

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 2017

city of
CINCINNATI

2017

CINCINNATI, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 2017

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INTRODUCTORY SECTION

**CITY OF CINCINNATI, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the fiscal year ended June 30, 2017**

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December 28, 2017

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

We are pleased to submit the City of Cincinnati's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. State law requires that the City of Cincinnati annually publish a complete set of financial statements for the results of its fiscal operations, presented in conformity with generally accepted accounting principles (GAAP). This report is prepared by the Department of Finance, which is responsible for the accuracy of the data and the completeness and fairness of its presentation, including disclosures. We believe that the information presented is accurate in all material respects and reported in a manner designed to show the financial position and operating results of the City.

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

The Administration believes that the City's internal control structure provides reasonable assurance that assets are safeguarded, transactions are recorded and reported appropriately, and policies are followed. The concept of reasonable assurance recognizes that the cost of a control procedure should not exceed the expected benefit. An important element of the City's control structure is the ongoing program to promote control consciousness throughout the organization. The Administration's commitment to this program is emphasized through written policies and procedures, and a well-qualified financial staff.

In 2012, the decision was made to change from a calendar year to a fiscal year beginning July 1st and ending June 30th. This resulted in 2013 being a six-month conversion year. The Auditor of the State of Ohio has audited the accompanying financial statements for fiscal year 2017. 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 the City to have this single audit of all City federal grant activities. The City has remained in compliance with this requirement since its inception in 1985. The Auditor of the State of Ohio conducted the single audit for the 2017 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 stronger Mayor form of government. The Mayor is chosen through a direct election and the nine members of City Council are chosen in a separate at-large election.

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

to prior approval of the City Council.

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

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

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

Information Useful in Assessing the Government's Economic Condition

Local Economy

The City's diverse economic base has been and continues to be a source of financial stability for the City. Among its prominent manufacturing groups are transportation equipment, which includes aircraft engines and auto parts; food and kindred products; metal working and general industrial machinery; chemicals; fabricated metal products; printing and publishing. Several Fortune 500 corporations are headquartered in the City's region, and over 400 Fortune 500 firms have operations in the Metropolitan Area.

According to a report released by the Federal Reserve Bank of Cleveland in August 2017, unemployment rate has decreased to 4.1% as of May 2017, compared to 4.3% in May 2016. The report states that "all of the Cincinnati metro area's largest industry sectors experienced increases in employment." The research shows that three sectors experienced notably higher employment growth locally: financial activities; leisure and hospitality; and construction. Education and health services has the lowest employment growth locally.

Local home prices increased by 6.3% from the previous year, compared to 5.7% increase in Ohio and 7.4% increase nationally. The Fed reports that "the year-over-year percent change in housing prices generally has been trending upward since June 2011."

Per the U.S. 2010 Census, the City of Cincinnati's population was 296,943. The 2016 population estimates made by the Census Bureau has the Cincinnati population increasing to 298,800.

Long Term Financial Planning

At the beginning of fiscal year 2016 City Council updated the stabilization policy which was originally established in 1984 to assure a strong financial position and to protect Cincinnati's general obligation bond rating during periods of fiscal stress. The policy calls for achievement of a minimum reserve level, for emergency needs of a catastrophic nature, of two months, or 16.7%, of general operating revenues by June 30, 2020. At June 30, 2017 reserves were 10.9% of fiscal year 2017 revenue. The previous stabilization policy called for a minimum reserve level of no less than 5% or more than 8% of general operating revenues. The targeted year-end reserve level was achieved by fiscal year end for each period 1985 through fiscal year 2015.

Actual Non-GAAP General Fund expenditures/encumbrances for fiscal year 2017 were \$392.3 million which were lower than the budgeted amount of \$396.5 million by approximately \$4.2 million. Actual Non-GAAP revenue for fiscal year 2017 of \$389.9 million was lower than budgeted fiscal year 2017 revenues of \$392.9 million. The actual revenue was lower than the original fiscal year 2017 revenue estimate of \$392.9 million by \$3.0 million.

Moody's rates the City's general obligation bonds "Aa2", the third highest rating. The City's bond rating by Standard and Poor is "AA", the second highest rating. The rating reflects the City's strong management, financial policies and practices, and the City's strong budgetary performance, flexibility, and liquidity.

Relevant Financial Policies

Cash temporarily idle during the year was invested in Certificates of Deposit, obligations of the U.S. Treasury, obligations of a federal government agency or instrumentality, the State Treasury Asset Reserve (STAR) of Ohio (the State Treasurer's investment pool), STAR Plus (the State Treasurer's deposit option), Ohio Municipal securities, and City of Cincinnati notes/bonds. 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 and bond investments in order to track specific interest earned on bond proceeds.

The City's Investment Policy, which was approved by the Mayor and City Council, is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized. The investments held by the City at June 30, 2017 were either backed by the full faith and credit of the U.S. Government or were investments with a credit rating of A and above.

The City utilizes the services of two professional investment management firms, Bond Tech, Inc. and Nuveen Asset Management, to manage a portion of the City's investment portfolio. The portfolios managed by these firms must follow the same laws and investment policies that guide the City's internally managed portfolio. As of June 30, 2017 the par value of City assets managed by these firms was \$154.8 million by Bond Tech and \$255.5 million by Nuveen Asset Management.

The par value of the assets managed internally by the City's Treasury Division was \$517.7 million. The assets managed internally include the assets invested from the sale of bond proceeds as well as the assets needed to satisfy the cash requirements of the City. As of June 30, 2017, the investment allocation of the aggregate portfolio was as follows:

U. S. Treasury Notes	38.07%
U.S. Agency Securities	45.31%
STAR Ohio	5.75%
STAR Plus	0.82%
Certificates of Deposit	0.70%
Ohio Municipal Debt	7.66%
City of Cincinnati Notes	0.41%
Overnight Funds/Cash	1.28%

The City maintains a comprehensive all-risk property insurance program through a commercial carrier, covering approximately \$1.48 billion in property values. The program contains a \$100 thousand deductible, provides coverage in the amount of \$300 million per occurrence, and has a maximum limit of \$50 million for earthquake damage and \$50 million for flood damage.

The City of Cincinnati Retirement System's net plan assets were \$2.23 billion as of June 30, 2017 compared to \$2.11 billion as of June 30, 2016. The net investment return for the fiscal year ending June 30, 2017 was

12.11%. The Cincinnati Retirement System's actuary reported the December 31, 2016 pension funded ratio of 76.9% and the health care funded ratio of 108%. This compares to the December 31, 2015 pension funded ratio of 77.1% and health care funded ratio of 97.9%.

In 2011, City Council approved changes to pension benefits for active employees. In recent years the active employees filed multiple suits against the City in response to the pension changes. The retirees joined the litigation in anticipation of changes to future cost-of-living-adjustments (COLA's). The City and the adverse parties in the pension litigation agreed to a collaborative mediation in Federal District Court to attempt to reach an agreed resolution of the City's pension issues. A settlement agreement with a term of 30 years was approved by the United States District Court for the Southern District of Ohio, Western Division on October 5, 2015 and generally effective January 1, 2016. This settlement includes an employer contribution rate of 16.25%, a change in the COLA from a 3% compound to a fixed 3% simple COLA, a three-year suspension of COLA payments for current retirees and future retirees upon their retirement date, and approval to terminate the 401(h) retiree health care account and replace it with a standalone 115 Trust, thereby facilitating the City's capture of \$238 million in excess retiree health care funds to be contributed to the Pension Trust.

Major Initiatives

In 2017, 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.

General Electric U.S. Global Operations Center. In summer 2014 General Electric (GE) announced that it would build its U.S. Global Operations Center at The Banks in the City's riverfront area. It is now one of five such centers in the world. GE performs functions at the center such as finance and information technology for its myriad business units. Approximately 1,800 people are employed at the operations center. The 338,000-square-foot building is 10 stories and costs approximately \$90 million and opened in September 2016. The Economics Center at the University of Cincinnati forecasts that the project will result in \$900 million in new economic activity in Cincinnati each year.

Streetcar Project. The City constructed a 3.6-mile streetcar system connecting the riverfront to Over-the-Rhine (OTR), a neighborhood that is enjoying a renaissance. The Phase 1A route is serviced by five vehicles operating on embedded rail in shared right-of-way, with 18 station stops and a maintenance facility at the northern end of the route. Construction of the entire Phase 1A system was completed in March 2016, with fare-based service which began in September 2016.

The Banks Project. In November 2007, the City and Hamilton County approved a series of agreements to develop the City's central riverfront comprising a total development site of approximately 120 acres. The riverfront development includes a variety of residential options, entertainment venues, riverfront offices, hospitality space and an expansive 45-acre riverfront park. Phase I includes 300 luxury apartments and 77,000 square feet of retail space, quickly filled. Phase IIA of the Banks was completed in fall 2015 with the 291-apartment Radius at the Banks open and leasing units. GE's U.S. Global Operations Center (Phase IIB) opened in September of 2016. In August 2015, the \$29.3 million project called Phase IIIA was launched, which will result in adding a two-level, 690-space parking structure and extending Race Street one block south. The Banks is a catalyst for regional economic growth and is expected to drive more than \$600 million in private investment to the City's riverfront and provide a place to live for more than 3,000 residents.

580 Building. The 580 building, located at 580 Walnut Street, was renovated into a mixed-use development primarily composed of 179 apartments, retail and commercial space at an estimated construction cost of \$55 million. The project was completed in winter of 2016 and has converted approximately 300,000 square feet of vacant office space from the downtown market to residential use.

Holiday Inn at 7th and Broadway. Construction on a new 115-suite Holiday Inn was completed in fall 2016. The \$11.5 million, six-story facility is Cincinnati's first downtown hotel newly constructed in 30 years. The hotel includes an indoor pool, fitness room, room service, as well as conference and banquet space. The hotel will create 35-40 new full time permanent employees.

8th & Sycamore. Eighth & Sycamore will be the home of a mixed-use development in the Central Business District (CBD). Immediately adjacent to the new Holiday Inn Express, this project includes a replacement garage, an apartment tower and new street level retail. A 500-space parking garage has been completed and currently 7,000 square feet of retail/commercial space is being finished. This combined project cost is approximately \$16.5 million. The estimated completion of the apartment tower is fall 2017.

Lytle House Hotel. Construction has begun on a new 106-room Cincinnati Autograph Hotel and conference center combining two existing historic buildings (300 Lytle Street and 311 Pike Street) into one. The project has received approval of the City's Historic Conservation Board and is projected to open in winter 2018. The total cost of the project is estimated at \$36 million and will create 80 new full time permanent employees.

Q-Labs. Q-Labs has begun rehabilitation of 2 buildings totaling 25,000 square feet and the construction of a new 30,000-square-foot laboratory within the Knob Hill City View industrial park. The total project cost is \$7.5 million and will retain 100 full time equivalent positions (FTEs) and create 47 new FTEs. Q-Labs is a full service laboratory offering comprehensive microbiology, chemistry, and research and development testing services for the food ingredients/ flavorings industry, the cosmetic, pharmaceutical, over-the-counter, and health and beauty care industry. The company currently occupies 23,500 square feet of space in the South Fairmount neighborhood. Their current facility is roughly double the amount of space that they occupied in 2010, but, Q-Labs has grown at such a rate, that it requires additional space in order to sustain its growth projector. Construction is expected to be complete in spring 2018.

Nehemiah Manufacturing. Nehemiah Manufacturing Company, LLC is in agreement with the City for the property sale and development of the 7.7 acres, Metro West Commerce Park in the Lower Price Hill neighborhood. This project consists of the company's expansion with an estimated \$12 million investment for the total project. The company will retain 76 jobs and create 50 new manufacturing jobs within in a three-year span once construction is completed.

SFA Architects. SFA, an architecture and engineering firm, is renovating a 60,000 square feet warehouse building which is located along a prominent gateway into Cincinnati. This new expansion will retain their headquarters in Cincinnati and be a major investment for the Queensgate neighborhood. The renovation project will include a 3,000-square-foot addition on the roof of the building. The total project cost is \$4.7 million and the company will commit to increase their employment from 60 FTEs to 85 FTEs.

Grand Baldwin and Baldwin 200 Buildings. Neyer Properties, Inc. has nearly completed the conversion of the eight-story Grand Baldwin Building into a residential apartment complex containing approximately 190 market rate units and making improvements to the adjacent parking garage, at an estimated project cost of \$40 million. Construction on the Grand Baldwin building started in summer 2016 and is substantially completed. Neyer will also renovate the 12 story Baldwin 200 building, maintaining it as office space. TriHealth, Inc., a Cincinnati based healthcare provider system, and primary tenant in the Baldwin 200 building, will undertake improvements at an estimated project cost of \$13 million. Construction is expected to begin in fall of 2017. TriHealth will begin operations in the Baldwin 200 building no later than December 2018 and will occupy 120,000 square feet of space, resulting in the retention of at least 310 permanent jobs, at an estimated annual payroll of \$38.8 million.

Oakley Station. A 74-acre redevelopment of a former industrial site in one of the City's most rapidly appreciating neighborhoods, Oakley Station is anticipated to be an 855,000 square-foot mixed-use development containing retail, entertainment, office and residential components. The total cost of the project is estimated to be \$120 million. The developer anticipates that at full build-out, over 1,700 people will work

on the site and the City estimates that those employees will generate nearly \$800,000 in earnings tax each year. Al Neyer, Inc. completed construction of an 80,000-square-foot office for Community Insurance Company, Inc. (Anthem) at the site in spring 2017, at a project cost of \$17.9 million. The development has resulted in the retention of 325 jobs, and Anthem has committed to creating at least 75 additional jobs over three years, for a total annual payroll of \$15 million. A 383 space public parking garage was also constructed. Phase II of the Apartments at the Boulevard, a luxury apartment complex, opened in early 2017 with 149 new units. Construction of a Homewood Inns and Suites began in spring of 2017 and is expected to be completed in spring of 2018, at an anticipated total project cost of \$16.9 million.

MadTree Relocation. MadTree Brewing, LLC completed a \$15.4 million dollar acquisition and renovation of an approximately 4.6 acre brownfield site in January 2017. The project included the demolition of several portions of the existing facility and the renovation of the remaining 50,000-square-foot facility into production, warehouse, office and lab space, as well as a new taproom. The project resulted in the creation of 47 new jobs in Cincinnati with a payroll of approximately \$1.4 million. MadTree also expects to add 44 employees to the new location within three years of the completion for a total of 91 employees and approximately \$3 million in total payroll. The construction of a 240 space parking lot at this property has also been undertaken, at an approximate cost of \$2.6 million.

Cincinnati Zoo & Botanical Garden. Since 2010, the Zoo has undergone a 5-phase growth that brought expanded and reinvented exhibits to showcase African animals to their 1.5 million annual visitors, such as the Maasai giraffe, flamingo, cheetah, painted dogs, and meerkats. The final \$8 million Hippo Cove opened in July 2016 and features a 70,000-gallon pool complete with a transparent wall for underwater viewing.

I-71 MLK Interchange. ODOT and the City invested in an \$80 million full-movement interchange at I-71 and Martin Luther King Drive. The new interchange is now open and is expected to reduce travel time, simplify wayfinding, and promote economic vitality in Uptown Cincinnati.

The University of Cincinnati (UC). Cincinnati's public research university continues to grow enrollment and pioneer research in many fields. UC is currently building a 100,000-square-foot research accelerator that will cost \$21 million, but will provide space to startup companies launched from UC-developed technologies. UC also recently announced a new Carl H. Lindner College of Business to meet the demand of their undergraduate and graduate business degrees that have both increased 30 percent and 100 percent, respectively, since 2010. The \$120 million facility will have 225,000 square feet and is expected to be complete in fall 2019.

UC Health. The region's only academic health care system is investing in a \$50 million outpatient center to treat people with neurological and psychiatric diseases. The massive 120,000-square-foot headquarters facility will enable the UC Neuroscience Institute to create new research programs, expand existing ones, and lure more world-class doctors and researchers to Cincinnati.

Vernon Manor II. After the former Vernon Manor hotel was successfully converted into office space for Cincinnati Children's Hospital, Al Neyer is now building a 146,000-square-foot office building and expanded parking garage that will add 786 parking spaces to the site. Cincinnati Children's Hospital has signed a 15-year lease and will relocate approximately 750 employees to the new facility when it opens in fall 2017.

The Gantry. Milhaus Development has purchased vacant City-owned property at Hamilton Avenue and Blue Rock Road as well as other nearby underutilized property. The company constructed a mixed-use development with approximately 130 apartments and 8,000 square feet of commercial space. Melt has signed a lease as the anchor retail tenant. The developer is also rehabbing a historic former railroad depot building which will become the home of local business Wire & Twine. In total, the development represents about \$16 million in private investment. Gantry was completed in spring 2016 and two retail tenants opened in summer 2017.

Expansions of Jet Machine & Path Forward. In summer 2016, the City approved a tax abatement for Jet Machine for the company to build a new manufacturing facility at the TechSolve II Business Park, a blighted, underutilized shopping center known as Seymour Plaza. The new Jet Machine site is 9 acres, which is the largest undeveloped piece of property within TechSolve II Business Park. Jet Machine will construct and occupy a 105,000 square foot industrial facility, at a construction cost of approximately \$5 million and a total investment of \$12 million. The new space will allow the company to create 52 new FTEs and retain 118 FTEs in Cincinnati. This expansion will also free up space at one of Jet Machine's existing buildings in Bond Hill for an office tenant, Path Forward, to expand and create 150 new jobs and retain 151 existing jobs.

Keystone Parke. The third phase of Neyer Properties' Keystone Parke office campus in Evanston began in late 2016. This phase is a 5-story, 120-room Hilton Garden Inn built atop a parking garage. The \$20.85 million hotel will contain a bar, restaurant, an indoor pool, and meeting room space. The hotel is anticipated to create a mix of full-time and part-time jobs totaling 49 FTEs, with an annual payroll of approximately \$1.2 million. Keystone Parke III represents a total private investment of approximately \$20 million. Completion of Keystone III is anticipated in summer 2018. Keystone IV is planned as a large, midrise office building, pending the commitment of anchor office tenants.

DeSales Corner Redevelopment Activity. The City has allocated \$1.4 million in District TIF funds for the purpose of acquisition and redevelopment of key commercial properties in this business district of East Walnut Hills. To date, three buildings along Madison Road have been acquired, of which one is completed, one is under construction, and one is being held for future development. The completed project is the French Building which Bloomfield/Schon+Partners developed into office space and a first floor café. The project under renovation will be a restaurant.

Avondale Town Center Redevelopment. New Avondale Center LLC, an affiliate of The Community Builders (TCB) and Avondale Coalition of Churches, and Avondale Town Center North LLC (an affiliate of TCB) have agreed to the purchase and comprehensive redevelopment of the current Avondale Town Center (ATC). The project consists of the redevelopment of the center into a mixed-use, mixed income project that includes the construction of two new buildings that will include 119 rental units (both market rate and affordable) as well as approximately 75,000 square feet of commercial space, which will include a grocery store. The project will preserve and enhance much needed affordable and market rate rental housing and stimulate economic growth in the Avondale neighborhood. Construction is anticipated to begin in late 2017 and be completed in 2019.

4th & Race. The Fourth and Race redevelopment project tackles the blighted Pogue's Garage in the heart of the City's financial district. Construction began in the fall of 2016. The project constitutes a true mixed-use development, incorporating a replacement garage, an apartment tower and new street level retail. 3CDC will construct and operate the eight-level, 925-space garage and add 23,000 square feet of street level retail at a cost of \$32.1 million. Flaherty and Collins will build an eight story 264-unit apartment building above the new garage at an estimated cost of \$45.1 million. The project is expected to be completed in early 2018.

Messer. Messer, Inc., a full-service complex commercial construction company, has relocated its headquarters from Bond Hill to the West End neighborhood. \$12.5 million was invested to construct 50,000 square feet of office space, which resulted in the creation of 40 jobs and retention of 116.

Kroger Culinary. The Kroger Co. commenced construction at 301 Elm Street in the CBD. The company will convert the 12,000 square-foot vacant building into their culinary training and education center. The center will serve as Kroger's primary training facility and as testing grounds for new food products and trend research. The renovation will have a total project cost of \$3.8 million and will put life into an inactive building and street corner in the CBD. The project is expected to be completed in the fall of 2017.

NIOSH. The National Institute for Occupational Safety and Health (NIOSH) has selected Cincinnati to build a \$110 million research laboratory. The new facility will be located at the corner of Martin Luther King Jr.

Drive and Reading Road near the University of Cincinnati and will employ 550 people. The design and construction of the new campus will begin in 2018 and is expected to be completed in early 2021.

Medpace Expansion/RBM Development Phase 2B. RBM Development is preparing to construct the second phase of the Medpace Expansion project at the intersection of Madison Road and Red Bank Expressway. When complete, the project will contain a 12-story, 375,000 square foot office building, a 5,500 square feet restaurant and food hall, and 350 new market rate residential units. Medpace has approximately 900 employees in Cincinnati at this time, and expects to expand to approximately 1,800 employees, with an average annual payroll of \$103 million following completion of the expansion project.

Awards and Acknowledgements

Certificate of Achievement and Budget Award

During fiscal year 2017, the Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Cincinnati for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

The City has received this award for thirty-seven consecutive fiscal periods. In 1979, for our 1978 annual financial report, we were the first governmental unit in Ohio to receive the Certificate. As of December 31, 2016, 126 municipal reporting entities in Ohio and only 2,038 units nationwide are holders of the Certificate. We believe our current comprehensive annual 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.

We are equally proud of the GFOA's Award for Distinguished Budget Presentation earned by the City for its 2017/2018 biennial budget. This is the 30th consecutive year that the City has received this award. For the fiscal years beginning in 2016, only 29 entities in Ohio received the award.

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

Respectfully,



Reginald Zeno
Director of Finance



Government Finance Officers Association

**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

June 30, 2016

Executive Director/CEO

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CITY OF CINCINNATI, OHIO

Principal City Officials

CITY COUNCIL

MAYOR

John Cranley, First Term

VICE MAYOR

David Mann, First Term

PRESIDENT PRO TEM

Yvette Simpson, Second Term

COUNCILMEMBERS

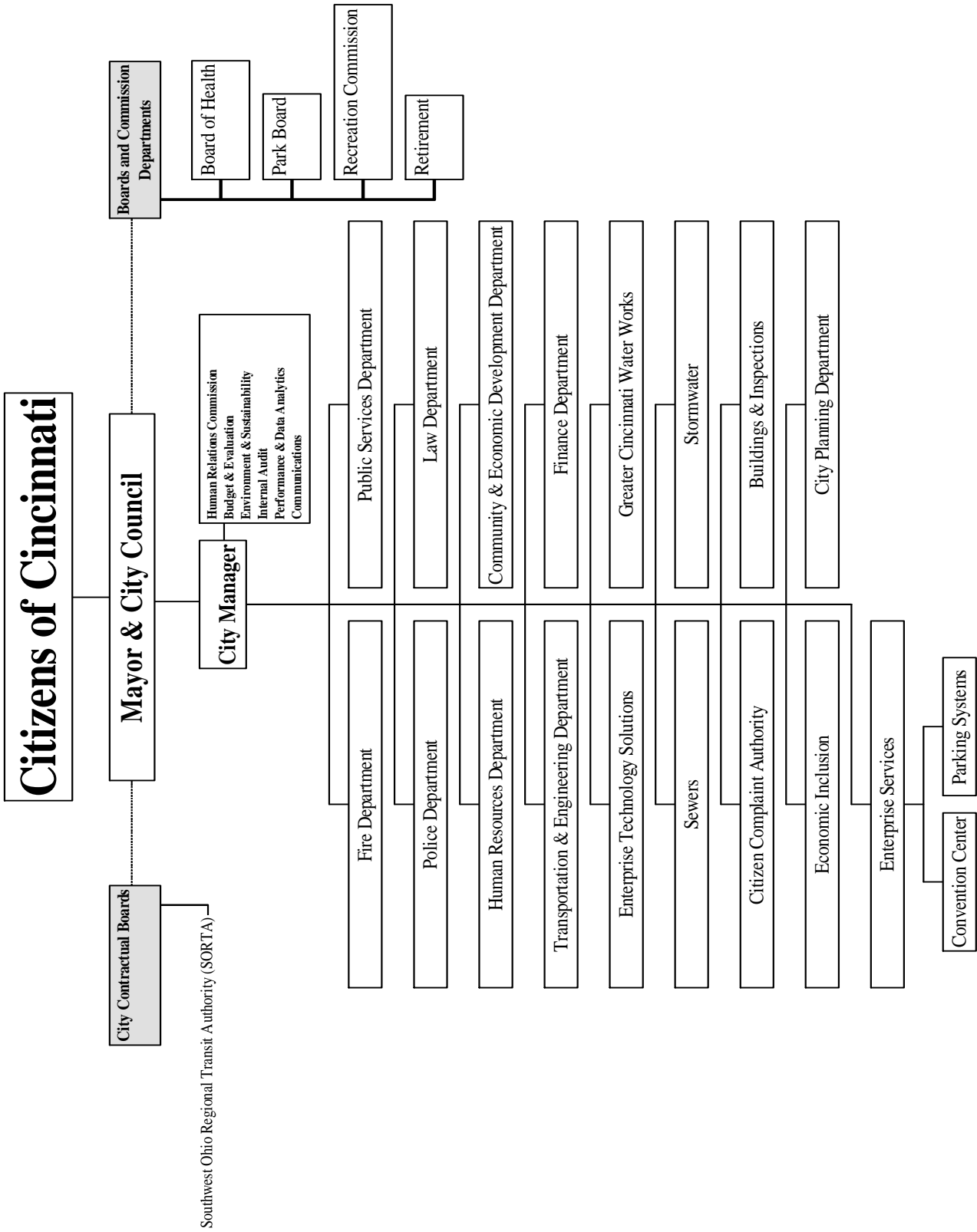
Amy Murray, First Term
Christopher Smitherman, Second Term
Wendell Young, Second Term
Kevin Flynn, First Term

Chris Seelbach, Second Term
P. G. Sittenfeld, Second Term
Charles Winburn, Third Term

CITY MANAGER

Harry Black

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FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Cincinnati
Hamilton County
801 Plum Street
Cincinnati, Ohio 45202

To the Honorable Mayor and Members of the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cincinnati, Hamilton County, Ohio (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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, Hamilton County, Ohio, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis, required budgetary comparison schedules,* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

December 28, 2017

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 June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5 - 12 of this report. The government-wide financial statements are presented on a GAAP basis; that is, they reflect accrual basis of accounting. The GAAP fund financial statements will differ from those presented on a budgetary basis.

Financial Highlights

- The assets and deferred outflows of the City, including all Governmental and Business-type activities, exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$1.2 billion (net position). Of this amount, negative \$1.0 billion is considered unrestricted. The unrestricted net position of the City's governmental activities has a balance of negative \$1.0 billion. The unrestricted net position of the City's business type activities is \$31.4 million. The unrestricted portion of net position does not include assets with externally imposed restrictions or restrictions imposed by law.
- The City's total net position was \$1.2 billion in 2017. Net position of the governmental activities increased by \$310.7 million which represents a 462.1% change from the 2016 balance. Net position of business-type activities increased \$146.3 million or 18.9% increase from 2016. Governmental activities net investment in capital assets increased \$34.7 million. Governmental activities restricted net position increased \$63.7 million. Business-type activities net investment in capital assets decreased \$50.6 million. Business-type activities restricted net position increased by \$79.0 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$509.2 million, in comparison to \$498.3 million at June 30, 2016. On a combined basis, approximately \$7.1 million is considered nonspendable, \$411.3 million is restricted for specific purposes, \$23.9 million has been committed by council and \$7.5 million has been assigned to specific purposes by management.
- At the end of the current fiscal year, the unassigned fund balance of the general fund was \$59.4 million, 15.3% of total 2017 general fund expenditures. The total fund balance was \$77.3 million, 19.9% of total 2017 general fund expenditures. \$3.9 million is considered nonspendable, \$6.5 million committed, and \$7.5 million assigned. There was a \$15.5 million decrease in general fund balance for the fiscal year ended June 30, 2017.
- The City's total general obligation and revenue debt for governmental activities increased by \$6.8 million or 1.0% during the current fiscal year.
- The unrestricted net position of the City's governmental activities has a balance of negative \$1.0 billion due primarily to noncurrent liabilities related to net pension liability and the increase in net position being restricted because of funding from federal and state sources.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

The City maintains 29 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 schedule has been provided for the General Fund to demonstrate compliance with this budget.

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City uses fiduciary funds to account for pension trust, investment trust and agency funds. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 52 and 53 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 57 to 140 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 City's proportionate share of the net pension liability for and contributions to OP&F, OPERS, and CRS, the funding progress of the CRS Pension and Health Care Plans, Employer Contributions to the CRS Pension and Health Care Plans, the CRS net OPEB liability and employer contributions, and the budgetary comparison of the City's General Fund. Required supplementary information can be found on pages 143 to 157 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 163 to 227 of this report.

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

	Governmental Activities		Business-type Activities		Total	
	June 30 2017	June 30 2016	June 30 2017	June 30 2016	June 30 2017	June 30 2016
Current and other assets	829,357	825,768	426,462	316,968	1,255,819	1,142,736
Capital assets	<u>1,507,349</u>	<u>1,476,522</u>	<u>1,327,605</u>	<u>1,320,616</u>	<u>2,834,954</u>	<u>2,797,138</u>
Total Assets	2,336,706	2,302,290	1,754,067	1,637,584	4,090,773	3,939,874
Deferred Outflows	178,727	217,317	37,765	35,788	216,492	253,105
Long-term liabilities outstanding	1,749,907	2,227,222	748,106	815,763	2,498,013	3,042,985
Other liabilities	<u>171,445</u>	<u>156,135</u>	<u>51,965</u>	<u>51,185</u>	<u>223,410</u>	<u>207,320</u>
Total liabilities	1,921,352	2,383,357	800,071	866,948	2,721,423	3,250,305
Deferred Inflows	350,609	203,492	71,613	32,572	422,222	236,064
Net Position:						
Net Investment in Capital Assets	902,668	868,010	741,844	792,466	1,644,512	1,660,476
Restricted	380,598	316,881	146,953	67,988	527,551	384,869
Unrestricted	<u>(1,039,794)</u>	<u>(1,252,133)</u>	<u>31,351</u>	<u>(86,602)</u>	<u>(1,008,443)</u>	<u>(1,338,735)</u>
Total net position	<u>243,472</u>	<u>(67,242)</u>	<u>920,148</u>	<u>773,852</u>	<u>1,163,620</u>	<u>706,610</u>

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$1.2 billion at the close of the most recent fiscal period.

The largest portion of the City's net position \$1.6 billion (141.3%) reflects its investment in capital assets (e.g. land, construction in progress, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, because the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position \$527.6 million (45.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance negative \$1.0 billion represents *unrestricted net position*. The governmental unrestricted net position balance is negative \$1.0 billion. Overall, net position of the City increased \$457.0 million in the fiscal year 2017. Net position for governmental activities increased 310.7 million, and the net position of business-type activities increased \$146.3 million.

There was an increase of \$63.7 million in restricted net position reported in connection with the City's governmental activities and restricted net position reported in connection with the City's business-type activities increased by \$79.0 million in 2017. The key factor for the governmental activities' and business activities' increase relates to an increase in funds restricted for capital projects.

The City's governmental activities net investment in capital assets increased \$37.4 million due to the addition of major projects in 2017. The City's business-type activities net investment in capital assets, decreased \$50.6 million.

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

	Governmental Activities		Business-type		Total	
	June 30 2017	June 30 2016	June 30 2017	June 30 2016	June 30 2017	June 30 2016
Revenues:						
Program Revenues:						
Charges for Services	\$ 128,681	\$ 129,069	\$194,767	\$186,746	\$ 323,448	\$ 315,815
Operating Grants and Contributions	39,173	48,537			39,173	48,537
Capital Grants and Contributions	12,786	20,563	1,576	9,964	14,362	30,527
General Revenues:						
Property Taxes	60,253	59,426			60,253	59,426
Income Taxes	369,978	371,650			369,978	371,650
Admission Taxes	5,811	6,586			5,811	6,586
Shared Revenues	41,979	48,767			41,979	48,767
Occupancy Taxes	3,626	3,369	2,166	2,179	5,792	5,548
Unrestricted Investment Earnings	3,413	8,972	2,224	4,625	5,637	13,597
Miscellaneous	44,426	45,067	2,518	1,780	46,944	46,847
Total Revenues	710,126	742,006	203,251	205,294	913,377	947,300
Expenses:						
General Government	3,895	145,758			3,895	145,758
Community Development	27,189	67,760			27,189	67,760
Parks and Recreation	7,229	59,286			7,229	59,286
Public Safety	279,296	276,858			279,296	276,858
Transportation and Engineering	14,881	52,063			14,881	52,063
Transit System	52,561	50,811			52,561	50,811
Public Services	8,006	58,286			8,006	58,286
Public Health	(16,397)	65,361			(16,397)	65,361
Interest on long-term debt	25,093	23,621			25,093	23,621
Water Works			21,598	131,121	21,598	131,121
Parking Facilities			4,520	12,444	4,520	12,444
Convention Center			13,158	14,670	13,158	14,670
General Aviation			(513)	2,431	(513)	2,431
Municipal Golf			5,866	6,103	5,866	6,103
Stormwater Management			9,985	12,318	9,985	12,318
Total Expenses	401,753	799,804	54,614	179,087	456,367	978,891
Change in net position before transfers	308,373	(57,798)	148,637	26,207	457,010	(31,591)
Transfers	2,341	4,788	(2,341)	(4,788)	-	-
Change in net position	310,714	(53,010)	146,296	21,419	457,010	(31,591)
Net position – Beginning	(67,242)	(14,232)	773,852	752,433	706,610	738,201
Net position – Ending	\$ 243,472	\$ (67,242)	\$920,148	\$773,852	\$1,163,620	\$ 706,610

Governmental activities. Governmental activities increased net position in the fiscal year 2017 by \$310.7 million. Key elements of the change in net position include:

Revenues

The City realized a decrease of governmental revenues of \$31.9 million for 2017. Highlights include:

- Charges for services decreased by \$0.4 million. This includes the following changes by program:

Governmental Program	Change in Millions
General Government	\$ 5.0
Community Development	2.7
Parks and Recreation	(0.9)
Public Safety	(6.2)
Transportation and Engineering	1.4
Public Services	(0.9)
Public Health	(1.5)

See the Financial Trends information in the Statistical section beginning on page 255.

- Operating grants and contributions decreased by \$9.4 million. Community Development decreased by \$7.6 million and Public Safety decreased by \$2.9 million due to the ending of federal grants in fiscal year 2017. Other programs had insignificant changes.
- Income tax decreased \$1.7 million as the economic recovery slowed.
- Property tax increased by \$0.8 million due to an increase in property values.
- Investment earnings decreased by \$5.6 million due to a fair market value change from the prior year to the current year end.
- Shared Revenues decreased by \$6.8 million due to reductions in casino and local government fund revenues.

More information on governmental revenue trends is available in the Statistical Section, Financial Trends Information beginning on Page 259.

Expenses

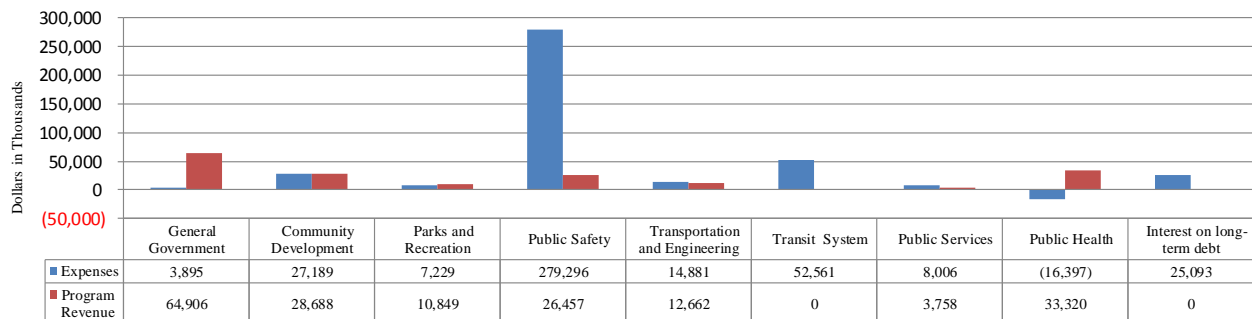
Expenses for governmental activities for the fiscal year ended June 30, 2017 were \$401.8 million. The City shows a decrease of \$398.1 million in governmental expenses for fiscal year 2017 when compared to 2016. The impact of the Collaborate Settlement Agreement (CSA) which involved changes in the Cincinnati Retirement System (CRS) benefits resulted in a negative pension expense which reduced expenses across all governmental activities except Public Safety. The majority of the employees in Public Safety are members of the Ohio Police and Fire Pension System. Additional information on the Collaborative Settlement Agreement may be found in the pension footnotes.

The net costs of operations covered by charges for service, grants and contributions are as follows (amounts in thousands):

City of Cincinnati, Ohio
Statement of Activities
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

	<u>Total</u>	<u>Net Revenue</u>	<u>Percent</u>
	<u>Expenses</u>	<u>Program Revenue</u>	<u>(Expense) Per Activity Covered</u>
Governmental Activities:			
Public Safety	\$279,296	\$ 26,457	\$(252,839) 9.47%
General Government	3,895	64,906	61,011 1666.39%
Public Services	8,006	3,758	(4,248) 46.94%
Public Health	(16,397)	33,320	49,717 -203.21%
Parks and Recreation	7,229	10,849	3,620 150.08%
Community Development	27,189	28,688	1,499 105.51%
Transit System	52,561		(52,561) 0.00%
Transportation and Engineering	14,881	12,662	(2,219) 85.09%
Interest on Long Term Debt	25,093		(25,093) 0.00%
Total governmental activities	<u>\$401,753</u>	<u>\$ 180,640</u>	<u>\$(221,113)</u>

Governmental Activities
Expenses and Program Revenue
For the Year Ending June 30, 2017



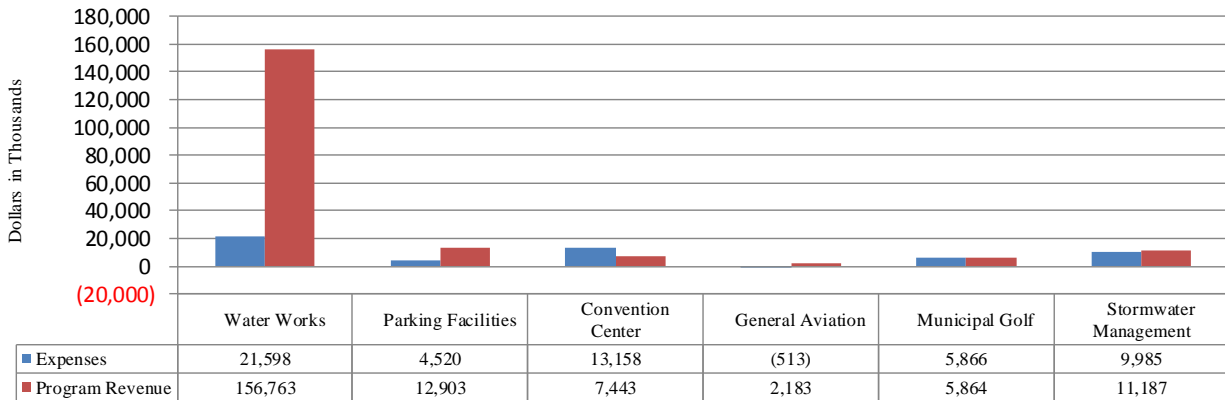
Business-type activities. Business-type activities increased the City's net position in fiscal year 2017 by \$146.3 million. Key elements of the change were:

- Water Works revenue increased by \$2.4 million mainly caused by a 5% rate increase which began during fiscal year 2016
- The impact of the CSA which involved changes in the CRS benefits resulted in a negative pension expense which reduced expenses across Business Activities. Additional information on the Collaborative Settlement Agreement may be found in the pension footnotes.
- Water Works expenses were reduced by approximately \$109.5 million caused mainly by the impact of the CSA.
- Unrestricted investment earnings decreased by \$2.4 million due to a fair market value change from the prior year to the current year end.

The net costs of the business type operations are as follows:

(Amounts in Thousands)	Expense	Program Revenue	Net Revenue (Expense) Per Activity	Percent Covered Activity
Business type activities:				
Water Works	\$ 21,598	\$156,763	\$ 135,165	725.82%
Parking Facilities	4,520	12,903	8,383	285.46%
Convention Center	13,158	7,443	(5,715)	56.57%
General Aviation	(513)	2,183	2,696	-425.54%
Municipal Golf	5,866	5,864	(2)	99.97%
Stormwater Management	9,985	11,187	1,202	112.04%
Total Business-type activities	\$ 54,614	\$196,343	\$ 141,729	

Business-Type Activities Expenses and Program Revenue For the Year Ending June 30, 2017



Financial analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$509.2 million, an increase of \$10.9 million in comparison with the prior year. Approximately 80.8% or \$411.3 million of this total amount constitutes *restricted fund balance*, which is available for spending for a specific purpose. The *committed fund balance*, \$23.9 million or 4.7%, has been committed by council legislation at the end of the year.

The general fund is the primary operating fund of the City. During 2009, the decision was made to include the working capital reserve fund with the general fund as a stabilization fund and is included in the unassigned fund balance. At year end, the balance in the working capital reserve fund was \$26.4 million. The total unassigned fund balance of the general fund (including the working capital reserve) was \$59.4 million, which is 15.7% of 2017 general fund revenues.

The fund balance of the City's general fund decreased by \$15.5 million during the current fiscal year compared to the fund balance as of June 30, 2016. The revenues and expenditures are provided below as an analysis of the affect on fund balance for the fiscal year ended June 30, 2017:

(Amounts in Thousands)	General Fund	
	06/30/17	06/30/16
REVENUES		
Taxes	\$ 306,159	\$ 307,767
Licenses and Permits	15,796	13,437
Use of Money and Property	7,643	13,039
Intergovernmental Revenue	22,850	23,402
Charges for Current Services	24,085	24,984
Miscellaneous	828	582
Total Revenues	<u>\$ 377,361</u>	<u>\$ 383,211</u>
EXPENDITURES		
Current:		
General Government	\$ 54,212	\$ 64,509
Community Development	8,923	8,769
Parks and Recreation	26,042	24,494
Public Safety	260,129	232,642
Transportation and Engineering	3,092	3,459
Public Services	18,274	17,826
Public Health	17,282	17,387
Total Expenditures	<u>\$ 387,954</u>	<u>\$ 369,086</u>

The capital projects fund has a total fund balance of \$202.8 million which is an increase of \$50.6 million from the June 30, 2016. The change in fund balance relates to the transfers in of \$80.9 million. Bonds were issued during the current fiscal year and funds from the bond proceeds were transferred to the capital projects fund. However, the proceeds will be spent over multiple years and the unspent proceeds increased the fund balance.

The total fund balance of the debt service funds was \$102.5 million which is restricted for the payment of debt service. The net decrease in fund balance was \$13.5 million. Debt service principal payments in fiscal year 2017 were \$44.7 million.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the enterprise funds is \$27.9 million. The total change in net position was an increase of \$133.8 million for the Water Works fund and an increase of \$7.6 million for the other enterprise funds. The impact of the CSA which involved changes in the CRS benefits resulted in a negative pension expense which reduced expenses for the Proprietary Funds. Additional information on the Collaborative Settlement Agreement may be found in the pension footnotes.

Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Revenue estimates for fiscal year 2017 were \$392.9 million and were more than the actual revenue of \$389.9 million. The original appropriations were \$388.0 million, while the final appropriations were \$396.5 million. The decrease in actual revenues over the estimates was due to a \$5.4 million decrease in actual income tax revenues when compared with the original budget.

Appropriation increases were made for 2017 general fund departments. Detailed information by department can be found on pages 163 to 168 in the General Fund Budgetary statement. Major increases were made in the following departments:

- Department of Police increased by \$3,096,000 due to negotiated contractual wage increases.
- Department of Fire increased by \$3,040,000 due to negotiated contractual wage increases.
- General Government Departmental accounts were increased \$2,116,000 due to negotiated contractual wages increases.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2017 is \$2.8 billion (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, systems, improvements, machinery and equipment, park facilities, streets, and bridges.

City of Cincinnati's Capital Assets

(net of depreciation)

(AMOUNTS IN THOUSANDS)

	Governmental Activities		Business-type Activities		Total	
	June 30	June 30	June 30	June 30	June 30	June 30
	2017	2016	2017	2016	2017	2016
Land	\$ 203,501	\$ 188,613	\$ 44,070	\$ 50,861	\$ 247,571	\$ 239,474
Buildings	121,112	117,975	161,126	155,123	282,238	273,098
Improvements	242,101	212,764	918,242	926,649	1,160,343	1,139,413
Machinery and Equipment	45,305	30,273	101,654	91,252	146,959	121,525
Infrastructure	740,598	631,966			740,598	631,966
Construction in Progress	132,736	289,887	102,104	95,977	234,840	385,864
Property Acquired under Capital Leases	21,996	5,044	409	754	22,405	5,798
Total	\$1,507,349	\$1,476,522	\$1,327,605	\$1,320,616	\$2,834,954	\$ 2,797,138

Total capital assets, net of accumulated depreciation, increased \$37.8 million. The governmental activities' capital assets increased \$30.8 million in fiscal year ended June 30, 2017 net of depreciation. During 2017 the construction in progress for several large projects decreased as projects were closed and assets were placed in service. The Streetcar was placed in service in September 2016, during fiscal year 2017. \$134.3 million was removed from construction in progress and added to machinery and equipment and infrastructure. Improvements of \$10.0 million in the Over-the-Rhine arts district were completed and placed in service during 2017. Also, construction in progress related to the acquisition of machinery and equipment with capital lease financing was reduced as \$8.0 million of assets were placed in service during 2017.

The business activities capital assets increased by \$7.0 million. The construction in progress also increased by \$6.1 million since the budget allocation for new projects increased as new debt was issued to fund the projects.

Additional information on the City's capital assets can be found in note 14 on pages 92 to 94 of this report.

Long-term debt. At the end of the current fiscal year, the City had \$1.3 billion long-term bonds and notes outstanding. Of this amount, \$605.6 million comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of Cincinnati's Outstanding Debt

General Obligation and Revenue Bonds

(AMOUNTS IN THOUSANDS)

	Governmental Activities		Business-type Activities		Total	
	June 30	June 30	June 30	June 30	June 30	June 30
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	580,407	\$579,156	\$ 25,180	\$ 21,318	\$ 605,587	\$ 600,474
Revenue Bonds	132,118	126,534	578,479	504,232	710,597	630,766
Total	\$712,525	\$705,690	\$603,659	\$525,550	\$1,316,184	\$ 1,231,240

During the current fiscal year, the City's total debt increased by \$84.9 million (6.9%).

The City's general obligation bond rating by Standard and Poor's Corporation and Moody's Investor Services, Inc. is "AA" and "Aa2", respectively.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. The City had a legal debt margin for total debt of \$285.0 million and a legal debt margin for unvoted debt of \$23.0 million.

Additional information about the City's long-term debt can be found in note 9 on pages 80 to 87 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Cincinnati MSA was 4.1% compared to 4.4% a year prior. This rate is lower than the State's average unemployment rate of 5.0% and the national average rate of 4.4%.
- The vacancy rate of the central business district A office space was 13.3% at the end of fiscal year 2017.
- 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 2017:

General Fund revenues for the fiscal year 2017 were \$3.0 million less than the estimate resulting in a decrease in unappropriated fund balance at June 30, 2017. The General Fund balance is estimated to be \$21.5 million, on a budgetary basis. At the end of the fiscal year 2017 the reserve balance was \$42.3 million (composed of \$26.4 working capital reserve, \$2.6 million emergency reserve, \$3.9 contingency reserve and the estimated \$9.5 million in carryover fund balance), and was 10.86% of 2017 General Fund revenues. The 2018 fiscal year General Fund budget estimated current revenues of \$392.2 million plus \$2.2 million transfers in and estimated expenditures of \$394.6 million with \$58.2 million transfer out for debt service.

Continuing budget priorities for 2018 are safer streets, thriving and healthy neighborhoods, a growing economy, innovative government, and fiscal sustainability and modernization. To support safer streets the 2018 budget supports several projects aimed at preventing and reducing crime including the Place-Based Investigations of Offender Territories (PIVOT) strategy, the Cincinnati Initiative to Reduce Violence (CIRV), the Community Policing Partnering Center, the Citizens Complaint Authority (CCA) and the brand new ShotSpotter project. To improve neighborhoods the budget includes funding to maintain our revamped litter and weed efforts, improve greenspace maintenance and support of a new program to sweep every street in the City once per month. The funding necessary to support the growth of Cincinnati and development momentum showcasing Cincinnati as a City on the rise, is included in the budget. Through innovation, the City is utilizing data-driven strategies and tactics to remain fiscally sustainable and continue to innovate government. With the 2018 budget the City will continue to pursue long-term financial stability while exploring every opportunity to strategically invest in immediate process improvements and modernization.

Requests for Information

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

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BASIC
FINANCIAL STATEMENTS

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City of Cincinnati, Ohio
Statement of Net Position
June 30, 2017
(Amounts in Thousands)

	Governmental Activities	Business-Type Activities	Total
ASSETS			
<u>Current Assets</u>			
Cash and Equivalents	\$ 72,880	\$ 5,349	\$ 78,229
Equity in City Treasury	115,115	31,222	146,337
Advances and Petty Cash	149		149
Investments, at Fair Value	36,873		36,873
Receivables:			
Taxes	86,108	521	86,629
Accounts, Net	61,600	29,271	90,871
Special Assessments	35,057		35,057
Accrued Interest	1,847	515	2,362
Due from Other Governments	4,183	6,247	10,430
Prepaid Items and Other Assets	3,183	28,932	32,115
Inventory	5,311	5,631	10,942
Restricted Assets:			
Cash and Cash Equivalents		21,421	21,421
Equity in City Treasury		8,610	8,610
Investments, at Fair Value		135,460	135,460
Internal Balances	(14,097)	14,097	
Total Current Assets	408,209	287,276	695,485
<u>Noncurrent Assets</u>			
Equity in City Treasury	396,959	107,663	504,622
Restricted Equity in City Treasury Cash		29,691	29,691
Accounts Receivable, Net	24,189		24,189
Regulatory Asset		1,832	1,832
Land	203,501	44,070	247,571
Buildings, net of Accumulated Depreciation	121,112	161,126	282,238
Improvements, net of Accumulated Depreciation	242,101	918,242	1,160,343
Machinery and Equipment, net of Accumulated Depreciation	45,305	101,654	146,959
Construction in Progress	132,736	102,104	234,840
Property Acquired under Capital Leases, net of Accumulated Amortization	21,996	409	22,405
Infrastructure Assets, net of Accumulated Depreciation	740,598		740,598
Total Noncurrent Assets	1,928,497	1,466,791	3,395,288
Total Assets	2,336,706	1,754,067	4,090,773
DEFERRED OUTFLOWS OF RESOURCES			
Cincinnati Retirement System	82,752	25,418	108,170
Ohio Public Employees Retirement System	5,084	1,135	6,219
Ohio Police & Fire Pension Fund	75,404		75,404
Loss on Defeasance	15,487	11,212	26,699
	178,727	37,765	216,492

(Continued)

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

City of Cincinnati, Ohio
Statement of Net Position
June 30, 2017
(Amounts in Thousands)

(Continued)	Governmental	Business-Type	Total
LIABILITIES:	Activities	Activities	
<u>Current</u>			
Accounts Payable	\$ 32,841	\$ 4,342	\$ 37,183
Withholdings and Other Deposits	176		176
Due to Fiduciary Activities	756	217	973
Due to Other Governmental Agencies		3,905	3,905
Accrued Payroll	12,363	1,424	13,787
Accrued Liabilities	4,438	439	4,877
Accrued Interest	2,691	1,346	4,037
Deposits Payable	32,154		32,154
Unearned Revenue		1,338	1,338
Obligations Under Capital Leases	3,317	258	3,575
Compensated Absences Payable	14,587	5,423	20,010
Unpaid Claims	10,897	260	11,157
Ohio Public Works Commission Loan	288	219	507
Ohio Water Development Authority Loan		2,280	2,280
Matured Bonds and Interest Payable	515		515
Notes Payable	1,049		1,049
General Obligation Bonds	48,463	1,562	50,025
Revenue Bonds	5,212	20,025	25,237
Other	1,634		1,634
Advances from Other Governments	64		64
Payable from Restricted Assets:			
Construction Contracts		6,202	6,202
Deposits Payable		2,725	2,725
Total Current Liabilities	<u>171,445</u>	<u>51,965</u>	<u>223,410</u>
<u>Noncurrent</u>			
Obligations Under Capital Leases	25,091	441	25,532
Notes Payable	17,830		17,830
General Obligation Notes Payable	29,248		29,248
General Obligation Bonds	531,944	23,618	555,562
Revenue Bonds	126,906	558,454	685,360
Compensated Absences Payable	103,963	4,800	108,763
Pollution Remediation	3,726		3,726
Other Liabilities	943		943
Ohio Public Works Commission Loan	3,427	1,967	5,394
Ohio Water Development Authority Loan		38,019	38,019
Unpaid Claims Payable	13,944		13,944
Net Pension Liability-Cincinnati Retirement System	363,476	100,768	464,244
Net Pension Liability-Ohio Public Employees Retirement System	13,990	3,034	17,024
Net Pension Liability-Ohio Police & Fire Pension Fund	453,026		453,026
Net Other Post Employment Benefit Obligation	62,393	17,005	79,398
Total NonCurrent Liabilities	<u>1,749,907</u>	<u>748,106</u>	<u>2,498,013</u>
Total Liabilities	<u>1,921,352</u>	<u>800,071</u>	<u>2,721,423</u>
DEFERRED INFLOWS OF RESOURCES			
Revenues Levied for the next year	134,153		134,153
Cincinnati Retirement System	214,151	59,341	273,492
Ohio Public Employees Retirement	690	109	799
Ohio Police & Fire Pension Fund	1,043		1,043
Service Concession Arrangements		12,101	12,101
Gain on Defeasance	572	62	634
Total Deferred Inflows of Resources	<u>350,609</u>	<u>71,613</u>	<u>422,222</u>
<u>Net Position</u>			
Net Investment in Capital Assets	902,668	741,844	1,644,512
Restricted Net Position for:			
Tax Increment Financing	27,352		27,352
Debt Service	197,920	146,953	344,873
Capital Projects	47,483		47,483
Public Transit	17,268		17,268
Public Safety	6,823		6,823
Parks and Recreation	11,208		11,208
Street Improvement	6,143		6,143
Infrastructure	12,816		12,816
Public Health	4		4
Community Development	10,776		10,776
Other Purposes	30,126		30,126
Fleet Services	2,338		2,338
Permanent Funds - Expendable	7,945		7,945
Permanent Funds - Nonexpendable	2,396		2,396
Unrestricted Net Position	(1,039,794)	31,351	(1,008,443)
Total Net Position	<u>\$ 243,472</u>	<u>\$ 920,148</u>	<u>\$ 1,163,620</u>

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

City of Cincinnati, Ohio
Statement of Activities
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>							
Governmental Activities:							
General Government	\$ 3,895	64,104	228	574	\$ 61,011		\$ 61,011
Community Development	27,189	13,471	14,503	714	1,499		1,499
Parks and Recreation	7,229	8,332	1,970	547	3,620		3,620
Public Safety	279,296	15,952	10,255	250	(252,839)		(252,839)
Transportation and Engineering	14,881	1,993	5	10,664	(2,219)		(2,219)
Transit System	52,561				(52,561)		(52,561)
Public Services	8,006	3,721		37	(4,248)		(4,248)
Public Health	(16,397)	21,108	12,212		49,717		49,717
Interest on long-term debt	25,093				(25,093)		(25,093)
Total governmental activities	401,753	128,681	39,173	12,786	(221,113)		(221,113)
Business type activities:							
Water Works	21,598	155,282		1,481		\$ 135,165	\$ 135,165
Parking Facilities	4,520	12,903				8,383	8,383
Convention Center	13,158	7,407		36		(5,715)	(5,715)
General Aviation	(513)	2,133		50		2,696	2,696
Municipal Golf	5,866	5,855		9		(2)	(2)
Stormwater Management	9,985	11,187				1,202	1,202
Total Business-type activities	54,614	194,767		1,576		141,729	141,729
Total	\$ 456,367	\$ 323,448	\$ 39,173	\$ 14,362	(221,113)	141,729	(79,384)
General Revenues:							
Taxes:							
Property taxes					60,253		60,253
Income taxes					369,978		369,978
Admission taxes					5,811		5,811
Occupancy taxes					3,626		3,626
Shared Revenues					41,979	2,166	41,979
Unrestricted investment earnings					3,413	2,224	5,637
Miscellaneous					44,426	2,518	46,944
Transfers between governmental and business-type activities					2,341	(2,341)	
Total general revenues and transfers					531,827	4,567	536,394
Change in net position					310,714	146,296	457,010
Net position-beginning					(67,242)	773,852	706,610
Net position-ending					\$ 243,472	\$ 920,148	\$ 1,163,620

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

City of Cincinnati, Ohio
Balance Sheet
Governmental Funds
June 30, 2017
(Amounts in Thousands)

	General	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Equivalents	\$ 125	\$ 64,571	\$ 6	\$ 7,953	\$ 72,655
Equity in City Treasury Cash	79,413	161,306	101,042	113,224	454,985
Advances and Petty Cash	149				149
Investments, at Fair Value		15,512	2,033	19,328	36,873
Receivables:					
Taxes	46,480	1,935	32,533	5,160	86,108
Accounts, Net	5,289	14,192	16,141	45,349	80,971
Special Assessments	1,407	1,199		32,451	35,057
Accrued Interest and Dividends	1,068	303	249	87	1,707
Due from Other Funds	1,776	205	687	1,659	4,327
Due from Other Governments	3,220			906	4,126
Inventory	3,931	730		310	4,971
Advances to Other Funds	1,734			521	2,255
Total Assets	\$ 144,592	\$ 259,953	\$ 152,691	\$ 226,948	\$ 784,184
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 3,820	\$ 10,093	\$ 25	\$ 10,747	\$ 24,685
Withholdings and Other Deposits	3,951				3,951
Due to Other Funds	1,679	2,756		1,893	6,328
Due to Fiduciary Funds	468		1	242	711
Accrued Payroll	10,428		7	1,628	12,063
Accrued Liabilities	140	46		6,066	6,252
Deposits Payable	10,897	10,335	578	3,075	24,885
Estimated Liability for Unpaid Claims	305			14	319
Advances from Other Funds	521	17,974		900	19,395
Advances from Other Governments	69			1	70
Matured Bonds and Interest Payable			515		515
Total Liabilities	32,278	41,204	1,126	24,566	99,174
Deferred Inflow of Resources:					
Revenues Levied for the next year and Unavailable Revenue	34,989	15,974	49,058	75,837	175,858
Fund Balances:					
Nonspendable	3,931	730		2,395	7,056
Restricted		202,045	102,507	106,772	411,324
Committed	6,475			17,378	23,853
Assigned	7,539				7,539
Unassigned	59,380				59,380
Total Fund Balances	77,325	202,775	102,507	126,545	509,152
Total Liabilities, Deferred Inflows and Fund Balances	\$ 144,592	\$ 259,953	\$ 152,691	\$ 226,948	\$ 784,184

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

CITY OF CINCINNATI, OHIO
Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
June 30, 2017
(Amounts in Thousands)

Total fund balances - governmental funds	\$ 509,152
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	1,507,349
Certain receivables will be collected next year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	41,705
Some amounts reported for governmental-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.	(3,467)
Six internal service funds are used by the City's management. The assets, deferred outflows, liabilities, and deferred inflows of the internal service funds are included with governmental activities. The net property of \$11,372 as it relates to the internal service funds is included in the capital asset amount above.	(1,116)
Deferred gains and losses on refundings are expensed in the fund level financial statements but are accrued and amortized over the life of the bonds in the government-wide financial statements. This is the unamortized portion of gains and losses on defeasance.	14,915
Deferred Inflows and Outflows related to Net Pension Liability are not reported in the funds. The unamortized portion of these deferred inflows and outflows is:	(42,557)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
G.O. Bonds and Notes payable	(553,372)
Revenue bonds payable	(128,871)
Long Term Notes Payable	(18,879)
Unamortized bond premium and discounts	(57,291)
Compensated absences	(116,562)
Net Pension Liability	(807,858)
Net Other Post Employment Benefit Obligation	(58,492)
Ohio Public Works Commission Loans	(3,715)
Unpaid claims payable	(3,169)
Accrued interest on bonds	(2,412)
Other Accrued Liabilities	(3,480)
Capital leases payable	(28,408)
Total net position - - governmental activities (page 40)	\$ <u>243,472</u>

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

City of Cincinnati, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

	General	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 306,159	\$ 26,437	\$ 32,487	\$ 74,129	\$ 439,212
Licenses and Permits	15,796			1,228	17,024
Use of Money and Property	7,643	523	24,056	5,863	38,085
Special Assessments		409		6,330	6,739
Intergovernmental Revenue	22,850	1,814	7,394	19,386	51,444
Federal Grants		7,069		29,273	36,342
State Grants and Subsidies		3,616		1,133	4,749
Charges for Current Services	24,085	210		27,966	52,261
Miscellaneous	828	12,647	7,570	41,674	62,719
Total Revenues	<u>377,361</u>	<u>52,725</u>	<u>71,507</u>	<u>206,982</u>	<u>708,575</u>
EXPENDITURES					
Current:					
General Government	54,212	841	1,274	38,775	95,102
Community Development	8,923		250	14,601	23,774
Parks and Recreation	26,042	7		13,573	39,622
Public Safety	260,129			6,964	267,093
Transportation and Engineering	3,092	39		5,743	8,874
Transit System				52,561	52,561
Public Services	18,274			18,161	36,435
Public Health	17,282			35,497	52,779
Capital Outlay		111,661		7,124	118,785
Debt Service:					
Principal Retirement		9,753	44,741	2,947	57,441
Interest		4,040	20,679	3,703	28,422
Bond Issuance Cost			1,272	64	1,336
Total Expenditures	<u>387,954</u>	<u>126,341</u>	<u>68,216</u>	<u>199,713</u>	<u>782,224</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(10,593)	(73,616)	3,291	7,269	(73,649)
OTHER FINANCING SOURCES(USES)					
General Obligation Bonds Issued		35,725	29,313		65,038
Revenue Bonds Issued		10,000			10,000
Capital Lease Financing		10,420			10,420
Refunding Bonds Issued			8,175	2,550	10,725
Payments to Refunded Bonds Escrow Agent			(8,190)	(2,477)	(10,667)
Discounts on Bonds				(6)	(6)
Premium on Bonds Issued			3,940		3,940
Transfers In	1,461	80,873	14,568	5,383	102,285
Transfers (Out)	(6,381)	(12,803)	(64,593)	(23,430)	(107,207)
Total Other Financing Sources(Uses)	<u>(4,920)</u>	<u>124,215</u>	<u>(16,787)</u>	<u>(17,980)</u>	<u>84,528</u>
Net change in fund balances	(15,513)	50,599	(13,496)	(10,711)	10,879
Fund Balances at July 1	92,838	152,176	116,003	137,256	498,273
Fund Balances at June 30	<u>\$ 77,325</u>	<u>\$ 202,775</u>	<u>\$ 102,507</u>	<u>\$ 126,545</u>	<u>\$ 509,152</u>

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

City of Cincinnati, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

Net change in fund balances - total governmental funds	\$	10,879
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 outlay (\$118,785) exceeded depreciation (\$85,648) in the current period.		33,137
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 (\$12,234) and accumulated depreciation of the disposed asset (\$5,897).		(6,337)
Deferred inflows of resources for revenues levied for next year and unavailable revenue includes revenue not recorded in the fund level, but reported in the statement of activities. This is the current year change in the deferred inflow of resources reported as a reduction in revenue in the statement of activities.		(2,291)
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.		(10,432)
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 a reduction of an expense in the statement of activities.		4,082
The long-term liability for Net Pension Liability is not recorded in the fund level, but is reported in the statement of activities. A portion of the current year change is recorded as deferred inflows and deferred outflows. This year the deferred amounts are amortized and the current year net pension expense was recorded as a reduction of an expense in the statement of activities.		289,366
The long-term liability for Net Other Post Employment Benefit Obligation is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities.		(1,027)
Bond and loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.		(19,785)

(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 fiscal year ended June 30, 2017
(Amounts in Thousands)

(Continued)

Some expenses and credits to 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.	\$ 10,331
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.	555
Net Gains on Defeasance are included in revenues at the fund level, but are deferred and amortized over the life of the bonds in the government-wide financial statements.	48
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.	(13)
Net Losses on Defeasance are included in expenditures at the fund level, but are deferred and amortized over the life of the bonds in the government-wide financial statements	117
Capital lease financing provides current financial resources to governmental funds, but the capital lease obligation increases the long-term liabilities in the statement of net position. Payment of capital lease is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.	(8,289)
Internal balances between the governmental activities and the business type activities are not reported at the fund level.	(4,926)
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.	15,299
Change in net position of governmental activities (page 41)	<u>\$ 310,714</u>

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

City of Cincinnati, Ohio
Statement of Net Position
Proprietary Funds
June 30, 2017
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			Governmental
	Water Works	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current:				
Cash and Equivalents	\$ 4,897	\$ 452	\$ 5,349	\$ 225
Equity in City Treasury Cash	23,384	7,838	31,222	12,834
Receivables:				
Taxes		521	521	
Accounts, Net	25,495	3,776	29,271	692
Accrued Interest	415	100	515	140
Due from Other Funds	703	186	889	2,252
Due from Other Governments	6,247		6,247	57
Prepaid Items	28,306	626	28,932	1,581
Inventory	5,631		5,631	340
Advances to Other Funds	50	10,821	10,871	7,153
Restricted Assets:				
Cash and Equivalents	21,421		21,421	
Equity in City Treasury Cash	8,610		8,610	
Investments, at Fair Value	135,460		135,460	
Total Current Assets	260,619	24,320	284,939	25,274
Noncurrent:				
Equity in City Treasury Cash	80,639	27,024	107,663	44,255
Restricted Equity in City Treasury Cash	29,691		29,691	
Land	2,727	41,343	44,070	283
Buildings, net of Accumulated Depreciation	142,998	18,128	161,126	
Improvements, net of Accumulated Depreciation	758,030	160,212	918,242	3,467
Machinery and Equipment, net of Accumulated Depreciation	97,606	4,048	101,654	7,622
Construction in Progress	88,318	13,786	102,104	
Property Acquired under Capital Leases, net of Accumulated Amortization		409	409	
Other Assets	1,832		1,832	1,602
Total Noncurrent Assets	1,201,841	264,950	1,466,791	57,229
Total Assets	1,462,460	289,270	1,751,730	82,503
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Defeasance	10,672	540	11,212	
Cincinnati Retirement System	22,886	2,532	25,418	5,630
Ohio Public Employees Retirement System	1,135		1,135	173
	34,693	3,072	37,765	5,803

(Continued)

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

CITY OF CINCINNATI, OHIO
Statement of Net Position
Proprietary Funds
June 30, 2017
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			Governmental
	Water Works	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
(Continued)				
LIABILITIES				
Current:				
Accounts Payable	\$ 3,266	\$ 1,076	\$ 4,342	\$ 8,156
Due to Other Funds	209	921	1,130	10
Due to Fiduciary Funds	192	25	217	45
Due to Other Governments	3,905		3,905	
Accrued Payroll	1,249	175	1,424	300
Accrued Liabilities		439	439	570
Accrued Interest	1,269	77	1,346	7
Obligations under Capital Lease		258	258	
Deposits Payable		6	6	52
Unearned Revenue		1,332	1,332	
Compensated Absences payable	5,025	398	5,423	811
Unpaid Claims payable	260		260	10,578
Ohio Public Works Commission Loan	219		219	
Ohio Water Development Authority Loan	2,280		2,280	
General Obligation Bonds and Notes Payable	150	1,412	1,562	64
Revenue Bonds Payable	20,025		20,025	
Payable from Restricted Assets:				
Construction Contracts	6,202		6,202	
Deposits Payable	2,725		2,725	
Total Current Liabilities	46,976	6,119	53,095	20,593
Noncurrent:				
Compensated Absences Payable	3,949	851	4,800	1,177
Obligations Under Capital Lease		441	441	
Ohio Public Works Commission Loan	1,967		1,967	
Ohio Water Development Authority Loan	38,019		38,019	
Estimated liability for Unpaid Claims				10,775
Advances from Other Funds				884
Advances from Other Governments				21
Revenue Bonds Payable	558,454		558,454	
General Obligation Bonds and Notes Payable	5,096	18,522	23,618	2,175
Net Pension Liability-Cincinnati Retirement System	90,660	10,108	100,768	22,349
Net Pension Liability-Ohio Public Employees Retirement System	3,034		3,034	285
Net Other Post Employment Benefit Obligation	15,049	1,956	17,005	3,901
Total Noncurrent Liabilities	716,228	31,878	748,106	41,567
Total Liabilities	763,204	37,997	801,201	62,160
DEFERRED INFLOWS				
Gain on Defeasance		62	62	
Service Concession Arrangement		12,101	12,101	
Cincinnati Retirement System	52,761	6,580	59,341	15,793
Ohio Public Employees Retirement System	109		109	97
	52,870	18,743	71,613	15,890
NET POSITION				
Net Investment in Capital Assets	518,689	223,155	741,844	11,210
Restricted Net Position				
Water Works	146,953		146,953	
Fleet Services				1,602
Unrestricted Net Position	15,437	12,447	27,884	(2,556)
Total Net Position	\$ 681,079	\$ 235,602	916,681	\$ 10,256
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.			3,467	
Net position of business type activities			<u>\$ 920,148</u>	

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

City of Cincinnati, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Works	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Charges for Current Services	\$ 154,626	\$ 39,485	\$ 194,111	\$ 103,825
Miscellaneous	2,134	998	3,132	2,210
Total Operating Revenues	<u>156,760</u>	<u>40,483</u>	<u>197,243</u>	<u>106,035</u>
OPERATING EXPENSES				
Personal Services	47,420	7,280	54,700	14,922
Contractual Services	9,849	17,753	27,602	8,374
Maintenance and Repairs	5,165	4,781	9,946	960
Materials and Supplies	9,535	617	10,152	10,848
Utilities	7,674	893	8,567	1,944
Insurance	144	411	555	79,024
Taxes	4	819	823	
Depreciation and Amortization	25,912	12,371	38,283	1,518
Rent	3,086	297	3,383	1,944
Pension Expense	(96,806)	(12,881)	(109,687)	(37,359)
Other expense	548	147	695	34
Total Operating Expenses	<u>12,531</u>	<u>32,488</u>	<u>45,019</u>	<u>82,209</u>
Operating Income(Loss)	144,229	7,995	152,224	23,826
NONOPERATING REVENUES(EXPENSES)				
Interest revenue	664	42	706	107
Build America Bond Subsidy	1,584		1,584	
Occupancy tax receipts		2,166	2,166	
Interest expense	(13,464)	(528)	(13,992)	(187)
Loss on disposal of assets	(553)		(553)	(3)
Nonoperating Revenues(Expenses)	<u>(11,769)</u>	<u>1,680</u>	<u>(10,089)</u>	<u>(83)</u>
Income (Loss) before Contributions and Transfers	132,460	9,675	142,135	23,743
Transfers In		575	575	10,291
Transfers (Out)	(146)	(2,770)	(2,916)	(3,028)
Capital contributions	1,481	95	1,576	25
Change in Net Position	133,795	7,575	141,370	31,031
Net Position at July 1	<u>547,284</u>	<u>228,027</u>		<u>(20,775)</u>
Net Position at June 30	<u>\$ 681,079</u>	<u>\$ 235,602</u>		<u>\$ 10,256</u>

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

Change in net position of business type activities

4,926

\$ 146,296

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

City of Cincinnati, Ohio
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			Governmental
	Water Works	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<u>Cash Flows from Operating Activities:</u>				
Receipts from Customers	\$ 157,236	\$ 39,298	\$ 196,534	\$ 11,926
Receipts from Other Funds		960	960	93,244
Receipts from Retirement System				130
Payments to Suppliers	(52,558)	(20,796)	(73,354)	(94,442)
Payments to Other Funds		(3,445)	(3,445)	(2,823)
Payments to Employees	(45,829)	(6,928)	(52,757)	(14,436)
Payments for Property Taxes	(4)	(873)	(877)	
Net Cash Provided (Used) by Operating Activities	<u>58,845</u>	<u>8,216</u>	<u>67,061</u>	<u>(6,401)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Repayment of Advances Made To Other Funds		1,231	1,231	
Amount Due from Other Funds for City Notes	2,991	678	3,669	1,749
Interest paid on Bond and Notes				(185)
Principal paid on Bond and Notes				(40)
Advances To Other Funds		(1,954)	(1,954)	(4,688)
Occupancy Tax Receipts		2,175	2,175	
Transfers to Other Funds	(146)	(2,770)	(2,916)	(3,028)
Transfers from Other Funds		575	575	9,425
Net Cash Provided(Used) by Noncapital Financing	<u>2,845</u>	<u>(65)</u>	<u>2,780</u>	<u>3,233</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Capital Contributed by Other Sources	138	95	233	25
Capital Items Expensed				(588)
Proceeds from the Sale of Capital Assets	120		120	
Proceeds from Ohio Water Development Authority Loan	(37)		(37)	
Proceeds from Sale of Bonds and Notes	102,935	4,400	107,335	
Acquisition of Property, Plant and Equipment	(1,040)	(2,262)	(3,302)	(71)
Interest Paid on Bonds and Notes	(17,243)	(495)	(17,738)	
Principal Paid on Bonds and Notes	(22,192)	(957)	(23,149)	
Principal Paid on Ohio Public Works Bonds	(248)		(248)	
Principal Paid on Ohio Water Development Authority Loan	(2,085)		(2,085)	
Payments on Long Term Capital Lease Obligations	(19)	(251)	(270)	(13)
Additions to Construction in Progress	(38,837)	(4,460)	(43,297)	(3,315)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>21,492</u>	<u>(3,930)</u>	<u>17,562</u>	<u>(3,962)</u>
<u>Cash Flow from Investing Activities:</u>				
Investment (Purchases)Sales	(66,163)		(66,163)	250
Interest on Investments	2,204	33	2,237	121
Net Cash Provided (Used) by Investing Activities	<u>(63,959)</u>	<u>33</u>	<u>(63,926)</u>	<u>371</u>
Net Increase (Decrease) in Cash and Cash Equivalents	19,223	4,254	23,477	(6,759)
Cash and Cash Equivalents at Beginning of Period	149,419	31,060	180,479	64,073
Cash and Cash Equivalents at End of Period	<u>\$ 168,642</u>	<u>\$ 35,314</u>	<u>\$ 203,956</u>	<u>\$ 57,314</u>

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

City of Cincinnati, Ohio
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water Works</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
<u>Reconciliation of Operating Income (Loss) to</u>				
<u>Net Cash Provided (Used) by</u>				
<u>Operating Activities:</u>				
Operating Income (Loss)	\$ 144,229	\$ 7,995	\$ 152,224	\$ 23,826
Depreciation and Amortization	25,912	12,371	38,283	1,518
Changes in Assets, Deferred Inflows/Outflows and Liabilities:				
(Increase) Decrease in:				
Receivables	(1,990)	(153)	(2,143)	30
Due from Other Funds	11	47	58	(423)
Due from Fiduciary Funds				1
Due from Other Governments	2,455		2,455	(7)
Inventory	(301)		(301)	(4)
Prepaid Items	(16,494)	(31)	(16,525)	165
Deferred Outflows Loss on Defeasance	(2,718)		(2,718)	
Deferred Outflows Cincinnati Retirement System	1,260	330	1,590	894
Deferred Outflows Ohio Public Employees Retirement System	(339)	3	(336)	(98)
Increase (Decrease) in:				
Accounts Payable	1,047	271	1,318	3,012
Deposits Payable				(300)
Due to Other Funds	(6)	458	452	(9)
Due to Fiduciary Funds	35	8	43	7
Due to Other Governmental Agencies	1,862		1,862	
Accrued Payroll	116	52	168	34
Accrued Liabilities		(92)	(92)	67
Advances from Other Governments				(2)
Unearned Revenue		225	225	
Liability for Compensated Absences	554	262	816	208
Deferred Inflows Service Concession Arrangements		(346)	(346)	
Deferred Inflows Cincinnati Retirement System	34,772	4,659	39,431	11,457
Deferred Inflows Ohio Public Employees Retirement System	(47)		(47)	85
Estimated Liability for Unpaid Claims	18		18	2,599
Net Pension Liability Cincinnati Retirement System	(133,305)	(17,870)	(151,175)	(49,696)
Net Pension Liability Ohio Public Employees Retirement System	853	(87)	766	13
Net Other Post Employment Benefit Obligation	921	114	1,035	222
Net Cash Provided (Used) by Operating Activities	<u>\$ 58,845</u>	<u>\$ 8,216</u>	<u>\$ 67,061</u>	<u>\$ (6,401)</u>
<u>Schedule of Noncash Investing, Capital</u>				
<u>and Financing Activities:</u>				
Change in Fair Value of Investments		\$ (372)	\$ (372)	\$ (523)
Acquisition of Property, Plant and Equipment from Capital Contributions	<u>\$ 1,343</u>	<u>118</u>	<u>1,461</u>	
Total Noncash Investing, Capital and Financing Activities	<u>\$ 1,343</u>	<u>\$ (254)</u>	<u>\$ 1,089</u>	<u>\$ (523)</u>

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

City of Cincinnati, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017
(Amounts in Thousands)

	Pension Trust	Investment Trust Fund	Agency
ASSETS			
Cash and Equivalents	\$ 70,579		\$ 6
Equity in City Treasury Cash		\$ 238,910	2,785
Cash with Fiscal Agent			0
Investments, at fair value:			
U. S. Treasury Bills and Notes			308,473
International Bonds	8,758		
US Government Bonds	42,707		
Corporate Fixed Income	28,585		
US Agencies	30,327		
Equities - Common Stock	1,002,571		
Mutual Funds	346,034		
Private Equity	238,448		
Real Estate	231,292		
Private Placements	29,011		
Other Assets (Alternatives)	233,506		
	2,191,239		308,473
Total Investments, at Fair Value			
Collateral on Loaned Securities	50,754		
Receivables:			
Accounts, Net	575		51,289
Accounts Receivable for Securities Sold	21,805		
Accrued Interest and Dividends	2,648		622
Due from Primary Government	973		
Loans Receivable	65		
Machinery and Equipment	795		
Accumulated Depreciation	(779)		
Total Assets	2,338,654	238,910	363,175
LIABILITIES			
Accounts Payable	3,411		20,906
Accounts Payable for Securities Purchased	27,059		
Due to Primary Government			
Due to Other Governmental Agencies			327,914
Obligations Under Securities Lending	50,754		
Accrued Payroll	47		1,452
Accrued Liabilities	29,872		37
Bonds Payable	285		
Deposits Payable			2,336
Estimated Liability for Compensated Absences	242		10,530
Total Liabilities	111,670	238,910	\$ 363,175
NET POSITION			
Restricted for External Pool Participant		238,910	
Restricted for Employees' Pension Benefits	1,740,390		
Restricted for Employees' Postemployment Healthcare Benefits	486,594		
Total Net Position	\$ 2,226,984	\$ 238,910	

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

City of Cincinnati, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

	Pension Trust	Investment Trust Fund
ADDITIONS		
Contributions:		
Plan members	\$ 17,740	
Employer	30,868	
Other		
Participant Deposits		\$ 542,801
Total Contributions	48,608	542,801
Transfers From Other Retirement Systems	141	
Investment earnings:		
Interest and Dividends	33,652	2,109
Proceeds from Litigation	421	
Net Appreciation in the Fair Value of Investments	243,513	(2,311)
Total Investment Earnings	277,586	(202)
Less Investment Management Expenses	10,121	
Net Income From Investing Activities	267,465	(202)
From Security Lending Activities:		
Securities Lending Income	524	
Securities Lending Expense:		
Borrower Rebates	(215)	
Management Fees	(77)	
Total Securities Lending Expenses	(292)	
Net Income from Securities Lending Activities	232	
Total Additions	316,446	542,599
DEDUCTIONS		
Benefit Payments:		
Pension and Annuities	165,361	
Distributions to Participants		468,147
Hospital and Medical Care	31,144	
Death Benefits, Active and Retired	565	
Transfers - Retirement to other systems	201	
Total Benefits Payments	197,271	468,147
Refunds of Contributions	1,334	
Administrative expenses:		
Personal Services	1,374	
Contractual Services	549	
Materials and Supplies	86	
Depreciation	3	
Total Administrative Expenses	2,012	
Total Deductions	200,617	468,147
Change in Net Position	115,829	74,452
Net Position at July 1	2,111,155	164,458
Net Position at June 30	\$ 2,226,984	\$ 238,910

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

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CITY OF CINCINNATI, OHIO
NOTES TO FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

Cincinnati owns a railway line, the Cincinnati Southern Railway that was completed in 1881 and extends from Cincinnati, Ohio to Chattanooga, Tennessee, a distance of 335 miles. The Ferguson Act was made law May 4, 1869 and permitted the City to own and lease the railway stating that “it be of essential interest to such city”. 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 \$21,480,000 and \$21,360,000 for the fiscal years ending June 30, 2017 and June 30, 2016, respectively.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary 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 is 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.

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

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

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

The financial statements of the City of Cincinnati for the fiscal year ended June 30, 2017 are prepared in accordance with standards promulgated by the Governmental Accounting Standards Board (GASB). The first level of authority are the accounting principles established by GASB statements. The second level of authority are the GASB technical bulletins and implementation guides and it also includes literature of the American Institute of Certified Public Accountants (AICPA) which have been cleared by GASB.

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary fund:

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

The City reports the following fund types:

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

Pension Trust Fund – This fund is used to account for the revenues and expenses of the City’s Retirement System, which is accounted for as a single-employer defined benefit pension plan. This fund accounts for both the pension benefits and the post-employment healthcare benefits. Footnote 21 contains the disclosures for the pension trust fund and the financial statements.

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

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

Measurement Focus

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

The government-wide and proprietary funds financial statements are reported using the economic resources measurement focus. The government-wide and proprietary funds financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange 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 recognized as revenue in the current accounting period. All other major revenues of governmental funds are determined not to meet the criteria of either being measurable or available.

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

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

Other Accounting Policies

- A.** *Investments* - The investments of the City (excluding the City of Cincinnati's Retirement System, (see Note 21)) are comprised primarily of time deposits and other securities guaranteed by the United States Government or its agencies and are stated at fair value based on quoted market prices.
- B.** *Inventories* - Inventories are valued at cost using either the moving weighted average or the first-in, first-out method. Inventories in the governmental funds and the proprietary funds are recorded using the consumption method whereby inventories are recorded as expenditures or expenses when they are used.
- C.** *Insurance* - The City maintains a comprehensive all-risk property insurance program through a commercial carrier that provides insurance coverage for approximately \$1,483,514,000 in property values. The program contains a \$100 thousand deductible, provides coverage in the amount of \$300 million per occurrence, and has a maximum limit of \$50 million for earthquake damage and \$50 million for flood damage. The City's available legal debt margin of \$22,974,000 at June 30, 2017, is available for catastrophic loss.
- 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 (i.e., 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) is 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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value rather than fair value.

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

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

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

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

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

- F. *Deferred Outflows*** – Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The City reports deferred outflows on its fund level balance sheet and entity wide statement of net position. A loss on defeasance is a deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in the footnote on pension plans.
- G. *Deferred Inflows*** - The City reports deferred inflows of resources on its fund level balance sheet and entity wide statement of net position. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. The City recognizes gains on defeasance of debt and certain transactions under service concession arrangements as deferred inflows of resources. The deferred inflows of resources related to pension are explained in the footnote on pension plans. Deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Certain intergovernmental receivables, uncollected assessments, miscellaneous receivables, property taxes and income taxes not meeting the availability criteria have been deferred and will be realized in a subsequent period in the governmental funds.
- H. *Grants and Other Intergovernmental Revenues*** -The proprietary fund types recognize the federal reimbursement type capital grants as intergovernmental receivables and capital contributions as the related expenses are incurred. All other federal reimbursement type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred. On an

accrual basis, revenue in the form of shared revenue is recognized when the provider government recognizes its liability to the City.

- I. *Operating Revenues and Expenses* - The City, in its proprietary funds, distinguishes operating revenues and expenses from non-operating 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 non-operating revenues and expenses.
- J. *Capitalization of Interest* - Interest is capitalized by the City in proprietary fund types when it is determined to be material. The interest cost capitalized during construction is reduced by interest income earned on investments of the bond proceeds from the date of the borrowing until the assets constructed from the bond proceeds are ready for their intended use.
- K. *Statement of Cash Flows* - For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments held by trustees, with a maturity of three months or less when purchased, to be cash equivalents. In addition, all cash and temporary investments with the City Treasurer are also considered to be cash equivalents since they are available to the proprietary funds on demand. The temporary investments primarily consist of certificates of deposit, federal agencies or instrumentalities, Ohio Municipals, STAR Ohio Investment Pool, and U. S. Treasury securities that have maturities of up to five years.
- L. *Bond Issuance Costs, Premiums and Discounts* - Premiums and discounts are capitalized and amortized over the term of the bond. Debt is reported net of unamortized premiums and discounts. Bond Issuance Costs are expensed as incurred except for prepaid bond insurance which is reported as a deferred outflow of resources and amortized term of the bonds and bond issuance costs for the Water Works proprietary fund. The bond issuance costs is recorded as a regulatory asset and amortized over the term of the bond since these costs are recovered from water users over the term of the bond.
- M. *Fund Balance* - Restricted Fund balances are used to meet current expenditures incurred for which restricted and unrestricted funds are available. Other expenditures are from committed, assigned and unassigned fund balances respectively.
- N. *Pronouncements Effective for the 2017 Financial Statements* - Governmental Accounting Standards Board (GASB) Statement Number 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* was issued in June 2015. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are *not* administered through trusts that meet the specified criteria.

Governmental Accounting Standards Board (GASB) Statement Number 77, *Tax Abatement*

Disclosures was issued in August 2015. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.

Governmental Accounting Standards Board (GASB) Statement Number 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* was issued in December 2015. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this Statement, the requirements of Statement 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

Governmental Accounting Standards Board (GASB) Statement Number 79, *Certain External Investment Pools and Pool Participants* was issued in December 2015. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

Governmental Accounting Standards Board (GASB) Statement Number 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14* was issued in January 2016. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged. The objective of this Statement is to improve

financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*.

This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

Governmental Accounting Standards Board (GASB) Statement Number 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* was issued in March 2016. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

- O. *Pronouncements Issued But Not Yet Effective* -Governmental Accounting Standards Board (GASB) Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* was issued in June 2015. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. This replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity.

Governmental Accounting Standards Board (GASB) Statement Number 81, *Irrevocable Split-Interest Agreements* was issued in March 2016. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016. Earlier application is encouraged. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts—or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements—in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period

Governmental Accounting Standards Board (GASB) Statement Number 83, *Certain Asset Retirement Obligations* was issued in November 2016. The provisions in Statement 83 are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. The best estimate should include probability weighting of all potential outcomes, when such information is available or can be obtained at reasonable cost. If probability weighting is not feasible at reasonable cost, the most likely amount should be used. This Statement requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement.

This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required

to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs.

Governmental Accounting Standards Board (GASB) Statement Number 84, *Fiduciary Activities* was issued in January 2017. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2018. Earlier application is encouraged. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

Governmental Accounting Standards Board (GASB) Statement Number 85, *Omnibus 2017* was issued in March 2017. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Earlier application is encouraged. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and "negative" goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

Governmental Accounting Standards Board (GASB) Statement Number 86, *Certain Debt Extinguishment Issues* was issued in May 2017. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Earlier application is encouraged. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

Governmental Accounting Standards Board (GASB) Statement Number 87, *Leases* was issued in June 2017. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial

reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing.

- P. *Stabilization Policy*** - At the beginning of fiscal year 2016 City Council updated the stabilization policy which was originally established in 1984 to assure a strong financial position and to protect Cincinnati's general obligation bond rating during periods of fiscal stress. The policy calls for achievement of a minimum reserve level, for emergency needs of a catastrophic nature, of two months, or 16.7%, of general operating revenues by June 30, 2020. At June 30, 2017 reserves were 10.9% of fiscal year 2017 revenue. The previous stabilization policy called for a minimum reserve level of no less than 5% or more than 8% of general operating revenues. The targeted year-end reserve level was achieved by fiscal year end for each period 1985 through fiscal year 2015.
- Q. *Restricted Resources*** - Bond funds and other similar restricted resources are assumed to be expended before non-restricted resources in paying for capital projects of both the governmental funds and the proprietary funds.
- R. *Liability for Compensated Absences*** – City employees are awarded sick, vacation and compensatory time as determined by union contractual agreements and personnel policies. Compensatory time and vacation time are paid out in full upon termination and are expensed in the year earned. Sick leave is paid out at various levels upon termination. The liability for sick leave is computed with the Termination Payment Method using a historical average of total years worked and total amount paid. The current portion of the liability is an average of the annual expenditures.

2. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

Deposits

At fiscal year end the carrying amount of the City's deposits, including certificates of deposit with various financial institutions was \$83,608,000 and the bank balance was \$89,581,000. 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.

Included in the City's deposits discussed above are funds held in STAR Plus, which is an innovative new cash management option that provides a competitive yield on deposits in a network of carefully-selected FDIC-insured banks via a single, convenient account. Deposits are distributed by the Custodian as directed by the Federally Insured Cash Account SM. Funds are deposited in participating Ohio banks with an objective to provide the safety of full FDIC insurance, a competitive yield and the convenience of

managing a single account. Participation is offered to subdivisions of the State of Ohio as defined in Section 135.45(F)(2)(a) of the Ohio Revised Code, who are also participants in the STAR Ohio local government investment pool, for the investment of public funds. The bank balance of City's funds in STAR Plus at June 30, 2017 was \$8,170,000.

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

Investments and Fair Value Hierarchy

The fair value of investments for the City (including permanent funds) at June 30, 2017 was \$1,418,003,000. These investments include \$59,393,000 in Money Market Funds, \$625,418,000 in U. S. Treasury Securities, \$597,537,000 in U. S. Government Agencies, \$292,000 in Bond Mutual Funds, \$76,821,000 in Ohio Municipals, \$57,141,000 in STAR Ohio Investment Pool, \$48,000 in Real Estate, and \$1,353,000 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.

STAR Ohio is an investment pool managed and administered by the State Treasurer's Office. Participation is offered to subdivisions of the State of Ohio as defined in Section 135.45(F)(2)(a), Ohio Revised Code, by the State Treasurer for the investment of interim monies of the state and to the state's various custodial accounts. The investment objectives of STAR Ohio are the preservation of capital, the maintenance of liquidity, and providing current income. STAR Ohio is an investment alternative defined in section 135.45(E)(2) of the Ohio Revised Code and created for eligible political subdivisions.

The STAR Ohio investments other than money market funds, are valued according to the amortized cost method (which approximates fair value) which is the cost adjusted for the amortization of any premiums or accretion of any discounts over the period until maturity. Investments in money market funds are valued at quoted market values. The STAR Ohio fund invests in U. S. government and agency securities, collateralized repurchase agreements with eligible Ohio financial institutions, and eligible banker's acceptances and commercial paper. The STAR Ohio fund had an average 45 days to maturity at June 30, 2017 and is rated AAAM by Standard and Poor's.

There are no limitations or restrictions on participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice of withdrawal must be given to PFA, STAR Ohio's co-administrator, 24 hours in advance of all transactions greater than \$25 million. STAR Ohio reserves the right to limit the transactions to \$50 million per day. All accounts of the participant will be combined for these purposes.

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.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value

of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City (excluding STAR Ohio Investment Pool) as of June 30, 2017:

Investment Type	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs
	Fair Value	Level 1	Level 2
U.S. Treasury Obligations	\$ 625,418	\$ 625,418	
U.S. Agencies	597,537		\$ 597,537
Tax Exempt Ohio Municipals	76,821		76,821
Money Market Funds	59,393		59,393
Equity Securities	1,353	1,353	
Bond Mutual Funds	292		292
Real Estate	48		48
Total	\$ 1,360,862	\$ 626,771	\$ 734,091

Excluded from the City's investments discussed above are assets held in trust by the Park Board, which includes the Special Revenue Parks, Special Revenue Bettman Nature Center, and Permanent Park Board Funds. The fair value of investments for these funds at June 30, 2017 was \$9,808,000. These investments include \$801,000 in U. S. Treasury Securities, \$151,000 in U. S. Government Agencies, \$863,000 in Corporate Fixed Income, \$7,646,000 in Equity Securities, \$126,000 in Other Investments, \$2,000 in Real Estate Investments, and \$219,000 in other bonds. In those cases where resources are maintained in trust, the authority for investment of the property rests with either the trust agreement or local ordinance. Investments of the Park Board are uninsured. These securities are held by the counterparty or by its trust department or agent but not in the City's name.

The following is a summary of the fair value hierarchy of the assets held in trust by the Park Board as of June 30, 2017:

Investment Type	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs
	Fair Value	Level 1	Level 2
U.S. Treasury Obligations	\$ 801	\$ 801	
U.S. Agencies	151		\$ 151
Equity Securities	7,646	7,646	
Corporate Fixed Income	863	863	
Real Estate	2		2
Other Investments	126		126
Bond Mutual Funds	219		219
	<u>\$9,808</u>	<u>\$9,310</u>	<u>\$498</u>

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in an actively traded market. Investments classified in Level 2 of the fair value hierarchy are valued using valuation techniques that incorporate market data for similar types of investments, broker quotes and inactive transaction prices. These prices are obtained by our custodian banks from various pricing sources.

Investment Policy and Risk

The investment policy and risk will be discussed in three 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; and 3) the Park Board, which includes the Special Revenue Parks, Special Revenue Bettman Nature Center and Permanent Park Board Funds.

A. City Investment Policy

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

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

At June 30, 2017, 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
U.S. Treasury Obligations	\$ 625,418	\$ 171,745	\$ 445,129	\$ 8,544
U.S. Agencies	597,537	41,373	554,381	1,783
Tax Exempt Ohio Municipals	<u>76,821</u>	<u>39,767</u>	<u>37,054</u>	<u> </u>
Total	<u>\$ 1,299,776</u>	<u>\$ 252,885</u>	<u>\$ 1,036,564</u>	<u>\$ 10,327</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) State of Ohio endorsed cash management programs, including but not limited to STAR Plus, 7) repurchase agreements, 8) obligations of the State of Ohio or of a political subdivision of the state with at least an AA rating, or 9) commercial paper of certain entities that have assets exceeding \$500 million. These investments do not expose the City to foreign currency risk. Therefore, the City does not have a foreign currency risk policy.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit ratings indicate the degree of credit risk for an investment. At June 30, 2017, the City held the following investments (amounts in thousands):

Investment Type	Total Fair Value	A-/A3 and Above	Not Rated	Full Faith & Credit
U.S. Treasury Obligations	\$ 625,418	\$ 511,836	\$ 82,821	\$ 30,761
U.S. Agencies	597,537	508,626	88,911	
Tax Exempt Ohio Municipals	<u>76,821</u>	<u>45,024</u>	<u>31,797</u>	<u> </u>
Total	<u>\$ 1,299,776</u>	<u>\$ 1,065,486</u>	<u>\$ 203,529</u>	<u>\$ 30,761</u>

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

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. At June 30, 2017 the City did not have more than five percent of total investments with a single issuer.

B. Permanent Funds

The Permanent Funds (excluding the Park Board Fund) do not have a written investment policy. Each fund has a separate trust agreement, which limits the activity of the fund. At June 30, 2017, total investments were \$1,693,000. The Permanent Funds do not have an investment policy for interest rate risk, credit risk, custodial credit risk, concentration of credit risk, or foreign currency risk. Their investments consist of equity securities with a fair value of \$1,353,000, real estate of \$48,000, and fixed income funds with a fair value of \$292,000. Credit ratings and maturity information was not available for the investments in fixed income funds.

C. Park Board

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

At June 30, 2017 the Park Board had total investments with a fair value of \$9,808,000 which includes equity securities with a fair value of \$7,646,000, real estate with a fair value of \$2,000, and fixed income with a fair value of \$345,000. The remaining \$1,815,000 in investments is identified in the chart below.

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

Investment Type	Investment Maturities (in years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More than 10
U.S. Treasury Obligations	\$ 801	\$ 801			
US Agency Bonds	151		\$ 151		
Corporate Bonds	863	110	459	\$ 30	\$ 264
Total	\$ <u>1,815</u>	\$ <u>911</u>	\$ <u>610</u>	\$ <u>30</u>	\$ <u>264</u>

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	Not Rated
U.S. Government Treasury	\$ 801	\$ 801		
U.S. Agency Bonds	151	151		
Corporate Bonds	863	482	381	
Fixed Income	345			345
Total	\$ 2,160	\$ 1,434	\$ 381	\$ 345

3. MIXED INVESTMENT POOL

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

Summary by major investment classification (amounts in thousands):

Description	Cost	Fair Value	Interest Rates	Maturity Dates
Money Market Fund	\$ 317	\$ 317		
Certificates of Deposit	6,736	6,736	1.18% to 2.15 %	7/2/17 to 12/30/19
U. S. Treasury Notes	330,833	329,765	0.625% to 8.125%	7/15/17 to 5/31/22
FHLB/FNMA/FHLMC Securities	450,750	448,946	0.70% to 9.4%	7/18/17 to 9/25/24
Ohio Municipal	73,520	73,485	0.00% to 5%	9/15/17 to 12/1/21
Star Ohio Investment Pool	45,000	45,000		
Cash	26,705	26,705		
Total	\$ 933,861	\$ 930,954		

The Mixed Investment Pool does not issue a separate report. The Mixed Investment Pool's financial statements follow:

**Mixed Investment Pool
Statement of Net Position
As of June 30, 2017
(Amounts in Thousands)**

<u>Assets</u>	
Equity in City Treasury	<u>\$ 930,954</u>
<u>Net Position</u>	
Held in Trust for Internal Pool Participants	\$ 692,044
Held in Trust for External Pool Participants	238,910
Total Net Position	<u>\$ 930,954</u>

Mixed Investment Pool
Statement of Changes in Net Position
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

	<u>Internal Participants</u>	<u>External Participants</u>	<u>Total</u>
Additions:			
Contributions:			
Participant Deposits	\$ 1,509,357	\$ 542,801	\$2,052,158
Investment earnings:			
Interest and dividends	9,715	2,109	11,824
Net appreciation in the fair value of investments	<u>(7,174)</u>	<u>(2,311)</u>	<u>(9,485)</u>
Total investment earnings	<u>2,541</u>	<u>(202)</u>	<u>2,339</u>
Total additions	1,511,898	542,599	2,054,497
Deductions:			
Distributions to Participants	<u>1,490,127</u>	<u>468,147</u>	<u>1,958,274</u>
Change in Net Position	21,771	74,452	96,223
Net Position - beginning	<u>670,273</u>	<u>164,458</u>	<u>834,731</u>
Net Position - ending	<u>\$ 692,044</u>	<u>\$ 238,910</u>	<u>\$ 930,954</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. On December 4, 2014 the original debt was refunded with \$65,135,000 of first lien debt. Additional first lien debt of \$4,755,000 was issued for new projects.

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

In the financial plan for the Convention Center expansion and renovation the dedicated Transient Occupancy Tax (City) and Lodging Excise Tax (County) is expected to cover the outstanding debt service for senior debt of \$64,725,000. Pursuant to the Memorandum of Understanding between the City, County and the CFA, the City has agreed to guarantee, subject to annual appropriation, the principal and interest on subordinate debt. The maximum annual debt service is \$6,359,600 and has been reserved to guarantee the subordinate debt service.

Subject to annual appropriation, the City shall pay \$250,000 (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 2017.

Greater Cincinnati Redevelopment Authority (Formerly the Port of Greater Cincinnati Development Authority) – On July 11, 2011 the City entered into an Economic Development Services Agreement with the Greater Cincinnati Redevelopment Authority to undertake economic development activities on behalf and in coordination with the City during 2011-2017. Under the Agreement, the City agreed to provide the Greater Cincinnati Redevelopment Authority with: (i) annual operating funding for the continuation of its existing economic development services in the region (defined therein as “General Operations”), in the amount of \$525,000 for 2011 and up to \$1,000,000 in each of years 2012-2017 (subject, however, to the City’s right to terminate the Agreement if Hamilton County does not provide a matching amount) [with the City’s 2017 funding for General Operations being \$700,000]; (ii) in 2011 and 2012 only, non-operating funding (referred to therein as “the City’s capital investment”) in the amount of \$1,000,000/year; and (iii) in years 2013-2017 only, annual funding in the amount of \$6,000,000 or more to support Greater Cincinnati Redevelopment Authority activities in three identified Growth Opportunity Areas (defined therein as “Additional Services”) [with the City’s 2017 funding for Additional Services being \$2,000,000 for public infrastructure improvements at the former Hudepohl Brewing Remediation project]; all such funding under the Agreement being subject to annual discretionary appropriations by City Council, and further subject to the City’s right to reduce its annual contributions by the amount of net profits received by the Greater Cincinnati Redevelopment Authority in connection with the Additional Services. The existing Agreement is scheduled to expire on Dec 31, 2017, and the City is currently negotiating a new Economic Development Services Agreement with the Greater Cincinnati Redevelopment Authority to take effect Jan 1, 2018.

The Board of Education of the City School District of the City of Cincinnati (the Board) – on July 21, 1999 the “Board” and the City of Cincinnati entered into agreement whereby the City would compensate the Board for taxes that would have been received if not for certain property exemptions enacted by the City. Compensation is made in two ways: 1) a proportion (either 25% or 27%) of service payments received by the City on property exempted under ORC Chapter 725 or 5709 paid semi-annually and 2) an annual payment of \$5 million, to be paid semi- annually, beginning fiscal year 2000 and continuing for 19 years thereafter.

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

The City’s outstanding encumbrances at June 30, 2017 are as follows:

Summary of Encumbrances Outstanding (Amounts in Thousands)

	General Fund	Capital Projects	Debt Service	Non Major Governmental	Total
General Government	\$ 2,971		\$ 167	3,523	\$ 6,661
Community Development	1,196			\$ 4,792	5,988
Parks	437			336	773
Recreation	273			238	511
Police	843			1,329	2,172
Fire	289			1	290
Transportation & Engineering				41	41
Public Services	745			7,365	8,110
Public Health	484			1,183	1,667
Capital Outlay		\$ 84,830			84,830
Total	\$ 7,238	\$ 84,830	\$ 167	\$ 18,808	\$ 111,043

5. INTER-FUND ASSETS/LIABILITIES

The composition of inter-fund balances as of June 30, 2017, is as follows:

DUE FROM/TO OTHER FUNDS (Amounts in Thousands)

	Due From								TOTAL
	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Internal Service Funds	Water Works Enterprise Fund	Non-Major Enterprise Funds	Fiduciary Fund	
<u>Due To</u>									
General Fund		\$ 16		\$ 578	\$ 1,084		\$ 1	\$ 468	\$ 2,147
Capital Projects Fund	\$ 420		\$ 459	647	396	\$ 673	161		2,756
Debt Service Fund								1	1
Non-Major Governmental Funds	1,351			265	277			242	2,135
Internal Service Funds					8		2	45	55
Water Works Enterprise Fund	5	29			154		21	192	401
Non-Major Enterprise Funds		160	228	169	333	30	1	25	946
TOTAL	\$ 1,776	\$ 205	\$ 687	\$ 1,659	\$ 2,252	\$ 703	\$ 186	\$ 973	\$ 8,441

At year end, the City held \$4.1 million in notes outstanding with accrued interest of \$0.2 million. The notes provide capital project financing. A portion of these notes are held by MSD (\$1.0 million), and Capital Projects Fund (\$0.7 million), and are not included above. The amounts included in inter-fund receivables and payables are as follows (amounts in thousands):

Fund or Fund Type	Due From	Due To
General Fund	\$420	
Capital Projects Fund		\$2,451
Debt Service Fund	459	
Non-Major Governmental Funds	502	
Internal Service Funds	260	
Water Works Enterprise Fund	649	
Non-Major Enterprise Funds	161	
	<u>\$ 2,451</u>	<u>\$ 2,451</u>

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

ADVANCES TO/FROM OTHER FUNDS (Amounts in Thousands)

	Advance From Other Funds				TOTAL
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Internal Service Funds	
<u>Advance to Other Funds</u>					
General Fund			\$ 900	\$ 834	\$ 1,734
Non-Major Governmental Funds	\$ 521				521
Water Works Enterprise Fund				50	50
Non-Major Enterprise Funds		\$ 10,821			10,821
Internal Service Funds		7,153			7,153
TOTAL	\$ 521	\$ 17,974	\$ 900	\$ 884	\$ 20,279

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

6. INTER-FUND TRANSFERS

Inter-fund transfers for the fiscal year ended June 30, 2017, consisted of the following:

TRANSFERS IN/OUT (Amounts in Thousands)

	Transfers Out							Total
	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Internal Service Funds	Water Works Enterprise Fund	Non-Major Enterprise Funds	
Transfers In								
General Fund					\$ 211		\$ 1,250	\$ 1,461
Capital Projects Fund	\$ 306		\$ 64,593	13,812	1,996	146	20	80,873
Debt Service Fund	4,649	2,542		7,339	38			14,568
Non-Major Governmental Funds	1,426			2,249	208		1,500	5,383
Internal Service Funds		\$ 10,261		30				10,291
Non-Major Enterprise Funds					575			575
Total	\$ 6,381	\$ 12,803	\$ 64,593	\$ 23,430	\$ 3,028	\$ 146	\$ 2,770	\$ 113,151

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

7. NET POSITION / FUND BALANCE

Fund Balance Classifications

Fund balance is classified in five categories: (1) Non-spendable, (2) Restricted, (3) Committed, (4) Assigned, and (5) Unassigned. Non-spendable fund balances include amounts that are not in spendable form or are legally required to remain intact. Restricted fund balances include amounts that have external restrictions by either: grantors, debt covenants, laws or other governments. The City Council is the highest level of decision making authority and can commit or rescind a portion of the fund balance to a specific purpose by passing an ordinance. The authority to assign fund balance is inferred by state and municipal law to the fiscal officer or his designated official. Unassigned fund balance includes amounts that have not been assigned to any purpose. Restricted funds are spent first as expenditures are incurred to the extent of the restricted fund revenue. Then committed, assigned and unassigned funds are used. The following chart displays the fund balance classifications for the governmental funds at June 30, 2017 (Amounts in thousands):

Fund Balances	General Fund	Capital Projects	Debt Service	Non Major Governmental	Total Governmental
Nonspendable					
Inventory	\$ 3,931	\$ 730			\$ 4,661
In accordance with Trusts				\$ 2,395	2,395
Restricted					
Debt Service			\$ 93,335		93,335
Capital Projects		202,045	9,172		211,217
Tax Increment Financing				35,192	35,192
Income Tax Transit				16,252	16,252
Police Operations				6,821	6,821
Recreation Operations				2,028	2,028
Parks Operations				9,139	9,139
Street Construction, Maintenance and Repair				8,477	8,477
Income Tax Infrastructure				12,465	12,465
Expendable Trusts				7,945	7,945
Other				8,453	8,453
Committed					
Emergency Reserve	2,570				2,570
Reserve for Weather Events, Other Emergencies, and One-time Events	3,875				3,875
Property Investment Reimbursement Agreements	30				30
Public Health				2,276	2,276
Recreation				3,621	3,621
Parks				8,270	8,270
Police				250	250
Other				2,961	2,961
Assigned					
General Government Encumbrances	2,971				2,971
Community Development Encumbrances	1,196				1,196
Parks Encumbrances	437				437
Recreation Encumbrances	273				273
Police Encumbrances	843				843
Fire Encumbrances	289				289
Public Health Encumbrances	484				484
Public Services Encumbrances	745				745
FY2018 Appropriations	203				203
Internal Service Funds	98				98
Unassigned					
Working Capital Reserve Fund	26,347				26,347
Other	33,033				33,033
Total Fund Balance	\$ 77,325	\$202,775	\$ 102,507	\$ 126,545	\$ 509,152

Included in the financial statements are two internal service funds with a net position deficit as of June 30, 2017 . The net position deficit in the internal service funds are: Purchasing Reproduction and Printing (\$3,215,000), and Fleet Services (\$11,621,000), and are to be covered by future user charges. These internal service funds are billed to user funds based on current costs. Also, the application of GAAP requires the recording of long term liabilities and results in negative net positions.

Stabilization Funds Policy

City Council established stabilization policy in July of 2015 which contains four components: the General Fund Carryover Balance, General Fund Contingency Account, Emergency Reserve, and the Working Capital Reserve. The total stabilization funds balance at June 30, 2017 was \$42.3 million, and is composed of \$26.4 million in Working Capital Reserve, \$3.9 million in Contingency Reserve, \$2.6 million in Emergency Reserve and \$9.5 million in Carryover balance, which is 10.86% of General Fund Revenues.

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 \$809,000 for the fiscal year ended June 30, 2017. Future minimum lease payments are as follows:

(Amounts in Thousands)		
	<u>Fiscal Year</u>	<u>Amounts</u>
	2018	\$ 832
	2019	761
	2020	367
	2021	155
	2022	296
	Remaining Years	<u>5,507</u>
	Total Future Minimum Rents	<u>\$ 7,918</u>

Capital Leases

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

(Amounts in Thousands)	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Leased Property/Equipment	\$ 24,637	\$ 2,226
Less: Accumulated Depreciation	<u>2,641</u>	<u>2,000</u>
Total	<u>\$ 21,996</u>	<u>\$ 226</u>

The following is a schedule of future minimum capital leases and the present value of the net minimum lease payments at June 30, 2017:

(Amounts in Thousands)	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<u>Fiscal Year</u>		
2018	\$ 3,811	\$ 274
2019	4,723	444
2020	4,705	
2021	4,687	
2022	4,670	
2023-2027	<u>8,017</u>	
Total Minimum lease payments	30,613	718
Less: Amounts representing interest	<u>2,205</u>	<u>19</u>
Present value of net minimum lease payments	<u>\$ 28,408</u>	<u>\$ 699</u>

CITY AS LESSOR

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

Amounts related to the operating lease as of June 30, 2017 are included in the financial statements of the following:

(Amounts in Thousands)	Governmental Activities	Business Type Activities
Land	\$ 3,743	\$ 3,539
Buildings	18,887	7,561
Accumulated Depreciation	7,410	4,850
Improvements	87,214	4,357
Accumulated Depreciation	87,177	1,220
Depreciation Expense	594	3,306

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

(Amounts in Thousands)	Governmental Activities	Business-Type Activities
<u>Fiscal Year</u>		
2018	\$ 22,773	\$ 1,359
2019	22,603	1,091
2020	22,451	947
2021	22,289	697
2022	21,897	591
Remaining years	<u>182,328</u>	<u>4,619</u>
Total Future Minimum Rental Payments	<u>\$ 294,341</u>	<u>\$ 9,304</u>
Total Rentals for Fiscal Year 2017:	\$ 23,147	\$ 1,797

Enterprise Funds

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

The Parking Facilities has leased the Fountain Square North Parking Garage for a one-time payment of \$7.5 million for a period of 40 years beginning in 2005. The Fountain Square South Parking Garage has also been leased for 30 years for the value of improvements. Both agreements have been presented as a service concession arrangement in Footnote 18.

Governmental Capital Assets

The City-owned railway line, the Cincinnati Southern Railway, is leased to the Cincinnati, New Orleans, and Texas Pacific Railway Company until December 31, 2026, with a renewal option of twenty-five years. Pursuant to the Ohio Revised Code, the use of the rental income from the railway line is restricted to debt service. The railway line is valued at acquisition cost since the original purpose was the general government purpose of economic development.

On March 12, 2008 Ordinance 78-2008 was passed authorizing the issuance of bonds for the construction

of a new administrative building for the Metropolitan Sewer District (MSD). The bonds were issued on July 22, 2009 for a term of 20 years. MSD will lease the building and the rentals will be equivalent to the annual debt service payment. The total rent payments in fiscal year ending June 30, 2017 were \$1,432,000. The outstanding principal is \$10,760,000.

The Price Hill Improvement District Incorporated II LLC has a ground lease with the City for the Price Hill recreation center site which was approved by Ordinance 182-2014. The City leases the land to the improvement district for development as a recreation center and the City subleases the recreation center from the improvement district. The City's sublease is included above in the section called the City as lessee.

9. LONG-TERM DEBT

In October of 2016 the City issued general obligation bonds totaling \$66,580,000 with a premium of \$3,558,000. A portion of this debt, \$11,665,000, refunded debt of \$10,405,000. The net present value of the savings which resulted from the refunding is \$816,000. The aggregate difference in debt service between the refunded debt and the refunding debt is \$906,000.

In November of 2016 Water revenue bonds totaling \$119,575,000 with a premium of \$19,664,000 were issued. The issuance included new revenue debt of \$25,000,000 with a premium of \$3,837,000 and refunding bonds of \$94,575,000 with a premium of \$15,827,000 and savings with a net present value of \$1,675,000. Of the new refunding bonds, \$77,935,000 involves an advanced crossover refunding which will occur December 1, 2019. The aggregate difference in debt service between the refunded debt and the refunding debt is \$4,812,000.

In November of 2016 the City issued economic development bonds of \$12,550,000. This new issue of \$10,000,000 included premiums of \$407,000. New debt of \$2,550,000 with a discount of \$6,000 refunded debt of \$2,230,000. The net present value of savings is \$142,000 and the aggregate difference in debt service between the refunded debt and the refunding debt is \$172,000.

In June of 2017 Water refunding revenue bonds totaling \$75,595,000 with a premium of \$3,873,000 were issued. The issuance refunded bonds of \$69,490,000 and had savings with a net present value of \$6,621,000. The aggregate difference in debt service between the refunded debt and the refunding debt is \$7,776,000.

General Obligation Bonds

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

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

(Amounts in Thousands)		
Purpose	Interest Rates	Amount
Governmental Activities	0.45%-6.046%	\$ 526,363
Business-Type Activities	1.5% to 5.0%	25,094
		\$ 551,457

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

(Amounts in Thousands)

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>All Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 48,463	\$ 21,006	\$ 1,562	\$ 966	50,025	21,972
2019	44,062	19,184	1,614	904	45,676	20,088
2020	41,301	17,481	1,371	843	42,672	18,324
2021	39,199	15,817	1,383	788	40,582	16,605
2022	32,526	14,298	1,395	735	33,921	15,033
2023-2027	139,132	52,444	6,150	3,007	145,282	55,451
2028-2032	103,053	25,891	5,224	1,895	108,277	27,786
2033-2037	62,044	8,966	4,446	900	66,490	9,866
2038-2042	16,583	1,454	1,949	176	18,532	1,630
	<u>\$ 526,363</u>	<u>\$ 176,541</u>	<u>\$ 25,094</u>	<u>\$ 10,214</u>	<u>\$ 551,457</u>	<u>\$ 186,755</u>

Revenue Bonds

The City also issues bonds where the City pledges revenues to pay debt service. The net revenues of the Water Works are pledged to pay Water Works revenue bonds debt service. The City has pledged non-tax revenues including all such taxes and revenues, other than ad valorem property taxes for the Governmental Activities revenue bonds. The original amount of revenue bonds authorized in prior years was \$1,347,295,000 of which \$1,060,720,000 was issued.

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

(Amounts in Thousands)		
<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Economic Development	0.33% to 8.48%	\$ 128,871
Water Works	.75% to 6.458%	<u>536,315</u>
		<u>\$ 665,186</u>

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

(Amounts in Thousands)

Year Ending June 30	Governmental Activities Non Property Tax Revenue		Business-Type Activities Water Revenue		<u>All Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2018	\$ 5,212	\$ 4,568	\$ 20,025	\$ 22,305	\$ 25,237
2019	5,934	4,402	22,870	21,934	28,804	26,336
2020	5,951	4,217	101,495	18,929	107,446	23,146
2021	6,128	4,026	23,990	15,839	30,118	19,865
2022	6,465	3,821	26,900	15,035	33,365	18,856
2023-2027	28,448	15,000	122,425	59,469	150,873	74,469
2028-2032	28,350	10,844	111,250	33,369	139,600	44,213
2033-2037	23,727	5,288	64,120	15,188	87,847	20,476
2038-2042	15,180	1,656	22,660	7,134	37,840	8,790
2043-2046	3,476	292	20,580	2,172	24,056	2,464
	<u>\$ 128,871</u>	<u>\$ 54,114</u>	<u>\$536,315</u>	<u>\$ 211,374</u>	<u>\$ 665,186</u>	<u>\$ 265,488</u>

Build America Bond Subsidy

In 2009, Cincinnati Water Works issued Series 2009B taxable bonds as Build America Bonds under the provisions of the American Recovery and Reinvestment Act of 2009. Under this agreement, the Water Works is to receive 35% of the Bond interest as the Build America Bond Subsidy. The amount received in fiscal year 2017 was \$1,584,000.

Long-Term State Loans

The Ohio Public Works Commission extends loans to the City. Loans in the amount of \$3,715,000 accounted for as Governmental type and \$2,186,000 as Business-type represent the amounts due on the loans from the Ohio Public Works Commission (OPWC) for infrastructure improvements. These notes are non-interest bearing.

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

(Amounts in Thousands)

Year Ending June 30	Governmental	Business-Type
	Activities	Activities
	<u>Principal</u>	<u>Principal</u>
2018	\$ 288	\$ 219
2019	288	219
2020	288	219
2021	288	219
2022	288	219
2023-2027	1,297	872
2028-2032	653	219
2033-2035	325	
Total	<u>\$ 3,715</u>	<u>\$ 2,186</u>

The Ohio Water Development Authority extends loans to the City. Notes in the amount of \$40,299,000 accounted for as Business type represent the amounts due on several loans from the Ohio Water Development Authority (OWDA) for water works improvements. These notes bear interest from 1.75% to 3.25% per year. Only that portion of the loan commitment actually paid to the City is recognized as a liability by the City.

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

(Amounts in Thousands)

Year Ending June 30	Business-type Activities	
	Principal	Interest
2018	\$ 2,280	\$ 790
2019	2,317	744
2020	2,366	697
2021	2,416	649
2022	2,468	600
2023-2027	13,037	2,226
2028-2032	12,283	961
2033-2034	3,132	70
Total	\$ 40,299	\$ 6,737

Notes Payable

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

On March 31, 2010, the City entered into an installment sales agreement with Vernon Manor Offices Leverage Lender, LLC for the construction of a 440-space parking garage for \$7.1 million. The City will maintain the title to the garage for the duration of the agreement and pay the installment payments with net service payments collected from the real property, net service payments collected from the real properties of the project and net revenue from the operation of the project. The project was completed in 2011.

On April 4, 2012, the City entered into several agreements with 21c CINCINNATI LLC to effectuate the redevelopment of the site at 609 Walnut Street into an approx. 156-room hotel, including an art museum, restaurant and other amenities. In order to facilitate the estimated \$51,000,000 project, a grant agreement provided a \$2,500,000 grant and a development and loan agreement provided a loan of \$3,800,000 from the City for eligible construction costs. The City's only pledge towards the private placement revenue note is for the statutory service payments. Through a service agreement 21c CINCINNATI LLC has agreed to make statutory service payments in semi-annual installments at an amount equal to the amount of real property taxes that would have been paid on the improvements, were they not tax exempt.

On October 24, 2014 the City amended a prior agreement with Neyer Properties for the Keystone II development project. The project includes a garage with approximately 1,600 parking spaces and office

space of approximately 400,000 square feet. Two loans, one for \$2,940,000 and the other for \$2,500,000 from the State Infrastructure Bank were utilized by the City to finance the public improvements.

The combined repayment schedule for the notes payable follows (includes Vernon Manor, Uptown Consortium, 21c CINCINNATI LLC, and Keystone II).

(Amounts in Thousands)			
	<u>Principal</u> <u>Payment</u>	<u>Interest</u> <u>Payment</u>	<u>Total</u> <u>P&I</u>
2018	1,049	785	1,834
2019	1,089	743	1,832
2020	1,131	700	1,831
2021	1,175	654	1,829
2022	1,220	607	1,827
2023-2027	4,560	2,284	6,844
2028-2032	4,213	1,449	5,662
2033-2037	3,132	490	3,622
2038-2042	975	120	1,095
2043-2047	335	15	350
Total	<u>\$ 18,879</u>	<u>\$ 7,847</u>	<u>\$ 26,726</u>

Other Liabilities

On August 18, 2015 the City entered into an agreement with Hamilton County for the \$6,250,000 repayment of estate tax mistakenly paid to the City. The five semi-annual repayments of \$1,250,000 in principal was to begin July 2016. However, the City made an early principal payment of \$4.4 million in June of 2016. The balance, \$1,433,000 has been included in the other liabilities current as the final repayment was scheduled for October of 2017.

The following are the total outstanding bonds and notes at June 30, 2017 and the debt service requirement for fiscal year 2018.

Bonds and Notes Outstanding at June 30, 2017

(AMOUNTS IN THOUSANDS)

Description	Interest Rates	Issue Dates	Maturity Dates	Originally	Amount	Amount
				Issued	Due 2018	Outstanding 6/30/2017
Bonds:						
General Property Tax						
Supported	7.875%	1987	2018	\$ 30,000	\$ 1,000	\$ 1,000
Various Rate Issues	1.5-5.82%	2006-2017	2018-2041	322,830	18,980	200,105
Refunding	0.45 to 5.25%	2007-2017	2018-2032	146,270	10,571	79,948
Urban Redevelopment						
Various Rate Issues	1.5% to 5.0%	2014&2017	2021&2036	5,535	275	5,095
Municipal Income Tax						
Refunding	0.45 to 5.25%	2007-2017	2018-2029	51,700	1,355	41,435
Recreational Facilities						
Refunding	0.45% to 5.00%	2007-2017	2018&2021	6,425	485	2,310
Urban Renewal/Economic Dev.						
Refunding	0.45 to 5.25%	2012-2016	2020-2036	47,420	1,465	44,695
Urban Development Taxable						
Various Rate Issues	4.46% to 6.046%	2009	2028	5,080	235	605
Refunding	0.45 to 5.0%	2007-2017	2018-2031	13,455	415	9,540
Judgement	1.168-4.390	2016	2041	33,321	777	26,150
MSD Administration Bldg	2.0% to 5.0%	2009&2016	2029	15,000	655	9,235
Police & Fire Pension						
Refunding	0.371% to 5.25%	2014-2016	2022&2035	<u>31,970</u>	<u>1,290</u>	<u>30,325</u>
Total Governmental Activities Bond Obligations				<u>927,276</u>	<u>48,463</u>	<u>526,363</u>
General Aviation	1.5% to 5.0%	2010	2026	1,115	42	384
Convention Center	1.5% to 5.0%	2010	2026	3,959	121	3,656
Municipal Golf	0.45 to 5.0%	2006-2016	2018 - 2029	3,438	280	788
Stormwater	2.0% to 4.0%	2010	2021-2041	7,070	334	4,530
Parking Facilities	2.0% to 4.0%	2010	2028	15,055	635	10,490
Water Works	1.168% to 4.39%	2016	2041	<u>5,393</u>	<u>150</u>	<u>5,246</u>
Total Proprietary Fund Obligations				<u>36,030</u>	<u>1,562</u>	<u>25,094</u>
Total General Obligation Bonds Payable				<u>963,306</u>	<u>50,025</u>	<u>551,457</u>
Notes:						
Economic Development	1.43%	2012-2013	2018	3,500	3,500	3,500
Streets External Financing	1.45%	2016	2021	14,725		14,725
Streets	1.776	2017	2021	4,437		4,437
Streets	1.776	2017	2021	10,086		10,086
Public Buildings	.62%	2017	2018	<u>567</u>	<u>567</u>	<u>567</u>
Total General Obligation Notes Payable				<u>33,315</u>	<u>4,067</u>	<u>33,315</u>
Total General Obligation Bonds and Notes Payable				<u>\$ 996,621</u>	<u>\$ 54,092</u>	<u>\$ 584,772</u>
Revenue Bonds and Notes	0.11% to 8.48%	1996-2015	2015-2038	<u>\$ 1,060,720</u>	<u>\$ 25,237</u>	<u>\$ 665,186</u>
Total Outstanding Debt				<u>\$ 2,057,341</u>	<u>\$ 79,329</u>	<u>\$ 1,249,958</u>

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

(Amounts in Thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 524,236	\$ 58,690	\$ (56,563)	\$ 526,363	48,463
Unamortized premiums	54,920	3,533	(4,409)	54,044	
	<u>579,156</u>	<u>62,223</u>	<u>(60,972)</u>	<u>580,407</u>	<u>48,463</u>
Revenue Bonds	123,615	12,550	(7,294)	128,871	5,212
Unamortized premiums	3,238	407	(111)	3,534	
Unamortized discounts	(319)	(6)	38	(287)	
	<u>126,534</u>	<u>12,951</u>	<u>(7,367)</u>	<u>132,118</u>	<u>5,212</u>
Total Bonds Payable	705,690	75,174	(68,339)	712,525	53,675
General Obligation Notes Payable	14,725	14,523		29,248	
Notes Payable	14,178	5,552	(851)	18,879	1,049
Compensated Absences	107,910	51,709	(41,069)	118,550	14,587
Claims and Judgments	26,743	85,705	(87,607)	24,841	10,897
Capital Leases	25,133	5,550	(2,275)	28,408	3,317
Net Pension Liability-CRS	877,288	118,047	(631,859)	363,476	
Net Pension Liability-OPERS	10,982	5,225	(2,217)	13,990	
Net Pension Liability-OP&F	452,561	49,090	(48,625)	453,026	
Net Other Post Employment Benefit Obligation	61,144	3,699	(2,450)	62,393	
State Loans	4,003		(288)	3,715	288
Pollution Remediation		3,726		3,726	
Other	2,801	2,515	(2,739)	2,577	1,634
Governmental Activities Long-term Liabilities	<u>\$ 2,303,158</u>	<u>\$ 420,515</u>	<u>\$ (888,319)</u>	<u>\$ 1,835,354</u>	<u>\$ 85,447</u>
Business-type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 21,267	\$ 4,907	\$ (1,080)	\$ 25,094	1,562
Unamortized premiums	51	43	(8)	86	
	<u>21,318</u>	<u>4,950</u>	<u>(1,088)</u>	<u>25,180</u>	<u>1,562</u>
Revenue Bonds	473,480	\$ 195,170	(132,335)	536,315	20,025
Unamortized premiums	30,752	27,808	(16,396)	42,164	
	<u>504,232</u>	<u>222,978</u>	<u>(148,731)</u>	<u>578,479</u>	<u>20,025</u>
Total Bonds Payable	525,550	227,928	(149,819)	603,659	21,587
Compensated Absences	9,407	5,555	(4,739)	10,223	5,423
Claims and Judgments	242	202	(184)	260	260
Capital Leases	989		(290)	699	258
Net Pension Liability-CRS	251,943	40,645	(191,820)	100,768	
Net Pension Liability-OPERS	2,268	1,282	(516)	3,034	
Net Other Post Employment Benefit Obligation	15,970	1,035		17,005	
State Loans	44,851		(2,366)	42,485	2,499
Business-Type Activities Long-term Liabilities	<u>\$ 851,220</u>	<u>\$ 276,647</u>	<u>\$ (349,734)</u>	<u>\$ 778,133</u>	<u>\$ 30,027</u>

For the governmental activities, claims and judgments are generally liquidated by the general fund. Net Pension Liability, Net Other Post Employment Benefit Obligation, and compensated absences annual payments are made from the same funds which pay the employees' salaries.

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 fiscal year end, \$1,988,000 of compensated absences, \$21,353,000 of unpaid claims, \$22,634,000 of net pension liability, and \$3,901,000 of net other post employment benefit obligation for the internal service funds are included in the above amounts.

Defeased Bonds

The City has defeased bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City’s financial statements. The chart below depicts the defeased bonds at June 30, 2017:

(Amounts in Thousands)

Bond Type	Call Date	Par Amount	Refunded Date	Series
Revenue Refunding	11/1/2019	2,230	11/2/2016	2009B
Tax Exempt GO Bonds	6/1/2018	7,425	8/20/2015	2008A
Tax Exempt GO Bonds	6/1/2018	3,750	8/20/2015	2008B
Tax Exempt GO Bonds	6/1/2019	2,920	8/20/2015	2009A
Tax Exempt GO Bonds	6/1/2019	2,360	8/20/2015	2009B
Tax Exempt GO Bonds	6/1/2019	13,075	1/28/2016	2009A
Taxable GO Bonds	12/1/2019	4,200	10/25/2016	2011C
Taxable GO Bonds	6/1/2020	2,950	10/25/2016	2010F
Tax-exempt Water System Refunding	12/1/2017	53,600	7/29/2015	2007B
Tax-exempt Water System Refunding	12/1/2019	13,400	11/29/2016	2009A
Tax-exempt Water System Refunding	12/1/2021	20,745	11/29/2016	2011A
		<u>Total \$ 126,655</u>		

10. DEBT LIMITATION

The City's "indirect" (ten mill) debt limit was removed by decision of the Ohio courts. In September 1977, the Supreme Court of Ohio dismissed an appeal from the decision of the Court of Appeals, First Appellate District, Hamilton County, Ohio, involving the City's debt limitations. In summary, the City instituted a test case against the Director of Finance for the purpose of obtaining a definitive construction of certain sections of the City Charter bearing on the right of the City to levy taxes in excess of the ten mill limitation of Section 5705.02 of the Ohio Revised Code. As a result of the Court decision, the City has the right to levy property taxes without limitation to support its lawfully issued bonds and notes, and the City's ability to incur debt will be limited only by the arithmetical (percentage) limitations set forth under Section 133.05 of the Ohio Revised Code.

Section 133.05 provides that the principal amount of both voted and un-voted debt of the City may not exceed 10-1/2% of the City's assessed valuation, and the principal amount of the City's un-voted 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 AND TAX ABATEMENTS

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 used to meet operating expenses in the General Fund.

The following table identifies the 1.55% income tax collections to the General Fund for the fiscal periods 2013 through 2017:

(Amounts in Thousands)

<u>Fiscal Year</u>	<u>General Fund Collections of 1.55%</u>
2013*	\$ 128,873
2014	251,683
2015	261,848
2016	277,673
2017	279,670

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

Property Taxes

The assessed valuation of property within the City subject to the levy of ad valorem taxes includes real property and public utilities property. The assessed value upon which the collection years 2016 and 2017 were based was \$4,987,699,590 and \$397,886,050 for 2016 and \$5,010,624,630 and \$439,985,370 for 2017. These were for real property and public utility property respectively (per Hamilton County Auditor). The City's property taxes are collected by the Hamilton County Auditor and are remitted to the City on a periodic basis. Real property taxes collected in any calendar year are generally levied on assessed values as of January 1 of the preceding year according to the following calendar:

Property Tax Calendar - 2017

Lien date	January 1, 2016
Levy date	October 31, 2016
First installment payment due	January 31, 2017
Second installment payment due	June 20, 2017

Assessed values are established by the County Auditor, or at no more than 35% of appraised market value. The laws of the State of Ohio presently require that all property be revalued no less than every six years, at any time the County Auditor finds that true or taxable value thereof has changed, and in the third calendar year following the year in which a sexennial reappraisal is completed if ordered by the State Commissioner of Tax Equalization. Real property experienced a statutory sexennial reappraisal in 2011 resulting in a 7.5% decrease in assessed values. Property tax due in second six months of calendar 2016 and the first six months of calendar 2017 has been included in revenues for the fiscal year 2017. The second installment of 2017 is

not recorded as revenue for fiscal year 2017. The Ohio Revised Code requires the second installment of property tax be recorded as a deferred inflow of resources.

Tangible personal property of public utilities is assessed at various rates (25% to 88% of true value) depending upon the type of property. Effective for collection year 2002, the assessed valuation of electric utility production equipment was reduced from 100% and natural gas utility property from 88% of true value, both to 25% of true value. The State's 2005 biennial budget bill included a reduction in the 88% assessment rate for electric utility transmission and distribution equipment to 85%, and a reduction in the 25% assessment rate for all electric company taxable property to 24% commencing in tax year 2006. That legislation also provides for a phasing out of the taxation of all personal property used by telephone companies, telegraph companies, or interchange telecommunications companies by tax year 2011, with State reimbursement payments to be made in declining amounts through 2018. In the State's 2012 budget, public utility property tax reimbursements for normal operating expenses paid to the general fund were eliminated effective July 2011. The State reimbursements for debt service continue through 2016 at a fixed amount.

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

Tax Increment Financing Districts (TIF Districts)

The City, pursuant to the Ohio Revised Code and City ordinances, has established 21 TIF Districts. A TIF District represents a geographic area not greater than 300 acres, wherein 100% of the property value increases created after the commencement date of the TIF Districts are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as "statutory service payments", as though the TIF District had not been established. These "statutory service payments" are then dedicated to the payments for various public improvements within or adjacent to the TIF District. Property values existing before the commencement of the TIF District continue to be subjected to property taxes.

In 2017, the City received "statutory service payments" totaling \$16.7 million from the TIF districts. This amount is net of the county auditor fees and the payments to the Cincinnati School Board. In accordance with the agreement with the Cincinnati School district as amended December 18, 2002, twenty-seven percent of the statutory service payments received from the TIF districts is paid to the Cincinnati School Board. This payment in lieu of taxes revenue is accounted for in the TIF Funds along with the debt service payments. Corresponding capital assets are accounted for in the City's infrastructure accounts and property accounts.

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

Casino Revenue

In 2009, voters approved an amendment to the Ohio Constitution which became HB 519 authorizing one casino in Cincinnati, Cleveland, Columbus and Toledo. A gross revenue tax of 33% was imposed on licensed casino operators. A portion (5%) would be given to the host city. The casino in the City of Cincinnati opened in 2012. Revenues from the casino tax were:

(Amounts in Thousands)

<u>Fiscal Year</u>	<u>General Fund Revenue</u>
2013*	\$3,564
2014	\$8,345
2015	\$7,875
2016	\$8,059
2017	\$7,785

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

Tax Abatements

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures, the City of Cincinnati (the "City") is required to disclose certain information about tax abatements as defined in the Statement. For purposes of GASB Statement No. 77, a tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the City or the citizens of the City. The City has entered into such agreements. A description of each of the City's abatement programs where the City has promised to forgo taxes follows:

Community Reinvestment Area (CRA) Program

The Ohio Community Reinvestment Area program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. Community Reinvestment Areas (CRA) are areas of land in which property owners can receive tax incentives for investing in real property improvements. In order to use the Community Reinvestment program, a city, village, or county petitions to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing has traditionally been discouraged. Once the area is confirmed by the Director of ODSA, communities may offer real property tax exemptions to taxpayers that invest in that area.

The City determines the type of development to support by specifying the eligibility of residential, commercial and/or industrial projects. The City negotiates property tax exemptions on new property tax from investment for up to one hundred percent (100%) for up to fifteen years based on the amount of investments made to renovate or construct buildings within a CRA. Taxes are abated on the increase in taxable value resulting from the investment is not included (or included at a lesser amount) in the taxable value used for property tax computation for the taxpayer. For commercial projects, job retention and/or creation is also required. Agreements must be in place before the project begins. Provisions for recapturing property tax exemptions, which can be used at the discretion of the City, are pursuant to ORC Section 9.66(C)(1) and 9.66(C)(2). During 2017 the amount of property tax revenue forgone under the CRA program was \$1,947,000.

Job Creation Tax Credit Program

Pursuant to ORC 718.15, the City, by ordinance, may grant a refundable or nonrefundable credit against its tax on income to taxpayers to foster job creation in the city. Tax credits granted under this section of

the ORC are measured as a percentage of the new income tax revenue the City derives from new employees of the taxpayer and are for a term not to exceed fifteen years. Tax credits are applied against the taxpayer's annual income tax filing. It is required that the City and the taxpayer enter into an agreement specifying all the conditions of the credit prior to passage of the ordinance granting the credit. The City currently has Job Creation Tax Credit agreements with 33 Cincinnati businesses (taxpayers). The tax credit percentage and term of the specific agreements is based upon the amount of new investment and the number of jobs created as a result of an identified project. Job Creation Tax Credit agreements include specific language for refund of the credits should the terms of the agreement not be met by the taxpayer. During 2017 the amount of income tax revenue forgone under the JCTC program was \$3,838,000.

12. SHORT-TERM DEBT – BOND ANTICIPATION NOTES

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

The General Obligation and Revenue Bond Anticipation Notes issued during the period and outstanding at fiscal year end include \$4,067,000 in City issued notes that were purchased by the City. For an explanation of the presentation of these notes in the financial statements, refer to Footnote 5 on Inter-fund Assets and Liabilities. A property tax supported general obligation note of \$10,086,000 and a municipal income tax supported general obligation note of \$4,437,000 were issued externally in December of 2016.

(Amounts in Thousands)	<u>Beginning</u> <u>Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending</u> <u>Balance</u>
<u>Governmental Activities</u>				
Revenue Bond Anticipation Notes	\$ 3,500		\$ 3,500	
General Obligation Bond Anticipation Notes	34,225	\$ 48,433	49,910	\$ 32,748
	<u>\$ 37,725</u>	<u>\$ 48,433</u>	<u>\$ 53,410</u>	<u>\$ 32,748</u>
<u>Business Activities</u>				
General Obligation Bond Anticipation Notes	\$ 750	\$ 567	\$ 750	\$ 567

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	\$ 21,421
Revenue bond Reserve Account - Water Works	135,460
Customer Deposits - Water Works	<u>8,610</u>
Total restricted assets	<u><u>\$ 165,491</u></u>

14. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

(Amounts in Thousands)	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 188,613	\$ 16,684	\$ (1,796)	\$ 203,501
Construction in Progress	289,887	99,139	(256,290)	132,736
Total capital assets, not being depreciated	478,500	115,823	(258,086)	336,237
Capital assets, being depreciated:				
Buildings	274,937	11,149		286,086
Improvements other than buildings	479,560	53,507	(4,573)	528,494
Machinery and Equipment	166,607	23,889	(6,617)	183,879
Property acquired under capital leases	6,009	19,178	(550)	24,637
Infrastructure	1,145,575	157,147	(38)	1,302,684
Total capital assets, being depreciated	2,072,688	264,870	(11,778)	2,325,780
Less accumulated depreciation for:				
Buildings	(156,962)	(8,012)		(164,974)
Improvements other than buildings	(266,796)	(19,652)	55	(286,393)
Machinery and Equipment	(136,334)	(8,950)	6,710	(138,574)
Property acquired under capital leases	(965)	(2,075)	399	(2,641)
Infrastructure	(513,609)	(48,477)		(562,086)
Total accumulated depreciation	(1,074,666)	(87,166)	7,164	(1,154,668)
Total capital assets, being depreciated, net	998,022	177,704	(4,614)	1,171,112
Governmental-type Activities capital assets, net	\$ 1,476,522	\$ 293,527	\$ (262,700)	\$ 1,507,349
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 50,861	\$ 866	\$ (7,657)	\$ 44,070
Construction in Progress	95,977	42,723	(36,596)	102,104
Total capital assets, not being depreciated	146,838	43,589	(44,253)	146,174
Capital assets, being depreciated:				
Buildings	359,736	13,412	(866)	372,282
Improvements other than buildings	1,209,592	10,552		1,220,144
Machinery and Equipment	297,924	21,617	(6,316)	313,225
Property acquired under capital leases	2,614		(388)	2,226
Total capital assets, being depreciated	1,869,866	45,581	(7,570)	1,907,877
Less accumulated depreciation for:				
Buildings	(204,613)	(6,543)		(211,156)
Improvements other than buildings	(282,943)	(18,961)	2	(301,902)
Machinery and Equipment	(206,672)	(10,542)	5,643	(211,571)
Property acquired under capital leases	(1,860)	(312)	355	(1,817)
Total accumulated depreciation	(696,088)	(36,358)	6,000	(726,446)
Total capital assets, being depreciated, net	1,173,778	9,223	(1,570)	1,181,431
Business-type Activities capital assets, net	\$ 1,320,616	\$ 52,812	\$ (45,823)	\$ 1,327,605

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

(Amounts in Thousands)

Governmental activities:	
General Government	\$ 3,280
Community Development	5,221
Enterprise Services	2,602
Recreation	6,647
Police	3,265
Transportation and Engineering	42,670
Public Services	12,646
Public Health	714
Parks	6,190
Fire	2,413
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	1,518
Total depreciation expense - governmental activities:	<u>\$ 87,166</u>
Business-type activities:	
Water Works	\$ 23,987
Parking Facilities	2,877
Convention Center	4,372
General Aviation	762
Municipal Golf	1,055
Stormwater Management	3,305
Total depreciation expense - business-type activities:	<u>\$ 36,358</u>

Governmental Activities Construction in Progress at June 30, 2017 is comprised of the following:

(Amounts in Thousands)	Project Authorizations	Expended to June 30, 2017	Committed	Required Future Financing
<u>Administering Department</u>				
Transportation and Engineering	\$ 127,986	\$ 21,891	\$ 106,095	\$ 42,514
Community Development	75,370	54,639	20,731	2,510
Recreation	6,332	5,443	889	
Police	10,586	7,471	3,115	600
Fire	1,128	778	350	
Parks	14,413	8,972	5,441	
Public Services	22,000	18,871	3,129	
Other	30,820	14,671	16,149	8,142
Total	<u>\$ 288,635</u>	<u>\$ 132,736</u>	<u>\$ 155,899</u>	<u>\$ 53,766</u>

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

Business Activities Construction in Progress at June 30, 2017 is comprised of the following:

(Amounts in Thousands)	Project	Expended		Required
	<u>Authorization</u>	<u>to 6/30/17</u>	<u>Committed</u>	<u>Future</u>
<u>Enterprise Fund</u>				<u>Financing</u>
Water Works	\$ 149,665	\$ 88,318	\$ 61,347	
Parking Facilities	8,261	3,768	4,493	
Convention Center	7,951	3,499	4,452	\$ 3,748
General Aviation	2,914	678	2,236	
Municipal Golf	651	186	465	
Stormwater Management	10,513	5,655	4,858	
Total	\$ 179,955	\$ 102,104	\$ 77,851	\$ 3,748

15. RECEIVABLES

Accounts Receivable are presented in the financial statements net of the allowance for uncollectible accounts. The uncollectible accounts related to the General Fund at June 30, 2017, are as follows: Taxes Receivable (\$984,000) and other accounts receivable (\$45,054,000). The uncollectible accounts related to the Debt Service Fund at June 30, 2017 are Taxes Receivable (\$1,142,000). The balance for the allowance for uncollectible accounts in the Capital Projects Fund at June 30, 2017 is (\$145,000). The balance of the allowance accounts for Special Revenue Funds is (\$3,608,000) as of June 30, 2017. The balances of the allowance accounts of the proprietary funds as of June 30, 2017 are as follows: Water Works (\$4,708,000), Enterprise Technology Services (\$35,000), Municipal Golf (\$4,000), General Aviation (\$28,000), Parking Facilities (\$5,000) and Stormwater Management (\$1,805,000).

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 portion of the special revenue loans, with a value of \$30,293,000, were made from Housing and Urban Development Section 108 funds and do not involve a revolving type loan account. The loans are repaid to the federal government. If the borrower fails to repay the loan, the City's Community Development Block Grant funds may be used to repay the federal government. The total amount receivable for the special revenue loans is offset by an allowance for uncollectible loans receivable. Special revenue loans receivable at June 30, 2017 total \$77,332,000.

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 allowance for uncollectible loans at June 30, 2017 is \$10,233,000. This amount is related to forgivable housing loans and downtown development loans.

The City of Cincinnati sold 130 acres of the Blue Ash Airport property to the City of Blue Ash for \$37,250,000. The original sales agreement was amended in 2012 per Ordinance 302-2012. There was an initial payment of \$6,000,000 and in fiscal years 2015 to 2017 a payment of \$1,000,000 was received each year. The payments for the remaining 20 fiscal years will be as follow from August 31, 2017 to August 1, 2036: fiscal years 2018-2027 - \$1,250,000 annually and fiscal years 2028-2037 - \$1,500,000 annually. The City of Cincinnati has completed remedial action work at the Blue Ash Airport at a total cost of \$1,856,000.

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

(Amounts In Thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 979	\$ 271	\$ 1,250
2019	933	317	1,250
2020	888	362	1,250
2021	846	404	1,250
2022	806	444	1,250
2023-2027	3,489	2,761	6,250
2028-2032	3,280	4,220	7,500
2033-2037	2,570	4,930	7,500
Total	<u>\$ 13,791</u>	<u>\$ 13,709</u>	<u>\$ 27,500</u>

In 2009, the City of Cincinnati entered into a loan agreement with Graeter's for \$10 million. The loan is to be repaid over a 20 year period at 2% interest in year 1 and 2 and 4% interest in the remaining years. Below is the repayment schedule. Two principal and interest payments each for \$392,000 were received in fiscal year 2017.

(Amounts in Thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 483	\$ 302	\$ 785
2019	503	282	785
2020	523	262	785
2021	544	241	785
2022	566	219	785
2023-2027	3,192	731	3,923
2028-2030	1,849	112	1,961
Total	<u>\$ 7,660</u>	<u>\$ 2,149</u>	<u>\$ 9,809</u>

In 2014, the City of Cincinnati entered into a loan agreement with Cincinnati Landmark Productions for \$4.2 million. The loan is to be repaid over a 23 year period at 1.02% interest. Below is the repayment schedule. Interest payments of \$43,000 were received in fiscal year 2017.

(Amounts in Thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018		\$ 43	\$ 43
2019		43	43
2020		43	43
2021		43	43
2022	\$ 199	42	241
2023-2027	1,250	174	1,424
2028-2032	1,316	109	1,425
2033-2037	1,384	40	1,424
2038	51		51
Total	<u>\$ 4,200</u>	<u>\$ 537</u>	<u>\$ 4,737</u>

16. CONTINGENT LIABILITIES

Federal and State Grants

The City has received Federal and State grants of approximately \$41 million for specific purposes that are subject to review and audit by the grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Such disallowances have been immaterial in prior years.

Litigation

Various claims and lawsuits are pending against the City as of June 30, 2017. A liability of \$25 million was recorded for those claims and judgments as of June 30, 2017. Over the past decade, the City has averaged annual payments of \$1.4 million for claim and lawsuit settlements. Adequate funds have been provided to meet the claims paid from the General Fund, restricted funds and the sale of debt. The City Administration believes there is no foreseen problem in having adequate resources to settle presently known cases.

Pollution Remediation Liability

Currently pollution remediation is occurring at the Provident North, Red Bank, and Center Hill sites. Center Hill involves landfill remediation while Provident North and Red Bank are for contaminated property. The West Fork incinerator has been identified as a future asbestos remediation project. In the government wide statement governmental activities has recognized \$3,726,000 for pollution remediation liability in the statement of net position.

17. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; property tax appeals and environmental damage. The City purchases commercial insurance to cover losses due to: theft of, damage to, or destruction of assets and purchases general liability insurance for specific operations and professional liability insurance for certain operations. All other risks of loss are self-insured by the City. There has been no reduction in insurance coverage in fiscal year 2017. 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 property insurance is accounted for in the internal service fund, titled "Self Insurance – Risk Management".

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

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

liabilities and claims adjustment expenses during fiscal years 2017 and 2016 are as follows:

(Amounts in Thousands)	General Fund		Water Works Fund		Stormwater Fund		Capital Projects Fund		Special Revenue Funds	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Beginning Balance	\$ 703	\$ 206	\$ 242	\$ 229			\$ 15,000		\$ 35
Current-Year Claims										
Claims and Changes in Estimates	907	1,925	190	96	\$ 12					17
Claim Payments	(1,305)	(1,428)	(172)	(83)	(12)		(15,000)		(21)	(8)
Ending Balance	\$ 305	\$ 703	\$ 260	\$ 242					\$ 14	\$ 35

(Amounts in Thousands)	Self Insurance Risk Management Fund		Workers' Compensation Fund		Governmental Activities Obligations		Entity Wide Totals	
	2017	2016	2017	2016	2017	2016	2017	2016
	Beginning Balance	\$ 9,893	\$ 8,950	\$ 12,614	\$ 11,948	\$ 7,251	\$ 7,748	\$ 30,738
Current-Year Claims								
Claims and Changes in Estimates	72,362	69,873	6,178	3,872	3,169	7,251	\$ 82,818	83,034
Claim Payments	(74,272)	(68,930)	(4,746)	(3,206)	(7,251)	(7,748)	\$(87,779)	(96,403)
Ending Balance	\$ 7,983	\$ 9,893	\$ 14,046	\$ 12,614	\$ 3,169	\$ 7,251	\$ 25,777	\$ 30,738

The claims liabilities at June 30, 2017 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 Risk Management	Self-Insurance Workers' Compensation
Accounts Payable	\$ 174	\$ 268
Accrued Liabilities		234
Estimated Liability For Unpaid Claim	7,809	13,544
Total	\$ 7,983	\$ 14,046

18. SERVICE CONCESSION ARRANGEMENTS

The City has two service concession arrangements. The Fountain Square North Parking Garage was leased in “as is” condition for an upfront payment of \$7.5 million and annual rent payments of \$100 for a period of 40 years beginning in 2005. The upfront payment is reported as deferred inflow. The current period revenue recognition is \$187,500 and the balance in deferred inflows of resources at June 30, 2017 is \$5.2 million. In addition, Fountain Square LLC made \$7.9 million in improvements to the parking garages. These improvements are included in the capital assets of the Parking Facilities Fund. The Net book value at June 30, 2017 was \$5.8 million. The current period revenue recognition is \$198,000.

During fiscal year 2015 the Fountain Square South Garage was leased to the Port Authority “as is” for 30 years. Improvements of \$1.2 million were made by the Port Authority to the garage and these improvements are included in improvements of the Parking Facilities Fund. The current period revenue recognition is \$41,000. The book value at June 30, 2017 was \$1.0 million.

19. SUBSEQUENT EVENTS

On November 29, 2017, the City passed Ordinance 310-2017 authorizing a capital project of \$15 million for Public Infrastructure to support the building of a Major League Soccer stadium. The Fussball Club Cincinnati LLC (FC Cincinnati) is actively seeking a bid for membership as a MLS franchise.

In December of 2017 the City issued \$82,905,000 of general obligation bonds with a premium of \$11,843,000 and costs of \$780,000. The issuance included new general obligation bonds of \$22,675,000 with a premium of \$2,149,000 and \$60,230,000 of refunding bonds with a premium of \$9,694,000. The refunding resulted in a savings with a net present value of \$4,788,000 and aggregate difference of \$5,758,000.

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), the Ohio Public Employees Retirement System (OPERS), and the City of Cincinnati's Retirement System (CRS). OP&F and OPERS are cost-sharing multiple-employer defined benefit pension plans. In addition to the defined benefit plan, OPERS has two other pension plans: the Member Directed Plan, a defined contribution plan and the Combined Plan, a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and contribution plan. CRS is accounted for as a single-employer defined benefit pension plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions, between an employer and its employees, of salaries and benefits for employee services. Pensions are provided to an employee, on a deferred-payment basis, as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and other variables. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting.

Ohio Police and Fire Pension Fund (OP&F)

Plan Description

City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy

Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

2016 Statutory Maximum Contribution Rates		Police	Fire
Employer		19.50%	24.00%
Employee:		12.25%	12.25%
2016 Actual Contribution Rates			
Employer:			
Pension		19.00%	23.50%
Post-employment Health Care Benefits		0.50%	0.50%
	Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee:		12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F for fiscal year 2017 was \$16,270,000 for police and \$16,148,000 for Fire.

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 \$41,455,000, 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.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OP&F

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016 which was rolled forward to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense (amounts in thousands):

	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Proportionate Share of Net Pension Liability	\$ 228,666	\$ 224,360	\$ 453,026
Proportion of Net Pension Liability	3.610196%	3.542205%	7.152401%
Pension Expense	\$ 19,845	\$ 19,682	\$ 39,527

The following amounts are reported as deferred outflows and inflows of resources at June 30, 2017:

Summary of Deferred Outflows and (Inflows) for OP&F

(Amounts in Thousands)	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
Employer contributions subsequent to measurement date	\$ 16,070		\$ 16,070
Net difference between projected and actual investment earnings	44,055		44,055
Changes in proportionate share	15,151		15,151
Differences between expected and actual experience	128	\$ (1,043)	(915)
Total	<u>\$ 75,404</u>	<u>\$ (1,043)</u>	<u>\$ 74,361</u>

\$16,070,000 reported as deferred outflows of resources related to pension resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017. During fiscal year 2017, the City recognized pension expense of \$39,527,000. Other amounts reported as deferred outflows and deferred inflows related to pension will be recognized in pension expense as follows:

OP&F Amortization of Deferred Outflows and (Inflows)

(Amounts in Thousands)

<u>Fiscal year</u>	<u>Deferred Outflows</u>	<u>Deferred (Inflows)</u>	<u>Pension Expense</u>
2018	\$ 20,256	\$ (249)	\$ 20,007
2019	20,256	(249)	20,007
2020	16,263	(249)	16,014
2021	535	(249)	286
2022	1,871	(47)	1,824
Remaining Years	153		153
Total Deferred Outflows	<u>\$ 59,334</u>	<u>\$ (1,043)</u>	<u>\$ 58,291</u>

Actuarial Assumptions

OPF’s total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

OP&F Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Valuation Date	January 1, 2016
Experience Study	5 year period ended December 31, 2011
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	8.25%
Projected Salary Increases	4.25%-11.00
Inflation Assumptions	3.25% plus productivity increase rate of 0.5%
Cost-of-living Adjustments	2.60% and 3.00%

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

Long Term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2016 are summarized below:

OP&F <u>Asset Class</u>	Target <u>Allocation</u>	Long Term Expected <u>Rate of Return</u>
Cash and Cash Equivalent	0.0%	0.00%
Domestic Equity	16.0%	5.21%
Non-U.S. Equity	16.0%	5.40%
Core Fixed Income*	20.0%	2.37%
Global Inflation Protected Securities*	20.0%	2.33%
High Yield	15.0%	4.48%
Real Estate	12.0%	5.65%
Private Markets	8.0%	7.99%
Real Assets	5.0%	6.87%
Master Limited Partnerships	8.0%	7.36%
Total	<u>120.0%</u>	

Note: Assumptions are geometric.

* Levered 2x.

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate: The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using a discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate:

<u>Plan Type</u>	<u>OP&F Net Pension Liability</u>		
	1% Decrease	Current Discount	1% Increase
	<u>7.25%</u>	<u>Rate of 8.25%</u>	<u>9.25%</u>
Police	\$ 304,556	\$ 228,666	\$ 164,348
Fire	298,821	224,360	161,253

Other Post Employment Benefit Information

Plan Description: The City of Cincinnati contributes to the OP&F sponsored healthcare program, a cost-sharing multiple-employer defined post employment healthcare plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB 45.

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 and the Section 401(h) account as employer contributions for retiree health care benefits. The portion of employer contributions allocated to health care was 0.5% of covered payroll from January 1, 2016 thru December 31, 2016. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions for Police to OP&F for the fiscal periods ending June 30, 2017, 2016, and 2015 were \$16,419,000, \$16,264,000, and \$15,036,000, respectively, of which \$432,000, \$417,000, and \$386,000, respectively, was allocated to the healthcare plan. The City's contributions for Fire to OP&F for the fiscal periods ending June 30, 2017, 2016, and 2015 were \$16,368,000, \$15,849,000, and \$15,180,000, respectively, of which \$348,000, \$330,000, and \$317,000, respectively, was allocated to the healthcare plan.

Ohio Public Employees Retirement System (OPERS)

Plan Description

OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the traditional pension plan, the member-directed plan, and the combined plan.

The Traditional Pension Plan. The Traditional Pension Plan is a defined benefit plan in which a member's retirement benefits are calculated on a formula that considers years of service and final average salary. The pension benefits are funded by both member and employer contributions, and investment earnings on those contributions.

The Combined Plan. The Combined Plan is a defined benefit plan with elements of a defined contribution plan. Under the Combined Plan, members earn a formula benefit similar to, but at a factor less than, the Traditional Pension Plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Additionally, member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement or termination, the member may choose a defined contribution retirement distribution that is equal in amount to the member's contributions to the plan and investment earnings (or losses) on those contributions. Members may also elect to use their defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

The Member-Directed Plan. The Member-Directed Plan is a defined contribution plan in which members self-direct the investment of both member and employer contributions. The retirement distribution under this plan is equal to the sum of member and vested employer contributions, plus investment earnings (or losses) on those contributions. Employer contributions and associated investment earnings vest over a five-year period at a rate of 20% per year. Upon retirement or termination, the member may choose a defined contribution retirement distribution, or may elect to use his/her defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan for state and local government employees as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other groups and members hired on or after January 7, 2013
<u>State and Local</u>	<u>State and Local</u>	<u>State and Local</u>
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 62 with 5 years of service credit or Age 57 with 25 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy

The Ohio Revised Code (ORC) provides statutory authority for local government member and employer contributions. The statutory contributions rates are 14.0% for the employer and 10.0% for the member. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$213,000 for 2017.

Additional information on other benefits available can be found in the OPERS CAFR.

While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; the following disclosure focuses are combined for the three plans. All public employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are members of OPERS.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPERS

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. For reporting purposes, the City combined the amounts for the Traditional Plan, Combined Plan and Member-Directed Plan, due to insignificance of the amounts that related to the Combined and Member-Directed Plans. The City reported a net pension liability of \$17,024,000 as its proportionate share and the City's proportion was 0.075001%. The City recognized \$3,461,000 in pension expense.

The following amounts are reported as deferred outflows and inflows of resources at June 30, 2017:

**Summary of Deferred Outflows and (Inflows) for OPERS
(Amounts in Thousands)**

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows/ (Inflows) of Resources
Employer contributions subsequent to measurement date	\$ 622		\$ 622
Net difference between projected and actual investment earnings	2,488		2488
Changes in proportionate share	382	\$ (699)	(317)
Differences between expected and actual experience	23	(100)	(77)
Changes in assumptions	2,704		2,704
Total	<u>\$ 6,219</u>	<u>\$ (799)</u>	<u>\$ 5,420</u>

\$622,000 reported as deferred outflows of resources relate to pension resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows and deferred inflows related to pension will be recognized in pension expense as follows:

**OPERS Amortization of Deferred Outflows and (Inflows)
(Amounts in Thousands)**

<u>Fiscal year</u>	Deferred Outflows	Deferred (Inflows)	Pension Expense
2018	\$ 2,411	\$ (650)	\$ 1,761
2019	2,366	(145)	2,221
2020	893	(4)	889
2021	(73)		(73)
Total Deferred Outflows	<u>\$ 5,597</u>	<u>\$ (799)</u>	<u>\$ 4,798</u>

Actuarial Assumptions

Total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

OPERS Key Methods and Assumptions Used in Valuation of Total Pension Liability			
Actuarial Information	Traditional Pension Plan	Combined Plan	Member-Directed Plan
Valuation Date	December 31, 2015	December 31, 2015	December 31, 2015
Experience Study	5 Year Period Ending December 31, 2010	5 Year Period Ending December 31, 2010	5 Year Period Ending December 31, 2010
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:			
Investment Rate of Return	8.00%	8.00%	8.00%
Wage Inflation	3.75%	3.75%	3.75%
Projected Salary Increases	4.25%-10.05% (includes wage inflation of 3.75%)	4.25%-8.05% (includes wage inflation of 3.75%)	4.25%-8.05% (includes wage inflation of 3.75%)
Cost-of-living Adjustments	Pre 1/7/2013 Retiree: 3.00% Simple Post 1/7/2013 Retirees: 3.00% Simple through 2018 then 2.80% Simple	Pre 1/7/2013 Retiree: 3.00% Simple Post 1/7/2013 Retirees: 3.00% Simple through 2018 then 2.80% Simple	Pre 1/7/2013 Retiree: 3.00% Simple Post 1/7/2013 Retirees: 3.00% Simple through 2018 then 2.80% Simple

Mortality rates are the RP-2014 Healthy Annuitant Mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expense and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.30 percent for 2016.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

OPERS	Target	Weighted Average
<u>Asset Class</u>	<u>Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	23.00%	2.75%
Domestic Equities	20.70%	6.34%
Real Estate	10.00%	4.75%
Private Equity	10.00%	8.97%
International Equities	18.30%	7.95%
Other Investments	<u>18.00%</u>	<u>4.92%</u>
Total	<u>100.00%</u>	<u>5.66%</u>

Discount Rate: The discount rate used to measure the total pension liability was 7.5% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates. Based on those assumptions, the pension plan’s fiduciary net

position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, the Combined Plan, and the Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following chart represents the City's proportionate share in thousands of the net pension liability at the 7.5% discount rate as well as the sensitivity to a 1% increase and 1% decrease in the current discount rate (amounts in thousands):

	<u>OPERS Net Pension Liability</u>		
	1%	Current	1%
	Decrease	Discount	Increase
	<u>6.50%</u>	<u>Rate of 7.5%</u>	<u>8.50%</u>
City's proportionate share of the net pension liability	\$ 26,073	\$ 17,024	\$ 9,483

Other Postemployment Benefit Information

Plan Description: In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 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 Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR for details. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Funding Policy: The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, the City contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The portion of the City's employer contributions that were used

to fund postemployment benefits for the fiscal years 2017, 2016, and 2015 respectively were \$136,000, \$235,000, and \$265,000 which was equal to 100% of the required contribution for those fiscal years. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited in to the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

City of Cincinnati Retirement System(CRS)

Plan Description and Plan Benefits

CRS is accounted for as a single 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. No separate financial report is issued. Footnote 21 provides information on CRS as of June 30, 2017 and on the plan as a whole. 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.

Information in the remainder of this footnote is provided for the City's portion being reported in governmental activities and proprietary funds with a measurement date of June 30, 2016. Amounts related to the Metropolitan Sewer District (MSD), an agency fund of the City which also participates in and contributes to CRS, were excluded since MSD reports its portion as an enterprise fund of Hamilton County.

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

A Collaborative Settlement Agreement (CSA) was executed on May 7, 2015 and approved by the United States District Court on October 5, 2015. The CSA impacts employees who were retired on or before July 1, 2011 and employees who were in service on July 1, 2011 and who were vested (had 5 years' service credit) on that date. Employees who are members of the CRS who did not meet those criteria remained subject to the plan provisions adopted in Ordinances No 84-2011 and 85-2011.

The CSA implemented a number of changes to the CRS, including but not limited to:

- Normal retirement eligibility;
- Early retirement eligibility;
- Retiree healthcare eligibility;
- Retirement benefit calculations;
- Cost of living adjustments payable to retirees;
- Establishment of a Deferred Retirement Option Programs (DROP);
- Creation of a 115 Trust for retiree healthcare benefits;
- Changes to the composition of the Board of Trustees; and
- Payoff of the 2007 Early Retirement Incentive Program (ERIP) liability.

Retirement Benefits

Groups C&D	Group E	Group F	Group G
Eligible to retire on or before July 1, 2011; or December 31, 2013	Eligible to retire on or before December 31, 2013	Hired before January 1, 2010 and not eligible for other groups	Hired on or after January 1, 2010
Normal Retirement: Age 60 with 5 years of service, or any age with 30 years of	Normal Retirement: Age 60 with 5 years of service, or any age with 30 years of	Normal Retirement: Age 60 with 5 years of service, or any age with 30 years of	Normal Retirement: Age 67 with 5 years of service, or age 62 with 30 years of
Early Retirement: Age 55 with 25 years of service	Early Retirement: Age 55 with 25 years of service	Early Retirement: Age 55 with 25 years of service	Early Retirement: Age 57 with 15 years of service
Benefit Formula 2.5% of FAS times years of service	Benefit Formula 2.5% of FAS times years of service up to greater of 20 years or years of service as of July 1, 2011, and 2.2% thereafter	Benefit Formula 2.5% of FAS times years of service up to greater of 20 years or years of service as of July 1, 2011, and 2.2% thereafter	Benefit Formula 2.2% of FAS times years of service

Final average salary (FAS) represents the average of the highest three consecutive years of earnings for Groups C and D. Group E will have a FAS with two separate components based upon the average of the highest three consecutive years of earnings for service through December 31, 2013 and the highest five consecutive years of earnings for service after January 1, 2014. Group F will have a FAS with two components based upon the average of the highest three consecutive years of earnings for service through June 30, 2011 and the highest five consecutive years of earnings for service after July 1, 2011. Group G is based on the average of the highest five consecutive years of earnings.

Upon retirement, members will not receive a cost-of-living-adjustment (COLA) for the first three retirement anniversary dates. Thereafter, a 3% simple COLA benefit will be provided. A COLA poverty exception is available for members who meet certain financial requirements.

Funding Policy

Each member contributes at a rate of 9.0% of his pensionable wages for fiscal year 2017. The percent contributed by employees is provided by Chapter 203 Section 73 of the Cincinnati Municipal Code.

The City makes employer contributions based on a percentage of the covered payroll of all CRS members. For fiscal year 2017, the contribution rate was 16.25%. The Employer's contributions to the City of Cincinnati Retirement System's Pension Fund for the fiscal year ending June 30, 2017 were \$25,221,000.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to CRS

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The City reported a net pension liability of \$464,244,000 and negative pension expense of (\$408,631,000).

Actuarial Assumptions: Total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases, including inflation	3.0% to 7% for five-year select period beginning December 31, 2011; 4.0 to 7.5% thereafter
Long-Term Investment Rate of Return	7.50%
Municipal Bond Index Rate	
Prior Measurement Date	3.82%
Measurement Date	3.01%
Year FNP is projected to be depleted	N/A
Single Equivalent Interest Rate	
Prior Measurement Date	5.08%, net of pension plan investment expense, including inflation
Measurement Date	7.5%, net of pension plan investment expense, including inflation
Mortality	Both pre-retirement and post-retirement mortality rates were based on the RP 2000 combined mortality table, male rates set forward 2 years and female rates set forward 1 year and using a Scale AA projection to 2020. Post-disability mortality rates were based on the RP 2000 disabled retiree mortality table, female rates set back 5 years.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of the last actuarial experience study, dated October 28, 2011.

Long Term Expected Rate of Return: The long term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as listed in the last actuarial experience study, dated October 28, 2011 are summarized in the following table:

<u>CRS Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Broad Fixed Income	14.0%	1.1%
High Yield	3.0%	5.6%
Broad US Equity	19.5%	6.6%
US Mid-Cap Growth	5.0%	7.8%
US Small-Cap Value	5.0%	10.6%
Developed Larg-Cap	11.0%	7.8%
Non-US Small-Cap	5.0%	11.9%
Emerging Market	5.0%	11.3%
Hedge Fund-Hedged Equity	15.0%	4.7%
Real Estate-Core	7.5%	5.1%
Infrastructure	5.0%	8.3%
Private Equity-FOF	5.0%	13.2%
Total	<u>100.0%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made as set out in the CSA. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. This is a change from the blended discount rate of 5.08% used in the measurement period ended June 30, 2015.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following chart represents the City financial reporting entity's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.50%, as well as the sensitivity to a 1% increase and 1% decrease in the current discount rate (amounts in thousands):

<u>City's Financial Reporting Entity (MSD is not included)</u>	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate(7.50%)</u>	<u>1% Increase (8.50%)</u>
System's Net Pension Liability	\$ 647,965	\$ 464,244	\$ 307,290

Change in the Net Pension Liability: Changes in the City financial reporting entity's net pension liability for the year ended June 30, 2016 were as follows (amounts in thousands):

<u>City's Financial Reporting Entity (MSD is not included)</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Pension</u>	<u>Net Pension Liability</u>
Balances at June 30, 2015	\$ 2,353,197	\$ 1,223,966	\$ 1,129,231
Changes for the year:			
Service cost	26,125	-	26,125
Interest	117,929	-	117,929
Benefit changes	(62,756)		(62,756)
Changes of assumptions	(516,262)	-	(516,262)
Difference between expected and actual experience	3,403	-	3,403
Contributions - employer	-	21,677	(21,677)
Contributions - employee	-	14,738	(14,738)
Contributions - ERIP payoff		32,900	(32,900)
Net investment income	-	(9,566)	9,566
Benefit payments, including refunds of employee contributions	(134,829)	(134,829)	-
Administrative expense	-	(4,456)	4,456
Other changes		178,133	(178,133)
Net changes	<u>(566,390)</u>	<u>98,597</u>	<u>(664,987)</u>
Balances at June 30, 2016	<u>\$ 1,786,807</u>	<u>\$ 1,322,563</u>	<u>\$ 464,244</u>

The date of the actuarial valuation upon which the total pension liability (TPL) is based is December 31, 2015. An expected TPL is determined as of June 30, 2016 using standard roll forward techniques. The roll forward calculation adds the normal cost for the first half of 2016 (also called the service cost), subtracts the actual benefit payments and refunds for the six months, and then applies the expected single equivalent interest rate (SEIR) (5.08% as of June 30, 2015 and 7.50% as of June 30, 2016) for the period. This procedure was used to determine the TPL as of June 30, 2016, as shown in the following table. In addition, an expected TPL as of June 30, 2016 is determined by rolling forward the June 30, 2015 TPL using similar techniques. The difference between this expected TPF and the actual TPF as of June 30, 2016 is the experience gain or loss for the period. The impact of measuring the liabilities using a discount rate of 7.50% as opposed to the 5.08% used last year is shown as an assumption gain. The impact of the plan provision changes due to the CSA are shown as a benefit change gain.

CRS TPL Rollforward (Amounts in thousands)	Old Assumptions (1)	New Assumptions (2)	Plan Changes (3)
(a) Interest Rate (SEIR)	5.59%	5.08%	5.08%
(b) TPL as of December 31, 2015	\$ 2,396,232	\$ 1,876,877	\$ 1,815,602
(c) Entry Age Normal Cost for the period January 1, 2016 - June 30, 2016	13,390	7,873	8,648
(d) Actual Benefit Payments and Refunds for the period January 1, 2016 - June 30, 2016	67,415	67,415	67,415
(e) TPL as of June 30, 2016 = [(c) x (1 + (a)) ^{1/2}] + (d) - [(e) x (1 + (a)) ^{1/4}]	\$ 2,401,477	\$ 1,885,215	\$ 1,822,459
(f) June 30, 2014 TPL Rolled Forward to June 30, 2015	2,398,075		
(g) Experience (Gain)/Loss: (1e)-(1f)	3,402		
(h) Assumption (Gain)/Loss: (2e)-(1e)		(516,262)	
(i) Benefit Changes (Gain)/Loss: (3e)-(2e)			\$ (62,756)

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Summary of Deferred Outflows and (Inflows) for CRS at June 30, 2017
(Amounts in Thousands)

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>	Net Deferred Outflows/ (Inflows) of <u>Resources</u>
City contributions subsequent to the measurement date	\$ 25,221		\$ 25,221
Net difference between projected and actual investment earnings	67,018		67,018
Changes in proportionate share	14,180	(3,498)	10,682
Differences between expected and actual experience	1,751		1,751
Changes in assumptions		(269,994)	(269,994)
Total	<u>\$ 108,170</u>	<u>\$ (273,492)</u>	<u>\$ (165,322)</u>

\$25,221,000 reported as deferred outflows of resources related to pension resulting from City contributions

subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

**CRS Amortization of Deferred (Inflows) and
Deferred Outflows at 6/30/17
(Amounts in Thousands)**

<u>Fiscal year</u>	Deferred <u>Outflows</u>	Deferred <u>(Inflows)</u>	Pension <u>Expense</u>
2018	\$ 21,814	\$ (257,280)	\$ (235,466)
2019	7,686	(16,212)	(8,526)
2020	31,962		31,962
2021	21,487		21,487
Total Deferred Outflows	<u>\$ 82,949</u>	<u>\$ (273,492)</u>	<u>\$ (190,543)</u>

Other Postemployment Benefit Information

The CRS provides health care coverage to eligible retirees, their spouse and dependent children. Active members in Group C who have earned fifteen years of membership service at the time of termination are eligible upon retirement. All other active members are eligible for retiree health care upon their retirement after reaching age 60 with 20 years of membership service, or any age with 30 years of service, of which 20 years must be earned with CRS.

The health care coverage provided by the System is considered an Other Postemployment Benefit (OPEB) as described in GASB statement 45. It is advance-funded on an actuarially determined basis as a portion of the employer contribution requirement to the System. The Cincinnati Municipal Code provides authority for employer contributions. The system’s healthcare coverage was established under, and is administrated in accordance with, Internal Revenue Code 115. Additional information for the CRS OPEB is included in the next footnote.

The actuarial assumptions used for the December 31, 2015 valuation included an assumption for hospital and surgical benefits recognizing adjusted premiums based on experience for recent years. The actuarial valuations for OPEB plans are estimates of the value of reported amounts and assumptions about the probability of events far into the future. Amounts determined are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

Additional actuarial assumptions are as follows:

Actuarial cost method	Entry age
Amortization period	Level dollar open
Remaining amortization period	30 years
Asset valuation method	Five-year smoothed market value
Actuarial Assumptions:	
Investment rate of return (includes inflation)	7.50%
Projected salary increases (includes inflation)*	4.00%-7.50%
Health care trend rate (includes inflation)	7.75%/5.75% initial (varies by age)
	5.00% ultimate
Inflation	3.00%

*Select salary increases for five-year period beginning December 31, 2011

The valuation reflects the plan and funding changes included in the CSA. The valuation represents the understanding of the CSA as of the valuation. Some of the changes outlined in the CSA were not finalized or may be subject to interpretation as of the valuation date.

The cost of OPEB is recognized as an expense as claims are paid. No employer contribution was used to fund postemployment benefits for the fiscal years ended June 30, 2017, 2016 and 2015. As of the December 31, 2016 valuation, the healthcare plan's unfunded actuarial accrued liability was (\$35,818,968). The actuarial value of assets was \$485,845,000. The Actuarial Accrued Liability was \$450,026,000. The unfunded actuarial accrued liability as a percentage of covered payroll of \$168,785,000 was (21.2%). Calculations are based on the OPEB benefits provided under the terms of the plan in effect at the time of each valuation and on the pattern of cost sharing between the employer and the plan members at that point. The actuarial calculations of the OPEB plan reflect a long term perspective. The required supplementary schedule, which immediately follows the notes, contains multi-year trend information about the actuarial value of plan assets and if it is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

<i>Annual OPEB Costs and Net OPEB Obligation</i> (Amounts in Thousands)	Fiscal <u>2017</u>	Fiscal <u>2016</u>	Fiscal <u>2015</u>
Annual required contribution	\$ 5,190	\$ (2,970)	\$ 1,139
Interest on net obligation	5,136	5,878	5,457
Adjustment to annual required contribution	(5,592)	(5,997)	(16,355)
Annual OPEB Costs	4,734	(3,089)	(9,759)
Actual Contribution		(490)	(1,661)
Increase (decrease) in net OPEB obligation	4,734	(3,579)	(11,420)
Net OPEB Obligation beginning of year	74,664	78,243	89,663
Net OPEB Obligation end of year	\$ 79,398	\$ 74,664	\$ 78,243
Annual OPEB costs	\$ 4,734	\$ (3,089)	\$ (9,759)
Percentage of annual OPEB cost contribution	0.00%	-15.86%	-17.02%

This footnote presents information on the Cincinnati Retirement System as a whole as of June 30, 2017.

Overview

The Cincinnati Retirement System (CRS) was established in 1931 as the first Ohio pension plan for general city employees. It pre-dates Social Security and the Ohio Public Employees Retirement System. CRS is a single employer defined benefit pension plan, established by Chapter 203 of the Cincinnati Municipal Code and is a qualified governmental plan for tax purposes pursuant to 26 USC § 414(d). The Retirement plan is governed by the Cincinnati Municipal Code, Chapter 203. The System has a 9-member Board of Trustees: two members elected by active members; three members elected by retirees; and four members appointed by the Mayor and City Council.

CRS provides retirement and disability benefits, death benefits and retiree health care benefits to plan members and beneficiaries. CRS is considered part of the City of Cincinnati's financial reporting entity. The pension trust and retiree health care trust are included in the City's financial report. 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 CRS in the Board of Trustees of the Cincinnati Retirement System.

A Collaborative Settlement Agreement was executed on May 7, 2015 and approved by the United States District Court on October 5, 2015. The Settlement Agreement impacts members who were retired on or before July 1, 2011 and employees who were in service on July 1, 2011 and who were vested (had 5 years' service credit) on that date. Members of the Cincinnati Retirement System who did not meet these criteria may have different benefits depending on their classification.

The Settlement Agreement implemented a number of changes to the Retirement System, including but not limited to:

- Normal retirement eligibility;
- Early retirement eligibility;
- Retiree healthcare eligibility;
- Retirement benefit calculations;
- Cost of living adjustments payable to retirees;
- Establishment of a Deferred Retirement Option Program (DROP);
- Creation of a 115 Trust for retiree healthcare benefits;
- Changes to the composition of the Board of Trustees; and
- Payoff of the 2007 Early Retirement Incentive Program (ERIP) liability.

Drop Program

Members of the Active Employee Class, under the Collaborative Settlement Agreement, who have a minimum of 30 years' service credit are eligible to participate in the Deferred Retirement Option Plan (DROP).

Upon entry into DROP, the member's monthly pension benefit is calculated as if they retired on that date. DROP participants continue to work as a City employee and if eligible, may continue to be enrolled in a City sponsored employee healthcare plan. Maximum participation in the DROP is five (5) years. Members who participate in DROP continue to contribute 9% of their pensionable earnings to CRS.

The participant's monthly pension benefit amount (calculated as described above), as well as 75% of the participant's required CRS employee contributions, and interest earnings on their DROP account balance, accumulate tax-deferred in an account held in trust by the CRS. Participants do not have access to the funds in their DROP account while employed and participating in the DROP.

Interest is paid on DROP account balances quarterly at a rate equal to the 10-year U.S. Treasury Note Business Day Series, as published by the United States Federal Reserve, with a cap of 5%. The variable interest rate is determined quarterly. The rate for the last business day of each calendar quarter is applied to the following quarter.

The balance of the participant's DROP account is paid out in a lump sum or to another tax-qualified account (such as an IRA or 457 Deferred Compensation Plan) selected by the participant within 120 days of their Retirement Effective Date.

The following summarizes the membership of the Cincinnati Retirement System as of June 30, 2017:

	Pension	Health
Retirees and beneficiaries receiving benefits	4,184	5,253**
<i>** includes eligible dependent spouses</i>		
Terminated plan members entitled to future benefits	204	23
Deferred Retirement Option (DROP) participants	98	98
Inactive participants*	8,055	7,437
<u>Active Plan Members</u>		
Full time	2,951	2,586
Part time	1,063	591
Total	16,555	15,988

**Participants who are former employees who have an employee account balance in the plan but are not otherwise vested in an employee provided benefit.*

Funding of Pension and OPEB Trusts

The Pension Fund is funded by employee and employer contributions, and investment income. Employees contribute 9.0% of pensionable earnings. If the member terminates employment and chooses to withdraw their employee contributions, the member forfeits all service credit and eligibility for a pension benefit. Employer contributions are not owned by the member and are not eligible for a lump sum withdrawal.

Employee pension contributions are pre-tax and deducted from payroll before Federal and State taxes are calculated. However, employee contributions are subject to City of Cincinnati income tax which is calculated before contributions are deducted. Pension benefits or a refund of employee contributions are taxable for Federal and State purposes when paid to the member, and are exempt from City of Cincinnati income tax.

The retiree health care provided by CRS is considered an Other Postemployment Benefit (OPEB) as described in GASB 45 and 74. It is advance-funded through a 115 OPEB trust. The OPEB trust is funded by employer contributions, interest on investments, and retiree premium contributions. Retirement healthcare is not a vested benefit.

Retirement Benefits

Groups C & D	Group E	Group F	Group G
Eligible to retire on or before July 1, 2011; or December 31, 2013	Eligible to retire on or before December 31, 2013	Hired before January 1, 2010 and not eligible for other groups	Hired on or after January 1, 2010
Normal Retirement: Age 60 with 5 years of service, or any age with 30 years of service	Normal Retirement: Age 60 with 5 years of service, or any age with 30 years of service	Normal Retirement: Age 60 with 5 years of service, or any age with 30 years of service	Normal Retirement: Age 67 with 5 years of service, or age 62 with 30 years of service
Early Retirement: Age 55 with 25 years of service	Early Retirement: Age 55 with 25 years of service	Early Retirement: Age 55 with 25 years of service	Early Retirement: Age 57 with 15 years of service
Benefit Formula: 2.5% of FAS times years of service	Benefit Formula: 2.5% of FAS times years of service up to greater of 20 years or years of service as of July 1, 2011, and 2.2% thereafter	Benefit Formula: 2.5% of FAS times years of service up to greater of 20 years or years of service as of July 1, 2011, and 2.2% thereafter	Benefit Formula: 2.2% of FAS times years of service

* Less than 200 active members are subject to a 2.22% multiplier and a final average salary definition that includes compensation for overtime.

Other Postemployment Benefit Information

The System provides health care coverage to eligible retirees, their spouse and dependent children. Active members in Group C who have earned fifteen years of membership service at the time of termination are eligible upon retirement. Other active members are eligible for retiree health care upon their retirement after reaching age 60 with 20 years of membership service, or any age with 30 years of service of which 20 years must be earned with CRS. Active members whose most recent membership enrollment date is on or after January 1, 2016 are not eligible for retiree health care benefits upon retirement.

The actuarial valuations for OPEB plans are estimates of the value of reported amounts and assumptions about the probability of events far into the future. Amounts determined are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The cost of OPEB is recognized as an expense as claims are paid. No employer contribution was used to fund postemployment benefits for the fiscal year ended June 30, 2017. As of the 12/31/2016 valuation, the healthcare plan's unfunded actuarial accrued liability was (\$35,819,000). The actuarial value of assets was \$485,845,000. The unfunded actuarial accrued liability as a percentage of covered payroll of \$168,785,000 was (21.2%). Calculations are based on the OPEB benefits provided under the terms of the plans in effect at the time of each valuation and on the pattern of cost sharing between the employer and the plan members at that point. The actuarial calculations of the OPEB plan reflect a long term perspective.

Medical Benefits:

The City offers medical and prescription benefits to retirees before and during Medicare eligibility. Prescription benefits for Medicare eligible participants are provided through a Medicare Part D Employer Group Waiver Plan. CRS administers three health care plans that differ by deductibles, co-pays and out-of-pocket maximums. Two plans are closed groups. The third plan for eligible members who retire on or after January 1, 2016 follows the most advantageous plan offered to active City employees.

Most retirees are subject to premiums that range from 0% to 10%. Other retiree premiums range from 5% to 75% depending on their date of hire, years of service and age at retirement.

Dental & Vision Benefits:

All members electing to participate in the dental and/or vision plan are required to pay the full cost of coverage. As such, it is assumed that CRS has no liability under GASB 45 and 74 for these benefits.

Actuarial Assumptions

Pension Plan Assumptions

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	12/31/2016
Actuarial cost method	Entry age normal
Amortization method	Level dollar open
Remaining amortization period	30 years
Asset valuation method	5 year smoothed market value
Inflation	3.0 percent per year
Salary increase	4.0 to 7.5 percent, Including inflation thereafter
Investment rate of return	7.5 percent, net of pension plan investment expense, and Including inflation
Mortality	
Non-disabled lives:	RP-2000 Combined Morality Table set forward 2 years for males and 1 year forward for females using a Scale AA projection to 2020
Disabled Retirees:	RP-2000 Disabled Morality Table (set back 5 years for females)
Withdraw assumption	It is assumed that 100% of vested members who terminate with less than 15 years of service elect to withdraw their contributions, and that 50% of vested members who terminate with 15 or more years of service elect to withdraw their contributions while the remaining 50% leave their contributions in the plan in order to be eligible for a benefit at their retirement date.

Health Plan Assumptions

Inflation	3.00%
Salary increases, including inflation	3.0% to 7% for five-year select period beginning December 31, 2011; 4.0 to 7.5% thereafter
Long-Term Investment Rate of Return, net of OPEB plan investment expense, including inflation	7.50%
Municipal Bond Index Rate	
Prior Measurement Date	3.01%
Measurement Date	3.56%
Year FNP is projected to be depleted	
Prior Measurement Date	2050
Measurement Date	2038
Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation	
Prior Measurement Date	4.57%
Measurement Date	6.31%
Health Care Cost Trends	
Medicare Supplement Claims	
Pre-Medicare	7.75 for 2017 decreasing to an ultimate rate of 5% by 2023
Post-Medicare	5.75% for 2017 decreasing to an ultimate rate of 5% by 2020

Annual Net Post Employment Benefit Obligation. The annual net other post employment obligation to CRS for the current fiscal period and prior fiscal years were as follows:

<i>Annual OPEB Costs and Net OPEB Obligation</i> (Amounts in Thousands)	Fiscal <u>2017</u>	Fiscal <u>2016</u>	Fiscal <u>2015</u>
Annual required contribution	\$ 6,188	\$ (3,346)	\$ 1,404
Interest on net obligation	6,286	6,622	6,725
Adjustment to annual required contribution	(6,844)	(7,211)	(7,592)
Annual OPEB Costs	5,630	(3,935)	537
Actual Contribution	0	(552)	(1,905)
Increase (decrease) in net OPEB obligation	5,630	(4,487)	(1,368)
Net OPEB Obligation beginning of year	83,808	88,295	89,663
Net OPEB Obligation end of year	<u>\$ 89,438</u>	<u>\$ 83,808</u>	<u>\$ 88,295</u>
Annual OPEB costs	\$ 5,630	\$ (3,935)	\$ 537
Percentage of annual OPEB cost contribution	0.00%	-14.03%	354.75%

Deposits with Financial Institutions and Investments

Deposits held by the City's Retirement System for which the fiscal year ended June 30, 2017 book balance was \$70,579,000. The June 30, 2017 bank balance was \$18,807,000 and the book balance was \$18,723,000. The cash balance was held by the City Treasurer. The cash equivalents of \$51,856,000 were held in money managers' custodial accounts at the Bank of New York at year-end and are not subject to the same insurance and collateralization requirements as the City's deposits and are uncollateralized.

City's Retirement System's fair value of investments for these funds at June 30, 2017 was \$2,191,239,000. These investments include \$42,707,000 in U.S. Government Bonds, \$30,327,000 in U.S. Government Agencies, \$28,585,000 in Corporate Fixed Income, \$238,448,000 in Private Equity, \$1,002,571,000 in Equity Securities, \$233,506,000 in Other Investments, \$231,292,000 in Real Estate Investments, \$29,011,000 in Private Placements, \$346,034,000 in mutual funds, and \$8,758,000 in other bonds. In those cases where resources are maintained in trust, the authority for investment of the property rests with either the trust agreement or local ordinance. Investments of the City of Cincinnati Retirement System are, by ordinance, subject to certain terms and limitations. These limitations do not apply to investments in securities of the City and federal government or their agencies. Investments of the Cincinnati Retirement System are uninsured. These securities are held by the counterparty or by its trust department or agent but not in the City's name.

The City of Cincinnati Retirement System's Pension Trust Fund primary investment return objectives are to preserve the safety of principal, earn the highest possible total return consistent with prudent levels of risk, and create a stream of investment returns to insure the systematic and adequate funding of actuarially determined benefits through contributions and professional management of the System assets. The System has established asset allocation goals with acceptable variances specific to the investment manager category. The total fixed income target allocation is 17% with a variance of 4%. The fixed income investment managers are divided between core bond managers (target allocation of 14% with a variance of 2%) and high yield bond managers (target allocation of 3% with a variance of 2%). The remaining investment manager asset target allocations are as follows: domestic equity 27.5% with a variance of 5%, non-U.S. equity 23% with a variance of 5%, real estate equity 10% with a variance of 3%, infrastructure 7.5% with a variance of 2%, risk parity 5% with a variance of 2.5%, and private equity 10% with a range of 0.0% to 14%.

Fair Value Measurement

City of Cincinnati Retirement System

Investments and Derivatives Measured at Fair Value (GASB 72)

(\$in thousands of dollars)

	6/30/2017	Fair Value Measurements Using														
		Quoted prices in Active Markets For Identical Assets (Level 1)	Significant Other observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)												
Investments by fair Value Level																
Debt Securities:																
Corporate Bonds	\$ 28,585		\$ 28,585													
Bond Mutual Fund	147,725	\$ 147,725														
International Bonds	8,758		8,758													
US Government Bonds	42,707	42,707														
Private placements	29,011		29,011													
Senior Floating rate fund	5,182			\$ 5,182												
High Yield Bonds	73,894		73,894													
US Agencies	25,145		25,145													
Total Debt Securities	361,007	190,432	165,393	5,182												
Equity Securities																
Domestic Equities	95,013	95,013														
International Equities	236,803	236,803														
Emerging Market Equities	122,694	122,694														
Global Equity Mutual Funds	198,308	198,308														
Total Equity Securities	652,818	652,818														
Private Equity																
Venture Capital and LBO Funds	164,554			164,554												
Infrastructure	108,114			108,114												
Total Private Equity	272,668			272,668												
Global Risk Parity	106,822	6,409	100,413													
Total Investments by Fair Value Level	\$ 1,393,315	\$ 849,659	\$ 265,806	\$ 277,850												
Investments Measured at the Net Asset Value																
Real Estate Funds ¹	\$ 231,292	<table border="1"> <thead> <tr> <th colspan="2">Reconciliation - Equity to Financial Statements</th> </tr> </thead> <tbody> <tr> <td>Northern Trust Valued at NAV</td> <td>\$ 548,061</td> </tr> <tr> <td>Domestic Equity Funds</td> <td>95,013</td> </tr> <tr> <td>International Equity Funds</td> <td>236,803</td> </tr> <tr> <td>Emerging Equity Funds</td> <td>122,694</td> </tr> <tr> <td>Financial Statements</td> <td>\$ 1,002,571</td> </tr> </tbody> </table>			Reconciliation - Equity to Financial Statements		Northern Trust Valued at NAV	\$ 548,061	Domestic Equity Funds	95,013	International Equity Funds	236,803	Emerging Equity Funds	122,694	Financial Statements	\$ 1,002,571
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Financial Statements	\$ 1,002,571															
Multi strategy hedge funds ²	18,571															
Northern Trust Equity Index Funds ³	548,061															
Total Investments at the Net Asset Value (NAV)	797,924															
Total Investments measured at Fair Value	\$ 2,191,239															

Investments Measured at the Net Asset Value

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Funds ⁽¹⁾	\$231,292	\$0	Quarterly	45 - 90 days
Multi Strategy Hedge Funds ⁽²⁾	\$18,571	\$0	Annually	100 days
Commingled Index Funds ⁽³⁾	\$548,061	\$0	Daily	1 day

- (1) The City of Cincinnati Retirement System's real estate investments consist of two core open-end real estate funds and two value-added open-end real estate funds that primarily invest in U.S. commercial real estate. The fair values of these investments have been determined using the NAV per share of the System's ownership interest in partners' capital. These investments are eligible for redemption on a quarterly basis with notice periods ranging from 45 – 90 days.
- (2) The City of Cincinnati Retirement System's multi strategy hedge fund investments consist of one open-end multi strategy hedge fund of funds portfolio that invests both long and short in global bonds and publicly traded global equities. The fair values of these investments have been determined using the NAV per share of the investments. These investments are eligible for redemption on an annual basis with a notice period of 100 days.
- (3) The City of Cincinnati Retirement System's commingled index fund investments consist of four open-end U.S. equity funds that invest in publicly traded US equities. The fair values of these investments have been determined using the NAV per share of the investments. These investments are eligible for redemption on a daily basis with a notice period of one day.

Investment Summary
30-Jun-17

	Fair Value	Percent of Total Investments
Stock:		
<u>US Common Stock</u>		
Consumer Discretionary	\$ 7,143	0.3%
Consumer Staples	10,764	0.5%
Energy	4,208	0.2%
Financial Services	3,718	0.2%
Health Care	10,568	0.5%
Materials and Processing	21,331	1.0%
Industrials	12,916	0.6%
Technology	21,331	1.0%
Real Estate	3,033	0.1%
Total US Common Stock	<u>95,012</u>	<u>4.4%</u>
<u>Other</u>		
International Stock	236,803	10.8%
Northern Trust Domestic Index Funds	548,061	24.9%
Emerging Market Interational Index Fund	122,694	5.6%
International Mutual Funds	198,308	9.1%
Total Other	<u>1,105,866</u>	<u>50.4%</u>
Total Stock Equities	1,200,878	54.8%
DEBT:		
<u>Corporate Bonds</u>		
Finance	13,294	0.6%
Industrial	10,489	0.5%
Transportation	1,373	0.1%
Utilities	3,430	0.2%
	<u>28,586</u>	<u>1.4%</u>
<u>US Government Bonds</u>		
US Government Bonds	42,707	1.9%
US Government Agencies	30,327	1.4%
	<u>73,034</u>	<u>3.3%</u>
<u>Private placements</u>	29,011	1.3%
<u>High Yield Bonds</u>	73,894	3.4%
<u>International Bonds</u>	8,758	0.4%
<u>Bond Mutual Fund</u>	<u>147,726</u>	<u>6.7%</u>
<u>Total Debt</u>	<u>361,009</u>	<u>16.5%</u>
Other Investments:		
Risk Parity	106,822	4.9%
Private Equity	346,561	15.8%
Real Estate Funds	157,398	7.2%
Multi Strategy Hedge Fund	18,571	0.8%
Total Other Investments	<u>629,352</u>	<u>28.7%</u>
Total Investments	<u>\$ 2,191,239</u>	<u>100.0%</u>

Interest Rate Risk

The interest rate risk is addressed by guidelines that require the weighted duration of the investments to be within a range of the duration of a benchmark index. For bonds, the average effective duration may not vary more than 25%. At June 30, 2017, the System had the following investments subject to interest rate risk (amounts in thousands):

Investment Type	Investment Maturities (in years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More than 10
Cash Equivalents	\$ 48,514	\$ 48,514			
Fixed Investments					
Corporate Bonds	176,311	149,511	\$ 17,065	\$ 3,396	\$ 6,339
International Bonds	8,758		3,652	3,556	1,550
Other Fixed Income	5,182	5,182			
Private Placements	28,804	2,868	10,084	7,382	8,470
US Agencies	25,350		1,145	650	23,555
US Governments	42,707	9,296	11,462	11,425	10,524
Preferred Stock	1,171	1,171			
Derivatives					
Future Contracts	(143)	(104)	(12)	(21)	(6)
Total	\$ 336,654	\$ 216,438	\$ 43,396	\$ 26,388	\$ 50,432

Concentration of Credit Risk

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

Credit Risk

In order to reduce credit risk, the core bond managers are required to maintain 80% of their portfolios in investment grade securities. The remaining 20% may be invested in below investment grade securities, defined as investments with a middle rating below BBB- (S&P), Baa3 (Moody's), or BBB- (Fitch). The high yield bonds overall portfolio average quality rating should be not less than B based upon the rating of at least two of the three rating agencies (S&P, Moody's, and Fitch). The following chart provides the investments held by the System summarized by credit rating at June 30, 2017 (amounts in thousands):

Investment Type	Total Fair Value	A-/A3 and Above	BBB-/Baa3 to BBB+/Baa1	B-/B3 to BB+/Ba1	C/C to CCC/Caa	Not Rated
Cash Equivalents	\$ 48,514	\$ 4,693				\$ 43,821
Fixed Investments						
Corporate Bonds	176,311	1,780	\$ 15,805	\$ 11,000		147,726
International Bonds	8,758	2,056	5,042	1,660		
Other Fixed Income	5,182					5,182
Private Placements	28,804	12,135	8,432	4,964	\$ 2,570	703
US Agencies	25,350	21,634				3,716
US Governments	42,707	42,707				
Preferred Stock	1,171					1,171
Derivatives						
Future Contracts	(143)					(143)
Total	\$ 336,654	\$ 85,005	\$ 29,279	\$ 17,624	\$ 2,570	\$ 202,176

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The System's target allocation for non-U.S. equities is 23% of the total investment assets with 10% in developed large cap, 5% in small cap, 5% in emerging markets all-cap, and 3% in emerging markets small cap. The non-U.S. equity managers may hold up to 5% of its portfolio in a money market or cash. Currency hedging which includes forward currency contracts and cross currency hedging, are permitted for defensive purposes. The System's exposure to foreign currency risk at June 30, 2017 is as follows (amounts in thousands):

Currency	Fair Value	Equity	Fixed Income	Cash
Australian Dollar	\$ 2,765	\$ 2,765		
Danish Krone	1,293	1,257		\$ 36
Euro Currency	72,034	71,547	\$ 266	221
Hong Kong Dollar	8,057	8,057		
Japanese Yen	36,480	36,197		283
Mexican New Peso	6,195	1,742	4,453	
New Taiwan Dollar	2,259	2,259		
S African Comm Rand	5,315	5,306		9
Singapore Dollar	9,027	9,018		9
Swedish Krona	8,848	8,848		
Swiss Franc	22,096	21,603		493
United Kingdom Pound Sterling	37,731	37,787		(56)
Uruguayan Peso	169		169	
Total	\$ 212,269	\$ 206,386	\$ 4,888	\$ 995

Custodial Credit Risk

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

Securities Lending

City statutes and board of trustee policies permit the City of Cincinnati Retirement System to use investments of the plan to enter into securities lending transactions – loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same security in the future. Securities are loaned in exchange for collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned in exchange for collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned in exchange for collateral valued at 105% of the market value of the securities plus any accrued interest. Collateral cannot be pledged or sold unless the borrower defaults. The borrower is required to pay to the Lender the equivalent of all interest and dividends that are paid by the issuer during the term of the loan. All security loans can be terminated on demand by either the lender or the borrower, although the average term of the System’s overall loans was 40 days for the year ended June 30, 2017. Cash collateral is invested in a short-term investment pool, which had an average weighted maturity of 6 days as of June 30, 2017. Cash collateral may also be invested separately in “term loans”, in which the maturity of the term loan is matched to either the maturity of the cash collateral invested or the interest rate reset of the cash collateral invested. These loans have rights of substitution and securities can be recalled on demand. As of June 30, 2017, there were no violations of legal or contractual provisions, no borrower or lending agent default and no losses known to the securities lending agent. There are no dividends or coupon payments owed on the securities lent.

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

Securities Lent	Fair Value of Underlying Securities	Cash Collateral Received/Securities Collateral Value
Lent for Cash Collateral:		
U.S. Government	\$ 3,161	\$ 3,229
U.S. Corporate Fixed Income	7,658	7,856
U.S. Equities	21,152	21,558
Non-U.S. Equities	4,062	4,343
Total	<u>\$ 36,033</u>	<u>\$ 36,986</u>

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

Asset class	Investment Maturities (in years)			Total
	Less Than 1	1 to 5	More than 15	
Asset Backed Security			\$ 2,266	\$ 2,266
Floating Rate Notes	\$ 18,909	\$ 3,457		22,366
Repurchase Agreements	2,721			2,721
Total	<u>\$ 21,630</u>	<u>\$ 3,457</u>	<u>\$ 2,266</u>	<u>\$ 27,353</u>

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

Investment Type	Fair Value	A-/A3 and Above	C/C to CCC/Caa	D Default	Not Rated
Asset Backed Security	\$ 2,266		\$ 391	\$ 1,875	
Floating Rate Notes	22,366	\$ 22,366			
Repurchase Agreements	2,721				\$ 2,721
Total	\$ <u>27,353</u>	\$ <u>22,366</u>	\$ <u>391</u>	\$ <u>1,875</u>	\$ <u>2,721</u>

Derivatives

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

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

As of June 30, 2017, CRS held investment derivatives consisting of forward contracts, but had no swaps, futures or options. Gains and losses are included in the net appreciation/(depreciation) in the fair value of investments total in the Statement of Changes in Fiduciary Net Position.

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

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

Options convey the right, but not the obligation, to engage in a future investment transaction. A call is an option contract that gives the buyer the right, but not the obligation, to exercise the option and buy an asset at the strike price on or at any time up to the expiration date. A put is an option contract that gives the buyer the right, but not the obligation, to sell an asset at the strike price on or at any time up to the expiration date.

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

As of June 30, 2017, CRS had the following exposure via futures contracts (Notional and Fair Value in thousands):

Notional Value in Thousands:

Futures Contract	Expiration	Long/ Short	Quantity	Notional Value*	Fair Value
US TREAS BD FUTURE (CBT)	9/20/2017	Long	2	\$ 1,998	\$ (6)
US 10 YR TREAS NTS FUTURE(CBT)	9/20/2017	Long	4	3,640	(21)
US 5YR TREAS NTS FUTURE (CBT)	9/29/2017	Long	5	3,889	(12)
S & P 500 EMINI IND FUT (CME)	9/15/2017	Short	70	17,309	(91)
MINI MSCI EAFE FUTURE (NYF)	9/15/2017	Long	61	11,904	(9)
MINI MSCI EMG MKT FUTURE (NYF)	9/15/2017	Long	15	2,571	(4)
			Total	<u>\$ 41,311</u>	<u>\$ (143)</u>

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

Bonds Payable

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

(Amounts in Thousands)

Fiscal Year	Principal	Interest	Total
2018	\$ 8	\$ 11	\$ 19
2019	8	10	18
2020	8	10	18
2021	9	10	19
2022-2026	46	47	93
2027-2031	55	38	93
2032-2036	67	26	93
2037-2041	84	9	93
Total	<u>\$ 285</u>	<u>\$ 161</u>	<u>\$ 446</u>

Contributions

Each member contributes at a rate of 9.0% of his salary for fiscal year 2017. The percent contributed by employees is provided by Chapter 203 Section 73 of the Cincinnati Municipal Code.

The City makes employer contributions based on a percentage of covered payroll of all CRS members. For fiscal year 2017 the contribution rate was 16.25% on covered payroll. The total covered payroll for CRS members was \$196,445,000. The Actuarially Determined Contribution rate (ADC), including ERIP for fiscal year 2017 based on the 2016 actuarial report, was 27.9% on covered payroll for the Pension Fund. The Annual Required Contribution rate (ARC) was 3.7% on covered payroll for the Health Benefits Fund. The City of Cincinnati's approved budget for Fiscal Year 2017 incorporated a contribution rate of 16.25%. The employer contributions to the City of Cincinnati Retirement System's Pension Fund for the fiscal year ending June 30, 2017 were \$30,868,000. For the year ended June 30, 2016 the contributions were \$26,592,000. The contributions for these periods were less than the required contributions. Administrative costs are financed from the system assets.

As of the last actuarial valuation date of December 31, 2016, the pension plan unfunded actuarial accrued liability was \$520,822,000 to be amortized over an open period of 30 years. The funded ratio was 76.9%, and the actuarial value of assets was \$1,732,053,000. The unfunded actuarial accrued liability as a percentage of covered payroll of \$179,463,000 was 290.2%. The Actuarial Accrued Liability at 12/31/2016 was \$2,252,875,000. The required supplementary schedule, which immediately follows the notes, contains multi-year trend information about the actuarial value of plan assets and if it is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Summary of Significant Accounting Policies and Plan Asset Matters

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

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

Rate of Return - For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.1%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability – The components of the change in the CRS’ net pension liability for fiscal year 2017 are as follows:

(Amounts in Thousands)	
Total Pension Liability	\$ 2,261,743
Fiduciary Net Position	<u>1,740,390</u>
Net Pension Liability	\$ 521,353
Ratio of Fiduciary Net Position to Total Pension Liability	76.95%

Actuarial Assumptions: Total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.0% to 7.0%, including inflation for five-year select period beginning December 31, 2011; 4.0% to 7.5%, including inflation thereafter
Investment rate of return	7.50%, net of pension plan investment expense, and including inflation
Mortality	Both pre-retirement and post-retirement mortality rates were based on the RP 2000 combined mortality table, male rates set forward 2 years and female rates set forward 1 year and using a Scale AA projection to 2020. Post-disability mortality rates were based on the RP 2000 disabled retiree mortality table, female rates set back 5 years.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the last actuarial experience study, dated October 28, 2011.

Long Term Expected Rate of Return: The long term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as listed in the last actuarial experience study, dated October 28, 2011 are summarized in the following table:

<u>CRS Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Core Bonds	14.0%	2.8%
High Yield	3.0%	4.9%
Lg Cap Value Equity	7.0%	7.2%
Lg Cap Growth Equity	5.0%	7.1%
Mid-Cap Value Equity	4.0%	7.5%
Mid-Cap Core	4.0%	7.5%
Small Cap Value Equity	7.5%	8.0%
Non US Developed Lg Cap	10.0%	7.4%
Non US Small Cap	5.0%	8.1%
Emerging Markets All Cap	5.0%	8.5%
Emerging Markets-Small Cap	3.0%	8.5%
Real Estate Core Equity	10.0%	7.4%
Infrastructure	7.5%	7.8%
Risk Parity	5.0%	7.8%
Private Equity-FOF	10.0%	11.1%
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.5% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that plan member contributions of 9% and employer contributions of 16.25% will be made as set out in city council ordinance. The long-term expected rate of return on pension plan investments was determined using long-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The municipal bond rate used was 3.82% as of June 30, 2015. The municipal bond rate was not needed as of June 30, 2016 and 2017 as the FNP is now projected to not be depleted during the projection period.

Deferred Outflows and Deferred Inflows of Resources: At June 30, 2017, the deferred outflows of resource and deferred inflows of resources for CRS were as follows:

Summary of Deferred Outflows and (Inflows) for CRS at June 30, 2017

(Amounts in Thousands)

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows/ (Inflows) of Resources
Net difference between projected and actual investment earnings	\$ 1,280		\$ 1,280
Differences between expected and actual experience	1,945		1,945
Changes in assumptions		\$ (19,490)	(19,490)
Total	<u>\$ 3,225</u>	<u>\$ (19,490)</u>	<u>\$ (16,265)</u>

Other amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

**CRS Amortization of Deferred Outflows (Inflows) at 6/30/17
(Amounts in Thousands)**

<u>Fiscal year</u>	<u>Pension Expense</u>
2018	\$ (27,614)
2019	21,207
2020	8,135
2021	(17,993)
Total Deferred Inflows	<u>\$ (16,265)</u>

Sensitivity of the net pension liability to changes in the discount rate – The following table present the sensitivity of the net pension liability to a 1 percent increase (8.50%) and a 1 percent decrease (6.50%) from the calculated discount rate.

(Amounts in Thousands)	<u>1% Decrease Rate(6.50%)</u>	<u>Current Discount Rate(7.50%)</u>	<u>1% Increase Rate(8.50%)</u>
System's Net Pension Liability	\$ 748,992	\$ 521,353	\$ 326,854

Change in the Net Pension Liability: Changes in the City financial reporting entity's net pension liability for the year ended June 30, 2017 were as follows (amounts in thousands):

	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Pension</u>	Net Pension <u>Liability</u>
Balances at June 30, 2016	\$2,215,822	\$1,651,375	\$ 564,447
Changes for the year:			
Service cost	20,576		20,576
Interest	159,912		159,912
Benefit changes	29,208		29,208
Difference between expected and actual experience	3,545		3,545
Contributions - employer		30,868	(30,868)
Contributions - employee		17,740	(17,740)
Net investment income		209,299	(209,299)
Benefit payments, including refunds of employee contributions	(167,320)	(167,320)	
Administrative expense		(1,572)	1,572
Net changes	<u>45,921</u>	<u>89,015</u>	<u>(43,094)</u>
Balances at June 30, 2017	<u>\$2,261,743</u>	<u>\$1,740,390</u>	<u>\$ 521,353</u>

The date of the actuarial valuation upon which the total pension liability (TPL) is based is December 31, 2016. An expected TPL as of June 30, 2017 is determined using standard roll forward techniques. The roll forward calculation adds the normal cost for the first half of 2017 (also called the service cost), subtracts the actual benefit payments and refunds for the six months, and then applies the expected single equivalent interest rate (SEIR) (7.50%) for the period. This procedure was used to determine the TPL as of June 30, 2017, as shown in the following table. In addition, an expected TPL as of June 30, 2017 is determined by rolling forward the June 30, 2016 TPL using similar techniques. The difference between this expected TPL and the actual TPL as of June 30, 2017 is the experience gain or loss for the period. The impact of the plan provision changes due to Ordinance 336-2016 are shown as a benefit change gain.

CRS TPL Rollforward		Benefit Changes	
(Amounts in thousands)		(1)	(2)
(a) Interest Rate (SEIR)		7.50%	7.50%
(b) TPL as of December 31, 2016	\$ 2,225,122		\$ 2,252,875
(c) Entry Age Normal Cost for the period January 1, 2016 - June 30, 2016		10,666	11,099
(d) Actual Benefit Payments and Refunds for the period January 1, 2017 - June 30, 2017		83,660	83,660
(e) TPL as of June 30, 2017 = [(a) x (1 + SEIR) ^{1/2}] + (b) - [(c) x (1 + SEIR) ^{1/4}]		2,232,535	\$ 2,261,743
(f) June 30, 2016 TPL Rolled Fwd to June 30, 2017	\$ 2,228,990		
(g) Experience (Gain)/Loss: (1e) - (1f)		3,545	
(h) Benefit Changes (Gain)/Loss: (2e) - (1e)			\$ 29,208

The date of the actuarial valuation upon which the total OPEB liability (TOL) is based is December 31, 2016. An expected TOL as of June 30, 2017 is determined using standard roll forward techniques. The roll forward calculation adds the normal cost for the first half of 2017 (also called the service cost), subtracts the actual benefit payments and refunds for the six months, and then applies the expected single equivalent interest rate (SEIR) for the period. This procedure was used to determine the TOL as of June 30, 2017, as shown in the following table. In addition, an expected TOL as of June 30, 2017 is determined by rolling forward the June 30, 2016 TPL using similar techniques. The difference between this expected TOL and the actual TOL as of June 30, 2017 is the experience gain or loss for the period. The impact of measuring the liabilities using a discount rate of 6.31% as opposed to the 4.57% used at the beginning of the period is shown as an assumption gain.

CRS TOL Rollforward

(Amounts in thousands)

		<u>Assumption Change</u>	
		(1)	(2)
(a) Interest Rate (SEIR)		6.31%	4.57%
(b) TOL as of December 31, 2016	\$	507,754	\$ 617,885
(c) Entry Age Normal Cost for the period January 1, 2016 - June 30, 2016		2,388	3,835
(d) Actual Benefit Payments and Refunds for the period January 1, 2017 - June 30, 2017		15,572	15,572
(e) TOL as of June 30, 2017 = [(a) x (1 + SEIR) ^{1/2}] + (b) - [(c) x (1 + SEIR) ^{1/4}]		510,105	\$ 619,935
(f) Final TOL as of June 30, 2017		510,105	
(f) June 30, 2016 TOL Rolled Fwd to June 30, 2017	\$	2,228,990	
(g) Experience (Gain)/Loss: '(1e) - (1f)		-	
(h) Assumption Change (Gain)/Loss: (2e) - (1e)			\$ (109,830)

Net OPEB Liability	Fiscal
(Amounts in Thousands)	<u>2017</u>
Total OPEB Liability	510,105
Fiduciary Net Position	<u>486,594</u>
Net OPEB Liability	23,511
Ratio of Fiduciary Net Position to Total OPEB Liability	95.39

Sensitivity of the NOL to the discount rate and health care cost trends

Net OPEB Liability			
Discount Rate	Health Care Cost Trends		
	1% Decrease	Current	1% Increase
1% Increase (7.31%)		\$ (25,681)	
Current (6.31%)	\$ (29,350)	\$ 23,511	\$ 86,949
1% Decrease (5.31%)		\$ 82,259	

CITY OF CINCINNATI, OHIO
Statement of Plan Net Position
Pension Trust Fiscal Year Ending June 30, 2017

(amounts in thousands)

	Pension Trust	Healthcare 115 Trust	Total
ASSETS			
Cash and Cash Equivalents	\$ 55,158	\$ 15,421	\$ 70,579
Investments, at fair value:			
International Bonds	6,844	1,914	8,758
US Government Bonds	33,376	9,331	42,707
Corporate Fixed Income	22,339	6,246	28,585
US Agencies	23,701	6,626	30,327
Equities- Common Stock	783,510	219,061	1,002,571
Mutual Funds	270,426	75,608	346,034
Private Equity	186,347	52,101	238,448
Real Estate	180,755	50,537	231,292
Private Placements	22,672	6,339	29,011
Other Assets (Alternatives)	182,485	51,021	233,506
	1,712,455	478,784	2,191,239
Collateral on Loaned Securities	39,664	11,090	50,754
Receivables:			
Accounts Receivable - Other	449	126	575
Accounts Receivable for Securities	17,041	4,762	21,803
Accrued Interest and Dividends	2,069	579	2,648
Due from Primary Government	760	213	973
Loans Receivable	51	14	65
Machinery and Equipment	621	174	795
Accumulated Depreciation	(609)	(170)	(779)
	1,827,659	510,993	2,338,652
LIABILITIES			
Accounts Payable - Other	2,666	745	3,411
Accounts Payable for Securities Purchased	21,147	5,912	27,059
Obligations Under Securities Lending	39,662	11,090	50,752
Accrued Payroll	37	10	47
Accrued Liabilities	23,345	6,527	29,872
Bonds Payable	223	62	285
Estimated Liability for Compensated Absences	189	53	242
	87,269	24,399	111,668
NET POSITION			
Restricted for Employees' Pension Benefits	1,740,390		1,740,390
Restricted for Employees' Postemployment Healthcare Benefits	\$	486,594	486,594
Combined Net Position	\$ 1,740,390	\$ 486,594	\$ 2,226,984

CITY OF CINCINNATI, OHIO
Statement of Changes in Position
Pension Trust Fiscal Year Ending June 30, 2017

(amounts in thousands)

	Pension Trust	Healthcare 115 Trust	Total
ADDITIONS:			
Contributions:			
Members	\$ 17,740		\$ 17,740
Employers	30,868		30,868
Total Contributions:	<u>48,608</u>		<u>48,608</u>
Transfers From Other Retirement Systems	141		141
Investment Income			
From Investing Activities:			
Interest & Dividends	26,311	\$ 7,341	33,652
Proceeds from Litigation	329	92	421
Net Appreciation (Depreciation) in Fair Value of Investments	190,390	53,123	243,513
Investment Income	217,030	60,556	277,586
Less Investment Management Expenses:	7,913	2,208	10,121
Net Income From Investing Activities	<u>209,117</u>	<u>58,348</u>	<u>267,465</u>
From Security Lending Activities:			
Securities Lending Income:	410	114	524
Securities Lending Expense:			
Borrower Rebates	(168)	(47)	(215)
Management Fees	(60)	(17)	(77)
Total Securities Lending Activities Expenses	<u>(228)</u>	<u>(64)</u>	<u>(292)</u>
Net Income from Securities Lending Activities	<u>182</u>	<u>50</u>	<u>232</u>
Total Additions:	<u>258,048</u>	<u>58,398</u>	<u>316,446</u>
DEDUCTIONS			
Benefits Payments:			
Pensions and Annuities	165,361		165,361
Hospital and Medical Care		31,144	31,144
Death Benefits, Active and Retired	565		565
Transfers - Retirement to other Systems	201		201
Total Benefits:	<u>166,127</u>	<u>31,144</u>	<u>197,271</u>
Refunds of Contributions	1,334		1,334
Administration Expenses:			
Personal Services	1,074	300	1,374
Contractual Services	429	120	549
Material & Supplies	67	19	86
Depreciation	2	1	3
Total Administrative Expenses:	<u>1,572</u>	<u>440</u>	<u>2,012</u>
Total Deductions:	<u>169,033</u>	<u>31,584</u>	<u>200,617</u>
Net Increase (Decrease)	89,015	26,814	115,829
Net Position restricted for Benefits			
Beginning of Year	<u>1,651,375</u>	<u>459,780</u>	<u>2,111,155</u>
End of Year	<u>\$ 1,740,390</u>	<u>\$ 486,594</u>	<u>\$ 2,226,984</u>

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REQUIRED
SUPPLEMENTARY INFORMATION

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City of Cincinnati, Ohio
Required Supplementary Information 1
Schedule of Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
Last Four Measurement Years (1) (2)
(Amounts in thousands)

	2016		2015		2014		2013	
	<u>Police Portion</u>	<u>Fire Portion</u>	<u>Police Portion</u>	<u>Fire Portion</u>	<u>Police Portion</u>	<u>Fire Portion</u>	<u>Police Portion</u>	<u>Fire Portion</u>
City's Proportion of the Net Pension Liability	3.6101960%	3.5422050%	3.5379310%	3.4969790%	3.4279241%	3.4327927%	3.4279241%	3.4327927%
City's Proportionate Share of the Net Pension Liability	\$ 228,666	\$ 224,360	\$ 227,598	\$ 224,963	\$ 177,581	\$ 177,833	\$ 166,951	\$ 167,188
City's Covered-Employee Payroll	\$ 86,482	\$ 68,605	\$ 79,878	\$ 63,834	\$ 74,916	\$ 61,191	\$ 72,980	\$ 58,574
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	264.41%	327.03%	284.93%	352.42%	237.04%	290.62%	228.76%	285.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (3)	68.36%		66.77%		72.20%		73.00%	

(1) Information presented based on measurement periods ended December 31.

(2) Information prior to 2013 is not available.

(3) Information by portion was not available.

City of Cincinnati, Ohio
 Required Supplementary Information 2
 Schedule of City Contributions
 Ohio Police and Fire Pension Fund
 Last Ten Fiscal Years
 (Amounts in thousands)

	2017		2016		2015		2014		2013 (1)	
	Police Portion	Fire Portion	Police Portion	Fire Portion	Police Portion	Fire Portion	Police Portion	Fire Portion	Police Portion	Fire Portion
Contractually Required Contributions	\$ 16,292	\$ 16,284	\$ 15,302	\$ 14,972	\$ 14,672	\$ 14,880	\$ 13,048	\$ 13,247	\$ 4,581	\$ 4,999
Contributions in Relation to the Contractually Contractually Required Contributions	\$ (16,292)	\$ (16,284)	\$ (15,302)	\$ (14,972)	\$ (14,672)	\$ (14,880)	\$ (13,048)	\$ (13,247)	\$ (4,581)	\$ (4,999)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Covered-Employee Payroll	\$ 85,748	\$ 69,293	\$ 80,536	\$ 63,712	\$ 77,222	\$ 63,318	\$ 73,200	\$ 59,336	\$ 35,933	\$ 28,980
Contributions as a Percentage of Covered- Employee Payroll	19.00%	23.50%	19.00%	23.50%	19.00%	23.50%	17.83%	22.33%	12.75%	17.25%

(1) 2013 represents the short period covering January 1, 2013 to June 30, 2013 when the City changed reporting periods. 2012 and prior represent calendar year reporting periods.

(Continued)

City of Cincinnati, Ohio
 Required Supplementary Information 2
 Schedule of City Contributions
 Ohio Police and Fire Pension Fund
 Last Ten Fiscal Years
 (Amounts in thousands)
 (Continued)

	2012		2011		2010		2009		2008	
	Police Portion	Fire Portion	Police Portion	Fire Portion	Police Portion	Fire Portion	Police Portion	Fire Portion	Police Portion	Fire Portion
Contractually Required Contributions	\$ 9,720	\$ 9,896	\$ 9,943	\$ 9,669	\$ 10,550	\$ 10,352	\$ 10,558	\$ 10,876	\$ 10,040	\$ 10,138
Contributions in Relation to the Contractually Contractually Required Contributions	\$ (9,720)	\$ (9,896)	\$ (9,943)	\$ (9,669)	\$ (10,550)	\$ (10,352)	\$ (10,558)	\$ (10,876)	\$ (10,040)	\$ (10,138)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Covered-Employee Payroll	\$ 76,232	\$ 57,368	\$ 77,985	\$ 56,051	\$ 82,742	\$ 60,009	\$ 82,806	\$ 63,050	\$ 78,744	\$ 58,771
Contributions as a Percentage of Covered - Employee Payroll	12.75%	17.25%	12.75%	17.25%	12.75%	17.25%	12.75%	17.25%	12.75%	17.25%

(1) 2013 represents the short period covering January 1, 2013 to June 30, 2013 when the City changed reporting periods. 2012 and prior represent calendar year reporting periods.

City of Cincinnati, Ohio
Required Supplementary Information 3
Schedule of the City's(Financial Reporting Entity) Proportionate Share of the Net Pension Liability (3)
Ohio Public Employees Retirement System
Last Four Measurement Years
(Amounts in thousands)

	2016	2015	2014	2013
City's Proportion of the Net Pension Liability				
Traditional Plan	0.075000%	0.076455%	0.0849993333%	0.085182048%
Combined Plan	0.016300%	0.016740%	0.0169847845%	0.0169847845%
Member Directed Plan	0.063770%	0.084261%		
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 17,023	\$ 13,250	\$ 10,260	\$ 10,042
City's Covered-Employee Payroll (4)	\$ 9,752	\$ 9,565	\$ 10,423	\$ 10,783
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	174.56%	138.53%	98.44%	93.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability				
Traditional Plan	77.25%	81.08%	86.45%	86.36%
Combined Plan	116.55%	116.90%	114.83%	104.56%
Member Directed Plan (5)	103.40%	103.91%		

- (1) Information presented based on measurement periods ended December 31.
(2) Information prior to 2013 is not available.
(3) The City Financial Reporting Entity does not include the Metropolitan Sewer District (MSD) which operates as part of the City and is an enterprise fund for Hamilton County, Ohio.
(4) Covered-employee payroll broken down by plan (Traditional vs. Combined) was not available.
(5) 2015 is the first year information for the Member Directed Plan was provided.

City of Cincinnati, Ohio
 Required Supplementary Information 4
 Schedule of City (Financial Reporting Entity) Contributions (1)
 Ohio Public Employees Retirement System
 Last Ten Fiscal Years
 (Amounts in thousands)

	2017	2016	2015	2014	2013 (2)	2012	2011	2010	2009	2008
Contractually Required Contributions (2)	\$ 1,149	\$ 1,148	\$ 1,280	\$ 1,246	\$ 729	\$ 1,236	\$ 1,285	\$ 1,193	\$ 1,219	\$ 1,097
Contributions in Relation to the Contractually Contractually Required Contributions	\$ (1,149)	\$ (1,148)	\$ (1,280)	\$ (1,246)	\$ (729)	\$ (1,236)	\$ (1,285)	\$ (1,193)	\$ (1,219)	\$ (1,097)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Covered-Employee Payroll	\$ 9,181	\$ 9,564	\$ 10,664	\$ 10,386	\$ 5,607	\$ 12,357	\$ 12,850	\$ 13,379	\$ 14,779	\$ 15,664
Contributions as a Percentage of Covered- Employee Payroll	12.51%	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%	8.92%	8.25%	7.00%

(1) The City Financial Reporting Entity does not include the Metropolitan Sewer District (MSD) which operates as part of the City and is an enterprise fund for Hamilton County, Ohio.

(2) 2013 represents the short period covering January 1, 2013 to June 30, 2013 when the City changed reporting periods.

(3) Information broken down by plan type (Traditional vs. Combined) was not available.

City of Cincinnati, Ohio
Required Supplementary Information 5
Schedule of City Financial Reporting Entity's Changes in Net Pension Liability and Related Ratios (1)
Cincinnati Retirement System
Last Three Measurement Years (2)
(Amounts in thousands)

	2016	2015	2014
Total pension liability			
Service cost	\$ 26,125	\$ 22,439	\$ 21,018
Interest	117,929	120,372	120,262
Benefit changes	(62,756)		
Difference between expected and actual experience	3,403	(11,326)	
Changes of assumptions	(516,262)	125,942	(14,446)
Benefit payments	(133,326)	(130,350)	(127,981)
Refunds of employee contributions	(1,503)		
Other	35,654		
Net change in total pension liability	\$ (530,736)	\$ 127,077	\$ (1,147)
Total pension liability - beginning	2,353,197	2,226,120	2,227,267
Total pension liability - ending (a)	\$ 1,822,461	\$ 2,353,197	\$ 2,226,120
Plan net position			
Contributions - employer	21,677	24,566	30,488
Contributions - member	14,738	11,994	12,298
Contributions ERIP payoff	32,900		
Net investment income	(9,566)	39,683	209,380
Benefit payments	(133,326)	(128,548)	(126,535)
Administrative expense	(4,456)	(1,268)	(1,122)
Refunds of contributions	(1,503)	(1,802)	(1,425)
Other	213,787		
Net change in plan net position	\$ 134,251	\$ (55,375)	\$ 123,084
Plan net position - beginning	1,223,966	1,279,341	1,156,279
Plan net position - ending (b)	1,358,217	1,223,966	1,279,341
Net pension liability - ending (a) - (b)	\$ 464,244	\$ 1,129,231	\$ 946,779
Ratio of plan net position to total pension liability	74.53%	52.01%	57.47%
Covered-employee payroll	\$ 149,722	\$ 146,605	\$ 134,680
Net pension liability as a percentage of covered- employee payroll	310.07%	770.25%	702.98%

(1) This schedule does not include MSD.

(2) Information prior to 2014 was not available. The City will continue to present information for years available until a full ten-year trend is available.

City of Cincinnati, Ohio
 Required Supplementary Information 6
 Schedule of City Financial Reporting Entity's Contributions
 Cincinnati Retirement System
 Last Ten Fiscal Years
 (Amounts in thousands)

	2017	2016	2015	2014	2013 (1)	2012	2011	2010	2009	2008
Actuarially determined employer contributions	\$ 38,148	\$ 57,583	\$ 60,751	\$ 62,992	\$ 27,476	\$ 40,029	\$ 44,083	\$ 65,593	\$ 35,300	\$ 32,260
Actual employer contributions	\$ (25,221)	\$ (21,908)	\$ (24,566)	\$ (31,484)	\$ (13,246)	\$ (26,932)	\$ (25,032)	\$ (24,353)	\$ (21,845)	\$ (20,763)
Contribution Deficiency (Excess)	\$ 12,927	\$ 35,675	\$ 36,185	\$ 31,508	\$ 14,230	\$ 13,097	\$ 19,051	\$ 41,240	\$ 13,455	\$ 11,497
City Covered-Employee Payroll	\$ 161,503	\$ 149,722	\$ 146,605	\$ 134,680	\$ 63,254	\$ 133,477	\$ 133,378	\$ 136,613	\$ 140,957	\$ 137,946
Actual contributions as a Percentage of Covered- Employee Payroll	15.62%	14.63%	16.76%	23.38%	20.94%	20.18%	18.77%	17.83%	15.50%	15.05%

(1) 2013 represents the short period covering January 1, 2013 to June 30, 2013 when the City changed reporting periods. 2012 and prior represent calendar year reporting periods.

Cincinnati Retirement System
Required Supplementary Information 7
Schedule of Funding Progress OPEB
(Amounts in Thousands)
Health Care 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 Payroll Covered ((b-a) / c)
12/31/2007	\$ 835,486	\$ 921,985	\$ 86,499	90.62%	\$ 182,396	47.42%
12/31/2008	688,870	998,491	309,621	68.99%	164,640	188.06%
12/31/2009	746,029	877,399	131,370	85.03%	170,416	77.09%
12/31/2010	726,412	657,045	(69,367)	110.56%	167,589	-41.39%
12/31/2011	668,392	653,404	(14,988)	102.29%	165,029	-9.08%
12/31/2012	634,173	641,876	7,703	98.80%	167,148	4.61%
12/31/2013	674,709	618,508	(56,201)	109.09%	163,477	-34.38%
12/31/2014	706,959	590,902	(116,057)	119.64%	164,575	-70.52%
12/31/2015	474,746	484,833	10,087	97.92%	174,963	5.77%
12/31/2016	485,845	450,026	(35,819)	107.96%	168,785	-21.22%

Schedule of Employer's Contributions of OPEB

Fiscal Year	Health Care Plan	
	Annual Required Contribution	% Contributed
2008	22,767	18.78%
2009	11,388	49.15%
2010	44,689	9.78%
2011	19,943	10.74%
2012	453	441.50%
2013*	2,441	37.81%
2014	7,363	27.81%
2015	1,404	135.68%
2016	-3,346	-2.12%
2017	5,630	0.00%

* The City changed fiscal year end to June 30 beginning with June 30, 2013.

Cincinnati Retirement System
REQUIRED SUPPLEMENTARY INFORMATION 8
Schedule of Changes in Net Pension Liability and Related Ratios
(Amounts In Thousands)

	2017	2016	2015	2014
Total pension liability				
Service Cost	\$ 20,576	\$ 31,764	\$ 27,785	\$ 25,937
Interest	159,912	143,383	149,052	148,408
Benefit changes	29,208	(76,301)		
Difference between expected and actual experience	3,545	4,137	(14,024)	
Changes of assumptions		(627,693)	155,948	(17,827)
Benefit payments	(165,986)	(162,103)	(159,176)	(156,149)
Refunds of contributions	<u>(1,334)</u>	<u>(1,828)</u>	<u>(2,231)</u>	<u>(1,785)</u>
Net change in total pension liability	\$ 45,921	\$ (688,641)	\$ 157,354	\$ (1,416)
Total pension liability - beginning	<u>2,215,822</u>	<u>2,904,463</u>	<u>2,747,109</u>	<u>2,748,525</u>
Total pension liability - ending (a)	\$2,261,743	\$ 2,215,822	\$ 2,904,463	\$2,747,109
Plan net position				
Contributions – employer	\$ 30,868	\$ 67,939	\$ 29,084	\$ 37,740
Contributions – member	17,740	16,337	16,186	15,059
Net investment income	209,299	(11,631)	49,138	258,382
Benefit payments	(165,986)	(162,103)	(159,176)	(156,149)
Administrative expense	(1,572)	(5,418)	(1,570)	(1,384)
Refunds of contributions	(1,334)	(1,828)	(2,231)	(1,785)
Other		237,897		
Net change in plan net position	\$ 89,015	\$ 141,193	\$ (68,569)	\$ 151,863
Plan net position – beginning	\$ 1,651,375	\$ 1,510,182	\$ 1,578,751	\$1,426,888
Plan net position - ending (b)	<u>\$ 1,740,390</u>	<u>\$ 1,651,375</u>	<u>\$ 1,510,182</u>	<u>\$1,578,751</u>
Net pension liability - ending (a) - (b)	\$ 521,353	\$ 564,447	\$ 1,394,281	\$1,168,358
Total pension liability	\$ 2,261,743	\$ 2,215,822	\$ 2,904,463	\$2,747,109
Plan net position	<u>\$1,740,390</u>	<u>\$ 1,651,375</u>	<u>1,510,182</u>	<u>1,578,751</u>
Net pension liability	\$ 521,353	\$ 564,447	\$ 1,394,281	\$1,168,358
Ratio of plan net position to total pension liability	76.95%	74.53%	52.00%	57.47%
Covered-employee payroll	\$ 196,445	\$ 174,963	\$ 164,575	\$ 163,477
Net pension liability as a percentage of covered-employee payroll	265.39%	322.61%	847.20%	714.69%
Money -Weighted Rate of Return on Pension Plan Investments	12.11%	-0.53%	0.97%	16.65%

* For fiscal year 2017 only four years of data are available. The chart will eventually present ten years

Cincinnati Retirement System
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 Required Supplementary Information 9
 (Amounts in thousands)

Fiscal year	2017	2016	2015	2014	2013*	2012	2011	2010	2009	2008	2007
Actuarially determined employer contribution	\$ 46,689	\$ 69,939	\$ 75,566	\$ 78,101	\$ 33,500	\$ 49,952	\$ 54,875	\$ 80,882	\$ 43,065	\$ 38,767	\$ 38,571
Actual employer contributions:											
City of Cincinnati Financial Reporting Entity	25,221	21,908	24,566	31,484	13,246	26,932	25,032	24,353	21,845	20,763	26,536
City of Cincinnati Operating Unit (MSD)	5,647	4,701	4,518	6,256	2,904	6,676	6,128	5,676	4,805	4,201	5,228
Total Actual employer contributions	30,868	26,609	29,084	37,740	16,150	33,608	31,160	30,029	26,650	24,964	31,764
Annual contribution deficiency/(excess)	\$ 15,821	\$ 43,330	\$ 46,482	\$ 40,361	\$ 17,350	\$ 16,344	\$ 23,715	\$ 50,853	\$ 16,415	\$ 13,803	\$ 6,807
Covered-employee payroll	\$ 196,445	\$ 180,501	\$ 164,575	\$ 163,477	\$ 77,637	\$ 167,148	\$ 165,029	\$ 167,589	\$ 170,416	\$ 164,640	\$ 182,396
Actual contributions as a percentage of covered-employee payroll	15.71%	14.74%	17.67%	23.09%	20.80%	20.11%	18.88%	17.92%	15.64%	15.16%	17.41%

* 2013 represents the short period covering January 1, 2013 to June 30, 2013 when the City changed reporting periods. 2012 and prior represent calendar year reporting periods.
Valuation date: The actuarially determined contribution rates are calculated as of the December 31, eighteen months prior to the calendar year end in which contributions are reported.
The following actuarial methods and assumptions were used to determine actuarial contribution rates:

<i>Actuarial cost method:</i>	Entry age	<i>Asset Valuation method:</i>	5 year smoothed market
<i>Amortization method:</i>	Level dollar, open	<i>Inflation:</i>	3.00%
<i>Remaining amortization period:</i>	30 years	<i>Investment rate of return:</i>	7.5% net of pension plan investment expense including inflation

Salary increase: 3.0 to 7.0 %, including inflation for five year select period beginning 12/31/11; 4.0 to 7.5 %, including inflation thereafter

Cincinnati Retirement System
REQUIRED SUPPLEMENTARY INFORMATION 10
Schedule of Changes in Net OPEB Liability and Related Ratios
(Amounts In Thousands)

	2017
Total pension liability	
Service Cost	\$ 7,669
Interest	27,446
Benefit changes	
Difference between expected and actual experience	
Changes of assumptions	(109,830)
Benefit payments	(31,144)
Net change in OPEB liability	\$ (105,859)
Total Change in OPEB Liability	\$ (105,859)
Total OPEB Liability - Beginning	\$ 615,964
Total OPEB Liability - Ending (b)	\$ 510,105
Plan fiduciary net position	
Contributions – employer	
Contributions – member	
Net investment income	58,398
Benefit payments	(31,144)
Administrative expense	(440)
Refunds of contributions	
Other	
Net change in plan net position	\$ 26,814
Plan net position – beginning	\$ 459,780
Plan net position - ending (b)	\$ 486,594
Net OPEB liability - ending (a) - (b)	\$ 23,511
Money -Weighted Rate of Return on Pension Plan Investments	12.11%

* For fiscal year 2017 only one year of data is available. The chart will eventually present ten years

Cincinnati Retirement System
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB
 Required Supplementary Information 11
 (Amounts in thousands)

Fiscal year	2017	2016	2015	2014	2013*	2012	2011	2010	2009	2008
Actuarially determined employer contribution	\$ 6,188		\$ 1,404	\$ 7,363	\$ 5,697	\$ 453	\$ 19,943	\$ 44,689	\$ 53,382	\$ 22,767
Actual employer contributions:										
City of Cincinnati Financial Reporting Entity	\$	\$ 552	\$ 1,905	\$ 2,048	\$ 928	\$ 2,000	\$ 2,142	\$ 4,369	\$ 5,597	\$ 4,275
City of Cincinnati Operating Unit (MSD)	-	552	1,905	2,048	928	2,000	2,142	4,369	5,597	4,275
Total Actual employer contributions		<u>552</u>	<u>1,905</u>	<u>2,048</u>	<u>928</u>	<u>2,000</u>	<u>2,142</u>	<u>4,369</u>	<u>5,597</u>	<u>4,275</u>
Annual contribution deficiency/(excess)	\$ 6,188	<u>(552)</u>	<u>(501)</u>	<u>5,315</u>	<u>4,769</u>	<u>(1,547)</u>	<u>17,801</u>	<u>40,320</u>	<u>47,785</u>	<u>18,492</u>
Covered-employee payroll	\$ 179,887	\$ 174,963	\$ 164,575	\$ 163,477	\$ 167,148	\$ 167,148	\$ 165,029	\$ 167,589	\$ 170,416	\$ 164,640
Actual contributions as a percentage of covered-employee payroll	0.00%	0.32%	1.16%	1.25%	0.56%	1.20%	1.30%	2.61%	3.28%	2.60%

* 2013 represents the short period covering January 1, 2013 to June 30, 2013 when the City changed reporting periods. 2012 and prior represent calendar year reporting periods.

Valuation date: The actuarially determined contribution rates are calculated as of the December 31, eighteen months prior to the calendar year end in which contributions are reported.

The following actuarial methods and assumptions were used to determine actuarial contribution rates:

Actuarial cost method:	Entry age	Asset Valuation method:	5 year smoothed market
Amortization method:	Level dollar, open	Inflation:	3.00%
Remaining amortization period:	30 years	Investment rate of return:	7.5% net of pension plan investment expense including inflation
Salary increase:	3.0 to 7.0 %, including inflation for five year select period beginning 12/31/11; 4.0 to 7.5 %, including inflation thereafter		

Cincinnati Retirement System
REQUIRED SUPPLEMENTARY INFORMATION 12
Schedule of the Net OPEB Liability
(Amounts In Thousands)

	2017
Total OPEB Liability	\$ 510,105
Plan Fiduciary Net Position	<u>486,594</u>
NET OPEB Liability	23,511
Plan Fiduciary Net Position as a percent of the Total OPEB Liability	95.39%
Covered Payroll	\$ 179,887
Net OPEB Liability as a percent of covered payroll	13.07%

* For fiscal year 2017 only one year of data is available. The chart will eventually present ten years.

City of Cincinnati, Ohio
Budgetary Comparison Schedule
Non GAAP
For the fiscal year ended June 30, 2017
(Amounts in thousands)

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Budget - Positive (Negative)
	Original	Final		
General Fund				
Revenue				
Taxes	\$ 311,969	\$ 311,969	\$ 307,260	\$ (4,709)
Licenses and Permits	14,130	14,130	15,787	1,657
Use of Money and Property	10,820	10,820	11,040	220
Intergovernmental Revenue	22,933	22,933	22,629	(304)
Charges for Services	26,181	26,181	25,955	(226)
Miscellaneous	6,853	6,853	7,226	373
Total Revenues	<u>392,886</u>	<u>392,886</u>	<u>389,897</u>	<u>(2,989)</u>
EXPENDITURES				
Current				
General Government	59,068	57,385	55,268	2,117
Community Development	7,802	8,778	8,673	105
Parks and Recreation	24,437	24,936	24,868	68
Public Safety	253,006	259,810	258,878	932
Transportation and Engineering	3,323	3,593	3,426	167
Public Services	18,704	19,059	18,563	496
Public Health	17,026	17,487	17,307	180
Employee Benefits	4,574	5,464	5,316	148
Capital Outlay	29	29	29	
Total Expenditures	<u>387,969</u>	<u>396,541</u>	<u>392,328</u>	<u>4,213</u>
Deficiency of Revenue under Expense	4,917	(3,655)	(2,431)	1,224
Other Financing Sources (Uses)				
Transfers (Out)	<u>(4,917)</u>	<u>(6,766)</u>	<u>(6,766)</u>	
Total Other Financing Sources (Uses)	<u>(4,917)</u>	<u>(6,766)</u>	<u>(6,766)</u>	
Change in Fund Balance		(10,421)	(9,197)	1,224
Cancellation of Prior Years Encumbrances			2,468	2,468
Fund balances - beginning	28,278	28,278	28,278	
Fund balances - ending	<u>\$ 28,278</u>	<u>\$ 17,857</u>	<u>\$ 21,549</u>	<u>\$ 3,692</u>

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

Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other uses per the Budgetary Comparison Schedule	\$ (9,197)
(Increases) decreases from revenues:	
Received in cash during year but already accrued as receivables (GAAP) at June 30, 2016	(21,858)
Accrued as receivables at June 30, 2017 but not recognized in budget	13,474
(Increases) decreases from encumbrances:	
Expenditures of amounts encumbered during prior years	(8,759)
Recognized as expenditures in the budget	10,021
(Increases) decreases from expenditures:	
Accrued as liabilities at June 30, 2016 recognized as expenditures (GAAP) but not in budget	5,919
Accrued as liabilities at June 30, 2017	<u>(5,113)</u>
Net Change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance (Page 44)	<u>\$ (15,513)</u>

See notes to required supplementary information.

City Of Cincinnati, Ohio
Note to the Required Supplementary Information
June 30, 2017

Note A- Budgetary Data

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

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

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

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SUPPLEMENTARY INFORMATION

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MAJOR GOVERNMENTAL FUNDS

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

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

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

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CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

General Fund	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue				
Taxes				
Real Property	\$ 27,049	\$ 27,049	\$ 27,138	\$ 89
City Income Tax	279,670	279,670	274,312	(5,358)
Admissions	5,250	5,250	5,810	560
Total Taxes	<u>311,969</u>	<u>311,969</u>	<u>307,260</u>	<u>(4,709)</u>
Licenses and Permits				
Street Use	4,744	4,744	4,723	(21)
Police and Protective	46	46	111	65
Beer and Liquor	540	540	617	77
Business and Merchandising	1,915	1,915	2,037	122
Amusements	70	70	70	
Professional and Occupational	179	179	205	26
Buildings, Structures and Equipment	6,636	6,636	8,024	1,388
Total Licenses and Permits	<u>14,130</u>	<u>14,130</u>	<u>15,787</u>	<u>1,657</u>
Use of Money and Property				
Fines, Forfeits and Penalties	7,650	7,650	7,017	(633)
Income from Treasury Investments	3,000	3,000	3,814	814
Rents	165	165	208	43
General Concessions and Commissions	5	5	1	(4)
Total Use of Money and Property	<u>10,820</u>	<u>10,820</u>	<u>11,040</u>	<u>220</u>
Intergovernmental Revenue				
Proportionately Shared State Taxes				
Local Government Fund - Sales, Franchise, State Income Tax	13,000	13,000	12,360	(640)
Casino Tax-County Share	4,780	4,780	4,647	(133)
Casino Tax-Host City	3,220	3,220	3,138	(82)
State Income Tax - Real Property Tax Reduction	1,933	1,933	2,484	551
Total Intergovernmental Revenue	<u>22,933</u>	<u>22,933</u>	<u>22,629</u>	<u>(304)</u>
Charges for Services				
General Government	8,046	8,046	8,104	58
City Planning				
Other Inspection Certificates	2,484	2,484	2,364	(120)
Elevator Certificates	622	622	652	30
Public Safety				
Police and Communication Charges	474	474	359	(115)
Motor Vehicle Response	600	600	583	(17)
Impounded Vehicle Fees	600	600	551	(49)
Protective Inspection Fees	200	200	209	9
Protective Service - Burglary Alarm	550	550	754	204
Emergency Transportation Service	8,365	8,365	8,665	300
Other Public Safety Charges	437	437	429	(8)
Parking Facilities	1,500	1,500	1,250	(250)
Public Services				
Recycling Incentive Fee	400	400	380	(20)
Other Public Services Charges	1,250	1,250	924	(326)
Public Health				
Vital Statistics	545	545	625	80
Clinic Fees	106	106	106	
Other Public Health charges	2	2		(2)
Total Charges for Current Services	<u>26,181</u>	<u>26,181</u>	<u>25,955</u>	<u>(226)</u>
Miscellaneous	6,853	6,853	7,226	373
Total Revenues	<u>392,886</u>	<u>392,886</u>	<u>389,897</u>	<u>(2,989)</u>

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Fund				
(Continued)				
Expenditures				
City Council				
Personal Services	\$ 2,131	\$ 1,994	\$ 1,951	\$ 43
Non Personal Services	49	35	16	19
Total City Council	<u>2,180</u>	<u>2,029</u>	<u>1,967</u>	<u>62</u>
Office of the Mayor				
Personal Services	723	733	668	65
Non Personal Services	16	16	9	7
Total Office of the Mayor	<u>739</u>	<u>749</u>	<u>677</u>	<u>72</u>
Office of the Clerk of Council				
Personal Services	462	472	472	
Non Personal Services	254	254	207	47
Total Office of the Clerk of Council	<u>716</u>	<u>726</u>	<u>679</u>	<u>47</u>
Department of Enterprise Technology Services				
Personal Services	4,319	4,425	4,425	
Non Personal Services	687	686	682	4
Total Department of Enterprise Technology Services	<u>5,006</u>	<u>5,111</u>	<u>5,107</u>	<u>4</u>
Department of the City Manager				
Office of the City Manager				
Personal Services	1,901	2,019	2,018	1
Non Personal Services	1,301	1,156	1,063	93
Total Office of the City Manager	<u>3,202</u>	<u>3,175</u>	<u>3,081</u>	<u>94</u>
Division of Budget and Evaluation				
Personal Services	938	951	949	2
Non Personal Services	157	123	121	2
Total Division of Budget and Evaluation	<u>1,095</u>	<u>1,074</u>	<u>1,070</u>	<u>4</u>
Office of Environment and Sustainability				
Personal Services	502	518	514	4
Non Personal Services	2,754	2,795	2,635	160
Total Office of Environment Sustainability	<u>3,256</u>	<u>3,313</u>	<u>3,149</u>	<u>164</u>
Division of Performance and Data Analytics				
Personal Services	595	534	515	19
Non Personal Services	57	118	55	63
Total Division of Performance and Data Analytics	<u>652</u>	<u>652</u>	<u>570</u>	<u>82</u>
Internal Audit				
Personal Services	350	335	335	
Non Personal Services	7	56	20	36
Total Internal Audit	<u>357</u>	<u>391</u>	<u>355</u>	<u>36</u>
Total Department of the City Manager	<u>8,562</u>	<u>8,605</u>	<u>8,225</u>	<u>380</u>
Citizen's Complaint Authority				
Personal Services	628	594	550	44
Non Personal Services	22	57	40	17
Total Citizen's Complaint Authority	<u>650</u>	<u>651</u>	<u>590</u>	<u>61</u>
Department of Economic Inclusion				
Personal Services	819	834	759	75
Non Personal Services	277	253	236	17
Total Department of Economic Inclusion	<u>1,096</u>	<u>1,087</u>	<u>995</u>	<u>92</u>
Department of Law				
Personal Services	6,121	6,268	6,024	244
Non Personal Services	623	692	678	14
Total Department of Law	<u>6,744</u>	<u>6,960</u>	<u>6,702</u>	<u>258</u>
Department of Human Resources				
Personal Services	1,520	1,539	1,520	19
Non Personal Services	538	500	439	61
Total Department of Human Resources	<u>2,058</u>	<u>2,039</u>	<u>1,959</u>	<u>80</u>

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Fund				
(Continued)				
Expenditures				
Department of Finance				
Office of the Director				
Personal Services	\$ 331	\$ 332	\$ 319	\$ 13
Non Personal Services	23	23	13	10
Total Office of the Director	<u>354</u>	<u>355</u>	<u>332</u>	<u>23</u>
Division of Accounts and Audits				
Personal Services	1,386	1,338	1,233	105
Non Personal Services	89	121	96	25
Total Division of Accounts and Audits	<u>1,475</u>	<u>1,459</u>	<u>1,329</u>	<u>130</u>
Division of Treasury				
Personal Services	563	573	548	25
Non Personal Services	443	340	174	166
Total Division of Treasury	<u>1,006</u>	<u>913</u>	<u>722</u>	<u>191</u>
Division of Risk Management				
Non Personal Services	157	149	148	1
Total Division of Risk Management	<u>157</u>	<u>149</u>	<u>148</u>	<u>1</u>
Division of Income Tax				
Personal Services	2,427	2,370	2,336	34
Non Personal Services	487	537	380	157
Total Division of Income Tax	<u>2,914</u>	<u>2,907</u>	<u>2,716</u>	<u>191</u>
Division of Purchasing				
Personal Services	733	656	569	87
Non Personal Services	132	159	159	6
Total Division of Purchasing	<u>865</u>	<u>815</u>	<u>728</u>	<u>87</u>
Total Department of Finance	<u>6,771</u>	<u>6,598</u>	<u>5,975</u>	<u>623</u>
Department of Community and Economic Development				
Director's Office and Administration				
Personal Services	1,304	1,260	1,216	44
Non Personal Services	3,472	4,333	4,284	49
Total Director's Office and Administration	<u>4,776</u>	<u>5,593</u>	<u>5,500</u>	<u>93</u>
Housing Division				
Personal Services	308	82	82	6
Non Personal Services	604	650	644	6
Total Housing Division	<u>912</u>	<u>732</u>	<u>726</u>	<u>6</u>
Economic Development and Major/Special Projects Divisions				
Personal Services	403	416	413	3
Non Personal Services	1,711	2,037	2,034	3
Total Economic Development and Major/Special Projects Divisions	<u>2,114</u>	<u>2,453</u>	<u>2,447</u>	<u>6</u>
Total Department of Community and Economic Development	<u>7,802</u>	<u>8,778</u>	<u>8,673</u>	<u>105</u>
Department of City Planning				
Personal Services	669	675	673	2
Non Personal Services	47	47	47	6
Total Department of City Planning	<u>716</u>	<u>722</u>	<u>720</u>	<u>2</u>
Department of Public Recreation				
West Region Division				
Personal Services	2,173	2,203	2,184	19
Non Personal Services	487	487	487	6
Total West Region Division	<u>2,660</u>	<u>2,690</u>	<u>2,671</u>	<u>19</u>
East Region Division				
Personal Services	1,650	1,696	1,687	9
Non Personal Services	413	412	412	6
Total East Region Division	<u>2,063</u>	<u>2,108</u>	<u>2,099</u>	<u>9</u>
Central Region Division				
Personal Services	2,146	2,065	2,063	2
Non Personal Services	437	436	435	1
Total Central Region Division	<u>2,583</u>	<u>2,501</u>	<u>2,498</u>	<u>3</u>

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Fund				
(Continued)				
Expenditures				
Department of Public Recreation (Continued)				
Maintenance Division				
Personal Services	\$ 2,799	\$ 2,697	\$ 2,680	\$ 17
Non Personal Services	1,000	1,026	1,026	
Total Maintenance Division	<u>3,799</u>	<u>3,723</u>	<u>3,706</u>	<u>17</u>
Division of Athletics				
Personal Services	2,436	2,830	2,830	
Non Personal Services	374	374	373	1
Total Division of Athletics	<u>2,810</u>	<u>3,204</u>	<u>3,203</u>	<u>1</u>
Division of Support Services				
Personal Services	1,552	1,489	1,478	11
Non Personal Services	195	274	273	1
Capital Outlay	26	26	26	
Total Division of Support Services	<u>1,773</u>	<u>1,789</u>	<u>1,777</u>	<u>12</u>
Total Department of Public Recreation	<u>15,688</u>	<u>16,015</u>	<u>15,954</u>	<u>61</u>
Department of Parks				
Office of the Director				
Personal Services	228	230	230	
Non Personal Services	1	1	1	
Total Office of the Director	<u>229</u>	<u>231</u>	<u>231</u>	
Division of Operations and Facility Management				
Personal Services	4,251	4,297	4,296	1
Non Personal Services	2,089	2,132	2,130	2
Total Division of Operations and Facility Management	<u>6,340</u>	<u>6,429</u>	<u>6,426</u>	<u>3</u>
Division of Administration and Program Services				
Personal Services	1,399	1,480	1,480	
Non Personal Services	807	807	803	4
Total Division of Administration and Program Services	<u>2,206</u>	<u>2,287</u>	<u>2,283</u>	<u>4</u>
Total Department of Parks	<u>8,775</u>	<u>8,947</u>	<u>8,940</u>	<u>7</u>
Department of Building and Inspections				
Building Division				
Personal Services	5,815	5,976	5,766	210
Non Personal Services	523	531	491	40
Total Building Division	<u>6,338</u>	<u>6,507</u>	<u>6,257</u>	<u>250</u>
Division of Building Inspections, Licenses and Permits				
Personal Services	2,493	2,322	2,245	77
Non Personal Services	800	809	761	48
Total Division of Building Inspections, Licenses and Permits	<u>3,293</u>	<u>3,131</u>	<u>3,006</u>	<u>125</u>
Total Department of Buildings and Inspections	<u>9,631</u>	<u>9,638</u>	<u>9,263</u>	<u>375</u>
Department of Police				
Division of Police				
Personal Services	122,547	125,643	124,767	876
Non Personal Services	12,618	12,650	12,650	
Total Division of Police	<u>135,165</u>	<u>138,293</u>	<u>137,417</u>	<u>876</u>
Division of Police Emergency Communications				
Personal Services	8,605	8,775	8,775	
Non Personal Services	210	284	284	
Total Division of Police Emergency Communications	<u>8,815</u>	<u>9,059</u>	<u>9,059</u>	
Total Department of Police	<u>143,980</u>	<u>147,352</u>	<u>146,476</u>	<u>876</u>
Department of Fire				
Personal Services	100,165	103,205	103,204	1
Non Personal Services	8,861	9,253	9,198	55
Total Department of Fire	<u>109,026</u>	<u>112,458</u>	<u>112,402</u>	<u>56</u>

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

General Fund (Continued)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Department of Transportation and Engineering				
Office of the Director				
Personal Services	\$ 456	\$ 464	\$ 453	\$ 11
Non Personal Services	99	62	51	11
Total Office of the Director	<u>555</u>	<u>526</u>	<u>504</u>	<u>22</u>
Division of Transportation Planning				
Personal Services	27	22	20	2
Non Personal Services	22	17	1	16
Total Division of Transportation Planning	<u>49</u>	<u>39</u>	<u>21</u>	<u>18</u>
Division of Engineering				
Personal Services	231	259	145	114
Non Personal Services	54	33	24	9
Total Division of Engineering	<u>285</u>	<u>292</u>	<u>169</u>	<u>123</u>
Division of Traffic Engineering				
Personal Services	77	46	45	1
Non Personal Services	2,357	2,690	2,687	3
Total Division of Traffic Engineering	<u>2,434</u>	<u>2,736</u>	<u>2,732</u>	<u>4</u>
Total Department of Transportation and Engineering	<u>3,323</u>	<u>3,593</u>	<u>3,426</u>	<u>167</u>
Department of Public Services				
Office of the Director				
Personal Services	849	832	808	24
Non Personal Services	100	99	98	1
Total Office of the Director	<u>949</u>	<u>931</u>	<u>906</u>	<u>25</u>
Division of Traffic and Road Operations				
Personal Services	419	244	194	50
Non Personal Services	895	706	686	20
Total Traffic and Road Operations	<u>1,314</u>	<u>950</u>	<u>880</u>	<u>70</u>
Neighborhood Operations Division				
Personal Services	7,934	7,921	7,538	383
Non Personal Services	5,884	6,628	6,615	13
Total Neighborhood Operations Division	<u>13,818</u>	<u>14,549</u>	<u>14,153</u>	<u>396</u>
Division of City Facility Management				
Personal Services	90	87	83	4
Non Personal Services	2,392	2,388	2,388	
Capital Outlay		10	9	1
Total City Facility Management	<u>2,482</u>	<u>2,485</u>	<u>2,480</u>	<u>5</u>
Division of Fleet Services				
Personal Services	140	143	143	
Non Personal Services	1	1	1	
Total Fleet Services	<u>141</u>	<u>144</u>	<u>144</u>	
Total Department of Public Services	<u>18,704</u>	<u>19,059</u>	<u>18,563</u>	<u>496</u>
Department of Public Health				
Office of the Commissioner				
Personal Services	1,705	1,643	1,628	15
Non Personal Services	1,216	964	925	39
Capital Outlay	3	3	3	
Total Office of the Commissioner	<u>2,924</u>	<u>2,610</u>	<u>2,556</u>	<u>54</u>
Office of Technical Resources				
Personal Services	1,709	1,806	1,792	14
Non Personal Services	466	466	465	1
Total Office of Technical Resources	<u>2,175</u>	<u>2,272</u>	<u>2,257</u>	<u>15</u>
Office of Community Health Services				
Personal Services	3,177	3,297	3,297	
Non Personal Services	255	255	253	2
Total Office of Community Health Services	<u>3,432</u>	<u>3,552</u>	<u>3,550</u>	<u>2</u>

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Fund				
(Continued)				
Expenditures				
Department of Public Health (Continued)				
Division of Primary Care - Programs				
Personal Services	\$ 2,146	\$ 2,211	\$ 2,206	\$ 5
Non Personal Services	23	22	22	
Total Division of Primary Care - Programs	<u>2,169</u>	<u>2,233</u>	<u>2,228</u>	<u>5</u>
Department of Public Health (Continued)				
Division of Primary Care - Centers				
Personal Services	5,480	5,542	5,438	104
Non Personal Services	3	3	3	
Total Division of Primary Care - Centers	<u>5,483</u>	<u>5,545</u>	<u>5,441</u>	<u>104</u>
Division of School and Adolescent Health				
Personal Services	827	1,038	1,038	
Non Personal Services	19	240	240	
Total Division of School and Adolescent Health	<u>846</u>	<u>1,278</u>	<u>1,278</u>	
Total Department of Public Health	<u>17,029</u>	<u>17,490</u>	<u>17,310</u>	<u>180</u>
Nondepartmental Accounts				
Pension				
Contributions to Police Pension System	7	7		7
Contributions to Fire Pension System	7	7		7
Employee Benefits				
Public Employee Assistance	277	277	277	
Workers' Compensation Insurance	3,233	3,233	3,233	
Police Officers and Firefighters' Insurance	300	300	285	15
State Unemployment Compensation	250	250	208	42
Lump Sum Payments	500	1,390	1,313	77
Professional Services and Legal Fees				
Judgments Against the City	900	938	938	
Audit and Examiners' Fees	350	469	469	
Hamilton County Treasurer's and Auditor's Fees	550	1,655	1,655	
County Clerk Fees	350	350	350	
Election Expense	150	33	33	
Miscellaneous Accounts				
Enterprise Software and Licenses	2,808	2,808	2,808	
Memberships and Lobbyists	217	217	215	2
Mayor's Office Obligations	113	88	88	
Manager's Office Obligations	146	122	118	4
Downtown Special Improvement District	90	90	35	55
Cincinnati Public Schools	5,000	5,000	5,000	
Port Authority of Greater Cincinnati	630	700	700	
Reserve for Contingencies	2,895			
Total Nondepartmental Accounts	<u>18,773</u>	<u>17,934</u>	<u>17,725</u>	<u>209</u>
Total Expenditures	<u>387,969</u>	<u>396,541</u>	<u>392,328</u>	<u>4,213</u>
Excess (deficiency) of revenues over expenditures	4,917	(3,655)	(2,431)	1,224
Other Financing Sources (Uses)				
Transfers (Out)	<u>(4,917)</u>	<u>(6,766)</u>	<u>(6,766)</u>	
Total Other Financing Sources (Uses)	<u>(4,917)</u>	<u>(6,766)</u>	<u>(6,766)</u>	
Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing Sources (Uses)		(10,421)	(9,197)	1,224
Cancellation of Prior Years Encumbrances			2,468	2,468
Fund balances - beginning	28,278	28,278	28,278	
Fund balances - ending	<u>\$ 28,278</u>	<u>\$ 17,857</u>	<u>\$ 21,549</u>	<u>\$ 3,692</u>

City of Cincinnati, Ohio
Statement of Revenue, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

GENERAL FUND

Revenue

Taxes

Property Taxes	\$ 27,154
City Income Tax	273,194
Other Taxes	5,811
Total Taxes	<u>306,159</u>

Licenses and Permits

Street Use	4,723
Police and Protective	111
Beer and Liquor	622
Business and Merchandising	2,037
Amusements	70
Professional and Occupational	141
Buildings, Structures and Equipment	8,092
Total Licenses and Permits	<u>15,796</u>

Use of Money and Property

Fines, Forfeits and Penalties	6,938
Income from Treasury Investments	657
Rents	48
Total Use of Money and Property	<u>7,643</u>

Intergovernmental Revenue

Proportionately shared State Taxes	
Local Government Fund - Sales, Franchise, State	
Income Tax	12,320
State Income Tax - Real Property Tax Reduction	2,484
Casino Tax - County Share	4,698
Casino Tax - Host City Share	3,209
Payments from Other Governmental Units	17
Revenues from Private Sources	122
Total Intergovernmental Revenue	<u>22,850</u>

(Continued)

City of Cincinnati, Ohio
Statement of Revenue, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

GENERAL FUND
(Continued)

Charges for Services		
General Government	\$	7,383
Planning and Buildings		
Other Inspection Certificates		2,368
Elevator Certificates		691
Public Safety		
Police and Communication Charges		425
Impounded Vehicle Fees		551
Protective Inspection Fees		222
Protective Service - Burglary Alarm		242
Emergency Transportation Service		8,549
Other Public Safety Charges		1,613
Public Services		1,310
Public Health		
Vital Statistics		625
Clinic Fees		106
Total Charges for Current Services		<u>24,085</u>
Miscellaneous		828
Total Revenues		<u>377,361</u>

Expenditures

City Council	1,979
Office of the Clerk of Council	701
Office of the Mayor	682
Department of the City Manager	
Office of the City Manager	3,152
Division of Budget and Evaluation	1,016
Division of Environmental Management	3,055
Division of Performance and Data Analytics	586
Division of Internal Audit	350
Total Department of City Manager	<u>8,159</u>
Citizen's Complaint and Internal Audit	594

(Continued)

City of Cincinnati, Ohio
Statement of Revenue, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

GENERAL FUND

(Continued)

Expenditures

Department of Economic Inclusion	\$ 924
Department of Law	6,808
Department of Human Resources	1,900
Department of Finance	
Office of the Director	358
Division of Accounts and Audits	1,389
Division of Treasury	682
Division of Risk Management	148
Division of Income Tax	2,222
Division of Purchasing	810
Total Department of Finance	5,609
Department of City Planning and Buildings	
Office of the Director	727
Total Department of City Planning and Buildings	727
Department of Community Development	
Office of the Director	6,029
Division of Housing Development	723
Division of Community Development	2,171
Total Department of Community Development	8,923
Department of Public Recreation	
Division of Community Activities - West Region Division	2,926
Division of Community Activities - East Region Division	2,125
Division of Community Activities - Central Region Division	2,519
Division of Community Activities - Maintenance Division	3,739
Division of Athletics	3,205
Division of Administration	1,710
Total Department of Public Recreation	16,224
Department of Parks Administration and Program Services	
Office of the Director	324
Division of Operations and Facility Management	7,209
Division of Planning, Design and Development	2,285
Total Department of Parks Administration and Program Services	9,818

(Continued)

City of Cincinnati, Ohio
Statement of Revenue, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

GENERAL FUND
(Continued)
Expenditures

Department of Buildings and Inspections	
Division of Buildings	\$ 6,408
Division of Building Inspections, Licenses and Permits	2,535
Total Department of Buildings and Inspections	8,943
Department of Police	
Division of Police	136,782
Emergency Communications Center	9,115
Total Department of Police	145,897
Department of Fire	114,291
Department of Transportation and Engineering	
Office of the Director	460
Division of Engineering	196
Division of Traffic Engineering	2,436
Total Department of Transportation and Engineering	3,092
Department of Public Services	
Office of the Director	917
Division of Traffic and Road Operations	783
Division of Neighborhood Operations	14,132
Division of City Facility Management	2,297
Division of Fleet Services	145
Total Department of Public Services	18,274
Department of Enterprise Technology Solutions	5,267
Department of Public Health	
Office of the Commissioner	2,636
Division of Technical Resources	2,202
Division of Community Health Services	3,580
Division of Primary Care - Programs	2,256
Division of Primary Care - Health Centers	5,495
Division of Primary Care - Other	1,113
Total Department of Public Health	17,282

(Continued)

City of Cincinnati, Ohio
Statement of Revenue, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

GENERAL FUND
(Continued)
Expenditures

Nondepartmental Accounts	
Judgments Against the City	\$ 768
Enterprise Software Licenses	2,693
County Fees and Estate Tax Adjustment	1,887
Election Expense	32
Mayor's Office Obligations	87
Cincinnati Manager's Office Obligations	150
Professional Memberships and Publications	216
Downtown Special Improvement Districts	35
Cincinnati Public Schools	5,000
Audit Fees	262
Port Authority of Greater Cincinnati	700
Property Investment Reimbursement Agreements	30
Total Nondepartmental Accounts	11,860
Total Expenditures	387,954
Excess (Deficiency) of revenues over expenditures	(10,593)
Other Financing Sources(Uses)	
Transfers In	1,461
Transfers (Out)	(6,381)
Total Other Financing Sources (Uses)	(4,920)
Net Change in Fund Balance	(15,513)
Fund balances, July 1	92,838
Fund balances, June 30	\$ 77,325

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Capital Project Funds			
Revenue			
Taxes	\$ 26,546	\$ 26,546	\$
Use of Money and Property	671	671	
Special Assessments	407	407	
Intergovernmental Revenue	1,791	1,791	
Federal Grants	7,119	7,119	
State Grants	3,269	3,269	
Grants and Subsidies	347	347	
Miscellaneous	<u>13,521</u>	<u>13,521</u>	
Total Revenues	53,671	53,671	
Capital Outlay Expenditures			
Enterprise Technology Services	4,677	4,677	
Department of the City Manager			
Office of the City Manager	144	144	
Office of Environment and Sustainability	436	436	
Division of Economic Development	2,622	2,622	
Division of Performance and Data Analytics	<u>209</u>	<u>209</u>	
Total Department of the City Manager	3,411	3,411	
Department of Finance			
Division of Accounts and Audits			
Division of Purchasing	<u>75</u>	<u>75</u>	
Total Department of Finance	75	75	
Department Community and Economic Development			
Housing Division	2,464	2,464	
Economic Development and Major/Special Projects Divisions	<u>11,684</u>	<u>11,684</u>	
Total Department of Community and Economic Development	14,148	14,148	
Department of City Planning	64	64	
Department of Public Recreation			
Division of Golf	2,115	2,115	
Division of Support Services	<u>2,107</u>	<u>2,107</u>	
Total Department of Public Recreation	4,222	4,222	
Department of Parks			
Division of Operations and Facility Management	643	643	
Division of Administration and Program Services	<u>1,633</u>	<u>1,633</u>	
Total Department of Parks	2,276	2,276	
Department of Police	1,479	1,479	
Department of Fire	492	492	
Department of Building and Inspections			
Building Division	46	46	
Division of Building Inspections, Licenses and Permits	<u>342</u>	<u>342</u>	
Total Department of Building and Inspections	388	388	
Department of Transportation and Engineering			
Office of the Director	78	78	
Division of Transportation Planning	2,779	2,779	
Division of Engineering	56,793	56,793	
Division of Aviation	379	379	
Division of Traffic Engineering	<u>1,748</u>	<u>1,748</u>	
Total Department of Transportation and Engineering	61,777	61,777	
Department of Enterprise Services			
Division of Convention Center	1,095	1,095	
Division of Parking Facilities	<u>222</u>	<u>222</u>	
Total Department of Enterprise Services	1,317	1,317	

(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 June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Capital Project Funds			
(Continued)			
Capital Outlay Expenditures			
Department of Public Services			
Division of Traffic and Road Operations	\$ 430	\$ 430	\$
Neighborhood Operations Division	577	577	
Division of City Facility Management	<u>12,995</u>	<u>12,995</u>	
Total Department of Public Services	14,002	14,002	
Department of Public Health			
Office of the Commissioner	323	323	
Department of Stormwater Management			
Office of the Director	972	972	
Motorized Equipment	<u>13,874</u>	<u>13,874</u>	
Total Capital Outlay Expenditures	123,497	123,497	
Other Expenditures			
Department of City Manager			
Office of Environmental Sustainability			
Non Personal Services	31	31	
Department of Finance			
Division of Accounts and Audits			
Non Personal Services	732	732	
Debt Service	13,687	13,687	
Division of Treasury			
Debt Service	13	13	
Department of Parks			
Division of Operations and Facility Management			
Non Personal Services	8	8	
Department of Transportation and Engineering			
Division of Engineering			
Non Personal Services	40	40	
Department of Enterprise Services			
Division of Convention Center			
Debt Service	42	42	
Division of Fleet Services			
Non Personal Services	215	215	
Total Other Expenditures	<u>14,768</u>	<u>14,768</u>	
Total Expenditures	<u>138,265</u>	<u>138,265</u>	
Excess (deficiency) of revenues over expenditures	(84,594)	(84,594)	
Other Financing Sources (Uses)			
Bond and Note Proceeds	90,104	90,104	
Master Lease Financing Program	12,150	12,150	
Transfers In	146,960	146,960	
Transfers (Out)	<u>(125,163)</u>	<u>(125,163)</u>	
Total Other Financing Sources (Uses)	<u>124,051</u>	<u>124,051</u>	
Net Change in Fund Balance	39,457	39,457	
Fund balances - beginning	<u>192,627</u>	<u>192,627</u>	
Fund balances - ending	<u>\$ 232,084</u>	<u>\$ 232,084</u>	<u>\$</u>

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

Debt Service Fund	Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Taxes	\$ 31,650	\$ 32,064	\$ 414
Use of Money and Property	22,280	22,765	485
Intergovernmental Revenue	6,865	7,005	140
Miscellaneous Revenue	10,689	10,616	(73)
Total Revenues	71,484	72,450	966
Expenditures			
Department of Finance			
Office of the Director			
Personal Services	106	106	
Division of Accounts and Audits			
Personal Services	97	97	
Non Personal Services	448	448	
Debt Service	7,309	7,309	
Total Division of Accounts and Audits	7,854	7,854	
Division of Treasury			
Personal Services	241	241	
Non Personal Services	1,709	1,709	
Debt Service	109,988	109,988	
Total Division of Treasury	111,938	111,938	
Total Department of Finance	119,898	119,898	
Department Community and Economic Development			
Director's Office and Administration			
Non Personal Services	247	247	
Debt Service	160	160	
Total Director's Office and Administration	407	407	
Housing Division			
Non Personal Services	3	3	
Total Housing Division	3	3	
Economic Development and Major/Special Projects Divisions			
Debt Service	784	784	
Total Economic Development and Major/Special Projects Divisions	784	784	
Total Department Community and Economic Development	1,194	1,194	
Non Departmental Accounts			
Workers' Compensation Insurance	4	4	
Total Non-Departmental Accounts	4	4	
Non Departmental - Debt Service Payments			
Non Personal Services	3	3	
Debt Service	3,847	3,847	
Total Non-Departmental - Debt Service Payments	3,850	3,850	
Total Expenditures	124,946	124,946	
Excess (deficiency) of revenues over expenditures	(53,462)	(52,496)	966
Other Financing Sources (Uses)			
General Obligation Bond Proceeds	90,688	29,663	(61,025)
Bond Premiums	3,848	3,848	
Build America Bonds Subsidy	108	108	
Transfers In	45,455	45,455	
Transfers (Out)	(39,243)	(39,243)	
Total Other Financing Sources (Uses)	100,856	39,831	(61,025)
Net Change in Fund Balance	47,394	(12,665)	(60,059)
Fund balances - beginning	113,510	113,510	
Fund balances - ending	\$ 160,904	\$ 100,845	\$ (60,059)

CITY OF CINCINNATI, OHIO
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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 recreation activities such as, enrichment exercise programs or caretaker services.

Special Parks Fund – Used to account for monies received for special parks, such as, Sawyer Point Park.

Streetcar Operations Fund – Used to account monies received for streetcar operations, maintenance, contingency (construction and operation), and capital expenses.

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.

CITY OF CINCINNATI, OHIO
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Cont)

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.

PERMANENT FUNDS

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

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

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

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

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

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

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

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

CITY OF CINCINNATI, OHIO
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2017
 (Amounts in Thousands)

	Special Revenue Funds									
	Tax Increment Financing Funds	Health Services	Street Construction Maintenance and Repair	Income Tax Infrastructure	Income Tax Transit	Motor Vehicle License	Special Recreation	Special Parks	Streetcar Operations	
ASSETS										
Cash and Equivalents	\$ 1						\$ 288			\$ 3,422
Equity in City Treasury Cash	38,152	\$ 1,971	\$ 5,279	\$ 12,101	\$ 13,751	\$ 2,140	3,098	\$ 2,273		\$
Investments	7,827									
Receivables:										
Taxes				1,290	3,870	20	18			
Accounts, Net	41,554	682	4	89			9	7		
Accrued Interest					39					
Due from Other Funds	167	9	311	114	63	26	15	11		15
Due from Other Governments			670			236				
Inventory				106		5				
Advances to Other Funds			496							
Total Assets	\$ 87,701	\$ 2,662	\$ 6,760	\$ 13,700	\$ 17,723	\$ 2,427	\$ 3,428	\$ 2,291		\$ 3,437
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ 5,270	\$ 276	\$ 182	\$ 193	\$ 69	\$ 11	\$ 145	\$ 19		\$ 945
Due to Other Funds		12	138	130	382	16	1	1		
Due to Fiduciary Funds		25	35	90	1	8	5			
Accrued Payroll		160	251	436	3	53	171	4		
Accrued Liabilities	5,270	3	5	12		1	5			
Deposits Payable			6	21						1
Estimated Liability for Unpaid Claims				2			10			
Advances from Other Funds										900
Total Liabilities	10,540	476	617	884	455	89	337	24		1,846
DEFERRED INFLOWS OF RESOURCES										
Revenues Levied for the next year and Unavailable Revenue	41,969		4	351	1,016		20	5		
Fund Balances:										
Restricted	35,192	2,186	6,139	12,465	16,252	2,338	3,071	2,262		1,591
Committed										
Total Fund Balances	35,192	2,186	6,139	12,465	16,252	2,338	3,071	2,262		1,591
Total Liabilities, Deferred Inflows and Fund Balances	\$ 87,701	\$ 2,662	\$ 6,760	\$ 13,700	\$ 17,723	\$ 2,427	\$ 3,428	\$ 2,291		\$ 3,437

CITY OF CINCINNATI, OHIO
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2017
 (Amounts in Thousands)

	Special Revenue Funds									
	Recreation	Parks	Safety	Health	Cincinnati Blue Ash Airport	Community Development	Department of Labor Grants	Other	Bettman Nature Center	
ASSETS										
Cash and Equivalents	\$ 8	\$ 6,518	\$ 9,213	\$ 635	\$ 121	\$ 1,685	\$ 16	\$ 827	\$ 69	
Equity in City Treasury Cash Investments	2,536	6,223	700					9,646	1,670	
Receivables:										
Accounts, Net	10		2,369	601				2		
Special Assessments				4		10,539		21,908		
Accrued Interest	8	19	4							
Due from Other Funds	11	31	41	10		119		711		
Inventory				114				85		
Advances to Other Funds	25									
Total Assets	\$ 2,598	\$ 13,491	\$ 11,627	\$ 1,364	\$ 121	\$ 12,343	\$ 16	\$ 33,179	\$ 1,739	
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ 14	\$ 37	\$ 527	\$ 741		\$ 1,019		\$ 1,299		
Due to Other Funds	1	1	944	33		197		37		
Due to Fiduciary Funds		2	6	58		9		3		
Accrued Payroll		30	35	430		32		23		
Accrued Liabilities				8		309		452		
Deposits Payable				3,041				6		
Estimated Liability for Unpaid Claims		2								
Advances from Other Governments						1				
Total Liabilities	\$ 15	\$ 72	\$ 4,554	\$ 1,270		\$ 1,567		\$ 1,820		
DEFERRED INFLOWS OF RESOURCES										
Revenues Levied for the next year and Unavailable Revenue	5	11	2	4		10,539		21,910		
Fund Balances:										
Restricted	2,028	7,400	6,821		\$ 121	237	\$ 16	6,488	\$ 1,739	
Committed	550	6,008	250	90				2,961		
Total Fund Balances	\$ 2,578	\$ 13,408	\$ 7,071	\$ 90	\$ 121	\$ 237	\$ 16	\$ 9,449	\$ 1,739	
Total Liabilities, Deferred Inflows and Fund Balances	\$ 2,598	\$ 13,491	\$ 11,627	\$ 1,364	\$ 121	\$ 12,343	\$ 16	\$ 33,179	\$ 1,739	

CITY OF CINCINNATI, OHIO
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2017
 (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		
ASSETS											
Cash and Equivalents	\$ 39	\$ 51		\$ 128	8	\$ 79	\$ 665	\$ 234		\$ 7,953	
Equity in City Treasury Cash Investments, at Fair Value	546			198	949			7,438		113,224	
Receivables:										19,328	
Taxes										5,160	
Accounts, Net										45,349	
Special Assessments										32,451	
Accrued Interest							1			87	
Due from Other Funds				1			4			1,659	
Due from Other Governments										906	
Inventory										310	
Advances to Other Funds										521	
Total Assets	\$ 585	\$ 51	\$	\$ 327	\$ 957	\$ 79	\$ 670	\$ 7,672	\$	\$ 226,948	

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES

Liabilities:											
Accounts Payable										\$ 10,747	
Due to Other Funds										1,893	
Due to Fiduciary Funds										242	
Accrued Payroll										1,628	
Accrued Liabilities										6,066	
Deposits Payable										3,075	
Estimated Liability for Unpaid Claims										14	
Advances from Other Funds										900	
Advances from Other Governments										1	
Total Liabilities										24,566	

DEFERRED INFLOWS OF RESOURCES

Revenues Levied for the next year and Unavailable Revenue										\$ 75,837	
Fund Balances:											
Nonspendable	\$ 577	\$ 51	\$	\$ 320	\$ 225	\$ 50	\$ 500	\$ 672		2,395	
Restricted	8			7	732	29	169	7,000		106,772	
Committed										17,378	
Total Fund Balances	585	51		327	957	79	669	7,672		126,545	
Total Liabilities, Deferred Inflows and Fund Balances	\$ 585	\$ 51	\$	\$ 327	\$ 957	\$ 79	\$ 670	\$ 7,672	\$	\$ 226,948	

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

	Special Revenue Funds								
	Tax Increment Financing Funds	Health Services	Street Construction Maintenance and Repair	Income Tax Infrastructure	Income Tax Transit	Motor Vehicle License	Special Recreation	Special Parks	Streetcar Operations
REVENUES									
Taxes	\$ 46			\$ 17,626	\$ 52,877		\$ 282	\$ 208	
Use of Money and Property	410		\$ 9,115		18	\$ 2,737			
Intergovernmental Revenue									
Federal Grants							201		
Charges for Current Services		\$ 8,680	144	45		36	3,678	730	
Miscellaneous	36,787						43		
Total Revenues	37,243	8,680	9,259	17,671	52,895	2,773	4,204	938	
EXPENDITURES									
Current:									
General Government	21,131	106		2,927	968	99	230	24	\$ 1,865
Community Development	990								
Parks and Recreation			355	2,834	24		4,005	796	
Transportation and Engineering				5,235	22				
Public Services			8,416	6,000		2,129			
Transit System					52,561				
Public Health		9,622							
Capital Outlay	6,505								
Debt Service Principal	2,907								
Debt Service Interest	3,086								
Bond Issuance Costs	64								
Total Expenditures	34,683	9,728	8,771	16,996	53,575	2,228	4,235	820	1,865
Excess (Deficiency) of Revenues over (under) Expenditures	2,560	(1,048)	488	675	(680)	545	(31)	118	(1,865)
OTHER FINANCING SOURCES (USES)									
Discounts on Bonds and Notes Issued	(6)								
Refunding Bonds Issued	2,550								
Payment to Refunded Bonds Escrow Agent	(2,477)								
Transfers In	1,908								
Transfers (Out)	(19,627)		(115)	(990)	(100)	(40)		11	1,500
Total Other Financing Sources (Uses)	(17,652)		(115)	(990)	(100)	(40)	1	11	1,500
Net Change in Fund Balances	(15,092)	(1,048)	373	(315)	(780)	505	(30)	129	(365)
Fund Balances, July 1	50,284	3,234	5,766	12,780	17,032	1,833	3,101	2,133	1,956
Fund Balances, June 30	\$ 35,192	\$ 2,186	\$ 6,139	\$ 12,465	\$ 16,252	\$ 2,338	\$ 3,071	\$ 2,262	\$ 1,591

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

		Special Revenue Funds							
		Recreation	Parks	Safety	Health	Cincinnati Blue Ash Airport	Community Development	Department of Labor Grants	Bettman Nature Center
REVENUES									
Taxes									
Licenses and Permits				\$ 76	\$ 1,151				\$ 3,626
Use of Money and Property	5	\$ 1,396	4	2	2	\$ 10	\$ 91		1
Special Assessments					2		149		2,388
Intergovernmental Revenue				5,360	1,564				6,179
Federal Grants	267			4,802	9,726		12,010		200
State Grants and Subsidies	116	4		93	919				2,267
Charges for Current Services	21	1,243		1,512	10,540		23		1
Miscellaneous	3	1,379			3		3,337		1,314
Total Revenues	412	4,022		11,847	23,907	10	15,610		122
EXPENDITURES									16,098
Current:									
General Government			5	3,349	215		736		7,120
Community Development							10,618		2,993
Parks and Recreation	591	3,052					201		1,633
Public Safety				6,204			760		
Transportation and Engineering									486
Public Services									1,616
Public Health					25,624		251		
Capital Outlay							619		
Debt Service Principal							40		
Debt Service Interest							617		
Total Expenditures	591	3,057		9,553	25,839		13,842		13,848
Excess (Deficiency) of Revenues over (under) Expenditures	(179)	965		2,294	(1,932)	10	1,768		2,250
OTHER FINANCING SOURCES (USES)									
Transfers In	13		328						1,615
Transfers (Out)				(50)			(36)		(2,006)
Total Other Financing Sources (Uses)	13		328	(50)			(29)		(391)
Net Change in Fund Balances	(166)	1,293		2,244	(1,932)	10	1,739		1,859
Fund Balances, July 1	2,744	12,115		4,827	2,022	111	(1,502)	\$ 16	7,590
Fund Balances, June 30	\$ 2,578	\$ 13,408		\$ 7,071	\$ 90	\$ 121	\$ 237	\$ 16	\$ 9,449

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2017
(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
REVENUES									
Taxes									\$ 74,129
Licenses and Permits									1,228
Use of Money and Property	(6)	1	\$ (1)	\$ 9	\$ 106	\$	2	\$ 1,119	5,863
Special Assessments									6,330
Intergovernmental Revenue									19,386
Federal Grants									29,273
State Grants and Subsidies									1,133
Charges for Current Services									27,966
Miscellaneous									41,674
Total Revenues	(6)	1	(1)	9	106		2	1,119	206,982
EXPENDITURES									
Current:									
General Government									38,775
Community Development									14,601
Parks and Recreation		1			5	15		50	13,573
Public Safety									6,964
Transportation and Engineering									5,743
Public Services									18,161
Transit System									52,561
Public Health									35,497
Capital Outlay									7,124
Debt Service Principal									2,947
Debt Service Interest									3,703
Bond Issuance Costs									64
Total Expenditures		1			5	15		50	199,713
Excess (Deficiency) of Revenues over Expenditures	(6)		(1)	9	101	(15)	2	1,069	7,269
OTHER FINANCING SOURCES (USES)									
Discounts on Bonds and Notes Issued									(6)
Refunding Bonds Issued									2,550
Payment to Refunded Bonds Escrow Agent									(2,477)
Transfers In									5,383
Transfers (Out)	(21)		(125)	(8)	(13)			(241)	(23,430)
Total Other Financing Sources (Uses)	(21)		(125)	(8)	(13)			(241)	(17,980)
Net Change in Fund Balances	(27)		(126)	1	88	(15)	2	828	(10,711)
Fund Balances, July 1	612	51	126	326	869	94	667	6,844	137,256
Fund Balances, June 30	\$ 585	\$ 51	\$	\$ 327	\$ 957	\$ 79	\$ 669	\$ 7,672	\$ 126,545

CITY OF CINCINNATI, OHIO
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Tax Increment Financing Funds			
Revenue			
Intergovernmental Revenue	\$ 410	\$ 410	\$
Use of Money and Property	46	46	
Miscellaneous Revenue	<u>36,787</u>	<u>36,787</u>	
Total Revenues	37,243	37,243	
Expenditures			
Department of the City Manager			
Office of the City Manager			
Capital Outlay	3,434	3,434	
Debt Service	194	194	
Total Office of the City Manager	<u>3,628</u>	<u>3,628</u>	
Office of Economic Development			
Capital Outlay	978	978	
Debt Service	8	8	
Total Office of Economic Development	<u>986</u>	<u>986</u>	
Total Department of the City Manager	<u>4,614</u>	<u>4,614</u>	
Department of Finance			
Division of Accounts and Audits			
Non Personal Services	20,187	20,187	
Capital Outlay	67	67	
Debt Service	11,215	11,215	
Total Department of Finance	<u>31,469</u>	<u>31,469</u>	
Department Community and Economic Development			
Housing Division			
Non Personal Services	292	292	
Debt Service	69	69	
Total Housing Division	<u>361</u>	<u>361</u>	
Economic Development and Major/Special Projects Divisions			
Non Personal Services	64	64	
Capital Outlay	3,014	3,014	
Debt Service	2,679	2,679	
Total Economic Development and Major/Special Projects Divisions	<u>5,757</u>	<u>5,757</u>	
Total Department Community and Economic Development	<u>6,118</u>	<u>6,118</u>	
Total Expenditures	<u>42,201</u>	<u>42,201</u>	
Excess (deficiency) of revenues over(under) expenditures	(4,958)	(4,958)	
Other Financing Sources (Uses)			
Bond Proceeds	2,550	2,550	
Discount on Bonds Sold	(6)	(6)	
Transfers In	5,045	5,045	
Transfers (Out)	<u>(16,724)</u>	<u>(16,724)</u>	
Total Other Financing Sources (Uses)	<u>(9,135)</u>	<u>(9,135)</u>	
Net Change in Fund Balance	(14,093)	(14,093)	
Fund balances - July 1	<u>60,240</u>	<u>60,240</u>	
Fund balances - June 30	<u>\$ 46,147</u>	<u>\$ 46,147</u>	<u>\$</u>

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
HEALTH SERVICES FUND			
REVENUES			
Charges for Current Services	\$ 9,656	\$ 8,771	\$ (885)
Total Revenues	9,656	8,771	(885)
EXPENDITURES			
Department of Public Health			
Division of Primary Health Care - Programs			
Personal Services	435	435	
Non-Personal Services	3	3	
Total Division of Primary Health Care - Programs	438	438	
Division of Primary Health Care - Centers			
Personal Services	5,338	5,337	1
Non-Personal Services	3,910	3,886	24
Total Division of Primary Health Care - Centers	9,248	9,223	25
Total Department of Public Health	9,686	9,661	25
Nondepartmental Accounts			
Public Employee Assistance	3	3	
Workers' Compensation Insurance	47	47	
General Fund Overhead Charge	172	106	66
Total Nondepartmental Accounts	222	156	66
Total Expenditures	9,908	9,817	91
Net Change in Fund Balance	(252)	(1,046)	(794)
Fund Balance - July 1	2,304	2,304	
Fund Balance - June 30	<u>\$ 2,052</u>	<u>\$ 1,258</u>	<u>\$ (794)</u>

Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND			
REVENUES			
Intergovernmental Revenue			
Motor Vehicle License	\$ 1,960	\$ 1,932	\$ (28)
Gasoline	7,663	7,802	139
Miscellaneous	171	268	97
Total Revenues	9,794	10,002	208
EXPENDITURES			
Department of Parks			
Operations and Facility Management			
Personal Services	253	253	
Non-Personal Services	114	114	
Total Operations and Facility Management	367	367	
Total Department of Parks	367	367	
Department of Public Services			
Traffic and Road Operations Division			
Personal Services	4,186	3,817	369
Non-Personal Services	2,140	1,719	421
Capital Outlay	18	18	
Total Traffic and Road Operations Division	6,344	5,554	790
Neighborhood Operations Division			
Personal Services	3,178	2,975	203
Non-Personal Services	466	433	33
Total Neighborhood Operations Division	3,644	3,408	236
Total Department of Public Services	9,988	8,962	1,026
Nondepartmental Accounts			
Public Employee Assistance	7	6	1
Workers' Compensation Insurance	74	71	3
State Unemployment Compensation	13	12	1
Total Nondepartmental Accounts	94	89	5
Total Expenditures	10,449	9,418	1,031
Excess (Deficiency) of Revenues over (under) Expenditures	(655)	584	1,239
OTHER FINANCING SOURCES (USES)			
Transfers Out	(115)	(115)	
Total Other Financing Sources (Uses)	(115)	(115)	
Net Change in Fund Balance	(770)	469	1,239
Cancellation of Prior Year Encumbrances		443	443
Fund Balance - July 1	3,866	3,866	
Fund Balance - June 30	\$ 3,096	\$ 4,778	\$ 1,682

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
INCOME TAX INFRASTRUCTURE FUND			
REVENUES			
Taxes			
City Income Tax	\$ 18,043	\$ 17,698	\$ (345)
Charges for Current Services		25	25
Miscellaneous		339	339
Total Revenues	<u>18,043</u>	<u>18,062</u>	<u>19</u>
EXPENDITURES			
Enterprise Technology Services			
Non-Personal Services	840	840	
Total Enterprise Technology Services	<u>840</u>	<u>840</u>	
Department of the City Manager			
Office of the Budget and Evaluation			
Personal Services	149	149	
Non-Personal Services	25	19	6
Total Office of Budget and Evaluation	<u>174</u>	<u>168</u>	<u>6</u>
Total Department of the City Manager	<u>174</u>	<u>168</u>	<u>6</u>
Department of Law			
Personal Services	220	217	3
Non-Personal Services	7	7	
Total Department of Law	<u>227</u>	<u>224</u>	<u>3</u>
Department of Human Resources			
Personal Services	250	194	56
Total Department of Human Resources	<u>250</u>	<u>194</u>	<u>56</u>
Department of Finance			
Division of Accounts and Audits			
Personal Services	190	188	2
Non-Personal Services	4	1	3
Total Division of Accounts and Audits	<u>194</u>	<u>189</u>	<u>5</u>
Division of Purchasing			
Personal Services	121	119	2
Total Division of Purchasing	<u>121</u>	<u>119</u>	<u>2</u>
Total Department of Finance	<u>315</u>	<u>308</u>	<u>7</u>
Department of Public Recreation			
Division of Maintenance			
Personal Services	753	749	4
Non-Personal Services	285	285	
Total Department of Public Recreation	<u>1,038</u>	<u>1,034</u>	<u>4</u>
Department of Parks			
Division of Operations and Facility Management			
Personal Services	1,693	1,693	
Non-Personal Services	8	8	
Total Division of Operations and Facility Management	<u>1,701</u>	<u>1,701</u>	
Division of Administration and Program Services			
Personal Services	58	58	
Total Division of Administration and Program Services	<u>58</u>	<u>58</u>	
Total Department of Parks	<u>1,759</u>	<u>1,759</u>	
Department of Buildings & Inspections			
Building Division			
Personal Services	68	68	
Total Department of Buildings & Inspections	<u>68</u>	<u>68</u>	
Department of Transportation and Engineering			
Office of the Director			
Personal Services	814	765	49
Non-Personal Services	42	25	17
Total Office of the Director	<u>856</u>	<u>790</u>	<u>66</u>

(Continued)

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
INCOME TAX INFRASTRUCTURE FUND			
(Continued)			
EXPENDITURES (Continued)			
Department of Transportation and Engineering (Continued)			
Division of Transportation Planning			
Personal Services	\$ 330	303	27
Non-Personal Services	20	10	10
Total Division of Transportation Planning	<u>350</u>	<u>313</u>	<u>37</u>
Division of Engineering			
Personal Services	1,811	1,712	99
Non-Personal Services	525	457	68
Total Division of Engineering	<u>2,336</u>	<u>2,169</u>	<u>167</u>
Division of Traffic Engineering			
Personal Services	1,961	1,961	
Non-Personal Services	217	55	162
Total Division of Traffic Engineering	<u>2,178</u>	<u>2,016</u>	<u>162</u>
Total Department of Transportation and Engineering	<u>5,720</u>	<u>5,288</u>	<u>432</u>
Department of Public Services			
Office of the Director			
Personal Services	121	115	6
Non-Personal Services	72	71	1
Total Office of the Director	<u>193</u>	<u>186</u>	<u>7</u>
Division of Traffic and Road Operations			
Personal Services	1,997	1,790	207
Non-Personal Services	946	915	31
Capital Outlay	12	6	6
Total Division of Traffic and Road Operations	<u>2,955</u>	<u>2,711</u>	<u>244</u>
Division of City Facility Management			
Personal Services	1,898	1,872	26
Non-Personal Services	1,458	1,458	
Total City Facility Management	<u>3,356</u>	<u>3,330</u>	<u>26</u>
Total Department of Public Services	<u>6,504</u>	<u>6,227</u>	<u>277</u>
Department of Economic Inclusion			
Personal Services	302	302	
Non-Personal Services	23	23	
Total Department of Economic Inclusion	<u>325</u>	<u>325</u>	
Nondepartmental Accounts			
Public Employee Assistance	11	11	
State Unemployment Compensation	3	1	2
Workers' Compensation Insurance	130	125	5
Lump Sum Payments	328	245	83
General Fund Overhead	768	768	
Total Nondepartmental Accounts	<u>1,240</u>	<u>1,150</u>	<u>90</u>
Total Expenditures	<u>18,460</u>	<u>17,585</u>	<u>875</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(417)	477	894
OTHER FINANCING SOURCES (USES)			
Transfers Out	(990)	(990)	
Total Other Financing Sources (Uses)	<u>(990)</u>	<u>(990)</u>	
Net Change in Fund Balance	(1,407)	(513)	894
Cancellation of Prior Years Encumbrances		358	358
Fund Balance - July 1	10,914	10,914	
Fund Balance - June 30	<u>\$ 9,507</u>	<u>\$ 10,759</u>	<u>\$ 1,252</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 June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
INCOME TAX TRANSIT FUND			
REVENUES			
Taxes			
City Income Tax	\$ 54,130	\$ 53,093	\$ (1,037)
Use of Money and Property	75	156	81
Miscellaneous	<u>2</u>	<u>2</u>	<u>2</u>
Total Revenues	54,205	53,251	(954)
EXPENDITURES			
SORTA			
Operations	<u>52,861</u>	<u>52,861</u>	<u></u>
Total SORTA	52,861	52,861	
Department of Law			
Administration			
Personal Services	<u>119</u>	<u>107</u>	<u>12</u>
Total Department of Law	<u>119</u>	<u>107</u>	<u>12</u>
Department of Parks			
Division of Parks Operations and Facility Management			
Non Personal Services	<u>30</u>	<u>24</u>	<u>6</u>
Total Department of Parks	<u>30</u>	<u>24</u>	<u>6</u>
Department of Transportation and Engineering			
Office of the Director			
Personal Services	<u>53</u>	<u>10</u>	<u>43</u>
Total Office of the Director	<u>53</u>	<u>10</u>	<u>43</u>
Division of Transportation Planning			
Personal Services	51	4	47
Non-Personal Services	<u>111</u>	<u></u>	<u>111</u>
Total Division of Transportation Planning	<u>162</u>	<u>4</u>	<u>158</u>
Total Department of Transportation and Engineering	215	14	201
Nondepartmental Accounts			
Workers' Compensation Insurance	1		1
General Fund Overhead	<u>461</u>	<u>410</u>	<u>51</u>
Total Nondepartmental Accounts	<u>462</u>	<u>410</u>	<u>52</u>
Total Expenditures	<u>53,687</u>	<u>53,416</u>	<u>271</u>
Excess (Deficiency) of Revenues over (under) Expenditures	518	(165)	(683)
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(100)</u>	<u>(100)</u>	<u></u>
Total Other Financing Sources (Uses)	<u>(100)</u>	<u>(100)</u>	<u></u>
Net Change in Fund Balance	418	(265)	(683)
Cancellation of Prior Years Encumbrances		1	1
Fund Balance - July 1	<u>13,791</u>	<u>13,791</u>	<u></u>
Fund Balance - June 30	<u>\$ 14,209</u>	<u>\$ 13,527</u>	<u>\$ (682)</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 June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
MOTOR VEHICLE LICENSE FUND			
REVENUES			
Intergovernmental Revenue	\$ 2,595	\$ 2,731	\$ 136
Charges for Services		21	21
Miscellaneous		32	32
Total Revenues	<u>2,595</u>	<u>2,784</u>	<u>189</u>
EXPENDITURES			
Department of Public Services			
Traffic and Road Operations Division			
Personal Services	1,832	1,634	198
Non-Personal Services	849	684	165
Total Department of Public Services	<u>2,681</u>	<u>2,318</u>	<u>363</u>
Nondepartmental Accounts			
Workers' Compensation Insurance	19	16	3
Public Employees Assistance Program	2	1	1
General Fund Overhead	111	99	12
Total Nondepartmental Accounts	<u>132</u>	<u>116</u>	<u>16</u>
Total Expenditures	<u>2,813</u>	<u>2,434</u>	<u>379</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(218)	350	568
OTHER FINANCING SOURCES			
Transfers Out	(40)	(40)	
Total Other Financing Sources	<u>(40)</u>	<u>(40)</u>	
Net Change in Fund Balance	(258)	310	568
Cancellation of Prior Years Encumbrances		116	116
Fund Balance - July 1	<u>1,446</u>	<u>1,446</u>	
Fund Balance - June 30	<u>\$ 1,188</u>	<u>\$ 1,872</u>	<u>\$ 684</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 June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
SPECIAL RECREATION FUND			
REVENUES			
Use of Money and Property	\$ 326	\$ 323	\$ (3)
Charges for Services	3,324	3,718	394
Federal Grants	200	201	1
Miscellaneous Revenue	50	52	2
Total Revenues	<u>3,900</u>	<u>4,294</u>	<u>394</u>
EXPENDITURES			
Department of Recreation			
West Region			
Personal Services	697	674	23
Non-Personal Services	139	105	34
Total West Region	<u>836</u>	<u>779</u>	<u>57</u>
East Region			
Personal Services	1,007	967	40
Non-Personal Services	218	189	29
Total East Region	<u>1,225</u>	<u>1,156</u>	<u>69</u>
Central Region			
Personal Services	851	851	
Non-Personal Services	174	127	47
Total Central Region	<u>1,025</u>	<u>978</u>	<u>47</u>
Division of Athletics			
Personal Services	458	458	
Non-Personal Services	474	453	21
Total Division of Athletics	<u>932</u>	<u>911</u>	<u>21</u>
Division of Support Services			
Personal Services	77	74	3
Non-Personal Services	62	53	9
Capital Outlay	13		13
Total Division of Support Services	<u>152</u>	<u>127</u>	<u>25</u>
Total Department of Recreation	<u>4,170</u>	<u>3,951</u>	<u>219</u>
Nondepartmental Accounts			
Public Employee Assistance	4	3	1
Workers' Compensation Insurance	38	37	1
General Fund Overhead	260	230	30
Total Nondepartmental Accounts	<u>302</u>	<u>270</u>	<u>32</u>
Total Expenditures	<u>4,472</u>	<u>4,221</u>	<u>251</u>
Net Change in Fund Balance	(572)	73	645
Cancellation of Prior Year Encumbrances		68	68
Fund Balance - July 1	<u>2,668</u>	<u>2,668</u>	
Fund Balance - June 30	<u>\$ 2,096</u>	<u>\$ 2,809</u>	<u>\$ 713</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 June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
SPECIAL PARKS FUND			
REVENUES			
Use of Money and Property	\$ 445	\$ 243	\$ (202)
Charges for Services	613	731	118
Miscellaneous Revenue	6	6	6
Total Revenues	<u>1,058</u>	<u>980</u>	<u>(78)</u>
EXPENDITURES			
Department of Parks			
Division of Operations and Facility Management			
Personal Services	712	434	278
Non-Personal Services	711	362	349
Total Division of Operations and Facility Management	<u>1,423</u>	<u>796</u>	<u>627</u>
Total Department of Parks	1,423	796	627
Nondepartmental Accounts			
Workers' Compensation Insurance	4	4	
General Fund Overhead	37	24	13
Total Nondepartmental Accounts	<u>41</u>	<u>28</u>	<u>13</u>
Total Expenditures	<u>1,464</u>	<u>824</u>	<u>640</u>
Excess of Revenue over Expenditures	<u>(406)</u>	<u>156</u>	<u>562</u>
Net Change in Fund Balance	(406)	156	562
Cancellation of Prior Year Encumbrances		1	1
Fund Balance - July 1	<u>2,053</u>	<u>2,053</u>	
Fund Balance - June 30	<u>\$ 1,647</u>	<u>\$ 2,210</u>	<u>\$ 563</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 June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
STREETCAR OPERATIONS			
REVENUES			
Charges for Current Services	\$ 1,500	\$ 1,500	
Miscellaneous		296	296
Total Revenues	<u>1,500</u>	<u>1,796</u>	<u>296</u>
EXPENDITURES			
SORTA			
Operations			
Personal Services	256	243	13
Non-Personal Services	3,030	2,391	639
Total SORTA	<u>3,286</u>	<u>2,634</u>	<u>652</u>
Total Expenditures	<u>3,286</u>	<u>2,634</u>	<u>652</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(1,786)	(838)	(948)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,500	1,500	
Transfers Out	(1,500)	(1,500)	
Total Other Financing Sources			
Net Change in Fund Balance	(1,786)	(838)	948
Fund Balance - July 1	<u>1,956</u>	<u>1,956</u>	
Fund Balance - June 30	<u>\$ 170</u>	<u>\$ 1,118</u>	<u>\$ 948</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 June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
RECREATION GRANTS			
REVENUES			
Use of Money and Property	\$ 31	\$ 30	\$ (1)
Federal Grants	300	268	(32)
Grants and Subsidies	200	116	(84)
Charges for Current Services	16	14	(2)
Miscellaneous	75	75	
Total Revenues	<u>622</u>	<u>503</u>	<u>(119)</u>
EXPENDITURES			
Department of Recreation			
West Region			
Non-Personal Services	<u>35</u>	<u>35</u>	
Total West Region	35	35	
East Region			
Non-Personal Services	<u>14</u>	<u>14</u>	
Total East Region	14	14	
Central Region			
Non-Personal Services	<u>37</u>	<u>37</u>	
Total Central Region	37	37	
Division of Golf			
Capital Outlay	<u>10</u>	<u>10</u>	
Total Division of Athletics	10	10	
Division of Athletics			
Personal Services	244	244	
Non-Personal Services	<u>174</u>	<u>174</u>	
Total Division of Athletics	418	418	
Division of Support Services			
Personal Services	23	23	
Non-Personal Services	<u>128</u>	<u>128</u>	
Total Division of Support Services	<u>151</u>	<u>151</u>	
Total Department of Recreation	<u>665</u>	<u>665</u>	
Nondepartmental Accounts			
Workers' Compensation Insurance	<u>1</u>	<u>1</u>	
Total Division of Support Services	<u>1</u>	<u>1</u>	
Total Expenditures	666	666	
Excess (Deficiency) of Revenues over (under) Expenditures	(44)	(163)	(119)
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>13</u>	<u>13</u>	
Total Other Financing Sources	<u>13</u>	<u>13</u>	
Net Change in Fund Balance	(31)	(150)	(119)
Fund Balance - July 1	<u>2,709</u>	<u>2,709</u>	
Fund Balance - June 30	<u>\$ 2,678</u>	<u>\$ 2,559</u>	<u>\$ (119)</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 June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
PARKS			
REVENUES			
Use of Money and Property	\$ 998	\$ 1,439	\$ 441
Charges for Current Services	1,065	1,245	180
State Grants	19		(19)
Grants and Subsidies	1	4	3
Miscellaneous	62	153	91
Total Revenues	2,145	2,841	696
EXPENDITURES			
Department of Parks			
Division of Operations and Facility Management			
Personal Services	918	918	
Non-Personal Services	661	661	
Total Division of Operations and Facility Management	1,579	1,579	
Division of Administration and Program Services			
Personal Services	253	253	
Non-Personal Services	237	237	
Total Division of Administration and Program Services	490	490	
Total Department of Parks	2,069	2,069	
Nondepartmental Accounts			
Public Employee Assistance Program	1	1	
Workers' Compensation Insurance	11	11	
General Fund Overhead	5	5	
Total Nondepartmental Accounts	17	17	
Total Expenditures	2,086	2,086	
Excess (Deficiency) of Revenues over (under) Expenditures	59	755	696
OTHER FINANCING SOURCES(USES)			
Transfers In	29	29	
Total Financing Sources	29	29	
Net Change in Fund Balance	88	784	696
Fund Balance - July 1	5,444	5,444	
Fund Balance - June 30	<u>\$ 5,532</u>	<u>\$ 6,228</u>	<u>\$ 696</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 June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
SAFETY			
REVENUES			
Licenses and Permits	\$ 55	\$ 76	\$ 21
Use of Money and Property	15	16	1
Intergovernmental Revenue	5,285	3,693	(1,592)
Federal Grants	4,852	4,802	(50)
State Grants	86	86	
Grants and Subsidies	7	7	
Charges for Current Services	1,371	1,513	142
Miscellaneous	11	11	
Total Revenues	<u>11,682</u>	<u>10,204</u>	<u>(1,478)</u>
EXPENDITURES			
Enterprise Technology Services			
Personal Services	1,298	1,298	
Non-Personal Services	1,838	1,838	
Total Enterprise Technology Services	<u>3,136</u>	<u>3,136</u>	
Department of Law			
Non-Personal Services	7	7	
Total Department of Law	<u>7</u>	<u>7</u>	
Department of Police			
Division of Police			
Personal Services	1,603	1,603	
Non-Personal Services	1,963	1,963	
Capital Outlay	15	15	
Total Division of Police	<u>3,581</u>	<u>3,581</u>	
Division of Police Emergency Communications			
Personal Services	257	257	
Non-Personal Services	421	421	
Total Division of Police Emergency Communications	<u>678</u>	<u>678</u>	
Total Department of Police	<u>4,259</u>	<u>4,259</u>	
Department of Fire			
Personal Services	664	664	
Non-Personal Services	420	420	
Total Department of Fire	<u>1,084</u>	<u>1,084</u>	
Nondepartmental Accounts			
Public Employee Assistance Program	1	1	
General Fund Overhead	96	96	
Workers' Compensation Program	15	15	
Total Nondepartmental Accounts	<u>112</u>	<u>112</u>	
Total Expenditures	<u>8,598</u>	<u>8,598</u>	
Excess (Deficiency) of Revenues over (under) Expenditures	3,084	1,606	(1,478)
OTHER FINANCING SOURCES (USES)			
Transfers Out	(50)	(50)	
Total Other Financing Sources (Uses)	<u>(50)</u>	<u>(50)</u>	
Net Change in Fund Balance	3,034	1,556	(1,478)
Fund Balance - July 1	<u>4,646</u>	<u>4,646</u>	
Fund Balance - June 30	<u>\$ 7,680</u>	<u>\$ 6,202</u>	<u>\$ (1,478)</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 June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
HEALTH			
REVENUES			
Licenses and Permits	\$ 1,185	\$ 1,151	\$ (34)
Intergovernmental Revenue	1,543	1,563	20
Federal Grants	8,870	9,727	857
State Grants	168	332	164
Grants and Subsidies	844	588	(256)
Charges for Current Services	11,160	10,757	(403)
Special Assessments	1	1	
Miscellaneous	8	8	
Total Revenues	<u>23,779</u>	<u>24,127</u>	<u>348</u>
EXPENDITURES			
Department of Finance			
Division of Treasury			
Personal Services	<u>19</u>	<u>19</u>	
Total Department of Finance	19	19	
Department of Public Health			
Office of the Commissioner			
Personal Services	323	323	
Non-Personal Services	<u>627</u>	<u>627</u>	
Total Office of the Commissioner	950	950	
Division of Technical Resources			
Personal Services	4	4	
Non-Personal Services	<u>54</u>	<u>54</u>	
Total Division of Technical Resources	58	58	
Division of Community Health Services			
Personal Services	2,145	2,145	
Non-Personal Services	<u>1,485</u>	<u>1,485</u>	
Total Division of Community Health Services	3,630	3,630	
Division of Primary Health Care - Programs			
Personal Services	3,645	3,645	
Non-Personal Services	<u>1,726</u>	<u>1,726</u>	
Total Division of Primary Health Care - Programs	5,371	5,371	
Division of Primary Health Care - Centers			
Personal Services	3,916	3,916	
Non-Personal Services	<u>4,134</u>	<u>4,134</u>	
Total Division of Primary Health Care - Centers	8,050	8,050	
Division of School and Adolescent Health			
Personal Services	5,846	5,846	
Non-Personal Services	<u>1,455</u>	<u>1,455</u>	
Total Division of School and Adolescent Health	<u>7,301</u>	<u>7,301</u>	
Total Department of Public Health	25,360	25,360	
Nondepartmental Accounts			
Public Employee Assistance	12	12	
Workers' Compensation Insurance	154	154	
General Fund Overhead Charge	<u>195</u>	<u>195</u>	
Total Nondepartmental Accounts	<u>361</u>	<u>361</u>	
Total Expenditures	<u>25,740</u>	<u>25,740</u>	
Net Change in Fund Balance	(1,961)	(1,613)	348
Fund Balance - July 1	<u>1,764</u>	<u>1,764</u>	
Fund Balance - June 30	<u>\$ (197)</u>	<u>\$ 151</u>	<u>\$ 348</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 June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
CINCINNATI BLUE ASH AIRPORT			
REVENUES			
Use of Money and Property	\$ 10	\$ 10	\$ _____
Total Revenues	10	10	
EXPENDITURES			
Total Expenditures	_____	_____	_____
Net Change in Fund Balance	10	10	
Fund Balance - July 1	111	111	_____
Fund Balance - June 30	<u>\$ 121</u>	<u>\$ 121</u>	<u>\$ _____</u>

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
COMMUNITY DEVELOPMENT			
REVENUES			
Use of Money and Property	\$ 3,434	\$ 3,434	\$
Federal Grants	12,010	12,010	
Charges for Current Services	23	23	
Special Assessments	150	150	
Miscellaneous	18	18	
Total Revenues	<u>15,635</u>	<u>15,635</u>	
EXPENDITURES			
Department of the City Manager			
Office of Economic Development			
Capital Outlay	664	664	
Total Office of Economic Development	<u>664</u>	<u>664</u>	
Total Department of the City Manager	<u>664</u>	<u>664</u>	
Department of Community and Economic Development			
Director's Office and Administration			
Personal Services	963	963	
Non-Personal Services	350	350	
Capital Outlay	797	797	
Total Director's Office and Administration	<u>2,110</u>	<u>2,110</u>	
Division of Housing			
Personal Services	296	296	
Non-Personal Services	65	65	
Capital Outlay	6,924	6,924	
Total Division of Housing	<u>7,285</u>	<u>7,285</u>	
Division of Economic Development and Major/Special Projects			
Personal	92	92	
Non-Personal Services	17	17	
Capital Outlay	1,040	1,040	
Total Division of Economic Development and Major/Special Projects	<u>1,149</u>	<u>1,149</u>	
Division of New Construction and Existing Building Standards			
Capital Outlay	110	110	
Total Division of New Construction and Existing Building Standards	<u>110</u>	<u>110</u>	
Total Department of Community and Economic Development	<u>10,654</u>	<u>10,654</u>	
Department of Parks			
Division of Administration and Program Services			
Capital Outlay	4	4	
Total Division of Administration and Program Services	<u>4</u>	<u>4</u>	
Total Department of Parks	<u>4</u>	<u>4</u>	
Department of Buildings and Inspections			
Division of Bldg. Inspections, License and Permits			
Capital Outlay	683	683	
Total Division of Bldg. Inspections, License and Permits	<u>683</u>	<u>683</u>	
Total Department of Buildings and Inspections	<u>683</u>	<u>683</u>	
Department of Public Services			
Division of City Facility Management			
Capital Outlay	23	23	
Total Division of City Facility Management	<u>23</u>	<u>23</u>	
Total Department of Public Services	<u>23</u>	<u>23</u>	

(Continued)

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	Budget	Actual	Variance with Budget - Positive (Negative)
COMMUNITY DEVELOPMENT			
(Continued)			
EXPENDITURES (Continued)			
Department of Health			
Division of Community Health Services			
Capital Outlay	\$ 251	\$ 251	\$ _____
Division of Community Health Services	251	251	_____
Total Department of Health	251	251	_____
Nondepartmental Accounts			
Special Investigations and Studies	1,420	1,420	_____
Total Nondepartmental Accounts	1,420	1,420	_____
Total Expenditures	13,699	13,699	_____
Excess (Deficiency) of Revenues over (under) Expenditures	1,936	1,936	_____
OTHER FINANCING SOURCES (USES)			
Transfers(Out)	(36)	(36)	_____
Total Other Financing Sources (Uses)	(36)	(36)	_____
Net Change in Fund Balance	1,900	1,900	_____
Fund Balance - July 1	(2,639)	(2,639)	_____
Fund Balance - June 30	\$ (739)	\$ (739)	\$ _____

City of Cincinnati, Ohio
 Schedule of Revenue, Expenditures and Changes in Fund Balance
 Budget(Non-GAAP Budgetary Basis) and Actual
 For the year ended June 30, 2017
 (Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
DEPARTMENT OF LABOR GRANTS			
REVENUES			
Total Revenues	\$	\$	\$
EXPENDITURES			
Total Expenditures	_____	_____	_____
Net Change in Fund Balance			
Fund Balance - July 1	<u>15</u>	<u>15</u>	_____
Fund Balance - June 30	\$ <u><u>15</u></u>	\$ <u><u>15</u></u>	\$ <u><u>_____</u></u>

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
OTHER GRANTS			
REVENUES			
Taxes	\$ 2,500	\$ 3,626	\$ 1,126
Use of Money and Property	2,340	2,480	140
Special Assessments	6,181	6,181	
Federal Grants	2,269	2,269	
Charges for Current Services	1,316	1,316	
License and Permits	1		(1)
Intergovernmental Revenue	200	200	
Miscellaneous	151	151	
Total Revenues	<u>14,958</u>	<u>16,223</u>	<u>1,265</u>
EXPENDITURES			
Department of the City Manager			
Office of the City Manager			
Non-Personal Services	<u>3</u>	<u>3</u>	
Total Office of the City Manager	<u>3</u>	<u>3</u>	
Office of Environment and Sustainability			
Personal Services	10	10	
Non-Personal Services	54	54	
Total Office of Environment and Sustainability	<u>64</u>	<u>64</u>	
Total Department of the City Manager	<u>67</u>	<u>67</u>	
Department of Human Resources			
Non Personal Services	<u>6</u>	<u>6</u>	
Total Department of Human Resources	<u>6</u>	<u>6</u>	
Department of Finance			
Division of Accounts and Audits			
Non-Personal Services	<u>168</u>	<u>168</u>	
Total Division of Accounts and Audits	<u>168</u>	<u>168</u>	
Division of Treasury			
Non-Personal Services	<u>6,268</u>	<u>6,268</u>	
Total Division of Treasury	<u>6,268</u>	<u>6,268</u>	
Total Department of Finance	<u>6,436</u>	<u>6,436</u>	
Department of Community and Economic Development			
Director's Office and Administration			
Personal Services	85	85	
Non-Personal Services	<u>87</u>	<u>87</u>	
Total Director's Office and Administration	<u>172</u>	<u>172</u>	
Division of Housing			
Non-Personal Services	59	59	
Capital Outlay	<u>2,206</u>	<u>2,206</u>	
Total Division of Housing	<u>2,265</u>	<u>2,265</u>	
Division of Economic Development and Major/Special Projects			
Non Personal Services	<u>526</u>	<u>526</u>	
Total Division of Economic Development and Major/Special Projects	<u>526</u>	<u>526</u>	
Division of New Construction and Existing Building Standards			
Non-Personal Services	<u>9</u>	<u>9</u>	
Total Division of New Construction and Existing Building Standards	<u>9</u>	<u>9</u>	
Total Department of Community and Economic Development	<u>2,972</u>	<u>2,972</u>	
Department of Parks			
Division of Operations and Facility Management			
Personal Services	675	675	
Non-Personal Services	<u>1,402</u>	<u>1,402</u>	
Total Department of Parks	<u>2,077</u>	<u>2,077</u>	

(Continued)

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	Budget	Actual	Variance with Budget - Positive (Negative)
OTHER GRANTS			
(Continued)			
EXPENDITURES (Continued)			
Department of Recreation			
Division of Administration			
Personal Services	\$ 111	\$ 111	
Non-Personal Services	<u>159</u>	<u>159</u>	
Total Division of Administration	<u>270</u>	<u>270</u>	
Total Department of Recreation	270	270	
Department of Buildings and Inspections			
Division of Bldg. Inspections, License and Permits			
Non-Personal Services	<u>151</u>	<u>151</u>	
Total Division of Bldg. Inspections, License and Permits	<u>151</u>	<u>151</u>	
Total Department of Buildings and Inspections	151	151	
Department of Transportation and Engineering			
Division of Engineering			
Non-Personal Services	<u>5</u>	<u>5</u>	
Total Division of Traffic Engineering	5	5	
Division of Traffic Engineering			
Personal Services	102	102	
Non-Personal Services	<u>313</u>	<u>313</u>	
Total Division of Traffic Engineering	<u>415</u>	<u>415</u>	
Total Department of Transportation and Engineering	420	420	
Department of Public Services			
Division of Traffic and Road Operations			
Personal Services	112	112	
Non-Personal Services	<u>105</u>	<u>105</u>	
Total Division of Traffic and Road Operations	<u>217</u>	<u>217</u>	
Division of Neighborhood Operations			
Non-Personal Services	<u>27</u>	<u>27</u>	
Total Division of Neighborhood Operations	<u>27</u>	<u>27</u>	
Division of City Facility Management			
Non-Personal Services	<u>1,568</u>	<u>1,568</u>	
Total City Facility Management	<u>1,568</u>	<u>1,568</u>	
Total Department of Public Services	1,812	1,812	
Nondepartmental Accounts			
Public Employees Assistance	1	1	
Workers' Compensation Insurance	<u>10</u>	<u>10</u>	
Total Department of Nondepartmental Accounts	<u>11</u>	<u>11</u>	
Total Expenditures	<u>14,222</u>	<u>14,222</u>	
Excess (Deficiency) of Revenues over (under) Expenditures	736	2,001	\$ 1,265
OTHER FINANCING SOURCES (USES)			
Transfers In	1,426	1,426	
Transfers Out	<u>(2,006)</u>	<u>(2,006)</u>	
Total Other Financing Sources (Uses)	<u>(580)</u>	<u>(580)</u>	
Net Change in Fund Balance	156	1,421	1,265
Fund Balance - July 1	<u>8,243</u>	<u>8,243</u>	
Fund Balance - June 30	<u>\$ 8,399</u>	<u>\$ 9,664</u>	<u>\$ 1,265</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 June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
BETTMAN NATURE CENTER			
REVENUES			
Use of Money and Property	\$ 45	\$ 45	\$
Total Revenues	45	45	
EXPENDITURES			
Department of Parks			
Division of Operations and Facility Management			
Non-Personal Services	11	11	
Total Division of Operations and Facility Management	11	11	
Total Department of Parks	11	11	
Total Expenditures	11	11	
Excess (Deficiency) of Revenues over (under) Expenditures	34	34	
OTHER FINANCING (USES)			
Transfers Out	(59)	(59)	
Total Other Financing Uses	(59)	(59)	
Net Change in Fund Balance	(25)	(25)	
Fund Balance - July 1	1,592	1,592	
Fund Balance - June 30	<u>\$ 1,567</u>	<u>\$ 1,567</u>	<u>\$</u>

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
GROESBECK ENDOWMENT FUND			
REVENUES			
Use of Money and Property	\$ 21	\$ 21	\$
Total Revenues	21	21	
<hr/>			
Excess (Deficiency) of Revenues over (under) Expenditures	21	21	
OTHER FINANCING (USES)			
Transfers Out	(21)	(21)	
Total Other Financing Uses	(21)	(21)	
<hr/>			
Net Change in Fund Balance			
Fund Balance - July 1	58	58	
Fund Balance - June 30	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$</u>

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

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

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	Budget	Actual	Variance with Budget - Positive (Negative)
JOANNA PETERS BEQUEST			
REVENUES			
Use of Money and Property	\$	\$	\$
Total Revenues			
Excess (Deficiency) of Revenues over (under) Expenditures			
OTHER FINANCING (USES)			
Transfers Out	(125)	(125)	
Total Other Financing Uses	(125)	(125)	
Net Change in Fund Balance	(125)	(125)	
Fund Balance - July 1	125	125	
Fund Balance - June 30	\$	\$	\$

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
THE W. M. AMPT MUSIC ENDOWMENT FUND			
REVENUES			
Use of Money and Property	\$ 8	\$ 8	\$
Total Revenues	8	8	
Excess (Deficiency) of Revenues over (under) Expenditures	8	8	
OTHER FINANCING (USES)			
Transfers Out	(8)	(8)	
Total Other Financing Uses	(8)	(8)	
Net Change in Fund Balance			
Fund Balance - July 1	137	137	
Fund Balance - June 30	<u>\$ 137</u>	<u>\$ 137</u>	<u>\$</u>

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
CROSLEY FIELD TRUST			
REVENUES			
Use of Money and Property	\$ 25	\$ 25	\$
Total Revenues	25	25	
EXPENDITURES			
Department of Recreation			
Division of Athletics			
Non-Personal Services	5	5	
Total Department of Recreation	5	5	
Total Expenditures	5	5	
Excess (Deficiency) of Revenues over (under) Expenditures	20	20	
OTHER FINANCING (USES)			
Transfers Out	(13)	(13)	
Total Other Financing Uses	(13)	(13)	
Net Change in Fund Balance	7	7	
Fund Balance - July 1	873	873	
Fund Balance - June 30	<u>\$ 880</u>	<u>\$ 880</u>	<u>\$</u>

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
KROGER TRUST			
REVENUES			
Use of Money and Property	\$ 1	\$ 1	\$
Total Revenues	1	1	
EXPENDITURES			
Department of Recreation Division of West Region Non-Personal Services	16	16	
Total Department of Recreation	16	16	
Total Expenditures	16	16	
Excess (Deficiency) of Revenues over (under) Expenditures	(15)	(15)	
Net Change in Fund Balance	(15)	(15)	
Fund Balance - July 1	94	94	
Fund Balance - June 30	<u>\$ 79</u>	<u>\$ 79</u>	<u>\$</u>

City of Cincinnati, Ohio
 Schedule of Revenue, Expenditures and Changes in Fund Balance
 Budget(Non-GAAP Budgetary Basis) and Actual
 For the year ended June 30, 2017
 (Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
YEATMAN'S COVE PARK TRUST			
REVENUES			
Use of Money and Property	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$</u>
Total Revenues	<u>8</u>	<u>8</u>	<u></u>
Net Change in Fund Balance	8	8	
Fund Balance - July 1	<u>659</u>	<u>659</u>	<u></u>
Fund Balance - June 30	<u><u>\$ 667</u></u>	<u><u>\$ 667</u></u>	<u><u>\$</u></u>

City of Cincinnati, Ohio
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2017
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
PARK BOARD FUND			
REVENUES			
Use of Money and Property	\$ 461	\$ 461	\$
Total Revenues	461	461	
EXPENDITURES			
Department of Parks			
Division of Administration and Program Services			
Non-Personal Services	50	50	
Total Division of Administration and Program Services	50	50	
Total Department of Parks	50	50	
Total Expenditures	50	50	
Excess (Deficiency) of Revenues over (under) Expenditures	411	411	
OTHER FINANCING (USES)			
Transfers Out	(241)	(241)	
Total Other Financing Uses	(241)	(241)	
Net Change in Fund Balance	170	170	
Fund Balance - July 1	6,137	6,137	
Fund Balance - June 30	<u>\$ 6,307</u>	<u>\$ 6,307</u>	<u>\$</u>

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CITY OF CINCINNATI, OHIO

NON-MAJOR ENTERPRISE FUNDS

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

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

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

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

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

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CITY OF CINCINNATI, OHIO
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2017
(Amounts in Thousands)

	Business Type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Convention Center	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
ASSETS						
Current Assets:						
Cash and Equivalents		\$ 88		\$ 364		\$ 452
Equity in City Treasury Cash	\$ 1,327	2,378	\$ 574	335	\$ 3,224	7,838
Receivables:						
Taxes	521					521
Accounts, Net	1,274	40	36	62	2,364	3,776
Accrued Interest		35	14	4	47	100
Due from Other Funds	26	49	12	7	92	186
Prepaid Items	542	77	7			626
Advances to Other Funds	705	2,556	2,237	465	4,858	10,821
Total Current Assets	<u>4,395</u>	<u>5,223</u>	<u>2,880</u>	<u>1,237</u>	<u>10,585</u>	<u>24,320</u>
Noncurrent Assets:						
Equity in City Treasury Cash	4,575	8,199	1,978	1,155	11,117	27,024
Land	11,555	8,161	13,229	1,324	7,074	41,343
Buildings, net of Accumulated Depreciation	44	17,394	447	243		18,128
Improvements, net of Accumulated Depreciation	80,788	17,824	6,679	7,065	47,856	160,212
Machinery and Equipment, net of Accumulated Depreciation	380	681	744	848	1,395	4,048
Property Acquired Under Capital Lease Net of Accumulated Amortization				409		409
Construction in Progress	3,499	3,768	678	186	5,655	13,786
Total Noncurrent Assets	<u>100,841</u>	<u>56,027</u>	<u>23,755</u>	<u>11,230</u>	<u>73,097</u>	<u>264,950</u>
Total Assets	<u>105,236</u>	<u>61,250</u>	<u>26,635</u>	<u>12,467</u>	<u>83,682</u>	<u>289,270</u>
DEFERRED OUTFLOWS OF RESOURCES						
Loss on Defeasance		515	12	13		540
Cincinnati Retirement System		1,019	518	140	855	2,532
Total Deferred Outflows of Resources		<u>1,534</u>	<u>530</u>	<u>153</u>	<u>855</u>	<u>3,072</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	152	249	20	148	507	1,076
Due to Other Funds	215	7	21	50	628	921
Due to Fiduciary Funds		10	4		11	25
Accrued Payroll		67	25	3	80	175
Accrued Liabilities		416	22		1	439
Accrued Interest	9	34	2	3	29	77
Obligations Under Capital Lease				258		258
Deposits Payable	2		4			6
Unearned Revenue	1,283	14	35			1,332
Compensated Absences Payable		158	81	15	144	398
General Obligation Bonds Payable	121	635	42	280	334	1,412
Total Current Liabilities	<u>1,782</u>	<u>1,590</u>	<u>256</u>	<u>757</u>	<u>1,734</u>	<u>6,119</u>
Noncurrent Liabilities:						
Compensated Absences Payable		225	202	24	400	851
General Obligation Bonds Payable	3,535	9,881	372	538	4,196	18,522
Obligations Under Capital Lease				441		441
Net Pension Liability-Cincinnati Retirement System		4,539	1,862	257	3,450	10,108
Net Other Post Employment Benefit Obligation	41	963	388	12	552	1,956
Total Noncurrent Liabilities	<u>3,576</u>	<u>15,608</u>	<u>2,824</u>	<u>1,272</u>	<u>8,598</u>	<u>31,878</u>
Total Liabilities	<u>5,358</u>	<u>17,198</u>	<u>3,080</u>	<u>2,029</u>	<u>10,332</u>	<u>37,997</u>
DEFERRED INFLOWS OF RESOURCES						
Gain on Defeasance	35		17	10		62
Service Concession Arrangements		12,101				12,101
Cincinnati Retirement System		3,341	1,084	149	2,006	6,580
Total Deferred Inflows of Resources	<u>35</u>	<u>15,442</u>	<u>1,101</u>	<u>159</u>	<u>2,006</u>	<u>18,743</u>
NET POSITION						
Net Investment in Capital Assets	94,759	38,377	21,358	8,561	60,100	223,155
Unrestricted Net Position	5,084	(8,233)	1,626	1,871	12,099	12,447
Total Net Position	<u>\$ 99,843</u>	<u>\$ 30,144</u>	<u>\$ 22,984</u>	<u>\$ 10,432</u>	<u>\$ 72,199</u>	<u>\$ 235,602</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the year ended June 30, 2017
(Amounts in Thousands)

	Business Type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Convention Center	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
OPERATING REVENUES						
Charges for Services	\$ 7,407	\$ 12,903	\$ 2,133	\$ 5,855	\$ 11,187	\$ 39,485
Miscellaneous Income		429	29	540		998
Total Operating Revenues	7,407	13,332	2,162	6,395	11,187	40,483
OPERATING EXPENSES						
Personal Services	90	2,597	977	319	3,297	7,280
Contractual Services	8,738	3,610	173	3,898	1,334	17,753
Maintenance and Repairs		160	19	43	4,559	4,781
Materials and Supplies		125	73	121	298	617
Utilities		152	177	484	80	893
Insurance	62	46	9	5	289	411
Taxes		736	45	38		819
Rent		105	8		184	297
Other Expense		102	3		42	147
Pension Expense	(137)	(6,371)	(2,776)	(160)	(3,437)	(12,881)
Depreciation and Amortization	4,372	2,877	762	1,055	3,305	12,371
Total Operating Expenses	13,125	4,139	(530)	5,803	9,951	32,488
Operating Income (Loss)	(5,718)	9,193	2,692	592	1,236	7,995
NONOPERATING REVENUES (EXPENSES)						
Interest Revenue		17	8	11	6	42
Occupancy Tax	2,166					2,166
Interest Expense	(33)	(381)	(17)	(63)	(34)	(528)
Total Non-Operating Revenues (Expenses)	2,133	(364)	(9)	(52)	(28)	1,680
Income (Loss) before Contributions and Transfers	(3,585)	8,829	2,683	540	1,208	9,675
Transfers In		575				575
Transfers (Out)	(1)	(2,759)	(6)		(4)	(2,770)
Capital Contributions	36		50	9		95
Change in Net Position	(3,550)	6,645	2,727	549	1,204	7,575
Beginning Net Position	103,393	23,499	20,257	9,883	70,995	228,027
Ending Net Position	\$ 99,843	\$ 30,144	\$ 22,984	\$ 10,432	\$ 72,199	\$ 235,602

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended June 30, 2017
(Amounts in Thousands)

	Business Type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Convention Center	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 6,525	\$ 13,006	\$ 2,150	\$ 6,335	\$ 11,282	\$ 39,298
Receipts from Other Funds	960					960
Payments to Suppliers	(8,772)	(4,005)	(565)	(4,614)	(2,840)	(20,796)
Payments to Other Funds	(76)	(302)			(3,067)	(3,445)
Payments to Employees	(90)	(2,518)	(947)	(373)	(3,000)	(6,928)
Payments for Property Taxes		(830)	(43)			(873)
Net Cash Provided (Used) by Operating Activities	<u>(1,453)</u>	<u>5,351</u>	<u>595</u>	<u>1,348</u>	<u>2,375</u>	<u>8,216</u>
Cash Flows from Noncapital Financing Activities:						
Repayment of Advances Made To Other Funds	453	(236)		1,014		1,231
Advances to Other Funds			(46)		(1,908)	(1,954)
Amounts Due From Other Funds for City Notes	129	207	60	7	275	678
Occupancy Tax	2,175					2,175
Transfers to Other Funds	(1)	(2,759)	(6)		(4)	(2,770)
Transfers from Other Funds		575				575
Net Cash Provided (Used) by Noncapital Financing	<u>2,756</u>	<u>(2,213)</u>	<u>8</u>	<u>1,021</u>	<u>(1,637)</u>	<u>(65)</u>
Cash Flows from Capital and Related Financing Activities:						
Proceeds from the Sale of Bonds					4,400	4,400
Capital Contributed by Other Sources	36		50	9		95
Acquisition of Property, Plant and Equipment		(81)	(128)	(2,053)		(2,262)
Interest Paid on Bonds and Notes	(31)	(382)	(14)	(63)	(5)	(495)
Principal Paid on Bonds and Notes	(37)	(565)	(57)	(294)	(4)	(957)
Payments on Long Term Capital Leases Obligations				(251)		(251)
Additions to Construction in Progress	(824)	(437)	(393)	(125)	(2,681)	(4,460)
Net Cash (Used) by Capital and Related Financing Activities	<u>(856)</u>	<u>(1,465)</u>	<u>(542)</u>	<u>(2,777)</u>	<u>1,710</u>	<u>(3,930)</u>
Cash Flow from Investing Activities:						
Interest and Dividends on Investments		14	6	10	3	33
Net Cash Provided by Investing Activities		<u>14</u>	<u>6</u>	<u>10</u>	<u>3</u>	<u>33</u>
Net Increase (decrease) in Cash and Cash Equivalents	447	1,687	67	(398)	2,451	4,254
Cash and Cash Equivalents, July 1	5,455	8,978	2,485	2,252	11,890	31,060
Cash and Cash Equivalents, June 30	<u>\$ 5,902</u>	<u>\$ 10,665</u>	<u>\$ 2,552</u>	<u>\$ 1,854</u>	<u>\$ 14,341</u>	<u>\$ 35,314</u>

(Continued)

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended June 30, 2017
(Amounts in Thousands)

	Business Type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Convention Center	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
<i>(Continued)</i>						
<u>Reconciliation of Operating Income (Loss) to</u>						
<u>Net Cash Provided (Used) by</u>						
<u>Operating Activities:</u>						
Operating Income (Loss)	\$ (5,718)	\$ 9,193	\$ 2,692	\$ 592	\$ 1,236	\$ 7,995
Depreciation and Amortization	4,372	2,877	762	1,055	3,305	12,371
Changes in Assets, Deferred Inflows/Outflows and Liabilities:						
(Increase) Decrease in:						
Receivables						
	(145)	18	(12)	(62)	48	(153)
Due from Other Funds						
	(41)	10			47	47
Prepaid Items						
		371	(36)	(85)	80	330
Deferred Outflows Cincinnati Retirement System						
				3		3
Deferred Outflows Ohio Public Employees Retirement System						
Increase (Decrease) in:						
Accounts Payable						
	7	(17)	(99)	(33)	413	271
Due to Other Funds						
	(14)		(4)	10	466	458
Due to Fiduciary Funds						
		2	1		5	8
Accrued Payroll						
		12	1	(1)	40	52
Accrued Liabilities						
		(94)	2			(92)
Unearned Revenue						
	223	2				225
Compensated Absences Payable						
		15	32	7	208	262
Deferred Inflows Service Concession Arrangements						
		(346)				(346)
Deferred Inflows Cincinnati Retirement System						
		2,519	694	108	1,338	4,659
Net Pension Liability Cincinnati Retirement System						
	(137)	(9,261)	(3,434)	(183)	(4,855)	(17,870)
Net Pension Liability Ohio Public Employees Retirement System						
			(22)	(65)		(87)
Net Other Post Employment Benefit Obligation						
		50	18	2	44	114
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,453)</u>	<u>\$ 5,351</u>	<u>\$ 595</u>	<u>\$ 1,348</u>	<u>\$ 2,375</u>	<u>\$ 8,216</u>
<u>Schedule of Noncash Investing</u>						
<u>Capital and Financing Activities:</u>						
Change in Fair Value of Investments						
	\$	\$ (132)	\$ (52)	\$ (12)	\$ (176)	\$ (372)
Property Plant and Equipment						
			118			118
Contributed by Other Funds						
Total Noncash Investing, Capital and Financing Activities						
	<u>\$</u>	<u>\$ (132)</u>	<u>\$ 66</u>	<u>\$ (12)</u>	<u>\$ (176)</u>	<u>\$ (254)</u>

CITY OF CINCINNATI, OHIO

INTERNAL SERVICE FUNDS

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

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

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

Self Insurance-Risk Management- 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 insurance costs for employees' health care and for City property, liability, and other risk coverage.

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

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

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CITY OF CINCINNATI, OHIO
Combining Statement of Net Position
Internal Service Funds
June 30, 2017
(Amounts in Thousands)

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Self Insurance Risk Management	Self Insurance Workers' Compensation	Enterprise Technology Services	Total Internal Service Funds
ASSETS							
Current Assets:							
Cash and Equivalents				225	225		225
Equity in City Treasury Cash	170	979	512	6,159	3,926	1,088	12,834
Receivables:							
Accounts, Net	17	178		497			692
Accrued Interest				80	52	8	140
Due from Other Funds	131	1,364	10	407	81	259	2,252
Due from Other Governments						57	57
Prepaid Items		5	29	1,226	91	230	1,581
Inventory	32	308					340
Advances to Other Funds						7,153	7,153
Total Current Assets	350	2,834	551	8,594	4,150	8,795	25,274
Noncurrent Assets:							
Equity in City Treasury Cash	588	3,374	1,767	21,238	13,537	3,751	44,255
Land		283					283
Improvements, net of Accumulated Depreciation		1,539				1,928	3,467
Machinery and Equipment, net of Accumulated Depreciation	178	709	6		2	6,727	7,622
Other Assets	766	1,602	1,773	21,238	13,539	12,406	57,229
Total Noncurrent Assets	1,116	10,341	2,324	29,832	17,689	21,201	82,503
Total Assets							
DEFERRED OUTFLOWS OF RESOURCES							
Cincinnati Retirement System	157	2,382	312	564	87	2,128	5,630
Ohio Public Employees Retirement System	59					114	173
Total Deferred Outflows of Resources	216	2,382	312	564	87	2,242	5,803

(Continued)

CITY OF CINCINNATI, OHIO
Combining Statement of Net Position
Internal Service Funds
June 30, 2017
(Amounts in Thousands)

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Self Insurance Risk Management	Self Insurance Workers' Compensation	Enterprise Technology Services	Total Internal Service Funds
(Continued)							
LIABILITIES							
Current Liabilities:							
Accounts Payable	\$ 2,525	\$ 1,034	\$ 4	\$ 3,720	\$ 437	\$ 436	\$ 8,156
Due to Other Funds		4	1	1		4	10
Due to Fiduciary Funds	1	24	2	6		12	45
Accrued Payroll	12	154	13	38	3	80	300
Accrued Liabilities	1	2			234	333	570
Accrued Interest	1	3		1		2	7
Deposits Payable			52				52
Compensated Absences Payable	33	437	28	101	5	207	811
Unpaid Claims Payable				7,809	2,769		10,578
General Obligation Bonds Payable	5	27		9		23	64
Total Current Liabilities	2,578	1,685	100	11,685	3,448	1,097	20,593
Noncurrent Liabilities:							
Estimated Liability for Compensated Absences	50	621	15	152	20	319	1,177
Estimated Liability for Unpaid Claims					10,775		10,775
Advances from Other Funds	50	532	177	125			884
Advances from Other Governments		20				1	21
General Obligation Bonds Payable	157	922		319		777	2,175
Net Pension Liability-Cincinnati Retirement System	655	11,619	874	2,749	208	6,244	22,349
Net Pension Liability-Ohio Public Employees Retirement System	152					133	285
Net Other Post Employment Benefit Obligation	170	1,673	133	93	15	1,817	3,901
Total Noncurrent Liabilities	1,234	15,387	1,199	3,438	11,018	9,291	41,567
Total Liabilities	3,812	17,072	1,299	15,123	14,466	10,388	62,160
DEFERRED INFLOWS OF RESOURCES							
Cincinnati Retirement System	731	7,272	509	2,152	120	5,009	15,793
Ohio Public Employees Retirement System	4					93	97
Total Deferred Inflows of Resources	735	7,272	509	2,152	120	5,102	15,890
NET POSITION							
Net Investment in Capital Assets	16	2,531	6		2	8,655	11,210
Restricted		1,602					1,602
Unrestricted Net Position	(3,231)	(15,754)	822	13,121	3,188	(702)	(2,556)
Total Net Position	\$ (3,215)	\$ (11,621)	\$ 828	\$ 13,121	\$ 3,190	\$ 7,953	\$ 10,256

CITY OF CINCINNATI, OHIO
Combining Statement of Revenue, Expenses and Changes in Fund Net Position
Internal Service Funds
For the year ended June 30, 2017
(Amounts in Thousands)

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Self Insurance Risk Management	Self Insurance Workers' Compensation	Enterprise Technology Services	Total Internal Service Funds
OPERATING REVENUES							
Charges for Services	\$ 2,674	\$ 17,191	\$ 2,188	\$ 71,537	\$ 3,642	\$ 8,781	\$ 103,825
Miscellaneous		11		11			2,210
Total Operating Revenues	<u>2,674</u>	<u>17,202</u>	<u>2,188</u>	<u>71,548</u>	<u>3,642</u>	<u>8,781</u>	<u>106,035</u>
OPERATING EXPENSES							
Personal Services	568	5,697	272	4,906	317	3,162	14,922
Contractual Services	3,226	1,027	42	2,160	8	1,911	8,374
Maintenance and Repairs	38	794				128	960
Materials and Supplies	1,262	9,143	28	38		377	10,848
Utilities	2	164	5	9		1,764	1,944
Insurance		5		74,272	4,747		79,024
Rent	128	283	41	127		1,365	1,944
Depreciation and Amortization	111	294	1		16	1,096	1,518
Pension Expense	(1,065)	(10,055)	(805)	(3,375)	133	(22,192)	(37,359)
Other Expense		8	2	24			34
Total Operating Expenses	<u>4,270</u>	<u>7,360</u>	<u>(414)</u>	<u>78,161</u>	<u>5,221</u>	<u>(12,389)</u>	<u>82,209</u>
Operating Income (Loss)	<u>(1,596)</u>	<u>9,842</u>	<u>2,602</u>	<u>(6,613)</u>	<u>(1,579)</u>	<u>21,170</u>	<u>23,826</u>
NONOPERATING REVENUES (EXPENSES)							
Interest Expense	(9)	(36)		(12)		(130)	(187)
Interest Revenue				72	30	5	107
Loss on Disposal of Assets	(3)						(3)
Total Non-Operating Revenue (Expenses)	<u>(12)</u>	<u>(36)</u>		<u>60</u>	<u>30</u>	<u>(125)</u>	<u>(83)</u>
Income (Loss) before Contributions and Transfers	(1,608)	9,806	2,602	(6,553)	(1,549)	21,045	23,743
Transfers In			(1,605)			10,291	10,291
Transfers (Out)		25				(1,423)	(3,028)
Capital Contribution							25
Change in Net Position	<u>(1,608)</u>	<u>9,831</u>	<u>997</u>	<u>(6,553)</u>	<u>(1,549)</u>	<u>29,913</u>	<u>31,031</u>
Beginning Net Position	<u>(1,607)</u>	<u>(21,452)</u>	<u>(169)</u>	<u>19,674</u>	<u>4,739</u>	<u>(21,960)</u>	<u>(20,775)</u>
Ending Net Position	<u>\$(3,215)</u>	<u>\$(11,621)</u>	<u>\$ 828</u>	<u>\$ 13,121</u>	<u>\$ 3,190</u>	<u>\$ 7,953</u>	<u>\$ 10,256</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2017
(Amounts in Thousands)

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Self Insurance Risk Management	Self Insurance Workers' Compensation	Enterprise Technology Services	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>							
Receipts from Customers	\$ 521	\$ 796	\$ 1,888	\$ 7,148	\$ 355	\$ 1,218	\$ 11,926
Receipts from Other Funds	2,162	16,244		63,989	3,287	7,562	93,244
Receipts from Retirement System				130			130
Payment to Suppliers	(2,265)	(8,752)	(116)	(75,069)	(3,197)	(5,043)	(94,442)
Payments to Other Funds	(13)	(2,283)				(527)	(2,823)
Payments to Employees	(538)	(5,524)	(267)	(4,856)	(311)	(2,940)	(14,436)
Net Cash Provided (Used) by Operating Activities	(133)	481	1,505	(8,658)	134	270	(6,401)
<u>Cash Flows from Noncapital Financing Activities:</u>							
Due from Other Funds for City Note Payable	22	294	56	878	404	95	1,749
Interest paid on Bond and Notes	(7)	(36)		(12)		(130)	(185)
Principal paid on Bond and Notes	(5)	(26)		(9)			(40)
Advances to Other Funds			(1,605)			(4,688)	(4,688)
Transfers to Other Funds						(1,423)	(3,028)
Transfers from Other Funds						9,425	9,425
Net Cash Provided (Used) by Noncapital Financing Activities	10	232	(1,549)	857	404	3,279	3,233
<u>Cash Flows from Capital and Related Financing Activities:</u>							
Contributions from Other Sources		25					25
Acquisition of Property, Plant and Equipment		(25)				(46)	(71)
Capital Items Expensed						(588)	(588)
Additions to Construction In Progress						(3,315)	(3,315)
Payment on Long Term Capital Lease Obligations	(13)						(13)
Net Cash (Used) by Capital and Related Financing Activities	(13)					(3,949)	(3,962)
<u>Cash Flows from Investing Activities:</u>							
Investment Purchases		250					250
Interest on Investments				87			87
Net Cash Provided by Investing Activities		250		87		6	371
Net Increase (Decrease) in Cash and Cash Equivalents	(136)	963	(44)	(7,714)	566	(394)	(6,759)
Cash and Cash Equivalents at July 1	894	3,390	2,323	35,336	16,897	5,233	64,073
Cash and Cash Equivalents at June 30	\$ 758	\$ 4,353	\$ 2,279	\$ 27,622	\$ 17,463	\$ 4,839	\$ 57,314

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2017
(Amounts in Thousands)

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Self Insurance Risk Management	Self Insurance Workers' Compensation	Enterprise Technology Services	Total Internal Service Funds
<u>Reconciliation of Operating Income(Loss) to</u>							
<u>Net Cash Provided (Used) by Operating Activities:</u>							
Operating Income (Loss)	\$ (1,596)	\$ 9,842	\$ 2,602	\$ (6,613)	\$ (1,579)	\$ 21,170	\$ 23,826
Depreciation and Amortization	111	294	1	16		1,096	1,518
Changes in Assets, Deferred Outflows/Inflows and Liabilities:							
(Increase) Decrease in:							
Receivables	7	(16)		39		2	30
Due from Other Funds	2	(146)		(281)		1	(423)
Due from Fiduciary Funds						(7)	1
Due from Other Governments	(4)						(7)
Inventory							(4)
Prepaid Items				1		164	165
Deferred Outflows Cincinnati Retirement System	90	934	(96)	300	(40)	(294)	894
Deferred Outflows Ohio Public Employees Retirement System	(21)					(77)	(98)
Increase (Decrease) in:							
Accounts Payable	2,382	404	1	312	111	(198)	3,012
Deposits Payable			(300)				(300)
Due to Other Funds		(15)	1			5	(9)
Due to Fiduciary Funds		3		1		3	7
Accrued Payroll	(1)	15	1	3		16	34
Accrued Liabilities	1				57	9	67
Advances from Other Governments						(2)	(2)
Deferred Inflows Cincinnati Retirement System	607	5,050	329	1,558	82	3,831	11,457
Deferred Inflows Ohio Public Employees Retirement System	(3)					88	85
Estimated Liability for Compensated Absences	(4)	40	5	17	4	146	208
Estimated Liability for Unpaid Claims Payable				1,209	1,390		2,599
Net Pension Liability Cincinnati Retirement System	(1,769)	(16,039)	(1,038)	(5,233)	91	(25,708)	(49,696)
Net Pension Liability Ohio Public Employees Retirement System	58		(12)	(1)		(32)	13
Net Other Post Employment Benefit Obligation	7	115	11	30	2	57	222
Operating Activities	\$ (133)	\$ 481	\$ 1,505	\$ (8,658)	\$ 134	\$ 270	\$ (6,401)
<u>Schedule of Noncash Investing,</u>							
<u>Capital and Financing Activities:</u>							
Change in Fair Value of Investments							
Total Noncash Investing, Capital							
and Financing Activities	\$	\$	\$	\$ (299)	\$ (193)	\$ (31)	\$ (523)
	\$	\$	\$	\$ (299)	\$ (193)	\$ (31)	\$ (523)

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CITY OF CINCINNATI, OHIO

FIDUCIARY FUNDS



AGENCY FUNDS

Agency Funds

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

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

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

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

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

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CITY OF CINCINNATI, OHIO
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2017
(Amounts in Thousands)

	Agency Funds					
	Towing Charges Private Operators	Convention Facility Authority	Admissions Tax Bonds	Engineering Deposits	Metropolitan Sewer District	Total
ASSETS						
Cash and Cash Equivalents	\$ 97	\$ 594	\$ 36	\$ 6	\$ 6	\$ 6
Equity in City Treasury Cash				2,058		2,785
Investments, at fair value					\$ 308,473	308,473
Receivables:						
Accounts, Net		3		69	51,217	51,289
Accrued Interest and Dividends					622	622
Total Assets	<u>\$ 97</u>	<u>\$ 597</u>	<u>\$ 36</u>	<u>\$ 2,133</u>	<u>\$ 360,312</u>	<u>\$ 363,175</u>
LIABILITIES						
Accounts Payable	\$ 43				\$ 20,863	\$ 20,906
Due to Other Governments		\$ 597			327,317	327,914
Accrued Payroll					1,452	1,452
Accrued Liabilities					37	37
Deposits Payable	54		\$ 36	\$ 2,133	113	2,336
Estimated Liability for Compensated Absences					10,530	10,530
Total Liabilities	<u>\$ 97</u>	<u>\$ 597</u>	<u>\$ 36</u>	<u>\$ 2,133</u>	<u>\$ 360,312</u>	<u>\$ 363,175</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>TOWING CHARGES - PRIVATE OPERATORS</u>				
ASSETS				
Equity in City Treasury Cash	\$ 261	\$ 547	\$ 711	\$ 97
Accounts Receivable	7		7	
Total Assets	<u>\$ 268</u>	<u>\$ 547</u>	<u>\$ 718</u>	<u>\$ 97</u>
LIABILITIES				
Accounts Payable		\$ 544	\$ 501	43
Deposits Payable	\$ 268	1,530	1,744	\$ 54
Total Liabilities	<u>\$ 268</u>	<u>\$ 2,074</u>	<u>\$ 2,245</u>	<u>\$ 97</u>
<u>CONVENTION FACILITY AUTHORITY</u>				
ASSETS				
Equity in City Treasury Cash	\$ 529	\$ 2,076	\$ 2,011	\$ 594
Accounts Receivable	15	3	15	3
Total Assets	<u>\$ 544</u>	<u>\$ 2,079</u>	<u>\$ 2,026</u>	<u>\$ 597</u>
LIABILITIES				
Due to Other Governments	\$ 542	\$ 599	\$ 544	\$ 597
Accounts Payable		1,794	1,794	
Deposits Payable	2		2	
Total Liabilities	<u>\$ 544</u>	<u>\$ 2,393</u>	<u>\$ 2,340</u>	<u>\$ 597</u>
<u>ADMISSION TAX BONDS</u>				
ASSETS				
Equity in City Treasury Cash	\$ 36	\$ 2	\$ 2	\$ 36
Accounts Receivable	1		1	
Total Assets	<u>\$ 37</u>	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$ 36</u>
LIABILITIES				
Accounts Payable		\$ 1	\$ 1	
Deposits Payable	\$ 37	2	3	\$ 36
Total Liabilities	<u>\$ 37</u>	<u>\$ 3</u>	<u>\$ 4</u>	<u>\$ 36</u>
<u>ENGINEERING DEPOSITS</u>				
ASSETS				
Cash and Cash Equivalents		\$ 302	\$ 296	\$ 6
Equity in City Treasury Cash	\$ 2,315	2,435	2,692	2,058
Accounts Receivable	84	204	219	69
Total Assets	<u>\$ 2,399</u>	<u>\$ 2,941</u>	<u>\$ 3,207</u>	<u>\$ 2,133</u>
LIABILITIES				
Accounts Payable		\$ 571	\$ 571	
Deposits Payable	2,399	2,998	3,264	\$ 2,133
Total Liabilities	<u>\$ 2,399</u>	<u>\$ 3,569</u>	<u>\$ 3,835</u>	<u>\$ 2,133</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>METROPOLITAN SEWER DISTRICT</u>				
ASSETS				
Investments	\$ 357,929	\$ 1,556,266	\$ 1,605,722	\$ 308,473
Cash with Fiscal Agent	2	13,463	13,465	
Accounts Receivable	50,847	55,504	55,134	51,217
Accrued Interest Receivable	1,015	1,018	1,411	622
Total Assets	<u>\$ 409,793</u>	<u>\$ 1,626,251</u>	<u>\$ 1,675,732</u>	<u>\$ 360,312</u>
LIABILITIES				
Accounts Payable	\$ 10,428	\$ 325,490	\$ 315,055	\$ 20,863
Due to Other Governments	388,542	600,103	661,328	327,317
Accrued Payroll	1,214	2,750	2,512	1,452
Accrued Liabilities	29	37	29	37
Deposits Payable	95	1,251	1,233	113
Estimated Liability for Compensated Absences	9,485	1,045		10,530
Total Liabilities	<u>\$ 409,793</u>	<u>\$ 930,676</u>	<u>\$ 980,157</u>	<u>\$ 360,312</u>
<u>TOTAL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents		\$ 302	\$ 296	\$ 6
Equity in City Treasury Cash	\$ 3,141	5,060	5,416	2,785
Cash with Fiscal Agent	2	13,463	13,465	
Investments	357,929	1,556,266	1,605,722	308,473
Receivables:				
Accounts, Net	50,954	55,711	55,376	51,289
Accrued Interest Receivable	1,015	1,018	1,411	622
Total Assets	<u>\$ 413,041</u>	<u>\$ 1,631,820</u>	<u>\$ 1,681,686</u>	<u>\$ 363,175</u>
LIABILITIES				
Accounts Payable	\$ 10,428	\$ 328,400	\$ 317,922	\$ 20,906
Due to Other Governmental Agencies	389,084	600,702	661,872	327,914
Accrued Payroll	1,214	2,750	2,512	1,452
Accrued Liabilities	29	37	29	37
Deposits Payable	2,801	5,781	6,246	2,336
Estimated Liability for Compensated Absences	9,485	1,045		10,530
Total Liabilities	<u>\$ 413,041</u>	<u>\$ 938,715</u>	<u>\$ 988,581</u>	<u>\$ 363,175</u>

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

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

	<u>June 30</u> <u>2017</u>	<u>June 30</u> <u>2016</u>
Governmental Activities Capital Assets		
Land	\$ 203,501	\$ 188,613
Buildings	286,086	274,937
Improvements	528,494	479,560
Machinery and Equipment	183,879	166,607
Infrastructure	1,302,684	1,145,575
Construction in Progress	132,736	289,887
Property acquired under capital leases	<u>24,637</u>	<u>6,009</u>
Total Governmental Capital Assets	<u>\$ 2,662,017</u>	<u>\$ 2,551,188</u>
Investment in Governmental Capital Assets	<u>\$ 2,662,017</u>	<u>\$ 2,551,188</u>

Investment in Governmental Capital Assets by Source:

Permanent Improvement Fund or		
General Obligation Bonds	\$ 1,810,479	\$ 1,751,856
Federal Grants	198,247	159,692
State Grants	190,303	196,604
County Grants	16,258	14,790
Private	13,714	13,383
General Fund Revenues	102,926	103,268
Special Revenue Funds	70,577	70,997
Gifts	2,529	2,529
Other and Undifferentiated	<u>256,984</u>	<u>238,069</u>
Total from All Sources	<u>\$ 2,662,017</u>	<u>\$ 2,551,188</u>

CITY OF CINCINNATI, OHIO
Schedule of Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
As of June 30, 2017
(Amounts In Thousands)

	Total	Land	Buildings	Improvements	Equipment	Infrastructure	Property Acquisition under Capital Leases	Construction In Progress
Mayor and Council	58				58			
City Manager	5,542		48	74	3,418	1,995		7
Community & Economic Development	240,610	\$ 74,220	\$ 40,869	\$ 74,423	68	51,030		
Law	120				120			
Human Resources	6,819			6,673	115			31
Finance	1,443			710	713			20
Enterprise Technology Services	14,693				2,693			12,000
City Planning	86			3	83			
Citizens Complaint & Internal Audit	25				25			
Recreation	160,077		33,823	117,767	4,369	207		
Parks	169,133		19,345	77,006	4,607	53,089		23
Buildings and Inspections	1,533	15,063		145	12			
Public Safety	92,481	1,376	8,608	12,618	59,094			10,328
Transportation & Engineering	1,251,947	44,339	7,731	15,712	11,281	1,172,884		
Enterprise Services	1,030	297			733			
Public Services	190,477	6,043	57,553	65,596	35,578	23,479		2,228
Public Health	18,024	237	4,203	9,997	3,587			
Pooled, Unassigned Equipment	523				523			
Southern Railway Improvement	83,224			83,224				
General Government								
Land	55,899	55,899						
Buildings	113,634		113,634					
Improvements	51,558			51,558				
Total Governmental Capital Assets Allocated by Function	2,458,936	203,218	285,814	515,506	127,077	1,302,684	24,637	
Construction in Progress	132,736							\$ 132,736
Internal Service Funds:								
Purchasing, Printing and Stores	1,336				1,336			
Fleet Services	7,894	283		4,465	2,874			
Self Insurance Risk Management	12		272		12			
Self Insurance Worker's Compensation	82				82			
Property Management	29			6	23			
Enterprise Technology Services	60,992			8,517	52,475			
Total Governmental Capital Assets	\$ 2,662,017	\$ 203,501	\$ 286,086	\$ 528,494	\$ 183,879	\$ 1,302,684	\$ 24,637	\$ 132,736

CITY OF CINCINNATI, OHIO
Schedule of Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the fiscal year ended June 30, 2017
(Amounts in Thousands)

	General Capital Assets July 1, 2016	Additions	Deletions	General Capital Assets June 30, 2017
Mayor and Council	\$ 58			\$ 58
City Manager	4,662	\$ 880		5,542
Law	180		\$ 60	120
Human Resources	6,807	12		6,819
Enterprise Technology Services	2,669	12,045	21	14,693
Finance	854	589		1,443
Community and Economic Development	230,079	12,377	1,846	240,610
City Planning and Buildings	146		60	86
Citizen's Complaint & Internal Audit	31		6	25
Recreation	155,045	5,496	464	160,077
Parks	161,206	8,130	203	169,133
Buildings and Inspections	1,790	12	269	1,533
Public Safety	86,440	8,815	2,774	92,481
Transportation & Engineering	1,077,454	174,554	61	1,251,947
Enterprise Services	1,433		403	1,030
Public Services	143,032	53,975	6,530	190,477
Public Health	17,529	601	106	18,024
Pooled, Unassigned Equipment	523			523
Southern Railway Improvement	83,224			83,224
General Government				
Land	55,899			55,899
Buildings	113,634			113,634
Improvements	51,558			51,558
Construction in Progress	289,887	95,294	252,445	132,736
Internal Service Funds:				
Purchasing, Printing and Stores	2,013		677	1,336
Fleet Services	7,927	24	57	7,894
Self Insurance Risk Management	27		15	12
Self Insurance Workers' Compensation	82			82
Property Management	29			29
Enterprise Technology Services	56,970	4,569	547	60,992
Total Governmental Capital Assets	<u>\$ 2,551,188</u>	<u>\$ 377,373</u>	<u>\$ 266,544</u>	<u>\$ 2,662,017</u>

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

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SCHEDULE

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City of Cincinnati, Ohio
Schedule of Outstanding Bonds and Notes
June 30, 2017

Fiscal Year	(a)General Obligation Bonds and Notes	(b)Municipal Income Tax Bonds and Notes	(c)Water Works Bonds	(d)Revenue Bonds and Notes	(c)Police and Fire Pension Bonds	(a)Judgement Bonds
	2008	\$ 223,695,000	\$ 50,095,000	\$ 11,800,000	\$ 405,625,000	\$ 41,515,000
2009	220,385,000	71,910,000	9,800,000	496,105,000	40,630,000	
2010	216,595,000	77,585,000	7,800,000	478,100,000	39,700,000	
2011	208,770,000	80,870,000	5,800,000	544,580,000	38,730,000	
2012	218,525,000	88,150,000	3,800,000	592,610,000	37,720,000	
2013	230,505,000	97,150,000	3,800,000	603,385,000	37,720,000	
2014	251,690,000	97,395,000	1,800,000	582,465,000	37,230,000	
2015	243,044,080	98,095,000		570,950,000	35,920,000	
2016	270,615,000	111,435,000		600,520,000	31,600,000	\$ 35,212,212
2017	265,226,000	110,627,000		665,186,620	30,325,000	34,260,145

Fiscal Year	(e)Urban Development Taxable Bonds	(c)Recreational Facility Bonds and Notes	(c)Off-Street Parking Facilities Bonds	(c)Urban Renewal Economic Development Bonds and Notes	(d)Sewer Admin Building Bonds and Notes	(c) Public Transportation Notes
	2008	\$ 4,960,000	\$ 9,820,000		\$ 25,835,000	
2009	5,080,000	8,955,000		31,080,000	\$ 15,000,000	
2010	4,915,000	8,090,000	\$ 5,000,000	36,995,000	14,460,000	
2011	4,740,000	7,225,000	4,850,000	51,835,000	13,900,000	
2012	4,560,000	6,435,000	4,700,000	81,345,000	13,325,000	\$ 21,000,000
2013	4,470,000	6,435,000	4,700,000	83,845,000	13,325,000	21,000,000
2014	4,270,000	5,645,000	4,450,000	96,000,000	12,735,000	21,000,000
2015	4,070,000	4,875,000	4,200,000	82,055,000	12,135,000	21,000,000
2016	4,380,000	4,175,000	9,950,000	79,235,000	11,400,000	
2017	4,100,000	3,385,000	9,940,000	91,245,000	10,760,000	

Fiscal Year	(c)Stormwater Bonds and Notes	(c)Urban Redevelopment Bonds and Notes	(d) Public Building Bonds	(a) Streets Special Assessment Bonds	Gross Tax Supported Debt	Gross Revenue Supported Debt	Gross Total Debt
	2008		\$ 10,870,000			\$ 223,695,000	\$ 560,520,000
2009	\$ 1,250,000	9,485,000			220,385,000	689,295,000	909,680,000
2010	3,375,000	24,570,000	\$ 10,080,000		216,595,000	710,670,000	927,265,000
2011	2,700,000	16,620,000	9,405,000		208,770,000	781,255,000	990,025,000
2012	2,025,000	15,120,000	8,730,000		218,525,000	879,520,000	1,098,045,000
2013	2,025,000	15,120,000	8,730,000		230,505,000	901,705,000	1,132,210,000
2014	1,350,000	8,965,000	14,395,000		251,690,000	887,700,000	1,139,390,000
2015	675,000	7,860,000	15,775,000		243,044,080	857,610,000	1,100,654,080
2016		6,800,000	14,640,000	\$ 1,000,000	305,827,212	875,135,000	1,180,962,212
2017	4,400,000	5,880,000	13,622,124	1,000,000	299,486,145	950,470,744	1,249,956,889

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

Note: This schedule reflects a change in fiscal year from a calendar year to a July 1- June 30 year.

CITY OF CINCINNATI
SCHEDULE OF ANNUAL DEBT SERVICE
 June 30, 2017

PROPERTY TAX-SUPPORTED					SELF-SUPPORTED				
Fiscal Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding Debt End of Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding Debt End of Year	Fiscal Year
2017				\$ 255,140,000				\$ 204,850,145	2017
2018	\$ 29,455,000	\$ 10,509,353	\$ 39,964,353	225,685,000	\$ 11,986,980	\$ 7,694,921	\$ 19,681,901	192,863,165	2018
2019	25,390,000	9,346,691	34,736,691	200,295,000	12,181,847	7,279,906	19,461,753	180,681,318	2019
2020	23,050,000	8,341,446	31,391,446	177,245,000	11,786,671	6,839,617	18,626,288	168,894,647	2020
2021	21,070,000	7,389,820	28,459,820	156,175,000	11,861,495	6,397,137	18,258,632	157,033,152	2021
2022	15,980,000	6,561,815	22,541,815	140,195,000	11,401,275	5,965,263	17,366,538	145,631,877	2022
2023	14,080,000	5,867,935	19,947,935	126,115,000	10,616,010	5,550,459	16,166,469	135,015,867	2023
2024	13,605,000	5,237,873	18,842,873	112,510,000	10,710,746	5,142,637	15,853,383	124,305,121	2024
2025	13,175,000	4,626,621	17,801,621	99,335,000	11,055,481	4,716,218	15,771,699	113,249,640	2025
2026	11,375,000	4,062,242	15,437,242	87,960,000	10,805,173	4,284,739	15,089,912	102,444,467	2026
2027	11,130,000	3,539,769	14,669,769	76,830,000	10,464,820	3,861,115	14,325,935	91,979,647	2027
2028	10,185,000	3,041,811	13,226,811	66,645,000	10,579,468	3,456,139	14,035,607	81,400,179	2028
2029	9,570,000	2,596,660	12,166,660	57,075,000	10,519,071	3,073,305	13,592,376	70,881,108	2029
2030	8,505,000	2,196,826	10,701,826	48,570,000	9,768,630	2,679,968	12,448,598	61,112,478	2030
2031	7,430,000	1,861,817	9,291,817	41,140,000	8,653,190	2,302,625	10,955,815	52,459,288	2031
2032	6,770,000	1,566,715	8,336,715	34,370,000	8,842,705	1,940,083	10,782,788	43,616,583	2032
2033	6,260,000	1,288,604	7,548,604	28,110,000	8,597,132	1,583,574	10,180,706	35,019,451	2033
2034	6,020,000	1,022,469	7,042,469	22,090,000	6,836,559	1,269,450	8,106,009	28,182,892	2034
2035	6,080,000	763,233	6,843,233	16,010,000	7,040,986	995,117	8,036,103	21,141,906	2035
2036	3,780,000	570,291	4,350,291	12,230,000	9,160,369	681,741	9,842,110	11,981,537	2036
2037	3,100,000	440,133	3,540,133	9,130,000	3,779,752	429,506	4,209,258	8,201,785	2037
2038	2,875,000	317,021	3,192,021	6,255,000	1,919,047	317,935	2,236,982	6,282,738	2038
2039	1,775,000	218,931	1,993,931	4,480,000	2,003,342	231,839	2,235,181	4,279,396	2039
2040	1,800,000	142,569	1,942,569	2,680,000	2,092,593	141,933	2,234,526	2,186,803	2040
2041	1,825,000	65,460	1,890,460	855,000	2,186,803	48,000	2,234,803		2041
2042	855,000	13,359	868,359						2042

MUNICIPAL INCOME TAX SUPPORTED					TOTAL				
Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding Debt End of Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding Debt End of Year	Year
2017				\$ 91,465,000				\$ 1,216,641,765	2017
2018	\$ 8,580,000	\$ 3,757,617	\$ 12,337,617	82,885,000					2018
2019	8,105,000	3,450,978	11,555,978	74,780,000	\$ 75,259,235	\$ 48,834,956	\$ 124,094,191	1,141,382,530	2019
2020	7,835,000	3,132,614	10,967,614	66,945,000	74,480,984	46,414,163	120,895,147	1,066,901,546	2020
2021	7,650,000	2,807,516	10,457,516	59,295,000	150,117,747	41,459,036	191,576,783	916,783,799	2021
2022	6,540,000	2,495,824	9,035,824	52,755,000	70,699,568	36,460,090	107,159,658	846,084,231	2022
2023	5,840,000	2,208,691	8,048,691	46,915,000	67,286,405	33,878,058	101,164,463	778,797,826	2023
2024	5,525,000	1,950,949	7,475,949	41,390,000	61,273,260	31,414,749	92,688,009	717,524,566	2024
2025	5,520,000	1,704,581	7,224,581	35,870,000	61,795,180	27,957,044	89,752,224	655,729,386	2025
2026	5,625,000	1,455,626	7,080,626	30,245,000	60,827,164	26,156,102	86,983,266	594,902,222	2026
2027	5,755,000	1,197,178	6,952,178	24,490,000	60,359,174	23,435,989	83,795,163	534,543,048	2027
2028	5,440,000	943,263	6,383,263	19,050,000	51,901,209	20,911,970	72,813,179	482,641,839	2028
2029	4,640,000	730,756	5,370,756	14,410,000	52,013,317	18,635,964	70,649,281	430,628,522	2029
2030	3,425,000	559,413	3,984,413	10,985,000	51,710,454	16,439,002	68,149,456	378,918,068	2030
2031	2,075,000	442,363	2,517,363	8,910,000	49,892,624	14,257,692	64,150,316	329,025,444	2031
2032	1,875,000	357,163	2,232,163	7,035,000	46,899,874	12,253,280	59,153,154	282,125,570	2032
2033	1,695,000	277,025	1,972,025	5,340,000	47,362,160	10,376,736	57,738,896	234,763,410	2033
2034	1,415,000	206,000	1,621,000	3,925,000	42,639,442	8,580,942	51,220,384	192,123,968	2034
2035	1,415,000	142,825	1,557,825	2,510,000	31,436,810	7,106,170	38,542,980	160,687,158	2035
2036	790,000	99,075	889,075	1,720,000	29,679,267	5,919,925	35,599,192	131,007,891	2036
2037	520,000	74,175	594,175	1,200,000	28,381,772	4,832,902	33,214,674	102,626,119	2037
2038	300,000	55,125	355,125	900,000	22,199,371	3,879,436	26,078,807	80,426,748	2038
2039	300,000	39,375	339,375	600,000	16,021,979	3,129,386	19,151,365	64,404,769	2039
2040	300,000	23,625	323,625	300,000	13,654,688	2,522,622	16,177,310	50,750,081	2040
2041	300,000	7,875	307,875		10,027,455	2,012,722	12,040,177	40,722,626	2041
					10,415,288	1,554,790	11,970,078	30,307,338	2042
					6,252,217	1,193,551	7,445,768	24,055,121	2043
					5,031,062	955,391	5,986,453	19,024,059	2044
					5,255,024	729,914	5,984,938	13,769,035	2045
					5,419,035	493,914	5,912,949	8,350,000	2046
					6,420,000	235,425	6,655,425	1,930,000	2046
					1,930,000	48,250	1,978,250		2047

REVENUE				
Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding Debt End of Year
2017				\$ 665,186,620
2018	\$ 25,237,255	\$ 26,873,065	\$ 52,110,320	639,949,365
2019	28,804,137	26,336,588	55,140,725	611,145,228
2020	107,446,076	23,145,359	130,591,435	503,699,152
2021	30,118,073	19,865,617	49,983,690	473,581,079
2022	33,365,130	18,855,156	52,220,286	440,215,949
2023	30,737,250	17,787,664	48,524,914	409,478,699
2024	31,954,434	15,625,585	47,580,019	377,524,265
2025	31,076,683	15,108,682	46,185,365	346,447,582
2026	32,554,001	13,633,382	46,187,383	313,893,581
2027	24,551,389	12,313,908	36,865,297	289,342,192
2028	25,808,849	11,194,751	37,003,600	263,533,343
2029	26,981,383	10,038,281	37,019,664	236,551,960
2030	28,193,994	8,821,485	37,015,479	208,357,966
2031	28,741,684	7,646,475	36,388,159	179,616,282
2032	29,874,455	6,512,775	36,387,230	149,741,827
2033	26,087,310	5,431,739	31,519,049	123,654,517
2034	17,165,251	4,608,251	21,773,502	106,489,266
2035	15,143,281	4,018,750	19,162,031	91,345,985
2036	14,651,403	3,481,795	18,133,198	76,694,582
2037	14,799,619	2,935,622	17,735,241	61,894,963
2038	10,927,932	2,439,305	13,367,237	50,967,031
2039	9,576,346	2,032,477	11,608,823	41,390,685
2040	5,834,862	1,704,595	7,539,457	35,555,823
2041	6,103,485	1,433,455	7,536,940	29,452,338
2042	5,397,217	1,180,192	6,577,409	24,055,121
2043	5,031,062	955,391	5,986,453	19,024,059
2044	5,255,024	729,914	5,984,938	13,769,035
2045	5,419,035	493,914	5,912,949	8,350,000
2046	6,420,000	235,425	6,655,425	1,930,000
2047	1,930,000	48,250	1,978,250	

CITY OF CINCINNATI, OHIO
Schedule of Receipts and Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For Fiscal Year ended June 30, 2017

(Amount in Thousands)

Grantor/ Program Title	Fund	CFDA#	Grant #	Fund Class	Agency	Federal Revenue Received	Contributions & Other Revenue (Non-Federal)	Federal Expenditures	Advances (Repayments) or Adjustments	Amount provided to Sub recipients
1 U.S. Department of Agriculture										
* Passed through Ohio Department of Health Hamilton County WIC Program	391	10.557	03120011WA0916	NAM	Health	1,248		840		
Hamilton County WIC Program	391	10.557	03120011WA1017	NAM	Health	1,588		2,422		
Total for CFDA No. 10.557						2,836		3,262		
* Passed through Ohio Department of Education Child and Adult Care Food Program (CACFP)	324	10.558	55X2031	NAR	Recreation	152		129		
TOTAL DEPARTMENT OF AGRICULTURE						152		129		
						2,988		3,391		
2 U.S. Department of Commerce										
EDA Local Technical Assistance Program - 151622	980	11.303	06-06-05693	CP	DCED	131		131		81
TOTAL DEPARTMENT OF COMMERCE						131		131		81
						131		131		81
3 Environmental Protection Agency										
Cyanotoxin Grant Program	756	66.468	HABG-14-067	EWW	GCWW	29				
TOTAL ENVIRONMENTAL PROTECTION AGENCY						29				
						29				
4 Food & Drug Administration										
Advancing Conformance with the Voluntary National Retail Food Regulatory Program Standards Grant	350	93.103	5U18FD004688-03	NAM	Health	70		70		
TOTAL FOOD & DRUG ADMINISTRATION						70		70		
						70		70		
5 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	65X2076	NAR	Recreation	20		11		11
(b.) Total for CFDA No. 93.044						20		11		11
* Passed through Council on Aging of Southwestern Ohio Special Programs for the Aging Title III, Part C Nutrition Services	324	93.045	65X2076	NAR	Recreation	53		6		14
(b.) Total for CFDA No. 93.045						53		6		14
* Passed through Council on Aging of Southwestern Ohio Nutrition Services Incentive Program (NSIP)	324	93.053	65X2076	NAR	Recreation	19		4		
(b.) Total for CFDA No. 93.053						19		4		
* Passed through Ohio Department of Health Public Health Emergency Preparedness	350	93.074	03120012PH716	NAM	Health	184		102		
Public Health Emergency Preparedness	350	93.074	03120012PH817	NAM	Health	156		247		
Total for CFDA No. 93.074						340		349		
Program for Toxic Substances & Disease Registry	436	93.161	1E11TS000227-01	NAO	Environment & Sustainability	28		28		
Total for CFDA No. 93.161						28		28		
* Passed through Ohio Department of Health Reproductive Health & Wellness	350	93.217	3120011RH0617	NAM	Health	601		14		615
Reproductive Health & Wellness	350	93.217	3120011RH0718	NAM	Health	601		14		177
Total for CFDA No. 93.217						601		14		792
Health Center Cluster	446	93.224	H80CS25683	NAM	Health	3,586				3,611
* Passed through Cincinnati Health Network Homeless Health Care Program	448	93.224	Contract #65X10136	NAM	Health	366				491
(i.) Total for CFDA No. 93.224						3,952				4,102

CITY OF CINCINNATI, OHIO
Schedule of Receipts and Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For Fiscal Year ended June 30, 2017

(Amount in Thousands)

Grantor/ Program Title	Fund	CFDA#	Grant #	Fund Class	Agency	Federal Revenue Received	Contributions & Other Revenue (Non-Federal)	Federal Expenditures	Advances (Repayments) or Adjustments	Amount provided to Sub recipients
* <i>Passed through Ohio Department of Health Immunization Action Plan Special</i>	415	93.268	03120012IM0916	NAM	Health	189	86	220		
Total for CFDA No. 93.268						189	86	220		
* <i>Passed through Ohio Department of Health Immunization Action Plan Special</i>	415	93.539	03120012IM1017	NAM	Health			55		
Total for CFDA No. 93.539								55		
* <i>Passed through Ohio Department of Job and Family Services Temporary Assistance for Needy Families (TANF)</i>	323	93.558	05x2034 & 05x2035	APR	Recreation	101	41	116		
(h.) Total for CFDA No. 93.558						101	41	116		
* <i>Passed through Ohio Department of Job and Family Services Refugee Health Screening Cincinnati</i>	350	93.566	G-1415-17-0841	NAM	Health	303		303		
Total for CFDA No. 93.566						303		303		
* <i>Passed through Ohio Department of Job and Family Services Child Care and Development Block Grant (CCDBG)</i>	323	93.575	05x2034 & 05x2035	APR	Recreation	50	20	58		
(a.) Total for CFDA No. 93.575						50	20	58		
* <i>Passed through Ohio Department of Job and Family Services Social Services Block Grant - Title XX (SSBG)</i>	323	93.667	05x2034 & 05x2035	APR	Recreation	50	20	58		
Total for CFDA No. 93.667						50	20	58		
* <i>Passed through Ohio Department of Health Creating Healthy Communities</i>	425	93.758	03120014CC0716	NAM	Health	102		122		
<i>Creating Healthy Communities</i>	425	93.758	03120014CC0817	NAM	Health	34		35		
Total for CFDA No. 93.758						136		157		
* <i>Passed through Ohio Department of Developmental Disabilities Medical Assistance Program</i>	324	93.778	N/A	NAR	Recreation	14		22		
(c.) Total for CFDA No. 93.778						14		22		
Family and Community Violence Prevention Program (14CAMP)	368	93.910	YEPMP140082-02-00	NAS	Police	233		239		
Total for CFDA No. 93.910						233		239		
* <i>Passed through Ohio Department of Health Reproductive Health & Wellness</i>	350	93.994	3120011RH0617	NAM	Health	16		16		
<i>Dental Sealant Grant</i>	350	93.994	03120011DS0316	NAM	Health	33		25		
<i>Dental Sealant Grant</i>	350	93.994	03120011DS0417	NAM	Health	10		10		
Total for CFDA No. 93.994						59		51		
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES						6,148	187	6,675	25	
6 U.S. Department of Homeland Security						418		418		
FY15 Assistance to Firefighters Grant (AFG)	472	97.044	EMW-2015-FO-07265	NAS	Fire	418		418		
Total for CFDA No. 97.044						418		418		
FY14 Port Security Grant Program	368	97.056	EMW-2014-PU-00224	NAS	Police	38		34		
FY15 Port Security Grant Program	368	97.056	EMW-2015-PU-00265	NAS	Police	55		81		
FY16 Port Security Grant Program	368	97.056	EMW-2016-PU-00391	NAS	Police	1		2		
Total for CFDA No. 97.056						94		117		
FY13 Staffing for Adequate Fire & Emergency Response (SAFER)	472	97.083	EMW-2013-FH-00536	NAS	Fire	1,353		664		
Total for CFDA No. 97.083						1,353		664		
TOTAL DEPARTMENT OF HOMELAND SECURITY						1,865		1,199		
7 U.S. Department of Housing and Urban Development						1,715	641	2,253		162
Community Development Block Grants/Entitlement Grant	304	14.218	B14MCS990003	NAC	DCED	288		375		196
Community Development Block Grants/Entitlement Grant	304	14.218	B15MCS990003	NAC	DCED	7,410		7,752		3,469
Community Development Block Grants/Entitlement Grant	304	14.218	B16MCS990003	NAC	DCED					

CITY OF CINCINNATI, OHIO
Schedule of Receipts and Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For Fiscal Year ended June 30, 2017

(Amount in Thousands)

Grantor/ Program Title	Fund	CFDA#	Grant #	Fund Class	Agency	Federal Revenue Received	Contributions & Other Revenue (Non-Federal)	Federal Expenditures	Advances (Repayments) or Adjustments	Amount provided to Sub recipients
Community Development Block Grants/Entitlement Grant	304	14.218	B17MC390003	NAC	DCED	9,413	2,512	305		305
Neighborhood Stabilization Program 1	438	14.218	B-08-MN-39-0003	NAO	DCED		34			4,132
(k.) Total for CFDA No. 14.218							3,187	10,685		
2015 Emergency Solutions Grant (ESG)	445	14.231	E 15 MC 39 0003	NAO	DCED	16		16		16
2016 Emergency Solutions Grant (ESG)	445	14.231	E 16 MC 39 0003	NAO	DCED	881		770		770
Total for CFDA No. 14.231						897		786		786
HOME Investment Partnerships Program 2011	411	14.239	M11MC390213	NAC	DCED	12		12		12
HOME Investment Partnerships Program 2012	411	14.239	M12MC390213	NAC	DCED	349		374		374
HOME Investment Partnerships Program 2013	411	14.239	M13MC390213	NAC	DCED	1,345		1,401		8
HOME Investment Partnerships Program 2014	411	14.239	M14MC390213	NAC	DCED	135		135		135
HOME Investment Partnerships Program 2015	411	14.239	M15MC390213	NAC	DCED	439		439		147
HOME Investment Partnerships Program 2016	411	14.239	M16MC390213	NAC	DCED	317	11	370		42
HOME Investment Partnerships Program 2017	411	14.239	M17MC390213	NAC	DCED		223	30		30
Total for CFDA No. 14.239						2,597	234	2,761		269
Housing Opportunities for Persons with AIDS - 2015	465	14.241	OHH 15F001	NAO	DCED	5		5		5
Housing Opportunities for Persons with AIDS - 2016	465	14.241	OHH 16F001	NAO	DCED	601		409		409
Total for CFDA No. 14.241						606		414		414
i CDBG Section 108 Loan Fund	305	14.248	B-12-MC-39-003	NAC	DCED		255	237		
Total for CFDA No. 14.248							255	237		
MetroWest HUD EDI - 10221	980	14.251	B-10-SP-OH-0080	CP	DCED			457		
Total for CFDA No. 14.251								457		
ARRA- Neighborhood Stabilization Program 3	438	14.256	B-11-MN-39-0003	NAO	DCED			27		
* Passed through Hamilton County										
ARRA- Neighborhood Stabilization Program 2	502	14.256	B-09-CN-OH-0033	NAO	DCED			244		
Total for CFDA No. 14.256								271		
Continuum of Care Program	410	14.267	OH0362C5E001000	NAO	DCED	130		130		130
Continuum of Care Program	410	14.267	OH0363C5E001000	NAO	DCED	335		329		335
Continuum of Care Program	410	14.267	OH0009L5E001407	NAO	DCED	22		22		22
Continuum of Care Program	410	14.267	OH0002L5E001402	NAO	DCED	22		22		22
Continuum of Care Program	410	14.267	OH0006L5E001402	NAO	DCED	22		22		22
Continuum of Care Program	410	14.267	OH0015L5E001407	NAO	DCED	13		13		13
Continuum of Care Program	410	14.267	OH0424L5E001403	NAO	DCED	77		77		77
Continuum of Care Program	410	14.267	OH0003L5E001401	NAO	DCED	14		14		14
Continuum of Care Program	410	14.267	OH0302L5E001401	NAO	DCED	27		27		27
Continuum of Care Program	410	14.267	OH 0307L5E001401	NAO	DCED	24		27		27
Continuum of Care Program	410	14.267	OH0308L5E001401	NAO	DCED	74		74		74
Total for CFDA No. 14.267						738		735		741
Lead Hazard Control Grant	381	14.905	OHLHB0582-14	NAM	Health	1,241		1,143		1,143
Total for CFDA No. 14.905						1,241		1,143		1,143
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						15,492	3,676	17,489		6,342
8 U.S. Department of Justice										
* Passed through Ohio Attorney General										
Crime Victim Assistance (16VALU)	368	16.575	2016-VOCA-19812206	NAS	Police	21		15		15
Crime Victim Assistance (17VALU)	368	16.575	2017-VOCA-43552425	NAS	Police	74		79		79
Total for CFDA No. 16.575						95		94		94
* Passed through Ohio Office of Criminal Justice Services										
Violence Against Women Formula Grants (15VAWA)	368	16.588	2015-WF-VA5-8583	NAS	Police	45		45		45
Violence Against Women Formula Grants (16VAWA)	368	16.588	2016-WF-VA5-8583	NAS	Police	16		16		16

CITY OF CINCINNATI, OHIO
Schedule of Receipts and Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For Fiscal Year ended June 30, 2017

(Amount in Thousands)

Grantor/ Program Title	Fund	CFDA#	Grant #	Fund Class	Agency	Federal Revenue Received	Contributions & Other Revenue (Non-Federal)	Federal Expenditures	Advances (Repayments) or Adjustments	Amount provided to Sub recipients
Total for CFDA No. 16.588						61		61		
Public Safety Partnership & Community Policing Grant 2014	368	16.710	2014-JUL-WX-0029	NAS	Police	663		663		
Public Safety Partnership & Community Policing Grant 2015	368	16.710	2015-JUL-WX-0030	NAS	Police	610		559		
Total for CFDA No. 16.710						1,273		1,222		
Technology Innovation for Public Safety	368	16.738	2016-DG-BX-K052	NAS	Police			204		
Edward Byrne Memorial Justice Assistance Grant Program (13JAG)	478	16.738	2013-DJ-BX-0194	NAS	Police	(11)			(23)	
Edward Byrne Memorial Justice Assistance Grant Program (14JAG)	478	16.738	2014-DJ-BX-0398	NAS	Police		2	54		
Edward Byrne Memorial Justice Assistance Grant Program (15JAG)	478	16.738	2015-DJ-BX-0238	NAS	Police		3	18		
Edward Byrne Memorial Justice Assistance Grant Program (16JAG)	478	16.738	2016-DJ-BX-0213	NAS	Police	314	1	141		141
<i>* Passed through Ohio Office of Criminal Justice Services</i>										
Edward Byrne Memorial JAG (15TRAFFICKING)	368	16.738	2015-JG-A02-6256	NAS	Police	14		14		
Edward Byrne Memorial JAG (15HOME)	368	16.738	2015-JG-A02-6810	NAS	Police	17		17		
Total for CFDA No. 16.738						334	6	448	(23)	141
Equitable Sharing Program	367	16.922		NAS	Police	811		403		
Total for CFDA No. 16.922						811		403		
TOTAL DEPARTMENT OF JUSTICE						2,574	6	2,228	(23)	141
9 U.S. Department of the Interior										
Sport Fishing Restoration	324	15.605	65X2012	NAR	Recreation					5
Sport Fishing Restoration	324	15.605	65X2088	NAR	Recreation	10		3		
(e.) Total for CFDA No. 15.605						10		8		8
TOTAL DEPARTMENT OF INTERIOR						10		8		8
10 U.S. Department of Transportation										
FAA Local Match 142329	980	20.106	3-39-0018-022-2014	CP	DOTe	50		69		
Total for CFDA No. 20.106						50		69		
<i>* Passed through Ohio Department of Transportation</i>										
Uptown Access Improvements West MILK Drive 11330	980	20.205	PID 87036	CP	DOTe	662		1,103		
Harrison Avenue Improvements 11338	980	20.205	PID 81853	CP	DOTe			1		
Central Parkway Bikeway 122337	980	20.205	PID 96335	CP	DOTe			3		
Bicycle Transportation Program - Lunken Trail 152337	980	20.205	PID 98756	CP	DOTe			29		
Safe Routes to School 152387	980	20.205	PID 94308	CP	DOTe	55		57		
Northside Arterial Improvements 03343	980	20.205	PID 87451	CP	DOTe	2,205		2,482		
FHA Local Bridge Fund Marburg Bridge Grants 172314	980	20.205	PID 94068	CP	DOTe	83				
(f.) Total for CFDA No. 20.205						3,005		3,675		
<i>* Passed through Southwest Ohio Regional Transit Authority</i>										
FTA -Urban Circulator Grant - 03678	980	20.500	OH-03-0303-00	CP	DOTe	3,804		3,804		
(j.) Total for CFDA No. 20.500						3,804		3,804		
<i>* Passed through Ohio State Highway Patrol</i>										
State and Community Highway Safety (16BLUEASH)	368	20.600	MOA - Subgrantee (2015)	NAS	Police	4		9		
State and Community Highway Safety (16BLUEASH)	368	20.600	MOA - Subgrantee (2016)	NAS	Police	11		5		
State and Community Highway Safety (16WORK)	368	20.600	CZ-2016-31-00-00-00673-00	NAS	Police	35		35		
State and Community Highway Safety (17WORK)	368	20.600	CZ-2017-31-00-00-00618-00	NAS	Police	6		6		
State and Community Highway Safety (15STEP)	368	20.600	STEP-2016-31-00-00-00455-00	NAS	Police	19		19		
State and Community Highway Safety (16STEP)	368	20.600	STEP-2017-31-00-00-00483-00	NAS	Police	16		10		
(g.) Total for CFDA No. 20.600						91		84		

CITY OF CINCINNATI, OHIO
Schedule of Receipts and Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For Fiscal Year ended June 30, 2017

(Amount in Thousands)

Grantor/ Program Title	Fund	CFDA#	Grant #	Fund Class	Agency	Federal Revenue Received	Contributions & Other Revenue (Non-Federal)	Federal Expenditures	Advances (Repayments) or Adjustments	Amount provided to Sub recipients
National Priority Safety Programs (15IDEP)	368	20.616	IDEP-2016-31-00-00-00322-00	NAS	Police	17		17		
National Priority Safety Programs (16IDEP)	368	20.616	IDEP-2017-31-00-00-00346-00	NAS	Police	22		22		
(g.) Total for CFDA No. 20.616						39		39		
<i>* Passed through Southwest Ohio Regional Transit Authority</i>										
<i>ii Tiger Grant - 03678</i>	980	20.933	OH-79-002-00	CP	DOTe	130		134		
TOTAL DEPARTMENT OF TRANSPORTATION			Total for CFDA No. 20.933			130		134		
						7,119		7,805		
TOTAL FEDERAL GRANTS & SUBSIDIES (Non-GAAP Basis)						36,426	3,869	38,996	2	6,564

Notes to the Schedule of Receipts and Expenditures of Federal Awards

The City has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance

i Total Department of Community & Economic Development (DCED) loans outstanding at June 30, 2017 totaled \$15,154,196 under CFDA 14.218, \$39,509,912 under CFDA 14.239, \$236,651 under CFDA 14.248, \$7,215,840 under CFDA 14.256 and \$132,700 under CFDA 14.905.

ii In 2012 the City entered into an intergovernmental cooperative agreement with SORTA to administer the following grants awarded to the City as a sub-recipient. The City is responsible for the assurance that invoices paid are in compliance with the grants. The two grants covered under this agreement are:
 The Urban Circulator Grant CFDA 20.500 \$ 24,990,000.00
 TIGER 3 Grant CFDA 20.933 \$ 15,920,000.00

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

CLUSTERS OF PROGRAMS

	Federal Revenue Received	Contributions & Other Revenue (Non-Federal)	Federal Expenditures	Advances (Repayments) or Adjustments	Amount provided to Sub recipients
a. CODF	50	20	58		
b. Aging	92	6	125		25
c. Medicaid	14		22		
d. Drinking Water State Revolving Fund	29				
e. Fish and Wildlife	10		8		
f. Highway Planning and Construction	3,005		3,675		
g. Highway Safety	130		123		
h. TANF	101	41	116		
i. Health Center Program	3,952		4,102		
j. Federal Transit	3,804		3,804		
k. CDBG - Entitlement Grants	9,413	3,187	10,685		4,132

Reconciliation of Schedule of Receipts and Expenditures of Federal Awards to Budgetary Statements

	Budgetary Statements	SEEA
Special Recreation Fund (APR)	201	201
Community Development (NAC)	12,010	12,010
Health (NAM)	9,727	9,727
Other Grants (NAO)	2,269	2,269
Recreation Grants (NAR)	268	268
Safety (NAS)	4,802	4,802
Capital Projects (CP)	7,119	7,120
Greater Cincinnati Water Works (EWW)	29	29
	<u>36,426</u>	<u>36,426</u>

CITY OF CINCINNATI, OHIO
INFRASTRUCTURE INCOME TAX

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

The following data summarizes the results of the City's compliance with the infrastructure income tax requirements for Fiscal Years 2017 and 2016.

(AMOUNTS IN THOUSANDS)

	<u>FY2017</u>	<u>FY2016</u>
Required Base Amount	\$61,908	\$61,096
Actual Appropriated Amount	\$91,801	\$81,424
Infrastructure Expenditures - As of June 30, 2017	\$49,943	\$59,782
Percentage of Expenditures to Base Amount	80.6729%	97.8493%

I hereby certify that the City of Cincinnati appropriated for FY2017 an amount sufficient to meet the requirements for continuation of the Infrastructure Income Tax.



Reginald Zeno
Director of Finance

STATISTICAL SECTION

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 position, changes to net position and fund balance for assessing the changes in financial position over time.

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

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

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

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

Sources: Unless otherwise noted, the information in these statistical schedules is from the comprehensive annual financial reports for the relevant years.

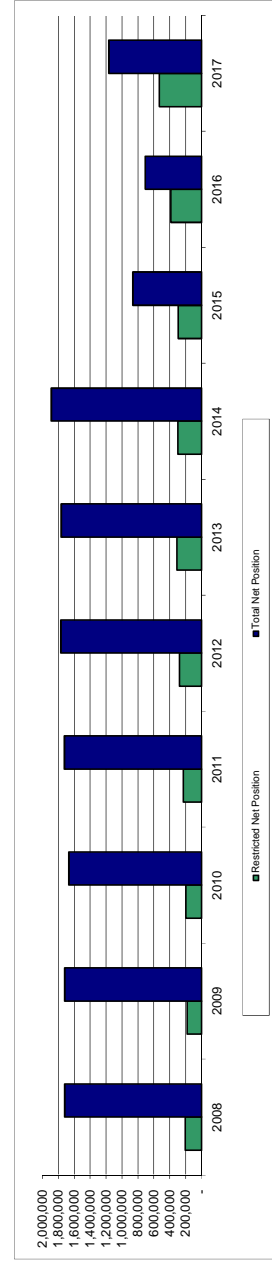
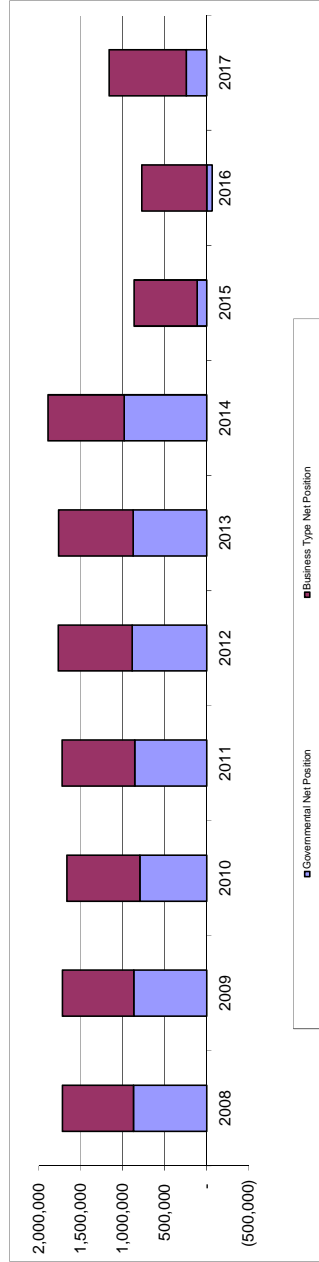
Note: The City changed its fiscal year in 2013 from a January 1 through December 31 to July 1 through June 30. The 2013 Fiscal year represents the six month conversion period from January 1 to June 30.

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City of Cincinnati
Financial Trends Information
Schedule 1
Net Position by Category
Last Ten Fiscal Periods
(Amounts in Thousands)

	Fiscal Period									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 645,883	\$ 674,890	\$ 714,590	\$ 741,266	\$ 777,236	\$ 797,444	\$ 866,831	\$ 928,893	\$ 868,010	\$ 902,668
Restricted	162,774	133,750	160,955	203,698	223,826	233,054	205,812	212,989	316,881	380,598
Unrestricted	64,412	60,588	(80,222)	(89,024)	(114,492)	(153,490)	(80,482)	(1,029,535)	(1,252,133)	(1,039,794)
Subtotal governmental activities net position	873,069	869,028	795,313	855,940	886,570	877,008	982,161	112,347	(67,242)	243,472
Business-Type activities										
Net Investment in Capital Assets	707,549	705,909	750,184	745,722	748,487	743,892	741,619	779,790	792,466	741,844
Restricted	42,929	47,438	36,587	23,010	52,330	77,273	90,651	79,623	67,988	146,953
Unrestricted	95,424	97,175	85,433	98,341	79,518	65,200	75,073	(106,980)	(86,602)	31,351
Subtotal business-type activities net position	845,902	850,522	872,204	867,073	880,335	886,365	907,343	752,433	773,852	920,148
Primary Government										
Net Investment in Capital Assets	1,353,432	1,380,599	1,464,764	1,486,988	1,525,723	1,541,336	1,608,450	1,708,683	1,660,476	1,644,512
Restricted	205,703	181,188	197,542	226,708	276,156	310,327	296,463	292,612	384,869	527,551
Unrestricted	159,836	157,763	5,211	9,317	(34,974)	(88,290)	(15,409)	(1,136,515)	(1,338,735)	(1,008,443)
Total primary government net position	\$ 1,718,971	\$ 1,719,550	\$ 1,667,517	\$ 1,723,013	\$ 1,766,905	\$ 1,763,373	\$ 1,889,504	\$ 864,780	\$ 706,610	\$ 1,163,620

Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.



City of Cincinnati, Ohio
Financial Trends Information
Schedule 2
Changes in Net Position
Last Ten Fiscal Periods
(Amounts in Thousands)

	Fiscal Period									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 100,874	\$ 107,959	\$ 106,395	\$ 78,682	\$ 52,737	\$ 18,198	\$ 59,231	\$ 62,795	\$ 59,129	\$ 64,104
General Government	2,488	408	5,147	37	13,346	6,779	31,726	32,147	10,799	13,471
Community Development	6,833	7,314	7,451	7,059	7,404	8,833	10,775	8,833	9,215	8,332
Parks and Recreation	16,404	14,230	14,789	19,331	18,059	8,752	22,032	25,205	22,172	15,952
Public Safety	1,583	85	1,956	1,360	1,581	937	3,233	3,865	550	1,993
Transportation and Engineering	3,078	5,735	2,588	36	2,301	1,056	2,789	2,971	4,578	3,721
Public Services	8,216	9,607	10,152	10,314	12,340	6,941	14,188	18,666	22,626	21,108
Public Health	43,632	54,101	64,475	66,024	78,897	21,967	58,425	66,808	48,537	39,173
Operating Grants and Contributions	21,502	22,951	23,436	27,012	31,232	21,416	36,456	35,054	20,563	12,786
Capital Grants and Contributions	204,610	222,390	236,389	209,855	217,897	90,855	238,855	256,344	198,169	180,640
Total governmental activities program revenue	119,228	115,377	123,443	119,434	132,486	64,840	139,635	140,124	146,395	155,282
Business-type activities	8,814	8,860	9,520	10,385	10,402	5,709	13,468	12,119	13,095	12,903
Charges for Services	6,440	5,236	6,764	7,513	6,788	4,221	6,693	6,978	8,211	7,407
Water Works	2,029	1,932	2,039	2,044	2,083	1,444	1,848	1,985	2,086	2,133
Parking Facilities	6,414	6,458	6,069	5,270	5,990	2,760	5,392	5,509	5,759	5,855
Convention Center	8,692	8,756	8,919	8,412	9,686	5,691	11,305	11,455	11,200	11,187
General Aviation	5,293	9,971	32,217	3,543	3,414	359	2,197	4,684	9,964	1,576
Municipal Golf	156,910	156,590	188,971	156,601	170,849	85,024	180,538	182,854	196,710	196,343
Stormwater Management	\$ 361,520	\$ 378,980	\$ 425,360	\$ 366,456	\$ 388,746	\$ 175,879	\$ 419,393	\$ 439,198	\$ 394,879	\$ 376,983
Capital Grants and Contributions										
Total business-type activities program revenues	\$ 139,727	\$ 140,573	\$ 178,047	\$ 117,064	\$ 111,713	\$ 33,404	\$ 122,523	\$ 93,793	\$ 145,758	\$ 3,895
Total primary government program revenues	48,658	44,194	54,316	45,274	49,744	25,076	10,122	55,155	67,760	27,189
Expenses	44,616	42,345	51,298	42,419	44,615	25,399	50,777	46,310	59,286	7,229
Governmental Activities:	247,924	253,413	254,720	242,159	248,347	128,138	231,266	255,412	276,858	279,296
General Government	37,965	42,361	46,805	34,121	58,483	11,671	59,104	44,366	52,063	14,881
Community Development	45,389	46,537	40,398	41,746	45,047	23,976	48,877	49,800	50,811	52,561
Parks and Recreation	60,227	48,987	60,920	57,415	46,287	28,611	60,855	50,878	58,286	8,006
Public Safety	45,703	48,017	58,940	47,862	43,197	26,279	50,063	44,362	65,361	(16,397)
Transportation and Engineering	21,276	22,180	22,865	23,004	23,806	11,957	20,623	22,045	23,621	25,093
Public Services	691,485	688,607	768,309	651,064	671,239	314,511	654,210	662,121	799,804	401,753
Public Health	113,804	117,007	132,531	119,423	116,652	64,130	123,598	109,676	131,121	21,598
Interest on long-term debt	8,969	8,831	9,605	8,807	11,765	4,296	12,174	9,587	12,444	4,520
Total governmental activities expenses	18,372	14,605	15,424	15,484	14,617	6,964	12,625	11,998	14,670	13,158
Business-type activities	2,753	2,529	2,864	2,729	2,110	1,120	2,503	2,289	2,431	(513)
Water Works	6,369	6,141	6,258	7,313	6,291	3,318	6,179	5,597	6,103	5,866
Parking Facilities	8,452	9,998	8,927	11,157	11,458	4,621	10,481	11,623	12,318	9,985
Convention Center	158,719	159,111	175,609	164,913	162,893	84,449	167,560	150,770	179,087	54,614
General Aviation	\$ 850,204	\$ 847,718	\$ 943,918	\$ 815,977	\$ 834,132	\$ 398,960	\$ 821,770	\$ 812,891	\$ 978,891	\$ 456,367
Municipal Golf										
Stormwater Management										
Total business-type activities expenses	\$ (486,875)	\$ (466,217)	\$ (531,920)	\$ (441,209)	\$ (453,342)	\$ (223,656)	\$ (415,355)	\$ (405,777)	\$ (601,635)	\$ (221,113)
Total primary government expenses	(1,809)	(2,521)	13,362	(8,312)	7,956	575	12,978	32,084	17,623	141,729
Net (Expense)/Revenue	(488,684)	(468,738)	(518,558)	(449,521)	(445,386)	(223,081)	(402,377)	(373,693)	(584,012)	(79,384)

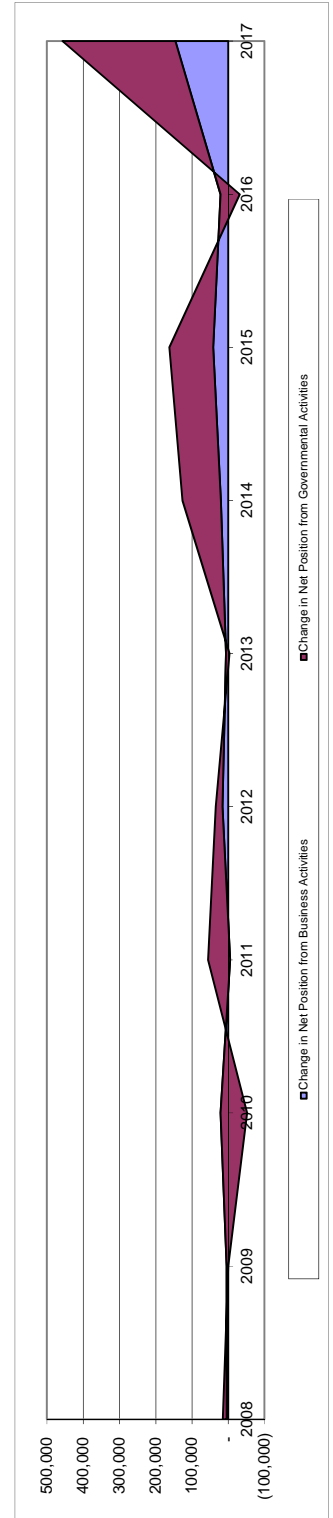
Continued

City of Cincinnati, Ohio
 Financial Trends Information
 Schedule 2
 Changes in Net Position
 Last Ten Fiscal Period
 (Amounts in Thousands)

	Fiscal Period									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Assets(Position)										
Governmental activities:										
Tax										
Property taxes	\$ 75,062	\$ 80,153	\$ 51,509	\$ 53,335	\$ 50,310	\$ 23,730	\$ 58,714	\$ 58,668	\$ 59,426	\$ 60,253
Income taxes	319,565	299,778	297,636	325,089	319,317	159,275	351,262	362,184	371,650	369,978
Admission taxes	4,570	4,028	4,174	4,450	4,616	1,720	5,278	5,422	6,586	5,811
Occupancy Tax	2,222	1,884	2,007	2,270	2,330	1,092	2,705	2,854	3,369	3,626
Shared Revenues	73,079	60,320	64,714	62,012	57,438	14,817	50,004	46,839	48,767	41,979
Unrestricted Investment earnings	19,363	14,461	10,861	9,407	5,931	(2,963)	10,357	7,108	8,972	3,413
Miscellaneous	699	1,350	27,380	31,844	31,370	17,474	41,048	42,585	45,067	44,426
Special Item - Gain on Sale of Property	2,726	202	(76)	(571)	100	(1,051)	1,140	1,119	4,788	2,341
Transfers between governmental and business-type activities										
Total governmental activities	497,286	462,176	458,205	501,836	471,412	214,094	520,508	526,779	548,625	531,827
Business-type activities:										
Tax										
Occupancy taxes	1,287	1,187	1,234	1,394	1,419	836	1,640	1,662	2,179	2,166
Unrestricted Investment earnings	6,320	3,662	4,969	4,515	3,976	(449)	4,443	3,524	4,625	2,224
Miscellaneous	2,455	2,494	2,041	1,486	3,294	4,301	3,057	5,243	1,780	2,518
Special Item	(978)	(202)	76	571	(100)	1,051	(1,140)	(1,119)	(4,788)	(2,341)
Transfers between governmental and business-type activities										
Total business-type activities	6,358	7,141	8,320	3,181	8,589	5,739	8,000	9,310	3,796	4,567
Total Primary Governmental Activities	503,644	469,317	466,525	505,017	480,001	219,833	528,508	536,089	552,421	536,394
Change in Net Position										
Governmental activities	\$ 10,411	\$ (4,041)	\$ (73,715)	\$ 60,627	\$ 18,070	\$ (9,562)	\$ 105,153	\$ 121,002	\$ (53,010)	\$ 310,714
Business-type activities	4,549	4,620	21,682	(5,131)	16,545	6,314	20,978	41,394	21,419	146,296
Total Primary Governmental Activities	\$ 14,960	\$ 579	\$ (52,033)	\$ 55,496	\$ 34,615	\$ (3,248)	\$ 126,131	\$ 162,396	\$ (31,591)	\$ 457,010

Note: In 2011, Retirement began paying the prescription drug benefits for retirees directly instead of through the Self-Insured Medical Fund, resulting in a decrease in General Government Charges for Services, offset by a decrease in General Government Expenditures.

Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.



City of Cincinnati
Financial Trends Information
Schedule 3

Fund Balances, Governmental Funds
Last Ten Fiscal Periods
(Amounts in Thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund		\$ 5,790	\$ 3,726	\$ 4,063	\$ 6,415	\$ 4,025	\$ 2,304	\$ 3,612	\$ 3,730	\$ 3,931
Nonspendable	\$ 13,226									
Reserved										
Unreserved	53,471									
Unrestricted:										
Committed		12,885	8,295	5,287	6,828	7,177	7,793	5,264	6,366	6,475
Assigned		36,106	27,316	24,975	24,548	22,561	6,620	5,734	8,810	7,539
Unassigned		35,214	46,017	65,481	61,915	52,545	64,778	72,232	73,932	59,380
Total General Fund	66,697	89,995	85,354	99,806	99,706	86,308	81,495	86,842	92,838	77,325
Capital Projects Fund										
Nonspendable		17,213	15,962	898	903	837	797	754	774	730
Reserved	103,682									
Restricted		118,630	109,561	125,603	160,798	134,339	134,412	59,435	151,402	202,045
Unreserved										
Unrestricted:										
Committed		15,764								
Assigned		31,550								
Unassigned										
Total Capital Projects Fund	209,678	183,157	125,523	126,501	161,701	135,176	135,209	60,189	152,176	202,775
Debt Service Fund										
Nonspendable			10,000							
Reserved	65,660									
Restricted		73,137	50,548	81,090	76,846	90,078	108,575	99,091	116,003	102,507
Unreserved										
Unrestricted:	1,425									
Committed										
Assigned										
Unassigned										
Total Debt Service Fund	67,085	73,137	60,548	81,090	76,846	90,078	108,575	99,091	116,003	102,507
All Other Governmental Funds										
Nonspendable										
Reserved	45,987	3,447	3,274	2,645	2,655	2,658	2,713	2,628	2,428	2,395
Restricted										
Unreserved		52,111	98,085	117,086	93,966	83,277	86,126	100,183	117,201	106,772
Unrestricted:										
Committed										
Assigned										
Unassigned		24,587	18,447	(1,748)	(1,024)	(2,841)	(1,025)	(2,139)	(1,502)	
Total Other Governmental Funds	81,671	78,564	120,309	136,004	108,768	96,736	105,032	120,115	137,256	126,545
Total Fund Balance, Governmental Funds	425,131	424,853	391,734	443,401	447,021	408,298	430,311	366,237	498,273	509,152
Estimated Liability for Compensated Absences	\$ 8,683	\$ 10,623	\$ 1,065	\$ 1,048	\$ (3,448)	\$ 5,707	\$ (1,317)	\$ 2,395	\$ 3,334	\$ 10,433

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

In 2009 GASB 54 was implemented which eliminated the reserved and unreserved classifications and replaced them with Nonspendable, Restricted and Unrestricted. Within the Unrestricted category three classifications of fund balance were created. They are Committed, Assigned and Unassigned.

The City of Cincinnati changed Fiscal Years in 2013. The information for the 2013 fiscal year represents six months of information for the period ending June 30, 2013.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 398,520	\$ 386,846	\$ 359,559	\$ 377,508	\$ 379,467	\$ 190,262	\$ 409,624	\$ 421,178	\$ 440,768	\$ 439,212
Licenses and Permits	11,302	12,045	11,218	10,624	10,624	6,071	14,041	15,078	14,781	17,024
Use of Money and Property	45,223	41,409	43,935	38,047	37,099	13,488	44,781	39,960	50,051	38,085
Special Assessments	4,327	4,383	5,416	4,993	5,058	3,128	6,061	6,376	5,398	6,739
Intergovernmental Revenue	77,737	71,514	75,139	71,506	90,255	29,442	55,963	54,187	57,413	51,444
Federal Grants	32,613	48,155	60,328	62,508	65,729	30,728	69,829	80,131	53,240	36,342
State Grants and Subsidies	22,584	10,461	14,738	17,824	10,550	7,233	9,384	10,528	4,590	4,749
Charges for Current Services	32,326	34,066	35,015	35,007	37,738	18,461	40,675	48,551	53,926	52,261
Miscellaneous	5,744	13,216	35,753	35,419	34,839	18,791	47,628	47,151	48,911	62,719
Total Revenue	630,376	622,095	641,101	654,125	671,359	317,604	697,986	723,140	729,078	708,575
Expenditures										
Current										
General Government	51,828	65,161	62,296	64,982	65,969	42,632	92,091	98,413	100,781	95,102
Community Development	13,087	11,418	10,553	8,386	8,351	3,854	12,928	12,272	46,146	23,774
Parks and Recreation	30,037	28,864	28,324	26,048	28,133	13,959	35,930	38,214	38,518	39,622
Public Safety	180,415	180,917	177,432	177,432	176,453	84,797	229,607	240,235	241,815	267,093
Transportation and Engineering	7,194	8,222	7,488	6,241	7,671	3,851	9,216	8,798	8,395	8,874
Transit System	45,389	46,537	40,398	41,746	45,047	23,976	48,877	49,800	50,811	52,561
Public Services	39,754	33,549	35,514	28,887	27,834	15,573	40,661	39,646	37,417	36,435
Public Health	32,235	34,275	33,898	30,203	31,397	15,742	44,464	46,371	49,504	52,779
Employee Benefits	81,588	84,487	92,418	94,932	102,874	53,084	86,988	186,742	135,669	118,785
Capital Outlay	130,585	142,571	171,810	144,866	205,251	86,988	186,742	180,904	135,669	118,785
Debt Services:										
Principal Retirement	34,398	41,852	38,338	40,869	44,888	708	59,635	49,039	51,346	57,441
Interest	21,006	21,878	22,878	22,670	23,885	12,020	20,812	25,882	26,688	28,422
Bond Issuance Cost	1,403	1,070	556	850	1,193	-	900	-	4,202	1,336
Total Expenditures	668,919	700,801	722,209	688,112	768,946	357,184	781,863	789,574	791,292	782,224
Excess(Deficiency) of Revenues over(under) Expenditures	(38,543)	(78,706)	(81,108)	(33,987)	(97,587)	(39,580)	(83,877)	(66,434)	(62,214)	(73,649)
Other Financing Sources (Uses)										
General Obligation Bonds and Notes Issued	41,600	64,250	47,027	49,000	89,155	94,721	94,721	140,481	35,530	65,038
Revenue Bonds Issued	35,280	12,770		21,000				20,079	10,420	10,000
Capital Lease Financing									173,100	10,725
Refunding Bonds Issued		5,080	10,305	19,000	49,025	42,045	42,045	(46,959)	(191,486)	(10,667)
Payment to Refunded Bonds Escrow Agent		(4,800)	(10,810)	(20,683)	(54,571)				(120)	(6)
Discount on Bonds	(554)	(31)		(180)						
Premium on Bonds Issued	1,133	1,279	1,661	3,869	17,670	16,309	16,309	32,049	3,940	3,940
Revenue Loan Proceeds									3,773	
Judgement Payment with Bonds Issued									(24,215)	
Transfers In	130,747	80,441	81,621	74,290	115,744	19,985	101,424	46,663	164,800	102,285
Transfers(Out)	(127,701)	(80,561)	(81,815)	(74,642)	(114,796)	(19,128)	(101,650)	(44,303)	(159,741)	(107,207)
Total Other Financing Sources(Uses)	80,505	78,428	47,989	71,654	102,227	857	105,890	2,360	194,250	84,528
Special Item				14,000						
Net change in fund balances	\$ 41,962	\$ (278)	\$ (33,119)	\$ 51,667	\$ 4,640	\$ (38,723)	\$ 22,013	\$ (64,074)	\$ 132,036	\$ 10,879
Capitalized Assets	\$ 89,910	\$ 124,870	\$ 108,294	\$ 112,357	\$ 141,071	\$ 79,205	\$ 88,689	\$ 123,072	\$ 64,152	\$ 33,137
Debt services as a Percentage of Noncapital Expenditures	10.29%	11.42%	11.12%	11.70%	12.20%	4.71%	13.52%	12.31%	11.90%	12.94%

Note: Capitalized Asset amount is from the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance.

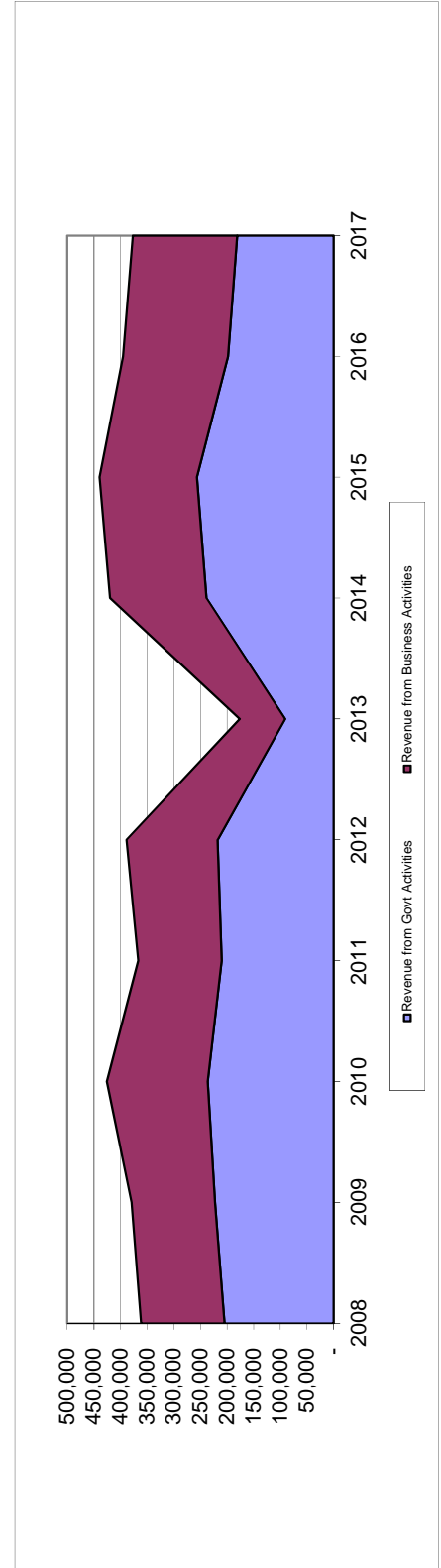
Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

Note: Beginning in fiscal year 2014 Employee Benefits are expensed at the program level.

City of Cincinnati
Financial Trends Information
Schedule 5
Program Revenues by Function
Last Ten Fiscal Periods
(Amounts in Thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function/Program										
Governmental Activities:										
General Government	\$ 103,886	\$ 110,673	\$ 111,773	\$ 90,913	\$ 69,143	\$ 23,079	\$ 65,245	\$ 68,380	\$ 59,270	64,906
Community Development	25,404	31,580	43,336	36,005	45,061	18,610	64,039	74,185	32,935	28,688
Parks and Recreation	13,888	9,358	12,601	9,447	9,295	5,361	12,171	10,535	12,547	10,849
Public Safety	21,909	26,464	27,654	35,241	30,243	13,150	34,914	36,894	36,155	26,457
Transportation and Engineering	18,842	19,382	15,828	17,007	41,236	17,796	35,199	33,049	17,987	12,662
Public Services	4,968	5,781	4,812	1,409	3,304	1,358	3,161	3,801	5,618	3,758
Public Health	15,713	19,152	20,385	19,833	19,615	11,501	24,126	29,500	33,657	33,320
Subtotal governmental activities program revenue	204,610	222,390	236,389	209,855	217,897	90,855	238,855	256,344	198,169	180,640
Business-type activities										
Water Works	122,327	125,081	126,482	122,738	135,871	65,142	141,637	144,323	154,357	156,763
Parking Facilities	8,822	8,868	9,520	10,535	10,402	5,766	13,468	12,119	13,095	12,903
Convention Center	7,505	5,236	6,764	7,513	6,788	4,221	6,693	7,381	9,428	7,443
General Aviation	2,103	2,191	2,042	2,133	2,112	1,444	2,043	2,067	2,871	2,183
Municipal Golf	6,776	6,458	6,367	5,270	5,990	2,760	5,392	5,509	5,759	5,864
Stormwater Management	9,377	8,756	37,796	8,412	9,686	5,691	11,305	11,455	11,200	11,187
Subtotal business-type activities program revenues	156,910	156,590	188,971	156,601	170,849	85,024	180,538	182,854	196,710	196,343
Total primary government program revenues	\$ 361,520	\$ 378,980	\$ 425,360	\$ 366,456	\$ 388,746	\$ 175,879	\$ 419,393	\$ 439,198	\$ 394,879	\$ 376,983

Note: The City of Cincinnati Changed fiscal years in 2013. The information for the 2013 fiscal year represents six months of information for the period ending June 30, 2013.



City of Cincinnati
Financial Trends Information
Schedule 6

Total Revenue by Source, Governmental Funds
Last Ten Fiscal Periods
(Amounts in Thousands)

Fiscal Year	Taxes	Licenses and Permits	Use of Money and Property	Special Assessments	Inter-Governmental Revenues	Grants and Subsidies	Charges for Current Services	Misc	Total
2008	398,520	11,302	45,223	4,327	77,737	55,197	32,326	5,744	630,376
2009	386,846	12,045	41,409	4,383	71,514	58,616	34,066	13,216	622,095
2010	359,559	11,218	43,935	5,416	75,139	75,066	35,015	35,753	641,101
2011	377,508	11,313	38,047	4,993	71,506	80,332	35,007	35,419	654,125
2012	379,467	10,624	37,099	5,058	90,255	76,279	37,738	34,839	671,359
2013	190,262	6,071	13,488	3,128	29,442	37,961	18,461	18,791	317,604
2014	409,624	14,041	44,654	6,061	79,213	40,675	47,628	47,628	697,859
2015	421,178	15,078	39,960	6,376	54,187	90,659	48,551	47,151	723,140
2016	440,768	14,781	50,051	5,398	57,413	57,830	53,926	48,911	729,078
2017	439,212	17,024	38,085	6,739	51,444	41,091	52,261	62,719	708,575

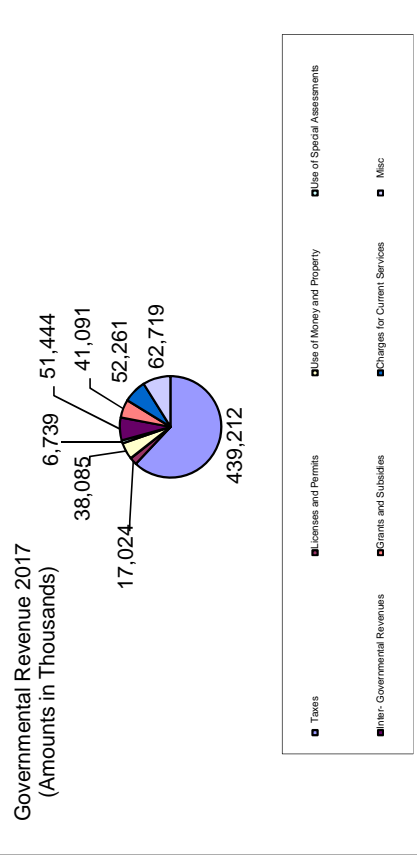
Change 2008-2017	10.2%	50.6%	-15.8%	55.7%	-33.8%	-25.6%	61.7%	991.9%	12.4%
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City of Cincinnati
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Periods
(Amounts in Thousands)

Fiscal Year	Income Tax	Property Tax	Admissions Tax	Occupancy Tax	Tax Revenue
2008	317,532	74,196	4,570	2,222	398,520
2009	303,685	77,250	4,027	1,884	386,846
2010	302,307	51,070	4,175	2,007	369,559
2011	317,453	53,335	4,450	2,270	377,508
2012	322,526	49,995	4,616	2,330	379,467
2013	166,137	21,314	1,719	1,092	190,262
2014	344,688	56,953	5,278	2,705	409,624
2015	355,276	57,604	5,444	2,854	421,178
2016	371,435	59,379	6,585	3,369	440,768
2017	370,134	59,641	5,811	3,626	439,212

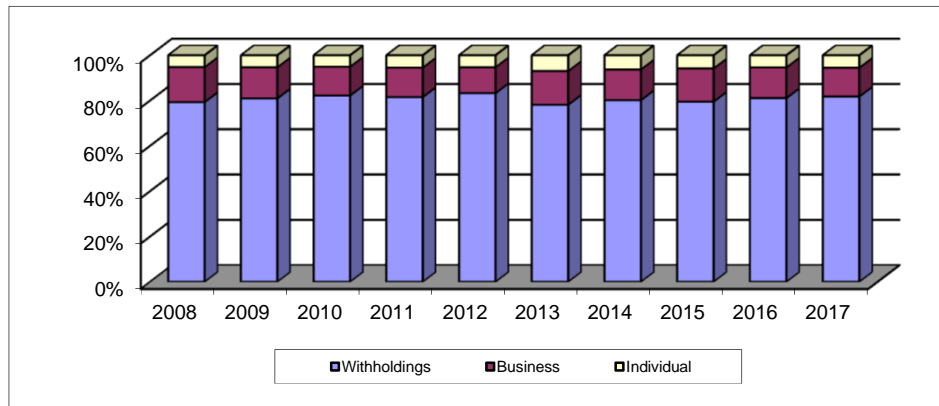
Change 2008-2017	16.5%	-19.6%	27.2%	63.2%	10.3%
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(1) Property Taxes include TIF service payments until 2010. TIF service payments are now in Miscellaneous Revenue
 (2) The City of Cincinnati changed fiscal years in 2013. The information for the 2013 fiscal year represents six months of information for the period ending June 30, 2013.



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

Tax Year	Individual	% Total	Business	% Total	Withholding	% Total	Gross Receipts	Refunds	Net Receipts
2008	17,414	5.2%	51,676	15.5%	264,806	79.3%	333,896	12,660	321,236
2009	16,789	5.3%	43,743	13.8%	257,088	80.9%	317,620	14,608	303,012
2010	15,981	5.1%	40,236	12.7%	259,652	82.2%	315,869	12,955	302,914
2011	17,855	5.4%	42,898	13.0%	268,318	81.5%	329,071	12,721	316,350
2012	17,705	5.3%	38,315	11.4%	278,910	83.3%	334,930	12,194	322,736
2013	12,819	6.9%	27,582	14.9%	144,553	78.2%	184,954	11,707	173,247
2014	22,225	6.3%	48,234	13.6%	284,804	80.2%	355,263	14,273	340,990
2015	21,429	5.8%	54,334	14.7%	294,043	79.5%	369,806	12,826	356,980
2016	20,818	5.3%	52,746	13.6%	315,677	81.1%	389,241	12,589	376,652
2017	21,349	5.5%	49,442	12.7%	317,513	81.8%	388,304	15,106	373,198



Note: 1. The income tax rate is 2.1%.
 2. Minor differences between net receipts and Non-GAAP receipts are due to processing of City employee withholdings.
 3. The City of Cincinnati changed Fiscal Years in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

Source: Cincinnati Income Tax Division

**City of Cincinnati
Revenue Capacity
Schedule 2
Income Tax Revenues
GAAP and NonGAAP
Last Ten Fiscal Periods
(Amounts in Thousands)**

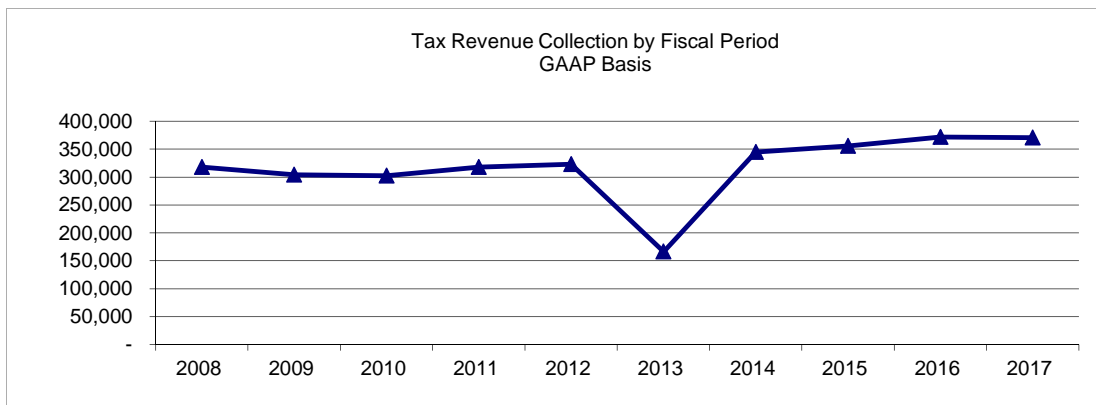
Non GAAP Budgetary Basis

Year	General Fund	Transit Fund	Infrastructure Fund	Permanent Improvement Fund	Total	% Inc(Dec) PriorYr
2008	231,758	45,821	15,274	27,898	320,751	4.52%
2009	223,800	43,316	14,439	21,658	303,213	-5.47%
2010	222,497	43,064	14,355	21,532	301,448	-0.58%
2011	233,752	45,242	15,081	22,621	316,696	5.06%
2012	238,210	46,105	15,368	23,053	322,736	1.91%
2013	127,873	24,749	8,250	12,375	173,247	-46.32%
2014	251,683	48,713	16,238	24,356	340,990	96.82%
2015	261,848	50,680	16,893	25,340	354,761	4.04%
2016	277,673	53,743	17,914	26,872	376,202	6.04%
2017	274,312	53,093	17,698	26,546	371,649	-1.28%

GAAP Basis

Year	General Fund	Transit Fund	Infrastructure Fund	Permanent Improvement Fund	Total	% Inc(Dec) PriorYr
2008	229,381	45,362	15,121	27,668	317,532	1.99%
2009	222,942	43,150	14,383	23,210	303,685	-4.36%
2010	223,130	43,187	14,396	21,594	302,307	-0.45%
2011	234,311	45,350	15,117	22,675	317,453	5.01%
2012	238,054	46,075	15,359	23,038	322,526	1.60%
2013	122,624	23,734	7,912	11,867	166,137	-48.49%
2014	254,413	49,241	16,414	24,620	344,688	107.47%
2015	262,180	50,744	16,914	25,438	355,276	3.07%
2016	274,154	53,062	17,687	26,532	371,435	4.55%
2017	273,194	52,877	17,626	26,437	370,134	-0.37%

Note: The City of Cincinnati changed Fiscal Years in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.



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

Collection Year	Assessed Valuations					Direct Tax Rate
	Real Property	Public Utility Property	Tangible Personal Property	Total		
2008	5,523,140,570	259,754,620	182,812,120	5,965,707,310	9.89	
2009	5,647,647,630	258,279,260	28,684,610	5,934,611,500	9.89	
2010	5,653,703,070	270,947,630	15,462,590	5,940,113,290	9.82	
2011	5,548,127,850	279,408,310	15,462,590	5,842,998,750	10.07	
2012	5,047,722,430	295,612,690	-	5,343,335,120	10.50	
2013	4,960,616,820	313,437,020	-	5,274,053,840	10.85	
2014	4,896,185,150	351,462,760	-	5,247,647,910	12.20	
2015	4,946,475,290	385,238,120	-	5,331,713,410	12.10	
2016	4,987,699,590	397,886,050	-	5,385,585,640	12.10	
2017	5,010,624,630	439,985,370	-	5,450,610,000	12.04	

The current assessed valuation for collection year 2017 is computed at approximately the following percentages of estimated true value:

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

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

Collection Year	Estimated True Values	Year	Estimated True Values
2008	\$ 15,780,401,629	2013	\$ 15,068,725,257
2009	16,509,153,786	2014	14,993,279,743
2010	16,486,235,333	2015	15,233,466,886
2011	16,131,202,167	2016	15,387,387,543
2012	15,266,671,771	2017	15,573,171,429

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
Real Property Assessed Valuation By Type of Property
Last Six Collection Years**

Collection Year	Agricultural	Commercial	Industrial	Residential	Utilities
2012	1,246,130	1,704,687,600	259,975,110	3,075,226,390	6,587,200
2013	1,056,000	1,635,350,450	261,206,740	3,055,938,780	7,064,850
2014	1,056,000	1,590,304,540	254,396,760	3,042,910,120	7,517,730
2015	1,135,000	1,594,763,700	242,587,690	3,100,151,250	7,837,650
2016	1,066,920	1,627,705,720	240,396,160	3,111,013,670	7,517,120
2017	1,114,980	1,638,859,570	238,335,820	3,122,082,870	10,231,390

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
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Periods**

Assessed Year	Collection Year	City Levy			County Levy	Total Levy	Residential Effective Millage	Commercial Effective Millage
		General Fund	Debt Service	School Levy				
2007 for	2008	4.53	5.36	59.67	20.56	90.12	57.57	68.69
2008 for	2009	4.53	5.36	67.95	20.63	98.47	65.70	76.08
2009 for	2010	4.46	5.36	67.87	21.48	99.17	66.67	77.44
2010 for	2011	4.60	5.47	68.54	21.48	100.09	67.82	79.88
2011 for	2012	4.60	5.9	70.76	21.06	102.32	73.67	84.72
2012 for	2013	4.60	6.25	71.34	21.06	103.25	74.81	86.34
2013 for	2014	5.70	6.5	71.49	21.06	104.75	76.51	88.19
2014 for	2015	5.60	6.5	70.65	20.88	103.63	75.20	87.94
2015 for	2016	5.60	6.5	70.15	20.88	103.13	74.80	87.64
2016 for	2017	5.54	6.5	77.91	20.88	110.83	82.72	95.40

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 6
Principal Property Taxpayers
Prior Calendar Year and Nine Years Ago**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Duke Energy	\$ 442,768,210	1	8.12%	266,418,680	1	4.48%
City of Cincinnati	93,980,090	2	1.72%			
The Procter and Gamble Co	52,728,290	3	0.97%	71,689,590	2	1.21%
The Christ Hospital	43,096,710	4	0.79%			
Fifth Third Bank	31,749,620	5	0.58%	24,192,250	7	0.41%
Emery Realty	26,113,270	6	0.48%			
OTR	19,474,150	7	0.36%			
Regency Centers LP	17,233,150	8	0.32%			
Columbia Development	17,150,000	9	0.31%	24,239,670	6	0.41%
Hertz Center	16,607,500	10	0.30%			
Carew Realty Inc				29,158,860	4	0.49%
Fifth Third Center				20,749,510	9	0.35%
Cincinnati Bell				47,256,380	3	0.80%
HK New Plan Exchange Property				21,573,720	8	0.36%
Western Southern Life				19,737,930	10	0.33%
Ohio Teachers Retirement System				26,250,000	5	0.44%
Total	<u>\$ 760,900,990</u>		<u>13.95%</u>	<u>551,266,590</u>		<u>9.28%</u>
Total Assessed Value	<u>\$ 5,450,610,000</u>					

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 2016 valuation for 2017 real property tax collections.

**City of Cincinnati
Revenue Capacity
Schedule 7
Property Tax Levy and Collections
Last Ten Fiscal Periods
(Amounts in thousands)**

Collection Year	Net Tax Levy	Current Collections	Percentage of Current Collections to Net Levy	Prior Year Collections	Total Collections	Percentage of Total Collections to Net Levy
2007	62,614	57,087	91.17%	3,148	60,235	96.20%
2008	60,231	55,389	91.96%	2,978	58,367	96.91%
2009	59,803	54,390	90.95%	2,956	57,346	95.89%
2010	58,408	52,764	90.34%	2,769	55,533	95.08%
2011	59,552	54,285	91.16%	3,389	57,674	96.85%
2012	55,746	51,524	92.43%	3,128	54,652	98.04%
2013	57,407	53,678	93.50%	2,499	56,177	97.86%
2014	59,073	55,525	94.00%	2,548	58,073	98.31%
2015	58,911	56,245	95.47%	2,476	58,721	99.68%
2016	59,798	57,220	95.69%	1,986	59,206	99.75%

Note 1: Collections (2007 - 2016) have been reduced for State reimbursements of personal property tax that had been included in prior year amounts. These amounts are included in intergovernmental revenues.

Note 2: The information presented in this chart is based on collection years from January 1 through December 31.

City of Cincinnati
Revenue Capacity
Schedule 8
Water Works
Top Ten Retail Customer Data
For The Year Ended June 30, 2017

RANK	NAME OF CUSTOMER	TOTAL			TOTAL			PERCENT OF TOTAL CHARGES
		CONSUMPTION, HUNDREDS OF CUBIC FEET	CONSUMPTION, THOUSANDS OF GALLONS	PERCENT OF TOTAL CONSUMPTION	CONSUMPTION	CHARGES	PERCENT OF TOTAL CHARGES	
1	University of Cincinnati	576,570	431,274	1.20%	\$1,009,488	0.69%		
2	Cognis Corporation	418,222	312,830	0.87%	\$831,813	0.57%		
3	Children's Hospital	326,261	244,043	0.68%	\$638,308	0.44%		
4	Procter and Gamble	244,674	183,016	0.51%	\$485,898	0.33%		
5	Samuel Adams Brewing	187,814	140,485	0.39%	\$360,003	0.25%		
6	Rhodia Inc	173,150	129,516	0.36%	\$333,531	0.23%		
7	Cinergy Solutions	173,099	129,478	0.36%	\$430,403	0.30%		
8	John Morrell Co	149,750	112,013	0.31%	\$361,506	0.25%		
9	Christ Hospital	135,609	101,436	0.28%	\$261,992	0.18%		
10	CCB CC Operations*	127,701	95,520	0.27%	\$246,130	0.17%		
	Total - Top Ten Retail Users	2,512,850	1,879,611	5.23%	\$4,959,072	3.41%		
	TOTAL - Top 75 Users	18,477,628	13,821,266	38.48%	\$36,432,761	25.03%		
	TOTAL - System	48,015,299	35,915,444	100.00%	\$145,574,931	100.00%		

Note: The City of Cincinnati changed fiscal years in 2013. The information for the 2013 fiscal year represents six months of information for the period ending June 30, 2013.

**City of Cincinnati
Revenue Capacity
Schedule 9
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
2008	49,566.720	135.4	220.6	260	84.85%
2009	45,554.620	124.8	169.3	260	65.12%
2010	47,328.971	129.7	188.6	260	72.54%
2011	44,396.749	121.6	206.3	260	79.35%
2012	45,233.283	123.6	230.3	260	88.58%
2013	20,559.715	113.6	168.6	260	64.85%
2014	43,838.631	120.1	157.4	260	60.54%
2015	43,024.976	117.9	164.0	260	63.08%
2016	42,794.941	116.9	159.0	260	61.15%
2017	43,859.083	120.2	174.9	260	67.27%

MG - Million Gallons

MGD - Million Gallons per Day

**City of Cincinnati
Revenue Capacity
Schedule 10
Water Works
Accounts Receivable**

Year	Net Water Sales	Cash Collected During Year for Current & Prior Year's Sales	Percentage of Sales Collected
2008	110,122,765	109,451,016	99.39%
2009	108,648,959	107,855,822	99.27%
2010	113,698,642	112,744,685	99.16%
2011	107,523,801	107,944,056	100.39%
2012	120,698,632	119,918,322	99.35%
2013	54,935,164	53,572,641	97.52%
2014	121,681,377	120,831,281	99.30%
2015	122,528,705	123,427,760	100.73%
2016	123,267,753	126,500,526	102.62%
2017	137,388,118	136,007,720	99.00%
	<u>\$ 1,120,493,916</u>	<u>\$ 1,118,253,829</u>	<u>99.80%</u>

Note: The City of Cincinnati Changed fiscal years in 2013. The information for the 2013 fiscal year represents six months of information for the period ending June 30, 2013.

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

Fiscal Year	General Obligation Bonds	General Obligation Notes	Revenue Bonds	Revenue Notes	Notes Payable	Loans	Capital Leases	Total Outstanding Debt	Outstanding Debt per Capita (Actual)	% of Per Capita Personal Income (2)	Debt to Net Asset Ratio
Governmental Activities											
2008	\$ 363,120	\$ 12,800	\$ 70,825	\$ 2,550	\$	\$ 3,220	\$ 247	\$ 452,762	\$ 1,361.86	3.5%	1.93
2009	389,680	4,490	80,140			3,029	501	477,840	1,437.29	3.8%	1.82
2010	401,597	22,500	77,000			2,847	460	504,404	1,698.66	4.3%	1.58
2011	411,574	17,000	95,715			2,636	353	527,278	1,775.69	4.6%	1.62
2012	481,313	34,595	93,946	7,500	12,887	2,425	284	632,950	2,136.73	5.3%	1.40
2013 (1)	480,958	69,275	93,418	7,500	12,817	2,320	200	666,488	2,247.47	5.1%	1.32
2014	533,482	51,050	90,023		11,952	2,109	121	688,737	2,319.42	5.1%	1.35
2015	486,949	73,144	84,044		11,643	4,444	135	660,359	2,211.89	4.7%	1.49
2016	579,156	34,225	126,534	14,725	11,643	4,003	25,133	795,419	2,664.27	N/A	1.24
2017	580,407	29,248	132,118		18,879	3,715	28,408	792,775	2,653.20	N/A	0.31
Business-Type Activities											
2008	\$ 15,470	\$	\$ 332,635	\$	\$	\$ 12,622	\$ 268	\$ 360,995	\$ 1,085.84	2.8%	2.34
2009	13,155	6,250	415,965			12,190	284	447,844	1,347.07	3.5%	1.90
2010	20,068		401,100			8,271	190	429,629	1,446.84	3.6%	2.03
2011	16,871		448,865			10,321	120	476,177	1,603.60	4.1%	1.82
2012	13,707		519,060			17,790	1,835	552,392	1,864.78	4.3%	1.60
2013 (1)	13,705		518,092			30,445	1,685	563,927	1,901.63	4.7%	1.57
2014	10,322		496,570			39,920	1,501	548,313	1,838.96	4.0%	1.65
2015	7,229		474,009			45,882	1,252	528,372	1,772.08	3.8%	1.72
2016	21,318		504,232			44,851	989	571,390	1,913.88	N/A	1.59
2017	25,180		578,479			42,485	699	646,843	2,164.80	N/A	1.42
Total Primary Governmental Activities											
2008	\$ 378,590	\$ 12,800	\$ 403,460	\$ 2,550	\$	\$ 15,842	\$ 515	\$ 813,757	\$ 2,564.14	6.7%	1.11
2009	402,835	10,740	496,105			15,219	785	925,684	2,786.09	7.1%	1.86
2010	421,665	22,500	478,100			11,118	650	934,033	2,809.48	7.4%	1.79
2011	428,445	17,000	544,580			12,957	473	1,003,455	3,018.29	7.6%	1.72
2012	495,020	34,595	613,006	7,500	12,887	20,215	2,119	1,185,342	3,923.16	10.1%	1.52
2013 (1)	494,663	69,275	611,510	7,500	12,817	32,765	1,885	1,230,415	4,143.61	10.3%	1.43
2014	543,804	51,050	586,593		11,952	42,029	1,622	1,237,050	4,171.47	9.1%	1.45
2015	494,178	73,144	558,053	14,725	11,643	50,326	1,387	1,188,731	3,986.82	8.4%	1.59
2016	600,474	34,225	630,766		11,643	48,854	26,122	1,366,809	4,578.16	N/A	1.38
2017	605,587	29,248	710,597		18,879	46,200	29,107	1,439,618	4,818.00	N/A	0.81

(1) The City of Cincinnati changed fiscal years in 2013. The information for the 2013 fiscal year represents six months of information for the period ending June 30, 2013.
(2) Cincinnati MSA personal income per capita is from Demographic and Economic Information Schedule 1.

**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**

Fiscal Year	General Obligation Bonds (Note 1)	Less: Amounts Available for Debt Service (Note 2)	Net Bonded Debt	Assessed Value	Population (Note 3)	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt per Capita
2008	378,590,000	65,655,000	312,935,000	5,937,230,230	332,458	120.98%	1,139
2009	402,835,000	73,137,000	329,698,000	5,934,611,500	332,458	122.18%	1,212
2010	421,665,000	50,548,000	371,117,000	5,940,113,290	332,252	113.62%	1,269
2011	428,445,000	81,090,000	347,355,000	5,827,536,160	296,943	123.34%	1,443
2012	495,020,000	76,846,000	418,174,000	5,343,335,120	296,223	118.38%	1,671
2013	494,663,000	90,078,000	404,585,000	5,274,053,840	296,550	122.26%	1,668
2014	543,804,000	108,575,000	435,229,000	5,247,647,910	296,550	124.95%	1,834
2015	494,178,000	99,091,000	395,087,000	5,331,713,410	297,517	125.08%	1,661
2016	600,474,000	116,003,000	484,471,000	5,385,585,640	298,550	123.94%	2,011
2017	605,587,000	102,507,000	503,080,000	5,450,610,000	298,800	120.38%	2,027

Note 1 - This is general bonded debt of both governmental activities and business-type activities, net of premiums and discounts.

Note 2 - This is the amount restricted for debt service principal payments.

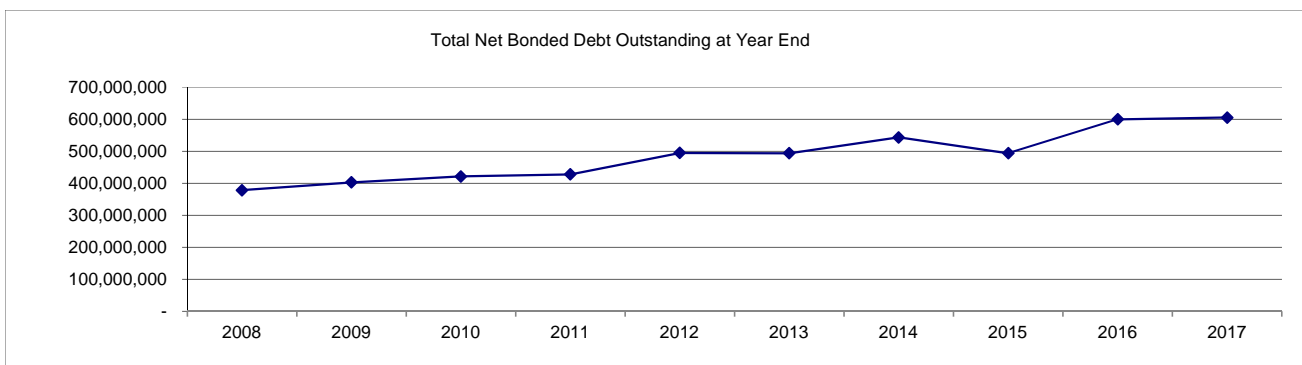
Note 3 - 2008 figures are based on Bureau of the Census data.

**City of Cincinnati
Debt Capacity Information
Schedule 3
Computation of Direct and Overlapping Debt
June 30, 2017**

	Assessed Valuation (a)	Total Direct Debt	Percent Overlapping	Net Tax Supported Overall Debt
<u>Direct:</u>				
City of Cincinnati	\$ 5,450,610,000	\$ 792,775,000	100 %	\$ 792,775,000
<u>Overlapping:</u>				
Board of Education -				
Cincinnati City School District	6,116,257,170	308,460,000 (b)	89.12%	274,889,547
Hamilton County	18,462,861,500	101,576,478 (a)	29.52%	29,987,430
Subtotal		410,036,478		304,876,977
Total		\$ 1,202,811,478		\$ 1,097,651,977

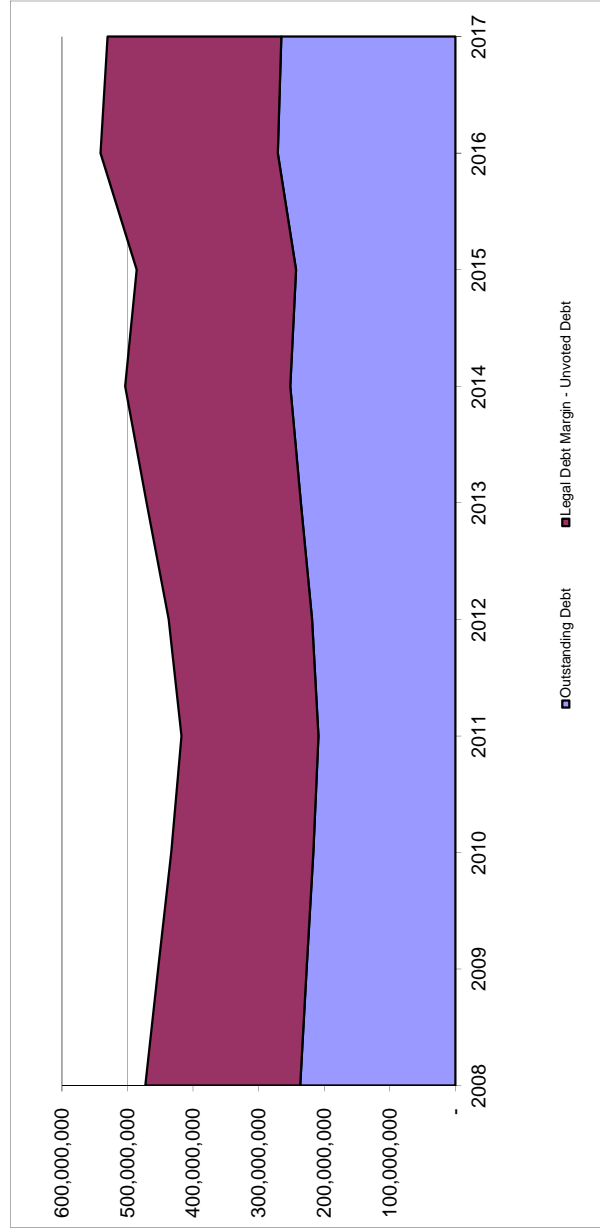
(a) Source: Hamilton County Auditor's Office

(b) Source: Cincinnati City School District



**City of Cincinnati
Debt Capacity Information
Schedule 4
Legal Debt Margin
For the Fiscal Periods**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Overall Debt Limitation - 10-1/2 % of Assessed Valuation	\$ 626,399,268	623,134,208	623,711,895	611,891,297	561,050,188	553,797,707	551,003,031	559,829,908	565,486,492	550,200,000
Net Debt Within 10-1/2% Limitation	236,495,000	226,635,000	216,595,000	208,770,000	218,525,000	235,505,000	251,690,000	243,044,080	270,615,000	284,974,000
Legal Debt Margin Within 10-1/2% Limitation	\$ 389,904,268	\$ 396,499,208	\$ 407,116,895	\$ 403,121,297	\$ 342,525,188	\$ 318,292,707	\$ 299,313,031	\$ 316,785,828	\$ 294,871,492	\$ 265,226,000
Net Debt Percentage of 10 1/2 % Limitation	37.75%	36.37%	34.73%	34.12%	38.95%	42.53%	45.68%	43.41%	47.86%	51.79%
Unvoted Debt Limitation - 5-1/2% of Assessed Valuation	\$ 328,113,902	326,403,633	326,706,231	320,514,488	293,883,432	290,084,513	288,620,635	293,244,238	296,207,210	288,200,000
Net Debt Within 5-1/2% Limitation	236,495,000	226,635,000	216,595,000	208,770,000	218,525,000	235,505,000	251,690,000	243,044,080	270,615,000	265,226,000
Legal Debt Margin Within 5-1/2% Limitation	\$ 91,618,902	\$ 99,768,633	\$ 110,111,231	\$ 111,744,488	\$ 75,358,432	\$ 54,579,513	\$ 36,930,635	\$ 50,200,158	\$ 25,592,210	\$ 22,974,000
Net Debt Percentage of 5 1/2 % Limitation	72.08%	69.43%	66.30%	65.14%	74.36%	81.18%	87.20%	82.88%	91.36%	92.03%



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

Fiscal Year	Economic Development Financing Bonds					Water Works Bonds				
	Payment in Lieu of Taxes/Repay Loan	Debt Service Principal	Interest	Total	Coverage	Water Works Revenue	Debt Service Principal	Interest	Total	Coverage
2008	6,486,865	2,955,000	2,209,510	5,164,510	1.26	126,839,000	13,620,000	14,840,000	28,460,000	1.79
2009	9,953,193	3,070,000	2,050,209	5,120,209	1.94	120,504,000	14,000,000	15,797,000	29,797,000	1.46
2010	9,754,692	3,140,000	2,652,176	5,792,176	1.68	131,000,000	14,865,000	19,210,000	34,075,000	1.20
2011	11,402,482	2,285,000	3,886,719	6,171,719	1.85	120,682,000	11,840,000	20,624,000	32,464,000	1.51
2012	10,749,956	3,000,000	4,185,332	7,185,332	1.50	135,609,000	17,700,000	21,845,000	39,545,000	1.57
2013	5,545,377	3,000,000	4,185,332	7,185,332	0.77	68,947,000	-	12,005,000	12,005,000	2.49
2014	11,059,444	3,390,000	3,821,284	7,211,284	1.53	142,316,000	19,850,000	23,420,000	43,270,000	1.57
2015	11,417,173	4,334,995	3,675,732	8,010,727	1.43	142,108,000	20,620,000	22,507,000	43,127,000	2.31
2016	10,475,462	4,765,000	3,336,993	8,101,993	1.29	147,762,000	24,685,000	19,895,000	44,580,000	2.06
2017	10,961,781	5,065,000	3,723,140	8,788,140	1.25	156,785,000	26,310,000	15,944,000	42,254,000	1.08

Includes:

- Urban Renewal Revenue Bonds, Series 1990A - One Gateway Project
- Economic Development Revenue Bonds, Series 1996 - Cincinnati Development Group LLC - Fountain Square West Project
- Economic Development Revenue Bonds, Series 1998 - Convention Place Mall Project - RSJJ Investments Limitex
- Economic Development Revenue Bonds, Series 2002 - Saks Fifth Avenue Inc. & Race Street Development LTL
- Economic Development Revenue Bonds, Series 2003 - Convergys Corporation Project
- Economic Development Revenue Bonds, Series 2007 - Convergys Corporation Project
- Economic Development Revenue Bonds, Series 2008A - The Keystone Project
- Economic Development Revenue Bonds Refunding, Series 2016C - The Keystone Project
- Economic Development Revenue Bonds, Series 2008B - Baldwin 300 Project
- Economic Development Revenue Bonds Refunding, Series 2016D - Baldwin 300 Project
- Economic Development Revenue Bonds, Series 2008C - Madison Circle Project
- Economic Development Revenue Bonds Refunding, Series 2016E - Madison Circle Project
- Economic Development Revenue Bonds, Series 2009A - Graeter's Manufacturing Facility
- Economic Development Revenue Bonds, Series 2009B - Columbia Square
- Economic Development Revenue Bonds Refunding, Series 2016G - Columbia Square Project
- Economic Development Revenue Bonds, Series 2011A - USquare Project
- Economic Development Revenue Bonds, Series 2012A - Convergys Corporation Project
- Economic Development Revenue Bonds, Series 2015A - Jordan Crossing Redevelopment Project
- Economic Development Revenue Bonds, Series 2015B - The Mercer Commons Phase 2 Project
- Economic Development Revenue Bonds, Series 2015C - Seymour Plaza Redevelopment Project
- Economic Development Revenue Bonds, Series 2015D - McMillian Redevelopment Project
- Economic Development Revenue Bonds, Series 2015E - Incline District Parking Garage Project
- Economic Development Revenue Bonds, Series 2015F - Avondale Blight Removal Phase 1 Project (Federally Taxable)
- Economic Development Revenue Bonds, Series 2015G - Evanston Commercial Redevelopment Project (Federally Taxable)
- Economic Development Revenue Bonds, Series 2015H - Walnut Hills Development Project (Federally Taxable)
- Economic Development Revenue Bonds, Series 2016A - Vernon Manor II Project
- Economic Development Revenue Bonds, Series 2016B - Keystone Park Phase III Project
- Economic Development Revenue Bonds, Series 2016F - OTR Arts Improvements Project

*-excludes Non-Cash Expenses for Depreciation, Net Pension Liability, and NOPEB Obligation

City of Cincinnati
Bond Retirement Fund Balance, Southern Railway Revenue and Capital Improvement Plan
Debt Capacity Schedule 6

Last 5 Fiscal Years

Year	Bond Retirement Fund Balance	Southern Railway Revenue
2013*	51,179,093	10,094,803
2014	66,531,901	20,734,726
2015	63,225,579	21,017,620
2016	79,737,239	21,360,330
2017	70,079,362	21,623,023

* The City of Cincinnati changed fiscal years in 2013. The information for 2013 fiscal year represents six months of information for the period ending June 30, 2013.

Projected 5 year plan
(Amounts in Thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
CIP Budget	\$ 76,723	\$ 64,137	\$ 58,250	\$ 57,464	\$ 49,182	\$ 305,756
Property Tax Supported Debt	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
%Debt	19.55%	23.39%	25.75%	26.10%	30.50%	24.53%

City of Cincinnati
Debt Capacity
Schedule 7
Water Works
Historical Financial Operations
(Amounts in Thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>Operating Revenue</u>										
Total Operating Revenue	\$121,508	\$117,441	\$125,287	\$120,682	\$135,384	\$68,947	\$142,316	\$142,085	\$147,748	\$156,760
<u>Operating Expense:</u>										
Personal Services	41,041	42,827	58,805	47,129	43,050	23,440	47,074	35,392	49,452	47,420
Contractual Services	9,660	9,249	8,628	8,329	7,766	3,999	8,330	9,077	8,242	9,849
Maintenance and Repair	4,115	3,704	3,980	4,536	3,813	1,863	4,825	4,877	5,150	5,165
Materials and Supplies	7,869	8,475	8,007	8,976	8,756	4,715	9,250	8,713	9,255	9,535
Utilities	11,287	10,821	11,427	7,530	7,732	4,037	8,882	8,614	7,244	7,674
Insurance	114	117	121	121	142	69	157	3	155	144
Taxes		1	6	3	5	2	11	3	2	4
Rent	1,057	1,256	1,302	1,252	2,211	662	1,428	1,500	1,649	3,086
Other	823	620	630	328	2,355	3,153	1,812	218	453	548
Depreciation and Amortization Expense	22,705	24,161	24,206	24,832	23,432	11,086	22,521	23,472	26,310	25,797
Amortization Mason Agreement	76		84	88	92	48	99	104	110	115
Net Pension Expense										(96,806)
Total Operating Expense	98,747	101,231	117,196	103,124	99,354	53,074	104,389	91,973	108,022	12,531
Operating Income	\$ 22,761	\$ 16,210	\$ 8,091	\$ 17,558	\$ 36,030	\$ 15,873	\$ 37,927	\$ 50,112	\$ 39,726	\$ 144,229
<u>Non-Operating Revenue (Expenses):</u>										
Capital Contribution	\$3,099	\$9,704	\$3,039	\$3,304	\$3,385	\$302	\$2,002	\$4,199	\$7,962	\$1,481
Gain (Loss) on Disposal of Fixed Assets	(1,338)	(1,621)	(1,320)	(829)	(838)	(4)	(1,910)	(293)	(\$22)	(\$553)
Transfers In				131	(47)		(500)			(146)
Interest Revenue	5,272	2,403	2,560	2,309	1,981	(1,020)	2,417	1,555	2,482	664
Build America Bond Subsidy		553	1,701	1,701	1,701	777	1,579	1,577	1,586	1,584
Judgement Payments										
Interest Expense	(13,997)	(13,525)	(12,695)	(14,909)	(16,358)	(9,823)	(18,339)	(17,889)	(17,472)	(13,464)
Total Non-Operating Revenue (Expense):	(6,964)	(2,486)	(6,715)	(8,293)	(10,176)	(9,768)	(14,751)	(10,851)	(10,857)	(10,434)
Net Income	\$15,797	\$13,724	\$1,376	\$9,265	\$25,854	\$6,105	\$23,176	\$39,261	\$28,869	\$133,795

Note: The City of Cincinnati changed fiscal year in 2013. The information for 2013 fiscal year represents six months of information for the period ending June 30, 2013.

**Greater Cincinnati Water Works
Projected Operating Results
Debt Capacity Schedule 8**

<u>Description</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Metered Water Sales					
Revenue Under Existing Rates	\$ 145,715,000	\$ 144,809,000	\$ 144,809,000	\$ 144,809,000	\$ 144,809,000
Indicated Revenue Increases (a)(b)					
Month - Year	Revenue Increase				
January 2018	3.75%	2,415,000	5,235,000	5,235,000	5,235,000
January 2019	3.75%		2,490,000	5,432,000	5,432,000
January 2020	3.75%			2,583,000	5,635,000
January 2021	3.75%				2,680,000
January 2022	3.75%				2,779,000
Water Sales Increase - CPI	232,000	357,000	485,000	615,000	748,000
Total Increased Revenue	2,647,000	8,082,000	13,735,000	19,597,000	25,676,000
Total Metered Water Sales Revenue	148,362,000	152,891,000	158,544,000	164,406,000	170,485,000
Interest From Treasury Investments	993,000	487,000	465,000	426,000	426,000
Other Revenue (c)	11,060,000	11,060,000	11,060,000	11,060,000	11,060,000
Direct Federal Cash Payment for Direct Payment Build America Bonds(d)	1,584,000	1,584,000	792,000		
Total Revenue	161,999,000	166,022,000	170,861,000	175,892,000	181,971,000
Operating & Maintenance Expense (e)	80,696,000	83,262,000	85,938,000	88,730,000	91,569,000
Net Revenue Available for Debt Service	81,303,000	82,760,000	84,923,000	87,162,000	90,402,000
Total Senior Lien Revenue Bond Debt Service (f)	38,967,000	38,986,000	38,967,000	38,995,000	42,676,000
Series 2017 Debt Service (g)	2,442,000	2,590,000	2,589,000	2,587,000	2,587,000
LESS: Refunded Senior Lien Debt Service (h)	3,337,000	3,337,000	3,337,000	3,337,000	3,337,000
Future Senior Lien Revenue Bond Debt Service (i)			3,847,000	3,847,000	3,847,000
Total Senior Lien Revenue Bond Debt Service	38,072,000	38,239,000	42,066,000	42,092,000	45,773,000
State of Ohio Issue 2 Money (\$1M/20Yrs/0%)-2003	50,000	50,000	50,000	50,000	50,000
State of Ohio Issue 2 Money (\$980K/20Yrs/0%)-2004	49,000	49,000	49,000	49,000	49,000
State of Ohio Issue 2 Money (\$1.15M/20Yrs/0%)-2005	57,500	57,500	57,500	57,500	57,500
State of Ohio Issue 2 Money (1.25M/20Yrs/0%)-2011	62,494	62,494	62,494	62,494	62,494
Ohio EPA Water Supply Revolving Loan (\$1.7M/20Yrs/3.25%)-2006	116,096	116,096	116,096	116,096	116,096
Ohio EPA Water Supply Revolving Loan (\$4M/20Yrs/3.25%)-2006	268,251	268,251	268,251	268,251	268,251
Ohio EPA Water Supply Revolving Loan (\$6.78M/20Yrs/2%)-2011	462,414	462,414	462,414	462,414	462,414
Ohio EPA Water Supply Revolving Loan (\$5.9M/20Yrs/2.0%)-2012	298,556	298,556	298,556	298,556	298,556
Ohio EPA Water Supply Revolving Loan (\$2.7M/20Yrs/1.71%)-2012	162,729	162,729	162,729	162,729	162,729
Ohio EPA Water Supply Revolving Loan (\$4.9M/20Yrs/1.75%)-2012	294,451	294,451	294,451	294,451	294,451
Ohio EPA Water Supply Revolving Loan (\$2.0M/20Yrs/1.88%)-2012	125,957	125,957	125,957	125,957	125,957
Ohio EPA Water Supply Revolving Loan (\$3.2M/20Yrs/1.98%)-2012	212,311	212,311	212,311	212,311	212,311
Ohio EPA Water Supply Revolving Loan (\$7.6M/20Yrs/2.0%)-2012	468,904	468,904	468,904	468,904	468,904
Ohio EPA Water Supply Revolving Loan (\$5.2M/20Yrs/1.94%)-2012	313,209	313,209	313,209	313,209	313,209
Ohio EPA Water Supply Revolving Loan (\$7.7M/20Yrs/2.00%)-2015	466,128	466,128	466,128	466,128	466,128
Other Financing Requirements	3,408,000	3,408,000	3,408,000	3,408,000	3,408,000
Total Debt Payments	41,480,000	41,647,000	45,474,000	45,500,000	49,181,000
Total Bond Proceeds		70,000,000		120,000,000	
LESS: Capital Expenditures (j)	81,510,000	82,664,600	86,763,000	90,667,000	94,878,000
LESS: Private Lead Service Line Replacement (j)	2,280,000	3,200,000	2,300,000	1,400,000	500,000
Revenues Available for Transfer to Water System Reserve Fund	121,272,000	146,520,400	96,906,400	166,501,400	112,344,400
Debt Service Coverage					
Total Bond Debt Service Coverage	196%	199%	187%	192%	184%
Days Cash on Hand	549	642	412	685	448

(a) Reflects the effect of timing of mid-year rate increases on the level of revenues received in the first year of each revenue adjustment.

(b) Five consecutive rate increases of 3.75% were approved on October 10, 2016.

(c) Other Revenues includes revenues other than water sales revenues such as meter application fees, meter repair and testing fees, expansion fees and sales of construction material.

(d) The amount of federal subsidy with respect to the Series 2009B Bonds, which were issued as Direct Payment Build America bonds, is 35% of the interest cost with respect to such Series 2009B Bonds, less a 6.9% reduction as a result of federal sequestration through December 1, 2019.

(e) Operating and Maintenance Expenses exclude Accrued Pension and OPEB Liabilities.

(f) The Series 2009B Redemption Price to be paid on the Crossover Date and the interest due with respect to the Series 2016C Bonds to the Crossover Date is excluded. See "SECURITY AND SOURCES OF PAYMENT – Rate Covenant – Computation of Debt Service Charges with respect to the Crossover Refunding."

(g) The Series 2017A Bonds will be issued at an all-in true interest cost of 2.93%.

(h) The principal amounts of the Advance Refunded Bonds, with an average coupon of 4.88%, are as follows:

Advance Refunded Bonds 2011A	32,010,000
Advance Refunded Bonds 2012A	37,480,000
TOTAL	<u>69,490,000</u>

(i) The assumptions for the proposed debt service with respect to future issues of Senior Bonds (30-year maturity) are as follows (in dollars, 000's omitted):

Fiscal Year	Proceeds	Reserv & Issuance Costs	Total Issue	Interest
2019	70,000	6,945	76,945	5.00%
2021	120,000	11,290	131,290	5.00%

(j) Reflects the amounts that the Utility anticipates spending in Fiscal Year 2018 to Fiscal Year 2021 on private service line replacement, subject to the availability of cash in excess of working capital, with respect to implementation of the City's Enhanced Lead Strategy program. See "THE UTILITY - Enhanced Lead Strategy" and "Capital Improvement Plan."

(k) "Bond Redemption" refers to the cash defeasance on December 6, 2016 of Outstanding Bonds in the aggregate principal amount of \$11,355,000 with amounts available for such purpose in the Water System Reserve Fund.

City of Cincinnati, Ohio
Demographic and Economic Information
Schedule 1
Population Statistics
Last Ten Fiscal Periods

Year	Population				Per Capita Personal Income				Civilian Labor Force Estimates				% Unemployed Average	
	United States	Ohio	Cincinnati MSA	Hamilton County	United States	Ohio	Cincinnati MSA	Hamilton County	United States	Ohio	Cincinnati MSA	Hamilton County		Cincinnati
2008	304,374,846	11,528,072	2,158,643	853,508	40,166	35,889	39,066	43,918	154,287,000	5,971,900	1,127,500	438,200	164,800	5.8
2009	307,006,550	11,542,645	2,171,896	855,062	39,635	35,408	37,967	42,393	154,205,800	5,970,000	1,133,000	438,800	163,600	9.3
2010	309,330,219	11,537,968	2,132,415	801,948	39,937	36,162	39,673	45,852	153,893,000	5,935,250	1,130,200	438,500	163,800	9.0
2011	311,591,917	11,544,951	2,138,038	800,362	41,560	37,836	46,881	46,881	153,617,000	5,806,000	1,099,600	406,900	143,800	8.8
2012	313,914,040	11,544,225	2,128,603	802,038	42,693	39,289	43,454	49,413	154,975,000	5,748,000	1,089,300	400,000	141,100	8.1
2013	316,128,839	11,570,808	2,134,109	804,520	44,543	40,865	43,923	50,235	155,389,000	5,766,000	1,098,100	403,300	142,300	7.4
2014	318,857,056	11,594,163	2,149,971	806,631	40,652	42,571	45,926	51,211	156,997,000	5,758,000	1,087,900	407,400	144,500	6.1
2015	321,418,821	11,613,423	2,159,329	807,598	41,902	43,566	47,254	52,081	158,283,000	5,783,000	1,093,400	411,500	145,700	5.3
2016	323,127,515	11,614,373	2,161,441	809,099	49,571	44,876	NA	55,207	158,880,000	5,810,000	1,101,900	408,500	144,500	4.9
2017	325,341,848	NA	NA	NA	43,075	NA	NA	NA	162,892,043	5,884,933	1,126,709	429,461	NA	4.4

Personal Income (in millions)

Year	Personal Income (in millions)			
	United States	Ohio	Cincinnati MSA	Hamilton County
2008	12,225,589	413,732	84,329	37,484
2009	12,168,161	408,707	82,460	32,068
2010	12,353,577	417,234	84,600	36,770
2011	12,949,905	436,818	87,485	37,522
2012	13,401,869	453,556	92,497	39,631
2013	14,081,282	472,845	93,882	40,415
2014	14,708,582	493,578	96,671	41,293
2015	15,401,900	503,699	101,960	42,060
2016	15,893,200	521,208	NA	44,668
2017	16,364,400	NA	NA	NA

Source: Ohio Department of Job and Family Services (mi.state.oh.us/)
US Dept of Commerce, Bureau of Economic Commerce (www.bea.gov)
NCLS.org, National Unemployment rate
American Community Survey: <https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>
https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml#
N/A = Not Available

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

Employer	2017		2008	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
The Kroger Co	21,646	1 1.00%	15,600	1 1.49%
Children's Hospital Medical Center	15,257	2 0.71%	10,347	4 0.99%
UC Health	12,200	3 0.56%		
TriHealth Inc.	11,992	4 0.56%	9,850	5 0.94%
Cincinnati/Northern Kentucky International Airport	10,166	5 0.47%		
Proctor & Gamble	10,000	6 0.46%	12,900	3 1.23%
University of Cincinnati	9,981	7 0.46%	15,539	2 1.49%
Mercy Health	9,000	8 0.42%		
St. Elizabeth Healthcare	8,236	9 0.38%		
GE Aviation	7,800	10 0.36%		
Fifth Third Bancorp			7,633	8 0.73%
ABX Air Inc.			7,500	9 0.72%
Archdiocese of Cincinnati			7,500	10 0.72%
Health Alliance			9,475	6 0.91%
Wal-mart Stores			7,787	7 0.74%
Total	116,278	5.38%	104,131	9.96%
Total Metropolitan Statistical Area	2,161,441		1,046,300	

Sources: Cincinnatiusa.com
Business Courier 2016-2017 Winter Book of Business Lists
Data ranked by local employees as of May 2016 - per Book of Lists
Data: city population USA metro cincinnati in ky

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

Fiscal Year	New Residential Construction (1)		New Non-Residential Construction (1)		All Total Construction (1)	
	Number of Permits	Estimated Cost (in thousands)	Number of Permits	Estimated Cost (in thousands)	Number of Permits	Estimated Cost (in thousands)
2007	150	36,540	55	124,961	8,780	487,176
2008	72	13,252	66	243,388	8,196	431,373
2009	44	10,642	60	264,896	8,139	603,416
2010	85	14,304	76	217,069	8,958	594,199
2011	90	28,403	43	126,318	9,290	536,041
2012	83	34,675	43	66,630	9,050	401,558
2013	59	12,374	21	53,526	4,691	220,351
2014	90	21,427	38	197,818	9,433	672,855
2015	123	31,292	73	273,559	9,464	732,557
2016	136	39,519	55	183,075	10,457	664,628
2017	183	54,518	51	154,892	11,090	843,278

Fiscal Year	Property Value (2)	
	Residential (in thousands)	Non-Residential (in thousands)
2007	9,880,248	5,899,386
2008	9,944,823	5,835,579
2009	10,091,512	6,044,623
2010	10,019,140	6,134,297
2011	9,937,060	5,914,734
2012	8,789,921	4,118,106
2013	8,734,271	5,441,937
2014	8,696,913	5,292,777
2015	8,860,818	5,275,211
2016	8,888,610	5,361,960
2017	8,920,237	5,395,834

Note: The City of Cincinnati changed fiscal year in 2013. The information for 2013 fiscal year represents six months of information for the period ending June 30, 2013.

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	\$258,697
Commissioner of Health	\$122,123 - \$164,866
Deputy City Manager	\$122,123 - \$164,866
City Solicitor	\$122,123 - \$188,831
Various Department Directors	\$104,520 - \$192,915

MAYOR and CITY COUNCIL

The mayor is elected for a four-year term by the voters of Cincinnati. The legislature of the City is a nine-member council elected at large on a partisan basis for four-year terms. The vice-mayor is chosen by the mayor from the council members. A list of the council incumbents and the term each is presently serving appears on page 15. 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
Employee Crime Insurance**

The City maintains a government crime insurance policy of \$5,000,000 per occurrence which covers theft, forgery, alteration, transfer fraud, and computer fraud by an employee.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Goods-Producing Industries	160.8	146.1	146.4	149.7	151.8	143.8	150.8	158.1	158.9	165.4
Mining, Logging, and Construction	45.0	40.6	36.1	36.9	36.8	37.0	41.5	43.7	44.6	48.9
Construction of Buildings	9.7	8.4	7.7	7.6	7.6	8.6	9.2	9.5	9.4	10.9
Specialty Trade Contractors	29.6	24.9	22.5	22.6	24.0	23.3	27.5	28.8	28.7	31.5
Manufacturing	115.8	105.5	110.3	112.8	115.0	106.8	109.3	114.4	114.3	116.5
Durable Goods	69.2	60.1	65.3	69.6	70.5	64.0	65.6	64.7	68.1	69.7
Primary Metals	6.2	5.6	5.9	7.0	7.0	6.0	5.8	5.8	5.3	5.6
Transportation Equipment	19.1	17.6	18.2	17.5	18.0	19.2	19.8	20.1	21.2	23.3
Motor Vehicle Parts	7.8	6.5	6.6	6.7	6.8	8.0	8.5	8.8	9.5	10.6
Aerospace Products and Parts	9.8	9.2	9.2	9.5	9.7	10.0	N/A	N/A	N/A	N/A
Nondurable Goods	46.6	45.4	45.0	43.2	44.5	42.8	43.7	49.7	46.2	46.8
Chemical Manufacturing	11.2	11.4	11.5	11.0	10.9	10.7	10.7	10.8	11.2	11.6
Service-Providing Industries	877.4	850.7	841.3	853.0	871.8	754.5	777.0	796.2	803.8	824.7
Trade, Transportation, and Utilities	215.4	201.0	196.4	202.4	207.9	201.8	205.6	214.8	213.3	218.3
Wholesale Trade	60.4	54.9	52.3	57.6	58.2	59.2	61.3	60.1	60.5	62.8
Merchant Wholesalers, Durable Goods	28.3	24.7	22.9	26.0	27.7	27.4	28.2	29.4	30.6	30.7
Merchant Wholesalers, Non-Durable Goods	23.6	22.8	22.8	22.0	21.0	19.7	20.9	19.4	18.7	19.1
Retail Trade	111.5	105.7	104.5	103.8	107.6	101.7	103.9	109.7	110.3	110.8
Food and Beverage Stores	21.8	20.8	19.8	20.3	20.8	20.5	19.1	20.4	20.6	19.8
Grocery Stores	18.9	16.8	17.1	17.8	18.5	18.4	16.9	17.7	18.1	17.5
Health and Personal Care Stores	7.3	7.1	6.8	6.6	7.1	6.5	6.6	6.1	6.6	6.3
Clothing and Clothing Accessories Stores	9.7	9.8	10.2	9.4	11.5	7.8	7.6	7.8	7.6	8.1
General Merchandise Stores	25.0	22.6	22.6	21.6	22.1	19.9	19.7	20.0	20.5	20.9
Transportation, Warehousing and Utilities	43.5	40.4	39.6	41.0	42.1	40.9	40.4	45.0	42.5	44.7
Transportation and Warehousing	39.8	36.4	34.9	37.9	39.0	38.3	37.8	42.3	40.1	42.0
Air Transportation	7.0	5.8	5.4	4.5	3.9	3.9	2.8	2.7	2.8	3.0
Information	15.3	14.4	14.0	13.9	13.8	13.6	13.9	13.5	13.9	14.3
Telecommunications	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Financial Activities	64.4	61.7	58.4	58.5	62.0	64.1	66.6	68.2	73.3	76.8
Finance and Insurance	52.2	50.9	49.9	50.0	52.4	52.6	54.0	56.2	59.3	61.4
Credit Intermediation and Related Activities	21.3	20.7	20.6	20.4	21.8	22.2	21.8	21.6	21.9	25.2
Insurance Carriers and Related Activities	24.2	24.2	23.5	23.7	25.2	24.5	25.6	27.4	28.0	28.2
Professional and Business Services	155.6	150.6	149.7	153.5	163.6	165.6	166.9	174.7	166.3	174.5
Professional and Technical Services	56.0	53.2	54.0	57.3	61.2	57.4	58.2	61.9	60.6	67.0
Management of Companies and Enterprises	36.6	37.9	38.0	40.0	42.9	42.1	42.3	42.4	40.4	39.6
Administrative, Support, and Waste Services	63.0	58.7	57.7	56.2	59.5	66.1	66.4	70.4	65.3	67.9
Employment Services	30.2	24.3	24.3	24.9	27.3	29.0	31.8	30.4	28.1	29.4
Services to Buildings and Dwellings	12.5	11.8	12.2	12.5	13.9	15.5	15.7	16.1	17.7	16.9
Educational and Health Services	147.3	148.4	151.9	153.2	152.2	153.6	158.8	156.9	161.8	163.8
Educational Services	15.8	16.3	16.6	16.7	18.5	17.2	18.1	17.9	18.1	16.8
Health Care and Social Assistance	131.5	132.1	135.3	136.5	133.7	136.4	140.7	139.0	143.7	147.0
Hospitals	44.1	45.1	46.2	46.0	46.4	47.6	48.5	47.6	50.3	50.7
Leisure and Hospitality	101.9	99.1	97.0	98.8	104.6	116.8	123.4	127.2	135.0	134.6
Arts, Entertainment and Recreation	16.4	16.6	15.6	14.4	14.4	27.1	29.9	29.7	33.0	31.4
Accommodation and Food Services	85.5	82.5	81.4	84.4	90.2	89.7	93.5	97.5	102.0	103.2
Other Services	43.1	41.6	40.9	42.2	40.3	39.0	41.8	40.9	40.2	42.4
Government	134.4	133.9	133.0	130.5	127.4	121.7	123.2	121.5	123.3	124.4
Federal Government	16.9	16.7	16.6	16.5	15.6	15.9	15.7	15.2	15.4	14.8
State Government	29.0	29.1	28.6	28.4	28.0	23.3	23.7	23.8	24.2	29.1
State Government Education	24.0	23.8	23.2	24.7	23.7	17.4	18.9	18.7	18.4	23.8
Local Government	88.5	88.1	87.8	85.6	83.8	82.5	83.8	82.5	83.7	80.5
Local Government Education	50.8	51.4	51.1	50.0	49.4	43.9	44.8	44.2	43.7	41.8
Total	1038.2	996.8	987.7	1002.7	1023.6	898.3	927.8	954.3	962.7	990.1
Unemployment Rate	5.0	10.1	9.0	7.8	7.8	7.4	5.6	4.6	4.4	4.6

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
 Ohiolmi.com - LMR2017

City of Cincinnati
Demographic and Economic Information
Schedule 7
Higher Education

The table below provides a listing of the area's largest colleges and universities by enrollment as of fall term 2016.

Higher Education Institutions	Total Enrollment
University of Cincinnati	44,338
Miami University	24,322
Northern Kentucky University	15,114
Cincinnati State Technical & Community College	9,056
Xavier University	6,522
Gateway Community and Technical College	4,325
College of Mount St. Joseph	2,049
Thomas More College	1,964
Ivy Tech Community College Southeast	1,176
Sinclair Community College/Courseview	1,114

Source: Business Courier 2016-17 Book of Lists

The region's largest college or university, the University of Cincinnati, has significant research and contract activity. During the 2014, 2015 and 2016 fiscal years, the University of Cincinnati and its affiliates received \$390 million, \$397 million and \$429 million respectively, in federal, state, city/county, and non-government agency grants, contracts, and awards. According to the National Science Foundation ranking for federal funding of major research the University of Cincinnati stands among the top 50 research universities in the nation.

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

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	400	446	447	425	447	518	518	538	600	490
Community Development	140	73	70	66	54	71	67	70	44	40
General Services	61	63	62	57	59	57	63	64	71	68
Parks and Recreation	302	290	298	282	288	285	286	296	290	294
Public Safety										
Police	1356	1,335	1,324	1,253	1,221	1,093	1,088	1,150	1,180	1,283
Fire	905	890	844	806	829	818	888	867	841	909
Transportation and Engineering	152	154	144	143	156	143	135	135	144	145
Public Services	416	402	367	334	326	321	291	326	321	328
Public Health	426	421	404	369	377	372	376	400	420	434
MSD	532	587	599	608	594	589	552	548	545	587
Enterprise										
Water Works	541	561	552	533	522	523	500	504	525	543
Parking Facility	41	40	35	28	31	30	29	29	32	35
General Aviation	13	13	13	11	11	9	10	10	10	10
Municipal Golf	2	2	2	2	2	2	2	2	1	1
Stormwater Management	31	16	15	13	16	15	17	18	17	23
Total	5318	5,293	5,176	4,930	4,933	4,846	4,822	4,957	5,041	5,190

Source: Cincinnati Human Resource Information System (CHRIS)

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Litigations										
Total Cases (open)	117	106	123	128	119	124	148	158	128	205
Open Cases (current year)	79	98	103	155	90	52	80	95	111	96
Community and Economic Development										
Housing Units	1,581	1,834	2,560	1,735	1,880	1,030	1,741	1,921	1,615	752
Job Created/Retained thru Income Tax Credits	65	149	1			387	3,105	664	196	4,159
Police										
Service Calls	287,268	275,424	263,196	276,407	272,212	129,086	261,955	258,433	224,494	237,258
Arrests	41,542	36,768	37,529	37,207	35,141	16,109	32,155	29,121	29,107	27,090
Reports Filed	24,743	38,700	36,179	38,573	36,901	17,040	31,363	31,315	30,847	30,713
Fire										
Incidences (Fires, EMS, other)	68,973	72,128	70,889	73,531	75,412	31,960	81,955	73,248	71,451	71,451
Parks										
Annual Visitors	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	3,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Nature Education Programs	1,000	1,168	1,375	1,382	1,298	698	1,403	1,871	1,068	1,277
Volunteer Hours	87,737	93,439	59,046	56,340	65,576	31,582	63,685	43,215	53,971	38,255
Park Reservations	1,350	732	958	976	961	411	812	860	1,011	1,011
Visitor Center Phone Calls	26,350	16,848	15,000	15,211	16,244	8,100	17,800	17,800	17,800	16,822
Health										
Patients	41,674	37,375	37,319	32,176	43,299	21,700	35,000	33,704	45,000	51,238
Visits	119,846	153,548	151,505	137,966	155,684	76,218	151,505	95,645	140,000	146,392
Inspections	17,635	19,751	20,798	22,812	22,664	11,379	20,146	25,040	22,000	21,760
Birth and Death Certificates	68,568	66,990	63,349	55,483	45,330	22,205	44,583	58,369	60,313	62,669
Sanitation										
Total solid waste collected and disposed	100,045	99,946	99,203	95,571	90,570	90,570	71,895	68,345	69,905	71,104
Water Works										
Water Delivered to Water Mains (Gallons)	49,566,715,000	45,554,623,000	47,328,971,000	44,396,749,000	45,233,282,700	20,559,715,500	43,838,631,300	43,024,975,500	42,784,941,100	43,859,063,500
Total Water Consumption (Gallons)	41,510,868,000	37,844,460,000	39,300,198,000	37,331,942,000	38,142,397,000	16,488,683,000	36,691,200,000	38,304,800,000	35,275,500,000	35,910,000,000
Percent of Unmetered Water	16%	17%	17%	16%	16%	20%	16%	11%	18%	18%
Average Daily Delivery (Gallons)	135,428,000	124,807,000	129,668,000	121,635,000	123,588,200	113,589,588	120,105,839	117,876,600	116,896,700	120,161,900
Maximum Daily Pumpage (Gallons)	220,566,000	169,260,000	200,712,000	206,325,000	230,258,100	169,569,000	157,429,000	164,010,500	158,984,000	174,890,800
Minimum Daily Pumpage (Gallons)	99,924,000	95,420,000	95,904,000	95,848,000	88,648,900	100,889,000	94,843,300	90,718,600	93,613,800	97,632,700

N/A = Not Available
Note: The City of Cincinnati changed fiscal years in 2013. The information for 2013 fiscal year represents six months of information for the period ending June 30, 2013.

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police										
Stations	5	5	5	5	5	5	5	5	5	5
Fire										
Fire Stations	26	26	26	26	26	26	26	26	26	26
Paramedic Units	4	6	4	12	12	12	12	12	42	42
Life Support Ambulances	6	8	8						12	12
Aircraft Rescue	1	1	1	1	1	1	1	1	1	1
Transportation and Engineering										
Streets (lane miles)	2,840	3,050	3,050	3,000	3,050	3,050	3,065	3,060	2,891	2,936
Sidewalks (miles)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Street Signs	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Bridges	62	62	62	65	64	64	65	64	65	65
Bridges - Wasson Way****										8
Retaining Walls (miles)	52	52	50	50	50	50	50	50	50	50
Public Recreation										
Parks										
Acreage	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Regional Parks	5	5	5	5	5	5	5	5	5	5
Neighborhood parks	70	70	70	70	71	71	71	71	71	71
Preserves and Nature areas	34	34	34	34	34	34	34	34	34	34
Nature Education Centers	5	5	5	5	5	5	5	5	5	5
Playgrounds	52	52	52	52	52	52	52	52	54	54
Hiking Trails (miles)	65	65	65	65	65	65	65	65	65	65
Plant Species - Krohn Conservatory	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Park Facilities & Structures	121	121	121	121	121	121	121	121	121	121
Street Trees	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	85,000	85,000
Recreation										
Acreage	2,600	2,600	2,600	2,600	2,600	2,600	2,600	1,978	1,978	1,981
Recreation and Senior Centers	38	38	38	32	30	27	27	24	23	23
Play Areas	108	108	108	108	96	100	100	98	98	99
Swimming Pools/Aquatics Facilities	38	38	28	33	32	34	34	31	30	29
Tennis Courts	122	122	122	103	103	97	97	97	90	90
Public Services										
Traffic Engineering										
Traffic Signs	749	757	757	765	758	758	758	770	780	780
Street Lights	28,706	12,000	12,000	12,200	8,515	8,515	10,000	10,000	10,000	10,000
Public Health										
Health Centers	6	6	6	6	6	6	6	6	7	9
Water Works										
Total Assets (in thousands)	979,428	1,080,499	1,081,596	1,144,127	1,229,795	1,248,476	1,265,321	1,354,789	1,349,362	1,460,419
Water Customer Accounts	241,416	241,500	241,704	241,714	241,707	241,809	241,987	242,227	242,335	240,313
Miles of Water Main in the System	3,121	3,128	3,133	3,316	3,145	3,146	3,148	3,149	3,161	3,168
Municipal Golf										
Golf Courses	7	7	7	7	6	6	6	6	6	6
General Aviation										
Acreage	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353
Convention Center										
Meeting Rooms	37	37	37	36	36	36	36	36	36	36
Exhibit Space (Square Feet)	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000
Meeting/Ballroom Space (Square Feet)	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000
Parking Facilities										
Parking Lots/Garages	14	14	14	14*	14*	14*	13**	15	14***	14***
Parking Meters	5,400	5,400	5,400	5,400	4,979	4,979	4,979	4,994	4,506	4,506
Stormwater Management										
Miles of Storm Sewers	350	350	350	350	350	350	350	350	350	350

*The Gateway Garage was sold on 10/1/11 leaving Parking Facilities with 13 Parking Lots and Garages.

**The 5th & Race Lot ceased operations at the end of FY13 and was transferred to 3CDC.

***The Pogue's Garage ceased operations on 7/25/16 and ownership was transferred to 4th & Race Redevelopment, LLC.

****Wasson Way was purchased FY17 and the 8 bridges are not part of the City's Bridge Program.

Note: The City of Cincinnati changed fiscal years in 2013. The information for 2013 fiscal year represents six months of information for the period ending June 30, 2013.

**City of Cincinnati
Operating Information
Schedule 4
Unions and Labor Contracts**

There are six (6) unions representing its employees: The American Federation of State, County, and Municipal Employees, the Cincinnati Organized and Dedicated Employees (CODE); the Fraternal Order of Police; the International Association of Fire Fighters; the Building Trades, and the Teamsters.

A summary of the six (6) bargaining units' representation of City employees and the status of the City contracts with each are summarized in the table below.

Summary of City Labor Contracts

<u>Bargaining Unit</u>	<u>Approximate No. of Employees Represented</u>	<u>Contract Effective Date</u>	<u>Contract Termination Date</u>	<u>Contract Wage Increase</u>
AFSCME	1,806	08/14/2016	08/10/2019	4.0% ¹
CODE	927	03/27/2016	03/23/2019	4.0% ²
FOP (Non-Supervisors)	797	05/22/2016	05/11/2019	4.0% ³
FOP(Supervisors)	234	05/22/2016	05/11/2019	4.0% ⁴
IAFF	860	05/22/2016	01/01/2019	4.0% ⁵
IAFF Asst. Chiefs	4	05/22/2016	01/01/2019	4.0% ⁶
Building Trades	39	08/01/2015	07/31/2018	4.0% ⁷
Teamsters	22	10/23/2016	10/19/2019	4.0% ⁸
AFSCME – MW's	87	08/14/2016	08/10/2019	4.0% ⁹
TOTAL	4,776			

1 AFSCME will receive a 4.0% increase effective 07/02/17; and a 4.0% increase effective 07/01/18.

2 CODE will receive a 1.5% increase effective 03/27/16; a 2.5% increase effective 03/26/17; and a 2.5% increase effective 03/25/18. Per City Ordinance #201601190 and MOU, the CODE bargaining unit will receive an additional 2.5% increase effective 12/4/16; an additional 1.5% effective July 2017; and an additional 1.5% effective July 2018.

3 FOP (Non-Supervisors) will receive a 4% increase effective 05/21/17; and a 4.0% increase effective 05/20/18.

4 FOP (Supervisors) will receive a 4% increase effective 05/21/17; and a 4.0% increase effective 05/20/18.

5 The IAFF will receive a 4.0% increase effective 07/02/17; and a 4.0% increase effective 07/01/18.

6 The IAFF (Asst. Chiefs) will receive a 4.0% increase effective 07/02/17; and a 4.0% increase effective 07/01/18.

7 Building Trades will receive a 4.0% increase effective 07/02/17; and a 4.0% increase effective 07/01/18.

8 The Teamsters will receive a 4.0% increase effective 10/22/17; and a 4.0% increase effective 10/21/18.

9 AFSCME Municipal Workers (MW's) will receive a 4.0% increase effective 07/02/17; and 4.0% increase effective 07/01/18.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 2017

PREPARED BY:

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