecutive four-year terms beginning with the 2013 election. The Mayor appoints the City Manager subject to prior approval of the City Council.

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

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

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

## **Information Useful in Assessing the Government's Economic Condition**

### Local Economy

The City's diverse economic base has been and continues to be a source of financial stability for the City. Among its prominent manufacturing groups are transportation equipment, which includes aircraft engines and auto parts; food and kindred products; metal working and general industrial machinery; chemicals; fabricated metal products; insurance and financial services, printing and publishing.

According to the Greater Cincinnati Chamber of Commerce in its Economic Outlook 2013, the economy recovered at a slow rate in 2012 and is expected to continue to improve in 2013. Regional unemployment is still lower than the national rate and continued job growth is expected for 2013. State and local Governments are expected to continue with budget difficulties and counter-cyclical job losses.

The unemployment rate in the Cincinnati MSA reached a high of 9.9% in 2009. While the rate has dropped, it is not expected to reach the pre-recession employment level. Job growth is expected to continue at a slow pace improving slightly by the end of 2013. The underemployment of individuals and the reduction of the number of people participating in the active labor force are concerns and are not considered in the unemployment rate.

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

Per the U.S. 2010 Census the City of Cincinnati's population was 296,943. The 2013 population estimates made by the Census Bureau has the Cincinnati population at 296,550.

### Long Term Financial Planning

City Council established standards for a minimum working capital reserve account in 1984 to assure a strong financial position and to protect Cincinnati's general obligation bond rating during periods of fiscal stress. The policy called for achievement of a minimum reserve level, for emergency needs of a catastrophic nature, of no less than 5% or more than 8% of general operating revenues by December 31, 1986. The targeted year-end reserve level was achieved in January of each period 1985 through 2013. The target reserve of \$21.2 million (6.16% of 2012 General Fund revenue) has already been achieved.

Actual Non-GAAP General Fund expenditures/encumbrances for 2013 were \$175.5 million which is a \$3.0 million decrease compared with budgeted 2013 expenditure/encumbrances of \$178.5 million. Actual Non-GAAP revenue for 2013 of \$175.4 million was more than budgeted 2013 revenues of \$164.1 million. The actual revenue exceeded the original 2013 revenue estimate of \$164.1 million by \$11.4 million.

Standard and Poor's rates the City's general obligation bonds "AA+", the second highest rating. The City's bond rating by Moody's was downgraded from "Aa1" to "Aa2", the third highest rating. The rationale for the downgrade reflects the City's exposure to two statewide multi-employer cost-sharing pension plans as well as the City's own single-employer pension plan.

### Relevant Financial Policies

Cash temporarily idle during the year was invested in Certificates of Deposit, obligations of the U.S. Treasury, obligations of a federal government agency or instrumentality, and Ohio Municipals. The City has an investment committee that meets regularly to review investment policies and procedures. Beginning in March 2003, separate portfolios were created for general investments and bond investments in order to track specific interest earned on bond proceeds.

The City's Investment Policy, which was approved by the Mayor and City Council, is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized. The investments held by the City at June 30, 2013 were either backed by the full faith and credit of the U.S. Government or were investments with a credit rating of A and above. The Investment Policy uses a laddered approach to schedule investment maturities whose weighted average maturity of the general investment portfolio is not to exceed two years. As of June 30, 2013, the weighted average maturity was 1,157.11 days. The Investment Policy also identifies a benchmark that is used to monitor the performance of the investment portfolio. During 2013, the benchmark ranged from 0.23% to 0.30% and the rate of return for general investments ranged from 0.81% to 0.9%. The rate of return on general investments (based on a weighted average of coupons/interest rates) was 0.95% at June 30, 2013 compared to 0.83% for all investments as of December 31, 2012.

The City maintains a comprehensive all-risk property insurance program through a commercial carrier, covering approximately \$1.3 billion in property values. The program contains a \$100 thousand deductible, provides coverage in the amount of \$300 million per occurrence, and has a maximum limit of \$50 million for earthquake damage and \$50 million for flood damage.

The City of Cincinnati Retirement System's (CRS) net plan assets were \$2.1 billion as of June 30, 2013 compared to \$2.06 billion as of December 31, 2012. The net investment returns for 2013 were 12.3%. The

Cincinnati Retirement System's actuary reported the December 31, 2012 funding ratio of 61.3%, compared to December 31, 2011 ratio of 66.8%. The current funding ratio remains impacted by the 2008 investment losses, which are being smoothed over 5 years. (See Pension Trust Fund financial statements on pages 52 and 53 and footnote 22.)

City Council adopted changes that impacted retiree's health care costs. Most retirees now pay a 5% premium and have higher deductibles. Retirees electing to enroll in dental and vision plans beginning January 1, 2012 were required to pay the full premium. The Medicare premium reimbursement was eliminated beginning with pension checks received in February 2012. Active members' future pension benefits were amended for those not eligible to retire by January 1, 2014. Beginning January 1, 2010, member contribution rates increased 0.5% per year to a maximum rate of 9% in 2013. In 2011, City Council approved a "step up" approach that increases the City's contribution rate to 18% in 2012, 20% in 2013, 22% in 2014 and 24% thereafter. Details are in Footnote 22.

### Natural Resources and the Environment

The Metropolitan Sewer District of Greater Cincinnati (MSD) believes it is economical and efficient to invest in the maintenance, preservation, and restoration of the watershed ecosystems within our service area. We also believe that greater understanding of the value of our watersheds and their natural resources would assist policy makers as they deliberate over capital funding decisions. Current financial accounting standards, relying solely on historical costs, do not take into sufficient consideration the value of the watersheds and natural resources that are part of our regional water system.

For example, MSD's Project Groundwork is using green infrastructure solutions to reduce the amount and speed of stormwater runoff to help reduce the amount of traditional infrastructure and capital investments that are needed to maintain water quality. One part of green infrastructure is trees. In 2010 the Cincinnati Park Board conducted a tree canopy study that estimated the annual value of ecosystem services (air and water quality impacts, carbon sequestration, stormwater volume mitigated) at over \$32 million. This number doesn't reflect the additional benefits of trees have such as cooling the City in the summer. The protection of watershed assets like trees has helped Cincinnati reduce the amount of hard infrastructure needed to convey and treat stormwater. There are undoubtedly other water utilities that would benefit from the opportunity to restore and maintain the watersheds that drain to collection and treatment systems. Some of these utilities that are under current threat of deforestation (due to development, invasive species, climate change, etc.) may need to build additional water treatment capacity to meet water quality standards.

Protection and restoration of our watersheds also helps support the City's community development efforts. Bike trails along greenways and redevelopment along daylighted streams are ways green infrastructure leads to stronger communities. We are exploring ways to work in collaboration with municipal utilities, policy leaders and environmental activists to encourage the Governmental Accounting Standards Board to consider modifying accounting standards to include the economic value of natural resources in determining the capital asset value of water, wastewater and power utilities. The value of these assets would then be included in the planning for and funding of capital projects.

### Major Initiatives

In 2013, the City continued to improve customer service throughout city government and promote revitalization of neighborhoods, downtown, and the riverfront area. Major initiatives, accomplishments and positive changes were made in the following areas and are of particular interest.

***The John G. and Phyllis W. Smale Riverfront Park.*** The first phase of the park was opened in the Spring of 2012 and, in conjunction with on-going development of The Banks, the next phase of Smale Riverfront Park is under construction. At the completion of the second phase of the park in 2013, there will be



gardens, a playground and twelve acres of lawn, walking and biking paths connected to the City's other parks east of downtown. The first phase of the park includes public art, numerous water features, a bike center, performance lawn, tree grove, and the Moerlein Lager House microbrewery and gastropod, which seats 500 people indoors and up to 600 in an outdoor beer garden. Moerlein Lager House is a 15,000 square foot, two-story restaurant, brewery, and beer garden within the park. The City approved a 40-year lease with a Moerlein subsidiary and the \$10 million restaurant opened for business in March 2012. In addition, the City approved a Community Reinvestment Area Tax Exemption Agreement authorizing a real property tax exemption for a period of twelve years. Additional phases of the park are targeted to be constructed west of the Roebling Suspension Bridge.

***dunnhumbyUSA.*** dunnhumbyUSA, an international leader in the field of market analysis and brand value for consumer goods and retail companies, moved its national headquarters and 103 employees to Cincinnati in 2009. In February 2012, the company announced its intention to build a new 200,000 square foot headquarters in downtown Cincinnati. The new office building will include a parking garage and additional commercial and retail space. The company anticipates that it will invest \$36 million in the project and it will grow to 1,000 employees over the next five years. 550 of those 1,000 jobs will be new jobs. The City Council has extended the company's original Property Investment Reimbursement Agreement for an additional five years. This extension is appropriate given the company's intention to own, rather than lease, the space. The project broke ground in winter 2012 and is expected to be completed in the 1<sup>st</sup> quarter of 2015.

***Former Enquirer Building.*** The 246,160 square foot former Cincinnati Enquirer Building will be renovated by SREE Hotels into two distinct hotels. One hotel will be "suite-style" and the other will be select service. Combined, the hotels will total 243 rooms. Total private investment in the project will be about \$27 million. Construction is anticipated to begin mid- 2013 and be open by the end of 2014. When complete, the historic building will be Leadership in Energy & Environmental Design (LEED) certified, and will employ 35 FTEs.

***Oakley Station.*** A 74-acre redevelopment of abandoned industrial space in one of the City's most rapidly appreciating neighborhoods, Oakley Station is anticipated to be an 855,000 square foot mixed-use development containing retail, entertainment, office and residential components. The total cost of the project is estimated to be \$120 million. The developer anticipates that at full build-out, over 1,700 people will work on the site and the City estimates that those employees will generate nearly \$800,000 in earnings tax each year. The City is assisting the project in three ways: 1) providing up to \$9.9 million in tax increment financing for roadway improvements; 2) secured a \$3.3 million in Clean Ohio grants for environmental remediation; 3) completing a major roadway improvement, the Kennedy Connector. In 2011, the developer completed above-grade environmental remediation and demolition. Work is underway towards completing the public roadway and utility improvements in 2013.

***Christ Hospital / Taft Offices, LLC.*** Taft Offices, LLC will invest an estimated \$3,000,000 to renovate property including approximately 165,000 square feet of an existing professional office building at 217 and 237 William Howard Taft and construct 44,000 square feet of improved office space to LEED standards, 25,000 square feet of dedicated storage space, and approximately 700 parking spaces. Taft Offices, LLC received a LEED Community reinvestment area tax abatement from the City.

***Cincinnati Children's Hospital Medical Center.*** Construction on a new 1.4 million square foot research facility commenced in 2012. The project will give Children's Hospital the largest pediatric research facility in the country. The new tower will cost \$180 million, with no financial assistance from the City. The 15-story tower will add 425,000 square feet to the Burnet Avenue campus, creating enough space for Children's to hire up to 100 new research faculty over the next five years. The hospital plans to raise about \$54 million from private donations and pay for the rest of the tower with operating earnings, reserves and investment income. The research tower is scheduled for completion by summer 2015.

***Streetcar Project.*** The City is constructing a modern streetcar system connecting the Central Business District (CBD) and the Uptown area through the Over-the-Rhine (OTR) neighborhood. Phase 1a of the system consists of a 3.6 mile circulator route through the CBD and OTR extending from The Banks riverfront development at 2<sup>nd</sup> Street to Henry Street near Findlay Market. The Phase 1a route will be serviced by five modern streetcar vehicles operating on embedded rail in shared right-of-way, with 18 station stops and a maintenance facility at the northern end of the route. The City broke ground on the initial utility relocation work in February 2012. In September 2012, CAF USA was selected to build the five streetcar vehicles. In July 2013, the City executed a construction contract with Messer/Prus/Delta Railroad JV (MPD) and construction work began. Construction of the entire Phase 1a system is expected to be complete in March 2016, with revenue service scheduled to begin in September 2016.

The City is in ongoing negotiations with Duke Energy regarding the relocation of some utility facilities to resolve physical conflicts with the embedded, in-street rail. The City is providing \$15 million toward the payment of the costs of utility relocation. The City is seeking reimbursement from Duke Energy for such costs. While the ultimate disposition of these ongoing negotiations cannot be determined at this time, it is the opinion of the City Solicitor that the City will recover such costs from Duke Energy.

***Pogue's Garage.*** F & C Development ("F&C") will demolish the existing garage and replace it with a \$77 million 30-story mixed-use tower composed of 300 luxury apartments; a 15,000 square foot grocery store and a 1,000 space public parking garage. The grocery store will be a new concept, that is fully formed but open to substantial community input leading up to its opening (including the name of the store). The focus of the store will focus on fresh and local produce, meats, deli, baked goods, and prepared meals. The grocery store would be open daily from 7:00 am to 10:00 pm. The residential tower will provide 300 luxury apartments (415 bedrooms) that will be a mix one and two bedroom units which will be equipped with full amenity packages, including a roof top pool and fitness center. The City will invest up to \$12 million in the form of a loan that will be forgiven if the grocer remains for five years.

***Focus 52 Program.*** The Focus 52 Program will help fund transformative neighborhood economic and community development projects in order to grow the City's tax base by creating jobs and/or increasing the population of the City. Projects will be fully underwritten with a goal of achieving 3:1 leverage of private funds to public funds. The Focus 52 Program will use both the Economic Development Bond Fund and the HUD Section 108 Loan Pool as sources to borrow funds. This program is flexible and can be used for transformative projects in any neighborhood that is ready to meet the goals of the program which include job creation (project must have 50 jobs or more), private financial leverage, increase in property values of at least 25% over 10 years, and the total cost of the project. Some projects are listed below:

***College Hill Business District.*** College Hill's business district has begun demolishing vacant blighted properties along Hamilton Avenue. The City invested \$1.5 million to acquire and demolish the six contiguous properties, and anticipates an eventual multi-million dollar investment at the site. Demolition and remediation work will continue through 2013, with the property being marketed for redevelopment in 2014. The City also completed acquisition of the former Kroger site at Hamilton Avenue and North Bend Road. The City will be marketing the Hamilton Avenue and North Bend sites together for redevelopment in late 2013.

***Mercer Commons-Phase I.*** Mercer-Phase I includes the construction of a 340 space multi-story parking garage at 5 Mercer Street, approximately 4,000 sq. ft. of commercial space at 1324 Vine Street, 23 market rate residential condominium units (combination of rehabilitation and new construction), and 5 new market rate townhomes on Mercer Street. The total cost of the project is \$25 million and sources of funds include a State of Ohio Department of Development Urban Redevelopment Loan, State and Federal Tax Credits, a Cincinnati Equity Fund Loan, and deferred developer fees. The City's participation in the project is targeted toward the residential improvements and the City funding of \$1.5 million (6% of project) will be provided as a grant to support the construction costs of the residential units. Price points for the residential units will range from \$145,000 - \$380,000. In addition to the construction financing, the City is also providing

a 12-year tax exemption for the parking garage and commercial space. The proposed development continues the revitalization of the historic OTR neighborhood. The garage opened in May 2013 and the residential units will be completed by fall 2013.

*Gateway V.* Gateway V focuses on Race, Elm and Republic Streets in OTR and comprises seven independent residential projects that will create 65 market rate residential homeownership units, 23 residential rental units and approximately 7,909 square feet of commercial space in 17 rehabilitated buildings. The total cost of the project is approximately \$25.4 million and sources of funds include approximately \$16.65 million in residential and commercial loans, \$899,134 in federal and state historic tax credits, and \$410,000 in developer equity. The City's participation in the project is \$7,400,000. The City funding is structured as a grant to the developer, Gateway II, LLC, a wholly owned subsidiary of 3CDC, and is targeted toward the residential hard construction costs. Projected completion date is June 2014.

*Cintrifuse.* The City approved \$4.5 million for the construction of the new Over-the-Rhine headquarters for Cintrifuse, the startup incubator. The 39,906 square foot headquarters will be located in a series of renovated buildings from 1311 to 1315 Vine Street, across the street from Mercer Commons apartment and condo project. 3CDC will own and manage the property.

*Walnut Hills East McMillan Redevelopment.* The Department of Trade and Development (DTD) is moving to stabilize and redevelop a number of historic structures within the Neighborhood Business District. Stabilization work on 773 East McMillan was completed in December of 2012 while stabilization work including roof and interior repair for 771 McMillan, 961 McMillan and 975 McMillan will be completed by the second half of 2013.

Additionally, DTD assisted the Walnut Hills Redevelopment Foundation (WHRF) in its successful application for the State Historic Tax Credits to redevelop six City owned properties located at 961-975 East McMillan Street. The WHRF is working separately with a developer to obtain private construction financing to complete the restoration of these buildings into market rate units and rentable commercial space. All six properties are within the Peebles Corner historic district and are eligible for federal and state historic tax credits.

### Tax Incentive Districts

Ohio cities may create Tax Incentive Districts up to 300 acres in size. This provides Cincinnati with a tool to stimulate development and investment in depressed portions of the community. Twenty areas of Cincinnati have been approved as Tax Incentive Districts by Cincinnati's City Council.

Several major projects are underway using funds from the service payments in these Tax Increment Financing (TIF) districts. In 2011, the City entered into an agreement with U-Square LLC for new development in the Clifton area as discussed previously. The development included two City of Cincinnati owned parking garages as well as a public park-like plaza which opened in May 2013. The City's contribution to the development is approximately \$21 million in public improvements, which was financed with the issuance of TIF bonds.

Oakley Station is a 74 acre redevelopment of industrial space which is anticipated to produce 855,000 square foot mixed-use complex with retail, entertainment, office, and residential components. The City is providing up to \$9.9 million in tax increment financing for roadway improvements. The total cost of the development is estimated at \$120 million. In 2011 the developer completed above-grade environmental remediation and demolition. Work is underway towards completing the public roadway and utility improvements in 2013.

TIF revenue is being used to make renovations and improvements in the Central Business District to assist with the relocation of the First Financial Bancorp Headquarters. The infrastructure improvements around the Horseshoe Casino were funded with TIF revenue. Public improvements to neighborhood business districts in Madisonville and East Walnut Hills utilize TIF revenue.

### **Awards and Acknowledgements**

#### Certificate of Achievement and Budget Award

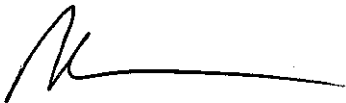
During 2012 the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cincinnati for its comprehensive annual financial report for the fiscal year ended December 31, 2011. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

The City has received this award for thirty-two consecutive years and has submitted our report for the fiscal year ended December 31, 2012. In 1979, for our 1978 annual financial report, we were the first governmental unit in Ohio to receive the Certificate. As of December 31, 2011, 124 municipal reporting entities in Ohio and only 1,913 units nationwide are holders of the Certificate. We believe our current report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its' eligibility for another certificate.

We are equally proud of the GFOA's Award for Distinguished Budget Presentation earned by the City for its 2014/2015 biennial budget. This is the 26th consecutive year that the City has received this award. For the fiscal years beginning in 2012, only 25 entities in Ohio and only 1,353 nationwide received the award.

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

Respectfully,



Reginald E. Zeno  
Director of Finance

# 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, 2011

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.



*Christopher P. Moynell*

President

*Jeffrey R. Emer*

Executive Director

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# **CITY OF CINCINNATI, OHIO**

## **Principal City Officials**

### **CITY COUNCIL**

Mark Mallory, Mayor  
Second term

Roxanne Qualls, Vice Mayor, Third term  
Laure Quinlivan, Second Term  
Chris Seelbach, First term  
Yvette Simpson, First term  
PG Sittenfeld, First Term

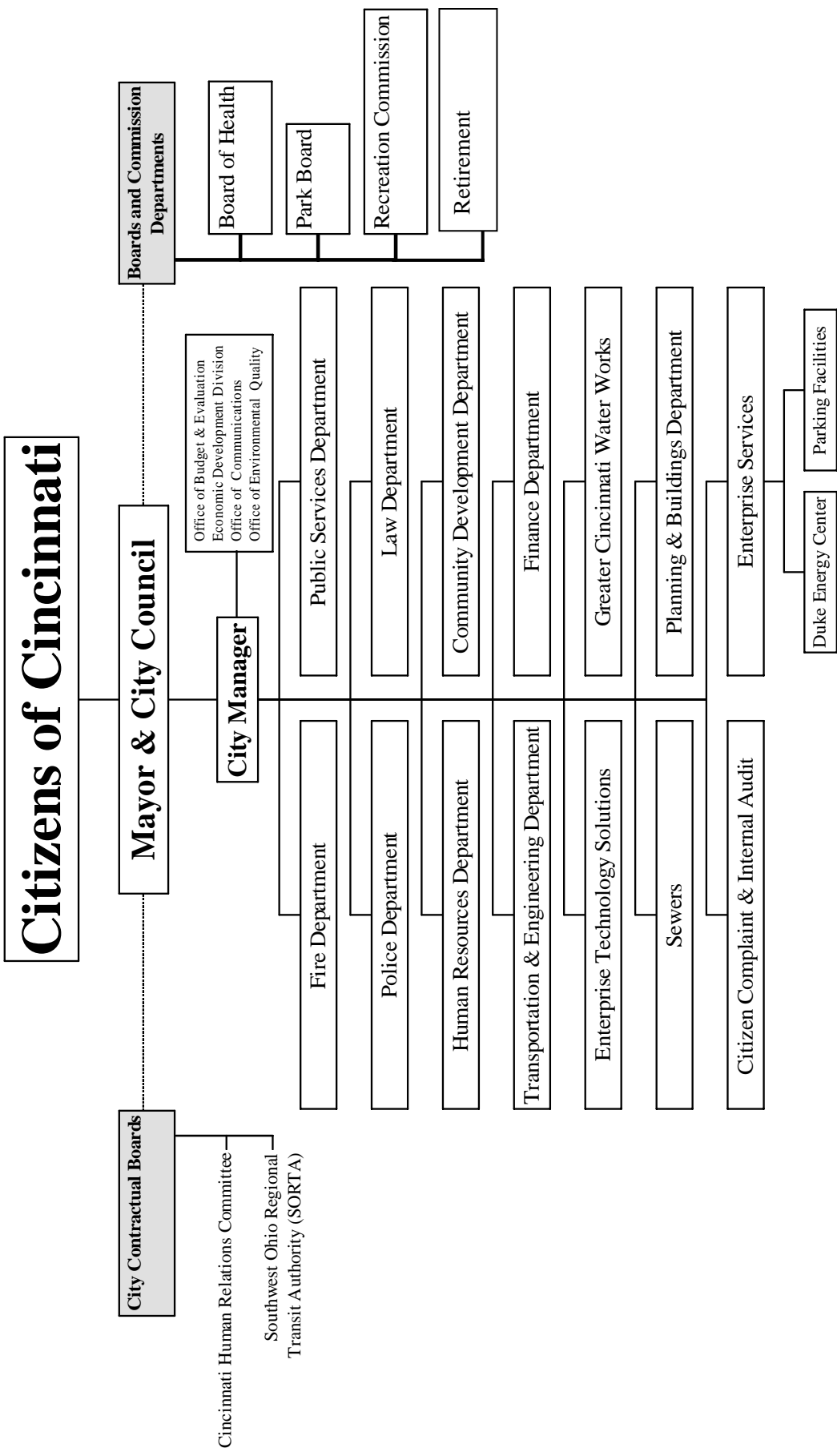
Christopher Smitherman, First term  
Pamela Thomas, First term  
Charles Winburn, Second term  
Wendell Young, Second term

### **CITY MANAGER**

Milton Dohoney, Jr.

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# FINANCIAL SECTION

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cincinnati, Ohio (the "City") as of and for the six month period ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cincinnati, Ohio, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the six month period then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the City changed its fiscal year from a calendar year to a fiscal year running July 1 through June 30 and the financial statements represent the conversion period from January 1, 2013 to June 30, 2013. Our opinion is not modified with respect to that matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, schedules, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
January 9, 2014

# City of Cincinnati

## Management's Discussion and Analysis

As management of the City of Cincinnati (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the six month period ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5 - 12 of this report. The government-wide financial statements are presented on a GAAP basis; that is, they reflect accrual basis of accounting. The GAAP fund financial statements will differ from those presented on a budgetary basis.

### Financial Highlights

- In 2013, the City of Cincinnati changed its fiscal year end from December 31 to June 30. This report is for the six month period ending June 30, 2013. The Fiscal Year was changed to provide adequate time for new council members to become familiar with the city operations and to minimize budgetary impacts at the calendar year end.
- The assets and deferred outflows of the City, including all Governmental and Business-type activities, exceeded its liabilities and deferred inflows at the close of the most recent fiscal period by \$1.8 billion (net position). Of this amount, negative \$88.3 million is considered unrestricted. The unrestricted net position of the City's governmental activities has a balance of negative \$153.5 million. The unrestricted net position of the City's business type activities are \$65.2 million and may be used to meet the on-going obligations of the City's water utility, parking, convention center, stormwater, aviation and golf business-type activities. The unrestricted portion of net position does not include assets with externally imposed restrictions or restrictions imposed by law.
- The City's total net position was \$1.8 billion in 2013. Net position of the governmental activities decreased by \$3.2 million which represents a .18% change from the 2012 balance. Net position of business-type activities increased \$6.3 million or 0.7% change from 2012. Governmental activities net investment in capital assets increased \$20.2 million. Governmental activities restricted net position increased \$9.2 million. Business-type activities net investment in capital assets decreased \$4.3 million. Business-type activities restricted net position increased by \$24.9 million.
- As of the close of the current fiscal period, the City's governmental funds reported combined ending fund balances of \$408.3 million, in comparison to \$447 million in the prior year. On a combined basis approximately \$7.5 million is considered nonspendable, \$307.7 million is restricted for specific purposes, \$20.8 million has been committed by council and \$22.6 million has been assigned to specific purposes by management.
- At the end of the current fiscal period, the committed fund balance of the general fund was \$7.2 million, while total fund balance reached \$86.3 million, 26.2% of total 2012 general fund expenditures. \$4 million is considered nonspendable. There was a \$13.4 million decrease in general fund balance for the six months ended June 30, 2013.
- The City's total general obligation and revenue debt for governmental activities decreased by \$0.5 million or 0.05% during the current fiscal period.
- The unrestricted net position of the City's governmental activities have a balance of negative \$153.5 million due primarily to increases in noncurrent liabilities related to net pension obligation and the increase in net position being restricted because of funding from federal and state sources.

### Overview of the Financial Statements

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



information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 39 to 41 of this report.

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

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

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The basic governmental fund financial statements can be found on pages 42 to 46 of this report.

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

The City maintains 27 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, and the debt service fund, all of which are considered to be major funds. Data from the other 24 funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* found elsewhere in this report.

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

**Proprietary funds.** The City maintains two different types of proprietary funds - enterprise and internal service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water works, parking facilities, convention

center, municipal airport, municipal golf courses and stormwater management system. *Internal service funds* are an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds for its printing services and general stores operation, fleet services, property management function, self-insurance medical fund, self-insurance workers' compensation fund and enterprise technology services. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 47 to 51 of this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Works Fund which is considered to be a major fund of the City. The other enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements. All internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the other enterprise funds and internal service funds are provided in the form of *combining statements* found elsewhere in this report.

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

The basic fiduciary fund financial statements can be found on pages 52 and 53 of this report.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 55 to 112 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the funding progress of the City's Pension and Health Care Plans, Employer Contributions to the City's Pension and Health Care Plans and the budgetary comparison of the City's General Fund. Required supplementary information can be found on pages 115 to 117 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 123 to 197 of this report.

**City of Cincinnati's Net Position**  
(AMOUNTS IN THOUSANDS)

	Governmental Activities		Business-type Activities		Total	
	June 30* 2013	December 31 2012	June 30* 2013	December 31 2012	June 30* 2013	December 31 2012
Current and other assets	\$ 740,830	\$ 744,474	\$ 272,399	\$ 276,678	\$ 1,013,229	\$ 1,021,152
Capital assets	1,277,480	1,232,613	1,264,820	1,240,506	2,542,300	2,473,119
Total Assets	2,018,310	1,977,087	1,537,219	1,517,184	3,555,529	3,494,271
Deferred Outflows	3,777	3,907	2,942	3,115	6,719	7,022
Long-term liabilities outstanding	831,382	815,358	592,740	579,182	1,424,122	1,394,540
Other liabilities	206,019	183,870	48,532	48,349	254,551	232,219
Total liabilities	1,037,401	999,228	641,272	627,531	1,678,673	1,626,759
Deferred Inflows	107,678	95,196	12,524	12,717	120,202	107,913
Net Position:						
Net Investment in Capital Assets	797,444	777,236	743,892	748,203	1,541,336	1,525,439
Restricted	233,054	223,826	77,273	52,330	310,327	276,156
Unrestricted	(153,490)	(114,492)	65,200	79,518	(88,290)	(34,974)
Total net position	\$ 877,008	\$ 886,570	\$ 886,365	\$ 880,051	\$ 1,763,373	\$ 1,766,621

\* Six Month Fiscal Period

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$1.8 billion at the close of the most recent fiscal period.

The largest portion of the City's net position \$1.5 billion (87.4%) reflects its investment in capital assets (e.g. land, construction in progress, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, because the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position \$310.3 million (17.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance negative \$88.3 million represents *unrestricted net position*. It is important to note that although the total unrestricted net position is negative \$88.3 million; the unrestricted net position of the City's business-type activities, \$65.2 million, may not be used to fund governmental activities which has a balance of negative \$153.5 million.

The governmental unrestricted net position balance is negative \$153.5 million. Overall, net position of the City decreased \$3.2 million in the fiscal period 2013. Net position for governmental activities decreased \$9.6 million, while net position of business-type activities increased \$6.3 million.

There was an increase of \$9.2 million in restricted net position reported in connection with the City's governmental activities and restricted net position reported in connection with the City's business-type activities increased by \$24.9 million in 2013. The key factors in these changes were the increase in funds restricted for capital projects. The reason for the increase in business type assets is an increase in capital funding.

The City's governmental activities net investment in capital assets increased \$20.2 million due to the completion of major projects in 2013. The City's business-type activities net investment in capital assets, decreased \$4.3 million.

**CITY OF CINCINNATI**  
**Changes in Net Position**  
(AMOUNTS IN THOUSANDS)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>June 30*</b>	<b>December 31</b>	<b>June 30*</b>	<b>December 31</b>	<b>June 30*</b>	<b>December 31</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Revenues:						
Program Revenues:						
Charges for Services	\$ 47,472	\$ 107,768	\$ 84,665	\$ 167,435	\$ 132,137	\$ 275,203
Operating Grants and Contributions	21,967	78,897			21,967	78,897
Capital Grants and Contributions	21,416	31,232	359	3,414	21,775	34,646
General Revenues:						
Property Taxes	23,730	50,310			23,730	50,310
Income Taxes	159,275	319,317			159,275	319,317
Admission Taxes	1,720	4,616			1,720	4,616
Shared Revenues	14,817	57,438			14,817	57,438
Occupancy Taxes	1,092	2,330	836	1,419	1,928	3,749
Unrestricted Investment Earnings	(2,963)	5,931	(449)	3,976	(3,412)	9,907
Miscellaneous	17,474	31,370	4,301	3,294	21,775	34,664
<b>Total Revenues</b>	<b>306,000</b>	<b>689,209</b>	<b>89,712</b>	<b>179,538</b>	<b>395,712</b>	<b>868,747</b>
Expenses:						
General Government	33,404	111,713			33,404	111,713
Community Development	25,076	49,744			25,076	49,744
Parks and Recreation	25,399	44,615			25,399	44,615
Public Safety	128,138	248,347			128,138	248,347
Transportation and Engineering	11,671	58,483			11,671	58,483
Transit System	23,976	45,047			23,976	45,047
Public Services	28,611	46,287			28,611	46,287
Public Health	26,279	43,197			26,279	43,197
Interest on long-term debt	11,957	23,806			11,957	23,806
Water Works			64,130	116,652	64,130	116,652
Parking Facilities			4,296	11,765	4,296	11,765
Convention Center			6,964	14,617	6,964	14,617
General Aviation			1,120	2,110	1,120	2,110
Municipal Golf			3,318	6,291	3,318	6,291
Stormwater Management			4,621	11,458	4,621	11,458
<b>Total Expenses</b>	<b>314,511</b>	<b>671,239</b>	<b>84,449</b>	<b>162,893</b>	<b>398,960</b>	<b>834,132</b>
Change in net position before transfers	(8,511)	17,970	5,263	16,645	(3,248)	34,615
Transfers	(1,051)	100	1,051	(100)	-	-
<b>Change in net position</b>	<b>(9,562)</b>	<b>18,070</b>	<b>6,314</b>	<b>16,545</b>	<b>(3,248)</b>	<b>34,615</b>
Net position – Beginning	886,570	868,500	880,051	863,506	1,766,621	1,732,006
<b>Net position – Ending</b>	<b>\$ 877,008</b>	<b>\$ 886,570</b>	<b>\$ 886,365</b>	<b>\$ 880,051</b>	<b>\$ 1,763,373</b>	<b>\$ 1,766,621</b>

\* Six Month Fiscal Period

**Governmental activities.** Governmental activities decreased the City's net position in the fiscal period 2013 by \$9.6 million. Key elements of the change in net position include:

**Revenues**

Property tax and TIF service payment receipts for the half year were recognized in the 2013 financial statements and most debt service principal payments are due in November and December and will be accounted for in the 2014 fiscal period.

More information on governmental revenue trends is available in the Statistical Section, Financial Trends Information on Page 226.

**Expenses**

Expenses for governmental activities for the six month period ended June 30, 2013 were \$314.5 million. The costs of operations for governmental activities are covered primarily by taxes (71.1% in 2013). The net costs of operations covered by charges for service, grants and contributions are as follows (amounts in thousands):

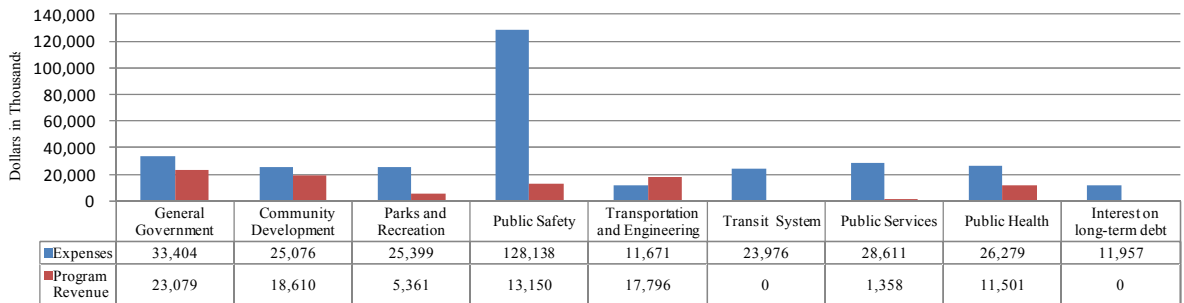
**City of Cincinnati, Ohio**  
**Statement of Activities**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	Expenses	Total Program Revenue	Net Revenue (Expense) Per Activity	Percent Covered
Governmental Activities:				
Public Safety	\$ 128,138	\$ 13,150	\$ (114,988)	10.26%
General Government	33,404	23,079	(10,325)	69.09%
Public Services	28,611	1,358	(27,253)	4.75%
Public Health	26,279	11,501	(14,778)	43.76%
Parks and Recreation	25,399	5,361	(20,038)	21.11%
Community Development	25,076	18,610	(6,466)	74.21%
Transit System	23,976	-	(23,976)	0.00%
Transportation and Engineering	11,671	17,796	6,125	152.48%
Long Term Debt	11,957	-	(11,957)	0.00%
Total governmental activities	<u>\$ 314,511</u>	<u>\$ 90,855</u>	<u>\$ (223,656)</u>	

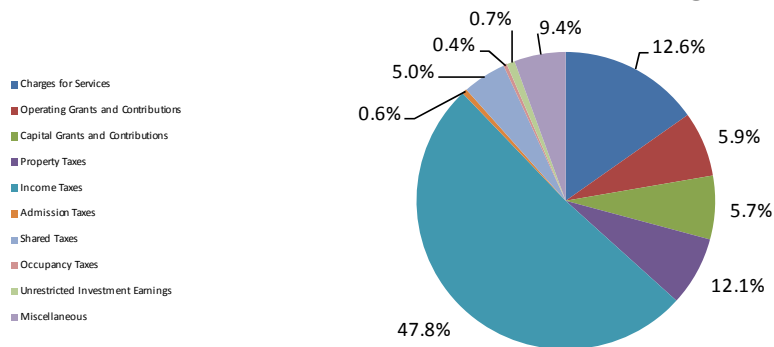
**Business-type activities.** Business-type activities increased the City's net position in fiscal period 2013 by \$6.3 million. The change by business type operations are as follows:

	Expense	Program Revenue	Net Revenue (Expense) Per Activity	Percent Covered Activity
Business type activities:				
Water Works	\$ 64,130	\$ 65,142	\$ 1,012	101.58%
Parking Facilities	4,296	5,766	1,470	134.22%
Convention Center	6,964	4,221	(2,743)	60.61%
General Aviation	1,120	1,444	324	128.93%
Municipal Golf	3,318	2,760	(558)	83.18%
Stormwater Management	4,621	5,691	1,070	123.16%
Total Business-type activities	<u>\$ 84,449</u>	<u>\$ 85,024</u>	<u>\$ 575</u>	

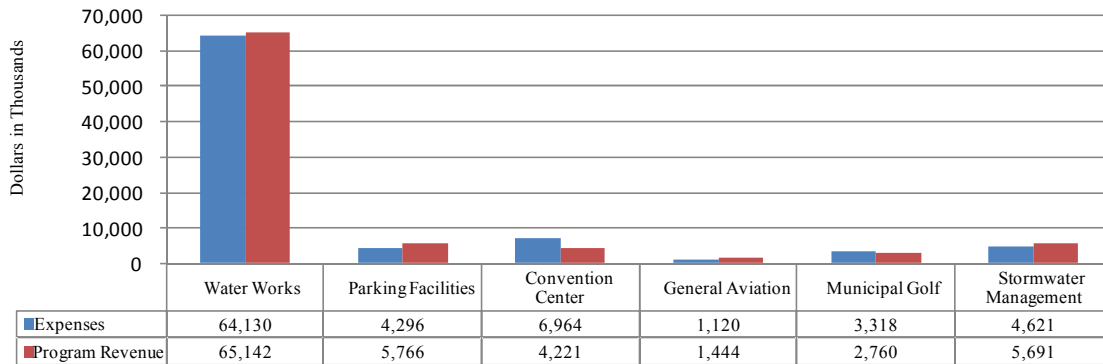
## Governmental Activities Expenses and Program Revenue For the Six Month Period Ending June 30, 2013



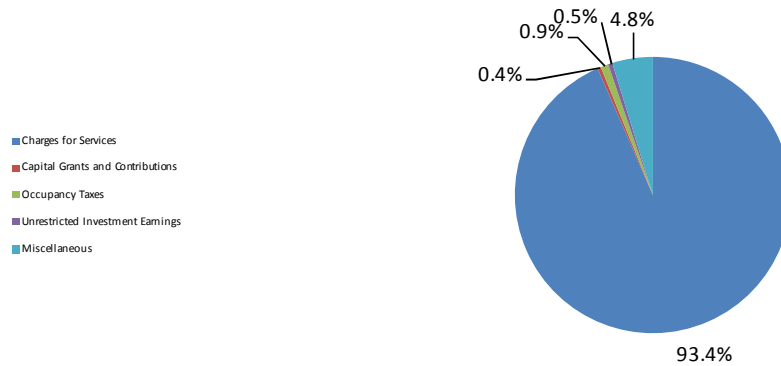
## Governmental Activities Revenues by Source For the Six Month Period Ending June 30, 2013



## Business-Type Activities Expenses and Program Revenue For the Six Month Period Ending June 30, 2013



## Business-type Activities Revenues by Source For the Six Month Period Ending June 30, 2013



## Financial analysis of the Government's Funds

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

**Governmental funds.** The focus of the City's *governmental funds* (footnote 1) is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Nonspendable fund balances are amounts that can not be spent, such as inventory, advances or nonexpendable trust balances. Restricted fund balances are amounts that are restricted legally for a specific purpose, such as a grant or by debt decree. Committed fund balances are amounts committed by the governing body through council legislation, such as budgetary commitments. Assigned fund balances are internal commitments by the governments' management for a specific purpose.

As of the end of the current fiscal period, the City's governmental funds reported combined ending fund balances of \$408.3 million, a decrease of \$38.7 million in comparison with the prior year. Approximately 75.4% or \$307.7 million of this total amount constitutes *restricted fund balance*, which is available for spending for a specific purpose. The *committed fund balance*, \$20.8 million or 5.1%, has been committed by council legislation at the end of the year.

The general fund is the primary operating fund of the City. During 2009, the decision was made to include the working capital reserve fund with the general fund as a stabilization fund and is included in the unassigned fund balance. At year end, the balance in the working capital reserve fund was \$21.2 million. The total unassigned fund balance of the general fund (including the working capital reserve) was \$52.5 million, which is 15.25% of 2012 general fund revenues.

The fund balance of the City's general fund decreased by \$13.4 million during the current fiscal period compared to the fund balance of 2012. The dollar and percent change are provided below as an analysis of the affect on fund balance for the six month period ended June 30, 2013:

	General Fund	
	6/30/13*	12/31/12
<b>REVENUES</b>		
Taxes	\$ 133,027	\$ 264,466
Licenses and Permits	4,947	9,421
Use of Money and Property	(35)	7,891
Intergovernmental Revenue	17,303	41,462
Charges for Current Services	9,177	19,881
Miscellaneous	1,368	1,368
Total Revenues	<u>\$ 165,787</u>	<u>\$ 344,489</u>
<b>EXPENDITURES</b>		
Current:		
General Government	\$ 22,119	\$ 40,180
Community Development	2,238	4,731
Parks and Recreation	9,957	18,681
Public Safety	80,067	164,916
Transportation and Engineering	1,991	3,577
Public Services	8,155	15,165
Public Health	7,570	14,490
Employee Benefits	45,936	90,377
Total Expenditures	<u>\$ 178,033</u>	<u>\$ 352,117</u>

\*Six month fiscal period



The capital projects fund has a total fund balance of \$135.2 million which is a decrease \$26.5 million from 2012. Key factors of the decrease are as follows:

- Federal Grants decreased by \$3.9 million.
- State grants revenue decreased \$2.2 million.
- Intergovernmental revenue decreased \$16.9 million.

The total fund balance of the debt service funds was \$90.1 million which is restricted for the payment of debt service. The net increase in fund balance was \$13.2 million. Debt service principal payments in fiscal period 2013 were only \$.5 million and there were no general obligation bonds issued.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the enterprise funds is \$67.9 million. The total change in net position was an increase of \$6.1 million for the Water Works fund and a increase of \$1.4 million for the other enterprise funds. Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

Revenue estimates for fiscal period 2013 were \$164.1 million and were less than the actual revenue of \$175.4 million. The original appropriations were \$177.8 million, while the final appropriations were \$178.5 million. The general fund deficit was filled by: \$2.5 million from the encumbrance cancellations and \$9.0 million in carryover from the 2012 budget.

Appropriation increases were made for 2013 general fund departments in preparation for the 2014 budget. Detailed information by department can be found on pages 123 to 128 in the General Fund Budgetary statement. Major increase were made in the following departments:

- State Unemployment Compensation \$314,280.
- Lump Sums \$92,000.
- Port Authority \$350,000.

Detailed information by department can be found on pages 145 to 177 in the Other Governmental fund Budgetary statement. Appropriations changes for 2013 from other restricted Funds are as follows:

- Increase in Health Services Fund \$151,770.
- Decrease in the Community Development Block Grant Fund of \$140,400.
- Decrease in the HOME Grant Fund of \$530,390.
- Decrease in the Emergency Solutions Grant of \$10,000.
- Decrease in HOPWA Grant Fund of \$50,470.
- Increase in Infrastructure Fund of \$30,000.
- Increase in Street Construction and Maintenance Fund of \$4,800.

## Capital Asset and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2013 is \$2.5 billion (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, systems, improvements, machinery and equipment, park facilities, streets, and bridges. The total increase in the City's investment in capital assets for the current fiscal year was \$69.2 million (3.6% \$44.9 million for governmental activities and 2.0% \$24.3 million for business-type activities).

<b>City of Cincinnati's Capital Assets</b>						
(net of depreciation)						
(AMOUNTS IN THOUSANDS)						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>June 30*</b>	<b>December 31</b>	<b>June 30*</b>	<b>December 31</b>	<b>June 30*</b>	<b>December 31</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Land	\$ 176,097	\$ 174,605	\$ 43,205	\$ 43,181	\$ 219,302	\$ 217,786
Buildings	103,910	102,333	125,157	126,034	229,067	228,367
Improvements	218,467	219,688	847,020	835,711	1,065,487	1,055,399
Machinery and Equipment	40,934	43,967	89,092	89,738	130,026	133,705
Infrastructure	557,423	526,917			557,423	526,917
Construction in Progress	180,449	164,838	158,661	144,007	339,110	308,845
Property Acquired under Capital Leases	200	265	1,685	1,835	1,885	2,100
<b>Total</b>	<b>\$ 1,277,480</b>	<b>\$ 1,232,613</b>	<b>\$ 1,264,820</b>	<b>\$ 1,240,506</b>	<b>\$ 2,542,300</b>	<b>\$ 2,473,119</b>

\* Six Month Fiscal Period

Total capital assets, net of accumulated depreciation, increased \$69.2 million. Major capital asset events during the six month period ended June 30, 2013 included the following:

- Governmental activities capital assets increased \$44.9 million in six month period ended June 30, 2013 net of depreciation and included:
  - Land increased \$1.5 million.
  - Construction in progress increased \$15.6 million.
  - Infrastructure improvement for bridges, retaining walls, traffic signal upgrades and street improvements and upgrades increased by \$30.5 million (net of depreciation).
  - Machinery and equipment decreased \$3.0 million (net of depreciation).
  - Buildings increased \$1.6 million (net of depreciation).
  - Improvements decreased \$1.2 million (net of depreciation).
- Business-type activities capital assets increased \$24.3 million net of depreciation and included:
  - Improvements increased \$11.3 million.
  - Construction in progress increased \$14.7 million.
  - Machinery and equipment decreased \$0.6 million (net of depreciation).
  - Buildings decreased by \$0.9 million (net of depreciation).

Additional information on the City's capital assets can be found in note 14 on pages 93 to 95 of this report.

**Long-term debt.** At the end of the current fiscal period, the City had \$1.1 billion long-term bonds and notes outstanding. Of this amount, \$470.8 million comprises debt backed by the full faith and credit of the government. The remainder of the City’s debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

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

	Governmental Activities		Business-type Activities		Total	
	June 30*	December 31	June 30*	December 31	June 30*	December 31
	2013	2012	2013	2012	2013	2012
<b>General Obligation Bonds</b>	\$ 457,101	\$ 457,191	\$ 13,649	\$ 13,649	\$ 470,750	\$ 470,840
<b>Revenue Bonds</b>	93,520	93,945	491,165	491,165	584,685	585,110
<b>Total</b>	<u>\$ 550,621</u>	<u>\$ 551,136</u>	<u>\$ 504,814</u>	<u>\$ 504,814</u>	<u>\$ 1,055,435</u>	<u>\$ 1,055,950</u>

\* Six Month Fiscal Period

During the current fiscal year, the City’s total debt decreased by \$0.5 million (0.1%). Key events contributing to the change in long-term debt balances are as follows:

- Due to the change in fiscal year, there was no new debt issued and very little principal payments as most debt service principal is due in November and December and will be included in the 2014 fiscal period.
- During fiscal period 2013 \$425,000 in revenue bonds were redeemed for economic development projects.
- During fiscal period 2013 \$90,000 in general obligation bonds were redeemed for governmental activities.

The City’s general obligation bond rating by Standard and Poor’s Corporation and Moody’s Investor Services, Inc. is “AA+” and “Aa2”, respectively.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. The City had a legal debt margin for total debt of \$318.3 million and a legal debt margin for unvoted debt of \$54.6 million.

Additional information about the City’s long-term debt can be found in note 9 on pages 83 to 89 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the Cincinnati MSA was 7.4% at June 2013, which is same as a year ago. This rate is higher than the State's average unemployment rate of 7.2% and is lower than the national average rate of 7.6%.
- The occupancy rate of the central business district Class A office space was 77.4% at the end of 2012 which is higher than the 2011 occupancy rate of 75.7%.
- The City is experiencing increasing costs for employee health care, retirement and contractually obligated labor costs.

All of these factors were considered in preparing the City's biennial budget for the fiscal year 2014:

General Fund revenues for the six month fiscal period 2013 were \$11.4 million more than the six month fiscal period 2013 estimate resulting in an increase in unappropriated fund balance at June 30, 2013. The General Fund balance is estimated to be \$26.6 million, on a budgetary basis. At the end of the six month fiscal period 2013 the reserve balance was \$35.3 million (composed of \$21.2 working capital reserve, \$2.4 million emergency reserve and the estimated \$11.7 million in carryover fund balance), and was 10.22% of 2012 General Fund revenues.

The 2014 fiscal year General Fund budget estimated current revenues of \$347.3 million are less than the fiscal year 2014 expenses of \$360.4 million by \$13.1 million. The 2014 fiscal year budget is being balanced with the use of \$15 million from the 2013 fiscal period carry-over fund balance.

One of the City's major budget priorities for 2013 was economic development. The Economic Development Division was fully staffed to focus on bringing investments to the City that create jobs and increase the City's tax base. The Pogue's Garage Project with F & C Development, Streetcar Project and the Horseshoe Casino are just a few examples of new economic development happening in Cincinnati.

## **Requests for Information**

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

**BASIC  
FINANCIAL STATEMENTS**

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**City of Cincinnati, Ohio**  
**Statement of Net Position**  
**June 30, 2013**  
**(Amounts in Thousands)**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<u>Current Assets</u>			
Cash and Equivalents	\$ 51,824	\$ 1,659	\$ 53,483
Equity in City Treasury	58,465	10,694	69,159
Advances and Petty Cash	170		170
Investments, at Fair Value	65,808		65,808
Receivables:			
Taxes	92,170	405	92,575
Accounts, Net	56,435	27,058	83,493
Special Assessments	33,409		33,409
Accrued Interest	1,346	332	1,678
Due from Fiduciary Activities	56		56
Due from Other Governments	8,793	9,018	17,811
Prepaid Items and Other Assets	2,775	10,518	13,293
Inventory	5,604	5,363	10,967
Restricted Assets:			
Cash and Cash Equivalents		12,614	12,614
Equity in City Treasury		5,266	5,266
Investments, at Fair Value		59,377	59,377
Internal Balances	(17,871)	17,871	
<b>Total Current Assets</b>	<b>358,984</b>	<b>160,175</b>	<b>519,159</b>
<u>Noncurrent Assets</u>			
Equity in City Treasury	357,370	65,360	422,730
Restricted Equity in City Treasury Cash		32,189	32,189
Restricted Investments, at Fair Value		14,675	14,675
Accounts Receivable, Net	24,476		24,476
Land	176,097	43,205	219,302
Buildings, net of Accumulated Depreciation	103,910	125,157	229,067
Improvements, net of Accumulated Depreciation	218,467	847,020	1,065,487
Machinery and Equipment, net of Accumulated Depreciation	40,934	89,092	130,026
Construction in Progress	180,449	158,661	339,110
Property Acquired under Capital Leases, net of Accumulated Amortization	200	1,685	1,885
Infrastructure Assets, net of Accumulated Depreciation	557,423		557,423
<b>Total Noncurrent Assets</b>	<b>1,659,326</b>	<b>1,377,044</b>	<b>3,036,370</b>
<b>Total Assets</b>	<b>2,018,310</b>	<b>1,537,219</b>	<b>3,555,529</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on Defeasance	3,777	2,942	6,719

(Continued)

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

**City of Cincinnati, Ohio**  
**Statement of Net Position**  
**June 30, 2013**  
**(Amounts in Thousands)**

(Continued)

<b>LIABILITIES:</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<u>Current</u>			
Accounts Payable	\$ 46,300	\$ 3,609	\$ 49,909
Withholdings and Other Deposits	2,760		2,760
Due to Fiduciary Activities	1,141	336	1,477
Due to Other Governmental Agencies		1,209	1,209
Accrued Payroll	14,321	1,912	16,233
Accrued Liabilities	9,148	1,119	10,267
Accrued Interest	2,300	1,874	4,174
Deposits Payable	18,778	4	18,782
Unearned Revenue		622	622
Obligations Under Capital Leases	133	242	375
Compensated Absences Payable	33,121	6,165	39,286
Unpaid Claims	29,164	252	29,416
Ohio Public Works Commission Loan	211	220	431
Ohio Water Development Authority Loan		1,166	1,166
Matured Bonds and Interest Payable	531		531
Notes Payable	575		575
General Obligation Bonds	44,008	3,297	47,305
Revenue Bonds	3,390	19,581	22,971
Other	134		134
Advances from Other Governments	4		4
Payable from Restricted Assets:			
Construction Contracts		5,265	5,265
Deposits Payable		1,659	1,659
Total Current Liabilities	206,019	48,532	254,551
<u>Noncurrent</u>			
Non-Current Obligations Under Capital Leases	67	1,443	1,510
Notes Payable	12,242		12,242
General Obligation Bonds	436,950	10,408	447,358
Revenue Bonds	90,028	498,511	588,539
Compensated Absences Payable	70,180	2,689	72,869
Other Liabilities	567		567
Ohio Public Works Commission Loan	2,109	2,871	4,980
Ohio Water Development Authority Loan		26,188	26,188
Unpaid Claims Payable	29,705		29,705
Net Pension Obligation	120,299	32,215	152,514
Net Other Post Employment Benefit Obligation	69,235	18,415	87,650
Total NonCurrent Liabilities	831,382	592,740	1,424,122
Total Liabilities	1,037,401	641,272	1,678,673
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Gain on Defeasance	115		115
Service Concession Arrangement		12,524	12,524
Revenues Levied for the next year and Unavailable Revenue	107,563		107,563
Total Deferred Inflows of Resources	107,678	12,524	120,202
<u>Net Position</u>			
Net Investment in Capital Assets	797,444	743,892	1,541,336
Restricted Net Position for:			
Tax Increment Financing	21,842		21,842
Debt Service	42,758	77,273	120,031
Capital Projects	88,769		88,769
Public Transit	16,042		16,042
Public Safety	6,730		6,730
Parks and Recreation	8,032		8,032
Street Improvement	5,090		5,090
Infrastructure	8,106		8,106
Public Health	240		240
Community Development	728		728
Other Purposes	24,414		24,414
Fleet Services	1,300		1,300
Permanent Funds - Expendable	6,643		6,643
Permanent Funds - Nonexpendable	2,360		2,360
Unrestricted Net Position	(153,490)	65,200	(88,290)
Total Net Position	\$ 877,008	\$ 886,365	\$ 1,763,373

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



**City of Cincinnati, Ohio**  
**Statement of Activities**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs</b>							
Governmental Activities:							
General Government	\$ 33,404	\$ 18,198	\$ 3,407	\$ 1,474	\$ (10,325)	\$	\$ (10,325)
Community Development	25,076	6,779	9,115	2,716	(6,466)		(6,466)
Parks and Recreation	25,399	4,809	487	65	(20,038)		(20,038)
Public Safety	128,138	8,752	4,398		(114,988)		(114,988)
Transportation and Engineering	11,671	937		16,859	6,125		6,125
Transit System	23,976				(23,976)		(23,976)
Public Services	28,611	1,056		302	(27,253)		(27,253)
Public Health	26,279	6,941	4,560		(14,778)		(14,778)
Interest on long-term debt	11,957				(11,957)		(11,957)
Total governmental activities	314,511	47,472	21,967	21,416	(223,656)		(223,656)
Business type activities:							
Water Works	64,130	64,840		302		\$ 1,012	1,012
Parking Facilities	4,296	5,709		57		1,470	1,470
Convention Center	6,964	4,221				(2,743)	(2,743)
General Aviation	1,120	1,444				324	324
Municipal Golf	3,318	2,760				(558)	(558)
Stormwater Management	4,621	5,691				1,070	1,070
Total Business-type activities	84,449	84,665		359		575	575
Total	\$ 398,960	\$ 132,137	\$ 21,967	\$ 21,775	(223,656)	575	(223,081)
General Revenues:							
Taxes:							
Property taxes					23,730		23,730
Income taxes					159,275		159,275
Admission taxes					1,720		1,720
Occupancy taxes					1,092	836	1,928
Shared Revenues					14,817		14,817
Unrestricted investment earnings					(2,963)	(449)	(3,412)
Miscellaneous					17,474	4,301	21,775
Transfers between governmental and business-type activities					(1,051)	1,051	
Total general revenues and transfers					214,094	5,739	219,833
Change in net position					(9,562)	6,314	(3,248)
Net position-beginning					886,570	880,051	1,766,621
Net position-ending					\$ 877,008	\$ 886,365	\$ 1,763,373

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

**City of Cincinnati, Ohio**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**  
**(Amounts in Thousands)**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Equivalents	\$ 73	\$ 46,364	\$	\$ 5,264	\$ 51,701
Equity in City Treasury Cash	77,248	141,613	80,137	70,910	369,908
Advances and Petty Cash	170				170
Investments, at Fair Value		47,261	2,021	16,526	65,808
Receivables:					
Taxes	52,415	2,174	31,782	5,799	92,170
Accounts, Net	11,826	17,407	18,933	32,528	80,694
Special Assessments	312	739		32,358	33,409
Accrued Interest and Dividends	893	108	184	51	1,236
Due from Other Funds	9,436	3,762	9,306	8,909	31,413
Due from Fiduciary Funds	4				4
Due from Other Governments	3,307			5,241	8,548
Inventory	4,025	837		298	5,160
Advances to Other Funds	1,704			4,521	6,225
Total Assets	<u>\$ 161,413</u>	<u>\$ 260,265</u>	<u>\$ 142,363</u>	<u>\$ 182,405</u>	<u>\$ 746,446</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 4,362	\$ 27,541	\$ 179	\$ 10,611	\$ 42,693
Withholdings and Other Deposits	2,760				2,760
Due to Other Funds	2,485	45,364		973	48,822
Due to Fiduciary Funds	723		3	343	1,069
Accrued Payroll	11,940	1	17	1,901	13,859
Accrued Liabilities	161	52		463	676
Deposits Payable	4,716	7,581	555	5,872	18,724
Estimated Liability for Unpaid Claims	487	15,000		112	15,599
Advances from Other Funds	4,521	10,840			15,361
Matured Bonds and Interest Payable			531		531
Total Liabilities	<u>32,155</u>	<u>106,379</u>	<u>1,285</u>	<u>20,275</u>	<u>160,094</u>
<b>Deferred Inflow of Resources:</b>					
Revenues Levied for the next year and Unavailable Revenue	42,950	18,710	51,000	65,394	178,054
<b>Fund Balances:</b>					
Nonspendable	4,025	837		2,658	7,520
Restricted		134,339	90,078	83,277	307,694
Committed	7,177			13,642	20,819
Assigned	22,561				22,561
Unassigned	52,545			(2,841)	49,704
Total Fund Balances	<u>86,308</u>	<u>135,176</u>	<u>90,078</u>	<u>96,736</u>	<u>408,298</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 161,413</u>	<u>\$ 260,265</u>	<u>\$ 142,363</u>	<u>\$ 182,405</u>	<u>\$ 746,446</u>

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

**CITY OF CINCINNATI, OHIO**  
**Reconciliation of the Balance Sheet to the**  
**Statement of Net Position**  
**Governmental Funds**  
**June 30, 2013**  
**(Amounts in Thousands)**

<b>Total fund balances - governmental funds</b>	\$	408,298
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		1,277,480
Certain receivables will be collected next year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		70,491
Some amounts reported for governmental-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.		2,712
Six internal service funds are used by the City's management. The assets and liabilities of the internal service funds are included with governmental activities. The net property of \$18,920 as it relates to the internal service funds is included in the capital asset amount above.		19,157
Bond discounts and deferred gains and losses on refundings are expensed in the fund level financial statements but are accrued and amortized over the life of the bonds in the government-wide financial statements. This is the unamortized portion of those discounts and gains/losses.		4,256
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
G.O. Bonds payable		(457,101)
Revenue bonds payable		(93,520)
Long Term Notes Payable		(12,817)
Unamortized bond premium		(24,351)
Compensated absences		(101,707)
Net Pension Obligation		(111,627)
Net Other Post Employment Benefit Obligation		(64,992)
Ohio Public Works Commission Loans		(2,320)
Unpaid claims payable		(25,567)
Accrued interest on bonds		(2,300)
Accrued Liabilities		(8,179)
Other liability		(701)
Capital leases payable		(200)
Advances from Other Governments		(4)
<b>Total net position - - governmental activities (page 40)</b>	<b>\$</b>	<b>877,008</b>

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

**City of Cincinnati, Ohio**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	General	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 133,027	\$ 11,867	\$ 12,630	\$ 32,738	\$ 190,262
Licenses and Permits	4,947			1,124	6,071
Use of Money and Property	(35)	546	10,639	2,338	13,488
Special Assessments		153		2,975	3,128
Intergovernmental Revenue	17,303		2,577	9,562	29,442
Federal Grants		13,780		16,948	30,728
State Grants and Subsidies		6,551		682	7,233
Charges for Current Services	9,177	20		9,264	18,461
Miscellaneous	1,368	628	4,552	12,243	18,791
Total Revenues	<u>165,787</u>	<u>33,545</u>	<u>30,398</u>	<u>87,874</u>	<u>317,604</u>
<b>EXPENDITURES</b>					
Current:					
General Government	22,119	123	952	19,438	42,632
Community Development	2,238		1	1,615	3,854
Parks and Recreation	9,957	71		3,931	13,959
Public Safety	80,067			4,730	84,797
Transportation and Engineering	1,991	1		1,859	3,851
Transit System				23,976	23,976
Public Services	8,155			7,418	15,573
Public Health	7,570			8,172	15,742
Employee Benefits	45,936	6	54	7,088	53,084
Capital Outlay		72,971		14,017	86,988
Debt Service:					
Principal Retirement		105	533	70	708
Interest		331	9,552	2,137	12,020
Total Expenditures	<u>178,033</u>	<u>73,608</u>	<u>11,092</u>	<u>94,451</u>	<u>357,184</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(12,246)	(40,063)	19,306	(6,577)	(39,580)
<b>OTHER FINANCING SOURCES(USES)</b>					
Transfers In	354	16,192	3,152	287	19,985
Transfers (Out)	(1,506)	(2,654)	(9,226)	(5,742)	(19,128)
Total Other Financing Sources(Uses)	<u>(1,152)</u>	<u>13,538</u>	<u>(6,074)</u>	<u>(5,455)</u>	<u>857</u>
Net change in fund balances	(13,398)	(26,525)	13,232	(12,032)	(38,723)
Fund Balances at January 1	<u>99,706</u>	<u>161,701</u>	<u>76,846</u>	<u>108,768</u>	<u>447,021</u>
Fund Balances at June 30	<u>\$ 86,308</u>	<u>\$ 135,176</u>	<u>\$ 90,078</u>	<u>\$ 96,736</u>	<u>\$ 408,298</u>

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

**City of Cincinnati, Ohio**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**to the Statement of Activities**  
**Governmental Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ (38,723)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$79,205) exceeded depreciation (\$31,431) in the current period.	47,774
Governmental funds report cash received for assets disposed of as revenue. However, in the statement of activities, that cash offsets the difference between the book value (\$4,575) and accumulated depreciation of the disposed asset (\$1,668).	(2,907)
Statement of activities reports an increase in revenues due to current activity in deferred inflows which is not reported at fund level.	(10,351)
The long-term liability for compensated absences is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities.	(5,708)
The long-term liability for unpaid claims is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities.	3,053
The long-term liability for Net Pension Obligation is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities.	(13,068)
The long-term liability for Net Other Post Employment Benefit Obligation is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities.	(1,340)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments exceeded proceeds.	690

(Continued)

**City of Cincinnati, Ohio**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**to the Statement of Activities**  
**Governmental Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

(Continued)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	\$	549
Bond premiums are included in revenue at the fund level, but capitalized and amortized over the life of the bonds in the government-wide financial statements.		366
Net Loss on Defeasance are included in expenditures at the fund level, but are deferred and amortized over the life of the bonds in the government-wide financial statements		(136)
Bond discounts are included in expenditures at the fund level, but are deferred and amortized over the life of the bonds in the government-wide financial statements		(2)
Internal balances between the governmental activities and the business type activities are not reported at the fund level.		1,230
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue(expense) of certain internal service funds is reported with governmental activities.		<u>9,011</u>
Change in net position of governmental activities (page 41)	<u>\$</u>	<u>(9,562)</u>

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

**City of Cincinnati, Ohio**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**  
**(Amounts in Thousands)**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Works</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>				
<u>Current:</u>				
Cash and Equivalents	\$ 1,423	\$ 236	\$ 1,659	\$ 123
Equity in City Treasury Cash	7,607	3,087	10,694	6,456
Receivables:				
Taxes		405	405	
Accounts, Net	22,673	4,385	27,058	217
Accrued Interest	262	70	332	110
Due from Other Funds	10,735	2,616	13,351	8,276
Due from Fiduciary Funds				52
Due from Other Governments	9,018		9,018	245
Prepaid Items	10,059	459	10,518	1,475
Inventory	5,363		5,363	444
Advances to Other Funds	50	10,065	10,115	775
Restricted Assets:				
Cash and Equivalents	12,614		12,614	
Equity in City Treasury Cash	5,266		5,266	
Investments, at Fair Value	59,377		59,377	
<b>Total Current Assets</b>	<b>144,447</b>	<b>21,323</b>	<b>165,770</b>	<b>18,173</b>
<u>Noncurrent:</u>				
Equity in City Treasury Cash	46,497	18,863	65,360	39,471
Restricted Equity in City Treasury Cash	32,189		32,189	
Restricted Investments, at Fair Value	14,675		14,675	
Land	2,727	40,478	43,205	283
Buildings, net of Accumulated Depreciation	116,595	8,562	125,157	
Improvements, net of Accumulated Depreciation	665,920	181,100	847,020	6,039
Machinery and Equipment, net of Accumulated Depreciation	87,948	1,144	89,092	12,475
Construction in Progress	137,436	21,225	158,661	
Property Acquired under Capital Leases, net of Accumulated Amortization	42	1,643	1,685	123
Other Assets				1,300
<b>Total Noncurrent Assets</b>	<b>1,104,029</b>	<b>273,015</b>	<b>1,377,044</b>	<b>59,691</b>
<b>Total Assets</b>	<b>1,248,476</b>	<b>294,338</b>	<b>1,542,814</b>	<b>77,864</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Defeasance	2,912	30	2,942	

(Continued)

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

**CITY OF CINCINNATI, OHIO**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**  
**(Amounts in Thousands)**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Works</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
(Continued)				
<b>LIABILITIES</b>				
Current:				
Accounts Payable	\$ 2,896	\$ 713	\$ 3,609	\$ 3,607
Due to Other Funds	403	2,480	2,883	1,335
Due to Fiduciary Funds	304	32	336	72
Due to Other Governments	1,209		1,209	
Accrued Payroll	1,731	181	1,912	462
Accrued Liabilities		1,119	1,119	293
Accrued Interest	1,838	36	1,874	
Obligations under Capital Lease	30	212	242	102
Deposits Payable		4	4	29
Unearned Revenue		622	622	
Compensated Absences payable	5,764	401	6,165	748
Unpaid Claims payable	252		252	9,369
Ohio Public Works Commission Loan	220		220	
Ohio Water Development Authority Loan	1,166		1,166	
General Obligation Bonds and Notes Payable	2,000	1,297	3,297	
Revenue Bonds Payable	19,581		19,581	
Payable from Restricted Assets:				
Construction Contracts	5,265		5,265	
Deposits Payable	1,659		1,659	
<b>Total Current Liabilities</b>	<b>44,318</b>	<b>7,097</b>	<b>51,415</b>	<b>16,017</b>
<u>Noncurrent:</u>				
Compensated Absences Payable	2,213	476	2,689	846
Obligations Under Capital Lease	12	1,431	1,443	52
Ohio Public Works Commission Loan	2,871		2,871	
Ohio Water Development Authority Loan	26,188		26,188	
Estimated liability for Unpaid Claims				8,334
Advances from Other Funds				1,754
Advances from Other Governments				23
Revenue Bonds Payable	498,511		498,511	
General Obligation Bonds and Notes Payable	1,800	8,608	10,408	
Net Pension Obligation	28,526	3,689	32,215	8,672
Net Other Post Employment Benefit Obligation	16,276	2,139	18,415	4,243
<b>Total Noncurrent Liabilities</b>	<b>576,397</b>	<b>16,343</b>	<b>592,740</b>	<b>23,924</b>
<b>Total Liabilities</b>	<b>620,715</b>	<b>23,440</b>	<b>644,155</b>	<b>39,941</b>
<b>DEFERRED INFLOWS</b>				
Service Concession Arrangement		12,524	12,524	
		12,524	12,524	
<b>NET POSITION</b>				
Net Investment in Capital Assets	501,125	242,767	743,892	18,766
Restricted Net Position				
Water Works	77,273		77,273	
Fleet Services				1,300
Unrestricted Net Position	52,275	15,637	67,912	17,857
<b>Total Net Position</b>	<b>\$ 630,673</b>	<b>\$ 258,404</b>	<b>889,077</b>	<b>\$ 37,923</b>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.			(2,712)	
Net position of business type activities			<u>\$ 886,365</u>	

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



**City of Cincinnati, Ohio**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Works</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Activities Internal Service Funds</b>
<b>OPERATING REVENUES</b>				
Charges for Current Services	\$ 64,840	\$ 19,825	\$ 84,665	\$ 57,574
Miscellaneous	4,107	195	4,302	1,112
Total Operating Revenues	<u>68,947</u>	<u>20,020</u>	<u>88,967</u>	<u>58,686</u>
<b>OPERATING EXPENSES</b>				
Personal Services	23,440	3,008	26,448	5,660
Contractual Services	3,999	8,575	12,574	2,264
Maintenance and Repairs	1,863	974	2,837	256
Materials and Supplies	4,715	139	4,854	5,743
Utilities	4,037	369	4,406	1,286
Insurance	69	69	138	30,910
Taxes	2	858	860	
Depreciation and Amortization	11,134	5,561	16,695	2,965
Rent	662	481	1,143	566
Other expense	3,153	56	3,209	38
Total Operating Expenses	<u>53,074</u>	<u>20,090</u>	<u>73,164</u>	<u>49,688</u>
Operating Income(Loss)	15,873	(70)	15,803	8,998
<b>NONOPERATING REVENUES(EXPENSES)</b>				
Interest revenue	(1,020)	(206)	(1,226)	(285)
Build America Bond Subsidy	777		777	
Occupancy tax receipts		836	836	
Interest expense	(9,823)	(229)	(10,052)	(5)
Loss on disposal of assets	(4)		(4)	
Nonoperating Revenues(Expenses)	<u>(10,070)</u>	<u>401</u>	<u>(9,669)</u>	<u>(290)</u>
Income (Loss) before Contributions and Transfers	5,803	331	6,134	8,708
Transfers In		1,292	1,292	
Transfers (Out)		(241)	(241)	(1,908)
Capital contributions	302	57	359	7
Change in Net Position	<u>6,105</u>	<u>1,439</u>	<u>7,544</u>	<u>6,807</u>
Net Position at January 1	<u>624,568</u>	<u>256,965</u>		<u>31,116</u>
Net Position at June 30	<u>\$ 630,673</u>	<u>\$ 258,404</u>		<u>\$ 37,923</u>

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

(1,230)

Change in net position of business type activities

\$ 6,314

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

**City of Cincinnati, Ohio**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Works</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Cash Flows from Operating Activities:</b>				
Receipts from Customers	\$ 66,538	\$ 18,214	\$ 84,752	\$ 6,495
Receipts from Other Funds		619	619	50,881
Receipts from Retirement System				31
Payments to Suppliers	(19,157)	(10,195)	(29,352)	(41,713)
Payments to Other Funds		1,161	1,161	(1,571)
Payments to Employees	(18,999)	(2,639)	(21,638)	(4,654)
Payments for Property Taxes	(2)	(1,124)	(1,126)	
Net Cash Provided (Used) by Operating Activities	<u>28,380</u>	<u>6,036</u>	<u>34,416</u>	<u>9,469</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Repayment of Advances Made To Other Funds		163	163	
Amount Due from Other Funds for City Notes	(5,579)	(1,256)	(6,835)	(2,662)
Repayment of Amount Due to Other Funds				1
Advances To Other Funds		6,709	6,709	472
Occupancy Tax Receipts		655	655	
Transfers to Other Funds		(241)	(241)	(1,908)
Transfers from Other Funds		1,292	1,292	
Net Cash Provided(Used) by Noncapital Financing	<u>(5,579)</u>	<u>7,322</u>	<u>1,743</u>	<u>(4,097)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Capital Contributed by Other Sources	29	57	86	7
Capital Items Expensed		1,000	1,000	
Proceeds from the Sale of Capital Assets	16		16	
Proceeds from Ohio Water Development Authority Loan	13,033		13,033	
Acquisition of Property, Plant and Equipment	(684)	(359)	(1,043)	(236)
Interest Paid on Bonds and Notes	(8,966)	(230)	(9,196)	(5)
Principal Paid on Ohio Public Works Bonds	(109)		(109)	
Principal Paid on Ohio Water Development Authority Loan	(269)		(269)	
Payments on Long Term Capital Lease Obligations	(18)	(132)	(150)	(52)
Additions to Construction in Progress	(33,702)	(10,921)	(44,623)	(473)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(30,670)</u>	<u>(10,585)</u>	<u>(41,255)</u>	<u>(759)</u>
<b>Cash Flow from Investing Activities:</b>				
Investment (Purchases)Sales	(18,833)		(18,833)	57
Interest on Investments	(235)	(182)	(417)	(281)
Net Cash Provided (Used) by Investing Activities	<u>(19,068)</u>	<u>(182)</u>	<u>(19,250)</u>	<u>(224)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(26,937)	2,591	(24,346)	4,389
Cash and Cash Equivalents at Beginning of Period	<u>132,533</u>	<u>19,595</u>	<u>152,128</u>	<u>41,661</u>
Cash and Cash Equivalents at End of Period	<u>\$ 105,596</u>	<u>\$ 22,186</u>	<u>\$ 127,782</u>	<u>\$ 46,050</u>

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

**City of Cincinnati, Ohio**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Works</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<u>Reconciliation of Operating Income (Loss) to</u>				
<u>Net Cash Provided (Used) by</u>				
<u>Operating Activities:</u>				
Operating Income (Loss)	\$ 15,873	\$ (70)	\$ 15,803	\$ 8,998
Depreciation and Amortization	11,134	5,561	16,695	2,965
Amortization of Deferred Inflows and Outflows	173	(193)	(20)	
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Receivables	(3,566)	(1,650)	(5,216)	(28)
Due from Other Funds	(12)	(4)	(16)	(867)
Due from Fiduciary Funds				(20)
Due from Other Governments	1,169	899	2,068	(109)
Inventory	(38)		(38)	(8)
Prepaid Items	(900)	(367)	(1,267)	35
Increase (Decrease) in:				
Accounts Payable	(146)	(186)	(332)	(674)
Deposits Payable				(314)
Due to Other Funds	(245)	2,344	2,099	1,262
Due to Fiduciary Funds	196	21	217	(2,620)
Due to Other Governmental Agencies	270		270	
Accrued Payroll	840	83	923	238
Accrued Liabilities		(441)	(441)	(288)
Advances from Other Governments				(30)
Unearned Revenue		(239)	(239)	
Liability for Compensated Absences	659	(26)	633	12
Estimated Liability for Unpaid Claims	31		31	210
Net Pension Obligation	2,697	280	2,977	650
Net Other Post Employment Benefit Obligation	245	24	269	57
	<u>\$ 28,380</u>	<u>\$ 6,036</u>	<u>\$ 34,416</u>	<u>\$ 9,469</u>
<u>Schedule of Noncash Investing, Capital</u>				
<u>and Financing Activities:</u>				
Change in Fair Value of Investments	\$	\$ (299)	\$ (299)	\$ (427)
Acquisition of Property, Plant and Equipment from Capital Contributions	<u>273</u>		<u>273</u>	
Total Noncash Investing, Capital and Financing Activities	<u>\$ 273</u>	<u>\$ (299)</u>	<u>\$ (26)</u>	<u>\$ (427)</u>

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

**City of Cincinnati, Ohio**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2013**  
**(Amounts in Thousands)**

	Pension Trust	Investment Trust Fund	Agency
<b>ASSETS</b>			
Cash and Equivalents	\$ 73,052		\$ 3,117
Equity in City Treasury Cash		\$ 130,004	70
Cash with Fiscal Agent			
Investments, at fair value:			
U. S. Treasury Bills and Notes			259,480
Canadian Bonds	2,784		
International Bonds	5,506		
US Government Bonds	91,047		
Tax Exempt Government Municipal	3,776		
Corporate Fixed Income	25,124		
State and Local Obligations	3,222		
US Agencies	98,145		
Equities - Common Stock	1,006,623		
Private Equity	227,959		
Real Estate	168,220		
Private Placements	26,330		
Other Assets (Alternatives)	437,261		
	2,095,997		259,480
Total Investments, at Fair Value			
Collateral on Loaned Securities	113,321		
Receivables:			
Accounts, Net	431		64,812
Accounts Receivable for Securities Sold	73,696		
Accrued Interest and Dividends	3,326		424
Due from Primary Government	1,477		
Due from Other Governments	512		
Loans Receivable	2,779		
Machinery and Equipment	795		
Accumulated Depreciation	(640)		
Total Assets	2,364,746	130,004	\$ 327,903
<b>LIABILITIES</b>			
Accounts Payable	3,045		\$ 20,139
Accounts Payable for Securities Purchased	135,451		
Due to Primary Government	56		
Due to Other Governmental Agencies			244,778
Obligations Under Securities Lending	113,321		
Accrued Payroll	11		2,010
Accrued Liabilities	15,727		50
Deposits Payable			3,198
Estimated Liability for Compensated Absences	106		9,301
Net Pension Obligation			37,749
Net Other Post Employment Benefit Obligation			10,678
Total Liabilities	267,717	130,004	\$ 327,903
<b>NET POSITION</b>			
Held in Trust for External Pool Participant		130,004	
Held in Trust for Employees' Pension Benefits	1,426,888		
Held in Trust for Employees' Postemployment Healthcare Benefits	670,141		
Total Net Position	\$ 2,097,029	\$ 130,004	

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

**City of Cincinnati, Ohio**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	<u>Pension Trust</u>	<u>Investment Trust Fund</u>
<b>ADDITIONS</b>		
Contributions:	\$	\$
Plan members	7,012	
Employer	16,150	
Other	924	
Participant Deposits		135,020
Total Contributions	<u>24,086</u>	<u>135,020</u>
 Transfers From Other Retirement Systems	 47	
 Investment earnings:		
Interest and Dividends	19,009	746
Net Appreciation in the Fair Value of Investments	<u>91,947</u>	<u>(1,845)</u>
Total Investment Earnings	110,956	(1,099)
Less Investment Management Expenses	<u>6,121</u>	
Net Income From Investing Activities	<u>104,835</u>	<u>(1,099)</u>
 From Security Lending Activities:		
Securities Lending Income	<u>35</u>	
Securities Lending Expense:		
Borrower Rebates	192	
Management Fees	<u>(52)</u>	
Total Securities Lending Expenses	<u>140</u>	
Net Income from Securities Lending Activities	<u>175</u>	
 Total Additions	 <u>129,143</u>	 <u>133,921</u>
 <b>DEDUCTIONS</b>		
Benefit Payments:		
Pension and Annuities	75,126	
Distributions to Participants		155,637
Hospital and Medical Care	16,622	
Dental Benefits	17	
Vision Benefits	2	
Death Benefits, Active and Retired	355	
Transfers - Retirement to other systems	<u>225</u>	
Total Benefits Payments	<u>92,347</u>	<u>155,637</u>
 Refunds of Contributions	 <u>863</u>	
 Administrative expenses:		
Personal Services	478	
Contractual Services	223	
Materials and Supplies	34	
Depreciation	<u>65</u>	
Total Administrative Expenses	<u>800</u>	
Total Deductions	<u>94,010</u>	<u>155,637</u>
 Change in Net Position	 35,133	 (21,716)
Net Position at January 1	<u>2,061,896</u>	<u>151,720</u>
Net Position at June 30	<u>\$ 2,097,029</u>	<u>\$ 130,004</u>

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

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# CITY OF CINCINNATI, OHIO

## NOTES TO FINANCIAL STATEMENTS

For the six month period ended June 30, 2013

### 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 four-year terms. In 2001, Cincinnati converted from a city manager-council form of government, through which it had operated since 1926, to a stronger mayor-council form of government.

In 2012, the decision was made to change the City's fiscal year from January 1 through December 31 to July 1 through June 30 to accommodate new council members and implementation of budgetary adjustments. This report is for the six month conversion period from January 1, 2013 through June 30, 2013.

#### A. Reporting Entity

The City as a reporting entity consists of only one governmental unit. Cincinnati has no component units - defined by GASB 61 as entities for which the government is considered to be financially accountable and where it would be misleading to exclude.

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

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

Cincinnati owns a railway line, the Cincinnati Southern Railway that was completed in 1881 and extends from Cincinnati, Ohio to Chattanooga, Tennessee, a distance of 335 miles. Improvements have been made at various intervals; the most recent, a major line revision to eliminate tunnel clearance restrictions, grades, and curves, was completed in 1964. Improvements other than buildings in Governmental Activities include \$83,224,000 attributable to the City's cost to construct and improve this railway system. The railway is leased to the Cincinnati, New Orleans and Texas Pacific Railway Company until December 31, 2026, with an option to extend the lease for an additional 25 years. The lessee is part of the Norfolk Southern Railway System and is its second largest operating unit. Total rental income from the railway lease was \$10,095,000 for the six month period ending June 30, 2013 and \$20,190,000 in year ended December 31, 2012.

#### B. Government-wide and Fund Financial Statements

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

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

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

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

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

The financial statements of the City of Cincinnati for the six month period ended June 30, 2013 are prepared in accordance with standards promulgated by the Governmental Accounting Standards Board (GASB). These standards include the effective pronouncements of the National Council on Governmental Accounting and the American Institute of Certified Public Accountants which are considered to be "generally accepted accounting principles" for state and local entities, until they are altered, amended, supplemented, revoked or superseded by a subsequent GASB pronouncement.

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary fund:

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

The City reports the following fund types:

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

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

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

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

### **Measurement Focus**

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

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

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

may be considered expenditures either when paid for or when consumed. Proceeds of general long-term debt are reported as other financing sources.

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

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

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

### **Other Accounting Policies**

- A. *Investments* - The investments of the City (excluding the City of Cincinnati's Retirement System, (see Note 2)) are comprised primarily of time deposits and other securities guaranteed by the United States Government or its agencies and are stated at fair value based on quoted market prices.
- B. *Inventories* - Inventories are valued at cost using either the moving weighted average or the first-in, first-out method. Inventories in the governmental funds and the proprietary funds are recorded using the consumption method whereby inventories are recorded as expenditures or expenses when they are used.
- C. *Insurance* - The City maintains a comprehensive all-risk property insurance program through a commercial carrier that provides insurance coverage for approximately \$1,300,000,000 in property values. The program contains a \$100 thousand deductible, provides coverage in the amount of \$300 million per occurrence, and has a maximum limit of \$50 million for earthquake damage and \$50 million for flood damage. The City's available legal debt margin of \$ 54,579,513 at June 30, 2013, is considered adequate for catastrophic loss coverage.
- D. *Inter-Fund Transactions* - During the course of normal operations, the City has numerous transactions between funds including expenditures/expenses, advances and transfers of resources to provide services, construct assets and service debt. The governmental and proprietary fund type financial statements generally reflect such transactions as transfers or advances. The internal service funds record charges for services to City departments as operating revenue. All City funds record these payments to the internal service funds as operating expenditures/expenses. The proprietary funds record operating subsidies as other income whereas the fund paying the subsidy records it as either an expenditure/expense or transfer. Transfers are intended to reallocate money permanently from one fund to another. Advances represent the long-term portion of loans between funds. Inter-fund services provided and used are accounted for as revenues, expenditures, or expenses in the funds involved. The General Fund provides administrative services to enterprise funds. Based on an internal cost allocation plan certain costs initially borne by the General Fund are then billed as indirect charges to other funds of the City. The amounts charged for those services are treated as revenue to the General Fund and as operating expenses in the enterprise

funds and as program expenses for individual functions and activities.

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

Capital assets includes intangible assets as defined by GASB 51. An intangible asset is an asset that lacks physical substance and has a useful life of more than one year. Some examples are computer software, trademarks, water rights and land easements.

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

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

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

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

- F. *Deferred Inflows*** - The City reports deferred inflows on its fund level balance sheet and entity wide statement of net position. Deferred inflows are items that were previously reported as deferred revenues and certain items that were previously recorded as assets and liabilities such as gains on defeasance of debt and certain transactions under service concession arrangements. Deferred inflows arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Certain intergovernmental receivables, uncollected assessments, miscellaneous receivables, property taxes and income taxes not meeting the availability criteria have been deferred and will be realized in a subsequent period in the governmental funds.
- G. *Deferred Outflows*** – A deferred outflow is a consumption of net position in a future period. The City reports as deferred outflows the loss on defeasance from debt refundings.
- H. *Grants and Other Intergovernmental Revenues*** -The proprietary fund types recognize the federal reimbursement type capital grants as intergovernmental receivables and capital contributions as the related expenses are incurred. All other federal reimbursement type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred. On an accrual basis, revenue in the form of shared revenue is recognized when the provider government recognizes its liability to the City.
- I. *Operating Revenues and Expenses*** - The City, in its proprietary funds, distinguishes operating revenues

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

- J.** *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 GASB 62 Guidance. This Guidance 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.
- K.** *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, federal agencies or instrumentalities, Ohio Municipals and U. S. Treasury securities that have maturities of up to two years.
- L.** *Bond Issuance Costs, Premiums and Discounts* - Premiums and discounts are capitalized and amortized over the term of the bond. Debt is reported net of unamortized premiums and discounts. Bond Issuance Costs are expensed as incurred per GASB 65 except for prepaid bond insurance which is reported as a deferred outflow of resources and amortized term of the bonds.
- M.** *Fund Balance* - Restricted Fund balances are used to meet current expenditures incurred for which restricted and unrestricted funds are available. Other expenditures are from committed, assigned and unassigned fund balances respectively.
- N.** *Pronouncements Issued But Not Yet Effective* - Governmental Accounting Standards Board (GASB) Statement Number 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25* was issued in June 2012. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined-contribution plans that provide postemployment benefits other than pensions.

Governmental Accounting Standards Board (GASB) Statement Number 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* was issued in June 2012. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

Governmental Accounting Standards Board (GASB) Statement Number 69, *Government Combinations*

*and Disposals of Government Operations* was issued in January 2013. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013. Earlier application is encouraged. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. This Statement requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. A disposal of a government's operations results in the removal of specific activities of a government. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions.

Governmental Accounting Standards Board (GASB) Statement Number 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees* was issued in April 2013. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged. This Statement requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a non-exchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity non-exchange financial guarantees involving blended component units. Except for disclosures related to cumulative amounts paid or received in relation to a financial guarantee, the provisions of this Statement are required to be applied retroactively. Disclosures related to cumulative amounts paid or received in relation to a financial guarantee may be applied prospectively.

- O. 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 2012. The working capital reserve for at June 30, 2013 was \$21,172,000 and is included in the Unassigned Fund Balance as a Working Capital Reserve in the General Fund. The City is a chartered government and the working capital reserve, as established, is allowed by the charter.
- P. Restricted resources** - Bond funds and other similar restricted resources are assumed to be expended before non-restricted resources in paying for capital projects of both the governmental funds and the proprietary funds.
- Q. Liability for Compensated Absences** – City Employees are awarded sick, vacation and compensatory time as determined by union contractual agreements and personnel policies. Compensatory time and vacation time are paid out in full upon termination and are expensed in the year earned. Sick leave is

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

## **2. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

The City of Cincinnati combines the cash balances in individual funds to form a pool of cash and investments. Each fund reports its respective equity in City Treasury cash as an element of its resources. In addition, several funds separately hold cash and equivalents and investments, which are appropriately identified, in the government-wide Statement of Net Position of the City. Earnings from the pooled cash and investments are allocated on a quarterly basis to eligible funds 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 the end of the fiscal period the carrying amount of the City's deposits, including certificates of deposit with various financial institutions was \$132,907,000 and the bank balance was \$151,479,000. The entire bank balance is held in the name of the City and is collateralized either by federal depository insurance or securities pledged as collateral and segregated by the Federal Reserve Bank in a pledge account. The collateral is held by the City's agent in the City's name; it cannot be released by the Federal Reserve Bank without the City's approval.

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

Excluded from these amounts are deposits held by the City's Retirement System for which the fiscal period ended June 30, 2013 book balance was \$73,052,000. The fiscal period ended bank balance was \$20,792,000 and the cash balance was \$20,512,000. The cash balance was held by the City Treasurer. The cash equivalents of \$52,540,000 were held in money managers' custodial accounts at the Bank of New York at year-end and are not subject to the same insurance and collateralization requirements as the City's deposits and are uncollateralized.

### **Investments**

The fair value of investments for the City (including permanent funds) at June 30, 2013 was \$986,443,000. These investments include \$22,798,000 in Money Market Funds, \$268,556,000 in U. S. Treasury Securities, \$597,490,000 in U. S. Government Agencies, \$267,000 in Bond Mutual Funds, \$96,042,000 in Ohio Municipals, and \$1,290,000 in Equity Securities. The City is legally authorized to invest in obligations of the U.S. Treasury, federal agencies or instrumentalities, obligations of the State of Ohio and its political subdivisions and repurchase agreements. All investments of the City of Cincinnati are insured or registered, or are securities held by the City or its agent in the City's name. The City Treasurer may enter into a repurchase agreement of United States Treasury obligations or other obligations for which the full faith and credit of the United States is pledged for the payment of principal and interest, or obligations or securities issued by any federal government agency. The City has not used reverse repurchase agreements or derivatives as investment instruments.



Excluded from the City’s investments discussed above are assets held in trust by the City’s Retirement System and the Park Board, which includes the Special Revenue Parks, Special Revenue Bettman Nature Center, and Permanent Park Board Funds. The fair value of investments for these funds at June 30, 2013 was \$2,104,619,000. These investments include \$91,989,000 in U.S. Government Bonds, \$98,145,000 in U.S. Government Agencies, \$26,377,000 in Corporate Fixed Income, \$227,959,000 in Private Equity, \$1,013,049,000 in Equity Securities, \$3,222,000 in State and Local Obligations, \$437,451,000 in Other Investments, \$168,221,000 in Real Estate Investments, (\$190,000) in Derivatives, \$26,330,000 in Private Placements, \$3,776,000 in Tax Exempt Government Municipals and \$8,290,000 in other bonds. In those cases where resources are maintained in trust, the authority for investment of the property rests with either the trust agreement or local ordinance. Investments of the City of Cincinnati Retirement System are, by ordinance, subject to certain terms and limitations. These limitations do not apply to investments in securities of the City and federal government or their agencies. Investments of the City of Cincinnati Retirement System and Park Board are uninsured. These securities are held by the counterparty or by its trust department or agent but not in the City’s name. The investment in Private Equity is not considered an investment in a security for purposes of credit risk classification since it is not evidenced by securities that exist in physical or book entry form.

**Investment Policy and Risk**

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

**A. City Investment Policy**

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

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

At June 30, 2013, the City had the following investments held by the City Treasurer which were exposed to interest rate risk (amounts in thousands):

Investment Type	Investment Maturities			
	Fair Value	Less Than 1	1 to 5	More than 5
U.S. Treasury Obligations	\$ 268,556	\$ 64,923	\$ 194,624	\$ 9,009
U.S. Agencies	597,490	44,101	553,389	
Tax Exempt Ohio Municipals	96,042	11,880	84,162	
Total	\$ <u>962,088</u>	\$ <u>120,904</u>	\$ <u>832,175</u>	\$ <u>9,009</u>

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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit ratings indicate the degree of credit risk for an investment. At June 30, 2013 the City held the following investments (amounts in thousands):

Investment Type	Total Fair Value	A-/A3 and Above	BBB-/Baa3 to BBB+/Baa1	Not Rated	Full Faith & Credit
U.S. Treasury Obligations	\$ 268,556	\$ 242,418		\$	\$ 26,138
U.S. Agencies	597,490	577,571		19,919	
Tax Exempt Ohio Municipals	96,042	51,422	\$ 216	44,404	
Total	\$ <u>962,088</u>	\$ <u>871,411</u>	\$ <u>216</u>	\$ <u>64,323</u>	\$ <u>26,138</u>

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

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. At June 30, 2013 the City did not have more than five percent of total investments with a single issuer.

## B. Permanent Funds

The Permanent Funds (excluding the Park Board Fund) do not have a written investment policy. Each fund has a separate trust agreement, which limits the activity of the fund. At June 30, 2013, total investments were \$1,557,000. The Permanent Funds do not have an investment policy for interest rate risk, credit risk, custodial credit risk, concentration of credit risk, or foreign currency risk. Their investments consist of equity securities with a fair value of \$1,290,000, and bond mutual funds with a fair value of \$267,000. Credit ratings and maturity information was not available for the investments in bond mutual funds.

## C. Park Board

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

At June 30, 2013 the Park Board had total investments with a fair value of \$8,622,000 which included equity securities with a fair value of \$6,394,000, real estate with a fair value of \$1,000, and bond mutual funds with a fair value of \$1,098,000. The remaining \$1,129,000 in investments is identified in the chart below.

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

Investment Type	Investment Maturities (in years)			
	Fair Value	Less Than 1	1 to 5	More than 5
U.S. Treasury Obligations	\$ 942	\$ 643	\$ 299	
Corporate Bonds	155	50	105	
Preferred Stock	32			\$ 32
Total	\$ 1,129	\$ 693	\$ 404	\$ 32

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

Investment Type	Total Fair Value	A-/A3 and Above	Not Rated
U.S. Government Treasury	\$ 942	\$ 942	
Corporate Bonds	155	129	\$ 26
Fixed Income Mutual Funds	1,098		1,098
Preferred Stock	32		32
Total	\$ 2,227	\$ 1,071	\$ 1,156

#### D. City Retirement

The City of Cincinnati Retirement System's Pension Trust Fund primary investment return objectives are to preserve the safety of principal, earn the highest possible total return consistent with prudent levels of risk, and create a stream of investment returns to insure the systematic and adequate funding of actuarially determined benefits through contributions and professional management of the System assets. The System has established asset allocation goals with acceptable variances specific to the investment manager category. The total fixed income target allocation is 17% with a variance of 4%. The fixed income investment managers are divided between core bond managers (target allocation of 14% with a variance of 2%) and high yield bond managers (target allocation of 3% with a variance of 2%). The remaining investment manager asset target allocations are as follows: domestic equity 29.5% with a range of 20% to 40%, non-U.S. equity 21% with a variance of 5%, real estate equity 7.5% with a variance of 3%, infrastructure 5% with a variance of 2%, long-short equity 10% with a variance of 5%, risk parity 5% with a variance of 2.5%, and private equity 5% with a variance of 5%.

#### Interest Rate Risk

The interest rate risk is addressed by guidelines that require the weighted duration of the investments to be within a range of the duration of a benchmark index. For the core bonds the average effective duration may not vary more than 25%. For the high yield bonds the average duration may not vary more than 30%. At June 30, 2013, the System had the following investments subject to interest rate risk (amounts in thousands):

Investment Type	Investment Maturities (in years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More than 10
Cash Equivalents	\$ 52,540	\$ 52,540			
Fixed Investments					
Canadian	2,784			\$ 2,784	
Corporate Bonds	25,124	8,249	\$ 8,292	6,054	\$ 2,529
International Bonds	5,506	971	1,583	2,317	635
Other Government Obligations	3,222		83	173	2,966
Private Placements	26,330	6,441	4,886	3,853	11,150
Tax Exempt US Municipals	3,776			239	3,537
US Agencies	98,145	5,838	9,141	1,839	81,327
US Governments	91,047		44,948	27,648	18,451
Preferred Stock	1,253	1,253			
Derivatives					
Forwards	271	279	(8)		
Swaps	201		82	(5)	124
Options	(440)	(440)			
Future Contracts	(222)	(222)			
Total	\$ 309,537	\$ 74,909	\$ 69,007	\$ 44,902	\$ 120,719

### Concentration of Credit Risk

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

### Credit Risk

In order to reduce credit risk, the System requires that 85% of the core bond managers invest in a high quality investment grade security. The remaining 15% may be invested in below investment grade securities, defined as investments with a middle rating below BBB- (S&P), Baa3 (Moody's), or BBB- (Fitch). The high yield bonds overall portfolio average quality rating should be not less than B based upon the rating of at least two of the three rating agencies (S&P, Moody's, and Fitch). The following chart provides the investments held by the System summarized by credit rating at June 30, 2013 (amounts in thousands):

Investment Type	Total Fair Value	A-/A3 and Above	BBB-/Baa3 to BBB+/Baa1	B-/B3 to BB+/Ba1	C/C to CCC/Caa	D	Not Rated
Cash Equivalents	\$ 52,540	\$ 387				\$	\$ 52,153
Fixed Investments							
Canadian	2,784	2,784					
Corporate Bonds	25,124	11,959	\$ 6,444	\$ 6,296	\$ 425		
International Bonds	5,506	3,709	1,105	692			
Other Government Obligations	3,222	2,842	179				201
Private Placements	26,330	18,312	2,359	3,671	1,771		217
Tax Exempt US Municipals	3,776	3,537		239			
US Agencies	98,145	68,887	1,392	1,011	1,067	136	25,652
US Governments	91,047	91,047					
Preferred Stock	1,253		130			1,123	
Derivatives							
Forwards	271						271
Swaps	201						201
Options	(440)						(440)
Future Contracts	(222)						(222)
<b>Total</b>	<b>\$ 309,537</b>	<b>\$ 203,464</b>	<b>\$ 11,609</b>	<b>\$ 11,909</b>	<b>\$ 3,263</b>	<b>\$ 1,259</b>	<b>\$ 78,033</b>

### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The System's target allocation for non-U.S. equities is 21% of the total investment assets with 11% in developed large cap, 5% in small cap, and 5% in emerging markets. The non-U.S. equity managers may hold up to 5% of its portfolio in a money market or cash. Currency hedging which includes forward currency contracts and cross currency hedging, are permitted for defensive purposes. The System's exposure to foreign currency risk at June 30, 2013 is as follows (amounts in thousands):

Currency	Fair Value	Cash	Equity	Fixed Income	Derivatives
Australian Dollar	\$ 3,692	\$ (3,684)	\$ 7,376		
Brazilian Real	645	645			
British Pound Sterling	30,605	(375)	30,552	428	
Canadian Dollar	(48)	(3,318)		\$ 3,270	
Danish Krone	1,167		1,167		
Euro Currency	60,027	(1,704)	60,029	1,705	\$ (3)
Hong Kong Dollar	6,374	30	6,344		
Japanese Yen	31,809	(49)	31,858		
Mexican New Peso	1,035	1,048			(13)
New Taiwan Dollar	1,085		1,085		
S African Comm Rand	1,897		1,897		
Singapore Dollar	5,460	15	5,445		
Swedish Krona	1,484		1,484		
Swiss Franc	18,357		18,357		
<b>Total</b>	<b>\$ 163,589</b>	<b>\$ (7,392)</b>	<b>\$ 165,594</b>	<b>\$ 5,403</b>	<b>\$ (16)</b>

### Custodial Credit Risk

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

### **Securities Lending**

City statutes and board of trustee policies permit the City of Cincinnati Retirement System to use investments of the plan to enter into securities lending transactions – loans of securities to broker-dealers and other entities

for collateral with a simultaneous agreement to return the collateral for the same security in the future. Securities are loaned in exchange for collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned in exchange for collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned in exchange for collateral valued at 105% of the market value of the securities plus any accrued interest. Collateral cannot be pledged or sold unless the borrower defaults. The borrower is required to pay to the Lender the equivalent of all interest and dividends that are paid by the issuer during the term of the loan. All security loans can be terminated on demand by either the lender or the borrower, although the average term of the System’s overall loans was 24 days for the six month period ended June 30, 2013. Cash collateral is invested in a short-term investment pool, which had an average weighted maturity of 1 day as of June 30, 2013. Cash collateral may also be invested separately in “term loans”, in which the maturity of the term loan is matched to either the maturity of the cash collateral invested or the interest rate reset of the cash collateral invested. These loans have rights of substitution and securities can be recalled on demand. As of June 30, 2013, 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 owed on the securities lent.

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

Securities Lent	Fair Value of Underlying Securities	Cash Collateral Received/Securities Collateral Value
Lent for Cash Collateral:		
U.S. Government	\$ 30,072	\$ 30,680
U.S. Corporate Fixed Income	1,214	1,241
U.S. Equities	75,945	78,062
Non-U.S. Equities	3,125	3,338
Total	<u>\$ 110,356</u>	<u>\$ 113,321</u>

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

Asset class	Investment Maturities (in years)			Total
	Less Than 1	1 to 5	More than 15	
Asset Backed Security	\$ 0		\$ 2,319	\$ 2,319
Certificate of Deposit	13,649			13,649
Commercial Paper	5,668			5,668
Floating Rate Notes	14,971	\$ 23,029		38,000
Reverse Repurchase Agreements	17,927			17,927
Time Deposit	24,203			24,203
Total	<u>\$ 76,418</u>	<u>\$ 23,029</u>	<u>\$ 2,319</u>	<u>\$ 101,766</u>

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

Investment Type	Fair Value	A-/A3 and Above	C/C to CCC/Caa	D Default	Not Rated
Asset Backed Security	\$ 2,319		\$ 291	\$ 2,028	
Certificate of Deposit Float	13,649	\$ 13,649			
Commercial Paper	5,668	5,668			
Floating Rate Notes	38,000	38,000			
Reverse Repurchase Agreements	17,927				\$ 17,927
Time Deposit	24,203	24,203			
Total	\$ <u>101,766</u>	\$ <u>81,520</u>	\$ <u>291</u>	\$ <u>2,028</u>	\$ <u>17,927</u>

## Derivatives

Derivatives are generally defined as a financial instrument whose characteristics and value depend on, or derive from, the value and characteristics of an underlying asset which is typically a commodity, bond, equity or currency. A derivative for financial statement purposes contains three traits: settlement factor, leverage, and net settlement. The retirement system enters into certain derivative financial instruments, primarily to enhance the performance and/or reduce the volatility of the portfolio.

The retirement system's investment-grade bond managers, Non-U.S. equity managers, and cash equitization manager are authorized to invest in derivatives. The derivatives permitted and utilized are: forwards, options, swaps, and futures. The derivatives held at the end of the fiscal period were for investment purposes only. The Non-U.S. equity manager is authorized to utilize currency hedging for defensive purposes, although the manager did not partake in hedging at year end.

As of June 30, 2013, CRS held investment derivatives consisting of forward contracts, swaps, futures, and options. Gains and losses are included in the net appreciation/(depreciation) in the fair value of investments total in the Statement of Changes in Fiduciary Net Position. The table below presents the classification of the investment derivatives at June 30, 2013 (amounts in thousands):

Investment Derivatives	Changes in Fair Value		Fair Value at 6/30/13	
	Classification	Gain/(Loss)	Classification	Amount
Forward Contracts	Net appreciation(depreciation)	\$ -	Other Assets	\$ 271
Interest Rate Swaps	Net appreciation(depreciation)	46	Other Assets	141
Credit Default Swaps	Net appreciation(depreciation)	(77)	Other Assets	60
Options	Net appreciation(depreciation)	(256)	Other Assets	(440)
Future Contracts	Net appreciation(depreciation)	(222)	Other Assets	(222)
	Total	\$ (509)	Total	\$ (190)

A forward contract (forward) is an obligation to buy (sell) an asset at a fixed price on a predetermined date. Forwards are over the counter instruments, which means they are not traded on an organized exchange. The price specified for the foreign currency, government securities, or other asset may be higher or lower than the actual market price at the time of delivery. At June 30, 2013 CRS held the following forward contracts (amounts in thousands):

Broker	Notional Value	Fair Value at 6/30/13	Base Exposure
Bank of America NA	\$ 2,237	\$ (8)	0.94%
The Bank of New York Mellon Corp	43,765	\$ 456	18.34%
Barclays Bank PLC	33,255	\$ 91	13.94%
BNP Paribas Securities Corp	21,037	14	8.82%
Citibank NA	21,317	11	8.93%
Credit Suisse AG	1,126	(33)	0.47%
Deutsche Bank AG/London	104	1	0.04%
HSBC Securities Inc	1,176	(18)	0.49%
JPMorgan Chase Bank NA	47,504	(113)	19.91%
Morgan Stanley Capital Services LLC	4,943	(33)	2.07%
Royal Bank of Canada	596	21	0.25%
The Royal Bank of Scotland PLC	968	(24)	0.41%
UBS AG/Stamford CT	60,578	(94)	25.39%
	<u>\$ 238,606</u>	<u>\$ 271</u>	<u>100.00%</u>

A swap is a transaction which exchanges one currency, obligation or financial instrument for another. Swaps are over-the-counter instruments. Usually a set of future cash flows are exchanged between two counterparties. Interest rate swaps involve the exchange of one stream of future interest payments for another based on a specified principal amount. Usually fixed and floating interest rates are exchanged. A credit default swap allows the transfer of third party credit risk from one party to the other. One party in a credit default swap is a lender whom faces credit risk from a third party. The counterparty to the swap agrees to insure this risk in exchange for regular periodic payments.

The swaps held at June 30, 2013 are presented in the next chart (amounts in thousands):

Counterparty	Swap Description	CRS Pays	CRS Receives	Maturity Date	Notional Amount	Cumulative Gain(Loss)	Fair Value at 6/30/13
<i>Credit Default Swaps:</i>							
Barclays Bank	CDX EM13 SP BRC	Upon Default	5.00%	6/20/15	\$ 600	\$ (61)	\$ 16
Barclays Bank	BRAZIL EM SP BRC	Upon Default	1.00%	12/20/16	400	3	(7)
Deutsche Bank	MEXICO LA SP DUB	Upon Default	1.00%	3/20/18	500	(5)	(5)
Deutsche Bank	CDX EM13 SP DUB	Upon Default	5.00%	6/20/15	1,000	(104)	26
Deutsche Bank	GECC SNR S* SP DUB	Upon Default	1.00%	12/20/15	1,000	24	9
Deutsche Bank	BERKSHIRE HATHAWAY INC SNR S* SP DUB	Upon Default	1.00%	12/20/15	1,000	24	10
Goldman Sachs	UNITED KINGDOM GILT SW SP GST	Upon Default	1.00%	6/20/15	100	0	1
JP Morgan	BRAZIL EM SP JPM	Upon Default	1.00%	6/20/15	1,000	6	(5)
JP Morgan	METLIFE INC SNR S* SP JPM	Upon Default	1.00%	3/20/16	600	19	4
Societe Generale Paris	UNITED KINGDOM GILT SW SP SOG	Upon Default	1.00%	3/20/15	100	1	1
UBS AG STAMFORD	JAPAN GOV'T JP SP UAG	Upon Default	1.00%	12/20/15	500	7	8
UBS AG STAMFORD	UNITED STATES GOVT SW SP UAG	Upon Default	0.25%	9/20/16	650	9	2
				Credit Default Swaps Total	\$ 7,450	\$ (77)	\$ 60
<i>Interest Rate Swaps:</i>							
Bank of America	IRS MXN R TIEM/5.50000M 09/19/12-17 BOA	MXN-TIIE-Banxico-Bloomberg	5.50%	9/13/17	\$ 77	\$ -	\$ -
Barclays Bank	IRS MXN R TIEM/5.00000M 09/19/12-17 BRC	MXN-TIIE-Banxico-Bloomberg	5.00%	9/13/17	461	(9)	(8)
Barclays Bank	IRS MXN R TIEM/5.50000M 09/19/12-17 BRC	MXN-TIIE-Banxico-Bloomberg	5.50%	9/13/17	230	3	0
Barclays Bank	IRS MXN R TIEM/5.60000M 09/13/11-16 BRC	MXN-TIIE-Banxico-Bloomberg	5.60%	9/6/16	914	8	14
Chicago Mercantile Exchange	IRS USD 3MLQ/2.75000S 06/19/13-43 CME	2.75%	3M LIBOR	6/19/43	900	97	124
Chicago Mercantile Exchange	IRS USD 3MLS/1.50000S 03/18/15-16 CME	3M LIBOR	1.50%	3/18/16	8,100	(37)	28
Chicago Mercantile Exchange	OIS USD FEDL01/1.0 10/15/15 CME	US Federal Funds Rate	1.00%	10/15/17	100	(1)	(1)
HSBC Bank	IRS MXN R TIEM/5.60000M 09/13/11-16 HUS	MXN-TIIE-Banxico-Bloomberg	5.60%	9/6/16	61	1	1
HSBC Bank	IRS MXN R TIEM/5.50000M 09/14/12-22 HUS	MXN-TIIE-Banxico-Bloomberg	5.50%	9/2/22	31	(1)	(2)
Morgan Stanley	IRS MXN R TIEM/5.00000M 09/19/12-17 MYC	MXN-TIIE-Banxico-Bloomberg	5.00%	9/13/17	691	(13)	(12)
Morgan Stanley	IRS MXN R TIEM/5.50000M 09/14/12-22 MYC	MXN-TIIE-Banxico-Bloomberg	5.50%	9/2/22	38	(2)	(3)
				Interest Rate Swaps Total	\$ 11,603	\$ 46	\$ 141
				Total Swaps	\$ 19,053	\$ (31)	\$ 201

Options convey the right, but not the obligation, to engage in a future investment transaction. A call is an option contract that gives the buyer the right, but not the obligation, to exercise the option and buy an asset at



the strike price on or at any time up to the expiration date. A put is an option contract that gives the buyer the right, but not the obligation, to sell an asset at the strike price on or at any time up to the expiration date. The following chart describes the options held at June 30, 2013 (amounts in thousands):

Buyer	Seller	Premium Amount	Notional Value	Effective Date	Termination Date	Market Value
Bank of America NA	CRS	\$ (1)	\$ (700)	01/30&01/31/2013	07/24/13	\$ -
Bank of America NA	CRS	(3)	(400)	02/12/2013	07/29/13	(5)
Bank of America NA	CRS	(2)	(400)	02/12/2013	07/29/13	-
Bank of America NA	CRS	(8)	(3,200)	04/01, 04/02&04/03/2013	09/03/13	(49)
Bank of America NA	CRS	(4)	(700)	05/07/2013	09/03/13	(21)
Bank of America NA	CRS	-	(100)	04/08/2013	09/03/13	(2)
Bank of America NA	CRS	-	(700)	05/07/2013	09/03/13	-
Bank of America NA	CRS	-	(100)	04/08/2013	09/03/13	-
Bank of America NA	CRS	(2)	(700)	03/19/2013	03/12/14	(2)
Bank of America NA	CRS	(1)	(700)	03/19/2013	03/12/14	(1)
Barclays Bank PLC	CRS	(1)	(200)	01/30&01/31/2013	07/24/13	-
Barclays Bank PLC	CRS	(1)	(100)	01/31/2013	07/29/13	(1)
Barclays Bank PLC	CRS	-	(100)	01/31/2013	07/29/13	-
BlackRock Advisors UK Ltd	CRS	-	(200)	03/19/2013	03/14/14	(1)
BlackRock Advisors UK Ltd	CRS	-	(200)	03/19/2013	03/14/14	-
Citibank NA	CRS	(4)	(300)	9/27/2010	09/29/20	-
Deutsche Bank AG/London	CRS	(1)	(100)	01/31/2013	07/24/13	-
Deutsche Bank AG/London	CRS	(3)	(500)	03/08/2013	07/29/13	(7)
Deutsche Bank AG/London	CRS	(1)	(500)	03/08/2013	07/29/13	-
Deutsche Bank AG/London	CRS	(6)	(1,700)	03/26/2013 03/28/2013	09/03/13	(26)
Deutsche Bank AG/London	CRS	(3)	(600)	05/13/2013	09/03/13	(16)
Deutsche Bank AG/London	CRS	(1)	(600)	05/13/2013	09/03/13	-
Goldman Sachs Bank USA/New York NY	CRS	(8)	(2,200)	02/08,02/15,02/26, 02/28,03/05&04/04/2013	07/29/13	(30)
Goldman Sachs Bank USA/New York NY	CRS	(11)	(2,200)	02/08,02/15,02/26,02/28,03/05&04/04/2013	07/29/13	-
Goldman Sachs Bank USA/New York NY	CRS	(8)	(2,800)	05/21&05/22/2013	10/28/13	(48)
Goldman Sachs Bank USA/New York NY	CRS	-	(200)	03/19/2013	03/12/14	(1)
Goldman Sachs Bank USA/New York NY	CRS	-	(200)	03/19/2013	03/12/14	-
JPMorgan Chase Bank NA	CRS	(5)	(1,300)	02/20,02/28,03/25&04/03/2013	07/29/13	(18)
JPMorgan Chase Bank NA	CRS	(5)	(1,300)	02/20,02/28,03/25&04/03/2013	07/29/13	-
Morgan Stanley Capital Services LLC	CRS	(5)	(700)	01/28,01/30&01/31/2013	07/29/13	(10)
Morgan Stanley Capital Services LLC	CRS	(4)	(700)	01/28,01/30&01/31/2013	07/29/13	-
Morgan Stanley Capital Services LLC	CRS	(16)	(6,600)	06/19/2013	09/03/13	(56)
Morgan Stanley Capital Services LLC	CRS	(17)	(3,500)	05/30,05/31&06/05/2013	09/03/13	(48)
Morgan Stanley Capital Services LLC	CRS	(1)	(600)	04/12&04/15/2013	09/03/13	(13)
Morgan Stanley Capital Services LLC	CRS	(8)	(6,600)	06/19/2013	09/03/13	(2)
Morgan Stanley Capital Services LLC	CRS	(1)	(900)	06/05/2013	09/03/13	-
Morgan Stanley Capital Services LLC	CRS	-	(600)	04/12&04/15/2013	09/03/13	-
Royal Bank of Scotland PLC/The	CRS	(4)	(900)	02/12,03/28,04/01&04/02/2013	07/29/13	(12)
Royal Bank of Scotland PLC/The	CRS	(3)	(900)	02/12,03/28,04/01&04/02/2013	07/29/13	-
Royal Bank of Scotland PLC/The	CRS	(2)	(600)	05/10/2013	09/03/13	(17)
Royal Bank of Scotland PLC/The	CRS	-	(600)	05/10/2013	09/03/13	-
Traded on Public Stock Exchange	CRS	(21)	(42)	06/12&06/13/2013	08/23/13	(54)
Traded on Public Stock Exchange	CRS	(24)	(42)	06/12&06/13/2013	08/23/13	(5)
Traded on Public Stock Exchange	CRS	(2)	(10)	6/18/2013	09/13/13	(1)
Traded on Public Stock Exchange	CRS	-	(6)	05/30,05/31&06/14/2013	09/13/13	-
Traded on Public Stock Exchange	CRS	7	(19)	06/11&06/14/2013	09/13/13	6
Traded on Public Stock Exchange	CRS	(3)	(400)	04/23&04/25/2013	07/05/13	-
		Total \$ (183)	Total \$ (46,719)		Total	Total \$ (440)

Futures are exchange-traded contracts that require an asset to be bought (sold) at a specified price on a specified future date. Unlike options, futures convey an obligation to buy (sell) an investment. The contracts contain standardize terms, trade on a formal exchange, are regulated by overseeing agencies, and are guaranteed by clearinghouses.

As of June 30, 2013, CRS had the following exposure via futures contracts (Notional and Fair Value in thousands):

Notional Value in Thousands:

Futures Contract	Expiration	Long/ Short	Notional Value*	Fair Value
US TREAS BD FUTURE (CBT)	9/19/13	Long	\$ 543	\$ (18)
US 10 YR TREAS NTS FUT (CBT)	9/19/13	Long	633	(11)
US 5YR TREAS NTS FUTURE (CBT)	9/30/13	Long	1,089	(9)
S&P 500 EMINI INDEX FUT (CME)	9/20/13	Long	17,352	(138)
MSCI EAFE INDEX FUTURE (NYL)	9/20/13	Long	1,476	(23)
MINI MSCI EMG MKT FUTURE (NYL)	9/20/13	Long	467	(1)
US TREAS BD FUTURE (CBT)	9/19/13	Short	(543)	23
US 10 YR TREAS NTS FUT (CBT)	9/19/13	Long	1,645	(29)
90DAY EURODOLLAR FUTURE (CME)	9/16/13	Short	(2,492)	0
90DAY EURODOLLAR FUTURE (CME)	9/14/15	Long	494	(1)
US 5YR TREAS NTS FUTURE (CBT)	9/30/13	Long	4,237	(53)
US 2YR TREAS NTS FUTURE (CBT)	9/30/13	Long	3,080	(1)
US ULTRA BOND (CBT)	9/19/13	Short	(1,326)	39
			<u>\$ 26,655</u>	<u>\$ (222)</u>

\* Notional value is the nominal or face amount that is used to calculate payments made on derivative instruments (futures, forwards, swaps, etc.). The notional amount represents the economic equivalent to an investment in the physical securities represented by the derivative contract.

### 3. MIXED INVESTMENT POOL

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

Summary by major investment classification: (Amounts in Thousands)

Description	Cost	Fair Value	Interest Rates	Maturity Dates
Money Market Fund	\$ 4,912	\$ 4,912		
Certificates of Deposit	61,740	61,741	0.35% to 2.51 %	7/23/13 to 7/2/17
U. S. Treasury Notes	152,991	152,310	0.5% to 10.625%	12/15/13 to 3/31/18
FHLB/FNMA/FHLB/FHLMC Securities	350,641	347,372	0.25% to 8.2%	9/13/13 to 6/19/18
Ohio Municipal	97,482	96,041	0.00% to 6%	11/1/13 to 6/1/18
Cash	89	89		
Total	<u>\$ 667,855</u>	<u>\$ 662,465</u>		

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

**Mixed Investment Pool  
Statement of Net Position  
As of June 30, 2013  
(Amounts in Thousands)**

<u>Assets</u>	
Equity in City Treasury	<u>\$ 662,465</u>
<u>Net Position</u>	
Held in Trust for Internal Pool Participants	\$ 532,461
Held in Trust for External Pool Participant	<u>130,004</u>
Total Net Position	<u>\$ 662,465</u>

**Mixed Investment Pool  
Statement of Changes in Net Position  
For the Six-Month Period Ended June 30, 2013  
(Amounts in Thousands)**

	<u>Internal Participants</u>	<u>External Participants</u>	<u>Total</u>
Additions:			
Contributions:			
Participant Deposits	\$ 495,460	\$ 135,020	\$ 630,480
Investment earnings:			
Interest and dividends	3,457	746	4,203
Net appreciation in the fair value of investments	<u>(6,605)</u>	<u>(1,845)</u>	<u>(8,450)</u>
Total investment earnings	<u>(3,148)</u>	<u>(1,099)</u>	<u>(4,247)</u>
Total additions	492,312	133,921	626,233
Deductions:			
Distributions to Participants	<u>469,269</u>	<u>155,637</u>	<u>624,906</u>
Change in Net Position	23,043	(21,716)	1,327
Net Position - beginning	<u>509,418</u>	<u>151,720</u>	<u>661,138</u>
Net Position - ending	<u>\$ 532,461</u>	<u>\$ 130,004</u>	<u>\$ 662,465</u>

#### 4.

#### COMMITMENTS

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

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

In the financial plan for the Convention Center expansion and renovation the dedicated Transient Occupancy Tax (City) and Lodging Excise Tax (County) is expected to cover the outstanding debt service for senior (\$58.4 million) and subordinate (\$18.8 million) debt. Pursuant to the Memorandum of Understanding between the City, County and the CFA, the City has agreed to guarantee, subject to annual appropriation, the principal and interest on subordinate debt. The maximum annual debt service is \$6,359,600 and has been reserved to guarantee the subordinate debt service.

Subject to annual appropriation, the City shall pay \$1,000,000 (City Annual Contribution) to the Trustee of the CFA subject to the terms of the Cooperative Agreement. This contribution is pledged as an additional revenue source for the payment of the bonds. The City appropriated an amount sufficient to pay the City Annual Contribution for 2013.

**Port of Greater Cincinnati Development Authority (Port Authority)** – On July 11, 2011 the City entered into an Economic Development Services Agreement with the Port Authority to undertake economic development activities on behalf and in coordination with the City. The City has agreed to fund the Port Authority General Operations in the amount of \$525,000 for fiscal year 2011 and up to \$1,000,000 for fiscal year 2012 – 2017. The City has also committed capital investment, subject to discretion, to be used in the implementation of the work plan. An appropriation of \$350,000 was made for 2013. The City has, in addition committed annual funding for Additional Services, subject to discretionary annual appropriation of at least \$6 million for fiscal years 2013 -2017. The City’s contribution to operation costs or capital investment may be offset by any net profits received by the Port Authority directly in connection with revenue derived from the additional services.

**The Board of Education of the City School District of the City of Cincinnati (the Board)** – on July 21, 1999 the “Board” and the City of Cincinnati entered into agreement whereby the City would compensate the Board for taxes that would have been received if not for certain property exemptions enacted by the City. The City has agreed to an annual payment of \$5 million, to be paid semi- annually, beginning fiscal year 2000 and continuing for 19 years thereafter.

**Encumbrances** - Encumbrances are commitments to unfilled purchase orders or unfilled contracts. Funds have been committed to a specific order, but the goods or services have not been billed or received.

The City has outstanding encumbrances at June 30, 2013 are as follows:

Summary of Encumbrances Outstanding (Amounts in Thousands)

	General Fund	Capital Projects	Non Major Governmental	Total
General Government	\$ 3,253		\$ 162	\$ 3,415
Community Development	264		2,814	3,078
Parks & Recreation	810		1,063	1,873
Public Safety	1,439		363	1,802
Transportation & Engineering			42	42
Public Services	1,065		1,393	2,458
Public Health	31		1,843	1,874
Employee Benefits	658		12	670
Capital Outlay		\$ 173,852	13,078	186,930
Total	\$ 7,520	\$ 173,852	\$ 20,770	\$ 202,142

**5. INTERFUND ASSETS/LIABILITIES**

The composition of interfund balances as of June 30, 2013, is as follows:

**DUE FROM/TO OTHER FUNDS (Amounts in Thousands)**

	Due From								Total
	General Fund	Capital Projects Fund	Debt Service Fund	Non Major Governmental Funds	Internal Service Funds	Water Works Enterprise Fund	Nonmajor Enterprise Funds	Fiduciary Funds	
<b>Due To</b>									
General Fund		\$ 34		\$ 463	\$ 1,955	\$ 5	\$ 28	\$ 723	\$ 3,208
Capital Projects Fund	\$ 9,065		\$ 9,306	8,383	5,381	10,674	2,555		45,364
Debt Service Fund								3	3
Non Major Governmental	368			60	500	45		343	1,316
Internal Service Fund		1,278		1	54		2	72	1,407
Water Works Fund	3	41			329		30	304	707
Nonmajor Enterprise Funds		2,409		2	57	11	1	32	2,512
Fiduciary Funds	4				52				56
Total	\$ 9,440	\$ 3,762	\$ 9,306	\$ 8,909	\$ 8,328	\$ 10,735	\$ 2,616	\$ 1,477	\$ 54,573

Included in the balances above are the amounts related to a \$76.8 million in notes outstanding in at June 30, 2013. A portion of these notes are held by MSD (\$15.4 million) and Capital Projects Fund (\$16.3 million) and are not included above. These amounts included in interdepartmental receivables and payables are as follows:

(Amounts in Thousands)

	Due From	Due To
General Fund	\$ 9,060	
Capital Projects Funds		\$ 45,121
Debt Service Funds	9,306	
Non Major Governmental Funds	8,223	
Internal Service Funds	5,336	
Water Works Funds	10,644	
Nonmajor Enterprise Funds	2,552	
Fiduciary Funds		
Total	<u>\$ 45,121</u>	<u>\$ 45,121</u>

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

#### ADVANCES TO/FROM OTHER FUNDS (Amounts in Thousands)

	<u>Advance From Other Funds</u>			Total
	General Fund	Capital Projects Fund	Internal Service Funds	
<b><u>Advance To Other Funds</u></b>				
General Fund			\$ 1,704	\$ 1,704
Nonmajor Governmental Funds	\$ 4,521			4,521
Water Works Fund			50	50
Nonmajor Enterprise Funds		\$ 10,065		10,065
Internal Service Fund		775		775
Total	<u>\$ 4,521</u>	<u>\$ 10,840</u>	<u>\$ 1,754</u>	<u>\$ 17,115</u>

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

#### 6. INTERFUND TRANSFERS

Interfund transfers for the six month period ended June 30, 2013, consisted of the following:

##### TRANSFERS IN/OUT (Amounts in Thousands)

	<u>Transfers Out</u>						Total
	General Fund	Capital Projects Fund	Debt Service	Nonmajor Governmental Funds	Internal Service Funds	Nonmajor Enterprise Funds	
<b><u>Transfers In</u></b>							
General Fund		\$ 29			\$ 84	\$ 241	\$ 354
Capital Projects Fund			\$ 9,226	\$ 5,580	1,386		16,192
Debt Service Fund	\$ 1,506	1,625		1	20		3,152
Nonmajor Governmental				161	126		287
Nonmajor Enterprise Funds		1,000			292		1,292
Total	<u>\$ 1,506</u>	<u>\$ 2,654</u>	<u>\$ 9,226</u>	<u>\$ 5,742</u>	<u>\$ 1,908</u>	<u>\$ 241</u>	<u>\$ 21,277</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund

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

**7. NET POSITION / FUND BALANCE**

**Fund Balance Classifications**

Fund balance is classified in five categories (1) Nonspendable, (2) Restricted, (3) Committed, (4) Assigned, and (5) Unassigned. Nonspendable fund balances include amounts that are not in spendable form or are legally required to remain intact. Restricted fund balances include amounts that have external restrictions by either grantors, debt covenants, laws or other governments. Committed fund balances include amounts that are committed to a specific purpose by council ordinance or resolution. Assigned fund balances include amounts that are constrained by management or council with intent to be used for a specific purpose and can be assigned by ordinance, resolution, motion, or by other written authorization by management. Unassigned fund balance includes amounts that have not been assigned to any purpose. Restricted funds are spent first as expenditures are incurred to the extent of the restricted fund revenue. Then committed, assigned and unassigned funds are used. Below are the fund balance classifications for the governmental funds at June 30, 2013 (Amounts in thousands):

	General Fund	Capital Projects	Debt Service	Non Major Governmental	Total Governmental
Fund Balances					
Nonspendable					
Inventory	\$ 4,025	\$ 837		\$ 298	\$ 5,160
In accordance with Trusts				2,360	2,360
Restricted					
Debt Service			\$ 89,827		89,827
Capital Projects		134,339	251		134,590
Tax Increment Financing				25,087	25,087
Public Transit				14,874	14,874
Public Safety				6,882	6,882
Parks and Recreation				8,016	8,016
Public Health				1,269	1,269
Street Construction and Maintenance				4,577	4,577
Infrastructure				9,287	9,287
Expendable Trusts				6,642	6,642
Other				6,643	6,643
Committed					
One Time Expenditure Reserve	2,415				2,415
Property Investment Reimbursement Agreements	4,762				4,762
Public Health				941	941
Parks and Recreation				7,564	7,564
Public Safety				188	188
Other				4,949	4,949
Assigned					
Unrestricted Encumbrances	5,615				5,615
2014 Appropriations	16,848				16,848
Internal Service Funds	98				98
Unassigned					
Working Capital Reserve Fund	21,172				21,172
Public Safety				(119)	(119)
Public Health				(261)	(261)
Community Development				(165)	(165)
Other	31,373			(2,296)	29,077
Total Fund Balance	\$ 86,308	\$ 135,176	\$ 90,078	\$ 96,736	\$ 408,298

## Working Capital Reserve Fund

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 2012. For 2013, the target reserve of \$21.2 million (6.16% of 2012 estimated revenues) has already been achieved. Since conditions have not been specifically defined for its use, the \$21.2 million is included in the unassigned fund balance for the general fund.

## Minimum Fund Balance Policy

The City has three components as part of the minimum fund balance reserve: the General Fund carryover balance, the emergency reserve, and the Working Capital Reserve Fund balance. The June 30, 2013 actual ending balance is \$35.3 million which consists of \$11.7 million fund balance carry over, \$2.4 million from the one time expenditure reserve, and \$21.2 million working capital reserve. The City's minimum fund balance policy is to maintain an unappropriated surplus equivalent to a 10.25% of 2012 General Fund revenues. General Fund actual revenues for 2012 were \$344.5 million.

Included in the financial statements are an internal service fund and a non-major governmental fund with a net position deficit as of June 30, 2013. The net position deficit in the internal service funds of Purchasing Reproduction and Printing Services (\$87,000), Fleet Services (\$74,000), Property Management (\$306,000) and non-major governmental fund Community Development (\$165,000) are to be covered by future user charges and grant reimbursements.

## 8. LEASES

### CITY AS LESSEE

#### Operating Leases

The City has entered into various leases for property, equipment and office space. These leases are considered for accounting purposes to be operating leases. The total cost for such leases were \$711,000 for the six month period ended June 30, 2013. Future minimum lease payments are as follows:

#### (Amounts in Thousands)

<u>Fiscal Year</u>	<u>Amounts</u>
2014	\$ 845
2015	672
2016	128
2017	87
2018	78
Remaining Years	144
Total Future Minimum Rents	<u><u>\$ 1,954</u></u>



## Capital Leases

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

The assets acquired through capital leases are as follows:

**(Amounts in Thousands)**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Leased Property/Equipment	\$ 664	\$ 2,350
Less: Accumulated Depreciation	464	665
Total	<u>\$ 200</u>	<u>\$ 1,685</u>

The following is a schedule of future minimum capital leases and the present value of the net minimum lease payments at June 30, 2013:

**(Amounts in Thousands)**

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2014	\$ 138	\$ 283
2015	67	288
2016	2	274
2017		274
2018		274
Remaining Years		443
Total Minimum lease payments	<u>207</u>	<u>1,836</u>
Less: Amounts representing interest	<u>7</u>	<u>151</u>
Present value of net minimum lease payments	<u>\$ 200</u>	<u>\$ 1,685</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 related to the operating lease as of June 30, 2013 are included in the financial statements of the following:

(Amounts in Thousands)	Governmental <u>Activities</u>	Business Type <u>Activities</u>
Land	\$ 3,682	\$ 339
Buildings	14,503	1,759
Accumulated Depreciation	1,497	1,571
Improvements	87,202	
Accumulated Depreciation	86,977	
Depreciation Expense	448	26

(Amounts in Thousands)	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
<u>Fiscal Year</u>		
2014	\$ 22,736	\$ 1,008
2015	22,502	976
2016	22,215	638
2017	21,934	448
2018	21,885	94
Remaining years	276,174	30
Total Future Minimum Rental Payments	<u>\$ 387,446</u>	<u>\$ 3,194</u>
Total Rentals for Fiscal Period 2013:	\$ 11,522	\$ 879

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

#### Enterprise Funds

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

The Parking Facilities has leased the Fountain Square North Parking Garage for a one-time payment of \$7.5 million for a period of 40 years beginning in 2005. This has been presented as a service concession arrangement in Footnote 18.

#### Governmental Capital Assets

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

On March 12, 2008 Ordinance 78-2008 was passed authorizing the issuance of bonds for the construction of a new administrative building for the Metropolitan Sewer District (MSD). The bonds were issued on July 22, 2009 for a term of 20 years. MSD will lease the building and the rentals will be equivalent to the annual debt service payment. The total rent payments in the six months ending June 30, 2013 were \$557,000. The

outstanding principal is \$12,768,000.

**9. LONG-TERM DEBT**

General Obligation Bonds

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

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

(Amounts in Thousands)

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	.33% - 7.875%	\$457,101
Business-type activities	4.200% - 5.0%	<u>13,649</u>
		<u>\$470,750</u>

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

(Amounts in Thousands)

<u>Year Ending</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<u>June 30</u>				
2014	\$ 44,008	\$ 18,761	\$ 3,297	\$ 719
2015	43,188	16,793	3,097	604
2016	40,873	15,198	1,297	489
2017	36,683	13,745	622	384
2018	33,183	12,419	617	281
2019-2023	118,399	44,662	2,091	884
2024-2028	82,598	22,407	2,177	415
2029-2033	44,700	7,145	451	13
2034-2036	13,469	1,084		
	<u>\$ 457,101</u>	<u>\$ 152,214</u>	<u>\$ 13,649</u>	<u>\$ 3,789</u>

Revenue Bonds and Notes

The City also issues bonds and notes where the City pledges income derived from the acquired or constructed assets to pay debt service. The net revenues of the Water Works are pledged to pay Water Works revenue bonds debt service. The original amount of revenue bonds and notes authorized in prior years was \$972,605,000 of which \$885,436,000 was issued.

Revenue bonds and notes outstanding at end of the fiscal period are as follows:

(Amounts in Thousands)

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Economic Development	Various	\$ 93,520
Water Works	Various	<u>491,165</u>
		<u>\$584,685</u>

The annual debt service requirements to maturity for the revenue bonds and notes are as follows:  
(Amounts in Thousands)

Year Ending	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<u>June 30</u>				
2014	\$ 3,390	\$ 3,858	\$ 19,581	\$ 23,420
2015	4,335	3,672	20,620	22,507
2016	4,765	3,506	24,685	21,498
2017	3,815	3,341	25,645	20,412
2018	3,930	3,229	26,865	19,229
2019-2023	22,680	13,891	144,965	76,393
2024-2028	18,120	9,545	96,440	46,780
2029-2033	19,105	5,541	83,550	25,283
2034-2038	9,570	1,904	48,814	4,909
2039	3,810	93		
	<u>\$ 93,520</u>	<u>\$ 48,580</u>	<u>\$ 491,165</u>	<u>\$ 260,431</u>

#### Build America Bond Subsidy

In 2009, the Cincinnati Water Works issued Series 2009B taxable bonds as Build America Bonds under the provisions of the American Recovery and Reinvestment Act of 2009. Under this agreement, the Water Works is to receive 35% of the Bond interest as the Build America Bond Subsidy. The amount received in 2013 was \$777,000.

In 2010, the City issued taxable GO Build America Bonds in the amount of \$15,930,000 under the provisions of the American Recovery and Reinvestment Act. The City will receive a subsidy of the bond interest. The payments will be reduced or eliminated with the passage of the sequestration cuts made in 2013.

#### Long-Term State Loans

The Ohio Public Works Commission extends loans to the City. Loans in the amount of \$2,320,000 accounted for as Governmental type and \$3,091,000 as Business-type represent the amounts due on ten loans from the Ohio Public Works Commission (OPWC) for infrastructure improvements. These notes are non-interest bearing.

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

(Amounts in Thousands)

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
		<u>Principal</u>		<u>Principal</u>
2014	\$	211	\$	220
2015		211		219
2016		211		219
2017		176		219
2018		157		219
2019-2023		786		1,095
2024-2028		568		751
2029-2031				149
Total	\$	<u>2,320</u>	\$	<u>3,091</u>

The Ohio Water Development Authority extends loans to the City. Notes in the amount of \$27,352,000 accounted for as Business type represent the amounts due on several loans from the Ohio Water Development Authority (OWDA) for water works improvements. These notes bear interest at from 1.75% to 3.25% per year. Only that portion of the loan commitment actually paid to the City is recognized as a liability by the City.

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

(Amounts in Thousands)

Year Ending June 30	<u>Business-type Activities</u>			
		<u>Principal</u>		<u>Interest</u>
2014	\$	1,166	\$	530
2015		1,284		550
2016		1,313		522
2017		1,342		492
2018		1,372		463
2019-2023		7,330		1,841
2024-2028		7,507		1,003
2029-3033		5,883		298
2034		157		1
Total	\$	<u>27,354</u>	\$	<u>5,700</u>

On December 17, 2008, City Council authorized the City Manager to enter into a \$6.2 million 15 year installment sales agreement to build a garage with Uptown Consortium. The City will maintain the title to the garage for the duration of the agreement and pay the installment payments with net service payments collected from the real property, net service payments collected from the real properties of the project and net revenue from the operation of the project.

On March 31, 2010, the City entered into an installment sales agreement with Vernon Manor Offices

Leverage Lender, LLC for the construction of a 440-space parking garage for \$7.1 million. The City will maintain the title to the garage for the duration of the agreement and pay the installment payments with net service payments collected from the real property, net service payments collected from the real properties of the project and net revenue from the operation of the project. The project was completed in 2011. The combined repayment schedule for the notes payable is below (includes Vernon Manor and Uptown).

	Principal Payment	Interest Payment	Total P&I
2014	\$ 575	\$ 586	\$ 1,161
2015	599	561	1,160
2016	625	536	1,161
2017	652	509	1,161
2018	680	481	1,161
2019-2023	3,864	1,940	5,804
2024-2028	1,965	1,195	3,160
2029-2033	2,750	715	3,465
2034-2035	1,107	57	1,164
Total	<u>\$ 12,817</u>	<u>\$ 6,580</u>	<u>\$ 19,397</u>

The following are the total outstanding bonds and notes at June 30, 2013 and the debt service requirement for 2014.

**Bonds and Notes Outstanding at June 30, 2013**

(AMOUNTS IN THOUSANDS)

Description	Interest Rates	Issue Dates	Maturity Dates	Original Authorized	Amount Due 2014	Amount Outstanding 6/30/2013
<b>Bonds:</b>						
General Property Tax Supported	5.0%	2001-2004	2014	\$ 5,945	\$ 595	\$ 595
	7.875%	1987	2017	30,000	1,000	5,000
Various Rate Issues	3-5.5375	2003-2012	2010-2031	238,546	20,123	140,761
Refunding	4.25% to 5.00%	2007-2012	2018-2020	115,520	10,465	80,185
Urban Redevelopment						
Various Rate Issues	4.5% to 5.0%	2004	2020	2,600	130	1,300
Municipal Income Tax	3.25-5.375	2005-2012	2015-2031	107,200	6,130	79,560
Refunding	4.25% to 5.00%	2007	2020	2,480	280	8,590
Recreational Facilities						
Refunding	4.25% to 5.00%	2007	2021	4,500	450	4,050
Urban Renewal/Economic Dev.	3.0% to 6.0%	2004-2012	2024-2032	106,795	2,025	73,840
Refunding				70,000		3,215
Judgement	3.0% to 5.0%	2005	2020	4,300	290	580
Urban Development Taxable						
Various Rate Issues	2.00% to 6.25%	1998-2003	2016-2028	14,805	620	6,140
Refunding	4.25% to 5.00%	2007	2021	2,500	260	2,240
MSD Administration Bldg	2.0% to 5.0%	2009	2029	15,000	590	13,325
Police & Fire Pension						
Refunding	3.25% to 4.5%	2005	2035	41,000	1,050	37,720
<b>Total Governmental Activities Bond Obligations</b>				<b>761,191</b>	<b>44,008</b>	<b>457,101</b>
General Aviation	2.0% to 5.5%	2010	2011-2029	178	12	154
Convention Center	2.0% to 5.5%	2010	2011-2029	675	45	585
Parks & Recreation	4.0% to 5.0%	2006-2008	2018 - 2026	3,800	315	2,385
Stormwater	2.0-4.0%	2010	2015	3,375	675	2,025
Parking Facilities	1.29-5.82%	2010	2011-2028	5,000	250	4,700
Water Works	4.20% to 4.375%	1999	2014	29,800	2,000	3,800
<b>Total Proprietary Fund Obligations</b>				<b>42,828</b>	<b>3,297</b>	<b>13,649</b>
<b>Total General Obligation Bonds Payable</b>				<b>804,019</b>	<b>47,305</b>	<b>470,750</b>
<b>Notes:</b>						
Economic Development	.1% to 1.51%	2011	2016	2,750		2,750
Economic Development	.1% to 1.51%	2012	2016	4,600		3,800
Economic Development	.2%	2012	2013	5,000	5,000	5,000
Public Transportation	.1% to 1.51%	2012	2017	11,000		6,000
Public Transportation	.75%	2012	2017	15,000		15,000
Public Buildings	.11%	2013	2014	2,500	2,500	2,500
Economic Development	.11%	2013	2014	2,500	2,500	2,500
Economic Development	.2%	2013	2014	6,300	6,300	6,300
Economic Development	.2%	2013	2014	6,200	6,200	6,200
Street Improvements	.11%	2013	2014	2,335	2,335	2,335
Street Improvements	.11%	2013	2014	4,000	4,000	4,000
Parks and Recreation	.11%	2013	2014	4,950	4,950	4,950
Public Buildings	.11%	2013	2014	895	895	895
Public Buildings	.10%	2013	2014	2,045	2,045	2,045
Street Improvements	.10%	2013	2014	2,500	2,500	2,500
Economic Development	.75%	2013	2014	2,500	2,500	2,500
<b>Total General Obligation Notes Payable</b>				<b>75,075</b>	<b>41,725</b>	<b>69,275</b>
<b>Total General Obligation Bonds and Notes Payable</b>				<b>\$ 879,094</b>	<b>\$ 89,030</b>	<b>\$ 540,025</b>
Revenue Bonds and Notes	3.49% to 8.00%	1996-2012	2016-2038	\$ 965,105	\$ 30,471	\$ 592,185
<b>Total Outstanding Debt</b>				<b>\$ 1,844,199</b>	<b>\$ 119,501</b>	<b>\$ 1,132,210</b>

## **Changes in long-term liabilities**

Long-term liability activity for the six month period ended June 30, 2013, was as follows:

(Amounts in Thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 457,191		\$ (90)	\$ 457,101	\$ 44,008
Unamortized premiums	24,122		(265)	23,857	
	<u>481,313</u>		<u>(355)</u>	<u>480,958</u>	<u>44,008</u>
Revenue Bonds	93,945		(425)	93,520	3,390
Unamortized premiums	595		(101)	494	
Unamortized discounts	(594)		(2)	(596)	
	<u>93,946</u>		<u>(528)</u>	<u>93,418</u>	<u>3,390</u>
Total Bonds Payable	575,259		(883)	574,376	47,398
Notes Payable	12,887		(70)	12,817	575
Compensated Absences	97,581	22,217	(16,497)	103,301	33,121
Claims and Judgments	61,945	57,320	(60,396)	58,869	29,164
Capital Leases	270		(70)	200	133
Net Pension Obligation	106,581	31,715	(17,997)	120,299	
Net Other Post Employment Benefit Obligation	67,838	5,096	(3,699)	69,235	
State Loans	2,425		(105)	2,320	211
Other	564	802	(665)	701	134
Governmental Activities Long-term Liabilities	<u>\$ 925,350</u>	<u>\$ 117,150</u>	<u>\$ (100,382)</u>	<u>\$ 942,118</u>	<u>\$ 110,736</u>
<b>Business-type Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 13,649			\$ 13,649	\$ 3,297
Unamortized premiums	58		(2)	56	
	<u>13,707</u>		<u>(2)</u>	<u>13,705</u>	<u>3,297</u>
Revenue Bonds	491,165			491,165	19,581
Unamortized premiums	27,895		(968)	26,927	
	<u>519,060</u>		<u>(968)</u>	<u>518,092</u>	<u>19,581</u>
Total Bonds Payable	532,767		(970)	531,797	22,878
Compensated Absences	8,221	2,164	(1,531)	8,854	6,165
Claims and Judgments	221	51	(20)	252	252
Capital Leases	1,835		(150)	1,685	242
Net Pension Obligation	29,238	6,881	(3,904)	32,215	
Net Other Post Employment Benefit Obligation	18,146	1,072	(803)	18,415	
State Loans	17,790	13,033	(378)	30,445	1,386
Business-Type Activities Long-term Liabilities	<u>\$ 608,218</u>	<u>\$ 23,201</u>	<u>\$ (7,756)</u>	<u>\$ 623,663</u>	<u>\$ 30,923</u>

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



Internal Service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At period-end, \$1,594,000 of compensated absences, \$17,703,000 of unpaid claims, \$8,672,000 of net pension obligation, \$4,243,000 of net other post employment benefit obligation and \$154,000 in capital leases for the internal service funds are included in the above amounts.

### **Defeased Bonds**

Below is a description of the City's defeased bonds and the outstanding balances at June 30, 2013 (Amounts in thousands). These bonds are no longer included in the financial statements.

Description of Bonds	Date Originally Issued	Original Par Amount	Redemption Call Date	Date Defeased	Maturities Defeased	Interest Rate	Amount Defeased	Outstanding Amount 6/30/2013
Police and Fire Pension - G1213	3/1/2000	\$ 42,000		6/28/2005	2005-2006 2011-2035	4.9-6.0	\$ 40,470	\$ 37,720
Various Purpose								
Urban Development GO G1206	12/1/1998	7,200		10/27/2009	2009-2019	6.25	4,800	4,560
UT GO Various Purpose Bonds								
2004A	5/6/2004	44,365	12/1/2013	6/7/2012		4.5-5.0	13,860	13,165
2005A	6/1/2005	26,300	12/1/2014	12/20/2012		3.6-4.25	10,945	9,745
2005B	6/1/2005	5,200	12/1/2014	12/20/2012		3.6-4.25	2,680	2,680
2006A	6/8/2006	32,995	12/1/2015	12/20/2012		5.0	6,075	6,075
2006B	6/8/2006	14,195	12/1/2015	12/20/2012		5.0	4,145	3,710

## **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 133.05 of the Ohio Revised Code.

Section 133.05 provides that the principal amount of both voted and unvoted debt of the City may not exceed 10-1/2% of the City's assessed valuation, and the principal amount of the City's unvoted debt may not exceed 5-1/2% of the City's assessed valuation. The Code also provides several exemptions of debt from the 5-1/2% and 10-1/2% limitations.

## **11. TAXES**

### **City Income Tax**

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

The City's income tax of 2.1% is subdivided into four components. The first component is 0.1%, which is to be spent only for the maintenance of the City's infrastructure. The second component is the 0.3%, which can be used only for public transit purposes, including both capital and current operating expense. The third component is 0.15%, which can be used only for permanent improvement purposes. The remaining 1.55% is first used to meet annual deficiencies, to the extent required, in the General Fund. The amount of the 1.55% income tax revenue over the fixed allocation to the General Fund at the end of 2008 was recognized as revenue in the Income Tax Permanent Improvement Fund. The excess collections from 2008 was transferred to the General Fund and used for operating needs.

Actual collections of \$128,873,000 for the 1.55% portion in 2013 was the same as the original allocation but was used for operating needs in 2013. The following table identifies the excess 1.55% income tax collections for the years 2008 through 2013 and collections in excess of allocation:

(Amounts in Thousands)

<u>Year</u>	<u>Actual Collections of 1.55%</u>	<u>Allocation to General Fund</u>
2009	\$ 223,800	\$ 223,800
2010	222,497	222,497
2011	233,752	233,752
2012	238,210	238,210
2013	128,873	128,873*

\*This is for the six month period ending June 30, 2013

### **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 2013 levy was based was \$4,960,616,820 and \$313,437,020 for real property and public utility 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 - 2012**

Lien date	January 1, 2012
Levy date	October 31, 2012
First installment payment due	January 31, 2013
Second installment payment due	June 20, 2013

Assessed values are established by the County Auditor, or at no more than 35% of appraised market value. The laws of the State of Ohio presently require that all property be revalued no less than every six years, at any time the County Auditor finds that true or taxable value thereof has changed, and in the third calendar year following the year in which a sexennial reappraisal is completed if ordered by the State Commissioner of Tax Equalization. Real property experienced a statutory sexennial reappraisal in 2011 resulting in a 7.5% decrease in assessed values. Property tax due in first six months of 2013 have been included in revenues for the fiscal period 2013. The second installment of 2013 is not recorded as revenue for the six months ending June 30, 2013. The Ohio Revised Code requires the second installment of property tax be recorded as a deferred inflow.

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

The State's 2005 biennial budget bill included a reduction in the 88% assessment rate for electric utility transmission and distribution equipment to 85%, and a reduction in the 25% assessment rate for all electric company taxable property to 24% commencing in tax year 2006. That legislation also provides for a phasing out of the taxation of all personal property used by telephone companies, telegraph companies, or interchange telecommunications companies by tax year 2011, with State reimbursement payments to be made in declining amounts through 2018. In the State's 2012 budget, public utility property tax reimbursements for normal operating expenses paid to the general fund were eliminated effective July 2011. The State reimbursements for debt service will continue through 2016 at a fixed amount.

House Bill 66 passed June 30, 2005, phased out the taxation of all tangible personal property used in business over four years beginning in 2006 and ending in 2009, when all such property becomes exempted from taxation. The phase out applies to most businesses and includes furniture and fixtures, machinery and equipment, and inventory. To compensate for foregone revenue as the tangible personal property tax is phased out, the State will make distributions to taxing subdivisions (such as the City) from revenue generated by a newly enacted commercial activity tax. Generally, these distributions are expected to fully compensate taxing subdivisions for such tax revenue losses through 2010, with gradual reductions in the reimbursement amount from 2011 through 2017. In the State's 2012 budget the tangible personal property tax reimbursements for normal operating expenses paid to the general fund were eliminated. The State's reimbursements for debt service will continue through 2017 at a fixed amount.

### **Tax Increment Financing Districts (TIF Districts)**

The City, pursuant to the Ohio Revised Code and City ordinances, has established 20 TIF Districts. A TIF District represents a geographic area not greater than 300 acres, wherein 100% of the property value increase created after the commencement date of the TIF Districts are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as "statutory service payments", as though the TIF District had not been established. These "statutory service payments" are then dedicated to the payments for various public improvements within or adjacent to the TIF District. Property values existing before the commencement of the TIF District continue to be subjected to property taxes.

In 2013, the City received "statutory service payments" totaling \$23.1 million from the TIF districts. This amount is net of the county auditor fees and the payments to the Cincinnati School Board. In accordance with the agreement with the Cincinnati School district as amended December 18, 2002, twenty-seven percent of the statutory service payments received from the TIF districts is paid to the Cincinnati School Board. This payment in lieu of taxes revenue is accounted for in the TIF Funds along with the debt service payments. Corresponding capital assets are accounted for in the City's infrastructure accounts and property accounts

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

### **Casino Revenue**

In 2009, voters approved an amendment to the Ohio Constitution which became HB 519 authorizing one casino in Cincinnati, Cleveland, Columbus and Toledo. A gross revenue tax of 33% was imposed on licensed casino operators. A portion (5%) would be given to the host city. The casino in the City of

Cincinnati opened in 2012. Revenues from the casino were \$1,974,000 in 2012 and \$3,564,000 in six month period ending June 30, 2013.

**12. SHORT-TERM DEBT – BOND ANTICIPATION NOTES**

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

The General Obligation and Revenue Bond Anticipation Notes issued during the period and outstanding at the end of period include \$76,775,000 in City issued notes that were purchased by the City. In the financial statements these notes are shown as Due from Other Funds by the funds that purchased the notes and Due to Other Funds by the fund that received the note proceeds.

	<u>Beginning</u> <u>Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending</u> <u>Balance</u>
<u>Governmental Activities</u>				
Revenue Bond Anticipation Notes	\$ 7,500	\$ -	\$ -	\$ 7,500
General Obligation Bond Anticipation Notes	34,595	48,900	14,220	69,275
	<u>\$ 42,095</u>	<u>\$ 48,900</u>	<u>\$ 14,220</u>	<u>\$ 76,775</u>

**13. RESTRICTED ASSETS**

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

(Amounts in Thousands)

Revenue bond construction account – Water Works	\$ 25,249
Revenue bond reserve account – Water Works	74,052
Customer deposits – Water Works	2,794
Construction account - other – Water Works	<u>22,026</u>
Total restricted assets	<u>\$ 124,121</u>

## 14.

## CAPITAL ASSETS

Capital asset activity for the period ended June 30, 2013 was as follows:

(Amounts in Thousands)	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 174,605	\$ 3,057	\$ (1,565)	\$ 176,097
Construction in Progress	164,838	76,148	(60,537)	180,449
Total capital assets, not being depreciated	<u>339,443</u>	<u>79,205</u>	<u>(62,102)</u>	<u>356,546</u>
Capital assets, being depreciated:				
Buildings	230,181	4,811	(359)	234,633
Improvements other than buildings	446,080	5,735	(314)	451,501
Machinery and Equipment	147,832	3,828	(2,296)	149,364
Property acquired under capital leases	659			659
Infrastructure	911,784	46,163	(41)	957,906
Total capital assets, being depreciated	<u>1,736,536</u>	<u>60,537</u>	<u>(3,010)</u>	<u>1,794,063</u>
Less accumulated depreciation for:				
Buildings	(127,848)	(3,224)	349	(130,723)
Improvements other than buildings	(226,392)	(6,733)	91	(233,034)
Machinery and Equipment	(103,865)	(5,793)	1,228	(108,430)
Property acquired under capital leases	(394)	(65)		(459)
Infrastructure	(384,867)	(15,616)		(400,483)
Total accumulated depreciation	<u>(843,366)</u>	<u>(31,431)</u>	<u>1,668</u>	<u>(873,129)</u>
Total capital assets, being depreciated, net	<u>893,170</u>	<u>29,106</u>	<u>(1,342)</u>	<u>920,934</u>
Governmental-type Activities capital assets, net	<u>\$ 1,232,613</u>	<u>\$ 108,311</u>	<u>\$ (63,444)</u>	<u>\$ 1,277,480</u>

Capital asset activity for the period ended June 30, 2013 was as follows:

(Amounts in Thousands)	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Business-type Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 43,181	\$ 24		\$ 43,205
Construction in Progress	144,007	40,783	(26,129)	158,661
Total capital assets, not being depreciated	<u>187,188</u>	<u>40,807</u>	<u>(26,129)</u>	<u>201,866</u>
Capital assets, being depreciated:				
Buildings	312,843	1,723		314,566
Improvements other than buildings	1,057,537	20,166		1,077,703
Machinery and Equipment	265,658	4,240	(271)	269,627
Property acquired under capital leases	2,350	-	(219)	2,131
Total capital assets, being depreciated	<u>1,638,388</u>	<u>26,129</u>	<u>(490)</u>	<u>1,664,027</u>
Less accumulated depreciation for:				
Buildings	(186,809)	(2,600)		(189,409)
Improvements other than buildings	(221,826)	(8,857)		(230,683)
Machinery and Equipment	(175,920)	(4,867)	252	(180,535)
Property acquired under capital leases	(515)	(150)	219	(446)
Total accumulated depreciation	<u>(585,070)</u>	<u>(16,474)</u>	<u>471</u>	<u>(601,073)</u>
Total capital assets, being depreciated, net	<u>1,053,318</u>	<u>9,655</u>	<u>(19)</u>	<u>1,062,954</u>
Business-type Activities capital assets, net	<u>\$ 1,240,506</u>	<u>\$ 50,462</u>	<u>\$ (26,148)</u>	<u>\$ 1,264,820</u>

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

(Amounts in Thousands)

Governmental activities:	
General Government	\$ 2,314
Parks and Recreation	4,664
Public Safety	2,494
Transportation and Engineering	15,204
Public Services	3,451
Public Health	313
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>5,561</u>
Total depreciation expense - governmental activities:	<u>\$ 34,001</u>

(Amounts in Thousands)

Business-type activities:	
Water Works	\$ 11,134
Parking Facilities	844
Convention Center	2,084
General Aviation	349
Municipal Golf	815
Stormwater Management	<u>1,469</u>
Total depreciation expense - business-type activities:	<u>\$ 16,695</u>

Total additions to accumulated depreciation may not match depreciation expense because of asset transfers between governmental and business type activities where assets have been depreciated.

Governmental Activities Construction in Progress at June 30, 2013 is comprised of the following:

(Amounts in Thousands)

	Project Authorizations	Expended to June 30, 2013	Committed	Required Future Financing
<u>Administering Department</u>				
Transportation and Engineering	\$ 232,426	\$ 44,137	\$ 188,289	\$ 87,517
Community Development	49,848	22,469	27,379	5,694
Economic Development	43,044	23,134	19,910	2,706
Recreation	11,697	8,264	3,433	665
Safety	8,284	7,836	448	
Parks	26,871	22,336	4,535	
Public Services	30,779	19,570	11,209	50
Other	<u>15,483</u>	<u>32,703</u>	<u>(17,220)</u>	
Total	<u>\$ 418,432</u>	<u>\$ 180,449</u>	<u>\$ 237,983</u>	<u>\$ 96,632</u>

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

Business Activities Construction in Progress at June 30, 2013 is comprised of the following:

(Amounts in Thousands)

	Project Authorizations	Expended to June 30, 2013	Committed	Required Future Financing
<u>Enterprise Fund</u>				
Water Works	\$ 172,352	\$ 137,436	\$ 34,916	
Parking Facilities	13,409	12,289	1,120	
Convention Center	2,867	2,227	640	\$ 1,000
General Aviation	1,586	1,388	198	
Municipal Golf	494	494		
Stormwater Management	<u>8,320</u>	<u>4,827</u>	<u>3,493</u>	
Total	<u>\$ 199,028</u>	<u>\$ 158,661</u>	<u>\$ 40,367</u>	<u>\$ 1,000</u>

**15.****RECEIVABLES**

Accounts Receivable are presented in the financial statements net of the allowance for uncollectible accounts.

The uncollectible accounts related to the General Fund at June 30, 2013, are as follows: Taxes Receivable (\$2,850,000) and other accounts receivable (\$12,169,000). The uncollectible accounts related to the Debt Service Fund at June 30, 2013 are Taxes Receivable (\$3,520,000). The balance for the allowance for uncollectible accounts in the Capital Projects Fund at June 30, 2013 is (\$17,695,000). The balance of the allowance accounts for Special Revenue Funds is (\$2,507,000) as of June 30, 2013. The balances of the allowance accounts of the proprietary funds as of June 30, 2013 are as follows: Water Works (\$8,001,000), Enterprise Technology Services (\$10,000), Municipal Golf (\$2,000), General Aviation (\$40,000), Convention Center (\$15,000), and Stormwater Management (\$2,060,000).

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 \$6,304,000, 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 June 30, 2013 total \$51,344,000.

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 June 30, 2013 is \$17,309,000. This amount is related to Goodall Properties Ltd., forgivable housing loans and downtown development loans.

**Sale of Blue Ash Airport**

The City of Cincinnati sold 130 acres of the Blue Ash Airport property to the City of Blue Ash for \$37,500,000. The original sales agreement was amended in 2012 per Ordinance 302-2012. The payments for the remaining 24 years will be as follow from August 31, 2013 to August 1, 2036: Year 1 -\$750,000, Years 2-4 -\$1,000,000 annually, Years 5-14 - \$1,250,000 annually and Years 15-24 - \$1,500,000 annually. The City of Cincinnati has agreed to be responsible for costs associated with completing remedial action work at the Blue Ash Airport up to \$1,500,000.

In accordance with GASB 62, the loan receivable has been discounted using a 5% imputed interest rate and will be accounted for as collected using the following present value schedule (Amounts in thousands).



<b>Blue Ash Loan Repayment Schedule</b>					
<b>Fiscal Year</b>	<b>Principal</b>		<b>Interest</b>		<b>Total</b>
	<b>(Amounts in Thousands)</b>				
2014	\$	714	\$	36	\$ 750
2015		907		93	1,000
2016		864		136	1,000
2017		823		177	1,000
2018		979		271	1,250
2019-2023		4,240		2,010	6,250
2024-2028		3,443		3,057	6,500
2029-2033		3,124		4,376	7,500
2034-3036		2,005		3,995	6,000
	<b>\$</b>	<b>17,099</b>	<b>\$</b>	<b>14,151</b>	<b>\$ 31,250</b>

In 2009, the City of Cincinnati entered into a loan agreement with Graeter's for \$10 million. The loan is to be repaid over a 20 year period at 2% interest in year 1 and 2 and 4% interest in the remaining years. Below is the repayment schedule. The principal and interest payments for 2013 were \$200,000 and \$192,000 respectively. Also included in the schedule below is a loan to Mahogany for \$300,000 to be paid by monthly installments over the next 10 years.

<b>Fiscal Year</b>	<b>Amounts In Thousands</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2014	\$ 442	\$ 386	\$ 828
2015	456	366	822
2016	474	348	822
2017	494	329	823
2018	514	309	823
2019-2023	2,870	1,213	4,083
2024-2028	3,321	602	3,923
2029-2030	1,131	46	1,177
<b>Total</b>	<b>\$ 9,702</b>	<b>\$ 3,599</b>	<b>\$ 13,301</b>

## **16. CONTINGENT LIABILITIES**

### **Federal and State Grants**

The City has received Federal and State grants of approximately \$38 million for specific purposes that are subject to review and audit by the grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Such disallowances have been immaterial in prior years.

### **Litigation**

Various claims and lawsuits are pending against the City as of June 30, 2013. A liability of \$41.4 million

was recorded for those claims and judgments as of June 30, 2013 and includes an estimate for property taxes due from the Convention Center. Over the past decade, the City has averaged annual payments of \$2.5 million for claim and lawsuit settlements. Adequate funds have been provided to meet the claims paid from the General Fund, restricted funds and the sale of debt. The City Administration believes there is no foreseen problem in having adequate resources to settle presently known cases.

### **Pollution Remediation Liability**

The City has entered into an agreement to clean up and remediate the former Queen City Barrel site. The estimated total cost of the site remediation is \$13,829,000 which will be offset by a Clean Ohio Council Grant of \$3,000,000 and other funding sources of \$4,089,532. The total project expenditures for 2013 were \$4,184,000. The remaining balance of \$2,555,000 is an accrued liability in 2013. The City received State and Federal funding for site clean-up of Provident North, Red Bank, Oakley, and Metro West sites. The balance of the clean-up is \$2,073,000.

The City has several underground storage tanks for which it is responsible for the ongoing remediation and clean up costs. The remaining estimated liability at June 30, 2013 is approximately \$4,435,000.

## **17. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; property tax appeals 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 in 2013. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in any of the past three years.

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

In 1990, the City began to account for and finance its risk of loss due to workers' compensation claims and established an internal service fund titled "Self Insurance - Workers' Compensation". The city pays worker's comp claims on a per claim basis except a small portion that is paid through the State of Ohio Bureau of Workers' Compensation. All funds of the City participate in the program and make payments to the internal service fund based on the experience premium that would normally be charged by the Bureau of Workers' Compensation. Policy years 1989 through 2000 were financed through the retrospective rating program. Policy years 2001 and 2002 were financed through the fully insured program with the State Fund workers' compensation program. Beginning with policy year 2003, the City elected to be fully self-insured for workers' compensation. All of the City's workers' compensation liabilities are funded within the "Workers' Compensation – Self-Insurance" fund. Changes in the balances of claims liabilities and claims adjustment expenses during 2013 and 2012 are as follows:

(Amounts in Thousands)

	General Fund		Water Works Fund		Parking Facilities Fund		Debt Service Fund		Capital Projects Funds		Tax Increment Financing	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Beginning Balance	\$ 374	\$ 368	\$ 221	220	\$ 5	\$ 4	59	\$ 15,000			\$ 379	1,617
Current-Year Claims												
Claims and Changes in Estimates	630	868	50	77	1	(4)	4		15,000			379
Claim Payments	(517)	(862)	(19)	(76)	(1)	(5)	0	(59)			(379)	(1,617)
Ending Balance	\$ 487	\$ 374	\$ 252	\$ 221	\$ -	\$ -	\$ -	\$ 4	\$ 15,000	\$ 15,000	\$ -	\$ 379

	Special Revenue Funds		Self Insurance Risk Management Fund		Workers' Compensation Fund		Governmental Activities Obligations		Totals	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Beginning Balance	\$ 75	\$ 20	\$ 9,354	\$ 12,076	\$ 11,409	\$ 11,508	\$ 28,620	\$ 27,231	\$ 65,436	\$ 53,104
Current-Year Claims										
Claims and Changes in Estimates	56	82	27,501	82,461	2,804	4,096	19,445	1,716	50,483	104,683
Claim Payments	(19)	(27)	(28,517)	(85,183)	(2,344)	(4,195)	(4,196)	(327)	(35,992)	(92,351)
Ending Balance	\$ 112	\$ 75	\$ 8,338	\$ 9,354	\$ 11,869	\$ 11,409	\$ 43,869	\$ 28,620	\$ 79,927	\$ 65,436

The claims liabilities at June 30, 2013 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 Medical</b>	<b>Workers Compensation</b>
Accounts Payable	\$ 2,038	\$ 298
Accrued Liabilities		168
Estimated Liability For Unpaid Claim	<u>6,300</u>	<u>11,403</u>
Total	<u>\$ 8,338</u>	<u>\$11,869</u>

## 18. SERVICE CONCESSION ARRANGEMENTS

The City has one service concession arrangement with Fountain Square LLC. The Fountain Square North Parking Garage was leased in "as is" condition for an upfront payment of \$7.5 million and annual rent payments of \$100 for a period of 40 years beginning in 2005. The upfront payment is reported as deferred inflow. The current period revenue recognition is \$93,750 and the balance in unearned revenue at June 30, 2013 is \$5.9 million.

In addition, Fountain Square LLC made \$7.9 million in improvements to the parking garages. These improvements are included in the capital assets of the Parking Facilities Fund. The Net book value at June 30, 2013 was \$6.6 million. The current period revenue recognition is \$98,780.

**19.****SUBSEQUENT EVENTS**

On September 23, 2013, City Council passed ordinance 271-2013 authorizing the issuance and sale of \$3,000,000 of economic development revenue bonds or notes for the purpose of funding Price Avenue Streetscape and complement redevelopment in the East Price Hill's Incline District.

On October 10, 2013, City Council passed Ordinance 290-2013 authorizing the City Manager to apply for a Ohio State Infrastructure bank loan up to \$4.8 million to be used for the construction of 250 parking spaces and public improvements at the Keystone Parke II development in Evanston.

On October 22, 2013, City Council passed ordinance 309-2013 authorizing the issuance and sale of \$6,060,000 in economic development bonds or notes for the purpose of constructing a new parking garage in the Corryville Neighborhood Business District.

On November 20, 2013, City Council passed ordinance 367-2013 authorizing the issuance and sale of \$1,750,000 of economic development revenue bonds or notes to be used by Price Hill Will and Cincinnati Landmark Productions for the construction the Incline District Parking Garage.

On November 20, 2013, City Council passed ordinance 369-2013 authorizing the issuance and sale of \$2,250,000 of economic development revenue bonds or notes to be used by Madisonville Community Urban Redevelopment Corporation for the redevelopment of properties in the Madisonville area.

On November 20, 2013, City Council passed ordinance 371-2013 authorizing the issuance and sale of \$5,500,000 of economic development revenue bonds or notes to be used by Walnut Hills Redevelopment Foundation for the construction and rehab of 64 residential units and commercial space.

On November 20, 2013, City Council passed ordinance 363-2013 authorizing the issuance and sale of \$4,250,000 of economic development revenue bonds or notes to be used by the City of Cincinnati and the Uptown Consortium for the redevelopment of blighted and vacant land around the Martin Luther King Interchange in the Avondale neighborhood.

On November 20, 2013, City Council passed ordinance 365-2013 authorizing the issuance and sale of \$1,000,000 of economic development revenue bonds or notes to be used by the College Hill Community Urban redevelopment Corporation to provide funding assistance to the non-profit developer and their partners for the new construction of new mixed-use projects in the College Hill business district on land currently owned by the City, 250-300 apartment units and commercial space.

On November 20, 2013, City Council passed ordinance 380-2013 authorizing the issuance and sale of \$750,000 of Economic Development Revenue bonds or notes for the Evanston Commercial Redevelopment Project.

On November 26, 2013, City Council passed ordinance 340-2013 authorizing the issuance and sale of \$2,300,000 of economic development revenue bonds or notes to be used by the Port of Greater Cincinnati Development Authority for the redevelopment of 12 acres of land know as the Seymour Plaza.

On December 18, 2013, City Council passed ordinance 413-2013 authorizing the issuance and sale of \$20,000,000 of bonds or notes for the Martin Luther King/I-71 Interchange.

**20.****POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS****Plan Description**

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

**Funding Policy**

The benefit is funded on a pay-as-you-go basis. Each year the City budgets for a pre-determined amount based on prior years payments. The members of the Ohio Police and Fire Pension Fund do not make a contribution for this benefit. In 2013 the City budgeted \$150,000 and paid out \$115,000. The benefits unfunded liability for 2013 based on the future value of the liability as calculated by the City is \$1,646,000.

**21.****PENSION AND RETIREMENT**

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

**Ohio Police and Fire Pension Fund****Plan Description**

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

**Funding Policy**

Plan members are required to contribute 10% of their annual covered salary, while the City of Cincinnati is required to contribute 19.5% and 24.0% respectively for police officers and fire fighters. The employee contribution rate will increase the next two years to 11.50% in 2014 and 12.25% in 2015. The City of Cincinnati's contributions to OP&F for the six months period ending June 30, 2013 was \$13,993,010, and for the years ending December 31, 2012, and 2011 were \$28,634,000 and \$28,692,000, respectively and equal 100% of the required contribution for each year.

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

### **Other Post Employment Benefit Information**

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

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

Funding Policy: OP&F maintains funds for health care in two separate accounts: One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 and the Section 401(h) account as employer contribution for retiree health care benefits. For the six month period ended June 30, 2013, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401 (h).

The OP&F board of trustees also is authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Ohio Revised Code provides that healthcare cost paid from the funds of OP&F be included in the employer's contribution rate. The portion of the City's contributions for police that were used to pay postemployment benefits for the six month period ending June 30, 2013 was \$2,436,000, and for the years ending December 31, 2012 and 2011, were \$5,143,319 and \$5,266,514 respectively. For firefighters the contributions used to pay postemployment benefits for the six month period ending June 30, 2013 was \$1,956,000, and for the years ending December 31, 2012 and 2011, were \$3,869,134 and \$3,785,376 respectively which was equal to 100% of the required contribution for that year.

## **State PERS**

### **Plan Description**

City Personnel employee in the building crafts trade since 1961, rehired retirees of the Ohio Police and Fire Pension Fund, elected officials and certain part time employees are enrolled in Ohio Public Employees Retirement System (OPERS). Prior to February, 2012, newly hired city employees who were members of the OPERS or another Ohio State Retirement System were permitted to remain enrolled in OPERS.

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

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

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

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

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

### **Funding Policy**

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans. Employees contribute 10.0% of their annual compensation. For 2013 the City's contribution rate was 14.00% of covered payroll. The portion of the employer contribution allocated to health care was 4.0% for the Traditional Plan and 6.05% for the Combined Plan. City of Cincinnati's contributions to OPERS for the six month period ending June 30, 2013, and the years ending December 31, 2012, and 2011, were \$931,000, \$2,105,000, and \$2,144,000, respectively, equal to 100% of the required contributions for each year. The Ohio Revised Code currently limits the City's contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

### **Other Postemployment Benefit Information**

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-

Directed Plan do not qualify for ancillary benefits, including postemployment healthcare coverage.

In order to qualify for postemployment healthcare coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB statement 45. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Funding Policy: The Ohio Revised Code provides statutory authority requiring public employers to fund post employment healthcare through their contributions to OPERS. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. The City's contribution rate for 2013 was 14% of covered payroll. The portion of the employer contribution allocated to health care was 4.0% for Traditional Plan and 6.05% for Combined Plan. The portion of the City's employer contributions that were used to fund postemployment benefits for the six month period ended June 30, 2013 was \$334,633, and for years ended December 31, 2012 and 2011 were \$582,686 and \$601,472 respectively which was equal to 100% of the required contribution for that year.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment healthcare benefits. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the healthcare benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

On September 19, 2012 the OPERS board of trustees adopted a set of changes to the OPERS health care plan that will allow the plan to continue offering retirees access to health care coverage. These changes will be implemented in 2014.

### **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 52 and 53. 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, and University Hospital. Membership of the Retirement System of the City consisted of the following at December 31, 2012, the date of the latest actuarial valuation:

	<u>Pension</u>	<u>Health care</u>
Retirees and beneficiaries receiving benefits	4,381	4,122
Terminated plan members entitled to future benefits	151	54

Active plan members:



Eligible	2,356	1,401
Non-Eligible	<u>1,857</u>	<u>2,812</u>
Total	<u>8,745</u>	<u>8,389</u>

507 of the Non-eligible 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.

A major plan revision was approved by the City Council on March 16, 2011 and adopted by the Board. The plan allows for a two and half year transition period from July 1, 2011 to January 1, 2014. Active members who are eligible or become eligible to retire and elect to retire during this transition period can retire with 30 years of creditable service or at age 60 with at least five years of creditable service and will receive benefits according to the current plan as described below.

#### Current Plan

The annual retirement allowance is equal to 2.5% of the average of the three highest years' compensation multiplied by the number of years of membership service. Employees hired before July 12, 1998 elected either the 2.5% or a 2.22% formula, which factors in overtime pay and lump sum payments for vacation, sick leave and compensatory balances. All new employees hired July 12, 1998 and thereafter are subject to the 2.5% formula.

Pensions are increased by 3% compounded annually, commencing one year after retirement. The System also provides death and disability benefits. These benefit provisions and all other requirements, are established by the Cincinnati Municipal Code.

#### Revised Plan Benefits

Active members who are not eligible to retire before January 1, 2014 will be subject to the new plan benefits. To be eligible to retire, an active employee must have completed 30 years of creditable service and have reached age 60 or older or an employee must have 5 years of creditable service and have reached age 65 or older.

The annual retirement allowance through June 30, 2011 will be the same as current plan. For years of service beginning July 1, 2011 all active employees will receive 2.2% per year of creditable service through 30 years and the 2% for every year after 30 years of creditable service. Benefits will be calculated using the average of highest 60 consecutive months compensation.

Pensions are increased based on the CPI-U with a maximum of 2% annually and will be based on simple interest, commencing one year after retirement. The System will not provide death benefits but will continue to provide disability benefits. The Medical benefits changed on January 1, 2011. Medicare reimbursements are eliminated for all retirees and all retirees will be on the City's 80/20 health plan. Premiums are charged for all retirees retiring after January 1, 2007.

The service retirement allowance vests after five years of creditable service. Medical care benefits are provided after fifteen years of creditable service, or if hired before January 9, 1997 after reaching age sixty with at least five years of creditable service.

In 2007, an Early Retirement Window (ERW) was offered to City employees who would have 28 or more years of service by December 31, 2007. Employees who elected the window were granted two additional years of service. The additional actuarial accrued liability associated with the ERW of approximately \$42,300,000 is funded by separate contributions made by the city over a 15 year period. The 2013 contribution of \$5,042,000 will be paid on September 25, 2013. The contribution will increase each year until 2015 when it will be \$6,177,556 annually through 2023.

### **Contributions**

Each member contributes at a rate of 9.0% of his salary for 2013. 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 73 of the Cincinnati Municipal Code. In 2009, the municipal code was amended to increase the employee contribution amount.

The City makes annual employer contributions based on a percentage of the salaries of all members. For 2013 the contribution rate was 20% for all employers and the covered payroll was \$78,758,000. The rate based on the actuarial report was 28.18% for the Pension Fund .28% for the Health Benefits Fund. On November 30, 2011, City Council approved a "step up" approach that increases the City's contribution rate to 22% in 2014 and 24% thereafter. The City's contributions to the City of Cincinnati Retirement System for the six month period ending June 30, 2013 was \$16,151,000, the years ended December 31 2012 and 2011 were \$33,608,000 and \$31,160,000 respectively. The contributions for all three periods were less than the required contributions. Administrative costs are financed from the system assets.

As of the last actuarial valuation date (December 31, 2012) the pension plan unfunded actuarial accrued liability was \$862,123,000 to be amortized over an open period of 30 years, the funded ratio was 61.3%, and the actuarial value of assets was \$1,367,695,000. The unfunded actuarial accrued liability as a percentage of covered payroll of \$167,148,000 was 515.8%. The Actuarial Accrued Liability is \$2,229,818,000. The required supplementary schedule, which immediately follows the notes, contains multi-year trend information about the actuarial value of plan assets and if it is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

*Annual Pension Cost and Net Pension Obligation.* The City's annual pension cost and net pension obligation to CRS for the current six month period and prior fiscal years were as follows:

*Annual Pension Costs and Net Pension Obligation*

(Amounts in Thousands)	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual required contribution	\$ 33,500	\$ 49,952	\$ 54,875
Interest on net pension obligation	5,093	9,643	7,815
Adjustment to annual required contribution	(5,750)	(10,707)	(8,678)
Annual pension costs	<u>32,843</u>	<u>48,888</u>	<u>54,012</u>
Actual contribution	(16,151)	(33,608)	(31,160)
Increase(decrease) in net pension obligation	16,692	15,280	22,852
Net pension obligation beginning of year	<u>135,822</u>	<u>120,542</u>	<u>97,690</u>
Net pension obligation end of year	<u>\$ 152,514</u>	<u>\$ 135,822</u>	<u>\$ 120,542</u>
Annual pension costs	\$ 32,843	\$ 48,888	\$ 54,012
Percentage of annual pension cost contribution	49.18%	68.74%	57.69%

*Annual OPEB Costs and Net OPEB Obligation*

(Amounts in Thousands)	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual required contribution	\$ 2,849	\$ 453	\$ 19,943
Interest on net OPEB	3,169	6,944	5,569
Adjustment to annual required contribution	(3,577)	(7,710)	(6,184)
Annual OPEB	<u>2,441</u>	<u>(313)</u>	<u>19,328</u>
Actual contribution	(924)	(2,000)	(2,142)
Increase(decrease) in net OPEB	1,517	(2,313)	17,186
Net OPEB beginning of year	<u>84,487</u>	<u>86,800</u>	<u>69,614</u>
Net OPEB end of year	<u>\$ 86,004</u>	<u>\$ 84,487</u>	<u>\$ 86,800</u>
Annual pension costs	\$ 2,441	\$ (313)	\$ 19,328
Percentage of annual pension cost contribution	37.85%	-638.98%	11.08%

**Summary of Significant Accounting Policies and Plan Asset Matters**

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

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

*Securities Lending* - The Retirement System securities lending program disclosures are presented in accordance with Governmental Accounting Standards Board Statement 28, Accounting and Financial Reporting for Securities Lending Transactions and Statement 40, Deposit and Investment Risk Disclosures. The disclosures are located in Footnote 2 – Deposits with Financial Institutions and Investments and on the

statement of plan net assets and statement of changes in plan net position.

*Derivatives* – The Retirement System derivative disclosures are presented in accordance with Governmental Accounting Standards Board 53, Accounting and Financial Reporting for Derivative Instruments, and Governmental Accounting Standards Board Statement 40, Deposit and Investment Risk Disclosures, and can be found in Footnote 2 – Deposits with Financial Institutions and Investments.

### **Other Postemployment Benefit Information**

The System provides hospital and surgical insurance to retired members who have earned fifteen years credited service at the time of termination and a group who terminated after age sixty with five years credited service. Those who are receiving optionee benefits of eligible members are entitled to have their hospital and surgical insurance as continued through the System.

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

The actuarial assumptions used for the December 31, 2012 valuation included an assumption for hospital and surgical benefits recognizing adjusted premiums based on experience for recent years. The actuarial valuations for OPEB plans are estimates of the value of reported amounts and assumptions about the probability of events far into the future. Amounts determined are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The cost of OPEB is recognized as an expense as claims are paid. No employer contribution was used to fund postemployment benefits for the six month period ended June 30, 2013. For the healthcare plan, the unfunded actuarial accrued liability was \$7,702,640 to be amortized over an open period of 30 years, the funded ratio was 98.8%, and the actuarial value of assets was \$634,173,128. The unfunded actuarial accrued liability as a percentage of covered payrolls of \$167,148,000 was 4.6%. The Actuarial Accrued Liability was \$641,875,768. Calculations are based on the OPEB benefits provided under the terms of the plan in effect at the time of each valuation and on the pattern of cost sharing between the employer and the plan members at that point. The actuarial calculations of the OPEB plan reflect a long term perspective. The required supplementary schedule, which immediately follows the notes, contains multi-year trend information about the actuarial value of plan assets and if it is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Below are the current financial statements for the Pension and OPEB trusts funds.

**CITY OF CINCINNATI, OHIO**  
**Statement of Plan Net Position**  
**Pension Trust**  
**June 30, 2013**  
**(Amounts in Thousands)**

	Pension	Healthcare	Total
<b>ASSETS</b>			
Cash and Equivalents	\$ 49,707	\$ 23,345	\$ 73,052
Investments, at fair value:			
Canadian Bonds	1,894	890	2,784
International Bonds	3,746	1,760	5,506
US Government Bonds	61,951	29,096	91,047
Tax Exempt Government Municipal	2,569	1,207	3,776
Corporate Fixed Income	17,095	8,029	25,124
State and Local Obligations	2,192	1,030	3,222
US Agencies	66,781	31,364	98,145
Equities - Common Stock	684,940	321,683	1,006,623
Private Equity	155,111	72,848	227,959
Real Estate	114,462	53,758	168,220
Private Placements	17,916	8,414	26,330
Other Assets (Alternatives)	297,528	139,733	437,261
Total Investments, at fair value	1,426,185	669,812	2,095,997
Collateral on Loaned Securities	77,107	36,214	113,321
Receivables:			
Accounts Receivable - Other	293	138	431
Accounts Receivable for Securities Sold	50,145	23,551	73,696
Accrued Interest and Dividends	2,263	1,063	3,326
Due from Primary Government	1,005	472	1,477
Due from Other Governments	348	164	512
Loans Receivable	1,891	888	2,779
Machinery and Equipment	541	254	795
Accumulated Depreciation	(435)	(205)	(640)
Total Assets	1,609,050	755,696	2,364,746
<b>LIABILITIES</b>			
Accounts Payable	2,072	973	3,045
Accounts Payable for Securities Purchased	92,165	43,286	135,451
Due to Primary Government	38	18	56
Obligations under Securities Lending	77,107	36,214	113,321
Accrued Payroll	7	4	11
Accrued Liabilities	10,701	5,026	15,727
Estimated Liability for Compensated Absences	72	34	106
Total Liabilities	182,162	85,555	267,717
<b>NET POSITION</b>			
Held in Trust for Employees' Pension Benefits	1,426,888		1,426,888
Held in Trust for Employees' Post employment Healthcare Benefits		670,141	670,141
Combined Net Position	\$ 1,426,888	\$ 670,141	\$ 2,097,029

**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Changes in Plan Net Position**  
**Pension Trust**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	<u>Pension</u>	<u>Healthcare</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions:			
Member	\$ 7,012	\$	\$ 7,012
Employer	16,150		16,150
Other		924	924
Total Contributions	<u>23,162</u>	<u>924</u>	<u>24,086</u>
Transfers from Other Retirement Systems	47		47
Investment Income			
From Investing Activities:			
Interest & Dividends	12,990	6,019	19,009
Net Appreciation in Fair Value of Investments	<u>62,833</u>	<u>29,114</u>	<u>91,947</u>
Total Investment Earnings	75,823	35,133	110,956
Less Investment Management Expenses	<u>4,183</u>	<u>1,938</u>	<u>6,121</u>
Net Income From Investing Activities	<u>71,640</u>	<u>33,195</u>	<u>104,835</u>
From Security Lending Activities:			
Securities Lending Income	<u>24</u>	<u>11</u>	<u>35</u>
Securities Lending Expense:			
Borrower Rebates	132	60	192
Management Fees	<u>(36)</u>	<u>(16)</u>	<u>(52)</u>
Total Securities Lending Expenses	<u>96</u>	<u>44</u>	<u>140</u>
Net Income from Securities Lending Activities	<u>120</u>	<u>55</u>	<u>175</u>
Total Additions	<u>94,969</u>	<u>34,174</u>	<u>129,143</u>
<b>DEDUCTIONS</b>			
Benefits Payments:			
Pension and Annuities	75,126		75,126
Hospital and Medical Care		16,622	16,622
Dental Benefits		17	17
Vision Benefits		2	2
Death Benefits, Active and Retired	355		355
Transfers - Retirement to Other Systems	<u>225</u>		<u>225</u>
Total Benefits Payments	<u>75,706</u>	<u>16,641</u>	<u>92,347</u>
Refunds of Contributions	<u>863</u>		<u>863</u>
Administrative Expenses:			
Personal Services	325	153	478
Contractual Services	152	71	223
Materials and Supplies	23	11	34
Depreciation	<u>44</u>	<u>21</u>	<u>65</u>
Total Administration Expenses	<u>544</u>	<u>256</u>	<u>800</u>
Total Deductions	<u>77,113</u>	<u>16,897</u>	<u>94,010</u>
Change in Net Position	17,856	17,277	35,133
Net Position held in Trust for Benefits			
Beginning of Period	<u>1,409,032</u>	<u>652,864</u>	<u>2,061,896</u>
End of Period	<u>\$ 1,426,888</u>	<u>\$ 670,141</u>	<u>\$ 2,097,029</u>

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	12/31/2012												
Actuarial cost method	Individual entry age normal												
Asset valuation method	The actuarial value of assets was reset to market value of assets as of December 31, 2003. For future years, asset gains and losses will be recognized at the rate of 20% per year. The investment gain/(loss) is taken as the excess of the actual return on assets over the expected return on assets. The investment gain/(loss) is then recognized at 20% per year until fully recognized. The actuarial value of assets is the market value minus the sum of the deferred investment gains/(losses) during the preceding five plan years. In addition, the actuarial value is restricted to be no less than 80% of the market value or no more than 120% of the market value.												
Actuarial assumptions:													
Investment rate of return	7.5% per year, net of expenses, compounded annually.												
Inflation Assumption	3.00% per annum.												
Mortality													
Non-disabled lives:	RP-Combined Morality Table set forward 2 years for males and 1 year forward for females using a Scale AA projection to 2020												
Disabled Retirees:	RP-2000 Disabled Morality Table (set back 5 years for females)												
Withdraw assumption	It was assumed that 50% of vested members who terminate elect to withdraw their contributions while 50% leave their contributions in the plan in order to be eligible for a benefit at a retirement date.												
Salary increases	Salary increases are assumed to vary by service. Based on a 2006 experience study by Mercer the following increases based on years of service are used:												
	<table border="0"> <thead> <tr> <th>Years of service</th> <th>Annual Increase</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>7.5%</td> </tr> <tr> <td>5</td> <td>5.0%</td> </tr> <tr> <td>10</td> <td>4.5%</td> </tr> <tr> <td>20</td> <td>4.5%</td> </tr> <tr> <td>30</td> <td>4.0%</td> </tr> </tbody> </table>	Years of service	Annual Increase	0	7.5%	5	5.0%	10	4.5%	20	4.5%	30	4.0%
Years of service	Annual Increase												
0	7.5%												
5	5.0%												
10	4.5%												
20	4.5%												
30	4.0%												

Medical Benefits:	<p>The City offers medical benefits (including outpatient prescription drug coverage) to retirees before and during Medicare eligibility. As of September 1, 2007, all future retirees will be covered by the 80/20 PPO plan. The employee contribution for 2012 is 5% of the premium costs. Retirees who retired prior to 2008 may participate in either Modified PPO plan or if eligible the Modified Carve-Out PPO. To be eligible for the Carve-Out PPO, a retiree must have a pension system benefit of less \$30,000 or less per year. Employees who retired under a special incentive plan in 2007 and are covered by the 80/20 PPO plan.</p> <p>Beginning January 1, 2012, members who retired prior to September 1, 2007 and establish that their annual income is less than \$30,000 will be eligible for the Blue Assess Carve-Out PPO plan. All others will receive the Blue Access 80/20 plan.</p>
Retiree Contributions	<p>Group 1 participants covered by the Modified PPO or the Carve-out PPO plans do not contribute towards the cost of coverage. Group 1 participants covered by the 80/20 PPO contribute an amount equal to the active employee contribution. Group 2 future retirees will pay the higher of the active employee contribution or the portion of their cost determined by the point system.</p>
Other Health Benefits	<p><u>Medicare Part B</u>: The City reimburses the Medicare Part B premiums for retirees and dependents. Beginning January 1, 2012 all Medicare eligible retirees and dependents will be responsible for the payment of required Medicare Part B premiums.</p>
Dental Benefits	<p>Under the provisions of Ordinance 85-2011, beginning January 1, 2012, all members electing to participate in the dental plan will be required to pay the full cost of dental coverage. As such, it is assumed the System has no liability under GASB 43 and 45 for dental benefits.</p>
Vision Benefits	<p>Under the provisions of Ordinance 85-2011, beginning January 1, 2012, all members electing to participate in the vision plan will be required to pay the full cost of vision coverage. As such, it is assumed the System has no liability under GASB 43 and 45 for vision benefits.</p>
Option Electives	<p>70% of male participants and 30% of female participants will have a spouse who is covered under the medical, dental, and vision benefits portions of the plan. Of these participants with a covered spouse, 85% will elect a Joint &amp; Survivor option.</p>



**REQUIRED**  
**SUPPLEMENTARY INFORMATION**

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**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS**

(AMOUNTS IN THOUSANDS)

**PENSION PLAN**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) -Entry Age (b)	Unfunded Actuarial Liability (UAAL) (b-a)	% Funded Ratio (a/b)	Covered Payroll (c)	% UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	\$ 1,794,406	\$ 2,080,923	\$ 286,517	86.23	\$ 182,396	157.09
12/31/08	1,490,497	2,094,762	604,265	71.15	164,640	367.02
12/31/09	1,631,407	2,125,738	494,331	76.75	170,416	290.07
12/31/10	1,565,949	2,085,987	520,038	75.07	167,589	310.31
12/31/11	1,466,077	2,194,505	728,428	66.81	165,029	441.39
12/31/12	1,367,695	2,229,818	862,123	61.34	167,148	515.78

**HEALTHCARE PLAN**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) -Entry Age (b)	Unfunded Actuarial Liability (UAAL) (b-a)	% Funded Ratio (a/b)	Covered Payroll (c)	% UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	\$ 835,486	\$ 921,985	\$ 86,499	90.62	\$ 182,396	47.42
12/31/08	688,870	998,491	309,621	68.99	164,640	188.06
12/31/09	746,029	877,399	131,370	85.03	170,416	77.09
12/31/10	726,412	657,045	(69,367)	110.56	167,589	(41.39)
12/31/11	668,392	653,404	(14,988)	102.29	165,029	(9.08)
12/31/12	634,173	641,876	7,703	98.80	167,148	4.61

**SCHEDULE OF EMPLOYERS' CONTRIBUTIONS**

(AMOUNTS IN THOUSANDS)

**PENSION PLAN**

Year Ended December 31	Annual Required Contribution	% Percentage Contributed
2007	\$ 38,571	82.35
2008	38,767	61.83
2009	43,065	61.88
2010	80,882	37.13
2011	54,875	56.78
2012	49,952	67.28

**HEALTHCARE PLAN**

Year Ended December 31	Annual Required Contribution	% Percentage Contributed
2007	\$ 30,691	17.18
2008	22,767	18.78
2009	11,388	49.15
2010	44,689	9.78
2011	19,943	10.74
2012	453	441.50

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

**City of Cincinnati, Ohio**  
**Budgetary Comparison Schedule**  
**Non GAAP**  
**For the six month period ended June 30, 2013**  
**(Amounts in thousands)**

	<b>General Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>General Fund</b>				
Revenue				
Taxes	\$ 131,914	\$ 131,914	\$ 140,589	\$ 8,675
Licenses and Permits	4,060	4,060	4,535	475
Use of Money and Property	3,715	3,715	3,628	(87)
Intergovernmental Revenue	15,164	15,164	15,306	142
Charges for Services	8,825	8,825	8,818	(7)
Miscellaneous	385	385	2,567	2,182
Total Revenues	<u>164,063</u>	<u>164,063</u>	<u>175,443</u>	<u>11,380</u>
<b>EXPENDITURES</b>				
Current				
General Government	25,762	26,035	24,687	1,348
Community Development	2,970	2,971	2,905	66
Parks and Recreation	11,841	11,805	11,763	42
Public Safety	112,429	112,543	111,709	834
Transportation and Engineering	1,612	1,612	1,528	84
Public Services	8,776	8,809	8,542	267
Public Health	10,592	10,591	10,564	27
Employee Benefits	3,553	3,877	3,604	273
Capital Outlay	67	60	49	11
Debt Service	171	171	171	-
Total Expenditures	<u>177,773</u>	<u>178,474</u>	<u>175,522</u>	<u>2,952</u>
Deficiency of Revenue under Expense	(13,710)	(14,411)	(79)	14,332
Other Financing Sources (Uses)				
Transfers In	1,520	3,046	3,046	-
Transfers (Out)	-	(500)	(500)	-
Total Other Financing Sources (Uses)	<u>1,520</u>	<u>2,546</u>	<u>2,546</u>	<u>-</u>
Change in Fund Balance	(12,190)	(11,865)	2,467	14,332
Cancellation of Prior Years Encumbrances	889	889	2,460	1,571
Fund balances - beginning	29,496	29,496	29,496	
Fund balances - ending	<u>\$ 18,195</u>	<u>\$ 18,520</u>	<u>\$ 34,423</u>	<u>\$ 15,903</u>

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

<b>Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other uses per the Budgetary Comparison Schedule</b>	<b>\$ 2,467</b>
(Increases) decreases from revenues:	
Received in cash during year but already accrued as receivables (GAAP) at December 31, 2012	(30,258)
Accrued as receivables at June 30, 2013 but not recognized in budget	17,864
(Increases) decreases from encumbrances:	
Expenditures of amounts encumbered during prior years	(7,231)
Recognized as expenditures in the budget	6,212
(Increases) decreases from expenditures:	
Accrued as liabilities at December 31, 2012 recognized as expenditures (GAAP) but not in budget	5,718
Accrued as liabilities at June 30, 2013	(8,170)
<b>Net Change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance (Page 44)</b>	<b><u>\$ (13,398)</u></b>

See notes to required supplementary information.

**City Of Cincinnati, Ohio**  
Note to the Required Supplementary Information  
June 30, 2013

**Note A- Budgetary Data**

An annual operating budget is legally adopted each fiscal year for the General Fund, Debt Service Fund, Capital Projects Fund and following Special Revenue Funds: Health Services, Street Construction Maintenance and Repair, Parking Meter, Cable TV, Income Tax Infrastructure, Income Tax Transit, Motor Vehicle License and Special Recreation. The budgetary data reports included within this report are prepared on a cash basis of accounting, with the exception of certain accrued personal service and employee benefit costs. Encumbrances, which do not lapse at year-end, are included as expenditures in the current year budget (Non-GAAP). The budgetary process begins at least six months prior to the calendar year for which the budget is to be adopted, with the City certifying the proposed budget to the County Auditor by January 20. By July 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 October 1, City Council must adopt annual appropriation ordinances. Only unencumbered appropriations lapse at end of the fiscal period.

There are several other special revenue appropriated funds whose revenues are mostly grants which are appropriated monthly as revenues are received. These funds include the special revenue fund: Tax Increment Financing Funds, Recreation, Parks, Safety, Health, Cincinnati Blue Ash Airport, Community Development, Department of Labor Grants and Other. The budgets for these funds in the reports included herein are equivalent to the funds expenditures at year end. Outstanding encumbrances are re-appropriated in the next periods' budget. The budgeted revenue is the amount of resources available for expenditures within the period.

Some reimbursement grants funds are encumbered before revenue is received resulting in negative fund balances. The Community Development Fund (\$2,404,000) reflects a negative fund balance at June 30, 2013.

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 period, several supplementary appropriations were necessary.

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## **SUPPLEMENTARY INFORMATION**

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## **MAJOR GOVERNMENTAL FUNDS**

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

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

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

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**CITY OF CINCINNATI, OHIO**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

General Fund	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue				
Taxes				
Real Property	\$ 10,760	\$ 10,760	\$ 10,997	\$ 237
City Income Tax	119,752	119,752	127,873	8,121
Admissions	1,402	1,402	1,719	317
Total Taxes	131,914	131,914	140,589	8,675
Licenses and Permits				
Street Use	2,298	2,298	2,277	(21)
Police and Protective	15	15	18	3
Beer and Liquor	50	50	58	8
Business and Merchandising	-	-	1	1
Amusements	36	36	49	13
Professional and Occupational	109	109	117	8
Buildings, Structures and Equipment	1,552	1,552	2,015	463
Total Licenses and Permits	4,060	4,060	4,535	475
Use of Money and Property				
Fines, Forfeits and Penalties	2,050	2,050	2,147	97
Income from Treasury Investments	1,600	1,600	1,376	(224)
Rents	60	60	100	40
General Concessions and Commissions	5	5	5	-
Total Use of Money and Property	3,715	3,715	3,628	(87)
Intergovernmental Revenue				
Proportionately shared State Taxes				
Local Government Fund - Sales, Franchise, State				
Income Tax	6,977	6,977	6,977	-
Casino Tax-County Share	2,200	2,200	2,042	(158)
Casino Tax-Host City	0	0	285	285
Estate Tax	5,000	5,000	4,980	(20)
State Income Tax - Real Property Tax Reduction	987	987	1,022	35
Total Intergovernmental Revenue	15,164	15,164	15,306	142
Charges for Services				
General Government	3,219	3,219	2,025	(1,194)
Other Inspection Certificates	795	795	839	44
Elevator Certificates	320	320	356	36
Public Safety				
Police and Communication Charges	130	130	76	(54)
Motor Vehicle Response	360	360	303	(57)
Impounded Vehicle Fees	130	130	165	35
Protective Inspection Fees	75	75	85	10
Protective Service - Burglary Alarm	100	100	185	85
Emergency Transportation Service	3,000	3,000	3,904	904
Other Public Safety Charges	60	60	243	183
Public Services				
Recycling Incentive Fee	225	225	209	(16)
Other Public Services Charges	50	50	100	50
Public Health				
Vital Statistics	255	255	275	20
Clinic Fees	106	106	53	(53)
Total Charges for Current Services	8,825	8,825	8,818	(7)
Miscellaneous	385	385	2,567	2,182
Total Revenues	164,063	164,063	175,443	11,380

(Continued)

**CITY OF CINCINNATI, OHIO**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

General Fund (Continued)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
City Council				
Personal Services	\$ 996	\$ 1,012	\$ 916	\$ 96
Non Personal Services	29	23	20	3
Total City Council	<u>1,025</u>	<u>1,035</u>	<u>936</u>	<u>99</u>
Office of the Mayor				
Personal Services	281	281	274	7
Non Personal Services	22	22	21	1
Total Office of the Mayor	<u>303</u>	<u>303</u>	<u>295</u>	<u>8</u>
Office of the Clerk of Council				
Personal Services	245	235	228	7
Non Personal Services	112	112	108	4
Total Office of the Clerk of Council	<u>357</u>	<u>347</u>	<u>336</u>	<u>11</u>
Department of Enterprise Technology Services				
Personal Services	2,257	2,257	2,257	-
Non Personal Services	465	465	464	1
Total Department of Enterprise Technology Services	<u>2,722</u>	<u>2,722</u>	<u>2,721</u>	<u>1</u>
Department of the City Manager				
Office of the City Manager				
Personal Services	1,004	992	975	17
Non Personal Services	556	561	475	86
Total Office of the City Manager	<u>1,560</u>	<u>1,553</u>	<u>1,450</u>	<u>103</u>
Division of Budget and Evaluation				
Personal Services	486	477	475	2
Non Personal Services	31	37	32	5
Total Division of Budget and Evaluation	<u>517</u>	<u>514</u>	<u>507</u>	<u>7</u>
Division of Environmental Management				
Personal Services	189	189	124	65
Non Personal Services	1,548	1,508	1,460	48
Total Division of Environmental Management	<u>1,737</u>	<u>1,697</u>	<u>1,584</u>	<u>113</u>
Division of Economic Development				
Personal Services	392	392	392	-
Non Personal Services	279	279	278	1
Total Division of Economic Development	<u>671</u>	<u>671</u>	<u>670</u>	<u>1</u>
Total Department of the City Manager	<u>4,485</u>	<u>4,435</u>	<u>4,211</u>	<u>224</u>
Citizen's Complaint Authority & Internal Audit				
Personal Services	495	464	414	50
Non Personal Services	26	45	37	8
Total Citizen's Complaint Authority & Internal Audit	<u>521</u>	<u>509</u>	<u>451</u>	<u>58</u>
Department of Law				
Personal Services	2,688	2,688	2,549	139
Non Personal Services	519	519	429	90
Total Department of Law	<u>3,207</u>	<u>3,207</u>	<u>2,978</u>	<u>229</u>
Department of Human Resources				
Personal Services	803	788	762	26
Non Personal Services	52	53	50	3
Total Department of Human Resources	<u>855</u>	<u>841</u>	<u>812</u>	<u>29</u>
Department of Finance				
Office of the Director				
Personal Services	210	215	209	6
Non Personal Services	8	8	6	2
Total Office of the Director	<u>218</u>	<u>223</u>	<u>215</u>	<u>8</u>
Division of Accounts and Audits				
Personal Services	780	733	694	39
Non Personal Services	26	26	26	-
Total Division of Accounts and Audits	<u>806</u>	<u>759</u>	<u>720</u>	<u>39</u>

(Continued)

**CITY OF CINCINNATI, OHIO**  
 Schedule of Revenue, Expenditures and Changes in Fund Balance  
 Budget(Non-GAAP Budgetary Basis) and Actual  
 For the six month period ended June 30, 2013  
 (Amounts in Thousands)

General Fund (Continued)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures</b>				
Department of Finance (Continued)				
Division of Treasury				
Personal Services	\$ 378	\$ 338	\$ 309	\$ 29
Non Personal Services	167	194	194	-
Total Division of Treasury	<u>545</u>	<u>532</u>	<u>503</u>	<u>29</u>
Division of Risk Management				
Non Personal Services	136	136	108	28
Total Division of Risk Management	<u>136</u>	<u>136</u>	<u>108</u>	<u>28</u>
Division of Income Tax				
Personal Services	1,505	1,422	1,320	102
Non Personal Services	221	220	220	-
Total Division of Income Tax	<u>1,726</u>	<u>1,642</u>	<u>1,540</u>	<u>102</u>
Division of Purchasing				
Personal Services	372	347	313	34
Non Personal Services	53	53	53	-
Total Division of Purchasing	<u>425</u>	<u>400</u>	<u>366</u>	<u>34</u>
Total Department of Finance	3,856	3,692	3,452	240
Department of Community Development				
Office of the Director				
Personal Services	309	304	248	56
Non Personal Services	1,298	1,257	1,255	2
Total Office of the Director	<u>1,607</u>	<u>1,561</u>	<u>1,503</u>	<u>58</u>
Division of Housing Development				
Personal Services	64	89	88	1
Non Personal Services	261	261	260	1
Total Division of Housing Development	<u>325</u>	<u>350</u>	<u>348</u>	<u>2</u>
Division of New Construction & Existing Building Standards				
Personal Services	964	976	972	4
Non Personal Services	74	84	82	2
Total Division of New Construction & Existing Building Standard	<u>1,038</u>	<u>1,060</u>	<u>1,054</u>	<u>6</u>
Total Department of Community Development	2,970	2,971	2,905	66
Department of Planning and Buildings				
Division of City Planning				
Personal Services	312	322	312	10
Non Personal Services	35	35	33	2
Total Division of City Planning	<u>347</u>	<u>357</u>	<u>345</u>	<u>12</u>
Division of Licenses and Permits				
Personal Services	2,380	2,370	2,205	165
Non Personal Services	236	236	233	3
Debt Service	13	13	13	-
Total Division of Licenses and Permits	<u>2,629</u>	<u>2,619</u>	<u>2,451</u>	<u>168</u>
Total Department of Planning and Buildings	2,976	2,976	2,796	180
Department of Public Recreation				
West Region Division				
Personal Services	1,106	1,126	1,109	17
Non Personal Services	236	235	235	-
Debt Service	23	23	23	-
Total West Region Division	<u>1,365</u>	<u>1,384</u>	<u>1,367</u>	<u>17</u>
East Region Division				
Personal Services	1,036	938	934	4
Non Personal Services	223	223	223	-
Debt Service	21	21	21	-
Total East Region Division	<u>1,280</u>	<u>1,182</u>	<u>1,178</u>	<u>4</u>

(Continued)

**CITY OF CINCINNATI, OHIO**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

General Fund (Continued)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Department of Public Recreation (Continued)				
Central Region Division				
Personal Services	\$ 1,026	\$ 1,056	\$ 1,047	\$ 9
Non Personal Services	230	230	230	-
Debt Service	23	23	23	-
Total Central Region Division	<u>1,279</u>	<u>1,309</u>	<u>1,300</u>	<u>9</u>
Maintenance Division				
Personal Services	1,482	1,374	1,362	12
Non Personal Services	711	711	711	-
Total Maintenance Division	<u>2,193</u>	<u>2,085</u>	<u>2,073</u>	<u>12</u>
Division of Athletics				
Personal Services	911	1,066	1,066	-
Non Personal Services	189	190	190	-
Total Division of Athletics	<u>1,100</u>	<u>1,256</u>	<u>1,256</u>	<u>-</u>
Division of Administration				
Personal Services	734	733	733	-
Non Personal Services	101	93	93	-
Capital Outlay	12	19	19	-
Total Division of Administration	<u>847</u>	<u>845</u>	<u>845</u>	<u>-</u>
Total Department of Public Recreation	<u>8,064</u>	<u>8,061</u>	<u>8,019</u>	<u>42</u>
Department of Parks				
Office of the Director				
Personal Services	116	96	96	-
Total Office of the Director	<u>116</u>	<u>96</u>	<u>96</u>	<u>-</u>
Division of Operations and Facilities				
Personal Services	1,913	1,763	1,763	-
Non Personal Services	825	932	932	-
Total Division of Operations and Facilities	<u>2,738</u>	<u>2,695</u>	<u>2,695</u>	<u>-</u>
Division of Administration and Program Services				
Personal Services	583	628	628	-
Non Personal Services	419	411	411	-
Total Division of Administration and Program Services	<u>1,002</u>	<u>1,039</u>	<u>1,039</u>	<u>-</u>
Total Department of Parks	<u>3,856</u>	<u>3,830</u>	<u>3,830</u>	<u>-</u>
Department of Police				
Division of Police				
Personal Services	56,341	55,232	54,559	673
Non Personal Services	6,268	6,778	6,656	122
Debt Service	14	14	14	-
Total Division of Police	<u>62,623</u>	<u>62,024</u>	<u>61,229</u>	<u>795</u>
Police Emergency Communications				
Personal Services	4,122	4,114	4,114	-
Non Personal Services	251	251	212	39
Capital Outlay	7	7	5	2
Total Division of Emergency Communications	<u>4,380</u>	<u>4,372</u>	<u>4,331</u>	<u>41</u>
Total Department of Police	<u>67,003</u>	<u>66,396</u>	<u>65,560</u>	<u>836</u>
Department of Fire				
Personal Services	41,255	42,463	42,463	-
Non Personal Services	4,192	3,705	3,705	-
Capital Outlay	46	32	24	8
Debt Service	14	14	14	-
Total Department of Fire	<u>45,507</u>	<u>46,214</u>	<u>46,206</u>	<u>8</u>
Department of Transportation and Engineering				
Office of the Director				
Personal Services	253	253	253	-
Non Personal Services	33	33	30	3
Total Office of the Director	<u>286</u>	<u>286</u>	<u>283</u>	<u>3</u>

(Continued)

**CITY OF CINCINNATI, OHIO**  
 Schedule of Revenue, Expenditures and Changes in Fund Balance  
 Budget(Non-GAAP Budgetary Basis) and Actual  
 For the six month period ended June 30, 2013  
 (Amounts in Thousands)

General Fund (Continued) Expenditures	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Department of Transportation and Engineering (Continued)				
Division of Transportation Planning				
Personal Services	\$ 21	\$ 48	\$ 34	\$ 14
Non Personal Services	9	9	4	5
Total Division of Transportation Planning	30	57	38	19
Division of Engineering				
Personal Services	95	69	41	28
Non Personal Services	19	19	17	2
Total Division of Engineering	114	88	58	30
Division of Traffic Engineering				
Personal Services	80	79	73	6
Non Personal Services	1,102	1,102	1,076	26
Total Division of Traffic Engineering	1,182	1,181	1,149	32
Total Department of Transportation and Engineering	1,612	1,612	1,528	84
Department of Public Services				
Office of the Director				
Personal Services	350	324	321	3
Non Personal Services	64	64	61	3
Total Office of the Director	414	388	382	6
Division of Traffic and Road Operations				
Personal Services	279	278	276	2
Non Personal Services	81	81	39	42
Total Traffic and Road Operations	360	359	315	44
Neighborhood Operations Division				
Personal Services	3,829	3,632	3,632	-
Non Personal Services	2,862	3,118	2,921	197
Debt Service	14	14	14	-
Total Neighborhood Operations Division	6,705	6,764	6,567	197
Division of City Facility Management				
Personal Services	36	32	30	2
Non Personal Services	1,238	1,243	1,243	-
Debt Service	28	28	28	-
Total City Facility Management	1,302	1,303	1,301	2
Division of Fleet Services				
Personal Services	36	36	19	17
Non Personal Services	1	1	0	1
Total Fleet Services	37	37	19	18
Total Department of Public Services	8,818	8,851	8,584	267
Department of Public Health				
Office of the Commissioner				
Personal Services	884	953	953	-
Non Personal Services	82	81	81	-
Capital Outlay	2	2	1	1
Total Office of the Commissioner	968	1,036	1,035	1
Office of Technical Resources				
Personal Services	889	878	878	-
Non Personal Services	303	273	272	1
Debt Service	21	21	21	-
Total Office of Technical Resources	1,213	1,172	1,171	1
Office of Community Health Services				
Personal Services	1,953	1,946	1,946	-
Non Personal Services	183	183	182	1
Total Office of Community Health Services	2,136	2,129	2,128	1
Division of Primary Care - Special Services				
Personal Services	1,495	1,289	1,288	1
Non Personal Services	3	3	3	-
Total Division of Primary Care - Special Services	1,498	1,292	1,291	1
Division of Primary Care - Health Centers				
Personal Services	3,952	4,222	4,203	19
Non Personal Services	387	417	416	1
Total Division of Primary Care - Health Centers	4,339	4,639	4,619	20

(Continued)

**CITY OF CINCINNATI, OHIO**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>General Fund</b>				
(Continued)				
Expenditures				
Department of Public Health (Continued)				
Division of School and Adolescent Health				
Personal Services	\$ 460	\$ 345	\$ 341	\$ 4
Non Personal Services	1	1	1	-
Total Division of School and Adolescent Health	<u>461</u>	<u>346</u>	<u>342</u>	<u>4</u>
Total Department of Public Health	10,615	10,614	10,586	28
Nondepartmental Accounts				
Pension				
Contributions to City Pension System	125	145	-	145
Contributions to Police Pension System	400	400	400	-
Contributions to Fire Pension System	417	417	417	-
Employee Benefits				
Public Employee Assistance	160	133	133	-
Workers' Compensation Insurance	1,673	1,673	1,673	-
Police Officers and Firefighters' Insurance	150	150	115	35
State Unemployment Compensation	250	489	489	-
Lump Sum Payments	378	470	377	93
Professional Services and Legal Fees				
Judgments Against the City	385	385	381	4
Audit and Examiners' Fees	225	225	225	-
Hamilton County Treasurer's and Auditor's Fees	320	315	299	16
County Clerk Fees	175	175	175	-
Election Expense	110	47	47	-
Miscellaneous Accounts				
Enterprise Software and Licenses	1,329	1,560	1,556	4
Memberships and Publications	82	82	62	20
Mayor's Office Obligations	80	80	43	37
Manager's Office Obligations	50	50	18	32
Downtown Special Improvement District	56	56	56	-
Cincinnati Public Schools	2,500	2,500	2,500	-
Port Authority of Greater Cincinnati	-	350	350	-
Reserve for Contingencies	156	156	-	156
Total Nondepartmental Accounts	<u>9,021</u>	<u>9,858</u>	<u>9,316</u>	<u>542</u>
Total Expenditures	<u>177,773</u>	<u>178,474</u>	<u>175,522</u>	<u>2,952</u>
Excess (deficiency) of revenues over expenditures	(13,710)	(14,411)	(79)	14,332
Other Financing Sources (Uses)				
Transfers In	1,520	3,046	3,046	
Transfers (Out)	-	(500)	(500)	
Total Other Financing Sources (Uses)	<u>1,520</u>	<u>2,546</u>	<u>2,546</u>	<u>-</u>
Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing Sources (Uses)	(12,190)	(11,865)	2,467	14,332
Cancellation of Prior Years Encumbrances	889	889	2,460	1,571
Fund balances - beginning	29,496	29,496	29,496	
Fund balances - ending	<u>\$ 18,195</u>	<u>\$ 18,520</u>	<u>\$ 34,423</u>	<u>\$ 15,903</u>



**City of Cincinnati, Ohio**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

GENERAL FUND

Revenue

Taxes

Real Property	\$ 8,684
City Income Tax	122,624
Admissions	<u>1,719</u>
 Total Taxes	 133,027

Licenses and Permits

Street Use	2,277
Police and Protective	18
Beer and Liquor	463
Business and Merchandising	1
Amusements	48
Professional and Occupational	117
Buildings, Structures and Equipment	<u>2,023</u>
 Total Licenses and Permits	 4,947

Use of Money and Property

Fines, Forfeits and Penalties	2,278
Income from Treasury Investments	(2,335)
Rents	17
General Concessions and Commissions	<u>5</u>
 Total Use of Money and Property	 (35)

Intergovernmental Revenue

Proportionately shared State Taxes	
Local Government Fund - Sales, Franchise, State Income Tax	5,689
State Income Tax - Real Property Tax Reduction	1,022
Estate Tax	7,014
Casino Tax - County Share	2,367
Casino Tax - Host City Share	1,197
Payments from Other Governmental Units	(4)
Revenues from Private Sources	<u>18</u>
 Total Intergovernmental Revenue	 17,303

(Continued)

**City of Cincinnati, Ohio**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

GENERAL FUND  
(Continued)

Charges for Services	
General Government	\$ 1,904
Planning and Buildings	
Other Inspection Certificates	824
Elevator Certificates	378
Public Safety	
Police and Communication Charges	118
Impounded Vehicle Fees	468
Protective Inspection Fees	99
Protective Service - Burglary Alarm	185
Emergency Transportation Service	4,304
Other Public Safety Charges	227
Public Services	342
Public Health	
Vital Statistics	275
Clinic Fees	53
Total Charges for Current Services	9,177
Miscellaneous	1,368
Total Revenues	165,787

Expenditures

City Council	711
Office of the Clerk of Council	317
Office of the Mayor	237
Department of the City Manager	
Office of the City Manager	1,159
Division of Budget and Evaluation	397
Division of Environmental Management	2,249
Division of Economic Development	417
Total Department of City Manager	4,222
Citizen's Complaint Authority	348

(Continued)

**City of Cincinnati, Ohio**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**For the six month period ended June 30, 2013**

(Amounts in Thousands)

GENERAL FUND

(Continued)

Expenditures

Department of Law	\$ 2,151
Department of Human Resources	610
Department of Finance	
Office of the Director	164
Division of Accounts and Audits	520
Division of Treasury	426
Division of Risk Management	108
Division of Income Tax	1,108
Division of Purchasing	272
Total Department of Finance	2,598
Department of City Planning and Buildings	
Office of the Director	268
Division of Licenses and Permits	1,699
Total Department of City Planning and Buildings	1,967
Department of Community Development	
Office of the Director	1,436
Division of Housing Development	141
Division of Community Development	5
Division of New Construction & Existing Building Standards	656
Total Department of Community Development	2,238
Department of Public Recreation	
Division of Community Activities - West Region Division	1,103
Division of Community Activities - East Region Division	943
Division of Community Activities - Central Region Division	1,015
Division of Community Activities - Maintenance Division	1,809
Division of Athletics	1,143
Division of Administration	667
Total Department of Public Recreation	6,680
Department of Parks Administration and Program Services	
Office of the Director	76
Division of Operations and Facility Management	2,263
Division of Planning, Design and Development	938
Total Department of Parks Administration and Program Services	3,277

(Continued)

**City of Cincinnati, Ohio**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**For the six month period ended June 30, 2013**

(Amounts in Thousands)

GENERAL FUND

(Continued)

Expenditures

Department of Police	
Division of Police	\$ 44,902
Division of Emergency Communications	2,658
	<u>47,560</u>
 Department of Fire	 32,507
 Department of Transportation and Engineering	
Office of the Director	190
Division of Engineering	61
Division of Transportation Planning	43
Division of Traffic Engineering	1,697
Total Department of Transportation and Engineering	<u>1,991</u>
 Department of Public Services	
Office of the Director	282
Division of Traffic and Road Operations	1,029
Division of Neighborhood Operations	5,519
Division of City Facility Management	1,313
Total Department of Public Services	<u>8,143</u>
 Department of Regional Computer Center	 2,177
 Department of Enterprise Services	
Division of Fleet Services	12
Total Department of Enterprise	<u>12</u>
 Department of Public Health	
Office of the Commissioner	744
Division of Technical Resources	857
Division of Community Health Services	1,538
Division of Primary Care - Programs	864
Division of Primary Care - Health Centers	3,353
Division of Primary Care - Other	214
Total Department of Public Health	<u>7,570</u>
 Nondepartmental Accounts	
Pension	
Contributions to City Pension System	6,402
Contributions to State Pension System	554
Contributions to Police and Fire Pension System for Police	7,093
Contributions to Police and Fire Pension System for Fire	7,039

(Continued)

**City of Cincinnati, Ohio**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**For the six month period ended June 30, 2013**

(Amounts in Thousands)

GENERAL FUND

(Continued)

Expenditures

Employee Benefits		
Employee Insurance Benefits	\$	22,241
Public Employee Assistance		133
Workers' Compensation Insurance		1,673
Police Officers and Firefighters' Insurance		135
State Unemployment Compensation		313
Lump Sum Payments		353
Judgments Against the City		169
Enterprise Software Licenses		1,483
County Fees		623
Election Expense		47
Mayor's Office Obligations		66
Cincinnati Manager's Office Obligations		14
Professional Memberships and Publications		106
Downtown Special Improvement Districts		4
Cincinnati Public Schools		2,500
Audit Fees		155
Port Authority of Greater Cincinnati		350
Property Investment Reimbursement Agreements		1,264
Total Nondepartmental Accounts		<u>52,717</u>
Total Expenditures		178,033
Excess (Deficiency) of revenues over expenditures		(12,246)
Other Financing Sources(Uses)		
Transfers In		354
Transfers (Out)		<u>(1,506)</u>
Total Other Financing Sources (Uses)		(1,152)
Net change in Fund Balance		(13,398)
Fund balances, January 1		<u>99,706</u>
Fund balances, June 30		<u><u>\$ 86,308</u></u>

**CITY OF CINCINNATI, OHIO**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Capital Project Funds</b>			
<b>Revenue</b>			
Taxes	\$ 12,375	\$ 12,375	\$ -
Use of Money and Property	1,213	1,213	-
Special Assessments	90	90	-
Federal Grants	24,286	24,286	-
State Grants and Subsidies	6,981	6,981	-
Miscellaneous	799	799	-
Total Revenues	<u>45,744</u>	<u>45,744</u>	<u>-</u>
<b>Capital Outlay Expenditures</b>			
Enterprise Technology Services	708	708	-
Department of the City Manager			
Office of the City Manager	102	102	-
Division of Environmental Management	48	48	-
Division of Economic Development	6,876	6,876	-
Total Department of the City Manager	7,026	7,026	-
Department of Finance			
Division of Accounts and Audits	274	274	-
Total Department of Finance	274	274	-
Department of Community Development			
Division of Housing Development	3,741	3,741	-
Division of Community Development	974	974	-
Division of New Construction and Building Standards	756	756	-
Total Department of Community Development	5,471	5,471	-
Department of City Planning and Buildings			
Division of City Planning	399	399	-
Total Department of City Planning and Buildings	399	399	-
Department of Public Recreation			
Division of Golf Activities	24	24	-
Division of Support Services	2,270	2,270	-
Total Department of Public Recreation	2,294	2,294	-
Department of Parks			
Division of Administration and Program Services	4,526	4,526	-
Total Department of Parks	4,526	4,526	-
Department of Police	550	550	-
Department of Fire	574	574	-
Department of Transportation and Engineering			
Office of the Director	96	96	-
Division of Transportation Planning	10,585	10,585	-
Division of Engineering	56,379	56,379	-
Division of Aviation	70	70	-
Division of Traffic Engineering	432	432	-
Total Department of Transportation and Engineering	67,562	67,562	-
Department of Enterprise Services			
Division of Convention Center	407	407	-
Division of Parking Facilities	9,101	9,101	-
Total Department of Enterprise Services	9,508	9,508	-
Department of Public Services			
Division of Traffic and Road Operations	90	90	-
Neighborhood Operations Division	986	986	-
Division of City Facility Management	4,280	4,280	-
Total Department of Public Services	5,356	5,356	-

(Continued)

**CITY OF CINCINNATI, OHIO**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Capital Project Funds</b>			
(Continued)			
<b>Capital Outlay Expenditures</b>			
Department of Public Health			
Office of the Commissioner	\$ 115	\$ 115	\$ -
Total Department of Public Health	115	115	-
Department of Stormwater Management			
Office of the Director	217	217	-
Total Department of Stormwater Management	217	217	-
Motorized Equipment	2,054	2,054	-
Total Capital Outlay Expenditures	106,634	106,634	-
<b>Other Expenditures</b>			
Department of Finance			
Division of Accounts and Audits			
Non Personal Services	579	579	-
Debt Service	1,817	1,817	-
Department of Parks			
Division of Administration and Program Services			
Non Personal Services	71	71	-
Department of Transportation and Engineering			
Division of Engineering			
Personal Services	7	7	-
Total Other Expenditures	2,474	2,474	-
Total Expenditures	109,108	109,108	-
Excess (deficiency) of revenues over expenditures	(63,364)	(63,364)	-
Other Financing Sources (Uses)			
Bond Proceeds	48,900	48,900	-
Transfers In	63,765	63,765	-
Transfers (Out)	(62,654)	(62,654)	-
Total Other Financing Sources (Uses)	50,011	50,011	-
Net Change in Fund Balance	(13,353)	(13,353)	-
Fund balances - beginning	244,107	244,107	
Fund balances - ending	\$ 230,754	\$ 230,754	\$ -

**CITY OF CINCINNATI, OHIO**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

<b>Debt Service Fund</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Revenue			
Taxes	\$ 19,727	\$ 19,902	\$ 175
Use of Money and Property	10,886	10,593	(293)
Intergovernmental Revenue	3,186	2,187	(999)
Miscellaneous Revenue	<u>1,328</u>	<u>1,318</u>	<u>(10)</u>
Total Revenues	35,127	34,000	(1,127)
Expenditures			
Department of the City Manager			
Division of Economic Development			
Debt Service	<u>178</u>	<u>178</u>	<u>-</u>
Total Division of Economic Development	<u>178</u>	<u>178</u>	<u>-</u>
Total Department of the City Manager	178	178	-
Department of Finance			
Office of the Director			
Personal Services	12	8	4
Division of Accounts and Audits			
Personal Services	39	39	-
Non Personal Services	<u>176</u>	<u>176</u>	<u>-</u>
Total Division of Accounts and Audits	<u>215</u>	<u>215</u>	<u>-</u>
Division of Treasury			
Personal Services	140	107	33
Non Personal Services	873	356	517
Debt Service	<u>30,000</u>	<u>15,167</u>	<u>14,833</u>
Total Division of Treasury	<u>31,013</u>	<u>15,630</u>	<u>15,383</u>
Total Department of Finance	31,240	15,853	15,387
Department of Community Development and Planning			
Division of Housing Development			
Non Personal Services	1	1	-
Debt Service	<u>559</u>	<u>559</u>	<u>-</u>
Total Division of Housing Development	<u>560</u>	<u>560</u>	<u>-</u>
Total Department of Community Development and Planning	560	560	-
Non Departmental Accounts			
Workers' Compensation Insurance	3	3	-
Non Departmental - Debt Service Payments			
Non Personal Services	1	1	-
Debt Service	<u>774</u>	<u>774</u>	<u>-</u>
Total Non-Departmental - Debt Service Payments	<u>775</u>	<u>775</u>	<u>-</u>
Total Expenditures	<u>32,756</u>	<u>17,369</u>	<u>15,387</u>
Excess (deficiency) of revenues over expenditures	2,371	16,631	14,260
Other Financing Sources (Uses)			
Build America Bonds Subsidy	-	10	10
Operating Transfers In	10,280	10,280	-
Operating Transfers (Out)	<u>(9,780)</u>	<u>(9,780)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>500</u>	<u>510</u>	<u>10</u>
Net Change in Fund Balance	2,871	17,141	14,270
Cancellation of Prior Years Encumbrances	8	8	
Fund balances - beginning	71,999	71,999	
Fund balances - ending	<u>\$ 74,878</u>	<u>\$ 89,148</u>	<u>\$ 14,270</u>



**CITY OF CINCINNATI, OHIO**  
**NONMAJOR GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS**

Tax Increment Financing Funds - Used to account for service payments in lieu of property taxes, capital and debt service expenditure from Tax Increment Financing Districts and Projects.

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. This fund has been closed into the General Fund for GAAP reporting.

Cable T.V. Fund - Used to account for the proceeds of cable franchise fees received from the cable provider. This fund has been closed into the General Fund for GAAP Reporting.

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

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

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

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

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

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

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

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

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

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

**CITY OF CINCINNATI, OHIO**  
**NONMAJOR GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS (Cont)**

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

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

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

**PERMANENT FUNDS**

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

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

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

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

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

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

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

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

**CITY OF CINCINNATI, OHIO**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2013  
 (Amounts in Thousands)

	Special Revenue Funds						
	Tax Increment Financing Funds	Health Services	Street Construction Maintenance and Repair	Income Tax Infrastructure	Income Tax Transit	Motor Vehicle License	Special Recreation
<b>ASSETS</b>							
Cash and Equivalents	\$	\$	\$	\$	\$	\$	\$
Equity in City Treasury Cash Investments	20,754	762	2,886	8,089	10,492	1,123	54
Receivables:	6,348						3,777
Taxes							
Accounts, Net	30,436	489	10	1,450	4,349	14	24
Special Assessments							
Accrued Interest					19		12
Due from Other Funds	2,406	88	439	1,021	1,218	175	439
Due from Other Governments			1,371			202	1
Inventory				148		11	
Advances to Other Funds	4,000		496				25
Total Assets	\$ 63,944	\$ 1,339	\$ 5,202	\$ 10,787	\$ 16,078	\$ 1,525	\$ 4,307
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	5,014	232	120	195		53	114
Due to Other Funds		79	65	54	26	19	5
Due to Fiduciary Funds		23	59	142		14	7
Accrued Payroll		151	324	536		76	189
Accrued Liabilities		3	5	17		1	5
Deposits Payable	3,407		6	7			
Estimated Liability for Unpaid Claims			46	12			48
Total Liabilities	8,421	488	625	963	26	163	368
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Revenues Levied for the next year and Unavailable Revenue	30,436			389	1,178		7
Fund Balances:							
Nonspendable				148		11	
Restricted	25,087		4,577	9,287	14,874	1,351	2,249
Committed		851					3,932
Unassigned							470
Total Fund Balances	25,087	851	4,577	9,435	14,874	1,362	3,932
Total Liabilities, Deferred Inflows and Fund Balances	\$ 63,944	\$ 1,339	\$ 5,202	\$ 10,787	\$ 16,078	\$ 1,525	\$ 4,307

**CITY OF CINCINNATI, OHIO**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2013  
 (Amounts in Thousands)

	Special Revenue Funds							Betman Nature Center
	Parks	Safety	Health	Cincinnati Blue Ash Airport	Community Development	Department of Labor Grants	Other	
<b>ASSETS</b>								
Cash and Equivalents	\$ 4,695	\$	\$ 1,426	\$	\$ 61	\$	\$ 308	\$ 6
Equity in City Treasury Cash	3,034	8,000		73		14	7,042	
Investments	942							1,488
Receivables:								
Taxes								
Accounts, Net	1	807	355	7	16		290	
Special Assessments					9,840		22,518	
Accrued Interest	8	2						
Due from Other Funds	353	928	165	8	8	2	1,268	
Due from Other Governments		1,449	141		1,059		1,011	
Inventory			84				55	
Advances to Other Funds								
Total Assets	\$ 9,033	\$ 11,186	\$ 2,171	\$ 88	\$ 10,984	\$ 16	\$ 32,492	\$ 1,504
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable	\$ 49	\$ 1,108	\$ 457	\$	\$ 971	\$	\$ 2,275	\$
Due to Other Funds	2	603	19		59		42	
Due to Fiduciary Funds	3	14	57		18		6	
Accrued Payroll	38	72	412		60		43	
Accrued Liabilities	1	1	9		94		327	
Deposits Payable		2,436					16	
Estimated Liability for Unpaid Claims	6							
Total Liabilities	\$ 99	\$ 4,234	\$ 954	\$	\$ 1,202	\$	\$ 2,709	\$
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Revenues Levied for the next year and Unavailable Revenue	5	1	35		9,947		23,391	
Fund Balances:								
Nonspendable			84				55	
Restricted	5,767	6,882	1,269	88		16	3,684	1,504
Committed	3,162	188	90				4,949	
Unassigned		(119)	(261)		(165)		(2,296)	
Total Fund Balances	\$ 8,929	\$ 6,951	\$ 1,182	\$ 88	\$ (165)	\$ 16	\$ 6,392	\$ 1,504
Total Liabilities, Deferred Inflows and Fund Balances	\$ 9,033	\$ 11,186	\$ 2,171	\$ 88	\$ 10,984	\$ 16	\$ 32,492	\$ 1,504

CITY OF CINCINNATI, OHIO  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2013  
 (Amounts in Thousands)

	Permanent Funds								Total Nonmajor Governmental Funds
	Groesbeck Endowment Fund	Schmidlapp Park Music Fund	Joanna Peters Bequest	The W.M. Ampt Music Endowment Fund	Crosley Field Trust	Kroger Trust	Yeatman's Cove Park Trust	Park Board Fund	
<b>ASSETS</b>									
Cash and Equivalents	31	45	108	115	11	81	572	190	5,264
Equity in City Treasury Cash	525			189	842			6,182	70,910
Investments, at Fair Value									16,526
Receivables:									
Taxes									5,799
Accounts, Net									32,528
Special Assessments									32,358
Accrued Interest							2		51
Due from Other Funds	4	5	13	13		9	66		8,909
Due from Other Governments									5,241
Inventory									298
Advances to Other Funds									4,521
Total Assets	560	50	121	317	853	90	640	6,372	182,405
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>									
Liabilities:									
Accounts Payable									10,611
Due to Other Funds									973
Due to Fiduciary Funds									343
Accrued Payroll									1,901
Accrued Liabilities									463
Deposits Payable									5,872
Estimated Liability for Unpaid Claims									112
Total Liabilities									20,275
<b>DEFERRED INFLOWS OF RESOURCES</b>							1		65,394
Revenues Levied for the next year and Unavailable Revenue									
Fund Balances:									
Nonspendable	557	50	121	310	225	49	497	672	2,658
Restricted	3			7	628	41	142	5,700	83,277
Committed									13,642
Unassigned									(2,841)
Total Fund Balances	560	50	121	317	853	90	639	6,372	96,736
Total Liabilities, Deferred Inflows and Fund Balances	560	50	121	317	853	90	640	6,372	182,405

**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	Special Revenue Funds						
	Tax Increment Financing Funds	Health Services	Street Construction Maintenance and Repair	Income Tax Infrastructure	Income Tax Transit	Motor Vehicle License	Special Recreation
<b>REVENUES</b>							
Taxes			\$	\$ 7,912	\$ 23,734	\$	\$
Licenses and Permits							
Use of Money and Property	2			(41)			222
Special Assessments							
Intergovernmental Revenue	113		4,764			1,049	26
Federal Grants							194
State Grants and Subsidies		2,891	20	74		3	6
Charges for Current Services							5
Miscellaneous	11,555						
Total Revenues	<u>11,670</u>	<u>2,891</u>	<u>4,784</u>	<u>7,986</u>	<u>23,693</u>	<u>1,052</u>	<u>2,206</u>
<b>EXPENDITURES</b>							
Current:							
General Government	12,124	53		1,060	220	47	91
Community Development	1,154						
Parks and Recreation			145	780	28		1,435
Public Safety							
Transportation and Engineering				1,717	47		
Public Services			3,563	1,995	23,975	925	
Transit System							
Public Health		2,353					
Employee Benefits	3,333	523	1,412	2,071	4	285	122
Capital Outlay	70			2			
Debt Service Principal							
Debt Service Interest	2,046						
Total Expenditures	<u>18,727</u>	<u>2,929</u>	<u>5,110</u>	<u>7,625</u>	<u>24,274</u>	<u>1,257</u>	<u>1,648</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(7,057)</u>	<u>(38)</u>	<u>(326)</u>	<u>361</u>	<u>(581)</u>	<u>(205)</u>	<u>558</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In							
Transfers (Out)	(5,080)						5
Total Other Financing Sources (Uses)	<u>(5,080)</u>						<u>(500)</u>
Net Change in Fund Balances	<u>(12,137)</u>	<u>(38)</u>	<u>(326)</u>	<u>361</u>	<u>(581)</u>	<u>(205)</u>	<u>63</u>
Fund Balances, January 1	37,224	889	4,903	9,074	15,455	1,567	3,869
Fund Balances, June 30	<u>\$ 25,087</u>	<u>\$ 851</u>	<u>\$ 4,577</u>	<u>\$ 9,435</u>	<u>\$ 14,874</u>	<u>\$ 1,362</u>	<u>\$ 3,932</u>
							<u>\$ 2,719</u>

**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	Special Revenue Funds							Bettman Nature Center
	Parks	Safety	Health	Cincinnati Blue Ash Airport	Community Development	Department of Labor Grants	Other	
<b>REVENUES</b>								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Licenses and Permits		44	1,077				1,092	3
Use of Money and Property	447	(7)		(42)	470		725	75
Special Assessments			2		200		2,773	
Intergovernmental Revenue		2,720	916					
Federal Grants		4,448	2,962		5,376		3,942	(6)
State Grants and Subsidies	1	747	2,774				237	
Charges for Current Services	565		1		59		370	
Miscellaneous	258							
Total Revenues	1,261	7,952	8,413	(42)	6,105		9,136	75
<b>EXPENDITURES</b>								
Current:								
General Government		2,033	68		193		3,549	
Community Development					364		97	
Parks and Recreation	947						334	5
Public Safety		4,339					391	
Transportation and Engineering							95	
Public Services							945	
Transit System							1	
Public Health			5,819					
Employee Benefits	179	678	1,405		264		140	
Capital Outlay		547			5,221		4,914	
Debt Service Principal								
Debt Service Interest		5			86			
Total Expenditures	1,126	7,602	7,292		6,128		10,466	5
Excess (Deficiency) of Revenues over (under) Expenditures	135	350	1,121	(42)	(23)		(1,330)	70
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	153						122	(16)
Transfers (Out)					(1)			(16)
Total Other Financing Sources (Uses)	153				(1)		122	(16)
Net Change in Fund Balances	288	350	1,121	(42)	(24)		(1,208)	54
Fund Balances, January 1	8,641	6,601	61	130	(141)	16	7,600	1,450
Fund Balances, June 30	\$ 8,929	\$ 6,951	\$ 1,182	\$ 88	\$ (165)	\$ 16	\$ 6,392	\$ 1,504

**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	Permanent Funds							Total Nonmajor Governmental Funds
	Groesbeck Endowment Fund	Schmidlapp Park Music Fund	Joanna Peters Bequest	The W.M. Ampt Music Endowment Fund	Crosley Field Trust	Kroger Trust	Yeatman's Cove Park Trust	
<b>REVENUES</b>								
Taxes								\$ 32,738
Licenses and Permits								1,124
Use of Money and Property	1	(2)	(1)	21	38		450	2,338
Special Assessments								2,975
Intergovernmental Revenue								9,562
Federal Grants								16,948
State Grants and Subsidies								682
Charges for Current Services								9,264
Miscellaneous								12,243
Total Revenues	1	(2)	(1)	21	38		450	87,874
<b>EXPENDITURES</b>								
Current:								
General Government								19,438
Community Development								1,615
Parks and Recreation					5		22	3,931
Public Safety								4,730
Transportation and Engineering								1,859
Public Services								7,418
Transit System								23,976
Public Health								8,172
Employee Benefits								7,088
Capital Outlay								14,017
Debt Service Principal								70
Debt Service Interest								2,137
Total Expenditures								94,451
Excess (Deficiency) of Revenues over Expenditures	1	(2)	(1)	21	33		428	(6,577)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In								287
Transfers (Out)	(9)			(3)	(7)		(126)	(5,742)
Total Other Financing Sources (Uses)	(9)			(3)	(7)		(126)	(5,455)
Net Change in Fund Balances	(8)	(2)	(1)	18	26		302	(12,032)
Fund Balances, January 1	568	52	122	299	827	90	6,070	108,768
Fund Balances, June 30	560	50	121	317	853	90	6,372	96,736



**CITY OF CINCINNATI, OHIO**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Tax Increment Financing Funds</b>			
Revenue			
Intergovernmental Revenue	\$ 112	\$ 112	\$ -
Use of Money and Property	2	2	-
Miscellaneous Revenue	<u>11,176</u>	<u>11,176</u>	<u>-</u>
<b>Total Revenues</b>	<b>11,290</b>	<b>11,290</b>	<b>-</b>
Expenditures			
Department of the City Manager			
Office of Economic Development			
Capital Outlay	5,778	5,778	-
Debt Service	<u>1</u>	<u>1</u>	<u>-</u>
<b>Total Office of Economic Development</b>	<b><u>5,779</u></b>	<b><u>5,779</u></b>	<b><u>-</u></b>
<b>Total Department of the City Manager</b>	<b>5,779</b>	<b>5,779</b>	<b>-</b>
Department of Finance			
Division of Accounts and Audits			
Non Personal Services	5,103	5,103	-
Debt Service	<u>1,865</u>	<u>1,865</u>	<u>-</u>
<b>Total Department of Finance</b>	<b><u>6,968</u></b>	<b><u>6,968</u></b>	<b><u>-</u></b>
<b>Total Expenditures</b>	<b><u>12,747</u></b>	<b><u>12,747</u></b>	<b><u>-</u></b>
Excess (deficiency) of revenues over(under) expenditures	(1,457)	(1,457)	-
Other Financing Sources (Uses)			
Operating Transfers In	1,270	1,270	-
Operating Transfers (Out)	<u>(6,350)</u>	<u>(6,350)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>(5,080)</u></b>	<b><u>(5,080)</u></b>	<b><u>-</u></b>
<b>Net Change in Fund Balance</b>	<b>(6,537)</b>	<b>(6,537)</b>	<b>-</b>
Fund balances - January 1	36,046	36,046	
Fund balances - June 30	<u><u>\$ 29,509</u></u>	<u><u>\$ 29,509</u></u>	<u><u>\$ -</u></u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>HEALTH SERVICES FUND</b>			
<b>REVENUES</b>			
Charges for Current Services	\$ 2,591	\$ 2,546	\$ (45)
Total Revenues	2,591	2,546	(45)
<b>EXPENDITURES</b>			
Department of Public Health			
Division of Primary Care - Special Programs			
Personal Services	64	62	2
Non-Personal Services	3	3	-
Total Division of Primary Care - Special Programs	67	65	2
Division of Primary Care - Health Centers			
Personal Services	1,621	1,538	83
Non-Personal Services	1,035	1,007	28
Total Division of Primary Care - Health Centers	2,656	2,545	111
Total Department of Public Health	2,723	2,610	113
Nondepartmental Accounts			
Public Employee Assistance	1	1	-
Workers' Compensation Insurance	19	19	-
General Fund Overhead Charge	53	53	-
Total Nondepartmental Accounts	73	73	-
Total Expenditures	2,796	2,683	113
Net Change in Fund Balance	(205)	(137)	68
Fund Balance - January 1	767	767	
Fund Balance - June 30	<u>\$ 562</u>	<u>\$ 630</u>	<u>\$ 68</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND</b>			
<b>REVENUES</b>			
Intergovernmental Revenue			
Motor Vehicle License	\$ 913	\$ 977	\$ 64
Gasoline	3,610	3,595	(15)
Miscellaneous	-	125	125
	<u>4,523</u>	<u>4,697</u>	<u>174</u>
<b>EXPENDITURES</b>			
Department of Parks			
Operations and Facility Management			
Personal Services	121	121	-
Non-Personal Services	56	56	-
Total Operations and Facility Management	<u>177</u>	<u>177</u>	<u>-</u>
Total Department of Parks	177	177	-
Department of Public Services			
Traffic and Road Operations Division			
Personal Services	2,374	2,374	-
Non-Personal Services	1,079	931	148
Capital Outlay	5	5	-
Total Traffic and Road Operations Division	<u>3,458</u>	<u>3,310</u>	<u>148</u>
Neighborhood Operations Division			
Personal Services	1,468	1,398	70
Non-Personal Services	251	83	168
Total Neighborhood Operations Division	<u>1,719</u>	<u>1,481</u>	<u>238</u>
Total Department of Public Services	5,177	4,791	386
Nondepartmental Accounts			
Public Employee Assistance	4	3	1
Workers' Compensation Insurance	44	41	3
State Unemployment Compensation	5	5	-
Total Nondepartmental Accounts	<u>53</u>	<u>49</u>	<u>4</u>
Total Expenditures	<u>5,407</u>	<u>5,017</u>	<u>390</u>
Net Change in Fund Balance	(884)	(320)	564
Fund Balance - January 1	<u>3,124</u>	<u>3,124</u>	
Fund Balance - June 30	<u>\$ 2,240</u>	<u>\$ 2,804</u>	<u>\$ 564</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>PARKING METER FUND</b>			
<b>REVENUES</b>			
Charges for Current Services	\$ -	\$ 241	\$ 241
Total Revenues	-	241	241
<b>OTHER FINANCING Sources(Uses)</b>			
Transfers(Out)	(1,571)	(1,571)	-
Net Change in Fund Balance	(1,571)	(1,330)	241
Cancellation of Prior Year Encumbrances		317	317
Fund Balance - January 1	2,031	2,031	
Correction of Prior Year Fund Balance		(701)	
Restated Fund Balance - January 1	2,031	1,330	-
Fund Balance - June 30	<u>\$ 460</u>	<u>\$ -</u>	<u>\$ 241</u>

Note: The Parking Meter Fund is included with the General Fund for GAAP reporting.

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>CABLE TV FUND</b>			
<b>REVENUES</b>			
License and Permits	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Enterprise Technology Services			
Personal Services	-	-	-
Non-Personal Services	-	-	-
	<hr/>	<hr/>	<hr/>
Total Enterprise Technology Services	-	-	-
Department of the City Manager			
Office of the City Manager			
Personal Services	-	-	-
Non-Personal Services	-	-	-
	<hr/>	<hr/>	<hr/>
Total Department of the City Manager	-	-	-
Department of Public Services			
Division of Neighborhood Operations			
Personal Services	-	-	-
	<hr/>	<hr/>	<hr/>
Total Division of Neighborhood Operations	-	-	-
Total Department of Pubic Services	-	-	-
Nondepartmental Accounts			
Contribution to Pension System	-	-	-
Employee Insurance Benefits	-	-	-
Workers' Compensation Insurance	-	-	-
General Fund Overhead	-	-	-
Enterprise Software and Licenses	-	-	-
	<hr/>	<hr/>	<hr/>
Total Nondepartmental Accounts	-	-	-
Total Expenditures	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	-	-	-
Cancellation of Prior Years Encumbrances	230	230	
Fund Balance - January 1	<hr/>	<hr/>	<hr/>
Fund Balance - June 30	<u>\$ 1,394</u>	<u>\$ 1,394</u>	<u>\$ -</u>

Note: The Cable TV Fund is included with the General Fund for GAAP reporting.

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>INCOME TAX INFRASTRUCTURE FUND</b>			
<b>REVENUES</b>			
Taxes			
City Income Tax	\$ 7,571	\$ 8,250	\$ 679
Miscellaneous	-	96	96
	<hr/>	<hr/>	<hr/>
Total Revenues	7,571	8,346	775
<b>EXPENDITURES</b>			
Enterprise Technology Services			
Non-Personal Services	375	375	-
	<hr/>	<hr/>	<hr/>
Total Enterprise Technology Services	375	375	-
Office of the City Manager			
Personal Services	76	76	-
Non-Personal Services	25	9	16
	<hr/>	<hr/>	<hr/>
Total Office of the City Manager	101	85	16
Office of the Budget and Evaluation			
Personal Services	60	36	24
Non-Personal Services	11	8	3
	<hr/>	<hr/>	<hr/>
Total Office of Budget and Evaluation	71	44	27
Department of Law			
Administration			
Personal Services	111	110	1
Non-Personal Services	3	2	1
	<hr/>	<hr/>	<hr/>
Total Department of Law	114	112	2
Department of Human Resources			
Personal Services	163	143	20
	<hr/>	<hr/>	<hr/>
Total Department of Human Resources	163	143	20
Department of Finance			
Division of Accounts and Audits			
Personal Services	122	122	-
Non-Personal Services	2	1	1
	<hr/>	<hr/>	<hr/>
Total Division of Accounts and Audits	124	123	1
Division of Purchasing			
Personal Services	62	57	5
	<hr/>	<hr/>	<hr/>
Total Division of Purchasing	62	57	5
	<hr/>	<hr/>	<hr/>
Total Department of Finance	186	180	6

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>INCOME TAX INFRASTRUCTURE FUND</b>			
(Continued)			
Expenditures			
Department of Public Recreation			
Division of Maintenance			
Personal Services	\$ 375	\$ 258	\$ 117
Total Department of Public Recreation	375	258	117
Department of Parks			
Division of Operations and Facility Management			
Personal Services	811	811	-
Non-Personal Services	9	9	-
Total Division of Operations and Facility Management	820	820	-
Division of Administration and Program Services			
Personal Services	34	34	-
Total Division of Administration and Program Services	34	34	-
Total Department of Parks	854	854	-
Department of Transportation and Engineering			
Office of the Director			
Personal Services	353	333	20
Non-Personal Services	12	11	1
Total Office of the Director	365	344	21
Division of Transportation, Planning and Urban Design			
Personal Services	128	121	7
Non-Personal Services	5	3	2
Total Division of Transportation, Planning and Urban Design	133	124	9
Division of Engineering			
Personal Services	1,178	1,178	-
Non-Personal Services	199	142	57
Total Division of Engineering	1,377	1,320	57
Division of Traffic Engineering			
Personal Services	841	803	38
Non-Personal Services	105	47	58
Total Division of Traffic Engineering	946	850	96
Total Department of Transportation and Engineering	2,821	2,638	183

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>INCOME TAX INFRASTRUCTURE FUND</b>			
(Continued)			
Expenditures			
Department of Public Services			
Office of the Director			
Personal Services	\$ 53	\$ 51	\$ 2
Non-Personal Services	35	27	8
Total Office of the Director	<u>88</u>	<u>78</u>	<u>10</u>
Division of Traffic and Road Operations			
Personal Services	942	875	67
Non-Personal Services	487	337	150
Total Division of Traffic and Road Operations	<u>1,429</u>	<u>1,212</u>	<u>217</u>
Division of City Facility Management			
Personal Services	764	749	15
Non-Personal Services	620	617	3
Total City Facility Management	<u>1,384</u>	<u>1,366</u>	<u>18</u>
Total Department of Public Services	<u>2,901</u>	<u>2,656</u>	<u>245</u>
Nondepartmental Accounts			
Public Employee Assistance	6	4	2
State Unemployment Compensation	5	5	-
Workers' Compensation Insurance	60	58	2
Life Insurance	50	-	50
General Fund Overhead	290	287	3
Total Nondepartmental Accounts	<u>411</u>	<u>354</u>	<u>57</u>
Total Expenditures	<u>8,372</u>	<u>7,699</u>	<u>673</u>
Net Change in Fund Balance	(801)	647	1,448
Cancellation of Prior Years Encumbrances	73	73	
Fund Balance - January 1	7,137	7,137	
Restatement of prior year balance	(159)	(159)	
Restated balance - January 1	<u>6,978</u>	<u>6,978</u>	
Fund Balance - June 30	<u>\$ 6,250</u>	<u>\$ 7,698</u>	<u>\$ 1,448</u>



**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>INCOME TAX TRANSIT FUND</b>			
<b>REVENUES</b>			
Taxes			
City Income Tax	\$ 22,714	\$ 24,749	\$ 2,035
Use of Money and Property	33	36	3
Total Revenues	<u>22,747</u>	<u>24,785</u>	<u>2,038</u>
<b>EXPENDITURES</b>			
SORTA			
Operations	<u>23,975</u>	<u>23,975</u>	<u>-</u>
Total SORTA	23,975	23,975	-
Department of Transportation and Engineering			
Office of the Transportation and Engineering Director			
Personal Services	<u>17</u>	<u>12</u>	<u>5</u>
Total Office of the Transportation and Engineering Director	<u>17</u>	<u>12</u>	<u>5</u>
Division of Transportation, Planning & Urban Design			
Personal Services	25	25	-
Non-Personal Services	<u>51</u>	<u>46</u>	<u>5</u>
Total Division of Transportation, Planning & Urban Design	<u>76</u>	<u>71</u>	<u>5</u>
Total Department of Transportation and Engineering	93	83	10
Nondepartmental Accounts			
Workers' Compensation Insurance	1	-	1
General Fund Overhead	<u>250</u>	<u>217</u>	<u>33</u>
Total Nondepartmental Accounts	<u>251</u>	<u>217</u>	<u>34</u>
Total Expenditures	<u>24,319</u>	<u>24,275</u>	<u>44</u>
Net Change in Fund Balance	(1,572)	510	2,082
Cancellation of Prior Years Encumbrances	11	11	
Fund Balance - January 1	11,311	11,311	
Restatement of Prior Year Fund Balance	<u>(119)</u>	<u>(119)</u>	
Restated Fund Balance - January 1	11,192	11,192	
Fund Balance - June 30	<u>\$ 9,631</u>	<u>\$ 11,713</u>	<u>\$ 2,082</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>MOTOR VEHICLE LICENSE FUND</b>			
<b>REVENUES</b>			
Intergovernmental Revenue	\$ 1,242	\$ 1,255	\$ 13
Miscellaneous	-	49	49
Total Revenues	1,242	1,304	62
<b>EXPENDITURES</b>			
Department of Public Services			
Traffic and Road Operations Division			
Personal Services	909	908	1
Non-Personal Services	334	280	54
Total Department of Public Services	1,243	1,188	55
Nondepartmental Accounts			
Workers' Compensation Insurance	10	9	1
Public Employees Assistance Program	1	1	-
General Fund Overhead	49	47	2
Total Nondepartmental Accounts	60	57	3
Total Expenditures	1,303	1,245	58
Net Change in Fund Balance	(61)	59	120
Fund Balance - January 1	916	916	
Fund Balance - June 30	<u>\$ 855</u>	<u>\$ 975</u>	<u>\$ 120</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>SPECIAL RECREATION FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 171	\$ 178	\$ 7
Charges for Services	2,108	2,016	(92)
Intergovernmental Revenue	30	25	(5)
Miscellaneous Revenue	-	3	3
Total Revenues	<u>2,309</u>	<u>2,222</u>	<u>(87)</u>
<b>EXPENDITURES</b>			
Department of Recreation			
West Region			
Personal Services	236	158	78
Non-Personal Services	80	79	1
Total West Region	<u>316</u>	<u>237</u>	<u>79</u>
East Region			
Personal Services	294	235	59
Non-Personal Services	102	81	21
Total East Region	<u>396</u>	<u>316</u>	<u>80</u>
Central Region			
Personal Services	263	176	87
Non-Personal Services	82	52	30
Total Central Region	<u>345</u>	<u>228</u>	<u>117</u>
Division of Athletics			
Personal Services	385	105	280
Non-Personal Services	252	252	-
Total Division of Athletics	<u>637</u>	<u>357</u>	<u>280</u>
Division of Support Services			
Personal Services	49	48	1
Non-Personal Services	19	18	1
Capital Outlay	6	-	6
Total Division of Support Services	<u>74</u>	<u>66</u>	<u>8</u>
Total Department of Recreation	<u>1,768</u>	<u>1,204</u>	<u>564</u>
			(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>SPECIAL RECREATION FUND</b>			
(Continued)			
Department of Parks			
Division of Parks, Operations, and Facility Management			
Personal Services	\$ 64	\$ 64	\$ -
Non-Personal Services	<u>317</u>	<u>117</u>	<u>200</u>
Total Division of Parks, Operations and Facility Mgt	<u>381</u>	<u>181</u>	<u>200</u>
Division of Parks, Administration and Program Services			
Personal Services	<u>10</u>	<u>10</u>	<u>-</u>
Total Division of Parks, Operations and Facility Mgt	<u>10</u>	<u>10</u>	<u>-</u>
Total Department of Parks	391	191	200
Nondepartmental Accounts			
Public Employee Assistance	2	1	1
Workers' Compensation Insurance	23	18	5
General Fund Overhead	<u>113</u>	<u>91</u>	<u>22</u>
Total Nondepartmental Accounts	<u>138</u>	<u>110</u>	<u>28</u>
Total Expenditures	<u>2,297</u>	<u>1,505</u>	<u>792</u>
Excess of Revenue over Expenditures	12	717	
<b>OTHER FINANCING Sources(Uses)</b>			
Transfers(Out)	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Net Change in Fund Balance	(488)	217	705
Cancellation of Prior Year Encumbrances		18	
Fund Balance - January 1	<u>3,764</u>	<u>3,764</u>	
Fund Balance - June 30	<u>\$ 3,276</u>	<u>\$ 3,999</u>	<u>\$ 705</u>

Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>RECREATION GRANTS</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 11	\$ 11	\$ -
Federal Grants	197	197	-
State Grants and Subsidies	14	14	-
Charges for Current Services	5	5	-
Total Revenues	<u>227</u>	<u>227</u>	-
<b>EXPENDITURES</b>			
Department of Recreation			
Region 1			
Non-Personal Services	<u>6</u>	<u>6</u>	-
Total Region 1	6	6	-
Region 2			
Non-Personal Services	<u>1</u>	<u>1</u>	-
Total Region 2	1	1	-
Region 3			
Non-Personal Services	<u>15</u>	<u>15</u>	-
Total Region 3	15	15	-
Division of Athletics			
Personal Services	71	71	-
Non-Personal Services	<u>69</u>	<u>69</u>	-
Total Division of Athletics	140	140	-
Division of Support Services			
Personal Services	7	7	-
Non-Personal Services	<u>54</u>	<u>54</u>	-
Total Division of Support Services	<u>61</u>	<u>61</u>	-
Total Department of Recreation	<u>223</u>	<u>223</u>	-
Nondepartmental Accounts			
Workers' Compensation Insurance	<u>1</u>	<u>1</u>	-
Total Division of Support Services	<u>1</u>	<u>1</u>	-
Total Expenditures	224	224	-
Excess (Deficiency) of Revenues over (under) Expenditures	3	3	-
<b>OTHER FINANCING Sources(Uses)</b>			
Transfers In	<u>7</u>	<u>7</u>	-
Total Other Financing Sources	7	7	-
Net Change in Fund Balance	10	10	-
Fund Balance - January 1	<u>2,719</u>	<u>2,719</u>	-
Fund Balance - June 30	<u>\$ 2,729</u>	<u>\$ 2,729</u>	<u>\$ -</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

<b>PARKS</b>	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Use of Money and Property	\$ 388	\$ 388	\$ -
Charges for Current Services	555	555	-
State Grants and Subsidies	1	1	-
Miscellaneous	<u>75</u>	<u>75</u>	<u>-</u>
Total Revenues	1,019	1,019	-
<b>EXPENDITURES</b>			
Department of Parks			
Division of Operations and Facility Management			
Personal Services	429	429	-
Non-Personal Services	<u>147</u>	<u>147</u>	<u>-</u>
Total Division of Operations and Facility Management	576	576	-
Division of Administration and Program Services			
Personal Services	81	81	-
Non-Personal Services	<u>61</u>	<u>61</u>	<u>-</u>
Total Division of Administration and Program Services	<u>142</u>	<u>142</u>	<u>-</u>
Total Department of Parks	718	718	-
Nondepartmental Accounts			
Workers' Compensation Insurance	<u>6</u>	<u>6</u>	<u>-</u>
Total Nondepartmental Accounts	<u>6</u>	<u>6</u>	<u>-</u>
Total Expenditures	<u>724</u>	<u>724</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	295	295	-
<b>OTHER FINANCING SOURCES(USES)</b>			
Transfers In	<u>12</u>	<u>12</u>	<u>-</u>
Total Financing Sources	<u>12</u>	<u>12</u>	<u>-</u>
Net Change in Fund Balances	307	307	-
Fund Balance - January 1	<u>2,951</u>	<u>2,951</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 3,258</u>	<u>\$ 3,258</u>	<u>\$ -</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>SAFETY</b>			
<b>REVENUES</b>			
Licenses and Permits	\$ 44	\$ 44	\$ -
Use of Money and Property	6	6	-
Intergovernmental Revenue	2,469	2,469	-
Federal Grants	3,631	3,631	-
Charges for Current Services	650	650	-
Miscellaneous	104	104	-
Total Revenues	6,904	6,904	-
<b>EXPENDITURES</b>			
Enterprise Technology Services			
Personal Services	778	778	-
Non-Personal Services	1,319	1,319	-
Total Enterprise Technology Services	2,097	2,097	-
Department of Police			
Non-Personal Services	2,515	2,515	-
Capital Outlay	386	386	-
Debt Services	267	267	-
Total Department of Police	3,168	3,168	-
Department of Emergency Communications			
Personal Services	65	65	-
Non-Personal Services	238	238	-
Total Department of Emergency Communications	303	303	-
Department of Fire			
Personal Services	1,311	1,311	-
Non-Personal Services	162	162	-
Capital Outlay	53	53	-
Total Department of Fire	1,526	1,526	-
Nondepartmental Accounts			
Public Employees Assistance	1	1	-
Workers' Compensation Program	9	9	-
Total Nondepartmental Accounts	10	10	-
Total Expenditures	7,104	7,104	-
Excess (Deficiency) of Revenues over (under) Expenditures	(200)	(200)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	3	3	-
Transfers Out	-	-	-
Total Other Financing Sources	3	3	-
Net Change in Fund Balance	(197)	(197)	-
Fund Balance - January 1	7,545	7,545	-
Fund Balance - June 30	<u>\$ 7,348</u>	<u>\$ 7,348</u>	<u>\$ -</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>HEALTH</b>			
<b>REVENUES</b>			
Licenses and Permits	\$ 1,077	\$ 1,077	\$ -
Use of Money and Property	1	1	-
Intergovernmental Revenue	851	851	-
Federal Grants	3,157	3,157	-
State Grants and Subsidies	580	580	-
Charges for Current Services	2,482	2,482	-
Special Assessments	<u>2</u>	<u>2</u>	<u>-</u>
Total Revenues	8,150	8,150	-
<b>EXPENDITURES</b>			
Department of Public Health			
Office of the Commissioner			
Personal Services	79	79	-
Non-Personal Services	<u>246</u>	<u>246</u>	<u>-</u>
Total Office of the Commissioner	325	325	-
Division of Community Health			
Personal Services	887	887	-
Non-Personal Services	<u>372</u>	<u>372</u>	<u>-</u>
Total Division of Community Health	1,259	1,259	-
Division of Primary Care - Special Programs			
Personal Services	1,784	1,784	-
Non-Personal Services	<u>732</u>	<u>732</u>	<u>-</u>
Total Division of Primary Care - Special Programs	2,516	2,516	-
Division of Primary Care - Health Centers			
Personal Services	679	679	-
Non-Personal Services	<u>564</u>	<u>564</u>	<u>-</u>
Total Division of Primary Care - Health Centers	1,243	1,243	-
Division of School and Adolescent Health			
Personal Services	1,162	1,162	-
Non-Personal Services	<u>592</u>	<u>592</u>	<u>-</u>
Total Division of School and Adolescent Health	<u>1,754</u>	<u>1,754</u>	<u>-</u>
Total Department of Public Health	7,097	7,097	-
Nondepartmental Accounts			
Public Employee Assistance	4	4	-
Workers' Compensation Insurance	53	53	-
General Fund Overhead Charge	<u>68</u>	<u>68</u>	<u>-</u>
Total Nondepartmental Accounts	<u>125</u>	<u>125</u>	<u>-</u>
Total Expenditures	<u>7,222</u>	<u>7,222</u>	<u>-</u>
Net Change in Fund Balance	928	928	-
Fund Balance - January 1	<u>1,096</u>	<u>1,096</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 2,024</u>	<u>\$ 2,024</u>	<u>\$ -</u>



**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>CINCINNATI BLUE ASH AIRPORT</b>			
<b>EXPENDITURES</b>			
Department of Transportation and Engineering			
Division of Aviation			
Non-Personal Services	\$ 1	\$ 1	\$ -
Total Division of Aviation	<u>1</u>	<u>1</u>	<u>-</u>
Total Department of Transportation and Engineering	<u>1</u>	<u>1</u>	<u>-</u>
Total Expenditures	<u>1</u>	<u>1</u>	<u>-</u>
Net Change in Fund Balance	(1)	(1)	-
Fund Balance - January 1	<u>217</u>	<u>217</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 216</u>	<u>\$ 216</u>	<u>\$ -</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<b>Variance with Budget - Positive (Negative)</b>
<b>COMMUNITY DEVELOPMENT</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 470	\$ 470	\$ -
Federal Grants	4,927	4,927	-
Charges for Current Services	16	16	-
Miscellaneous	<u>266</u>	<u>266</u>	<u>-</u>
Total Revenues	5,679	5,679	-
<b>EXPENDITURES</b>			
Department of the City Manager			
Office of the City Manager			
Personal Services	18	18	-
Non-Personal Services	<u>1</u>	<u>1</u>	<u>-</u>
Total Office of the City Manager	19	19	-
Office of Budget and Evaluation			
Personal Services	14	14	-
Non-Personal Services	<u>1</u>	<u>1</u>	<u>-</u>
Total Office of Budget and Evaluation	<u>15</u>	<u>15</u>	<u>-</u>
Office of Economic Development			
Personal Services	48	48	-
Non-Personal Services	33	33	-
Capital Outlay	<u>316</u>	<u>316</u>	<u>-</u>
Total Office of Economic Development	<u>397</u>	<u>397</u>	<u>-</u>
Total Department of the City Manager	431	431	-
Department of Finance			
Division of Accounts and Audits			
Personal Services	20	20	-
Non-Personal Services	<u>1</u>	<u>1</u>	<u>-</u>
Total Division of Accounts and Audits	<u>21</u>	<u>21</u>	<u>-</u>
Total Department of Finance	21	21	-

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

<b>COMMUNITY DEVELOPMENT</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget - Positive (Negative)</b>
<b>EXPENDITURES</b>			
Department of Community Development			
Office of the Director			
Personal Services	\$ 206	\$ 206	\$ -
Non-Personal Services	105	105	-
Capital Outlay	348	348	-
Total Office of the Director	<u>659</u>	<u>659</u>	<u>-</u>
Division of Housing Development			
Personal Services	168	168	-
Non-Personal Services	48	48	-
Capital Outlay	2,446	2,446	-
Total Division of Housing Development	<u>2,662</u>	<u>2,662</u>	<u>-</u>
Division of Community Development			
Capital Outlay	345	345	-
Total Division of Community Development	<u>345</u>	<u>345</u>	<u>-</u>
Division of New Construction and Existing Building Standards			
Capital Outlay	866	866	-
Total Division of New Construction and Existing Building Standards	<u>866</u>	<u>866</u>	<u>-</u>
Total Department of Community Development	4,532	4,532	-
Department of City Planning and Buildings			
Division of City Planning			
Personal Services	183	183	-
Non-Personal Services	7	7	-
Total Division of City Planning	<u>190</u>	<u>190</u>	<u>-</u>
Total Department of City Planning and Buildings	190	190	-
Department of Parks			
Division of Administration and Program Services			
Capital Outlay	57	57	-
Total Division of Administration and Program Services	<u>57</u>	<u>57</u>	<u>-</u>
Total Department of Parks	57	57	-
Department of Police			
Capital Outlay	36	36	-
Total Department of Police	<u>36</u>	<u>36</u>	<u>-</u>

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>COMMUNITY DEVELOPMENT</b>			
(Continued)			
<b>EXPENDITURES</b>			
Department of Public Services			
Division of City Facility Management			
Capital Outlay	\$ 166	\$ 166	\$ -
Total Division of City Facility Management	<u>166</u>	<u>166</u>	<u>-</u>
Total Department of Public Services	166	166	-
Department of Health			
Division of Community Health			
Capital Outlay	<u>390</u>	<u>390</u>	<u>-</u>
Division of Community Health	<u>390</u>	<u>390</u>	<u>-</u>
Total Department of Health	390	390	-
Nondepartmental Accounts			
Public Employee Assistance	1	1	-
Workers' Compensation Insurance	9	9	-
Special Investigations and Studies	<u>92</u>	<u>92</u>	<u>-</u>
Total Nondepartmental Accounts	<u>102</u>	<u>102</u>	<u>-</u>
Total Expenditures	<u>5,925</u>	<u>5,925</u>	<u>-</u>
Net Change in Fund Balance	(246)	(246)	
Fund Balance - January 1	<u>(2,158)</u>	<u>(2,158)</u>	
Fund Balance - June 30	<u>\$ (2,404)</u>	<u>\$ (2,404)</u>	<u>\$ -</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>DEPARTMENT OF LABOR GRANTS</b>			
<b>REVENUES</b>			
Federal Grants	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Department of Community Development and Planning			
Division of Housing Development			
Non-Personal Services	-	-	-
Total Division of Housing Development	-	-	-
Total Department of Community Development and Planning	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - January 1	15	15	
Fund Balance - June 30	<u>\$ 15</u>	<u>\$ 15</u>	<u>\$ -</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>OTHER GRANTS</b>			
<b>REVENUES</b>			
Taxes	\$ 1,092	\$ 1,092	\$ -
Use of Money and Property	846	846	-
Special Assessments	2,762	2,762	-
Federal Grants	4,483	4,483	-
State Grants and Subsidies	3	3	-
Charges for Current Services	228	228	-
License and Permits	3	3	-
Miscellaneous	648	648	-
Total Revenues	<u>10,065</u>	<u>10,065</u>	-
<b>EXPENDITURES</b>			
Department of the City Manager			
Office of the City Manager			
Non-Personal Services	176	176	-
Total Office of the City Manager	<u>176</u>	<u>176</u>	-
Office of Budget and Evaluation			
Capital Outlay	14	14	-
Total Office of Budget and Evaluation	<u>14</u>	<u>14</u>	-
Office of Environmental Management			
Personal Services	44	44	-
Non-Personal Services	48	48	-
Capital Outlay	35	35	-
Total Office of Environmental Management	<u>127</u>	<u>127</u>	-
Office of Economic Development			
Non-Personal Services	260	260	-
Total Office of Economic Development	<u>260</u>	<u>260</u>	-
Total Department of the City Manager	<u>577</u>	<u>577</u>	-
Department of Finance			
Division of Accounts and Audits			
Non-Personal Services	283	283	-
Total Division of Accounts and Audits	<u>283</u>	<u>283</u>	-
Division of Treasury			
Non-Personal Services	2,574	2,574	-
Total Division of Treasury	<u>2,574</u>	<u>2,574</u>	-
Total Department of Finance	<u>2,857</u>	<u>2,857</u>	-
Department of Community Development and Planning			
Division of Housing Development			
Non-Personal Services	64	64	-
Capital Outlay	4,489	4,489	-
Total Division of Housing Development	<u>4,573</u>	<u>4,573</u>	-
Division of Community Development			
Personal Services	25	25	-
Total Division of Community Development	<u>25</u>	<u>25</u>	-

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget - Positive (Negative)</b>
<b>OTHER GRANTS</b>			
(Continued)			
Expenditures			
Division of New Construction and Existing Building Standards			
Non-Personal Services	\$ 23	\$ 23	\$ -
Total Division of New Construction and Existing Building Standards	23	23	-
Total Department of Community Development and Planning	4,621	4,621	-
Department of Parks			
Division of Operations and Facility Management			
Personal Services	357	357	-
Non-Personal Services	454	454	-
Total Department of Parks	811	811	-
Department of Police			
Non-Personal Services	419	419	-
Total Department of Police	419	419	-
Department of Transportation and Engineering			
Division of Traffic Engineering			
Personal Services	71	71	-
Non-Personal Services	46	46	-
Total Division of Traffic Engineering	117	117	-
Total Department of Transportation and Engineering	117	117	-
Department of Public Services			
Division of Traffic and Road Operations			
Personal Services	22	22	-
Non-Personal Services	82	82	-
Total Division of Traffic and Road Operations	104	104	-
Division of Neighborhood Operations			
Non-Personal Services	14	14	-
Total Division of Neighborhood Operations	14	14	-
Division of City Facility Management			
Non-Personal Services	918	918	-
Total City Facility Management	918	918	-
Total Department of Public Services	1,036	1,036	-
Department of Water Works			
Non-Personal Services	1	1	-
Total Department of Water Works	1	1	-

(Continued)

**City of Cincinnati, Ohio**  
 Schedule of Revenue, Expenditures and Changes in Fund Balance  
 Budget(Non-GAAP Budgetary Basis) and Actual  
 For the six month period ended June 30, 2013  
 (Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>OTHER GRANTS</b>			
(Continued)			
Expenditures			
Nondepartmental Accounts			
Workers' Compensation Insurance	\$ 5	\$ 5	\$ -
Total Department of Nondepartmental Accounts	<u>5</u>	<u>5</u>	<u>-</u>
Total Expenditures	<u>10,444</u>	<u>10,444</u>	<u>-</u>
Net Change in Fund Balance	(379)	(379)	
Fund Balance - January 1	<u>11,042</u>	<u>11,042</u>	
Fund Balance - June 30	<u>\$ 10,663</u>	<u>\$ 10,663</u>	<u>\$ -</u>



**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>BETTMAN NATURE CENTER</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 57	\$ 57	\$ -
Total Revenues	57	57	-
<b>EXPENDITURES</b>			
Department of Parks			
Division of Operations and Facility Management			
Non-Personal Services	5	5	-
Total Division of Operations and Facility Management	5	5	-
Total Department of Parks	5	5	-
Total Expenditures	5	5	-
Excess (Deficiency) of Revenues over (under) Expenditures	52	52	-
<b>OTHER FINANCING (USES)</b>			
Transfers Out	(16)	(16)	-
Total Other Financing Uses	(16)	(16)	-
Net Change in Fund Balance	36	36	-
Fund Balance - January 1	1,253	1,253	-
Fund Balance - June 30	<u>\$ 1,289</u>	<u>\$ 1,289</u>	<u>\$ -</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>GROESBECK ENDOWMENT FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 6	\$ 6	\$ -
Total Revenues	6	6	-
Excess (Deficiency) of Revenues over (under) Expenditures	6	6	-
<b>OTHER FINANCING (USES)</b>			
Transfers Out	(9)	(9)	-
Total Other Financing Uses	(9)	(9)	-
Net Change in Fund Balance	(3)	(3)	-
Fund Balance - January 1	57	57	
Fund Balance - June 30	<u>\$ 54</u>	<u>\$ 54</u>	<u>\$ -</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>SCHMIDLAPP PARK MUSIC FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	-
<b>OTHER FINANCING (USES)</b>			
Transfers Out	-	-	-
Total Other Financing Uses	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - January 1	<u>51</u>	<u>51</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 51</u>	<u>\$ 51</u>	<u>\$ -</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>JOANNA PETERS BEQUEST</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 1	\$ 1	\$ -
Total Revenues	1	1	-
<hr/>			
Net Change in Fund Balance	1	1	-
Fund Balance - January 1	121	121	
Fund Balance - June 30	<u>\$ 122</u>	<u>\$ 122</u>	<u>\$ -</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>THE W. M. AMPT MUSIC ENDOWMENT FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 3	\$ 3	\$ -
Total Revenues	<u>3</u>	<u>3</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	3	3	-
<b>OTHER FINANCING (USES)</b>			
Transfers Out	<u>(3)</u>	<u>(3)</u>	<u>-</u>
Total Other Financing Uses	<u>(3)</u>	<u>(3)</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - January 1	<u>136</u>	<u>136</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 136</u>	<u>\$ 136</u>	<u>\$ -</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>CROSLY FIELD TRUST</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 27	\$ 27	\$ -
Total Revenues	27	27	-
<b>EXPENDITURES</b>			
Department of Recreation			
Division of Athletics			
Non-Personal Services	5	5	-
Total Department of Recreation	5	5	-
Total Expenditures	5	5	-
Excess (Deficiency) of Revenues over (under) Expenditures	22	22	-
<b>OTHER FINANCING (USES)</b>			
Transfers Out	(8)	(8)	-
Total Other Financing Uses	(8)	(8)	-
Net Change in Fund Balance	14	14	-
Fund Balance - January 1	574	574	
Fund Balance - June 30	<u>\$ 588</u>	<u>\$ 588</u>	<u>\$ -</u>

**City of Cincinnati, Ohio**  
 Schedule of Revenue, Expenditures and Changes in Fund Balance  
 Budget(Non-GAAP Budgetary Basis) and Actual  
 For the six month period ended June 30, 2013  
 (Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>KROGER TRUST</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<hr/>			
Net Change in Fund Balance	-	-	-
Fund Balance - January 1	91	91	
Fund Balance - June 30	<u>\$ 91</u>	<u>\$ 91</u>	<u>\$ -</u>

**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>YEATMAN'S COVE PARK TRUST</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 3	\$ 3	\$ -
Total Revenues	3	3	-
Net Change in Fund Balance	3	3	-
Fund Balance - January 1	<u>638</u>	<u>638</u>	
Fund Balance - June 30	<u><u>\$ 641</u></u>	<u><u>\$ 641</u></u>	<u><u>\$ -</u></u>



**City of Cincinnati, Ohio**  
Schedule of Revenue, Expenditures and Changes in Fund Balance  
Budget(Non-GAAP Budgetary Basis) and Actual  
For the six month period ended June 30, 2013  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>PARK BOARD FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 246	\$ 246	\$ -
Total Revenues	246	246	-
<b>EXPENDITURES</b>			
Department of Parks			
Division of Administration and Program Services			
Non-Personal Services	<u>22</u>	<u>22</u>	<u>-</u>
Total Division of Administration and Program Services	<u>22</u>	<u>22</u>	<u>-</u>
Total Department of Parks	<u>22</u>	<u>22</u>	<u>-</u>
Total Expenditures	<u>22</u>	<u>22</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	224	224	-
<b>OTHER FINANCING (USES)</b>			
Transfers Out	<u>(126)</u>	<u>(126)</u>	<u>-</u>
Total Other Financing Uses	<u>(126)</u>	<u>(126)</u>	<u>-</u>
Net Change in Fund Balance	98	98	-
Fund Balance - January 1	<u>5,567</u>	<u>5,567</u>	
Fund Balance - June 30	<u>\$ 5,665</u>	<u>\$ 5,665</u>	<u>\$ -</u>

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CITY OF CINCINNATI, OHIO

**NON-MAJOR ENTERPRISE FUNDS**

**Convention Center** – Used to account for the expenses from the operation of the Duke Energy Convention Center, financed primarily through user fees.

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

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

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

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

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**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**June 30, 2013**  
**(Amounts in Thousands)**

	<b>Business Type Activities - Enterprise Funds</b>					Total Nonmajor Enterprise Funds
	Convention Center	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
<b>ASSETS</b>						
Current Assets:						
Cash and Equivalents	\$	\$	\$	\$	\$	\$
Equity in City Treasury Cash	383	54	328	182	1,000	236
Receivables:		1,215		161		3,087
Taxes	405					405
Accounts, Net	1,422	83	471	4	2,405	4,385
Accrued Interest		29	10	3	28	70
Due from Other Funds	316	1,006	271	132	891	2,616
Prepaid Items	426	33				459
Advances to Other Funds	1,238	4,520	881		3,426	10,065
<b>Total Current Assets</b>	<b>4,190</b>	<b>6,940</b>	<b>1,961</b>	<b>482</b>	<b>7,750</b>	<b>21,323</b>
Noncurrent Assets:						
Equity in City Treasury Cash	2,339	7,428	2,004	981	6,111	18,863
Land	11,555	7,296	13,229	1,324	7,074	40,478
Buildings, net of Accumulated Depreciation	101	7,437	653	371		8,562
Improvements, net of Accumulated Depreciation	94,374	16,842	7,166	7,489	55,229	181,100
Machinery and Equipment, net of Accumulated Depreciation	118	35	195	331	465	1,144
Property Acquired Under Capital Lease Net of Accumulated Amortization				1,643		1,643
Construction in Progress	2,227	12,289	1,388	494	4,827	21,225
<b>Total Noncurrent Assets</b>	<b>110,714</b>	<b>51,327</b>	<b>24,635</b>	<b>12,633</b>	<b>73,706</b>	<b>273,015</b>
<b>Total Assets</b>	<b>114,904</b>	<b>58,267</b>	<b>26,596</b>	<b>13,115</b>	<b>81,456</b>	<b>294,338</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Loss on Defeasance			15	15		30
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	89	235	31	82	276	713
Due to Other Funds		2,386	11	36	47	2,480
Due to Fiduciary Funds		15	6	1	10	32
Accrued Payroll		76	39	9	57	181
Accrued Liabilities	332	512	20	254	1	1,119
Accrued Interest	2	19	3	7	5	36
Obligations Under Capital Lease				212		212
Deposits Payable			4			4
Unearned Revenue	552	70				622
Compensated Absences Payable		197	62	24	118	401
General Obligation Bonds Payable	45	250	45	282	675	1,297
<b>Total Current Liabilities</b>	<b>1,020</b>	<b>3,760</b>	<b>221</b>	<b>907</b>	<b>1,189</b>	<b>7,097</b>
Noncurrent liabilities:						
Compensated Absences Payable		174	161	13	128	476
General Obligation Bonds Payable	540	4,450	580	1,688	1,350	8,608
Obligations Under Capital Lease				1,431		1,431
Net Pension Obligation	145	1,784	701	56	1,003	3,689
Net Other Post Employment Benefit Obligation	46	1,050	424	31	588	2,139
<b>Total Noncurrent Liabilities</b>	<b>731</b>	<b>7,458</b>	<b>1,866</b>	<b>3,219</b>	<b>3,069</b>	<b>16,343</b>
<b>Total Liabilities</b>	<b>1,751</b>	<b>11,218</b>	<b>2,087</b>	<b>4,126</b>	<b>4,258</b>	<b>23,440</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Service Concession Arrangement		12,524				12,524
		12,524				12,524
<b>NET POSITION</b>						
Net Investment in Capital Assets	107,790	39,199	22,074	8,054	65,650	242,767
Unrestricted Net Position	5,363	(4,674)	2,450	950	11,548	15,637
<b>Total Net Position</b>	<b>\$ 113,153</b>	<b>\$ 34,525</b>	<b>\$ 24,524</b>	<b>\$ 9,004</b>	<b>\$ 77,198</b>	<b>\$ 258,404</b>

**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Revenue, Expenses and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	<b>Business Type Activities - Enterprise Funds</b>					Total Nonmajor Enterprise Funds
	Convention Center	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
<b>OPERATING REVENUES</b>						
Charges for Services	\$ 4,221	\$ 5,709	\$ 1,444	\$ 2,760	\$ 5,691	\$ 19,825
Miscellaneous Income		195				195
Total Operating Revenues	<u>4,221</u>	<u>5,904</u>	<u>1,444</u>	<u>2,760</u>	<u>5,691</u>	<u>20,020</u>
<b>OPERATING EXPENSES</b>						
Personal Services	38	1,165	479	161	1,165	3,008
Contractual Services	4,719	1,253	88	1,656	859	8,575
Maintenance and Repairs		147	35	33	759	974
Materials and Supplies	-	28	28	46	37	139
Utilities		104	92	136	37	369
Insurance	28	30	10	1		69
Taxes	82	511	21	244	-	858
Rent	-	52	4	160	265	481
Other Expense		51	2		3	56
Depreciation and Amortization	2,084	844	349	815	1,469	5,561
Total Operating Expenses	<u>6,951</u>	<u>4,185</u>	<u>1,108</u>	<u>3,252</u>	<u>4,594</u>	<u>20,090</u>
Operating Income (Loss)	<u>(2,730)</u>	<u>1,719</u>	<u>336</u>	<u>(492)</u>	<u>1,097</u>	<u>(70)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest Revenue		(96)	(26)	(9)	(75)	(206)
Occupancy Tax	836					836
Interest Expense	(13)	(111)	(12)	(66)	(27)	(229)
Total Non-Operating Revenues (Expenses)	<u>823</u>	<u>(207)</u>	<u>(38)</u>	<u>(75)</u>	<u>(102)</u>	<u>401</u>
Income (Loss) before Contributions and Transfers	(1,907)	1,512	298	(567)	995	331
Transfers In	1,000	288			4	1,292
Transfers (Out)		(241)				(241)
Capital Contributions		57				57
Change in Net Position	(907)	1,616	298	(567)	999	1,439
Net Position, January 1	114,060	32,909	24,226	9,571	76,199	256,965
Net Position, June 30	<u>\$ 113,153</u>	<u>\$ 34,525</u>	<u>\$ 24,524</u>	<u>\$ 9,004</u>	<u>\$ 77,198</u>	<u>\$ 258,404</u>

**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	<b>Business Type Activities - Enterprise Funds</b>					Total Nonmajor Enterprise Funds
	Convention Center	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
<b>Cash Flows from Operating Activities:</b>						
Receipts from Customers	\$ 3,351	\$ 5,634	\$ 994	\$ 2,760	\$ 5,475	\$ 18,214
Receipts from Other Funds	619					619
Payments to Suppliers	(4,910)	(1,430)	(268)	(2,597)	(990)	(10,195)
Payments to Other Funds	(28)	2,194			(1,005)	1,161
Payments to Employees	(38)	(1,002)	(403)	(163)	(1,033)	(2,639)
Payments for Property Taxes	(82)	(1,021)	(21)			(1,124)
Net Cash Provided (Used) by Operating Activities	<u>(1,088)</u>	<u>4,375</u>	<u>302</u>	<u></u>	<u>2,447</u>	<u>6,036</u>
<b>Cash Flows from Noncapital Financing Activities:</b>						
Repayment of Advances Made To Other Funds					163	163
Advances to Other Funds	(133)	6,727	115			6,709
Amounts Due From Other Funds for City Notes	(85)	(538)	(130)	(33)	(470)	(1,256)
Occupancy Tax	655					655
Transfers to Other Funds		(241)				(241)
Transfers from Other Funds	1,000	288			4	1,292
Net Cash Provided (Used) by Noncapital Financing	<u>\$ 1,437</u>	<u>\$ 6,236</u>	<u>\$ (15)</u>	<u>\$ (33)</u>	<u>\$ (303)</u>	<u>\$ 7,322</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Capital Items Expensed	1,000					1,000
Capital Contributed by Other Sources		57				57
Acquisition of Property, Plant and Equipment					(359)	(359)
Interest Paid on Bonds and Notes	(13)	(111)	(12)	(67)	(27)	(230)
Payments on Long Term Capital Leases Obligations				(132)		(132)
Additions to Construction in Progress	(1,485)	(9,158)	(115)		(163)	(10,921)
Net Cash (Used) by Capital and Related Financing Activities	<u>(498)</u>	<u>(9,212)</u>	<u>(127)</u>	<u>(199)</u>	<u>(549)</u>	<u>(10,585)</u>
<b>Cash Flow from Investing Activities:</b>						
Interest and Dividends on Investments		(77)	(25)	(6)	(74)	(182)
Net Cash Provided by Investing Activities		<u>(77)</u>	<u>(25)</u>	<u>(6)</u>	<u>(74)</u>	<u>(182)</u>
Net Increase (decrease) in Cash and Cash Equivalents	(149)	1,322	135	(238)	1,521	2,591
Cash and Cash Equivalents, January 1	2,871	7,375	2,197	1,562	5,590	19,595
Cash and Cash Equivalents, June 30	<u>\$ 2,722</u>	<u>\$ 8,697</u>	<u>\$ 2,332</u>	<u>\$ 1,324</u>	<u>\$ 7,111</u>	<u>\$ 22,186</u>

(Continued)

**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	<b>Business Type Activities - Enterprise Funds</b>					Total Nonmajor Enterprise Funds
	Convention Center	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
(Continued)						
<u>Reconciliation of Operating Income (Loss) to</u>						
<u>Net Cash Provided (Used) by</u>						
<u>Operating Activities:</u>						
Operating Income (Loss)	\$ (2,730)	\$ 1,719	\$ 336	\$ (492)	\$ 1,097	\$ (70)
Depreciation and Amortization	2,084	844	349	815	1,469	5,561
Amortization of Deferred Inflows and Outflows		(193)				(193)
Changes in Assets, Deferred Inflows/Outflows and Liabilities:						
(Increase) Decrease in:						
Receivables	(914)	(74)	(450)		(212)	(1,650)
Due from Other Funds					(4)	(4)
Due from Other Governments	899					899
Prepaid Items	(361)	(6)				(367)
Increase (Decrease) in:						
Accounts Payable	88	68	(15)	(347)	20	(186)
Due to Other Funds		2,367	6	26	(55)	2,344
Due to Fiduciary Funds		10	4	1	6	21
Accrued Payroll		36	17	5	25	83
Accrued Liabilities	82	(510)		(14)	1	(441)
Unearned Revenue	(236)	(3)				(239)
Compensated Absences Payable		(24)	(4)	(1)	3	(26)
Unpaid Claims Payable						
Net Pension Obligation		129	55	6	90	280
Net Other Post Employment Benefit Obligation		12	4	1	7	24
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,088)</u>	<u>\$ 4,375</u>	<u>\$ 302</u>	<u>\$ 1</u>	<u>\$ 2,447</u>	<u>\$ 6,036</u>
<u>Schedule of Noncash Investing,</u>						
<u>Capital and Financing Activities:</u>						
Change in Fair Value of Investments		\$ (127)	\$ (42)	\$ (9)	\$ (121)	\$ (299)
Total Noncash Investing, Capital and Financing Activities		<u>\$ (127)</u>	<u>\$ (42)</u>	<u>\$ (9)</u>	<u>\$ (121)</u>	<u>\$ (299)</u>



CITY OF CINCINNATI, OHIO

**INTERNAL SERVICE FUNDS**

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

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

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

**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.

**Enterprise Technology Services** - Used to account for revenue and expenses related to the delivery of data processing services to the City, Hamilton County, and others.

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**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2013**  
**(Amounts in Thousands)**

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Self Insurance Medical	Self Insurance Workers' Compensation	Enterprise Technology Services	Total Internal Service Funds
<b>ASSETS</b>							
Current Assets:							
Cash and Equivalents				\$ 123	\$	\$	123
Equity in City Treasury Cash	\$ 36	\$ 220	\$ 206	\$ 3,018	\$ 2,407	\$ 569	6,456
Receivables:							
Accounts, Net	16	201					217
Accrued Interest				54	49	7	110
Due from Other Funds	172	1,517	170	2,595	1,990	1,832	8,276
Due from Fiduciary Funds				31		21	52
Due from Other Governments						245	245
Prepaid Items	45	8		1,207	91	169	1,475
Inventory		399					444
Advances to Other Funds						775	775
<b>Total Current Assets</b>	<b>269</b>	<b>2,345</b>	<b>376</b>	<b>7,028</b>	<b>4,537</b>	<b>3,618</b>	<b>18,173</b>
Noncurrent Assets:							
Equity in City Treasury Cash	217	1,346	1,260	18,448	14,716	3,484	39,471
Land		283					283
Improvements, net of Accumulated Depreciation		2,196	1			3,842	6,039
Machinery and Equipment, net of Accumulated Depreciation	282	1,010		2	69	11,112	12,475
Property Acquired Under Capital Lease, net of Accumulated Amortization	123						123
Other Assets		1,300					1,300
<b>Total Noncurrent Assets</b>	<b>622</b>	<b>6,135</b>	<b>1,261</b>	<b>18,450</b>	<b>14,785</b>	<b>18,438</b>	<b>59,691</b>
<b>Total Assets</b>	<b>891</b>	<b>8,480</b>	<b>1,637</b>	<b>25,478</b>	<b>19,322</b>	<b>22,056</b>	<b>77,864</b>

(Continued)

**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2013**  
**(Amounts in Thousands)**

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Self Insurance Medical	Self Insurance Workers' Compensation	Enterprise Technology Services	Total Internal Service Funds
<b>(Continued)</b>							
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	\$ 167	\$ 730	\$	\$ 2,100	\$ 303	\$ 307	\$ 3,607
Due to Other Funds	49	1,280	3	5	7	3	1,335
Due to Fiduciary Funds	2	33	3	22	3	22	72
Accrued Payroll	15	176	12	61	3	195	462
Accrued Liabilities	1	2			168	122	293
Obligations under Capital Leases	102						102
Deposits Payable			29				29
Compensated Absences Payable	41	350	10	100	3	244	748
Unpaid Claims Payable				6,300	3,069		9,369
Total Current Liabilities	328	1,340	1,334	8,569	3,553	893	16,017
Noncurrent Liabilities:							
Estimated Liability for Compensated Absences	23	431	19	80	13	280	846
Estimated Liability for Unpaid Claims					8,334		8,334
Advances from Other Funds	50	1,402	177	125		3	1,754
Advances from Other Governments		20					23
Obligations under Capital Leases	52						52
Net Pension Obligation	339	3,554	270	268	72	4,169	8,672
Net Other Post Employment Benefit Obligation	186	1,807	143	89	6	2,012	4,243
Total Noncurrent Liabilities	650	7,214	609	562	8,425	6,464	23,924
Total Liabilities	978	8,554	1,943	9,131	11,978	7,357	39,941
<b>NET POSITION</b>							
Net Investment in Capital Assets	251	3,489	1	2	69	14,954	18,766
Restricted		1,300					1,300
Unrestricted Net Position	(338)	(4,863)	(307)	16,345	7,275	(255)	17,857
Total Net Position	\$ (87)	\$ (74)	\$ (306)	\$ 16,347	\$ 7,344	\$ 14,699	\$ 37,923

**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Revenue, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Self Insurance Medical	Self Insurance Workers' Compensation	Enterprise Technology Services	Total Internal Service Funds
<b>OPERATING REVENUES</b>							
Charges for Services	\$ 1,294	\$ 8,602	\$ 1,112	\$ 40,004	\$ 1,909	\$ 5,765	\$ 57,574
Miscellaneous							1,112
Total Operating Revenues	1,294	8,602	1,112	40,004	1,909	5,765	58,686
<b>OPERATING EXPENSES</b>							
Personal Services	207	2,657	145	754	124	1,773	5,660
Contractual Services	352	364	19	683	27	819	2,264
Maintenance and Repairs	9	230			17	17	256
Materials and Supplies	587	5,076	2	13	17	48	5,743
Utilities	1	116	1	4		1,164	1,286
Insurance		4		28,517	2,344	45	30,910
Rent	10	14	46	48		448	566
Depreciation and Amortization	88	138		1	8	2,730	2,965
Other Expense		6	1	31			38
Total Operating Expenses	1,254	8,605	214	30,051	2,520	7,044	49,688
Operating Income (Loss)	40	(3)	898	9,953	(611)	(1,279)	8,998
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest Expense	(5)						(5)
Interest Revenue				(131)	(135)	(19)	(285)
Total Non-Operating Revenue (Expenses)	(5)			(131)	(135)	(19)	(290)
Income (Loss) before Contributions and Transfers	35	(3)	898	9,822	(746)	(1,298)	8,708
Transfers In							
Transfers (Out)			(1,908)				(1,908)
Capital Contribution		7					7
Change in Net Position	35	4	(1,010)	9,822	(746)	(1,298)	6,807
Net Position, January 1	(122)	(78)	704	6,525	8,090	15,997	31,116
Net Position, June 30	\$ (87)	\$ (74)	\$ (306)	\$ 16,347	\$ 7,344	\$ 14,699	\$ 37,923

**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Self Insurance Medical	Self Insurance Workers' Compensation	Enterprise Technology Services	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>							
Receipts from Customers	\$ 136	\$ 151	\$ 798	\$ 4,683	\$ 197	\$ 530	\$ 6,495
Receipts from Other Funds	1,162	8,270		35,159	1,712	4,578	50,881
Receipts from Retirement System				31			31
Payments to Suppliers	(896)	(4,814)	1,219	(32,955)	(1,926)	(2,341)	(41,713)
Payments to Other Funds	(2)	(965)			(604)		(1,571)
Payments to Employees	(172)	(2,166)	(107)	(699)	(39)	(1,471)	(4,654)
Net Cash Provided (Used) by Operating Activities	228	476	1,910	6,219	(56)	692	9,469
<u>Cash Flows from Noncapital Financing Activities:</u>							
Due from Other Funds for City Note Payable		(109)	(72)	(1,418)	(832)	(231)	(2,662)
Repayment of Amount Due to Other Fund						1	1
Advances from Other Funds						472	472
Transfers to Other Funds			(1,908)				(1,908)
Net Cash Provided (Used) by Noncapital Financing Activities		(109)	(1,980)	(1,418)	(832)	242	(4,097)
<u>Cash Flows from Capital and Related Financing Activities:</u>							
Contributions from Other Sources		7					7
Acquisition of Property, Plant and Equipment	(80)	(7)				(149)	(236)
Capital Items Expensed							
Additions to Construction In Progress	(5)					(473)	(473)
Interest Paid on Debt	(52)						(5)
Payment on Long Term Capital Lease Obligations							(52)
Net Cash (Used) by Capital and Related Financing Activities	(137)					(622)	(759)
<u>Cash Flows from Investing Activities:</u>							
Investment Purchases		57					57
Interest on Investments				(142)	(122)	(17)	(281)
Net Cash Provided by Investing Activities		57		(142)	(122)	(17)	(224)
Net Increase (Decrease) in Cash and Cash Equivalents	91	424	(70)	4,659	(1,010)	295	4,389
Cash and Cash Equivalents at January 1	162	1,142	1,536	16,930	18,133	3,758	41,661
Cash and Cash Equivalents at June 30	\$ 253	\$ 1,566	\$ 1,466	\$ 21,589	\$ 17,123	\$ 4,053	\$ 46,050

**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Self Insurance Medical	Self Insurance Workers' Compensation	Enterprise Technology Services	Total Internal Service Funds
<u>Net Cash Provided (Used) by</u>							
<u>Operating Activities:</u>							
Operating Income (Loss)	\$ 40	\$ (3)	\$ 898	\$ 9,953	\$ (611)	\$ (1,279)	\$ 8,998
Depreciation and Amortization	88	138		1	8	2,730	2,965
Changes in Assets and Liabilities:							
(Increase) Decrease in:							
Receivables	3	(40)		9		(627)	(28)
Due from Other Funds	1	(141)		(100)		11	(867)
Due from Fiduciary Funds				(31)		(109)	(20)
Due from Other Governments							(109)
Inventory	(2)	(6)					(8)
Prepaid Items		(3)	10			28	35
Increase (Decrease) in:							
Accounts Payable	65	52		(702)	(17)	(72)	(674)
Deposits Payable			(314)				(314)
Due to Other Funds	(2)	(12)	1,278	(2)		14	1,262
Due to Fiduciary Funds	1	20	2	(2,664)	7		(2,620)
Accrued Payroll	9	69	6	32		122	238
Accrued Liabilities	1	1			2	(292)	(288)
Advances from Other Governments					(31)	1	(30)
Estimated Liability for Compensated Absences	5	81	3	(19)	1	(59)	12
Estimated Liability for Unpaid Claims Payable				(300)	510		210
Net Pension Obligation	17	294	25	39	69	206	650
Net Other Post Employment Benefit Obligation	2	26	2	3	6	18	57
<u>Net Cash Provided (Used) by</u>	<u>\$ 228</u>	<u>\$ 476</u>	<u>\$ 1,910</u>	<u>\$ 6,219</u>	<u>\$ (56)</u>	<u>\$ 692</u>	<u>\$ 9,469</u>
<u>Operating Activities</u>							
<u>Schedule of Noncash Investing,</u>							
<u>Capital and Financing Activities:</u>							
Change in Fair Value of Investments				\$ (236)	\$ (214)	\$ 23	\$ (427)
Total Noncash Investing, Capital and Financing Activities				\$ (236)	\$ (214)	\$ 23	\$ (427)

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CITY OF CINCINNATI, OHIO

FIDUCIARY FUNDS



AGENCY FUNDS

**Agency Funds**

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

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

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

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

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

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**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2013**  
**(Amounts in Thousands)**

	<b>Agency Funds</b>						<b>Total</b>
	Towing Charges Private Operators	Convention Facility Authority	Admissions Tax Bonds	Engineering Deposits	Metropolitan Sewer District	Total	
<b>ASSETS</b>							
Equity in City Treasury Cash	\$ 421	\$ 195	\$ 29	\$ 2,472	\$ 70	\$ 3,117	70
Cash With Fiscal Agent					259,480	259,480	259,480
Investments, at fair value							
Receivables:							
Accounts, Net	49	23	3	325	64,412	64,812	424
Accrued Interest and Dividends					424	424	
<b>Total Assets</b>	<u>\$ 470</u>	<u>\$ 218</u>	<u>\$ 32</u>	<u>\$ 2,797</u>	<u>\$ 324,386</u>	<u>\$ 327,903</u>	
<b>LIABILITIES</b>							
Accounts Payable	\$ 38	\$	\$	\$ 50	\$ 20,051	\$ 20,139	
Due to Other Governments	13	218			244,547	244,778	
Accrued Payroll					2,010	2,010	
Accrued Liabilities					50	50	
Deposits Payable	419		32	2,747		3,198	
Estimated Liability for Compensated Absences					9,301	9,301	
Net Pension Obligation					37,749	37,749	
Net Other Post Employment Benefit Obligation					10,678	10,678	
<b>Total Liabilities</b>	<u>\$ 470</u>	<u>\$ 218</u>	<u>\$ 32</u>	<u>\$ 2,797</u>	<u>\$ 324,386</u>	<u>\$ 327,903</u>	

**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	Balance January 1, 2013	Additions	Deductions	Balance June 30, 2013
<b><u>TOWING CHARGES - PRIVATE OPERATORS</u></b>				
<b>ASSETS</b>				
Equity in City Treasury Cash	\$ 342	\$ 360	\$ 281	\$ 421
Accounts Receivable	22	49	22	49
<b>Total Assets</b>	<b>\$ 364</b>	<b>\$ 409</b>	<b>\$ 303</b>	<b>\$ 470</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 20	\$ 202	\$ 184	\$ 38
Due to Other Governments		13		13
Deposits Payable	344	522	447	419
<b>Total Liabilities</b>	<b>\$ 364</b>	<b>\$ 737</b>	<b>\$ 631</b>	<b>\$ 470</b>
<b><u>CONVENTION FACILITY AUTHORITY</u></b>				
<b>ASSETS</b>				
Equity in City Treasury Cash	\$ 80	\$ 488	\$ 373	\$ 195
Accounts Receivable	5	23	5	23
<b>Total Assets</b>	<b>\$ 85</b>	<b>\$ 511</b>	<b>\$ 378</b>	<b>\$ 218</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 85	\$ 303	\$ 170	\$ 218
Accounts Payable		486	486	
Deposits Payable		131	131	
<b>Total Liabilities</b>	<b>\$ 85</b>	<b>\$ 920</b>	<b>\$ 787</b>	<b>\$ 218</b>
<b><u>ADMISSION TAX BONDS</u></b>				
<b>ASSETS</b>				
Equity in City Treasury Cash	\$ 29	\$ 3	\$ 3	\$ 29
Accounts Receivable	2	3	2	3
<b>Total Assets</b>	<b>\$ 31</b>	<b>\$ 6</b>	<b>\$ 5</b>	<b>\$ 32</b>
<b>LIABILITIES</b>				
Deposits Payable	\$ 31	\$ 1	\$	\$ 32
<b><u>ENGINEERING DEPOSITS</u></b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2	\$ 82	\$ 84	\$
Equity in City Treasury Cash	2,501	1,075	1,104	2,472
Accounts Receivable	190	604	469	325
<b>Total Assets</b>	<b>\$ 2,693</b>	<b>\$ 1,761</b>	<b>\$ 1,657</b>	<b>\$ 2,797</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 59	\$ 50	\$ 59	\$ 50
Deposits Payable	2,634	1,170	1,057	2,747
<b>Total Liabilities</b>	<b>\$ 2,693</b>	<b>\$ 1,220</b>	<b>\$ 1,116</b>	<b>\$ 2,797</b>

**CITY OF CINCINNATI, OHIO**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	Balance January 1, 2013	Additions	Deductions	Balance June 30, 2013
<b><u>METROPOLITAN SEWER DISTRICT</u></b>				
<b>ASSETS</b>				
Investments	\$ 242,213	\$ 326,118	\$ 308,851	\$ 259,480
Cash with Fiscal Agent	127	86	143	70
Accounts Receivable	30,830	67,712	34,130	64,412
Accrued Interest Receivable	444	499	519	424
Total Assets	<u>\$ 273,614</u>	<u>\$ 394,415</u>	<u>\$ 343,643</u>	<u>\$ 324,386</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 15,332	\$ 136,790	\$ 132,071	\$ 20,051
Due to Other Governments	203,726	455,645	414,824	244,547
Accrued Payroll	972	2,091	1,053	2,010
Accrued Liabilities	19	50	19	50
Estimated Liability for Compensated Absences	9,192	109		9,301
Net Pension Obligation	34,128	3,621		37,749
Net Other Post Employment Benefit Obligation	10,245	433		10,678
Total Liabilities	<u>\$ 273,614</u>	<u>\$ 598,739</u>	<u>\$ 547,967</u>	<u>\$ 324,386</u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2	\$ 82	\$ 84	\$ 3,117
Equity in City Treasury Cash	2,952	1,926	1,761	3,117
Cash with Fiscal Agent	127	86	143	70
Investments	242,213	326,118	308,851	259,480
Receivables:				
Accounts, Net	31,049	68,391	34,628	64,812
Accrued Interest Receivable	444	499	519	424
Total Assets	<u>\$ 276,787</u>	<u>\$ 397,102</u>	<u>\$ 345,986</u>	<u>\$ 327,903</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 15,411	\$ 137,528	\$ 132,800	\$ 20,139
Due to Other Governmental Agencies	203,811	455,961	414,994	244,778
Accrued Payroll	972	2,091	1,053	2,010
Accrued Liabilities	19	50	19	50
Deposits Payable	3,009	1,824	1,635	3,198
Estimated Liability for Compensated Absences	9,192	109		9,301
Net Pension Obligation	34,128	3,621		37,749
Net Other Post Employment Benefit Obligation	10,245	433		10,678
Total Liabilities	<u>\$ 276,787</u>	<u>\$ 601,617</u>	<u>\$ 550,501</u>	<u>\$ 327,903</u>

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

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**CITY OF CINCINNATI, OHIO**  
**Comparative Schedule of Capital Assets Used in the Operation of Governmental Activities**  
**Schedule by Source**  
**For the fiscal period**  
**(Amounts In Thousands)**

	June 30 2013	December 31 2012
Governmental Activities Capital Assets		
Land	\$ 176,097	\$ 174,605
Buildings	234,633	230,181
Improvements	451,501	446,080
Machinery and Equipment	149,364	147,832
Infrastructure	957,906	911,784
Construction in Progress	180,449	164,838
Property acquired under capital leases	659	659
	<u>2,150,609</u>	<u>2,075,979</u>
 Total Governmental Capital Assets	 <u>\$ 2,150,609</u>	 <u>\$ 2,075,979</u>
 Investment in Governmental Capital Assets	 <u>\$ 2,150,609</u>	 <u>\$ 2,075,979</u>

Investment in Governmental Capital Assets by Source:

Permanent Improvement Fund or		
General Obligation Bonds	\$ 1,411,192	\$ 1,344,666
Federal Grants	137,670	117,780
State Grants	184,707	184,075
County Grants	11,427	10,760
Private	13,842	33,845
General Fund Revenues	107,712	102,867
Special Revenue Funds	52,316	50,579
Gifts	2,529	2,529
Other and Undifferentiated	229,214	228,878
	<u>2,150,609</u>	<u>2,075,979</u>
 Total from All Sources	 <u>\$ 2,150,609</u>	 <u>\$ 2,075,979</u>

**CITY OF CINCINNATI, OHIO**  
**Schedule of Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**As of June 30, 2013**  
**(Amounts in Thousands)**

	Total	Land	Buildings	Improvements	Equipment	Infrastructure	Property Acquisition under Capital Leases	Construction In Progress
Mayor and Council	\$ 62	\$	\$	\$	\$ 62	\$	\$	\$
City Manager	2,548		48		529	1,964	7	
Economic Development	55,174	6,143	7,376	28,417		13,238	19	
Law	127				108			
Human Resources	6,765			6,672	93			
Finance	989			710	260		19	
Enterprise Technology Services	2,821				2,821			
Community Development	128,464	61,678	7,336	40,554	68	18,828		
City Planning	142				96			
Recreation	166,824	6,913	35,109	120,775	3,778	207	46	
Parks	109,760	12,722	14,990	38,305	4,140	39,603	42	
Buildings and Inspections	373			91	282			
Public Safety	78,378	1,833	8,636	12,766	55,143			
Transportation & Engineering	931,913	29,166	7,319	12,649	517	882,262		
Enterprise Services	1,432	296		403	733			
Public Services	98,779	918	35,719	34,084	26,254	1,804		
Public Health	16,547	237	4,194	8,958	3,129		29	
Pooled, Unassigned Equipment	957				957			
Southern Railway Improvement	83,224			83,224				
General Government								
Land	55,908	55,908						
Buildings	113,634		113,634					
Improvements	51,558			51,558				
Total Governmental Capital Assets Allocated by Function	1,906,379	175,814	234,361	439,166	98,970	957,906	162	
Construction in Progress	180,449							180,449
Internal Service Funds:								
Purchasing, Printing and Stores	1,438				941			
Fleet Services	7,641	283	272	4,345	2,741		497	
Property Management	21			6	15			
Self-Insured Workers Comp	82				82			
Self Insurance Medical	20				20			
Enterprise Technology Services	54,579			7,984	46,595			
Total Governmental Capital Assets	\$ 2,150,609	\$ 176,097	\$ 234,633	\$ 451,501	\$ 149,364	\$ 957,906	\$ 659	\$ 180,449

**CITY OF CINCINNATI, OHIO**  
**Schedule of Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**For the six month period ended June 30, 2013**  
**(Amounts in Thousands)**

	General Capital Assets January 1, 2013	Additions	Deletions	General Capital Assets June 30, 2013
Mayor and Council	\$ 62	\$	\$	\$ 62
City Manager	2,541	7		2,548
Economic Development	55,527		353	55,174
Law	127			127
Human Resources	6,765			6,765
Enterprise Technology Services	2,840		19	2,821
Finance	1,019		30	989
Community Development	123,866	4,603	5	128,464
City Planning and Buildings	142			142
Recreation	161,715	5,471	362	166,824
Parks	105,093	4,942	275	109,760
Buildings and Inspections	373			373
Public Safety	77,948	1,126	696	78,378
Transportation & Engineering	892,406	39,561	54	931,913
Enterprise Services	1,432			1,432
Public Services	92,889	6,165	275	98,779
Public Health	16,508	39		16,547
Pooled, Unassigned Equipment	920	37		957
Southern Railway Improvement	83,224			83,224
General Government				
Land	57,473		1,565	55,908
Buildings	113,634			113,634
Improvements	51,558			51,558
Construction in Progress	164,838	76,837	61,226	180,449
Internal Service Funds:				
Purchasing, Printing and Stores	1,358	80		1,438
Fleet Services	7,641			7,641
Property Management	21			21
Self Insurance Workers' Compensation	82			82
Self Insurance Medical	20			20
Enterprise Technology Services	53,957	1,563	941	54,579
Total Governmental Capital Assets	<u>\$ 2,075,979</u>	<u>\$ 140,431</u>	<u>\$ 65,801</u>	<u>\$ 2,150,609</u>

Note: The additions and deletions include department reclassifications and transfers.

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## **SCHEDULE**

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City of Cincinnati, Ohio  
Schedule of Outstanding Bonds and Notes  
June 30, 2013

Year	(a)General Obligation Bonds and Notes	(b)Municipal Income Tax Bonds and Notes	(c)Water Works Bonds	(d)Revenue Bonds and Notes	(c)Police and Fire Pension Bonds	(e)Urban Development Taxable Bonds	(c)Recreational Facility Bonds and Notes	(c)Off-Street Parking Facilities Bonds	(c)Urban Renewal Economic Development Bonds and Notes	(d)Sewer Admin Building Bonds & Notes	(c) Public Transportation Notes
2004	\$ 220,620,000	\$ 5,937,000	\$ 41,510,000	\$ 228,152,000	\$ 39,205,000						
2005	217,710,000	13,560,000	31,380,000	332,094,000	42,935,000						
2006	223,225,000	22,995,000	22,950,000	321,282,337	42,935,000						
2007	222,868,000	42,655,000	16,400,000	391,750,000	42,365,000						
2008	223,695,000	50,095,000	11,800,000	405,625,000	41,515,000						
2009	220,385,000	71,910,000	9,800,000	496,105,000	40,630,000						
2010	216,595,000	77,585,000	7,800,000	478,100,000	39,700,000						
2011	208,770,000	80,870,000	5,800,000	544,580,000	38,730,000						
2012	218,525,000	88,150,000	3,800,000	592,610,000	37,720,000						
2013	230,505,000	97,150,000	3,800,000	603,385,000	37,720,000						
2004	\$ 6,090,000	\$ 9,545,000	\$ 700,000	\$ 33,085,000							
2005	5,830,000	8,375,000	350,000	35,046,800							
2006	5,555,000	10,090,000		37,694,301							
2007	5,265,000	10,435,000		26,640,000							
2008	4,960,000	9,820,000		25,835,000							
2009	5,080,000	8,955,000		31,080,000	\$ 15,000,000						
2010	4,915,000	8,090,000	5,000,000	36,995,000	14,460,000						
2011	4,740,000	7,225,000	4,850,000	51,835,000	13,900,000						
2012	4,560,000	6,435,000	4,700,000	81,345,000	13,325,000					\$ 21,000,000	
2013	4,470,000	6,435,000	4,700,000	83,845,000	13,325,000					21,000,000	
Year	(c)Stormwater Bonds and Notes	(c)Urban Redevelopment Bonds and Notes	Public Building Bonds (d)	Gross Tax Supported Debt	Gross Revenue Supported Debt	Gross Total Debt					
2004	\$ 2,375,000	\$ 16,235,000		\$ 220,620,000	\$ 382,834,000	\$ 603,454,000					
2005	1,450,000	14,885,000		217,710,000	485,905,800	703,615,800					
2006	725,000	13,565,000		223,225,000	477,791,638	701,016,638					
2007		12,230,000		222,868,000	547,740,000	770,608,000					
2008		10,870,000		223,695,000	560,520,000	784,215,000					
2009	1,250,000	9,485,000		220,385,000	689,295,000	909,680,000					
2010	3,375,000	24,570,000	\$ 10,080,000	216,595,000	710,670,000	927,265,000					
2011	2,700,000	16,620,000	9,405,000	208,770,000	781,255,000	990,025,000					
2012	2,025,000	15,120,000	8,730,000	218,525,000	879,520,000	1,098,045,000					
2013	2,025,000	15,120,000	8,730,000	230,505,000	901,705,000	1,132,210,000					

- (a) Supported by general tax levy or special assessment levy
- (b) Supported by Municipal Income Tax, but have property tax support if necessary
- (c) Supported by current revenue, but have property tax support if necessary
- (d) Supported by current revenue, no tax support pledged
- (e) Supported by current revenue, but have property tax support if necessary-taxable

**CITY OF CINCINNATI  
SCHEDULE OF ANNUAL DEBT SERVICE  
June 30, 2013**

**PROPERTY TAX-SUPPORTED**

**SELF-SUPPORTED**

Year	Maturing	Debt Service			Maturing	Debt Service			Year
		Interest Cost	Requirement	End of Year Debt		Interest Cost	Requirement	End of Year Debt	
2013				235,505,000				201,170,000	2013
2014	\$ 48,545,000	\$ 9,035,177	\$ 57,580,177	186,960,000	\$ 18,875,000	\$ 7,098,632	\$ 25,973,632	182,295,000	2014
2015	28,250,000	7,549,728	35,799,728	158,710,000	11,350,000	6,689,523	18,039,523	170,945,000	2015
2016	25,870,000	6,428,137	32,298,137	132,840,000	9,630,000	6,459,541	16,089,541	161,315,000	2016
2017	21,770,000	5,431,052	27,201,052	111,070,000	15,400,000	6,323,793	21,723,793	145,915,000	2017
2018	18,430,000	4,570,193	23,000,193	92,640,000	29,680,000	6,327,498	36,007,498	116,235,000	2018
2019	14,460,000	3,860,115	18,320,115	78,180,000	8,930,000	5,243,090	14,173,090	107,305,000	2019
2020	12,170,000	3,292,928	15,462,928	66,010,000	8,520,000	4,852,130	13,372,130	98,785,000	2020
2021	10,250,000	2,781,123	13,031,123	55,760,000	8,570,000	4,450,470	13,020,470	90,215,000	2021
2022	7,130,000	2,371,730	9,501,730	48,630,000	8,130,000	4,048,996	12,178,996	82,085,000	2022
2023	6,580,000	2,049,415	8,629,415	42,050,000	7,735,000	3,667,766	11,402,766	74,350,000	2023
2024	6,030,000	1,757,814	7,787,814	36,020,000	7,820,000	3,305,006	11,125,006	66,530,000	2024
2025	5,675,000	1,492,867	7,167,867	30,345,000	8,070,000	2,934,203	11,004,203	58,460,000	2025
2026	5,300,000	1,238,216	6,538,216	25,045,000	7,690,000	2,558,691	10,248,691	50,770,000	2026
2027	5,005,000	987,055	5,992,055	20,040,000	7,330,000	2,202,392	9,532,392	43,440,000	2027
2028	3,940,000	763,544	4,703,544	16,100,000	7,115,000	1,860,189	8,975,189	36,325,000	2028
2029	3,270,000	581,868	3,851,868	12,830,000	7,040,000	1,517,939	8,557,939	29,285,000	2029
2030	2,130,000	457,863	2,587,863	10,700,000	6,255,000	1,206,291	7,461,291	23,030,000	2030
2031	1,885,000	380,750	2,265,750	8,815,000	5,115,000	943,587	6,058,587	17,915,000	2031
2032	1,825,000	309,275	2,134,275	6,990,000	5,210,000	703,693	5,913,693	12,705,000	2032
2033	1,390,000	248,800	1,638,800	5,600,000	4,835,000	470,713	5,305,713	7,870,000	2033
2034	1,120,000	201,600	1,321,600	4,480,000	2,870,000	293,913	3,163,913	5,000,000	2034
2035	1,120,000	156,800	1,276,800	3,360,000	2,980,000	161,063	3,141,063	2,020,000	2035
2036	1,120,000	112,000	1,232,000	2,240,000	1,560,000	57,675	1,617,675	460,000	2036
2037	1,120,000	67,200	1,187,200	1,120,000	460,000	10,975	470,975	0	2037
2038	1,120,000	22,400	1,142,400	-					

**MUNICIPAL INCOME TAX SUPPORTED**

**TOTAL**

Year	Maturing	Debt Service			Maturing	Debt Service			Year
		Interest Cost	Requirement	End of Year Debt		Interest Cost	Requirement	End of Year Debt	
2013				92,150,000				1,132,210,000	2013
2014	\$ 10,410,000	\$ 3,373,162	\$ 13,783,162	81,740,000	\$ 119,500,000	\$ 46,784,940	\$ 166,284,940	1,012,710,000	2014
2015	6,685,000	3,170,183	9,855,183	75,055,000	71,240,000	43,588,205	114,828,205	941,470,000	2015
2016	6,670,000	2,957,435	9,627,435	68,385,000	40,848,642	29,784,815	70,633,657	869,850,000	2016
2017	6,685,000	2,739,611	9,424,611	61,700,000	38,247,185	27,137,164	65,384,349	796,535,000	2017
2018	6,690,000	2,517,757	9,207,757	55,010,000	35,873,235	24,459,442	60,332,677	710,940,000	2018
2019	6,410,000	2,284,398	8,694,398	48,600,000	32,423,494	21,137,164	53,560,658	648,960,000	2019
2020	6,150,000	2,035,194	8,185,194	42,450,000	29,788,410	19,752,376	49,540,786	588,360,000	2020
2021	5,975,000	1,775,604	7,750,604	36,475,000	27,137,164	17,646,592	44,783,756	528,615,000	2021
2022	5,075,000	1,527,940	6,602,940	31,400,000	24,459,442	15,693,398	40,152,840	471,555,000	2022
2023	4,405,000	1,305,874	5,710,874	26,995,000	22,022,812	13,855,742	35,878,554	422,805,000	2023
2024	4,095,000	1,112,977	5,207,977	22,900,000	19,752,376	12,198,165	31,950,541	372,595,000	2024
2025	4,120,000	935,322	5,055,322	18,780,000	17,646,592	11,015,000	28,661,592	331,425,000	2025
2026	4,225,000	752,916	4,977,916	14,555,000	15,693,398	9,010,917	24,704,315	289,845,000	2026
2027	4,365,000	557,126	4,922,126	10,190,000	13,855,742	8,159,165	22,014,907	256,345,000	2027
2028	3,995,000	363,305	4,358,305	6,195,000	12,198,165	7,583,347	19,781,512	223,470,000	2028
2029	3,130,000	197,067	3,327,067	3,065,000	10,559,787	6,160,842	16,720,629	191,265,000	2029
2030	1,865,000	82,575	1,947,575	1,200,000	9,010,917	5,311,815	14,322,732	161,290,000	2030
2031	460,000	34,638	494,638	740,000	27,590,000	16,180,842	43,771,842	133,700,000	2031
2032	460,000	17,913	477,913	280,000	22,105,000	13,016,789	35,121,789	105,015,000	2032
2033	280,000	4,725	284,725	0	20,625,000	12,896,434	33,521,434	75,665,000	2033
					11,580,000	6,872,860	18,452,860	53,560,000	2034
					11,015,000	768,094	11,783,094	42,030,000	2037
					6,530,000	342,860	6,872,860	3,810,000	2038
					3,810,000	93,031	3,903,031	0	2039

**REVENUE**

Year	Maturing	Debt Service			Maturing	Debt Service			Year
		Interest Cost	Requirement	End of Year Debt		Interest Cost	Requirement	End of Year Debt	
2013				603,385,000					
2014	\$ 41,670,000	\$ 27,277,968	\$ 68,947,968	561,715,000					
2015	24,955,000	26,178,771	51,133,771	536,760,000					
2016	29,450,000	25,003,530	54,453,530	507,310,000					
2017	29,460,000	23,752,729	53,212,729	477,850,000					
2018	30,795,000	22,457,787	53,252,787	447,055,000					
2019	32,180,000	21,035,891	53,215,891	414,875,000					
2020	33,760,000	19,608,159	53,368,159	381,115,000					
2021	34,950,000	18,129,967	53,079,967	346,165,000					
2022	36,725,000	16,510,775	53,235,775	309,440,000					
2023	30,030,000	14,999,757	45,029,757	279,410,000					
2024	32,265,000	13,576,578	45,841,578	247,145,000					
2025	23,305,000	12,284,200	35,589,200	223,840,000					
2026	24,365,000	11,143,575	35,508,575	199,475,000					
2027	16,800,000	10,109,169	26,909,169	182,675,000					
2028	17,825,000	9,211,127	27,036,127	164,850,000					
2029	18,765,000	8,262,913	27,027,913	146,085,000					
2030	19,725,000	7,264,189	26,989,189	126,360,000					
2031	20,130,000	6,224,372	26,354,372	106,230,000					
2032	21,190,000	5,129,962	26,319,962	85,040,000					
2033	22,845,000	3,942,552	26,787,552	62,195,000					
2034	18,115,000	2,816,303	20,931,303	44,080,000					
2035	16,525,000	1,839,660	18,364,660	27,555,000					
2036	8,900,000	1,146,759	10,046,759	18,655,000					
2037	9,435,000	689,919	10,124,919	9,220,000					
2038	5,410,000	320,460	5,730,460	3,810,000					
2039	3,810,000	93,031	3,903,031	0					



**CITY OF CINCINNATI, OHIO**  
**Schedule of Expenditures of Federal Awards**  
**(Non-GAAP Budgetary Basis)**  
**For the Six Month Period ended June 30, 2013**  
Amounts in Thousands

Grantor/Program Title	Fund	CFDA #	Grant #	Agency	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures	Advances (Repayments) or Adjustments
<b>1 U.S. Department of Agriculture</b>								
* Passed through Ohio Department of Health Hamilton County WIC Program	391	10.557	31-2-001-1-WA-0613	Health	\$ 1,831.00 1,831.00	0.00	\$(1,821.00) (1,821.00)	0.00
Total for CFDA No. 10.557								
* Passed through Ohio Department of Education CACFP-Child & Adult Care Food Program	324	10.558	009070	Recreation	65.00 65.00	-	(58.00) (58.00)	-
Total for CFDA No. 10.558								
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>								
<b>2 U.S. Department of Health and Human Services</b>								
* Passed through Ohio Department of Community Dev. Child Care & Development Block Grant	323	93.575		Recreation	6.00 6.00	0.00	(6.00) (6.00)	0.00
(a.) Total for CFDA No. 93.575								
* Passed through Ohio Department of Health Social Services Block Grant	323	93.667		Recreation	6.00 6.00	0.00	(6.00) (6.00)	0.00
Total for CFDA No. 93.667								
* Passed through Council on Aging of Southwestern Ohio Special Programs for the Aging Title III Part B	324	93.044		Recreation	22.00 22.00	-	(22.00) (22.00)	-
(b.) Total for CFDA No. 93.044								
Special Programs for the Aging Title III Part C	324	93.045		Recreation	101.00 101.00	4.00	(106.00) (106.00)	-
(b.) Total for CFDA No. 93.045								
* Passed through Ohio Department of Health Medical Assistance - T.R. Waivers	324	93.778		Recreation	1.00 1.00	0.00	(1.00) (1.00)	0.00
(c.) Total for CFDA No. 93.778								
* Passed through YMCA of Greater Cincinnati Temporary Assistance for Needy Families	323	93.558		Recreation	13.00 13.00	-	(13.00) (13.00)	-
Total for CFDA No. 93.558								
* Passed through Ohio Department of Health Homeless Health Care Program	448	93.151	Contract #15-0059	Health	0.00 -	-	(44.00) (44.00)	-
Total for CFDA No. 93.151								
* Passed through Ohio Department of Health Regional Lead Poisoning Prevention	380	93.197	31-2-001-1-HH-0212	Health	0.00 0.00	19.00 19.00	(40.00) (40.00)	0.00
Total for CFDA No. 93.197								
<b>Cincinnati Health Network</b>	446	93.224	H80CS25683	Health	236.00 236.00	-	(171.00) (171.00)	-
Total for CFDA No. 93.224								
* Passed through Ohio Department of Health Immunization Action Plan Special	415	93.268	31-2-001-2-IM-0512	Health	56.00	-	(1.00)	-
Immunization Action Plan Special	415	93.268	31-2-001-2-IM-0613	Health	111.00 167.00	-	(75.00) (76.00)	-
Total for CFDA No. 93.268								
* Passed through Ohio Department of Health Heart Health in Hamilton County	425	93.991	31-2-001-4-CC-0312	Health	5.00	-	-	-
Heart Health in Hamilton County	425	93.991	31-2-001-4-CC-0413	Health	60.00 65.00	-	(40.00) (40.00)	-
Total for CFDA No. 93.991								
Adv. Conformance w/Voluntary NRRPDSG	350	93.103	1U18FD004688-01	Health	66.00 66.00	0.00	(70.00) (70.00)	0.00
Total for CFDA No. 93.103								
* Passed through Ohio Department of Health Reproductive Health and Wellness	350	93.217	31-2-001-2-RH-0213	Health	223.00 223.00	0.00	(442.00) (442.00)	0.00
Total for CFDA No. 93.217								

**CITY OF CINCINNATI, OHIO**  
**Schedule of Expenditures of Federal Awards**  
**(Non-GAAP Budgetary Basis)**  
**For the Six Month Period ended June 30, 2013**  
Amounts in Thousands

Grantor/Program Title	Fund	CFDA #	Grant #	Agency	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures	Advances (Repayments) or Adjustments
<i>Passed through Ohio Department of Health</i>								
Public Health Emergency Preparedness	350	93.069	31-2-001-2-PH-0413	NAM	\$ 110.00		\$ (183.00)	
Public Health Emergency Preparedness	350	93.069	31-2-001-2-PH-0312	NAM	110.00	0.00	(89.00)	0.00
<b>Total for CFDA No. 93.069</b>								
Affordable Care Act Grants/SBHCCP	353	93.501	C-12-CS-21795	Health	158.00		(158.00)	
<b>Total for CFDA No. 93.501</b>					158.00		(158.00)	0.00
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					1,174.00	23.00	(1,467.00)	0.00
<b>3 U.S.Department of Housing &amp; Urban Development</b>								
Community Development Block Grant	304	14.218	B12-MC390003	Comm Dev	4,017.00	133.00	(4,438.00)	
Community Development Block Grant	304	14.218	B13-MC390003	Comm Dev	0.00	615.00	(416.00)	5.00
Neighborhood Stabilization Program 3	438	14.218	B11-MN390003	Comm Dev	1,170.00	81.00	(1,167.00)	
Community Development Block Grant	304	14.218	New CFDA Loans	Comm Dev	5,187.00	829.00	(6,021.00)	5.00
<b>(d.) Total for CFDA No. 14.218</b>					10,374.00	1,658.00	(11,042.00)	10.00
Emergency Shelter Grant	445	14.231	E-11-MC-39-0003	Comm Dev	288.00		(288.00)	
Emergency Shelter Grant	445	14.231	E-12-MC-39-0003	Comm Dev	141.00		(223.00)	
<b>Total for CFDA No. 14.231</b>					429.00	0.00	(511.00)	0.00
HOME-Shelter Plus Care	410	14.238	OH16C70-001	Comm Dev	84.00		(84.00)	
HOME-Shelter Plus Care	410	14.238	OH0002C9E000680	Comm Dev	13.00		(13.00)	
HOME-Shelter Plus Care	410	14.238	OH0003C9E000680	Comm Dev	71.00		(71.00)	
HOME-Shelter Plus Care	410	14.238	OH0006C9E000680	Comm Dev	36.00		(36.00)	
HOME-Shelter Plus Care	410	14.238	OH0009C9E001104	Comm Dev	1,853.00		(1,853.00)	
HOME-Shelter Plus Care	410	14.238	OH0302C9E000900	Comm Dev	31.00		(31.00)	
HOME-Shelter Plus Care	410	14.238	OH0307C9E000900	Comm Dev	20.00		(20.00)	
HOME-Shelter Plus Care	410	14.238	OH0308C9E000900	Comm Dev	80.00		(80.00)	
HOME-Shelter Plus Care	410	14.238	OH0362C9E001000	Comm Dev	35.00		(35.00)	
<b>Total for CFDA No. 14.238</b>					2,223.00	0.00	(2,223.00)	0.00
HOME	411	14.239	M-04-MC-39-0213	Comm Dev	0.00		0.00	(2.00)
HOME	411	14.239	M-07-MC-39-0213	Comm Dev	36.00		(36.00)	36.00
HOME	411	14.239	M-08-MC-39-0213	Comm Dev	10.00		(10.00)	
HOME	411	14.239	M-09-MC-39-0213	Comm Dev	569.00		(569.00)	
HOME	411	14.239	M-10-MC-39-0213	Comm Dev	109.00		(109.00)	
HOME	411	14.239	M-11-MC-39-0213	Comm Dev	110.00		(110.00)	
HOME	411	14.239	M-12-MC-39-0213	Comm Dev	76.00		(85.00)	
HOME	411	14.239	M-13-MC-39-0213	Comm Dev	0.00		(150.00)	
HOME	411	14.239	Outstanding CFDA Loans	Comm Dev	0.00	144.00	(150.00)	
<b>Total for CFDA No. 14.239</b>					910.00	144.00	(2,623.00)	34.00
Housing Opportunities For People With Aids	465	14.241	O-HH-12-F001	Comm Dev	274.00		(454.00)	
<b>Total for CFDA No. 14.241</b>					274.00	0.00	(454.00)	0.00
ARRA - Neighborhood Stabilization Program 2	502	14.256	B-09-CN-OH-0033	Comm Dev	180.00	223.00	(75.00)	
<b>Total for CFDA No. 14.256</b>					180.00	223.00	(75.00)	

**CITY OF CINCINNATI, OHIO**  
**Schedule of Expenditures of Federal Awards**  
**(Non-GAAP Budgetary Basis)**  
**For the Six Month Period ended June 30, 2013**  
 Amounts in Thousands

Grantor/Program Title	Fund	CFDA #	Grant #	Agency Econ Dev	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures	Advances (Repayments) or Adjustments
					\$	\$	\$	\$
Sustainable Housing Grant -10253	980	14.704	CCPOH0019-10	CP	341.00	0.00	(338.00)	0.00
Total for CFDA No. 14.704								
Lead Hazard Control Grant	381	14.900	OHLHD0217-10	HEALTH	209.00	10.00	(312.00)	
Cincinnati Lead Abatement Program	387	14.900	OHLHD 0245-12	Comm Dev	52.00		(60.00)	
				NAO	261.00	10.00	(372.00)	0.00
Total for CFDA No. 14.900								
<b>TOTAL DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>								
* <i>4 U.S. Department of the Interior</i>								
* <i>Passed through Ohio Department of Natural Resources</i>								
ODNR-Hooked on Fishing	324	15.605	NAR	Recreation	0.00	-	(2.00)	-
(e.) Total for CFDA No. 15.605								
<b>TOTAL DEPARTMENT OF THE INTERIOR</b>								
* <i>5 U.S. Department of Justice</i>								
* <i>Passed through Ohio Department of Youth Services</i>								
Juvenile Accountability	368	16.540	2010-JB-012-A242-A	Police	21.00	3.00	(18.00)	0.00
Total for CFDA No. 16.540								
* <i>Passed through Ohio Office of Criminal Justice Services</i>								
VALUSVAA 12VALU	368	16.575	2012-SAGENE757	Police	4.00	-	0.00	-
VALUSVAA 13VALU	368	16.575	2013-SAGENE757	Police	26.00	-	(25.00)	-
Total for CFDA No. 16.575								
* <i>Passed through Ohio Office of Criminal Justice Services</i>								
Domestic Violence Advocacy	368	16.588	2011-WF-VAS-8583	Police	12.00	-	(12.00)	-
Domestic Violence Advocacy	368	16.588	2012-WF-VAS-8583	Police	15.00	-	(15.00)	-
Total for CFDA No. 16.588								
* <i>Passed through Ohio Office of Criminal Justice Services</i>								
Bulletproof Vests	368	16.607	100415	Police	7.00	0.00	(7.00)	0.00
Total for CFDA No. 16.607								
* <i>Passed through Ohio Office of Criminal Justice Services</i>								
Project Safe Neighborhood	368	16.609	2012-PS-PSN-419	Police	7.00	0.00	0.00	0.00
Total for CFDA No. 16.609								
* <i>Passed through Ohio Office of Criminal Justice Services</i>								
2011 COPS Hiring	368	16.710	2011-JUL-WX-0024	Police	1,139.00	-	(1,402.00)	-
ARRA - 2009 COPS Hiring Recovery Project	502	16.710	2009-RJ-WX-0069	Police	44.00	-	(419.00)	6.00
COPS Technology Program-10010	980	16.710	2010-CK-WX-0307	RCC	140.00	0.00	(140.00)	6.00
Total for CFDA No. 16.710								
* <i>Passed through Ohio Office of Criminal Justice Services</i>								
Justice Assistance Grant	368	16.738	2010-JG-A02-6810	Police	0.00	-	(29.00)	-
Justice Assistance Grant	368	16.738	2011-JG-A02-6810	Police	23.00	-	(23.00)	-
Justice Assistance Grant	368	16.738	2012-JG-A02-6810	Police	12.00	-	(12.00)	-
Justice Assistance Grant	368	16.738	2010-DJ-BX-0003	Police	25.00	-	(15.00)	-
Justice Assistance Grant	478	16.738	2010-DJ-BX-0260	Police	0.00	1.00	(48.00)	-
Justice Assistance Grant	478	16.738	2011-DJ-BX-3278	Police	0.00	1.00	(16.00)	-
Justice Assistance Grant	478	16.738	2012-DJ-BX-0745	Police	0.00	2.00	0.00	-
(h.) Total for CFDA No. 16.738								
* <i>Passed through Ohio Office of Criminal Justice Services</i>								
2008 Earmark-Cameras	368	16.753	2008-DD-BX-0175	Police	47.00	0.00	(52.00)	-
Total for CFDA No. 16.753								
* <i>Passed through Ohio Office of Criminal Justice Services</i>								
ARRA - SVAAVOCA	368	16.801	2013-VAGENE757	Police	30.00	0.00	(25.00)	-
Total for CFDA No. 16.801								
* <i>Passed through Ohio Office of Criminal Justice Services</i>								
DOJ Equitable Sharing/Asset Forfeiture	367	16.000		Police	204.00	1.00	(155.00)	-
Total for CFDA No. 16.000								
<b>TOTAL DEPARTMENT OF JUSTICE</b>								
					1,752.00	8.00	(2,413.00)	6.00

**CITY OF CINCINNATI, OHIO**  
**Schedule of Expenditures of Federal Awards**  
**(Non-GAAP Budgetary Basis)**  
**For the Six Month Period ended June 30, 2013**  
 Amounts in Thousands

Grantor/Program Title	Fund	CFDA #	Grant #	Agency	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures	Advances (Repayments) or Adjustments
<b>6 U.S. Department of Transportation</b>								
* Passed through Ohio Department of Transportation								
Uptown Access Improvement West MLK Dr-11330	980	20.205	PID 87036 ODOT	CP	\$ 1,086.00	-	(2,459.00)	-
M.L. King/J-71 Interchange '06 43321	980	20.205	PID 77628 ODOT	CP	94.00	-	(246.00)	-
Montana - Boudinot to Farrell '09-03618	980	20.205	PID 79088 ODOT	CP	238.00	-	(238.00)	-
Colerain Avenue Virginia to Leeper Improv. -10307	980	20.205	PID 81845	CP	706.00	-	(706.00)	-
Ohi River Trail - Downtown to Salem -11340	980	20.205	PID 80630	CP	316.00	-	(316.00)	-
Kennedy Connector-03354	980	20.205	PID 88706	CP	2,947.00	-	(2,947.00)	-
Harrison Avenue Improvements-11338	980	20.205	PID 81853	CP	1,147.00	-	(1,147.00)	-
(f.) Sub-total for ODOT - CFDA No. 20.205					6,514.00	-	(8,059.00)	-
<b>4</b>								
* Passed through Southwest Ohio Regional Transit Authority								
FTA -Urban Circulator Grant	980	20.500	OH-03-0303-00	CP	1,734.00	-	(1,734.00)	-
(i.) Sub-total for CFDA No. 20.500					1,734.00	-	(1,734.00)	-
<b>3 Tiger Grant</b>								
Sub-total for CFDA No. 20.933	980	20.933	OH-79-002	CP	62.00	0.00	(62.00)	0.00
* Pass through City of Blue Ash, Ohio								
DUI	368	20.600	OVTF-2010-31-00377-00	NAS	31.00	0.00	(31.00)	0.00
DUI	368	20.600	HVEO-2013-31-00307-01	NAS	28.00	0.00	(42.00)	0.00
DUI	368	20.600	OVTF-2013-31-00311-00	NAS	37.00	0.00	(73.00)	0.00
(g.) Total for CFDA No. 20.600					96.00	0.00	(146.00)	0.00
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>								
<b>7 U.S. Environmental Protection Agency</b>								
Green Cincinnati Plan	436	66.041	AF 83-45-4001-0	NAO	108.00	-	(108.00)	-
Total for CFDA No. 66.041					108.00	-	(108.00)	-
* Passed through Ohio Water Development Authority								
OWDA Loan Project	756	66.468	FS390255-0009	GCWW	67.00	-	(67.00)	-
OWDA Loan Project	756	66.468	FS390255-0010	GCWW	116.00	-	(116.00)	-
OWDA Loan Project	756	66.468	FS390255-0012	GCWW	102.00	-	(102.00)	-
OWDA Loan Project	756	66.468	FS390255-0015	GCWW	1,195.00	-	(1,195.00)	-
OWDA Loan Project	756	66.468	FS390255-0028	GCWW	806.00	-	(806.00)	-
OWDA Loan Project	756	66.468	FS390255-0023	GCWW	1,313.00	-	(1,313.00)	-
OWDA Loan Project	756	66.468	FS390255-0026	GCWW	946.00	-	(946.00)	-
OWDA Loan Project	756	66.468	FS390255-0022	GCWW	261.00	-	(261.00)	-
OWDA Loan Project	756	66.468	FS390255-0020	GCWW	1,334.00	-	(1,334.00)	-
OWDA Loan Project	756	66.468	FS390255-0019	GCWW	357.00	-	(357.00)	-
OWDA Loan Project	756	66.468	FS390255-0025	GCWW	830.00	-	(830.00)	-
OWDA Loan Project	756	66.468	FS390255-0024	GCWW	501.00	-	(501.00)	-
OWDA Loan Project	756	66.468	FS390255-0017	GCWW	1,798.00	-	(1,798.00)	-
OWDA Loan Project	756	66.468	FS390255-0027	GCWW	588.00	-	(588.00)	-
OWDA Loan Project	756	66.468	FS390255-0029	GCWW	689.00	-	(689.00)	-
OWDA Loan Project	756	66.468	FS390255-0021	GCWW	190.00	-	(190.00)	-
OWDA Loan Project	756	66.468	FS390255-0031	GCWW	989.00	-	(989.00)	-
OWDA Loan Project	756	66.468	FS390255-0030	GCWW	1,052.00	-	(1,052.00)	-
Total for CFDA No. 66.468					13,124.00	-	(13,124.00)	-
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>								
Sub-total for CFDA No. 66.468					13,232.00	-	(13,232.00)	-
<b>8 U.S. Department of Homeland Security</b>								
Passed through Ohio Dept. of Natural Resources								
Paddle Safe Cincinnati	324	97.012	11-05	NAR	7.00	-	-	-
Total for CFDA No. 97.012					7.00	-	-	-
* Passed through Ohio Dept. of Public Safety								
FEMA 2011 Spring Rains	461	97.036	FEMA 4002-DR-061-15000	NAO	0.00	0.00	(228.00)	-
Total for CFDA No. 97.036					0.00	0.00	(228.00)	-

**CITY OF CINCINNATI, OHIO**  
**Schedule of Expenditures of Federal Awards**  
**(Non-GAAP Budgetary Basis)**  
**For the Six Month Period ended June 30, 2013**  
Amounts in Thousands

Grantor/Program Title	Fund	CFDA #	Grant #	Agency	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures	Advances (Repayments) or Adjustments
Assistance to Firefighters Grant - FY10	472	97.044	EMW-2010-FO-09685	Fire	112.00	-	(120.00)	-
Assistance to Firefighters Grant - FY11	472	97.044	EMW-2011-FO-09648	Fire	48.00	-	(48.00)	-
Total for CFDA No. 97.044					160.00	-	(168.00)	-
FY08Port Security Grant Program(PSGP)	368/472	97.056	2008-GB-T8-K082	Police/Fire	465.00	-	(323.00)	-
FY09Port Security Grant Program(PSGP)	368	97.056	2009-PU-T9-K016	Police	222.00	-	(244.00)	-
FY10Port Security Grant Program(PSGP)	368	97.056	2010-PU-T0-K020	Police	6.00	-	(9.00)	-
Total for CFDA No. 97.056					693.00	-	(576.00)	-
* Passed through Ohio Emergency Management Agency								
FY10 Urban Area Security Initiative	476	97.067	0000052996	Fire/Pol	27.00	-	(27.00)	-
Metropolitan Medical Response System FY10	454	97.067	0000025496	Fire	55.00	-	(50.00)	-
Total for CFDA No. 97.067					82.00	-	(77.00)	-
* FY11 Staffing for Adequate Fire & Emergency Response (SAFER)	472	97.083	EMW-2011-FH-01122	Fire	1,305.00	-	(1,244.00)	-
Total for CFDA No. 97.083					1,305.00	-	(1,244.00)	-
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>					2,247.00	0.00	(2,293.00)	0.00
9 U.S. Dept of Energy								
* Pass thru Ohio								
ARRA -Energy Efficiency & Conservation Block Grant	502	81.128	DE-EE0000704	EQ	14.00	-	(14.00)	-
Total for CFDA No. 81.128					14.00	-	(14.00)	-
<b>TOTAL DEPARTMENT OF ENERGY</b>					14.00	0.00	(14.00)	0.00
<b>TOTAL FEDERAL GRANTS &amp; SUBSIDIES (Non-GAAP Basis)</b>					38,487.00	1,237.00	(68,213.00)	45.00
Less Amount Recognized as Contributed Capital					(21,916.00)			
Less Accrual of Federal Grant & Subsidies at 12/31/12					(1,947.00)			
Plus Accrual of Federal Grant & Subsidies at 6/30/13					2,324.00			
<b>Amount Recognized as Federal Grants &amp; Subsidies (GAAP Basis)</b>					\$ 16,948.00			

**CITY OF CINCINNATI, OHIO**  
**Schedule of Expenditures of Federal Awards**  
**(Non-GAAP Budgetary Basis)**  
**For the Six Month Period ended June 30, 2013**  
 Amounts in Thousands

Grantor/Program Title	Fund	CFDA #	Grant #	Agency	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures	Advances (Repayments) or Adjustments
1	Indicates Federal monies passed through another agency to the City of Cincinnati.							
2	Total Community Development loans outstanding at June 30, 2013 totaled \$23,040,185.77 under CFDA 14.218, \$26,222,576.74 under CFDA 14.239, \$1,895,901.23 under CFDA 14.244, and \$184,831.20 under CFDA 14.256.							
3	In 2012 the City entered into an intergovernmental cooperative agreement with SORTA to administer the following grants awarded to the City as a sub-recipient. The City is responsible for the to assure that invoices paid are in compliance with the grants. The three grants covered under this agreement are:							
	The Urban Circulator Grant	CFDA 20.500			\$ 24,990,000.00			
	Congestion Mitigation & Air Quality (CMAQ) Grant	CFDA 20.205			\$ 4,000,000.00			
	TIGER 3 Grant	CFDA 20.933			\$ 10,920,000.00			
4	The City of Cincinnati and the State of Ohio Department of Transportation (ODOT) have entered into an intergovernmental agreement to complete construction of the Widvogel Viaduct and the 6th Street expressway. The following grants were awarded to the City as pass through grants and will be administered by ODOT.							
	SAFETEA-LU Grant	CFDA 20.205			\$ 8,450,076.00			
	OKI - Grant from FHWA	CFDA 20.205			\$ 16,436,014.00			
	Local Major Bridge Fund Grant	CFDA 20.205			\$ 8,700,000.00			

**CLUSTERS**

- a. CCDF Cluster
- b. Aging Cluster
- c. Medicaid Cluster
- d. CDBG - Entitlement and (HUD-Administered) Small Cities Cluster
- e. Fish and Wildlife Cluster
- f. Highway Planning and Construction Cluster
- g. Highway Safety Cluster
- h. JAG Program Cluster
- i. Federal Transit Cluster

**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 Fiscal Year 2013 and Calendar Year 2012.

**(AMOUNTS IN THOUSANDS)**

	<u><b>FY2013</b></u>	<u><b>2012</b></u>
Required Base Amount	\$31,680	\$62,032
Actual Appropriated Amount	\$41,097	\$74,259
Infrastructure Expenditures – As of June 30, 2013	\$19,558	\$52,168
Percentage of Expenditures to Base Amount	61.7361%	84.0985%

I hereby certify that the City of Cincinnati appropriated for FY2013 an amount sufficient to meet the requirements for continuation of the Infrastructure Income Tax.

  
Reginald Zeno  
Director of Finance

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# STATISTICAL SECTION

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CITY OF CINCINNATI, OHIO

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**STATISTICAL SECTION**

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

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

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

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

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

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

**Sources:** Unless otherwise noted, the information in these statistical schedules is from the comprehensive annual financial reports for the relevant years.

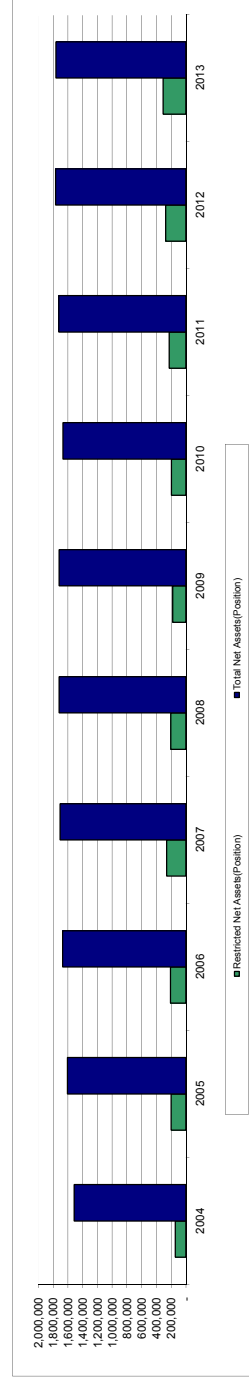
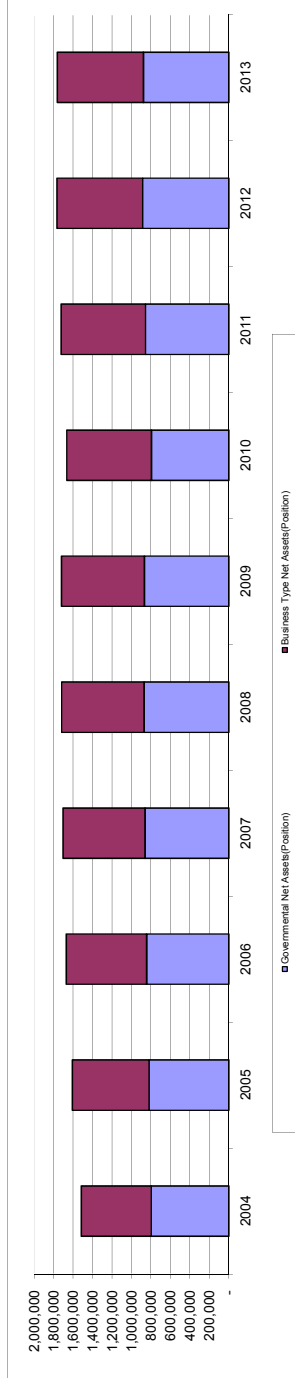
**Note:** The City changed its fiscal year in 2013 from a January 1 through December 31 to July 1 through June 30. The 2013 Fiscal year represents the six month conversion period from January 1 to June 30.

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**City of Cincinnati**  
**Financial Trends Information**  
**Schedule 1**  
**Net Position by Category**  
**Last Ten Fiscal Periods**  
**(Amounts in Thousands)**

	Fiscal Period									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 612,373	\$ 631,671	\$ 648,232	\$ 648,708	\$ 645,883	\$ 674,690	\$ 714,580	\$ 741,266	\$ 777,236	\$ 797,444
Restricted	141,202	151,260	158,416	176,788	162,774	133,750	160,955	203,698	223,826	235,054
Unrestricted	44,747	37,601	38,353	37,166	64,412	60,588	(80,222)	(89,024)	(114,492)	(159,490)
<b>Subtotal governmental activities net position</b>	<b>798,322</b>	<b>820,532</b>	<b>845,001</b>	<b>862,658</b>	<b>873,069</b>	<b>869,028</b>	<b>795,313</b>	<b>855,940</b>	<b>886,570</b>	<b>877,008</b>
<b>Business-Type activities</b>										
Net Investment in Capital Assets	639,500	715,004	752,246	739,650	707,549	705,909	750,184	745,722	748,487	743,892
Restricted	3,004	48,974	84,453	42,929	47,438	36,587	23,010	23,010	52,330	77,273
Unrestricted	75,868	23,457	23,562	17,250	95,424	97,175	85,433	98,341	79,518	65,200
<b>Subtotal business-type activities net position</b>	<b>718,372</b>	<b>787,435</b>	<b>827,217</b>	<b>841,353</b>	<b>845,902</b>	<b>850,522</b>	<b>872,204</b>	<b>867,073</b>	<b>880,335</b>	<b>886,365</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	1,251,873	1,346,675	1,400,478	1,388,358	1,353,432	1,380,599	1,464,764	1,486,988	1,525,723	1,541,336
Restricted	144,206	200,234	209,825	261,238	205,703	181,188	197,542	226,708	276,156	310,327
Unrestricted	120,615	61,058	61,915	54,415	159,836	157,763	5,211	9,317	(34,974)	(89,290)
<b>Total primary government net position</b>	<b>\$ 1,516,694</b>	<b>\$ 1,607,967</b>	<b>\$ 1,672,218</b>	<b>\$ 1,704,011</b>	<b>\$ 1,718,971</b>	<b>\$ 1,719,550</b>	<b>\$ 1,667,517</b>	<b>\$ 1,723,013</b>	<b>\$ 1,766,905</b>	<b>\$ 1,763,373</b>

Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.



**City of Cincinnati, Ohio**  
**Financial Trends Information**  
**Schedule 2**  
**Changes in Net Assets(Position)**  
**Last Ten Fiscal Periods**  
**(Amounts in Thousands)**

	Fiscal Period									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
General Government	\$ 101,089	\$ 91,650	\$ 92,798	\$ 98,413	\$ 100,874	\$ 107,959	\$ 106,395	\$ 78,682	\$ 52,737	\$ 18,198
Community Development	1,041	676	706	1,274	2,488	408	5,147	37	13,346	6,779
Parks and Recreation	6,726	5,915	6,939	7,103	6,833	7,314	7,451	7,059	7,404	4,809
Public Safety	9,281	12,562	16,410	12,083	16,404	14,230	14,789	19,331	18,059	8,752
Transportation and Engineering	1,278	1,189	1,247	1,185	1,583	85	1,956	1,360	1,581	937
General Services										
Public Services	2,066	2,212	1,976	2,256	3,078	5,735	2,588	36	2,301	1,056
Public Health	8,009	8,582	8,286	9,060	8,216	9,607	10,152	10,314	12,340	6,941
Operating Grants and Contributions	43,405	43,148	62,757	38,051	43,632	54,101	64,475	66,024	78,897	21,967
Capital Grants and Contributions	16,834	13,478	9,954	12,559	21,502	22,951	23,436	27,012	31,232	21,416
Total governmental activities program revenue	189,729	179,412	201,073	181,984	204,610	222,390	236,389	209,855	217,897	90,855
Business-type activities										
Charges for Services										
Water Works	90,877	98,689	101,057	117,494	119,228	115,377	123,443	119,434	132,486	64,840
Parking Facilities	8,969	8,827	8,196	8,567	8,814	8,860	9,520	10,385	10,402	5,709
Convention Center	2,841	1,776	3,676	6,209	6,440	5,236	6,764	7,513	6,788	4,221
General Aviation	1,901	1,786	1,669	1,887	2,029	1,932	2,039	2,044	2,083	1,444
Municipal Golf	6,080	5,949	6,129	6,457	6,414	6,458	6,069	5,270	5,990	2,760
Stormwater Management	7,224	7,063	7,230	8,713	8,692	8,756	8,919	8,412	9,686	5,691
Capital Grants and Contributions	43,028	61,017	32,711	5,140	5,293	9,971	32,217	3,543	3,414	359
Total business-type activities program revenues	160,920	185,107	160,668	154,467	156,910	156,590	188,971	156,601	170,849	85,024
Total primary government program revenues	\$ 350,649	\$ 364,519	\$ 361,741	\$ 336,451	\$ 361,520	\$ 378,980	\$ 425,360	\$ 366,456	\$ 388,746	\$ 175,879
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 119,686	\$ 127,826	\$ 139,504	\$ 141,045	\$ 139,727	\$ 140,573	\$ 178,047	\$ 117,064	\$ 111,713	\$ 33,404
Community Development	60,367	39,235	56,751	45,910	48,658	44,194	54,316	45,274	49,744	25,076
Parks and Recreation	37,033	39,438	40,848	42,069	44,616	42,345	51,298	42,419	44,615	25,399
Public Safety	205,338	218,576	224,724	235,945	247,924	253,413	254,720	242,159	248,347	128,138
Transportation and Engineering	30,529	26,472	37,271	37,734	37,965	42,361	46,805	34,121	58,483	11,671
Transit Systems		37,712	41,950	43,814	45,389	46,537	40,398	41,746	45,047	23,976
Enterprise Services	37,038									
Public Services	46,477	48,125	47,268	53,166	60,227	48,987	60,920	57,415	46,287	28,611
Public Health	42,437	44,809	44,227	43,367	45,703	48,017	58,940	47,862	43,197	26,279
Interest on long-term debt	18,516	21,767	18,789	19,034	21,276	22,180	22,865	23,004	23,806	11,957
Total governmental activities expenses	597,421	603,960	651,332	682,084	691,485	688,607	768,309	651,064	671,239	314,511
Business-type activities										
Water Works	88,095	99,895	99,177	108,314	113,804	117,007	132,531	119,423	116,368	64,130
Parking Facilities	6,845	8,637	9,118	10,397	8,969	8,831	9,605	8,807	11,765	4,296
Convention Center	7,057	6,809	10,359	14,588	18,372	14,605	15,424	15,484	14,617	6,964
General Aviation	1,922	2,032	2,160	2,319	2,753	2,529	2,864	2,729	2,110	1,120
Municipal Golf	5,820	6,266	6,179	6,428	6,369	6,141	6,258	7,313	6,291	3,318
Stormwater Management	5,722	5,739	7,226	8,258	8,452	9,998	8,927	11,157	11,458	4,621
Total business-type activities expenses	115,461	129,378	134,219	150,304	158,719	159,111	175,609	164,913	162,609	84,449
Total primary government expenses	\$ 712,882	\$ 733,338	\$ 785,551	\$ 812,388	\$ 850,204	\$ 847,718	\$ 943,918	\$ 815,977	\$ 833,848	\$ 398,960
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (407,692)	\$ (424,548)	\$ (450,259)	\$ (480,100)	\$ (486,875)	\$ (466,217)	\$ (531,920)	\$ (441,209)	\$ (453,342)	\$ (223,656)
Business-type activities	45,459	55,729	26,449	4,163	(1,809)	(2,521)	13,362	(8,312)	8,240	575
Total Primary Government Net Expense	(362,233)	(368,819)	(423,810)	(475,937)	(488,684)	(468,738)	(518,558)	(449,521)	(445,102)	(223,081)

Continued

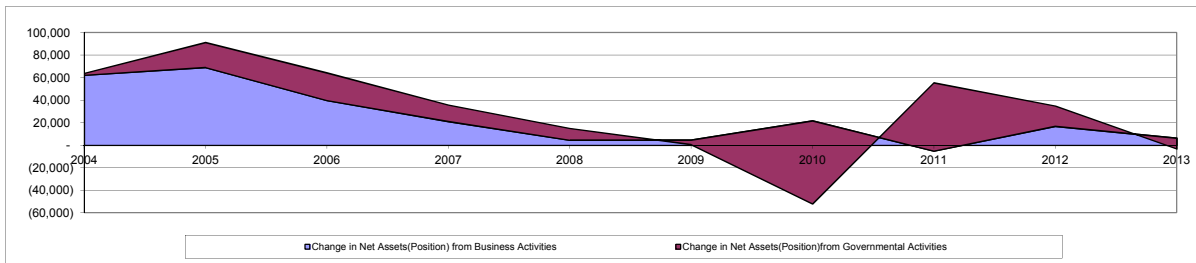
**City of Cincinnati, Ohio**  
**Financial Trends Information**  
**Schedule 2**  
**Changes in Net Assets(Position)**  
**Last Ten Fiscal Period**  
**(Amounts in Thousands)**

(Continued)

	Fiscal Period									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Assets(Position)</b>										
Governmental activities:										
Tax										
Property taxes	\$ 67,614	\$ 67,816	\$ 79,996	\$ 75,393	\$ 75,062	\$ 80,153	\$ 51,509	\$ 53,335	\$ 50,310	\$ 23,730
Income taxes	261,712	297,583	305,254	304,466	319,565	299,778	297,636	325,089	319,317	159,275
Admission taxes	3,890	3,691	4,494	4,309	4,570	4,028	4,174	4,450	4,616	1,720
Occupancy Tax	1,810	1,909	1,874	2,131	2,222	1,884	2,007	2,270	2,330	1,092
Shared Revenues	72,162	67,304	63,412	67,927	73,079	60,320	64,714	62,012	57,438	14,817
Unrestricted Investment earnings	11,252	12,234	20,344	20,311	19,363	14,461	10,861	9,407	5,931	(2,963)
Miscellaneous	105	206	55	127	699	1,350	27,380	31,844	31,370	17,474
Special Item - Gain on Sale of Property				16,543				14,000		
Transfers between governmental and business-type activities	(9,172)	(3,985)	(701)	3,500	2,726	202	(76)	(571)	100	(1,051)
<b>Total governmental activities</b>	<b>409,373</b>	<b>446,758</b>	<b>474,728</b>	<b>494,707</b>	<b>497,286</b>	<b>462,176</b>	<b>458,205</b>	<b>501,836</b>	<b>471,412</b>	<b>214,094</b>
Business-type activities:										
Tax										
Occupancy taxes	1,092	1,230	1,046	1,274	1,287	1,187	1,234	1,394	1,419	836
Unrestricted Investment earnings	2,272	4,176	7,278	8,380	6,320	3,662	4,969	4,515	3,976	(449)
Miscellaneous	4,129	3,943	4,308	3,819	2,455	2,494	2,041	1,486	3,294	4,301
Special Item					(978)			(4,785)		
Transfers between governmental and business-type activities	9,172	3,985	701	3,500	(2,726)	(202)	76	571	(100)	1,051
<b>Total business-type activities</b>	<b>16,665</b>	<b>13,334</b>	<b>13,333</b>	<b>16,973</b>	<b>6,358</b>	<b>7,141</b>	<b>8,320</b>	<b>3,181</b>	<b>8,589</b>	<b>5,739</b>
<b>Total Primary Governmental Activities</b>	<b>426,038</b>	<b>460,092</b>	<b>488,061</b>	<b>511,680</b>	<b>503,644</b>	<b>469,317</b>	<b>466,525</b>	<b>505,017</b>	<b>480,001</b>	<b>219,833</b>
<b>Change in Net Assets (Position)</b>										
Governmental activities	\$ 1,681	\$ 22,210	\$ 24,469	\$ 14,607	\$ 10,411	\$ (4,041)	\$ (73,715)	\$ 60,627	\$ 18,070	\$ (9,562)
Business-type activities	62,124	69,063	39,782	21,136	4,549	4,620	21,682	(5,131)	16,829	6,314
<b>Total Primary Governmental Activities</b>	<b>\$ 63,805</b>	<b>\$ 91,273</b>	<b>\$ 64,251</b>	<b>\$ 35,743</b>	<b>\$ 14,960</b>	<b>\$ 579</b>	<b>\$ (52,033)</b>	<b>\$ 55,496</b>	<b>\$ 34,899</b>	<b>\$ (3,248)</b>

Note: In 2011, the Retirement beginning paying the prescription drug benefits for retirees directly instead of through the Self-Insured Medical Fund, resulting in a decrease in General Government Charges for Services, offset by a decrease in General Government Expenditures

Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents sixmonths of information for the period ending June 30, 2013.



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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Nonspendable	\$ 12,894	\$ 15,229	\$ 13,712	\$ 17,406	\$ 13,226	\$ 5,790	\$ 3,726	\$ 4,063	\$ 6,415	\$ 4,025
Reserved	48,539	55,994	57,392	56,058	53,471					
Unrestricted:										
Committed						12,885	8,295	5,287	6,828	7,177
Assigned						36,106	27,316	24,975	24,548	22,561
Unassigned						35,214	46,017	65,481	61,915	52,545
Total General Fund	<u>61,433</u>	<u>71,223</u>	<u>71,104</u>	<u>73,464</u>	<u>66,697</u>	<u>89,995</u>	<u>85,354</u>	<u>99,806</u>	<u>99,706</u>	<u>86,308</u>
Capital Projects Fund										
Nonspendable						17,213	15,962	898	903	837
Reserved	65,634	72,364	66,454	67,052	103,682	118,630	109,561	125,603	160,798	134,339
Restricted										
Unreserved	87,925	94,921	94,446	109,614	105,996					
Unrestricted:										
Committed						15,764				
Assigned						31,550				
Unassigned										
Total Capital Projects Fund	<u>153,559</u>	<u>167,285</u>	<u>160,900</u>	<u>176,666</u>	<u>209,678</u>	<u>183,157</u>	<u>125,523</u>	<u>126,501</u>	<u>161,701</u>	<u>135,176</u>
Debt Service Fund										
Nonspendable							10,000			
Reserved	44,240	44,780	51,256	55,545	65,660					
Restricted										
Unreserved							73,137	81,090	76,846	90,078
Unrestricted:										
Committed										
Assigned										
Unassigned										
Total Debt Service Fund	<u>44,240</u>	<u>44,780</u>	<u>51,256</u>	<u>55,545</u>	<u>67,085</u>	<u>73,137</u>	<u>60,548</u>	<u>81,090</u>	<u>76,846</u>	<u>90,078</u>
All Other Governmental Funds										
Nonspendable										
Reserved	42,488	41,709	45,472	40,850	45,987	3,447	3,274	2,645	2,655	2,658
Restricted										
Unreserved	23,789	31,275	31,898	36,644	35,684	52,111	98,085	117,086	93,966	83,277
Unrestricted:										
Committed										
Assigned										
Unassigned										
Total Other Governmental Funds	<u>66,277</u>	<u>72,984</u>	<u>77,370</u>	<u>77,494</u>	<u>81,671</u>	<u>78,564</u>	<u>120,309</u>	<u>136,004</u>	<u>108,768</u>	<u>96,736</u>
Total Fund Balance, Governmental Funds	<u>\$ 325,509</u>	<u>\$ 356,272</u>	<u>\$ 360,630</u>	<u>\$ 383,169</u>	<u>\$ 425,131</u>	<u>\$ 424,853</u>	<u>\$ 391,734</u>	<u>\$ 443,401</u>	<u>\$ 447,021</u>	<u>\$ 408,298</u>
Estimated Liability for Compensated Absences	\$ 7,433	\$ 7,624	\$ 7,923	\$ 8,340	\$ 8,683	\$ 10,623	\$ 1,065	\$ 1,048	\$ 3,448	\$ 5,581

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

In 2009 GASB 54 was implemented which eliminated the reserved and unreserved classifications and replaced them with Nonspendable, Restricted and Unrestricted. Within the Unrestricted category three classifications of fund balance were created. They are Committed, Assigned and Unassigned.

The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.



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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 339,750	\$ 357,636	\$ 384,108	\$ 392,302	\$ 398,520	\$ 386,846	\$ 359,559	\$ 377,508	\$ 379,467	\$ 190,262
Licenses and Permits	9,844	10,449	10,917	11,516	11,302	12,045	11,218	11,313	10,624	6,071
Use of Money and Property	49,532	37,413	46,741	52,347	45,223	41,409	43,935	38,047	37,099	13,488
Special Assessments	3,918	4,183	4,048	4,257	4,327	4,383	5,416	4,993	5,058	3,128
Intergovernmental Revenue	72,095	75,976	67,800	69,001	77,737	71,514	75,139	71,506	90,255	29,442
Federal Grants	40,343	33,723	56,410	41,806	32,613	48,155	60,328	62,508	65,729	30,728
State Grants and Subsidies	8,933	3,283	7,545	4,429	22,584	10,461	14,738	17,824	10,550	7,233
Charges for Current Services	26,483	27,441	29,979	31,448	32,326	34,066	35,015	35,007	37,738	18,461
Miscellaneous	14,662	14,460	6,908	6,584	5,744	13,216	35,753	35,419	34,839	18,791
<b>Total Revenue</b>	<b>565,560</b>	<b>564,564</b>	<b>614,456</b>	<b>613,690</b>	<b>630,376</b>	<b>622,095</b>	<b>641,101</b>	<b>654,125</b>	<b>671,359</b>	<b>317,604</b>
<b>Expenditures</b>										
Current										
General Government	52,081	46,751	49,555	51,621	51,828	65,161	62,296	64,982	65,969	42,632
Community Development	27,128	10,283	9,575	8,934	13,087	11,418	10,553	8,386	8,351	3,854
Parks and Recreation	27,921	28,360	30,746	30,746	30,037	28,864	28,324	26,048	28,133	13,959
Public Safety	151,301	154,319	168,514	171,533	180,917	180,917	177,738	177,432	176,453	84,797
Transportation and Engineering	7,220	7,386	7,586	8,422	7,194	8,222	7,488	6,241	7,671	3,851
Transit System		37,672	41,950	43,820	45,389	46,537	40,398	41,746	45,047	23,976
General Services	37,588									
Public Services	34,776	33,724	33,529	38,371	39,754	33,549	35,514	28,887	27,834	15,573
Public Health	35,056	34,225	34,752	33,461	32,235	34,275	33,898	30,203	31,397	15,742
Employee Benefits	67,591	72,318	77,996	84,415	84,487	92,418	94,932	102,874	102,874	53,084
Capital Outlay	128,012	96,133	152,032	114,358	130,585	142,571	171,810	144,866	205,251	86,988
Debt Services:										
Principal Retirement	48,914	35,514	50,581	53,079	34,398	41,852	38,338	40,869	44,888	708
Interest	18,599	18,054	18,878	19,298	21,006	21,878	22,878	22,670	23,885	12,020
Bond Issuance Cost	342	679	389	1,059	1,403	1,070	556	850	1,193	-
<b>Total Expenditures</b>	<b>636,529</b>	<b>575,418</b>	<b>675,963</b>	<b>659,117</b>	<b>668,919</b>	<b>700,801</b>	<b>722,209</b>	<b>688,112</b>	<b>768,946</b>	<b>357,184</b>
Excess/(Deficiency) of Revenues over/(under) Expenditures	(70,969)	(10,854)	(61,507)	(45,427)	(38,543)	(78,706)	(81,108)	(33,987)	(97,587)	(39,580)
<b>Other Financing Sources (Uses)</b>										
General Obligation Bonds and Notes Issued	55,695	44,431	61,190	50,500	41,600	64,250	47,027	49,000	89,155	
Refunding Bonds Issued	2,130	40,470	6,087	52,005	5,080	5,080	10,305	19,000	49,025	
Payment to Refunded Bonds Escrow Agent	(2,130)	(40,292)		(94,308)		(4,800)	(10,810)	(20,683)	(54,571)	
State Loans Received				2,300						
Capital Lease Agreements										
Revenue Bonds Issued	3,213	1,021	720	9,995	35,280	12,770	1,661	21,000	17,670	
Premium on Bonds Issued				3,524		1,133	1,279	3,869		
Discount on Revenue Bonds					(554)		(31)	(180)		
Operating Transfers In	117,408	39,280	48,532	85,980	130,747	80,441	81,621	74,290	115,744	19,985
Operating Transfers/Out	(130,097)	(43,293)	(50,664)	(82,030)	(127,701)	(60,561)	(81,815)	(74,642)	(114,796)	(19,128)
<b>Total Other Financing Sources/Uses</b>	<b>46,219</b>	<b>41,617</b>	<b>65,865</b>	<b>67,966</b>	<b>80,505</b>	<b>78,428</b>	<b>47,989</b>	<b>71,654</b>	<b>102,227</b>	<b>857</b>
Special Item										
Net change in fund balances	\$ (24,750)	\$ 30,763	\$ 4,358	\$ 22,539	\$ 41,962	\$ (278)	\$ (33,119)	\$ 51,667	\$ 4,640	\$ (38,723)
Capitalized Assets	\$ 57,471	\$ 70,581	\$ 73,029	\$ 81,589	\$ 89,910	\$ 124,870	\$ 108,294	\$ 112,357	\$ 161,148	\$ 79,205
Debt services as a Percentage of Noncapital Expenditures	11.72%	10.75%	11.58%	12.72%	9.81%	11.25%	10.06%	11.18%	11.51%	4.58%

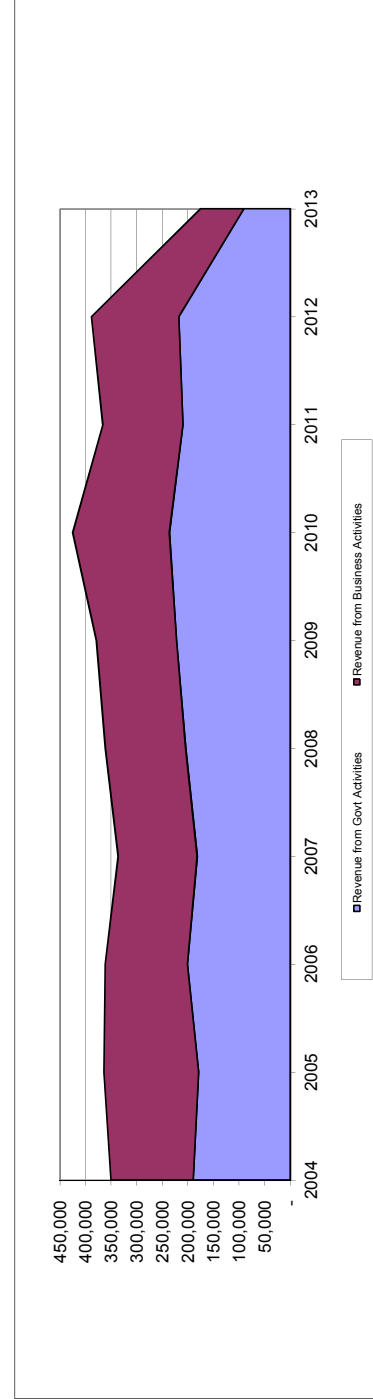
Note: Capitalized Asset amount is from Footnote 14, Governmental Asset Additions.

Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

City of Cincinnati  
Financial Trends Information  
Schedule 5  
Program Revenues by Function  
Last Ten Fiscal Periods  
(Amounts in Thousands)

Function/Program	Program Revenue									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities:</b>										
General Government	\$ 106,815	\$ 94,598	\$ 100,473	\$ 110,447	\$ 103,886	\$ 110,673	\$ 111,773	\$ 90,913	\$ 69,143	\$ 23,079
Community Development	28,716	32,316	39,478	25,617	25,404	31,580	43,336	36,005	45,061	18,610
Parks and Recreation	8,958	7,655	10,897	9,832	13,888	9,358	12,601	9,447	9,295	5,361
Public Safety	12,818	15,987	31,978	17,649	21,909	26,464	27,654	35,241	30,243	13,150
Transportation and Engineering	16,319	11,232	1,608	253	18,842	19,382	15,828	17,007	41,236	17,796
Transit System										
Enterprise Services	2,066	2,326	2,036	2,296	4,968	5,781	4,812	1,409	3,304	1,358
Public Services	14,037	15,288	14,603	15,890	15,713	19,152	20,385	19,833	19,615	11,501
Public Health										
<b>Subtotal governmental activities program revenue</b>	<b>189,729</b>	<b>179,412</b>	<b>201,073</b>	<b>181,984</b>	<b>204,610</b>	<b>222,390</b>	<b>236,389</b>	<b>209,855</b>	<b>217,897</b>	<b>90,855</b>
<b>Business-type activities</b>										
Water Works	95,940	113,153	106,703	122,429	122,327	125,081	126,482	122,738	135,871	65,142
Parking Facilities	8,969	8,827	8,218	8,610	8,822	8,868	9,520	10,535	10,402	5,766
Convention Center	40,613	48,064	29,101	6,209	7,505	5,236	6,764	7,513	6,788	4,221
General Aviation	2,076	2,051	1,987	1,983	2,103	2,191	2,042	2,133	2,112	1,444
Municipal Golf	6,080	5,949	7,429	6,511	6,776	6,458	6,367	5,270	5,990	2,760
Stormwater Management	7,242	7,063	7,230	8,725	9,377	8,756	37,796	8,412	9,686	5,691
<b>Subtotal business-type activities program revenues</b>	<b>160,920</b>	<b>185,107</b>	<b>160,668</b>	<b>154,467</b>	<b>156,910</b>	<b>156,590</b>	<b>188,971</b>	<b>156,601</b>	<b>170,849</b>	<b>85,024</b>
<b>Total primary government program revenues</b>	<b>\$ 350,649</b>	<b>\$ 364,519</b>	<b>\$ 361,741</b>	<b>\$ 336,451</b>	<b>\$ 361,520</b>	<b>\$ 378,980</b>	<b>\$ 425,360</b>	<b>\$ 366,456</b>	<b>\$ 388,746</b>	<b>\$ 175,879</b>

Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.



**City of Cincinnati  
Financial Trends Information  
Schedule 6**

**Total Revenue by Source, Governmental Funds  
Last Ten Fiscal Periods  
(Amounts in Thousands)**

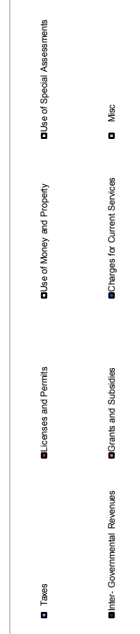
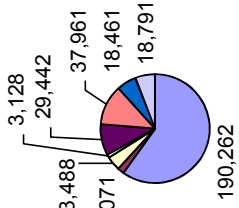
Fiscal Year	Taxes	Licenses and Permits	Use of Money and Property	Special Assessments	Inter-Governmental Revenues	Grants and Subsidies	Charges for Current Services	Misc	Total
2004	\$ 339,750	\$ 9,844	\$ 49,532	\$ 3,918	\$ 72,095	\$ 49,276	\$ 26,483	\$ 14,662	\$ 565,560
2005	357,636	10,449	37,413	4,183	75,976	37,006	27,441	14,460	564,564
2006	384,108	10,917	46,741	4,048	67,800	63,955	29,979	6,908	614,456
2007	392,302	11,516	52,347	4,257	69,001	46,235	31,448	6,584	613,690
2008	398,520	11,302	45,223	4,327	77,737	55,197	32,326	5,744	630,376
2009	386,846	12,045	41,409	4,383	71,514	58,616	34,066	13,216	622,095
2010	359,559	11,218	43,935	5,416	75,139	75,066	35,015	35,753	641,101
2011	377,508	11,313	38,047	4,993	71,506	80,332	35,007	35,419	654,125
2012	379,467	10,624	37,099	5,058	90,255	76,279	37,738	34,839	671,359
2013	190,262	6,071	13,488	3,128	29,442	37,961	18,461	18,791	317,604
Change 2004-2013	-44.0%	-38.3%	-72.8%	-20.2%	-59.2%	-23.0%	-30.3%	28.2%	-43.8%

**City of Cincinnati**

**Tax Revenues by Source, Governmental Funds  
Last Ten Fiscal Periods  
(Amounts in Thousands)**

Fiscal Year	Income Tax	Property Tax	Admissions Tax	Occupancy Tax	Tax Revenue
2004	\$ 267,331	\$ 66,694	\$ 3,915	\$ 1,810	\$ 339,750
2005	285,116	66,956	3,673	1,891	357,636
2006	298,603	79,138	4,493	1,874	384,108
2007	311,327	74,534	4,310	2,131	392,302
2008	317,532	74,196	4,570	2,222	398,520
2009	303,685	77,250	4,027	1,884	386,846
2010	302,307	51,070	4,175	2,007	359,559
2011	317,453	53,335	4,450	2,270	377,508
2012	322,526	49,995	4,616	2,330	379,467
2013	166,137	21,314	1,719	1,092	190,262
Change 2004-2013	-37.9%	-68.0%	-56.1%	-39.7%	-44.0%

Governmental Revenue 2013



Change

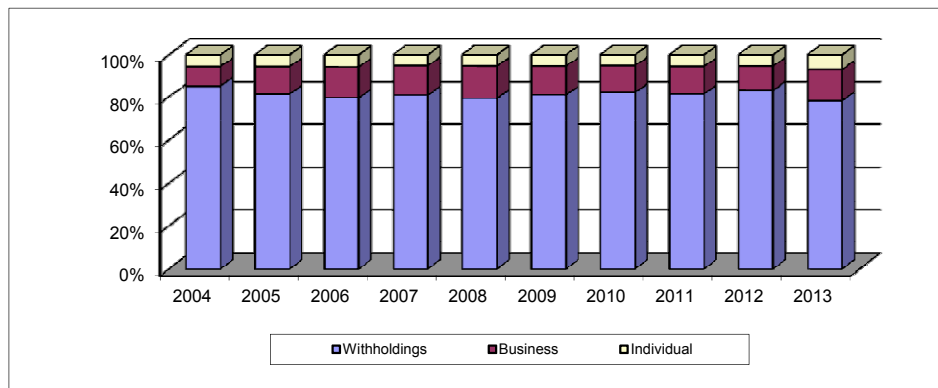
2004-2013 -37.9%

(1) Property Taxes include TIF service payments until 2010. TIF service payments are now in Miscellaneous Revenue.

(2) The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

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

Tax Year	Individual	% Total	Business	% Total	Withholding	% Total	Gross Receipts	Refunds	Net Receipts
2004	\$ 15,046	5.5%	\$ 25,080	9.2%	\$ 233,142	85.3%	\$ 273,268	\$ 10,666	\$ 262,602
2005	16,226	5.5%	38,407	13.0%	240,200	81.5%	294,833	9,184	285,649
2006	17,984	5.7%	46,714	14.8%	251,446	79.5%	316,144	11,848	304,296
2007	16,206	5.1%	44,812	14.0%	258,136	80.9%	319,154	13,155	305,999
2008	17,414	5.2%	51,676	15.5%	264,806	79.3%	333,896	12,660	321,236
2009	16,789	5.3%	43,743	13.8%	257,088	80.9%	317,620	14,608	303,012
2010	15,981	5.1%	40,236	12.7%	259,652	82.2%	315,869	12,955	302,914
2011	17,855	5.4%	42,898	13.0%	268,318	81.5%	329,071	12,721	316,350
2012	17,705	5.3%	38,315	11.4%	278,910	83.3%	334,930	12,194	322,736
2013	12,819	6.9%	27,582	14.9%	144,553	78.2%	184,954	-	184,954



Note: 1. The income tax rate is 2.1%.  
 2. Minor differences between net receipts and Non-GAAP receipts are due to processing of City employee withholdings.  
 3. The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the

Source: Cincinnati Income Tax Division

**City of Cincinnati  
Revenue Capacity  
Schedule 2  
Income Tax Revenues  
GAAP and NonGAAP  
Last Ten Fiscal Periods  
(Amounts in Thousands)**

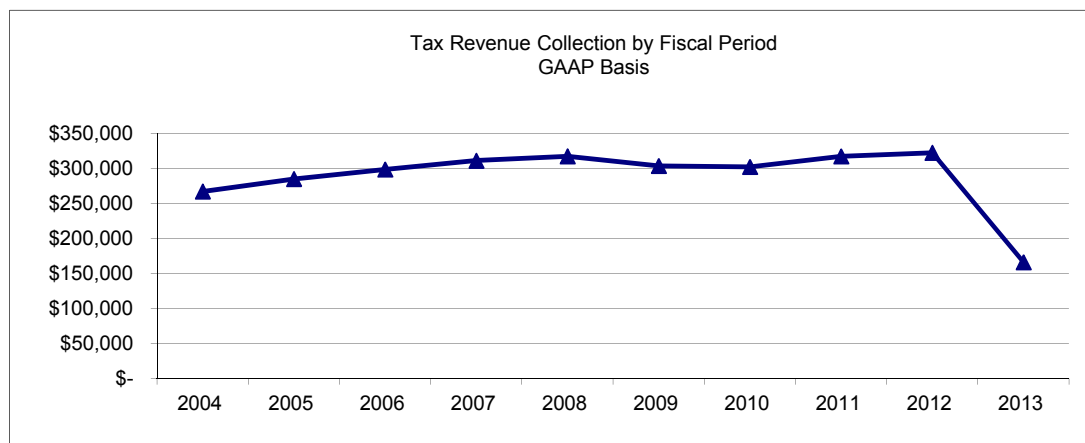
**Non GAAP Budgetary Basis**

Year	General Fund	Transit Fund	Infrastructure Fund	Permanent Improvement Fund	Total	% Inc(Dec) PriorYr
2004	\$ 193,411	\$ 37,434	\$ 12,478	\$ 18,717	\$ 262,040	1.72%
2005	210,536	40,749	13,583	20,375	285,243	8.85%
2006	219,000	43,149	14,383	25,512	302,044	5.89%
2007	225,008	43,840	14,614	23,421	306,883	1.60%
2008	231,758	45,821	15,274	27,898	320,751	4.52%
2009	223,800	43,316	14,439	21,658	303,213	-5.47%
2010	222,497	43,064	14,355	21,532	301,448	-0.58%
2011	233,752	45,242	15,081	22,621	316,696	5.06%
2012	238,210	46,105	15,368	23,053	322,736	1.91%
2013	127,873	24,749	8,250	12,375	173,247	-46.32%

**GAAP Basis**

Year	General Fund	Transit Fund	Infrastructure Fund	Permanent Improvement Fund	Total	% Inc(Dec) PriorYr
2004	\$ 197,616	\$ 38,248	\$ 12,750	\$ 18,717	\$ 267,331	3.24%
2005	210,415	40,726	13,575	20,364	285,080	6.64%
2006	216,323	42,631	14,210	25,439	298,603	4.74%
2007	226,704	44,168	14,723	25,732	311,327	4.26%
2008	229,381	45,362	15,121	27,668	317,532	1.99%
2009	222,942	43,150	14,383	23,210	303,685	-4.36%
2010	223,130	43,187	14,396	21,594	302,307	-0.45%
2011	234,311	45,350	15,117	22,675	317,453	5.01%
2012	238,054	46,075	15,359	23,038	322,526	1.60%
2013	122,624	23,734	7,912	11,867	166,137	-48.49%

Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months



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

<u>Assessed Valuations</u>							
<u>Year</u>	<u>Real Property</u>	<u>Public Utility Property</u>	<u>Tangible Personal Property</u>	<u>Total</u>	<u>Direct Tax Rate</u>		
2004	\$ 4,930,272,530	\$ 323,749,180	\$ 536,114,777	\$ 5,790,136,487	10.36		
2005	4,836,981,760	319,434,990	542,827,280	5,699,244,030	10.34		
2006	5,507,516,440	324,806,710	412,447,200	6,244,770,350	10.19		
2007	5,522,872,120	312,711,570	337,541,870	6,173,125,560	9.93		
2008	5,523,140,570	259,754,620	182,812,120	5,965,707,310	9.89		
2009	5,647,647,630	258,279,260	28,684,610	5,934,611,500	9.89		
2010	5,653,703,070	270,947,630	15,462,590	5,940,113,290	9.82		
2011	5,548,127,850	279,408,310	-	5,827,536,160	10.07		
2012	5,047,722,430	295,612,690	-	5,343,335,120	10.50		
2013	4,960,616,820	313,437,020	-	5,274,053,840	10.85		

The current assessed valuation for 2012 is computed at approximately the following percentages of estimated true value:

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

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

<u>Year</u>	<u>Estimated True Values</u>	<u>Year</u>	<u>Estimated True Values</u>
2004	\$ 14,086,492,943	2009	\$ 16,509,153,786
2005	13,819,947,886	2010	16,486,235,333
2006	15,735,761,257	2011	16,131,202,167
2007	15,779,634,629	2012	15,266,671,771
2008	15,780,401,629	2013	15,068,725,257

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

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

<u>Year</u>	<u>Year</u>	<u>City Levy</u>		<u>School Levy</u>	<u>County Levy</u>	<u>Total Levy</u>	<u>Residential Effective Millage</u>	<u>Commercial Effective Millage</u>
		<u>General Fund</u>	<u>Debt Service</u>					
2003 for	2004	5.00	5.36	60.75	21.51	92.62	62.90	70.98
2004 for	2005	4.98	5.36	60.83	21.06	92.23	64.21	71.87
2005 for	2006	4.83	5.36	59.77	20.81	90.77	57.61	68.60
2006 for	2007	4.57	5.36	59.37	20.18	89.48	56.94	67.99
2007 for	2008	4.53	5.36	59.67	20.56	90.12	57.57	68.69
2008 for	2009	4.53	5.36	67.95	20.63	98.47	65.70	76.08
2009 for	2010	4.46	5.36	67.87	21.48	99.17	66.66	77.44
2010 for	2011	4.60	5.47	68.54	21.48	100.09	67.82	79.88
2011 for	2012	4.60	5.90	70.76	20.06	101.32	73.68	84.72
2012 for	2013	4.60	6.25	71.34	21.06	103.25	74.81	86.34

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

Source: Hamilton County Auditor's Office

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Duke Energy (aka Cinergy)	\$ 312,157,580	1	5.84%	\$ 222,250,760	1	4.17%
The Procter and Gamble Co	54,186,250	2	1.01%	119,942,960	2	2.25%
Emery Realty	26,646,190	3	0.50%			
Fifth Third Bank	22,988,780	4	0.43%	26,320,000	7	0.49%
OTR	21,525,000	5	0.40%			
Columbia Development	20,448,030	6	0.38%	74,240,730	3	1.39%
Regency Centers LP	17,937,490	7	0.34%	27,720,000	6	0.52%
Hertz Center	14,000,000	8	0.26%			
Fifth Third Center	13,578,470	9	0.25%	21,350,000	10	0.40%
Western Southern Life	12,023,470	10	0.23%			
Emery Realty				30,975,000	4	0.58%
Prudential Insurance				28,000,000	5	0.53%
Kroger Company				26,045,940	8	0.49%
<b>Total</b>	<b>\$ 515,491,260</b>		<b>9.65%</b>	<b>\$ 550,799,450</b>		<b>10.82%</b>
<b>Total Assessed Value</b>	<b>\$ 5,343,335,120</b>					

Source: Hamilton County Auditors' Office

Note:

1. Assessed Valuation is based on both the personal and real property valuation of the largest property holder in the city.
2. The total assessed valuation figure is the 2012 valuation for 2013 real property tax collections.

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

<b>Year</b>	<b>Net Tax Levy</b>	<b>Current Collections</b>	<b>Percentage of Current Collections to Net Levy</b>	<b>Prior Year Collections</b>	<b>Total Collections</b>	<b>Percentage of Total Collections to Net Levy</b>
2004	\$ 61,664	\$ 56,720	91.98%	\$ 2,740	\$ 59,460	96.43%
2005	60,536	56,162	92.77%	2,696	58,858	97.23%
2006	64,591	59,744	92.50%	3,279	63,023	97.57%
2007	62,614	57,087	91.17%	3,148	60,235	96.20%
2008	60,231	55,389	91.96%	2,978	58,367	96.91%
2009	59,803	54,390	90.95%	2,956	57,346	95.89%
2010	58,408	52,764	90.34%	2,769	55,533	95.08%
2011	59,552	54,285	91.16%	3,389	57,674	96.85%
2012	50,382	46,897	93.08%	3,123	50,020	99.28%
2013	51,887	46,849	90.29%	2,494	49,343	95.10%

Note 1: Collections (2006 - 2012) have been reduced for State reimbursements of personal property tax that had been included in prior year amounts. These amounts are included in intergovernmental revenues.

Note 2: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013. All Property tax collections are due before June 30th.



City of Cincinnati  
Revenue Capacity  
Schedule 7  
Water Works  
Top Ten Retail Customer Data  
For The Year Ended June 30, 2013

RANK	NAME OF CUSTOMER	TOTAL		TOTAL		PERCENT OF		PERCENT OF	
		CONSUMPTION, HUNDREDS OF CUBIC FEET	CONSUMPTION, THOUSANDS OF GALLONS	CONSUMPTION, THOUSANDS OF GALLONS	CONSUMPTION, THOUSANDS OF GALLONS	TOTAL CHARGES	TOTAL CHARGES	TOTAL CHARGES	TOTAL CHARGES
1	University of Cincinnati	260,164	194,603	1.18%	\$	364,994	0.63%		
2	Cognis Corporation	254,531	190,389	1.15%		435,584	0.75%		
3	Children's Hospital	139,799	104,570	0.63%		227,266	0.39%		
4	Coca Cola	109,869	82,182	0.50%		177,239	0.30%		
5	Procter and Gamble	99,443	74,383	0.45%		159,970	0.27%		
6	John Morrell Co	87,885	65,738	0.40%		178,466	0.31%		
7	Givaudan Flavor	87,682	65,586	0.40%		141,335	0.24%		
8	Cinergy Solutions	78,296	58,565	0.36%		158,382	0.27%		
9	Samuel Adams Brewing	77,253	57,785	0.35%		124,289	0.21%		
10	Noveon Hilton Davis Inc.	75,575	56,530	0.34%		121,669	0.21%		
	Total - Top Ten Retail Users	1,270,497	950,331	5.76%	\$	2,089,194	3.58%		
	TOTAL - Top 75 Users	8,192,050	6,127,653	37.16%	\$	14,019,136	24.02%		
	TOTAL - System	22,043,693	16,488,682	100.00%	\$	58,372,335	100.00%		

Note: The City of Cincinnati Changed Fiscal Year in 2013.  
The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

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

Year	Total Pumpage (MG's)	Average Day MGD	Maximum Day MGD	System's Rated Pumpage Capacity MGD	Maximum Daily Pumpage as % of Capacity
2004	49,005.613	134.3	176.8	261	67.74%
2005	50,246.239	137.7	213.8	255	83.84%
2006	47,990.075	131.5	211.5	260	81.35%
2007	53,410.400	146.3	229.5	260	88.27%
2008	49,566.720	135.4	220.6	260	84.85%
2009	45,554.620	124.8	169.3	260	65.12%
2010	47,328.971	129.7	188.6	260	72.54%
2011	44,396.749	121.6	206.3	260	79.36%
2012	45,233.283	123.6	230.3	260	88.56%
2013	20,559.715	113.6	168.6	260	64.85%

MG - Million Gallons  
MGD - Million Gallons per Day

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

Year	Net Water Sales	Cash Collected During Year for Current & Prior Year's Sales	Percentage of Sales Collected
2004	\$ 86,574,584	\$ 84,906,679	98.07%
2005	93,542,902	92,994,903	99.41%
2006	93,746,893	92,171,945	98.32%
2007	108,648,659	107,857,042	99.27%
2008	110,122,765	109,451,016	99.39%
2009	108,648,959	107,855,822	99.27%
2010	113,698,642	112,744,685	99.16%
2011	107,523,801	107,944,056	100.39%
2012	120,698,632	119,918,322	99.35%
2013	54,935,164	53,572,641	97.52%
	<u>\$ 998,141,001</u>	<u>\$ 989,417,111</u>	<u>99.13%</u>

Note: The City of Cincinnati Changed Fiscal Year in 2013.  
The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

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

Fiscal Year	General Obligation Bonds	General Obligation Notes	Revenue Bonds	Revenue Notes	Notes Payable	Loans	Capital Leases	Total Outstanding Debt	Outstanding Debt per Capita (Actual)	% of Per Capita Personal Income	Debt to Net Asset Ratio
<b>Governmental Activities</b>											
2004	\$ 312,447	\$ 5,697	\$ 35,852				\$ 88	\$ 354,084	\$ 1,068.80	3.1%	2.25
2005	320,278	9,930	33,449	3,000			60	366,717	1,155.52	3.2%	2.24
2006	340,640	6,050	30,595	6,087			28	383,400	1,208.09	3.2%	2.20
2007	352,955	8,268	38,115	7,380		\$ 3,374	471	410,563	1,235.70	3.2%	2.10
2008	363,120	12,800	70,825	2,550		3,220	247	452,762	1,361.86	3.5%	1.93
2009	389,680	4,490	80,140			3,029	501	477,840	1,437.29	3.8%	1.82
2010	401,597	22,500	77,000			2,847	460	504,404	1,698.66	4.3%	1.58
2011	411,574	17,000	95,715			2,636	353	527,278	1,775.69	3.8%	1.62
2012	481,313	34,595	93,946	7,500	\$ 12,887	2,425	284	632,950	2,136.73	N/A	1.38
2013	480,958	69,275	93,418	7,500	12,817	2,320	200	666,488	2,247.47	N/A	1.35
<b>Business-Type Activities</b>											
2004	\$ 45,158	\$ 12,000	\$ 192,300			\$ 975	\$ 88	\$ 250,433	\$ 755.93	2.2%	2.87
2005	33,567	7,747	295,645			1,905		338,864	1,067.76	3.0%	2.32
2006	25,170	7,874	284,600			3,114		320,758	1,010.70	2.7%	2.58
2007	17,635		346,255			12,868	181	376,939	1,134.50	3.0%	2.23
2008	15,470		332,635			12,622	268	360,995	1,085.84	2.8%	2.34
2009	13,155	6,250	415,965			12,190	284	447,844	1,347.07	3.5%	1.90
2010	20,068		401,100			8,271	190	429,629	1,446.84	3.6%	2.03
2011	16,871		448,865			10,321	120	476,177	1,603.60	3.4%	1.82
2012	13,707		519,060			17,790	1,835	552,392	1,864.78	N/A	1.60
2013	13,705		518,092			30,445	1,685	563,927	1,901.63	N/A	1.57
<b>Total Primary Governmental Activities</b>											
2004	\$ 357,605	\$ 17,697	\$ 228,152			\$ 975	\$ 88	\$ 604,517	\$ 1,824.74	5.4%	2.87
2005	353,845	17,677	329,094	3,000		1,905	60	705,581	2,129.80	6.0%	2.28
2006	365,810	13,924	315,195	6,087		3,114	28	704,158	2,218.79	5.9%	2.37
2007	370,590	8,268	384,370	7,380		16,242	652	787,502	2,481.41	6.5%	2.16
2008	378,590	12,800	403,460	2,550		15,842	515	813,757	2,449.22	6.3%	2.11
2009	402,835	10,740	496,105	-		15,219	785	925,684	2,784.36	7.3%	1.86
2010	421,665	22,500	478,100			11,118	650	934,033	2,809.48	7.1%	1.79
2011	428,445	17,000	544,580			12,957	473	1,003,455	3,379.28	7.2%	1.72
2012	495,020	34,595	613,006	7,500	\$ 12,887	20,215	2,119	1,185,342	3,991.82	N/A	1.48
2013	494,663	69,275	611,510	7,500	12,817	32,765	1,885	1,230,415	4,149.10	N/A	1.45

Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

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

Year	Net Bonded Debt (Note 1)	Assessed Value	Population (Note 2)	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt per Capita
2004	\$ 199,851,276	\$ 5,790,136,487	331,290	3.45%	603
2005	195,355,794	5,699,244,030	317,361	3.43%	616
2006	196,217,743	6,244,770,350	317,361	3.14%	618
2007	198,642,767	6,173,125,560	332,252	3.22%	598
2008	267,007,624	5,937,230,230	332,458	4.50%	803
2009	274,026,733	5,934,611,500	332,458	4.62%	824
2010	294,180,000	5,940,113,290	296,943	4.95%	991
2011	289,640,000	5,827,536,160	296,943	4.97%	975
2012	251,333,258	5,274,263,880	296,223	4.77%	848
2013	286,684,093	5,274,053,840	296,550	5.44%	967

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

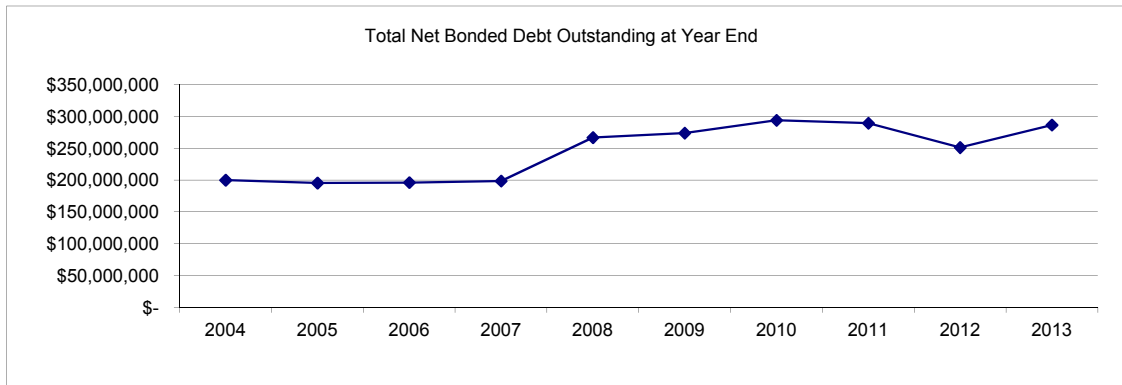
Note 2 - 2008 figures are based on Bureau of the Census data.

**City of Cincinnati  
Debt Capacity Information  
Schedule 3  
Computation of Direct and Overlapping Debt  
As of June 30, 2013**

	Assessed Valuation (a)	Net General Tax Supported Debt	Percent Overlapping	Net Tax Supported Overall Debt
<u>Direct:</u>				
City of Cincinnati	\$ 5,274,053,840	\$ 286,684,093	100 %	\$ 286,684,093
<u>Overlapping:</u>				
Board of Education -				
Cincinnati City School District	5,954,322,080	693,540,000 (b)	89 %	617,250,600
Hamilton County	18,151,260,970	87,819,873 (a)	31 %	27,224,161
Subtotal		<u>781,359,873</u>		<u>644,474,761</u>
Total		<u>\$ 1,068,043,966</u>		<u>\$ 931,158,854</u>

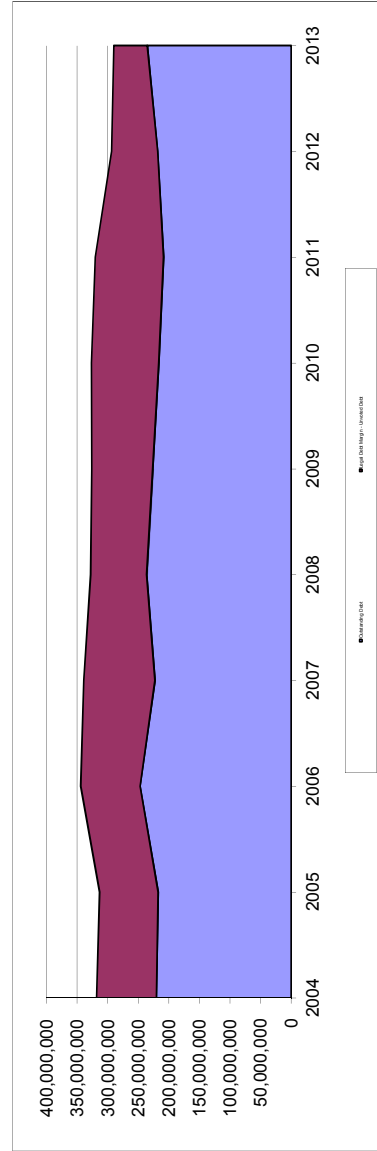
(a) Source: Hamilton County Auditor's Office

(b) Source: Cincinnati City School District



City of Cincinnati  
Debt Capacity Information  
Schedule 4  
Legal Debt Margin  
For the Fiscal Periods

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Overall Debt Limitation - 10-1/2% of Assessed Valuation	\$ 607,964,331	\$ 598,420,623	\$ 657,615,564	\$ 648,178,184	\$ 626,399,268	\$ 623,134,208	\$ 623,711,895	\$ 611,891,297	\$ 561,050,188	\$ 553,797,707
Net Debt Within 10-1/2% Limitation	220,560,000	217,670,000	247,190,000	222,868,000	236,495,000	226,635,000	216,595,000	208,770,000	218,525,000	235,505,000
Legal Debt Margin Within 10-1/2% Limitation	36.28%	36.37%	37.59%	34.38%	37.75%	36.37%	34.73%	34.12%	38.95%	42.53%
Net Debt Percentage of 10 1/2 % Limitation										
Unvoted Debt Limitation - 5-1/2% of Assessed Valuation	\$ 318,457,507	\$ 313,458,422	\$ 344,465,295	\$ 339,521,906	\$ 328,113,902	\$ 326,403,633	\$ 326,706,231	\$ 320,514,488	\$ 283,863,432	\$ 290,084,513
Net Debt Within 5-1/2% Limitation	220,560,000	217,670,000	247,190,000	222,868,000	236,495,000	226,635,000	216,595,000	208,770,000	218,525,000	235,505,000
Legal Debt Margin Within 5-1/2% Limitation	69.26%	69.44%	71.76%	65.64%	72.08%	69.43%	66.30%	65.14%	74.36%	81.18%
Net Debt Percentage of 5 1/2 % Limitation										



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

Fiscal Year	Economic Development Financing Bonds					Water Works Bonds				
	Payment in Lieu of Taxes/Repay Loans	Debt Service Principal	Interest	Total	Coverage	Water Works Net Revenue	Debt Service Principal	Interest	Total	Coverage
2004	\$ 2,651,448	\$ 887,000	\$ 1,160,626	\$ 2,047,626	1.29	\$ 94,706,000	\$ 7,010,000	\$ 9,367,000	\$ 16,377,000	2.15
2005	4,848,086	2,288,000	1,995,000	4,283,000	1.13	102,272,000	7,240,000	11,174,000	18,414,000	2.35
2006	4,840,444	2,854,000	1,915,905	4,769,905	1.01	105,059,000	11,045,000	12,721,000	23,766,000	1.99
2007	4,796,765	2,475,000	1,782,231	4,257,231	1.13	121,244,000	11,475,000	13,082,000	24,557,000	2.23
2008	6,486,865	2,955,000	2,209,510	5,164,510	1.26	121,508,000	13,620,000	14,840,000	28,460,000	1.96
2009	9,953,193	3,070,000	2,050,209	5,120,209	1.94	117,441,000	14,000,000	15,797,000	29,797,000	1.60
2010	9,754,692	3,140,000	2,652,176	5,792,176	1.68	125,287,000	15,430,000	18,551,000	33,981,000	1.65
2011	11,402,482	2,285,000	3,886,719	6,171,719	1.85	120,682,000	17,980,000	21,419,365	39,399,365	1.25
2012	10,749,956	3,000,000	4,206,392	7,206,392	1.49	135,384,000	17,700,000	21,526,734	39,226,734	1.58
2013	5,545,377	425,000	1,720,059	2,145,059	2.59	68,947,000	-	12,432,647	12,432,647	2.41

Includes:

- Urban Renewal Revenue Bonds, Series 1990A - One Gateway Project
- Economic Development Revenue Bonds, Series 1996 - Cincinnati Development Group LLC - Fountain Square West Project
- Economic Development Revenue Bonds, Series 1998 - Convention Place Mall Project - RSJJ Investments Limited
- Economic Development Revenue Bonds, Series 2002 - Saks Fifth Avenue Inc. & Race Street Development LTD
- Economic Development Revenue Bonds, Series 2003 - Convergys Corporation Project
- Economic Development Revenue Bonds, Series 2007 - Convergys Corporation Project
- Economic Development Revenue Bonds, Series 2008A - The Keystone Project
- Economic Development Revenue Bonds, Series 2008B - Baldwin 300 Project
- Economic Development Revenue Bonds, Series 2009B - Columbia Square
- Economic Development Revenue Bonds, Series 2007 - Madison Circle
- Economic Development Revenue Bonds, Series 2009 - Graeters
- Economic Development Revenue Bonds, Series 2011 - Usquare

The calculation of the revenue coverage ratio excludes Non-Cash Expenses for Depreciation and Accrued Pension and NPEO Liability for Water Works.

Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

**City of Cincinnati  
Debt Capacity  
Schedule 6  
Water Works**

**Historical Financial Operations  
(Amounts in Thousands)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Operating Revenue</b>										
Total Operating Revenue	\$ 94,706	\$ 102,272	\$ 105,059	\$ 121,244	\$ 121,508	\$ 117,441	\$ 125,287	\$ 120,682	\$ 135,384	\$ 68,947
<b>Operating Expense:</b>										
Personal Services	34,703	36,805	37,600	39,575	41,041	42,827	58,805	47,129	43,050	23,440
Contractual Services	8,555	8,963	7,328	8,530	9,660	9,249	8,628	8,329	7,766	3,999
Maintenance and Repair	3,170	3,223	3,135	4,550	4,115	3,704	3,980	4,536	3,813	1,863
Materials and Supplies	5,389	5,651	6,105	7,451	7,869	8,475	8,007	8,976	8,756	4,715
Utilities	7,911	9,270	9,752	11,639	11,287	10,821	11,427	7,530	7,732	4,037
Insurance	205	234	201	169	114	117	121	121	142	69
Taxes	1	46	48	2	1	1	6	3	5	2
Rent	989	931	1,037	823	1,057	1,256	1,302	1,252	2,211	662
Other	507	470	412	354	823	620	630	328	2,355	3,153
Depreciation and Amortization Expense	16,950	19,516	21,471	21,934	22,705	24,161	24,206	24,832	23,432	11,134
Amortization Mason Agreement	63	66		72	76		84	88	92	
Bad Debt Expense										
<b>Total Operating Expense</b>	<b>78,443</b>	<b>85,175</b>	<b>87,089</b>	<b>95,099</b>	<b>98,747</b>	<b>101,231</b>	<b>117,196</b>	<b>103,124</b>	<b>99,354</b>	<b>53,074</b>
<b>Operating Income</b>	<b>16,263</b>	<b>17,097</b>	<b>17,970</b>	<b>26,145</b>	<b>22,761</b>	<b>16,210</b>	<b>8,091</b>	<b>17,558</b>	<b>36,030</b>	<b>15,873</b>
<b>Non-Operating Revenue (Expenses):</b>										
Capital Contribution	5,063	14,464	5,646	4,935	3,099	9,704	3,039	3,304	3,385	
Gain (Loss) on Disposal of Fixed Assets	(828)	(351)	(628)	(52)	(1,338)	(1,621)	(1,320)	(829)	(838)	(4)
Transfers In								131	(47)	
Interest Revenue	1,945	3,525	5,799	6,751	5,272	2,403	2,560	2,309	1,981	(1,020)
Build America Bond Subsidy						553	1,701	1,701	1,701	777
Interest Expense	(7,164)	(12,155)	(11,113)	(12,359)	(13,997)	(13,525)	(12,695)	(14,909)	(16,358)	(9,823)
<b>Total Non-Operating Revenue (Expense):</b>	<b>(984)</b>	<b>5,483</b>	<b>(296)</b>	<b>(725)</b>	<b>(6,964)</b>	<b>(2,486)</b>	<b>(6,715)</b>	<b>(8,293)</b>	<b>(10,176)</b>	<b>(10,070)</b>
<b>Net Income</b>	<b>\$ 15,279</b>	<b>\$ 22,580</b>	<b>\$ 17,674</b>	<b>\$ 25,420</b>	<b>\$ 15,797</b>	<b>\$ 13,724</b>	<b>\$ 1,376</b>	<b>\$ 9,265</b>	<b>\$ 25,854</b>	<b>\$ 5,803</b>

Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

**Greater Cincinnati Water Works  
Projected Operating Results**

Description	2014 \$	2015 \$	2016 \$	2017 \$
Metered Water Sales				
Revenue Under Existing Rates	125,377,347	124,553,568	123,738,026	122,716,221
Indicated Revenue Increases (a)				
	Revenue Increase			
Month - Year				
January 2011	0.00%	0	0	0
January 2012	8.50%	9,354,000	9,292,000	9,230,000
January 2014	5.50%	6,033,785	6,850,446	6,805,591
January 2015	6.00%		6,898,711	7,832,617
January 2016	7.00%			8,475,544
January 2017	7.00%			8,993,944
Total Increased Revenue	6,033,785	13,749,157	23,113,752	33,117,621
Total Metered Water Sales Revenue	131,411,132	138,302,725	146,851,778	155,833,842
Total Increased Revenue - CPI	3,192,135	3,255,978	3,321,097	3,387,519
Other Revenue	3,411,000	3,411,000	3,411,000	3,411,000
Billing Services	10,429,507	10,628,324	10,844,696	11,080,203
Construction Reimbursement Charges	342,633	342,633	342,633	342,633
Interest Income (b)	800,000	800,000	800,000	800,000
Total Revenue	149,586,407	156,740,660	165,571,204	174,855,197
Operating & Maintenance Expense (c)	85,425,107	88,306,449	91,290,162	94,380,111
Net Revenue Available for Debt Service	64,161,300	68,434,210	74,281,042	80,475,086
Series 2005A Revenue Bond Debt Service	32,938	32,938	32,938	32,938
Series 2007A Revenue Bond Debt Service	15,551,500	15,632,650	15,148,650	15,875,250
Series 2007B Revenue Bond Debt Service	5,164,313	5,164,438	5,162,400	5,165,600
Series 2009A Revenue Bond Debt Service	2,508,550	10,532,550	10,925,150	10,293,750
Series 2009B BAB Debt Service	4,860,614	4,860,614	4,860,614	4,860,614
Series 2011A Revenue Bond Debt Service	10,150,550	5,147,300	5,146,900	5,147,700
Series 2012A Revenue Bond Debt Service	3,989,844	3,989,244	3,988,144	3,992,394
Future Senior Lien Revenue Bond Debt Service (d)	0	3,465,000	5,421,112	10,216,112
Total Senior Lien Revenue Bond Debt Service	42,258,309	48,824,734	50,685,908	55,584,357
Series 2005B Revenue Bond Conversion Debt Service	1,500,000	1,500,000	1,500,000	1,500,001
Total Junior Lien Revenue Bond Debt Service	1,500,000	1,500,000	1,500,000	1,500,001
Subordinate General Obligation Bond Debt Service (e)	1,875,600	0	0	0
Total Junior Lien Revenue Bond Debt Service	1,875,600	0	0	0
State of Ohio Issue 2 Money (\$1M/20Yrs/0%)-2003	50,000	50,000	50,000	50,000
State of Ohio Issue 2 Money (\$980K/20Yrs/0%)-2004	49,000	49,000	49,000	49,000
State of Ohio Issue 2 Money (\$1.15M/20Yrs/0%)-2005	57,500	57,500	57,500	57,500
State of Ohio Issue 2 Money (1.25M/20Yrs/0%)-2011	62,494	62,494	62,494	62,494
Ohio EPA Water Supply Revolving Loan (\$1.7M/20Yrs/3.25%)-2006	116,096	116,096	116,096	116,096
Ohio EPA Water Supply Revolving Loan (\$4M/20Yrs/3.25%)-2006	268,251	268,251	268,251	268,251
Ohio EPA Water Supply Revolving Loan (\$2.98M/20Yrs/2%)-2011	278,458	278,458	278,458	278,458
Ohio EPA Water Supply Revolving Loan (\$3.8M/20Yrs/2.0%)-2011	183,956	183,956	183,956	183,956
Ohio EPA Water Supply Revolving Loan (\$2.3M/20Yrs/2.0%)-2012	117,968	117,968	117,968	117,968
Ohio EPA Water Supply Revolving Loan (\$2.7M/20Yrs/1.71%)-2012	80,781	161,262	161,262	161,262
Ohio EPA Water Supply Revolving Loan (\$4.9M/20Yrs/1.75%)-2012	294,451	294,451	294,451	294,451
Ohio EPA Water Supply Revolving Loan (\$2.0M/20Yrs/1.88%)-2012	62,587	125,173	125,173	125,173
Ohio EPA Water Supply Revolving Loan (\$3.2M/20Yrs/1.98%)-2012	197,326	197,326	197,326	197,326
Ohio EPA Water Supply Revolving Loan (\$7.6M/20Yrs/2.0%)-2012	0	464,611	464,611	464,611
Ohio EPA Water Supply Revolving Loan (\$3.6M/20Yrs/2.0%)-2012	179,489	179,489	179,489	179,489
Ohio EPA Water Supply Revolving Loan (\$5.2M/20Yrs/1.94%)-2012	312,464	312,464	312,464	312,464
Other Financing Requirements	2,310,821	2,918,499	2,918,499	2,918,499
Revenues Available for Transfer to Water System Reserve Fund	16,216,570	15,190,976	19,176,635	20,472,229
<b>Working Capital Balance</b>				
Prior Year Revenue Fund Working Capital Balance	13,840,701	28,857,670	28,004,743	32,422,602
Revenue Transfer To Water System Reserve Fund	1,199,601	16,043,904	14,758,775	18,729,078
Revenues Available for Transfer	16,216,570	15,190,976	19,176,635	20,472,229
End of Year Working Capital Balance	28,857,670	28,004,743	32,422,602	34,165,753
Working Capital Balance Requirement (f)	12,813,766	13,245,967	13,693,524	14,157,017
Revenues Transferred the Next Fiscal Year	16,043,904	14,758,775	18,729,078	20,008,736
<b>Water System Reserve Fund</b>				
Beginning of Year Balance	33,084,000	18,909,143	17,344,441	15,518,370
Deposits	1,199,601	16,043,904	14,758,775	18,729,078
Transfer to Water Works Capital Improvement Fund	15,374,458	17,608,606	16,584,846	16,936,581
End of Year Balance	18,909,143	17,344,441	15,518,370	17,310,867

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

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

Year	Proceeds Required	Debt Service Reserve/ Bond Issuance Cost:	Total Issue	Interest Rate
2014	\$35.93M	\$3.625M	\$39.55M	5.00%
2015	\$44.87M	\$7.140MM	\$49.40M	5.00%
2016	\$40.77M	\$4.113M	\$44.88M	5.00%

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

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



City of Cincinnati  
Debt Capacity  
Schedule B  
Water Works  
Senior Bonds and Senior Subordinated Debt Service Requirements

For the Fiscal Period	Debt Service Series 2012A	Debt Service Series 2011A	Debt Service Build America Bonds Series 2009B	Debt Service Series 2009A	Debt Service Series 2007B	Debt Service Series 2007A	Debt Service Series 2005A	Debt Service Series 2005B	Debt Service GO Debt
2014	\$ 3,671,418.76	\$ 5,363,875.00	\$ 4,860,613.70	\$ 2,855,760.00	\$ 5,127,330.00	\$ 14,961,125.00	\$ 4,809,437.50	\$ 1,350,693.76	\$ 2,117,600.00
2015	3,957,043.76	9,991,425.00	4,860,613.70	2,503,050.00	5,124,375.00	15,307,075.00	32,937.50	1,350,693.76	1,637,800.00
2016	3,966,193.74	5,122,100.00	4,860,613.70	10,366,350.00	5,120,918.75	15,363,150.00	32,937.50	1,350,693.76	
2017	3,972,768.74	5,112,300.00	4,860,613.70	10,724,450.00	5,116,500.00	14,886,950.00	32,937.50	1,350,693.76	
2018	3,956,693.76	5,128,575.00	4,860,613.70	10,073,625.00	5,117,800.00	15,573,125.00	32,937.50	1,350,693.76	
2019	3,977,081.26	5,103,450.00	4,860,613.70	9,964,875.00	5,102,875.00	15,558,750.00	32,937.50	1,350,693.76	
2020	3,971,718.76	5,120,912.50	4,860,613.70	10,085,125.00	5,095,625.00	15,576,687.50	32,937.50	1,350,693.76	
2021	3,964,818.76	11,287,437.50	4,860,613.70	3,669,500.00	5,097,000.00	15,558,675.00	32,937.50	1,350,693.76	
2022	3,966,034.38	11,369,625.00	8,485,224.95		5,091,625.00	15,548,100.00	32,937.50	1,350,693.76	
2023	3,962,800.00	4,648,750.00	8,479,057.45		5,089,250.00	7,694,062.50	791,468.75	6,981,318.76	
2024	3,946,500.00	4,436,875.00	8,471,840.45		5,084,500.00			8,642,412.51	
2025	3,947,000.00	4,435,250.00	8,467,900.20		5,082,000.00			8,620,440.63	
2026	3,944,100.00	4,427,875.00	8,437,025.65		5,076,375.00			8,584,800.00	
2027	3,942,700.00	4,429,375.00	8,425,755.00		5,072,250.00				
2028	3,942,600.00	4,424,375.00	8,414,787.45		5,069,125.00				
2029	3,938,700.00	4,417,750.00	8,402,831.40		5,061,625.00				
2030	3,935,900.00	4,414,125.00	8,388,595.25		5,059,250.00				
2031	3,934,000.00	4,413,000.00	8,375,625.95		5,051,500.00				
2032	3,918,625.00	4,412,750.00	8,357,470.45		5,047,875.00				
2033	3,918,250.00	4,404,500.00	8,342,514.25						
2034	3,910,625.00	4,399,125.00	8,323,981.40						
2035	3,910,375.00	4,394,750.00	8,309,934.50						
2036	3,902,125.00	4,390,875.00							
2037	3,900,500.00	4,387,000.00							
2038	3,895,000.00								
	<b>\$ 98,253,571.92</b>	<b>\$ 130,036,075.00</b>	<b>\$ 156,567,453.95</b>	<b>\$ 60,242,725.00</b>	<b>\$ 101,725,673.75</b>	<b>\$ 153,921,400.00</b>	<b>\$ 5,864,406.25</b>	<b>\$ 44,985,215.74</b>	<b>\$ 3,955,400.00</b>

Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

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

Year	Population				Per Capita Personal Income				Civilian Labor Force Estimates				% Unemployed	
	United States	Ohio	Cincinnati MSA	Hamilton County	United States	Ohio	Cincinnati MSA	Hamilton County	United States	Ohio	Cincinnati MSA	Hamilton County		Cincinnati
2003	290,210,914	11,430,306	2,065,531	847,161	\$ 31,530	\$ 29,846	\$ 32,303	\$ 36,069	146,510,000	5,860,000	1,071,300	423,100	156,300	5.4
2004	292,892,127	11,445,095	2,082,796	846,254	33,157	30,765	33,933	38,258	147,401,000	5,862,800	1,081,800	420,400	154,900	5.4
2005	295,753,151	11,475,262	2,102,422	847,182	35,424	32,429	35,774	40,037	149,320,000	5,889,500	1,094,500	419,000	153,000	5.3
2006	298,593,212	11,492,495	2,122,711	847,656	37,698	33,991	37,431	42,369	151,428,000	5,942,100	1,109,600	425,700	164,100	5.2
2007	301,579,895	11,520,815	2,148,315	855,928	39,392	35,174	38,434	43,035	153,124,000	5,976,700	1,121,300	436,400	164,300	5.0
2008	304,374,846	11,528,072	2,158,643	853,508	40,166	35,889	39,066	43,918	154,287,000	5,971,900	1,127,500	438,200	164,800	5.8
2009	307,006,550	11,542,645	2,171,896	855,062	39,635	35,408	37,967	42,393	154,205,800	5,970,000	1,133,000	438,800	163,600	9.3
2010	309,330,219	11,537,968	2,132,415	801,948	39,937	36,162	39,673	45,852	153,893,000	5,935,250	1,130,200	438,500	163,800	9.0
2011	311,591,917	11,544,951	2,138,038	800,362	41,560	37,836	46,881	46,881	153,617,000	5,806,000	1,099,600	406,900	143,800	7.8
2012	313,914,040	11,544,225	N/A	N/A	42,693	39,289	N/A	N/A	154,975,000	5,748,000	1,089,300	400,000	141,100	8.1

Personal Income (in millions)

Year	Personal Income (in millions)			
	United States	Ohio	Cincinnati MSA	Hamilton County
2003	\$ 9,369,072	\$ 350,892	\$ 68,834	\$ 31,468
2004	9,928,790	361,854	72,512	33,147
2005	10,476,669	372,132	75,148	33,918
2006	11,256,516	390,645	79,456	35,914
2007	11,879,836	405,236	82,567	36,835
2008	12,225,589	413,732	84,329	37,484
2009	12,168,161	408,707	82,460	32,068
2010	12,353,577	417,234	84,600	36,770
2011	12,949,905	436,818	87,485	37,522
2012	13,401,869	453,556	N/A	N/A

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

Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

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

<b>Employer</b>	<b>2012</b>			<b>2003</b>		
	<b>Number of Employees</b>	<b>Percentage of Total Employment</b>	<b>Percentage of Total Employment</b>	<b>Number of Employees</b>	<b>Percentage of Total Employment</b>	<b>Percentage of Total Employment</b>
The Kroger Co	21,000	1	1.00%	13,000	3	1.50%
University of Cincinnati	15,500	2	0.74%	15,400	1	1.77%
Children's Hospital Medical Center	12,600	3	0.60%	13,000	4	1.50%
Procter and Gamble	12,000	4	0.57%			
Tri-Health Inc	10,400	5	0.50%	13,100	2	1.51%
Catholic Health Partners/Mercy	8,940	6	0.43%	7,000	10	0.81%
UC Health	8,670	7	0.41%			
GE Aviation	7,500	8	0.36%			
St. Elizabeth Medical Center	7,250	9	0.35%			
Fifth Third Bancorp	7,200	10	0.34%	7,800	6	0.90%
Toyota Motor Manufacturing				8,400	5	0.97%
Cincinnati Public Schools				7,300	7	0.84%
City of Cincinnati				7,200	9	0.83%
<b>Total</b>	<b>111,060</b>		<b>5.29%</b> <b>0.00%</b>	<b>85,000</b>		<b>10.61%</b>
Total Metropolitan Statistical Area	2,100,000			869,200		

**City of Cincinnati, Ohio**  
**Demographic and Economic Information**  
**Schedule 3**

**Construction and Property Values**

Period	New Residential Construction (1)		New Non-Residential Construction (1)		All Total Construction (1)	
	Number of Permits	Estimated Cost (in thousands)	Number of Permits	Estimated Cost (in thousands)	Number of Permits	Estimated Cost (in thousands)
2004	187	\$ 26,488	55	\$ 97,719	7,950	\$ 486,905
2005	237	50,032	51	119,405	8,396	510,003
2006	231	75,536	53	93,812	8,545	547,934
2007	150	36,540	55	124,961	8,780	487,176
2008	72	13,252	66	243,388	8,196	431,373
2009	44	10,642	60	264,896	8,139	603,416
2010	85	14,304	76	217,069	8,958	594,199
2011	90	28,403	43	126,318	9,290	536,041
2012	83	34,675	43	66,630	9,050	401,558
2013	59	12,374	21	53,526	4,691	220,351

Period	Property Value (2)	
	Residential (in thousands)	Non-Residential (in thousands)
2004	\$ 8,154,379	\$ 6,857,111
2005	8,191,224	6,541,396
2006	9,890,166	6,773,615
2007	9,880,248	5,899,386
2008	9,944,823	5,835,579
2009	10,091,512	6,044,623
2010	10,019,140	6,134,297
2011	9,937,060	5,914,734
2012	8,789,921	4,118,106
2013	8,734,271	5,441,937

Source:

- (1) The City's Department of Buildings and Inspections' records
- (2) Values obtained from the Hamilton County Auditor's Office
- (3) The City of Cincinnati Changed Fiscal Year in 2013.

The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

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

<u>Position</u>	<u>Salary</u>
Mayor	\$121,291
Councilmember	\$60,646
City Manager	\$255,000
Commissioner of Health	\$119,127 - \$160,821
Deputy City Manager	\$119,127 - \$160,821
City Solicitor	\$119,127 - \$184,199
Various Department Directors	\$101,956 - \$137,640

**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 four-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 (16). The mayor selects the city manager, but the mayor's nominee must be approved by a majority of the council. The city manager appoints the deputy city manager and the department directors.

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

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Goods-Producing Industries</b>	<b>176.5</b>	<b>175.7</b>	<b>174.2</b>	<b>172.1</b>	<b>160.8</b>	<b>146.1</b>	<b>146.4</b>	<b>149.7</b>	<b>152.0</b>	<b>143.8</b>
<b>Natural Resources, Mining and Construction</b>	<b>52.4</b>	<b>52.4</b>	<b>52.6</b>	<b>50.6</b>	<b>45.0</b>	<b>40.6</b>	<b>36.1</b>	<b>36.9</b>	<b>36.8</b>	<b>37.0</b>
Construction of Buildings	12.7	12.8	12.6	12.1	9.7	8.4	7.7	7.6	7.6	8.6
Specialty Trade Contractors	34.0	33.7	34.2	32.6	29.6	24.9	22.5	22.6	24.0	23.3
<b>Manufacturing</b>	<b>124.2</b>	<b>123.3</b>	<b>121.7</b>	<b>121.5</b>	<b>115.8</b>	<b>105.5</b>	<b>110.3</b>	<b>112.8</b>	<b>115.0</b>	<b>106.8</b>
Durable Goods	71.9	71.9	71.8	72.1	69.2	60.1	65.3	69.6	70.5	64.0
Primary Metals	8.0	7.5	6.5	6.8	6.2	5.6	5.9	7.0	7.0	6.0
Transportation Equipment	17.1	18.2	19.5	19.8	19.1	17.6	18.2	17.5	18.0	19.2
Motor Vehicle Parts	7.8	8.4	8.8	8.7	7.8	6.5	6.6	6.7	6.8	8.0
Aerospace Products and Parts	8.3	8.7	9.4	9.5	9.8	9.2	9.2	9.5	9.7	10.0
Nondurable Goods	52.3	51.4	49.9	49.4	46.6	45.4	45.0	43.2	44.5	42.8
Chemical Manufacturing	11.0	11.1	11.2	11.1	11.2	11.4	11.5	11.0	10.9	10.7
<b>Service-Providing Industries</b>	<b>848.8</b>	<b>859.6</b>	<b>864.2</b>	<b>873.0</b>	<b>877.4</b>	<b>850.7</b>	<b>841.3</b>	<b>853.0</b>	<b>871.8</b>	<b>754.5</b>
<b>Trade, Transportation, and Utilities</b>	<b>210.3</b>	<b>211.0</b>	<b>209.6</b>	<b>212.8</b>	<b>215.4</b>	<b>201.0</b>	<b>196.4</b>	<b>202.4</b>	<b>207.9</b>	<b>201.8</b>
Wholesale Trade	56.7	58.0	59.2	61.0	60.4	54.9	52.3	57.6	58.2	59.2
Merchant Wholesalers, Durable Goods	26.9	27.8	28.7	28.8	28.3	24.7	22.9	26.0	27.7	27.4
Merchant Wholesalers, Non-Durable Goods	22.3	22.5	23.2	23.8	23.6	22.8	22.8	22.0	21.0	19.7
Retail Trade	110.8	109.4	109.2	109.7	111.5	105.7	104.5	103.8	107.6	101.7
Food and Beverage Stores	20.3	20.3	20.8	21.4	21.8	20.8	19.8	20.3	20.8	20.5
Grocery Stores	17.2	17.4	17.9	18.6	18.9	16.8	17.1	17.8	18.5	18.4
Health and Personal Care Stores	7.6	7.4	7.3	7.4	7.3	7.1	6.8	6.6	7.1	6.5
Clothing and Clothing Accessories Stores	9.3	9.3	9.4	8.8	9.7	9.8	10.2	9.4	11.5	7.8
General Merchandise Stores	22.1	21.6	22.0	22.7	25.0	22.6	22.6	21.6	22.1	19.9
Transportation, Warehousing and Utilities	42.8	43.6	41.1	42.0	43.5	40.4	39.6	41.0	42.1	40.9
Transportation and Warehousing	39.6	40.4	38.0	38.9	39.8	36.4	34.9	37.9	39.0	38.3
Air Transportation	10.4	10.0	8.6	8.0	7.0	5.8	5.4	4.5	3.9	3.9
Information	16.0	15.8	15.7	15.6	15.3	14.4	14.0	13.9	13.8	13.6
Telecommunications	5.7	5.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Financial Activities	65.0	65.6	65.3	65.6	64.4	61.7	58.4	58.5	62.0	64.1
Finance and Insurance	50.8	51.5	51.6	52.3	52.2	50.9	49.9	50.0	52.4	52.6
Credit Intermediation and Related Activities	21.1	21.5	20.8	20.5	21.3	20.7	20.6	20.4	21.8	22.2
Insurance Carriers and Related Activities	22.9	22.9	23.2	23.8	24.2	24.2	23.5	23.7	25.2	24.5
Professional and Business Services	147.0	152.3	156.0	154.8	155.6	150.6	149.7	153.5	163.6	165.6
Professional and Technical Services	50.7	52.2	53.6	54.7	56.0	53.2	54.0	57.3	61.2	57.4
Management of Companies and Enterprises	30.7	31.6	32.7	33.5	36.6	37.9	38.0	40.0	42.9	42.1
Administrative, Support, and Waste Services	65.6	68.5	69.7	66.7	63.0	58.7	57.7	56.2	59.5	66.1
Employment Services	33.3	35.4	36.4	34.1	30.2	24.3	24.3	24.9	27.3	29.0
Services to Buildings and Dwellings	12.8	13.4	13.4	13.6	12.5	11.8	12.2	12.5	13.9	15.5
Educational and Health Services	131.1	134.6	137.4	141.3	147.3	148.4	151.9	153.2	152.2	153.6
Educational Services	13.7	14.2	14.4	14.6	15.8	16.3	16.6	16.7	18.5	17.2
Health Care and Social Assistance	117.4	120.4	123.1	126.7	131.5	132.1	135.3	136.5	133.7	136.4
Hospitals	38.3	39.4	40.7	41.3	44.1	45.1	46.2	46.0	46.4	47.6
Leisure and Hospitality	103.2	105.4	105.2	106.9	101.9	99.1	97.0	98.8	104.6	116.8
Arts, Entertainment and Recreation	18.9	18.9	18.3	18.8	16.4	16.6	15.6	14.4	14.4	27.1
Accommodation and Food Services	84.3	86.6	86.9	88.0	85.5	82.5	81.4	84.4	90.2	89.7
Other Services	42.9	42.8	42.5	43.2	43.1	41.6	40.9	42.2	40.3	39.0
Government	133.2	132.2	132.5	132.9	134.4	133.9	133.0	130.5	127.4	121.7
Federal Government	17.6	17.6	17.7	17.4	16.9	16.7	16.6	16.5	15.6	15.9
State Government	27.1	27.4	27.1	27.5	29.0	29.1	28.6	28.4	28.0	23.3
State Government Education	21.9	22.2	21.9	22.3	24.0	23.8	23.2	24.7	23.7	17.4
Local Government	88.4	87.1	87.7	88.1	88.5	88.1	87.8	85.6	83.8	82.5
Local Government Education	49.9	49.0	49.4	49.0	50.8	51.4	51.1	50.0	49.4	43.9
<b>Total</b>	<b>1025.3</b>	<b>1035.3</b>	<b>1038.4</b>	<b>1045.1</b>	<b>1038.2</b>	<b>996.8</b>	<b>987.7</b>	<b>1002.7</b>	<b>1023.8</b>	<b>898.3</b>
<b>Unemployment Rate</b>	<b>5.1</b>	<b>5.4</b>	<b>5.2</b>	<b>5.0</b>	<b>5.0</b>	<b>10.1</b>	<b>9.0</b>	<b>7.8</b>	<b>7.8</b>	<b>7.4</b>

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

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

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	582	542	547	497	400	446	447	425	447	518
Community Development	60	56	52	61	140	73	70	66	54	71
General Services	75	72	73	66	61	63	62	57	59	57
Parks and Recreation	310	314	311	311	302	290	298	282	288	285
Public Safety	1,365	1,322	1,333	1,342	1,356	1,335	1,324	1,253	1,221	1,093
Police	860	855	870	885	905	890	844	806	829	818
Fire	168	159	163	151	152	154	144	143	156	143
Transportation and Engineering	438	437	464	425	416	402	367	334	326	321
Public Services	470	452	451	414	426	421	404	369	377	372
Public Health	571	563	559	526	532	587	599	608	594	589
MSD										
Enterprise	589	570	569	542	541	561	552	533	522	523
Water Works	56	55	51	44	41	40	35	28	31	30
Parking Facility	31	29	1	1						
Convention Center	11	13	13	13	13	13	13	11	11	9
General Aviation	2	2	2	2	2	2	2	2	2	2
Municipal Golf	15	16	11	12	31	16	15	13	16	15
Stormwater Management										
	5,603	5,457	5,470	5,292	5,318	5,293	5,176	4,930	4,933	4,846

Source: Cincinnati Human Resource Information System (CHRIS)  
Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

City of Cincinnati  
Operating Information  
Schedule 2  
Operating Indicators by Function/Program  
Last Ten Fiscal Periods

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Litigations	152	121	342	383	117	106	103	128	90	52
Open Cases	65	83	223	295	79	98	123	155	119	124
Community Development										
Housing Units	2,465	2,110	2,239	2,052	1,581	1,834	2,560	1,735	1,880	1,030
Job Created/Retained thru Income Tax Credits	575	570	273	319	65	149	1	0	0	387
Enterprise Zone Agreement	5	1	2	5	0	0	0	0	0	0
Police										
Service Calls	292,826	291,468	303,670	273,652	287,268	275,424	263,196	276,407	272,212	129,086
Arrests	47,830	48,757	47,474	41,510	41,542	36,768	37,529	37,207	35,141	16,109
Reports Filed	44,798	43,427	26,850	24,678	24,743	38,700	36,179	38,573	36,901	17,040
Fire										
Incidences (Fires, EMS, other)	65,423	65,206	65,866	67,435	68,973	72,128	70,889	73,531	75,412	31,960
Parks										
Annual Visitors	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	3,000,000
Nature Education Programs	1,300	1,300	1,000	1,000	1,000	1,168	1,375	1,382	1,298	698
Volunteer Hours	33,700	33,700	62,500	87,737	87,737	93,439	59,046	56,340	65,576	31,582
Park Reservations	690	690	1,300	1,350	1,350	732	958	976	961	411
Visitor Center Phone Calls	21,000	21,000	24,600	26,350	26,350	16,848	15,000	15,211	16,244	8,100
Health										
Patients	46,237	48,961	37,077	34,688	41,674	37,375	37,319	32,176	43,299	21,700
Visits	134,637	137,105	125,971	123,445	119,846	153,548	151,505	137,966	155,684	76,218
Inspections	29,203	26,317	24,312	31,244	17,635	19,751	20,798	22,812	22,664	11,379
Birth and Death Certificates	83,213	84,314	82,876	78,187	68,568	66,990	63,349	55,483	45,330	22,205
Sanitation										
Total solid waste collected and disposed	114,377	115,000	106,463	103,504	100,045	99,946	99,203	95,571	90,570	90,570
Water Works										
Water Delivered to Water Mains (Gallons)	49,005,613,000	50,246,239,000	47,990,075,000	53,410,396,000	49,566,715,000	45,554,623,000	47,328,871,000	44,396,749,000	45,233,282,700	20,559,715,500
Total Water Consumption (Gallons)	41,206,219,000	42,128,497,000	40,061,250,000	44,161,654,000	41,510,866,000	37,844,460,000	39,300,198,000	37,331,342,000	38,142,397,000	16,488,683,000
Percent of Unmetered Water	16%	16%	17%	17%	16%	17%	17%	16%	16%	20%
Average Daily Delivery (Gallons)	134,036,000	137,661,000	131,480,000	146,330,000	135,428,000	124,807,000	129,668,000	121,635,000	123,588,200	113,589,588
Maximum Daily Pumpage (Gallons)	176,763,000	213,827,000	211,468,000	229,517,000	220,566,000	169,260,000	200,712,000	206,325,000	230,258,100	168,569,000
Minimum Daily Pumpage (Gallons)	106,310,000	108,672,000	102,692,000	106,102,000	99,924,000	95,420,000	95,904,000	95,848,000	88,648,900	100,889,000

N/A = Not Available  
Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.



**City of Cincinnati**  
**Operating Information**  
**Schedule 3**  
**Capital Asset and Infrastructure Statistics by Function/Program**  
**Last Ten Fiscal Periods**

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Public Safety</b>										
Police										
Stations	5	5	5	5	5	5	5	5	5	5
Fire										
Fire Stations	26	26	26	26	26	26	26	26	26	26
Paramedic Units	4	4	4	4	4	6	4	12	12	12
Life Support Ambulances	6	6	6	6	6	8	8	0	0	0
Aircraft Rescue	1	1	1	1	1	1	1	1	1	1
<b>Transportation and Engineering</b>										
Streets (lane miles)	2,840	2,840	2,840	2,840	2,840	3,050	3,050	3,000	3,050	3,050
Sidewalks (miles)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Street Signs	300,000	300,000	300,000	300,000	150,000	150,000	150,000	150,000	150,000	150,000
Bridges	66	68	68	63	62	62	62	65	64	64
Retaining Walls (miles)	49	51	51	52	52	52	50	50	50	50
<b>Public Recreation</b>										
Parks										
Acreage	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Regional Parks	5	5	5	5	5	5	5	5	5	5
Neighborhood parks	70	70	70	70	70	70	70	70	71	71
Preserves and Nature areas	34	34	34	34	34	34	34	34	34	34
Nature Education Centers	5	5	5	5	5	5	5	5	5	5
Playgrounds	52	52	52	52	52	52	52	52	52	52
Hiking Trails (miles)	50	65	65	65	65	65	65	65	65	65
Plant Species - Krohn Conservatory	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Park Facilities & Structures	121	121	121	121	121	121	121	121	121	121
Street Trees	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Recreation										
Acreage	2,300	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
Recreation and Senior Centers	40	40	40	38	38	38	38	32	30	27
Play Areas	108	108	108	108	108	108	108	108	96	100
Swimming Pools/Aquatics Facilities	40	40	40	38	38	38	28	33	32	34
Tennis Courts	122	122	122	122	122	122	122	103	103	97
<b>Public Services</b>										
Traffic Engineering										
Traffic Signs	725	739	745	758	749	757	757	765	758	758
Street Lights	31,500	32,000	32,000	32,000	28,706	12,000	12,000	12,200	8,515	8,515
<b>Public Health</b>										
Health Centers	6	6	6	6	6	6	6	6	6	6
<b>Water Works</b>										
Total Assets (in thousands)	\$751,109	\$877,497	\$877,914	\$970,706	979,428	1,080,499	1,081,596	1,144,127	1,229,795	1,229,795
Water Customer Accounts	238,460	239,630	240,472	241,040	241,416	241,500	241,704	241,714	241,707	241,707
Miles of Water Main in the System	3,058	3,079	3,102	3,109	3,121	3,128	3,133	3,316	3,145	3,145
<b>Municipal Golf</b>										
Golf Courses	7	7	7	7	7	7	7	7	7	7
<b>General Aviation</b>										
Acreage	1,000	1,000	1,000	870	1,353	1,353	1,353	1,353	1,353	1,353
<b>Convention Center</b>										
Meeting Rooms	41	N/A	37	37	37	37	37	36	36	36
Exhibit Space (Square Feet)	162,000	162,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000
Meeting/Ballroom Space (Square Feet)	82,000	82,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000
<b>Parking Facilities</b>										
Parking Lots/Garages	10	15	14	14	14	14	14	14*	14*	14*
Parking Meters	6,400	5,700	5,700	5,400	5,400	5,400	5,400	5,400	4,979	4,979
<b>Stormwater Management</b>										
Miles of Storm Sewers	315	315	315	350	350	350	350	350	350	350

\*The Gateway Garage was sold on 10/1/11 leaving Parking Facilities with 13 Parking Lots and Garages

Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the six month period ended June 30, 2013

## **PREPARED BY:**

### **Accounts and Audits**

Mark Ashworth, Charlene Childress, Kim DeWalt,  
Bea Ebner, Jeff Harmon, Monica Morton,  
Bev Nussman, Pam Sacherman, Bryan Schmitt,  
Daniel Watson, Linda Weigand

## **SPECIAL ACKNOWLEDGEMENT FOR CONTRIBUTIONS FROM:**

### **Water Works**

Matt Brinck

### **Retirement**

Ron Wilson

### **Treasury**

Nicole Lee

### **Design and Printing by:**

the City of Cincinnati Printing Services

city of  
**CINCINNATI**   
**2013**  
CINCINNATI, OHIO



# Dave Yost • Auditor of State

**CITY OF CINCINNATI**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 25, 2014**