

COMPREHENSIVE ANNUAL
Financial Report

FOR THE YEAR ENDED DECEMBER 31, 2005

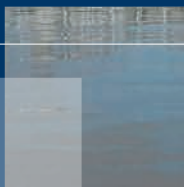


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2005

CITY OF CINCINNATI, OHIO





2005 WAS ANOTHER YEAR OF CHANGE IN CINCINNATI.

DOWNTOWN CINCINNATI HAD THE OPENING OF THE

GATEWAY GARAGE ON CENTRAL PARKWAY IN JUNE;

NEIGHBORHOODS CONTINUED TO GROW WITH A NEW STREETScape

IN COLLEGE HILL AND AN IMPROVED ROADWAY TO THE WEST,

QUEEN CITY AVENUE WAS DEDICATED IN SEPTEMBER.



2005

COMPREHENSIVE ANNUAL **Financial Report**

FOR THE YEAR ENDED DECEMBER 31, 2005



DIRECTOR OF FINANCE: JOE GRAY

ASSISTANT FINANCE DIRECTOR: CONNIE ROESCH

FINANCE MANAGER: KATHLEEN CREAGER, CPA

CITY OF CINCINNATI, OHIO

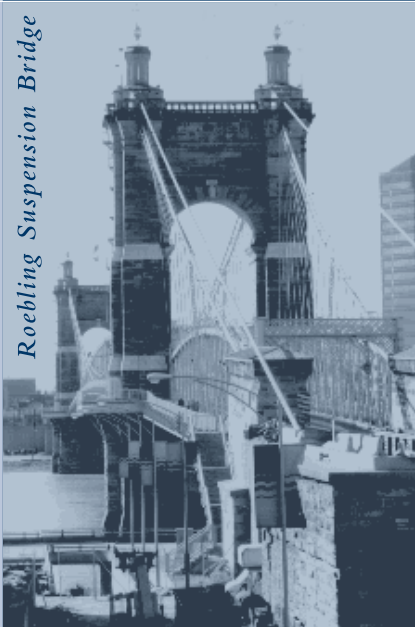


2005

introductory



Roebling Suspension Bridge



INTRODUCTORY SECTION

1

CITY OF CINCINNATI, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended December 31, 2005

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City of Cincinnati

DEPARTMENT OF FINANCE

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

June 26, 2006

JOE GRAY
DIRECTOR OF FINANCE

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

We are pleased to submit the City of Cincinnati's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2005. State law requires that the City of Cincinnati annually publish a complete set of financial statements for the results of its fiscal operations, presented in conformity with generally accepted accounting principles (GAAP). This report is prepared by the Department of Finance, which is responsible for the accuracy of the data and the completeness and fairness of its presentation, including disclosures. We believe that the information presented is accurate in all material respects and reported in a manner designed to show the financial position and operating results of the City.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A) that is located on page 3. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Cincinnati's 2005 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 MD&A, 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 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 2005 fiscal year.

Profile of the Government

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

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

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

An 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.

Information Useful in Assessing the Government's Economic Condition

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 2006, 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 MSA rose from an initial low of 4.0% (2001) to a high of 5.4% (2005). Regional job growth is expected to be a modest 1.7% in 2006. Cincinnati's keys to successful recovery are in its ability to attract and maintain business and to reduce impact of loss of population and jobs to growing suburban areas.

Per the U.S. 2000 Census the City of Cincinnati's population was 331,285. The 2005 updated population estimates made by the Census Bureau has the Cincinnati population at 317,361.

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 2005. For 2006, the target reserve of \$22.2 million (6.6% of 2006 estimated revenues) has already been achieved.

Actual Non-GAAP General Fund expenditures/encumbrances in 2005 were \$329.1 million which is a \$1.5 million increase compared with 2004 expenditure/encumbrances of \$327.6 million. Actual Non-GAAP revenue in 2005 of \$334.0 million was greater than the original 2005 revenue estimate of \$318.0 million by \$16 million.

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

Relevant Financial Policies

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

The City's Investment Policy, which was approved by the Mayor and City Council, is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized. The investments held by the City at December 31, 2005 were either backed by the full faith and credit of the U.S. Government or were investments with a credit rating of A-/A3 and above with the exception of a Park Board investment of \$51,000 that was BBB-/Baa3. The Investment Policy uses a ladder approach to schedule investment maturities whose weighted average maturity of the general investment portfolio is not to exceed two years. As of December 31, 2005, the weighted average maturity was 429 days. The Investment Policy also identifies a benchmark that is used to monitor the performance of the investment portfolio. During 2005, the benchmark ranged from 2.02% to 3.27% and the rate of return for general investments ranged from 2.23% to 2.78%. The rate of return on general investments was 2.78% in 2005 compared to 2.22% for all investments in 2004.

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 \$2.38 billion as of December 31, 2004 to \$2.41 billion as of December 31, 2005. The increase of \$30 million was generated by investment returns of 6.8% in 2005 on the total CRS investment portfolio. (See Pension Trust Fund financial statements on pages 32 and 33. See footnote 20.)

The Cincinnati Retirement System's actuary has reported that the funding progress of the plan as of December 31, 2005 remained relatively unchanged from the previous year at 93.6%. 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 for both pension and healthcare liabilities.

Major Initiatives

In 2005, the City continued to improve customer service throughout city government and promote revitalization of neighborhoods, downtown, and the riverfront area. Major initiatives, accomplishments, and positive changes were made in the following areas and are of particular interest.

The Cincinnati Center City Development Corporation (3CDC), a private, non-profit corporation was 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 leveraging public and private partnerships. Significant accomplishments include:

Over-the-Rhine (OTR) – a project that will revitalize OTR as a vibrant, economically and racially diverse mixed-use community. The City recently pledged \$2.4 million in subsidy funding as part of the \$16.8 million Gateway II project, which will include first floor commercial space, 20 rental units and 40 condominium units. Funding of \$5.4 million and \$9.0 million was also provided by the Cincinnati Equity Fund and New Market Tax Credits, respectively.

Fountain Square - In the summer of 2005, 3CDC worked with the City of Cincinnati to initiate the Fountain Square Revitalization project as a world-class public space with unique retail, dining and entertainment that anchors an active, bustling Fountain Square District spanning several blocks around the Square, and includes significant renovation of the garage and plaza. The total project cost is \$42.6 million of which the City has invested \$4 million and is scheduled for completion in August 2006. Additionally, owners of surrounding buildings signaled their commitment to redevelop the entire District by pledging more than \$30 million of private investment in their properties.

In June 2006, the City will complete the expansion of its convention center (Duke Energy Center) that will enable it to accommodate 75% of the national convention center market and provide economic impact to the Cincinnati region.

Awards and Acknowledgements

Certificate of Achievement and Budget Award

During 2005, 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, 2004. 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-fifth 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, 2004, 117 municipal reporting entities in Ohio and only 1,711 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 its annual budget beginning January 1, 2004. This is the 19th consecutive year that the City has received this award. For the fiscal years beginning in 2004, only 28 entities in Ohio and only 1,010 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,

A handwritten signature in black ink, appearing to read "Joe Gray", with a stylized, cursive script.

Joe Gray
Director of Finance

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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, 2004

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.



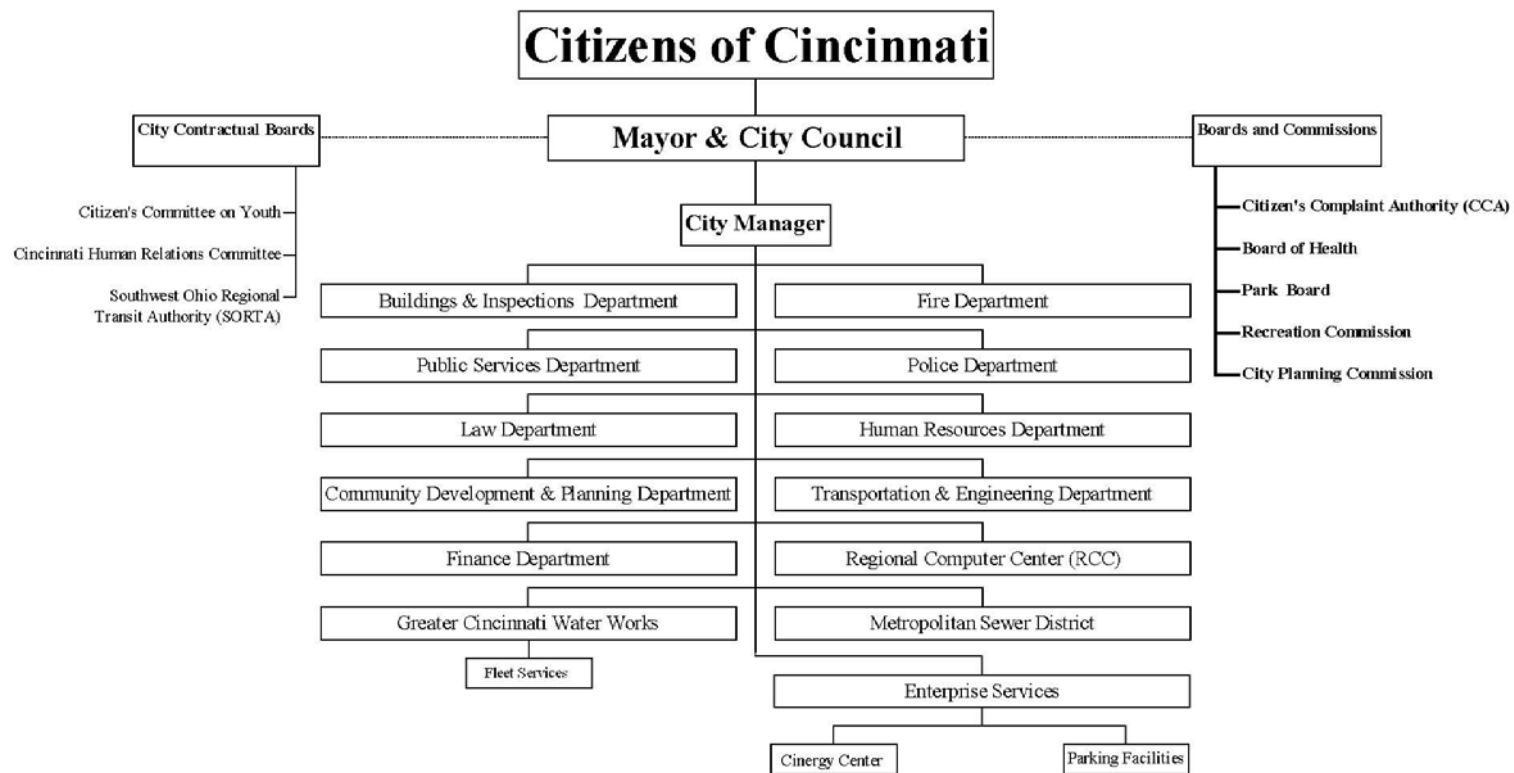
President

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, 2004.

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-five consecutive years (fiscal years ended 1980 - 2004). We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



CITY OF CINCINNATI, OHIO

Principal City Officials

CITY COUNCIL

Mark Mallory, Mayor
First term

James R. Tarbell, Vice Mayor, fourth term
Chris Monzel, second term
Jeff Berding, first term
Chris Bortz, first term
David Crowley, third term

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

CITY MANAGER

David E. Rager

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2005

f i n a n c i a l



Carew Tower



FINANCIAL SECTION

2



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cincinnati, Ohio as of and for the year ended December 31, 2005, which collectively comprise the City of Cincinnati, Ohio's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cincinnati, Ohio's management. Our responsibility is to express opinions on 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 of Cincinnati, Ohio as of December 31, 2005, 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 (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*; GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries*; GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*; GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; and GASB Technical Bulletin 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers* as of January 1, 2005.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2006, on our consideration of the City of Cincinnati, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary information on pages 3-16 and 83-84, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding 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 of Cincinnati, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Harshbarger & Co.

Cincinnati, Ohio
June 21, 2006

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, 2005. 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 \$1.6 billion (net assets). Of this amount, \$61.1 million is considered unrestricted. The unrestricted net assets of the City's governmental activities are \$37.6 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 \$23.5 million and may be used to meet the on-going obligations of the City's parking, convention center, stormwater, aviation and golf business-type activities. Unrestricted net assets do not include assets with externally imposed 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 \$91.3 million in 2005. Net assets of the governmental activities increased by \$22.2 million which represents a 2.8% increase from the 2004 balance. Net assets of business-type activities increased \$69.1 million or 9.6% increase from 2004. Governmental activities investment in capital assets, net of related debt increased \$19.3 million. Governmental activities restricted net assets increased \$10.1 million. Business-type activities investment in capital assets, net of related debt increased \$75.5 million. Business-type activities restricted net assets increased \$46 million as water works operations and debt were considered restricted in 2005.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$356.3 million, an increase of \$30.8 million in comparison with the prior year. On a combined basis approximately 51%, \$182.2 million, is considered unreserved at December 31, 2005. Unreserved fund balance includes \$94.9 million for capital projects.
- At the end of the current fiscal year, the general fund reported a fund balance of \$71.2 million. The unreserved fund balance for the general fund was \$56 million, or 17.3% of the total general fund expenditures. There was a \$9.8 million increase in general fund balance for the year ended December 31, 2005.
- The City's total debt increased by \$100.2 million (16.6%) 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 19 to 21 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, Convention Center, General Aviation, Municipal Golf, and Stormwater Management Funds.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The basic governmental fund financial statements can be found on pages 22 to 26 of this report.

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

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

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

Proprietary funds. The City maintains two different types of proprietary funds - enterprise and internal service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water works, parking facilities, convention center, municipal airport, municipal golf courses, and stormwater management system. *Internal service funds* are an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds for its printing services, 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 27 to 31 of this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Works Fund and the

Convention Center funds which are considered to be major funds of the City. The other enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements. All internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the other enterprise funds and internal service funds are provided in the form of *combining statements* found elsewhere in this report.

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

The basic fiduciary fund financial statements can be found on pages 32 and 33 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 35 to 79 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 81 to 84 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 85 to 144 of this report.

CITY OF CINCINNATI'S Net Assets

(AMOUNTS IN THOUSANDS)

	Governmental Activities		Business-type Activities		Total	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Current and other assets	\$577,678	\$539,819	\$201,988	\$127,038	\$779,666	\$666,857
Capital assets	<u>882,239</u>	<u>859,122</u>	<u>964,813</u>	<u>864,246</u>	<u>1,847,052</u>	<u>1,723,368</u>
Total Assets	1,459,917	1,398,941	1,166,801	991,284	2,626,718	2,390,225
Long-term liabilities outstanding	410,779	377,772	317,993	223,800	733,253	601,572
Other liabilities	<u>228,606</u>	<u>222,847</u>	<u>61,373</u>	<u>49,112</u>	<u>285,498</u>	<u>271,959</u>
Total liabilities	639,385	600,619	379,366	272,912	1,018,751	873,531
Net assets:						
Invested in capital assets, net of						
Related debt	631,671	612,373	715,004	639,500	1,346,675	1,251,873
Restricted	151,260	141,202	48,974	3,004	200,236	144,206
Unrestricted	<u>37,601</u>	<u>44,747</u>	<u>23,457</u>	<u>75,868</u>	<u>61,058</u>	<u>120,615</u>
Total net assets	<u>\$820,532</u>	<u>\$798,322</u>	<u>\$787,435</u>	<u>\$718,372</u>	<u>\$1,607,967</u>	<u>\$1,516,694</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 \$1.6 billion at the close of the most recent fiscal year.

The largest portion of the City's net assets \$1.3 billion (83.7%) 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 \$200.2 million (12.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance \$61.1 million (3.8%) 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 \$61.1 million; the unrestricted net assets of the City's business-type activities (\$23.5 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 \$91.3 million in 2005. Net assets for governmental activities increased \$22.2 million, while net assets of business-type activities increased \$69.1 million.

There was an increase of \$10.1 million in restricted net assets reported in connection with the City's governmental activities and a \$46 million increase in restricted net assets reported in connection with 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 reason for the increase in business type assets is that the operation of the water works and payment for their revenue bonds are considered restricted this year.

The City's governmental activities amount invested in capital assets, net of related debt, increased \$19.3 million as debt increased and bond proceeds and capital grants were used to complete certain capital projects during 2005. The City's business-type activities amount invested in capital assets, net of related debt, increased \$75.5 million.

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

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program Revenues:						
Charges for Services	\$ 122,786	\$ 129,490	\$ 124,090	\$ 117,892	\$ 246,876	\$ 247,382
Operating Grants and Contributions	43,148	43,405			43,148	43,405
Capital Grants and Contributions	13,478	16,834	61,017	43,028	74,495	59,862
General Revenues:						
Property Taxes	67,816	67,614			67,816	67,614
Income Taxes	297,583	261,712			297,583	261,712
Admission Taxes	3,691	3,890			3,691	3,890
Shared Taxes	67,304	72,162			67,304	72,162
Occupancy Taxes	1,909	1,810	1,230	1,092	3,139	2,902
Unrestricted Investment Earnings	12,234	11,252	4,176	2,272	16,410	13,524
Miscellaneous	206	105	3,943	4,129	4,149	4,234
Total Revenues	630,155	608,274	194,456	168,413	824,611	776,687
Expenses:						
General Government	127,826	119,686			127,826	119,686
Community Development	39,235	60,367			39,235	60,367
Parks and Recreation	39,438	37,033			39,438	37,033
Public Safety	218,576	205,338			218,576	205,338
Transportation and Engineering	26,472	30,529			26,472	30,529
Enterprise Services	37,712	37,038			37,712	37,038
Public Services	48,125	46,477			48,125	46,477
Public Health	44,809	42,437			44,809	42,437
Interest on long-term debt	21,767	18,516			21,767	18,516
Water Works			99,895	88,095	99,895	88,095
Parking Facilities			8,637	6,845	8,637	6,845
Convention Center			6,809	7,057	6,809	7,057
General Aviation			2,032	1,922	2,032	1,922
Municipal Golf			6,266	5,820	6,266	5,820
Stormwater Management			5,739	5,722	5,739	5,722
Total Expenses	603,960	597,421	129,378	115,461	733,338	712,882
Change in net assets before transfers	26,195	10,853	65,078	52,952	91,273	63,805
Transfers	(3,985)	(9,172)	3,985	9,172		
Change in net assets	22,210	1,681	69,063	62,124	91,273	63,805
Net assets – January 1 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>
Net assets – December 31 st	<u>\$ 820,532</u>	<u>\$ 798,322</u>	<u>\$ 787,435</u>	<u>\$ 718,372</u>	<u>\$ 1,607,967</u>	<u>\$ 1,516,694</u>

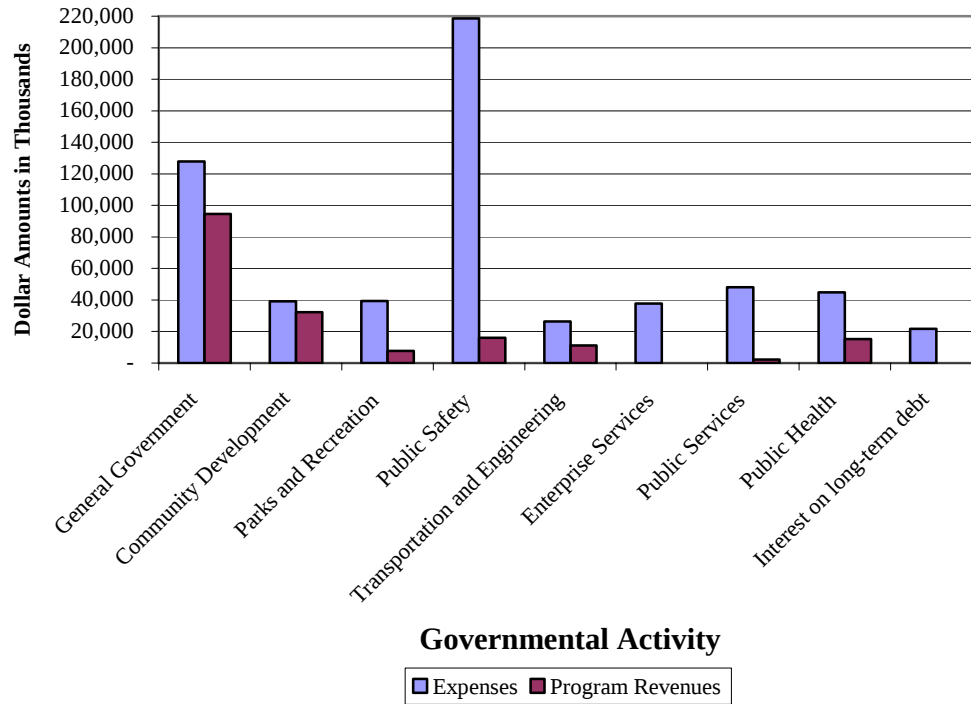
Governmental activities. Governmental activities increased the City's net assets in 2005 by \$22.2 million, thereby accounting for a 24.3% of the increase in net assets of the City. Key elements of the change in net assets include:

- Capital grants and contributions decreased \$3.4 million. There was a decrease of \$7 million with the completion of projects, which included the Queen City Avenue street realignment project. This was offset by a contribution of \$3 million from Hamilton County for bridges.
- Revenues from Income Taxes increased \$35.9 million.
- Expenditures for Public Safety increased by \$13.2 million. Public Safety is comprised of both the Fire and Police Departments. This increase is attributable to:
 - o \$2.8 million increase in costs for employee benefits,
 - o \$6.1 million increase in salaries and fringe benefits,
 - o \$1.6 million increase in Health Care, Pension, Other Post Employee Benefits and Compensated Absences Obligations
 - o \$2.0 million increase in allocations from Internal Service funds, the biggest piece is attributable to Self Insurance Worker's Compensation cost.
- Expenses for General Government Activities increased by \$8.1 million. Contributing to this is:
 - o \$4.0 million decrease in various General Fund expenditures including salary reduction of \$2.1 million and \$1.0 million decrease in Regional Computer Center charges.
 - o \$1.3 million decrease in other Governmental Funds primarily due to a reduction in payables and accruals.
 - o \$9.3 million increase in Unpaid Claims Liabilities as an increase in the value of major settlements has affected the accrual of liabilities and a change in the accrual method for Worker's Compensation.
 - o \$2.6 million increase in Pension Obligations,
 - o \$1.4 million increase in allocations from Internal Service funds, the biggest piece is attributable to Self Insurance Worker's Compensation cost.
- Shared tax revenue decreased \$4.9 million due to a decrease in Estate Tax revenues of \$2.8 million and a change in deferred revenues of \$2.0 million.
- General government charges for services decreased by \$6.7 million primarily due to:
 - o A one-time lease payment to the City's Bond Retirement Fund in the amount of \$15.5 million received in 2004 but not in 2005,
 - o \$3.8 million increase in General Fund revenues primarily due to fee increases.
 - o \$1.4 million increase in General Fund Overhead and charges for Healthcare to outside agencies,
 - o \$3.3 million increase in revenues from Public Safety primarily due to reimbursements from Hurricane Katrina and better collection efforts for Emergency Transport Services.
- Expenses for Community Development decreased by \$21.1 million primarily due to:
 - o \$3.1 million decrease in General Fund expenditures due to a reduction in Human Services funding and a reduction in salaries,
 - o \$10.0 million reduction in Debt Service as less debt was sold in 2005,
 - o \$3.7 million reduction in Other Government expenses as the Workforce Investment Act grant is no longer administered by the City.
 - o \$3.6 million reduction in Depreciation and Capitalization of Assets because capital projects were moved from the office of Community Development to General Government - City Manager's – Economic Development Office.

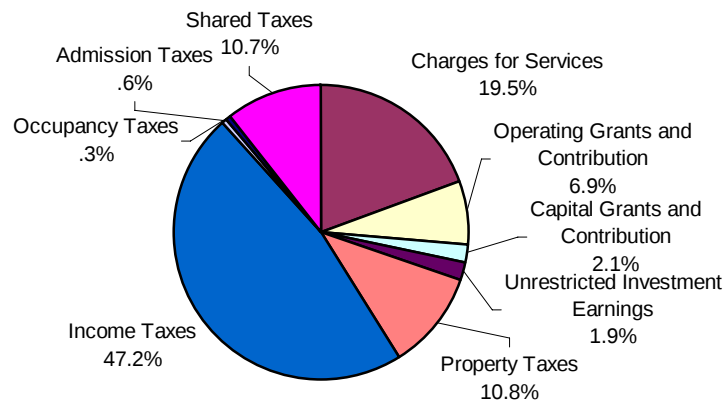
Business-type activities. Business-type activities increased the City's net assets in 2005 by \$69 million, accounting for 75.7% of the growth in the government's net assets. Key elements of the increase include:

- Capital contributions in the amount of \$61 million were received and include:
 - o \$46.3 million for the renovation and expansion of the Duke Energy Center (formerly Cincinnati Convention Center),
 - o Contributions of water mains to Water Works for \$14.5 million.
- Charges for Services increased \$6.2 million primarily due to a rate increase for water services of 5%.
- Water Works expenditures increased \$11.8 million. The major factors in the increase were:
 - o \$2.1 million increase in personal services due to pension and post employment benefit obligations,
 - o \$1.4 million increase in electric to pump water,
 - o \$2.6 million increase in depreciation as projects were closed and fixed assets added,
 - o \$5 million increase in interest on revenue bonds sold since 2001.

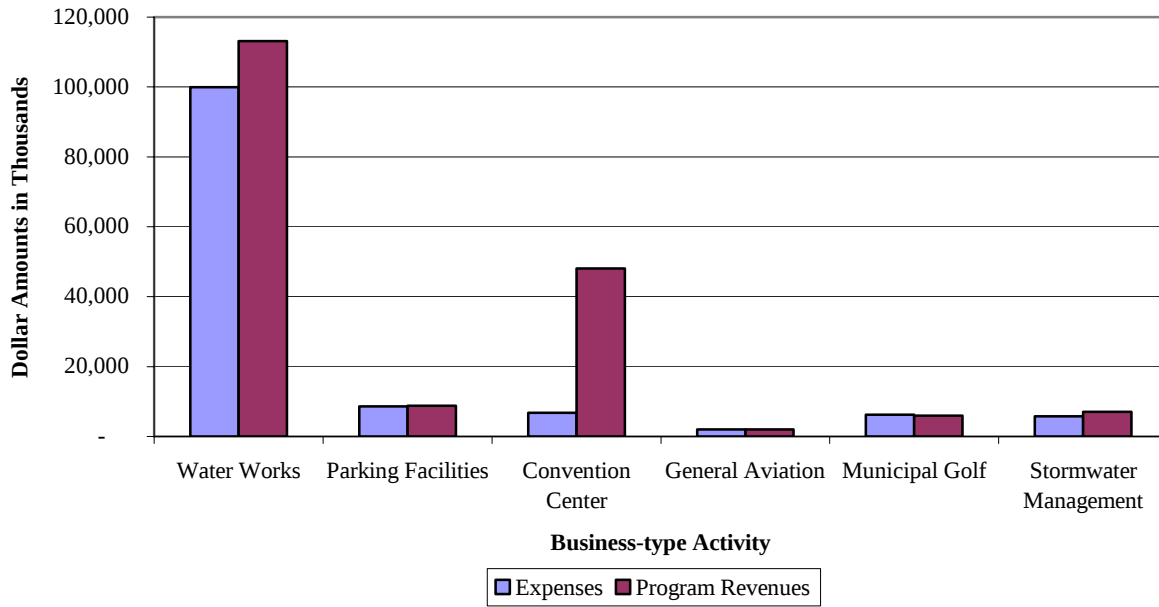
Expenses and Program Revenues - Governmental Activities



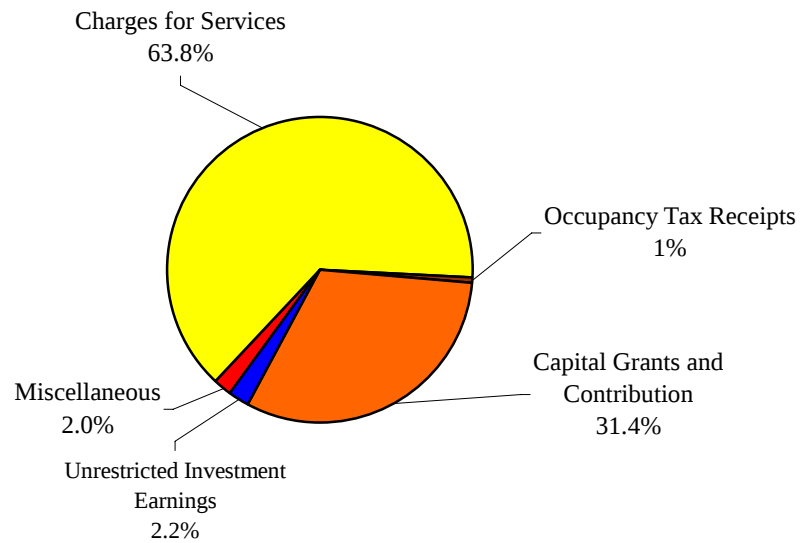
Revenues by Source - Governmental Activities



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 \$356.3 million, an increase of \$30.8 million in comparison with the prior year. Approximately 51.1% or \$182.2 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 \$56 million, while total fund balance reached \$71.2 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 17.3% of total general fund expenditures, while total fund balance represents 22% of that same amount.

The fund balance of the City's general fund increased by \$9.8 million during the current fiscal year. Key factors of the increase are as follows:

- Total revenues increased by \$15.6 million in 2005.
 - Taxes increased by \$12.1 million attributable to an increase in Income Tax revenue of \$12.8 million and a decrease in Property Tax and Admissions revenue of \$.7 million,
 - Investment Income increased \$3.1 million,
 - Estate Taxes decreased \$2.8 million,
 - Increases in Charges for Services primarily from the increase in Building Fees and increased collections from Emergency Medical Services resulted in an additional \$1.7 million in revenue.
 - Miscellaneous revenue sources increased by \$1.7 million.
- Expenditures for Public Safety increased by \$6.1 million due to increases in salaries and fringe benefits.
- Expenditures for Employee Benefits increased \$4.5 million primarily due to an increase in Health Care most of which was offset by a decrease in spending in other areas.

The capital projects fund has a total fund balance of \$167.3 million, which is an increase of \$13.7 million over 2004. Key factors of the increase are as follows:

- Decrease in capital grants of approximately \$10.3 million. Grants for street projects decreased \$9.8 million
- Intergovernmental revenue increased \$5.6 million in 2005. The City received \$3 million from Hamilton County for bridge projects.
- Expenditures decreased \$35.7 million. The capital budget for 2005 was \$31 million less than the capital budget for 2004. Expenditures for citywide communications project decreased \$10 million from 2004 to 2005. Expenditures for the Gateway Garage decreased \$3.4 million.

The debt service fund has a total fund balance of \$44.8 million that is reserved for the payment of debt service. The net increase in fund balance was \$0.5 million. The Fund balance has remained relatively stable as revenues received in 2005 was essentially equal to debt service paid out in 2005.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the nonmajor enterprise funds are \$22.3 million. The total growth in net assets for the Water Works fund was \$22.6 million, for the Convention Center fund \$43.5 million and the growth in net assets for the other enterprise funds was \$5.2 million. Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The final amended General Fund budget had total appropriations of approximately \$4.1 million more than the original budget. The original appropriations were \$326.6 million while the final appropriations were \$330.7 million. Key elements of the changes in appropriation include:

The following increases totaling \$2.9 million were funded from available fund balance:

- \$10,000 appropriation increase to Fire for overtime at special event.
- \$315,000 appropriation increase to Public Services to reinstate weekly curbside recycling program.
- \$774,640 appropriation increase to Police for cost of living adjustments per new contract.
- \$165,000 appropriation increase to Police Pension for cost of living adjustments per new contract.
- \$1,200,000 appropriation increases to Police for overtime for police walking and bike patrols.
- \$428,020 appropriation increase for CODE employees' cost of living adjustments per new contract.
- \$19,160 appropriation increase to Community Development for teen work program.

The following increases totaling \$1.2 million were funded from transfers in from other funds:

- \$82,000 appropriation increase to Recreation for special projects
- \$100,000 appropriation increase to Public Services for clean-up activities in Over-the-Rhine.
- \$25,000 appropriation increase to Community Development for special study on lending performance.
- \$972,430 appropriation increase to the Judgments account for court judgment against the City.
- \$25,000 appropriation increase to Public Services for Music Hall preservation.

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, 2005 is \$1.8 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 7.2% (2.7% increase for governmental activities and 11.6% increase for business-type activities).

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

(AMOUNTS IN THOUSANDS)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 155,456	\$ 153,339	\$ 39,200	\$ 39,173	\$ 194,656	\$ 192,512
Buildings	50,637	55,160	166,437	151,103	217,074	206,263
Improvements	144,709	137,961	453,302	396,304	598,011	534,265
Machinery and Equipment	66,753	64,202	103,983	85,186	170,736	149,388
Infrastructure	331,619	307,604			331,619	307,604
Construction in Progress	133,043	140,822	201,891	192,480	334,934	333,302
Property Acquired under Capital Leases	<u>22</u>	<u>34</u>	<u>0</u>	<u>0</u>	<u>22</u>	<u>34</u>
Total	<u>\$ 882,239</u>	<u>\$ 859,122</u>	<u>\$ 964,813</u>	<u>\$ 864,246</u>	<u>\$1,847,052</u>	<u>\$1,723,368</u>

Total capital assets, net of accumulated depreciation, increased \$123.7 million. Major capital asset events during 2005 included the following:

- Governmental activities capital assets increased \$23.1 million in 2005 net of depreciation and included:
 - o Construction in Progress decreased \$7.8 million.
 - o Infrastructure improvement for bridges, Fort Washington Way, retaining walls, traffic signal upgrades and street improvements and upgrades increased by \$24 million (Net of Depreciation).
 - o Machinery and Equipment increased \$2.6 million (Net of Depreciation).
 - o Buildings decreased \$4.5 million (Net of Depreciation).
 - o Improvements increased \$6.7 million (Net of Depreciation).
 - o Land increased \$2.1 million.
- Business-type activities capital assets increased \$100.6 million net of depreciation and included:
 - o Improvements to water utilities increased by \$54 million.
 - o Construction in progress for water utilities decreased by \$30.6 million.
 - o Construction in progress for the Cinergy Center renovation and expansion increased \$47 million
 - o Parking Facilities Buildings increased by \$10.4 million for completion of the Broadway Garage which was offset by a decrease to Construction in Progress
 - o Machinery and Equipment increased \$18.8 million (Net of Depreciation).

Additional information on the City's capital assets can be found in note 14 on pages 65 to 67 of this report.

Long-term debt. At the end of the current fiscal year, the City had \$703.6 million in short and long-term bonds and notes outstanding. Of this amount, \$371.5 million comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

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

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds & Notes	\$ 330,208	\$ 318,144	\$ 41,314	\$ 57,158	\$ 371,522	\$ 375,302
Revenue Bonds & Notes	<u>36,449</u>	<u>35,852</u>	<u>295,645</u>	<u>192,300</u>	<u>332,094</u>	<u>228,152</u>
Total	<u>\$ 366,657</u>	<u>\$ 353,996</u>	<u>\$ 336,959</u>	<u>\$ 249,458</u>	<u>\$ 703,616</u>	<u>\$ 603,454</u>

During the current fiscal year, the City's total debt increased by \$100.2 million (16.6 percent). Key events contributing to the change in long-term debt balances are as follows:

- In May 2005 the City issued \$31.5 million various purpose general obligation bonds. \$27.2 was issued for street, public building and equipment improvements and \$4.3 was for judgment bonds.
- In July 2005 the City issued \$40.5 million general obligation bonds for Ohio Police and Firemen's Disability and Pension Refunding.
- In May 2005 the City issued \$110.6 million in Water Works revenue bonds.
- During 2005 the City issued \$20.7 in general obligation notes for Governmental Activities of which \$3.0 were revenue supported to finance the Convergys Corporation economic development project. The balance was for Parks and Recreation improvements and Parking improvements.
- During 2005 \$75.7 million in general long-term bond obligations were redeemed. Of the amounts redeemed, \$11.6 million in general obligation bonds were for business-type activities and \$36.7 million were redemption of Ohio Police and Firemen's Disability and Pension bonds that were refunded in May 2005.
- During 2005 \$17.7 million in general obligation notes were redeemed \$12 million of which were for business type activities.
- During 2005 \$9.6 million in revenue bonds were redeemed of which \$7.2 million was for business-type activities.

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 \$380.8 million and a legal debt margin for unvoted debt of \$95.8 million.

Additional information about the City's long-term debt can be found in note 9 on pages 58-62 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Cincinnati MSA was 5.4% at December 2005, which is higher than a year ago by .3%. This rate compares favorably to the State's average unemployment rate of 5.9% but is higher than the national average rate of 4.9 %.
- The occupancy rate of the central business district Class A office space was 89% at the end of 2005 compared to a 92 % occupancy rate at the end of 2004.
- 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 2006.

The General Fund balance is estimated to be \$11.5 million, on a budgetary basis, at the end of 2006. This is a reduction of \$10.0 million from the 2005 actual year-end fund balance of \$21.6 million on a budgetary basis. 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, the Water Works plans a 7.5% rate 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**

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CITY OF CINCINNATI, OHIO
Statement of Net Assets
December 31, 2005
(Amounts in Thousands)

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
<u>Current</u>			
Cash and Equivalents	\$ 2,882	\$ 559	\$ 3,441
Equity in City Treasury Cash	194,840	29,782	224,622
Advances and Petty Cash	227		227
Investments, at Fair Value	34,949		34,949
Receivables:			
Taxes	121,092	213	121,305
Accounts, Net	7,972	17,028	25,000
Special Assessments	7,917		7,917
Accrued Interest and Dividends	2,856	626	3,482
Due from Fiduciary Activities	21		21
Due from Other Governments	38,229	14,498	52,727
Prepaid Items	1,605	377	1,982
Inventory	3,334	3,841	7,175
Restricted Assets:			
Cash and Cash Equivalents		38,745	38,745
Equity in City Treasury Cash		15,643	15,643
Investments, at Fair Value		26,526	26,526
Internal Balances	(13,337)	13,337	
<u>Noncurrent</u>			
Equity in City Treasury Cash - Long Term	173,362	26,694	200,056
Restricted Equity in City Treasury Cash		14,011	14,011
Accounts Receivable, Net		108	108
Deferred Charges	1,729		1,729
Land	155,456	39,200	194,656
Buildings, net of Accumulated Depreciation	50,637	166,437	217,074
Improvements, net of Accumulated Depreciation	144,709	453,302	598,011
Machinery and Equipment, net of Accumulated Depreciation	66,753	103,983	170,736
Construction in Progress	133,043	201,891	334,934
Property Acquired under Capital Leases, net of Accumulated Amortization	22		22
Infrastructure Assets, net of Accumulated Depreciation	331,619		331,619
TOTAL ASSETS	\$ 1,459,917	\$ 1,166,801	\$ 2,626,718

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

CITY OF CINCINNATI, OHIO
Statement of Net Assets
December 31, 2005
(Amounts in Thousands)

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
<u>Current</u>			
Accounts Payable	\$ 24,641	\$ 2,829	\$ 27,470
Withholdings and Other Deposits	8,418		8,418
Due to Fiduciary Activities	2,247	214	2,461
Due to Other Governmental Agencies		587	587
Accrued Payroll	11,572	1,499	13,071
Accrued Liabilities	5,303	622	5,925
Accrued Interest	1,998	509	2,507
Deposits Payable	5,498	7	5,505
Unearned Revenue	72,348	17,272	89,620
Obligations under Capital Leases	30		30
Compensated Absences Payable	31,175	3,548	34,723
Unpaid Claims	20,934	128	21,062
Ohio Public Works Commission Loan		99	99
Matured Bonds and Interest Payable	582		582
General Obligation Bonds and Notes Payable	38,209	17,444	55,653
Revenue Bonds and Notes Payable	5,480	11,045	16,525
Other	130		130
Advances from Other Governments	41		41
Payable from Restricted Assets:			
Construction Contracts		4,368	4,368
Deposits Payable		1,202	1,202
<u>Noncurrent</u>			
Non-Current Obligations under Capital Leases	30		30
General Obligation Bonds and Notes Payable	291,999	23,870	315,869
Revenue Bonds Payable	30,969	284,600	315,569
Compensated Absences Payable - Long Term	47,650	3,694	51,344
Deferred Bond Premium	4,521		4,521
Other	555	400	955
Ohio Public Works Commission Loan		1,806	1,806
Unpaid Claims Payable - Long Term	22,309		22,309
Net Pension Obligation	10,442	3,026	13,468
Net Other Post Employment Benefit Obligation	2,304	597	2,901
TOTAL LIABILITIES	639,385	379,366	1,018,751
NET ASSETS			
Invested in capital assets, net of related debt	631,671	715,004	1,346,675
Restricted for:			
Debt Service	32,889	836	33,725
Capital Projects	70,095		70,095
Other Purposes	40,062	48,138	88,200
Permanent Funds			
Expendable	506		506
Nonexpendable	7,708		7,708
Unrestricted	37,601	23,457	61,058
TOTAL NET ASSETS	\$ 820,532	\$ 787,435	\$ 1,607,967

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, 2005
(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	\$ 127,826	\$ 91,650	\$ 849	\$ 2,099	\$ (33,228)		\$ (33,228)
Community Development	39,235	676	30,709	931	(6,919)		(6,919)
Parks and Recreation	39,438	5,915	1,335	405	(31,783)		(31,783)
Public Safety	218,576	12,562	3,435		(202,579)		(202,579)
Transportation and Engineering	26,472	1,189		10,043	(15,240)		(15,240)
Transit System	37,712				(37,712)		(37,712)
Public Services	48,125	2,212	114		(45,799)		(45,799)
Public Health	44,809	8,582	6,706		(29,521)		(29,521)
Interest on long-term debt	21,767				(21,767)		(21,767)
Total governmental activities	603,960	122,786	43,148	13,478	(424,548)		(424,548)
Business type activities:							
Water Works	99,895	98,689		14,464		\$ 13,258	13,258
Parking Facilities	8,637	8,827				190	190
Convention Center	6,809	1,776		46,288		41,255	41,255
General Aviation	2,032	1,786		265		19	19
Municipal Golf	6,266	5,949				(317)	(317)
Stormwater Management	5,739	7,063				1,324	1,324
Total Business-type activities	129,378	124,090		61,017		55,729	55,729
Total	\$ 733,338	\$ 246,876	\$ 43,148	\$ 74,495	(424,548)	55,729	(368,819)
General Revenues:							
Taxes:							
Property taxes					67,816		67,816
Income taxes					297,583		297,583
Admission taxes					3,691		3,691
Shared taxes					67,304		67,304
Occupancy taxes					1,909	1,230	3,139
Unrestricted investment earnings					12,234	4,176	16,410
Miscellaneous					206	3,943	4,149
Transfers between governmental and business-type activities					(3,985)	3,985	
Total general revenues, miscellaneous, and transfers					446,758	13,334	460,092
Change in net assets					22,210	69,063	91,273
Net assets-beginning					798,322	718,372	1,516,694
Net assets-ending					\$ 820,532	\$ 787,435	\$ 1,607,967

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

CITY OF CINCINNATI, OHIO
Balance Sheet
Governmental Funds
December 31, 2005
(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	\$	\$	\$ 2,881	\$ 2,882
Equity in City Treasury Cash	61,668	154,742	40,076	55,876	312,362
Advances and Petty Cash	227				227
Investments, at Fair Value		22,184	3,118	9,647	34,949
Receivables:					
Taxes	64,420	6,713	40,697	9,262	121,092
Accounts, Net	7,071	17		548	7,636
Special Assessments	313	67		7,537	7,917
Accrued Interest and Dividends	1,758	208	392	157	2,515
Due from Other Funds	306	1,110		437	1,853
Due from Other Governments	16,020	12,003		8,018	36,041
Inventory	2,080	622		344	3,046
Advances to Other Funds	302			2,854	3,156
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 154,166</u>	<u>\$ 197,666</u>	<u>\$ 84,283</u>	<u>\$ 97,561</u>	<u>\$ 533,676</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 3,734	\$ 10,211	\$ 19	\$ 3,862	\$ 17,826
Withholdings and Other Deposits	8,418				8,418
Due to Other Funds	3,400	1,272	1	933	5,606
Accrued Payroll	9,707		8	1,164	10,879
Accrued Liabilities	135			2,613	2,748
Deposits Payable	3,607		444	1,407	5,458
Deferred Revenue	52,700	4,479	38,449	12,137	107,765
Estimated Liability for Unpaid Claims	721			3	724
Advances from Other Funds	521	14,399		2,458	17,378
Advances from Other Governments		20			20
Matured Bonds and Interest Payable			582		582
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>82,943</u>	<u>30,381</u>	<u>39,503</u>	<u>24,577</u>	<u>177,404</u>
Fund Balances:					
Reserved for:					
Advances and Petty Cash	227				227
Encumbrances	12,620	49,516	30	29,536	91,702
Accordance with Trusts				8,975	8,975
Working Capital		22,226			22,226
Advances to Other Funds	302			2,854	3,156
Inventory	2,080	622		344	3,046
Debt Service			44,750		44,750
Unreserved, reported in:					
General Fund - Undesignated	54,494				54,494
General Fund - Designated for Int. Service Funds	1,500				1,500
Capital Projects		94,921			94,921
Special Revenue Funds - Undesignated				18,145	18,145
Special Revenue Funds - Designated for Contingencies				5,000	5,000
Special Revenue Funds - Designated for Compensated Absences				7,624	7,624
Permanent Funds				506	506
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>71,223</u>	<u>167,285</u>	<u>44,780</u>	<u>72,984</u>	<u>356,272</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 154,166</u>	<u>\$ 197,666</u>	<u>\$ 84,283</u>	<u>\$ 97,561</u>	<u>\$ 533,676</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, 2005
(Amounts in Thousands)

Total fund balances - governmental funds	\$	356,272
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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.		882,239
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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.		37,309
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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.		(2,909)
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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 \$39,944 as it relates to the internal service funds is included in the capital asset amount above.		18,988
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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.		1,729
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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		(330,208)
Revenue bonds payable		(36,449)
Deferred bond premium		(4,521)
Compensated absences		(76,564)
Net Pension Obligation		(9,248)
Net Other Post Employment Benefit Obligation		(2,068)
Unpaid claims payable		(11,309)
Accrued interest on bonds		(1,998)
Other liability		(685)
Capital leases payable		(46)

Total net assets - - governmental activities (page 20)	\$	820,532
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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, 2005
(Amounts in Thousands)

	General	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 239,985	\$ 24,404	\$ 37,055	\$ 56,192	\$ 357,636
Licenses and Permits	6,746			3,703	10,449
Use of Money and Property	12,249	102	21,781	3,281	37,413
Special Assessments		17		4,166	4,183
Intergovernmental Revenue	53,103	5,569	3,103	14,201	75,976
Federal Grants		3,985		29,738	33,723
State Grants and Subsidies		2,319		964	3,283
Charges for Current Services	15,762	133		11,546	27,441
Miscellaneous	3,106	2,678		8,676	14,460
Total Revenue	<u>330,951</u>	<u>39,207</u>	<u>61,939</u>	<u>132,467</u>	<u>564,564</u>
EXPENDITURES					
Current					
General Government	35,787		899	10,065	46,751
Community Development	5,347		6	4,930	10,283
Parks and Recreation	19,761			8,599	28,360
Public Safety	151,535			2,784	154,319
Transportation and Engineering	2,941			4,445	7,386
Enterprise Services				37,672	37,672
Public Services	20,655			13,069	33,724
Public Health	21,757			12,468	34,225
Employee Benefits	65,072			7,246	72,318
Capital Outlay	300	70,151		25,682	96,133
Debt Service:					
Principal Retirement			35,514		35,514
Interest			17,898	156	18,054
Bond Issuance Cost			679		679
Total Expenditures	<u>323,155</u>	<u>70,151</u>	<u>54,996</u>	<u>127,116</u>	<u>575,418</u>
Excess (Deficiency) of Revenues over (under) Expenditures	7,796	(30,944)	6,943	5,351	(10,854)
OTHER FINANCING SOURCES(USES)					
General Obligation Bonds and Notes Issued		35,350	9,081		44,431
Refunding Bonds Issued			40,470		40,470
Payment to Refunded Bonds Escrow Agent			(40,292)		(40,292)
Premium on Bonds Issued			1,021		1,021
Transfers In	4,845	17,868	13,984	2,583	39,280
Transfers (Out)	(2,851)	(8,548)	(30,667)	(1,227)	(43,293)
Total Other Financing Sources(Uses)	<u>1,994</u>	<u>44,670</u>	<u>(6,403)</u>	<u>1,356</u>	<u>41,617</u>
Net change in fund balances	9,790	13,726	540	6,707	30,763
Fund Balances at January 1	<u>61,433</u>	<u>153,559</u>	<u>44,240</u>	<u>66,277</u>	<u>325,509</u>
Fund Balances at December 31	<u>\$ 71,223</u>	<u>\$ 167,285</u>	<u>\$ 44,780</u>	<u>\$ 72,984</u>	<u>\$ 356,272</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, 2005
(Amounts in Thousands)

Net change in fund balances - total governmental funds	\$ 30,763
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 (\$96,133) exceeded depreciation (\$38,731) in the current period.	57,402
Capital outlay expensed	(34,462)
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 (\$442) and the net gain (\$438) on the sale of assets.	(4)
Statement of activities reports an increase in revenues due to current activity in deferred revenues which is not reported at fund level.	16,022
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
The long-term liability for compensated absences is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities.	(4,292)
The long-term liability for unpaid claims is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities.	(5,965)
The long-term liability for Net Pension Obligation is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities.	(9,248)
The long-term liability for Net Other Post Employment Benefit Obligation is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities.	(2,068)
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.	(9,095)
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.	(3,549)

(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, 2005
(Amounts in Thousands)

(Continued)

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.	\$ (594)
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	534
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	(6)
Internal balances between the governmental activities and the business type activities are not reported at the fund level.	2,214
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>(15,442)</u>
Change in net assets of governmental activities (page 21)	<u><u>\$ 22,210</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, 2005
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Works	Convention Center	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
<u>Current</u>					
Cash and Equivalents	\$ 508	\$	\$ 51	\$ 559	\$
Equity in City Treasury Cash	17,314	928	11,540	29,782	29,450
Receivables:					
Taxes		213		213	
Accounts, Net	15,304	48	1,676	17,028	336
Accrued Interest and Dividends	425		201	626	341
Due from Other Funds	1,091		26	1,117	2,265
Due from Other Governments	14,498			14,498	2,188
Prepaid Items	313	38	26	377	1,605
Inventory	3,841			3,841	288
Advances to Other Funds	206	24	9,576	9,806	4,984
Restricted Assets:					
Cash and Cash Equivalents	38,745			38,745	
Equity in City Treasury Cash	15,635		8	15,643	
Investments, at Fair Value	26,526			26,526	
Total Current Assets	134,406	1,251	23,104	158,761	41,457
<u>Noncurrent</u>					
Equity in City Treasury Cash	15,515	831	10,348	26,694	26,390
Restricted Equity in City Treasury Cash	14,011			14,011	
Accounts Receivable, Net	108			108	
Land	2,606	11,555	25,039	39,200	283
Buildings, net of Accumulated Depreciation	121,544	18,666	26,227	166,437	
Improvements, net of Accumulated Depreciation	397,670	3,809	51,823	453,302	3,500
Machinery and Equipment, net of Accumulated Depreciation	102,722	309	952	103,983	36,123
Construction in Progress	88,915	97,184	15,792	201,891	16
Property Acquired under Capital Leases, net of Accumulated Amortization					22
Total Noncurrent Assets	743,091	132,354	130,181	1,005,626	66,334
Total Assets	877,497	133,605	153,285	1,164,387	107,791

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, 2005
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Works	Convention Center	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES					
<u>Current</u>					
Accounts Payable	\$ 2,184	\$ 109	\$ 536	\$ 2,829	\$ 6,815
Due to Other Funds	441	15	253	709	1,360
Due to Other Governmental Agencies	587			587	
Accrued Payroll	1,268	53	178	1,499	693
Accrued Liabilities		28	594	622	2,555
Accrued Interest	237		272	509	
Obligations under Capital Leases					14
Deposits Payable			7	7	40
Unearned Revenue	9,617	260	7,395	17,272	1,892
Compensated Absences payable	2,955	126	467	3,548	1,389
Unpaid Claims payable	104	15	9	128	14,245
Ohio Public Works Commission Loan	99			99	
General Obligation Bonds and Notes Payable	8,430		9,014	17,444	
Revenue Bonds Payable	11,045			11,045	
Payable from Restricted Assets:					
Construction Contracts	4,368			4,368	
Deposits Payable	1,202			1,202	
Total Current Liabilities	42,537	606	18,725	61,868	29,003
<u>Noncurrent:</u>					
Compensated Absences payable	3,032	195	467	3,694	872
Other Liability	400			400	
Ohio Public Works Commission Loan	1,806			1,806	
Estimated liability for Unpaid Claims					16,965
Advances from Other Funds					568
Advances from Other Governments					21
Revenue Bonds Payable	284,600			284,600	
General Obligation Bonds and Notes Payable	22,950		920	23,870	
Net Pension Obligation	2,562	115	349	3,026	1,194
Net Other Post Employment Benefit Obligation	505	23	69	597	236
Total Noncurrent Liabilities	315,855	333	1,805	317,993	19,856
Total Liabilities	358,392	939	20,530	379,861	48,859
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	473,048	131,523	110,433	715,004	39,930
Restricted	828		8	836	
Unrestricted	45,229	1,143	22,314	68,686	19,002
Total Net Assets	\$ 519,105	\$ 132,666	\$ 132,755	784,526	\$ 58,932

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.

2,909

Net assets of business type activities

\$ 787,435

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, 2005
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Works	Convention Center	Other Enterprise Funds	Total Enterprise Funds	Internal Services Funds
OPERATING REVENUES					
Charges for Current Services	\$ 98,689	\$ 1,776	\$ 23,625	\$ 124,090	\$ 113,485
Miscellaneous	3,583		360	3,943	2,359
Total Operating Revenues	102,272	1,776	23,985	128,033	115,844
OPERATING EXPENSES					
Personal services	36,805	2,042	5,685	44,532	17,696
Contractual services	8,963	558	7,598	17,119	4,921
Maintenance and repairs	3,223	137	1,826	5,186	2,486
Materials and supplies	5,651	45	297	5,993	11,070
Utilities	9,270	835	1,065	11,170	851
Insurance	234	123	115	472	89,898
Taxes	46	54	931	1,031	2
Depreciation and amortization	19,582	2,990	4,564	27,136	2,847
Rent	931	21	187	1,139	2,575
Other expense	470	5	103	578	102
Total Operating Expenses	85,175	6,810	22,371	114,356	132,448
Operating Income(Loss)	17,097	(5,034)	1,614	13,677	(16,604)
NONOPERATING REVENUES(EXPENSES)					
Interest revenue	3,525		651	4,176	1,310
Occupancy tax receipts		1,230		1,230	
Interest expense	(12,155)		(303)	(12,458)	(19)
Loss on sale of inventory					(187)
Gain (Loss) on disposal of assets	(351)	1		(350)	(11)
Nonoperating Revenues(Expenses)	(8,981)	1,231	348	(7,402)	1,093
Income (Loss) before Contributions and Transfers	8,116	(3,803)	1,962	6,275	(15,511)
Transfers In		1,000	12,011	13,011	1,767
Transfers (Out)		(13)	(9,013)	(9,026)	(1,739)
Capital contributions	14,464	46,288	265	61,017	41
Change in Net Assets	22,580	43,472	5,225	71,277	(15,442)
Net Assets at January 1	496,525	89,194	127,530		74,374
Net Assets at December 31	<u>\$ 519,105</u>	<u>\$ 132,666</u>	<u>\$ 132,755</u>		<u>\$ 58,932</u>
Some amounts reported for business-type activities in the statement of net assets are different because the net revenue of certain internal service funds is reported with business type activities.				(2,214)	
Change in net assets of business type activities				<u>\$ 69,063</u>	

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

CITY OF CINCINNATI, OHIO
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2005
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Works	Convention Center	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 102,350	\$ 1,891	\$ 31,417	\$ 135,658	\$ 17,365
Receipts from Other Funds		6		6	56,032
Receipts from Retirement System					41,589
Payments to Suppliers	(27,867)	(1,598)	(8,432)	(37,897)	(103,561)
Payments to Other Funds		(67)	(2,655)	(2,722)	(1,094)
Payments to Employees	(33,897)	(1,890)	(5,227)	(41,014)	(15,999)
Payments for Property Taxes	(46)	(51)	(710)	(807)	
Net Cash Provided (Used) by Operating Activities	40,540	(1,709)	14,393	53,224	(5,668)
Cash Flows from Noncapital Financing Activities:					
Repayment of Advances Made To Other Funds	46	6	7,022	7,074	640
Repayment of Advances Received From Other Funds					(46)
Repayment of Amount Due to Other Funds					(111)
Advances From Other Funds					82
Advances To Other Funds			(426)	(426)	
Proceeds from Sale of Inventory					937
Occupancy Tax Receipts		1,135		1,135	
Transfers to Other Funds		(13)	(9,013)	(9,026)	
Transfers from Other Funds		1,000	12,011	13,011	37
Net Cash Provided by Noncapital Financing	46	2,128	9,594	11,768	1,539
Cash Flows from Capital and Related Financing Activities:					
Capital Contributed by Other Sources	399	46,156	265	46,820	
Proceeds from the Sale of Capital Assets	92	1		93	
Proceeds from the Sale Of Bonds	110,585		7,746	118,331	
Proceeds from Ohio Public Works Bonds	980			980	
Acquisition of Property, Plant and Equipment	(25,285)		(1,962)	(27,247)	(2,780)
Interest Paid on Bonds and Notes	(8,086)		(180)	(8,266)	(44)
Principal Paid on Bonds and Notes	(17,370)		(13,460)	(30,830)	
Principal Paid on Ohio Public Works Bonds	(50)			(50)	
Payments on Long Term Capital Lease Obligations					(14)
Additions to Construction in Progress	(33,579)	(47,148)	(8,904)	(89,631)	
Net Cash Provided (Used) by Capital and Related Financing Activities	27,686	(991)	(16,495)	10,200	(2,838)
Cash Flow from Investing Activities:					
Investments Purchased	(26,562)			(26,562)	
Interest and Dividends on Investments	3,338		594	3,932	1,211
Net Cash Provided by Investing Activities	(23,224)		594	(22,630)	1,211
Net Increase (Decrease) in Cash and Cash Equivalents	45,048	(572)	8,086	52,562	(5,756)
Cash and Cash Equivalents at Beginning of Year	56,680	2,331	13,861	72,872	61,596
Cash and Cash Equivalents at End of Year	\$ 101,728	\$ 1,759	\$ 21,947	\$ 125,434	\$ 55,840

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, 2005
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Works	Convention Center	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<u>Reconciliation of Operating Income (Loss) to</u>					
<u>Net Cash Provided (Used) by</u>					
<u>Operating Activities:</u>					
Operating Income (Loss)	\$ 17,097	\$ (5,034)	\$ 1,614	\$ 13,677	\$ (16,604)
Depreciation and Amortization	19,582	2,990	4,564	27,136	2,847
Changes in Assets and Liabilities:					
(Increase) Decrease in:					
Receivables	(417)	56	36	(325)	370
Due from Other Funds	(169)		132	(37)	469
Due from Other Governments	667			667	(2,005)
Inventory	(118)			(118)	(87)
Prepaid Items	(52)	6	(19)	(65)	9
Increase (Decrease) in:					
Accounts Payable	293	8	215	516	820
Deposits Payable	666		(10)	656	(38)
Due to Other Funds	(35)	8	66	39	166
Due to Other Governmental Agencies	93			93	
Accrued Payroll	(261)	(2)	(1)	(264)	101
Accrued Liabilities		2	17	19	(1,752)
Advances from Other Governments					1
Unearned Revenue		94	7,320	7,414	132
Liability for Compensated Absences	102	15	36	153	149
Estimated Liability for Unpaid Claims	25	10	5	40	8,324
Net Pension Obligation	2,562	115	349	3,026	1,194
Net Other Post Employment Benefit Obligation	505	23	69	597	236
Net Cash Provided (Used) by Operating Activities	<u>\$ 40,540</u>	<u>\$ (1,709)</u>	<u>\$ 14,393</u>	<u>\$ 53,224</u>	<u>\$ (5,668)</u>
<u>Schedule of Noncash Investing, Capital</u>					
<u>and Financing Activities:</u>					
Acquisition of Property, Plant and Equipment from Capital Contributions	\$ 14,065	\$	\$	\$ 14,065	\$ 97
Total Noncash Investing, Capital and Financing Activities	<u>\$ 14,065</u>	<u>\$</u>	<u>\$</u>	<u>\$ 14,065</u>	<u>\$ 97</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, 2005
(Amounts in Thousands)

	Pension Trust	Investment Trust Fund	Agency
<u>Assets</u>			
Cash and Equivalents	\$ 103,597	\$	\$
Equity in City Treasury Cash		47,681	2,286
Investments, at fair value:			
U. S. Government Bonds	71,968		
U. S. Government Agencies	2,684		
U. S. Government Mortgage Backed Securities	373,637		
Corporate Bonds	273,713		
State and Local Obligations	3,491		
Equities	1,580,405		
Venture Capital	19,512		
U. S. Treasury Bills and Notes			320,041
Other Bonds	23,301		
Other Assets	523		
Total Investments, at fair value	2,349,234		320,041
Collateral on Loaned Securities	394,397		
Receivables:			
Accounts, Net	172		27,614
Accounts Receivable for Securities Sold	80,077		
Accrued Interest and Dividends	8,990		1,070
Due from Other Funds	2,414		47
Due from Other Governments	158		
Inventory			880
Loans Receivable	19,049		
Machinery and Equipment	1,369		
Accumulated Depreciation	(1,285)		
Total Assets	2,958,172	47,681	\$ 351,938
<u>Liabilities</u>			
Accounts Payable	2,196		\$ 11,169
Accounts Payable for Securities Purchased	139,871		
Due to Other Funds	21		
Due to Other Governmental Agencies			327,618
Obligations Under Securities Lending	394,397		
Accrued Payroll	22		1,323
Accrued Liabilities	9,311		18
Deposits Payable			2,074
Estimated Liability for Compensated Absences	97		6,581
Net Pension Obligation			2,635
Net Other Post Employment Benefit Obligation			520
Total Liabilities	545,915		\$ 351,938
Net Assets			
Held in Trust for Pool Participant		47,681	
Held in Trust for Employees' Pension Benefits *	1,642,574		
Held in Trust for Employees' Postemployment Healthcare Benefits*	769,683		
Total Net Assets	\$ 2,412,257	\$ 47,681	

*(The schedule of funding progress is shown on page 79.)

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, 2005
(Amounts in Thousands)

	Pension Trust	Investment Trust Fund
ADDITIONS		
Contributions:	\$	\$
Plan members	12,793	
Employer	19,062	
Participant Deposits		345,714
Total Contributions	<u>31,855</u>	<u>345,714</u>
 Transfers From Other Retirement Systems	 319	
 Investment earnings:		
Interest and Dividends	69,580	1,288
Net appreciation (depreciation) in the fair value of investments	<u>87,065</u>	<u>(82)</u>
Total Investment earnings	156,645	1,206
Less investment management expenses	<u>7,031</u>	
Net Income From Investing Activities	<u>149,614</u>	<u>1,206</u>
 From Security Lending Activities:		
Securities Lending Income	14,742	
Securities Lending Expense:		
Borrower Rebates	(13,366)	
Management Fees	<u>(387)</u>	
Total Securities Lending Expenses	<u>(13,753)</u>	
Net Income from Securities Lending Activities	<u>989</u>	
 Total Additions	<u>182,777</u>	<u>346,920</u>
 DEDUCTIONS		
Benefit Payments:		
Pension and Annuities	106,418	
Distributions to Participants		336,807
Hospital and Medical Care	39,197	
Medicare	3,211	
Dental Benefits	1,269	
Vision Benefits	322	
Death Benefits, Active and Retired	1,065	
Loss Due to Death of Members with Loans	8	
Transfers - Retirement to other systems	<u>548</u>	
Total Benefits Payments	<u>152,038</u>	<u>336,807</u>
 Refunds of contributions	<u>1,758</u>	
 Administrative expenses:		
Personal Services	613	
Contractual Services	603	
Materials and Supplies	58	
Depreciation	<u>262</u>	
Total Administrative Expenses	<u>1,536</u>	
Total Deductions	<u>155,332</u>	<u>336,807</u>
 Change in net assets	27,445	10,113
Net assets - beginning	<u>2,384,812</u>	<u>37,568</u>
Net assets - ending	<u>\$ 2,412,257</u>	<u>\$ 47,681</u>

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

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Notes to Financial Statements

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CITY OF CINCINNATI, OHIO

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2005

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 \$17,086,000 in 2005 and \$16,682,000 in 2004.

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 2005 are prepared in accordance with standards promulgated by the Governmental Accounting Standards Board (GASB). These standards include the effective pronouncements of the National Council on Governmental Accounting and the American Institute of Certified Public Accountants which are considered to be "generally accepted accounting principles" for state and local entities, until they are altered, amended, supplemented, revoked or superseded by a subsequent GASB pronouncement.

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

Water Works 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.

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

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, which is a multiple-employer defined benefit pension plan. This fund accounts for both the pension benefits and the post-employment healthcare benefits.

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

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

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. The pension trust fund accounts for both the pension benefits and the employees' post-employment benefits. Agency funds do not have a measurement focus. Their financial statements are prepared utilizing the accrual basis of accounting.

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

Other Accounting Policies

- A. *Investments* - The investments of the City (excluding the City of Cincinnati's Retirement System, (see Note 2)) are comprised primarily of time deposits and other securities guaranteed by the United States Government or its agencies and are stated at fair value based on quoted market prices.
- B. *Inventories* - Inventories are valued at cost using either the moving weighted average or the first-in, first-out method. Inventories in the governmental funds and the proprietary funds are recorded using the consumption method whereby inventories are recorded as expenditures or expenses when they are used.
- C. *Insurance* - The City maintains a comprehensive all-risk property insurance program that provides insurance coverage for approximately \$1,027,000,000 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 \$96,000,000 at December 31, 2005, 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 of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

- I. *Capitalization of Interest* - Interest is capitalized by the City in proprietary fund types when it is determined to be material. The City capitalizes interest in accordance with Statement of Financial Accounting Standard No. 62, Capitalization of Interest Costs in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants. This statement requires that the interest cost capitalized during construction be reduced by interest income earned on investments of the bond proceeds from the date of the borrowing until the assets constructed from the bond proceeds are ready for their intended use.
- J. *Statement of Cash Flows* - For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments held by trustees, with a maturity of three months or less when purchased, to be cash equivalents. In addition, all cash and temporary investments with the City Treasurer are also considered to be cash equivalents since they are available to the proprietary funds on demand. The temporary investments primarily consist of certificates of deposit and U. S. Treasury securities that have maturities of up to two years.
- K. *Pronouncements Effective for the 2005 Financial Statements* - With this financial report the City has changed its financial reporting to comply with Governmental Accounting Standards Board (GASB) Statement Number 40, *Deposit and Investment Risk Disclosures*. This Statement was issued in March 2003 and amends Statement 3. This statement modifies and expands existing disclosure requirements for deposits and investments. This Statement is effective for financial statements for periods beginning after June 15, 2004.

With this financial report the City has changed its financial reporting to comply with Governmental Accounting Standards Board (GASB) Statement Number 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This Statement was issued in November 2003 and establishes accounting and financial reporting standards for impairment of capital assets. This Statement is effective for financial statements for periods beginning after December 15, 2004.

With this financial report the City has changed its financial reporting to comply with Governmental Accounting Standards Board (GASB) Statement Number 44, *Economic Condition Reporting: The Statistical Section*. This Statement was issued in June 2004 and provides guidance on the tables and narrative explanations in the statistical section. This Statement is effective for periods beginning after June 15, 2005.

With this financial report the City has changed its financial reporting to comply with Governmental Accounting Standards Board (GASB) Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement 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.

Also with this financial report the City has changed its financial reporting to comply with Governmental Accounting Standards Board (GASB) Technical Bulletin 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers*. This bulletin was issued in December 2004. This Technical Bulletin requires governments to recognize pension expenditures/expenses in the period to which a payment relates even if the payment is not due until the next fiscal period. The requirements of this Technical Bulletin are effective for financial statements for periods beginning after December 15, 2004.

- L. *Pronouncements Issued But Not Yet Effective* – Governmental Accounting Standards Board (GASB) Statement Number 47, *Accounting for Termination Benefits* was issued in June 2005. This Statement establishes accounting standards for voluntary and involuntary termination benefits. This Statement is effective for financial statements for periods beginning after June 15, 2005.
- 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 2006. The working capital reserve for 2005 was \$22,226,000 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 \$189,229,000 and the bank balance was \$217,167,000. 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 \$103,597,000. The year-end bank balance was \$2,854,000 and the cash balance was \$2,436,000 (\$417,000 held by the Bank of New York, \$20,019,000 held by the City Treasurer). Cash of \$417,000 and cash equivalents of \$101,161,000 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, 2005 was \$730,453,000. These investments include \$656,150,000 in U. S. Treasury Securities, \$20,677,000 in City of Cincinnati Notes, \$52,499,000 in Money Market Accounts and \$1,127,000 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, 2005 was \$2,357,553,000. These investments include \$450,145,000 in U. S. Treasury Securities, \$274,428,000 in Corporate Bonds and Notes, \$19,512,000 in Venture Capital, \$1,586,153,000 in Equity Securities, \$3,491,000 in State and Local Obligations, \$23,301,000 in other bonds, and \$523,000 in other investments. In those cases where resources are maintained in trust, the authority for investment of the property rests with either the trust agreement or local ordinance. Investments of the City of Cincinnati Retirement System are, by ordinance, subject to certain terms and limitations. These limitations do not apply to investments in securities of the City and federal government or their agencies. Investments of the City of Cincinnati Retirement System and Park Board are uninsured, with securities held by the counterparty, or by its trust department or agent but not in the City's name. The investment in Venture Capital is not considered an investment in a security for purposes of credit risk classification since it is not evidenced by securities that exist in physical or book entry form.

Investment Policy and Risk

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

A. City Investment Policy

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

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

At December 31, 2005, the city had the following investments held by the City Treasurer which were exposed to interest rate risk (amounts in thousands):

Investment Type	Investment Maturities (in years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More than 10
U.S. Treasury Obligations	\$ 431,327	\$ 218,390	\$ 167,663	\$ 19,465	\$ 25,809
Mortgage Backed					
Government Pass-Through	224,772	131,114	93,658		
Total	<u>\$ 656,099</u>	<u>\$ 349,504</u>	<u>\$ 261,321</u>	<u>\$ 19,465</u>	<u>\$ 25,809</u>

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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit ratings indicate the degree of credit risk for an investment. At December 31, 2005 the city held the following investments (amounts in thousands):

Investment Type	Total Fair Value	A-/A3 and Above	BBB-/Baa3 to BBB+/Baa1	B-/B3 to BB+/Ba1	C/C to CCC/Caa	D/D	Not Rated	Full Faith & Credit
U.S. Treasury Obligations	\$ 431,327	\$	\$	\$	\$	\$	\$	\$ 431,327
Mortgage Backed								
Government Pass-Through	224,772	224,772						
Star Ohio	13,095	13,095						
Total	<u>\$ 669,194</u>	<u>\$ 237,867</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 431,327</u>

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

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. At December 31, 2005 the city did not have more than five percent of total investments with a single issuer.

B. Permanent Funds

The Permanent Funds (excluding the Park Board Fund) do not have a written investment policy. Each fund has a separate trust agreement, which limits the activity of the fund. At December 31, 2005, total investments were \$1,328,000 and included the following which were exposed to interest rate risk (amounts in thousands):

Investment Type	Investment Maturities (in years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More than 10
U.S. Treasury Obligations	\$ 51	\$	\$ 51	\$	\$
Total	\$ 51	\$	\$ 51	\$	\$

The Permanent Funds do not have investments exposed to custodial credit risk, concentration of credit risk, or foreign currency risk. Their investments, other than those in U.S. Treasury obligations, are equity securities.

C. Park Board

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

At December 31, 2005 the Park Board fund had the following investments which were exposed to interest rate risk (amounts in thousands):

Investment Type	Investment Maturities (in years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More than 10
U.S. Treasury Obligations	\$ 714	\$ 153	\$ 386	\$ 175	\$
U.S. Government Agency	26			26	
Mortgage Backed					
Government Pass-Through	2,134	993	1,115	26	
Corporate Bonds	396	150	221	25	
Total	\$ 3,270	\$ 1,296	\$ 1,722	\$ 252	\$

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

Investment Type	Total Fair Value	A-/A3 and Above	BBB-/Baa3 to BBB+/Baa1	B-/B3 to BB+/Ba1	C/C to CCC/Caa	D/D	Not Rated	Full Faith & Credit
U.S. Treasury Obligations	\$ 714	\$	\$	\$	\$	\$	\$	\$ 714
U.S. Government Agency	26	26						
Mortgage Backed								
Government Pass-Through	2,134	2,134						
Corporate Bonds	396	345	51					
Total	\$ 3,270	\$ 2,505	\$ 51	\$ 0	\$ 0	\$ 0	\$ 0	\$ 714

D. City Retirement

The City of Cincinnati Retirement System's Pension Trust Fund Investment objectives are to maximize the total real return on the System's assets over the long term, subject to prudent investment standards and fiduciary responsibilities and to diversify investments across several asset classes so as to limit the adverse impact of any single investment. The System has established asset allocation goals, which may deviate by as much as five percent. The equity goal is 63.5% which is split with 50% allocated to U.S. common stock and 13.5% allocated to international stock. The fixed income allocation is 33.5% split between U.S. fixed income at 30.5% and U.S. high yield at 3%. The balance of 3% may be invested in real estate or an alternative investment.

The interest rate risk is addressed by guidelines that require the weighted duration of the investments to be within a 20% range of the duration of a benchmark index. The System utilizes various portfolio managers and therefore, several indexes, which include the Lehman Aggregate index and the Credit Suisse First Boston High Yield index. At December 31, 2005, the System had the following investments subject to interest rate risk (amounts in thousands):

Investment Type	Investment		Maturities (in years)		
	Fair Value	Less Than 1	1 to 5	6 to 10	More than 10
U.S. Government Treasuries	\$ 48,654	\$ 8,999	\$ 4,823	\$ 2,321	\$ 32,511
U.S. Government TIPS	7,430		3,991	1,681	1,758
U.S. Government Agency	20,070	2,725	15,173	995	1,177
Other U.S. Government	5,196		3,247		1,949
Mortgage Backed					
Government Pass-Through	300,284	45	23,569	5,086	271,584
Corporate Pass Through	20,320		5,257		15,063
Collateralized Mortgage Obligations					
Government CMO	67,169		3,287	1,436	62,446
Corporate CMO	30,481		4,342		26,139
Corporate Bonds	163,505	9,553	72,343	65,117	16,492
Corporate Asset Backed	45,739		24,798	6,498	14,443
Private Placements	19,925	487	3,002	11,684	4,752
Municipals	3,541				3,541
Yankee Bonds	1,538		944		594
Developed Markets					
Corporate	21,393		10,794	7,857	2,742
Government/Sovereign	2,866			1,023	1,843
Emerging Markets					
Corporate	2,662		658	2,004	
Government/Sovereign	1,612		279		1,333
Convertible Bonds	283				283
Commercial Paper	17,232	17,232			
Treasury Bills	5,670	5,670			
Total	\$ 785,570	\$ 44,711	\$ 176,507	\$ 105,702	\$ 458,650

In order to reduce credit risk, the System requires that 90% of the U.S. fixed income investments consist of a high quality investment grade security. The remaining 10% may be invested in high yield securities. The benchmark for the U.S fixed income allocation is the Lehman Brothers Aggregate index. As for custodial credit risk, the fund only requires collateral for their securities lending program as discussed below.

The concentration of credit risk is minimized by the diversification policy, which requires the assets to be allocated across major asset classes and be diversified broadly within each asset class. The capitalization and style structure of the U.S. equity portfolio shall be reflective of the overall domestic equity market, as defined by the Russell 3000 index. A combination of active and passive portfolio investment managers are utilized to achieve the appropriate capitalization and style structure. The Russell 3000 index is the performance benchmark for the U.S. equity allocation.

An indicator of credit risk is a credit rating. The following are investments held by the System at December 31, 2005 (amounts in thousands):

Investment Type	Total Fair Value	A-/A3 and Above	BBB-/Baa3 to BBB+/Baa1	B-/B3 to BB+/Ba1	C/C to CCC/Caa	D/D	Not Rated	Full Faith & Credit	A-1/P-1 and above
U.S. Government									
Treasuries	\$ 48,654	\$	\$	\$	\$	\$	\$	\$ 48,654	\$
TIPS	7,430							7,430	
Agency	20,070	449					19,621		
Other	5,196	439					4,757		
Mortgage Backed									
Government									
Pass Through	300,284	7,715					292,569		
Corporate									
Pass Through	20,320	9,946	476				9,898		
Collateralized Mortgage									
Obligations									
Government CMO	67,169	6,259					60,910		
Corporate CMO	30,481	18,664					11,817		
Corporate Bonds	163,505	36,311	17,401	96,296	8,661	2,318	2,518		
Corporate Asset Backed	45,739	41,838	1,607				2,294		
Private Placements	19,925	5,212	1,271	12,135	1,307				
Municipals	3,541	2,645	896						
Yankee Bonds	1,538		1,062	476					
Developed Markets									
Corporate	21,393	11,860	2,519	6,712	302				
Government/Sovereign	2,866	2,866							
Emerging Markets									
Corporate	2,662		690	1,650	322				
Government/Sovereign	1,612		1,612						
Convertible Bonds	283			283					
Commercial Paper	17,232								17,232
Treasury Bills	5,670							5,670	
Total	\$ 785,570	\$ 144,204	\$ 27,534	\$ 117,552	\$ 10,592	\$ 2,318	\$ 404,384	\$ 61,754	\$ 17,232

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The System's target allocation for international equities is 13.5%. The System's exposure to foreign currency risk at December 31, 2005 is as follows (amounts in thousands):

Currency	Fair Value	Equity	Derivatives	Cash
Australian Dollar	\$ 17,719	\$ 17,718	\$	\$ 1
British Pound Sterling	53,285	60,308	(7,009)	(14)
Canadian Dollar	14,935	14,935		
Danish Krone	1,416	1,416		
Euro Currency	120,753	120,431		322
Hong Kong Dollar	16,135	16,088		47
Indian Rupee	1,688	1,688		
Japanese Yen	59,570	59,569		1
New Zealand Dollar	2,324	2,324		
Singapore Dollar	3,082	3,082		
South African Rand	4,612	4,573		39
South Korean Won	1,567	1,567		
Swedish Krona	6,748	6,748		
Swiss Franc	24,835	24,835		
Thai Baht	8			8
Total	\$ <u>328,677</u>	\$ <u>335,282</u>	\$ <u>(7,009)</u>	\$ <u>404</u>

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 4 days in December 2005. Cash collateral is invested in a short-term investment pool, which had an average weighted maturity of 44 days as of December 31, 2005. 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, 2005, there were no violations of legal or contractual provisions, no borrower or lending agent default and no losses known to the securities lending agent. There are no dividends or coupon payments owing on the securities lent.

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

Securities Lent	Fair Value of Underlying Securities	Cash Collateral Received/Securities Collateral Value
Lent for Cash Collateral:		
Stocks	\$ 298,194	\$ 307,641
U.S. Agencies	8,017	8,181
Corporate Bonds	34,950	35,816
U.S. Government Fixed Income	40,464	41,282
Total	\$ <u>381,625</u>	\$ <u>392,920</u>

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

Asset class	Less Than 1 Year	1-5 Years	Total
Asset Backed Security	\$ 17,890	\$ 82,077	\$ 99,967
Bank Note		60,371	60,371
Certificate of Deposit Float		20,013	20,013
Commercial Paper	4,986		4,986
Corporate Floating Rate		144,856	144,856
Repurchase Agreements	43,151		43,151
Time Deposit	21,053		21,053
Total	\$ <u>87,080</u>	\$ <u>307,317</u>	\$ <u>394,397</u>

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

Asset Class	S P Rating	Moody's Rating	Market Value
Asset Backed Security	AAA	Aaa	\$ 99,967
Bank Note	A	A2	15,087
Bank Note	A+	Aa3	18,030
Bank Note	AA-	Aa1	12,119
Bank Note	AA-	Aa3	15,135
Certificate of Deposit Float	AA	Aa1	5,003
Certificate of Deposit Float	AA	Aa2	9,999
Certificate of Deposit Float	AA-	Aa3	5,011
Commercial Paper	A-1	P-1	4,986
Corporate Floating Rate	A	A1	20,082
Corporate Floating Rate	A+	A2	10,006
Corporate Floating Rate	A+	Aa2	15,102
Corporate Floating Rate	A+	Aa3	49,243
Corporate Floating Rate	AA-	Aa1	15,111
Corporate Floating Rate	AA+	Aa2	15,102
Corporate Floating Rate	AAA	Aaa	20,210
Repurchase Agreements			43,151
Time Deposit	A-1+	P-1	21,053
TOTAL			\$ <u>394,397</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.

In addition to the derivatives listed in the Credit Rating chart for the Retirement System, the following derivative positions were held at December 31, 2005:

- 1.) Futures contracts settling March 17, 2006 to buy S&P 500 securities with a notional value of approximately \$43.0 million.
- 2.) Futures contracts settling March 22, 2006 to buy 10 year U.S. Treasury Note securities with a notional value of \$10 million.
- 3.) Futures contracts settling March 22, 2006 to buy 30 year U.S. Treasury Bond securities with a notional value of \$30 million.
- 4.) Futures contracts settling March 22, 2006 to sell 5 year U.S. Treasury Note securities with a notional value of \$99 million.
- 5.) Futures contracts settling March 31, 2006 to buy 2 year U.S. Treasury Note securities with a notional value of \$10 million.
- 6.) Futures contracts settling March 19, 2007 to buy Eurodollar securities with a notional value of \$21 million.
- 7.) Futures contracts settling June 18, 2007 to buy Eurodollar securities with a notional value of \$21 million.
- 8.) Futures contracts settling September 17, 2007 to buy Eurodollar securities with a notional value of \$21 million.

As of December 31, 2005 the retirement system held forward currency contracts with an expiration date of January 31, 2006. This currency hedge converts 4,089,000 U.K. Sterling to \$7,306,246 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>
Money Market Fund	\$ 29,000	\$ 29,000		
Certificates of Deposit	110,301	110,301	1.01% - 4.71%	01/17/06 - 10/28/08
U.S. Treasury Notes	129,263	128,122	1.5% - 4.25%	03/31/06 - 08/15/08
FHLB/FNMA Securities	215,482	213,282	2.18% - 5.10%	01/30/06 - 12/28/08
City of Cincinnati Notes	20,677	20,677	1.89% - 5.50%	05/19/06 - 10/05/06
Cash	<u>2,916</u>	<u>2,916</u>		
Total	<u>\$507,639</u>	<u>\$504,298</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, 2005**

(Amounts in Thousands)

<u>Assets</u>	
Equity in City Treasury	<u>\$ 504,298</u>
<u>Net Assets</u>	
Held in Trust for Internal Pool Participants	\$ 456,617
Held in Trust for External Pool Participant	<u>47,681</u>
Total Net Assets	<u>\$ 504,298</u>

**Mixed Investment Pool
Statement of Changes in Net Assets
For the Year Ended December 31, 2005**

(Amounts in Thousands)

	<u>Internal Participants</u>	<u>External Participants</u>	<u>Total</u>
Additions:			
Contributions:			
Participant Deposits	\$1,067,927	\$345,714	\$1,413,641
Investment earnings:			
Interest and dividends	11,488	1,288	12,776
Net depreciation in the fair value of investments	<u>(778)</u>	<u>(82)</u>	<u>(860)</u>
Total investment earnings	<u>10,710</u>	<u>1,206</u>	<u>11,916</u>
Total additions	1,078,637	346,920	1,425,557
Deductions:			
Distributions to Participants	<u>1,024,584</u>	<u>336,807</u>	<u>1,361,391</u>
Change in Net Assets	54,053	10,113	64,166
Net assets – beginning	<u>402,564</u>	<u>37,568</u>	<u>440,132</u>
Net assets – ending	<u>\$ 456,617</u>	<u>\$ 47,681</u>	<u>\$ 504,298</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 maximum annual debt service is \$2,309,250 and has been reserved to guarantee the subordinate debt service.

Subject to annual appropriation, the City shall pay \$1,000,000 (City Annual Contribution) to the Trustee of the CFA subject to the terms of the Cooperative Agreement. This contribution is pledged as an additional revenue source for the payment of the bonds. The City appropriated an amount sufficient to pay the City Annual Contribution for 2005.

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 and one grant for \$3.0 million was made in 2005 based on the eligibility requirements that were met in 2003, 2004 and 2005. If Convergys continues to meet its eligibility requirements they can receive up to \$3.0 million in each of the years 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.

The City issued \$12 million in Bond Anticipation Notes to finance the garage. 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 has provided \$2.5 million in funding to support the construction of the housing and retail space in the development. Construction of 25 condominiums was completed. 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, 2005, 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	
<u>Due To</u>								
General Fund	\$	\$ 11	\$ 141	\$ 1,407	\$ 5	\$ 19	\$ 1,817	\$ 3,400
Capital Project Fund	13		52	211	991	2	3	1,272
Debt Service Fund							1	1
Nonmajor								
Governmental	290		171	300	2		170	933
Internal Service								
Funds		1,041	42	20		1	256	1,360
Water Works								
Enterprise Fund	2	37	19	208		3	172	441
Convention Center Fund			3	4	1		7	15
Nonmajor								
Enterprise Funds	1	21	9	94	92	1	35	253
Fiduciary Funds				21				21
Total	\$ 306	\$ 1,110	\$ 437	\$ 2,265	\$ 1,091	\$ 26	\$ 2,461	\$ 7,696

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)

	Advances From				Total
	General Fund	Capital Projects	Nonmajor Governmental Funds	Internal Service Funds	
<u>Advances To</u>					
General Fund	\$	\$	\$ 125	\$177	\$ 302
Nonmajor Governmental	521		2,333		2,854
Water Works Enterprise				206	206
Convention Center		24			24
Nonmajor Enterprise		9,391		185	9,576
Internal Service Funds		4,984			4,984
Total	\$ 521	\$14,399	\$2,458	\$568	\$ 17,946

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, 2005, consisted of the following:

TRANSFERS IN/OUT (Amounts in Thousands)

	Transfers Out							Total
	General Fund	Capital Projects	Debt Service Funds	Nonmajor Governmental Funds	Convention Center Fund	Nonmajor Enterprise Funds	Internal Service Funds	
<u>Transfer In</u>								
General Fund	\$	\$ 1,618	\$ 3,059	\$	\$	\$	\$ 168	\$ 4,845
Capital Projects Fund	522		15,608	527	13		1,198	17,868
Debt Service Funds	1,997	4,213		3		7,746	25	13,984
Nonmajor Governmental Funds	332	414		233		1,267	337	2,583
Convention Center		1,000						1,000
Nonmajor Enterprise			12,000			11		12,011
Internal Service		1,303		464				1,767
Total	\$ 2,851	\$ 8,548	\$ 30,667	\$ 1,227	\$ 13	\$ 9,013	\$ 1,739	\$ 54,058

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

7. NET ASSETS / FUND EQUITY DEFICITS

Included in the financial statements are certain internal service funds with net assets deficits as of December 31, 2005. The net assets deficits in the internal service funds of Property Management (\$41,000), Mechanized Street Sweeping (\$71,000) and Self-Insurance Medical (\$897,000) are to be covered by future user charges. Also included in the financial statements is a non-major governmental fund with a net fund equity deficit as of December 31, 2005. The fund equity deficit in the Special Revenue Fund Nonappropriated - Community Development (\$306,000) is to be covered by reimbursement from a federal grant.

8. LEASES

CITY AS LESSEE

Operating Leases

The City has entered into various leases for property, equipment and office space. These leases are considered for accounting purposes to be operating leases. The total cost for such leases were \$1,626,000 for the year ended December 31, 2005. Future minimum lease payments are as follows:

(Amounts in Thousands)

<u>Year</u>	<u>Amount</u>
2006	\$ 1,812
2007	1,129
2008	1,036
2009	981
2010	667
2011-2014	<u>1,844</u>
Total Future Minimum Lease Payments	<u>\$ 7,469</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	\$ 2,093
Less: Accumulated Depreciation	<u>2,026</u>
Total	<u>\$ 67</u>

The following is a schedule of future minimum capital leases and the present value of the net minimum lease payments at December 31, 2005:

(Amounts in Thousands)

<u>Year</u>	<u>Governmental Activities</u>
2006	\$ 33
2007	19
2008	14
2009	<u>0</u>
Total minimum lease payments	66
Less: Amounts representing interest	<u>6</u>
Present value of net minimum lease payments	<u>\$ 60</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, 2005 are included in the financial statements of the following:

(Amounts in Thousands)

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
Land	\$ 264	\$ 2,052
Buildings	1,946	3,329
Improvements		83,669
Accumulated Depreciation	1,259	80,445
Depreciation Expense	62	728

Future minimum rentals on non-cancelable operating leases as of December 31, 2005 are as follows:

(Amounts in Thousands)

<u>Year</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>
2006	\$ 591	\$ 17,679
2007	455	17,472
2008	389	17,274
2009	336	17,261
2010	147	17,133
Remaining years	<u>5</u>	<u>256,289</u>
Total Future Minimum Rental Payments	<u>\$1,923</u>	<u>\$343,108</u>
Total Rentals for 2005:	\$ 764	\$ 17,606

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

Enterprise Funds

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

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

Governmental Capital Assets

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

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 \$523,740,000.

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%	\$330,208
Business-type activities	1.890% - 6.750%	<u>41,314</u>
		<u>\$371,522</u>

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

(Amounts in Thousands)

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 38,208	\$ 15,054	\$17,444	\$ 1,929
2007	27,595	13,678	7,470	1,028
2008	25,255	12,431	4,600	693
2009	23,600	11,270	2,000	496
2010	21,245	10,202	2,000	412
2011-2015	99,605	36,607	7,800	806
2016-2020	59,440	15,360		
2021-2025	15,005	6,398		
2026-2030	9,705	3,713		
2031-2035	10,550	1,334		
Total	<u>\$330,208</u>	<u>\$126,047</u>	<u>\$41,314</u>	<u>\$ 5,364</u>

Revenue Bonds and Notes

The City also issues bonds and notes where the City pledges income derived from the acquired or constructed assets to pay debt service. The net revenues of the Water Works are pledged to pay Water Works revenue bonds debt service. The original amount of revenue bonds and notes authorized in prior years was \$272,971,000 of which \$269,971,000 was issued. During 2005, \$165,000,000 of revenue bonds were issued to finance Water Works projects and \$3,000,000 of revenue notes were issued to finance Economic Development projects.

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

(Amounts in Thousands)

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Economic Development	Various	\$ 35,990
Urban Renewal	Various	459
Water Works	Various	<u>295,645</u>
		<u>\$332,094</u>

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

(Amounts in Thousands)

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 5,480	\$ 2,053	\$ 11,045	\$ 13,596
2007	2,567	1,813	11,335	13,295
2008	2,670	1,682	11,815	12,824
2009	2,753	1,542	12,125	12,509
2010	2,689	1,390	12,750	11,894
2011-2015	9,060	5,070	73,450	49,732
2016-2020	6,650	2,464	94,125	29,053
2021-2025	4,580	552	69,000	6,418
Total	<u>\$36,449</u>	<u>\$16,566</u>	<u>\$295,645</u>	<u>\$149,321</u>

Bonds and Notes Outstanding at December 31, 2005

(AMOUNTS IN THOUSANDS)

Description	Interest Rates	Issue Dates	Maturity Dates	Original Authorized	Amount Due 2006	Amount Outstanding 12/31/2005
Bonds:						
General Property Tax	3.25%	1957	2007	\$ 1,000	\$ 20	\$ 40
Supported	4.1% to 4.75%	1996-1999	2006-2009	66,700	6,660	17,930
	5.0%	2001-2004	2014-2016	39,640	2,850	30,025
	7.875%	1987	2017	30,000	1,000	12,000
Various Rate Issues	2.0% to 5.5%	2000-2005	2010-2025	189,215	12,175	156,465
Urban Redevelopment						
Various Rate Issues	4.5% to 5.5%	2004	2020	2,600	110	2,130
Municipal Income Tax						
	3.25% to 5.50%	2000-2005	2015-2025	10,760	560	9,360
Recreational Facilities						
	5.00% to 6.75%	1977-2001	2007-2021	11,800	643	7,988
Urban Renewal/Economic Dev.						
	5.125%	2000	2007	6,000	855	1,725
Various Rate Issues	3.25% to 5.60%	2002-2004	2012-2024	18,525	1,285	15,690
Refunding	5.0%	2004	2008	2,295	345	1,105
Judgement						
	3.0% to 5.0%	2005	2020	4,300	290	4,300
Urban Development Taxable						
Various Rate Issues	2.00% to 6.25%	1998-2003	2016-2021	21,905	1,485	18,585
Police & Fire Pension						
	5.10% to 5.25%	2000	2010	42,000	0	2,465
Refunding	3.0% to 4.5%	2005	2035	41,000	0	40,470
Total General Long-Term Bond Obligations				<u>487,740</u>	<u>28,278</u>	<u>320,278</u>
Recreational Facilities						
	5.375%	1977	2007	1,500	92	187
Refunding	5.0%	2004	2007	600	100	200
Off Street Parking						
	6.75%	1990	2006	5,000	350	350
Water Works						
	4.10% to 4.75%	1996-1999	2006-2014	82,500	7,380	29,980
	6.75%	1990	2006	10,000	700	700
Refunding	5.0%	2004	2007	2,100	350	700
Stormwater						
	4.20% to 4.75%	1997-1999	2007	<u>6,800</u>	<u>725</u>	<u>1,450</u>
Total Proprietary Fund Obligations				<u>108,500</u>	<u>9,697</u>	<u>33,567</u>
Total General Obligation Bonds Payable				<u>596,240</u>	<u>37,975</u>	<u>353,845</u>
Notes:						
Municipal Income Tax	2.86%	2005	2006	4,200	4,200	4,200
Parks & Recreation	3.7%	2005	2006	1,300	1,250	1,250
Parking Improvement	3.66%	2005	2006	<u>12,227</u>	<u>12,227</u>	<u>12,227</u>
Total General Obligation Notes Payable				<u>17,727</u>	<u>17,677</u>	<u>17,677</u>
Total General Obligation Bonds and Notes Payable				<u>\$ 613,967</u>	<u>\$ 55,652</u>	<u>\$ 371,522</u>
Revenue Bonds						
	1.57% to 8.48%	1990-2005	2010-2025	\$ 434,971	\$ 13,525	\$ 329,094
Revenue Note						
	3.94%	2005	2006	3,000	3,000	3,000
Total Revenue Bonds and Notes Payable				<u>\$ 437,971</u>	<u>\$ 16,525</u>	<u>\$ 332,094</u>
Total Outstanding Debt				<u>\$ 1,051,938</u>	<u>\$ 72,177</u>	<u>\$ 703,616</u>

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2005, 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	\$312,447	\$ 71,970	\$64,139	\$320,278	\$28,278
General Obligation Notes	5,697	9,930	5,697	9,930	9,930
Revenue Bonds	35,852		2,403	33,449	2,480
Revenue Note		<u>3,000</u>		<u>3,000</u>	<u>3,000</u>
Total Bonds and Notes Payable	353,996	84,900	72,239	366,657	43,688
Compensated Absences	74,384	40,485	36,044	78,825	31,175
Claims and Judgments	28,822	100,600	86,179	43,243	20,934
Capital Leases	88		28	60	30
Net Pension Obligation		10,442		10,442	
Net Other Post Employment Benefit Obligation		2,304		2,304	
Other	<u>830</u>	<u>330</u>	<u>475</u>	<u>685</u>	<u>130</u>
Governmental Activity Long-term liabilities	<u>\$458,120</u>	<u>\$239,061</u>	<u>\$194,965</u>	<u>\$502,216</u>	<u>\$ 95,957</u>
Business-type Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 45,158	\$	\$11,591	\$ 33,567	\$ 9,697
General Obligation Notes	12,000	7,747	12,000	7,747	7,747
Revenue Bonds	<u>192,300</u>	<u>110,584</u>	<u>7,239</u>	<u>295,645</u>	<u>11,045</u>
Total Bonds and Notes Payable	249,458	118,331	30,830	336,959	28,489
Compensated Absences	7,089	3,755	3,602	7,242	3,548
Claims and Judgments	88	219	179	128	128
Net Pension Obligation		3,026		3,026	
Net Other Post Employment Benefit Obligation		597		597	
Other	400			400	
State Loan	<u>975</u>	<u>980</u>	<u>50</u>	<u>1,905</u>	<u>99</u>
Business-type Activity Long-term liabilities	<u>\$258,010</u>	<u>\$126,908</u>	<u>\$ 34,661</u>	<u>\$350,257</u>	<u>\$32,264</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, \$2,261,000 of compensated absences, \$31,210,000 of unpaid claims, and \$14,000 of capital leases for the internal service funds are included in the above amounts.

Advance Refunding/Defeasance of Police and Fire Pension Bonds

The City issued Police and Fire Pension Bonds, dated March 1, 2000 of which \$39,205,000 was outstanding as of January 1, 2005. On July 13, 2005, the City issued \$40,470,000 in General Obligation Bonds with an average interest rate of 4.39 percent to advance refund \$36,740,000 of outstanding bonds due in the years 2006 through 2020 with an average interest rate of 6.00 percent. The balance of the defeased debt at the end of 2005 was \$36,740,000.

The advance refunding of the \$36,740,000 bonds does not extend the maturity dates and will increase the City's total debt service payments over the next 20 years by \$3,730,000. 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 \$4,000,000.

The City entered into an escrow deposit agreement with U.S. bank, on July 13, 2005, for the purpose of defeasing the Police and Fire Pension Bonds. The defeasance of the bonds was accomplished by making a payment of \$40,292,063 to an irrevocable trust maintained by the escrow agent.

10. DEBT LIMITATION

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

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

11. TAXES

City Income Tax

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

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

revenue in the Income Tax Permanent Improvement Fund. The unused amount can be carried forward for subsequent year capital or operating needs. In 2005 the income tax revenue received over the fixed allocation was recognized in full in the General Fund in order to meet operating needs.

Actual collections of \$210,536,625 for the 1.55% portion in 2005 were more than the original allocation of \$196,268,691 for the General Fund. The following table identifies the excess 1.55% income tax collections for the years 2001 through 2005 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>
2001	\$188,598	\$188,598	\$
2002	185,258	185,258	
2003	190,142	187,993	2,149
2004	193,411	193,411	
2005	210,537	210,537	

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 \$4,836,982,000, \$319,435,000 and \$542,827,000 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 - 2006

Lien date	January 1, 2005
Levy date	October 31, 2005
First installment payment due	January 31, 2006
Second installment payment due	June 20, 2006

Assessed values are established by the County Audit, or at no more than 35% of appraised market value. The laws of the State of Ohio presently require that all property be revalued no less than every six years, at any time the County Auditor finds that true or taxable value thereof has changed, and in the third calendar year following the year in which a sexennial reappraisal is completed if ordered by the State Commissioner of Tax Equalization. Real property was reappraised during 2005 with the results affecting collections beginning in 2006. The City recognizes the property taxes due to be paid in 2006 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	\$0	\$12,189	\$12,189	\$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	\$ 65,483
Revenue bond reserve account – Water Works	26,526
Revenue bond construction account – Parking Facilities	8
Customer deposits – Water Works	1,395
Construction account - other – Water Works	<u>1,513</u>
Total restricted assets	<u>\$94,925</u>

14. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2005 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	\$ 153,339	\$ 3,525	\$ (1,408)	\$ 155,456
Construction in Progress	140,822	64,273	(72,052)	133,043
Total capital assets, not being depreciated	<u>294,161</u>	<u>67,798</u>	<u>(73,460)</u>	<u>288,499</u>
Capital assets, being depreciated:				
Buildings	141,497	465	(1,454)	140,508
Improvements other than buildings	280,699	15,180	(216)	295,663
Machinery and Equipment	129,721	11,854	(5,033)	136,542
Property acquired under capital leases	56			56
Infrastructure	474,474	43,082		517,556
Total capital assets, being depreciated	<u>1,026,447</u>	<u>70,581</u>	<u>(6,703)</u>	<u>1,090,325</u>
Less accumulated depreciation for:				
Buildings	(86,337)	(4,988)	1,454	(89,871)
Improvements other than buildings	(142,738)	(8,257)	41	(150,954)
Machinery and Equipment	(65,519)	(9,253)	4,983	(69,789)
Property acquired under capital leases	(22)	(12)		(34)
Infrastructure	(166,870)	(19,067)		(185,937)
Total accumulated depreciation	<u>(461,486)</u>	<u>(41,577)</u>	<u>6,478</u>	<u>(496,585)</u>
Total capital assets, being depreciated, net	<u>564,961</u>	<u>29,004</u>	<u>(225)</u>	<u>593,740</u>
Governmental Activities capital assets, net	<u>\$ 859,122</u>	<u>\$96,802</u>	<u>\$(73,685)</u>	<u>\$882,239</u>

Capital asset activity for the year ended December 31, 2005 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	\$ 39,173	\$ 27	\$	\$ 39,200
Construction in Progress	192,480	92,210	(82,799)	201,891
Total capital assets, not being depreciated	<u>231,653</u>	<u>92,237</u>	<u>(82,799)</u>	<u>241,091</u>
Capital assets, being depreciated:				
Buildings	281,541	23,526		305,067
Improvements other than buildings	530,508	64,502	(1,149)	593,861
Machinery and Equipment	190,306	30,753	(1,676)	219,383
Total capital assets, being depreciated	<u>1,002,355</u>	<u>118,781</u>	<u>(2,825)</u>	<u>1,118,311</u>
Less accumulated depreciation for:				
Buildings	(130,438)	(8,192)		(138,630)
Improvements other than buildings	(134,204)	(7,132)	777	(140,559)
Machinery and Equipment	(105,120)	(11,750)	1,470	(115,400)
Total accumulated depreciation	<u>(369,762)</u>	<u>(27,074)</u>	<u>2,247</u>	<u>(394,589)</u>
Total capital assets, being depreciated, net	<u>632,593</u>	<u>91,707</u>	<u>(578)</u>	<u>723,722</u>
Business-type Activities capital assets, net	<u>\$ 864,246</u>	<u>\$ 183,944</u>	<u>\$ (83,377)</u>	<u>\$ 964,813</u>

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

(Amounts in Thousands)

Governmental activities:	
General Government	\$ 1,311
Community Development	4,547
Parks and Recreation	4,057
Public Safety	3,984
Transportation and Engineering	19,482
Public Services	5,079
Public Health	270
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:	<u>\$ 41,577</u>

(Amounts in Thousands)

Business-type activities:

Water Works	\$ 19,520
Parking Facilities	1,686
Convention Center	2,990
General Aviation	656
Municipal Golf	619
Stormwater Management	<u>1,603</u>

Total depreciation expense – business-type activities: \$ 27,074

Governmental Activities Construction in Progress at December 31, 2005 is comprised of the following:

(Amounts in Thousands)

	Project Authori- zations	Expended to December 31, 2005	Committed	Required Future Financing
<u>Administering Department</u>				
Transportation & Engineering	\$ 69,089	\$ 3,994	\$ 65,095	\$ 11,510
Community Development	62,778	37,410	25,368	5,686
Economic Development	43,825	18,549	25,276	11,117
Recreation	46,341	31,331	15,010	4,858
Safety	5,023	3,692	1,331	145
Parks	27,697	21,421	6,276	992
Public Services	21,508	12,826	8,682	
Other	<u>22,679</u>	<u>3,820</u>	<u>18,859</u>	<u>5,923</u>
Totals	<u>\$298,940</u>	<u>\$133,043</u>	<u>\$165,897</u>	<u>\$ 40,231</u>

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

Business Activities Construction in Progress at December 31, 2005 is comprised of the following:

(Amounts in Thousands)

<u>Enterprise Fund</u>	Project Authori- zations	Expended to December 31, 2005	Committed	Required Future Financing
Water Works	\$102,198	\$ 88,915	\$13,283	\$
Parking Facilities	16,560	4,823	11,737	6,100
Convention Center	97,184	97,184		11,813
General Aviation	3,679	2,145	1,534	481
Municipal Golf	480	373	107	
Stormwater Management	<u>10,997</u>	<u>8,451</u>	<u>2,546</u>	
Totals	<u>\$231,098</u>	<u>\$201,891</u>	<u>\$29,207</u>	<u>\$18,394</u>

15. RECEIVABLES

Accounts Receivable are presented in the financial statements net of the allowance for uncollectible accounts. The uncollectible accounts related to the General Fund at December 31, 2005, are as follows: Taxes Receivable (\$2,232,000) and other accounts receivable (\$15,552,000). The uncollectible accounts related to the Debt Service Fund at December 31, 2005 are Taxes Receivable (\$2,477,000). The balance for the allowance for doubtful accounts in the Capital Projects Fund at December 31, 2005 is (\$3,840,000). The balance of the allowance accounts for Appropriated Special Revenue is (\$146,000) and Non-Appropriated Special Revenue is (\$789,000) as of December 31, 2005. The balances of the allowance accounts of the proprietary funds as of December 31, 2005 are as follows: Water Works (\$3,858,000), Regional Computer Center (\$16,000), Convention Center (\$66,000), Municipal Golf (\$1,000), Parking Facilities (\$2,000), and Stormwater Management (\$719,000).

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 \$6,483,000, 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, 2005 total \$59,636,000.

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, 2005 is \$3,812,000. 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 \$32 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, 2005. A liability of \$12.0 million was recorded for those claims and judgments as of December 31, 2005. 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 from the General Fund, restricted funds and the sale of debt. The City Administration believes there is no foreseen problem in having adequate resources to settle presently known cases.

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 2005. 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 2005 and 2004 are as follows:

(Amounts in Thousands)

	General		Water Works		Parking Facilities		Convention Center		Municipal Golf			
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>		
Balance at January 1	\$584	\$ 130	\$ 79	\$74	\$ 1	\$ 2	\$ 5	\$ 2	\$ 0	\$ 0		
Current-Year Claims and Changes in Estimates	2,427	1,156	180	207	12	4	25	8	1	2		
Claim Payments	<u>(2,290)</u>	<u>(702)</u>	<u>(155)</u>	<u>(202)</u>	<u>(6)</u>	<u>(5)</u>	<u>(15)</u>	<u>(5)</u>	<u>(1)</u>	<u>(2)</u>		
Balance at December 31	<u>\$721</u>	<u>\$584</u>	<u>\$104</u>	<u>\$79</u>	<u>\$7</u>	<u>\$ 1</u>	<u>\$ 15</u>	<u>\$5</u>	<u>\$ 0</u>	<u>\$ 0</u>		

	Stormwater Management		Income Tax Infrastructure		Self-Insurance Medical		Workers Compensation		General Long-Term Obligations		Totals	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Balance at January 1	\$ 3	\$ 2	\$ 8	\$ 4	\$13,815	\$10,701	\$17,793	\$15,142	\$ 5,344	\$ 9,060	\$37,632	\$35,117
Current-Year Claims and Changes in Estimates	1	8	8	57	77,562	78,180	12,022	6,951	6,965	3,741	99,203	90,314
Claim Payments	<u>(2)</u>	<u>(7)</u>	<u>(13)</u>	<u>(53)</u>	<u>(78,236)</u>	<u>(75,066)</u>	<u>(4,640)</u>	<u>(4,300)</u>	<u>(1,000)</u>	<u>(7,457)</u>	<u>(86,358)</u>	<u>(87,799)</u>
Balance at December 31	<u>\$2</u>	<u>\$3</u>	<u>\$3</u>	<u>\$ 8</u>	<u>\$13,141</u>	<u>\$13,815</u>	<u>\$25,175</u>	<u>\$17,793</u>	<u>\$11,309</u>	<u>\$5,344</u>	<u>\$50,477</u>	<u>\$37,632</u>

The claims liabilities at December 31, 2005 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	\$ 3,746	\$ 814
Accrued Liabilities		2,546
Estimated Liability For Unpaid Claim	<u>9,395</u>	<u>21,815</u>
Total	<u>\$13,141</u>	<u>\$25,175</u>

18. SUBSEQUENT EVENTS

On May 10, 2006 City Council authorized the consolidation of various bond issues for the purposes of providing for the issuance, sale and delivery of an amount not to exceed \$52,000,000 of various purpose general obligation bonds. On May 24, 2006, Series A of these bonds totaling \$32,995,000 were bid on and accepted. These bonds were sold and dated June 8, 2006. The bond issues sold at coupon rates of 4.00% to 5.00%, but with a bid premium of \$472,294.75. The effective rates were from 3.61% to 4.54%. The total bonds that were authorized for taking bids and that were sold include property tax supported issues of \$15,665,000 for Street Improvements, \$2,695,000 for Equipment Improvements, \$3,635,000 for Public Building Improvements, \$1,300,000 for Parks & Recreation Improvements, \$2,225,000 for Economic Development (Towne/Adams Village B Urban Renewal Project) and \$7,475,000 for Judgments. On May 24, 2006, Series B of these bonds totaling \$14,195,000 were bid on and accepted. These bonds were sold and dated June 8, 2006. The bond issues sold at coupon rates of 4.00% to 5.00%, but with a bid premium of \$248,020.20. The effective rates were from 3.61% to 4.54%. The total bonds that were authorized for taking bids and that were sold include municipal income tax supported issues of \$7,955,000 for Street Improvements, \$2,040,000 for Public Building Improvements and \$4,200,000 for Urban Redevelopment Improvements. On May 24, 2006, Series C of these bonds totaling \$2,750,000 were bid on and accepted. These bonds were sold and dated June 8, 2006. The bond issues sold at coupon rates of 5.41% to 6.00%. The effective rates were from 5.41% to 6.00%. The total bonds that were authorized for taking bids and that were sold include tax increment financing supported issues of \$2,750,000 for Economic Development (Towne/Adams Village A Urban Renewal Project).

The total bonds that were authorized for taking bids and that have not been sold include tax-supported issues of \$3,324,534 for Parks Improvements, \$3,173,461 for Recreation Improvements and \$9,169,695 for Street Improvements.

19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

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

Funding Policy

The benefit is funded on a pay-as-you-go basis. Each year the City budgets for a pre-determined amount based on prior years payments. The members of the OPFPF do not make a contribution for this benefit. In 2005 the City budgeted \$310,000 and paid out \$210,000. The benefits unfunded liability for 2005 based on the future value of the liability as calculated by the City is \$245,000.

20. PENSION AND RETIREMENT

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

Ohio Police and Fire Pension Fund

Plan Description

Police and Fire Fighters of the City of Cincinnati are members of the Ohio Police and Fire Pension Fund. The City of Cincinnati contributes to the (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. 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, 2005, 2004, and 2003 were \$27,416,000, \$24,882,000, and \$23,233,000, 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 access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. The 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 2005, 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, 2004, the date of the last actuarial valuation available was 13,812 for police and 10,528 for firefighters. The portion of the City's 2005 contributions that was used to pay postemployment benefits was \$5,617,878 for police and \$4,284,573 for firefighters. The total health care expense of the fund for the year ending December 31, 2004, the date of the last actuarial valuation available, was \$102,173,796, which was net of member contributions of \$55,665,341.

State PERS

Plan Description

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

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

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

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or calling (614) 222-6701 or (800) 222-7377.

Funding Policy

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2005, 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 2005 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 2005. City of Cincinnati's contributions to OPERS for the years ending December 31, 2005, 2004, and 2003, were \$2,228,000, \$2,216,000, and \$2,069,000 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 meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB statement 12. 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 requiring public employers to fund post employment healthcare through their contributions to OPERS. The City's contribution rate for 2005 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 2005.

OPEB are advance-funded on an actuarially determined basis. The number of active contributing participants at year-end 2005 was 355,287. The portion of the City's employer contribution that was used to fund postemployment benefits was \$657,758. The actuarial value of PERS net assets available for OPEB was \$10,800,000,000 at December 31, 2004, 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 \$29,500,000,000 and \$18,700,000,000 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, 2005, the date of the latest actuarial valuation:

	<u>Pension</u>	<u>Health care</u>
Retirees and beneficiaries receiving benefits	4,408	4,408
Terminated plan members entitled to future benefits	159	159
Active plan members:		
Vested	2,743	1,821
Nonvested	<u>2,270</u>	<u>3,192</u>
Total	<u>9,580</u>	<u>9,580</u>

1,639 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 2005 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. The rate based on the actuarial report was 23%. City of Cincinnati's contributions to the City of Cincinnati Retirement System for the years ending December 31, 2005, 2004 and 2003 were \$15,598,000, \$15,520,000, and \$10,032,000, respectively equal to the required contributions for each year except for 2005. Administrative costs are financed from the system assets. The unfunded actuarial accrued liability for pension costs as of December 31, 2005 was \$112,911,000 to be amortized over an open period of 15 years. Although this is a multiple-employer cost allocation plan, it is being accounted for as a single employer plan. This is due to the fact that the number of active participants from employers other than the City of Cincinnati is insignificant in relation to the total number of active City of Cincinnati participants.

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

(Amounts in Thousands)

Annual required contribution	\$26,497
Actual contribution	<u>13,029</u>
Increase in net pension obligation	\$13,468
Net pension obligation beginning of year	<u>-0-</u>
Net pension obligation end of year	<u>\$13,468</u>
Annual pension cost	\$26,497
Percentage of annual pension cost Contributed	49.17%

Actual contribution	<u>2,569</u>
Increase in net other post employment benefit obligation	\$2,656
Net other post employment benefit obligation beginning of year	<u>-0-</u>
Net other post employment benefit obligation end of year	<u>\$2,656</u>
Annual other post employment benefit cost	\$5,225
Percentage of annual post employment benefit cost contributed	49.17%

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

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

Other Postemployment Benefit Information

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

The health care coverage provided by the System is considered an Other Postemployment Benefit (OPEB). 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, 2005 valuation included an assumption for hospital and surgical benefits recognizing adjusted premiums based on experience for recent years adjusted to current year by assumed annual increases in premium costs. The cost of OPEBs is recognized as an expense as claims are paid. The employer contribution that was used to fund postemployment benefits was \$3,139,000. The actuarial value of the System's net assets available for OPEB at December 31, 2005 was \$775,248,000.

The actuarial assumptions used for the December 31, 2005 valuation included an assumption for hospital and surgical benefits recognizing adjusted premiums based on experience for recent years adjusted to current year by assumed annual increases in premium costs. The cost of OPEBs is recognized as an expense as claims are paid. The employer contribution that was used to fund postemployment benefits was \$3,139,000. The actuarial value of the System's net assets available for OPEB at December 31, 2005 was \$775,248,000. The actuarially accrued liability based on the actuarial cost method used was \$789,740,000. The unfunded actuarial accrued liability for postemployment benefits at December 31, 2005 was \$14,492,000 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	12/31/05
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:	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.

Starting claim costs were developed based on historical retiree claims and enrollment experience data projected forward to the valuation period with trend and adjusted for the demographics of the historical vs. current retiree population. Historical claims experience was reviewed from January 2003 through December 2005, with data split separately by plan, by medical and prescription drug coverage, and by Medicare status.

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

Administrative fees (claims administration and management, stop-loss, prescription drug, etc.) charged to the plan are included in the costs developed.

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

For health plan projection/valuation purposes, the City's valuation is split into 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 contribute 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 until the year 2015 (same as in last year's valuation) and then increase at 5.0% per year thereafter. 2006 Part B Premiums are \$1062 (938.40 in 2005).

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. 2006 projected starting

cost is \$227 per adult per year (\$206 for the 2005 estimate). Costs are assumed to increase at a decreasing rate, starting at 6.0% for 2006, 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. (This is virtually the same trend table utilized last year, initiated in 2006 rather than 2005). Dental aging assumptions are a 1.0% increase per year up to age 65, then 0%.

Vision Benefits

One indemnity design plan is provided to all current and future retirees. The plan has fixed benefits with a \$100 annual maximum benefit. The projected starting cost for 2006 is \$25 per adult per year (\$24 for the 2005 estimate). Although the claims benefit level is fixed, we anticipate a 3.0% annual trend increase in costs to account for increases in administrative costs. (The trend assumption was 1.0% annual trend increase per 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 reduced by \$250,000 and then rounded to the next \$100,000.

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)
12/31/00	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
12/31/05	1,654,448	1,767,359	112,911	93.61	175,335	64.40

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)
12/31/00	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
12/31/05	775,248	789,740	14,492	98.16	175,335	8.27

SCHEDULE OF EMPLOYERS' CONTRIBUTIONS

(AMOUNTS IN THOUSANDS)

PENSION PLAN

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2000	0	N/A
2001	0	N/A
2002	3,980	218.99
2003	14,854	64.04
2004	29,857	48.77
2005	34,148	46.63

HEALTHCARE PLAN

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2000	0	N/A
2001	0	N/A
2002	1,327	304.45
2003	4,951	62.78
2004	9,953	48.00
2005	5,662	55.44

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REQUIRED
SUPPLEMENTARY INFORMATION

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CITY OF CINCINNATI, OHIO
Budgetary Comparison Schedule
General Fund
For the year ended December 31, 2005
(Amounts in Thousands)

	General Fund			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive(Negative)</u>
Revenue				
Taxes	\$ 226,245	\$ 226,245	\$ 240,237	\$ 13,992
Licenses and Permits	6,228	6,228	6,750	522
Use of Money and Property	12,965	12,965	10,279	(2,686)
Intergovernmental Revenue	51,367	51,367	53,247	1,880
Charges for Current Services	15,966	15,966	17,397	1,431
Miscellaneous	5,234	5,234	6,105	871
Total Revenue	318,005	318,005	334,015	16,010
Expenditures				
Current				
General Government	38,568	38,384	37,834	550
Community Development	5,163	5,227	5,120	107
Parks and Recreation	19,344	19,781	19,724	57
Public Safety	149,860	156,070	155,439	631
Transportation & Engineering	2,926	2,861	2,741	120
Public Services	20,327	20,787	20,766	21
Public Health	21,728	21,826	21,826	
Employee Benefits	68,463	65,560	65,439	121
Capital Outlay	260	259	238	21
Total Expenditures	326,639	330,755	329,127	1,628
Excess (Deficiency) of Revenue over (under) Expenditures	(8,634)	(12,750)	4,888	17,638
Other Financing Sources (Uses)				
Transfer In		4,677	4,677	
Transfers (Out)		(853)	(853)	
Total Other Financing Sources (Uses)		3,824	3,824	
Excess of Revenue over (under) Expenditures and Other Financing Sources	(8,634)	(8,926)	8,712	17,638
Cancellation of Prior Years Encumbrances			1,358	1,358
Fund Balances, January 1	11,499	11,499	11,499	
Fund Balances, December 31	\$ 2,865	\$ 2,573	\$ 21,569	\$ 18,996

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	\$ 8,712
(Increases) decreases from revenues:	
Received in cash during year but already accrued as receivables (GAAP) at December 31, 2004	(35,754)
Accrued as receivables at December 31, 2005 but not recognized in budget	34,476
(Increases) decreases from encumbrances:	
Expenditures of amounts encumbered during prior years	(7,198)
Recognized as expenditures in the budget	9,898
(Increases) decreases from expenditures:	
Accrued as liabilities at December 31, 2004 recognized as expenditures (GAAP) but not in budget	6,955
Accrued as liabilities at December 31, 2005	(7,239)
Inventory purchase recognized as expenditures (budget) but not in GAAP	(60)
Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance (Page 24)	\$ 9,790

See notes to required supplementary information.

City Of Cincinnati, Ohio
Note to the Required Supplementary Information
December 31, 2005

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

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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, 2005
(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	\$ 22,465	\$ (423)
Personal Property	2,600	2,600	2,839	239
Public Utility Property Tax Reimbursement	688	688	688	
City Income Tax	196,269	196,269	210,536	14,267
Admissions	3,800	3,800	3,691	(109)
Total Taxes	226,245	226,245	240,219	13,974
Payments In Lieu of Taxes			18	18
Licenses and Permits				
Street Use	1,500	1,500	1,666	166
Health	295	295	268	(27)
Police and Protective	62	62	65	3
Beer and Liquor	500	500	510	10
Business and Merchandising	17	17	14	(3)
Amusements	100	100	101	1
Professional and Occupational	191	191	166	(25)
Buildings, Structures and Equipment	3,563	3,563	3,960	397
Total Licenses and Permits	6,228	6,228	6,750	522
Use of Money and Property				
Fines, Forfeits and Penalties	6,876	6,876	4,275	(2,601)
Income from Treasury Investments	5,900	5,900	5,764	(136)
Rents	104	104	168	64
General Concessions and Commissions	85	85	72	(13)
Total Use of Money and Property	12,965	12,965	10,279	(2,686)
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	701	701	784	83
Estate Tax	19,000	19,000	20,665	1,665
State Income Tax - Real Property Tax Reduction	2,612	2,612	2,785	173
State Income Tax - Tangible Property Tax Reduction	200	200	143	(57)
Payments from Other Governmental Units	4	4	6	2
Revenue from Private Sources			13	13
Total Intergovernmental Revenue	51,367	51,367	53,247	1,880
Charges for Current Services				
General Government	7,545	7,545	8,462	917
Recreation	-	-	3	3
Buildings and Inspections				
Other Inspection Certificates	1,306	1,306	688	(618)
Elevator Certifications	540	540	568	28
Public Safety				
Police and Communication Charges	30	30	17	(13)
Motor Vehicle Response	150	150	137	(13)
Impounded Vehicle Fees	860	860	968	108
Protective Inspection Fees	50	50	82	32
Protection Service - Burglary Alarm	760	760	583	(177)
Emergency Transportation Service	3,500	3,500	4,270	770
Other Public Safety Charges	100	100	205	105

(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, 2005
(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	\$ 329	\$ (21)
Other Public Services Charges	25	25	251	226
Public Health				
Vital Statistics	632	632	707	75
Clinic Fees	106	106	106	
Other Public Health Charges	12	12	21	9
Total Charges for Current Services	15,966	15,966	17,397	1,431
Miscellaneous Revenue	5,234	5,234	6,105	871
TOTAL REVENUE	318,005	318,005	334,015	16,010
Expenditures				
City Council				
Personal Services	1,336	1,334	1,296	38
Non-Personal Services	69	81	61	20
Total City Council	1,405	1,415	1,357	58
Office of the Mayor				
Personal Services	327	320	311	9
Non-Personal Services	48	58	57	1
Total Office of the Mayor	375	378	368	10
Office of the Clerk of Council				
Personal Services	270	274	263	11
Non-Personal Services	357	307	231	76
Total Office of the Clerk of Council	627	581	494	87
Regional Computer Center				
Non-Personal Services	4,006	4,006	4,006	
Total Regional Computer Center	4,006	4,006	4,006	
Office of the City Manager				
Personal Services	1,006	1,049	1,048	1
Non-Personal Services	376	348	344	4
Total Office of the City Manager	1,382	1,397	1,392	5
Citizen's Complaint Authority				
Personal Services	493	497	476	21
Non-Personal Services	52	52	40	12
Total Citizen's Complaint Authority	545	549	516	33

(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, 2005
(Amounts in Thousands)

GENERAL FUND	Budgeted Amounts		Actual Amount	Variance with
	Original	Final		Final Budget Positive (Negative)
(Continued)				
Expenditures				
Department of Law				
Division of Legal Services				
Personal Services	\$ 3,490	\$ 3,519	\$ 3,518	\$ 1
Non-Personal Services	776	1,182	1,174	8
Total Department of Law	4,266	4,701	4,692	9
Department of Human Resources				
Personal Services	1,289	1,294	1,291	3
Non-Personal Services	423	479	462	17
Total Department of Human Resources	1,712	1,773	1,753	20
Department of Finance				
Office of the Director				
Personal Services	238	241	226	15
Non-Personal Services	23	23	16	7
Capital Outlay	5	5		5
Total Office of the Director	266	269	242	27
Division of Budget & Evaluation				
Personal Services	704	713	706	7
Non-Personal Services	81	81	72	9
Total Division of Budget and Evaluation	785	794	778	16
Division of Accounts and Audits				
Personal Services	898	908	906	2
Non-Personal Services	67	67	67	
Total Division of Accounts and Audits	965	975	973	2
Division of Treasury				
Personal Services	382	366	356	10
Non-Personal Services	160	160	156	4
Total Division of Treasury	542	526	512	14
Division of Risk Management				
Non-Personal Services	103	103	103	
Total Division of Risk Management	103	103	103	
Division of Income Tax				
Personal Services	2,104	2,126	2,097	29
Non-Personal Services	682	682	663	19
Total Division of Income Tax	2,786	2,808	2,760	48
Division of Purchasing				
Personal Services	616	622	622	
Non-Personal Services	202	202	182	20
Total Division of Purchasing	818	824	804	20

(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, 2005
(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	\$ 321	\$ 345	\$ 341	\$ 4
Non-Personal Services	43	43	16	27
	<u>364</u>	<u>388</u>	<u>357</u>	<u>31</u>
Total Internal Audit Unit				
	6,629	6,687	6,529	158
Total Department of Finance				
Department of Community Development				
Office of the Director				
Personal Services	549	556	556	
Non-Personal Services	61	86	79	7
Capital Outlay				
	<u>610</u>	<u>642</u>	<u>635</u>	<u>7</u>
Total Office of the Director				
Division of Housing Development				
Personal Services	189	198	137	61
Non-Personal Services	865	865	856	9
	<u>1,054</u>	<u>1,063</u>	<u>993</u>	<u>70</u>
Total Division of Housing Development				
Division of Human Services				
Personal Services	27	28	28	
Non-Personal Services	2,969	2,987	2,987	
	<u>2,996</u>	<u>3,015</u>	<u>3,015</u>	
Total Division of Human Services				
Division of Historic Conservation/Land Use Management				
Personal Services	455	459	442	17
Non-Personal Services	48	48	35	13
Capital Outlay	1	1	1	
	<u>504</u>	<u>508</u>	<u>478</u>	<u>30</u>
Total Division of Historic Conserv/Land Use Management				
Total Department of Community Development	5,164	5,228	5,121	107
Department of Public Recreation				
West Region Division				
Personal Services	1,938	1,947	1,944	3
Non-Personal Services	150	170	170	
	<u>2,088</u>	<u>2,117</u>	<u>2,114</u>	<u>3</u>
Total West Region Division				
East Region Division				
Personal Services	1,752	1,736	1,733	3
Non-Personal Services	173	193	193	
	<u>1,925</u>	<u>1,929</u>	<u>1,926</u>	<u>3</u>
Total East Region Division				

(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, 2005
(Amounts in Thousands)

GENERAL FUND	Budgeted Amounts		Actual Amount	Variance with
	Original	Final		Final Budget Positive (Negative)
(Continued)				
Expenditures				
Central Region Division				
Personal Services	\$ 2,184	\$ 2,114	\$ 2,108	\$ 6
Non-Personal Services	206	214	214	
Total Central Region Division	2,390	2,328	2,322	6
Maintenance Division				
Personal Services	2,499	2,440	2,424	16
Non-Personal Services	2,553	2,913	2,913	
Total Maintenance Division	5,052	5,353	5,337	16
Division of Athletics				
Personal Services	1,204	1,297	1,288	9
Non-Personal Services	92	92	91	1
Total Division of Athletics	1,296	1,389	1,379	10
Division of Waterfront Activities				
Personal Services	309	312	303	9
Non-Personal Services	33	33	32	1
Total Division of Waterfront Activities	342	345	335	10
Division of Administration				
Personal Services	1,181	1,141	1,132	9
Non-Personal Services	541	635	635	
Capital Outlay	21	20	20	
Total Division of Administration	1,743	1,796	1,787	9
Total Department of Public Recreation	14,836	15,257	15,200	57
Department of Parks				
Division of Administration and Program Services				
Personal Services	158	160	160	
Non-Personal Services	2	2	2	
Total Division of Administration and Program Services	160	162	162	
Division of Operations				
Personal Services	1,286	1,316	1,316	
Non-Personal Services	1,083	1,056	1,056	
Total Division of Operations	2,369	2,372	2,372	
Division of Planning, Design and Development				
Personal Services	1,310	1,320	1,320	
Non-Personal Services	690	690	690	
Total Division of Planning, Design and Development	2,000	2,010	2,010	
Total Department of Parks	4,529	4,544	4,544	

(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, 2005
(Amounts in Thousands)

GENERAL FUND	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
				Positive (Negative)
(Continued)				
Expenditures				
Department of Buildings and Inspections				
Office of the Director				
Personal Services	\$ 314	\$ 317	\$ 254	\$ 63
Non-Personal Services	285	369	369	
Total Office of the Director	599	686	623	63
Division of Licenses and Permits				
Personal Services	2,585	2,475	2,379	96
Non-Personal Services	193	216	216	
Total Division of Licenses and Permits	2,778	2,691	2,595	96
Division of New Building Construction & Existing Buildings				
Personal Services	1,424	1,451	1,451	
Non-Personal Services	175	177	175	2
Total Division of New Building Construction & Existing Buildings	1,599	1,628	1,626	2
Total Department of Buildings and Inspections	4,976	5,005	4,844	161
Department of Police				
Personal Services	79,032	80,793	80,793	
Non-Personal Services	10,394	12,242	12,133	109
Capital Outlay	105	105	105	
Total Department of Police	89,531	93,140	93,031	109
Department of Fire Protection				
Personal Services	53,980	56,115	55,628	487
Non-Personal Services	6,454	6,920	6,885	35
Capital Outlay	103	103	87	16
Total Department of Fire Protection	60,537	63,138	62,600	538
Department of Transportation and Engineering				
Office of the Director				
Personal Services	342	417	417	
Non-Personal Services	71	70	58	12
Total Office of the Director	413	487	475	12
Division of Transportation, Planning and Urban Design				
Personal Services	163	250	250	
Non-Personal Services	64	64	49	15
Total Division of Transportation, Planning and Urban Design	227	314	299	15
Division of Engineering				
Personal Services	454	160	160	
Non-Personal Services	158	168	162	6
Total Division of Engineering	612	328	322	6
Division of Traffic Engineer				
Personal Services	51	52	36	16
Non-Personal Services	1,623	1,680	1,609	71
Total Division of Traffic Engineer	1,674	1,732	1,645	87
Total Department of Transportation and Engineering	2,926	2,861	2,741	120

(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, 2005
(Amounts in Thousands)

GENERAL FUND	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget Positive (Negative)
(Continued)				
Expenditures				
Department of Public Services				
Office of the Director				
Personal Services	\$ 339	\$ 342	\$ 342	\$
Non-Personal Services	254	254	240	14
Capital Outlay	5	5	5	
Total Office of the Director	598	601	587	14
Traffic and Road Operations Division				
Personal Services	593	594	594	
Non-Personal Services	295	295	295	
Total Traffic and Road Operations Division	888	889	889	
Neighborhood Operations Division				
Personal Services	7,866	8,127	8,124	3
Non-Personal Services	7,782	7,952	7,952	
Total Neighborhood Operations Division	15,648	16,079	16,076	3
Division of Facility Management				
Personal Services	615	615	614	1
Non-Personal Services	2,583	2,608	2,605	3
Total Division of City Facility Management	3,198	3,223	3,219	4
Total Department of Public Services	20,332	20,792	20,771	21
Department of Public Health				
Office of the Commissioner				
Personal Services	939	756	756	
Non-Personal Services	95	95	95	
Capital Outlay	20	20	20	
Total Office of the Commissioner	1,054	871	871	
Division of Technical Resources				
Personal Services	2,446	2,462	2,462	
Non-Personal Services	1,057	1,077	1,077	
Total Division of Technical Resources	3,503	3,539	3,539	
Division of Community Health Services				
Personal Services	2,133	2,139	2,139	
Non-Personal Services	340	340	340	
Total Division of Community Health Services	2,473	2,479	2,479	
Division of Primary Care - Special Services				
Personal Services	5,585	5,604	5,604	
Non-Personal Services	738	738	738	
Total Division of Primary Care - Special Services	6,323	6,342	6,342	
Division of Primary Care - Health Centers				
Personal Services	6,419	6,467	6,467	
Non-Personal Services	1,976	2,148	2,148	
Total Division of Primary Care - Health Centers	8,395	8,615	8,615	
Total Department of Public Health	21,748	21,846	21,846	-

(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, 2005
(Amounts in Thousands)

GENERAL FUND	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget Positive (Negative)
(Continued)				
Expenditures				
Nondepartmental Accounts				
Pension Systems				
Contribution to City Pension System	\$ 7,780	\$ 7,611	\$ 7,610	\$ 1
Contribution to State Pension System	1,380	1,380	1,379	1
Contribution to Police Pension System	14,824	14,508	14,499	9
Contribution to Fire Pension System	13,900	13,501	13,500	1
Employee Benefits				
Contribution to Employee Hospital Care	23,177	21,529	21,529	
Dental and Vision Care	2,545	2,595	2,592	3
Medicare Tax	2,233	2,238	2,237	1
Public Employee Assistance	215	208	208	
Contribution to Workers' Compensation Insurance	489	485	485	
Police Officers and Firefighters' Insurance	310	310	210	100
State Unemployment Compensation	700	278	277	1
Lump Sum Payments	800	800	800	
Life Insurance	105	97	93	4
City Council Staff Benefits	5	20	20	
Professional Services and Legal Fees				
Judgments against the City	1,500	2,642	2,640	2
Collaborative Policing Effort	1,000	1,000	1,000	
Audit and Examiner's Fees	284	284	284	
Hamilton County Treasurer's and Auditor's Fees	361	537	529	8
County Clerk Fees	350	350	350	
Election Expense	110	110	110	
Miscellaneous Accounts				
Mayor's Office Obligations	10	10	6	4
Justice Department Policing Effort	1,500	1,500	1,500	
Cincinnati Public Schools	5,000	5,000	5,000	
Port Authority of Greater Cincinnati	175	175	175	
Property Investment Reimbursement Agreements	1,989	289	289	
Reserve for Contingencies	371	-	-	
Total Nondepartmental Accounts	81,113	77,457	77,322	135
TOTAL EXPENDITURES	326,639	330,755	329,127	1,628
Excess (Deficiency) of Revenue over (under) Expenditures	(8,634)	(12,750)	4,888	17,638
Other Financing Sources (Uses)				
Transfer In		4,677	4,677	
Transfer (Out)		(853)	(853)	
Total Other Financing Sources (Uses)		3,824	3,824	
Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing Sources (Uses)	(8,634)	(8,926)	8,712	17,638
Cancellation of Prior Years Encumbrances			1,358	1,358
Fund Balance, January 1	11,499	11,499	11,499	
Fund Balance, December 31	\$ 2,865	\$ 2,573	\$ 21,569	\$ 18,996

CITY OF CINCINNATI, OHIO

Statement of Revenue, Expenditures and Changes in Fund Balance For the year ended December 31, 2005 (Amounts in Thousands)

GENERAL FUND

Revenue

Taxes

Real Property	\$ 22,334
Public Utility Property Tax Reimbursement	688
Personal Property	2,839
City Income Tax	210,415
Admissions	<u>3,691</u>

Total Taxes 239,967

Payments in Lieu of Taxes 18

Licenses and Permits

Street Use	1,666
Health	268
Police and Protective	65
Beer and Liquor	507
Business and Merchandising	14
Amusements	101
Professional and Occupational	166
Buildings, Structures and Equipment	<u>3,959</u>

Total Licenses and Permits 6,746

Use of Money and Property

Fines, Forfeits and Penalties	4,614
Income from Treasury Investments	7,563
General Concessions and Commissions	<u>72</u>

Total Use of Money and Property 12,249

Intergovernmental Revenue

Proportionately Shared State Taxes

Local Government Revenue Assistance	2,874
Local Government Fund - Sales, Franchise, State Income	25,975
Local Government Fund - Financial Institution Tax	784
State Income Tax - Real Property Tax Reduction	2,642
State Income Tax - Tangible Property Tax Reduction	143
Estate Tax	20,666

(Continued)

CITY OF CINCINNATI, OHIO

Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2005
(Amounts in Thousands)

GENERAL FUND

(Continued)

Revenue

Intergovernmental Revenue

Payments from Other Governmental Units	\$	6
Revenue from Private Sources		<u>13</u>

Total Intergovernmental Revenue 53,103

Charges for Current Services

General Government 6,878

Recreation 10

Buildings and Inspections

Other Inspection Certificates 701

Elevator Certifications 591

Public Safety

Police and Communication Charges 154

Impounded Vehicle Fees 798

Protective Inspection Fees 82

Protection Service - Burglary Alarm 644

Emergency Transportation Service 4,347

Other Public Safety Charges 143

General Services 2

Public Services 580

Public Health

Vital Statistics 705

Clinic Fees 106

Other Public Health Charges 21

Total Charges for Current Services 15,762

Miscellaneous Revenue 3,106

TOTAL REVENUE 330,951

(Continued)

CITY OF CINCINNATI, OHIO

Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2005
(Amounts in Thousands)

GENERAL FUND

(Continued)

Expenditures

City Council	\$	1,359
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Office of the Clerk of Council		583
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Office of the Mayor		371
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Office of the City Manager		1,400
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Citizen's Complaint Authority		547
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Department of Law		4,692
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Department of Human Resources		1,600
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Department of Finance

Office of the Director		292
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Division of Budget and Evaluation		774
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Division of Treasury		512
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Division of Income Tax		2,796
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Division of Risk Management		147
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Division of Purchasing		809
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Division of Accounts and Audits		1,022
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Division of Internal Audit		355
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Total Department of Finance		6,707
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Department of Community Development

Office of the Director		812
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Division of Housing Development		866
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Division of Human Services		3,125
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Division of Community Development		61
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Division of Historic Conservation, Land Use Management and		
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City Planning		483
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Total Department of Community Development		5,347
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(Continued)

CITY OF CINCINNATI, OHIO

Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2005
(Amounts in Thousands)

GENERAL FUND

(Continued)

Expenditures

Department of Public Recreation

Division of Community Activities - West Region	\$ 2,118
Division of Community Activities - East Region	1,947
Division of Community Activities - Central Region	2,316
Division of Community Activities - Maintenance Division	5,241
Division of Seniors and Special Populations	(8)
Division of Athletics	1,385
Division of Waterfront Activities	377
Division of Administrative Services	<u>2,039</u>

Total Department of Public Recreation 15,415

Department of Parks

Division of Administration and Program Service	163
Division of Planning, Design and Development	1,912
Division of Operations	<u>2,271</u>

Total Department of Parks 4,346

Department of Buildings and Inspections

Office of the Director	505
Division of Licenses and Permits	2,626
Division of Building Construction Inspection	<u>1,665</u>

Total Department of Buildings and Inspections 4,796

Department of Police 90,340

Department of Fire 61,195

Department of Transportation and Engineering

Office of the Director	470
Division of Engineering	401
Division of Transportation Planning	285
Division of Traffic Engineering	<u>1,785</u>

Total Department of Transportation and Engineering 2,941

(Continued)

CITY OF CINCINNATI, OHIO

Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2005
(Amounts in Thousands)

GENERAL FUND (Continued)

Expenditures

Department of Public Services	
Director's Office	\$ 544
Division of Traffic and Road Operations	864
Division of Neighborhood Operations	16,014
Division of Facility Management	<u>3,233</u>
Total Department of Public Services	20,655
Department of Regional Computer Center	3,801
Department of Public Health	
Office of the Commissioner	781
Division of Technical Resources	3,577
Division of Community Health Services	2,448
Division of Primary Health Care - Special Programs	6,365
Division of Primary Health Care - Health Centers	<u>8,586</u>
Total Department of Public Health	21,757
Nondepartmental Accounts	
Contribution to City Pension System	6,900
Contribution to State Pension System	1,338
Contribution to Police Pension System	15,246
Contribution to Fire Pension System	14,105
Contribution to Employee Hospital Care	20,744
Contribution to Dental and Vision Care	2,637
Contribution to Medicare	2,302
Public Employees Assistance Program	208
Contribution to Workers' Compensation Insurance	392
Police Officers and Firefighters' Insurance	180
State Unemployment Compensation	107
Lump Sum Payment	800
Life Insurance	93
City Council Staff Benefits	20

(Continued)

CITY OF CINCINNATI, OHIO

Statement of Revenue, Expenditures and Changes in Fund Balance
For the year ended December 31, 2005
(Amounts in Thousands)

GENERAL FUND
(Continued)

Expenditures

Nondepartmental Accounts

Judgments against the City	\$ 1,610
Collaborative Policing Effort	773
County Fees	879
Election Expense	75
Mayor's Office Obligations	6
Justice Department Policing Effort	507
Cincinnati Public Schools	5,000
Audits Fees	209
Port Authority for Greater Cincinnati Development	175
Property Investment Reimbursement Agreements	<u>697</u>

Total Nondepartmental Accounts 75,003

Capital Outlay - Motorized and Construction Equipment 300

TOTAL EXPENDITURES 323,155

Excess of Revenue over Expenditures 7,796

Other Financing Sources (Uses)

Transfers In	4,845
Transfers (Out)	<u>(2,851)</u>

Total Other Financing Sources (Uses) 1,994

Excess of Revenue and Other Financing Sources
over Expenditures and Other Uses 9,790

Fund Balance, January 1 61,433

Fund Balance, December 31 \$ 71,223

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CITY OF CINCINNATI, OHIO
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF CINCINNATI, OHIO

PERMANENT FUNDS

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

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

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

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

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

Kroger Trust - Used to account for the investment and expenditure of 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, 2005
(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
<u>Assets</u>								
Cash and Equivalents	\$	\$	\$	\$	\$	\$	\$	\$ 37
Equity in City Treasury Cash	1,320	1,692	520	2,573	5,243	10,271	525	1,525
Investments								
Receivables:								
Taxes					2,316	6,946		
Accounts, Net	215	1		28	24		9	23
Special Assessments								
Accrued Interest				2		64		10
Due from Other Funds	12	47		212	9		9	
Due from Other Governments		3,436					1,324	
Inventory		2			98		8	
Advances to Other Funds	500	496						
Total Assets	<u>\$ 2,047</u>	<u>\$ 5,674</u>	<u>\$ 520</u>	<u>\$ 2,815</u>	<u>\$ 7,690</u>	<u>\$ 17,281</u>	<u>\$ 1,875</u>	<u>\$ 1,595</u>
<u>Liabilities</u>								
Accounts Payable	\$ 147	\$ 90	\$ 87	\$ 161	\$ 44	\$	\$ 1	\$ 156
Due to Other Funds	157	73	1	102	77		155	5
Accrued Payroll	53	236	8	62	356		34	54
Accrued Liabilities	2	4		1	5			1
Deposits Payable		6		313			1	1
Deferred Revenue		1,992		1	711	2,161	853	4
Estimated Liability for Unpaid Claims					3			
Advances from Other Funds								
Total Liabilities	359	2,401	96	640	1,196	2,161	1,044	221
<u>Fund Equity</u>								
Fund Balances:								
Reserved for Encumbrances	78	185	129	911	401		96	129
Reserved for Advances to Other Funds	500	496						
Reserved for Inventory		2			98		8	
Reserved in Accordance with Trust								
Unreserved - Designated for Compensated Absences								
Unreserved - Designated for Contingencies						5,000		
Unreserved - Undesignated	1,110	2,590	295	1,264	5,995	10,120	727	1,245
Total Fund Equity	1,688	3,273	424	2,175	6,494	15,120	831	1,374
Total Liabilities and Fund Equity	<u>\$ 2,047</u>	<u>\$ 5,674</u>	<u>\$ 520</u>	<u>\$ 2,815</u>	<u>\$ 7,690</u>	<u>\$ 17,281</u>	<u>\$ 1,875</u>	<u>\$ 1,595</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2005
(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	\$	\$	\$	\$	\$ 13,575	\$ 40,726	\$	\$
Licenses and Permits				2,596				
Use of Money and Property				1		247		339
Special Assessments								
Intergovernmental Revenue		8,600		20			2,423	
Federal Grants								
State Grants and Subsidies								
Charges for Current Services	3,461				23		4	3,296
Earnings from Investments								
Contributions								
Miscellaneous		1		2				
Total Revenue	3,461	8,601		2,619	13,598	40,973	2,427	3,635
Expenditures								
Current								
General Government	106		48	1,126	1,963	508	79	181
Community Development			79	59	57			
Parks and Recreation			240		1,483	21		3,200
Public Safety			327					
Transportation and Engineering			369		3,632	72		
Public Services		6,904	115	31	2,955		2,058	
Transit System						37,672		
Public Health	3,735							
Employee Benefits	343	1,785	55	319	2,540		223	141
Capital Outlay	44				1			
Debt Service								
Interest								
Total Expenditures	4,228	8,689	1,233	1,535	12,631	38,273	2,360	3,522
Excess (Deficiency) of Revenue over Expenditures	(767)	(88)	(1,233)	1,084	967	2,700	67	113
Other Financing Sources (Uses)								
Transfers In			1,267					9
Transfers (Out)				(62)	(117)	(100)		(272)
Total Other Financing Sources (Uses)			1,267	(62)	(117)	(100)		(263)
Net Change in Fund Balances	(767)	(88)	34	1,022	850	2,600	67	(150)
Fund Balances, January 1	2,455	3,361	390	1,153	5,644	12,520	764	1,524
Fund Balances, December 31	\$ 1,688	\$ 3,273	\$ 424	\$ 2,175	\$ 6,494	\$ 15,120	\$ 831	\$ 1,374

CITY OF CINCINNATI, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005
(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	\$	\$	\$	\$	\$	\$	\$	\$	\$
Equity in City Treasury Cash	690	2,455	11,988	5,606	174	223	880	5	39
Investments		1,451						10,549	
		1,190							1,228
Receivables:									
Taxes									
Accounts, Net	7			200	19			22	
Special Assessments						4,302		3,235	
Accrued Interest	3	11	61						
Due from Other Funds				148					
Due from Other Governments	7		48	226		2,425		552	
Inventory				204				32	
Advances to Other Funds	25							1,833	
Total Assets	\$ 732	\$ 5,107	\$ 12,097	\$ 6,384	\$ 193	\$ 6,950	\$ 880	\$ 16,228	\$ 1,267
Liabilities									
Accounts Payable	\$ 13	\$ 13	\$ 144	\$ 473	\$ 6	\$ 1,761	\$ 34	\$ 722	\$
Due to Other Funds	1	1		35		309		17	
Accrued Payroll	2	11		243		49		56	
Accrued Liabilities				56		155		2,389	
Deposits Payable			1,086						
Deferred Revenue	2	5	62			4,982		1,362	
Estimated Liability for Unpaid Claims									
Advances from Other Funds			1,833	500				125	
Total Liabilities	18	30	3,125	1,307	6	7,256	34	4,671	
Fund Equity									
Fund Balances:									
Reserved for Encumbrances	16	20	557	1,560	19	11,267	143	14,025	
Reserved for Advances to Other Funds	25							1,833	
Reserved for Inventory				204				32	
Reserved in Accordance with Trust									1,267
Unreserved - Designated for Compensated Absences			7,624						
Unreserved - Designated for Contingencies									
Unreserved - Undesignated	673	5,057	791	3,313	168	(11,573)	703	(4,333)	
Total Fund Equity	714	5,077	8,972	5,077	187	(306)	846	11,557	1,267
Total Liabilities and Fund Equity	\$ 732	\$ 5,107	\$ 12,097	\$ 6,384	\$ 193	\$ 6,950	\$ 880	\$ 16,228	\$ 1,267

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2005
(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	\$	\$	\$	\$	\$	\$	\$	1,891	\$
Licenses and Permits			162	945					
Use of Money and Property	15	341	241		119	203		1,385	106
Special Assessments						11		4,155	
Intergovernmental Revenue			2,296	862					
Federal Grants	222		906	5,319		16,351	66	6,874	
State Grants and Subsidies	234	54	210	238				228	
Charges for Current Services	36	537	26	3,175		221		767	
Miscellaneous	24	716	45	287		7,359		242	
Total Revenue	531	1,648	3,886	10,826	119	24,145	66	15,542	106
Expenditures									
Current									
General Government			16	133		1,331	15	4,559	
Community Development						1,241	50	3,444	
Parks and Recreation	670	1,541						1,352	16
Public Safety			2,187					270	
Transportation and Engineering					52			320	
Public Services								1,006	
Transit System									
Public Health				8,728				5	
Employee Benefits		1		1,477		359		3	
Capital Outlay	5				2	21,404		4,226	
Debt Service									
Interest						156			
Total Expenditures	675	1,542	2,203	10,338	54	24,491	65	15,185	16
Excess (Deficiency) of Revenue over Expenditures	(144)	106	1,683	488	65	(346)	1	357	90
Other Financing Sources (Uses)									
Transfers In	11	222	13			40		1,021	
Transfers (Out)			(402)	(3)	(38)				
Total Other Financing Sources (Uses)	11	222	(389)	(3)	(38)	40		1,021	
Net Change in Fund Balances	(133)	328	1,294	485	27	(306)	1	1,378	90
Fund Balances, January 1	847	4,749	7,678	4,592	160		845	10,179	1,177
Fund Balances, December 31	\$ 714	\$ 5,077	\$ 8,972	\$ 5,077	\$ 187	\$ (306)	\$ 846	\$ 11,557	\$ 1,267

CITY OF CINCINNATI, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005
(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	\$	\$	\$	\$	\$	\$	\$	\$ 122
Equity in City Treasury Cash	39	51	95	86		72	526	
Investments	460		1	158	709			5,901
Receivables:								
Taxes								9,262
Accounts, Net								548
Special Assessments								7,537
Accrued Interest			1	1			4	157
Due from Other Funds								437
Due from Other Governments								8,018
Inventory								344
Advances to Other Funds								2,854
Total Assets	<u>\$ 499</u>	<u>\$ 51</u>	<u>\$ 97</u>	<u>\$ 245</u>	<u>\$ 709</u>	<u>\$ 72</u>	<u>\$ 530</u>	<u>\$ 6,023</u>
Liabilities								
Accounts Payable	\$	\$	\$	\$	\$	\$	\$ 10	\$ 3,862
Due to Other Funds								933
Accrued Payroll								1,164
Accrued Liabilities								2,613
Deposits Payable								1,407
Deferred Revenue							2	12,137
Estimated Liability for Unpaid Claims								3
Advances from Other Funds								2,458
Total Liabilities							12	24,577
Fund Equity								
Fund Balances:								
Reserved for Encumbrances								29,536
Reserved for Advances to Other Funds								2,854
Reserved for Inventory								344
Reserved in Accordance with Trust	499	51	97	245	225	50	518	8,975
Unreserved - Designated for Compensated Absences								7,624
Unreserved - Designated for Contingencies								5,000
Unreserved - Undesignated					484	22		18,651
Total Fund Equity	<u>499</u>	<u>51</u>	<u>97</u>	<u>245</u>	<u>709</u>	<u>72</u>	<u>518</u>	<u>72,984</u>
Total Liabilities and Fund Equity	<u>\$ 499</u>	<u>\$ 51</u>	<u>\$ 97</u>	<u>\$ 245</u>	<u>\$ 709</u>	<u>\$ 72</u>	<u>\$ 530</u>	<u>\$ 6,023</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2005
(Amounts in Thousands)

	Permanent Funds								Total
	Groesbeck Endowment Fund	Schmidlapp Park Music Fund	Joanna Peters Bequest	The W.M. Ampt Music Endowment Fund	Crosley Field Trust	Kroger Trust	Yeatman's Cove Park Trust	Park Board Fund	Nonmajor Governmental Funds
<u>Revenue</u>									
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$ 56,192
Licenses and Permits									3,703
Use of Money and Property	11	1	3	18	38	2	15	196	3,281
Special Assessments									4,166
Intergovernmental Revenue									14,201
Federal Grants									29,738
State Grants and Subsidies									964
Charges for Current Services									11,546
Miscellaneous									8,676
Total Revenue	11	1	3	18	38	2	15	196	132,467
<u>Expenditures</u>									
Current									
General Government									10,065
Community Development									4,930
Parks and Recreation					8		28	40	8,599
Public Safety									2,784
Transportation and Engineering									4,445
Public Services									13,069
Transit System									37,672
Public Health									12,468
Employee Benefits									7,246
Capital Outlay									25,682
Debt Service									
Interest									156
Total Expenditures					8		28	40	127,116
Excess (Deficiency) of Revenue over Expenditures	11	1	3	18	30	2	(13)	156	5,351
Other Financing Sources (Uses)									
Transfers In									2,583
Transfers (Out)	(14)	(1)		(6)	(11)			(201)	(1,227)
Total Other Financing Sources (Uses)	(14)	(1)		(6)	(11)			(201)	1,356
Net Change in Fund Balances	(3)		3	12	19	2	(13)	(45)	6,707
Fund Balances, January 1	502	51	94	233	690	70	531	6,068	66,277
Fund Balances, December 31	\$ 499	\$ 51	\$ 97	\$ 245	\$ 709	\$ 72	\$ 518	\$ 6,023	\$ 72,984

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, 2005
(Amounts in Thousands)

	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
HEALTH SERVICES FUND			
Revenue			
Charges for Current Services	\$ 3,500	\$ 3,376	\$ (124)
TOTAL REVENUE	3,500	3,376	(124)
Expenditures			
Department of Public Health			
Division of Primary Care - Special Programs			
Personal Services	54	54	
Non-Personal Services	521	461	60
Capital Outlay	60		60
Total Division of Primary Care - Special Programs	635	515	120
Division of Primary Care - Health Centers			
Personal Services	1,154	1,041	113
Non-Personal Services	2,182	2,101	81
Total Division of Primary Care - Health Centers	3,336	3,142	194
Total Department of Health	3,971	3,657	314
Nondepartmental Accounts			
Contribution to Pension Systems	167	137	30
Employee Hospital Care	171	163	8
Dental and Vision Care	21	20	1
Medicare Tax	16	15	1
Public Employee Assistance	1	1	
Workers' Compensation Insurance	4	3	1
General Fund Overhead Charge	106	106	
Total Nondepartmental Accounts	486	445	41
TOTAL EXPENDITURES	4,457	4,102	355
Excess (Deficiency) of Revenue over (under) Expenditures	(957)	(726)	231
Cancellation of Prior Years Encumbrances		148	148
Fund Balance, January 1	2,124	2,124	
Fund Balance, December 31	\$ 1,167	\$ 1,546	\$ 379

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, 2005
(Amounts in Thousands)

	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND			
Revenue			
Intergovernmental Revenue			
Motor Vehicle License	\$ 1,800	\$ 1,879	\$ 79
Gasoline	6,670	6,544	(126)
Miscellaneous	250	313	63
TOTAL REVENUE	8,720	8,736	16
Expenditures			
Department of Public Services			
Traffic and Road Operations Division			
Personal Services	2,826	2,758	68
Non-Personal Services	1,964	1,961	3
Capital Outlay	50	50	
Total Traffic and Road Operations Division	4,840	4,769	71
Neighborhood Operations Division			
Personal Services	2,229	2,179	50
Non-Personal Services	320	288	32
Total Neighborhood Operations Division	2,549	2,467	82
Total Department of Public Services	7,389	7,236	153
Nondepartmental Accounts			
Contribution to Pension Systems	634	633	1
Employee Hospital Care	937	931	6
Dental and Vision Care	116	115	1
Medicare Tax	69	69	
State Unemployment Compensation	12	12	
Workers' Compensation Insurance	6	3	3
Life Insurance	2	2	
Total Nondepartmental Accounts	1,776	1,765	11
TOTAL EXPENDITURES	9,165	9,001	164
Excess (Deficiency) of Revenue over (under) Expenditures	(445)	(265)	180
Cancellation of Prior Years Encumbrances		131	131
Fund Balance, January 1	1,791	1,791	
Fund Balance, December 31	\$ 1,346	\$ 1,657	\$ 311

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, 2005
(Amounts in Thousands)

	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
PARKING METER FUND			
Revenue			
Miscellaneous	\$ 1,267	\$ 1,284	\$ 17
TOTAL REVENUE	1,267	1,284	17
Expenditures			
Department of Community Development & Planning			
Housing Division			
Personal Services	35	14	21
Non-Personal Services	55	51	4
Total Department of Community Development	90	65	25
Department of Parks			
Division of Operations			
Personal Services	93	93	
Non-Personal Services	140	140	
Total Department of Parks	233	233	
Department of Police			
Personal Services	327	327	
Total Department of Police	327	327	
Department of Transportation & Engineering			
Division of Traffic Engineering			
Personal Services	89	75	14
Non-Personal Services	389	373	16
Total Department of Transportation & Engineering	478	448	30
Department of Public Services			
Traffic and Road Operations Division			
Non-Personal Services	140	134	6
Total Department of Public Services	140	134	6

(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, 2005
(Amounts in Thousands)

PARKING METER FUND (Continued)	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
Non-Departmental Accounts			
Contribution to Pension Systems	\$ 57	\$ 23	\$ 34
Employee Hospital Care	27	26	1
Dental and Vision Care	4	2	2
Medicare Tax	6	2	4
Workers' Compensation Insurance	2	2	
Downtown Special Improvements District	94	50	44
	<u>190</u>	<u>105</u>	<u>85</u>
Total Non-Departmental Accounts	<u>190</u>	<u>105</u>	<u>85</u>
TOTAL EXPENDITURES	<u>1,458</u>	<u>1,312</u>	<u>146</u>
Excess (Deficiency) of Revenue over (under)			
Expenditures	(191)	(28)	163
Fund Balance, January 1	<u>325</u>	<u>325</u>	
Fund Balance, December 31	<u><u>\$ 134</u></u>	<u><u>\$ 297</u></u>	<u><u>\$ 163</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, 2005
(Amounts in Thousands)

	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
CABLE T.V. FUND			
Revenue			
Licenses and Permits	\$ 2,300	\$ 2,589	\$ 289
Miscellaneous	100	65	(35)
TOTAL REVENUE	2,400	2,654	254
Expenditures			
Regional Computer Center			
Personal Services	584	504	80
Non-Personal Services	745	690	55
Total Regional Computer Center	1,329	1,194	135
Office of the City Manager			
Personal Services	215	193	22
Non-Personal Services	68	63	5
Total Office of the City Manager	283	256	27
Department of Community Development & Planning			
Division of Housing Development			
Non-Personal Services	113	113	
Total Department of Community Development & Planning	113	113	
Department of Public Services			
Neighborhood Operations Division			
Non-Personal Services	32	31	1
Total Department of Public Services	32	31	1
Nondepartmental Accounts			
Contribution to Pension Systems	177	148	29
Employee Hospital Care	156	130	26
Dental and Vision Care	21	20	1
Medicare Tax	18	18	
Workers' Compensation Insurance	2	2	
Life Insurance	2	1	1
General Fund Overhead Charge	74	71	3
Total Nondepartmental Accounts	450	390	60
TOTAL EXPENDITURES	2,207	1,984	223
Excess of Revenue over Expenditures	193	670	477
Other Financing (Uses)			
Transfers Out	(62)	(62)	
TOTAL OTHER FINANCING (USES)	(62)	(62)	
Excess of Revenue over Expenditures and Other Financing (Uses)	131	608	477
Cancellation of Prior Years Encumbrances		21	21
Fund Balance, January 1	513	513	
Fund Balance, December 31	\$ 644	\$ 1,142	\$ 498

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, 2005
(Amounts in Thousands)

	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
INCOME TAX INFRASTRUCTURE FUND			
Revenue			
Taxes			
City Income Tax	\$ 12,662	\$ 13,583	\$ 921
Miscellaneous	400	743	343
TOTAL REVENUE	13,062	14,326	1,264
Expenditures			
Regional Computer Center			
Non-Personal Services	551	551	
Total Regional Computer Center	551	551	
Department of Law			
Division of Legal Services			
Personal Services	192	182	10
Non-Personal Services	10	8	2
Total Department of Law	202	190	12
Department of Human Resources			
Personal Services	204	203	1
Total Department of Human Resources	204	203	1
Department of Finance			
Division of Budget & Evaluation			
Personal Services	37	27	10
Non-Personal Services	26	20	6
Total Division of Budget & Evaluation	63	47	16
Division of Accounts and Audits			
Personal Services	157	156	1
Non-Personal Services	3	3	
Total Division of Accounts and Audits	160	159	1
Division of Purchasing			
Personal Services	137	136	1
Non-Personal Services	37	30	7
Total Division of Purchasing	174	166	8
Total Department of Finance	397	372	25
Department of Community Development & Planning			
Division of Community Development			
Personal Services	53	53	
Non-Personal Services	4	4	
Total Department of Community Development & Planning	57	57	
Department of Public Recreation			
Region 4			
Personal Services	404	403	1
Total Department of Public Recreation	404	403	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, 2005
(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	\$ 1,057	\$ 1,053	\$ 4
Total Department of Parks	1,057	1,053	
Division of Adm. & Program Services			
Personal Services	31	31	
Total Division of Adm. & Program Services	31	31	
Total Department of Parks	1,088	1,084	4
Department of Buildings & Inspections			
Division of New Construction & Existing Building Structures			
Personal Services	45	19	26
Total Department of Buildings & Inspection	45	19	26
Department of Transportation & Engineering			
Office of the Director			
Personal Services	342	342	
Non-Personal Services	23	10	13
Total Office of the Director	365	352	13
Division of Transportation, Planning and Urban Design			
Personal Services	286	146	140
Non-Personal Services	26	16	10
Total Division of Transportation, Planning and Urban Design	312	162	150
Division of Engineering			
Personal Services	1,668	1,517	151
Non-Personal Services	700	676	24
Total Division of Engineering	2,368	2,193	175
Division of Traffic Engineering			
Personal Services	932	887	45
Non-Personal Services	150	124	26
Total Division of Traffic Engineering	1,082	1,011	71
Total Department of Transportation & Engineering	4,127	3,718	409
Department of Public Services			
Office of the Director			
Personal Services	183	183	
Non-Personal Services	3	1	2
Capital Outlay	2		2
Total Office of the Director	188	184	4
Traffic and Road Operations Division			
Personal Services	1,399	1,335	64
Non-Personal Services	476	476	
Total Traffic and Road Operations Division	1,875	1,811	64

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, 2005
(Amounts in Thousands)

INCOME TAX INFRASTRUCTURE FUND (Continued)	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
Division of City Facility Management			
Personal Services	\$ 755	\$ 748	\$ 7
Non-Personal Services	507	507	
Total Division of Facility Management	1,262	1,255	7
Total Department of Public Services	3,325	3,250	75
Nondepartmental Accounts			
Contribution to Pension Systems	1,180	1,054	126
Employee Hospital Care	1,160	1,153	7
Dental and Vision Care	153	152	1
Medicare Tax	117	104	13
Public Employee Assistance	9	8	1
Workers' Compensation Insurance	20	19	1
State Unemployment Compensation	33	16	17
Life Insurance	11	11	
General Fund Overhead	709	667	42
Reserve for Contingencies	44		44
Total Nondepartmental Accounts	3,436	3,184	252
TOTAL EXPENDITURES	13,836	13,031	805
Excess (Deficiency) of Revenue over (under) Expenditures	(774)	1,295	2,069
Other Financing (Uses)			
Transfers Out	(117)	(117)	
TOTAL OTHER FINANCING SOURCES	(117)	(117)	
Excess (Deficiency) of Revenue and Other Financing Sources over (under) Expenditures	(891)	1,178	2,069
Cancellation of Prior Years Encumbrances		60	60
Fund Balance, January 1	3,205	3,205	
Fund Balance, December 31	\$ 2,314	\$ 4,443	\$ 2,129

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, 2005

	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
INCOME TAX TRANSIT FUND			
Revenue			
Taxes			
City Income Tax	\$ 37,987	\$ 40,749	\$ 2,762
Use of Money and Property	200	228	28
TOTAL REVENUE	38,187	40,977	2,790
Expenditures			
SORTA			
Operations	37,672	37,672	
Total SORTA	37,672	37,672	
Department of Parks			
Division of Operations			
Non Personal Services	29	21	8
Total Department of Parks	29	21	8
Department Transportation and Engineering			
Division of Transportation, Planning & Urban Design			
Personal Services	33	23	10
Non Personal Services	126	50	76
Total Department Transportation and Engineering	159	73	86
Nondepartmental Accounts			
General Fund Overhead	519	508	11
Total Nondepartmental Accounts	519	508	11
TOTAL EXPENDITURES	38,379	38,274	105
Excess (Deficiency) of Revenue over (under)			
Expenditures	(192)	2,703	2,895
Other Financing (Uses)			
Transfers (Out)	(100)	(100)	
TOTAL OTHER FINANCING (USES)	(100)	(100)	
Excess (Deficiency) of Revenue over (under)			
Expenditures and Other Financing (Uses)	(292)	2,603	2,895
Fund Balance, January 1	7,777	7,777	
Fund Balance, December 31	\$ 7,485	\$ 10,380	\$ 2,895

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, 2005
(Amounts in Thousands)

	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
MOTOR VEHICLE LICENSE FUND			
Revenue			
Licenses and Permits	\$ 2,295	\$ 2,356	\$ 61
Miscellaneous	15	14	(1)
TOTAL REVENUE	2,310	2,370	60
Expenditures			
Department of Public Services			
Traffic and Road Operations Division			
Personal Services	836	768	68
Non-Personal Services	1,290	1,290	
Total Department of Public Services	2,126	2,058	68
Nondepartmental Accounts			
Contribution to Pension Systems	97	97	
Employee Hospital Care	120	101	19
Dental and Vision Care	18	14	4
Medicare Tax	8	8	
Workers' Compensation Insurance	2	2	
Life Insurance	1	1	
General Fund Overhead	81	79	2
Total Nondepartmental Accounts	327	302	25
TOTAL EXPENDITURES	2,453	2,360	93
Excess (Deficiency) of Revenue over (under) Expenditures	(143)	10	153
Cancellation of Prior Year Encumbrances		4	4
Fund Balance, January 1	376	376	
Fund Balance, December 31	\$ 233	\$ 390	\$ 157

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, 2005
(Amounts in Thousands)

	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
SPECIAL RECREATION FUND			
Revenue			
Use of Money and Property	\$ 351	\$ 351	\$
Charges for Current Services	3,486	3,345	(141)
Miscellaneous	13	7	(6)
TOTAL REVENUE	3,850	3,703	(147)
Expenditures			
Department of Recreation			
Region 1			
Personal Services	363	332	31
Non-Personal Services	267	224	43
Total Region 1	630	556	74
Region 2			
Personal Services	547	545	2
Non-Personal Services	149	147	2
Total Region 2	696	692	4
Region 3			
Personal Services	515	503	12
Non-Personal Services	268	211	57
Total Region 3	783	714	69
Division of Athletics			
Personal Services	319	302	17
Non-Personal Services	297	257	40
Total Division of Athletics	616	559	57
Division of Waterfront			
Personal Services	308	195	113
Non-Personal Services	516	459	57
Total Division of Waterfront	824	654	170
Division of Support Services			
Personal Services	\$ 52	\$ 51	\$ 1
Non-Personal Services	80	47	33
Total Division of Support Services	132	98	34
Total Department of Recreation	3,681	3,273	408

(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, 2005
(Amounts in Thousands)

SPECIAL RECREATION FUND (Continued)	Budgeted Amounts	Actual Amounts	Variance With Budget Positive (Negative)
Nondepartmental Accounts			
Contribution to Pension Systems	\$ 94	\$ 87	\$ 7
Hospital Care	20	19	1
Dental & Vision Care	7	2	5
Medicare Tax	26	26	
Workers' Compensation Insurance	5	5	
Life Insurance	1		1
General Fund Overhead	192	181	11
Total Nondepartmental Accounts	345	320	25
TOTAL EXPENDITURES	4,026	3,593	433
Excess of Revenue over Expenditures	(176)	110	286
Other Financing (Uses)			
Transfers Out	(272)	(272)	
TOTAL OTHER FINANCING (USES)	(272)	(272)	
Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing (Uses)	(448)	(162)	286
Cancellation of Prior Years Encumbrances		118	118
Fund Balance, January 1	1,306	1,306	
Fund Balance, December 31	\$ 858	\$ 1,262	\$ 404

CITY OF CINCINNATI, OHIO

NON-MAJOR ENTERPRISE FUNDS

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

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

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

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

City of Cincinnati, Ohio
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2005
(Amounts in Thousands)

	Business Type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
Assets					
<u>Current</u>					
Cash and Equivalents	\$ 33	\$	\$ 18	\$	\$ 51
Equity in City Treasury Cash	7,788	753	627	2,372	11,540
Receivables:					
Taxes					
Accounts, Net	80	67	1	1,528	1,676
Accrued Interest	112	17	13	59	201
Due from Other Funds				26	26
Prepaid Items	6	20			26
Advances to Other Funds	5,612	1,126	107	2,731	9,576
Restricted Assets:					
Equity in City Treasury Cash	8				8
<u>Noncurrent</u>					
Equity in City Treasury Cash	6,986	675	562	2,125	10,348
Land	7,432	13,228	1,324	3,055	25,039
Buildings, net of Accumulated Depreciation	25,033	612	582		26,227
Improvements, net of Accumulated Depreciation	6,181	8,423	5,491	31,728	51,823
Machinery and Equipment, net of Accumulated Depreciation	389	342	146	75	952
Construction in Progress	4,823	2,145	373	8,451	15,792
Total Assets	\$ 64,483	\$ 27,408	\$ 9,244	\$ 52,150	\$ 153,285
Liabilities					
<u>Current</u>					
Accounts Payable	\$ 162	\$ 3	\$ 201	\$ 170	\$ 536
Due to Other Funds	34	9	9	201	253
Accrued Payroll	102	34	6	36	178
Accrued Liabilities	557	36	1		594
Accrued Interest	263		3	6	272
Deposits Payable		7			7
Unearned Revenue	7,395				7,395
Estimated Liability for Compensated Absences	271	55	17	124	467
Estimated Liability for Unpaid Claims	7			2	9
General Obligation Bonds and Notes Payable	8,096		193	725	9,014
<u>Noncurrent</u>					
Estimated Liability for Compensated Absences	293	84	4	86	467
General Obligation Bonds and Notes Payable			195	725	920
Net Pension Obligation	206	56	4	83	349
Net Other Post Employment Benefit Obligation	41	11	1	16	69
Total Liabilities	17,427	295	634	2,174	20,530
<u>Net Assets</u>					
Invested in Capital Assets, Net of Related Debt	36,296	24,750	7,528	41,859	110,433
Restricted	8				8
Unrestricted	10,752	2,363	1,082	8,117	22,314
Total Net Assets	\$ 47,056	\$ 27,113	\$ 8,610	\$ 49,976	\$ 132,755

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenses and Changes in Net Assets
Nonmajor Enterprise Funds
For the year ended December 31, 2005
(Amounts in Thousands)

	Business Type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
<u>Operating Revenue:</u>					
Charges for Services	\$ 8,827	\$ 1,786	\$ 5,949	\$ 7,063	\$ 23,625
Miscellaneous Income	357	1	2		360
Total Operating Revenue	9,184	1,787	5,951	7,063	23,985
<u>Operating Expenses:</u>					
Personal Services	3,360	884	212	1,229	5,685
Contractual Services	1,443	122	4,655	1,378	7,598
Maintenance and Repairs	291	88	131	1,316	1,826
Materials and Supplies	208	58		31	297
Utilities	419	167	412	67	1,065
Insurance	103	10	1	1	115
Taxes	677	40	214		931
Rent	177	6		4	187
Other Expense	99	1		3	103
Depreciation and Amortization	1,686	656	619	1,603	4,564
Total Operating Expenses	8,463	2,032	6,244	5,632	22,371
Operating Income (Loss)	721	(245)	(293)	1,431	1,614
<u>Non-Operating Revenue (Expenses):</u>					
Interest Revenue	360	64	38	189	651
Interest Expense	(174)		(22)	(107)	(303)
Total Non-Operating Revenue (Expenses)	186	64	16	82	348
Income (Loss) before Contributions and Transfers	907	(181)	(277)	1,513	1,962
Transfers In	12,007			4	12,011
Transfers (Out)	(9,013)				(9,013)
Capital Contributions		265			265
Change in Net Assets	3,901	84	(277)	1,517	5,225
Net Assets, January 1	43,155	27,029	8,887	48,459	127,530
Net Assets, December 31	<u>\$ 47,056</u>	<u>\$ 27,113</u>	<u>\$ 8,610</u>	<u>\$ 49,976</u>	<u>\$ 132,755</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended December 31, 2005
(Amounts in Thousands)

	Business Type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
<u>Cash Flows from Operating Activities:</u>					
Receipts from Customers	\$ 16,479	\$ 1,752	\$ 5,950	\$ 7,236	\$ 31,417
Payments to Suppliers	(2,029)	(439)	(5,292)	(672)	(8,432)
Payments to Other Funds	(639)			(2,016)	(2,655)
Payments to Employees	(3,102)	(791)	(204)	(1,130)	(5,227)
Payments for Property Taxes	(686)	(24)			(710)
Net Cash Provided (Used) by Operating Activities	10,023	498	454	3,418	14,393
<u>Cash Flows from Non Capital Financing Activities:</u>					
Repayment of Advances Made To Other Funds	3,593		(71)	3,500	7,022
Advances to Other Funds		(426)			(426)
Transfers to Other Funds	(9,013)				(9,013)
Transfers from Other Funds	12,007			4	12,011
Net Cash Provided by Non Capital Financing	\$ 6,587	\$ (426)	\$ (71)	\$ 3,504	\$ 9,594
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Capital Contributed by Other Sources		265			265
Proceeds from the Sale of Bonds and Notes	7,746				7,746
Acquisition of Property, Plant and Equipment	(95)	(118)		(1,749)	(1,962)
Interest Paid on Bonds and Notes	(47)		(23)	(110)	(180)
Principal Paid on Bonds and Notes	(12,350)		(185)	(925)	(13,460)
Additions to Construction in Progress	(3,867)	(418)	(129)	(4,490)	(8,904)
Net Cash (Used) by Capital and Related Financing Activities	(8,613)	(271)	(337)	(7,274)	(16,495)
<u>Cash Flow from Investing Activities:</u>					
Interest and Dividends on Investments	325	57	33	179	594
Net Cash Provided by Investing Activities	325	57	33	179	594
Net Increase (Decrease) in Cash and Cash Equivalents	8,322	(142)	79	(173)	8,086
Cash and Cash Equivalents at Beginning of Year	6,493	1,570	1,128	4,670	13,861
Cash and Cash Equivalents at End of Year	<u>\$ 14,815</u>	<u>\$ 1,428</u>	<u>\$ 1,207</u>	<u>\$ 4,497</u>	<u>\$ 21,947</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended December 31, 2005
(Amounts in Thousands)

	Business Type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Parking Facilities	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)	\$ 721	\$ (245)	\$ (293)	\$ 1,431	\$ 1,614
Depreciation and Amortization	1,686	656	619	1,603	4,564
Changes in Assets and Liabilities:					
(Increase) Decrease in:					
Receivables	(25)	(24)	(1)	86	36
Due from Other Funds		46		86	132
Prepaid Items	1	(20)			(19)
Increase (Decrease) in:					
Accounts Payable	48	(22)	115	74	215
Deposits Payable		(10)			(10)
Due to Other Funds	21	(1)	4	42	66
Accrued Payroll	(5)	7		(3)	(1)
Accrued Liabilities	(9)	25	1		17
Unearned Revenue	7,320				7,320
Estimated Liability for Compensated Absences	12	19	4	1	36
Estimated Liability for Unpaid Claims	6			(1)	5
Net Pension Obligation	206	56	4	83	349
Net Other Post Employment Benefit Obligation	41	11	1	16	69
Net Cash Provided (Used) by Operating Activities	<u>\$ 10,023</u>	<u>\$ 498</u>	<u>\$ 454</u>	<u>\$ 3,418</u>	<u>\$ 14,393</u>

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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, 2005

(Amounts in Thousands)

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Mechanized Street Sweeping	Self Insurance Medical	Self Insurance Workers' Compensation	Regional Computer Center	Total Internal Service Funds
Assets								
<u>Current</u>								
Equity in City Treasury Cash	\$ 397	\$ 109	\$ 124	\$ 54	\$ 5,878	\$ 21,987	\$ 901	\$ 29,450
Receivables:								
Accounts, Net	14	270	24				28	336
Accrued Interest					38	296	7	341
Due from Other Funds		945	18	67	29	4	1,202	2,265
Due from Other Governments							2,188	2,188
Prepaid Items		3	11	51	1,215		325	1,605
Inventory	45	243						288
Advances to Other Funds							4,984	4,984
<u>Noncurrent</u>								
Equity in City Treasury Cash	355	98	111	49	5,267	19,703	807	26,390
Land		283						283
Buildings, net of Accumulated Depreciation								
Improvements, net of Accumulated Depreciation		2,533	5				962	3,500
Machinery and Equipment, net of Accumulated Depreciation	307	361		15			35,440	36,123
Construction in Progress		16						16
Property Acquired under Capital Leases, net of Accumulated Amortization	22							22
Total Assets	1,140	4,861	293	236	12,427	41,990	46,844	107,791

CITY OF CINCINNATI, OHIO

Combining Statement of Net Assets

Internal Service Funds

December 31, 2005

(Amounts in Thousands)

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Mechanized Street Sweeping	Self Insurance Medical	Self Insurance Workers' Compensation	Regional Computer Center	Total Internal Service Funds
Liabilities								
<u>Current</u>								
Accounts Payable	\$ 109	\$ 799	\$ 4	\$ 4	\$ 3,752	\$ 834	\$ 1,313	\$ 6,815
Due to Other Funds	3	1,076	10	5	177		89	1,360
Accrued Payroll	19	160	10	13			491	693
Accrued Liabilities	1	2				2,547	5	2,555
Obligations under Capital Leases	14							14
Deposits Payable			40					40
Unearned Revenue			21				1,871	1,892
Estimated Liability for Compensated Absences	42	372	14	31			930	1,389
Estimated Liability for Unpaid Claims					9,395	4,850		14,245
<u>Noncurrent</u>								
Estimated Liability for Compensated Absences	44	200	36	40			552	872
Estimated Liability for Unpaid Claims						16,965		16,965
Advances from Other Funds		206	177	185				568
Advances from Other Governments		20					1	21
Net Pension Obligation	31	349	18	24			772	1,194
Net Other Post Employment Benefit Obligation	6	69	4	5			152	236
Total Liabilities	269	3,253	334	307	13,324	25,196	6,176	48,859
<u>Net Assets</u>								
Investment in Capital Assets Net of Related Debt	315	3,193	5	15			36,402	39,930
Unrestricted	556	(1,585)	(46)	(86)	(897)	16,794	4,266	19,002
Total Net Assets	\$ 871	\$ 1,608	\$ (41)	\$ (71)	\$ (897)	\$ 16,794	\$ 40,668	\$ 58,932

CITY OF CINCINNATI, OHIO

Combining Statement of Revenue, Expenses and Changes in Fund Net Assets

Internal Service Funds

For the year ended December 31, 2005

(Amounts in Thousands)

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Mechanized Street Sweeping	Self Insurance Medical	Self Insurance Workers' Compensation	Regional Computer Center	Total Internal Service Funds
<u>Operating Revenue:</u>								
Charges for Services	\$ 2,960	\$ 13,919	\$	\$ 698	\$ 78,649	\$	\$ 17,259	\$ 113,485
Miscellaneous Income			2,322				37	2,359
Total Operating Revenue	2,960	13,919	2,322	698	78,649		17,296	115,844
<u>Operating Expenses:</u>								
Personal Services	627	5,135	258	422			11,254	17,696
Contractual Services	707	254	294		432	743	2,491	4,921
Maintenance and Repairs	105	585	4	136			1,656	2,486
Materials and Supplies	1,489	8,249	5	49		13	1,265	11,070
Utilities	4	236	2				609	851
Insurance	1	7	34		77,562	12,233	61	89,898
Taxes		2						2
Rent	9	31	1	93			2,441	2,575
Depreciation and Amortization	69	218	1	8			2,551	2,847
Other Expense		47			7	31	17	102
Total Operating Expenses	3,011	14,764	599	708	78,001	13,020	22,345	132,448
Operating Income (Loss)	(51)	(845)	1,723	(10)	648	(13,020)	(5,049)	(16,604)
<u>Non-Operating Revenue (Expenses):</u>								
Interest Expense	(2)	(42)					25	(19)
Interest Revenue					156	1,154		1,310
(Loss) on Sale of Inventory		(187)						(187)
(Loss) on Disposal of Assets	(8)	(3)						(11)
Total Non-Operating Revenue (Expenses)	(10)	(232)			156	1,154	25	1,093
Income (Loss) before Contributions and Transfers	(61)	(1,077)	1,723	(10)	804	(11,866)	(5,024)	(15,511)
Transfers In							1,767	1,767
Transfers (Out)			(1,739)					(1,739)
Capital Contribution		41						41
Change in Net Assets	(61)	(1,036)	(16)	(10)	804	(11,866)	(3,257)	(15,442)
Net Assets, January 1	932	2,644	(25)	(61)	(1,701)	28,660	43,925	74,374
Net Assets, December 31	\$ 871	\$ 1,608	\$ (41)	\$ (71)	\$ (897)	\$ 16,794	\$ 40,668	\$ 58,932

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2005
(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	\$ 130	\$ 355	\$ 2,332	\$	\$ 6,130	\$	\$ 8,418	\$ 17,365
Receipts from Other Funds	2,820	13,527		684	31,636		7,365	56,032
Receipts from Retirement System					41,589			41,589
Payment to Suppliers	(2,221)	(9,384)	(367)	(325)	(78,759)	(5,636)	(6,869)	(103,561)
Payments to Other Funds	(12)	(259)					(823)	(1,094)
Payments to Employees	(589)	(4,679)	(230)	(368)			(10,133)	(15,999)
Net Cash Provided (Used) by Operating Activities	128	(440)	1,735	(9)	596	(5,636)	(2,042)	(5,668)
Cash Flows from Non Capital Financing Activities:								
Repayment of Advances Made to Other Funds							640	640
Repayment of Advances From Other Funds		(46)						(46)
Repayment of Amount Due to Other Funds		(111)						(111)
Advances from Other Funds				82				82
Proceeds from Sale of Inventory		937						937
Transfers from Other Funds			(1,730)				1,767	37
Net Cash Provided (Used) by Non-Capital Financing Activities		780	(1,730)	82			2,407	1,539
Cash Flows from Capital and Related Financing Activities:								
Acquisition of Property, Plant and Equipment		(108)					(2,672)	(2,780)
Interest paid on Debt	(2)	(42)						(44)
Payment on Long Term Capital Leases	(14)							(14)
Net Cash (Used) by Capital and Related Financing Activities	(16)	(150)					(2,672)	(2,838)
Cash Flows from Investing Activities:								
Interest and Dividends on Investments					135	1,055	21	1,211
Net Cash Provided by Investing Activities					135	1,055	21	1,211
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 112	\$ 190	\$ 5	\$ 73	\$ 731	\$ (4,581)	\$ (2,286)	\$ (5,756)
Cash and Cash Equivalents at Beginning of Year	640	17	230	30	10,414	46,271	3,994	61,596
Cash and Cash Equivalents at End of Year	\$ 752	\$ 207	\$ 235	\$ 103	\$ 11,145	\$ 41,690	\$ 1,708	\$ 55,840

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2005
(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)	\$ (51)	\$ (845)	\$ 1,723	\$ (10)	\$ 648	\$ (13,020)	\$ (5,049)	\$ (16,604)
Depreciation and Amortization	69	218	1	8			2,551	2,847
Changes in Assets and Liabilities:								
(Increase) Decrease in:								
Receivables	(10)	(144)	86				438	370
Due from Other Funds		107	(18)	(14)	513	(3)	(116)	469
Due from Other Governments							(2,005)	(2,005)
Inventory	9	(96)						(87)
Prepaid Items			(11)	31	(7)		(4)	9
Increase (Decrease) in:								
Accounts Payable	73	(150)	2	4	(735)	816	810	820
Deposits Payable			(38)					(38)
Due to Other Funds	1	14		(81)	177		55	166
Accrued Payroll	(1)	2		3			97	101
Accrued Liabilities	1					(1,753)		(1,752)
Advances from Other Governments							1	1
Unearned Revenue			(38)				170	132
Liability for Compensated Absences		36	6	21			86	149
Estimated Liability for Unpaid Claims						8,324		8,324
Net Pension Obligation	31	349	18	24			772	1,194
Net Other Post Employment Benefit Obligation	6	69	4	5			152	236
Net Cash Provided (Used) by Operating Activities	<u>\$ 128</u>	<u>\$ (440)</u>	<u>\$ 1,735</u>	<u>\$ (9)</u>	<u>\$ 596</u>	<u>\$ (5,636)</u>	<u>\$ (2,042)</u>	<u>\$ (5,668)</u>
<u>Schedule of Noncash Investing,</u>								
<u>Capital and Financing Activities:</u>								
Property Plant and Equipment Contributed by Other Funds	\$	\$ 97	\$	\$	\$	\$	\$	\$ 97
Total Noncash Investing, Capital and Financing Activities	<u>\$</u>	<u>\$ 97</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 97</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 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, 2005
(Amounts in Thousands)

Assets:

Cash and Equivalents	\$ 103,597
Investments, at fair value:	
U. S. Government Bonds	71,968
U. S. Government Agencies	2,684
U. S. Government Mortgage Backed Securities	373,637
Corporate Bonds	273,713
State and Local Obligations	3,491
Equities	1,580,405
Venture Capital	19,512
Other Bonds	23,301
Other Assets	523
Total Investments, at fair value	<u>2,349,234</u>
Collateral on Loaned Securities	394,397
Receivables:	
Accounts Receivable for Securities Sold	80,077
Accounts Receivable - Other	172
Accrued Interest and Dividends	8,990
Due from Other Funds	2,414
Due from Other Governments	158
Loans Receivable	19,049
Machinery and Equipment	1,369
Accumulated Depreciation	<u>(1,285)</u>
Total Assets	2,958,172

Liabilities:

Accounts Payable for Securities Purchased	139,871
Accounts Payable - Other	2,196
Due to Other Funds	21
Obligations under Securities Lending	394,397
Accrued Payroll	22
Accrued Liabilities	9,311
Estimated Liability for Compensated Absences	<u>97</u>
Total Liabilities	<u>545,915</u>

Net assets:

Held in Trust for Employees' Pension Benefits	1,642,574
Held in Trust for Employees' Postemployment Healthcare Benefits	<u>769,683</u>
Combined Net Assets	<u><u>\$ 2,412,257</u></u>

CITY OF CINCINNATI, OHIO
Combining Statement of Changes in Plan Net Assets
Pension Trust
For the year ended December 31, 2005
(Amounts in Thousands)

	Pension	Healthcare	Total
<u>Additions:</u>			
Contributions:			
Member	\$ 10,686	\$ 2,107	\$ 12,793
Employer	15,923	3,139	19,062
Total Contributions	<u>26,609</u>	<u>5,246</u>	<u>31,855</u>
Transfers From Other Retirement Systems	319		319
Investment Income			
From Investing Activities:			
Net Appreciation in Fair Value of Investments	59,269	27,796	87,065
Interest & Dividends	47,366	22,214	69,580
Investment Income	106,635	50,010	156,645
Less Investment Management Expenses	4,848	2,183	7,031
Net Income From Investing Activities	<u>101,787</u>	<u>47,827</u>	<u>149,614</u>
From Security Lending Activities:			
Securities Lending Income	10,165	4,577	14,742
Securities Lending Expense:			
Borrower Rebates	(9,216)	(4,150)	(13,366)
Management Fees	(267)	(120)	(387)
Total Securities Lending Expenses	<u>(9,483)</u>	<u>(4,270)</u>	<u>(13,753)</u>
Net Income from Securities Lending Activities	<u>682</u>	<u>307</u>	<u>989</u>
Total Additions	<u>129,397</u>	<u>53,380</u>	<u>182,777</u>
<u>Deductions:</u>			
Benefits Payments:			
Pension and Annuities	106,418		106,418
Hospital and Medical Care		39,197	39,197
Medicare		3,211	3,211
Dental Benefits		1,269	1,269
Vision Benefits		322	322
Death Benefits, Active and Retired	1,065		1,065
Loss Due to Death of Members with Loans	8		8
Transfers - Retirement to Other Systems	548		548
Total Benefits Payments	<u>108,039</u>	<u>43,999</u>	<u>152,038</u>
Refunds of Contributions	<u>1,758</u>		<u>1,758</u>
Administrative Expenses:			
Personal Services	426	187	613
Contractual Services	419	184	603
Materials and Supplies	40	18	58
Depreciation	182	80	262
Total Administration Expenses	<u>1,067</u>	<u>469</u>	<u>1,536</u>
Total Deductions	<u>110,864</u>	<u>44,468</u>	<u>155,332</u>
Net Increase	18,533	8,912	27,445
Net Assets held in Trust for Benefits			
Beginning of Year	1,624,041	760,771	2,384,812
End of Year	<u>\$ 1,642,574</u>	<u>\$ 769,683</u>	<u>\$ 2,412,257</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2005
(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	\$ 241	\$ 223	\$ 25	\$ 1,797	\$	\$ 2,286
Investments, at fair value					320,041	320,041
Receivables:						
Accounts, Net				13	27,601	27,614
Accrued Interest and Dividends					1,070	1,070
Due from Other Funds					47	47
Inventory					880	880
Total Assets	<u>\$ 241</u>	<u>\$ 223</u>	<u>\$ 25</u>	<u>\$ 1,810</u>	<u>\$ 349,639</u>	<u>\$ 351,938</u>
Liabilities						
Accounts Payable	\$ 225	\$	\$	\$	\$ 10,944	\$ 11,169
Due to Other Governmental Agencies					327,618	327,618
Accrued Payroll					1,323	1,323
Accrued Liabilities					18	18
Deposits Payable	16	223	25	1,810		2,074
Estimated Liability for Compensated Absences					6,581	6,581
Net Pension Obligation					2,635	2,635
Net Other Post Employment Benefit Obligation					520	520
Total Liabilities	<u>\$ 241</u>	<u>\$ 223</u>	<u>\$ 25</u>	<u>\$ 1,810</u>	<u>\$ 349,639</u>	<u>\$ 351,938</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended December 31, 2005
(Amounts in Thousands)

	Balance January 1, 2005	Additions	Deductions	Balance December 31, 2005
<u>TOWING CHARGES - PRIVATE OPERATORS</u>				
ASSETS				
Equity in City Treasury Cash	\$ 213	\$ 806	\$ 778	\$ 241
LIABILITIES				
Accounts Payable	\$	\$ 225	\$	\$ 225
Due to Other Funds	170		170	
Deposits Payable	43	507	534	16
Total Liabilities	\$ 213	\$ 732	\$ 704	\$ 241
<u>ADMISSION TAX BONDS</u>				
ASSETS				
Equity in City Treasury Cash	\$ 25	\$	\$	\$ 25
LIABILITIES				
Deposits Payable	\$ 25	\$	\$	\$ 25
<u>CONVENTION FACILITY AUTHORITY</u>				
ASSETS				
Equity in City Treasury Cash	\$ 222	\$ 5,467	\$ 5,466	\$ 223
LIABILITIES				
Deposits Payable	\$ 222	\$ 5,467	\$ 5,466	\$ 223
<u>ENGINEERING DEPOSITS</u>				
ASSETS				
Equity in City Treasury Cash	\$ 1,485	\$ 1,547	\$ 1,235	\$ 1,797
Accounts Receivable	4	248	239	13
Due From Other Funds	41		41	
Total Assets	\$ 1,530	\$ 1,795	\$ 1,515	\$ 1,810
LIABILITIES				
Deposits Payable	\$ 1,530	\$ 1,640	\$ 1,360	\$ 1,810

CITY OF CINCINNATI, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended December 31, 2005
(Amounts in Thousands)

	Balance January 1, 2005	Additions	Deductions	Balance December 31, 2005
<u>METROPOLITAN SEWER DISTRICT</u>				
ASSETS				
Investments	\$ 231,977	\$ 238,292	\$ 150,228	\$ 320,041
Cash With Fiscal Agent		975	975	
Accounts Receivable	25,766	33,440	31,605	27,601
Accrued Interest Receivable	190	1,086	206	1,070
Due From Other Funds	333	47	333	47
Inventory	904	705	729	880
Total Assets	<u>\$ 259,170</u>	<u>\$ 274,545</u>	<u>\$ 184,076</u>	<u>\$ 349,639</u>
LIABILITIES				
Accounts Payable	\$ 8,876	\$ 10,944	\$ 8,876	\$ 10,944
Vouchers Payable		163,721	163,721	
Due to Other Funds	419	387	806	
Due to Other Governmental Agencies	242,205	327,618	242,205	327,618
Accrued Payroll	1,316	1,323	1,316	1,323
Accrued Liabilities	8	18	8	18
Estimated Liability for Compensated Absences	6,346	3,820	3,585	6,581
Net Pension Obligation		2,635		2,635
Net Other Post Employment Benefit Obligation		520		520
Total Liabilities	<u>\$ 259,170</u>	<u>\$ 510,986</u>	<u>\$ 420,517</u>	<u>\$ 349,639</u>
<u>TOTAL AGENCY FUNDS</u>				
ASSETS				
Equity in City Treasury Cash	\$ 1,945	\$ 7,820	\$ 7,479	\$ 2,286
Investments	231,977	238,292	150,228	320,041
Receivables:				
Accounts, Net	25,770	33,688	31,844	27,614
Accrued Interest Receivable	190	1,086	206	1,070
Due from Other Funds	374	47	374	47
Inventory	904	705	729	880
Total Assets	<u>\$ 261,160</u>	<u>\$ 281,638</u>	<u>\$ 190,860</u>	<u>\$ 351,938</u>
LIABILITIES				
Accounts Payable	\$ 8,876	\$ 11,169	\$ 8,876	\$ 11,169
Vouchers Payable		163,721	163,721	
Due to Other Governmental Agencies	242,205	327,618	242,205	327,618
Due to Other Funds	589	387	976	
Accrued Payroll	1,316	1,323	1,316	1,323
Accrued Liabilities	8	18	8	18
Deposits Payable	1,820	7,614	7,360	2,074
Estimated Liability for Compensated Absences	6,346	3,820	3,585	6,581
Net Pension Obligation		2,635		2,635
Net Other Post Employment Benefit Obligation		520		520
Total Liabilities	<u>\$ 261,160</u>	<u>\$ 518,825</u>	<u>\$ 428,047</u>	<u>\$ 351,938</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>2005</u>	<u>2004</u>
Governmental Funds Capital Assets		
Land	\$ 155,456	\$ 153,339
Buildings	140,508	141,497
Improvements	295,663	280,699
Machinery and Equipment	136,542	129,721
Infrastructure	517,556	474,474
Construction in Progress	133,043	140,822
Property acquired under capital leases	<u>56</u>	<u>56</u>
Total Governmental Capital Assets	<u>\$ 1,378,824</u>	<u>\$ 1,320,608</u>
Investment in Governmental Capital Assets	<u>\$ 1,378,824</u>	<u>\$ 1,320,608</u>

Investment in Governmental Capital Assets by Source:

Permanent Improvement Fund or		
General Obligation Bonds	\$ 846,853	\$ 798,610
Federal Grants	50,021	50,496
State Grants	151,948	148,760
County Grants	24,198	23,049
General Fund Revenues	49,168	48,566
Special Revenue Funds	8,998	10,905
Gifts	13,337	12,057
Other and Undifferentiated	<u>234,301</u>	<u>228,165</u>
Total from All Sources	<u>\$ 1,378,824</u>	<u>\$ 1,320,608</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, 2005
(Amounts In Thousands)

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	Total	Land	Buildings	Improvements	Equipment	Infrastructure	Property Acquisition under Capital Leases	Construction In Progress
Mayor and Council	\$ 82	\$	\$	\$	\$ 82	\$	\$	\$
City Manager	361		48		313			
Law	79				79			
Human Resources	4,643			4,405	238			
Finance	365				365			
Regional Computer Center	3,875				3,875			
Community Development	105,575	60,677	1,498	42,958		175		
Recreation	91,870	6,896	18,123	63,272	3,443	136		
Parks	33,730	12,212	8,836	8,294	2,363	2,025		
Buildings and Inspections	396				396			
Public Safety	52,720	1,591	7,852	8,502	34,775			
Transportation & Engineering	546,600	13,864	6,144	10,799	958	514,835		
Enterprise Services	1,181	296			885			
Public Services	40,675	689	4,454	11,739	23,408	385		
Public Health	11,311	237	2,722	6,084	2,268			
Pooled, Unassigned Equipment	993				993			
Southern Railway Improvement	83,224			83,224				
General Government								
Land	58,711	58,711						
Buildings	90,559		90,559					
Improvements	51,746			51,746				
Total Governmental Capital Assets Allocated by Function	<u>1,178,696</u>	<u>155,173</u>	<u>140,236</u>	<u>291,023</u>	<u>74,708</u>	<u>517,556</u>		
Construction in Progress	133,027							133,027
Internal Service Funds:								
Purchasing, Printing and Stores	857				801		56	
Fleet Services	5,833	283	272	3,449	1,813			16
Street Sweeping	77				77			
Property Management	6			6				
Regional Computer Center	60,328			1,185	59,143			
Total Governmental Capital Assets	<u>\$ 1,378,824</u>	<u>\$ 155,456</u>	<u>\$ 140,508</u>	<u>\$ 295,663</u>	<u>\$ 136,542</u>	<u>\$ 517,556</u>	<u>\$ 56</u>	<u>\$ 133,043</u>

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, 2005

(Amounts in Thousands)

	General Fixed Assets January 1, 2005	Additions	Deletions	General Fixed Assets December 31, 2005
Mayor and Council	\$ 82	\$	\$	\$ 82
City Manager	380	11	30	361
Law	83		4	79
Human Resources	4,657		14	4,643
Regional Computer Center	3,880	41	46	3,875
Finance	482		117	365
Community Development	101,601	3,974		105,575
Recreation	89,303	3,783	1,216	91,870
Parks	32,204	2,703	1,177	33,730
Buildings and Inspections	406		10	396
Public Safety	49,857	5,583	2,720	52,720
Transportation & Engineering	504,803	42,015	218	546,600
Enterprise Services	1,181			1,181
Public Services	40,079	1,441	845	40,675
Public Health	10,684	664	37	11,311
Pooled, Unassigned Equipment	770	595	372	993
Southern Railway Improvement	83,224			83,224
General Government				
Land	59,717		1,006	58,711
Buildings	90,559			90,559
Improvements	41,664	10,141	59	51,746
Construction in Progress	140,822	64,257	72,052	133,027
Internal Service Funds:				
Purchasing, Printing and Stores	866		9	857
Fleet Services	5,554	425	146	5,833
Street Sweeping	77			77
Property Management	6			6
Regional Computer Center	57,667	2,746	85	60,328
Total Governmental Capital Assets	<u>\$ 1,320,608</u>	<u>\$ 138,379</u>	<u>\$ 80,163</u>	<u>\$ 1,378,824</u>

SCHEDULES

CITY OF CINCINNATI, OHIO

Outstanding Bonds and Notes

December 31, 2005

<u>Year</u>	<u>~General Obligation Bonds and Notes</u>	<u>#Municipal Income Tax Bonds & Notes</u>	<u>@Water Works Bonds</u>	<u>Revenue* Bonds</u>	<u>@Police & Fire Pension Bonds</u>
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
2005	217,710,000	13,560,000	31,380,000	332,094,000	42,935,000

<u>Year</u>	<u>++Urban Development Taxable Bonds</u>	<u>@University Dormitory and Improvement Bonds</u>	<u>@Recreational Facility Bonds & Notes</u>	<u>@Off-Street Parking Facilities Bonds</u>	<u>Urban Renewal/ Economic Development Bonds & Notes</u>
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
2005	5,830,000----	8,375,000	350,000	35,046,800	

<u>Year</u>	<u>@Stormwater Bonds and Notes</u>	<u>@Urban Redevelopment Bonds and Notes</u>	<u>Gross Tax Supported Debt</u>	<u>Gross Revenue Supported Debt</u>	<u>Gross Total Debt</u>
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
2005	1,450,000	14,885,000	217,710,000	485,905,800	703,615,800

- ~ 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
SCHEDULE OF ANNUAL DEBT SERVICE
December 31, 2005

PROPERTY TAX-SUPPORTED

<u>Year</u>	<u>Maturing</u>	<u>Interest Cost</u>	<u>Debt Service Requirement</u>	<u>Outstanding Debt End of Year</u>
2005				217,710,000
2006	23,955,000	10,248,640	34,203,640	193,755,000
2007	21,385,000	9,222,753	30,607,753	172,370,000
2008	19,665,000	8,251,148	27,916,148	152,705,000
2009	18,315,000	7,335,618	25,650,618	134,390,000
2010	15,865,000	6,497,863	22,362,863	118,525,000
2011	15,325,000	5,779,575	21,104,575	103,200,000
2012	15,325,000	5,059,400	20,384,400	87,875,000
2013	15,325,000	4,318,819	19,643,819	72,550,000
2014	15,320,000	3,563,931	18,883,931	57,230,000
2015	14,740,000	2,802,625	17,542,625	42,490,000
2016	12,565,000	2,072,944	14,637,944	29,925,000
2017	10,315,000	1,441,769	11,756,769	19,610,000
2018	7,545,000	920,131	8,465,131	12,065,000
2019	5,410,000	565,344	5,975,344	6,655,000
2020	3,655,000	306,381	3,961,381	3,000,000
2021	650,000	124,088	774,088	2,350,000
2022	650,000	98,088	748,088	1,700,000
2023	650,000	71,438	721,438	1,050,000
2024	650,000	44,625	694,625	400,000
2025	400,000	17,000	417,000	0

SELF-SUPPORTED

<u>Year</u>	<u>Maturing</u>	<u>Interest Cost</u>	<u>Debt Service Requirement</u>	<u>Outstanding Debt End of Year</u>	<u>Year</u>	<u>Maturing</u>	<u>Interest Cost</u>	<u>Debt Service Requirement</u>	<u>Outstanding Debt End of Year</u>	<u>Year</u>
2005				140,251,800	2005				140,251,800	2005
2006	23,955,000	10,248,640	34,203,640	113,315,000	2006	26,936,800	6,195,473	33,132,273	113,315,000	2006
2007	21,385,000	9,222,753	30,607,753	100,195,000	2007	13,120,000	5,089,043	18,209,043	100,195,000	2007
2008	19,665,000	8,251,148	27,916,148	90,565,000	2008	9,630,000	4,504,493	14,134,493	90,565,000	2008
2009	18,315,000	7,335,618	25,650,618	83,840,000	2009	6,725,000	4,087,988	10,812,988	83,840,000	2009
2010	15,865,000	6,497,863	22,362,863	77,020,000	2010	6,820,000	3,799,795	10,619,795	77,020,000	2010
2011	15,325,000	5,779,575	21,104,575	70,100,000	2011	6,920,000	3,504,089	10,424,089	70,100,000	2011
2012	15,325,000	5,059,400	20,384,400	63,195,000	2012	6,905,000	3,203,726	10,108,726	63,195,000	2012
2013	15,325,000	4,318,819	19,643,819	57,635,000	2013	5,560,000	2,898,809	8,458,809	57,635,000	2013
2014	15,320,000	3,563,931	18,883,931	52,185,000	2014	5,450,000	2,649,651	8,099,651	52,185,000	2014
2015	14,740,000	2,802,625	17,542,625	48,450,000	2015	3,735,000	2,405,496	6,140,496	48,450,000	2015
2016	12,565,000	2,072,944	14,637,944	44,825,000	2016	3,625,000	2,231,028	5,856,028	44,825,000	2016
2017	10,315,000	1,441,769	11,756,769	41,365,000	2017	3,460,000	2,058,658	5,518,658	41,365,000	2017
2018	7,545,000	920,131	8,465,131	37,815,000	2018	3,550,000	1,889,275	5,439,275	37,815,000	2018
2019	5,410,000	565,344	5,975,344	34,175,000	2019	3,640,000	1,717,673	5,357,673	34,175,000	2019
2020	3,655,000	306,381	3,961,381	31,110,000	2020	3,065,000	1,547,018	4,612,018	31,110,000	2020
2021	650,000	124,088	774,088	28,405,000	2021	2,705,000	1,403,113	4,108,113	28,405,000	2021
2022	650,000	98,088	748,088	26,330,000	2022	2,075,000	1,272,828	3,347,828	26,330,000	2022
2023	650,000	71,438	721,438	24,180,000	2023	2,150,000	1,174,255	3,324,255	24,180,000	2023
2024	650,000	44,625	694,625	21,960,000	2024	2,220,000	1,079,995	3,299,995	21,960,000	2024
2025	400,000	17,000	417,000	20,255,000	2025	1,705,000	977,175	2,682,175	20,255,000	2025
				18,475,000	2026	1,780,000	904,713	2,684,713	18,475,000	2026
				16,625,000	2027	1,850,000	829,063	2,679,063	16,625,000	2027
				14,690,000	2028	1,935,000	748,125	2,683,125	14,690,000	2028
				12,665,000	2029	2,025,000	661,050	2,686,050	12,665,000	2029
				10,550,000	2030	2,115,000	569,925	2,684,925	10,550,000	2030
				8,340,000	2031	2,210,000	474,750	2,684,750	8,340,000	2031
				6,030,000	2032	2,310,000	375,300	2,685,300	6,030,000	2032
				3,620,000	2033	2,410,000	271,350	2,681,350	3,620,000	2033
				1,100,000	2034	2,520,000	162,900	2,682,900	1,100,000	2034
				0	2035	1,100,000	49,500	1,149,500	0	2035

MUNICIPAL INCOME TAX SUPPORTED

<u>Year</u>	<u>Maturing</u>	<u>Interest Cost</u>	<u>Debt Service Requirement</u>	<u>Outstanding Debt End of Year</u>
2005				13,560,000
2006	4,760,000	539,550	5,299,550	8,800,000
2007	560,000	393,880	953,880	8,240,000
2008	560,000	368,330	928,330	7,680,000
2009	560,000	341,730	901,730	7,120,000
2010	560,000	316,530	876,530	6,560,000
2011	560,000	292,730	852,730	6,000,000
2012	560,000	268,930	828,930	5,440,000
2013	560,000	245,830	805,830	4,880,000
2014	560,000	222,030	782,030	4,320,000
2015	560,000	197,530	757,530	3,760,000
2016	530,000	172,750	702,750	3,230,000
2017	530,000	148,050	678,050	2,700,000
2018	530,000	123,000	653,000	2,170,000
2019	530,000	95,450	625,450	1,640,000
2020	490,000	70,400	560,400	1,150,000
2021	250,000	47,500	297,500	900,000
2022	250,000	37,500	287,500	650,000
2023	250,000	27,250	277,250	400,000
2024	250,000	16,875	266,875	150,000
2025	150,000	6,375	156,375	0

TOTAL

<u>Year</u>	<u>Maturing</u>	<u>Interest Cost</u>	<u>Debt Service Requirement</u>	<u>Outstanding Debt End of Year</u>	<u>Year</u>
2005				703,615,800	2005
2006	72,176,800	32,632,344	104,809,144	631,439,000	2006
2007	48,967,000	29,813,397	78,780,397	582,472,000	2007
2008	44,340,000	27,630,631	71,970,631	538,132,000	2008
2009	40,478,000	25,815,777	66,293,777	497,654,000	2009
2010	38,684,000	23,899,062	62,583,062	458,970,000	2010
2011	37,630,000	22,209,035	59,839,035	421,340,000	2011
2012	38,460,000	20,334,950	58,794,950	382,880,000	2012
2013	37,840,000	18,527,664	56,367,664	345,040,000	2013
2014	38,680,000	16,548,499	55,228,499	306,360,000	2014
2015	37,305,000	14,595,164	51,900,164	269,055,000	2015
2016	35,315,000	12,783,437	48,098,437	233,740,000	2016
2017	33,390,000	10,916,634	44,306,634	200,350,000	2017
2018	31,600,000	9,300,022	40,900,022	168,750,000	2018
2019	30,655,000	7,654,586	38,309,586	138,095,000	2019
2020	29,255,000	6,221,975	35,476,975	108,840,000	2020
2021	26,860,000	4,670,751	31,530,751	81,980,000	2021
2022	19,855,000	3,320,720	23,175,720	62,125,000	2022
2023	20,595,000	2,527,941	23,122,941	41,530,000	2023
2024	10,945,000	1,603,941	12,548,941	30,585,000	2024
2025	10,330,000	1,244,819	11,574,819	20,255,000	2025
2026	1,780,000	904,713	2,684,713	18,475,000	2026
2027	1,850,000	829,063	2,679,063	16,625,000	2027
2028	1,935,000	748,125	2,683,125	14,690,000	2028
2029	2,025,000	661,050	2,686,050	12,665,000	2029
2030	2,115,000	569,925	2,684,925	10,550,000	2030
2031	2,210,000	474,750	2,684,750	8,340,000	2031
2032	2,310,000	375,300	2,685,300	6,030,000	2032
2033	2,410,000	271,350	2,681,350	3,620,000	2033
2034	2,520,000	162,900	2,682,900	1,100,000	2034
2035	1,100,000	49,500	1,149,500	0	2035

REVENUE

<u>Year</u>	<u>Maturing</u>	<u>Interest Cost</u>	<u>Debt Service Requirement</u>	<u>Outstanding Debt End of Year</u>
2005				332,094,000
2006	16,525,000	15,648,680	32,173,680	315,569,000
2007	13,902,000	15,107,722	29,009,722	301,667,000
2008	14,485,000	14,506,661	28,991,661	287,182,000
2009	14,878,000	14,050,442	28,928,442	272,304,000
2010	15,439,000	13,284,875	28,723,875	256,865,000
2011	14,825,000	12,632,642	27,457,642	242,040,000
2012	15,670,000	11,802,894	27,472,894	226,370,000
2013	16,395,000	11,064,207	27,459,207	209,975,000
2014	17,350,000	10,112,886	27,462,886	192,625,000
2015	18,270,000	9,189,513	27,459,513	174,355,000
2016	18,595,000	8,306,716	26,901,716	155,760,000
2017	19,085,000	7,268,158	26,353,158	136,675,000
2018	19,975,000	6,367,616	26,342,616	116,700,000
2019	21,075,000	5,276,120	26,351,120	95,625,000
2020	22,045,000	4,298,177	26,343,177	73,580,000
2021	23,255,000	3,096,051	26,351,051	50,325,000
2022	16,880,000	1,912,305	18,792,305	33,445,000
2023	17,545,000	1,254,999	18,799,999	15,900,000
2024	7,825,000	462,446	8,287,446	8,075,000
2025	8,075,000	244,269	8,319,269	0

Schedule of Expenditure of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2005
(Amounts in Thousands)

				Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures
Grantor/Program Title	Fund	CFDA #	Grant #			
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	1,897		(2,011)
* Hamilton County WIC Program	391	10.557	31-2-001-1-CL-05	655		(478)
Total for CFDA No. 10.557				2,552		(2,489)
TOTAL DEPARTMENT OF AGRICULTURE				2,552		(2,489)
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		31		(31)
(a.) Total for CFDA No. 93.044				31		(31)
* Special Programs for the Aging Title III Part C	324	93.045		179	22	(204)
(a.) Total for CFDA No. 93.045				179	22	(204)
* Passed through Cincinnati Health Network						
* Homeless Health Care Program	448	93.151	Contract #55-9343	171		(163)
(b.) Total for CFDA No. 93.151				171		(163)
* Passed through Ohio Department of Health						
* Regional Lead Poisoning Prevention	380	93.197	31-2-001-1-BE-02		8	
* Regional Lead Poisoning Prevention	380	93.197	31-2-001-1-BE-05	56		(57)
* Regional Lead Poisoning Prevention	380	93.197	31-2-001-1-BE-06	17		(27)
Total for CFDA No. 93.197				73	8	(84)
* Passed through Cincinnati Health Network						
* Cincinnati Health Network	446	93.224	Contract #55-9342	320		(324)
(b.) Total for CFDA No. 93.224				320		(324)
* Passed through Ohio Department of Health						
* Public Health Infrastructure	350	93.238	31-2-001-2-B1-05	165		
* Public Health Infrastructure	350	93.238	31-2-001-2-B1-06	107		(127)
Total for CFDA No. 93.238				272		(127)
* Passed through Ohio Department of Health						
* Immunization Action Plan Special	415	93.268	31-2-001-2-AZ-04	50		(19)
* Immunization Action Plan Special	415	93.268	31-2-001-2-AZ-05	354		(319)
Total for CFDA No. 93.268				404		(338)
* Passed through Ohio Department of Health						
* Federal AIDS Prevention	378	93.940	31-2-001-2-AS-05	171		(65)
* Federal AIDS Prevention	378	93.940	31-2-001-2-AS-06	686		(672)
Total for CFDA No. 93.940				857		(737)
* Passed through Ohio Department of Health						
* STD Control Program	378	93.977	31-2-001-2-BX-05	11		(12)
* STD Control Program	378	93.977	31-2-001-2-BX-06	81		(71)
Total for CFDA No. 93.977				92		(83)
STD/HIV Prevention Training Centers	379	93.978	R30/CCR516650-06	334		(330)
Total for CFDA No. 93.978				334		(330)
* Passed through Ohio Department of Health						
* Heart Health in Hamilton County	425	93.991	31-2-001-2-ED-04	10		
* Heart Health in Hamilton County	425	93.991	31-2-001-2-ED-05	117		(127)
Total for CFDA No. 93.991				127		(127)
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				2,860	30	(2,548)

Schedule of Expenditure of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2005
(Amounts in Thousands)

	Grantor/Program Title	Fund	CFDA #	Grant #	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures
3	<i>U.S. Department of Housing & Urban Development</i>						
*	<i>Passed through Ohio Department of Development</i>						
*	Community Development Block Grant	304	14.218	B03-MC390003	1,288		(6,609)
*	Community Development Block Grant	304	14.218	B04-MC390003	8,137	3,324	(12,224)
	(c.) Total for CFDA No. 14.218				9,425	3,324	(18,833)
*	<i>Passed through Ohio Department of Development</i>						
*	Emergency Shelter Grant	445	14.231	S-04-MC-39-0003	98		(98)
*	Emergency Shelter Grant	445	14.231	S-05-MC-39-0003	436		(436)
	Total for CFDA No. 14.231				534		(534)
*	<i>Passed through Ohio Department of Development</i>						
*	HOME-Shelter Plus Care	410	14.238	OH16C10-0014	7		(7)
*	HOME-Shelter Plus Care	410	14.238	OH16C20-0001	93		(93)
*	HOME-Shelter Plus Care	410	14.238	OH16C30-0001	110		(110)
*	HOME-Shelter Plus Care	410	14.238	OH16C30-0020	224		(224)
*	HOME-Shelter Plus Care	410	14.238	OH16C30-0021	405		(405)
*	HOME-Shelter Plus Care	410	14.238	OH16C30-0022	127		(127)
*	HOME-Shelter Plus Care	410	14.238	OH16C40-0001	4		(4)
*	HOME-Shelter Plus Care	410	14.238	OH16C40-0014	979		(979)
*	HOME-Shelter Plus Care	410	14.238	OH16C80-0003	330		(330)
*	HOME-Shelter Plus Care	410	14.238	OH16C90-0004	608		(608)
*	HOME-Shelter Plus Care	410	14.238	OH16C96-0002	35		(35)
	Total for CFDA No. 14.238				2,922		(2,922)
*	<i>Passed through Ohio Department of Development</i>						
*	HOME	411	14.239	M-98-MC-39-0213	24		(24)
*	HOME	411	14.239	M-00-MC-39-0213	17		(17)
*	HOME	411	14.239	M-01-MC-39-0213	84		(84)
*	HOME	411	14.239	M-02-MC-39-0213	3,456		(3,456)
*	HOME	411	14.239	M-03-MC-39-0213	1,122		(1,122)
*	HOME	411	14.239	M-04-MC-39-0213	664		(337)
*	HOME	411	14.239	M-05-MC-39-0213	151	419	(91)
	Total for CFDA No. 14.239				5,518	419	(5,131)
*	<i>Passed through Ohio Department of Development</i>						
*	Housing Opportunities For People With Aids	465	14.241	O-HH-04-F001	134		(134)
*	Housing Opportunities For People With Aids	465	14.241	O-HH-05-F001	431		(431)
	Total for CFDA No. 14.241				565		(565)
	Empowerment Zone	324	14.244				
	Empowerment Zone	386	14.244	EZ-99-04-0009	1,718		(1,718)
	Total for CFDA No. 14.244				1,718		(1,718)
	Findlay Market Phase III	980-02110	14.246	06-01-04417	498		
	Total for CFDA No 14.246				498		
	Lincoln Center Renovation	980	14.866				(2)
	Total for CFDA No. 14.866						(2)
	Cincinnati Lead Abatement Program	387	14.900	OHLHB022002	706		(825)
	Total for CFDA No. 14.900				706		(825)
TOTAL DEPARTMENT OF HOUSING & URBAN DEVELOPMENT					21,886	3,743	(30,530)
4	<i>U.S. Department of the Interior</i>						
*	<i>Passed through Ohio Department of Natural Resources</i>						
*	ODNR-Hooked on Fishing	324	15.605		9		(11)
	(d.) Total for CFDA No. 15.605				9		(11)
TOTAL DEPARTMENT OF THE INTERIOR					9		(11)

Schedule of Expenditure of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2005
(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	76		(101)
* Juvenile Accountability	368	16.540	2004-JB-012-A242	29		(16)
Total for CFDA No. 16.540				105	0	(117)
* Passed through Ohio Office of Criminal Justice Services						
* Bloom/Taft Earn & Learn	447	16.548	00-JV-T50-5035			(28)
Total for CFDA No. 16.548						(28)
* Passed through Ohio Office of Criminal Justice Services						
* Mental Health Associates (Byrne)	368	16.579	2004-DG-B01-7350	76		(76)
* Delinquency Prevention	447	16.579	2003-DG-201-7069	9		(10)
* Delinquency Prevention	447	16.579	2004-DG-201-7069	34	(26)	(40)
* Computer Cop	447	16.579	2003-DG-B01-7263	29		(29)
* Computer Cop	447	16.579	2004-DG-B01-7263	38		(38)
* Cinn Campaign for a Safe Community	368	16.579	2004-DG-B01-7343	115		(115)
Total for CFDA No. 16.579				301	(26)	(308)
* Passed through Ohio Office of Criminal Justice Services						
* Byrne Local Law Enforcement Assistance	338	16.580	2003-LD-BX-0006	100		(76)
Total for CFDA No. 16.580				100		(76)
* Passed through Ohio Office of Criminal Justice Services						
* Domestic Violence Advocacy	368	16.588	2004-WF-VA5-8383	48	20	(64)
Total for CFDA No. 16.588				48	20	(64)
Local Law Enforcement Block Grant	365	16.592	2003-LB-BX-1939		3	
Total for CFDA No. 16.592				0	3	0
Bulletproof Vests	368	16.607	01004115	9		(9)
Total for CFDA No. 16.607				9		(9)
* Passed through Ohio Office of Criminal Justice Services						
* Project Safe Neighborhood	475	16.609	2004-PS-PSN-345	23		(23)
* Project Safe Neighborhood	368	16.609	2003-PS-PSN-300	12		(1)
* Project Safe Neighborhood	368	16.609	2003-PS-PSN-300A	6		(6)
Total for CFDA No. 16.609				41	0	(30)
Police Risk Management Systems	980	16.710	CKWX 0167	195		(115)
Universal Hiring Program	346	16.710	2002-UL-WX-0038	466		(466)
Total for CFDA No. 16.710				661		(581)
TOTAL DEPARTMENT OF JUSTICE				1,265	(3)	(1,213)
6 U.S. Department of Labor						
* Passed through Ohio Job & Family Service						
* WIA-Admin	464	17.260	AF-11585-01-60	66	2	(40)
(e.) Total for CFDA No. 17.260				66	2	(40)
TOTAL DEPARTMENT OF LABOR				66	2	(40)
7 U.S. Department of Transportation						
* Passed through Ohio Department of Transportation						
* Lunken Improvements - '02	980	20.106	3-39-0018-1502		8	
* Lunken Improvements - '03	980	20.106	3-39-0018-1603	218		
Total for CFDA No. 20.106				218	8	0
* Passed through Ohio Department of Transportation						
* Bicycle Grates-Phase IV	980	20.205	PID10605			(3)
* Historic Columbia Pkwy. Enhancemts	980	20.205	PID 15018	106		
* Beechmont Ave SR 32 to Corbley	980	20.205	PID04959			(27)
* Ft Washington Way - State Share	980	20.205	PID18433			(1)
* Ft Washington Way - OKI Share	980	20.205	PID18436	128		(78)
* Intermodal Center - ODOT/TRAC	980	20.205	PID20852	1,163		(72)
* Queen City Ave-White/Wyoming	980	20.205	PID04909	174		(197)
* Queen City Ave-White/Wyoming	980	20.205	PID10599	1,059	170	(1,261)
(f.) Total for CFDA No. 20.205				2,630	170	(1,639)

Schedule of Expenditure of Federal Awards
(Non-GAAP Budgetary Basis)
For the year ended December 31, 2005
(Amounts in Thousands)

Grantor/Program Title	Fund	CFDA #	Grant #	Grant and Contract Revenue Received	Contributions and other Revenue	CFS Expenditures
* Passed through Governor's Highway Safety Office						
* Law Enforcement Overtime Program	368	20.600	5054.0	139		(139)
(g.) Total for CFDA No. 20.600				139		(139)
TOTAL DEPARTMENT OF TRANSPORTATION				2,987	178	(1,778)
8 Environmental Protection Agency						
* Passed through Cinn Metropolitan Housing Authority						
* Neighborhood Housing	980	66.606	XP-96549101-0	433		
Total for CFDA No .66.606				433		
TOTAL ENVIRONMENTAL PROTECTION AGENCY				433		
9 National Park Service						
* Passed through Ohio Historic Preservation Office						
* Cincinnati Historic Resource Survey	338	15.904	39-03-18235	5		
Total for CFDA No. 15.904				5		
Showboat Majestic Improvements	980	15.919	39-03-ML-1381	11		(17)
Urban Park and Recovery	980	15.919	39-CTY-1610-01-01			
Mt. Auburn Hopkins Park	980	15.919	39-CTY-1610-02-01			(182)
Total for CFDA No. 15.919				11		(199)
TOTAL NATIONAL PARK SERVICE				16		(199)
10 Department of Homeland Security						
* Passed through Ohio Dept. of Public Safety						
* Public Assistance Grant Program	461	97.036	EM-061-15000	357	70	(427)
Total for CFDA No . 97.036				357	70	(427)
Assistance to Firefighters	472	97.044	EMW-2003-FG-17406		1	(220)
Total for CFDA No . 97.044					1	(220)
TOTAL DEPARTMENT OF HOMELAND SECURITY				357	71	(647)
TOTAL FEDERAL GRANTS & SUBSIDIES (Non-GAAP Basis)				32,431	4,021	(39,455)
Less Amount Recognized as Contributed Capital				(3,985)		
Less Accrual of Federal Grant & Subsidies at 12/31/04				(1,066)		
Plus Accrual of Federal Grant & Subsidies at 12/31/05				1,046		
Plus Receivable from Federal Government at 12/31/05				1,312		
Amount Recognized as Federal Grants & Subsidies (GAAP Basis)				29,738		

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

- (a.) Aging Cluster
- (b.) Consolidated Health Centers Cluster
- (c.) CDBG Entitlement and Small Cities Cluster
- (d.) Fish and Wildlife Cluster
- (e.) Workforce Incentive Act Cluster
- (f.) Highway and Construction Cluster
- (g.) Highway Safety Cluster

The Schedule of Expenditures of Federal Awards is presented on a Non-GAAP budgetary basis. Total Community Development loans outstanding at December 31, 2005 totaled \$59,636,000.00 Total Rental Rehab loans outstanding totaled \$9,844,000.

CITY OF CINCINNATI, OHIO
INFRASTRUCTURE INCOME TAX

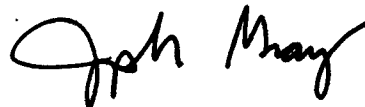
In accordance with the provisions of Chapter 311 of the Cincinnati Municipal Code, an additional earnings tax of .1% shall be levied for costs related to constructing, equipping, maintaining and repair of the City's infrastructure. Such tax shall remain in effect as long as the City appropriates at least 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 2005 and 2004.

(AMOUNTS IN THOUSANDS)

	<u>2005</u>	<u>2004</u>
Required Base Amount	\$57,550	\$60,693
Actual Appropriated Amount	\$77,484	\$72,960
Infrastructure Expenditures - As of December 31, 2005	\$42,620	\$59,294
Percentage of Expenditures to Base Amount	74.0573%	97.6950%

I hereby certify that the City of Cincinnati appropriated for 2005 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 2005 for the 2004 Infrastructure year more than 90% of the annual base amount, which satisfies the requirements for continuation of the Infrastructure Income Tax.



Joe Gray
Director of Finance

2005

s t a t i s t i c a l



Great American Ball Park



STATISTICAL SECTION

3

CITY OF CINCINNATI, OHIO

STATISTICAL SECTION

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

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

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

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

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

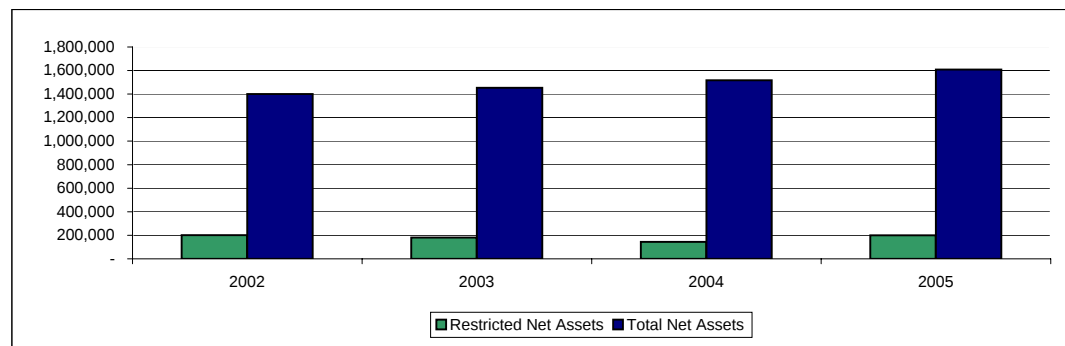
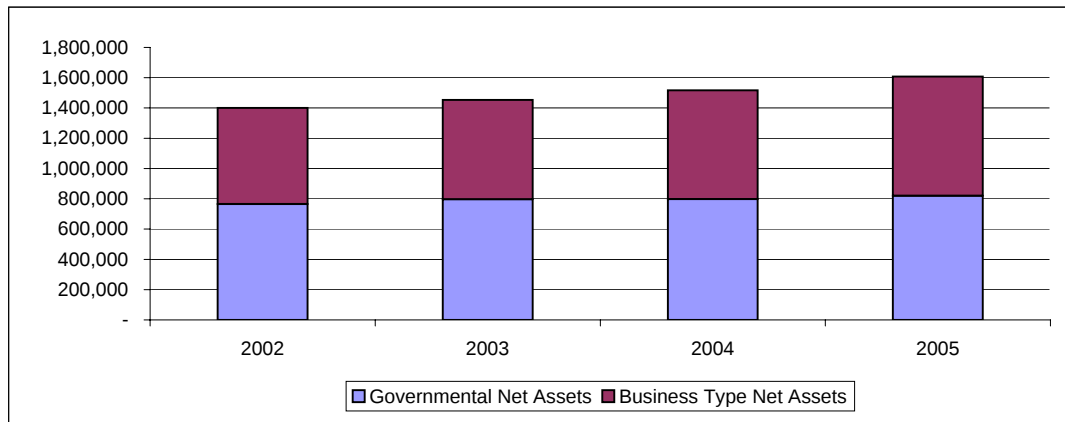
Operating Information – This section provides operating information related to the City's infrastructure, assets and services provided by function.

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

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

	Fiscal Year			
	2002	2003	2004	2005
Governmental Activities				
Invested in capital assets, net of related debt	\$ 490,028	\$ 534,066	\$ 612,373	\$ 631,671
Restricted	197,516	176,263	141,202	151,260
Unrestricted	77,502	86,312	44,747	37,601
Subtotal governmental activities net assets	765,046	796,641	798,322	820,532
Business-Type activities				
Invested in capital assets, net of related debt	526,297	566,748	639,500	715,004
Restricted	3,435	4,452	3,004	48,974
Unrestricted	105,627	85,048	75,868	23,457
Subtotal business-type activities net assets	635,359	656,248	718,372	787,435
Primary Government				
Invested in capital assets, net of related debt	1,016,325	1,100,814	1,251,873	1,346,675
Restricted	200,951	180,715	144,206	200,234
Unrestricted	183,129	171,360	120,615	61,058
Total primary government net assets	\$ 1,400,405	\$ 1,452,889	\$ 1,516,694	\$ 1,607,967

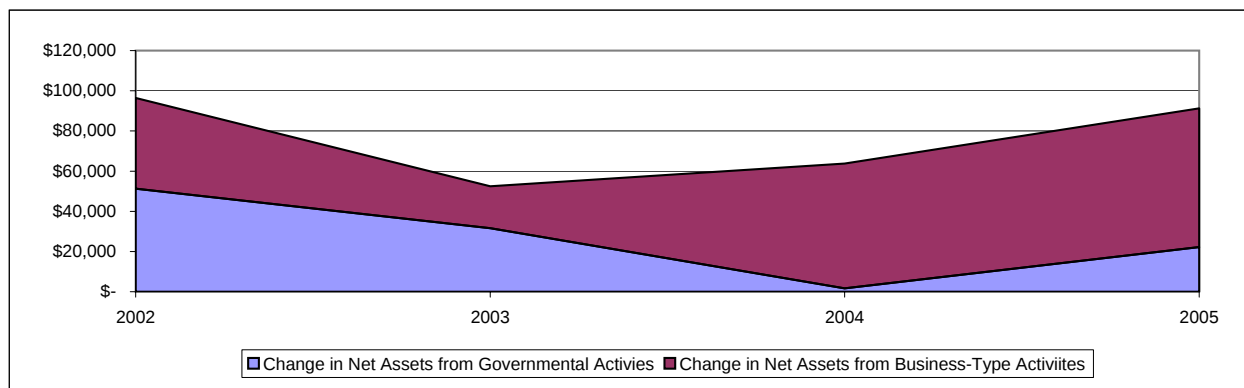


City of Cincinnati
Financial Trends Information
Schedule 2
Changes in Net Assets
Last Four Fiscal Years
(Amounts in Thousands)

	Fiscal Year			
	2002	2003	2004	2005
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 73,052	\$ 84,702	\$ 101,089	\$ 91,650
Community Development	1,468	1,644	1,041	676
Parks and Recreation	5,922	6,217	6,726	5,915
Public Safety	8,141	7,634	9,281	12,562
Transportation and Engineering	447	393	1,278	1,189
General Services	3,926			
Public Services	1,106	1,858	2,066	2,212
Public Health	9,046	9,026	8,009	8,582
Operating Grants and Contributions	56,719	53,721	43,405	43,148
Capital Grants and Contributions	21,247	27,323	16,834	13,478
Total governmental activities program revenue	<u>181,074</u>	<u>192,518</u>	<u>189,729</u>	<u>179,412</u>
Business-type activities				
Charges for Services				
Water Works	88,192	87,538	90,877	98,689
Parking Facilities	7,576	7,885	8,969	8,827
Convention Center	3,347	2,994	2,841	1,776
General Aviation	1,595	1,867	1,901	1,786
Municipal Golf	5,966	5,811	6,080	5,949
Stormwater Management	7,335	7,348	7,224	7,063
Capital Grants and Contributions	14,641	12,190	43,028	61,017
Total business-type activities program revenues	<u>128,652</u>	<u>125,633</u>	<u>160,920</u>	<u>185,107</u>
Total primary government program revenues	<u>\$ 309,726</u>	<u>\$ 318,151</u>	<u>\$ 350,649</u>	<u>\$ 364,519</u>
Expenses				
Governmental Activities:				
General Government	\$ 102,323	\$ 115,988	\$ 119,686	\$ 127,826
Community Development	52,327	65,028	60,367	39,235
Parks and Recreation	34,647	35,496	37,033	39,438
Public Safety	182,135	192,370	205,338	218,576
Transportation and Engineering	24,042	25,378	30,529	26,472
Enterprise Services	51,171	35,558	37,038	37,712
Public Services	40,036	44,662	46,477	48,125
Public Health	39,297	40,844	42,437	44,809
Interest on long-term debt	17,243	17,618	18,516	21,767
Total governmental activities expenses	<u>543,221</u>	<u>572,942</u>	<u>597,421</u>	<u>603,960</u>
Business-type activities				
Water Works	78,039	84,142	88,095	99,895
Parking Facilities	7,127	7,416	6,845	8,637
Convention Center	7,715	7,117	7,057	6,809
General Aviation	1,937	2,083	1,922	2,032
Municipal Golf	5,634	6,282	5,820	6,266
Stormwater Management	4,652	5,829	5,722	5,739
Total business-type activities expenses	<u>105,104</u>	<u>112,869</u>	<u>115,461</u>	<u>129,378</u>
Total primary government expenses	<u>\$ 648,325</u>	<u>\$ 685,811</u>	<u>\$ 712,882</u>	<u>\$ 733,338</u>
Net (Expense)/Revenue				
Governmental activities	\$ (362,147)	\$ (380,424)	\$ (407,692)	(424,548)
Business-type activities	<u>23,548</u>	<u>12,764</u>	<u>45,459</u>	<u>55,729</u>
Total Primary Government Net Expense	<u>(338,599)</u>	<u>(367,660)</u>	<u>(362,233)</u>	<u>(368,819)</u>

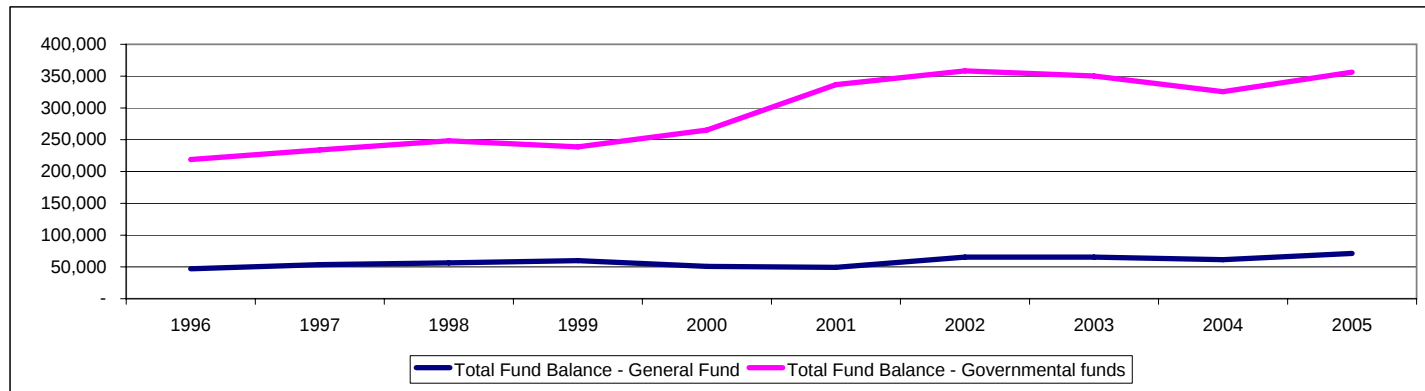
City of Cincinnati
Financial Trends Information
Schedule 2
Changes in Net Assets
Last Four Fiscal Years
(Amounts in Thousands)

	Fiscal Year			
	2002	2003	2004	2005
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Tax				
Property taxes	\$ 64,051	\$ 68,040	\$ 67,614	\$ 67,816
Income taxes	252,790	259,488	261,712	297,583
Admission taxes	3,446	4,075	3,890	3,691
Shared taxes	66,386	68,018	72,162	67,304
Occupancy Tax		1,449	1,810	1,909
Unrestricted Investment earnings	46,277	11,199	11,252	12,234
Miscellaneous	249	52	105	206
Loss on disposal of assets	(5,331)			
Transfers between governmental and business-type activities	(14,457)	(302)	(9,172)	(3,985)
Total governmental activities	<u>413,411</u>	<u>412,019</u>	<u>409,373</u>	<u>446,758</u>
Business-type activities:				
Tax				
Occupancy taxes	1,662	1,019	1,092	1,230
Unrestricted Investment earnings	3,879	2,396	2,272	4,176
Miscellaneous	2,455	4,780	4,129	3,943
Loss on disposal of assets	(870)	(372)	0	
Transfers between governmental and business-type activities	14,457	302	9,172	3,985
Total business-type activities	<u>21,583</u>	<u>8,125</u>	<u>16,665</u>	<u>13,334</u>
Total Primary Governmental Activities	<u>434,994</u>	<u>420,144</u>	<u>426,038</u>	<u>460,092</u>
Change in Net Assets				
Governmental activities	\$ 51,264	\$ 31,595	\$ 1,681	\$ 22,210
Business-type activities	<u>45,131</u>	<u>20,889</u>	<u>62,124</u>	<u>69,063</u>
Total Primary Governmental Activities	<u>\$ 96,395</u>	<u>\$ 52,484</u>	<u>\$ 63,805</u>	<u>\$ 91,273</u>



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

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Fund										
Reserved	\$ 11,313	\$ 11,636	\$ 13,890	\$ 13,235	\$ 12,241	\$ 11,086	\$ 12,263	\$ 14,138	\$ 12,894	\$ 15,229
Unreserved	<u>35,797</u>	<u>41,959</u>	<u>42,390</u>	<u>46,617</u>	<u>38,577</u>	<u>38,239</u>	<u>53,078</u>	<u>51,339</u>	<u>48,539</u>	<u>55,994</u>
Total General Fund	<u>47,110</u>	<u>53,595</u>	<u>56,280</u>	<u>59,852</u>	<u>50,818</u>	<u>49,325</u>	<u>65,341</u>	<u>65,477</u>	<u>61,433</u>	<u>71,223</u>
Capital Projects Fund										
Reserved	33,517	30,762	36,199	35,031	52,217	98,255	76,025	66,639	65,634	72,364
Unreserved	<u>64,163</u>	<u>77,123</u>	<u>70,671</u>	<u>52,448</u>	<u>59,576</u>	<u>77,571</u>	<u>112,658</u>	<u>97,142</u>	<u>87,925</u>	<u>94,921</u>
Total Capital Projects Fund	<u>97,680</u>	<u>107,885</u>	<u>106,870</u>	<u>87,479</u>	<u>111,793</u>	<u>175,826</u>	<u>188,683</u>	<u>163,781</u>	<u>153,559</u>	<u>167,285</u>
Debt Service Fund										
Reserved	18,500	15,573	15,420	16,467	25,375	34,636	36,971	53,534	44,240	44,780
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Service Fund	<u>18,500</u>	<u>15,573</u>	<u>15,420</u>	<u>16,467</u>	<u>25,375</u>	<u>34,636</u>	<u>36,971</u>	<u>53,534</u>	<u>44,240</u>	<u>44,780</u>
All Other Governmental Funds										
Reserved	30,798	31,704	37,631	38,857	40,857	60,030	54,770	47,549	42,488	41,709
Unreserved	<u>24,867</u>	<u>25,311</u>	<u>32,161</u>	<u>36,036</u>	<u>36,284</u>	<u>16,902</u>	<u>12,431</u>	<u>19,918</u>	<u>23,789</u>	<u>31,275</u>
Total Other Governmental Funds	<u>55,665</u>	<u>57,015</u>	<u>69,792</u>	<u>74,893</u>	<u>77,141</u>	<u>76,932</u>	<u>67,201</u>	<u>67,467</u>	<u>66,277</u>	<u>72,984</u>
Total Fund Balance, Governmental Funds	<u>\$ 218,955</u>	<u>\$ 234,068</u>	<u>\$ 248,362</u>	<u>\$ 238,691</u>	<u>\$ 265,127</u>	<u>\$ 336,719</u>	<u>\$ 358,196</u>	<u>\$ 350,259</u>	<u>\$ 325,509</u>	<u>\$ 356,272</u>
Estimated Liability for Compensated Absences	\$ 3,101	\$ 4,432	\$ 5,400	\$ 6,003	\$ 6,359	\$ 6,645	\$ 6,985	\$ 7,248	\$ 7,433	\$ 7,624



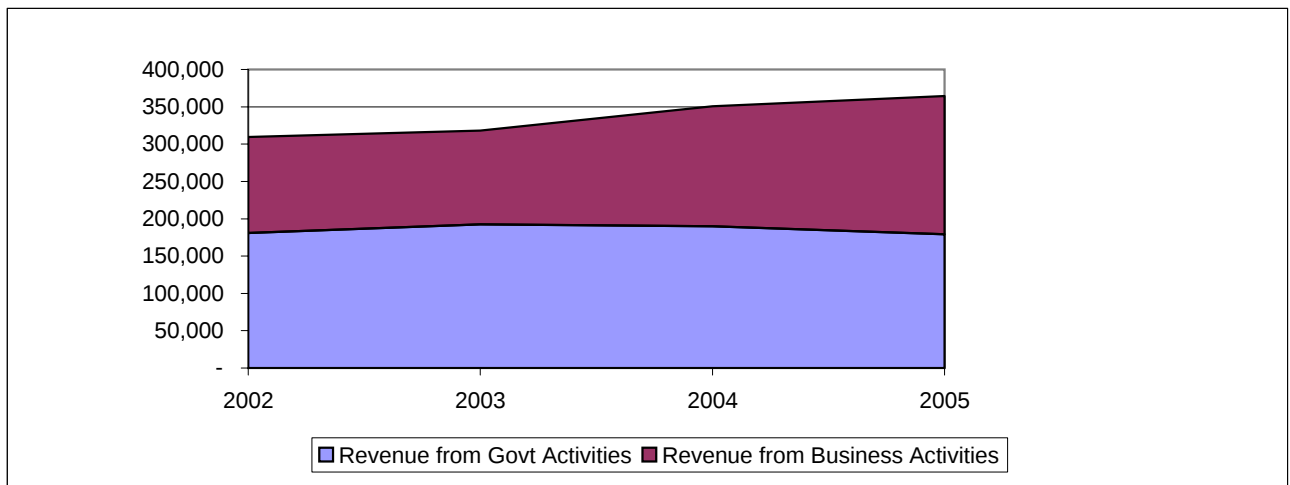
Note: In 2004 a reserve of fund balance was created for the Estimated Liability for Compensated Absences. In prior years this amount has been included in the liability section of the financial statements. Prior years have been restated.

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

	Fiscal Years									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Revenues										
Taxes	\$ 268,798	\$ 284,524	\$ 299,851	\$ 308,885	\$ 314,404	\$ 317,263	\$ 317,356	\$ 331,539	\$ 339,750	\$ 357,636
Licenses and Permits	7,679	7,352	7,439	8,017	8,975	9,647	9,483	9,331	9,844	10,449
Use of Money and Property	37,759	36,273	38,140	37,402	43,468	90,005	69,724	37,509	49,532	37,413
Special Assessments	2,429	2,003	3,447	3,661	3,425	3,300	3,987	3,762	3,918	4,183
Intergovernmental Revenue	61,129	63,857	67,271	67,973	65,333	70,092	73,332	75,209	72,095	75,976
Federal Grants	37,661	38,315	41,623	101,078	108,438	54,753	65,408	56,349	40,343	33,723
State Grants and Subsidies	7,288	8,949	5,648	21,170	17,526	43,605	8,757	6,853	8,933	3,283
Charges for Current Services	25,392	26,131	24,215	25,452	25,039	25,357	27,917	24,006	26,483	27,441
Miscellaneous	3,758	8,197	10,376	7,398	10,552	7,282	5,694	11,478	14,662	14,460
Total Revenue	451,893	475,601	498,010	581,036	597,160	621,304	581,658	556,036	565,560	564,564
Expenditures										
Current										
General Government	51,990	50,105	55,421	62,013	67,076	67,276	54,140	52,119	52,081	46,751
Community Development							15,030	46,978	27,128	10,283
Parks and Recreation	22,628	24,432	24,528	26,336	26,398	28,393	27,588	28,411	27,921	28,360
Public Safety	109,828	119,481	124,098	130,434	124,839	131,084	136,615	142,126	151,301	154,319
Transportation and Engineering				1,236	5,117	4,576	4,783	7,328	7,220	7,386
General Services	34,839	44,221	39,587	46,451	48,661	49,241	46,654	35,558	37,588	37,672
Public Services				20,830	32,857	33,971	33,261	35,358	34,776	33,724
Public Health	25,835	28,746	29,731	30,427	31,863	33,738	33,497	34,632	35,056	34,225
Employee Benefits	58,309	59,412	55,139	52,310	50,735	53,028	58,131	58,645	67,591	72,318
Capital Outlay	101,787	90,753	130,655	205,216	227,892	148,419	132,843	121,460	128,012	96,133
Debt Services:										
Principal Retirement	44,126	48,146	45,726	45,387	46,472	66,400	47,148	55,385	48,914	35,514
Interest	10,510	10,061	9,804	9,939	13,863	17,098	17,402	17,457	18,599	18,054
Police and Fire Prior Service Costs					41,416					
Bond Issuance Cost	-	-	-	-	-	-	377	707	342	679
Total Expenditures	459,852	475,357	514,689	630,579	717,189	633,224	607,469	636,164	636,529	575,418
Excess(Deficiency) of Revenues over(under) Expenditures	(7,959)	244	(16,679)	(49,543)	(120,029)	(11,920)	(25,811)	(80,128)	(70,969)	(10,854)
Other Financing Sources (Uses)										
General Obligation Bonds and Notes Issued	31,644	45,815	58,261	48,019	142,387	73,623	54,380	58,840	55,695	44,431
Refunding Bonds Issued									2,130	40,470
Payment to Refunded Bonds Escrow Agent									(2,130)	(40,292)
Capital Lease Agreements	34	22		116	9			77		
Revenue Bonds Issued							7,270	20,505		
Premium on Bonds Issued							413	821		1,021
Discount on Revenue Bonds								(70)		
State Loan							5,608			
Other Transfers						363				
Net Operating Interest Income	(237)			(344)		14,069				
Operating Transfers In	57,330	74,782	110,072	102,635	247,061	161,267	76,886	92,337	117,408	39,280
Operating Transfers(Out)	(55,487)	(73,015)	(108,258)	(101,063)	(242,831)	(169,601)	(97,581)	(100,582)	(130,097)	(43,293)
Total Other Financing Sources(Uses)	33,284	47,604	60,075	49,363	146,626	79,721	46,976	71,928	46,219	41,617
Net change in fund balances	\$ 25,325	\$ 47,848	\$ 43,396	\$ (180)	\$ 26,597	\$ 67,801	\$ 21,165	\$ (8,200)	\$ (24,750)	\$ 30,763
Debt services as a Percentage of Noncapital Expenditures	15.26%	15.13%	14.46%	13.01%	20.80%	17.22%	13.68%	14.29%	13.34%	11.32%

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

Function/Program	Program Revenue			
	2002	2003	2004	2005
Governmental Activities:				
General Government	\$ 77,750	\$ 94,357	\$ 106,815	\$ 94,598
Community Development	46,610	37,877	28,716	32,316
Parks and Recreation	9,309	10,949	8,958	7,655
Public Safety	10,032	11,577	12,818	15,997
Transportation and Engineering	18,027	21,396	16,319	11,232
Enterprise Services	3,926			
Public Services	1,106	1,858	2,066	2,326
Public Health	14,314	14,504	14,037	15,288
Interest on long-term debt	-	-	-	-
Subtotal governmental activities program revenue	<u>181,074</u>	<u>192,518</u>	<u>189,729</u>	<u>179,412</u>
Business-type activities				
Water Works	98,729	96,199	95,940	113,153
Parking Facilities	7,576	7,891	8,969	8,827
Convention Center	7,272	6,051	40,613	48,064
General Aviation	1,774	2,324	2,076	2,051
Municipal Golf	5,966	5,811	6,080	5,949
Stormwater Management	7,335	7,357	7,242	7,063
Subtotal business-type activities program revenues	<u>128,652</u>	<u>125,633</u>	<u>160,920</u>	<u>185,107</u>
Total primary government program revenues	<u>\$ 309,726</u>	<u>\$ 318,151</u>	<u>\$ 350,649</u>	<u>\$ 364,519</u>



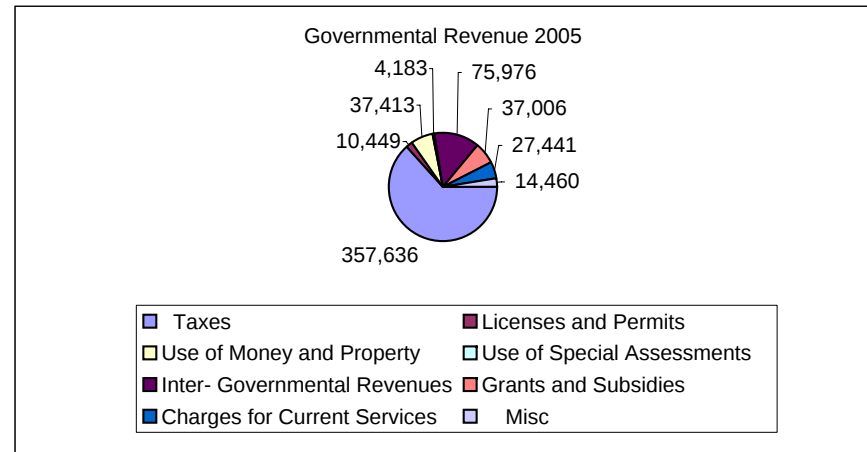
City of Cincinnati
Financial Trends Information
Schedule 6
Total Revenue by Source, Governmental Funds
Last Ten Fiscal Years
(Amounts in Thousands)

Fiscal Year	Taxes	Licenses and Permits	Use of Money and Property	Special Assessments	Inter-Governmental Revenues	Grants and Subsidies	Charges for Current Services	Misc	Total
1996	\$ 268,798	\$ 7,679	\$ 37,759	\$ 2,429	\$ 61,129	\$ 44,949	\$ 25,392	\$ 3,758	\$ 451,893
1997	284,524	7,352	36,273	2,003	63,857	47,264	26,131	8,197	475,601
1998	299,851	7,439	38,140	3,447	67,271	47,271	24,215	10,376	498,010
1999	308,885	8,017	37,402	3,661	67,973	122,248	25,452	7,398	581,036
2000	314,404	8,975	43,468	3,425	65,333	125,964	25,039	10,552	597,160
2001	317,263	9,647	90,005	3,300	70,092	98,358	25,357	7,282	621,304
2002	317,356	9,483	69,724	3,987	73,332	65,408	36,674	5,718	581,682
2003	331,539	9,331	37,509	3,762	75,209	63,202	24,006	11,478	556,036
2004	339,750	9,844	49,532	3,918	72,095	49,276	26,483	14,662	565,560
2005	357,636	10,449	37,413	4,183	75,976	37,006	27,441	14,460	564,564
Change 1996-2005	33.1%	36.1%	-0.9%	72.2%	24.3%	-17.7%	8.1%	284.8%	24.9%

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

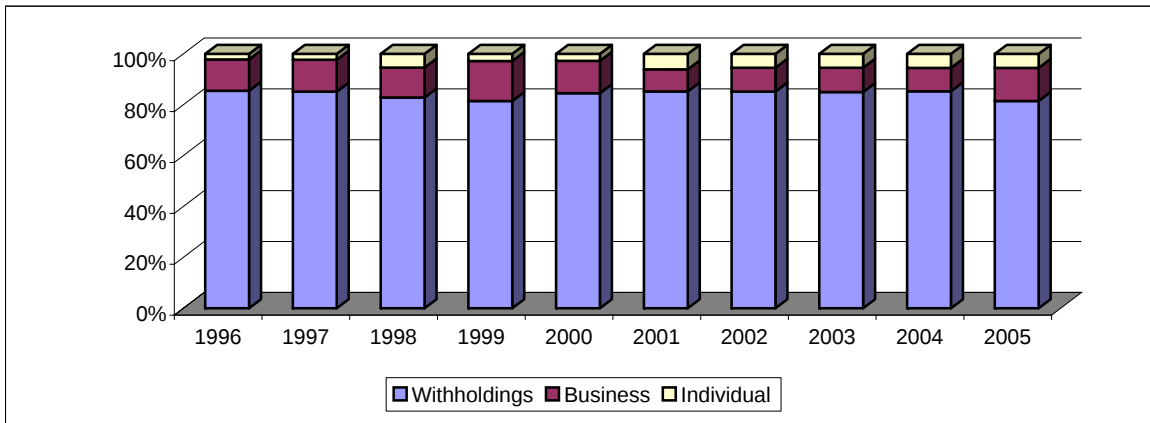
Fiscal Year	Income Tax	Property Tax	Admissions Tax	Tax Revenue
1996	\$ 213,479	\$ 52,821	\$ 2,498	\$ 268,798
1997	225,520	56,430	2,574	284,524
1998	241,468	55,766	2,617	299,851
1999	250,714	55,537	2,634	308,885
2000	252,078	58,991	3,335	314,404
2001	254,771	59,243	3,249	317,263
2002	254,687	59,223	3,446	317,356
2003	261,271	64,744	5,524	331,539
2004	272,681	63,154	3,915	339,750
2005	291,047	62,916	3,673	357,636

Change 1996-2005 36.3% 19.1% 47.0% 33.1%



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

Tax Year		Individual	% Total		Business	% Total		Withholding	% Total
1996	\$	4,610	2.2%	\$	26,149	12.3%	\$	181,307	85.5%
1997		5,035	2.3%		27,655	12.6%		187,422	85.1%
1998		13,229	5.4%		28,968	11.8%		203,563	82.8%
1999		7,009	2.8%		39,020	15.7%		202,503	81.5%
2000		7,125	2.8%		32,606	12.7%		217,183	84.5%
2001		16,195	6.1%		22,939	8.6%		226,358	85.3%
2002		14,295	5.5%		24,517	9.4%		223,295	85.2%
2003		14,654	5.4%		25,676	9.5%		228,875	85.0%
2004		15,046	5.5%		25,080	9.2%		233,142	85.3%
2005		16,226	5.5%		38,407	13.0%		240,200	81.5%



Note: 1. In years 1995 through 1997 and 1999 and 2000 sole proprietor income is included in business income.

2. The income tax rate is 2.1%.

Source: Cincinnati Income Tax Division

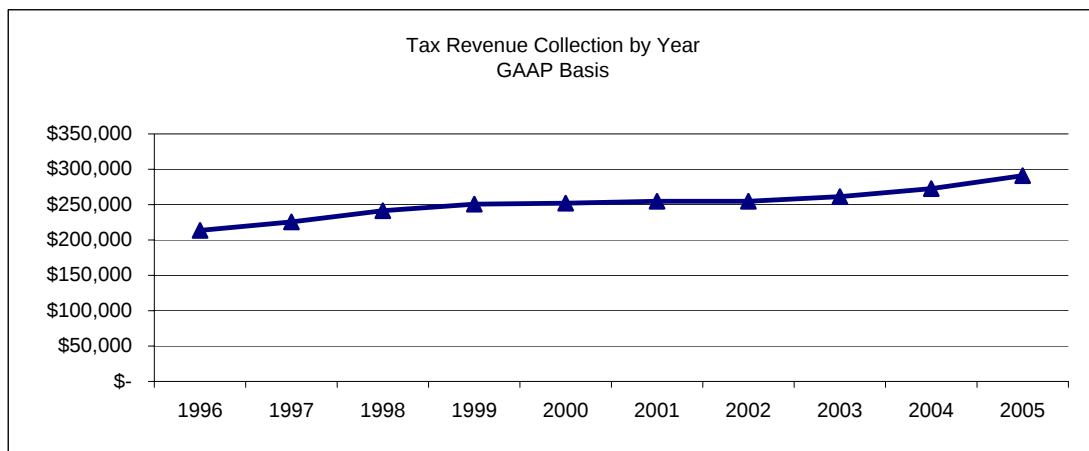
**City of Cincinnati
Revenue Capacity
Schedule 2
Income Tax Revenues
Last Ten Fiscal Years
(in thousands)**

Non GAAP Budgetary Basis

Year	General Fund	Transit Fund	Infrastructure Fund	Permanent Improvement Fund	Total	% Inc(Dec) PriorYr
1996	\$ 149,670	\$ 30,301	\$ 10,100	\$ 22,034	\$ 212,105	5.64%
1997	160,270	31,381	10,461	17,561	219,673	3.57%
1998	164,300	33,742	11,247	26,907	236,196	7.52%
1999	180,500	35,360	11,787	19,875	247,522	4.80%
2000	183,035	35,426	11,809	17,713	247,983	0.19%
2001	188,598	36,503	12,168	18,251	255,520	3.04%
2002	185,259	35,856	11,952	17,928	250,995	-1.77%
2003	187,993	36,802	12,267	20,550	257,612	2.64%
2004	193,411	37,434	12,478	18,717	262,040	1.72%
2005	210,536	40,749	13,583	20,375	285,243	8.85%

GAAP Basis

Year	General Fund	Transit Fund	Infrastructure Fund	Permanent Improvement Fund	Total	% Inc(Dec) PriorYr
1996	\$ 148,684	\$ 30,106	\$ 10,027	\$ 24,662	\$ 213,479	5.08%
1997	162,309	31,819	10,606	20,786	225,520	5.64%
1998	165,750	33,980	11,327	30,411	241,468	7.07%
1999	180,741	35,407	11,802	22,764	250,714	3.83%
2000	183,905	35,594	11,865	20,714	252,078	0.54%
2001	185,508	35,904	11,968	21,391	254,771	1.07%
2002	186,137	36,026	12,009	20,515	254,687	-0.03%
2003	188,971	36,991	12,330	22,979	261,271	2.59%
2004	197,616	38,248	12,750	24,067	272,681	4.37%
2005	210,415	40,726	13,575	26,331	291,047	6.74%



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

Assessed Valuations

Year	Real Property	Public Utility Property	Tangible Personal Property	Total	Direct Tax Rate
1996	\$ 3,531,863,130	\$ 421,404,651	\$ 707,228,240	\$ 4,660,496,021	11.46
1997	3,732,312,910	419,703,440	689,982,870	4,841,999,220	11.46
1998	3,734,237,420	395,256,670	672,898,830	4,802,392,920	11.46
1999	3,749,677,500	398,949,700	664,939,340	4,813,566,540	11.46
2000	4,363,343,290	400,519,090	674,101,770	5,437,964,150	10.90
2001	4,363,447,780	377,645,690	687,613,910	5,428,707,380	10.76
2002	4,379,262,050	304,549,100	644,918,170	5,328,729,320	10.76
2003	4,871,308,460	319,863,560	535,538,450	5,726,710,470	10.63
2004	4,930,272,530	323,749,180	536,114,777	5,790,136,487	10.36
2005	4,836,981,760	319,434,990	542,827,280	5,699,244,030	10.34

The current assessed valuation for 2005 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:

Year	Estimated True Values	Year	Estimated True Values
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
2000	12,466,695,114	2005	13,819,947,886

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

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

Year	Year	City Levy	School Levy	County Levy	Total Levy	Residential Effective Millage	Commercial Effective Millage	Debt Service Included in City and Total Levy
1995 for	1996	11.46	53.52	18.30	83.28	63.34	65.33	5.36
1996 for	1997	11.46	53.19	19.44	84.09	61.47	66.56	5.81
1997 for	1998	11.46	53.13	19.01	83.60	61.40	66.38	5.71
1998 for	1999	11.46	53.13	19.54	84.13	62.02	67.08	5.71
1999 for	2000	10.90	51.94	20.83	83.67	56.98	63.10	5.71
2000 for	2001	10.76	56.93	19.92	87.61	61.15	67.53	5.67
2001 for	2002	10.76	57.15	21.47	89.38	62.83	69.32	5.66
2002 for	2003	10.63	56.25	21.87	88.75	58.94	66.70	5.65
2003 for	2004	10.36	60.75	21.51	92.62	62.90	70.98	10.17
2004 for	2005	10.34	60.83	21.06	92.23	64.21	71.87	10.15

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

Source: Hamilton County Auditor's Office

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

Taxpayer	2005			1996		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Cinergy	\$ 233,055,770	1	4.09%	\$ 307,568,580	1	6.60%
The Procter and Gamble Co	88,123,540	2	1.55%	118,365,780	3	2.54%
Cincinnati Bell Telephone Inc	66,074,800	3	1.16%	133,257,100	2	2.86%
Emery Realty	31,255,000	4	0.55%	24,500,010	8	0.52%
Ohio Teachers Retirement System	27,125,000	5	0.48%			
Prudential Insurance	26,337,500	6	0.46%	29,255,010	5	0.63%
Kroger Company	23,296,890	7	0.41%			
Columbia Development	22,802,930	8	0.40%	26,950,010	7	0.58%
Fifth Third Center	20,491,170	9	0.36%	19,845,010	10	0.43%
Western Southern Life	19,196,790	10	0.34%			
580 Walnut Street				21,192,500	9	0.45%
Cincinnati Milacron, Inc				42,323,580	4	0.91%
Atrium II Development				27,300,010	6	0.58%
Total	<u>\$ 557,759,390</u>		<u>9.80%</u>	<u>\$ 750,557,590</u>		<u>16.10%</u>
Total Assessed Value	\$ 5,699,244,030			\$ 4,660,496,021		

Source: Hamilton County Auditors' Office

Note:

1. Assessed Valuation is based on both the personal and real property valuation of the largest property holder in the city.
2. The total assessed valuation figure is the 2004 valuation for 2005 real property tax collections.

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

<u>Year</u>	<u>Net</u>	<u>Current</u>	<u>Percentage</u>	<u>Prior Year</u>	<u>Total</u>	<u>Percentage</u>
	<u>Tax Levy</u>	<u>Collections</u>	<u>of Current</u>	<u>Collections</u>	<u>Collections</u>	<u>of Total</u>
			<u>to Net Levy</u>			<u>Collections</u>
						<u>to Net Levy</u>
1996	\$ 53,713	\$ 51,586	96.04%	\$ 1,573	\$ 53,159	98.97%
1997	56,129	53,275	94.92%	2,080	55,355	98.62%
1998	56,435	53,643	95.05%	1,893	55,536	98.41%
1999	56,218	52,974	94.23%	1,987	54,961	97.76%
2000	59,878	56,588	94.51%	2,282	58,870	98.32%
2001	59,536	56,064	94.17%	2,230	58,294	97.91%
2002	58,201	54,858	94.26%	2,271	57,129	98.16%
2003	62,769	58,366	92.99%	2,580	60,946	97.10%
2004	61,664	56,720	91.98%	2,740	59,460	96.43%
2005	60,536	56,162	92.77%	2,696	58,858	97.23%

City of Cincinnati
Revenue Capacity
Schedule 7
Water Works
Top Ten Retail Customer Data
For The Year Ended December 31, 2005

<i>RANK</i>	<i>NAME OF CUSTOMER</i>	<i>TOTAL CONSUMPTION, HUNDREDS OF CUBIC FEET</i>	<i>TOTAL CONSUMPTION, THOUSANDS OF GALLONS</i>	<i>PERCENT OF TOTAL CONSUMPTION</i>	<i>TOTAL CHARGES</i>	<i>PERCENT OF TOTAL CHARGES</i>
1	University of Cincinnati	831,996	622,333	1.49%	\$ 825,152	0.89%
2	Procter & Gamble	554,895	415,061	1.00%	612,685	0.66%
3	Wormick Company	343,442	256,895	0.62%	461,393	0.50%
4	Flint Ink	336,010	251,335	0.60%	451,635	0.49%
5	Sun Chemical Co	316,336	236,619	0.57%	335,339	0.36%
6	Childrens Hospital	293,386	219,453	0.53%	315,094	0.34%
7	Davison Chemical	292,500	218,790	0.52%	324,016	0.35%
8	Metro Sewer District	285,767	213,754	0.51%	505,088	0.55%
9	John Morrell Co	278,545	208,352	0.50%	375,900	0.41%
10	Coca Cola Bottling Co	270,167	202,085	0.48%	286,741	0.31%
	Total - Top Ten Retail Customers	3,803,044	2,844,677	6.82%	\$ 4,493,043	4.86%
	Total - Top 75 Users	16,888,483	12,632,585	30.29%	\$ 20,490,911	22.16%
	Total - System	55,749,639	41,700,730	100.00%	\$ 92,482,039	100.00%

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

Year	Total Pumpage (MG's)	Average Day MGD	Maximum Day MGD	System's Rated Pumpage Capacity MGD	Maximum Daily Pumpage as % of Capacity
1999	49,697.876	136.2	234.3	255	91.88%
2000	48,747.764	133.2	196.8	255	77.18%
2001	47,047.006	128.9	169.6	255	66.51%
2002	49,679.150	136.1	217.8	261	83.45%
2003	48,574.063	133.1	207.9	261	79.66%
2004	49,005.613	134.3	176.8	261	67.74%
2005	50,246.239	137.7	213.8	255	83.84%
2006	49,990.000	137.0	212.0	260	81.54%
2007	50,240.000	137.6	213.0	260	81.92%
2008	51,030.000	139.8	217.0	260	83.46%
2009	51,830.000	142.0	220.0	260	84.62%

MG - Million Gallons

MGD - Million Gallons per Day

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

Year	Net Water Sales	Cash Collected During Year for Current & Prior Year's Sales	Percentage of Sales Collected
2005	93,542,902	92,994,903	99.41%
2004	86,574,584	84,906,679	98.07%
2003	83,270,619	82,523,831	99.10%
2002	82,815,023	82,260,162	99.33%
2001	77,001,567	78,200,650	101.56%
2000	80,820,774	79,806,757	98.75%
1999	82,617,834	82,311,461	99.63%
1998	78,871,208	77,882,447	98.75%
1997	72,792,310	73,344,910	100.76%
1996	<u>71,658,982</u>	<u>69,701,176</u>	<u>97.27%</u>
	809,965,803	803,932,976	99.26%

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

Fiscal Year	General Obligation Bonds	General Obligation Notes	Revenue Bonds	Revenue Notes	Total Outstanding Debt	Outstanding Debt per Capita (Actual)	% of Personal Income	Debt to Net Asset Ratio
Governmental Activities								
1996	\$ 161,519				\$ 161,519	\$ 467.79	1.8%	N/A
1997	159,065		11,368		170,433	492.84	1.8%	N/A
1998	165,097	6,403	13,123		184,623	533.87	1.9%	N/A
1999	162,720	11,303	12,779		186,802	555.30	2.0%	N/A
2000	249,716	11,303	12,346		273,365	852.32	2.8%	N/A
2001	265,628	21,300	11,819		298,747	901.77	2.9%	2.39
2002	273,473	21,497	18,522		313,492	946.28	3.1%	2.44
2003	296,530	12,532	38,140		347,202	1,048.03	3.2%	2.29
2004	312,447	5,697	35,852		353,996	1,068.54	3.1%	2.26
2005	320,278	9,931	33,449	3,000	366,658	1,155.33	3.4%	2.24
Business-Type Activities								
1996	\$ 84,226				\$ 84,226	\$ 243.94	1.0%	N/A
1997	93,750				93,750	271.09	1.0%	N/A
1998	106,518				106,518	308.02	1.1%	N/A
1999	123,770				123,770	367.93	1.3%	N/A
2000	107,289	9,000			116,289	351.02	1.2%	N/A
2001	91,157		92,685		183,842	554.93	1.8%	3.21
2002	74,967	9,100	89,885		173,952	525.07	1.6%	3.65
2003	58,745	24,510	199,310		282,565	852.92	2.6%	3.46
2004	45,158	12,000	192,300		249,458	752.99	2.2%	2.88
2005	33,567	7,746	295,645		336,958	1,061.75	3.1%	2.34
Total Primary Governmental Activities								
1996	\$ 245,745	\$ -	\$ -		\$ 245,745	\$ 710.62	2.7%	N/A
1997	252,815	-	11,368		264,183	1,074.70	2.8%	N/A
1998	271,615	6,403	13,123		291,141	1,184.37	3.0%	N/A
1999	286,490	11,303	12,779		310,572	923.22	3.2%	N/A
2000	357,005	20,303	12,346		389,654	1,176.18	3.9%	N/A
2001	356,785	21,300	104,504		482,589	1,456.70	4.7%	2.70
2002	348,440	30,597	108,407		487,444	1,471.35	4.6%	2.87
2003	355,275	37,042	237,450		629,767	1,900.95	5.8%	2.32
2004	357,605	17,697	228,152		603,454	1,821.53	5.3%	2.51
2005	353,845	17,677	329,094	3,000	703,616	2,217.08	6.5%	2.29

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

Year	Net Bonded Debt (Note 1)	Assessed Value	Population (Note 2)	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt per Capita
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
2005	195,355,794	5,699,244,030	317,361	3.43%	616

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

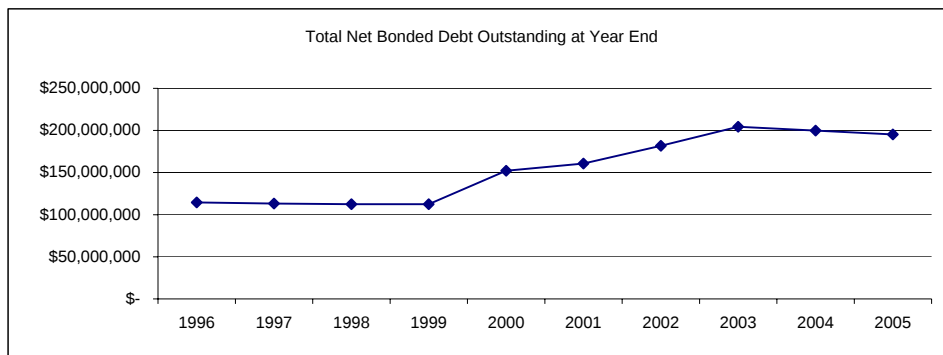
Note 2 - The 1996 - 2005 figures are based on Bureau of the Census data.

City of Cincinnati
Debt Capacity Information
Schedule 3
Computation of Direct and Overlapping Debt
December 31, 2005

	Assessed Valuation (a)	Net General Tax Supported Debt	Percent Overlapping	Net Tax Supported Overall Debt
<u>Direct:</u>				
City of Cincinnati	\$ 5,699,244,030	\$ 195,355,794	100 %	\$ 195,355,794
<u>Overlapping:</u>				
Board of Education -				
Cincinnati City				
School District	6,415,666,040	761,965,000 (b)	89 %	678,148,850
Hamilton County	18,677,051,210	133,247,949 (a)	31 %	41,306,864
Subtotal		<u>895,212,949</u>		<u>719,455,714</u>
Total		<u>\$ 1,090,568,743</u>		<u>\$ 914,811,508</u>

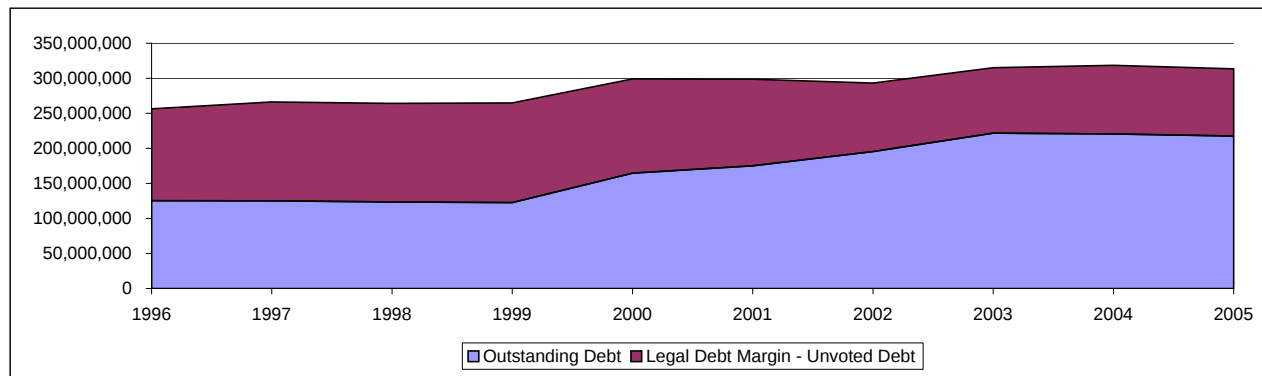
(a) Source: Hamilton County Auditor's Office

(b) Source: Cincinnati City School District



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

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Overall Debt Limitation - 10-1/2 % of Assessed Valuation	\$ 489,352,082	\$ 508,409,918	\$ 504,251,257	\$ 505,424,487	\$ 570,986,236	\$ 570,014,275	\$ 559,516,579	\$ 601,304,599	\$ 607,964,331	\$ 598,420,623
Net Debt Within 10-1/2% Limitation	125,365,000	125,070,000	123,630,000	122,640,000	164,535,000	175,220,000	195,400,000	221,670,000	220,560,000	217,670,000
Legal Debt Margin Within 10-1/2% Limitation	<u>\$ 363,987,082</u>	<u>\$ 383,339,918</u>	<u>\$ 380,621,257</u>	<u>\$ 382,784,487</u>	<u>\$ 406,451,236</u>	<u>\$ 394,794,275</u>	<u>\$ 364,116,579</u>	<u>\$ 379,634,599</u>	<u>\$ 387,404,331</u>	<u>\$ 380,750,623</u>
Net Debt Percentage of 10 1/2 % Limitation	25.62%	24.60%	24.52%	24.26%	28.82%	30.74%	34.92%	36.86%	36.28%	36.37%
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Unvoted Debt Limitation - 5-1/2% of Assessed Valuation	\$ 256,327,281	\$ 266,309,957	\$ 264,131,611	\$ 264,746,160	\$ 299,088,028	\$ 298,578,906	\$ 293,080,113	\$ 314,969,076	\$ 318,457,507	\$ 313,458,422
Net Debt Within 5-1/2% Limitation	125,365,000	125,070,000	123,630,000	122,640,000	164,535,000	175,220,000	195,400,000	221,670,000	220,560,000	217,670,000
Legal Debt Margin Within 5-1/2% Limitation	<u>\$ 130,962,281</u>	<u>\$ 141,239,957</u>	<u>\$ 140,501,611</u>	<u>\$ 142,106,160</u>	<u>\$ 134,553,028</u>	<u>\$ 123,358,906</u>	<u>\$ 97,680,113</u>	<u>\$ 93,299,076</u>	<u>\$ 97,897,507</u>	<u>\$ 95,788,422</u>
Net Debt Percentage of 5 1/2 % Limitation	48.91%	46.96%	46.81%	46.32%	55.01%	58.68%	66.67%	70.38%	69.26%	69.44%



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

Fiscal Year	Property Tax Increment Financing Bonds						Water Works Bonds					
	TIF Revenue	Debt Service		Total	Coverage		Water Works Revenue	Debt Service		Total	Coverage	
		Principal	Interest					Principal	Interest			
1996	\$ 947,192	\$ 119,000	\$ 500,130	\$ 619,130	1.53							
1997	1,020,079	42,000	908,830	950,830	1.07							
1998	1,241,461	45,000	955,407	1,000,407	1.24							
1999	1,650,296	344,000	1,016,895	1,360,895	1.21							
2000	1,423,318	368,000	992,001	1,360,001	1.05							
2001	1,884,766	592,000	959,174	1,551,174	1.22	\$ 79,451,000						
2002	1,967,377	567,000	967,075	1,534,075	1.28	88,192,000	\$ 2,800,000	\$ 4,743,513	\$ 7,543,513	11.69		
2003	2,651,448	887,000	1,160,626	2,047,626	1.29	87,538,000	2,935,000	8,436,395	11,371,395	7.70		
2004	3,354,655	1,668,000	1,104,699	2,772,699	1.21	90,877,000	7,010,000	7,194,000	14,204,000	6.40		
2005	3,148,504	1,703,000	956,777	2,659,777	1.18	98,689,000	7,240,000	11,694,498	18,934,498	5.21		

Includes:

Urban Renewal Revenue Bonds, Series 1990A - One Gateway Project (156)
Economic Development Revenue Bonds, Series 1996 - Cincinnati Development Group LLC - Fountain Square West Project (157)
Economic Development Revenue Bonds, Series 1998 - Convention Place Mall Project - PSJJ Investments Limited (158)
Economic Development Revenue Bonds, Series 2002 - Saks Fifth Avenue Inc. & Race Street Development LTD (159)
Economic Development Revenue Bonds, Series 2003 - Convergys Corporation Project (165)
Housing Revenue Bonds (Series 1992A and 1992 B) (166)

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

	2001	2002	2003	2004	2005
<u>Operating Revenue</u>					
Total Operating Revenue	\$81,542	\$90,124	\$91,556	\$94,706	\$102,272
<u>Operating Expense:</u>					
Personal Services	29,237	31,292	31,741	34,703	36,805
Contractual Services	7,491	8,082	8,692	8,555	8,963
Maintenance and Repair	2,836	2,575	3,006	3,170	3,223
Materials and Supplies	5,917	5,992	6,256	5,389	5,651
Utilities	6,802	7,918	8,007	7,911	9,270
Insurance	181	230	264	205	234
Taxes	16	0	1	1	46
Rent	306	394	656	989	931
Interest	0	0	0	0	0
Other	190	470	482	507	470
Impairment of Fixed Asset	0	0	0	0	0
Depreciation and Amortization Expense	12,152	15,630	15,597	16,950	19,516
Amortization Mason Agreement	0	48	60	63	66
Bad Debt Expense	175	0	0	0	0
Total Operating Expense	65,303	72,631	74,762	78,443	85,175
Operating Income	\$16,239	\$17,493	\$16,794	\$ 16,263	\$ 17,097
<u>Non-Operating Revenue (Expenses):</u>					
Capital Contribution	\$8,475	\$10,537	\$8,661	\$5,063	\$14,464
Gain (Loss) on Disposal of Fixed Assets	-516	-24	-323	-828	-351
Transfers In	236	0	0	0	0
Interest Revenue	8,521	2,910	2,041	1,945	3,525
Interest Expense	-7,416	-4,749	-8,234	-7,164	-12,155
Total Non-Operating Revenue (Expense):	9,300	8,674	2,145	-984	5,483
Net Income	\$25,539	\$26,167	\$18,939	\$15,279	\$22,580

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

Description	2005 \$	2006 \$	2007 \$	2008 \$	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)					
Month - Year	Revenue Increase				
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	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	876,833	1,046,000	1,046,000	481,890	290,000
Interest Income (c)	548,405	699,260	906,260	1,031,260	1,230,260
Total Revenue	100,987,864	108,638,069	115,318,570	122,125,921	128,749,969
Operating & Maintenance Expense (d)	61,492,380	65,529,024	69,037,037	72,454,113	75,549,031
Bad Debt Expense	0	0	0	0	0
Net Revenue Available for Debt Service	39,495,484	43,109,045	46,281,533	49,671,808	53,200,938
Series 2001 Revenue Bond Debt Service	7,557,178	7,554,628	7,554,523	7,557,723	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	18,414,498	23,767,642	26,803,904	29,384,612	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	81,667
Revenues Available for Transfer to Water System Reserve Fund	8,450,676	8,462,798	10,742,154	13,888,179	14,497,142
Working Capital Balance					
Prior Year Revenue Fund Working Capital Balance	9,378,700	15,744,798	17,686,655	20,571,508	24,243,736
Revenue Transfer To Water System Reserve Fund	2,084,578	6,520,941	7,857,301	10,215,952	13,375,619
Revenues Available for Transfer	8,450,676	8,462,798	10,742,154	13,888,179	14,497,142
End of Year Working Capital Balance	15,744,798	17,686,655	20,571,508	24,243,736	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	6,520,941	7,857,301	10,215,952	13,375,619	14,032,904
Water System Reserve Fund					
Beginning of Year Balance	14,900,974	10,471,102	12,331,243	15,031,746	19,329,498
Deposits	2,084,578	6,520,941	7,857,301	10,215,952	13,375,619
Transfer to Water Works Capital Improvement Fund	6,514,450	4,660,800	5,156,800	5,918,200	6,120,700
End of Year Balance	10,471,102	12,331,243	15,031,746	19,329,498	26,584,417
Debt Service Coverage					
Senior Lien Revenue Bond Debt Service Coverage	214%	181%	173%	169%	152%
Senior Subordiante 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 in Personnel Costs

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

Year	Proceeds Required	Debt Service Reserve/ Bond Issuance Costs	Total Issue	Interest Rate
2007	\$62.166MM	\$6.273MM	\$68.439MM	5.50%
2009	\$108.357MM	\$10.933MM	\$119.290MM	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
Debt Capacity
Schedule 8
Water Works
Senior Bonds and Senior Subordinated Debt Service Requirements

Year	2005 A Bonds			Debt Service Series 2003 Bonds	Debt Service Series 2001 Bonds	Total Senior Bonds Debt Service	2005 B Subordinated Variable Rate Bonds			Total Senior Bonds Debt Service and Estimated Subordinated Bonds Debt Service
	Principal	Interest	Debt Service				Principal	Estimated Interest	Estimated Debt Service	
2005	-	2,033,137.00	2,033,137.00	8,824,182.50	7,557,177.50	18,414,497.00		520,000.00	520,000.00	18,934,497.00
2006	3,575,000.00	3,812,131.00	7,387,131.00	8,823,882.50	7,554,627.50	23,765,641.00		875,000.00	875,000.00	24,640,641.00
2007	3,615,000.00	3,675,631.00	7,290,631.00	8,821,982.50	7,554,522.50	23,667,136.00		962,500.00	962,500.00	24,629,636.00
2008	3,860,000.00	3,522,581.00	7,382,581.00	8,824,307.50	7,557,722.50	23,764,611.00		875,000.00	875,000.00	24,639,611.00
2009	3,885,000.00	3,406,781.00	7,291,781.00	8,825,550.00	7,554,207.50	23,671,538.50		962,500.00	962,500.00	24,634,038.50
2010	4,160,000.00	3,224,906.00	7,384,906.00	8,825,875.00	7,558,782.50	23,769,563.50		875,000.00	875,000.00	24,644,563.50
2011	4,235,000.00	3,053,656.00	7,288,656.00	8,824,250.00	7,557,837.50	23,670,743.50		962,500.00	962,500.00	24,633,243.50
2012	4,530,000.00	2,856,938.00	7,386,938.00	8,825,600.00	7,558,112.50	23,770,650.50		875,000.00	875,000.00	24,645,650.50
2013	4,660,000.00	2,630,438.00	7,290,438.00	8,824,100.00	7,554,487.50	23,669,025.50		962,500.00	962,500.00	24,631,525.50
2014	4,985,000.00	2,397,438.00	7,382,438.00	8,825,210.00	7,554,862.50	23,762,510.50		875,000.00	875,000.00	24,637,510.50
2015	5,235,000.00	2,148,188.00	7,383,188.00	8,821,597.50	7,554,037.50	23,758,823.00		875,000.00	875,000.00	24,633,823.00
2016	5,405,000.00	1,886,438.00	7,291,438.00	8,823,747.50	7,557,212.50	23,672,398.00		962,500.00	962,500.00	24,634,898.00
2017	5,770,000.00	1,616,188.00	7,386,188.00	8,825,697.50	7,555,312.50	23,767,198.00		875,000.00	875,000.00	24,642,198.00
2018	5,960,000.00	1,327,688.00	7,287,688.00	8,821,947.50	7,557,237.50	23,666,873.00		962,500.00	962,500.00	24,629,373.00
2019	6,355,000.00	1,029,688.00	7,384,688.00	8,822,697.50	7,556,737.50	23,764,123.00		875,000.00	875,000.00	24,639,123.00
2020	6,580,000.00	711,938.00	7,291,938.00	8,821,947.50	7,555,737.50	23,669,623.00		962,500.00	962,500.00	24,632,123.00
2021	7,000,000.00	382,938.00	7,382,938.00	8,823,947.50	7,558,487.50	23,765,373.00		875,000.00	875,000.00	24,640,373.00
2022	775,000.00	32,938.00	807,938.00	8,822,697.50	-	9,630,635.50	6,575,000.00	876,096.00	7,451,096.00	17,081,731.50
2023	-	-	-	8,824,287.50	-	8,824,287.50	7,525,000.00	740,265.00	8,265,265.00	17,089,552.50
2024	-	-	-	-	-	-	7,825,000.00	462,446.00	8,287,446.00	8,287,446.00
2025	-	-	-	-	-	-	8,075,000.00	244,269.00	8,319,269.00	8,319,269.00
	<u>\$ 80,585,000.00</u>	<u>\$ 39,749,641.00</u>	<u>\$ 120,334,641.00</u>	<u>\$ 167,653,507.50</u>	<u>\$ 128,457,102.50</u>	<u>\$ 416,445,251.00</u>	<u>\$ 30,000,000.00</u>	<u>\$ 17,455,576.00</u>	<u>\$ 47,455,576.00</u>	<u>\$ 463,900,827.00</u>

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

Year	Population			Per Capita Personal Income			Civilian Labor Force Estimates				% Unemployed
	Ohio	Cincinnati MSA	Hamilton County	Ohio	Cincinnati MSA	Hamilton County	Ohio	Cincinnati MSA	Hamilton County	Cincinnati	
1996	11,242,827	1,953,606	862,440	\$ 23,322	\$ 24,787	\$ 28,072	5,660,800	1,004,100	436,300	173,600	4.3
1997	11,277,357	1,970,246	859,490	24,656	26,299	29,395	5,712,600	1,023,200	436,500	173,300	3.8
1998	11,311,536	1,985,506	855,976	26,017	28,058	31,712	5,736,700	1,033,800	434,400	172,400	3.4
1999	11,335,454	1,999,126	849,917	26,859	29,057	32,262	5,780,700	1,045,700	432,000	171,500	3.3
2000	11,363,809	2,014,487	843,974	28,207	30,476	33,567	5,807,000	1,042,900	427,100	159,800	3.4
2001	11,384,992	2,026,218	838,663	28,601	31,148	34,742	5,825,600	1,046,100	423,900	158,900	4.0
2002	11,404,651	2,034,678	830,036	29,212	31,999	36,156	5,836,500	1,057,800	424,400	160,100	4.9
2003	11,431,748	2,046,078	822,318	29,954	32,738	37,256	5,866,800	1,073,600	424,200	156,700	5.1
2004	11,450,143	2,056,843	813,639	31,161	34,368	39,467	5,875,300	1,084,900	422,200	155,600	5.1
2005	11,464,042	N/A	N/A	32,478	N/A	N/A	5,900,400	1,096,700	426,800	157,200	5.4

Source: Unemployment rate from Ohio Bureau of Employment Services
Other Information from www.ohioworkforceinformer.org
US Dept of Commerce, Bureau of Economic Commerce (www.bea.gov)

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

Employer	2005			1996		
	Number of Employees	Percentage of Total Employment		Number of Employees	Percentage of Total Employment	
University of Cincinnati	15,400	1	1.74%	11,716	3	1.42%
The Kroger Co	14,000	2	1.59%	10,000	4	1.21%
Health Alliance	13,141	3	1.49%			
The Procter and Gamble Co	12,000	4	1.36%	14,700	1	1.79%
Fifth Third Bank	8,964	5	1.01%			
Toyota Motor Manufacturing	8,490	6	0.96%			
Children's Hospital Medical Center	8,102	7	0.92%			
Tri-Health Inc	7,648	8	0.87%			
Cincinnati Public Schools	7,589	9	0.86%	6,200	6	0.75%
City of Cincinnati	6,964	10	0.79%	5,967	7	0.72%
General Electric				8,000	5	0.97%
U S Government				13,562	2	1.65%
Hamilton County				5,440	8	0.66%
Cinergy				5,000	9	0.61%
Cincinnati Milacron				4,500	10	0.55%
Total	<u>102,298</u>	<u>11.59%</u>		<u>89,585</u>	<u>10.88%</u>	
	883,200			823,500		

Source: Business Courier 2006 Winter Book of Business Lists

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

Year	New Residential Construction (1)		New Non-Residential Construction (1)		Total Construction (1)	
	Number of Permits	Estimated Cost (in thousands)	Number of Permits	Estimated Cost (in thousands)	Number of Permits	Estimated Cost (in thousands)
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	12,008	497	196,139	9,471	448,484
2000	169	30,170	567	250,681	10,483	540,208
2001	120	24,712	70	136,958	9,206	570,930
2002	198	44,323	65	52,432	8,726	559,529
2003	154	36,200	78	67,496	8,146	333,396
2004	187	26,488	55	97,719	7,950	486,905
2005	240	48,343	52	119,455	8,336	509,344

Year	Property Value (2)	
	Residential (in thousands)	Non-Residential (in thousands)
1996	\$ 5,376,340	\$ 4,714,698
1997	5,954,496	4,709,255
1998	5,961,433	4,707,816
1999	5,979,174	4,734,190
2000	7,165,094	5,301,602
2001	7,191,011	5,275,983
2002	7,190,165	5,322,012
2003	8,135,933	6,695,987
2004	8,154,379	6,857,111
2005	8,191,224	6,541,396

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

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

<u>Position</u>	<u>Salary</u>
Mayor	\$121,291
Councilmember	\$60,646
City Manager	\$187,719
Commissioner of Health	\$110,055 - \$148,573
Deputy City Manager	\$110,055- \$148,573
City Solicitor	\$110,055- \$148,573
Various Department Directors	\$94,192 - \$127,648

MAYOR and CITY COUNCIL

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

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

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

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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Goods-Producing Industries	190.6	195.0	196.5	199.2	198.3	190.5	179.2	176.6	176.5	175.7
Natural Resources, Mining and Construction	43.3	46.4	47.2	50.2	50.6	51.1	49.2	49.6	52.4	52.4
Construction of Buildings	10.5	11.6	11.2	11.3	11.5	11.0	11.3	12.3	12.7	12.8
Specialty Trade Contractors	27.8	29.5	30.3	32.4	33.1	32.6	31.5	31.5	34.0	33.7
Manufacturing	147.3	148.6	149.3	149.1	147.7	139.4	130.0	127.0	124.2	123.3
Durable Goods	86.7	87.6	88.1	88.6	87.7	82.2	75.4	72.7	71.9	71.9
Primary Metals	8.2	8.3	8.5	8.6	9.0	8.6	7.9	8.0	8.0	7.5
Transportation Equipment	17.2	17.9	18.5	19.3	19.9	20.1	18.2	17.1	17.1	18.2
Motor Vehicle Parts	5.8	6.1	6.4	6.9	7.8	8.4	8.6	8.0	7.8	8.4
Aerospace Products and Parts	9.9	9.8	10.2	10.2	9.8	9.9	8.9	8.3	8.3	8.7
Nondurable Goods	60.6	61.0	61.2	60.4	60.0	57.2	54.7	54.4	52.3	51.4
Chemical Manufacturing	12.5	12.6	13.3	13.6	13.4	13.0	12.4	12.4	11.0	11.1
Service-Providing Industries	749.8	770.8	790.8	806.4	819.1	821.0	829.5	839.5	848.8	859.6
Trade, Transportation, and Utilities	204.3	209.6	215.1	216.4	218.1	216.1	213.7	210.9	210.3	211.0
Wholesale Trade	54.6	56.2	57.1	58.9	59.3	58.8	58.3	57.2	56.7	58.0
Merchant Wholesalers, Durable Goods	24.5	25.5	26.1	27.7	28.1	27.5	26.8	26.8	26.9	27.8
Merchant Wholesalers, Non-Durable Goods	18.9	19.7	20.1	20.9	21.6	21.8	22.1	22.3	22.3	22.5
Retail Trade	112.3	114.7	117.3	115.0	115.6	115.0	112.6	110.6	110.8	109.4
Food and Beverage Stores	20.7	19.7	20.0	19.6	19.8	20.3	19.8	20.8	20.3	20.3
Grocery Stores	18.3	17.2	17.2	16.9	17.1	17.6	17.2	17.5	17.2	17.4
Health and Personal Care Stores	7.6	7.6	7.7	8.0	7.6	7.4	7.4	7.8	7.6	7.4
Clothing and Clothing Accessories Stores	7.6	7.7	7.7	7.3	7.6	7.4	7.8	8.4	9.3	9.3
General Merchandise Stores	26.1	27.4	27.8	27.4	25.5	23.8	22.1	22.4	22.1	21.6
Transportation, Warehousing and Utilities	37.5	38.7	40.7	42.4	43.1	42.3	42.8	43.1	42.8	43.6
Transportation and Warehousing	32.0	33.5	37.2	39.5	38.5	37.1	37.6	39.0	39.6	40.4
Air Transportation	7.1	8.0	8.8	9.2	9.5	8.9	9.8	10.3	10.4	10.0
Information	17.7	18.7	20.2	20.6	20.3	19.4	17.8	16.2	16.0	15.8
Telecommunications	6.2	6.6	6.9	6.9	7.2	6.9	6.1	5.6	5.7	5.4
Financial Activities	50.5	52.4	55.1	57.5	59.1	60.9	64.1	66.0	65.0	65.6
Finance and Insurance	37.5	39.1	41.0	42.9	44.2	46.1	48.9	51.5	50.8	51.5
Credit Intermediation and Related Activities	13.8	14.8	15.8	17.0	17.8	18.5	20.1	21.3	21.1	21.5
Insurance Carriers and Related Activities	17.0	18.1	19.0	20.1	20.2	20.4	21.8	23.5	22.9	22.9
Professional and Business Services	118.2	124.7	130.5	134.9	139.1	138.9	139.6	144.1	147.0	152.3
Professional and Technical Services	41.9	44.3	46.5	48.4	50.8	50.5	49.7	50.9	50.7	52.2
Management of Companies and Enterprises	25.6	25.8	27.1	28.8	29.8	29.6	29.9	30.8	30.7	31.6
Administrative, Support, and Waste Services	50.7	54.7	56.9	57.7	58.6	58.8	60.0	62.4	65.6	68.5
Employment Services	20.9	24.1	25.8	27.6	28.5	27.6	26.9	29.8	33.3	35.4
Services to Buildings and Dwellings	13.9	13.6	13.3	13.1	13.2	13.0	12.8	13.1	12.8	13.4
Educational and Health Services	111.6	114.2	115.4	118.6	119.6	121.0	124.7	127.2	131.1	134.6
Educational Services	12.0	12.1	12.0	12.0	11.9	11.6	11.9	12.8	13.7	14.2
Health Care and Social Assistance	99.6	102.1	103.4	106.6	107.7	109.5	112.7	114.4	117.4	120.4
Hospitals	33.8	35.0	34.9	35.1	35.0	35.4	35.9	37.2	38.3	39.4
Leisure and Hospitality	85.4	89.1	90.6	93.2	96.0	96.1	98.2	99.9	103.2	105.4
Arts, Entertainment and Recreation	14.1	16.8	17.5	17.8	18.7	17.7	17.9	18.3	18.9	18.9
Accommodation and Food Services	71.3	72.3	73.1	75.4	77.3	78.5	80.3	81.6	84.3	86.6
Other Services	40.5	41.5	41.6	41.9	41.2	40.5	40.9	42.1	42.9	42.8
Government	121.6	120.5	122.2	123.3	125.9	128.1	130.6	133.1	133.2	132.2
Federal Government	16.5	16.5	16.6	16.8	18.0	17.9	18.4	17.8	17.6	17.6
State Government	28.5	25.5	25.5	25.3	25.5	25.8	26.0	26.7	27.1	27.4
State Government Education	20.6	20.3	20.3	20.1	20.3	20.5	21.0	21.5	21.9	22.2
Local Government	76.6	78.5	80.2	81.3	82.4	84.4	86.2	88.6	88.4	87.1
Local Government Education	43.6	44.8	46.0	46.7	47.5	48.3	48.4	49.8	49.9	49.0
Total	940.4	965.8	987.3	1005.6	1017.4	1011.5	1008.6	1016.1	1025.3	1035.3
Unemployment Rate	4.3	3.8	3.4	3.3	3.4	4.0	4.9	5.1	5.1	5.4

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

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

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

Function/Program	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government	654	520	518	494	483	478	444	451	582	542
Community Development	66	68	69	93	84	83	77	76	60	56
General Services	141	299	309	310	310	317	296	228	75	72
Parks and Recreation	330	332	344	357	351	343	335	333	310	314
Public Safety										
Police	1,297	1,326	1,312	1,342	1,319	1,304	1,312	1,326	1,365	1,322
Fire	804	824	844	839	865	855	860	847	860	855
Transportation and Engineering	144	139	139	141	148	148	148	171	168	159
Public Services	523	527	515	501	473	459	456	464	438	437
Public Health	502	487	490	467	496	500	485	492	470	452
MSD	723	687	649	644	632	650	624	595	571	563
Enterprise										
Water Works	601	588	588	580	578	594	573	592	589	570
Parking Facility	69	68	64	65	64	54	64	58	56	55
Convention Center	50	48	44	45	42	37	39	32	31	29
General Aviation	9	9	12	10	12	12	12	13	11	13
Municipal Golf	29	24	3	2	2	2	2	2	2	2
Stormwater Management	25	24	24	15	13	9	15	21	15	16
	5,967	5,970	5,924	5,905	5,872	5,845	5,742	5,701	5,603	5,457

Source: Cincinnati Human Resource Information System

City of Cincinnati
Operating Information
Schedule 2
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government										
Litigations										
Total Cases	141	140	142	150	149	170	195	207	152	121
Open Cases	12	14	22	28	64	69	43	38	65	83
Community Development										
Housing Units	N/A	N/A	3,002	2,318	2,801	3,134	2,098	1,630	2,465	2,110
Job Created/Retained through Income Tax Credits	N/A	N/A	N/A	7,708	2,715	2,200	1,994	1,531	575	570
Enterprise Zone Agreement	N/A	N/A	N/A	26	15	9	5	10	5	1
Police										
Service Calls	290,434	294,109	298,425	298,910	300,713	288,283	288,242	295,387	292,826	291,468
Arrests	36,721	36,329	47,404	60,852	60,146	41,829	42,497	47,007	47,830	48,757
Reports Filed	27,428	43,971	44,007	40,209	39,863	45,635	47,639	46,923	44,798	43,427
Fire										
Incidences (Fires, EMS)	67,651	73,435	67,129	63,267	63,618	64,453	65,428	65,451	65,423	65,206
Parks										
Annual Visitors	N/A	N/A	N/A	N/A	N/A	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Nature Education Programs	N/A	N/A	N/A	N/A	N/A	1,500	1,500	1,300	1,300	1,300
Volunteer Hours	N/A	N/A	N/A	N/A	N/A	30,000	30,000	32,800	33,700	33,700
Park Reservations	N/A	N/A	N/A	N/A	N/A	645	660	675	690	690
Visitor Center Phone Calls	N/A	N/A	N/A	N/A	N/A	16,200	17,900	18,000	21,000	21,000
Health										
Patients	35,981	44,757	45,221	48,787	44,181	43,234	47,712	48,787	46,237	48,961
Visits	120,973	132,137	136,388	144,267	140,935	139,040	135,296	138,833	134,637	137,105
Inspections	37,000	37,496	38,946	24,627	28,077	28,935	29,337	35,098	29,203	26,317
Birth and Death Certificates	98,000	99,553	97,636	101,707	98,618	97,034	94,033	86,938	83,213	84,314
Sanitation										
Total solid waste collected and disposed	115,941	113,113	112,327	111,889	113,700	117,800	11,500	116,500	114,377	115,000
Water Works										
Water Delivered to Water Mains (Gallons)	46,340,105,000	46,712,161,000	46,900,170,000	49,697,876,000	48,747,763,000	47,047,006,000	49,679,150,000	48,574,063,000	49,005,613,000	50,246,239,000
Total Water Consumption (Gallons)	40,023,326,000	40,943,869,000	39,314,841,000	41,049,853,000	40,630,682,000	39,083,763,000	41,198,056,000	39,700,260,000	41,206,219,000	42,128,497,000
Percent of Unmetered Water	14%	12%	16%	17%	17%	17%	17%	18%	16%	16%
Average Daily Delivery (Gallons)	126,612,000	127,979,000	128,494,000	136,159,000	133,191,000	128,896,000	136,107,000	133,080,000	134,038,000	137,661,000
Maximum Daily Pumpage (Gallons)	170,827,000	198,313,000	188,460,000	234,267,000	196,730,000	169,636,000	217,882,000	207,864,000	176,763,000	213,827,000
Minimum Daily Pumpage (Gallons)	102,383,000	100,432,000	95,700,000	104,747,000	105,760,000	105,529,000	101,296,000	98,580,000	106,310,000	108,872,000

N/A = Not Available

City of Cincinnati
Operating Information
Schedule 3
Capital Asset and Infrastructure Statistics by Function/Program
Last Five Fiscal Years

<u>Function/Program</u>	2001	2002	2003	2004	2005
Public Safety					
Police					
Stations	5	5	5	5	5
Fire					
Fire Stations	26	26	26	26	26
Paramedic Units	4	4	4	4	4
Life Support Ambulances	6	6	6	6	17
Aircraft Rescue	1	1	1	1	1
Transportation and Engineering					
Streets (lane miles)	2,820	2,820	2,840	2,840	2,840
Sidewalks (miles)	1,700	1,700	1,700	1,700	1,700
Street Signs		150,000	300,000	300,000	300,000
Bridges	71	71	71	66	68
Retaining Walls (miles)	48	48	49	49	51
Public Recreation					
Parks					
Acreage	5,000	5,000	5,000	5,000	5,000
Regional Parks	5	5	5	5	5
Neighborhood parks	70	70	70	70	70
Preserves and Nature areas	34	34	34	34	34
Nature Education Centers	5	5	5	5	5
Playgrounds	52	52	52	52	52
Hiking Trails (miles)	50	50	50	50	65
Plant Species - Krohn Conservatory	1,000	1,000	1,000	1,000	N/A
Park Facilities & Structures	121	121	121	121	N/A
Street Trees	80,000	80,000	80,000	80,000	80,000
Recreation					
Acreage	2,300	2,300	2,300	2,300	2,600
Recreation and Senior Centers	45	45	45	45	45
Play Areas	105	108	108	108	108
Swimming Pools	42	41	41	41	41
Tennis Courts	125	122	122	122	122
Public Services					
Traffic Engineering					
Traffic Signs	705	705	725	725	739
Street Lights	31,500	31,500	31,500	31,500	32,000
Public Health					
Health Centers	6	6	6	6	6
Water Works					
Total Assets (in thousands)	\$628,124	\$642,501	\$759,982	\$751,109	\$877,497
Water Customer Accounts	225,520	235,556	236,945	238,460	239,630
Miles of Water Main in the System	2,832	2,992	3,012	3,058	3,079
Municipal Golf					
Golf Courses	7	7	7	7	7
General Aviation					
Acreage	1,000	1,000	1,000	1,000	1,000
Convention Center					
Meeting Rooms			41	41	N/A
Exhibit Space (Square Feet)	162,000	162,000	162,000	162,000	162,000
Meeting/Ballroom Space (Square Feet)	88,000	82,000	82,000	82,000	82,000
Parking Facilities					
Parking Lots/Garages	9	9	10	10	15
Parking Meters	6,200	6,200	6,400	6,400	5,700
Stormwater Management					
Miles of Storm Sewers	315	315	315	315	315

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COMPREHENSIVE ANNUAL FINANCIAL REPORT PREPARED BY:

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