

2004

FOR THE YEAR
ENDED DECEMBER 31,
2004

CITY OF CINCINNATI,
OHIO

Comprehensive Annual **FINANCIAL REPORT**



2004 CONTINUED TO BE A GOOD YEAR FOR PROGRESS IN

DOWNTOWN CINCINNATI. THERE WAS THE OPENING OF THE

NATIONAL UNDERGROUND RAILROAD FREEDOM CENTER,



THE OPENING OF THE CINCINNATI REDS HALL OF FAME

AND THE THEODORE M. BERRY INTERNATIONAL FRIENDSHIP PARK

ADDED A NEW PAVILION,



THE CASTLE OF AIR.

2004

Comprehensive Annual
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2004
CITY OF CINCINNATI, OHIO

Director of Finance
William E. Moller

Assistant Director of Finance
Joe Gray

Finance Manager
Kathleen Creager



2004 CINCINNATI SKYLINE

© ForWeb Associates/Asasite Productions

2004

INTRODUCTORY SECTION

NATIONAL UNDERGROUND RAILROAD FREEDOM CENTER



© Farshid Assassi/Assassi Productions

CITY OF CINCINNATI, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended December 31, 2004

TABLE OF CONTENTS

INTRODUCTORY SECTION	Page
Letter of Transmittal.....	v
Certificate of Achievement.....	xi
Organization Chart	xii
Principal City Officials	xiii
<hr/>	
FINANCIAL SECTION	Page
Report of Independent Auditors	1
Management’s Discussion and Analysis	3
BASIC FINANCIAL STATEMENTS:	
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	17
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds.....	21
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Funds.....	23
Statement of Net Assets – Proprietary Funds	25
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	27
Statement of Cash Flows – Proprietary Funds.....	28
Statement of Fiduciary Net Assets – Fiduciary Funds.....	30
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	31
Notes to Financial Statements	33
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund.....	75
Note to the Required Supplementary Information.....	76

TABLE OF CONTENTS
(Continued)

FINANCIAL SECTION (Continued)	Page
Supplementary Information	
Major Governmental Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) – and Actual General Fund	80
Statement of Revenue, Expenditures and Changes in Fund Balance.	88
Nonmajor Governmental Funds.....	95
Combining Balance Sheet – Nonmajor Governmental Funds	97
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	98
Schedules of Revenue, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual	
Health Services Fund	103
Street Construction, Maintenance and Repair Fund	104
Parking Meter Fund	105
Cable T.V. Fund	107
Income Tax Infrastructure Fund	108
Income Tax Transit Fund	111
Motor Vehicle License Fund	112
Special Recreation Fund	113
Nonmajor Enterprise Funds	115
Combining Statement of Net Assets	116
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	117
Combining Statement of Cash Flows	118
Internal Service Funds	121
Combining Statement of Net Assets	122
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	124
Combining Statement of Cash Flows	125
Fiduciary Funds – Trust and Agency Funds	127
Statement of Plan Net Assets – Pension Trust	128
Combining Statement of Changes in Plan Net Assets – Pension Trust	129
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	130
Combining Statement of Changes in Assets and Liabilities - Agency Funds	131
Capital Assets Used in the Operation of Governmental Funds.....	133
Schedule by Source	134
Schedule by Function and Activity.....	135
Schedule of Changes by Function and Activity.....	136

TABLE OF CONTENTS
(Continued)

FINANCIAL SECTION (Continued)	Page
Schedules:	
Outstanding Bonds and Notes	138
Schedule of Annual Debt Service	139
Schedule of Expenditures of Federal Awards	140
Infrastructure Income Tax	145
<hr/>	
STATISTICAL SECTION	Page
General Fund - General Governmental Expenditures by Function	147
General Fund - General Governmental Revenues by Source	147
General Fund – General Governmental Expenditures by Function – Chart.....	148
General Fund – General Governmental Revenues by Source – Chart.....	148
Property Tax Levy and Collections	149
Assessed Valuations and Estimated True Values	149
Property Tax Rates - Direct and Overlapping Governments	150
Computation of Direct and Overlapping Debt	150
Special Assessment Billings and Collections	150
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita.....	151
Ratio of Annual Debt Service for General Bonded Debt to Total General Fund Expenditures.....	151
Legal Debt Margin	152
Water Works – Historical and Projected Water System Pumpage.....	153
Water Works – Top Ten Retail Customers.....	153
Water Works – Accounts Receivable	154
Water Works – Historical Financial Operations	154
Water Works – Projected Operating Results	155
Water Works – Parity Debt Service Requirement	156
Ten Largest Ad Valorem Taxpayers	157
Ten Largest Employers	158
Unemployment Statistics	158
Construction, Bank Deposits and Property Value	159
Salaries of Principal Officials	160
Surety Bond Coverage	160
Demographic Statistics	161
Cincinnati Profile	162

(This page intentionally left blank.)



City of Cincinnati

DEPARTMENT OF FINANCE

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

June 15, 2005

WILLIAM E. MOLLER
DIRECTOR OF FINANCE

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

We are pleased to submit the City of Cincinnati's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2004. 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 provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A) that is located on page 3. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

Cincinnati's 2004 CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory section, which provides information on the general contents of the report, contains this letter of transmittal, an organizational chart of City government, and a list of City officials. The Financial section is comprised of the auditor's report, the management's discussion and analysis, the basic financial statements, required supplementary information, and various statements and schedules pertaining to the City's funds and activities. The Statistical section provides various financial, economic, and demographic data about the City, generally on a multi-year basis.

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

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

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

A single audit is an organization-wide financial and compliance audit that is conducted in lieu of the traditional grant-by-grant multiple audits performed in the past. Federal law requires us to have this single audit of all City activities. We have remained in compliance with this requirement since its inception in 1985. Clark, Schaefer, Hackett and Co. conducted the single audit for the 2004 fiscal year.

Profile of the Government

Cincinnati was founded in 1788, chartered as a village in 1802, and incorporated as a City in 1819. It is located on the Ohio River in Southwestern Ohio near the junction of Ohio, Indiana and Kentucky. Major revisions to the City Charter were approved by voters in 1926 to provide for home rule and the council-manager form of government. Commencing in December 2001, the City's form of government was modified based on a charter amendment approved by the voters in 1999. A strong Mayor form of government was adopted in 2001. 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. The Mayor is limited to two consecutive four-year terms. The City Manager is appointed by the Mayor 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 operating budget is adopted each fiscal year for the General Fund and those Special Revenue Funds identified as appropriated in the financial statements. Budgetary data for the Nonappropriated Special Revenue Funds is maintained as well. For each budgeted expenditure classification, the level of appropriation control, which may not be exceeded, is: personal service, non-personal service, capital outlay and debt service. Any revisions that alter the appropriation control classification of any division within a City department must be approved by the City Council. Encumbrances do not lapse at year-end and are included as expenditures in the current year budget (Non-GAAP Budgetary Basis).

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

Local Economy

Fifty-four percent of the nation's population, 53% of the nation's purchasing power, 54% of the nation's manufacturing establishments, and 57% of the nation's value added by manufacturing is located within 600 miles of the City. The City's diverse economic base has been and continues to be a source of financial stability for the City. Among its prominent manufacturing groups are transportation equipment, which includes aircraft engines and auto parts; food and kindred products; metalworking and general industrial machinery; chemicals; fabricated metal products; printing and publishing.

According to the Greater Cincinnati Chamber of Commerce in its Economic Outlook 2005, recovery has

slowed from the mild recession primarily due to overly optimistic projections of employment growth. During the past five years the unemployment rate in the Cincinnati PMSA rose from an initial low of 3.4% (2000) to a high of 5.1% (2004). Regional job growth is expected to be a modest 1.5% in 2005. Cincinnati's keys to successful recovery are in its ability to attract and maintain business and to reduce impact of loss of population and jobs to growing suburban areas.

Per the U.S. 2000 Census the population of the City of Cincinnati was 331,285. The 2003 updated population estimates made by the Census Bureau has the Cincinnati population at 317,361.

During the past three years, the City's expenses related to general government have increased \$17 million. A large portion of this increase can be attributed to health care costs that have risen 38% over the three year period. This increase reflects a national trend that has seen health care cost increase dramatically. Public safety expenses have increased 13.8% since 2002 due to increased costs for salaries and fringe benefits.

To spur growth in 2004, the Department of Community Development and Planning recommended and the City Council approved five Enterprise Zone project agreements worth \$45.2 million of new private investment that will create or retain 1,651 jobs within the City. The Department of Community Development also established five Job Creation/Income Tax Credit Agreements in 2004. These agreements will result in \$31.4 million of new private investment and will create or retain 575 jobs.

In September 2002 the Cincinnati City Council and the Hamilton County Board of Commissioners formally approved a revised funding plan for expanding and renovating the Convention Center in Cincinnati, which has been renamed the Cinergy Center. The plan included financial participation by the City, County, and the private sector. The existing Cinergy Center has 162,000 square feet of exhibit space and 82,000 square feet of meeting/ballroom space.

With the completion of the expansion, scheduled for June 2006, the Cinergy Center will have a total of 198,000 square feet of exhibit space and 103,000 square feet of meeting/ballroom space. The estimated cost of this expansion is \$145 million. According to Convention Sports and Leisure International, Inc., a consulting firm for the project, the expansion plan contains the essential components, necessary to accommodate 75% of the national market and have an incremental economic impact of \$122 million annually on the Greater Cincinnati region.

Long Term Financial Planning

City Council established standards for a minimum working capital reserve account in 1984 to assure a strong financial position and to protect Cincinnati's general obligation bond rating during periods of fiscal stress. The policy called for achievement of a minimum reserve level, for emergency needs of a catastrophic nature, of no less than 5% or more than 8% of general operating revenues by December 31, 1986. The targeted year-end reserve level was achieved in January of each year 1985 through 2004. For 2005, the target reserve of \$21.7 million (6.8% of 2005 estimated revenues) has already been achieved.

Actual Non-GAAP General Fund expenditures/encumbrances in 2004 were \$327.6 million; this is a \$12.9 million increase compared with a 2003 expenditure appropriation of \$314.7 million. Actual Non-GAAP revenue of \$315.1 million exceeded the original 2004 revenue estimate of \$313.9 million by \$1.2 million. A breakdown for the last ten years of General Fund (GAAP Basis) revenue by source and General Fund (GAAP Basis) expenditures by function can be found in the Statistical Section on page 147.

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

Relevant Financial Policies

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

The City utilizes a laddered approach to schedule investment maturities. By policy the weighted average maturity of the general investment portfolio shall not exceed two years. The weighted average maturity as of December 31, 2004 was 394 days.

The City's Investment Policy, which was approved by the Mayor and City Council, identifies a benchmark that is used to monitor the performance of the investment portfolio. During 2004, the benchmark ranged from 1.69% to 1.96% and the rate of return for general investments ranged from 2.12% to 2.66%. The rate of return on general investments was 2.22% compared to 2.85% for all investments in 2003.

The City's policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized. One hundred percent of the investments held by the City at December 31, 2004 are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

The City maintains a comprehensive all-risk property insurance program through a commercial carrier, covering approximately \$924 million in property values. The program contains a \$100,000 deductible, provides 100% replacement cost of property and has a maximum limit of \$100 million for earthquake damage and \$100 million for flood damage.

The City of Cincinnati Retirement System's (CRS) net plan assets increased from \$2.28 billion as of December 31, 2003 to \$2.38 billion as of December 31, 2004. The increase of more than \$100 million was generated by investment returns of 10.1% in 2004 on the total CRS investment portfolio. (See Pension Trust Fund financial statements on pages 30 and 31. See footnote 20.)

The Cincinnati Retirement System's actuary has reported that the funding progress of the plan as of 12/31/2004 remained relatively unchanged from the previous year at 94%. Although the retirement system is slightly under-funded, the City of Cincinnati has pre-funded not only the retirement system's pension liabilities but also its healthcare liabilities. Thus, the funding progress calculation accounts not only for the pension liabilities, but healthcare liabilities as well.

Major Initiatives

In 2004, the City continued to improve customer service throughout the 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 Cincinnati Center City Development Corporation (3CDC) is a private, non-profit corporation created in July 2003 to help develop Cincinnati's Center City as a regional center of high value employment and real estate, sustained by a diverse mix of housing, culture, and entertainment. It was created to increase the effectiveness and efficiency of development activities in the City as recommended by the Cincinnati Economic Development Task Force chaired by City Manager Valerie Lemmie and Fifth Third CEO George Schaefer.

3CDC's primary focus is implementation of real estate development projects and programs that strengthen the core assets of downtown. Over the past year, 3CDC has pursued four primary goals: a) establish the

organization; b) develop funding sources; c) create Working Groups focused on three priority areas: Fountain Square District, Over the Rhine and The Banks and d) launch value-added, strategic projects within each focus area. 3CDC has made significant progress on each of these goals. 3CDC works collaboratively with the City's Economic Development team and the Port of Greater Cincinnati Development Authority.

The City of Cincinnati has committed to invest \$100 million and 3CDC has committed to invest \$50 million over five years to support Center City Plan projects.

Over the Rhine (OTR), located just north of downtown, is home to a number of regional destinations such as Music Hall, the Ensemble Theatre, and the Pendleton Arts Center. The OTR Comprehensive Plan, addressing the area's 5,200 habitable housing units, 12 city operated parks, four public and three private schools, as well as 350 businesses, was completed in 2002. The Cincinnati Housing Development Fund has committed \$4.5 million to OTR housing development. Condominium sales and development in OTR are escalating. Improving the economy of Over the Rhine is a major focus of the plan, which includes improving economic conditions for the people in the neighborhood as well as the climate for doing business and investing money.

Cincinnati City Council has committed \$10 million between 2003 and 2007 to support implementation of the plan and has appropriated \$2 million for 2003 and \$2 million for 2004. These funds will be used to provide incentives for significant housing and retail/commercial development projects and augment over \$3.7 million in City support for building facade grants and streetscape improvements that are still being implemented.

The Greater Cincinnati Water Works (GCWW) provides water and water related services within the City of Cincinnati, 90% of Hamilton County that is outside of the City, and portions of Butler, Warren and Clermont Counties. GCWW is responsible for the complete administration, operation, maintenance, and capital planning for the entire service area, which is approximately 400 square miles. The system supplies approximately 49 billion gallons of water a year through 3,000 miles of water mains to more than 235,000 residential and commercial accounts representing more than 1,000,000 consumers within the service area.

Water Works agreed to supply Boone County and the City of Florence in Northern Kentucky with drinking water. In December of 2001, crews began drilling a tunnel 40 feet below the Ohio River bed for the 36-inch water main that will eventually provide 60,000 Southern customers with water services. The City began providing water to Boone County in March 2003. The tunnel is the largest interstate transfer of water in the country, pumping 30 million gallons of water to Kentucky each day.

In May 2004, GCWW entered into a ten-year agreement with County Commissioners of Butler County Ohio to provide customer services (call center) and billing services (water, sewer, and fire protection) for the Butler County Department of Environmental Services (BCDES). In addition, GCWW negotiated a separate sixth amendment to the Butler County Water Area Contract in July 2004 to provide additional wholesale water service and extension of the original contract through 2025. The required capital improvement cost is being recaptured by a combination of direct monthly repayment from BCDES and in the rates charged for usage.

GCWW continues to actively pursue core services we can provide for other governmental organizations. Since 2003 GCWW added the City of Woodlawn and the City of Silverton Ohio (Solid Waste Collection billing services), the City of Lincoln Heights Ohio (Fire Hydrant Maintenance repair and billing services) and Amberley Village Ohio (Stormwater billing services).

Awards and Acknowledgements

Certificate of Achievement and Budget Award

During 2004, 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 CAFR for the fiscal year ended December 31, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a one-year period.

This is the twenty-fourth consecutive year that the City has received this award. In 1979, for our 1978 annual financial report, we were the first governmental unit in Ohio to receive the Certificate. As of December 31, 2003, 117 municipal reporting entities in Ohio and only 1,662 units nationwide are holders of the Certificate. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for their review.

We are equally proud of the GFOA's Award for Distinguished Budget Presentation earned by the City for our 2003/2004 biennial budget. This is the 17th consecutive year that the City has received this award. For the fiscal years beginning in 2003, only 24 entities in Ohio and only 954 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,



William E. Moller
Director of Finance

CERTIFICATE OF ACHIEVEMENT

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cincinnati,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

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.



Nancy L. Zjella

President

Jeffrey R. Emer

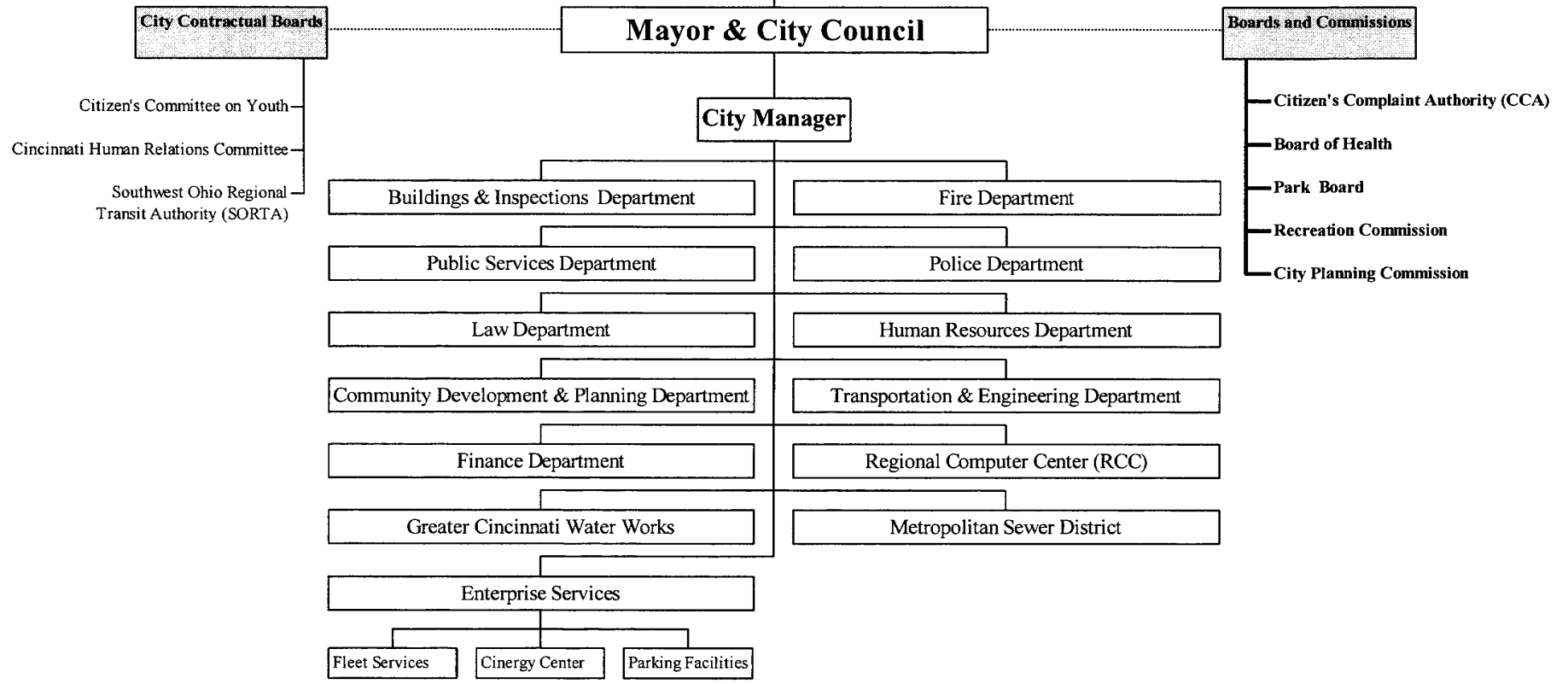
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cincinnati, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2003.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Cincinnati has received a Certificate of Achievement for the last twenty-four consecutive years (fiscal years ended 1980 - 2003). We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Citizens of Cincinnati



CITY OF CINCINNATI, OHIO

Principal City Officials

CITY COUNCIL

Charles J. Luken, Mayor
First term

Alicia Reece, Vice Mayor, third term
Y. Laketa Cole, first term
John Cranley, second term
David Crowley, second term
Sam Malone, first term

Chris Monzel, first term
David Pepper, second term
Christopher Smitherman, first term
James R. Tarbell, third term

CITY MANAGER

Valerie A. Lemmie

(This page intentionally left blank.)

2004

FINANCIAL SECTION



CASTLE OF AIR PAVILION BY GERMAN ARCHITECT PETER HAIMERL AT THE THEODORE M. BERRY INTERNATIONAL FRIENDSHIP PARK

© Cincinnati Parks



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cincinnati, Ohio ("City") as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units*; and Governmental Accounting Standards Board Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as of January 1, 2004.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3-14 and 75-76, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary information listed in the table of contents, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 10, 2005

City of Cincinnati

Management's Discussion and Analysis

As management of the City of Cincinnati (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2004. 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 v - x of this report. The government-wide financial statements are presented on a GAAP basis; that is they reflect accrual basis of accounting. The GAAP fund financial statements will differ from those presented on a budgetary basis.

Financial Highlights

- The assets of the City, including all Governmental and Business-type activities, exceeded its liabilities at the close of the most recent fiscal year by \$1.5 billion (net assets). Of this amount, \$120.6 million is considered unrestricted. The unrestricted net assets of the City's governmental activities are \$44.7 million and may be used to meet the government's on-going obligations. The unrestricted net assets of the City's business type activities are \$75.9 million and may be used to meet the on-going obligations of the City's water, parking, convention center, stormwater, aviation and golf business-type activities. Unrestricted net assets do not include assets with externally imposed restricted or restriction imposed by law. They do include assets that are obligated but not paid such as encumbrances and on-going projects.
- The City's total net assets increased \$63.8 million in 2004. Net assets of the governmental activities increased by \$1.7 million which represents a 0.2 percent increase from the 2003 balance. Net assets of business-type activities increased \$62.1 million or 9.5 percent increase from 2003. Governmental activities investment in capital assets, net of related debt increased \$78.3 million. Governmental activities restricted assets decreased \$35.1 million. Business-type activities investment in capital assets, net of related debt increased \$72.8 million. Business-type activities restricted assets decreased \$1.4 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$325.5 million, a decrease of \$24.8 million in comparison with the prior year as restated. On a combined basis approximately 46.9 percent, \$152.8 million, is considered unreserved at December 31, 2004. Unreserved fund balance includes \$87.9 million for capital projects.
- At the end of the current fiscal year, the general fund reported a fund balance of \$61.4 million. The unreserved fund balance for the general fund was \$48.5 million, or 15.2 percent of the total general fund expenditures. There was a \$4.0 million decrease in general fund balance for the year ended December 31, 2004.
- The City's total debt decreased by \$26.3 million (4.2 percent) during the current fiscal year.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 17 to 19 of this report.

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

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus revenue and expenses are reported in this statement for some

items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

Both of the government-wide financial statements (statement of net assets and statement of activities) distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, community development, parks and recreation, public safety, transportation and engineering, enterprise services, public services, and public health. The business-type activities of the City include the Water Works, Parking Facilities, Cinergy 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 20 to 24 of this report.

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

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

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

Proprietary funds. The City maintains two different types of proprietary funds - enterprise and internal service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water works, parking facilities, convention center, municipal airport, municipal golf courses, and stormwater management system. *Internal service funds* are an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds for its printing services, general stores operation, municipal garage, property management function, self-insurance medical fund, workers' compensation fund, and regional computer center. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 25 to 29 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* elsewhere in this report.

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

The basic fiduciary fund financial statements can be found on pages 30 and 31 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 to 72 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 Budgetary Comparison of the City's General Fund. Required supplementary information can be found on pages 73 to 76 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 77 to 136 of this report.

CITY OF CINCINNATI'S Net Assets

(AMOUNTS IN THOUSANDS)

	Governmental Activities		Business-type Activities		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Current and other assets	\$539,819	\$585,528	\$127,038	\$184,739	\$666,857	\$770,267
Capital assets	<u>859,122</u>	<u>805,405</u>	<u>864,246</u>	<u>767,451</u>	<u>1,723,368</u>	<u>1,572,856</u>
Total Assets	1,398,941	1,390,933	991,284	952,190	2,390,225	2,343,123
Long-term liabilities outstanding	377,772	350,900	223,800	242,056	601,572	592,956
Other liabilities	<u>222,847</u>	<u>243,392</u>	<u>49,112</u>	<u>53,886</u>	<u>271,959</u>	<u>297,278</u>
Total liabilities	600,619	594,292	272,912	295,942	873,531	890,234
Net assets:						
Invested in capital assets, net of						
Related debt	612,373	534,066	639,500	566,748	1,251,873	1,100,814
Restricted	141,202	176,263	3,004	4,452	144,206	180,715
Unrestricted	<u>44,747</u>	<u>86,312</u>	<u>75,868</u>	<u>85,048</u>	<u>120,615</u>	<u>171,360</u>
Total net assets	<u>\$798,322</u>	<u>\$796,641</u>	<u>\$718,372</u>	<u>\$656,248</u>	<u>\$1,516,694</u>	<u>\$1,452,889</u>

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City assets exceeded liabilities by \$1.5 billion at the close of the most recent fiscal year.

The largest portion of the City's net assets \$1.3 billion (82.5 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, because the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets \$144.2 million (9.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance \$120.6 million (8.0 percent) represents *unrestricted net assets* and may be used to meet the government's ongoing obligations to citizens and creditors. It is important to note that although the total unrestricted net assets is \$120.6 million, the unrestricted net assets of the City's business-type activities (\$75.9 million) may not be used to fund governmental activities.

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

Overall net assets of the City increased \$63.8 million in 2004. Net assets for governmental activities increased \$1.7 million, while net assets of business-type activities increased \$62.1 million.

There was a decrease of \$35.1 million in restricted net assets reported in connection with the City's governmental activities and a \$1.5 million decrease in restricted net assets the City's business-type activities. The key factors in these changes were the expenditures of funds restricted for capital projects that were funded by prior year bond sales and a decrease in revenue from grants.

The City's governmental activities amount invested in capital assets, net of related debt, increased \$78.3 million as bond proceeds and capital grants were used to complete certain capital projects during 2004. The City's business-type activities amount invested in capital assets, net of related debt, increased \$72.8 million.

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

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program Revenues:						
Charges for Services	\$ 129,490	\$ 111,474	\$ 117,892	\$ 113,443	\$ 247,382	\$ 224,917
Operating Grants and Contributions	43,405	53,721			43,405	53,721
Capital Grants and Contributions	16,834	27,323	43,028	12,190	59,862	39,513
General Revenues:						
Property Taxes	67,614	68,040			67,614	68,040
Income Taxes	261,712	259,488			261,712	259,488
Admission Taxes	3,890	4,075			3,890	4,075
Shared Taxes	72,162	68,018			72,162	68,018
Occupancy Taxes	1,810	1,449	1,092	1,019	2,902	2,468
Unrestricted Investment Earnings	11,252	11,199	2,272	2,396	13,524	13,595
Miscellaneous	105	52	4,129	4,780	4,234	4,832
Loss on disposal of assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>(372)</u>	<u>0</u>	<u>(372)</u>
Total Revenues	608,274	604,839	168,413	133,456	776,687	738,295
Expenses:						
General Government	119,686	115,988			119,686	115,988
Community Development	60,367	65,028			60,367	65,028
Parks and Recreation	37,033	35,496			37,033	35,496
Public Safety	205,338	192,370			205,338	192,370
Transportation and Engineering	30,529	25,378			30,529	25,378
Enterprise Services	37,038	35,558			37,038	35,558
Public Services	46,477	44,662			46,477	44,662
Public Health	42,437	40,844			42,437	40,844
Interest on long-term debt	18,516	17,618			18,516	17,618
Water Works			88,095	84,142	88,095	84,142
Parking Facilities			6,845	7,416	6,845	7,416
Convention Center			7,057	7,117	7,057	7,117
General Aviation			1,922	2,083	1,922	2,083
Municipal Golf			5,820	6,282	5,820	6,282
Stormwater Management			5,722	5,829	5,722	5,829
Total Expenses	597,421	572,942	115,461	112,869	712,882	685,811
Change in net assets before transfers	10,853	31,897	52,952	20,587	63,805	52,484
Transfers	<u>(9,172)</u>	<u>(302)</u>	<u>9,172</u>	<u>302</u>	<u> </u>	<u> </u>
Change in net assets	1,681	31,595	62,124	20,889	63,805	52,484
Net assets – January 1 st	<u>796,641</u>	<u>765,046</u>	<u>656,248</u>	<u>635,359</u>	<u>1,452,889</u>	<u>1,400,405</u>
Net assets – December 31 st	<u>\$ 798,322</u>	<u>\$ 796,641</u>	<u>\$ 718,372</u>	<u>\$ 656,248</u>	<u>\$ 1,516,694</u>	<u>\$ 1,452,889</u>

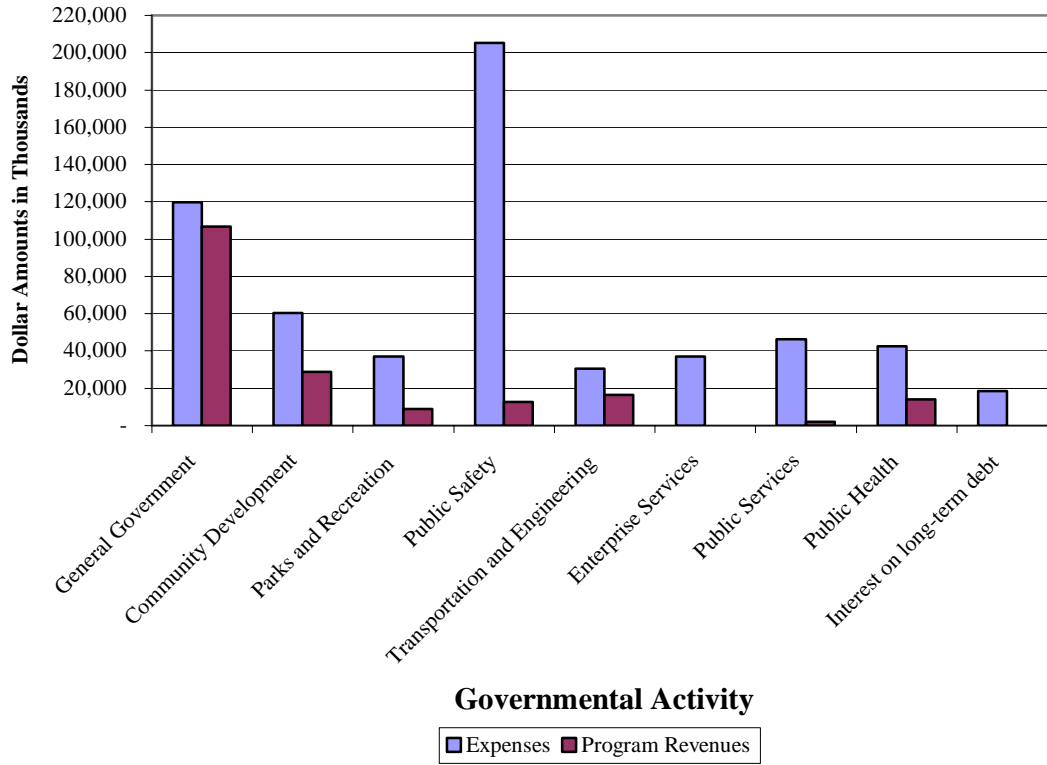
Governmental activities. Governmental activities increased the City's net assets in 2004 by \$1.7 million, thereby accounting for a 0.2 percent increase in the net assets of the City. Key elements of the change in net assets include:

- Operating grants and contributions decreased by \$10.3 million. The Community Development Department is no longer applying for Workforce Development Funding. The amount of the entitlement from the Empowerment Zone grants continued to decrease through 2004. CDBG revenues were down as expenditures for the year were down.
- Capital grants and contributions decreased \$10.4 million. One time grants for projects such as the Fort Washington Way street reconfiguration and the Findlay Market renovation received in 2003 were not received in 2004.
- Expenditures for Public Safety increased by \$13.0 million. This is attributable to increased costs for salaries and fringe benefits.
- Expenses for General Government Activities increased by \$3.7 million. Contributing to this is an increase in expenses for the self-insurance medical fund related to external parties (MSD and Retirement).
- Income Tax revenues increased moderately by \$2.2 million.
- Shared tax revenue increased \$4.1 million.
- General government charges for services increased by \$18.0 million. Charges to the self-insurance medical fund related to external parties (MSD and Retirement) for health care increased \$5.5 million. The City's Bond Retirement Fund received a lease payment of \$15.5 million from the Convention Facilities Authority of Hamilton County, Ohio (CFA). This payment was used to retire a Bond Anticipation Note issued by the City of Cincinnati to fund the expansion and renovation of the Cinergy Center. Non-grant revenue received by capital projects decreased \$2.6 million.

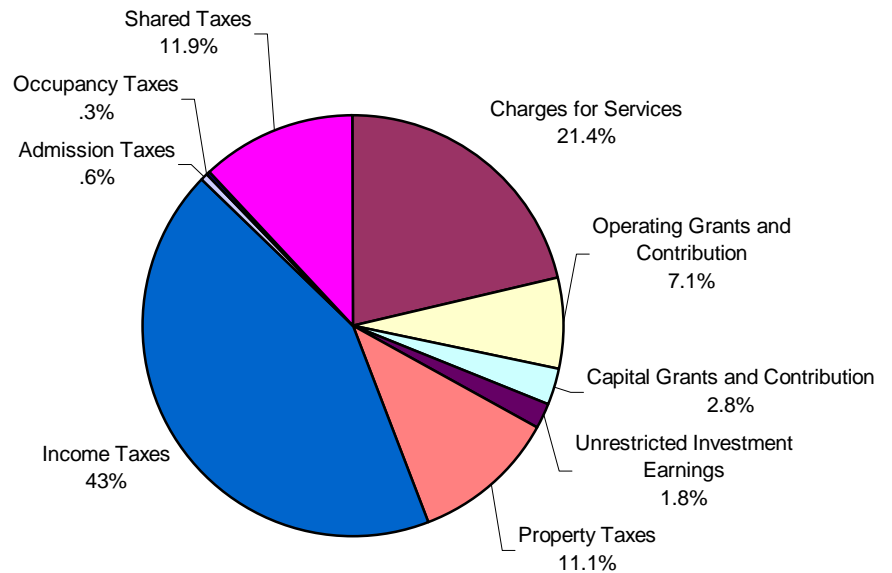
Business-type activities. Business-type activities increased the City's net assets in 2004 by \$62.1 million, accounting for all of the growth in the government's net assets. Key elements of the increase include:

- Capital contributions in the amount of \$43 million were received and includes:
 - \$38 million for the renovation and expansion of the Cinergy Center (formerly Cincinnati Convention Center).
 - Contributions of water mains to Water Works for \$5 million.
- Charges for Services increased \$4.5 million
- Water Works expenditures increased \$4.0 million. This is primarily to increased costs for salaries and fringe benefits.

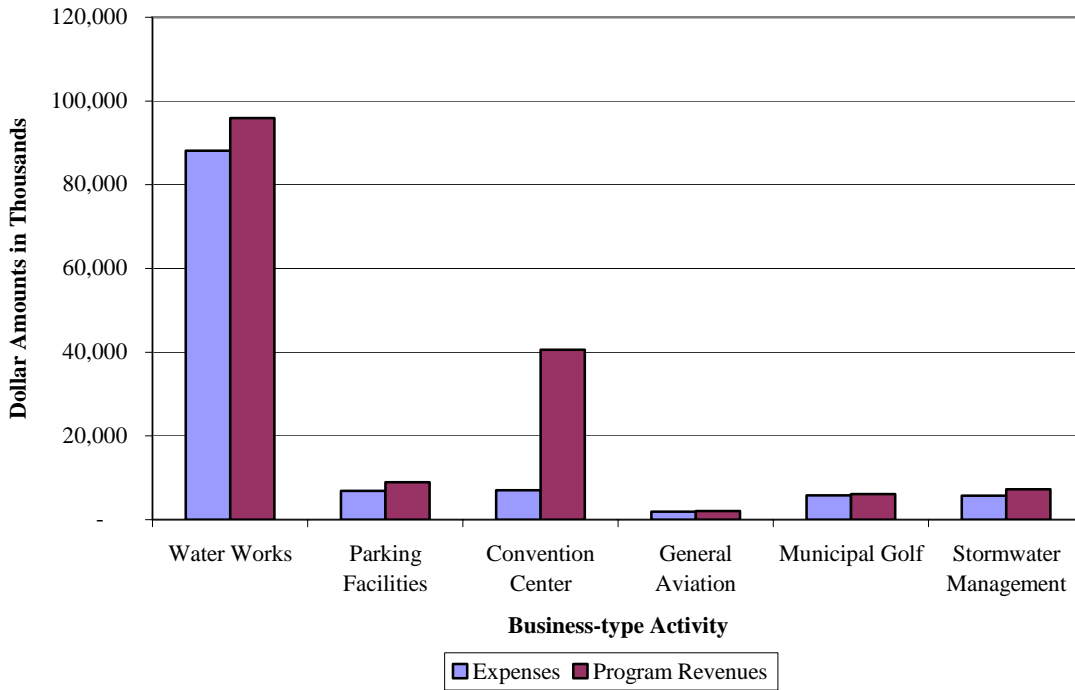
Expenses and Program Revenues - Governmental Activities



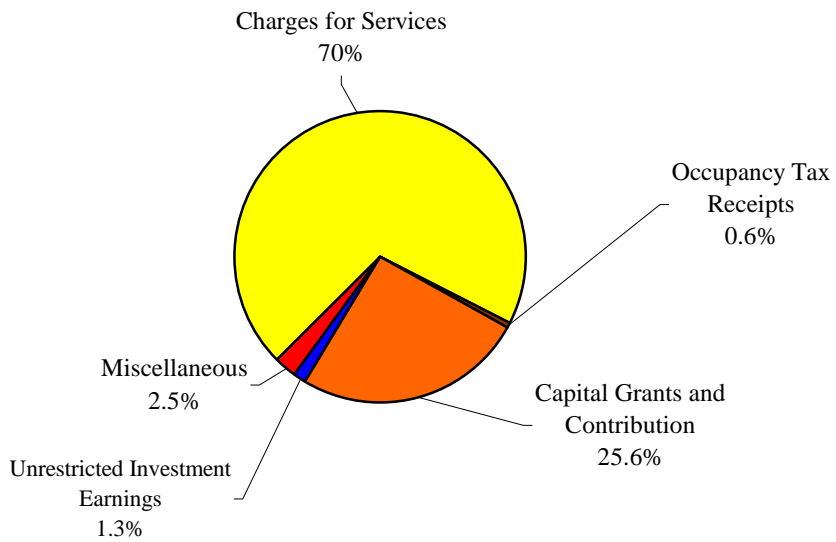
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$325.5 million, a decrease of \$24.8 million in comparison with the prior year. Approximately 46.9 percent or \$152.8 million of this total amount constitutes *unreserved fund balance*, which is available for spending. The remainder of the fund balance is reserved to indicate that it is not available for spending because it has already been committed for encumbrances, working capital, inventory, and advances to other funds.

The general fund is the primary operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$48.5 million, while total fund balance reached \$61.4 million. As a measure of the general fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 15.2 percent of total general fund expenditures, while total fund balance represents 19.2 percent of that same amount.

The fund balance of the City's general fund decreased by \$4.0 million during the current fiscal year. Key factors of the decrease are as follows:

- Total revenues increased by only \$9.6 million in 2004.
 - Taxes increased by \$6.8 million attributable to an increase in receivables of \$4.4 million, an increase in Income Tax revenue of \$4.4 million and a decrease in Property Tax revenue of \$2.0 million
 - Charges for services increased \$2.8 million primarily due to increased collections for Emergency Medical Services and False Alarms charges.
- Expenditures for Public Safety increased by \$7 million due to increases in salaries and fringe benefits.
- Expenditures for Employee Benefits increased \$7.0 million primarily due to an increase in Health Care of \$4.8 million and an increase in Pension costs of \$2.7 million.

The capital projects fund has a total fund balance of \$153.6 million, which is a decrease of \$10.2 million over 2003. Key factors of the decrease are as follows:

- Decrease in capital grants of approximately \$4.3 million as the Fort Washington Way street relocation project was completed.
- Intergovernmental revenue decreased \$5.1 million in 2004. In 2003 funds were received from Hamilton County largely due to the Fort Washington Way street relocation project. No funds were received from Hamilton County in 2004 for this project.
- Expenditures increased \$11.0 million as construction began on the Mount Washington Recreation Center and the Police Safety Communications Center.

The debt service fund has a total fund balance of \$44.2 million that is reserved for the payment of debt service. The net decrease in fund balance was \$9.3 million. Key factors of the decrease are as follows:

- Use of Property and Money increased \$15.0 million due to a payment received from the Convention Facilities Authority of Hamilton County, Ohio for the payment on a Bond Anticipation Note issued for the Cinergy Center Expansion and Renovation.
- Payment on principal and interest for Debt Service decreased \$3.3 million.

- Economic Development revenue bonds in the amount of \$20.5 million were sold in 2003. No revenue bonds were issued in 2004.

Proprietary funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water Works at the end of the year total \$43.9 million, and the total for the other enterprise funds is \$26.8 million. The total growth in net assets for the Water Works fund was \$15.3 million and the growth in net assets for the other enterprise funds was \$48.5 million. Other factors concerning the finances of these funds have been addressed in the discussion of the City’s business-type activities.

General Fund Budgetary Highlights

The final amended General Fund budget had total appropriations of approximately \$1.2 million more than the original budget. The original appropriations were \$329.6 million while the final appropriations were \$330.8 million. Key elements of the changes in appropriation include:

- \$502,000 appropriation increase for non-union cost-of-living salary increases.
- \$25,000 appropriation increase for Cincy Blues Fest ‘04.
- \$625,000 appropriation increase to the Fire Department’s personnel budget

The increases were funded from transfers in from other funds and available fund balance. All other changes in appropriations were due to transfers among agencies and were within the original approved budget.

Capital Asset and Debt Administration

Capital Assets. The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2004, amounts to \$1.7 billion (net of accumulated depreciation). This investment in capital assets includes land, 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 9.6 percent (a 6.6 percent increase for governmental activities and 12.6 percent increase for business-type activities).

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

(AMOUNTS IN THOUSANDS)

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 153,339	\$ 159,691	\$ 39,173	\$ 25,336	\$ 192,512	\$ 185,027
Buildings	55,160	59,558	151,103	151,879	206,263	211,437
Improvements	137,961	120,665	396,304	368,579	534,265	489,244
Machinery and Equipment	64,202	51,217	85,186	80,837	149,388	132,054
Infrastructure	307,604	289,026			307,604	289,026
Construction in Progress	140,822	125,203	192,480	140,641	333,302	265,844
Property Acquired under Capital Leases	<u>34</u>	<u>45</u>	<u>0</u>	<u>179</u>	<u>34</u>	<u>224</u>
Total	<u>\$ 859,122</u>	<u>\$ 805,405</u>	<u>\$ 864,246</u>	<u>\$ 767,451</u>	<u>\$1,723,368</u>	<u>\$1,572,856</u>

Total capital assets, net of accumulated depreciation, increased \$150.5 million. Major capital asset events during 2004 included the following:

- Governmental activities capital assets increased \$53.7 million in 2004 net of depreciation and included:
 - Findlay Market improvements of \$6.0 million
 - Recreation renovations of \$4.9 million
 - Community Development miscellaneous projects of \$3.7 million
 - CHRIS (payroll system) upgrade of \$4.4 million
 - Facility renovations of \$5.0 million
 - Depreciation for improvements of \$7.3 million
 - Construction in Progress increased \$15.6 million.
 - Infrastructure improvement for bridges, Fort Washington Way, retaining walls, traffic signal upgrades and street improvements and upgrades increased by \$18.6 million (Net of Depreciation).
 - Machinery and Equipment increased \$13 million (Net of Depreciation).
 - Buildings decreased \$4.4 million (Net of Depreciation).
 - Land decreased \$6.4 million.

- Business-type activities capital assets increased \$96.8 million net of depreciation and included:
 - Improvements to water utilities increased by \$27.8 million.
 - Construction in progress for water utilities increased by \$22.2 million.
 - Land purchases for the Cinergy Center increased Land by \$10.8 million.
 - Construction in progress for the Cinergy Center renovation and expansion increased \$29.7 million
 - Parking Facilities Land increased by \$3.2 million and Buildings increased by \$5.8 million for completion of the Broadway Garage which was offset by a decrease to Construction in Progress
 - Machinery and Equipment increased \$4.0 million (Net of Depreciation).
 - Depreciation for Buildings of \$8.0 million.

Additional information on the City's capital assets can be found in note 14 on pages 57 to 59 of this report.

Long-term debt. At the end of the current fiscal year, the City had \$603.5 million in short and long-term bonds and notes outstanding. Of this amount, \$375.3 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		Business-type		Total	
	Activities		Activities			
	2004	2003	2004	2003	2004	2003
General Obligation						
Bonds & Notes	\$ 318,144	\$ 324,472	\$ 57,158	\$ 67,845	\$ 375,302	\$ 392,317
Revenue Bonds	<u>35,852</u>	<u>38,140</u>	<u>192,300</u>	<u>199,310</u>	<u>228,152</u>	<u>237,450</u>
Total	<u>\$ 353,996</u>	<u>\$ 362,612</u>	<u>\$ 249,458</u>	<u>\$ 267,155</u>	<u>\$ 603,454</u>	<u>\$ 629,767</u>

The City's total debt decreased by \$26.3 million (4.2 percent) during the current fiscal year. Key events contributing to the change in long-term debt balances are as follows:

- In May 2004 the City issued \$44.4 million various purpose general obligation bonds. Of the amount issued \$36.5 was for street, public building and equipment improvements and \$7.9 was for refunding of bonds.
- In May 2004 the City issued \$9.26 million various purpose general obligation bonds for parking, commercial and residential improvements.
- During 2004 \$51.3 million in general long-term bond obligations were redeemed. Of the amounts redeemed, \$13.6 million in general obligation bonds was for business-type activities.
- During 2004 \$9.3 million in revenue bonds were redeemed of which \$7 million was for business-type activities.
- A Bond Anticipation Note issued for the Cinergy Center Expansion and Renovation in the amount of \$15.4 million was redeemed.

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

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. The City had a legal debt margin for total debt of \$387.4 million and a legal debt margin for unvoted debt of \$97.9 million.

Additional information about the City's long-term debt can be found in note 9 on pages 50-54 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Cincinnati PMSA was 5.1 percent at December 2004, which is the same as a year ago. This compares favorably to the State's average unemployment rate of 6.0 percent and the national average rate of 5.5 percent.
- The occupancy rate of the central business district Class A office space was 92 percent at the end of 2004 compared to a 88 percent occupancy rate at the end of 2003.
- 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 2005.

The General Fund balance is estimated to be \$6.7 million, on a budgetary basis, at the end of 2005. This is a reduction of \$4.8 million from the 2004 actual year-end fund balance of \$11.5 million. The reduction is primarily due to increased cost associated with the following: employer contributions to the City Retirement System, employer contributions for employee healthcare, the approved Police labor contract and approved Fire labor contract.

Consistent with previously planned rate increases and the 2005/2006 Approved Budget, the Water Works plans a 5% rate increase in 2005 and a 7.5% increase in 2006. Rate increases will support water service and capital replacement, maintain sufficient debt service coverage ratios, and provide an adequate fund balance necessary to maintain the current bond rating.

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**

(This page intentionally left blank.)

CITY OF CINCINNATI, OHIO

Statement of Net Assets

December 31, 2004

(Amounts in Thousands)

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS:			
<u>Current</u>			
Cash and Equivalents	\$ 3,829	\$ 420	\$ 4,249
Equity in City Treasury Cash	189,791	24,762	214,553
Advances and Petty Cash	96		96
Investments, at Fair Value	51,145		51,145
Receivables:			
Taxes	106,238	118	106,356
Accounts, Net	4,126	16,792	20,918
Special Assessments	7,554		7,554
Accrued Interest and Dividends	1,909	346	2,255
Due from Fiduciary Activities	934	59	993
Due from Other Governments	31,696	10,593	42,289
Prepaid Items	1,830	312	2,142
Inventory	4,589	3,723	8,312
Restricted Assets:			
Cash and Cash Equivalents		18,695	18,695
Equity in City Treasury Cash		4,648	4,648
Internal Balances	(22,203)	22,203	
<u>Noncurrent</u>			
Equity in City Treasury Cash - long term	157,084	20,506	177,590
Restricted Equity in City Treasury Cash		3,841	3,841
Accounts Receivable, Net		20	20
Deferred Charges	1,201		1,201
Land	153,339	39,173	192,512
Buildings, net of Accumulated Depreciation	55,160	151,103	206,263
Improvements, net of Accumulated Depreciation	137,961	396,304	534,265
Machinery and Equipment, net of Accumulated Depreciation	64,202	85,186	149,388
Construction in Progress	140,822	192,480	333,302
Property Acquired under Capital Leases, net of Accumulated Amortization	34		34
Infrastructure Assets, net of Accumulated Depreciation	307,604		307,604
TOTAL ASSETS	<u>\$ 1,398,941</u>	<u>\$ 991,284</u>	<u>\$ 2,390,225</u>

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

CITY OF CINCINNATI, OHIO

Statement of Net Assets

December 31, 2004

(Amounts in Thousands)

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
LIABILITIES			
<u>Current</u>			
Accounts Payable	\$ 26,186	\$ 2,314	\$ 28,500
Withholdings and Other Deposits	6,522		6,522
Due to Fiduciary Activities	565	275	840
Due to Other Governmental Agencies		494	494
Accrued Payroll	12,520	1,763	14,283
Accrued Liabilities	7,692	603	8,295
Accrued Interest	1,857	304	2,161
Deposits Payable	5,242	17	5,259
Unearned Revenue	72,727	5,871	78,598
Obligations under Capital Leases	29		29
Compensated Absences Payable	32,423	3,267	35,690
Unpaid Claims	15,331	88	15,419
Ohio Public Works Commission Loan		25	25
Matured Bonds and Interest Payable	601		601
General Obligation Bonds and Notes Payable	33,612	23,590	57,202
Revenue Bonds Payable	2,403	7,240	9,643
Other	476		476
Advances from Other Governments	4,661		4,661
Payable from Restricted Assets:			
Construction Contracts		2,725	2,725
Deposits Payable		536	536
<u>Noncurrent</u>			
Non-Current Obligations under Capital Leases	59		59
General Obligation Bonds and Notes Payable	284,532	33,568	318,100
Revenue Bonds Payable	33,449	185,060	218,509
Compensated Absences Payable - Long Term	41,961	3,822	45,783
Deferred Bond Premium	3,926		3,926
Other	354	400	754
Ohio Public Works Commission Loan		950	950
Unpaid Claims Payable - Long Term	13,491		13,491
TOTAL LIABILITIES	600,619	272,912	873,531
NET ASSETS			
Invested in capital assets, net of related debt	612,373	639,500	1,251,873
Restricted for:			
Debt Service	41,547	3,004	44,551
Capital Projects	54,467		54,467
Other Purposes	36,949		36,949
Permanent Funds			
Expendable	485		485
Nonexpendable	7,754		7,754
Unrestricted	44,747	75,868	120,615
TOTAL NET ASSETS	\$ 798,322	\$ 718,372	\$ 1,516,694

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

City of Cincinnati, Ohio
Statement of Activities
For the year ended December 31, 2004
(Amounts in Thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 119,686	\$ 101,089	\$ 4,218	\$ 1,508	\$ (12,871)		\$ (12,871)
Community Development	60,367	1,041	27,529	146	(31,651)		(31,651)
Parks and Recreation	37,033	6,726	2,093	139	(28,075)		(28,075)
Public Safety	205,338	9,281	3,537		(192,520)		(192,520)
Transportation and Engineering	30,529	1,278		15,041	(14,210)		(14,210)
Enterprise Services	37,038				(37,038)		(37,038)
Public Services	46,477	2,066			(44,411)		(44,411)
Public Health	42,437	8,009	6,028		(28,400)		(28,400)
Interest on long-term debt	18,516				(18,516)		(18,516)
Total governmental activities	597,421	129,490	43,405	16,834	(407,692)		(407,692)
Business type activities:							
Water Works	88,095	90,877		5,063		\$ 7,845	7,845
Parking Facilities	6,845	8,969				2,124	2,124
Convention Center	7,057	2,841		37,772		33,556	33,556
General Aviation	1,922	1,901		175		154	154
Municipal Golf	5,820	6,080				260	260
Stormwater Management	5,722	7,224		18		1,520	1,520
Total Business-type activities	115,461	117,892		43,028		45,459	45,459
Total	\$ 712,882	\$ 247,382	\$ 43,405	\$ 59,862	(407,692)	45,459	(362,233)
General Revenues:							
Taxes:							
Property taxes					67,614		67,614
Income taxes					261,712		261,712
Admission taxes					3,890		3,890
Shared taxes					72,162		72,162
Occupancy taxes					1,810	1,092	2,902
Unrestricted investment earnings					11,252	2,272	13,524
Miscellaneous					105	4,129	4,234
Transfers between governmental and business-type activities					(9,172)	9,172	
Total general revenues, miscellaneous, and transfers					409,373	16,665	426,038
Change in net assets							
Net assets-beginning					1,681	62,124	63,805
					796,641	656,248	1,452,889
Net assets-ending					\$ 798,322	\$ 718,372	\$ 1,516,694

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

CITY OF CINCINNATI, OHIO
Balance Sheet
Governmental Funds
December 31, 2004
(Amounts in Thousands)

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Equivalents	\$	\$	\$ 1	\$ 3,828	\$ 3,829
Equity in City Treasury Cash	55,305	134,463	40,054	55,457	285,279
Advances and Petty Cash	96				96
Investments, at Fair Value		40,076	2,639	8,430	51,145
Receivables:					
Taxes	54,996	5,244	39,089	6,909	106,238
Accounts, Net	3,040	32		414	3,486
Special Assessments	337	84		7,133	7,554
Accrued Interest and Dividends	1,276	169	240	7	1,692
Due from Other Funds	491	1,168		288	1,947
Due from Other Governments	16,022	10,001		5,490	31,513
Inventory	2,173	615		408	3,196
Advances to Other Funds	302			3,228	3,530
	<u>134,038</u>	<u>191,852</u>	<u>82,023</u>	<u>91,592</u>	<u>499,505</u>
Total Assets	<u>\$ 134,038</u>	<u>\$ 191,852</u>	<u>\$ 82,023</u>	<u>\$ 91,592</u>	<u>\$ 499,505</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 4,029	\$ 12,280	\$ 12	\$ 3,870	\$ 20,191
Withholdings and Other Deposits	6,522				6,522
Due to Other Funds	1,923	1,265	1	453	3,642
Accrued Payroll	10,403		7	1,518	11,928
Accrued Liabilities	1,018			2,367	3,385
Deposits Payable	3,094		429	1,641	5,164
Deferred Revenue	39,870	3,025	36,733	12,626	92,254
Estimated Liability for Unpaid Claims	584			8	592
Advances from Other Funds	521	21,723		2,832	25,076
Advances from Other Governments	4,641				4,641
Matured Bonds and Interest Payable			601		601
	<u>72,605</u>	<u>38,293</u>	<u>37,783</u>	<u>25,315</u>	<u>173,996</u>
Total Liabilities	<u>72,605</u>	<u>38,293</u>	<u>37,783</u>	<u>25,315</u>	<u>173,996</u>
Fund Balances:					
Reserved for:					
Advances and Petty Cash	96				96
Encumbrances	10,323	43,352		31,098	84,773
Accordance with Trusts				7,754	7,754
Working Capital		21,667			21,667
Advances to Other Funds	302			3,228	3,530
Inventory	2,173	615		408	3,196
Compensated Absences				7,433	7,433
Debt Service			44,240		44,240
Unreserved, reported in:					
General Fund - Undesignated	47,039				47,039
General Fund - Designated for Int. Service Funds	1,500				1,500
Capital Projects		87,925			87,925
Special Revenue Funds - Undesignated				10,871	10,871
Special Revenue Funds - Designated for Contingencies				5,000	5,000
Permanent Funds				485	485
	<u>61,433</u>	<u>153,559</u>	<u>44,240</u>	<u>66,277</u>	<u>325,509</u>
Total Fund Balances	<u>61,433</u>	<u>153,559</u>	<u>44,240</u>	<u>66,277</u>	<u>325,509</u>
Total Liabilities and Fund Balances	<u>\$ 134,038</u>	<u>\$ 191,852</u>	<u>\$ 82,023</u>	<u>\$ 91,592</u>	<u>\$ 499,505</u>

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

CITY OF CINCINNATI, OHIO
Reconciliation of the Balance Sheet to the
Statement of Net Assets
Governmental Funds
December 31, 2004
(Amounts in Thousands)

Total fund balances - governmental funds	\$	325,509
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		859,122
Certain receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		21,287
Prepaid items		217
Some amounts reported for governmental-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.		(5,123)
Seven internal service funds are used by the City's management. The assets and liabilities of the internal service funds are included with governmental activities. The net property of \$39,980 as it relates to the internal service funds is included in the capital asset amount above.		34,394
Bond issue costs and discounts are expended in the fund level financial statements but are capitalized and amortized over the life of the bonds in the government-wide financial statements. This is the unamortized portion of those issue costs and discounts.		1,201
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:		
Bonds and notes payable		(318,144)
Revenue bonds payable		(35,852)
Deferred bond premium		(3,926)
Compensated absences		(72,272)
Unpaid claims payable		(5,344)
Accrued interest on bonds		(1,857)
Other liability		(830)
Capital leases payable		(60)
		(318,144)
Total net assets - - governmental activities (page 18)	\$	798,322

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

City of Cincinnati, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2004
(Amounts in Thousands)

	General	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 227,911	\$ 22,257	\$ 36,774	\$ 52,808	\$ 339,750
Licenses and Permits	6,355			3,489	9,844
Use of Money and Property	8,767	603	36,115	4,047	49,532
Special Assessments		51		3,867	3,918
Intergovernmental Revenue	55,907	5	3,162	13,021	72,095
Federal Grants		8,666		31,677	40,343
State Grants and Subsidies		7,975		958	8,933
Charges for Current Services	15,025	112		11,346	26,483
Miscellaneous	1,411	5,123		8,128	14,662
Total Revenue	<u>315,376</u>	<u>44,792</u>	<u>76,051</u>	<u>129,341</u>	<u>565,560</u>
EXPENDITURES					
Current					
General Government	39,807		726	11,548	52,081
Community Development	8,466		10,010	8,652	27,128
Parks and Recreation	19,283			8,638	27,921
Public Safety	145,417			5,884	151,301
Transportation and Engineering	2,328			4,892	7,220
Enterprise Services				37,588	37,588
Public Services	21,769			13,007	34,776
Public Health	22,222			12,834	35,056
Employee Benefits	60,534			7,057	67,591
Capital Outlay	200	105,836		21,976	128,012
Debt Service:					
Principal Retirement			48,914		48,914
Interest			18,284	315	18,599
Bond Issuance Cost			342		342
Total Expenditures	<u>320,026</u>	<u>105,836</u>	<u>78,276</u>	<u>132,391</u>	<u>636,529</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(4,650)	(61,044)	(2,225)	(3,050)	(70,969)
OTHER FINANCING SOURCES(USES)					
General Obligation Bonds and Notes Issued		31,305	24,390		55,695
Refunding Bonds Issued			2,130		2,130
Payment to Refunded Bonds Escrow Agent			(2,130)		(2,130)
Premium on Bonds Issued			3,213		3,213
Transfers In	4,091	68,237	40,283	4,797	117,408
Transfers (Out)	(3,485)	(48,720)	(74,955)	(2,937)	(130,097)
Total Other Financing Sources(Uses)	<u>606</u>	<u>50,822</u>	<u>(7,069)</u>	<u>1,860</u>	<u>46,219</u>
Net change in fund balances	(4,044)	(10,222)	(9,294)	(1,190)	(24,750)
Fund Balances at January 1	65,477	163,781	53,534	60,219	343,011
Restatement				7,248	7,248
Restated Fund Balances at January 1	<u>65,477</u>	<u>163,781</u>	<u>53,534</u>	<u>67,467</u>	<u>350,259</u>
	<u>\$ 61,433</u>	<u>\$ 153,559</u>	<u>\$ 44,240</u>	<u>\$ 66,277</u>	<u>\$ 325,509</u>

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

CITY OF CINCINNATI, OHIO
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2004
(Amounts in Thousands)

Net change in fund balances - total governmental funds	\$	(24,750)
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 (\$128,012) exceeded depreciation (\$38,204) in the current period.		89,808
Capital outlay expensed		(36,884)
Governmental funds report cash received for assets disposed of as revenue. However, in the statement of activities, that cash offsets the difference between the book value and accumulated depreciation of the disposed asset. This is the sum of the cash received (\$4,932) and the net loss (\$4,952) on the sale of assets.		(9,884)
Statement of activities reports an increase in revenues due to current activity in deferred revenues which is not reported at fund level.		(960)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(710)
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.		(3,691)
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.		3,716
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.		(6,781)
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.		1,473
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.		(2,929)

(Continued)

CITY OF CINCINNATI, OHIO
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2004
(Amounts in Thousands)

(Continued)

Bond issuance costs are included in expenditures at the fund level, but are deferred and amortized over the life of the bonds in the government-wide financial statements	\$ 173
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	(5)
Internal balances between the governmental activities and the business type activities are not reported at the fund level.	1,660
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>(8,555)</u>
Change in net assets of governmental activities (page 19)	<u><u>\$ 1,681</u></u>

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

CITY OF CINCINNATI, OHIO
Statement of Net Assets
Proprietary Funds
December 31, 2004
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			Governmental
	Water Works	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS				
<u>Current</u>				
Cash and Equivalents	\$ 370	\$ 50	\$ 420	\$
Equity in City Treasury Cash	15,939	8,823	24,762	33,698
Receivables:				
Taxes		118	118	
Accounts, Net	14,975	1,817	16,792	640
Accrued Interest and Dividends	202	144	346	217
Due from Other Funds	922	158	1,080	2,734
Due from Other Governments	10,593		10,593	183
Prepaid Items	261	51	312	1,613
Inventory	3,723		3,723	1,393
Advances to Other Funds	252	16,202	16,454	5,624
Restricted Assets:				
Cash and Cash Equivalents	18,695		18,695	
Equity in City Treasury Cash	4,640	8	4,648	
Total Current Assets	70,572	27,371	97,943	46,102
<u>Noncurrent</u>				
Equity in City Treasury Cash	13,195	7,311	20,506	27,898
Restricted Equity in City Treasury Cash	3,841		3,841	
Accounts Receivable, Net	20		20	
Land	2,606	36,567	39,173	283
Buildings, net of Accumulated Depreciation	113,623	37,480	151,103	6
Improvements, net of Accumulated Depreciation	343,698	52,606	396,304	3,760
Machinery and Equipment	84,082	1,104	85,186	35,894
Construction in Progress	119,473	73,007	192,480	3
Property Acquired under Capital Leases, net of Accumulated Amortization				34
Total Noncurrent Assets	680,538	208,075	888,613	67,878
Total Assets	751,110	235,446	986,556	113,980

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

CITY OF CINCINNATI, OHIO
Statement of Net Assets
Proprietary Funds
December 31, 2004
(Amounts in Thousands)

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Activities</u>
				<u>Enterprise</u>
	<u>Works</u>	<u>Funds</u>	<u>Enterprise</u>	<u>Service</u>
			<u>Funds</u>	<u>Funds</u>
LIABILITIES				
<u>Current</u>				
Accounts Payable	\$ 1,891	\$ 423	\$ 2,314	\$ 5,995
Due to Other Funds	476	194	670	1,296
Due to Other Governmental Agencies	494		494	
Accrued Payroll	1,529	234	1,763	592
Accrued Liabilities		603	603	4,307
Accrued Interest	155	149	304	
Obligations under Capital Leases				15
Deposits Payable		17	17	78
Unearned Revenue	5,630	241	5,871	1,760
Compensated Absences payable	2,640	627	3,267	1,683
Unpaid Claims payable	79	9	88	9,395
Ohio Public Works Commission Loan	25		25	
General Obligation Bonds and				
Notes Payable	10,130	13,460	23,590	
Revenue Bonds Payable	7,240		7,240	
Advances from Other Funds				532
Advances from Other Governments				20
Payable from Restricted Assets:				
Construction Contracts	2,725		2,725	
Deposits Payable	536		536	
Total Current Liabilities	33,550	15,957	49,507	25,673
<u>Noncurrent:</u>				
Obligations under Capital Leases				13
Compensated Absences payable	3,245	577	3,822	429
Other Liability	400		400	
Ohio Public Works Commission Loan	950		950	
Unpaid Claims payable				13,491
Revenue Bonds Payable	185,060		185,060	
General Obligation Bonds and Notes Payable	31,380	2,188	33,568	
Total Noncurrent Liabilities	221,035	2,765	223,800	13,933
Total Liabilities	254,585	18,722	273,307	39,606
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	449,616	189,884	639,500	39,952
Restricted	2,996	8	3,004	
Unrestricted	43,913	26,832	70,745	34,422
Total Net Assets	\$ 496,525	\$ 216,724	713,249	\$ 74,374

Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.

5,123

Net assets of business type activities

\$ 718,372

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

City of Cincinnati, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the year ended December 31, 2004
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Works	Other Enterprise Funds	Total Enterprise Funds	Internal Services Funds
OPERATING REVENUES				
Charges for Current Services	\$ 90,877	\$ 27,015	\$ 117,892	\$ 108,726
Miscellaneous	3,829	300	4,129	2,187
Total Operating Revenues	94,706	27,315	122,021	110,913
OPERATING EXPENSES				
Personal services	34,703	7,606	42,309	16,989
Contractual services	8,555	8,998	17,553	5,122
Maintenance and repairs	3,170	892	4,062	1,653
Materials and supplies	5,389	446	5,835	9,202
Utilities	7,911	1,528	9,439	548
Insurance	205	181	386	85,115
Taxes	1	720	721	2
Depreciation and amortization	17,013	7,394	24,407	2,847
Rent	989	197	1,186	2,373
Other expense	507	112	619	54
Total Operating Expenses	78,443	28,074	106,517	123,905
Operating Income(Loss)	16,263	(759)	15,504	(12,992)
NONOPERATING REVENUES(EXPENSES)				
Interest revenue	1,945	327	2,272	821
Occupancy tax receipts		1,092	1,092	
Interest expense	(7,164)	(338)	(7,502)	60
Gain (Loss) on disposal of assets	(828)	1,046	218	(24)
Nonoperating Revenues(Expenses)	(6,047)	2,127	(3,920)	857
Income (Loss) before Contributions and Transfers	10,216	1,368	11,584	(12,135)
Transfers In		10,492	10,492	5,119
Transfers (Out)		(1,320)	(1,320)	(1,602)
Capital contributions	5,063	37,965	43,028	63
Change in Net Assets	15,279	48,505	63,784	(8,555)
Net Assets at January 1	481,246	168,219		82,929
Net Assets at December 31	\$ 496,525	\$ 216,724		\$ 74,374

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

(1,660)

Change in net assets of business type activities

\$ 62,124

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

CITY OF CINCINNATI, OHIO
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2004
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Works	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 92,897	\$ 27,155	\$ 120,052	\$ 19,413
Receipts from Other Funds		36	36	57,480
Receipts from Retirement System				36,897
Payments to Suppliers	(28,026)	(10,273)	(38,299)	(97,215)
Payments to Other Funds		(2,368)	(2,368)	(1,629)
Payments to Employees	(33,823)	(7,474)	(41,297)	(17,042)
Payments for Property Taxes	(1)	(546)	(547)	
Net Cash Provided (Used) by Operating Activities	31,047	6,530	37,577	(2,096)
Cash Flows from Noncapital Financing Activities:				
Repayment of Advances Made To Other Funds	43	2,555	2,598	7,790
Repayment of Advances Received From Other Funds				(43)
Advances From Other Funds				103
Advances To Other Funds		(5,202)	(5,202)	
Occupancy Tax Receipts		1,086	1,086	
Transfers to Other Funds		(1,320)	(1,320)	(1,602)
Transfers from Other Funds		10,492	10,492	5,119
Net Cash Provided by Noncapital Financing	43	7,611	7,654	11,367
Cash Flows from Capital and Related Financing Activities:				
Capital Contributed by Other Sources	1,734	28,076	29,810	
Proceeds from the Sale of Capital Assets	141	1,245	1,386	
Proceeds from the Sale Of Bonds		12,000	12,000	
Proceeds from Ohio Public Works Bonds	1,000		1,000	
Acquisition of Property, Plant and Equipment	(12,208)	(2,082)	(14,290)	(13,703)
Interest Paid on Bonds and Notes	(7,535)	(268)	(7,803)	(54)
Principal Paid on Bonds and Notes	(18,840)	(10,857)	(29,697)	
Principal Paid on Ohio Public Works Bonds	(25)		(25)	
Payments on Long Term Capital Lease Obligations				(10)
Additions to Construction in Progress	(58,465)	(40,967)	(99,432)	
Net Cash Provided (Used) by Capital and Related Financing Activities	(94,198)	(12,853)	(107,051)	(13,767)
Cash Flow from Investing Activities:				
Investments Sold	49,984		49,984	
Interest and Dividends on Investments	1,303	353	1,656	1,047
Net Cash Provided by Investing Activities	51,287	353	51,640	1,047
Net Increase (Decrease) in Cash and Cash Equivalents	(11,821)	1,641	(10,180)	(3,449)
Cash and Cash Equivalents at Beginning of Year	68,501	14,551	83,052	65,045
Cash and Cash Equivalents at End of Year	\$ 56,680	\$ 16,192	\$ 72,872	\$ 61,596

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

CITY OF CINCINNATI, OHIO
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2004
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			Governmental
	Water Works	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	\$ 16,263	\$ (759)	\$ 15,504	\$ (12,992)
Depreciation and Amortization	17,013	7,394	24,407	2,847
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Receivables	(1,269)	(46)	(1,315)	(168)
Due from Other Funds	50	(25)	25	705
Due from Other Governments	(589)	222	(367)	650
Inventory	(262)		(262)	263
Prepaid Items	350	43	393	(652)
Increase (Decrease) in:				
Accounts Payable	(225)	(352)	(577)	1,906
Deposits Payable	(234)	(3)	(237)	(33)
Due to Other Funds	101	(107)	(6)	(165)
Due to Other Governmental Agencies	(1,035)		(1,035)	3
Accrued Payroll	451	(24)	427	(60)
Accrued Liabilities		177	177	(692)
Deferred Revenue		(142)	(142)	1,721
Liability for Compensated Absences	428	149	577	(9)
Estimated Liability for Unpaid Claims	5	3	8	4,580
Net Cash Provided (Used) by Operating Activities	<u>\$ 31,047</u>	<u>\$ 6,530</u>	<u>\$ 37,577</u>	<u>\$ (2,096)</u>

Schedule of Noncash Investing, Capital and Financing Activities:

Acquisition of Property, Plant and Equipment from Capital Contributions	\$ 3,328	\$ 18	\$ 3,346	\$ 125
Total Noncash Investing, Capital and Financing Activities	<u>\$ 3,328</u>	<u>\$ 18</u>	<u>\$ 3,346</u>	<u>\$ 125</u>

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

CITY OF CINCINNATI, OHIO
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2004
(Amounts in Thousands)

	Pension Trust	Investment Trust Fund	Agency
Assets			
Cash and Equivalents	\$ 126,214	\$	\$
Equity in City Treasury Cash		37,568	1,945
Investments, at fair value:			
U. S. Government Bonds	269,873		
U. S. Government Agencies	422		
U. S. Government Mortgage Backed Securities	149,040		
Corporate Bonds	232,372		
State and Local Obligations	8,706		
Equities	1,543,533		
Venture Capital	18,121		
U. S. Treasury Bills and Notes	2,768		231,977
Other Bonds	32,116		
Other Assets	399		
	2,257,350		231,977
Total Investments, at fair value			
Collateral on Loaned Securities	515,190		
Receivables:			
Accounts, Net	29		25,770
Accounts Receivable for Securities Sold	99,117		
Accrued Interest and Dividends	10,359		190
Due from Other Funds	713		374
Due from Other Governments	298		
Inventory			904
Loans Receivable	18,842		
Machinery and Equipment	1,369		
Accumulated Depreciation	(1,023)		
Total Assets	3,028,458	37,568	\$ 261,160
Liabilities			
Accounts Payable	2,167		\$ 8,876
Accounts Payable for Securities Purchase	116,795		
Due to Other Funds	651		589
Due to Other Governmental Agencies			242,205
Obligations Under Securities Lending	515,190		
Accrued Payroll	20		1,316
Accrued Liabilities	8,731		8
Deposits Payable			1,820
Deferred Revenue	2		
Estimated Liability for Compensated Absences	90		6,346
Total Liabilities	643,646		\$ 261,160
Net Assets			
Held in Trust for Pool Participant		37,568	
Held in Trust for Employees' Pension Benefits *	1,624,041		
Held in Trust for Employees' Postemployment * Healthcare Benefits	760,771		
Total Net Assets	\$ 2,384,812	\$ 37,568	

*(The schedule of funding progress is shown on page 71.)

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

CITY OF CINCINNATI, OHIO
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2004
(Amounts in Thousands)

	Pension Trust	Investment Trust Fund
ADDITIONS		
Contributions:	\$	\$
Plan members	13,153	
Employer	19,336	
Participant Deposits		234,977
Total Contributions	<u>32,489</u>	<u>234,977</u>
Transfers From Other Retirement Systems	220	
Investment earnings:		
Interest and Dividends	63,166	914
Net appreciation (depreciation) in the fair value of investments	<u>159,426</u>	<u>(302)</u>
Total Investment earnings	222,592	612
Less investment management expenses	<u>7,091</u>	
Net Income From Investing Activities	<u>215,501</u>	<u>612</u>
From Security Lending Activities:		
Securities Lending Income	9,315	
Securities Lending Expense:		
Borrower Rebates	(7,154)	
Management Fees	<u>(647)</u>	
Total Securities Lending Expenses	<u>(7,801)</u>	
Net Income from Securities Lending Activities	<u>1,514</u>	
Total Additions	<u>249,724</u>	<u>235,589</u>
DEDUCTIONS		
Benefit Payments:		
Pension and Annuities	99,259	
Distributions to Participants		231,226
Hospital and Medical Care	35,599	
Medicare	2,791	
Dental Benefits	1,244	
Vision Benefits	135	
Death Benefits, Active and Retired	1,266	
Loss Due to Death of Members with Loans	17	
Transfers - Retirement to other systems	<u>899</u>	
Total Benefits Payments	<u>141,210</u>	<u>231,226</u>
Refunds of contributions	<u>1,955</u>	
Administrative expenses:		
Personal Services	495	
Contractual Services	703	
Materials and Supplies	6	
Depreciation	<u>264</u>	
Total Administrative Expenses	<u>1,468</u>	
Total Deductions	<u>144,633</u>	<u>231,226</u>
Change in net assets	105,091	4,363
Net assets - beginning	<u>2,279,721</u>	<u>33,205</u>
Net assets - ending	<u>\$ 2,384,812</u>	<u>\$ 37,568</u>

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

(This page intentionally left blank.)

Notes to Financial Statements

	<u>PAGE</u>
1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	35
2) DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS	41
3) MIXED INVESTMENT POOL	43
4) COMMITMENTS	45
5) INTERFUND ASSETS/LIABILITIES	46
6) INTERFUND TRANSFERS	47
7) NET ASSETS DEFICITS	48
8) LEASES	48
9) LONG-TERM DEBT	50
10) DEBT LIMITATION	54
11) TAXES	55
12) SHORT-TERM DEBT – BOND ANTICIPATION NOTES	56
13) RESTRICTED ASSETS	56
14) CAPITAL ASSETS	57
15) RECEIVABLES	60
16) CONTINGENT LIABILITIES	60
17) RISK MANAGEMENT	60
18) PRIOR PERIOD ADJUSTMENT	62
19) SUBSEQUENT EVENTS	62
20) PENSION AND RETIREMENT	63

This page intentionally left blank.

CITY OF CINCINNATI, OHIO

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

Cincinnati owns a railway line, the Cincinnati Southern Railway that was completed in 1881 and extends from Cincinnati, Ohio to Chattanooga, Tennessee, a distance of 335 miles. Improvements have been made at various intervals; the most recent, a major line revision to eliminate tunnel clearance restrictions, grades, and curves, was completed in 1964. Improvements other than buildings in Governmental Activities include \$83,224,000 attributable to the City's cost to construct and improve this railway system. The railway is leased to the Cincinnati, New Orleans and Texas Pacific Railway Company until December 31, 2026, with an option to extend the lease for an additional 25 years. The lessee is part of the Norfolk Southern Railway System and is its second largest operating unit. Total rental income from the railway lease was \$16,682,000 in 2004 and \$16,407,000 in 2003.

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a

particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Fund financial statements consist of a series of statements focusing on information about the City's major governmental and proprietary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and a major individual enterprise fund 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 2004 are prepared in accordance with standards promulgated by the Governmental Accounting Standards Board (GASB). These standards include the effective pronouncements of the National Council on Governmental Accounting and the American Institute of Certified Public Accountants which are considered to be "generally accepted accounting principles" for state and local entities, until they are altered, amended, supplemented, revoked or superseded by a subsequent GASB pronouncement.

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary fund:

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

Pension Trust Fund – This fund is used to account for the receipts and expenditures of the City's Retirement System.

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.

Measurement Focus

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

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

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

Income taxes, delinquent property taxes, liquor permits, fines, local government fund, gasoline tax, and motor vehicle license fees for the current and prior periods are determined to be susceptible to accrual and are recognized as revenue in the current accounting period. All other major revenues of governmental funds

are determined not to meet the criteria of either being measurable or available. The proprietary fund type statements are prepared utilizing the flow of economic resources measurement focus and the accrual basis of accounting for revenues, which are recognized when they are earned, and for expenses, which are recognized when they are incurred. Unbilled service receivables are recognized by proprietary funds when the services are provided.

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

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

Other Accounting Policies

- A. *Investments* - The investments of the City (excluding the City of Cincinnati's Retirement System, (see Note 2)) are comprised primarily of time deposits and other securities guaranteed by the United States Government or its agencies and are stated at fair value based on quoted market prices.
- B. *Inventories* - Inventories are valued at cost using either the moving weighted average or the first-in, first-out method. Inventories in the governmental funds and the proprietary funds are recorded using the consumption method whereby inventories are recorded as expenditures or expenses when they are used.
- C. *Insurance* - The City maintains a comprehensive all-risk property insurance program that provides insurance coverage for approximately \$924,000,000 in property values. In addition certain enterprise funds carry insurance coverage for specific purposes as determined by management. An estimated liability for uninsured losses is reported as required by Governmental Accounting Standards Board Statement 10 - Accounting and Financial Reporting for Risk Financing and Related Insurance Issues. State law authorizes the issuance of judgment bonds to settle claims. The City's available legal debt margin of \$98,000,000 at December 31, 2004, is considered adequate for catastrophic loss coverage.
- D. *Inter-Fund Transactions* - During the course of normal operations, the City has numerous transactions between funds including expenditures/expenses, advances and transfers of resources to provide services, construct assets and service debt. The governmental and proprietary fund type financial statements generally reflect such transactions as transfers or advances. The internal service funds record charges for services to City departments as operating revenue. All City funds record these payments to the internal service funds as operating expenditures/expenses. The proprietary funds record operating subsidies as other income whereas the fund paying the subsidy records it as either an expenditure/expense or transfer. Transfers are intended to reallocate money permanently from one fund to another. Advances represent the long-term portion of loans between funds. Inter-fund services provided and used are accounted for as revenues, expenditures, or expenses in the funds involved. The General Fund provides administrative services to enterprise funds. Based on an internal cost allocation plan certain costs initially borne by the General Fund are then billed as indirect charges to other funds of the City. The amounts charged for those services are treated as revenue to the General Fund and as operating expenses in the enterprise funds and as program expenses for individual functions and activities.

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

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

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

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

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

- F. *Deferred Revenues*** - The City reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Certain intergovernmental receivables, uncollected assessments and miscellaneous receivables not meeting the availability criteria have been deferred and will be realized in a subsequent period in the governmental funds.
- G. *Grants and Other Intergovernmental Revenues*** - The proprietary fund types recognize the federal reimbursement-type capital grants as intergovernmental receivables and capital contributions as the related expenses are incurred. All other federal reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred. On an accrual basis, revenue in the form of shared revenue is recognized when the provider government recognizes its liability to the City.
- H. *Operating Revenues and Expenses*** - The City, in its proprietary funds, distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.
- I. *Capitalization of Interest*** - Interest is capitalized by the City in proprietary fund types when it is determined to be material. The City capitalizes interest in accordance with Statement of Financial

Accounting Standard No. 62, Capitalization of Interest Costs in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants. This statement requires that the interest cost capitalized during construction be reduced by interest income earned on investments of the bond proceeds from the date of the borrowing until the assets constructed from the bond proceeds are ready for their intended use.

- J.** *Statement of Cash Flows* - For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments held by trustees, with a maturity of three months or less when purchased, to be cash equivalents. In addition, all cash and temporary investments with the City Treasurer are also considered to be cash equivalents since they are available to the proprietary funds on demand. The temporary investments, primarily consist of certificates of deposit and U. S. Treasury securities that have maturities of up to two years.
- K.** *Pronouncements Effective for the 2004 Financial Statements* - With this financial report the City has changed its financial reporting to comply with Governmental Accounting Standards Board (GASB) Statement Number 39, *Determining Whether Certain Organizations are Component Units*. This Statement was issued in May 2002 and amends Statement Number 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. This Statement is effective for financial statements for periods beginning after June 15, 2003.

With this financial report the City has changed its financial reporting to comply with Governmental Accounting Standards Board (GASB) Statement Number 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* was issued in April 2004 and establishes uniform standards of financial reporting by state and local governmental entities for other postemployment benefit plans. This Statement is effective for periods beginning after December 15, 2004.

Also with this financial report the City has changed its financial reporting to comply with Governmental Accounting Standards Board (GASB) Statement No. 46, *Net Assets Restricted by Enabling Legislation*, an amendment of GASB Statement No. 34 was issued in December 2004. The purpose of Statement 46 is to help governments determine when net assets have been restricted to a particular use by the passage of enabling legislation and to specify how those net assets should be reported in financial statements when there are changes in the circumstances surrounding such legislation. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2005.

- L.** *Pronouncements Issued But Not Yet Effective* – Governmental Accounting Standards Board (GASB) Statement Number 40, *Deposit and Investment Risk Disclosures* was issued in March 2003 and amends Statement 3. This statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. This Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. Deposit and investment policies related to the risks identified in this Statement also should be disclosed. This Statement is effective for financial statements for periods beginning after June 15, 2004.

Governmental Accounting Standards Board (GASB) Statement Number 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* was issued in November 2003 and establishes accounting and financial reporting standards for impairment of capital assets. This Statement also clarifies and establishes accounting requirements for insurance recoveries. The provisions of this Statement are effective for fiscal periods beginning after December 15, 2004.

Governmental Accounting Standards Board (GASB) Statement Number 44, *Economic Condition Reporting: The Statistical Section* was issued in June 2004 and enhances and updates the Statistical

Section that accompanies a state or local government's basic financial statements. This Statement is effective for periods beginning after June 15, 2005.

Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* was issued in June 2004 and addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. This Statement is effective for periods beginning after December 15, 2006.

- M. *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 2004. The working capital reserve for 2004 was \$21,667,000 and is included in the Fund Balance Reserved for Working Capital in the Capital Projects Fund. The City is a chartered government and the working capital reserve, as established, is allowed by the charter.
- N. Restricted resources such as bond funds are assumed to be expended before non-restricted resources in paying for capital projects of both the governmental funds and the proprietary funds.

2. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

Deposits

At year-end the carrying amount of the City's deposits, including certificates of deposit with various financial institutions was \$108,700,000 and the bank balance was \$125,648,000. The entire bank balance is held in the name of the City and is collateralized either by federal depository insurance or securities pledged as collateral and segregated by the Federal Reserve Bank in a pledge account. The collateral is held by the City's agent in the City's name; it cannot be released by the Federal Reserve Bank without the City's approval.

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

Excluded from these amounts are deposits held by the City's Retirement System for which the year-end book balance was \$126,214,000. The year-end bank balance was \$10,885,000 and the cash equivalent balance was \$10,675,000. Cash of \$957,000 and cash equivalents of \$115,539,000 that were held in money managers custodial accounts at the Bank of New York at year-end are not subject to the same insurance and collateralization requirements as the City's deposits and are uncollateralized.

Investments

The fair value of investments for the City at December 31, 2004 was \$630,382,000. These investments include \$629,280,000 in U. S. Treasury Securities and \$1,102,000 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 Park Board. The fair value of investments for these funds at December 31, 2004 was \$2,264,479,000. These investments include \$422,995,000 in U. S. Treasury Securities, \$233,050,000 in Corporate Bonds and Notes, \$18,121,000 in Venture Capital, \$1,549,092,000 in Equity Securities, \$8,706,000 in State and Local Obligations, \$32,116,000 in other bonds, and \$399,000 in other investments. In those cases where resources are maintained in trust, authority for investment of the property rests with either the trust agreement or local ordinance. Investments of the City of Cincinnati Retirement System are, by ordinance, subject to certain terms and limitations. The limitations do not apply to investments in securities of the City and federal government or their agencies. Investments of the City of Cincinnati Retirement System and Park Board are uninsured, with securities held by the counterparty, or by its trust department or agent but not in the City's name. The investment in Venture Capital is not considered an investment in a security for purposes of credit risk classification since it is not evidenced by securities that exist in physical or book entry form.

Securities Lending

City statutes and board of trustee policies permit the City of Cincinnati Retirement System to use investments of the plan to enter into securities lending transactions – loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same security in the future. Securities are loaned in exchange for collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned in exchange for collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned in exchange for collateral valued at 105% of the market value of the securities plus any accrued interest. Collateral cannot be pledged or sold unless the borrower defaults. The borrower is required to pay to the Lender the equivalent of all interest and dividends that are paid by the issuer during the term of the loan. All securities loans can be terminated on demand by either the lender or the borrower, although the average term of the System's overall loans was 2 days in December 2004. Cash collateral is invested in a short-term investment pool, which had an average weighted maturity of 29 days as of December 31, 2004. Cash collateral may also be invested separately in "term loans", in which the maturity of the term loan is matched to either the maturity of the cash collateral invested or the interest rate reset of the cash collateral invested. These loans have rights of substitution and securities can be recalled on demand. As of December 31, 2004, there were no violations of legal or contractual provisions, no borrower or lending agent default and no losses known to the securities lending agent. There are no dividends or coupon payments owing on the securities lent.

The following represents the balances relating to the securities lending transactions at the financial statement date:

(Amounts in Thousands)

Securities Lent	Fair Value of Underlying Securities	Cash Collateral Received/ Securities Collateral Value	Cash Collateral Investments Value
Lent for cash collateral			
Stocks	\$241,290	\$248,836	\$248,836
U.S. Agencies	5,648	5,752	5,752
Corporate Bonds	45,958	47,006	47,006
U.S. Government Fixed Income	209,452	213,596	213,596
	<u>\$502,348</u>	<u>\$515,190</u>	<u>\$515,190</u>

Derivatives

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

At December 31, 2004 the retirement system held the following derivative positions:

- 1.) Futures contracts settling March 18, 2005 to buy S&P 500 index securities with a notional value of approximately \$44.6 million.
- 2.) Futures contracts settling March 31, 2005 to sell U.S. Treasury securities with a notional value of \$29.9 million.
- 3.) Government issued mortgage-backed securities with a market value of \$128.5 million.
- 4.) Commercial mortgage-backed securities with a market value of \$41.5 million.
- 5.) Asset-backed securities with a market value of \$24.6 million.

As of December 31, 2004, the retirement system held forward currency contracts with an expiration date of January 31, 2005. This currency hedge converts 5,594,000 U.K. Sterling to \$10,926,464 U.S. dollars.

3. MIXED INVESTMENT POOL

On April 10, 1968, the Board of County Commissioners of Hamilton County and the City of Cincinnati consolidated all County and City sanitary sewer facilities, under the direction and control of the Board of County Commissioners and the management and operation of the City. The cash balance in the fund established for this purpose, the Metropolitan Sewer District fund (MSD), is combined with the City's pool of cash and investments. For the purposes of financial reporting, the MSD portion of the City's pool of cash and investments is reported as an Investment Trust Fund. Assets in the pool are reported at fair value based on quoted market prices. The pool is not subject to regulatory oversight. Fair value amounts are determined at year end. The City has not provided or obtained any legally binding guarantees to support the value of the

Mixed Investment Pool. MSD is required by Chapter 301 of the Cincinnati Municipal Code to participate in the Mixed Investment Pool. The method used to determine participants' shares sold and redeemed is a proration based upon the equity held in City Treasury cash. These amounts increase and decrease based upon the change in the equity balance. This same method is used to report the investments. Disclosures required by GASB Statement 3 are discussed in Note 2.

Summary by major investment classification:

(Amounts in Thousands)

	<u>Cost</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity Dates</u>
Certificates of Deposit	\$ 86,007	\$ 86,007	1.01% - 3.61%	02/22/05 - 03/19/08
U.S. Treasury Notes	149,772	149,086	1.125% - 2.875%	01/31/05 - 02/15/07
FHLB/FNMA Securities	185,894	184,098	1.625% - 3.600%	04/15/05 - 12/21/07
City of Cincinnati Notes	17,697	17,697	1.89% - 5.50%	07/07/05 - 12/01/05
Cash	<u>3,244</u>	<u>3,244</u>		
Total	<u>\$442,614</u>	<u>\$440,132</u>		

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

**Mixed Investment Pool
Statement of Net Assets
as of December 31, 2004**
(Amounts in Thousands)

<u>Assets</u>	
Equity in City Treasury	<u>\$ 440,132</u>
<u>Net Assets</u>	
Held in Trust for Internal Pool Participants	\$ 402,564
Held in Trust for External Pool Participant	<u>37,568</u>
Total Net Assets	<u>\$ 440,132</u>

Mixed Investment Pool
Statement of Changes in Net Assets
For the Year Ended December 31, 2004
(Amounts in Thousands)

	<u>Internal Participants</u>	<u>External Participants</u>	<u>Total</u>
Additions:			
Contributions:			
Participant Deposits	\$1,101,848	\$234,977	\$1,336,825
Investment earnings:			
Interest and dividends	12,473	914	13,387
Net depreciation in the fair value of investments	<u>(3,144)</u>	<u>(302)</u>	<u>(3,446)</u>
Total investment earnings	<u>9,329</u>	<u>612</u>	<u>9,941</u>
Total additions	1,111,177	235,589	1,346,766
Deductions:			
Distributions to Participants	<u>1,174,340</u>	<u>231,226</u>	<u>1,405,566</u>
Change in Net Assets	(63,163)	4,363	(58,800)
Net assets – beginning	<u>465,727</u>	<u>33,205</u>	<u>498,932</u>
Net assets – ending	<u>\$ 402,564</u>	<u>\$ 37,568</u>	<u>\$ 440,132</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 is scheduled for completion in July 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 debt service for senior (\$70.1 million) and subordinate (\$35.9 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 first full year of debt service is \$1,908,427 and has been appropriated for 2004. The maximum annual debt service is \$2,309,250.

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 2004.

Convergys - In July 2003 the City and Convergys Corporation entered into an Agreement for the Creation and Retention of Jobs. The City granted Convergys tax credits against the City's income tax for a period of fifteen years and a potential of \$29.75 million in grants if specific conditions are met over a three year period. In December 2003 the City sold Economic Development Revenue Bonds in the amount of \$20.5 million to partially fund these grants.

Two grants totaling \$20.0 million were made to Convergys in 2004 based on the eligibility requirements that were met in 2003 and 2004. If Convergys continues to meet its eligibility requirements they can receive up to \$3.0 million in each of the years 2005, 2006, and 2007. An additional \$1.0 million can be earned at any time if certain employment performance conditions are met.

The Vine and Central Parkway Garage and Housing Development

In September 2003 the City entered into an agreement with the Kroger Company to build a parking garage primarily for the benefit of Kroger. In return Kroger has agreed to keep its corporate headquarters and nearly 1,200 jobs in downtown Cincinnati. This development includes the construction of a 950 space parking garage, the creation of 25 market rate housing units and retail space. Kroger will rent a minimum of 850 spaces in the garage.

In June 2004 the City issued \$12 million in one year Bond Anticipation Notes to finance the garage. In 2005 the City will issue approximately \$6.3 million in revenue bonds. These bonds combined with a \$4.8 million low interest loan from the State of Ohio and the proceeds from the sale of two parking garages will be used to redeem the notes.

The City will provide \$2.5 million in funding to support the construction of the housing and retail space in the development. Approximately \$3.9 million in private financing from the Cincinnati Development Fund and the Cincinnati Equity Fund has been secured for this project.

5. INTERFUND ASSETS/LIABILITIES

The composition of interfund balances as of December 31, 2004, is as follows:

DUE FROM/TO OTHER FUNDS (Amounts in Thousands)

	Due From							Total
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Funds	Water Works Enterprise Fund	Nonmajor Enterprise Funds	Fiduciary Funds	
Due To								
General Fund	\$	\$	\$ 163	\$ 1,407	\$ 5	\$ 20	\$ 328	\$ 1,923
Capital Project Fund	2		99	191	856	48	69	1,265
Debt Service Fund							1	1
Nonmajor Governmental	59		26	250	3		115	453
Internal Service Funds		1,143		17		86	50	1,296
Water Works Enterprise Fund	151	15		153		2	155	476
Nonmajor Enterprise Funds		10		62	1	1	120	194
Fiduciary Funds	279			654	57	1	249	1,240
Total	\$ 491	\$ 1,168	\$ 288	\$ 2,734	\$ 922	\$ 158	\$ 1,087	\$ 6,848

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>Advances From</u>				Total
	General Fund	Capital Projects	Nonmajor Governmental Funds	Internal Service Funds	
<u>Advances To</u>					
General Fund	\$	\$	\$ 125	\$177	\$ 302
Nonmajor Governmental	521		2,707		3,228
Water Works Enterprise				252	252
Nonmajor Enterprise		16,099		103	16,202
Internal Service Funds		5,624			5,624
Total	<u>\$ 521</u>	<u>\$21,723</u>	<u>\$2,832</u>	<u>\$532</u>	<u>\$ 25,608</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 year ended December 31, 2004, consisted of the following:

TRANSFERS IN/OUT (Amounts in Thousands)

	<u>Transfers Out</u>						Total
	General Fund	Capital Projects	Debt Service Funds	Nonmajor Governmental	Nonmajor Enterprise Funds	Internal Service Funds	
<u>Transfer In</u>							
General Fund	\$	\$ 3,371	\$	\$ 625	\$	\$ 95	\$ 4,091
Capital Projects Fund	340		65,855	568	391	1,083	68,237
Debt Service Funds		40,283					40,283
Nonmajor Governmental Funds	3,145	90		223	929	410	4,797
Nonmajor Enterprise		1,378	9,100			14	10,492
Internal Service		3,598		1,521			5,119
Total	<u>\$ 3,485</u>	<u>\$48,720</u>	<u>\$74,955</u>	<u>\$2,937</u>	<u>\$ 1,320</u>	<u>\$ 1,602</u>	<u>\$133,019</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 ASSETS DEFICITS

Included in the general purpose financial statements are certain internal service funds with net assets deficits as of December 31, 2004. The net assets deficits in the internal service funds of Property Management (\$25,000), Mechanized Street Sweeping (\$61,000) and Self-Insurance Medical (\$1,701,000) are to be covered by future user charges.

8. LEASES

CITY AS LESSEE

Operating Leases

The City has entered into various leases for property, equipment and office space. These leases are considered for accounting purposes to be operating leases. The total cost for such leases were \$ 1,042,000 for the year ended December 31, 2004. Future minimum lease payments are as follows:

(Amounts in Thousands)

<u>Year</u>	<u>Amount</u>
2005	\$ 1,137
2006	951
2007	861
2008	790
2009	396
2010-2013	<u>253</u>
Total Future Minimum Lease Payments	<u>\$ 4,388</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>
Leased Property/Equipment	\$ 2,061
Less: Accumulated Depreciation	<u>1,984</u>
Total	<u>\$ 77</u>

The following is a schedule of future minimum capital leases and the present value of the net minimum lease payments at December 31, 2004:

(Amounts in Thousands)

<u>Year</u>	<u>Governmental Activities</u>
2005	\$ 36
2006	32
2007	19
2008	<u>14</u>
Total minimum lease payments	101
Less: Amounts representing interest	<u>13</u>
Present value of net minimum lease payments	<u>\$ 88</u>

CITY AS LESSOR

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

Amounts relating to the operating leases as of December 31, 2004 are included in the financial statements of the following:

(Amounts in Thousands)

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
Land	\$ 401	\$ 2,056
Buildings	5,377	3,181
Improvements	502	83,345
Accumulated Depreciation	3,843	79,717
Depreciation Expense	188	841

Future minimum rentals on non-cancelable operating leases as of December 31, 2004 are as follows:

(Amounts in Thousands)

<u>Year</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>
2005	\$ 607	\$ 17,053
2006	429	17,053
2007	289	16,867
2008	218	16,682
2009	387	16,682
Remaining years	<u>0</u>	<u>266,905</u>
Total Future Minimum Rental Payments	<u>\$1,930</u>	<u>\$351,242</u>
Total Rentals for 2004:	\$1,048	\$ 16,696

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

Enterprise Funds

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

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.

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

9. LONG-TERM DEBT

General Obligation Bonds and Notes

The City issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The original amount of general obligation bonds and notes issued in prior years was \$510,747,000.

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

(Amounts in Thousands)

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.870% - 7.875%	\$318,144
Business-type activities	1.890% - 6.750%	<u>57,158</u>
		<u>\$375,302</u>

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

(Amounts in Thousands)

Year Ending December 31	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 33,612	\$ 15,354	\$23,590	\$ 2,272
2006	26,507	13,996	9,698	1,481
2007	25,280	12,841	7,470	1,028
2008	22,690	11,707	4,600	693
2009	21,030	10,666	2,000	496
2010-2014	91,845	39,543	9,800	1,218
2015-2019	62,065	18,599		
2020-2024	13,765	8,331		
2025-2029	8,615	5,430		
2030-2034	11,530	2,517		
2035	<u>1,205</u>	<u>72</u>		
Total	<u>\$318,144</u>	<u>\$139,056</u>	<u>\$57,158</u>	<u>\$ 7,188</u>

Revenue Bonds

The City also issues bonds 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 authorized in prior years was \$272,971,000 of which \$272,971,000 was issued. During 2004, no additional revenue bonds were issued.

Revenue bonds outstanding at year-end are as follows:

(Amounts in Thousands)

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Economic Development	Various	\$ 35,315
Urban Renewal	Various	537
Water Works	Various	<u>192,300</u>
		<u>\$228,152</u>

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

(Amounts in Thousands)

Year Ending December 31	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 2,403	\$ 2,050	\$ 7,240	\$ 9,141
2006	2,480	1,935	7,470	8,908
2007	2,567	1,813	7,720	8,657
2008	2,670	1,682	7,955	8,427
2009	2,753	1,541	8,240	8,140
2010-2014	9,699	5,685	47,410	34,499
2015-2019	7,340	2,889	60,935	20,961
2020-2023	<u>5,940</u>	<u>903</u>	<u>45,330</u>	<u>5,077</u>
Total	<u>\$35,852</u>	<u>\$18,498</u>	<u>\$192,300</u>	<u>\$103,810</u>

Bonds and Notes Outstanding at December 31, 2004

(AMOUNTS IN THOUSANDS)

Description	Interest Rates	Issue Dates	Maturity Dates	Original Authorized	Amount Due 2005	Amount Outstanding 12/31/2004
Bonds:						
General Property Tax	3.25%	1957	2007	\$ 1,000	\$ 20	\$ 60
Supported	4.1% to 4.75%	1996-1999	2006-2009	66,700	6,660	24,590
	5.00% to 5.15%	1995-2004	2005-2014	15,645	1,595	6,945
	7.875%	1987	2017	30,000	1,000	13,000
Various Rate Issues	2.0% to 5.5%	2000-2004	2015-2020	200,910	12,685	171,825
Urban Redevelopment						
Various Rate Issues	5.65%	1995	2005	3,250	150	150
	4.5% to 5.0%	2004	2020	2,600	0	2,130
Municipal Income Tax	5.0% to 5.5%	2000	2020	5,560	280	4,440
Recreational Facilities						
Various Rate Issues	5.15% to 6.75%	1977-1995	2005-2011	5,900	535	1,322
	4% to 5%	2001	2021	9,000	450	7,650
Urban Renewal/Economic Dev.						
	5.125%	2000	2007	6,000	855	2,580
	6.75%	1990	2005	1,500	100	100
Various Rate Issues	3.5% to 5.0%	2002-2004	2012-2024	18,525	1,285	16,975
Refunding	5.0%	2004	2008	2,295	325	1,430
Urban Development Taxable						
Various Rate Issues	2.0% to 6.25%	1998-2003	2016-2021	21,905	1,460	20,045
Police & Fire Pension	4.9% to 6.0%	2000	2035	42,000	515	39,205
Total General Long-Term Bond Obligations				<u>432,790</u>	<u>27,915</u>	<u>312,447</u>
Recreational Facilities Refunding						
	5.375%	1977	2007	1,500	85	273
	5.0%	2004	2007	600	100	300
Off Street Parking	6.75%	1990	2006	5,000	350	700
Water Works						
	4.1% to 4.75%	1996-1999	2006-2014	82,500	7,380	37,360
	5.15% to 6.75%	1990-1995	2005-2006	31,000	2,400	3,100
Refunding	5.0%	2004	2007	2,100	350	1,050
Stormwater	4.2 to 5.15%	1995-1999	2005-2007	8,800	925	2,375
Total Proprietary Fund Obligations				<u>131,500</u>	<u>11,590</u>	<u>45,158</u>
Total General Obligation Bonds Payable				<u>564,290</u>	<u>39,505</u>	<u>357,605</u>
Notes:						
Judgement	1.87%	2004	2005	4,300	4,200	4,200
Municipal Income Tax	5.5%	2001	2005	1,497	1,497	1,497
Parking Improvement	1.89%	2004	2005	12,000	12,000	12,000
Total General Obligation Notes Payable				<u>17,797</u>	<u>17,697</u>	<u>17,697</u>
Total General Obligation Bonds and Notes Payable				<u>\$ 582,087</u>	<u>\$ 57,202</u>	<u>\$ 375,302</u>
Revenue Bonds	1.57% to 8.48%	1990-2003	2010-2023	\$ 272,971	\$ 9,643	\$ 228,152
Total Outstanding Debt				<u>\$ 855,058</u>	<u>\$ 66,845</u>	<u>\$ 603,454</u>

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2004, was as follows:

(Amounts in Thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	\$296,530	\$ 53,625	\$37,708	\$312,447	\$27,915
General Obligation Notes	12,532	4,200	11,035	5,697	5,697
Revenue Bonds	<u>38,140</u>	_____	<u>2,288</u>	<u>35,852</u>	<u>2,403</u>
Total Bonds and Notes Payable	347,202	57,825	51,031	353,996	36,015
Compensated Absences	70,700	39,007	35,323	74,384	32,423
Claims and Judgments	27,500	88,900	87,578	28,822	15,331
Capital Leases	111		23	88	29
Other	<u>2,280</u>	_____	<u>1,450</u>	<u>830</u>	<u>476</u>
Governmental Activity Long-term liabilities	<u>\$447,793</u>	<u>\$185,732</u>	<u>\$175,405</u>	<u>\$458,120</u>	<u>\$84,274</u>
Business-type Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 58,745	\$	\$13,587	\$ 45,158	\$11,590
General Obligation Notes	9,100	12,000	9,100	12,000	12,000
Revenue Bonds	<u>199,310</u>	_____	<u>7,010</u>	<u>192,300</u>	<u>7,240</u>
Total Bonds and Notes Payable	267,155	12,000	29,697	249,458	30,830
Compensated Absences	6,512	4,408	3,831	7,089	3,267
Claims and Judgments	80	229	221	88	88
Other	1,210		810	400	
State Loan	_____	<u>1,000</u>	<u>25</u>	<u>975</u>	<u>25</u>
Business-type Activity Long-term liabilities	<u>\$274,957</u>	<u>\$ 17,637</u>	<u>\$34,584</u>	<u>\$258,010</u>	<u>\$34,210</u>

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

Internal Service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$2,112,000 of compensated absences, \$22,886,000 of unpaid claims, and \$28,000 of capital leases for the internal service funds are included in the above amounts.

Advance Refunding/Defeasance of Urban Redevelopment Bonds

The City issued Urban Redevelopment Improvement Bonds, dated March 15, 1995 of which \$2,420,000 was outstanding as of January 1, 2004. On May 6, 2004, the City issued \$2,130,000 in General Obligation Bonds

with an average interest rate of 4.87 percent to advance refund \$2,130,000 of outstanding bonds due in the years 2006 through 2015 with an average interest rate of 6.21 percent. The balance of the defeased debt at the end of 2004 was \$2,130,000.

The advance refunding of the \$2,130,000 bonds extends the maturity dates and will increase the City's total debt service payments over the next 15 years by \$25,025. By advance refunding the bonds the City obtained an economic gain (difference between the present values of the debt service payments on the old and the new debt) of \$137,609.

The City entered into an escrow deposit agreement with U.S. bank, on May 6, 2004, for the purpose of defeasing the Urban Redevelopment Improvement Bonds. The defeasance of the bonds was accomplished by making a payment of \$2,311,356 (includes 2004 and 2005 debt service payments that were not advance refunded) to an irrevocable trust maintained by the escrow agent.

Defeasance Economic Development Improvement Bonds

On June 9, 2004 City Council passed Ordinance 203-2004 authorizing the Finance Director to execute all documents necessary to defease Economic Development Improvement Bonds, authorized by Ordinance 90-2001, dated May 1, 2002, and issued to pay part of the cost of site acquisition for the Fourth and Race urban redevelopment project.

The City entered into an escrow deposit agreement with U.S. bank, on August 3, 2004, for the purpose of defeasing the Economic Development Improvement Bonds. The defeasance of the bonds was accomplished by making a payment of \$3,672,047 to an irrevocable trust maintained by the escrow agent. The monies used for making this payment was received from the sale of City owned property, located at 15, 19, 25 and 27 West Fourth Street, to 4J Redevelopment LLC.

The balance of the defeased debt at the end of 2004 was \$3,200,000.

10. DEBT LIMITATION

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

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

11. TAXES

City Income Tax

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

The City's income tax of 2.1% is subdivided into four components. The first component is the latest increase of 0.1% enacted July 1, 1988, to be spent only for the maintenance of the City's infrastructure. The second component is the 0.3% which can be used only for public transit purposes, including both capital and current operating expense. The third component is 0.15%, which can be used only for permanent improvement purposes. The remaining 1.55% is first used to meet annual deficiencies, to the extent required, in the General Fund. The amount of the 1.55% income tax revenue over the fixed allocation to the General Fund at the end of any year is recognized as revenue in the Income Tax Permanent Improvement Fund. The unused amount can be carried forward for subsequent year capital or operating needs.

Actual collections of \$193,411,104 for the 1.55% portion in 2004 were less than the original allocation of \$197,495,000 for the General Fund. The following table identifies the excess 1.55% income tax collections for the years 2000 through 2004 and collections in excess of allocation:

(Amounts in Thousands)

<u>Year</u>	<u>Actual Collections of 1.55%</u>	<u>Allocation to General Fund</u>	<u>Collections in Excess of Allocation</u>
2000	\$183,035	\$183,035	\$
2001	188,598	188,598	
2002	185,258	185,258	
2003	190,142	187,993	2,149
2004	193,411	193,411	

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 2004 levy was based was \$4,930,273,000, \$323,749,000 and \$536,115,000 for real property, public utility property and tangible personal property, respectively (per Hamilton County Auditor). The City's property taxes are collected by the Hamilton County Auditor and are remitted to the City on a periodic basis. Real property taxes collected in any calendar year are generally levied on assessed values as of January 1 of the preceding year according to the following calendar:

Property Tax Calendar - 2005

Lien date	January 1, 2004
Levy date	October 31, 2004
First installment payment due	January 31, 2005
Second installment payment due	June 20, 2005

Assessed values are established by the County Auditor, at no more than 35% of appraised market value. The laws of the State of Ohio presently require that all property be revalued no less than every six years, at any time the County Auditor finds that true or taxable value thereof has changed, and in the third calendar year following the year in which a sexennial reappraisal is completed if ordered by the State Commissioner of Tax Equalization. Real property was reappraised during 2002 with the results affecting collections beginning in 2003. The City recognizes the property taxes due to be paid in 2005 as deferred revenue since the first settlement date is more than sixty days after year-end and does not meet the availability criteria for accrual.

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

12. SHORT-TERM DEBT – BOND ANTICIPATION NOTES

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

(Amounts in Thousands)

	Beginning <u>Balance</u>	<u>Issued</u>	<u>Redeemed</u>	Ending <u>Balance</u>
Bond Anticipation Notes	\$15,410	\$50,445	\$65,855	\$0

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	\$ 4,533
Revenue bond reserve account – Water Works	18,695
Revenue bond construction account – Parking Facilities	8
Customer deposits – Water Works	660
Construction account - other – Water Works	<u>3,288</u>
Total restricted assets	<u>\$27,184</u>

14. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004 was as follows:

(Amounts in Thousands)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 159,691	\$ 1,003	\$ (7,355)	\$ 153,339
Construction in Progress	125,203	15,619		140,822
Total capital assets, not being depreciated	<u>284,894</u>	<u>16,622</u>	<u>(7,355)</u>	<u>294,161</u>
Capital assets, being depreciated:				
Buildings	141,145	680	(328)	141,497
Improvements other than buildings	256,139	25,971	(1,411)	280,699
Machinery and Equipment	109,660	24,028	(3,967)	129,721
Property acquired under capital leases	2,016		(1,960)	56
Infrastructure	<u>436,088</u>	<u>38,386</u>		<u>474,474</u>
Total capital assets, being depreciated	<u>945,048</u>	<u>89,065</u>	<u>(7,666)</u>	<u>1,026,447</u>
Less accumulated depreciation for:				
Buildings	(81,587)	(4,921)	171	(86,337)
Improvements other than buildings	(135,474)	(7,265)	1	(142,738)
Machinery and Equipment	(58,443)	(9,046)	1,970	(65,519)
Property acquired under capital leases	(1,971)	(11)	1,960	(22)
Infrastructure	<u>(147,062)</u>	<u>(19,808)</u>		<u>(166,870)</u>
Total accumulated depreciation	<u>(424,537)</u>	<u>(41,051)</u>	<u>4,102</u>	<u>(461,486)</u>
Total capital assets, being depreciated, net	<u>520,511</u>	<u>48,014</u>	<u>(3,564)</u>	<u>564,961</u>
Governmental Activities capital assets, net	<u>\$ 805,405</u>	<u>\$64,636</u>	<u>\$(10,919)</u>	<u>\$859,122</u>

Capital asset activity for the year ended December 31, 2004 was as follows:

(Amounts in Thousands)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 25,336	\$ 13,977	\$ (140)	\$ 39,173
Construction in Progress	140,641	107,458	(55,619)	192,480
Total capital assets, not being depreciated	<u>165,977</u>	<u>121,435</u>	<u>(55,759)</u>	<u>231,653</u>
Capital assets, being depreciated:				
Buildings	274,585	7,250	(294)	281,541
Improvements other than buildings	496,713	35,824	(2,029)	530,508
Machinery and Equipment	177,779	14,397	(1,870)	190,306
Property acquired under capital leases	447		(447)	
Total capital assets, being depreciated	<u>949,524</u>	<u>57,471</u>	<u>(4,640)</u>	<u>1,002,355</u>
Less accumulated depreciation for:				
Buildings	(122,706)	(7,955)	223	(130,438)
Improvements other than buildings	(128,134)	(6,650)	580	(134,204)
Machinery and Equipment	(96,942)	(9,650)	1,472	(105,120)
Property acquired under capital leases	(268)	(89)	357	
Total accumulated depreciation	<u>(348,050)</u>	<u>(24,344)</u>	<u>2,632</u>	<u>(369,762)</u>
Total capital assets, being depreciated, net	<u>601,474</u>	<u>33,127</u>	<u>(2,008)</u>	<u>632,593</u>
Business-type Activities capital assets, net	<u>\$ 767,451</u>	<u>\$ 154,562</u>	<u>\$ (57,767)</u>	<u>\$ 864,246</u>

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

(Amounts in Thousands)

Governmental activities:

General Government	\$ 1,021
Community Development	4,587
Parks and Recreation	3,942
Public Safety	3,626
Transportation and Engineering	20,278
Public Services	4,126
Public Health	624
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>2,847</u>

Total depreciation expense – governmental activities: \$ 41,051

Business-type activities:	
Water Works	\$ 16,950
Parking Facilities	1,687
Convention Center	2,998
General Aviation	665
Municipal Golf	652
Stormwater Management	<u>1,392</u>
Total depreciation expense – business-type activities:	<u>\$ 24,344</u>

Governmental Activities Construction in Progress at December 31, 2004 is comprised of the following:

(Amounts in Thousands)

<u>Administering Department</u>	<u>Project Authorizations</u>	<u>Expended to December 31, 2004</u>	<u>Committed</u>	<u>Required Future Financing</u>
Transportation & Engineering	\$ 65,033	\$ 9,309	\$ 55,724	\$ 14,613
Community Development	99,833	56,520	43,313	12,785
Recreation	46,660	28,297	18,363	4,979
Safety	6,216	4,105	2,111	340
Parks	26,341	20,476	5,865	902
Public Services	24,600	18,851	5,749	
Other	<u>6,341</u>	<u>3,264</u>	<u>3,077</u>	<u>495</u>
Totals	<u>\$275,024</u>	<u>\$140,822</u>	<u>\$134,202</u>	<u>\$ 34,114</u>

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

Business Activities Construction in Progress at December 31, 2004 is comprised of the following:

(Amounts in Thousands)

<u>Enterprise Fund</u>	<u>Project Authorizations</u>	<u>Expended to December 31, 2004</u>	<u>Committed</u>	<u>Required Future Financing</u>
Water Works	\$140,722	\$119,473	\$21,249	\$
Parking Facilities	36,154	13,049	23,105	13,900
Convention Center	50,205	50,205		9,824
General Aviation	5,023	3,907	1,116	558
Municipal Golf	293	257	36	
Stormwater Management	<u>11,717</u>	<u>5,589</u>	<u>6,128</u>	
Totals	<u>\$244,114</u>	<u>\$192,480</u>	<u>\$51,634</u>	<u>\$24,282</u>

15. RECEIVABLES

Accounts Receivable are presented in the general purpose financial statements net of the allowance for uncollectible accounts. The uncollectible accounts related to the General Fund at December 31, 2004, are as follows: Taxes Receivable (\$2,266,000) and other accounts receivable (\$4,359,000). The uncollectible accounts related to the Debt Service Fund at December 31, 2004 are Taxes Receivable (\$2,435,000). The balance for the allowance for doubtful accounts in the Capital Projects Fund at December 31, 2004 is (\$1,725,000). The balance of the allowance accounts for Appropriated Special Revenue is (\$148,000) and Non-Appropriated Special Revenue is (\$243,000) as of December 31, 2004. The balances of the allowance accounts of the proprietary funds as of December 31, 2004 are as follows: Water Works (\$3,168,000), Regional Computer Center (\$13,000), Convention Center (\$37,000), Municipal Golf (\$1,000), Parking Facilities (\$1,000), and Stormwater Management (\$632,000).

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 \$6,558,000, were made from Housing and Urban Development Section 108 funds and do not involve a revolving type loan account. The loans are repaid to the federal government. If the borrower fails to repay the loan, the City's Community Development Block Grant funds may be used to repay the federal government. The total amount receivable for the special revenue loans is offset by an allowance for uncollectible loans receivable. Special revenue loans receivable at December 31, 2004 total \$60,383,000.

Loans receivable of the capital project funds receive similar treatment to the special revenue funds' loans receivable, in that the total amount receivable is offset by an allowance for uncollectible loans receivable. The balance of the loans receivable at December 31, 2004 is \$1,725,000. This amount is related to Goodall Properties Ltd. and forgivable housing loans.

16. CONTINGENT LIABILITIES

Federal and State Grants

The City has received Federal and State grants in excess of \$42 million for specific purposes that are subject to review and audit by the grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the City Administration believes such disallowances, if any, will be immaterial.

Litigation

Various claims and lawsuits are pending against the City as of December 31, 2004. A liability of \$5.9 million was recorded for those claims and judgments as of December 31, 2004. Over the past decade, the City has averaged annual payments of \$2.3 million for claim and lawsuit settlements. Adequate funds have been provided to meet the claims paid both from the General Fund and restricted funds of the City. The City Administration believes there is no foreseen problem in having adequate resources to settle presently known cases.

17. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage. The City purchases commercial insurance to cover losses due to: theft of, damage to, or destruction of assets and purchases general liability insurance for specific operations and

professional liability insurance for certain operations. All other risks of loss are self-insured by the City. There has been no reduction in insurance coverage from coverage in 2003. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in any of the past three years.

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

In 1990, the City began to account for and finance its risk of loss due to workers' compensation claims and established an internal service fund titled "Self Insurance - Workers' Compensation". Workers' compensation is administered by the State. The City reimburses the Bureau of Workers' Compensation for injured workers' claims. All funds of the City participate in the program and make payments to the internal service fund based on the experience premium that would normally be charged by the Bureau of Workers' Compensation. Policy years 1989 through 2000 were financed through the retrospective rating program. Policy years 2001 and 2002 were financed through the fully insured program with the State Fund workers' compensation program. Beginning with policy year 2003 the City has 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 2004 and 2003 are as follows:

(Amounts in Thousands)

	General		Water Works		Parking Facilities		Convention Center		Municipal Golf			
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>		
Balance at January 1	\$130	\$402	\$74	\$120	\$2	\$5	\$2	\$26	\$0	\$0		
Current-Year Claims and Changes in Estimates	1,156	340	207	51	4	3	8	(24)	2	2		
Claim Payments	<u>(702)</u>	<u>(612)</u>	<u>(202)</u>	<u>(97)</u>	<u>(5)</u>	<u>(6)</u>	<u>(5)</u>	<u>0</u>	<u>(2)</u>	<u>(2)</u>		
Balance at December 31	<u>\$584</u>	<u>\$130</u>	<u>\$79</u>	<u>\$74</u>	<u>\$1</u>	<u>\$2</u>	<u>\$5</u>	<u>\$2</u>	<u>\$0</u>	<u>\$0</u>		
	Stormwater Management		Income Tax Infrastructure		Self Insurance Medical		Workers Compensation		General Long-Term Obligations		Totals	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Balance at January 1	\$2	\$3	\$4	\$26	\$10,701	\$8,494	\$15,142	\$19,072	\$9,060	\$6,065	\$35,117	\$34,213
Current-Year Claims and Changes in Estimates	8	(1)	57	(3)	78,180	67,440	6,951	(906)	3,741	3,046	90,314	69,948
Claim Payments	<u>(7)</u>	<u>0</u>	<u>(53)</u>	<u>(19)</u>	<u>(75,066)</u>	<u>(65,233)</u>	<u>(4,300)</u>	<u>(3,024)</u>	<u>(7,457)</u>	<u>(51)</u>	<u>(87,799)</u>	<u>(69,044)</u>
Balance at December 31	<u>\$3</u>	<u>\$2</u>	<u>\$8</u>	<u>\$4</u>	<u>\$13,815</u>	<u>\$10,701</u>	<u>\$17,793</u>	<u>\$15,142</u>	<u>\$5,344</u>	<u>\$9,060</u>	<u>\$37,632</u>	<u>\$35,117</u>

The claims liabilities at December 31, 2004 for the Internal Service Funds above (Self-Insurance Medical and Workers Compensation) are included in the following liabilities in the balance sheet:

(Amounts in Thousands)

	Self Insurance Medical	Workers Compensation
Accounts Payable	\$ 4,420	\$ 2
Accrued Liabilities		4,300
Estimated Liability For Unpaid Claim	<u>9,395</u>	<u>13,491</u>
Total	<u>\$13,815</u>	<u>\$17,793</u>

18. PRIOR PERIOD ADJUSTMENT

The Special Revenue-Nonappropriated Safety fund has restated the fund balance at January 1, 2004 on the Schedule of Revenue, Expenditures and Changes in fund balance. The adjustment of \$7,248,000 had been included as a fund liability for compensated absences. This is now shown as a reservation of fund balance.

(Amounts in Thousands)

Fund balance, January 1, 2004	\$1,502
Restatement	<u>7,248</u>
Restated fund balance, January 1, 2004	<u>\$8,750</u>

19. SUBSEQUENT EVENTS

On March 9, 2005 and May 4, 2005 City Council authorized the taking of bids on \$91,400,000 of general obligation bonds. On May 24, 2005, Series A of these bonds totaling \$26,300,000 were bid on and accepted.

These bonds were sold and dated June 1, 2005. The bond issues sold at coupon rates of 3.00% to 5.00%, but with a bid premium of \$583,744. The effective rates were from 2.80% to 4.30%. The total bonds that were authorized for taking bids and that were sold include tax support issues of \$12,750,000 for Street Improvements, \$3,340,000 for Equipment Improvements, \$5,910,000 for Public Building Improvements, and \$4,300,000 for Final Judgment. On May 24, 2005, Series B of these bonds totaling \$5,200,000 were bid on and accepted. These bonds were sold and dated June 1, 2005. The bond issues sold at coupon rates of 3.25% to 5.00%, but with a bid premium of \$3,204. The effective rates were from 2.75% to 4.30%. The total bonds that were authorized for taking bids and that were sold include municipal income-tax support issues of \$4,900,000 for Street Improvements and \$300,000 for Public Building Improvements.

The total bonds that were authorized for taking bids and that have not been sold include tax support issues of \$1,300,000 for Parks & Recreation Improvements, \$3,100,000 for Urban Redevelopment Improvements, \$8,200,000 for Refunding of Economic Development Revenue Bonds, \$6,300,000 for Refunding of Parking Improvements Bonds, and \$41,000,000 for Refunding of Unlimited Tax Various Purpose G.O. Bonds.

On March 9, 2005 City Council authorized the taking of bids on \$165,000,000 of Water Works Revenue Bonds to be sold. On May 2, 2005, serial bonds totaling \$80,585,000 were bid on and accepted. These bonds were sold and dated May 19, 2005. The bond issues sold at coupon rates of 3.00% to 5.00% but with a bid premium of \$5,125,278. The effective rates were from 2.88% to 4.30%. Also on May 2, 2005, auction rate bonds totaling \$30,000,000 were bid on and accepted. These bonds were sold and dated May 19, 2005. The bond issues sold at coupon rates of 3.00% with no bid premium. The effective rates were 3.00%.

On March 9, 2005 City Council authorized the taking of bids on \$1,300,000 of bond anticipation notes for parks and recreation improvements. The notes totaling \$1,250,000 were sold and dated May 19, 2005. The notes were sold at a coupon rate of 3.70%.

On June 2, 2005 City Council authorized the taking of bids on \$12,226,800 of bond anticipation notes for parking improvements. The notes totaling \$12,226,800 were sold and dated June 7, 2005. The notes were sold at a coupon rate of 3.66%.

20. PENSION AND RETIREMENT

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

Ohio Police and Fire Pension Fund

Plan Description

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

Funding Policy

Plan members are required to contribute 10.0% of their annual covered salary, while the City of Cincinnati is required to contribute 19.5% and 24.0% respectively for police officers and fire fighters. The City of Cincinnati's contributions to OP&F for the years ending December 31, 2004, 2003, and 2002 were \$24,882,000, \$23,233,000, and \$21,989,000, respectively equal to the required contribution for each year.

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

Other Postemployment Benefit Information

OP&F provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by the police and firefighters' retirement system is considered an Other Postemployment Benefit

(OPEB). A portion of each employer's contribution to the Police and Fire Pension Fund is set aside for the funding of postemployment health care. The Ohio Revised Code provides the statutory authority allowing the fund's board of trustees to provide health care coverage to all eligible individuals. Health care funding and accounting are on a pay-as-you-go basis. In 2004, 7.75% of covered payroll was used to pay retiree health care expenses. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly healthcare contributions.

The number of participants eligible to receive health care benefits as of December 31, 2003, the date of the last actuarial valuation available was 13,662 for police and 10,474 for firefighters. The portion of the City's 2004 contributions that was used to pay postemployment benefits was \$5,172,326 for police and \$3,828,747 for firefighters. The total health care expense of the fund for the year ending December 31, 2003, the date of the last actuarial valuation available, was \$150,853,148, which was net of member contributions of \$17,207,506.

State PERS

Plan Description

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

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

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

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

The Combined Plan- a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by OPERS 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 by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or calling (614) 222-6701 or (800) 222-7377.

Funding Policy

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2004, member and employer contribution rates were consistent across all three plans. Employees contribute 8.5% of their annual compensation. The City's contribution rate for 2004 was 13.55% of covered payroll: 9.55% was the portion used to fund pension obligations and 4% was used to fund health care for 2004. City of Cincinnati's contributions to OPERS for the years ending December 31, 2004, 2003, and 2002, were \$2,216,000, \$2,069,000, and \$1,943,000 respectively, equal to the required contributions for each year.

Other Postemployment Benefit Information

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.

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 is considered an Other Postemployment Benefit (OPEB). A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care. The Ohio Revised Code provides statutory authority for employer contributions. The City's contribution rate for 2004 was 13.55% of covered payroll: 9.55% was the portion used to fund pension obligations and 4% was used to fund health care for 2004.

OPEB are advance-funded on an actuarially determined basis. The number of active contributing participants at year-end 2004 was 369,885. The portion of the City's employer contribution that was used to fund postemployment benefits was \$654,108. The actuarial value of PERS net assets available for OPEB was \$10,500,000,000 at December 31, 2003, the date of the last actuarial valuation available. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26,900,000,000 and \$16,400,000,000 respectively.

City of Cincinnati Retirement System

Plan Description

The City of Cincinnati Retirement System is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The System is considered part of the City of Cincinnati's financial reporting entity and is included in the City's financial report as a pension trust fund, see pages 30 and 31. No separate financial report is issued. Article XV of the Administrative Code of the City of Cincinnati provides the statutory authority vesting the general administration and responsibility for the proper operation of the System in the Board of Trustees of the City of Cincinnati Retirement System. There are four employers that contribute to the plan. They are the City of Cincinnati, University of Cincinnati, University Hospital and Hamilton County. Membership of the Retirement System of the City consisted of the following at December 31, 2004, the date of the latest actuarial valuation:

	<u>Pension</u>	<u>Health care</u>
Retirees and beneficiaries receiving benefits	4,391	4,391
Terminated plan members entitled to future benefits	160	160
Active plan members:		
Vested	2,850	1,677
Nonvested	<u>2,201</u>	<u>3,374</u>
Total	<u>9,602</u>	<u>9,602</u>

1,576 of the Nonvested members are part-time employees who are included in the system to comply with the Omnibus Budget Reconciliation Act of 1990, which mandated the inclusion of certain classifications of employees either in state or municipal retirement systems or the Federal Insurance Contribution Act (Social Security). The City of Cincinnati's Retirement System covers the majority of non-uniformed City employees and a closed group of members from other employers which includes employees of the University of Cincinnati and University Hospital who joined before control of these institutions was transferred to the State of Ohio, and former City employees staying with various operations transferred to the control of Hamilton County.

The service retirement allowance vests after five years of creditable service. Medical care benefits are provided after fifteen years of creditable service, or if hired before January 9, 1997 after reaching age sixty with at least five years of creditable service. Any member in service may retire at any age upon completing thirty or more years of membership service or at age 60 with at least five years creditable service, with a retirement allowance commencing immediately; or any member upon completing five years of creditable service before age sixty may retire with a retirement allowance commencing at age sixty, provided, however, at the time of election of the deferred annuity there is no loan outstanding against his contributions.

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

Contributions

Each member contributes at a rate of 7% of his salary until his retirement. This percent contributed by the employees is fixed by the fund's Board of Trustees on the basis of authority provided by Chapter 203 Section 77 of the Cincinnati Municipal Code. The City makes annual employer contributions based on a percentage of the salaries of all members. The contribution rate for 2004 was 11% for all employers. The Board has adopted a policy of applying the net employer contribution rate to the second following year after the actuarial valuation. City of Cincinnati's contributions to the City of Cincinnati Retirement System for the years ending December 31, 2004, 2003 and 2002 were \$18,477,000, \$11,929,000, and \$11,974,000, respectively equal to the required contributions for each year. Administrative costs are financed from the system assets. The unfunded actuarial accrued liability for pension costs as of December 31, 2004 was \$89,201,000 to be amortized over an open period of 15 years.

Summary of Significant Accounting Policies and Plan Asset Matters

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

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

Securities Lending – The Retirement System securities lending program disclosures are presented in accordance with Governmental Accounting Standards Board Statement 28, Accounting and Financial Reporting for Securities Lending Transactions. The disclosures are located in Footnote 2 – Deposits with Financial Institutions and Investments and on the statement of plan net assets and statement of changes in plan net assets.

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

Other Postemployment Benefit Information

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

The health care coverage provided by the System is considered an Other Postemployment Benefit (OPEB). It is advance-funded on an actuarially determined basis as a portion of the employer contribution requirement to the System. The Cincinnati Municipal Code provides authority for employer contributions.

The actuarial assumptions used for the December 31, 2004 valuation included an assumption for hospital and surgical benefits recognizing adjusted premiums based on experience for recent years adjusted to current year by assumed annual increases in premium costs. The cost of OPEBs are recognized as an expense as claims are paid. The employer contribution that was used to fund postemployment benefits was \$4,777,000. The actuarial value of the System's net assets available for OPEB at December 31, 2004 was \$753,105,000. The actuarially accrued liability based on the actuarial cost method used was \$822,938,000. The unfunded actuarial accrued liability for postemployment benefits at December 31, 2004 was \$69,833,000 to be amortized over an open period of 15 years.

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	12/31/04
Actuarial cost method	Individual entry age normal
Asset valuation method	The actuarial value of assets was reset to market value of assets as of December 31, 2003. For future years, asset gains and losses will be recognized at the rate of 20% per year. The investment gain/(loss) is taken as the excess of the actual return on assets over the expected return on assets. The investment gain/(loss) is then recognized at 20% per year until fully recognized. The actuarial value of assets is the market value minus the sum of the deferred investment gains/(losses) during the preceding five plan years. In

	addition, the actuarial value is restricted to be no less than 80% of the market value or no more than 120% of the market value.
Actuarial assumptions:	
Investment rate of return*	8.75% per year, net of expenses, compounded annually.
Mortality	
Non-disabled lives:	Uninsured Pensioner 1994 Mortality Table projected to 2009
Disabled Retirees:	Pension Benefit Guarantee Corp. Disabled Mortality Table
Turnover	2000 City of Cincinnati Rate of Termination Experience Table
Disability	1995 City of Cincinnati Disability Retirement Experience Table
Salary increases	Salary increases are assumed to vary by service. For those who had not elected the 2.50% formula an additional 10% assumption increase in average salary is used to reflect final lump sum payments.
Medical Benefits:	<p>The City offers medical benefits (including outpatient prescription drug coverage) to retirees before and during Medicare eligibility. Three plan options are offered to current and future retirees: a traditional indemnity plan, a PPO and an HMO.</p> <p>Starting claim costs were developed based on historical retiree claims and enrollment experience data projected forward to the valuation period with trend and adjusted for the demographics of the historical vs. current retiree population. Historical claims experience was available since 1999, with data split separately by plan and some data available split between medical and prescription drug coverage and also for those prior to and during Medicare eligibility.</p> <p>Some retirees may have dependent children covered under the retiree health plan. Their cost is included in the historical claims experience used to estimate the adult per capita rate.</p> <p>Administrative fees (claims administration and management, stop-loss, prescription drug, etc.) charged to the plan are included in the costs developed.</p> <p>Costs are determined on a per capita basis, adjusted to age 65, and annualized for presentation. Costs are developed by plan (Traditional, PPO and HMO), and blended based on the current and expected enrollment among plans.</p>

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

Retiree Contributions

Group 1 current and future retirees only contribution towards the cost of coverage in the HMO plan. Contribution amounts are \$64 per year Pre-Medicare and \$62 per year Medicare eligible. For retirees with dependent(s) covered, contributions are double the amounts above. Contributions do not increase with aging, but are assumed to increase with medical trend. (Group 1 retirees in other plans have no retiree contributions.) Group 2 retirees contribute based on a "points system" at retirement.

Other Health Benefits

Medicare Part B: The City reimburses the Medicare Part B premiums for retirees and dependents. Medicare Part B premiums are assumed to increase in accordance with estimates from the 2005 Annual Report of the Board of Trustee Report (2004 report in last year's valuation) until the year 2015 (2013 in last year's valuation) and then increase at 5.0% per year thereafter. 2005 Part B Premiums are \$938.40 (799 in 2004).

Dental Benefits

One traditional dental indemnity plan is provided to all current and future retirees. The plan includes a \$1,000 annual maximum on plan benefits. 2005 projected starting cost is \$206 per adult per year (same as 2004 estimate). Costs are assumed to increase at a decreasing rate, starting at 6.00% for 2005, then decreasing by 0.25% per year to 4.25% and remaining there for 18 years, then decreasing gradually over 16 years to no material trend. This takes the \$1,000 annual maximum on annual dental claims into account. (A very similar trend table was utilized last year, with only slight changes.) Dental aging assumptions are a 1.0% increase per year up to age 65, then 0%.

Vision Benefits

One indemnity design plan is provided to all current and future retirees. The plan has fixed benefits with a \$100 annual maximum benefit. The 2005 projected starting cost is \$24 per adult per year (same as 2004 estimate). Although the claims benefit level is fixed, we anticipate a 1.0% annual trend increase in cost to account for increases in administrative costs. (The same trend assumption was utilized last year.) No aging impact is assumed in the vision coverage.

Option Electives	75% of male participants and 25% of female participants will have a spouse who is covered under the medical, dental and vision benefits portions of the plan. Of these participants with a covered spouse, 85% will elect a Joint & Survivor option.
Expenses	Investment and plan administration expenses are assumed to be the prior year's expenses rounded to the next \$100,000.
*Inflation rate	No assumption.
Cost-of-living adjustments	3% compound interest

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

(AMOUNTS IN THOUSANDS)

PENSION PLAN						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/97	\$ 1,250,997	\$ 1,214,573	(\$36,424)	103.00 %	\$181,547	(20.06)%
12/31/98	1,411,847	1,235,332	(176,515)	114.29	181,691	(97.15)
12/31/99	1,554,854	1,378,625	(176,229)	112.78	184,477	(95.53)
12/31/00	1,627,207	1,439,180	(188,027)	113.06	182,556	(103.00)
12/31/01	1,699,977	1,473,359	(226,618)	115.38	191,756	(118.18)
12/31/02	1,623,059	1,586,583	(36,476)	102.30	186,266	(19.58)
12/31/03	1,555,672	1,636,805	81,133	95.04	184,407	44.00
12/31/04	1,607,444	1,696,645	89,201	94.74	182,575	48.86

HEALTHCARE PLAN						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/97	\$548,239	\$532,277	(\$15,962)	103.00 %	\$181,547	(8.79) %
12/31/98	624,185	504,851	(119,334)	123.64	181,691	(65.68)
12/31/99	696,701	531,059	(165,642)	131.19	184,477	(89.79)
12/31/00	736,491	632,386	(104,105)	116.46	182,556	(57.03)
12/31/01	775,960	845,443	69,483	91.78	191,756	36.24
12/31/02	748,291	757,166	8,875	98.83	186,266	4.76
12/31/03	724,049	782,698	58,649	92.51	184,407	31.80
12/31/04	753,105	822,938	69,833	91.51	182,575	38.25

SCHEDULE OF EMPLOYERS' CONTRIBUTIONS

(AMOUNTS IN THOUSANDS)

PENSION PLAN		
Year Ended December 31	Annual Required Contribution	Percentage Contributed
1997	\$23,335	106.80 %
1998	14,560	127.83
1999	0	N/A
2000	0	N/A
2001	0	N/A
2002	3,980	218.99
2003	14,854	64.04
2004	29,857	48.77

HEALTHCARE PLAN		
Year Ended December 31	Annual Required Contribution	Percentage Contributed
1997	\$7,778	106.80 %
1998	4,853	127.83
1999	0	N/A
2000	0	N/A
2001	0	N/A
2002	1,327	304.45
2003	4,951	62.78
2004	9,953	48.00

(This page intentionally left blank.)

REQUIRED
SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

CITY OF CINCINNATI, OHIO
Budgetary Comparison Schedule
General Fund
For the year ended December 31, 2004
(Amounts in Thousands)

	General Fund			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Taxes	\$ 227,141	\$ 227,141	\$ 223,368	\$ (3,773)
Licenses and Permits	6,030	6,030	6,353	323
Use of Money and Property	11,625	11,625	10,328	(1,297)
Intergovernmental Revenue	51,239	51,239	55,939	4,700
Charges for Current Services	13,773	13,773	15,670	1,897
Miscellaneous	4,141	4,141	3,482	(659)
Total Revenue	<u>313,949</u>	<u>313,949</u>	<u>315,140</u>	<u>1,191</u>
Expenditures				
Current				
General Government	41,223	41,156	40,077	1,079
Community Development	9,071	9,060	8,672	388
Parks and Recreation	19,546	19,787	19,762	25
Public Safety	147,536	149,012	148,737	275
Transportation & Engineering	3,026	3,045	2,588	457
Public Services	21,233	21,368	21,362	6
Public Health	21,701	22,073	22,065	8
Employee Benefits	65,783	64,771	63,841	930
Capital Outlay	491	491	478	13
Total Expenditures	<u>329,610</u>	<u>330,763</u>	<u>327,582</u>	<u>3,181</u>
Excess (Deficiency) of Revenue over (under) Expenditures	(15,661)	(16,814)	(12,442)	4,372
Other Financing Sources (Uses)				
Transfer In		3,996	3,996	
Transfers (Out)		(545)	(545)	
Total Other Financing Sources (Uses)		<u>3,451</u>	<u>3,451</u>	
Excess of Revenue over (under) Expenditures and Other Financing Sources	(15,661)	(13,363)	(8,991)	4,372
Cancellation of Prior Years Encumbrances				
			1,521	1,521
Fund Balances, January 1	18,969	18,969	18,969	
Fund Balances, December 31	<u>\$ 3,308</u>	<u>\$ 5,606</u>	<u>\$ 11,499</u>	<u>\$ 5,893</u>

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

Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other uses per the Budgetary Comparison Schedule	\$ (8,991)
(Increases) decreases from revenues:	
Received in cash during year but already accrued as receivables (GAAP) at December 31, 2003	(31,380)
Accrued as receivables at December 31, 2004 but not recognized in budget	32,832
(Increases) decreases from encumbrances:	
Expenditures of amounts encumbered during prior years	(8,428)
Recognized as expenditures in the budget	9,626
(Increases) decreases from expenditures:	
Accrued as liabilities at December 31, 2003 recognized as expenditures (GAAP) but not in budget	9,026
Accrued as liabilities at December 31, 2004	(6,955)
Inventory purchase recognized as expenditures (budget) but not in GAAP	226
Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance (Page 22)	<u>\$ (4,044)</u>

See notes to required supplementary information.

City Of Cincinnati, Ohio
Note to the Required Supplementary Information
December 31, 2004

Note A- Budgetary Data

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

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

SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

MAJOR GOVERNMENTAL FUND

GENERAL FUND

The 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.

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

GENERAL FUND	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Taxes				
Real Property	\$ 22,888	\$ 22,888	\$ 22,464	\$ (424)
Personal Property	2,600	2,600	2,890	290
Public Utility Property Tax Reimbursement	688	688	688	
City Income Tax	197,495	197,495	193,411	(4,084)
Admissions	3,470	3,470	3,890	420
Total Taxes	227,141	227,141	223,343	(3,798)
Payments In Lieu of Taxes			25	25
Licenses and Permits				
Street Use	1,710	1,710	1,497	(213)
Health	295	295	299	4
Police and Protective	68	68	64	(4)
Beer and Liquor	500	500	508	8
Business and Merchandising	20	20	15	(5)
Amusements	110	110	101	(9)
Professional and Occupational	152	152	157	5
Buildings, Structures and Equipment	3,175	3,175	3,712	537
Total Licenses and Permits	6,030	6,030	6,353	323
Use of Money and Property				
Fines, Forfeits and Penalties	3,400	3,400	4,071	671
Income from Treasury Investments	8,000	8,000	6,083	(1,917)
Rents	120	120	95	(25)
General Concessions and Commissions	105	105	79	(26)
Total Use of Money and Property	11,625	11,625	10,328	(1,297)
Intergovernmental Revenue				
Proportionately Shared State Taxes				
Local Government Revenue Assistance	2,875	2,875	2,876	1
Local Government Fund - Sales, Franchise, State Income Tax	25,975	25,975	25,975	
Local Government Fund - Financial Institution Tax	564	564	748	184
Estate Tax	19,000	19,000	23,373	4,373
State Income Tax - Real Property Tax Reduction	2,612	2,612	2,784	172
State Income Tax - Tangible Property Tax Reduction	200	200	176	(24)
Payments from Other Governmental Units	13	13	2	(11)
Revenue from Private Sources			5	5
Total Intergovernmental Revenue	51,239	51,239	55,939	4,700
Charges for Current Services				
General Government	7,715	7,715	8,703	988
Buildings and Inspections				
Other Inspection Certificates	255	255	310	55
Elevator Certifications	555	555	513	(42)
Public Safety				
Police and Communication Charges	20	20	33	13
Motor Vehicle Response	475	475	176	(299)
Impounded Vehicle Fees	755	755	963	208
Protective Inspection Fees	50	50	54	4
Protection Service - Burglary Alarm	140	140	858	718
Emergency Transportation Service	2,537	2,537	2,779	242
Other Public Safety Charges	55	55	149	94

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

GENERAL FUND (Continued)	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Public Services				
Recycling Incentive Fee	\$ 350	\$ 350	\$ 347	\$ (3)
Other Public Services Charges	25	25	43	18
Public Health				
Vital Statistics	722	722	625	(97)
Clinic Fees	106	106	106	
Other Public Health Charges	13	13	11	(2)
Total Charges for Current Services	13,773	13,773	15,670	1,897
Miscellaneous Revenue	4,141	4,141	3,482	(659)
TOTAL REVENUE	313,949	313,949	315,140	1,191
Expenditures				
City Council				
Personal Services	1,335	1,351	1,301	50
Non-Personal Services	68	79	76	3
Total City Council	1,403	1,430	1,377	53
Office of the Mayor				
Personal Services	396	384	347	37
Non-Personal Services	40	62	61	1
Total Office of the Mayor	436	446	408	38
Office of the Clerk of Council				
Personal Services	284	296	259	37
Non-Personal Services	718	618	430	188
Capital Outlay	1	1		1
Total Office of the Clerk of Council	1,003	915	689	226
Regional Computer Center				
Non-Personal Services	4,343	4,343	4,343	
Total Regional Computer Center	4,343	4,343	4,343	
Department of the City Manager				
Office of the City Manager				
Personal Services	1,190	1,194	1,192	2
Non-Personal Services	541	563	563	
Capital Outlay	10	10	2	8
Total Office of the City Manager	1,741	1,767	1,757	10
Citizen's Complaint Authority				
Personal Services	491	472	463	9
Non-Personal Services	69	107	107	
Total Citizen's Complaint Authority	560	579	570	9

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

GENERAL FUND	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures				
Department of Law				
Division of Legal Services				
Personal Services	\$ 3,857	\$ 3,791	\$ 3,628	\$ 163
Non-Personal Services	763	1,183	1,181	2
Total Department of Law	4,620	4,974	4,809	165
Department of Human Resources				
Personal Services	1,409	1,457	1,457	
Non-Personal Services	472	457	446	11
Total Department of Human Resources	1,881	1,914	1,903	11
Department of Finance				
Office of the Director				
Personal Services	232	251	251	
Non-Personal Services	52	52	19	33
Capital Outlay	5	5	3	2
Total Office of the Director	289	308	273	35
Division of Budget & Evaluation				
Personal Services	752	764	711	53
Non-Personal Services	85	94	83	11
Total Division of Budget and Evaluation	837	858	794	64
Division of Accounts and Audits				
Personal Services	995	1,003	1,002	1
Non-Personal Services	698	665	534	131
Total Division of Accounts and Audits	1,693	1,668	1,536	132
Division of Treasury				
Personal Services	408	423	415	8
Non-Personal Services	517	517	460	57
Total Division of Treasury	925	940	875	65
Division of Risk Management				
Non-Personal Services	111	111	31	80
Total Division of Risk Management	111	111	31	80
Division of Income Tax				
Personal Services	2,295	2,326	2,222	104
Non-Personal Services	742	742	739	3
Total Division of Income Tax	3,037	3,068	2,961	107
Division of Purchasing				
Personal Services	772	697	690	7
Non-Personal Services	204	204	204	
Total Division of Purchasing	976	901	894	7

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

GENERAL FUND (Continued)	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Division of Internal Audit				
Personal Services	\$ 346	\$ 376	\$ 371	\$ 5
Non-Personal Services	46	31	14	17
Total Internal Audit Unit	392	407	385	22
Total Department of Finance	8,260	8,261	7,749	512
Department of Community Development				
Office of the Director				
Personal Services	484	610	578	32
Non-Personal Services	132	112	112	
Capital Outlay		15	15	
Total Office of the Director	616	737	705	32
Division of Housing Development				
Personal Services	224	276	251	25
Non-Personal Services	1,527	1,572	1,567	5
Total Division of Housing Development	1,751	1,848	1,818	30
Division of Human Services				
Personal Services	371	487	373	114
Non-Personal Services	5,718	5,403	5,233	170
Total Division of Human Services	6,089	5,890	5,606	284
Division of Historic Conservation/Land Use Management				
Personal Services	567	537	502	35
Non-Personal Services	48	48	41	7
Capital Outlay	1	1		1
Total Division of Historic Conserv/Land Use Management	616	586	543	43
Total Department of Community Development	9,072	9,061	8,672	389
Department of Public Recreation				
West Region Division				
Personal Services	1,417	1,461	1,457	4
Non-Personal Services	131	150	150	
Total West Region Division	1,548	1,611	1,607	4
East Region Division				
Personal Services	1,689	1,692	1,690	2
Non-Personal Services	188	188	188	
Total East Region Division	1,877	1,880	1,878	2

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

GENERAL FUND	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures				
Central Region Division				
Personal Services	\$ 2,011	\$ 1,973	\$ 1,968	\$ 5
Non-Personal Services	205	205	205	
Total Central Region Division	2,216	2,178	2,173	5
Maintenance Division				
Personal Services	2,461	2,325	2,322	3
Non-Personal Services	2,420	2,780	2,780	
Total Maintenance Division	4,881	5,105	5,102	3
Division of Seniors and Special Populations				
Personal Services	833	784	781	3
Non-Personal Services	42	42	42	
Total Division of Seniors and Special Populations	875	826	823	3
Division of Athletics				
Personal Services	1,103	1,198	1,198	
Non-Personal Services	120	101	100	1
Total Division of Athletics	1,223	1,299	1,298	1
Division of Waterfront Activities				
Personal Services	304	315	309	6
Non-Personal Services	32	32	32	
Total Division of Waterfront Activities	336	347	341	6
Division of Administration				
Personal Services	1,085	1,112	1,112	
Non-Personal Services	815	835	835	
Capital Outlay	21	21	21	
Total Division of Administration	1,921	1,968	1,968	
Total Department of Public Recreation	14,877	15,214	15,190	24
Department of Parks				
Division of Administration and Program Services				
Personal Services	152	159	159	
Non-Personal Services	2	2	2	
Total Division of Administration and Program Services	154	161	161	
Division of Operations				
Personal Services	1,658	1,401	1,400	1
Non-Personal Services	943	973	973	
Total Division of Operations	2,601	2,374	2,373	1
Division of Planning, Design and Development				
Personal Services	1,320	1,364	1,364	
Non-Personal Services	615	695	695	
Total Division of Planning, Design and Development	1,935	2,059	2,059	
Total Department of Parks	4,690	4,594	4,593	1

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

GENERAL FUND	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures				
Department of Buildings and Inspections				
Office of the Director				
Personal Services	\$ 395	\$ 374	\$ 369	\$ 5
Non-Personal Services	174	317	316	1
Total Office of the Director	569	691	685	6
Division of Licenses and Permits				
Personal Services	1,291	1,305	1,293	12
Non-Personal Services	90	165	162	3
Total Division of Licenses and Permits	1,381	1,470	1,455	15
Division of New Building Construction & Existing Buildings				
Personal Services	3,010	2,792	2,760	32
Non-Personal Services	288	334	331	3
Total Division of New Building Construction & Existing Buildings	3,298	3,126	3,091	35
Total Department of Buildings and Inspections	5,248	5,287	5,231	56
Department of Police				
Personal Services	78,876	78,434	78,434	
Non-Personal Services	10,444	11,310	11,308	2
Capital Outlay	110	110	110	
Total Department of Police	89,430	89,854	89,852	2
Department of Fire Protection				
Personal Services	52,111	52,861	52,659	202
Non-Personal Services	6,105	6,407	6,336	71
Capital Outlay	103	103	103	
Total Department of Fire Protection	58,319	59,371	59,098	273
Department of Transportation and Engineering				
Office of the Director				
Personal Services	398	395	395	
Non-Personal Services	144	138	50	88
Total Office of the Director	542	533	445	88
Division of Transportation, Planning and Urban Design				
Personal Services	196	305	286	19
Non-Personal Services	66	61	24	37
Total Division of Transportation, Planning and Urban Design	262	366	310	56
Division of Engineering				
Personal Services	487	411	152	259
Non-Personal Services	159	157	128	29
Total Division of Engineering	646	568	280	288
Division of Traffic Engineer				
Personal Services	50	52	29	23
Non-Personal Services	1,526	1,526	1,524	2
Total Division of Traffic Engineer	1,576	1,578	1,553	25
Total Department of Transportation and Engineering	3,026	3,045	2,588	457

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

GENERAL FUND	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures				
Department of Public Services				
Office of the Director				
Personal Services	\$ 456	\$ 363	\$ 361	\$ 2
Non-Personal Services	253	223	222	1
Capital Outlay	5	5	5	
Total Office of the Director	714	591	588	3
Traffic and Road Operations Division				
Personal Services	352	444	444	
Non-Personal Services	500	500	500	
Total Traffic and Road Operations Division	852	944	944	
Neighborhood Operations Division				
Personal Services	8,486	8,631	8,631	
Non-Personal Services	7,856	7,857	7,856	1
Total Neighborhood Operations Division	16,342	16,488	16,487	1
Division of Facility Management				
Personal Services	716	735	734	1
Non-Personal Services	2,614	2,615	2,614	1
Total Division of City Facility Management	3,330	3,350	3,348	2
Total Department of Public Services	21,238	21,373	21,367	6
Department of Public Health				
Office of the Commissioner				
Personal Services	761	790	790	
Non-Personal Services	90	90	90	
Capital Outlay	35	35	35	
Total Office of the Commissioner	886	915	915	
Division of Technical Resources				
Personal Services	2,402	2,483	2,483	
Non-Personal Services	1,150	1,150	1,150	
Total Division of Technical Resources	3,552	3,633	3,633	
Division of Community Health Services				
Personal Services	2,161	2,225	2,217	8
Non-Personal Services	325	325	325	
Total Division of Community Health Services	2,486	2,550	2,542	8
Division of Primary Care - Special Services				
Personal Services	5,484	5,600	5,600	
Non-Personal Services	801	801	801	
Total Division of Primary Care - Special Services	6,285	6,401	6,401	
Division of Primary Care - Health Centers				
Personal Services	6,481	6,564	6,564	
Non-Personal Services	2,046	2,045	2,045	
Total Division of Primary Care - Health Centers	8,527	8,609	8,609	
Total Department of Public Health	21,736	22,108	22,100	8

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

GENERAL FUND	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures				
Nondepartmental Accounts				
Pension Systems				
Contribution to City Pension System	\$ 8,608	\$ 8,037	\$ 7,706	\$ 331
Contribution to State Pension System	1,301	1,140	1,140	
Contribution to Police Pension System	14,743	14,293	14,293	
Contribution to Fire Pension System	13,313	13,313	13,265	48
Employee Benefits				
Contribution to Employee Hospital Care	20,942	21,110	20,943	167
Dental and Vision Care	2,590	2,571	2,523	48
Medicare Tax	2,098	2,126	2,103	23
Public Employee Assistance	204	203	202	1
Contribution to Workers' Compensation Insurance	469	466	466	
Police Officers and Firefighters' Insurance	310	310	230	80
State Unemployment Compensation	295	293	293	
Lump Sum Payments	800	800	569	231
Life Insurance	105	103	102	1
City Council Staff Benefits	5	6	6	
Professional Services and Legal Fees				
Judgments against the City	1,500	1,312	1,301	11
Collaborative Policing Effort	1,000	1,000	1,000	
Miscellaneous Accounts				
Mayor's Office Obligations	10	10	10	
Justice Department Policing Effort	1,500	1,500	1,500	
Cincinnati Public Schools	5,000	5,000	5,000	
Port Authority of Greater Cincinnati	350	350	350	
Property Investment Reimbursement Agreements	2,384	2,084	2,084	
Motorized and Construction Equipment	200	200	200	
Total Nondepartmental Accounts	<u>77,727</u>	<u>76,227</u>	<u>75,286</u>	<u>941</u>
TOTAL EXPENDITURES	<u>329,610</u>	<u>330,763</u>	<u>327,582</u>	<u>3,181</u>
Excess (Deficiency) of Revenue over (under) Expenditures	(15,661)	(16,814)	(12,442)	4,372
Other Financing Sources (Uses)				
Transfer In		3,996	3,996	
Transfer (Out)		(545)	(545)	
Total Other Financing Sources (Uses)		<u>3,451</u>	<u>3,451</u>	
Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing Sources (Uses)	(15,661)	(13,363)	(8,991)	4,372
Cancellation of Prior Years Encumbrances			1,521	1,521
Fund Balance, January 1	<u>18,969</u>	<u>18,969</u>	<u>18,969</u>	
Fund Balance, December 31	<u>\$ 3,308</u>	<u>\$ 5,606</u>	<u>\$ 11,499</u>	<u>\$ 5,893</u>

CITY OF CINCINNATI, OHIO

Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2004
(Amounts in Thousands)

GENERAL FUND

Revenue

Taxes

Real Property	\$	22,802
Public Utility Property Tax Reimbursement		688
Personal Property		2,890
City Income Tax		197,616
Admissions		<u>3,890</u>

Total Taxes 227,886

Payments in Lieu of Taxes 25

Licenses and Permits

Street Use		1,497
Health		299
Police and Protective		64
Beer and Liquor		509
Business and Merchandising		15
Amusements		101
Professional and Occupational		157
Buildings, Structures and Equipment		<u>3,713</u>

Total Licenses and Permits 6,355

Use of Money and Property

Fines, Forfeits and Penalties		4,201
Income from Treasury Investments		4,488
General Concessions and Commissions		<u>78</u>

Total Use of Money and Property 8,767

Intergovernmental Revenue

Proportionately Shared State Taxes

Local Government Revenue Assistance		2,877
Local Government Fund - Sales, Franchise, State Income		25,975
Local Government Fund - Financial Institution Tax		748
State Income Tax - Real Property Tax Reduction		2,608
State Income Tax - Tangible Property Tax Reduction		319
Estate Tax		<u>23,373</u>

(Continued)

CITY OF CINCINNATI, OHIO

Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2004
(Amounts in Thousands)

GENERAL FUND

(Continued)

Revenue

Intergovernmental Revenue

Payments from Other Governmental Units	\$	2
Revenue from Private Sources		<u>5</u>

Total Intergovernmental Revenue 55,907

Charges for Current Services

General Government 7,357

Buildings and Inspections

Other Inspection Certificates	312
Elevator Certifications	549

Public Safety

Police and Communication Charges	27
Impounded Vehicle Fees	933
Protective Inspection Fees	54
Protection Service - Burglary Alarm	936
Emergency Transportation Service	3,653
Other Public Safety Charges	70

Public Services 392

Public Health

Vital Statistics	625
Clinic Fees	106
Other Public Health Charges	<u>11</u>

Total Charges for Current Services 15,025

Miscellaneous Revenue 1,411

TOTAL REVENUE 315,376

(Continued)

CITY OF CINCINNATI, OHIO

Statement of Revenue, Expenditures and Changes in Fund Balance
 For the year ended December 31, 2004
 (Amounts in Thousands)

GENERAL FUND

(Continued)

Expenditures

City Council	\$ 1,378
Office of the Clerk of Council	658
Office of the Mayor	419
Office of the City Manager	1,586
Citizen's Complaint Authority	535
Department of Law	4,667
Department of Human Resources	1,926
Department of Finance	
Office of the Director	348
Division of Budget and Evaluation	807
Division of Treasury	888
Division of Income Tax	2,919
Division of Risk Management	31
Division of Purchasing	900
Division of Accounts and Audits	1,752
Division of Internal Audit	<u>382</u>
Total Department of Finance	8,027
Department of Community Development	
Office of the Director	695
Division of Housing Development	1,715
Division of Human Services	5,559
Division of Community Development	(109)
Division of Workforce Development	57
Division of Historic Conservation, Land Use Management and City Planning	<u>549</u>
Total Department of Community Development	8,466

(Continued)

CITY OF CINCINNATI, OHIO

Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2004
(Amounts in Thousands)

GENERAL FUND

(Continued)

Expenditures

Department of Public Recreation	
Division of Community Activities - West Region	\$ 1,656
Division of Community Activities - East Region	1,847
Division of Community Activities - Central Region	2,163
Division of Community Activities - Maintenance Division	4,876
Division of Seniors and Special Populations	808
Division of Athletics	1,299
Division of Waterfront Activities	345
Division of Administrative Services	1,845
	<hr/>
Total Department of Public Recreation	14,839
Department of Parks	
Division of Administration and Program Service	160
Division of Planning, Design and Development	1,966
Division of Operations	2,318
	<hr/>
Total Department of Parks	4,444
Department of Buildings and Inspections	
Office of the Director	723
Division of Licenses and Permits	1,426
Division of Building Construction Inspection	3,033
	<hr/>
Total Department of Buildings and Inspections	5,182
Department of Police	88,086
Department of Fire	57,331
Department of Transportation and Engineering	
Office of the Director	460
Division of Engineering	66
Division of Transportation Planning	315
Division of Traffic Engineering	1,487
	<hr/>
Total Department of Transportation and Engineering	2,328

(Continued)

CITY OF CINCINNATI, OHIO

Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2004
(Amounts in Thousands)

GENERAL FUND (Continued)

Expenditures

Department of Public Services	
Director's Office	\$ 540
Division of Traffic and Road Operations	1,202
Division of Neighborhood Operations	16,543
Division of Facility Management	<u>3,484</u>
Total Department of Public Services	21,769
Department of Regional Computer Center	4,905
Department of Public Health	
Office of the Commissioner	996
Division of Technical Resources	3,673
Division of Community Health Services	2,565
Division of Primary Health Care - Special Programs	6,373
Division of Primary Health Care - Health Centers	<u>8,615</u>
Total Department of Public Health	22,222
Nondepartmental Accounts	
Contribution to City Pension System	7,136
Contribution to State Pension System	1,150
Contribution to Police Pension System	13,128
Contribution to Fire Pension System	12,270
Contribution to Employee Hospital Care	20,384
Contribution to Dental and Vision Care	2,567
Contribution to Medicare	2,103
Public Employees Assistance Program	202
Contribution to Workers' Compensation Insurance	402
Police Officers and Firefighters' Insurance	225
State Unemployment Compensation	290
Lump Sum Payment	569
Life Insurance	102
City Council Staff Benefits	6

(Continued)

CITY OF CINCINNATI, OHIO

Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2004
(Amounts in Thousands)

GENERAL FUND
(Continued)

Expenditures

Nondepartmental Accounts

Judgments against the City	\$ 2,568
Collaborative Policing Effort	700
Mayor's Office Obligations	10
Justice Department Policing Effort	957
Cincinnati Public Schools	5,000
Port Authority for Greater Cincinnati Development	350
Property Investment Reimbursement Agreements	<u>939</u>

Total Nondepartmental Accounts 71,058

Capital Outlay - Motorized and Construction Equipment 200

TOTAL EXPENDITURES 320,026

Excess (Deficiency) of Revenue over (under) Expenditures (4,650)

Other Financing Sources (Uses)

Transfers In	4,091
Transfers (Out)	<u>(3,485)</u>

Total Other Financing Sources (Uses) 606

Excess (Deficiency) of Revenue and Other Financing Sources
over (under) Expenditures and Other Uses (4,044)

Fund Balance, January 1 65,477

Cumulative Effect of a Change in Accounting Principle

Fund Balance, December 31 \$ 61,433

(This page intentionally left blank.)

CITY OF CINCINNATI, OHIO

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF CINCINNATI, OHIO

PERMANENT FUNDS

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

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

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

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

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

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

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

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

CITY OF CINCINNATI, OHIO
 Combining Balance Sheet
Nonmajor Governmental Funds
 December 31, 2004
 (Amounts in Thousands)

Special Revenue Funds - Appropriated

	Health Services	Street Construction Maintenance and Repair	Parking Meter	Cable T.V.	Income Tax Infrastructure	Income Tax Transit	Motor Vehicle License	Special Recreation
Assets								
Cash and Equivalents	\$	\$	\$	\$	\$	\$	\$	\$ 24
Equity in City Treasury Cash	1,967	2,077	476	1,605	4,606	7,681	590	1,582
Investments								
Receivables:								
Taxes					1,727	5,182		
Accounts, Net	129	35			37			25
Special Assessments								
Accrued Interest						3		1
Due from Other Funds		72			27		26	
Due from Other Governments		3,118					1,307	
Inventory		4			92		11	
Advances to Other Funds	500	496						
Total Assets	<u>\$ 2,596</u>	<u>\$ 5,802</u>	<u>\$ 476</u>	<u>\$ 1,605</u>	<u>\$ 6,489</u>	<u>\$ 12,866</u>	<u>\$ 1,934</u>	<u>\$ 1,632</u>
Liabilities								
Accounts Payable	\$ 88	\$ 73	\$ 75	\$ 33	\$ 240	\$	\$ 40	\$ 56
Due to Other Funds	4	46	1	19	56		181	4
Accrued Payroll	48	457	10	65	421		43	46
Accrued Liabilities	1	6		1	5			1
Deposits Payable		6		334			1	1
Deferred Revenue		1,853			115	346	905	
Estimated Liability for Unpaid Claims					8			
Advances from Other Funds								
Total Liabilities	141	2,441	86	452	845	346	1,170	108
Fund Equity								
Fund Balances:								
Reserved for Encumbrances	209	252	66	701	836		147	194
Reserved for Advances to Other Funds	500	496						
Reserved for Inventory		4			92		11	
Reserved in Accordance with Trust								
Unreserved - Designated for Contingencies						5,000		
Unreserved - Undesignated	1,746	2,609	324	452	4,716	7,520	606	1,330
Total Fund Equity	<u>2,455</u>	<u>3,361</u>	<u>390</u>	<u>1,153</u>	<u>5,644</u>	<u>12,520</u>	<u>764</u>	<u>1,524</u>
Total Liabilities and Fund Equity	<u>\$ 2,596</u>	<u>\$ 5,802</u>	<u>\$ 476</u>	<u>\$ 1,605</u>	<u>\$ 6,489</u>	<u>\$ 12,866</u>	<u>\$ 1,934</u>	<u>\$ 1,632</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2004
(Amounts in Thousands)

	Special Revenue Funds - Appropriated							
	Health Services	Street Construction Maintenance and Repair	Parking Meter	Cable T.V.	Income Tax Infrastructure	Income Tax Transit	Motor Vehicle License	Special Recreation
Revenue								
Taxes	\$	\$	\$	\$	12,750	38,248	\$	\$
Licenses and Permits				2,422				
Use of Money and Property						122		307
Special Assessments								
Intergovernmental Revenue		8,710					2,588	
Federal Grants								
State Grants and Subsidies								
Charges for Current Services	3,140				72			3,352
Earnings from Investments								
Contributions								
Miscellaneous			11					13
Total Revenue	3,140	8,710	11	2,422	12,822	38,370	2,588	3,672
Expenditures								
Current								
General Government	106			1,136	1,995	486		195
Community Development			110		49			
Parks and Recreation			348		1,588	20		3,393
Public Safety			484					
Transportation and Engineering			386		4,202	32		
Public Services		6,229	101	1	3,056		2,238	
Enterprise Services						37,588		
Public Health	3,528							
Employee Benefits	316	1,570	47	361	2,373		276	148
Capital Outlay	13	35		10	4			
Debt Service								
Interest								
Total Expenditures	3,963	7,834	1,476	1,508	13,267	38,126	2,514	3,736
Excess (Deficiency) of Revenue over Expenditures	(823)	876	(1,465)	914	(445)	244	74	(64)
Other Financing Sources (Uses)								
Transfers In			929		117			13
Transfers (Out)				(1,541)		(125)		(315)
Total Other Financing Sources (Uses)			929	(1,541)	117	(125)		(302)
Net Change in Fund Balances	(823)	876	(536)	(627)	(328)	119	74	(366)
Fund Balances, January 1	3,278	2,485	926	1,780	5,972	12,401	690	1,890
Restatement								
Restated Fund Balances, January 1	3,278	2,485	926	1,780	5,972	12,401	690	1,890
Fund Balances, December 31	\$ 2,455	\$ 3,361	\$ 390	\$ 1,153	\$ 5,644	\$ 12,520	\$ 764	\$ 1,524

CITY OF CINCINNATI, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004
(Amounts in Thousands)

Special Revenue Funds - Nonappropriated

	Recreation	Parks	Safety	Health	Cincinnati Blue Ash Airport	Community Development	Department of Labor Grants	Other	Bettman Nature Center
Assets									
Cash and Equivalents	\$ 6	\$ 3,295	\$	\$	\$	\$ 283	\$	\$	\$ 78
Equity in City Treasury Cash	825	1,370	11,209	5,247	141	5,058	851	9,302	
Investments		104							1,099
Receivables:									
Taxes									
Accounts, Net				140	20			28	
Special Assessments						4,261		2,872	
Accrued Interest			3						
Due from Other Funds								163	
Due from Other Governments	4		82	109		335	1	534	
Inventory				263				38	
Advances to Other Funds	25							2,207	
Total Assets	\$ 860	\$ 4,769	\$ 11,294	\$ 5,759	\$ 161	\$ 9,937	\$ 852	\$ 15,144	\$ 1,177
Liabilities									
Accounts Payable	\$ 13	\$ 11	\$ 150	\$ 309	\$ 1	\$ 1,262	\$	\$ 1,519	\$
Due to Other Funds		1	13	22		94	1	11	
Accrued Payroll		8		281		82	6	51	
Accrued Liabilities				55		2		2,296	
Deposits Payable			1,246					53	
Deferred Revenue						8,497		910	
Estimated Liability for Unpaid Claims									
Advances from Other Funds			2,207	500				125	
Total Liabilities	13	20	3,616	1,167	1	9,937	7	4,965	
Fund Equity									
Fund Balances:									
Reserved for Encumbrances	19	21	405	893	15	11,150	2,294	13,896	
Reserved for Advances to Other Funds	25							2,207	
Reserved for Inventory				263				38	
Reserved for Compensated Absences			7,433						
Reserved in Accordance with Trust									
Unreserved - Designated for Contingencies									
Unreserved - Undesignated	803	4,728	(160)	3,436	145	(11,150)	(1,449)	(5,962)	1,177
Total Fund Equity	847	4,749	7,678	4,592	160		845	10,179	1,177
Total Liabilities and Fund Equity	\$ 860	\$ 4,769	\$ 11,294	\$ 5,759	\$ 161	\$ 9,937	\$ 852	\$ 15,144	\$ 1,177

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2004
(Amounts in Thousands)

Special Revenue Funds -Nonappropriated

	Recreation	Parks	Safety	Health	Cincinnati Blue Ash Airport	Community Development	Department of Labor Grants	Other	Bettman Nature Center
Revenue									
Taxes	\$	\$	\$	\$	\$	\$	\$	1,810	\$
Licenses and Permits			229	838					
Use of Money and Property	9	332	185		92	599		1,518	88
Special Assessments						24		3,843	
Intergovernmental Revenue			946	759		18			
Federal Grants	213		2,351	4,451		14,339	3,706	6,617	
State Grants and Subsidies	233	57	134	522				12	
Charges for Current Services	73	448	146	3,031		154		930	
Miscellaneous	9	744	150	296		6,777		128	
Total Revenue	537	1,581	4,141	9,897	92	21,911	3,706	14,858	88
Expenditures									
Current									
General Government			262	130		1,226		6,012	
Community Development						1,402	3,091	4,000	
Parks and Recreation	546	1,300						1,384	8
Public Safety			5,103					297	
Transportation and Engineering					36			236	
Public Services								1,382	
Enterprise Services									
Public Health				9,306					
Employee Benefits				1,556		407		3	
Capital Outlay	1		29	7	4	18,561		3,312	
Debt Service									
Interest						315			
Total Expenditures	547	1,300	5,394	10,999	40	21,911	3,091	16,626	8
Excess (Deficiency) of Revenue over Expenditures	(10)	281	(1,253)	(1,102)	52		615	(1,768)	80
Other Financing Sources (Uses)									
Transfers In	9	183	211		31			3,304	
Transfers (Out)			(30)		(49)			(685)	
Total Other Financing Sources (Uses)	9	183	181		(18)			2,619	
Net Change in Fund Balances	(1)	464	(1,072)	(1,102)	34		615	851	80
Fund Balances, January 1	848	4,285	1,502	5,694	126		230	9,328	1,097
Restatement			7,248						
Restated Fund Balance, January 1	848	4,285	8,750	5,694	126		230	9,328	1,097
Fund Balances, December 31	\$ 847	\$ 4,749	\$ 7,678	\$ 4,592	\$ 160	\$	\$ 845	\$ 10,179	\$ 1,177

CITY OF CINCINNATI, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004
(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	
Assets									
Cash and Equivalents	\$	\$	\$	\$	\$	\$	\$	\$ 142	\$ 3,828
Equity in City Treasury Cash	38	51	93	87		70	531		55,457
Investments	464		1	146	690			5,926	8,430
Receivables:									
Taxes									6,909
Accounts, Net									414
Special Assessments									7,133
Accrued Interest									7
Due from Other Funds									288
Due from Other Governments									5,490
Inventory									408
Advances to Other Funds									3,228
Total Assets	<u>\$ 502</u>	<u>\$ 51</u>	<u>\$ 94</u>	<u>\$ 233</u>	<u>\$ 690</u>	<u>\$ 70</u>	<u>\$ 531</u>	<u>\$ 6,068</u>	<u>\$ 91,592</u>
Liabilities									
Accounts Payable	\$	\$	\$	\$	\$	\$	\$	\$	\$ 3,870
Due to Other Funds									453
Accrued Payroll									1,518
Accrued Liabilities									2,367
Deposits Payable									1,641
Deferred Revenue									12,626
Estimated Liability for Unpaid Claims									8
Advances from Other Funds									2,832
Total Liabilities									25,315
Fund Equity									
Fund Balances:									
Reserved for Encumbrances									31,098
Reserved for Advances to Other Funds									3,228
Reserved for Inventory									408
Reserved for Compensated Absences									7,433
Reserved in Accordance with Trust	502	51	94	233	225	50	531	6,068	7,754
Unreserved - Designated for Contingencies									5,000
Unreserved - Undesignated					465	20			11,356
Total Fund Equity	<u>502</u>	<u>51</u>	<u>94</u>	<u>233</u>	<u>690</u>	<u>70</u>	<u>531</u>	<u>6,068</u>	<u>66,277</u>
Total Liabilities and Fund Equity	<u>\$ 502</u>	<u>\$ 51</u>	<u>\$ 94</u>	<u>\$ 233</u>	<u>\$ 690</u>	<u>\$ 70</u>	<u>\$ 531</u>	<u>\$ 6,068</u>	<u>\$ 91,592</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2004
(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	
Revenue								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$ 52,808
Licenses and Permits								3,489
Use of Money and Property	79	1	1	17	100	1	8	588
Special Assessments								3,867
Intergovernmental Revenue								13,021
Federal Grants								31,677
State Grants and Subsidies								958
Charges for Current Services								11,346
Miscellaneous								8,128
Total Revenue	79	1	1	17	100	1	8	588
Expenditures								
Current								
General Government								11,548
Community Development								8,652
Parks and Recreation					8		6	37
Public Safety								5,884
Transportation and Engineering								4,892
Public Services								13,007
Enterprise Services								37,588
Public Health								12,834
Employee Benefits								7,057
Capital Outlay								21,976
Debt Service								
Interest								315
Total Expenditures					8		6	37
Excess (Deficiency) of Revenue over Expenditures	79	1	1	17	92	1	2	551
Other Financing Sources (Uses)								
Transfers In								4,797
Transfers (Out)	(13)	(2)		(6)	(9)			(162)
Total Other Financing Sources (Uses)	(13)	(2)		(6)	(9)			(162)
Net Change in Fund Balances	66	(1)	1	11	83	1	2	389
Fund Balances, January 1	436	52	93	222	607	69	529	5,679
Restatement								7,248
Restated Fund Balances, January 1	436	52	93	222	607	69	529	5,679
Fund Balances, December 31	\$ 502	\$ 51	\$ 94	\$ 233	\$ 690	\$ 70	\$ 531	\$ 6,068

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
HEALTH SERVICES FUND			
Revenue			
Charges for Current Services	\$ 3,500	\$ 3,378	\$ (122)
TOTAL REVENUE	3,500	3,378	(122)
Expenditures			
Department of Public Health			
Division of Primary Care - Special Programs			
Personal Services	53	53	
Non-Personal Services	435	427	8
Capital Outlay	60	58	2
Total Division of Primary Care - Special Programs	548	538	10
Division of Primary Care - Health Centers			
Personal Services	1,174	1,128	46
Non-Personal Services	2,175	2,144	31
Total Division of Primary Care - Health Centers	3,349	3,272	77
Total Department of Health	3,897	3,810	87
Nondepartmental Accounts			
Contribution to Pension Systems	160	121	39
Employee Hospital Care	159	155	4
Dental and Vision Care	20	17	3
Medicare Tax	15	15	
Public Employee Assistance	1	1	
Workers' Compensation Insurance	4	3	1
Life Insurance	1		1
General Fund Overhead Charge	106	106	
Total Nondepartmental Accounts	466	418	48
TOTAL EXPENDITURES	4,363	4,228	135
Excess (Deficiency) of Revenue over (under) Expenditures	(863)	(850)	13
Cancellation of Prior Years Encumbrances		195	195
Fund Balance, January 1	2,779	2,779	
Fund Balance, December 31	\$ 1,916	\$ 2,124	\$ 208

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND			
Revenue			
Intergovernmental Revenue			
Motor Vehicle License	\$ 2,350	\$ 1,884	\$ (466)
Gasoline	5,950	6,140	190
Miscellaneous	250	300	50
TOTAL REVENUE	8,550	8,324	(226)
Expenditures			
Department of Public Services			
Traffic and Road Operations Division			
Personal Services	2,651	2,651	
Non-Personal Services	1,456	1,456	
Capital Outlay	57	35	22
Total Traffic and Road Operations Division	4,164	4,142	22
Neighborhood Operations Division			
Personal Services	1,932	1,932	
Non-Personal Services	608	608	
Total Neighborhood Operations Division	2,540	2,540	
Total Department of Public Services	6,704	6,682	22
Nondepartmental Accounts			
Contribution to Pension Systems	651	584	67
Employee Hospital Care	845	798	47
Dental and Vision Care	106	101	5
Medicare Tax	63	61	2
State Unemployment Compensation	6	6	
Workers' Compensation Insurance	12	12	
Life Insurance	4	2	2
Reserve for Contingencies	250		250
Total Nondepartmental Accounts	1,937	1,564	373
TOTAL EXPENDITURES	8,641	8,246	395
Excess (Deficiency) of Revenue over (under) Expenditures	(91)	78	169
Cancellation of Prior Years Encumbrances		243	243
Fund Balance, January 1	1,470	1,470	
Fund Balance, December 31	<u>\$ 1,379</u>	<u>\$ 1,791</u>	<u>\$ 412</u>

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
PARKING METER FUND			
Revenue			
Miscellaneous	\$ 929	\$ 940	\$ 11
TOTAL REVENUE	929	940	11
Expenditures			
Department of Community Development & Planning			
Housing Division			
Personal Services	36	30	6
Non-Personal Services	97	97	
Total Department of Community Development	133	127	6
Department of Parks			
Division of Operations			
Personal Services	92	90	2
Non-Personal Services	250	250	
Total Department of Parks	342	340	2
Department of Police			
Personal Services	484	484	
Total Department of Police	484	484	
Department of Transportation & Engineering			
Division of Traffic Engineering			
Personal Services	88	69	19
Non-Personal Services	370	351	19
Total Department of Transportation & Engineering	458	420	38
Department of Public Services			
Traffic and Road Operations Division			
Non-Personal Services	40	40	
Total Traffic and Road Operations Division	40	40	
Neighborhood Operations Division			
Non-Personal Services	60	60	
Total Neighborhood Operations Division	60	60	
Total Department of Public Services	100	100	

(Continued)

CITY OF CINCINNATI, OHIO
 Schedule of Revenue, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the year ended December 31, 2004
 (Amounts in Thousands)

PARKING METER FUND (Continued)	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance With Budget Positive (Negative)</u>
Non-Departmental Accounts			
Contribution to Pension Systems	\$ 23	\$ 21	\$ 2
Employee Hospital Care	21	21	
Dental and Vision Care	3	2	1
Medicare Tax	3	2	1
Workers' Compensation Insurance	1	1	
Downtown Special Improvements District	<u>52</u>	<u>43</u>	<u>9</u>
Total Non-Departmental Accounts	<u>103</u>	<u>90</u>	<u>13</u>
TOTAL EXPENDITURES	<u>1,620</u>	<u>1,561</u>	<u>59</u>
Excess (Deficiency) of Revenue over (under) Expenditures	(691)	(621)	70
Fund Balance, January 1	<u>946</u>	<u>946</u>	
Fund Balance, December 31	<u><u>\$ 255</u></u>	<u><u>\$ 325</u></u>	<u><u>\$ 70</u></u>

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
CABLE T.V. FUND			
Revenue			
Licenses and Permits	\$ 2,330	\$ 2,430	\$ 100
Miscellaneous	70	90	20
TOTAL REVENUE	2,400	2,520	120
Expenditures			
Regional Computer Center			
Personal Services	569	560	9
Non-Personal Services	726	723	3
Total Regional Computer Center	1,295	1,283	12
Office of the City Manager			
Personal Services	229	228	1
Non-Personal Services	152	148	4
Total Office of the City Manager	381	376	5
Department of Public Services			
Neighborhood Operations Division			
Non-Personal Services	32	32	
Total Department of Public Services	32	32	
Nondepartmental Accounts			
Contribution to Pension Systems	157	155	2
Employee Hospital Care	153	151	2
Dental and Vision Care	20	19	1
Medicare Tax	19	19	
Workers' Compensation Insurance	2	2	
Life Insurance	2	2	
General Fund Overhead Charge	73	73	
Total Nondepartmental Accounts	426	421	5
TOTAL EXPENDITURES	2,134	2,112	22
Excess of Revenue over Expenditures	266	408	142
Other Financing (Uses)			
Transfers Out	(1,541)	(1,541)	
TOTAL OTHER FINANCING (USES)	(1,541)	(1,541)	
Excess (Deficiency) of Revenue over (under) Expenditures and other Financing (Uses)	(1,275)	(1,133)	142
Cancellation of Prior Years Encumbrances		64	64
Fund Balance, January 1	1,582	1,582	
Fund Balance, December 31	\$ 307	\$ 513	\$ 206

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

INCOME TAX INFRASTRUCTURE FUND	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
Revenue			
Taxes			
City Income Tax	\$ 12,742	\$ 12,478	\$ (264)
Miscellaneous	210	599	389
TOTAL REVENUE	12,952	13,077	125
Expenditures			
Regional Computer Center			
Non-Personal Services	538	538	
Total Regional Computer Center	538	538	
Department of Law			
Division of Legal Services			
Personal Services	191	168	23
Non-Personal Services	10	10	
Total Department of Law	201	178	23
Department of Human Resources			
Personal Services	198	198	
Total Department of Human Resources	198	198	
Department of Finance			
Division of Budget & Evaluation			
Personal Services	35	20	15
Non-Personal Services	27	21	6
Total Division of Budget & Evaluation	62	41	21
Division of Accounts and Audits			
Personal Services	156	154	2
Non-Personal Services	3	1	2
Total Division of Accounts and Audits	159	155	4
Division of Purchasing			
Personal Services	113	91	22
Non-Personal Services	57	57	
Total Division of Purchasing	170	148	22
Total Department of Finance	391	344	47
Department of Community Development & Planning			
Division of Community Development			
Personal Services	53	46	7
Non-Personal Services	2	2	
Total Department of Community Development & Planning	55	48	7
Department of Public Recreation			
Division of Maintenance			
Personal Services	508	508	
Total Department of Public Recreation	508	508	

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

INCOME TAX INFRASTRUCTURE FUND (Continued)	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
Department of Parks			
Division of Operations			
Personal Services	\$ 1,077	\$ 1,077	\$
Total Department of Parks	1,077	1,077	
Department of Buildings & Inspections			
Division of New Construction & Existing Building Structures			
Personal Services	44	44	
Total Department of Buildings & Inspection	44	44	
Department of Transportation & Engineering			
Office of the Director			
Personal Services	336	239	97
Non-Personal Services	23	15	8
Total Office of the Director	359	254	105
Division of Transportation, Planning and Urban Design			
Personal Services	221	124	97
Non-Personal Services	25	10	15
Total Division of Transportation, Planning and Urban Design	246	134	112
Division of Engineering			
Personal Services	1,658	1,658	
Non-Personal Services	1,282	1,260	22
Total Division of Engineering	2,940	2,918	22
Division of Traffic Engineering			
Personal Services	957	921	36
Non-Personal Services	147	117	30
Total Division of Traffic Engineering	1,104	1,038	66
Total Department of Transportation & Engineering	4,649	4,344	305
Department of Public Services			
Office of the Director			
Personal Services	188	188	
Non-Personal Services	9	7	2
Capital Outlay	5	5	
Total Office of the Director	202	200	2
Traffic and Road Operations Division			
Personal Services	1,567	1,457	110
Non-Personal Services	263	248	15
Total Traffic and Road Operations Division	1,830	1,705	125
Division of Neighborhood Operations			
Non-Personal Services	17	17	
Total Division of Neighborhood Operations	17	17	

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

INCOME TAX INFRASTRUCTURE FUND (Continued)	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Division of City Facility Management			
Personal Services	\$ 775	\$ 774	\$ 1
Non-Personal Services	<u>613</u>	<u>610</u>	<u>3</u>
Total Division of Facility Management	<u>1,388</u>	<u>1,384</u>	<u>4</u>
Total Department of Public Services	3,437	3,306	131
Nondepartmental Accounts			
Contribution to Pension Systems	992	980	12
Employee Hospital Care	1,048	1,036	12
Dental and Vision Care	136	136	
Medicare Tax	106	92	14
Public Employee Assistance	9	7	2
Workers' Compensation Insurance	18	17	1
State Unemployment Compensation	47	47	
Life Insurance	11	11	
General Fund Overhead	<u>701</u>	<u>701</u>	
Total Nondepartmental Accounts	<u>3,068</u>	<u>3,027</u>	<u>41</u>
TOTAL EXPENDITURES	<u>14,166</u>	<u>13,612</u>	<u>554</u>
Excess (Deficiency) of Revenue over (under) Expenditures	(1,214)	(535)	679
Other Financing Sources			
Transfers In	<u>117</u>	<u>117</u>	
TOTAL OTHER FINANCING SOURCES	<u>117</u>	<u>117</u>	
Excess (Deficiency) of Revenue and Other Financing Sources over (under) Expenditures	(1,097)	(418)	679
Cancellation of Prior Years Encumbrances		106	106
Fund Balance, January 1	<u>3,517</u>	<u>3,517</u>	
Fund Balance, December 31	<u>\$ 2,420</u>	<u>\$ 3,205</u>	<u>\$ 785</u>

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance With Budget Positive (Negative)</u>
INCOME TAX TRANSIT FUND			
Revenue			
Taxes			
City Income Tax	\$ 38,225	\$ 37,434	\$ (791)
Use of Money and Property	150	206	56
TOTAL REVENUE	<u>38,375</u>	<u>37,640</u>	<u>(735)</u>
Expenditures			
SORTA			
Operations	<u>37,588</u>	<u>37,588</u>	
Total SORTA	37,588	37,588	
Department of Parks			
Division of Operations			
Non Personal Services	<u>28</u>	<u>20</u>	<u>8</u>
Total Department of Parks	28	20	8
Department Transportation and Engineering			
Division of Transportation, Planning & Urban Design			
Personal Services	32	32	
Non Personal Services	<u>123</u>		<u>123</u>
Total Department Transportation and Engineering	155	32	123
Nondepartmental Accounts			
General Fund Overhead	<u>504</u>	<u>486</u>	<u>18</u>
Total Nondepartmental Accounts	504	486	18
TOTAL EXPENDITURES	<u>38,275</u>	<u>38,126</u>	<u>149</u>
Excess (Deficiency) of Revenue over (under) Expenditures	100	(486)	(586)
Other Financing (Uses) Transfers (Out)	<u>(125)</u>	<u>(125)</u>	
TOTAL OTHER FINANCING (USES)	<u>(125)</u>	<u>(125)</u>	
Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing (Uses)	(25)	(611)	(586)
Fund Balance, January 1	<u>8,388</u>	<u>8,388</u>	
Fund Balance, December 31	<u>\$ 8,363</u>	<u>\$ 7,777</u>	<u>\$ (586)</u>

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
MOTOR VEHICLE LICENSE FUND			
Revenue			
Licenses and Permits	\$ 2,495	\$ 2,403	\$ (92)
Miscellaneous	5	32	27
TOTAL REVENUE	2,500	2,435	(65)
Expenditures			
Department of Public Services			
Traffic and Road Operations Division			
Personal Services	910	910	
Non-Personal Services	1,348	1,348	
Total Department of Public Services	2,258	2,258	
Nondepartmental Accounts			
Contribution to Pension Systems	110	109	1
Employee Hospital Care	127	124	3
Dental and Vision Care	17	15	2
Medicare Tax	11	7	4
Workers' Compensation Insurance	2	2	
Life Insurance	1	1	
General Fund Overhead	87	80	7
Total Nondepartmental Accounts	355	338	17
TOTAL EXPENDITURES	2,613	2,596	17
Excess (Deficiency) of Revenue over (under) Expenditures	(113)	(161)	(48)
Cancellation of Prior Year Encumbrances		37	37
Fund Balance, January 1	500	500	
Fund Balance, December 31	<u>\$ 387</u>	<u>\$ 376</u>	<u>\$ (11)</u>

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance With Budget Positive (Negative)</u>
SPECIAL RECREATION FUND			
Revenue			
Use of Money and Property	\$ 335	\$ 344	\$ 9
Charges for Current Services	3,630	3,410	(220)
Miscellaneous	<u>10</u>	<u>13</u>	<u>3</u>
TOTAL REVENUE	3,975	3,767	(208)
Expenditures			
Department of Recreation			
West Region			
Personal Services	364	352	12
Non-Personal Services	<u>178</u>	<u>174</u>	<u>4</u>
Total West Region	542	526	16
East Region			
Personal Services	558	545	13
Non-Personal Services	<u>144</u>	<u>132</u>	<u>12</u>
Total East Region	702	677	25
Central Region			
Personal Services	547	532	15
Non-Personal Services	<u>252</u>	<u>207</u>	<u>45</u>
Total Central Region	799	739	60
Seniors & Special Populations			
Personal Services	5	5	
Non-Personal Services	<u>101</u>	<u>93</u>	<u>8</u>
Total Seniors & Special Populations	106	98	8
Division of Athletics			
Personal Services	400	363	37
Non-Personal Services	<u>279</u>	<u>255</u>	<u>24</u>
Total Division of Athletics	679	618	61
Division of Waterfront			
Personal Services	314	260	54
Non-Personal Services	<u>810</u>	<u>549</u>	<u>261</u>
Total Division of Waterfront	1,124	809	315

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the year ended December 31, 2004
(Amounts in Thousands)

SPECIAL RECREATION FUND (Continued)	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
Division of Administration			
Personal Services	\$ 25	\$ 22	\$ 3
Non-Personal Services	40	14	26
Total Division of Administration	65	36	29
Total Department of Recreation	4,017	3,503	514
Nondepartmental Accounts			
Contribution to Pension Systems	99	94	5
Hospital Care	24	19	5
Dental & Vision Care	6	3	3
Medicare Tax	26	26	
Workers' Compensation Insurance	5	5	
Life Insurance	1		1
General Fund Overhead	195	195	
Total Nondepartmental Accounts	356	342	14
TOTAL EXPENDITURES	4,373	3,845	528
Other Financing (Uses)			
Transfers Out	(315)	(315)	
TOTAL OTHER FINANCING (USES)	(315)	(315)	
Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing (Uses)	(713)	(393)	320
Cancellation of Prior Years Encumbrances		118	118
Fund Balance, January 1	1,581	1,581	
Fund Balance, December 31	\$ 868	\$ 1,306	\$ 438

CITY OF CINCINNATI, OHIO

NON-MAJOR ENTERPRISE FUNDS

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

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

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

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

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

City of Cincinnati, Ohio
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2004
(Amounts in Thousands)

	Business Type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Parking Facilities	Convention Center	General Aviation	Municipal Golf	Stormwater Management	
Assets						
<u>Current</u>						
Cash and Equivalents	\$ 37	\$	\$	\$ 13	\$	\$ 50
Equity in City Treasury Cash	3,524	1,275	859	610	2,555	8,823
Receivables:						
Taxes		118				118
Accounts, Net	55	104	43		1,615	1,817
Accrued Interest	77		10	8	49	144
Due from Other Funds			46		112	158
Due from Other Governments						
Prepaid Items	7	44				51
Advances to Other Funds	9,205	30	700	36	6,231	16,202
Restricted Assets:						
Equity in City Treasury Cash	8					8
<u>Noncurrent</u>						
Equity in City Treasury Cash	2,924	1,056	711	505	2,115	7,311
Land	7,432	11,555	13,228	1,324	3,028	36,567
Buildings, net of Accumulated Depreciation	14,672	21,472	696	640		37,480
Improvements, net of Accumulated Depreciation	6,022	3,989	6,739	5,877	29,979	52,606
Machinery and Equipment, net of Accumulated Depreciation	407	12	300	308	77	1,104
Construction in Progress	13,049	50,205	3,907	257	5,589	73,007
Total Assets	<u>\$ 57,419</u>	<u>\$ 89,860</u>	<u>\$ 27,239</u>	<u>\$ 9,578</u>	<u>\$ 51,350</u>	<u>\$ 235,446</u>
Liabilities						
<u>Current</u>						
Accounts Payable	\$ 114	\$ 101	\$ 25	\$ 86	\$ 97	\$ 423
Due to Other Funds	13	7	10	5	159	194
Accrued Payroll	107	55	27	6	39	234
Accrued Liabilities	566	26	11			603
Accrued Interest	136			4	9	149
Deposits Payable			17			17
Unearned Revenue	75	166				241
Estimated Liability for Compensated Absences	263	193	59	13	99	627
Estimated Liability for Unpaid Claims	1	5			3	9
General Obligation Bonds and Notes Payable	12,350			185	925	13,460
<u>Noncurrent</u>						
Estimated Liability for Compensated Absences	289	113	61	4	110	577
General Obligation Bonds and Notes Payable	350			388	1,450	2,188
Total Liabilities	<u>14,264</u>	<u>666</u>	<u>210</u>	<u>691</u>	<u>2,891</u>	<u>18,722</u>
<u>Net Assets</u>						
Invested in Capital Assets, Net of Related Debt	33,650	87,233	24,870	7,833	36,298	189,884
Restricted	8					8
Unrestricted	9,497	1,961	2,159	1,054	12,161	26,832
Total Net Assets	<u>\$ 43,155</u>	<u>\$ 89,194</u>	<u>\$ 27,029</u>	<u>\$ 8,887</u>	<u>\$ 48,459</u>	<u>\$ 216,724</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenses and Changes in Net Assets
Nonmajor Enterprise Funds
For the year ended December 31, 2004
(Amounts in Thousands)

	Business Type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Parking Facilities	Convention Center	General Aviation	Municipal Golf	Stormwater Management	
<u>Operating Revenue:</u>						
Charges for Services	\$ 8,969	\$ 2,841	\$ 1,901	\$ 6,080	\$ 7,224	\$ 27,015
Miscellaneous Income	290		1	8	1	300
Total Operating Revenue	9,259	2,841	1,902	6,088	7,225	27,315
<u>Operating Expenses:</u>						
Personal Services	3,181	2,161	781	202	1,281	7,606
Contractual Services	1,218	740	166	4,453	2,421	8,998
Maintenance and Repairs	226	156	99		411	892
Materials and Supplies	164	62	80	122	18	446
Utilities	315	682	144	346	41	1,528
Insurance	76	92	12		1	181
Taxes	664	51	5			720
Rent	177	7	5	4	4	197
Other Expense	98	7	3	1	3	112
Depreciation and Amortization	1,687	2,998	665	652	1,392	7,394
Total Operating Expenses	7,806	6,956	1,960	5,780	5,572	28,074
Operating Income (Loss)	1,453	(4,115)	(58)	308	1,653	(759)
<u>Non-Operating Revenue (Expenses):</u>						
Interest Revenue	249			17	61	327
Interest Expense	(148)			(40)	(150)	(338)
Occupancy Tax Receipts		1,092				1,092
Gain (Loss) on Disposal of Assets	1,109	(101)	38			1,046
Total Non-Operating Revenue (Expenses)	1,210	991	38	(23)	(89)	2,127
Income (Loss) before Contributions and Transfers	2,663	(3,124)	(20)	285	1,564	1,368
Transfers In	9,110	1,378			4	10,492
Transfers (Out)	(929)	(391)				(1,320)
Capital Contributions		37,772	175		18	37,965
Change in Net Assets	10,844	35,635	155	285	1,586	48,505
Net Assets, January 1	32,311	53,559	26,874	8,602	46,873	168,219
Net Assets, December 31	\$ 43,155	\$ 89,194	\$ 27,029	\$ 8,887	\$ 48,459	\$ 216,724

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended December 31, 2004
(Amounts in Thousands)

	Business Type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Parking Facilities	Convention Center	General Aviation	Municipal Golf	Stormwater Management	
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 9,383	\$ 2,584	\$ 1,905	\$ 6,088	\$ 7,195	\$ 27,155
Receipts from Other Funds	3	33				36
Payments to Suppliers	(1,637)	(1,407)	(602)	(4,985)	(1,642)	(10,273)
Payments to Other Funds	(718)	(321)			(1,329)	(2,368)
Payments to Employees	(3,080)	(2,178)	(770)	(200)	(1,246)	(7,474)
Payments for Property Taxes	(476)	(51)	(18)		(1)	(546)
Net Cash Provided (Used) by Operating Activities	<u>3,475</u>	<u>(1,340)</u>	<u>515</u>	<u>903</u>	<u>2,977</u>	<u>6,530</u>
Cash Flows from Non Capital Financing Activities:						
Repayment of Advances Made To Other Funds		1,704	13	69	769	2,555
Occupancy Tax Receipts		1,086				1,086
Advances to Other Funds	(5,202)					(5,202)
Transfers to Other Funds	(929)	(391)				(1,320)
Transfers from Other Funds	9,110	1,378			4	10,492
Net Cash Provided by Non Capital Financing	<u>\$ 2,979</u>	<u>\$ 3,777</u>	<u>\$ 13</u>	<u>\$ 69</u>	<u>\$ 773</u>	<u>\$ 7,611</u>
Cash Flows from Capital and Related Financing Activities:						
Capital Contributed by Other Sources		27,901	175			28,076
Proceeds from the Sale of Capital Assets	1,245					1,245
Proceeds from the Sale of Bonds and Notes	12,000					12,000
Acquisition of Property, Plant and Equipment	(44)		(5)		(2,033)	(2,082)
Interest Paid on Bonds and Notes	(71)			(43)	(154)	(268)
Principal Paid on Bonds and Notes	(9,450)			(482)	(925)	(10,857)
Payments on Long Term Capital Lease Obligations						
Additions to Construction in Progress	(8,502)	(30,593)	(602)	(198)	(1,072)	(40,967)
Net Cash (Used) by Capital and Related Financing Activities	<u>(4,822)</u>	<u>(2,692)</u>	<u>(432)</u>	<u>(723)</u>	<u>(4,184)</u>	<u>(12,853)</u>
Cash Flow from Investing Activities:						
Interest and Dividends on Investments	216		40	17	80	353
Net Cash Provided by Investing Activities	<u>216</u>		<u>40</u>	<u>17</u>	<u>80</u>	<u>353</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,848	(255)	136	266	(354)	1,641
Cash and Cash Equivalents at Beginning of Year	<u>4,645</u>	<u>2,586</u>	<u>1,434</u>	<u>862</u>	<u>5,024</u>	<u>14,551</u>
Cash and Cash Equivalents at End of Year	<u>\$ 6,493</u>	<u>\$ 2,331</u>	<u>\$ 1,570</u>	<u>\$ 1,128</u>	<u>\$ 4,670</u>	<u>\$ 16,192</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended December 31, 2004
(Amounts in Thousands)

	Business Type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Parking Facilities	Convention Center	General Aviation	Municipal Golf	Stormwater Management	
<u>Reconciliation of Operating Income (Loss) to</u>						
<u>Net Cash Provided (Used) by</u>						
<u>Operating Activities:</u>						
Operating Income (Loss)	\$ 1,453	\$ (4,115)	\$ (58)	\$ 308	\$ 1,653	\$ (759)
Depreciation and Amortization	1,687	2,998	665	652	1,392	7,394
Changes in Assets and Liabilities:						
(Increase) Decrease in:						
Receivables	143	(69)	6		(126)	(46)
Due from Other Funds	3	6	(46)		12	(25)
Due from Other Governments			222			222
Prepaid Items	10	(3)			36	43
Increase (Decrease) in:						
Accounts Payable	(81)	(14)	(26)	(63)	(168)	(352)
Deposits Payable			(3)			(3)
Due to Other Funds	(8)	(4)	(243)	4	144	(107)
Accrued Payroll	19	(49)	2	1	3	(24)
Accrued Liabilities	190		(13)			177
Unearned Revenue	(18)	(124)				(142)
Estimated Liability for Compensated Absences	78	31	9	1	30	149
Estimated Liability for Unpaid Claims	(1)	3			1	3
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,475</u>	<u>\$ (1,340)</u>	<u>\$ 515</u>	<u>\$ 903</u>	<u>\$ 2,977</u>	<u>\$ 6,530</u>

Schedule of Noncash Investing, Capital
and Financing Activities:

Acquisition of Property, Plant and Equipment from Capital Contributions	\$	\$	\$	\$	\$ 18	\$ 18
Total Noncash Investing, Capital and Financing Activities	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 18</u>	<u>\$ 18</u>

(This page intentionally left blank.)

CITY OF CINCINNATI, OHIO

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

CITY OF CINCINNATI, OHIO

Combining Statement of Net Assets

Internal Service Funds

December 31, 2004

(Amounts in Thousands)

	<u>Purchasing Reproduction and Printing</u>	<u>Fleet Services</u>	<u>Property Management</u>	<u>Mechanized Street Sweeping</u>	<u>Self Insurance Medical</u>	<u>Self Insurance Workers' Compensation</u>	<u>Regional Computer Center</u>	<u>Total Internal Service Funds</u>
Assets								
<u>Current</u>								
Equity in City Treasury Cash	\$ 350	\$ 9	\$ 126	\$ 16	\$ 5,697	\$ 25,315	\$ 2,185	\$ 33,698
Receivables:								
Accounts, Net	4	60	110				466	640
Accrued Interest					17	197	3	217
Due from Other Funds		1,052		53	542	1	1,086	2,734
Due from Other Governments							183	183
Prepaid Items		2		82	1,208		321	1,613
Inventory	54	1,339						1,393
Advances to Other Funds							5,624	5,624
<u>Noncurrent</u>								
Equity in City Treasury Cash	290	8	104	14	4,717	20,956	1,809	27,898
Land		283						283
Buildings, net of Accumulated Depreciation		6						6
Improvements, net of Accumulated Depreciation	8	2,611	6				1,135	3,760
Machinery and Equipment, net of Accumulated Depreciation	364	361		23			35,146	35,894
Construction in Progress		3						3
Property Acquired under Capital Leases, net of Accumulated Amortization	34							34
Total Assets	<u>1,104</u>	<u>5,734</u>	<u>346</u>	<u>188</u>	<u>12,181</u>	<u>46,469</u>	<u>47,958</u>	<u>113,980</u>

CITY OF CINCINNATI, OHIO

Combining Statement of Net Assets

Internal Service Funds

December 31, 2004

(Amounts in Thousands)

	<u>Purchasing Reproduction and Printing</u>	<u>Fleet Services</u>	<u>Property Management</u>	<u>Mechanized Street Sweeping</u>	<u>Self Insurance Medical</u>	<u>Self Insurance Workers' Compensation</u>	<u>Regional Computer Center</u>	<u>Total Internal Service Funds</u>
Liabilities								
<u>Current</u>								
Accounts Payable	\$ 36	\$ 949	\$ 2	\$	\$ 4,487	\$ 18	\$ 503	\$ 5,995
Due to Other Funds	2	1,173	1	86			34	1,296
Accrued Payroll	20	158	10	10			394	592
Accrued Liabilities		2				4,300	5	4,307
Obligations under Capital Leases	15							15
Deposits Payable			78					78
Unearned Revenue			59				1,701	1,760
Estimated Liability for Compensated Absences	41	348	9	29			1,256	1,683
Estimated Liability for Unpaid Claims					9,395			9,395
<u>Noncurrent</u>								
Estimated Liability for Compensated Absences	45	188	35	21			140	429
Estimated Liability for Unpaid Claims						13,491		13,491
Advances from Other Funds		252	177	103				532
Advances from Other Governments		20						20
Obligations under Capital Leases	13							13
Total Liabilities	172	3,090	371	249	13,882	17,809	4,033	39,606
<u>Net Assets</u>								
Investment in Capital Assets Net of Related Debt	378	3,264	6	23			36,281	39,952
Unrestricted	554	(620)	(31)	(84)	(1,701)	28,660	7,644	34,422
Total Net Assets	\$ 932	\$ 2,644	\$ (25)	\$ (61)	\$ (1,701)	\$ 28,660	\$ 43,925	\$ 74,374

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the year ended December 31, 2004
(Amounts in Thousands)

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Mechanized Street Sweeping	Self Insurance Medical	Self Insurance Workers' Compensation	Regional Computer Center	Total Internal Service Funds
Operating Revenue:								
Charges for Services	\$ 2,848	\$ 12,053	\$	\$ 335	\$ 74,006	\$	\$ 19,484	\$ 108,726
Miscellaneous Income			2,151				36	2,187
Total Operating Revenue	2,848	12,053	2,151	335	74,006		19,520	110,913
Operating Expenses:								
Personal Services	570	4,802	288	321			11,008	16,989
Contractual Services	889	310	271		145	265	3,242	5,122
Maintenance and Repairs	54	577	1	2			1,019	1,653
Materials and Supplies	1,270	6,675	10	14		13	1,220	9,202
Utilities	4	202	1				341	548
Insurance	1	6			77,645	7,400	63	85,115
Taxes		2						2
Rent	8	16	40	82			2,227	2,373
Depreciation and Amortization	40	231		8			2,568	2,847
Other Expense		7				37	10	54
Total Operating Expenses	2,836	12,828	611	427	77,790	7,715	21,698	123,905
Operating Income (Loss)	12	(775)	1,540	(92)	(3,784)	(7,715)	(2,178)	(12,992)
Non-Operating Revenue (Expenses):								
Interest Expense	(2)	(52)			114			60
Interest Revenue						808	13	821
(Loss) on Disposal of Assets		(23)					(1)	(24)
Total Non-Operating Revenue (Expenses)	(2)	(75)			114	808	12	857
Income (Loss) before Contributions and Transfers	10	(850)	1,540	(92)	(3,670)	(6,907)	(2,166)	(12,135)
Transfers In							5,119	5,119
Transfers (Out)			(1,421)		(181)			(1,602)
Capital Contribution		13	3	31			16	63
Change in Net Assets	10	(837)	122	(61)	(3,851)	(6,907)	2,969	(8,555)
Net Assets, January 1	922	3,481	(147)		2,150	35,567	40,956	82,929
Net Assets, December 31	\$ 932	\$ 2,644	\$ (25)	\$ (61)	\$ (1,701)	\$ 28,660	\$ 43,925	\$ 74,374

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2004
(Amounts in Thousands)

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Mechanized Street Sweeping	Self Insurance Medical	Self Insurance Workers' Compensation	Regional Computer Center	Total Internal Service Funds
Cash Flows from Operating Activities:								
Receipts from Customers	\$ 123	\$ 139	\$ 2,096	\$	\$ 6,143	\$	\$ 10,912	\$ 19,413
Receipts from Other Funds	2,726	11,737		282	30,797		11,938	57,480
Receipts from Retirement System					36,897			36,897
Payment to Suppliers	(2,172)	(7,044)	(452)	(95)	(75,144)	(5,049)	(7,259)	(97,215)
Payments to Other Funds	(89)	(237)					(1,303)	(1,629)
Payments to Employees	(552)	(4,749)	(278)	(260)			(11,203)	(17,042)
Net Cash Provided (Used) by Operating Activities	36	(154)	1,366	(73)	(1,307)	(5,049)	3,085	(2,096)
Cash Flows from Non Capital Financing Activities:								
Repayment of Advances Made to Other Funds							7,790	7,790
Repayment of Advances From other Funds		(43)						(43)
Advances from Other Funds				103				103
Transfers from Other Funds							5,119	5,119
Transfers to Other Funds			(1,421)		(181)			(1,602)
Net Cash Provided (Used) by Non-Capital Financing Activities		(43)	(1,421)	103	(181)		12,909	11,367
Cash Flows from Capital and Related Financing Activities:								
Acquisition of Property, Plant and Equipment	(364)	(3)	(4)				(13,332)	(13,703)
Interest paid on Debt	(2)	(52)						(54)
Payment on Long Term Capital Leases	(10)							(10)
Net Cash (Used) by Capital and Related Financing Activities	(376)	(55)	(4)				(13,332)	(13,767)
Cash Flows from Investing Activities:								
Interest and Dividends on Investments					128	905	14	1,047
Net Cash Provided by Investing Activities					128	905	14	1,047
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (340)	\$ (252)	\$ (59)	\$ 30	\$ (1,360)	\$ (4,144)	\$ 2,676	\$ (3,449)
Cash and Cash Equivalents at Beginning of Year	980	269	289		11,774	50,415	1,318	65,045
Cash and Cash Equivalents at End of Year	\$ 640	\$ 17	\$ 230	\$ 30	\$ 10,414	\$ 46,271	\$ 3,994	\$ 61,596

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2004
(Amounts in Thousands)

	Purchasing Reproduction and Printing	Municipal Garage	Property Management	Mechanized Street Sweeping	Self Insurance Medical	Self Insurance Workers' Compensation	Regional Computer Center	Total Internal Service Funds
<u>Reconciliation of Operating Income to</u>								
<u>Net Cash Provided (Used) by</u>								
<u>Operating Activities:</u>								
Operating Income (Loss)	\$ 12	\$ (775)	\$ 1,540	\$ (92)	\$ (3,784)	\$ (7,715)	\$ (2,178)	\$ (12,992)
Depreciation and Amortization	40	231		8			2,568	2,847
Changes in Assets and Liabilities:								
(Increase) Decrease in:								
Receivables	2	(42)	(43)		4		(89)	(168)
Due from Other Funds		(136)		(53)	(172)	(1)	1,067	705
Due from Other Governments							650	650
Inventory	73	190						263
Prepaid Items				(82)	(536)		(34)	(652)
Increase (Decrease) in:								
Accounts Payable	(106)	437	2		1,956	9	(392)	1,906
Deposits Payable			(33)					(33)
Due to Other Funds	(3)	(118)	(130)	86				(165)
Due to Other Governmental Agencies			3					3
Accrued Payroll	4	17		10			(91)	(60)
Accrued Liabilities		2				(697)	3	(692)
Unearned Revenue			20				1,701	1,721
Liability for Compensated Absences	14	40	7	50			(120)	(9)
Estimated Liability for Unpaid Claims					1,225	3,355		4,580
Net Cash Provided (Used) by Operating Activities	<u>\$ 36</u>	<u>\$ (154)</u>	<u>\$ 1,366</u>	<u>\$ (73)</u>	<u>\$ (1,307)</u>	<u>\$ (5,049)</u>	<u>\$ 3,085</u>	<u>\$ (2,096)</u>
<u>Schedule of Noncash Investing,</u>								
<u>Capital and Financing Activities:</u>								
Acquisition of Equipment under								
Capital Lease								
\$	\$	\$	\$	\$	\$	\$	\$	\$
Property Plant and Equipment Contributed by Other Funds		92	2	31				125
Total Noncash Investing, Capital and Financing Activities	<u>\$</u>	<u>\$ 92</u>	<u>\$ 2</u>	<u>\$ 31</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 125</u>

CITY OF CINCINNATI, OHIO

FIDUCIARY FUNDS

TRUST AND AGENCY FUNDS

Pension Trust Fund

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

Agency Funds

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

Convention Facility Authority – Used to account for monies collected by the City of Cincinnati and Hamilton County 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.

CITY OF CINCINNATI, OHIO
Statement of Plan Net Assets
Pension Trust
December 31, 2004
(Amounts in Thousands)

<u>Assets:</u>	
Cash and Equivalents	\$ 126,214
Investments, at fair value:	
U. S. Government Bonds	269,873
U. S. Government Agencies	422
U. S. Government Mortgage Backed Securities	149,040
Corporate Bonds	232,372
State and Local Obligations	8,706
Equities	1,543,533
Venture Capital	18,121
U. S. Treasury Bills	2,768
Other Bonds	32,116
Other Assets	399
Total Investments, at fair value	<u>2,257,350</u>
Collateral on Loaned Securities	515,190
Receivables:	
Accounts Receivable for Securities Sold	99,117
Accounts Receivable - Other	29
Accrued Interest and Dividends	10,359
Due from Other Funds	713
Due from Other Governments	298
Loans Receivable	18,842
Machinery and Equipment	1,369
Accumulated Depreciation	<u>(1,023)</u>
Total Assets	3,028,458
 <u>Liabilities:</u>	
Accounts Payable for Securities Purchased	116,795
Accounts Payable - Other	2,167
Due to Other Funds	651
Obligations under Securities Lending	515,190
Accrued Payroll	20
Accrued Liabilities	8,731
Unearned Revenue	2
Estimated Liability for Compensated Absences	<u>90</u>
Total Liabilities	<u>643,646</u>
 <u>Net assets:</u>	
Held in Trust for Employees' Pension Benefits	1,624,041
Held in Trust for Employees' Postemployment Healthcare Benefits	<u>760,771</u>
Combined Net Assets	<u><u>\$ 2,384,812</u></u>

CITY OF CINCINNATI, OHIO
Combining Statement of Changes in Plan Net Assets
Pension Trust
For the year ended December 31, 2004
(Amounts in Thousands)

	Pension	Healthcare	Total
<u>Additions:</u>			
Contributions:			
Member	\$ 9,904	\$ 3,249	\$ 13,153
Employer	14,559	4,777	19,336
Total Contributions	24,463	8,026	32,489
Transfers From Other Retirement Systems	220		220
Investment Income			
From Investing Activities:			
Net Appreciation in Fair Value of Investments	108,654	50,772	159,426
Interest & Dividends	43,051	20,115	63,166
Investment Income	151,705	70,887	222,592
Less Investment Management Expenses	4,833	2,258	7,091
Net Income From Investing Activities	146,872	68,629	215,501
From Security Lending Activities:			
Securities Lending Income	6,349	2,966	9,315
Securities Lending Expense:			
Borrower Rebates	(4,876)	(2,278)	(7,154)
Management Fees	(441)	(206)	(647)
Total Securities Lending Expenses	(5,317)	(2,484)	(7,801)
Net Income from Securities Lending Activities	1,032	482	1,514
Total Additions	172,587	77,137	249,724
<u>Deductions:</u>			
Benefits Payments:			
Pension and Annuities	99,259		99,259
Hospital and Medical Care		35,599	35,599
Medicare		2,791	2,791
Dental Benefits		1,244	1,244
Vision Benefits		135	135
Death Benefits, Active and Retired	1,266		1,266
Loss Due to Death of Members with Loans	17		17
Transfers - Retirement to Other Systems	899		899
Total Benefits Payments	101,441	39,769	141,210
Refunds of Contributions	1,777	178	1,955
Administrative Expenses:			
Personal Services	337	158	495
Contractual Services	479	224	703
Materials and Supplies	4	2	6
Depreciation	180	84	264
Total Administration Expenses	1,000	468	1,468
Total Deductions	104,218	40,415	144,633
Net Increase	68,369	36,722	105,091
Net Assets held in Trust for Benefits			
Beginning of Year	1,555,672	724,049	2,279,721
End of Year	\$ 1,624,041	\$ 760,771	\$ 2,384,812

CITY OF CINCINNATI, OHIO
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2004
(Amounts in Thousands)

	Agency Funds					
	Towing Charges Private Operators	Convention Facility Authority	Admissions Tax Bonds	Engineering Deposits	Metropolitan Sewer District	Total
Assets						
Equity in City Treasury Cash	\$ 213	\$ 222	\$ 25	\$ 1,485	\$	\$ 1,945
Investments, at fair value					231,977	231,977
Receivables:						
Accounts, Net				4	25,766	25,770
Accrued Interest and Dividends					190	190
Due from Other Funds				41	333	374
Inventory					904	904
Total Assets	\$ 213	\$ 222	\$ 25	\$ 1,530	\$ 259,170	\$ 261,160
Liabilities						
Accounts Payable	\$	\$	\$	\$	8,876	\$ 8,876
Due to Other Governmental Agencies					242,205	242,205
Due to Other Funds	170				419	589
Accrued Payroll					1,316	1,316
Accrued Liabilities					8	8
Deposits Payable	43	222	25	1,530		1,820
Estimated Liability for Compensated Absences					6,346	6,346
Total Liabilities	\$ 213	\$ 222	\$ 25	\$ 1,530	\$ 259,170	\$ 261,160

CITY OF CINCINNATI, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended December 31, 2004
(Amounts in Thousands)

	<u>Balance January 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2004</u>
<u>TOWING CHARGES - PRIVATE OPERATORS</u>				
ASSETS				
Equity in City Treasury Cash	\$ 270	\$ 490	\$ 547	\$ 213
LIABILITIES				
Due to Other Funds	\$ 200	\$ 170	\$ 200	\$ 170
Deposits Payable	70	490	517	43
Total Liabilities	<u>\$ 270</u>	<u>\$ 660</u>	<u>\$ 717</u>	<u>\$ 213</u>
<u>ADMISSION TAX BONDS</u>				
ASSETS				
Equity in City Treasury Cash	\$ 25	\$ 1	\$ 1	\$ 25
LIABILITIES				
Deposits Payable	\$ 25	\$ 1	\$ 1	\$ 25
<u>CONVENTION FACILITY AUTHORITY</u>				
ASSETS				
Equity in City Treasury Cash	\$ 4,393	\$ 5,743	\$ 9,914	\$ 222
LIABILITIES				
Deposits Payable	\$ 4,393	\$ 5,743	\$ 9,914	\$ 222
<u>ENGINEERING DEPOSITS</u>				
ASSETS				
Equity in City Treasury Cash	\$ 1,415	\$ 1,330	\$ 1,260	\$ 1,485
Accounts Receivable	15	92	103	4
Due From Other Funds		41		41
Total Assets	<u>\$ 1,430</u>	<u>\$ 1,463</u>	<u>\$ 1,363</u>	<u>\$ 1,530</u>
LIABILITIES				
Deposits Payable	\$ 1,430	\$ 1,346	\$ 1,246	\$ 1,530

CITY OF CINCINNATI, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended December 31, 2004
(Amounts in Thousands)

	<u>Balance January 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2004</u>
<u>METROPOLITAN SEWER DISTRICT</u>				
ASSETS				
Investments	\$ 228,566	\$ 91,321	\$ 87,910	\$ 231,977
Accounts Receivable	20,734	27,203	22,171	25,766
Accrued Interest Receivable	541	1	352	190
Due From Other Funds	48	333	48	333
Inventory	905	653	654	904
Total Assets	<u>\$ 250,794</u>	<u>\$ 119,511</u>	<u>\$ 111,135</u>	<u>\$ 259,170</u>
LIABILITIES				
Accounts Payable	\$ 10,263	\$ 8,876	\$ 10,263	\$ 8,876
Vouchers Payable		151,027	151,027	
Due to Other Funds	908	419	908	419
Due to Other Governmental Agencies	232,585	242,205	232,585	242,205
Accrued Payroll	1,141	1,316	1,141	1,316
Accrued Liabilities	6	8	6	8
Estimated Liability for Compensated Absences	5,891	4,377	3,922	6,346
Total Liabilities	<u>\$ 250,794</u>	<u>\$ 408,228</u>	<u>\$ 399,852</u>	<u>\$ 259,170</u>
 <u>TOTAL AGENCY FUNDS</u>				
ASSETS				
Equity in City Treasury Cash	\$ 6,103	\$ 7,564	\$ 11,722	\$ 1,945
Investments	228,566	91,321	87,910	231,977
Receivables:				
Accounts, Net	20,749	27,295	22,274	25,770
Accrued Interest Receivable	541	1	352	190
Due from Other Funds	48	374	48	374
Inventory	905	653	654	904
Total Assets	<u>\$ 256,912</u>	<u>\$ 127,208</u>	<u>\$ 122,960</u>	<u>\$ 261,160</u>
LIABILITIES				
Accounts Payable	\$ 10,263	\$ 8,876	\$ 10,263	\$ 8,876
Vouchers Payable		151,027	151,027	
Due to Other Governmental Agencies	232,585	242,205	232,585	242,205
Due to Other Funds	1,108	589	1,108	589
Accrued Payroll	1,141	1,316	1,141	1,316
Accrued Liabilities	6	8	6	8
Deposits Payable	5,918	7,580	11,678	1,820
Estimated Liability for Compensated Absences	5,891	4,377	3,922	6,346
Total Liabilities	<u>\$ 256,912</u>	<u>\$ 415,978</u>	<u>\$ 411,730</u>	<u>\$ 261,160</u>

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

CITY OF CINCINNATI, OHIO

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

	<u>2004</u>	<u>2003</u>
Governmental Funds Capital Assets		
Land	\$ 153,339	\$ 159,691
Buildings	141,497	141,145
Improvements	280,699	256,139
Machinery and Equipment	129,721	109,660
Infrastructure	474,474	436,088
Construction in Progress	140,822	125,203
Property acquired under capital leases	<u>56</u>	<u>2,016</u>
Total Governmental Capital Assets	<u>\$ 1,320,608</u>	<u>\$ 1,229,942</u>
Investment in Governmental Capital Assets	<u>\$ 1,320,608</u>	<u>\$ 1,229,942</u>

Investment in Governmental Capital Assets by Source:

Permanent Improvement Fund or		
General Obligation Bonds	\$ 798,610	\$ 752,405
Federal Grants	50,496	45,370
State Grants	148,760	142,307
County Grants	23,049	22,353
General Fund Revenues	48,566	45,359
Special Revenue Funds	10,905	8,004
Gifts	12,057	11,340
Other and Undifferentiated	<u>228,165</u>	<u>202,804</u>
Total from All Sources	<u>\$ 1,320,608</u>	<u>\$ 1,229,942</u>

CITY OF CINCINNATI, OHIO

Schedule of Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 As of December 31, 2004
 (Amounts In Thousands)

135

	Total	Land	Buildings	Improvements	Equipment	Infrastructure	Property Acquisition under Capital Leases	Construction In Progress
Mayor and Council	\$ 82	\$	\$	\$	\$ 82	\$	\$	\$
City Manager	380		48		332			
Law	83				83			
Human Resources	4,657			4,405	252			
Finance	482				482			
Regional Computer Center	3,880				3,880			
Community Development	101,601	58,360	1,046	41,753	267	175		
Recreation	89,303	7,296	18,646	59,956	3,405			
Parks	32,204	12,184	9,755	7,883	2,382			
Buildings and Inspections	406				406			
Public Safety	49,857	1,591	7,852	8,501	31,913			
Transportation & Engineering	504,803	12,856	6,142	10,802	1,089	473,914		
Enterprise Services	1,181	296			885			
Public Services	40,079	519	4,454	12,264	22,457	385		
Public Health	10,684	237	2,722	5,656	2,069			
Pooled, Unassigned Equipment	770				770			
Southern Railway Improvement	83,224			83,224				
General Government								
Land	59,717	59,717						
Buildings	90,559		90,559					
Improvements	41,664			41,664				
Total Governmental Capital Assets Allocated by Function	1,115,616	153,056	141,224	276,108	70,754	474,474		
Construction in Progress	140,822							140,822
Internal Service Funds:								
Purchasing, Printing and Stores	866			9	801		56	
Fleet Services	5,554	283	273	3,391	1,607			
Street Sweeping	77				77			
Property Management	6			6				
Regional Computer Center	57,667			1,185	56,482			
Total Governmental Capital Assets	\$ 1,320,608	\$ 153,339	\$ 141,497	\$ 280,699	\$ 129,721	\$ 474,474	\$ 56	\$ 140,822

CITY OF CINCINNATI, OHIO

Schedule of Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 For the Year Ended December 31, 2004
 (Amounts in Thousands)

	General Fixed Assets January 1, 2004	Additions	Deletions	Transfers Between Agencies	General Fixed Assets December 31, 2004
Mayor and Council	\$ 89		\$ 7		\$ 82
City Manager	222	178		(20)	380
Law	73	10			83
Human Resources	263	4,405	11		4,657
Regional Computer Center	3,365		11	526	3,880
Finance	558		76		482
Community Development	99,197	9,806	7,402		101,601
Recreation	84,619	5,395	711		89,303
Parks	32,186	140	122		32,204
Buildings and Inspections	406				406
Public Safety	47,773	4,014	1,424	(506)	49,857
Transportation & Engineering	464,500	40,396	93		504,803
Enterprise Services	1,192		11		1,181
Public Services	33,244	8,150	1,315		40,079
Public Health	10,342	381	39		10,684
Pooled, Unassigned Equipment	560	461	251		770
Southern Railway Improvement	83,224				83,224
General Government					
Land	59,756		39		59,717
Buildings	90,559				90,559
Improvements	41,749		85		41,664
Construction in Progress	125,203	15,619			140,822
Internal Service Funds:					
Purchasing, Printing and Stores	669	363	166		866
Fleet Services	5,696	92	234		5,554
Street Sweeping		77			77
Property Management	60	6	60		6
Regional Computer Center	44,437	16,194	2,964		57,667
Total Governmental Capital Assets	\$ 1,229,942	\$ 105,687	\$ 15,021	\$	\$ 1,320,608

SCHEDULES

CITY OF CINCINNATI, OHIO
Outstanding Bonds and Notes
December 31, 2004

Year	~General Obligation Bonds	#Municipal Income Tax Bonds and Notes	@Water Works Bonds	@Expressway Bonds	Revenue* Bonds	@Police & Fire Pension Bonds
	and Notes	Bonds and Notes	Bonds	Bonds	Bonds	Bonds
1995	\$133,580,000	\$11,800,000	\$69,790,000	\$ 50,000	\$ 1,104,000	\$
1996	126,825,000	10,300,000	73,290,000	----	11,410,000	----
1997	126,000,000	8,800,000	79,160,000	----	11,368,000	----
1998	124,185,000	21,003,000	93,780,000	----	13,123,000	----
1999	123,050,000	22,953,000	110,940,000	----	12,779,000	----
2000	164,800,000	25,563,000	96,500,000	----	12,346,000	41,050,000
2001	175,340,000	23,780,000	82,180,000	----	104,504,000	40,620,000
2002	195,500,000	14,097,000	67,810,000	----	108,407,000	40,170,000
2003	221,750,000	11,717,000	53,340,000	----	237,450,000	39,700,000
2004	220,620,000	5,937,000	41,510,000	----	228,152,000	39,205,000

Year	++Urban Development Taxable Bonds	@University Dormitory and Improvement Bonds	@Recreational Facility Bonds & Notes	@Off-Street Parking Facilities Bonds	Urban Renewal/ Economic Development Bonds & Notes
	Bonds	Bonds	Bonds & Notes	Bonds	Bonds & Notes
1995	\$ ----	\$1,200,000	\$10,770,000	\$ 5,575,000	\$17,930,000
1996	----	800,000	9,880,000	4,840,000	14,840,000
1997	----	400,000	8,980,000	4,055,000	15,735,000
1998	7,200,000	----	8,065,000	3,270,000	11,620,000
1999	7,200,000	----	7,080,000	2,685,000	13,990,000
2000	7,000,000	----	14,975,000	2,100,000	16,450,000
2001	6,790,000	----	13,855,000	1,750,000	16,440,000
2002	6,570,000	----	12,265,000	10,500,000	20,595,000
2003	6,335,000	----	10,910,000	10,150,000	18,490,000
2004	6,090,000	----	9,545,000	700,000	33,085,000

Year	@Stormwater Bonds and Notes	@Urban Redevelopment Bonds and Notes	Gross Tax Supported Debt	Gross Revenue Supported Debt	Gross Total Debt
	Bonds and Notes	Bonds and Notes	Debt	Debt	Debt
1995	2,000,000	3,250,000	133,580,000	123,469,000	257,049,000
1996	1,800,000	3,170,000	126,825,000	130,330,000	257,155,000
1997	6,600,000	3,085,000	126,000,000	138,183,000	264,183,000
1998	5,900,000	2,995,000	124,185,000	166,956,000	291,141,000
1999	7,000,000	2,895,000	123,050,000	187,522,000	310,572,000
2000	6,075,000	2,795,000	164,800,000	224,854,000	389,654,000
2001	5,150,000	12,180,000	175,340,000	307,249,000	482,589,000
2002	4,225,000	7,305,000	195,500,000	291,944,000	487,444,000
2003	3,300,000	16,625,000	221,750,000	408,017,000	629,767,000
2004	2,375,000	16,235,000	220,620,000	382,834,000	603,454,000

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

**CITY OF CINCINNATI, OHIO
SCHEDULE OF ANNUAL DEBT SERVICE
DECEMBER 31, 2004**

PROPERTY TAX-SUPPORTED

Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding Debt End of Year
2004				\$220,620,000
2005	\$26,160,000	\$10,315,324	\$36,475,324	194,460,000
2006	20,960,000	9,289,271	30,249,271	173,500,000
2007	19,640,000	8,370,709	28,010,709	153,860,000
2008	17,920,000	7,486,354	25,406,354	135,940,000
2009	16,570,000	6,658,074	23,228,074	119,370,000
2010	14,280,000	5,881,394	20,161,394	105,090,000
2011	14,280,000	5,210,656	19,490,656	90,810,000
2012	14,280,000	4,532,281	18,812,281	76,530,000
2013	14,280,000	3,843,950	18,123,950	62,250,000
2014	14,275,000	3,141,313	17,416,313	47,975,000
2015	13,695,000	2,432,256	16,127,256	34,280,000
2016	11,520,000	1,740,456	13,260,456	22,760,000
2017	9,270,000	1,151,081	10,421,081	13,490,000
2018	6,500,000	671,244	7,171,244	6,990,000
2019	4,365,000	358,256	4,723,256	2,625,000
2020	2,625,000	141,094	2,766,094	0

SELF-SUPPORTED

Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding Debt End of Year	Year
2004				\$148,745,000	2004
2005	\$29,265,000	\$6,996,161	\$36,261,161	119,480,000	2005
2006	14,965,000	5,970,410	20,935,410	104,515,000	2006
2007	12,830,000	5,294,380	18,124,380	91,685,000	2007
2008	9,090,000	4,724,330	13,814,330	82,595,000	2008
2009	6,180,000	4,329,825	10,509,825	76,415,000	2009
2010	6,265,000	4,059,433	10,324,433	70,150,000	2010
2011	6,360,000	3,781,039	10,141,039	63,790,000	2011
2012	6,340,000	3,493,276	9,833,276	57,450,000	2012
2013	4,995,000	3,203,201	8,198,201	52,455,000	2013
2014	4,890,000	2,962,281	7,852,281	47,565,000	2014
2015	3,185,000	2,724,446	5,909,446	44,380,000	2015
2016	3,080,000	2,556,185	5,636,185	41,300,000	2016
2017	2,920,000	2,389,603	5,309,603	38,380,000	2017
2018	3,015,000	2,227,488	5,242,488	35,365,000	2018
2019	3,115,000	2,058,958	5,173,958	32,250,000	2019
2020	2,595,000	1,895,358	4,490,358	29,655,000	2020
	2,480,000	1,755,373	4,235,373	27,175,000	2021
	1,855,000	1,617,595	3,472,595	25,320,000	2022
	1,940,000	1,510,290	3,450,290	23,380,000	2023
	2,030,000	1,397,910	3,427,910	21,350,000	2024
	1,530,000	1,280,235	2,810,235	19,820,000	2025
	1,620,000	1,189,200	2,809,200	18,200,000	2026
	1,715,000	1,092,000	2,807,000	16,485,000	2027
	1,820,000	989,100	2,809,100	14,665,000	2028
	1,930,000	879,900	2,809,900	12,735,000	2029
	2,045,000	764,100	2,809,100	10,690,000	2030
	2,170,000	641,400	2,811,400	8,520,000	2031
	2,300,000	511,200	2,811,200	6,220,000	2032
	2,435,000	373,200	2,808,200	3,785,000	2033
	2,580,000	227,100	2,807,100	1,205,000	2034
	1,205,000	72,300	1,277,300	0	2035

MUNICIPAL INCOME TAX SUPPORTED

Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding Debt End of Year
2004				\$5,937,000
2005	1,777,000	314,685	\$2,091,685	4,160,000
2006	280,000	218,000	498,000	3,880,000
2007	280,000	203,650	483,650	3,600,000
2008	280,000	189,300	469,300	3,320,000
2009	280,000	173,900	453,900	3,040,000
2010	280,000	158,500	438,500	2,760,000
2011	280,000	144,500	424,500	2,480,000
2012	280,000	130,500	410,500	2,200,000
2013	280,000	116,500	396,500	1,920,000
2014	280,000	102,150	382,150	1,640,000
2015	280,000	87,450	367,450	1,360,000
2016	280,000	72,750	352,750	1,080,000
2017	280,000	58,050	338,050	800,000
2018	280,000	43,000	323,000	520,000
2019	280,000	27,950	307,950	240,000
2020	240,000	12,900	252,900	0

TOTAL

Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding Debt End of Year	Year
2004				\$603,454,000	2004
2005	\$66,845,000	\$28,817,494	\$95,662,494	536,609,000	2005
2006	46,155,000	26,321,030	72,476,030	490,454,000	2006
2007	43,037,000	24,338,330	67,375,330	447,417,000	2007
2008	37,915,000	22,509,064	60,424,064	409,502,000	2008
2009	34,023,000	20,842,960	54,865,960	375,479,000	2009
2010	32,104,000	19,284,295	51,388,295	343,375,000	2010
2011	31,510,000	17,752,680	49,262,680	311,865,000	2011
2012	32,040,000	16,227,014	48,267,014	279,825,000	2012
2013	31,290,000	14,634,921	45,924,921	248,535,000	2013
2014	31,810,000	13,046,192	44,856,192	216,725,000	2014
2015	30,195,000	11,410,478	41,605,478	186,530,000	2015
2016	28,070,000	9,827,170	37,897,170	158,460,000	2016
2017	25,785,000	8,375,704	34,160,704	132,675,000	2017
2018	23,810,000	7,019,160	30,829,160	108,865,000	2018
2019	22,480,000	5,816,596	28,296,596	86,385,000	2019
2020	20,925,000	4,673,090	25,598,090	65,460,000	2020
2021	18,735,000	3,593,486	22,328,486	46,725,000	2021
2022	11,385,000	2,620,867	14,005,867	35,340,000	2022
2023	11,960,000	2,025,024	13,985,024	23,380,000	2023
2024	2,030,000	1,397,910	3,427,910	21,350,000	2024
2025	1,530,000	1,280,235	2,810,235	19,820,000	2025
2026	1,620,000	1,189,200	2,809,200	18,200,000	2026
2027	1,715,000	1,092,000	2,807,000	16,485,000	2027
2028	1,820,000	989,100	2,809,100	14,665,000	2028
2029	1,930,000	879,900	2,809,900	12,735,000	2029
2030	2,045,000	764,100	2,809,100	10,690,000	2030
2031	2,170,000	641,400	2,811,400	8,520,000	2031
2032	2,300,000	511,200	2,811,200	6,220,000	2032
2033	2,435,000	373,200	2,808,200	3,785,000	2033
2034	2,580,000	227,100	2,807,100	1,205,000	2034
2035	1,205,000	72,300	1,277,300	0	2035

REVENUE

Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding Debt End of Year
2004				\$228,152,000
2005	\$9,643,000	\$11,191,324	\$20,834,324	218,509,000
2006	9,950,000	10,843,349	20,793,349	208,559,000
2007	10,287,000	10,469,591	20,756,591	198,272,000
2008	10,625,000	10,109,080	20,734,080	187,647,000
2009	10,993,000	9,681,161	20,674,161	176,654,000
2010	11,279,000	9,184,968	20,463,968	165,375,000
2011	10,590,000	8,616,485	19,206,485	154,785,000
2012	11,140,000	8,070,957	19,210,957	143,645,000
2013	11,735,000	7,471,269	19,206,269	131,910,000
2014	12,365,000	6,840,449	19,205,449	119,545,000
2015	13,035,000	6,166,326	19,201,326	106,510,000
2016	13,190,000	5,457,779	18,647,779	93,320,000
2017	13,315,000	4,776,970	18,091,970	80,005,000
2018	14,015,000	4,077,429	18,092,429	65,990,000
2019	14,720,000	3,371,433	18,091,433	51,270,000
2020	15,465,000	2,623,739	18,088,739	35,805,000
2021	16,255,000	1,838,113	18,093,113	19,550,000
2022	9,530,000	1,003,272	10,533,272	10,020,000
2023	10,020,000	514,734	10,534,734	0

Schedule of Expenditure of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2004
(Amounts in Thousands)

Grantor/Program Title	Fund	CFDA #	Grant #	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures
1 U.S. Department of Agriculture						
* Passed through Ohio Department of Health						
* Hamilton County WIC Program	391	10.557	31-2-001-1-CL-04	\$ 1,867		\$ (1,974)
* Hamilton County WIC Program	391	10.557	31-2-001-1-CL-05	640		(634)
Total for CFDA No. 10.557				<u>2,507</u>		<u>(2,608)</u>
TOTAL DEPARTMENT OF AGRICULTURE				2,507		(2,608)
2 U.S. Department of Health and Human Services						
* Passed through Council on Aging of Southwestern Ohio						
* Special Programs for the Aging Title III Part B	324	93.044		<u>27</u>		<u>(27)</u>
**Total for CFDA No. 93.044				27		(27)
* Special Programs for the Aging Title III Part C	324	93.045		<u>184</u>	\$ 26	<u>(204)</u>
**Total for CFDA No. 93.045				184	26	(204)
* Passed through Cincinnati Health Network						
* Homeless Health Care Program	448	93.151	Contract #55-9343	<u>221</u>		<u>(195)</u>
***Total for CFDA No. 93.151				221		(195)
* Passed through Ohio Department of Health						
* Regional Lead Poisoning Prevention	380	93.197	31-2-001-1-BE-02		7	
* Regional Lead Poisoning Prevention	380	93.197	31-2-001-1-BE-04	64		(65)
* Regional Lead Poisoning Prevention	380	93.197	31-2-001-1-BE-05	<u>24</u>		<u>(19)</u>
Total for CFDA No. 93.197				88	7	(84)
* Passed through Cincinnati Health Network						
* Cincinnati Health Network	446	93.224	Contract #45-9228	<u>326</u>		<u>(302)</u>
***Total for CFDA No. 93.224				326		(302)
* Passed through Ohio Department of Health						
* Immunization Action Plan Special	415	93.268	31-2-001-2-AZ-03	(14)		
* Immunization Action Plan Special	415	93.268	31-2-001-2-AZ-04	<u>300</u>		<u>(331)</u>
Total for CFDA No. 93.268				286		(331)
Federal AIDS Prevention	378	93.940	31-2-001-2-AS-04			(82)
Federal AIDS Prevention	378	93.940	31-2-001-2-AS-05	<u>572</u>		<u>(678)</u>
Total for CFDA No. 93.940				572		(760)
STD Control Program	378	93.977	31-2-001-2-BX-04			(3)
STD Control Program	378	93.977	31-2-001-2-BX-05	<u>103</u>		<u>(102)</u>
Total for CFDA No. 93.977				103		(105)
STD/HIV Prevention Training Centers	379	93.978	R30/CCR516650-06	<u>361</u>		<u>(358)</u>
Total for CFDA No. 93.978				361		(358)
* Passed through Ohio Department of Health						
* Heart Health in Hamilton County	425	93.991	31-2-001-2-ED-03	4		
* Heart Health in Hamilton County	425	93.991	31-2-001-2-ED-04	<u>159</u>		<u>(169)</u>
Total for CFDA No. 93.991				163		(169)
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				2,331	33	(2,535)

Schedule of Expenditure of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2004
(Amounts in Thousands)

Grantor/Program Title	Fund	CFDA #	Grant #	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures
3 U.S. Department of Housing & Urban Development						
* Passed through Ohio Department of Development						
* Community Development Block Grant	304	14.218	B03-MC390003	12,378	11,231	(18,381)
Total for CFDA No. 14.218				12,378	11,231	(18,381)
* Passed through Ohio Department of Development						
* Emergency Shelter Grant	445	14.231	S-03-MC-39-0003	197		(197)
* Emergency Shelter Grant	445	14.231	S-04-MC-39-0003	499		(499)
Total for CFDA No. 14.231				696		(696)
* Passed through Ohio Department of Development						
* HOME-Shelter Plus Care	410	14.238	OH16C20-0001	78		(78)
* HOME-Shelter Plus Care	410	14.238	OH16C96-0002	227		(209)
* HOME-Shelter Plus Care	410	14.238	OH16C97-0013	45		(45)
* HOME-Shelter Plus Care	410	14.238	OH16C80-0003	613		(634)
* HOME-Shelter Plus Care	410	14.238	OH16C90-0004	508		(510)
* HOME-Shelter Plus Care	410	14.238	OH16C20-0016	274		(288)
* HOME-Shelter Plus Care	410	14.238	OH16C30-0020	150		(163)
* HOME-Shelter Plus Care	410	14.238	OH16C30-0021	169		(156)
* HOME-Shelter Plus Care	410	14.238	OH16C30-0022	157		(157)
Total for CFDA No. 14.238				2,221		(2,240)
* Passed through Ohio Department of Development						
* HOME	411	14.239	M-96-MC-39-0213	7		(7)
* HOME	411	14.239	M-97-MC-39-0213	10		(10)
* HOME	411	14.239	M-98-MC-39-0213	40		(40)
* HOME	411	14.239	M-00-MC-39-0213	86		(86)
* HOME	411	14.239	M-01-MC-39-0213	1,941		(1,941)
* HOME	411	14.239	M-02-MC-39-0213	963		(1,326)
* HOME	411	14.239	M-03-MC-39-0213	382		(382)
* HOME	411	14.239	M-04-MC-39-0213		306	(633)
Total for CFDA No. 14.239				3,429	306	(4,425)
* Passed through Ohio Department of Development						
* Housing Opportunities For People With Aids	465	14.241	O-HH-03-F001	47		(47)
* Housing Opportunities For People With Aids	465	14.241	O-HH-04-F001	416		(416)
Total for CFDA No. 14.241				463		(463)
Empowerment Zone	324	14.244				(6)
Empowerment Zone	386	14.244	EZ-99-04-0009	3,121		(3,121)
Total for CFDA No. 14.244				3,121		(3,127)
Findlay Market Phase III	980-02110	14.246	06-01-04417	146		
Total for CFDA No. 14.246				146		
Cincinnati Lead Abatement Program	387	14.900	OHLHR0063-99	333		(276)
Cincinnati Lead Abatement Program	387	14.900	OHLHB022002	77		(197)
Total for CFDA No. 14.900				410		(473)
TOTAL DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				22,864	11,537	(29,805)
4 U.S. Department of the Interior						
ODNR-Hooked on Fishing	324	15.605		9		(10)
Total for CFDA No. 15.605				9		(10)
TOTAL DEPARTMENT OF THE INTERIOR				9		(10)

Schedule of Expenditure of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2004
(Amounts in Thousands)

Grantor/Program Title	Fund	CFDA #	Grant #	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures
5 U.S. Department of Justice						
* Passed through Ohio Department of Youth Services						
* Juvenile Accountability	368	16.540	2003-JB-012-A242	\$ 113	\$ 25	\$ (121)
Total for CFDA No. 16.540				113	25	(121)
Bloom/Taft Earn & Learn	447	16.548	00-JV-T50-5035	54		(38)
Total for CFDA No. 16.548				54		(38)
* Passed through Ohio Office of Criminal Justice Services						
* Campaign for a Safe Community	368	16.579	2003-DG-B01-7350	185	40	(185)
* Mental Health Associates (Byrne)	368	16.579	2003-DG-B01-7350	100		(53)
* Delinquency Prevention	447	16.579	2003-DG-201-7069	48		(30)
* Computer Cop	447	16.579	2003-DG-B01-7263	55		(72)
Total for CFDA No. 16.579				388	40	(340)
* Passed through Ohio Office of Criminal Justice Services						
* Congressional Earmark	368	16.580	2003-F1479-OH-D6			(745)
Total for CFDA No. 16.580						(745)
* Passed through Ohio Office of Criminal Justice Services						
* Domestic Violence Advocacy	368	16.588	WF-VA5-8583	75	61	(68)
Total for CFDA No. 16.588				75	61	(68)
Local Law Enforcement Block Grant	345	16.592	2004-LB-BX-0452	137	15	
Local Law Enforcement Block Grant	375	16.592	2003-LB-BX-1939		8	(184)
Total for CFDA No. 16.592				137	23	(184)
Bulletproof Vests	368	16.607	01004115			(25)
Total for CFDA No. 16.607						(25)
Project Safe Neighborhood	368	16.609	2003-PS-PSN-300	3		(14)
Total for CFDA No. 16.609				3		(14)
Police Risk Management Systems	980	16.710	CKWX 0167	1,051		(801)
Creating a Culture of Integrity	368	16.710	2002-HSWX-0024	125		(108)
Universal Hiring Program	346	16.710	2002-UL-WX-0038	1,095		(1,095)
Total for CFDA No. 16.710				2,271		(2,004)
TOTAL DEPARTMENT OF JUSTICE				3,041	149	(3,539)
6 U.S. Department of Labor						
Youth Offender	464	17.249	AF-11585-01-60	(39)		(36)
Total for CFDA No. 17.249				(39)		(36)
* Passed through Ohio Job & Family Service						
* WIA Adult	464	17.258	AF-11585-01-60	1,146		(1,687)
****Total for CFDA No. 17.258				1,146		(1,687)
* Passed through Ohio Job & Family Service						
WIA-Admin	464	17.260		150	9	(442)
Wia-Dislocated Workers	464	17.260		791		(925)
WIA-Rapid Response	464	17.260		39		(2)
* WIA-Youth	464	17.260		1,597		(1,647)
****Total for CFDA No. 17.260				2,577	9	(3,016)
* Passed through Ohio Job & Family Service						
* ITA	464	17.261		(138)		
Total for CFDA No. 17.261				(138)		
TOTAL DEPARTMENT OF LABOR				3,546	9	(4,739)

Schedule of Expenditure of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2004
(Amounts in Thousands)

Grantor/Program Title	Fund	CFDA #	Grant #	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures
7 <i>U.S. Department of Transportation</i>						
* <i>Passed through Ohio Department of Transportation</i>						
* Lunken Airport Signal Upgrade	980	20.106	3-39-0018-09		\$ (32)	
Local Match Funds - FAA Projects	980	20.106			(10)	
* Lunken Improvements - '01	980	20.106	3-39-0018-1401	\$ 122	1	\$ (18)
* Lunken Improvements - '02	980	20.106	3-39-0018-1502	119		(101)
* Lunken Improvements - '03	980	20.106	3-39-0018-1603	12		(47)
Total for CFDA No. 20.106				253	(41)	(166)
* <i>Passed through Ohio Department of Transportation</i>						
* Bicycle Usage Enhancement	980	20.205	PID13893		(10)	74
* Bicycle Grates-Phase IV	980	20.205	PID10605	171		(135)
* Gateway Public Improvements	980	20.205	PID14824	264		
* Hopple St., Meeker to I-75 Improv.	980	20.205	PID 04905		(588)	
* Beechmont Ave SR 32 to Corbly	980	20.205	PID04959			(14)
* Ft Washington Way - OKI Share	980	20.205	PID18436	(78)		77
* Intermodal Center - ODOT/TRAC	980	20.205	PID20852	873	(205)	(965)
Ft. Washington Way - KYTC Share	980	20.205	PID19133	434		(434)
* Queen City Ave-White/Wyoming	980	20.205	PID04909	2,090		(1,111)
* Queen City Ave-White/Wyoming	980	20.205	PID10599	3,058	810	(3,489)
Sub-total for ODOT - CFDA No. 20.205				6,812	7	(5,997)
* Intermodal Center - SORTA	980	20.205	PID20852	644	(151)	(712)
Sub-total for SORTA - CFDA No. 20.205				644	(151)	(712)
Total for CFDA No. 20.205				7,456	(144)	(6,709)
* <i>Passed through Governor's Highway Safety Office</i>						
Law Enforcement Overtime Program	368	20.600	5054.0	136		(137)
Total for CFDA No. 20.600				136		(137)
TOTAL DEPARTMENT OF TRANSPORTATION				7,845	(185)	(7,012)
8 <i>Environmental Protection Agency</i>						
* <i>Passed through Cinn Metropolitan Housing Authority</i>						
* Neighborhood Housing	980	66.606	XP-96549101-0			(433)
Total for CFDA No .66.606						(433)
Brownfields	474	66.811	BT9758-93-010	129		(129)
Brownfield Assessment Pilot	453	66.811	98-53-6101			(129)
Total for CFDA No .66.811				129		(129)
TOTAL ENVIRONMENTAL PROTECTION AGENCY				129		(562)
9 <i>National Park Service</i>						
Showboat Majestic Improvements	980	15.919	39-03-ML-1381	2		(9)
Urban Park and Recovery	980	15.919	39-CTY-1610-01-01			(1)
Mt. Auburn Hopkins Park	980	15.919	39-CTY-1610-02-01			(25)
Total for CFDA No. 15.919				2		(35)
TOTAL NATIONAL PARK SERVICE				2		(35)

Schedule of Expenditure of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2004
(Amounts in Thousands)

Grantor/Program Title	Fund	CFDA #	Grant #	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures
11 <i>Department of Homeland Security</i>						
Assistance to Firefighters	472	97.044	EMW-2003-FG-17406	\$ 400		(326)
Total for CFDA No . 97.044				400		(326)
TOTAL DEPARTMENT OF HOMELAND SECURITY				400		(326)
 TOTAL FEDERAL GRANTS & SUBSIDIES (Non-GAAP Basis)				42,674	\$ 11,543	\$ (51,171)
Less Amount Recognized as Contributed Capital				(8,908)		
Less Accrual of Federal Grant & Subsidies at 12/31/03				(3,186)		
Plus Accrual of Federal Grant & Subsidies at 12/31/04				1,066		
Plus Federal Grant reimbursement in Accounts Payable at 12/31/03				31		
Amount Recognized as Federal Grants & Subsidies (GAAP Basis)				\$ 31,677		

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

** Aging Cluster

*** Consolidated Health Centers Cluster

The Schedule of Expenditures of Federal Awards is presented on a Non-GAAP budgetary basis. Total community Development Block Grant loans outstanding at December 31, 2004 totaled \$ 60,383,000.
Total Rental Rehab loans outstanding totaled \$10,607,000.

CITY OF CINCINNATI, OHIO
INFRASTRUCTURE INCOME TAX

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

The following data summarizes the results of the City's compliance with the infrastructure income tax requirements for 2004 and 2003.

(AMOUNTS IN THOUSANDS)

	<u>2004</u>	<u>2003</u>
Required Base Amount	\$60,693	\$59,986
Actual Appropriated Amount	\$73,629	\$75,439
Infrastructure Expenditures - As of December 31, 2004	\$43,150	\$64,781
Percentage of Expenditures to Base Amount	71.0955%	107.9935%

I hereby certify that the City of Cincinnati appropriated for 2004 an amount sufficient to meet the requirements for continuation of the Infrastructure Income Tax. I also certify that the City of Cincinnati did expend through 2004 for the 2003 Infrastructure year more than 90% of the annual base amount, which satisfies the requirements for continuation of the Infrastructure Income Tax.



William E. Moller
Director of Finance

(This page intentionally left blank.)

2004

STATISTICAL SECTION



CINCINNATI REDS HALL OF FAME

© The Cincinnati Reds

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

(AMOUNTS IN THOUSANDS)

<u>Year</u>	<u>General Government</u>	<u>Parks and Recreation</u>	<u>Public Safety</u>	<u>Public Services, Transportation and Engineering</u>	<u>Public Health</u>	<u>Employee Benefits</u>	<u>Total</u>
1995	\$34,333	\$14,668	\$103,231	\$20,522	\$15,380	\$51,775	\$239,909
1996	38,578	15,314	107,156	18,839	16,306	52,685	248,878
1997	40,307	16,535	113,958	19,699	17,791	53,659	261,949
1998	44,849	17,338	118,730	20,525	18,682	49,997	270,121
1999	50,248	19,146	126,205	22,066	20,831	48,782	287,278
2000	61,393	19,201	120,568	22,607	22,300	47,634	293,703
2001	55,625	19,427	128,345	22,760	22,534	49,119	297,810
2002	54,394	19,235	133,171	21,583	22,390	53,633	304,406
2003	50,385	19,352	138,369	24,790	22,125	53,578	308,599
2004	48,473	19,283	145,417	24,097	22,222	60,534	320,026

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

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

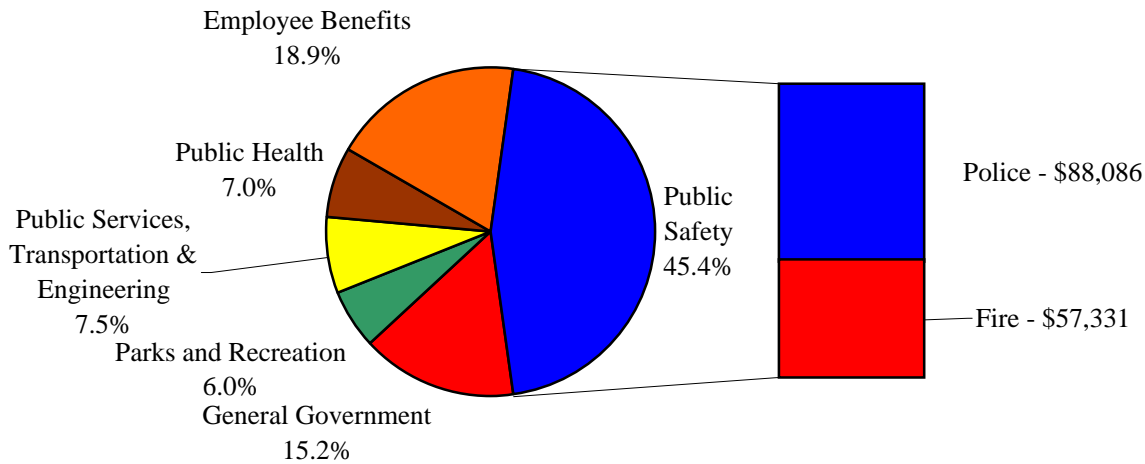
(AMOUNTS IN THOUSANDS)

<u>Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Use of Money and Property</u>	<u>Inter-governmental Revenues</u>	<u>Charges For Current Services</u>	<u>Miscellaneous</u>	<u>Total</u>
1995	\$174,688	\$5,010	\$12,071	\$38,963	\$12,282	\$1,266	\$244,280
1996	176,397	5,569	14,366	41,371	13,202	850	251,755
1997	191,346	5,202	13,876	45,454	12,842	2,102	270,822
1998	194,702	5,043	14,717	49,581	11,392	2,870	278,305
1999	209,606	5,200	14,134	52,355	12,901	1,885	296,081
2000	213,982	5,688	17,584	48,614	12,736	3,783	302,387
2001	215,069	5,922	17,799	54,396	12,598	2,640	308,424
2002	215,796	6,011	27,578	57,423	13,767	1,879	322,454
2003	221,123	5,870	11,208	54,490	12,203	859	305,753
2004	227,911	6,355	8,767	55,907	15,025	1,411	315,376

GENERAL FUND

2004 Expenditures (GAAP Basis)

(Amounts in Thousands)



ALL EXPENDITURES

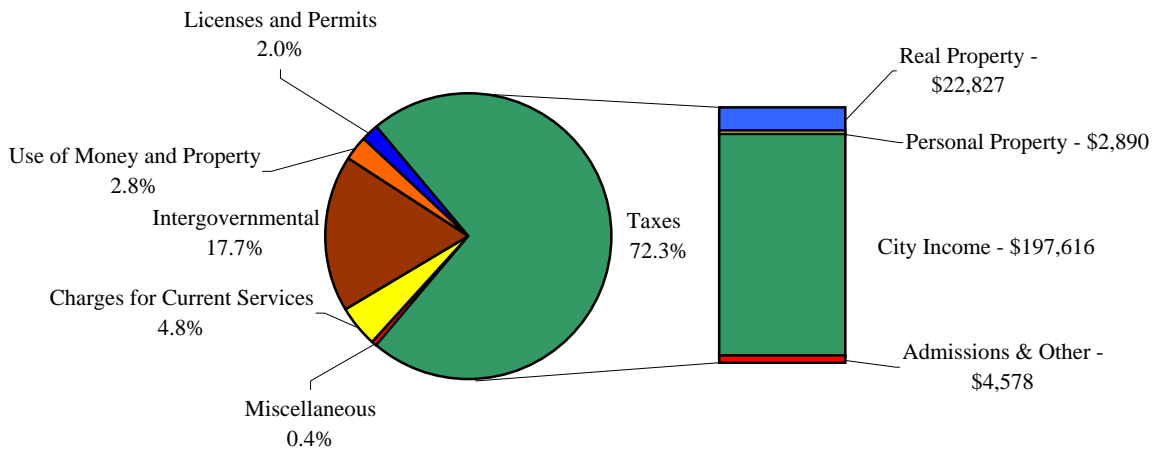
Total Expenditures - \$320,026

PUBLIC SAFETY

Expenditures - \$145,417

2004 Revenues (GAAP Basis)

(Amounts in Thousands)



ALL REVENUES

Total Revenues - \$315,376

TAX REVENUE

Revenue - \$227,911

CITY OF CINCINNATI, OHIO
Property Tax Levy and Collections

Last Ten Years

<u>Year</u>	<u>Net Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections to Net Levy</u>	<u>Prior Year Collections</u>	<u>Total Collections</u>	<u>Percentage of Total Collections to Net Levy</u>
1995	\$53,978,024	\$52,084,199	96.49%	\$1,858,948	\$53,943,147	99.94%
1996	53,713,379	51,586,332	96.04	1,572,712	53,159,044	98.97
1997	56,128,543	53,274,996	94.92	2,080,494	55,355,490	98.62
1998	56,435,352	53,642,749	95.05	1,892,964	55,535,713	98.41
1999	56,218,046	52,974,060	94.23	1,986,691	54,960,751	97.76
2000	59,878,090	56,587,823	94.51	2,281,771	58,869,594	98.32
2001	59,535,625	56,064,077	94.17	2,229,855	58,293,932	97.91
2002	58,201,216	54,858,148	94.26	2,271,190	57,129,338	98.16
2003	62,769,455	58,365,509	92.98	2,580,046	60,945,555	97.09
2004	Not available at time of Publication					

CITY OF CINCINNATI, OHIO
Assessed Valuations and Estimated True Values

Last Ten Years

Assessed Valuations

<u>Year</u>	<u>Real Property</u>	<u>Public Utility Property</u>	<u>Tangible Personal Property</u>	<u>Total</u>
1995	\$3,540,684,410	\$450,760,050	\$689,532,610	\$4,680,977,070
1996	3,531,863,130	421,404,651	707,228,240	4,660,496,021
1997	3,732,312,910	419,703,440	689,982,870	4,841,999,220
1998	3,734,237,420	395,256,670	672,898,830	4,802,392,920
1999	3,749,677,500	398,949,700	664,939,340	4,813,566,540
2000	4,363,343,290	400,519,090	674,101,770	5,437,964,150
2001	4,363,447,780	377,645,690	687,613,910	5,428,707,380
2002	4,379,262,050	304,549,100	644,918,170	5,328,729,320
2003	4,871,308,460	319,863,560	535,538,450	5,726,710,470
2004	4,930,272,530	323,749,180	536,114,777	5,790,136,487

The current assessed valuation for 2004 is computed at approximately the following percentages of estimated true value:

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

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

<u>Year</u>	<u>Estimated True Values</u>	<u>Year</u>	<u>Estimated True Values</u>
1995	\$10,116,241,171	2000	\$12,466,695,114
1996	10,091,037,514	2001	12,466,993,657
1997	10,663,751,117	2002	12,512,177,286
1998	10,669,249,771	2003	13,918,024,171
1999	10,713,364,285	2004	14,086,492,943

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

CITY OF CINCINNATI, OHIO
Property Tax Rates - Direct and Overlapping Governments
 Last Ten Years

<u>Year</u>	<u>Year</u>	<u>City Levy</u>	<u>School Levy</u>	<u>County Levy</u>	<u>Total Levy</u>	<u>Effective Millage</u>	<u>Debt Service Included in</u>	
							<u>City Levy</u>	<u>Total Levy</u>
1994 for	1995	\$11.46	\$48.58	\$18.30	\$78.34	\$59.99	\$5.36	\$5.91
1995	“ 1996	11.46	53.52	18.30	83.28	65.33	5.36	5.88
1996	“ 1997	11.46	53.19	19.44	84.09	66.56	5.36	5.81
1997	“ 1998	11.46	53.13	19.01	83.60	66.38	5.36	5.71
1998	“ 1999	11.46	53.13	19.54	84.13	67.08	5.36	5.71
1999	“ 2000	10.90	51.94	20.83	83.67	63.10	5.36	5.71
2000	“ 2001	10.76	56.93	19.92	87.61	67.53	5.36	5.67
2001	“ 2002	10.76	57.15	21.47	89.38	69.32	5.36	5.66
2002	“ 2003	10.63	56.25	21.87	88.75	66.70	5.36	5.65
2003	“ 2004	10.36	60.75	21.51	92.62	70.98	5.36	10.17

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

Source: Hamilton County Auditor's Office

CITY OF CINCINNATI, OHIO
Computation of Direct and Overlapping Debt
 December 31, 2004

	<u>Assessed Valuation (a)</u>	<u>Net General Tax Supported Debt</u>	<u>Percent Overlapping</u>	<u>Net Tax Supported Overall Debt</u>
<u>Direct:</u>				
City of Cincinnati	\$ 5,790,136,487	\$ 199,851,276	100%	\$ 199,851,276
<u>Overlapping:</u>				
Board of Education - Cincinnati City School District	6,508,311,877	736,550,000 (b)	89%	655,529,500
Hamilton County	18,723,844,862	143,337,977 (a)	31%	44,434,773
Subtotal		<u>879,887,977</u>		<u>699,964,273</u>
Total		<u>\$1,079,739,253</u>		<u>\$899,815,549</u>

(a) Source: Hamilton County Auditor's Office

(b) Source: Cincinnati City School District

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

(AMOUNTS IN THOUSANDS)

<u>Year</u>	<u>Billings</u>	<u>Collections</u>	<u>Year</u>	<u>Billings</u>	<u>Collections</u>
1995	\$1,918	\$2,344	2000	\$1,529	\$2,058
1996	2,215	2,437	2001	1,822	1,945
1997	2,937	2,004	2002	2,099	2,286
1998	2,150	2,079	2003	2,975	2,105
1999	2,041	2,343	2004	3,103	2,439

Source: City of Cincinnati Finance Department

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

<u>Year</u>	<u>Net Bonded Debt (Note 1)</u>	<u>Assessed Value</u>	<u>Population (Note 2)</u>	<u>Ratio of Net Bonded Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1995	\$121,543,637	\$4,680,977,070	364,000	2.60%	\$334
1996	114,646,410	4,660,496,021	345,820	2.46	332
1997	113,189,887	4,841,999,220	345,820	2.34	327
1998	112,490,050	4,802,392,920	345,820	2.34	325
1999	112,420,155	4,813,566,540	336,400	2.34	334
2000	152,076,405	5,437,964,150	331,290	2.80	459
2001	160,794,777	5,428,707,380	331,290	2.96	485
2002	181,745,936	5,328,729,320	331,290	3.41	549
2003	204,360,090	5,726,710,470	331,290	3.57	617
2004	199,851,276	5,790,136,487	331,290	3.45	603

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

Note 2 - The 1995 - 2004 figures are based on Bureau of the Census data.

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

(AMOUNTS IN THOUSANDS)

<u>Year</u>	<u>Debt Service on General Obligation Debt</u>	<u>General Fund Expenditures</u>	<u>Ratio</u>
1995	\$55,354	\$239,909	23.07%
1996	56,979	248,878	22.89
1997	55,714	261,949	21.27
1998	58,019	270,121	21.48
1999	60,869	287,278	21.19
2000	66,977	293,703	22.80
2001	68,962	297,810	23.16
2002	68,393	304,406	22.47
2003	65,682	308,599	21.28
2004	70,943	320,026	22.17

CITY OF CINCINNATI, OHIO
Legal Debt Margin
December 31

	<u>2004</u>	<u>2003</u>
Overall Debt Limitation - 10-1/2% of Assessed Valuation	\$607,964,331	\$601,304,599
Gross Indebtedness	\$603,454,000	
Less Debt Outside Limitations:		
Self-Supporting Debt	382,834,000	
Urban Redevelopment Bonds	<u>60,000</u>	
	<u>382,894,000</u>	
Net Debt Within 10-1/2% Limitation	<u>220,560,000</u>	<u>221,670,000</u>
Legal Debt Margin Within 10-1/2% Limitation	<u>\$387,404,331</u>	<u>\$379,634,599</u>

	<u>2004</u>	<u>2003</u>
Unvoted Debt Limitation - 5-1/2% of Assessed Valuation	\$318,457,507	\$314,969,076
Gross Indebtedness Authorized by Council	\$603,394,000	
Less Debt Outside Limitations:		
Municipal Income Tax Supported Bonds and Notes	5,937,000	
Off-Street Parking Facilities Bonds	700,000	
Police and Fire Pension Bonds	39,205,000	
Recreational Facilities Bonds and Notes	9,545,000	
Revenue Bonds	228,152,000	
Stormwater Management Bonds	2,375,000	
Urban Development Bonds	6,090,000	
Urban Redevelopment Bonds	16,235,000	
Urban Renewal/Economic Development Bonds	33,085,000	
Water Works Bonds	<u>41,510,000</u>	
	<u>382,834,000</u>	
Net Debt Within 5-1/2% Limitation	<u>220,560,000</u>	<u>221,670,000</u>
Legal Debt Margin Within 5-1/2% Limitation	<u>\$97,897,507</u>	<u>\$93,299,076</u>

**City of Cincinnati, Water Works
Historical and Projected Water System Pumpage**

Year	Total Pumpage (MG's)	Average Day (MGD)	Maximum Day (MGD)	System's Rated Pumpage Capacity (MGD)		Maximum Daily Pumpage as % of Capacity
1999	49,697.876	136.2	234.3	255		91.8824%
2000	48,747.764	133.2	196.8	255		77.1765%
2001	47,047.006	128.9	169.6	255		66.5239%
2002	49,679.150	136.1	217.8	261	*	83.4483%
2003	48,574.063	133.1	207.9	261	*	79.6414%
2004	49,005.613	134.3	176.8	261	*	67.7395%
2005	49,740.000	136.3	211.0	255	#	82.7451%
2006	49,990.000	137.0	212.0	260	**	81.5385%
2007	50,240.000	137.6	213.0	260	**	81.9231%
2008	51,030.000	139.8	217.0	260	**	83.4615%
2009	51,830.000	142.0	220.0	260	**	84.6154%

* Includes the addition of the 6 MGD Mason Treatment Plant

Mason Treatment Plant taken off-line

** Includes the addition of the 5 MGD from the expansion of the Bolton Wellfield

MG - million gallons

MGD - million gallons per day

**City of Cincinnati, Water Works
Top Ten Retail Customer Data
for year ended December 31, 2004**

Rank	Name of Customer	Total Consumption, Hundreds of Cubic Feet	Total Consumption, Thousands Of Gallons	Percent of Total Consumption	Total Charges	Percent of Total Charges
1	University of Cincinnati	755,675	565,245	1.39%	\$685,442	0.77%
2	Henkel Corp	661,126	494,522	1.21%	\$654,398	0.74%
3	Procter and Gamble	475,219	355,464	0.87%	\$555,941	0.63%
4	Flint Ink	347,700	260,080	0.64%	\$442,999	0.50%
5	Metropolitan Sewer District	333,729	249,629	0.61%	\$339,124	0.38%
6	Sun Chemical Co	328,927	246,037	0.60%	\$332,739	0.38%
7	Coca Cola Bottling Co	308,653	230,872	0.57%	\$312,693	0.35%
8	Davison Chemical	284,420	212,746	0.52%	\$290,870	0.33%
9	John Morrell Co	281,925	210,880	0.52%	\$362,363	0.41%
10	Childrens Hospital	261,441	195,558	0.48%	\$264,390	0.30%
	Total - Top Ten Retail Customers	4,038,815	3,021,034	7.41%	\$4,240,959	4.78%
	Total - Top 75 Users	16,850,203	12,603,952	30.93%	\$19,269,533	21.73%
	Total - System	54,472,500	40,745,430	100.00%	\$88,670,153	100.00%

CITY OF CINCINNATI, WORK WORKS
ACCOUNTS RECEIVABLE

<u>Year</u>	<u>Net Water Sales</u>	<u>Cash Collected During Year for Current & Prior Year's Sales</u>	<u>Percentage of Sales Collected</u>
2004	\$ 86,574,584	\$ 84,903,695	98.07 %
2003	83,270,619	82,523,831	99.10
2002	82,815,023	82,260,162	99.33
2001	77,001,567	78,200,650	101.56
2000	80,820,774	79,806,757	98.75
1999	82,617,834	82,311,461	99.63
1998	78,871,208	77,882,447	98.75
1997	72,792,310	73,344,910	100.76
1996	71,658,982	69,701,176	97.27
1995	<u>67,682,750</u>	<u>67,564,055</u>	<u>99.82</u>
Total	\$ 784,105,651	\$ 778,499,144	99.28 %

CITY OF CINCINNATI, WATER WORKS
HISTORICAL FINANCIAL OPERATIONS
(Dollars in Thousands)

	<u>Unaudited</u>		<u>Audited</u>		
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<u>Operating Revenue</u>					
Total Operating Revenue	\$94,706	\$91,556	\$90,124	\$81,542	\$83,586
<u>Operating Expense:</u>					
Personal Services	34,703	31,741	31,292	29,237	28,409
Contractual Services	8,555	8,692	8,082	7,491	7,688
Maintenance and Repair	3,170	3,006	2,575	2,836	3,207
Materials and Supplies	5,389	6,256	5,992	5,917	5,063
Utilities	7,911	8,007	7,918	6,802	6,532
Insurance	205	264	230	181	91
Taxes	1	1	0	16	20
Rent	989	656	394	306	328
Interest	0	0	0	0	0
Other	507	482	470	190	354
Impairment of Fixed Asset	0	0	0	0	0
Depreciation and Amortization Expense	16,950	15,597	15,630	12,152	12,217
Amortization Mason Agreement	63	60	48		
Bad Debt Expense	0	0	0	175	297
Total Operating Expense	<u>78,443</u>	<u>74,762</u>	<u>72,631</u>	<u>65,303</u>	<u>64,206</u>
Operating Income	\$16,263	\$16,794	\$17,493	\$16,239	\$19,380
<u>Non-Operating Revenue (Expenses):</u>					
Capital Contribution	\$5,063	\$8,661	\$10,537	\$8,475	\$0
Gain (Loss) on Disposal of Fixed Assets	(828)	(323)	(24)	(516)	(176)
Transfers In	0	0	0	236	0
Interest Revenue	1,945	2,041	2,910	8,521	4,534
Interest Expense	<u>(7,164)</u>	<u>(8,234)</u>	<u>(4,749)</u>	<u>(7,416)</u>	<u>(4,792)</u>
Total Non-Operating Revenue (Expense):	<u>(984)</u>	<u>2,145</u>	<u>8,674</u>	<u>9,300</u>	<u>(434)</u>
Net Income	\$15,279	\$18,939	\$26,167	\$25,539	\$18,946

Greater Cincinnati Water Works
Projected Operating Results 2005-2009

Description	New Projection 2005	New Projection 2006	New Projection 2007	New Projection 2008	New Projection 2009
Metered Water Sales					
Revenue Under Existing Rates (a)	92,890,317	93,296,404	93,379,471	94,161,340	93,914,522
Indicated Revenue Increases (b)					
	Revenue				
	Increase				
Month - Year					
January 2005	5.00%	4,044,809	4,624,811	4,624,811	4,624,811
January 2006	7.50%		6,344,094	7,214,094	7,214,094
January 2007	6.00%			5,441,609	6,141,609
January 2008	6.00%			5,764,592	6,454,592
January 2009	6.00%				6,092,566
Total Increased Revenue	4,044,809	10,968,905	17,280,514	23,745,106	30,527,672
Total Metered Water Sales Revenue	96,935,126	104,265,309	110,659,985	117,906,446	124,442,194
Other Revenue	2,627,500	2,627,500	2,706,325	2,706,325	2,787,515
Construction Reimbursement Charges	876,834	1,045,999	1,045,999	481,890	289,999
Interest Income (c)	548,405	699,260	906,260	1,031,260	1,230,260
Total Revenue	100,987,865	108,638,068	115,318,569	122,125,921	128,749,968
Operating & Maintenance Expense (d)	61,492,380	65,529,024	69,037,037	72,454,113	75,549,031
Bad Debt Expense					
Net Revenue Available for Debt Service	39,495,485	43,109,044	46,281,532	49,671,808	53,200,937
Series 2001 Revenue Bond Debt Service	7,557,177	7,554,627	7,554,522	7,557,722	7,554,208
Series 2003 Revenue Bond Debt Service	8,824,183	8,825,883	8,821,983	8,824,308	8,825,550
Series 2005A Revenue Bond Debt Service	2,033,137	7,387,131	7,290,631	7,382,581	7,291,781
Future Senior Lien Revenue Bond Debt Service (e)	0	0	3,136,767	5,620,000	11,335,990
Total Senior Lien Revenue Bond Debt Service	18,414,497	23,767,641	26,803,903	29,384,611	35,007,529
Series 2005B Senior Subordinate Lien Revenue Bond Debt Service (f)	525,000	875,000	962,500	875,000	962,500
State of Ohio Issue 2 Money (\$1M/20Yrs/0%) - 2003 (g)	50,000	50,000	50,000	50,000	50,000
State of Ohio Issue 2 Money (\$980K/20Yrs/0%) - 2004 (g)	24,500	49,000	49,000	49,000	49,000
State of Ohio Issue 2 Money (\$1.15M/20Yrs/0%) - 2005 (g)	0	28,750	57,500	57,500	57,500
General Obligation Bond Debt Service (g)	11,988,310	9,801,480	7,534,600	5,293,350	2,495,600
Total Junior Subordinate Lien Debt Service Requirements	12,062,810	9,929,230	7,691,100	5,449,850	2,652,100
Ongoing Variable-Rate Debt Expenses	42,500	74,375	81,875	74,167	81,666
Revenues Available for Transfer to Water System Reserve Fund	8,450,678	8,462,798	10,742,154	13,888,180	14,497,142
Working Capital Balance					
Prior Year Revenue Fund Working Capital Balance	9,378,700	15,744,800	17,686,655	20,571,508	24,243,735
Revenue Transfer To Water System Reserve Fund	2,084,578	6,520,943	7,857,301	10,215,953	13,375,618
Revenues Available for Transfer	8,450,678	8,462,798	10,742,154	13,888,180	14,497,142
End of Year Working Capital Balance	15,744,800	17,686,655	20,571,508	24,243,735	25,365,259
Working Capital Balance Requirement (h)	9,223,857	9,829,354	10,355,556	10,868,117	11,332,355
Revenues Transferred the Next Fiscal Year	6,520,943	7,857,301	10,215,952	13,375,618	14,032,904
Water System Reserve Fund					
Beginning of Year Balance	14,900,974	10,471,102	12,331,245	15,031,747	19,329,499
Deposits	2,084,578	6,520,943	7,857,301	10,215,952	13,375,618
Transfer to Water Works Capital Improvement Fund	6,514,450	4,660,800	5,156,799	5,918,200	6,120,700
End of Year Balance	10,471,102	12,331,245	15,031,747	19,329,499	26,584,417
Debt Service Coverage					
Senior Lien Revenue Bond Debt Service Coverage	214%	181%	173%	169%	152%
Senior Subordinate Lien Revenue Bond Debt Service Coverage	4015%	2210%	2024%	2319%	1890%
Total Debt Service Coverage	127%	125%	131%	139%	138%

(a) Reflects the addition of Butler County

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

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

(d) Inflation factors used in calculations are 2.6-3.0% increases for Non-Personnel Costs and 3% increases for Personnel Costs.

(e) Estimated Future Issues assuming revenue bonds (20 year bonds) as follows:

Year	Proceeds Required	Debt Service Reserve/ Bond Issuance Costs	Total Issue	Interest Rate
2007	\$ 62.166M	\$ 6.273M	\$ 68.439M	5.50%
2009	\$108.357M	\$10.933M	\$119.290M	5.75%

(f) Assumed to have a 3.00% interest rate.

(g) General Obligation Bond debt issued for Water System and SCIP loans.

(h) 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, Water Works
Parity Debt Service Requirements**

<u>Year</u>	<u>Series 2003 Bonds</u>			<u>Debt Service</u>	<u>Total Debt</u>
	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Series 2001 Bonds</u>	<u>Service</u>
2004	3,935,000.00	4,887,882.50	8,822,882.50	7,554,362.50	16,377,245.00
2005	4,015,000.00	4,809,182.50	8,824,182.50	7,557,177.50	16,381,360.00
2006	4,095,000.00	4,728,882.50	8,823,882.50	7,554,627.50	16,378,510.00
2007	4,175,000.00	4,646,982.50	8,821,982.50	7,554,522.50	16,376,505.00
2008	4,265,000.00	4,559,307.50	8,824,307.50	7,557,722.50	16,382,030.00
2009	4,375,000.00	4,450,550.00	8,825,550.00	7,554,207.50	16,379,757.50
2010	4,515,000.00	4,310,875.00	8,825,875.00	7,558,782.50	16,384,657.50
2011	4,705,000.00	4,119,250.00	8,824,250.00	7,557,837.50	16,382,087.50
2012	4,930,000.00	3,895,600.00	8,825,600.00	7,558,112.50	16,383,712.50
2013	5,175,000.00	3,649,100.00	8,824,100.00	7,554,487.50	16,378,587.50
2014	5,430,000.00	3,395,210.00	8,825,210.00	7,554,862.50	16,380,072.50
2015	5,695,000.00	3,126,597.50	8,821,597.50	7,554,037.50	16,375,635.00
2016	5,980,000.00	2,843,747.50	8,823,747.50	7,557,212.50	16,380,960.00
2017	6,275,000.00	2,550,697.50	8,825,697.50	7,555,312.50	16,381,010.00
2018	6,585,000.00	2,236,947.50	8,821,947.50	7,557,237.50	16,379,185.00
2019	6,915,000.00	1,907,697.50	8,822,697.50	7,556,737.50	16,379,435.00
2020	7,260,000.00	1,561,947.50	8,821,947.50	7,555,737.50	16,377,685.00
2021	7,625,000.00	1,198,947.50	8,823,947.50	7,558,487.50	16,382,435.00
2022	8,005,000.00	817,697.50	8,822,697.50	0.00	8,822,697.50
2023	8,405,000.00	419,287.50	8,824,287.50	0.00	8,824,287.50
TOTAL	\$ 112,360,000.00	\$ 64,116,390.00	\$ 176,476,390.00	\$ 136,011,465.00	\$ 312,487,855.00

TEN LARGEST AD VALOREM TAXPAYERS IN
CITY OF CINCINNATI 2004

The following is a list of the ten largest ad valorem taxpayers (based on the taxable valuation of their property) subject to the City's taxing jurisdiction.

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Taxable Valuation (a)</u>	<u>Percentage of Total Assessed Valuations</u>
Cinergy	Public Utility	\$ 233,055,770	4.09%
The Procter & Gamble Co.	Consumer Goods Manufacturing	88,123,540	1.55
Cincinnati Bell Telephone, Inc.	Public Utility	66,074,800	1.16
Emery Realty	Real Estate Holdings	31,255,000	.55
Ohio Teachers Retirement System	Real Estate Holdings	27,125,000	.48
Prudential Insurance	Real Estate Holdings	26,337,500	.46
Kroger Company	Consumer Goods Retail	23,296,890	.41
Columbia Development	Real Estate Holdings	22,802,930	.40
Fifth Third Center	Real Estate Holdings	20,491,170	.36
Western Southern Life	Real Estate Holdings	19,196,790	.34
All Others		<u>5,134,772,137</u>	<u>90.20</u>
Total Taxable Valuation		<u>\$5,692,531,527(b)</u>	<u>100.00%</u>

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

(b) The total assessed valuation figure is the 2004 for 2005 purposes amount.

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

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
University of Cincinnati	Education	15,400
Health Alliance	Healthcare	13,100
The Kroger Co.	Consumer Goods Distribution	13,000
The Procter & Gamble Co	Consumer Goods Manufacturing	13,000
Toyota Motor Manufacturing	Automotive	8,400
Fifth Third Bank	Financial Institution	7,800
Cincinnati Public Schools	Education	7,300
Archdiocese of Cincinnati	Education	7,300
City of Cincinnati	Government	7,200
Tri-Health, Inc.	Healthcare	7,000

Source: Business Courier 2004 Winter Book

Unemployment Statistics

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

<u>Year</u>	<u>Rate</u>
2000	3.4%
2001	4.0
2002	4.9
2003	5.1
2004	5.1

Source: Ohio Bureau of Employment Services

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

Year	<u>New Residential Construction(1)</u>		<u>New Non-Residential Construction(1)</u>		<u>Total Construction(1)</u>	
	<u>Number of Permits</u>	<u>Estimated Cost (in thousands)</u>	<u>Number of Permits</u>	<u>Estimated Cost (in thousands)</u>	<u>Number of Permits</u>	<u>Estimated Cost (in thousands)</u>
1995	136	\$16,051	778	\$ 40,881	11,108	\$201,767
1996	160	20,062	1,003	56,595	11,306	258,999
1997	127	13,332	735	32,095	11,911	231,917
1998	142	12,973	533	36,588	11,433	266,664
1999	129	12,088	497	196,139	9,471	448,484
2000	169	30,170	567	250,681	10,483	540,208
2001	120	24,712	70	136,958	9,206	570,930
2002	198	44,323	65	52,432	8,726	559,529
2003	154	36,200	78	67,496	8,146	333,396
2004	187	26,488	55	97,719	7,950	486,905

Year	<u>Bank Deposits (2)</u>	<u>Property Value (3)</u>	
	<u>(in thousands)</u>	<u>Residential (in thousands)</u>	<u>Non-Residential (in thousands)</u>
1995	\$18,661,138	\$5,360,460	\$4,755,871
1996	21,598,936	5,376,340	4,714,698
1997	18,070,437	5,954,496	4,709,255
1998	24,305,322	5,961,433	4,707,816
1999	41,678,898	5,979,174	4,734,190
2000	21,394,000	7,165,094	5,301,602
2001	28,358,000	7,191,011	5,275,983
2002	27,212,000	7,190,165	5,322,012
2003	34,503,000	8,135,933	6,695,987
2004	28,830,000	9,989,184	8,399,332

Source: (1) The City's Department of Buildings and Inspections' records.
 (2) Greater Cincinnati Chamber of Commerce for the Hamilton County Area (1995-1998), Federal Reserve Bank (1999), FDIC (2000 - 2004)
 (3) Values obtained from the Hamilton County Auditor's Office.

CITY OF CINCINNATI, OHIO
Salaries of Principal Officials

<u>Position</u>	<u>Salary</u>
Mayor	\$118,449
Councilmember, other than Mayor	\$59,225
City Manager	\$193,351
Commissioner of Health	\$106,214 - \$143,388
Deputy City Manager	\$107,783 - \$145,507
City Solicitor	\$107,783 - \$145,507
Various Department Directors	\$92,248 - \$124,534

MAYOR and CITY COUNCIL

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

CITY OF CINCINNATI, OHIO
Surety Bond Coverage

A faithful performance blanket bond coverage of \$1,000,000 is maintained for all City employees.

CITY OF CINCINNATI, OHIO
Demographic Statistics

	<u>2000</u>	<u>1990</u>	<u>1980</u>	<u>1970</u>	<u>1960</u>
<u>Population</u>	331,285	364,040	385,457	452,524	502,550
<u>Age Distribution</u>					
0 - 4	23,862	30,595	28,781	38,520	56,316
5 - 19	68,724	73,156	82,125	119,261	118,827
20 - 64	198,045	209,563	218,839	235,884	268,796
65 - 99	40,654	50,726	55,712	58,859	58,611
<u>Race</u>					
White	175,492	220,285	251,144	325,394	392,865
Black	142,176	138,132	130,467	125,070	108,757
Other	13,617	5,623	3,846	2,060	928
<u>Employment</u>					
Labor Force	160,722	158,881	159,396	183,877	201,729
Male	81,347	79,866	85,303	105,618	127,816
Female	79,375	79,015	74,093	78,259	73,913
<u>Class of Worker</u>					
Private	118,143	126,181	122,095	139,737	156,827
Government	22,622	24,591	30,738	27,072	20,495
Self Employed	7,052	7,673	6,323	8,091	11,498
<u>Housing Units</u>					
Total Units	166,012	169,088	172,571	172,551	171,679
Units Occupied	148,095	154,342	157,677	159,838	161,827
Owner Occupied	57,715	59,172	60,673	61,504	65,355
Renter Occupied	90,380	95,170	97,004	98,334	96,472
<u>Persons Per Unit (Median)</u>					
All Units	2.15	1.9	1.9	2.2	2.4
Owner Occupied	2.43	2.3	2.4	2.7	2.9
Renter Occupied	1.97	1.6	1.6	1.9	2.3
<u>Education (In School)</u>					
Elementary	*27,000	*36,321	46,909	64,681	69,996
High School	*15,000	*20,000	21,049	26,575	22,145
College	33,085	33,105	29,397	22,494	10,650
<u>Income of Families</u>					
Median	\$ 27,781	\$ 26,774	\$ 16,800	\$ 8,894	\$ 5,701

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

* Estimated by the City's Finance Department.

CITY OF CINCINNATI, OHIO
Cincinnati Profile

Government and History

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

Population	Census <u>2000</u>	Census <u>1990</u>	Census <u>1980</u>	Census <u>1970</u>	Census <u>1960</u>
Cincinnati - City	331,285	364,040	385,457	453,514	502,550
Hamilton County	845,303	866,228	873,224	925,944	864,121
Metropolitan Area.....	1,646,395	1,452,645	1,401,491	1,387,207	1,268,479

Area

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

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

2004 City Data

Miles of Street	2,840
Miles of Sewer Mains.....	3,100
Miles of Water Mains	3,000
Number of Water Customers	1,100,000
Number of Water Customer Accounts	235,000
Number of Sewer Customers	800,000
Number of Sewer Customer Accounts	250,000
Acres of Parks and Recreation Land	7,300
Number of Recreation Facilities	204
Gross General Bonded Debt.....	\$603,454,000
Gross Debt per Capita (331,285 population)	\$1,821.56

Number of Municipal Employees, including three/quarter time

Police	1,089	Service Maintenance	817
Fire	793	Technicians	381
Security	17	Professionals	1,101
Clerical	525	Para-Professionals	305
Skilled Crafts	302	Administrators	278

