

city of
CINCINNATI

2018

CINCINNATI, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 2018

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 2018

Director of Finance:

Reginald E. Zeno

Assistant Director of Finance:

Karen Alder

Finance Manager:

Mark Ashworth

INTRODUCTORY SECTION

**CITY OF CINCINNATI, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the fiscal year ended June 30, 2018**

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December 28, 2018

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, 2018. State law requires that the City of Cincinnati annually publish a complete set of financial statements for the results of its fiscal operations, presented in conformity with generally accepted accounting principles (GAAP). This report is prepared by the Department of Finance, which is responsible for the accuracy of the data and the completeness and fairness of its presentation, including disclosures. We believe that the information presented is accurate in all material respects and reported in a manner designed to show the financial position and operating results of the City.

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

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

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

The Auditor of the State of Ohio has audited the accompanying financial statements for fiscal year 2018. 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 2018 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. However, in November 2018 voters changed the terms back to the four consecutive two year terms. The Mayor appoints the City Manager subject to prior

approval of the City Council.

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

An 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, Tax Increment Financing 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 2018, unemployment rate has decreased to 3.7% as of April 2018, compared to 4.1% in May 2017. The report states that the "Cincinnati metro area saw stronger employment gains (in percentage terms) than did Ohio in all major employment sectors except construction and professional and business services." The research shows that two sectors experienced notably higher employment growth locally: leisure and hospitality and construction. Professional and business services experienced a decline locally.

Local home prices increased by 6.1% from the previous year, compared to 6.6% increase in Ohio and 8.5% increase nationally. The Fed Report notes that the growth rate has slowed compared to the previous year, but the "recent growth rates remain well above those seen in the previous economic expansion."

Per the U.S. 2010 Census, the City of Cincinnati's population was 296,943. The 2017 population estimates made by the Census Bureau has the Cincinnati population increasing to 301,301.

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, 2018 reserves were 11.6% of fiscal year 2018 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 2018 were \$395.9 million which

were lower than the budgeted amount of \$397.9 million by approximately \$2 million. Actual Non-GAAP revenue for fiscal year 2018 of \$391.4 million was lower than budgeted fiscal year 2018 revenues of \$391.6 million. The actual revenue was lower than the original fiscal year 2018 revenue estimate of \$392.2 million by \$0.8 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 with strong financial policies and practices, and the City's very strong budgetary 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 (State Treasurer's investment pool), STAR Plus (State Treasurer's deposit option), Ohio Municipal securities, Commercial Paper, 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, 2018 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, 2018 the par value of City assets managed by these firms was \$149.6 million by Bond Tech and \$259.9 million by Nuveen Asset Management.

The par value of the assets managed internally by the City's Treasury Division was \$455.9 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, 2018, the investment allocation of the aggregate portfolio was as follows:

U. S. Treasury Notes	30.59%
U.S. Agency Securities	42.36%
STAR Ohio	11.46%
STAR Plus	0.42%
Certificates of Deposit	0.18%
Ohio Municipal Debt	4.12%
City of Cincinnati Notes	0.66%
Overnight Funds/Cash	2.08%
Commercial Paper	8.14%

The City maintains a comprehensive all-risk property insurance program through a commercial carrier, covering approximately \$1.66 billion in property values. The program contains a \$100 thousand deductible, provides coverage in the amount of \$500 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 \$2.26 billion as of June 30, 2018 compared to \$2.23 billion as of June 30, 2017. The net investment return for the fiscal year ending June 30, 2018 was 7.8%. The Cincinnati Retirement System's actuary reported the December 31, 2017 pension funded ratio of 75.5% and the health care funded ratio of 100.2%. This compares to the December 31, 2016 pension funded ratio of 76.9% and the health care funded ratio of 108%.

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 2018, the City continued to improve customer service and increase efficiency throughout municipal government. The Department of Community & Economic Development (DCED) worked to promote revitalization of neighborhoods and downtown in successful efforts to attract new residents and businesses. Major initiatives and positive momentum were made in the following areas and are especially noteworthy.

Court and Walnut. The City provided an \$8.5 million grant from the Urban Redevelopment Tax Increment Equivalent Fund for a transformative mixed-use project on the border of downtown and Over-the-Rhine. Partnering with The Kroger Co., North American Properties, the Cincinnati Center City Development Corp. (3CDC), and Rookwood Properties, the City is helping develop a \$90.5 million project that will include Cincinnati's first downtown supermarket in nearly 45 years. It also will feature a 550-space public parking garage on the streetcar line, and 139 luxury apartments.

SHP Leading Design. The City secured a 40 percent Job Creation Tax Credit (JCTC) for SHP Leading Design to move downtown from Norwood. SHP, a major architectural firm, signed a lease for 20,000 square feet of office space on Plum Street. The tax credit requires a five-year retention period for the jobs. The firm moved more than 70 employees to 312 Plum St. in spring 2018.

824 Broadway. The former home of the Hamilton County Board of Elections at 824 Broadway is being converted into apartments by Rookwood Properties. When completed, the \$8 million project will include up to 60 loft-style rental units, with the possibility of more built on an adjacent parcel later. The City is providing a 12-year, net 100 percent Community Reinvestment Area (CRA) tax exemption.

15 W. Sixth St. Anderson Birkla proposes to renovate the roughly 600,000 square-foot property at 15 W. Sixth St., formerly known as the Terrace Plaza Hotel. The building is largely vacant, except for some ground-floor retail. The project will yield approximately 224 market-rate apartments, as well as additional ground-floor retail. Also, the project will include 292 parking spaces.

611 Main St. Santana Properties, LLC is renovating the basement and first-floor commercial space in the Central Business District into a new restaurant concept, Mazunte Centro. The 2,600 square foot renovation will create 30 full time equivalent (FTE) jobs and \$500,000 in new payroll.

632 Vine St. Pearl Capital Management, LLC is renovating the historic Provident Bank Building. When completed, the \$37.5 million project will convert 140,000 square feet of Class C office, with a 10 percent occupancy rate, into 160 residential units rented at a cost of 10-15 percent less than the surrounding inventory. Also, it will renovate 13,000 square feet of retail space.

U.S. Bank National Association. U.S. Bank will retain approximately 2,210 jobs and create an additional 400 new jobs within the City in connection with making \$9 million in improvements to its downtown office tower at 425 Walnut St. The improvements will be made to house the additional created jobs. The 400 jobs will be

added to the downtown location, as well as the Company's location at 7435 Wooster Pike in Linwood. The City will offer a 50 percent JCTC Refundable with a 10-year term and 5-year retention period toward the creation of these jobs, as well as a net-60 percent, 10-year CRA to the improvements at the 425 Walnut.

Nehemiah Manufacturing/MetroWest Commerce Park. After a fire destroyed the Queen City Barrel building in Lower Price Hill, the City of Cincinnati strategically acquired the site, which included approximately 100 parcels totaling 18 contiguous acres. The site acquisition was intended to establish a much-needed development site within its urban core, while offering access to existing industrial infrastructure crucial to attracting new manufacturing operations. The site was renamed MetroWest Commerce Park. The City assembled and cleaned up the site, then sold seven acres for Nehemiah Manufacturing Co.'s new \$12 million, 180,000-square-foot building. The City offered a tax abatement on the new building and Nehemiah agreed to retain 81 employees and create 37 new jobs within three years of the facility opening.

Union Terminal. Union Terminal is currently undergoing a \$219 million renovation. Union Terminal is home to the Cincinnati Museum Center. The building is approximately 500,000 square feet, and construction is expected to be completed in early 2019. The project was awarded \$5 million in historic tax credits. The bulk of the project cost is being funded by a quarter-cent increase in Hamilton County's sales tax, approved by voters in 2014.

Adam's Edge. The City is providing crucial support to the Camden Land Group to develop a 1.6-acre parcel in Mount Adams. Located at 1201 Elsinore Ave., the project will include a \$14.5 million, 64-unit luxury apartment building known as Adam's Edge. The site will also include a two-tier parking structure with 94 spaces. The City has granted a 15-year, 75 percent LEED Community Reinvestment Area tax exemption. The project is expected to create 40 construction jobs and 14 FTE positions. This project will meet LEED Silver standards for environmental performance.

DeSales Apartments. The City is assisting Towne Properties with developing Phase 2 of the DeSales Flats apartments along Woodburn Avenue near the intersection of Madison Road. DCED is facilitating a 30-year tax exemption in the form of a Tax Increment Financing (TIF) and the developer will make Voluntary Tax Incentive Contribution Agreement (VTICA) payments during that period. The project is expected to create 130 construction jobs and three FTE positions. The \$17.3 million project will include 116 market-rate apartments, 148 surface parking spaces, and incorporate several amenities including a community room, fitness center and an outdoor pool. Once completed, the project will meet LEED Gold standards for environmental performance.

Westwood Town Square. Cincinnati Landmark Productions is using private funds, along with a \$4 million loan from the City of Cincinnati, and various grants and tax credits to convert a building into the new home of Madcap Puppets and renovate park areas around Westwood Town Hall. Located at the former Cincinnati Bell Exchange building, Madcap's facility will include an education center that will host puppet festivals, summer camps and community events. When completed, the project will anchor an historic business district and spur additional investment in Westwood, Cincinnati's largest neighborhood.

The Columbia. The City is assisting the 3CDC in redeveloping three buildings into office, commercial and residential space by granting a 15-year, 100 percent CRA tax exemption for the site. The structures – located at 1301 Walnut St., 1500-1502 Vine St., and 1434 Vine St. – are designed to better connect the Vine Street district to neighboring side streets. Each of the buildings is being renovated to include about 12,000 square feet of commercial space on the ground floors. The project has \$4.3 million in Federal Historic Preservation Tax Credits, \$633,000 from New Markets Tax Credit equity, and loans from the Cincinnati Equity Fund. Additionally, the City will give more than \$400,000 in capital funds to create affordable housing. The project is expected to be completed in late 2018.

Freepoint Row. The City is facilitating redevelopment of the northwest corner of Liberty and Elm streets in Over-the-Rhine by Source 3 Development. When completed, the \$23 million, mixed-use project will include 113 apartments and 12,000 square feet of retail space. It involves construction of a new building on vacant

land, along with the extensive renovation of four historic structures. Through the City's efforts, the project received a 12-year, net 100 percent LEED CRA tax exemption for the both the renovation and new construction portions. The project also will include a parking garage built in two phases, with up to 155 parking spaces.

Clyffside Event Space & Rebel Mettle. The brewing renaissance in Cincinnati will soon see another addition in Over-the-Rhine. Thanks to a 12-year, 100 percent LEED CRA tax exemption, Rebel Mettle is renovating a historic building located at 244-246 McMicken Avenue. The building will contain 47,000 square feet of commercial space including a brewery on the ground level and several event spaces above. The site was once home to the Clyffside and Sohn Brewery, a prominent pre-Prohibition era drinkery. The estimated total project cost is \$13 million.

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 began in 2018 and is expected to be completed in early 2021.

I-71/MLK Interchange. The Ohio Department of Transportation 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 the uptown area of Cincinnati. Several major projects are in the planning stages for the new "Innovation Corridor."

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. The facility will open in 2019.

The University of Cincinnati (UC). The City's public research university continues to grow enrollment and pioneer research in many fields. UC has opened a \$21 million, 100,000-square-foot research accelerator that provides space to startup companies launched from UC-developed technologies. UC also is building 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 2019.

Trinitas Student Housing. The City facilitated the public approvals and CRA incentive package for a new, 350-unit multifamily development on a portion of the former Deaconess Hospital property located at 424 Straight St. in the Clifton Heights, University Heights, and Fairview (CUF) neighborhood. Trinitas, an Indiana-based student housing development company, will invest in the \$108 million project, including the creation of 14 full-time jobs and approximately 250 construction jobs. The project is expected to be completed in 2020. The City granted a 15-year, 75 percent LEED CRA tax exemption. The company also owns the remainder of the former Deaconess Hospital property and anticipates future development at the site.

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 undergo a comprehensive redevelopment of the current Avondale Town Center (ATC). The project consists of the comprehensive redevelopment of the current ATC into a mixed-use, mixed income project that includes the construction of two new buildings (North and South) 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. This is the third and final phase of the Avondale Choice Neighborhood Implementation Grant of \$29 million that TCB received from HUD in 2012. The project will receive an incentive package that includes grant funds, debt forgiveness and land sales proceeds from the City worth more than \$5.6 million, as well as the value of a 15-year LEED tax exemption for the new construction portion and a 12-year tax exemption for the remodeling portion. The

City's incentive package of \$5.6 million will leverage approximately \$38 million in other funds and create 95 temporary construction jobs as well as 40 permanent jobs. Construction began in late 2017 and is expected to be completed in 2019.

Paramount Square. The City offered a loan and tax exemption to help restore the historic Paramount Square building in Walnut Hills. Located at 737 E. McMillan Ave., Paramount is being renovated by the Model Group into 12 residential units and 2,500 square feet of commercial space. The commercial space will be the home of Esoteric Brewery, which is the first African American-owned brewery in Cincinnati's history. The City offered a \$2.4 million loan to the project for 15 years. As a cash-flow sharing loan, any net cash flows above a 12 percent cash-on-cash return for Model are required to be split 50-50 between the City and the developer. Also, the City approved a 12-year, 60 percent commercial CRA tax exemption for Phases 1 and 2.

Awards and Acknowledgements

Certificate of Achievement and Budget Award

During fiscal year 2018, 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, 2017. 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-eight 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, 2017, 127 municipal reporting entities in Ohio and only 2,074 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 2018/2019 biennial budget. This is the 31st consecutive year that the City has received this award. For the fiscal years beginning in 2017, 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

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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, 2017

Christopher P. Morill

Executive Director/CEO

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CITY OF CINCINNATI, OHIO

Principal City Officials

CITY COUNCIL

MAYOR

John Cranley, Second Term

VICE MAYOR

Christopher Smitherman, Second Term

PRESIDENT PRO TEM

Tamaya Dennard, First Term

COUNCILMEMBERS

Amy Murray, Second Term
David Mann, Second Term
Wendell Young, Second Term
Greg Landsman, First Term

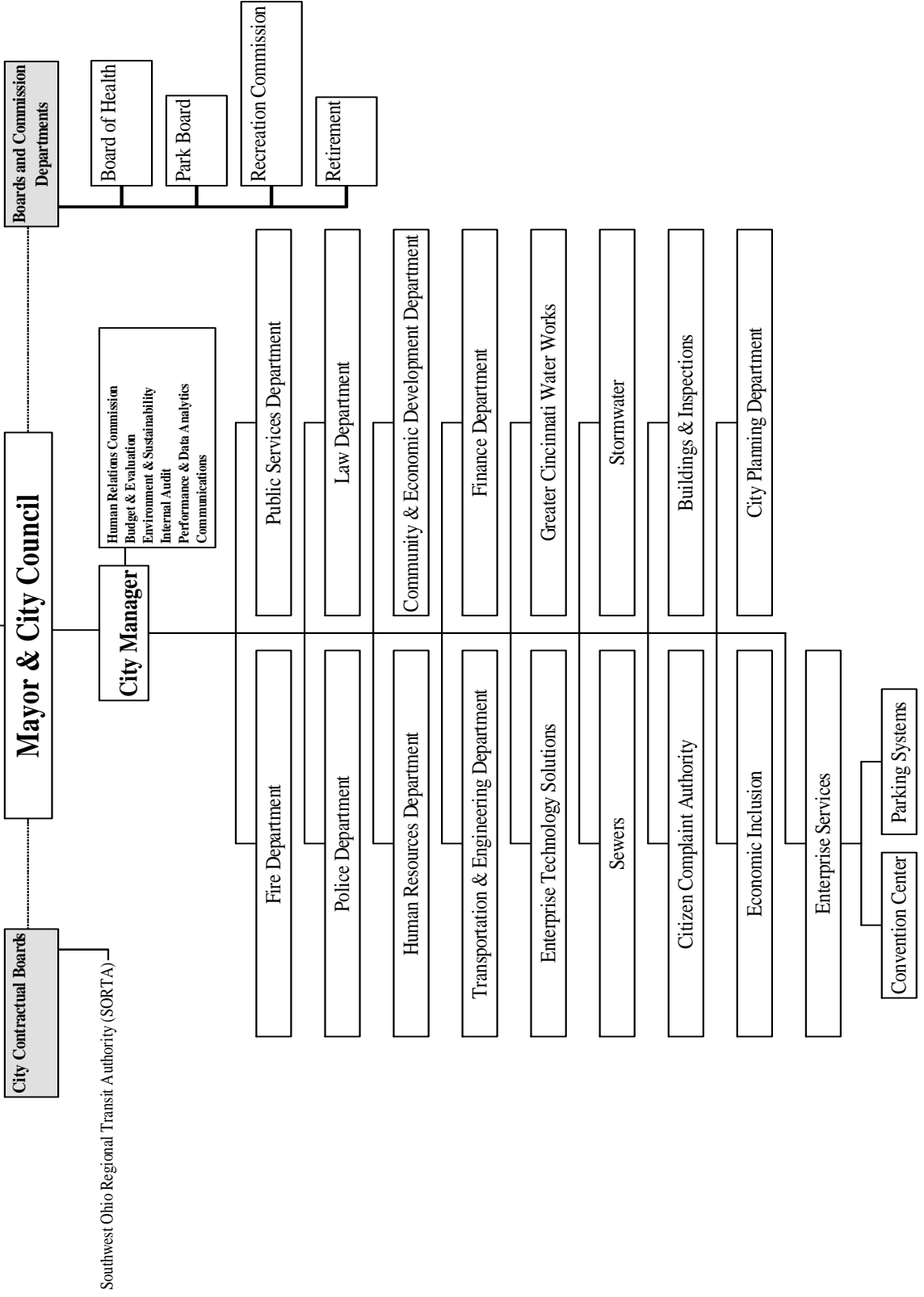
Chris Seelbach, Second Term
P. G. Sittenfeld, Second Term
Jeff Pastor, First Term

CITY MANAGER(ACTING)

Patrick Duhaney

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Citizens of Cincinnati



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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, 2018, 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, 2018, 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.

Emphasis of Matter

As discussed in Note 21 to the financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

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 and other post-employment benefit liabilities and pension and other post-employment benefit 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, 2018, 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, 2018

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, 2018. 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 \$1.0 billion (net position). Of this amount, negative \$1.6 billion is considered unrestricted. The unrestricted net position of the City's governmental activities has a balance of negative \$1.6 billion. The unrestricted net position of the City's business type activities is a negative \$68.1 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 \$961.8 million in 2018. Net position of the governmental activities decreased by \$263.7 million which represents a 108.3% change from the 2017 balance. Net position of business-type activities increased \$61.9 million or 6.7% increase from 2017. Governmental activities net investment in capital assets increased \$35.9 million. Governmental activities restricted net position increased \$220.6 million. Business-type activities net investment in capital assets increased \$86.8 million. Business-type activities restricted net position increased by \$74.5 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$486.9 million, in comparison to \$509.2 million at June 30, 2017. On a combined basis, approximately \$6.9 million is considered nonspendable, \$387.5 million is restricted for specific purposes, \$28.6 million has been committed by council and \$9.0 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 \$55.0 million, 14.0% of total 2018 general fund expenditures. The total fund balance was \$74.5 million, 18.9% of total 2018 general fund expenditures. \$3.9 million is considered nonspendable, \$6.7 million committed, and \$9.0 million assigned. There was a \$2.8 million decrease in general fund balance for the fiscal year ended June 30, 2018.
- The City's total general obligation and revenue debt for governmental activities decreased by \$73.0 million or 5.5% during the current fiscal year.
- The unrestricted net position of the City's governmental activities has a balance of negative \$1.6 billion due primarily to noncurrent liabilities related to net pension and other postemployment benefit (OPEB) liabilities and net position being restricted for debt service and capital projects.

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

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

Proprietary funds. The City maintains two different types of proprietary funds - enterprise and internal service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water works, parking facilities, convention center, municipal airport, municipal golf courses and stormwater management system. *Internal service funds* are an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds for its printing services and general stores operation, fleet services, property management function, self-insurance 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 145 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 pension and OPEB information from an employer's perspective, as well as the Cincinnati Retirement System's pension and OPEB information from the Plan's perspective, and the budgetary comparison of the City's General Fund. Required supplementary information can be found on pages 149 to 165 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 171 to 235 of this report.

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

	Governmental Activities		Business-type Activities		Total	
	June 30 2018	June 30 2017	June 30 2018	June 30 2017	June 30 2018	June 30 2017
Current and other assets	815,579	829,357	409,562	426,462	1,225,141	1,255,819
Capital assets	1,501,411	1,507,349	1,338,957	1,327,605	2,840,368	2,834,954
Total Assets	2,316,990	2,336,706	1,748,519	1,754,067	4,065,509	4,090,773
Deferred Outflows	140,336	178,727	18,287	37,765	158,623	216,492
Long-term liabilities outstanding	2,048,048	1,749,907	698,389	748,106	2,746,437	2,498,013
Other liabilities	177,668	171,445	50,921	51,965	228,589	223,410
Total liabilities	2,225,716	1,921,352	749,310	800,071	2,975,026	2,721,423
Deferred Inflows	251,882	350,609	35,465	71,613	287,347	422,222
Net Position:						
Net Investment in Capital Assets	938,541	902,668	828,628	741,844	1,767,169	1,644,512
Restricted	601,160	380,598	221,472	146,953	822,632	527,551
Unrestricted	(1,559,973)	(1,039,794)	(68,069)	31,351	(1,628,042)	(1,008,443)
Total net position	(20,272)	243,472	982,031	920,148	961,759	1,163,620

Government-wide Financial Analysis

The net pension liability (NPL) is one of the largest liabilities reported by the City at June 30, 2018, and is reported pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pension—an Amendment of GASB Statement No. 27*. For fiscal year 2018, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB).

Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law or actuarially determined, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB Statements No. 68 and No. 75 take an earnings approach to pension and OPEB accounting and require the net pension liability and the net OPEB liability to equal the City's share of each plan's:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits and the promise of future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange.

Employees of the City participate in one of three plans that offer both pension and OPEB benefits; the Cincinnati Retirement System, a single employer defined benefit plan, the Ohio Public Employees Retirement System, a state-wide cost-sharing, multiple-employer defined benefit plan, or the Ohio Police and Fire Pension Fund, also a state-wide cost-sharing, multiple-employer defined benefit plan.

As a result of implementing GASB Statement No 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, by reducing governmental activities' net position by \$382.4 million and business-type activities' net position by \$12.2 million.

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 \$961.8 million at the close of the most recent fiscal period.

The largest portion of the City's net position \$1.8 billion (183.7%) 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 \$822.6 million (85.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance, a negative \$1.6 billion, represents *unrestricted net position*. The governmental unrestricted net position balance is negative \$1.6 billion. Overall, net position of the City increased \$210.4 million in the fiscal year 2018. Net position for governmental activities increased \$118.6 million, and the net position of business-type activities increased \$91.7 million.

There was an increase of \$220.6 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 \$74.5 million in 2018. The key factor for the governmental activities' and business-type activities' increase relates to an increase in funds restricted for capital projects and debt service.

The City's governmental activities' net investment in capital assets increased \$35.9 million and the business-type activities' net investment in capital assets increased \$86.8 million, both due to the addition of major projects in 2018.

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

	Governmental Activities		Business-type		Total	
	June 30 2018	June 30 2017	June 30 2018	June 30 2017	June 30 2018	June 30 2017
Revenues:						
Program Revenues:						
Charges for Services	\$149,666	\$128,681	\$202,526	194,767	\$ 352,192	\$ 323,448
Operating Grants and Contributions	36,632	39,173			36,632	39,173
Capital Grants and Contributions	14,287	12,786	6,610	1,576	20,897	14,362
General Revenues:						
Property Taxes	62,659	60,253			62,659	60,253
Income Taxes	374,664	369,978			374,664	369,978
Admission Taxes	5,796	5,811			5,796	5,811
Shared Revenues	41,791	41,979			41,791	41,979
Occupancy Taxes	3,690	3,626	2,314	2,166	6,004	5,792
Unrestricted Investment Earnings	2,407	3,413	3,760	2,224	6,167	5,637
Miscellaneous	51,587	44,426	1,664	2,518	53,251	46,944
Total Revenues	743,179	710,126	216,874	203,251	960,053	913,377
Expenses:						
General Government	74,731	3,895			74,731	3,895
Community Development	35,477	27,189			35,477	27,189
Parks and Recreation	30,332	7,229			30,332	7,229
Public Safety	326,114	279,296			326,114	279,296
Transportation and Engineering	41,284	14,881			41,284	14,881
Transit System	58,088	52,561			58,088	52,561
Public Services	26,722	8,006			26,722	8,006
Public Health	14,902	(16,397)			14,902	(16,397)
Interest on long-term debt	19,834	25,093			19,834	25,093
Water Works			75,980	21,598	75,980	21,598
Parking Facilities			8,795	4,520	8,795	4,520
Convention Center			13,726	13,158	13,726	13,158
General Aviation			1,549	(513)	1,549	(513)
Municipal Golf			6,233	5,866	6,233	5,866
Stormwater Management			15,920	9,985	15,920	9,985
Total Expenses	627,484	401,753	122,203	54,614	749,687	456,367
Change in net position before transfers	115,695	308,373	94,671	148,637	210,366	457,010
Transfers	2,934	2,341	(2,934)	(2,341)		
Change in net position	118,629	310,714	91,737	146,296	210,366	457,010
Net position – Beginning	(138,901)	(67,242)	890,294	773,852	751,393	706,610
Restatement of Net Position						
Net Other Post Employment Benefit Liabilities:						
Cincinnati Retirement System		(37,309)		(10,903)		(48,212)
Ohio Public Employees Retirement System		(5,939)		(1,331)		(7,270)
Ohio Police & Fire Pension Plan		(339,125)				(339,125)
Prepaid Assets				(17,620)		(17,620)
Restated Net Position July 1	(138,901)	(449,615)	890,294	743,998	751,393	294,383
Net position – Ending	\$ (20,272)	\$ (138,901)	\$982,031	\$890,294	\$ 961,759	\$ 751,393

Governmental activities. Governmental activities increased net position in the fiscal year 2018 by \$118.6 million. Key elements of the change in net position include:

Revenues

The City realized an increase of governmental activities’ revenues of \$33.1 million for 2018. Highlights include:

- Charges for services increased by \$21.0 million. This includes the following changes by program:

Governmental Program	Change in Millions
General Government	\$ 1.7
Community Development	(3.8)
Parks and Recreation	3.4
Public Safety	10.1
Transportation and Engineering	(0.5)
Public Services	1.6
Public Health	8.5

See the Financial Trends information in the Statistical section beginning on page 263.

- Operating grants and contributions decreased by \$2.5 million. Community Development decreased by \$3.0 million due to the ending of federal grants in fiscal year 2018. Other programs had insignificant changes.
- Capital grants and contributions increased \$1.5 million. Parks capital grants and contributions increased by \$1.0 and the remaining changes were insignificant.
- Income tax increased by \$4.7 million due to growth in the local economy.
- Property tax increased by \$2.4 million due to an increase in property values.
- Investment earnings decreased by \$1.0 million due to a fair market value change from the prior year to the current year end.

More information on governmental revenue trends is available in the Statistical Section, Financial Trends Information beginning on Page 264.

Expenses

Expenses for governmental activities for the fiscal year ended June 30, 2018 were \$627.5 million. The City shows an increase of \$225.7 million in governmental expenses for fiscal year 2018 when compared to 2017. In 2017 the impact of the Collaborate Settlement Agreement (CSA) which involved changes in the Cincinnati Retirement System (CRS) benefits during 2017 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 CSA may be found in the pension footnotes. While there was also a negative pension expense for CRS in 2018, it was \$186.1 million less than the 2017 amount.

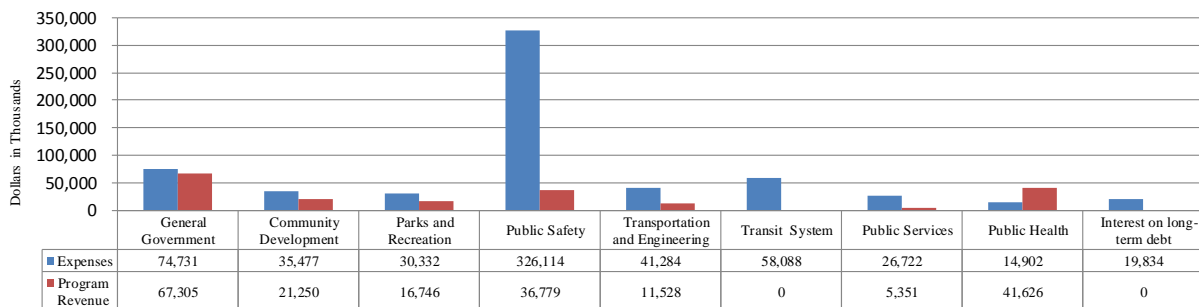
Public Safety expenses increased due to the net OPEB expense of \$31.5 million for the Ohio Police and Fire Pension System. As discussed previously, 2018 is the first year for the recording of the net OPEB expenses.

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, 2018
(Amounts in Thousands)

	Total Program Expenses	Net Revenue (Expense) Per Activity	Percent Covered
Governmental Activities:			
Public Safety	\$326,114	\$ 36,779	11.28%
General Government	74,731	67,305	90.06%
Public Services	26,722	5,351	20.02%
Public Health	14,902	41,626	279.33%
Parks and Recreation	30,332	16,746	55.21%
Community Development	35,477	21,250	59.90%
Transit System	58,088	(58,088)	0.00%
Transportation and Engineering	41,284	11,528	27.92%
Interest on Long Term Debt	19,834	(19,834)	0.00%
Total governmental activities	\$627,484	\$200,585	\$(426,899)

Governmental Activities
Expenses and Program Revenue
For the Year Ending June 30, 2018



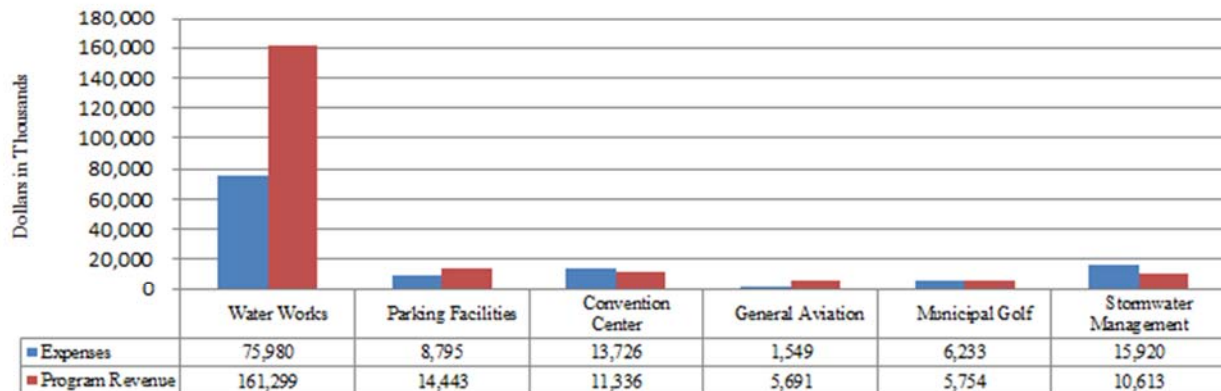
Business-type activities. Business-type activities increased the City's net position in fiscal year 2018 by \$91.7 million. Key elements of the change were:

- Water Works revenue increased by \$4.5 million mainly caused by a 3.75% rate increase which began during fiscal year 2018.
- Water Works expenses increased by approximately \$54.4 million. The negative pension expense for CRS in 2018 was \$57.0 million less than the 2017 amount. As explained above for the governmental activities the negative pension expense relates to the CSA. Additional information on the CSA may be found in the pension footnotes.
- Unrestricted investment earnings increased by \$1.5 million due to an increase in interest earnings.

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	\$ 75,980	\$ 161,299	\$ 85,319	212.29%
Parking Facilities	8,795	14,443	5,648	164.22%
Convention Center	13,726	11,336	(2,390)	82.59%
General Aviation	1,549	5,691	4,142	367.40%
Municipal Golf	6,233	5,754	(479)	92.32%
Stormwater Management	15,920	10,613	(5,307)	66.66%
Total Business-type activities	\$ 122,203	\$ 209,136	\$ 86,933	

**Business-Type Activities
Expenses and Program Revenue
For the Year Ending June 30, 2018**



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 \$486.9 million, a decrease of \$22.2 million in comparison with the prior year. Approximately 79.6% or \$387.5 million of this total amount constitutes *restricted fund balance*, which is available for spending for a specific purpose. The *committed fund balance*, \$28.6 million or 5.9%, 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 \$27.4 million. The total unassigned fund balance of the general fund (including the working capital reserve) was \$55.0 million, which is 14.2% of 2018 general fund revenues.

The fund balance of the City's general fund decreased by \$2.9 million during the current fiscal year compared to the fund balance as of June 30, 2017. The revenues and expenditures are provided below as an analysis of the effect on fund balance for the fiscal year ended June 30, 2018:

(Amounts in Thousands)	General Fund	
	06/30/18	06/30/17
REVENUES		
Taxes	\$ 310,904	\$ 306,159
Licenses and Permits	17,205	15,796
Use of Money and Property	8,007	7,643
Intergovernmental Revenue	22,721	22,850
Charges for Current Services	25,705	24,085
Miscellaneous	2,119	828
Total Revenues	<u>\$ 386,661</u>	<u>\$ 377,361</u>
EXPENDITURES		
Current:		
General Government	\$ 58,828	\$ 54,212
Community Development	7,741	8,923
Parks and Recreation	23,697	26,042
Public Safety	266,032	260,129
Transportation and Engineering	2,894	3,092
Public Services	17,425	18,274
Public Health	17,361	17,282
Total Expenditures	<u>\$ 393,978</u>	<u>\$ 387,954</u>

The capital projects fund has a total fund balance of \$180.2 million which is a decrease of \$22.6 million from the June 30, 2017. The change in fund balance relates to a lower amount of bond proceeds compared to 2017.

The total fund balance of the debt service fund was \$107.0 million which is restricted for the payment of debt service. The net decrease in fund balance was \$4.5 million. Debt service principal payments in fiscal year 2018 were \$50.9 million.

The total fund balance of the tax increment financing fund was \$35.5 million which is consistent with the prior year. This fund receives service payments in lieu of taxes that are restricted to financing public infrastructure improvements.

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 negative \$73.4 million. The total change in net position was an increase of \$88.3 million for the Water Works fund and an increase of \$1.6 million for the other enterprise funds. The impact of the CSA in 2017, which involved changes in the CRS benefits, along with the implementation of GASB Statement No. 75 on OPEB, resulted in negative pension and OPEB expenses which reduced expenses for the Proprietary Funds. Additional information on the Collaborative Settlement Agreement and OPEB may be found in the pension and OPEB 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 2018 were fairly consistent throughout the year, a final budget of \$391.6 million, \$0.2 million higher than actual revenue of \$391.4 million. The original appropriations were \$394.6 million, while the final appropriations were \$397.9 million.

Appropriation increases were made for 2018 general fund departments. Detailed information by department can be found on pages 171 to 176 in the General Fund Budgetary statement. Major increases were made in the following departments:

- Department of Fire increased by \$1.8 million due to negotiated contractual wage increases.
- County Fees and Estate Tax Adjustment increased by \$1.3 million due to the early remittance of the estate tax repayment. Additional information on the Estate Tax Adjustment is included in footnote 9 on long term debt.

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, 2018 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
	2018	2017	2018	2017	2018	2017
Land	\$ 200,072	\$ 203,501	\$ 44,070	\$ 44,070	\$ 244,142	\$ 247,571
Buildings	117,585	121,112	155,512	161,126	273,097	282,238
Improvements	226,234	242,101	928,590	918,242	1,154,824	1,160,343
Machinery and Equipment	46,227	45,305	95,326	101,654	141,553	146,959
Infrastructure	705,463	740,598			705,463	740,598
Construction in Progress	185,005	132,736	115,356	102,104	300,361	234,840
Property Acquired under Capital Leases	20,825	21,996	103	409	20,928	22,405
Total	\$1,501,411	\$1,507,349	\$1,338,957	\$1,327,605	\$2,840,368	\$ 2,834,954

Total capital assets, net of accumulated depreciation, increased \$5.4 million. The governmental activities' capital assets decreased \$5.9 million in fiscal year ended June 30, 2018 net of depreciation. During 2018, the construction in progress increased by \$52.3 million as new projects began. \$37.5 million was removed from construction in progress and added to buildings, machinery and equipment, and infrastructure. Buildings of \$7.5 million were added as the Vernon Manor Phase II garage was placed in service in 2018. Also, construction in progress related to the acquisition of machinery and equipment with capital lease financing of \$1.9 million of assets were placed in service during 2018. Also, \$7.8 million of machinery equipment was placed in service in 2018 from a variety of projects which included computer aided dispatch and vehicle replacements.

The business activities capital assets increased by \$11.4 million. The construction in progress also increased by \$13.3 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 89 to 91 of this report.

Long-term debt. At the end of the current fiscal year, the City had \$1.2 billion long-term bonds and notes outstanding. Of this amount, \$577.4 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
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	550,105	580,407	27,270	25,180	\$ 577,375	\$ 605,587
Revenue Bonds	121,415	132,118	544,380	578,479	665,795	710,597
Total	\$671,520	\$712,525	\$571,650	\$603,659	\$1,243,170	\$ 1,316,184

During the current fiscal year, the City's total debt decreased by \$73.0 million (5.5%).

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 \$347.2 million and a legal debt margin for unvoted debt of \$58.7 million.

Additional information about the City's long-term debt can be found in footnote 9 on pages 79 to 85 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Cincinnati MSA was 4.7% compared to 4.6% a year prior. This rate is higher than the State's average unemployment rate of 4.5% and the national average rate of 4.0%.
- The vacancy rate of the central business district A office space was 11.5% at the end of fiscal year 2018, down from 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 2018:

General Fund expenditures for the fiscal year 2018 were \$2.0 million less than the estimate resulting in a increase in unappropriated fund balance at June 30, 2018. The General Fund balance is estimated to be \$22.3 million, on a budgetary basis. At the end of the fiscal year 2018, the reserve balance was \$45.7 million (composed of \$27.4 million working capital reserve, \$2.6 million emergency reserve, \$4.1 contingency reserve and the estimated \$11.6 million in carryover fund balance), which was 11.62% of 2018 General Fund revenues.

The 2019 fiscal year General Fund budget estimated current revenues of \$395.0 million plus \$1.2 million transfers in and estimated expenditures of \$393.5 million with \$2.6 million transfer out for debt service.

Continuing budget priorities for 2019 are safer streets, thriving and healthy neighborhoods, a growing economy, innovative government, and fiscal sustainability and modernization. To support safer streets the 2019 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 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 2019 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.

BASIC
FINANCIAL STATEMENTS

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City of Cincinnati, Ohio
Statement of Net Position
June 30, 2018
(Amounts in Thousands)

	Governmental Activities	Business-Type Activities	Total
ASSETS			
<u>Current Assets</u>			
Cash and Equivalents	\$ 79,099	\$ 4,663	\$ 83,762
Equity in City Treasury	192,452	39,544	231,996
Advances and Petty Cash	175		175
Investments, at Fair Value	20,035		20,035
Receivables:			
Taxes	87,894	620	88,514
Accounts, Net	74,829	23,338	98,167
Special Assessments	36,353	86	36,439
Accrued Interest	1,593	675	2,268
Due from Fiduciary Activities	2		2
Due from Other Governments	4,202	9,591	13,793
Prepaid Items and Other Assets	4,682	2,553	7,235
Inventory	5,329	5,660	10,989
Restricted Assets:			
Cash and Cash Equivalents		3,201	3,201
Equity in City Treasury		37,804	37,804
Investments, at Fair Value		134,422	134,422
Internal Balances	(21,890)	21,890	
Total Current Assets	484,755	284,047	768,802
<u>Noncurrent Assets</u>			
Equity in City Treasury	308,072	63,301	371,373
Restricted Equity in City Treasury Cash		60,515	60,515
Accounts Receivable, Net	22,752		22,752
Regulatory Asset		1,699	1,699
Land	200,072	44,070	244,142
Buildings, net of Accumulated Depreciation	117,585	155,512	273,097
Improvements, net of Accumulated Depreciation	226,234	928,590	1,154,824
Machinery and Equipment, net of Accumulated Depreciation	46,227	95,326	141,553
Construction in Progress	185,005	115,356	300,361
Property Acquired under Capital Leases, net of Accumulated Amortization	20,825	103	20,928
Infrastructure Assets, net of Accumulated Depreciation	705,463		705,463
Total Noncurrent Assets	1,832,235	1,464,472	3,296,707
Total Assets	2,316,990	1,748,519	4,065,509
DEFERRED OUTFLOWS OF RESOURCES			
Cincinnati Retirement System-Pension	23,960	7,901	31,861
Ohio Public Employees Retirement System-Pension	1,626	364	1,990
Ohio Public Employees Retirement System- Other Postemployment Benefit	439	96	535
Ohio Police & Fire Pension Fund-Pension	56,063		56,063
Ohio Police & Fire Pension Fund-Other Postemployment Benefit	42,423		42,423
Loss on Defeasance	15,825	9,926	25,751
	140,336	18,287	158,623

(Continued)

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

City of Cincinnati, Ohio
Statement of Net Position
June 30, 2018
(Amounts in Thousands)

(Continued)	Governmental	Business-Type	Total
LIABILITIES:	Activities	Activities	Total
<u>Current</u>			
Accounts Payable	\$ 28,769	\$ 5,015	\$ 33,784
Withholdings and Other Deposits	6,674		6,674
Due to Fiduciary Activities	767	234	1,001
Due to Other Governmental Agencies		4,950	4,950
Accrued Payroll	11,830	1,496	13,326
Accrued Liabilities	5,596	455	6,051
Accrued Interest	4,847	1,492	6,339
Deposits Payable	24,472		24,472
Unearned Revenue		1,420	1,420
Obligations Under Capital Leases	4,269	440	4,709
Compensated Absences Payable	21,899	5,343	27,242
Unpaid Claims	14,287	243	14,530
Ohio Public Works Commission Loan	288	219	507
Ohio Water Development Authority Loan		2,553	2,553
Matured Bonds and Interest Payable	515		515
Notes Payable	926		926
State Infrastructure Bond and Loan Payable	164		164
General Obligation Bonds	46,037	1,798	47,835
Revenue Bonds	5,770	19,715	25,485
Other	453		453
Advances from Other Governments	105		105
Payable from Restricted Assets:			
Construction Contracts		3,743	3,743
Deposits Payable		1,805	1,805
Total Current Liabilities	177,668	50,921	228,589
<u>Noncurrent</u>			
Obligations Under Capital Leases	20,822		20,822
Notes Payable	11,515		11,515
State Infrastructure Bond and Loan Payable	5,225		5,225
General Obligation Notes Payable	52,159		52,159
General Obligation Bonds	504,068	25,472	529,540
Revenue Bonds	115,645	524,665	640,310
Compensated Absences Payable	107,317	5,066	112,383
Pollution Remediation	1,669		1,669
Other Liabilities	1,031		1,031
Ohio Public Works Commission Loan	3,139	1,748	4,887
Ohio Water Development Authority Loan		40,770	40,770
Unpaid Claims Payable	12,373		12,373
Net Pension Liability-Cincinnati Retirement System	332,810	93,159	425,969
Net Other Postemployment Benefit Liability-Cincinnati Retirement System	15,010	4,200	19,210
Net Pension Liability-Ohio Public Employees Retirement System	8,821	1,976	10,797
Net Other Postemployment Benefit Liability-Ohio Public Employees Retirement System	5,951	1,333	7,284
Net Pension Liability-Ohio Police&Fire Pension	442,237		442,237
Net Other Postemployment Benefit Liability-Ohio Police&Fire Pension	408,256		408,256
Total NonCurrent Liabilities	2,048,048	698,389	2,746,437
Total Liabilities	2,225,716	749,310	2,975,026
DEFERRED INFLOWS OF RESOURCES			
Revenues Levied for the next year	144,836		144,836
Cincinnati Retirement System-Pension	15,928	4,371	20,299
Cincinnati Retirement System-Other Postemployment Benefit	66,493	18,617	85,110
Ohio Public Employees Retirement System-Pension	2,540	569	3,109
Ohio Public Employees Retirement System-Other Postemployment Benefit	712	161	873
Ohio Police & Fire Pension Fund-Pension	16,098		16,098
Ohio Police & Fire Pension Fund-Other Postemployment Benefit	4,746		4,746
Service Concession Arrangements		11,674	11,674
Gain on Defeasance	529	73	602
Total Deferred Inflows of Resources	251,882	35,465	287,347
<u>Net Position</u>			
Net Investment in Capital Assets	938,541	828,628	1,767,169
Restricted Net Position for:			
Tax Increment Financing	77,917		77,917
Debt Service	170,177	221,472	391,649
Capital Projects	252,621		252,621
Public Transit	12,565		12,565
Public Safety	4,892		4,892
Parks and Recreation	9,776		9,776
Street Improvement	5,294		5,294
Infrastructure	11,698		11,698
Public Health	4		4
Community Development	12,618		12,618
Other Purposes	30,369		30,369
Fleet Services	2,344		2,344
Permanent Funds - Expendable	8,597		8,597
Permanent Funds - Nonexpendable	2,288		2,288
Unrestricted Net Position	(1,559,973)	(68,069)	(1,628,042)
Total Net Position	\$ (20,272)	\$ 982,031	\$ 961,759

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, 2018
(Amounts in Thousands)

Functions/Programs	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
Governmental Activities:							
General Government	\$ 74,731	\$ 65,860	\$ 1,195	\$ 250	\$ (7,426)	\$	\$ (7,426)
Community Development	35,477	9,627	10,894	729	(14,227)		(14,227)
Parks and Recreation	30,332	11,694	1,967	3,085	(13,586)		(13,586)
Public Safety	326,114	26,032	10,561	186	(289,335)		(289,335)
Transportation and Engineering	41,284	1,496		10,032	(29,756)		(29,756)
Transit System	58,088	5,346		5	(58,088)		(58,088)
Public Services	26,722	29,611	12,015		26,724		26,724
Public Health	14,902				(19,834)		(19,834)
Interest on long-term debt	19,834						
Total governmental activities	627,484	149,666	36,632	14,287	(426,899)		(426,899)
Business type activities:							
Water Works	75,980	160,811		488		\$ 85,319	\$ 85,319
Parking Facilities	8,795	14,443				5,648	5,648
Convention Center	13,726	8,764		2,572		(2,390)	(2,390)
General Aviation	1,549	2,141		3,550		4,142	4,142
Municipal Golf	6,233	5,754				(479)	(479)
Stormwater Management	15,920	10,613				(5,307)	(5,307)
Total Business-type activities	122,203	202,526		6,610		86,933	86,933
Total	\$ 749,687	\$ 352,192	\$ 36,632	\$ 20,897	(426,899)	86,933	(339,966)
General Revenues:							
Taxes:							
Property taxes					62,659		62,659
Income taxes					374,664		374,664
Admission taxes					5,796		5,796
Occupancy taxes					3,690	2,314	6,004
Shared Revenues					41,791		41,791
Unrestricted investment earnings					2,407	3,760	6,167
Miscellaneous					51,587	1,664	53,251
Transfers between governmental and business-type activities					2,934	(2,934)	
Total general revenues and transfers					545,528	4,804	550,332
Change in net position					118,629	91,737	210,366
Net position-beginning					243,472	920,148	1,163,620
Restatement of Net Position:							
Net Other Postemployment Benefit Liability Cincinnati Retirement System					(37,309)	(10,903)	(48,212)
Net Other Postemployment Benefit Liability Ohio Public Employees Retirement System					(5,939)	(1,331)	(7,270)
Net Other Postemployment Benefit Liability Ohio Police and Fire Pension Plan					(339,125)	(17,620)	(356,745)
Prepaid Assets						890,294	890,294
Restated Net Position - beginning					(138,901)	982,031	843,130
Net position-ending					(20,272)	\$ 982,031	\$ 961,759

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

City of Cincinnati, Ohio
Balance Sheet
Governmental Funds
June 30, 2018
(Amounts in Thousands)

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Tax Increment Financing</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Equivalents	\$ 317	\$ 71,078			\$ 7,352	\$ 78,747
Equity in City Treasury Cash	76,237	158,201	\$ 105,303	\$ 41,679	72,537	453,957
Advances and Petty Cash	175					175
Investments, at Fair Value			2,055	6,579	11,401	20,035
Receivables:						
Taxes	46,327	1,844	34,806		4,917	87,894
Accounts, Net	11,761	12,834	16,718	48,542	6,626	96,481
Special Assessments	1,853	1,286			33,214	36,353
Accrued Interest and Dividends	791	284	295		90	1,460
Due from Other Funds	843	16	938	279	688	2,764
Due from Other Governments	3,264				920	4,184
Inventory	3,852	756			337	4,945
Advances to Other Funds	900				521	1,421
Total Assets	<u>\$ 146,320</u>	<u>\$ 246,299</u>	<u>\$ 160,115</u>	<u>\$ 97,079</u>	<u>\$ 138,603</u>	<u>\$ 788,416</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 3,425	\$ 12,768	\$ 23	\$ 6,288	\$ 2,181	\$ 24,685
Withholdings and Other Deposits	6,674					6,674
Due to Other Funds	1,325	4,017			535	5,877
Due to Fiduciary Funds	471		2		248	721
Accrued Payroll	9,855		11		1,673	11,539
Accrued Liabilities	143	60		6,283	803	7,289
Deposits Payable	6,246	11,014	586		2,872	20,718
Estimated Liability for Unpaid Claims	96				30	126
Advances from Other Funds	992	23,380			900	25,272
Advances from Other Governments	84				1	85
Matured Bonds and Interest Payable			515			515
Total Liabilities	<u>29,311</u>	<u>51,239</u>	<u>1,137</u>	<u>12,571</u>	<u>9,243</u>	<u>103,501</u>
Deferred Inflow of Resources:						
Revenues Levied for the next year and Unavailable Revenue	42,543	14,869	51,929	49,052	39,608	198,001
Fund Balances:						
Nonspendable	3,852	756			2,287	6,895
Restricted		179,435	107,049	35,456	65,512	387,452
Committed	6,653				21,953	28,606
Assigned	8,981					8,981
Unassigned	54,980					54,980
Total Fund Balances	<u>74,466</u>	<u>180,191</u>	<u>107,049</u>	<u>35,456</u>	<u>89,752</u>	<u>486,914</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 146,320</u>	<u>\$ 246,299</u>	<u>\$ 160,115</u>	<u>\$ 97,079</u>	<u>\$ 138,603</u>	<u>\$ 788,416</u>

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

CITY OF CINCINNATI, OHIO
Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
June 30, 2018
(Amounts in Thousands)

Total fund balances - governmental funds	\$ 486,914
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.	1,501,411
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.	53,165
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.	(5,352)
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 \$12,335 as it relates to the internal service funds is included in the capital asset amount above.	5,956
Deferred gains and losses on refundings are recorded 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.	15,296
Deferred Inflows and Outflows related to Net Pension and Other Postemployment Benefit Liabilities are not reported in the funds. The unamortized portion of these deferred inflows and outflows is:	22,001
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	(545,411)
Revenue bonds payable	(118,269)
Long Term Notes Payable	(12,441)
Unamortized bond premium and discounts	(57,824)
State Infrastructure Bank Bond and Loan Payable	(5,389)
Compensated absences	(127,152)
Net Pension Liability	(763,936)
Net Other Post Employment Benefit Liability	(428,319)
Ohio Public Works Commission Loans	(3,427)
Unpaid claims payable	(3,279)
Accrued interest on bonds	(4,840)
Other Accrued Liabilities	(2,616)
Pollution Remediation	(1,669)
Capital leases payable	(25,091)
Total net position - - governmental activities (page 40)	\$ <u>(20,272)</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, 2018
(Amounts in Thousands)

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Tax Increment Financing</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 310,904	\$ 26,762	\$ 34,261		\$ 75,054	\$ 446,981
Licenses and Permits	17,205				1,434	18,639
Use of Money and Property	8,007	827	28,092	\$ 82	5,063	42,071
Special Assessments		399	23		6,516	6,938
Intergovernmental Revenue	22,721	1,559	5,914	477	17,943	48,614
Federal Grants		4,044			28,089	32,133
State Grants and Other Subsidies		6,875			1,965	8,840
Charges for Current Services	25,705	192			36,027	61,924
Miscellaneous	2,119	5,841	8,471	41,607	4,796	62,834
Total Revenues	<u>386,661</u>	<u>46,499</u>	<u>76,761</u>	<u>42,166</u>	<u>176,887</u>	<u>728,974</u>
EXPENDITURES						
Current:						
General Government	58,828	913	1,745	21,866	20,368	103,720
Community Development	7,741		4	1,684	10,493	19,922
Parks and Recreation	23,697				16,458	40,155
Public Safety	266,032				10,369	276,401
Transportation and Engineering	2,894	344			6,819	10,057
Transit System					58,088	58,088
Public Services	17,425				20,918	38,343
Public Health	17,361				35,236	52,597
Capital Outlay		110,868		1,681		112,549
Debt Service:						
Principal Retirement		10,700	50,852	2,089		63,641
Interest		5,274	13,421	3,001		21,696
Bond Issuance Cost			851			851
Total Expenditures	<u>393,978</u>	<u>128,099</u>	<u>66,873</u>	<u>30,321</u>	<u>178,749</u>	<u>798,020</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(7,317)	(81,600)	9,888	11,845	(1,862)	(69,046)
OTHER FINANCING SOURCES(USES)						
General Obligation Bonds and Notes Issued		40,030	1,881			41,911
Refunding Bonds Issued			60,023			60,023
Payments to Refunded Bonds Escrow Agent			(69,146)			(69,146)
Premium on Bonds Issued			11,843			11,843
Transfers In	4,941	30,138	14,576	267	2,394	52,316
Transfers (Out)	(483)	(11,152)	(24,523)	(11,848)	(2,133)	(50,139)
Total Other Financing Sources(Uses)	<u>4,458</u>	<u>59,016</u>	<u>(5,346)</u>	<u>(11,581)</u>	<u>261</u>	<u>46,808</u>
Net change in fund balances	(2,859)	(22,584)	4,542	264	(1,601)	(22,238)
Fund Balances at July 1	<u>77,325</u>	<u>202,775</u>	<u>102,507</u>	<u>35,192</u>	<u>91,353</u>	<u>509,152</u>
Fund Balances at June 30	<u>\$ 74,466</u>	<u>\$ 180,191</u>	<u>\$ 107,049</u>	<u>\$ 35,456</u>	<u>\$ 89,752</u>	<u>\$ 486,914</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, 2018
(Amounts in Thousands)

Net change in fund balances - total governmental funds	\$	(22,238)
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 (\$112,549) exceeded depreciation (\$90,891) in the current period.		21,658
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 (\$20,016) and accumulated depreciation of the disposed asset (\$11,354).		(8,662)
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 revenue in the statement of activities.		7,334
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.		(10,590)
The long-term liability for unpaid claims is not recorded in the fund level, but is reported in the statement of activities. This is the current year change in the liability, reported as an expense in the statement of activities.		(110)
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.		133,590
The long-term liability for Net Other Postemployment Benefit Liability is not recorded in the fund level, but is reported in the 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 other postemployment expense was recorded as an expense in the statement of activities.		(14,635)

(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, 2018
(Amounts in Thousands)

(Continued)

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 repayments exceeded proceeds.	\$ 27,536
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.	(18,926)
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. This is the amount by which premiums on new debt exceeded the amortization of premiums.	(6,796)
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. This is the current amortization.	43
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. This is the current amortization.	(19)
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. This is the amount by which the loss on defeasance on new debt exceeds the current amortization.	338
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 repayments exceeded proceeds.	3,317
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue(expense) of certain internal service funds is reported with governmental activities.	<u>6,789</u>
Change in net position of governmental activities (page 41)	<u><u>\$ 118,629</u></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, 2018
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			Governmental
	Water Works	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS				
<u>Current:</u>				
Cash and Equivalents	\$ 4,091	\$ 572	\$ 4,663	\$ 352
Equity in City Treasury Cash	26,089	13,455	39,544	17,906
Receivables:				
Taxes		620	620	
Accounts, Net	20,448	2,890	23,338	1,174
Special Assessments	86		86	
Accrued Interest	564	111	675	133
Due from Other Funds	1,209	322	1,531	2,179
Due from Fiduciary Funds				2
Due from Other Governments	9,591		9,591	18
Prepaid Items	2,054	499	2,553	1,786
Inventory	5,660		5,660	384
Advances to Other Funds	50	15,535	15,585	8,316
Restricted Assets:				
Cash and Equivalents	3,201		3,201	
Equity in City Treasury Cash	37,804		37,804	
Investments, at Fair Value	134,422		134,422	
Total Current Assets	245,269	34,004	279,273	32,250
<u>Noncurrent:</u>				
Equity in City Treasury Cash	41,763	21,538	63,301	28,661
Restricted Equity in City Treasury Cash	60,515		60,515	
Land	2,727	41,343	44,070	283
Buildings, net of Accumulated Depreciation	138,876	16,636	155,512	
Improvements, net of Accumulated Depreciation	774,634	153,956	928,590	3,152
Machinery and Equipment, net of Accumulated Depreciation	92,009	3,317	95,326	8,900
Construction in Progress	99,639	15,717	115,356	
Property Acquired under Capital Leases, net of Accumulated Amortization		103	103	
Other Assets	1,699		1,699	2,896
Total Noncurrent Assets	1,211,862	252,610	1,464,472	43,892
Total Assets	1,457,131	286,614	1,743,745	76,142
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Defeasance	9,410	516	9,926	
Cincinnati Retirement System-Pension	6,030	1,871	7,901	2,441
Ohio Public Employees Retirement System-Pension	364		364	
Ohio Public Employees Retirement System-Other Postemployment Benefit	96		96	
Total Deferred Outflows of Resources	15,900	2,387	18,287	2,441

(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, 2018
(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	\$ 4,021	\$ 994	\$ 5,015	\$ 4,086
Due to Other Funds	210	368	578	19
Due to Fiduciary Funds	200	34	234	46
Due to Other Governments	4,950		4,950	
Accrued Payroll	1,258	238	1,496	291
Accrued Liabilities		455	455	691
Accrued Interest	1,418	74	1,492	7
Obligations under Capital Lease		440	440	
Deposits Payable		7	7	310
Unearned Revenue		1,413	1,413	
Compensated Absences Payable	4,937	406	5,343	877
Unpaid Claims payable	230	13	243	10,882
Ohio Public Works Commission Loan	219		219	
Ohio Water Development Authority Loan	2,553		2,553	
General Obligation Bonds and Notes Payable	150	1,648	1,798	64
Revenue Bonds Payable	19,715		19,715	
Payable from Restricted Assets:				
Construction Contracts	3,743		3,743	
Deposits Payable	1,805		1,805	
Total Current Liabilities	45,409	6,090	51,499	17,273
Noncurrent:				
Compensated Absences Payable	3,879	1,187	5,066	1,187
Ohio Public Works Commission Loan	1,748		1,748	
Ohio Water Development Authority Loan	40,770		40,770	
Estimated liability for Unpaid Claims				12,373
Advances from Other Funds				50
Advances from Other Governments				20
Revenue Bonds Payable	524,665		524,665	
General Obligation Bonds and Notes Payable	4,949	20,523	25,472	2,111
Net Pension Liability-Cincinnati Retirement System	82,803	10,356	93,159	19,932
Net Pension Liability-Ohio Public Employees Retirement System	1,976		1,976	
Net Other Postemployment Benefit Liability-Cincinnati Retirement System	3,734	466	4,200	898
Net Other Postemployment Benefit Liability-Ohio Public Employees Retirement System	1,333		1,333	
Total Noncurrent Liabilities	665,857	32,532	698,389	36,571
Total Liabilities	711,266	38,622	749,888	53,844
DEFERRED INFLOWS				
Gain on Defeasance		73	73	
Service Concession Arrangement		11,674	11,674	
Cincinnati Retirement System-Pension	3,842	529	4,371	2,469
Cincinnati Retirement System-Other Postemployment Benefit	16,546	2,071	18,617	3,979
Ohio Public Employees Retirement System-Pension	569		569	
Ohio Public Employees Retirement System-Other Postemployment Benefit	161		161	
	21,118	14,347	35,465	6,448
NET POSITION				
Net Investment in Capital Assets	614,482	214,146	828,628	12,335
Restricted Net Position				
Water Works	221,472		221,472	
Fleet Services				2,896
Unrestricted Net Position	(95,307)	21,886	(73,421)	3,060
Total Net Position	\$ 740,647	\$ 236,032	976,679	\$ 18,291

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.

Net position of business type activities

5,352
\$ 982,031

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, 2018
(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	\$ 160,370	\$ 41,715	\$ 202,085	\$ 107,163
Miscellaneous	1,465	433	1,898	5,312
Total Operating Revenues	<u>161,835</u>	<u>42,148</u>	<u>203,983</u>	<u>112,475</u>
OPERATING EXPENSES				
Personal Services	45,282	11,492	56,774	11,423
Contractual Services	10,071	19,849	29,920	5,315
Maintenance and Repairs	4,585	4,133	8,718	822
Materials and Supplies	9,461	684	10,145	8,443
Utilities	8,719	855	9,574	1,977
Insurance	181	133	314	85,976
Taxes	3	1,288	1,291	1
Depreciation and Amortization	26,688	12,200	38,888	1,471
Rent	2,413	331	2,744	1,524
Pension Expense	(39,801)	(5,142)	(44,943)	(12,664)
Other Postemployment Benefit Expense	(4,405)	(565)	(4,970)	(1,095)
Other Expense	559	105	664	44
Total Operating Expenses	<u>63,756</u>	<u>45,363</u>	<u>109,119</u>	<u>103,237</u>
Operating Income (Loss)	98,079	(3,215)	94,864	9,238
NONOPERATING REVENUES(EXPENSES)				
Interest Revenue	2,202	125	2,327	139
Build America Bond Subsidy	1,589		1,589	
Occupancy Tax Receipts		2,314	2,314	
Interest Expense	(14,158)	(860)	(15,018)	(83)
Gain on Sale of Inventory	54		54	
Gain (Loss) on Disposal of Assets	49	(3)	46	
Nonoperating Revenues(Expenses)	<u>(10,264)</u>	<u>1,576</u>	<u>(8,688)</u>	<u>56</u>
Income (Loss) before Contributions and Transfers	87,815	(1,639)	86,176	9,294
Transfers In		1,882	1,882	2,968
Transfers (Out)	(27)	(4,789)	(4,816)	(2,211)
Capital contributions	488	6,122	6,610	55
Change in Net Position	88,276	1,576	89,852	10,106
Net Position at July 1	681,079	235,602		10,256
Restatement of Net Position:				
Net Other Postemployment Benefit Liability Cincinnati Retirement System	(9,757)	(1,146)		(2,071)
Net Other Postemployment Benefit Liability Ohio Public Employees Retirement System	(1,331)			
Prepaid Assets	(17,620)			
Total Restatement of Net Position	<u>(28,708)</u>	<u>(1,146)</u>		<u>(2,071)</u>
Net Position at June 30	<u>\$ 740,647</u>	<u>\$ 236,032</u>		<u>\$ 18,291</u>

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

1,885

Change in net position of business type activities

\$ 91,737

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, 2018
(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	\$ 155,628	\$ 41,859	\$ 197,487	\$ 13,503
Receipts from Other Funds	7,789	771	8,560	98,772
Receipts from Retirement System				138
Payments to Suppliers	(19,855)	(21,978)	(41,833)	(103,764)
Payments to Other Funds	(19,693)	(4,660)	(24,353)	(2,612)
Payments to Employees	(32,410)	(11,075)	(43,485)	(11,451)
Payments for Property Taxes	(3)	(1,220)	(1,223)	
Net Cash Provided (Used) by Operating Activities	<u>91,456</u>	<u>3,697</u>	<u>95,153</u>	<u>(5,414)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Repayment of Advances Made To Other Funds		282	282	(834)
Amount Due from Other Funds for City Notes	(470)	(77)	(547)	(67)
Interest paid on Bond and Notes		(25)	(25)	(83)
Principal paid on Bond and Notes		(19)	(19)	(41)
Proceeds from Sale of Inventory	54		54	
Advances To Other Funds		(4,996)	(4,996)	(1,163)
Occupancy Tax Receipts		2,215	2,215	
Transfers to Other Funds	(27)	(4,789)	(4,816)	(2,211)
Transfers from Other Funds		1,882	1,882	2,968
Net Cash Provided(Used) by Noncapital Financing	<u>(443)</u>	<u>(5,527)</u>	<u>(5,970)</u>	<u>(1,431)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Capital Contributed by Other Sources	292	6,122	6,414	
Capital Items Expensed				(64)
Proceeds from the Sale of Capital Assets	72		72	
Proceeds from Ohio Water Development Authority Loan	5,412		5,412	
Proceeds from Sale of Bonds and Notes		3,675	3,675	
Acquisition of Property, Plant and Equipment	(1,418)	(229)	(1,647)	(167)
Interest Paid on Bonds and Notes	(16,349)	(825)	(17,174)	
Principal Paid on Bonds and Notes	(30,630)	(1,397)	(32,027)	
Principal Paid on Ohio Public Works Bonds	(219)		(219)	
Principal Paid on Ohio Water Development Authority Loan	(2,388)		(2,388)	
Payments on Long Term Capital Lease Obligations		(259)	(259)	
Additions to Construction in Progress	(45,644)	(5,120)	(50,764)	(2,171)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(90,872)</u>	<u>1,967</u>	<u>(88,905)</u>	<u>(2,402)</u>
<u>Cash Flow from Investing Activities:</u>				
Investment (Purchases)Sales	1,038		1,038	(1,294)
Interest on Investments	3,642	114	3,756	146
Net Cash Provided (Used) by Investing Activities	<u>4,680</u>	<u>114</u>	<u>4,794</u>	<u>(1,148)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,821	251	5,072	(10,395)
Cash and Cash Equivalents at Beginning of Period	<u>168,642</u>	<u>35,314</u>	<u>203,956</u>	<u>57,314</u>
Cash and Cash Equivalents at End of Period	<u>\$ 173,463</u>	<u>\$ 35,565</u>	<u>\$ 209,028</u>	<u>\$ 46,919</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, 2018
(Amounts in Thousands)

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Internal</u>
	<u>Works</u>	<u>Enterprise</u>	<u>Enterprise</u>	<u>Service</u>
		<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
<u>Reconciliation of Operating Income (Loss) to</u>				
<u>Net Cash Provided (Used) by</u>				
<u>Operating Activities:</u>				
Operating Income (Loss)	\$ 98,079	\$ (3,215)	\$ 94,864	\$ 9,238
Depreciation and Amortization	26,688	12,200	38,888	1,471
Changes in Assets, Deferred Inflows/Outflows and Liabilities:				
(Increase) Decrease in:				
Receivables	4,961	886	5,847	(482)
Due from Other Funds	(35)	(59)	(94)	126
Due from Fiduciary Funds				(2)
Due from Other Governments	(3,344)		(3,344)	39
Inventory	(29)		(29)	(44)
Prepaid Items	8,632	127	8,759	(205)
Deferred Outflows Cincinnati Retirement System	16,856	661	17,517	3,189
Deferred Outflows Ohio Public Employees Retirement System	675		675	175
Increase (Decrease) in:				
Accounts Payable	(168)	(82)	(250)	(4,070)
Deposits Payable		1	1	257
Due to Other Funds	1	(553)	(552)	23
Due to Fiduciary Funds	8	9	17	1
Due to Other Governmental Agencies	1,048		1,048	
Accrued Payroll	9	63	72	(9)
Accrued Liabilities		16	16	121
Unearned Revenue		81	81	
Liability for Compensated Absences	(158)	344	186	76
Deferred Inflows Service Concession Arrangements		(427)	(427)	
Deferred Inflows Cincinnati Retirement System	(32,373)	(4,021)	(36,394)	(9,921)
Deferred Inflows Ohio Public Employees Retirement System	621	41	662	477
Estimated Liability for Unpaid Claims	(30)	13	(17)	1,902
Net Pension Liability Cincinnati Retirement System	(7,857)	248	(7,609)	(2,417)
Net Pension Liability Ohio Public Employees Retirement System	(1,058)		(1,058)	(285)
Net Other Postemployment Benefit Liability Cincinnati Retirement System	(21,072)	(2,636)	(23,708)	(5,074)
Net Other Postemployment Benefit Liability Ohio Public Employees Retirement System	2		2	
Net Cash Provided (Used) by Operating Activities	<u>\$ 91,456</u>	<u>\$ 3,697</u>	<u>\$ 95,153</u>	<u>\$ (5,414)</u>
<u>Schedule of Noncash Investing, Capital</u>				
<u>and Financing Activities:</u>				
Change in Fair Value of Investments	\$ (1,805)	\$ (354)	\$ (2,159)	\$ (434)
Bonds Refunded		(177)	(177)	
Refunding Bonds Issued		172	172	
Acquisition of Property, Plant and Equipment from Capital Contributions	196	118	314	55
Total Noncash Investing, Capital and Financing Activities	<u>\$ (1,609)</u>	<u>\$ (241)</u>	<u>\$ (1,850)</u>	<u>\$ (379)</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, 2018
(Amounts in Thousands)

	Pension Trust	Investment Trust Fund	Agency
ASSETS			
Cash and Equivalents	\$ 71,157		\$ 4
Equity in City Treasury Cash		\$ 258,066	3,837
Cash with Fiscal Agent			1
Investments, at fair value:			
U. S. Treasury Bills and Notes			299,695
International Bonds	10,070		
US Government Bonds	31,710		
Corporate Fixed Income	26,093		
US Agencies	43,367		
Equities - Common Stock	874,653		
Mutual Funds	445,606		
Private Equity	250,923		
Real Estate	236,550		
Private Placements	29,978		
Other Assets (Alternatives)	278,448		
	2,227,398		299,695
Total Investments, at Fair Value			
Collateral on Loaned Securities	35,879		
Receivables:			
Accounts, Net	1,517		34,508
Accounts Receivable for Securities Sold	9,361		
Accrued Interest and Dividends	2,935		734
Due from Primary Government	1,001		
Loans Receivable	36		
Machinery and Equipment	477		
Accumulated Depreciation	(443)		
Total Assets	2,349,318	258,066	338,779
LIABILITIES			
Accounts Payable	3,179		19,733
Accounts Payable for Securities Purchased	14,387		
Due to Primary Government	2		
Due to Other Governmental Agencies			304,344
Obligations Under Securities Lending	35,879		
Accrued Payroll	45		1,506
Accrued Liabilities	34,100		37
Bonds Payable	277		
Deposits Payable			2,985
Estimated Liability for Compensated Absences	233		10,174
Total Liabilities	88,102	258,066	\$ 338,779
NET POSITION			
Restricted for External Pool Participant		258,066	
Restricted for Employees' Pension Benefits	1,762,196		
Restricted for Employees' Postemployment Healthcare Benefits	499,020		
Total Net Position	\$ 2,261,216	\$ 258,066	

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, 2018
(Amounts in Thousands)

	Pension Trust	Investment Trust Fund
ADDITIONS		
Contributions:		
Plan members	\$ 18,873	
Employer	32,586	
Participant Deposits		\$ 591,675
Total Contributions	<u>51,459</u>	<u>591,675</u>
Transfers From Other Retirement Systems	19	
Investment earnings:		
Interest and Dividends	38,554	2,668
Proceeds from Litigation	12	
Net Appreciation in the Fair Value of Investments	<u>151,297</u>	<u>(2,357)</u>
Total Investment Earnings	189,863	311
Less Investment Management Expenses	<u>10,119</u>	
Net Income From Investing Activities	<u>179,744</u>	<u>311</u>
From Security Lending Activities:		
Securities Lending Income	<u>502</u>	
Securities Lending Expense:		
Borrower Rebates	(431)	
Management Fees	(18)	
Total Securities Lending Expenses	<u>(449)</u>	
Net Income from Securities Lending Activities	<u>53</u>	
Total Additions	<u>231,275</u>	<u>591,986</u>
DEDUCTIONS		
Benefit Payments:		
Pension and Annuities	165,560	
Distributions to Participants		572,830
Hospital and Medical Care	26,640	
Death Benefits, Active and Retired	625	
Transfers - Retirement to other systems	<u>479</u>	
Total Benefits Payments	<u>193,304</u>	<u>572,830</u>
Refunds of Contributions	<u>1,837</u>	
Administrative expenses:		
Personal Services	1,307	
Contractual Services	457	
Materials and Supplies	136	
Depreciation	<u>2</u>	
Total Administrative Expenses	<u>1,902</u>	
Total Deductions	<u>197,043</u>	<u>572,830</u>
Change in Net Position	34,232	19,156
Net Position at July 1	<u>2,226,984</u>	<u>238,910</u>
Net Position at June 30	<u>\$ 2,261,216</u>	<u>\$ 258,066</u>

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

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CITY OF CINCINNATI, OHIO

NOTES TO FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2018

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 \$21,967,000 and \$21,480,000 for the fiscal years ending June 30, 2018 and June 30, 2017, 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, 2018 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.

Tax Increment Financing Fund – This fund accounts for service payments in lieu of taxes which are utilized to finance public infrastructure improvements.

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 postemployment healthcare benefits. Footnote 22 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' postemployment 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 22)) 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 \$1,656,965,000 in property values. The program contains a \$100 thousand deductible, provides coverage in the amount of \$500 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 \$58,722,000 at June 30, 2018, 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 and other postemployment benefits are explained in the footnotes on pension and retirement and other postemployment benefits.
- 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. 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. The deferred outflows of resources related to pension and other postemployment benefits are explained in the footnotes on pension and retirement and other postemployment benefits.
- 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, commercial paper, 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 2018 Financial Statements* – 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 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.

- O. Pronouncements Issued But Not Yet Effective - 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 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.

Governmental Accounting Standards Board (GASB) Statement Number 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* was issued in April 2018. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2018. Earlier application is encouraged. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

Governmental Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* was issued in June 2018. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

- 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, 2018 reserves were 11.6% of fiscal year 2018 revenue.
- 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 \$190,713,000 and the bank balance was \$202,464,000. 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, 2018 was \$4,109,000.

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, 2018 was \$1,304,238,000. These investments include \$59,105,000 in Money Market Funds, \$561,169,000 in U. S. Treasury Securities, \$529,326,000 in U. S. Government Agencies, \$345,000 in Bond Mutual Funds, \$40,458,000 in Ohio Municipals, \$112,538,000 in STAR Ohio Investment Pool, \$52,000 in Real Estate, and \$1,245,000 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, 2018 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, 2018:

(Amounts in Thousands)	Fair Value Measurements Using		
	Fair Value	Quoted Prices in	Significant Other
		Active Markets	Observable
Investment Type	Level 1	Level 2	
U.S. Treasury Obligations	\$ 561,169	\$ 561,169	
U.S. Agencies	529,326		\$ 529,326
Tax Exempt Ohio Municipals	40,458		40,458
Money Market Funds	59,105		59,105
Equity Securities	1,245	1,245	
Bond Mutual Funds	345		345
Real Estate	52		52
Total	\$ <u>1,191,700</u>	\$ <u>562,414</u>	\$ <u>629,286</u>

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, 2018 was \$9,760,000. These investments include \$198,000 in U. S. Treasury Securities, \$148,000 in U. S. Government Agencies, \$1,015,000 in Corporate Fixed Income, \$8,141,000 in Equity Securities, \$83,000 in Other Investments, and \$175,000 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, 2018:

(Amounts in Thousands) 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	\$ 198	\$ 198	
U.S. Agencies	148		\$ 148
Equity Securities	8,141	8,141	
Corporate Fixed Income	1,015	1,015	
Other Investments	83		83
Bond Mutual Funds	175		175
	<u>\$9,760</u>	<u>\$9,354</u>	<u>\$406</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, 2018, 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	\$ 561,169	\$ 134,709	\$ 418,448	\$ 8,012
U.S. Agencies	529,326	43,805	483,778	1,743
Tax Exempt Ohio Municipals	40,458	21,306	19,152	
Total	<u>\$ 1,130,953</u>	<u>\$ 199,820</u>	<u>\$ 921,378</u>	<u>\$ 9,755</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, 2018, 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	\$ 561,169	\$ 455,642	\$ 84,093	\$ 21,434
U.S. Agencies	529,326	446,926	82,400	
Tax Exempt Ohio Municipals	40,458	25,307	15,151	
Total	<u>\$ 1,130,953</u>	<u>\$ 927,875</u>	<u>\$ 181,644</u>	<u>\$ 21,434</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.

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, 2018, total investments were \$1,642,000. 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 \$1,245,000, real estate of \$52,000, and fixed income funds with a fair value of \$345,000. 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, 2018 the Park Board had total investments with a fair value of \$9,760,000 which includes equity securities with a fair value of \$8,141,000, and fixed income with a fair value of \$258,000. The remaining

\$1,361,000 in investments is identified in the following chart.

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	\$ 198	\$ 40	\$ 158		
US Agency Bonds	148		148		
Corporate Bonds	1,015	100	548	50	317
Total	\$ 1,361	\$ 140	\$ 854	\$ 50	\$ 317

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	\$ 198	\$ 198		
U.S. Agency Bonds	148	148		
Corporate Bonds	1,015	535	480	
Fixed Income	258			258
Total	\$ 1,619	\$ 881	\$ 480	\$ 258

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	\$ 2,332	\$ 2,332		
Commercial Paper	79,251	79,251		9/10/18 - 1/25/19
Certificates of Deposit	1,488	1,488	1.65% to 2.15 %	9/27/18 to 12/30/19
U. S. Treasury Notes	301,772	296,856	1% to 8.125%	7/13/18 to 11/15/22
FHLB/FNMA/FHLMC Securities	416,425	409,992	1% to 8.125%	9/25/18 to 9/25/24
Ohio Municipal	40,803	40,458	0.00% to 5%	8/15/18 to 12/1/22
Star Ohio Investment Pool	72,000	72,000		
Cash	61,215	61,215		
Total	\$ 975,286	\$ 963,592		

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, 2018
(Amounts in Thousands)**

<u>Assets</u>	
Equity in City Treasury	\$ 963,592
<u>Net Position</u>	
Held in Trust for Internal Pool Participants	\$ 705,526
Held in Trust for External Pool Participants	258,066
Total Net Position	\$ 963,592

**Mixed Investment Pool
Statement of Changes in Net Position
For the fiscal year ended June 30, 2018
(Amounts in Thousands)**

	<u>Internal Participants</u>	<u>External Participants</u>	<u>Total</u>
Additions:			
Contributions:			
Participant Deposits	\$ 1,209,112	\$ 591,675	\$1,800,787
Investment earnings:			
Interest and dividends	9,130	2,668	11,798
Net appreciation in the fair value of investments	(6,430)	(2,357)	(8,787)
Total investment earnings	2,700	311	3,011
Total additions	1,211,812	591,986	1,803,798
Deductions:			
Distributions to Participants	1,198,330	572,830	1,771,160
Change in Net Position	13,482	19,156	32,638
Net Position - beginning	692,044	238,910	930,954
Net Position - ending	\$ 705,526	\$ 258,066	\$ 963,592

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 \$62,000,000. 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 2018.

Greater Cincinnati Redevelopment Authority (Formerly the Port of Greater Cincinnati Development Authority) – Executed on October 9, 2018, effective February 1, 2018, and expiring on December 31, 2021, the City has entered into a Funding Agreement for Day-to-Day Operations (the “Operations Agreement”) with the Greater Cincinnati Redevelopment Authority (GCRA).

The Operations Agreement replaces the City of Cincinnati / Port of Greater Cincinnati Development Authority Economic Development Services Agreement dated July 11, 2011, as amended by an Amendment dated December 22, 2017 (as amended, the "2011 Services Agreement"), pursuant to which (i) the Port committed to undertake various economic development-related activities for the City, and (ii) the City committed to provide funding to the Port for its day-to-day operations (subject to annual appropriations by Cincinnati City Council). The 2011 Services Agreement expired on January 31, 2018. Though no specific funding amounts are identified for the full term of the Agreement, the Operations Agreement commits the City to potential funding in two categories: operational and project-based. (1) First, the Operations Agreement provides for potential funding in the form of an annual grant to the GCRA, subject to annual appropriations by the Cincinnati City Council, to further the organization’s efforts in delivering programmatic and technical services in the areas of community and economic development. The Operations Agreement provides operational funding in the amount of \$700,000 for FY2018 and Cincinnati City Council has authorized an additional \$700,000 for FY2019. No other operational funding has been committed by the City at this time.

The parties anticipate that Hamilton County will provide an equal amount of operational funding to the GCRA during the term of the Operations Agreement, pursuant to a separate agreement between the GCRA and Hamilton County. (2) Second, the Operations Agreement provides guidance for future GCRA funding requests made to the City for specific economic and/or community development related projects (the “Additional Project-Based Funding”). If provided, the terms and conditions of each Additional Project-Based Funding will be memorialized in one or more written amendments to the Operations Agreement or in one or more separate agreements executed by both parties. The City did not commit any Additional Project-Based Funding to the GCRA in its FY2018 budget.

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, 2018 are as follows:

(Amounts in Thousands)	General Fund	Capital Projects	Debt Service	Tax Increment Financing	Non Major Governmental	Total
General Government	\$ 4,430		\$ 110	\$ 1,830	\$ 1,351	\$ 7,721
Community Development	1,251			66	5,737	7,054
Parks	482				789	1,271
Recreation	508				653	1,161
Police	844				1,645	2,489
Fire	658				8	666
Transportation & Engineering	59				546	605
Public Services	366				6,337	6,703
Public Health	285				1,526	1,811
Capital Outlay		\$ 99,446				99,446
Total	\$ 8,883	\$ 99,446	\$ 110	\$ 1,896	\$ 18,592	\$ 128,927

5. INTER-FUND ASSETS/LIABILITIES

The composition of inter-fund balances as of June 30, 2018, is as follows:

DUE FROM/TO OTHER FUNDS (Amounts in Thousands)

Due To	Due From									TOTAL
	General Fund	Capital Projects Fund	Debt Service Fund	Tax Increment Financing Fund	Non-Major Governmental Funds	Internal Service Funds	Water Works Enterprise Fund	Non-Major Enterprise Funds	Fiduciary Fund	
General Fund		\$ 16			\$ 8	\$ 1,249	\$ 11	\$ 41	\$ 471	\$ 1,796
Capital Projects Fund	\$ 603		\$ 725	\$ 279	610	390	1,167	243		4,017
Debt Service Fund									2	2
Non-Major Governmental Funds	200				68	267			248	783
Internal Service Funds	11				1	3	3	1	46	65
Water Works Enterprise Fund	29				1	149		31	200	410
Non-Major Enterprise Funds			213			121	28	6	34	402
Fiduciary Funds						2				2
TOTAL	\$ 843	\$ 16	\$ 938	\$ 279	\$ 688	\$ 2,181	\$ 1,209	\$ 322	\$ 1,001	\$ 7,477

At year end, the City held \$6.4 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 (\$1.7 million), and Capital Projects Fund (\$1.1 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	\$603	
Capital Projects		\$3,818
Debt Service	725	
Tax Increment Financing	279	
Nonmajor Governmental funds	492	
Internal Service funds	327	
Water Works fund	1,149	
Nonmajor Enterprise Funds	243	
	<u>\$ 3,818</u>	<u>\$ 3,818</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	Capital	Non-Major	Internal	
	Fund	Projects	Governmental	Service	
<u>Advance to Other Funds</u>					
General Fund			\$ 900		\$ 900
Non-Major Governmental Funds	\$ 521				521
Water Works Enterprise Fund				\$ 50	50
Non-Major Enterprise Funds		\$ 15,535			15,535
Internal Service Funds	471	7,845			8,316
TOTAL	\$ 992	\$ 23,380	\$ 900	\$ 50	\$ 25,322

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 and 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, 2018, consisted of the following:

TRANSFERS IN/OUT (Amounts in Thousands)

	Transfers Out								Total
	General	Capital	Debt	Tax Increment	Non-Major	Internal	Water Works	Non-Major	
	Fund	Projects	Service	Financing	Governmental	Service	Enterprise	Enterprise	
<u>Transfers In</u>									
General Fund		\$ 1,342		\$ 1,283	\$ 16	\$ 160		\$ 2,140	\$ 4,941
Capital Projects Fund	\$ 483		\$24,300	4,005	100	1,221	\$ 27	2	30,138
Debt Service Fund		5,639		6,560	1,303	38		1,036	14,576
Tax Increment Financing Fund		156						111	267
Non-Major Governmental Funds					684	210		1,500	2,394
Internal Service Funds		2,938			30				2,968
Non-Major Enterprise Funds		1,077	223			582			1,882
Total	\$ 483	\$11,152	\$24,523	\$ 11,848	\$ 2,133	\$2,211	\$ 27	\$ 4,789	\$ 57,166

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**Restatement of Net Position**

In fiscal year 2018, the City implemented GASB statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required the reporting of other postemployment benefit liability associated with pension plans. The City pays into three pension plans for its employees which provide postemployment benefits: Cincinnati Retirement System (CRS), Ohio Public Employees Retirement System (OPERS), and Ohio Police and Fire Pension Fund (OP&F). The following chart depicts the restatement of net positions for the liabilities of each plan:

(Amounts in Thousands)

Fund Class	CRS	OPERS	OP&F	Total
Governmental Activities Entity Wide				
for Governmental Funds	\$ (35,238)	\$ (5,939)	\$ (339,125)	\$ (380,302)
Internal Service Funds	(2,071)			(2,071)
Water Works	(9,757)	(1,331)		(11,088)
Nonmajor Enterprise Funds	<u>(1,146)</u>	<u> </u>	<u> </u>	<u>(1,146)</u>
Total	<u>\$ (48,212)</u>	<u>\$ (7,270)</u>	<u>\$ (339,125)</u>	<u>\$ (394,607)</u>

The Water Works Fund also restated net position for prepaid items which were not expensed in prior years reducing net position by \$17,620,000.

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, 2018 (Amounts in thousands):

Fund Balances	General Fund	Capital Projects	Debt Service	Tax Increment Financing	Non Major Governmental	Total Governmental
Nonspendable						
Inventory	\$ 3,852	\$ 756			\$ 337	\$ 4,945
In accordance with Trusts					1,950	1,950
Restricted						
Debt Service			\$ 96,079			96,079
Capital Projects		179,435	10,970			190,405
Tax Increment Financing				\$ 35,456		35,456
Income Tax Transit					11,556	11,556
Public Safety Operations					4,891	4,891
Fleet Services					2,344	2,344
Recreation Operations					2,677	2,677
Parks Operations					15,658	15,658
Public Health Services					2,002	2,002
Street Construction, Maintenance and Repair					5,294	5,294
Income Tax Infrastructure					11,322	11,322
Community Development					2,169	2,169
Other					7,599	7,599
Committed						
Emergency Reserve	2,573					2,573
Reserve for Weather Events, Other Emergencies, and One-time Events	4,050					4,050
Property Investment Reimbursement Agreements	30					30
Public Health					5,661	5,661
Recreation					3,666	3,666
Parks					9,475	9,475
Public Safety Operations					260	260
Other					2,891	2,891
Assigned						
General Government Encumbrances	4,430					4,430
Community Development Encumbrances	1,251					1,251
Parks Encumbrances	508					508
Recreation Encumbrances	482					482
Police Encumbrances	844					844
Fire Encumbrances	658					658
Transportation and Engineering Encumbrances	59					59
Public Health Encumbrances	285					285
Public Services Encumbrances	366					366
Internal Service Funds	98					98
Unassigned						
Working Capital Reserve Fund	26,347					26,347
Other	28,633					28,633
Total Fund Balance	\$ 74,466	\$ 180,191	\$ 107,049	\$ 35,456	\$ 89,752	\$ 486,914

Included in the financial statements are two internal service funds and the Governmental Activities in the Entity Wide statement with a net position deficit as of June 30, 2018. The net position deficit in the internal service funds are: Purchasing Reproduction and Printing (\$184,000), and Fleet Services (\$3,918,000), 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. The Governmental Activities deficit (\$20,272,000) also resulted from the application of GAAP which requires the recording of long term liabilities.

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, 2018 was \$45.7 million, and is composed of \$27.4 million in Working Capital Reserve, \$4.1 million in Contingency Reserve, \$2.6 million in Emergency Reserve and \$11.6 million in Carryover balance, which is 11.62% 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 \$791,000 for the fiscal year ended June 30, 2018. Future minimum lease payments are as follows:

(Amounts in Thousands)		
	<u>Fiscal Year</u>	<u>Amounts</u>
	2019	\$ 854
	2020	367
	2021	155
	2022	55
	2023	286
	Remaining Years	5,505
	Total Future Minimum Rents	<u>\$ 7,222</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	\$ 26,560	\$ 2,178
Less: Accumulated Depreciation	<u>5,735</u>	<u>2,075</u>
Total	<u>\$ 20,825</u>	<u>\$ 103</u>

The following is a schedule of future minimum capital leases and the present value of the net minimum lease payments at June 30, 2018:

(Amounts in Thousands)	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<u>Fiscal Year</u>		
2019	\$ 4,723	\$ 444
2020	4,705	
2021	4,687	
2022	4,670	
2023	3,315	
2024-2028	<u>4,702</u>	
Total Minimum lease payments	26,802	444
Less: Amounts representing interest	<u>1,711</u>	<u>4</u>
Present value of net minimum lease payments	<u>\$ 25,091</u>	<u>\$ 440</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, 2018 are included in the financial statements of the following:

(Amounts in Thousands)	Governmental <u>Activities</u>	Business Type <u>Activities</u>
Land	\$ 3,688	\$ 3,539
Buildings	18,887	7,561
Accumulated Depreciation	7,998	5,092
Improvements	87,214	4,357
Accumulated Depreciation	87,184	1,394
Depreciation Expense	594	406

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 <u>Activities</u>	Business-Type <u>Activities</u>
<u>Fiscal Year</u>		
2019	\$ 22,741	\$ 1,637
2020	22,532	1,492
2021	22,309	1,242
2022	21,917	1,128
2023	21,843	751
Remaining years	<u>160,506</u>	<u>4,044</u>
Total Future Minimum Rental Payments	\$ <u>271,848</u>	\$ <u>10,294</u>
Total Rentals for Fiscal Year 2018:	\$ 23,809	\$ 1,885

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, 2018 were \$1,184,000. The outstanding principal is \$10,632,000.

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 December of 2017 the City issued general obligation bonds totaling \$82,905,000 with a premium of \$11,843,000. A portion of this debt, \$60,230,000, refunded debt of \$61,710,000. The net present value of the savings which resulted from the refunding is \$4,788,000. The aggregate difference in debt service between the refunded debt and the refunding debt is \$5,758,000.

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%	\$ 495,427
Business-Type Activities	1.168% to 5.25%	<u>27,201</u>
		<u>\$ 522,628</u>

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>
2019	\$ 46,037	\$ 19,565	\$ 1,798	\$ 1,051	\$ 47,835	\$ 20,616
2020	43,276	17,783	1,556	982	44,832	18,765
2021	41,174	16,059	1,568	922	42,742	16,981
2022	34,501	14,501	1,580	865	36,081	15,366
2023	31,315	13,084	1,351	812	32,666	13,896
2024-2028	137,435	46,600	7,187	3,264	144,622	49,864
2029-2033	96,762	21,817	5,789	1,965	102,551	23,782
2034-2038	52,982	6,838	4,881	803	57,863	7,641
2039-2042	11,945	836	1,491	100	13,436	936
	<u>\$ 495,427</u>	<u>\$ 157,083</u>	<u>\$ 27,201</u>	<u>\$ 10,764</u>	<u>\$ 522,628</u>	<u>\$ 167,847</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 \$913,890,000 of which \$861,420,000 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	0.51% to 5.70%	\$ 118,269
Water Works	.75% to 6.458%	505,685
		<u>\$ 623,954</u>

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

(Amounts in Thousands)						
Year Ending	Governmental Activities		Business-Type Activities		<u>All Activities</u>	
	Non Property Tax Revenue	Water Revenue	Principal	Interest	Principal	Interest
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 5,770	\$ 4,223	\$ 19,715	\$ 18,524	\$ 25,485	\$ 22,747
2020	5,785	4,041	99,015	17,139	104,800	21,180
2021	5,960	3,855	22,620	15,625	28,580	19,480
2022	6,295	3,653	21,870	14,945	28,165	18,598
2023	6,500	3,436	25,485	14,189	31,985	17,625
2024-2028	26,240	14,228	118,720	53,853	144,960	68,081
2029-2033	28,250	9,144	110,470	28,772	138,720	37,916
2034-2038	19,575	4,123	51,730	13,053	71,305	17,176
2039-2043	11,305	1,083	19,830	6,135	31,135	7,218
2044-2047	2,589	173	16,230	1,328	18,819	1,501
	<u>\$ 118,269</u>	<u>\$ 47,959</u>	<u>\$505,685</u>	<u>\$ 183,563</u>	<u>\$ 623,954</u>	<u>\$ 231,522</u>

Included in the chart above are Business Activities Water revenue bonds totaling \$77,935,000 of advanced crossover refunding debt. The debt was refunded in December of 2016 and the crossover refunding will occur December 1, 2019.

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 fiscal year 2018 was \$1,589,000.

Long-Term State Loans

The Ohio Public Works Commission extends loans to the City. Loans in the amount of \$3,427,000 accounted for as Governmental type and \$1,967,000 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 OPWC notes are as follows:

(Amounts in Thousands)

Year Ending	Governmental Activities	Business-Type Activities
<u>June 30</u>	<u>Principal</u>	<u>Principal</u>
2019	\$ 288	\$ 219
2020	288	219
2021	288	219
2022	288	219
2023	285	219
2024-2028	1,143	715
2029-2033	652	157
2034-2035	195	
Total	<u>\$ 3,427</u>	<u>\$ 1,967</u>

The Ohio Water Development Authority extends loans to the City. Notes in the amount of \$43,323,000 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	Business-type Activities	
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 2,553	\$ 829
2020	2,608	779
2021	2,662	726
2022	2,717	673
2023	2,774	619
2024-2028	14,265	2,245
2029-2033	13,349	891
2034-2038	2,394	70
2039	1	
Total	<u>\$ 43,323</u>	<u>\$ 6,832</u>

Notes Payable and State Infrastructure Bank debt

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 approximately 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. A bond for \$2,940,000 and a loan for \$2,500,000 from the State Infrastructure Bank (SIB) were utilized by the City to finance the public improvements.

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

(Amounts in Thousands)		
	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,090	\$ 743
2020	1,131	700
2021	1,175	654
2022	1,220	607
2023	1,278	557
2024-2028	4,093	2,089
2029-2033	4,342	1,258
2034-2038	2,489	359
2039-2043	808	88
2044-2047	204	6
Total	<u>\$ 17,830</u>	<u>\$ 7,061</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 were to begin July 2016. However, the City made an early principal payment of \$4.4 million in June of 2016. The balance of \$1,433,000, and the final repayment, was made in October of 2017.

The following are the total outstanding bonds and notes at June 30, 2018 and the debt service requirement for fiscal year 2019. Internal notes of \$6,443,000 are included in the chart.

(AMOUNTS IN THOUSANDS)							
Description	Interest Rates	Issue Dates	Maturity Dates	Originally	Amount	Amount	
				Issued	Due	Outstanding	
					2019	6/30/2018	
Bonds:							
General Property Tax							
Various Rate Issues	1.5% to 5.25%	2008-2018	2019-2041	\$ 274,255	\$ 17,610	\$ 156,060	
Refunding	0.45 to 5.25%	2011-2018	2019-2034	148,725	10,620	108,384	
Urban Redevelopment							
Various Rate Issues	1.5% to 5.0%	2014&2017	2021&2036	5,535	295	4,820	
Municipal Income Tax							
Refunding	0.45 to 5.25%	2012-2018	2019-2034	62,275	3,065	49,305	
Recreational Facilities							
Refunding	0.45% to 2.738%	2016-2017	2018&2021	1,925	495	1,825	
Urban Renewal/Economic Dev.							
Refunding	0.45 to 5.25%	2012-2018	2020-2036	49,415	1,600	44,265	
Urban Development Taxable							
Various Rate Issues	6.046%	2009	2019	5,080	370	370	
Refunding	0.45 to 3.1%	2016-2017	2018-2031	4,565	415	9,125	
Judgement	1.168% to 4.390%	2016	2041	33,220	747	25,373	
MSD Administration Bldg	2.0% to 4.0%	2009&2016	2029	15,000	675	8,580	
Police & Fire Pension							
Refunding	0.371% to 5.25%	2014-2016	2022&2035	<u>31,970</u>	<u>1,310</u>	<u>29,035</u>	
Total Governmental Activities Bond Obligations				<u>798,515</u>	<u>46,037</u>	<u>495,427</u>	
General Aviation	1.5% to 5.0%	2010-2018	2021-2026	522	40	340	
Convention Center	1.168% to 5.0%	2010-2017	2025-2041	4,075	165	3,529	
Municipal Golf	1.5% to 5.0%	2008-2017	2019-2026	2,815	280	508	
Stormwater	1.168% to 5.0%	2016-2018	2021-2041	10,745	528	7,871	
Parking Facilities	1.168% to 5.25%	2010-2017	2028-2041	15,055	635	9,854	
Water Works	1.168% to 4.39%	2016	2041	<u>5,393</u>	<u>150</u>	<u>5,099</u>	
Total Proprietary Fund Obligations				<u>38,605</u>	<u>1,798</u>	<u>27,201</u>	
Total General Obligation Bonds Payable				<u>837,120</u>	<u>47,835</u>	<u>522,628</u>	
Notes:							
Economic Development	1.43%	2012-2013	2019	5,500	5,500	5,500	
Streets	1.45% to 2.50%	2016-2018	2021-2022	40,704		40,704	
Equipment	2.21% to 2.50%	2018	2019-2022	1,872	465	1,872	
Public Buildings	.62% to 2.50%	2018	2019-2022	<u>10,526</u>	<u>478</u>	<u>10,526</u>	
Total General Obligation Notes Payable				<u>58,602</u>	<u>6,443</u>	<u>58,602</u>	
Total General Obligation Bonds and Notes Payable				<u>\$ 895,722</u>	<u>\$ 54,278</u>	<u>\$ 581,230</u>	
Revenue Bonds and Notes	0.75% to 6.458%	2007-2017	2019-2047	<u>\$ 853,980</u>	<u>25,485</u>	<u>623,954</u>	
Total Outstanding Debt				<u>\$ 1,749,702</u>	<u>\$ 79,763</u>	<u>\$ 1,205,184</u>	

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2018, was as follows:

(Amounts in Thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 526,363	\$ 79,023	\$ (109,959)	\$ 495,427	\$ 46,037
Unamortized premiums	54,044	11,843	(11,209)	54,678	
	<u>580,407</u>	<u>90,866</u>	<u>(121,168)</u>	<u>550,105</u>	<u>46,037</u>
Revenue Bonds	128,871		(10,602)	118,269	5,770
Unamortized premiums	3,534		(120)	3,414	
Unamortized discounts	(287)		19	(268)	
	<u>132,118</u>	<u></u>	<u>(10,703)</u>	<u>121,415</u>	<u>5,770</u>
Total Bonds Payable	712,525	90,866	(131,871)	671,520	51,807
General Obligation Notes Payable	29,248	22,911		52,159	
Notes Payable	13,327		(886)	12,441	926
State Infrastructure Bank Bond and Loan Payable	5,552		(163)	5,389	164
Compensated Absences	118,550	52,004	(41,338)	129,216	21,899
Claims and Judgments	24,841	89,455	(87,636)	26,660	14,287
Capital Leases	28,408		(3,317)	25,091	4,269
Net Pension Liability-CRS	363,476	222,960	(253,626)	332,810	
Net Other Post Employment Benefit Obligation-CRS	62,393		(62,393)		
Net Other Post Employment Benefit Liability-CRS		99,702	(84,692)	15,010	
Net Pension Liability-OPERS	13,990	1,011	(6,180)	8,821	
Net Other Post Employment Benefit Liability-OPERS		6,663	(712)	5,951	
Net Pension Liability-OP&F	453,026	49,704	(60,493)	442,237	
Net Other Post Employment Benefit Liability-OP&F		413,385	(5,129)	408,256	
State Loans	3,715		(288)	3,427	288
Pollution Remediation	3,726	1,058	(3,115)	1,669	
Other	2,577	540	(1,633)	1,484	453
Governmental Activities Long-term Liabilities	<u>\$ 1,835,354</u>	<u>\$ 1,050,259</u>	<u>(743,472)</u>	<u>\$ 2,142,141</u>	<u>\$ 94,093</u>
Business-type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 25,094	\$ 3,874	\$ (1,767)	\$ 27,201	\$ 1,798
Unamortized premiums	86		(17)	69	
	<u>25,180</u>	<u>3,874</u>	<u>(1,784)</u>	<u>27,270</u>	<u>1,798</u>
Revenue Bonds	536,315		(30,630)	505,685	19,715
Unamortized premiums	42,164		(3,469)	38,695	
	<u>578,479</u>	<u></u>	<u>(34,099)</u>	<u>544,380</u>	<u>19,715</u>
Total Bonds Payable	603,659	3,874	(35,883)	571,650	21,513
Compensated Absences	10,223	4,548	(4,362)	10,409	5,343
Claims and Judgments	260	114	(131)	243	243
Capital Leases	699		(259)	440	440
Net Pension Liability-CRS	100,768	62,835	(70,444)	93,159	
Net Other Post Employment Benefit Obligation-CRS	17,005		(17,005)		
Net Other Post Employment Benefit Liability-CRS		27,908	(23,708)	4,200	
Net Pension Liability-OPERS	3,034	234	(1,292)	1,976	
Net Other Post Employment Benefit Liability-OPERS		1,494	(161)	1,333	
State Loans	42,485	5,412	(2,607)	45,290	2,772
Business-Type Activities Long-term Liabilities	<u>\$ 778,133</u>	<u>\$ 106,419</u>	<u>\$ (155,852)</u>	<u>\$ 728,700</u>	<u>\$ 30,311</u>

For the governmental activities, claims and judgments are generally liquidated by the general fund. Net Pension Liability, Net Other Postemployment Benefit Liability, 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, their long-term liabilities are included as part of the above totals for governmental activities. At fiscal year end, \$2,064,000 of compensated absences, \$23,255,000 of unpaid claims, \$19,932,000 of net pension liability, and \$898,000 of net other postemployment benefit liability for the internal service funds are included in the previous chart.

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, 2018:

(Amounts in Thousands)

Bond Type	Call Date	Par Amount	Refunded Date	Series
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
Revenue Refunding	11/1/2019	2,230	11/2/2016	2009B
Tax Exempt GO Bonds	12/1/2019	1,400	12/27/2017	2011B
Taxable GO Bonds	12/1/2019	4,200	10/25/2016	2011C
Taxable GO Bonds	12/1/2019	650	12/27/2017	2011D
Tax Exempt Water System Refunding	12/1/2019	13,400	11/29/2016	2009A
Tax-exempt Water System Crossover Refunding	12/1/2019	32,010	6/13/2017	2011A
Tax-exempt Water System Crossover Refunding	12/1/2019	37,480	6/13/2017	2012A
Taxable GO Bonds	6/1/2020	2,950	10/25/2016	2010F
Tax Exempt Water System Refunding	12/1/2021	20,745	11/29/2016	2011A
Tax Exempt GO Bonds	6/1/2022	52,940	12/27/2017	2014A
Tax Exempt GO Bonds	12/1/2022	6,720	12/27/2017	2012D
	Total	<u>\$193,080</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 years 2014 through 2018:

(Amounts in Thousands)

<u>Fiscal Year</u>	<u>General Fund Collections of 1.55%</u>
2014	\$ 251,683
2015	261,848
2016	277,673
2017	274,312
2018	277,477

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 2017 and 2018 were based was \$5,010,624,630 and \$439,985,370 for 2017 and \$5,313,434,440 and \$457,626,470 for 2018. 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 - 2018

Lien date	January 1, 2017
Levy date	October 31, 2017
First installment payment due	January 31, 2018
Second installment payment due	June 20, 2018

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 2017 resulting in a 5.9% increase in assessed values. Property tax due in second six months of calendar 2017 and the first six months of calendar 2018 has been included in revenues for the fiscal year 2018. The second installment of 2018 is not recorded as revenue for fiscal year 2018. The Ohio Revised Code requires the second installment of property tax be recorded as a deferred inflow of resources.

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 2018, the City received “statutory service payments” totaling \$18.2 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-five or 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)

Fiscal Year	General Fund Revenue
2014	\$8,345
2015	\$7,875
2016	\$8,059
2017	\$7,907
2018	\$8,093

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 2018 the amount of property tax revenue forgone under the CRA program was \$2,518,000.

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 JCTC agreements with 55 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. JCTC agreements include specific language for refund of the credits should the terms of the agreement not be met by the taxpayer. During 2018 the amount of income tax revenue forgone under the JCTC program was \$6,225,000.

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 \$6,433,000 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. Property tax supported general obligation notes of \$20,500,000 and a municipal income tax supported general obligation note of \$2,411,000 were issued externally in December of 2017.

(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		\$ 2,000		\$ 2,000
General Obligation Bond Anticipation Notes	\$ 32,748	25,646	\$ 2,270	56,124
	<u>\$ 32,748</u>	<u>\$ 27,646</u>	<u>\$ 2,270</u>	<u>\$ 58,124</u>
<u>Business Activities</u>				
General Obligation Bond Anticipation Notes	\$ 567	\$ 3,978	\$ 4,067	\$ 478

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	\$ 8,944
Revenue bond Reserve Account - Water Works	134,422
Customer Deposits - Water Works	6,717
Construction Account - Other - Water Works	85,859
	<u>\$ 235,942</u>

14. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

(Amounts in Thousands)	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 203,501	\$ 52	\$ (3,481)	\$ 200,072
Construction in Progress	132,736	89,123	(36,854)	185,005
Total capital assets, not being depreciated	<u>336,237</u>	<u>89,175</u>	<u>(40,335)</u>	<u>385,077</u>
Capital assets, being depreciated:				
Buildings	286,086	7,500	(42)	293,544
Improvements other than buildings	528,494	3,891	(190)	532,195
Machinery and Equipment	183,879	13,531	(11,735)	185,675
Property acquired under capital leases	24,637	1,923		26,560
Infrastructure	1,302,684	15,922	(4,654)	1,313,952
Total capital assets, being depreciated	<u>2,325,780</u>	<u>42,767</u>	<u>(16,621)</u>	<u>2,351,926</u>
Less accumulated depreciation for:				
Buildings	(164,974)	(10,993)	8	(175,959)
Improvements other than buildings	(286,393)	(19,656)	88	(305,961)
Machinery and Equipment	(138,574)	(11,511)	10,637	(139,448)
Property acquired under capital leases	(2,641)	(3,094)		(5,735)
Infrastructure	(562,086)	(47,108)	705	(608,489)
Total accumulated depreciation	<u>(1,154,668)</u>	<u>(92,362)</u>	<u>11,438</u>	<u>(1,235,592)</u>
Total capital assets, being depreciated, net	<u>1,171,112</u>	<u>(49,595)</u>	<u>(5,183)</u>	<u>1,116,334</u>
Governmental-type Activities capital assets, net	<u>\$ 1,507,349</u>	<u>\$ 39,580</u>	<u>\$ (45,518)</u>	<u>\$ 1,501,411</u>

(Amounts in Thousands)	Beginning			Ending
<u>Business-type Activities:</u>	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Capital assets, not being depreciated:				
Land	\$ 44,070			\$ 44,070
Construction in Progress	102,104	\$ 53,082	\$ (39,830)	115,356
Total capital assets, not being depreciated	146,174	53,082	(39,830)	159,426
Capital assets, being depreciated:				
Buildings	372,282	993	(41)	373,234
Improvements other than buildings	1,220,144	28,789		1,248,933
Machinery and Equipment	313,225	5,128	(1,901)	316,452
Property acquired under capital leases	2,226		(48)	2,178
Total capital assets, being depreciated	1,907,877	34,910	(1,990)	1,940,797
Less accumulated depreciation for:				
Buildings	(211,156)	(6,607)	41	(217,722)
Improvements other than buildings	(301,902)	(18,441)		(320,343)
Machinery and Equipment	(211,571)	(11,436)	1,881	(221,126)
Property acquired under capital leases	(1,817)	(306)	48	(2,075)
Total capital assets, being depreciated	(726,446)	(36,790)	1,970	(761,266)
Total capital assets, being depreciated, net	1,181,431	(1,880)	(20)	1,179,531
Business-type Activities capital assets, net	\$ 1,327,605	\$ 51,202	\$ (39,850)	\$ 1,338,957

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

(Amounts in Thousands)

Governmental activities:

General Government	\$ 3,921
Community Development	8,717
Enterprise Services	2,034
Recreation	6,041
Police	4,391
Transportation and Engineering	43,318
Public Services	12,670
Public Health	682
Parks	6,156
Fire	2,961

Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets

Total depreciation expense - governmental activities:	<u>\$ 92,362</u>
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Business-type activities:	
Water Works	\$ 24,590
Parking Facilities	2,339
Convention Center	4,498
General Aviation	761
Municipal Golf	1,120
Stormwater Management	3,482
Total depreciation expense - business-type activities:	<u>\$ 36,790</u>

(Amounts in Thousands)		Expended to		Required
	Project	June 30,	Committed	Future
<u>Administering Department</u>	<u>Authorizations</u>	<u>2018</u>	<u>Committed</u>	<u>Financing</u>
Transportation and Engineering	\$ 163,499	\$ 78,876	\$ 84,623	\$ 36,055
Community Development	80,911	54,250	26,661	1,335
Recreation	8,125	3,518	4,607	
Police	7,062	4,948	2,114	414
Fire	1,024	888	136	
Parks	10,911	3,269	7,642	199
Public Services	42,574	32,504	10,070	151
Other	9,744	6,752	2,992	37
Total	<u>\$ 323,850</u>	<u>\$ 185,005</u>	<u>\$ 138,845</u>	<u>\$ 38,191</u>

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

Business Activities Construction in Progress at June 30, 2018 is comprised of the following:

(Amounts in Thousands)		Expended		Required
	Project	to 6/30/18	Committed	Future Financing
<u>Enterprise Fund</u>	<u>Authorization</u>		<u>Committed</u>	
Water Works	\$ 194,107	\$ 99,639	\$ 94,468	
Parking Facilities	6,661	3,971	2,690	
Convention Center	9,490	4,821	4,669	\$ 1,176
General Aviation	7,524	2,542	4,982	3,551
Municipal Golf	1,611	535	1,076	
Stormwater Management	7,987	3,848	4,139	
Total	<u>\$ 227,380</u>	<u>\$ 115,356</u>	<u>\$ 112,024</u>	<u>\$ 4,727</u>

15. RECEIVABLES

Accounts Receivable are presented in the financial statements net of the allowance for uncollectible accounts. The uncollectible accounts related to the General Fund at June 30, 2018, are as follows: Taxes Receivable (\$895,000) and other accounts receivable (\$44,046,000). The uncollectible accounts related to the Debt Service Fund at June 30, 2018 are Taxes Receivable (\$1,050,000). The balance for the allowance for uncollectible accounts in the Capital Projects Fund at June 30, 2018 is (\$200,000). The balance of the allowance accounts for Special Revenue Funds is (\$3,235,000) as of June 30, 2018. The balances of the allowance accounts of the proprietary funds as of June 30, 2018 are as follows: Water Works (\$3,553,000), Enterprise Technology Services (\$33,000), Municipal Golf (\$5,000), General Aviation (\$31,000), Parking Facilities (\$16,000) 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 \$27,992,000, 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, 2018 total \$72,173,000.

In addition, the special revenue funds have a loan receivable from Cincinnati Landmark Productions. 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 2018.

(Amounts in Thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019		\$ 43	\$ 43
2020		43	43
2021		43	43
2022	\$ 199	42	241
2023	245	40	285
2024-2028	1,263	161	1,424
2029-2033	1,329	95	1,424
2034-2038	1,164	27	1,191
Total	\$ 4,200	\$ 494	\$ 4,694

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, 2018 is \$17,868,000. This amount is related to forgivable housing loans and downtown development loans.

Also recorded in the capital project funds is a loan receivable with the City of Blue Ash. 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 19 fiscal years will be as follows from August 31, 2018 to August 1, 2036: fiscal years 2019-2027 - \$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.

(Amounts In Thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 933	\$ 317	\$ 1,250
2020	888	362	1,250
2021	846	404	1,250
2022	806	444	1,250
2023	767	483	1,250
2024-2028	3,443	3,057	6,500
2029-2033	3,124	4,376	7,500
2034-2037	2,004	3,996	6,000
Total	\$ 12,811	\$ 13,439	\$ 26,250

Within the debt service fund the City has recorded a loan with Graeter's. 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 2018.

(Amounts in Thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 503	\$ 282	\$ 785
2020	523	262	785
2021	544	241	785
2022	566	219	785
2023	589	196	785
2024-2028	3,321	602	3,923
2029-2030	1,131	45	1,176
Total	<u>\$ 7,177</u>	<u>\$ 1,847</u>	<u>\$ 9,024</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, 2018. A liability of \$27 million was recorded for those claims and judgments as of June 30, 2018. Over the past decade, the City has averaged annual payments of \$1.1 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 Providence North, Canal Ridge Road, and Center Hill sites. Center Hill and Canal Ridge Road involve landfill remediation while Providence North is for contaminated property. The West Fork incinerator has been identified as a future asbestos remediation project. In the entity wide statement governmental activities has recognized \$1,669,000 for pollution remediation liability in the accrued liabilities account.

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 2018. 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 compensation 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 2018 and 2017 are as follows:

(Amounts in Thousands)	General Fund		Water Works Fund		Parking Facilities Fund		Municipal Golf Fund		Stormwater Fund	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Beginning Balance	\$305	\$703	\$260	\$242					
Current-Year Claims										
Claims and Changes in Estimates	607	907	63	190	\$6		\$7		\$38	\$12
Claim Payments	(816)	(1,305)	(93)	(172)					(38)	(12)
Ending Balance	\$96	\$305	\$230	\$260	\$6		\$7			

	Special Revenue Funds		Self Insurance Risk Management Fund		Workers' Compensation Fund		Governmental Activities Obligations		Entity Wide Totals	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Beginning Balance	\$14	\$35	\$7,983	\$9,893	\$14,046	\$12,614	\$3,169	\$7,251	\$25,777
Current-Year Claims										
Claims and Changes in Estimates	50		80,621	72,362	7,152	6,178	926	3,169	89,470	82,818
Claim Payments	(34)	(21)	(80,675)	(74,272)	(5,295)	(4,746)	(816)	(7,251)	(87,767)	(87,779)
Ending Balance	\$30	\$14	\$7,929	\$7,983	\$15,903	\$14,046	\$3,279	\$3,169	\$27,480	\$25,777

The claims liabilities at June 30, 2018 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		\$154
Accrued Liabilities		423
Estimated Liability For Unpaid Claim	\$7,929	15,326
Total	<u>\$7,929</u>	<u>\$15,903</u>

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, 2018 is \$5.0 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, 2018 was \$5.6 million. The current period revenue recognition is \$198,000.

During fiscal year 2015 the Fountain Square South Garage was leased to the Greater Cincinnati Redevelopment Authority (GCRA) “as is” for 30 years. Improvements of \$1.2 million were made by the GCRA 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, 2018 was \$1.1 million.

19. SUBSEQUENT EVENTS

In December 2018 the City issued \$35,900,000 of new general obligation bonds with a premium of \$3,673,000 and costs of \$261,000. In addition to the new general obligation bonds, City Council approved the following debt ordinances in June of 2018:

(Amounts in Thousands)

Ordinance #	Date	Debt Type	Purpose	Amount Authorized
177-2018	6/27/2018	* Anticipation Notes	Street Improvement	17,382
178-2018	6/27/2018	* Anticipation Notes	Recreation	2,178
179-2018	6/27/2018	* Anticipation Notes	Parks	2,077
180-2018	6/27/2018	Financing	Capital Lease	9,100
181-2018	6/27/2018	General Obligation Bonds	Refunding	100,000
182-2018	6/27/2018	Revenue bonds	Economic Development	2,500
183-2018	6/27/2018	Revenue bonds	Economic Development	750

* The Anticipation Notes will be paid off by the rent on the Southern Ohio Railway.

20. DEFINED BENEFIT PENSION PLANS

City employees are covered by one of three pension systems: 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. CRS is accounted for as a single-employer defined benefit pension plan.

Net Pension Liability

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 retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The retirement 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 actuarial present value (or with the OP&F and OPERS cost-sharing, multiple-employer plans, 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 City's share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting.

A. Cost-Sharing Multiple-Employer Defined Benefit Pension Plans

Ohio Revised Code limits the City's obligation for liabilities to OPERS and OP&F to annually required payments. The City cannot control benefit terms or the manner in which pensions from the cost-sharing, multiple-employer plans are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB Statement No. 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 net pension liability would be effective when the changes are legally enforceable.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Certain City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., City employees) may elect the Member-Directed Plan and the Combined Plan, the majority of employee members are in OPERS' Traditional Pension Plan; therefore, the following disclosures focus on the Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code (ORC). 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 Ohio Public Employees Retirement System, 277 East Town Street, Columbus, OH 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 Pension Plan 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
State and Local	State and Local	State and Local
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 57 with 25 years of service credit or Age 62 with 5 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 year 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% 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%.

Funding Policy—The ORC provides statutory authority for member and employer contributions. For fiscal year 2018, member contribution rates were 10% of salary and employer contribution rates were 14%. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,205,000 for 2018.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Certain City full-time police and firefighters participate in the Ohio Police & Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code (ORC). OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, OH 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F 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% for each of the first 20 years of service credit, 2.0% for each of the next five years of service credit and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72% 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 OP&F benefits for at least one year may be eligible for a cost-of-living adjustment (COLA). 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 3% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending 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 3% of their base pension or disability benefit.

Funding Policy—The ORC provides statutory authority for member and employer contributions as follows:

	<u>Police</u>		<u>Firefighters</u>	
2017 Statutory Maximum Contribution Rates				
Employer	19.50	%	24.00	%
Employee	12.25	%	12.25	%
2017 Actual Contribution Rates				
Employer:				
Pension	19.00	%	23.50	%
Postemployment Health Care Benefits	0.50	%	0.50	%
Total Employer	<u>19.50</u>	%	<u>24.00</u>	%
Employee	<u>12.25</u>	%	<u>12.25</u>	%

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$32,885,000 for 2018.

OP&F informed the City that the City’s only unfunded prior service cost is the deficiency existing at the time the OP&F (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 ORC, the City and OP&F entered into an agreement which permitted the City to make a one-time payment to OP&F for the purpose of extinguishing the City’s obligation to OP&F for the 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 80% of the balance, plus accrued interest on the full amount of such accrued liability from March 1, 2000 to date of payment.

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

The net pension liability for OPERS was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2017 and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. 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 (amounts in thousands):

	<u>OPERS</u>	<u>OP&F</u>
Proportionate Share of Net Pension Liability	\$ 10,797	\$ 442,237
Proportion of Net Pension Liability	0.068829%	7.20554%
Change in Proportion	-0.006172%	0.05313%
Pension Expense	\$ 521	\$ 23,850

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (amounts in thousands):

Deferred Outflows of Resources	<u>OPERS</u>	<u>OP&F</u>
Differences between expected and actual experience	\$ 11	\$ 6,711
Change in assumptions	1,291	19,271
Change in City's proportionate share and difference in employer contributions	52	14,297
City contributions subsequent to the measurement date	<u>636</u>	<u>15,784</u>
Total Deferred Outflows of Resources	<u>\$ 1,990</u>	<u>\$ 56,063</u>

Deferred Inflows of Resources	<u>OPERS</u>	<u>OP&F</u>
Net difference between projected and actual earnings on pension plan investments	\$ 2,320	\$ 15,298
Differences between expected and actual experience	214	800
Change in City's proportionate share and difference in employer contributions	<u>575</u>	
Total Deferred Inflows of Resources	<u>\$ 3,109</u>	<u>\$ 16,098</u>

\$16,420,000 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 fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows (amounts in thousands):

Fiscal Year Ending June 30:	<u>OPERS</u>	<u>OP&F</u>
2019	\$ 698	\$ 14,881
2020	(479)	10,859
2021	(1,021)	(4,986)
2022	(953)	(3,427)
2023		5,556
Thereafter		<u>1,298</u>
	<u>\$ (1,755)</u>	<u>\$ 24,181</u>

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Wage inflation	3.25%
Future salary increases, Including inflation	3.25% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3%; Post 1/7/2013 retirees: 3% simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age
Mortality tables	RP-2014

Mortality rates are based on 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 base year 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 most recent experience study was completed for the five-year period ended December 31, 2015.

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.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. 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 investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 16.82% for 2017.

The allocation of investment assets with 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 following table displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Fixed Income	23.00%	2.20%
Domestic Equities	19.00%	6.37%
Real Estate	10.00%	5.26%
Private Equity	10.00%	8.97%
International Equities	20.00%	7.88%
Other Investments	<u>18.00%</u>	<u>5.26%</u>
Total	<u>100.00%</u>	<u>5.66%</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 contributions from plan members and those of the contributing employers are made at the statutorily 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 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 table represents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.50%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.50%) and one-percentage point higher (8.50%) than the current rate (amounts in thousands):

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate of 7.50%</u>	<u>1% Increase (8.50%)</u>
City's proportionate share of the net pension liability	\$ 19,174	\$ 10,797	\$ 3,815

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’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 determine amounts are subject to continual review and potential modifications, as actual results are compared with past experiences and new estimates are made about the future. Based on the experience study completed as of December 31, 2016, changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the current and prior measurement dates are as follows:

Valuation date	January 1, 2017 with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016 with actuarial liabilities rolled forward to December 31, 2016
Actuarial assumption experience study date	5-year period ended December 31, 2016	5-year period ended December 31, 2011
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	8.00%	8.25%
Cost-of-living adjustments	3% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3%	3% simple; 2.6% simple for increases based on the lesser of increase in CPI and 3%
Salary increases	3.75% to 10.50%	4.25% to 11.00%
Payroll growth	Inflation rate of 2.75% plus productivity increase rate of 0.5%	Inflation rate of 3.25% plus productivity increase rate of 0.5%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%. Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted and projected with the Conduent Modified 2016 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2016.

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 average of 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 OP&F's target asset allocation as of December 31, 2017 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	0.0%	0.0%
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%

Note: Assumptions are geometric. * Levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F'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 1.20 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 8.0%. 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 earnings were calculated using the longer-term assumed investment rate of return of 8.0%. 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 City'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 the discount rate of 8.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (7.0%) or one-percentage point higher (9.0%) than the current rate (amounts in thousands):

	1% Decrease (7.0%)	Current Discount Rate of 8.0%	1% Increase (9.0%)
City's proportionate share of the net pension liability	\$ 613,056	\$ 442,237	\$ 302,918

B. Single-Employer Defined Benefit Pension Plan

Plan Description – City of Cincinnati Retirement System (CRS)

Employees who do not participate in either OPERS or OP&F participate in CRS. CRS is accounted for as a single-employer defined benefit pension plan. CRS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. CRS 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 22 provides information on CRS as of June 30, 2018 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, 2017. 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, Ohio.

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;
- 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.

Groups C&D Eligible to retire on or before July 1, 2011; or December 31, 2013	Group E Eligible to retire on or before December 31, 2013	Group F Hired before January 1, 2010 and not eligible for other groups	Group G 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.

Membership in CRS as of the December 31, 2016 valuation date was as follows:

Retired participants and beneficiaries	
currently receiving benefits	4,272
Terminated participants and beneficiaries	
entitled to benefits but not yet receiving	
benefits	191
Inactive participants	7,784
Active participants:	
Full-time	3,020
Part-time	992
Total	<u>16,259</u>

Funding Policy—Each member contributes at a rate of 9.0% of his pensionable wages for fiscal year 2018. 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 2018, 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, 2018 were \$26,506,000.

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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The City reported a net pension liability of \$425,969,000 and negative pension expense of (\$215,159,000).

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts in thousands):

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>	<u>Net</u>
City contributions subsequent to the measurement date	\$ 26,506		\$ 26,506
Differences between expected and actual experience	1,589		1,589
Net difference between projected and actual investment earnings	1,047		1,047
Change in proportion	2,719	\$ (4,375)	(1,656)
Change in assumptions		(15,924)	(15,924)
	<u>\$ 31,861</u>	<u>\$ (20,299)</u>	<u>\$ 11,562</u>

\$26,506,000 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 ended June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows (amounts in thousands):

Year Ended June 30:	Net Deferred Outflows/ (Inflows) of <u>Resources</u>
2019	\$ (24,090)
2020	17,199
2021	6,647
2022	<u>(14,700)</u>
	<u>\$ (14,944)</u>

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	3.00%
Salary increases, including inflation	4.00% to 7.50%
Long-term investment rate of return, net of pension plan investment expense, including inflation	7.50%
Municipal bond index rate	
Prior measurement date	3.01%
Measurement date	3.56%
Single equivalent interest rate, net of pension plan investment expense, including inflation	7.50%

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 disability 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 class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Core Bonds	14.00 %	2.80 %
High Yield Bonds	3.00 %	4.90 %
Large-Cap Value Equity	7.00 %	7.20 %
Large-Cap Growth Equity	5.00 %	7.10 %
Mid-Cap Value Equity	4.00 %	7.50 %
Mid-Cap Core Equity	4.00 %	7.50 %
Small-Cap Value Equity	7.50 %	8.00 %
Non-U.S. Developed Large Cap	10.00 %	7.40 %
Non-U.S. Small Cap	5.00 %	8.10 %
Emerging Markets All-Cap	5.00 %	8.50 %
EM Small-Cap	3.00 %	8.50 %
Real Estate Core Equity	10.00 %	7.40 %
Infrastructure	7.50 %	7.80 %
Risk Parity	5.00 %	4.10 %
Private Equity	10.00 %	11.10 %
Total	100.00 %	

* Geometric mean

Discount Rate. The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. 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.

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):

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's Net Pension Liability	\$ 611,962	\$ 425,969	\$ 267,055

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2016	\$ 1,786,807	\$ 1,322,563	\$ 464,244
Changes for the year:			
Service cost	16,812		16,812
Interest	130,656		130,656
Benefit changes	23,864		23,864
Difference between expected and actual experience	2,896		2,896
Contributions - employer		25,221	(25,221)
Contributions - employee		14,494	(14,494)
Net investment income		171,007	(171,007)
Benefit payments, including refunds of employee contributions	(136,708)	(136,708)	
Administrative expense		(1,284)	1,284
Other changes		3,065	(3,065)
Net changes	37,520	75,795	(38,275)
Balances at June 30, 2017	<u>\$ 1,824,327</u>	<u>\$ 1,398,358</u>	<u>\$ 425,969</u>

The date of the actuarial valuation upon which the total pension liability (TPL) is based on is December 31, 2016. An expected TPL is determined as of June 30, 2017 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 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		
<i>(amounts in thousands)</i>		
	(1)	Benefit Changes (2)
(a) Interest Rate (SEIR)	7.50%	7.50%
(b) TPL as of December 31, 2016	\$ 1,818,029	\$ 1,840,704
(c) Entry Age Normal Cost for the period January 1, 2017 - June 30, 2017	8,715	9,068
(d) Actual Benefit Payments and Refunds for January 1, 2017 - June 30, 2017	68,354	68,354
(e) TPL as of June 30, 2017 = [(b) x (1 + (a)) ^{1/2}] + (c) - [(d) x (1 + (a)) ^{1/4}]	1,824,086	1,847,950
(f) June 30, 2016 TPL Rolled Forward to June 30, 2017	1,821,189	
(g) Experience (Gain)/Loss: (1e) - (1f)	\$ 2,897	
(h) Benefit Changes (Gain)/Loss: (2e) - (1e)		\$ 23,864

21. DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

The three retirement systems City employees participate in provide defined benefit postemployment benefits other than pension. The Ohio Public Employees Retirement System (OPERS) and Ohio Police and Fire Pension Fund (OP&F) are cost-sharing multiple-employer defined benefit OPEB plans. The City of Cincinnati Retirement System (CRS) is accounted for as a single-employer defined benefit OPEB plan.

Net OPEB Liability

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

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB is 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City’s actuarial present value (or with the OP&F and OPERS cost-sharing, multiple-employer plans, proportionate share of each OPEB plan’s collective actuarial present value) of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments, cost trends and other variables. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The City’s share of each plan’s unfunded benefits is presented as a long-term *net other postemployment benefit liability* on the accrual basis of accounting.

A. Cost-Sharing Multiple-Employer Defined Benefit OPEB Plans

Ohio Revised Code limits the City’s obligation for liabilities to OPERS and OP&F to annual required payments. The City cannot control benefit terms or the manner in which OPEB from the cost-sharing, multiple-employer plans are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits but does not require the cost-sharing, multiple-employer retirement systems to provide health care to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Plan Description—Ohio Public Employees Retirement System (OPERS)

The City contributes to the health care plans administered by OPERS. OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans; the Traditional Pension Plan, a defined benefit plan; the Combined Plan, a combination defined benefit/defined contribution plan; and the Member-Directed Plan, a defined contribution plan.

Prior to January 1, 2015, OPERS provided comprehensive health care coverage to retirees with 10 or more years of qualifying service credit and offered coverage to their dependents on a premium deduction or direct bill basis. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning January 1, 2016, Traditional Pension Plan and Combined Plan Medicare-eligible retirees could select supplemental coverage through the OPERS Medicare Connector (Connector). The Connector is a relationship with a vendor selected by OPERS and tasked with assisting eligible retirees, spouses and dependents with selecting and purchasing Medicare supplemental coverage through the Medicare market. Retirees that purchase supplemental coverage through the Connector may be eligible for monthly allowances deposited into a health reimbursement arrangement account (HRA) to be used for reimbursement of eligible health care expenses.

The OPERS health care plans and prescription drug coverage for non-Medicare eligible recipients are self-insured. Coverage for non-Medicare retirees includes hospitalization, medical expenses and prescription drugs. OPERS determines the amount, if any, of the associated health care costs that will be absorbed by OPERS and attempts to control costs by using managed care, case management and other programs. Participants in the Member-Directed Plan are not eligible for health care coverage offered to benefit recipients in the Traditional Pension and Combined plans. A portion of the employer contributions for these participants is allocated to a retiree medical account. Upon separation or retirement, participants may be reimbursed for qualified medical expenses from these accounts.

Effective January 1, 2007, OPERS implemented—with a five-year phase-in—the Health Care Preservation Plan (HCPP) to improve the long-term solvency of the health care fund. The HCPP features coverage levels and provides monthly allowances for health care coverage for retirees and their dependents based on the retiree's years of service. The allowance is determined at date of retirement and is adjusted for inflation annually thereafter based on OPERS Board-approved caps.

The financial report of the health care plans is included in the OPERS Comprehensive Annual Financial Report which can be obtained at <https://www.opers.org/financial/reports.shtml#CAFR>.

Funding Policy—The Ohio Revised Code permits, but does not require, OPERS to offer postemployment health care coverage. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees in Chapter 145 of the Ohio Revised Code. Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. 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 portion of employer contributions allocated to health care for members in the Traditional Pension and Combined plans was 1.0% during calendar year 2017. For the calendar year 2018, OPERS decreased the portion allocated to health care to 0.0%. The City's contractually required contribution to OPERS health care for the period July 1, 2017 to December 31, 2017 was \$57,000.

Plan Description—Ohio Police & Fire Pension Fund (OP&F)

The City contributes to the health care plans administered by OP&F. OP&F's health care plan provides

health care benefits to eligible benefit recipients receiving retirement, disability and survivor benefits, and to their eligible dependents. On the effective date of the member’s retirement, new benefit recipients and their dependents qualify for OP&F’s medical, prescription drug, dental, vision and reimbursement of Medicare Part B premiums as long as they meet OP&F’s eligibility and enrollment guidelines. Members who were hired prior to July 1, 2013 are eligible to receive a pension at age 48 with 25 years of service credit or age 62 with 15 years of service credit. Members hired after July 1, 2013 are eligible to receive a pension at age 52 and 25 years of service credit or age 62 with 15 years of service credit. In addition, a member is eligible to enroll in the plan if they are receiving a disability pension or they are the survivor of a member. A member may enroll a spouse, dependent children, generally until age 28, and sponsored dependents. Only benefit recipients are eligible for reimbursement of Medicare Part B reimbursement. OP&F’s health care program is not guaranteed and is subject to change at any time upon action of the OP&F Board of Trustees. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be accessed on OP&F’s website at www.op-f.org.

Funding Policy—Members who enroll in OP&F health care are responsible for paying part of the cost of health care coverage through a monthly premium deduction, copayments/coinsurance and deductibles. Under Ohio Revised Code Chapter 742, health care costs paid from the funds of the plan are included in the employer contribution rates, which are currently 19.5% and 24% of salaries for police and fire employers, respectively. During calendar years 2017 and 2018, the Board of Trustees allocated employer contributions equal to 0.5% of annual covered payroll to the Health Care Stabilization Fund. This Fund is part of the Pension Reserve Fund.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

The City’s contractually required contribution to OP&F was \$778,000 for the fiscal year ended June 30, 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB—OPERS & OP&F

The net OPEB liability for OPERS was measured as of December 31, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to December 31, 2017 by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year. OP&F’s total OPEB liability was measured as of December 31, 2017 and was determined by rolling forward the total OPEB liability as of January 1, 2017, with actuarial liabilities to December 31, 2017. The City’s proportion of the net OPEB liability was based on the City’s share of contributions to the respective retirement systems relative to the contributions of all participating entities. The following is information related to the proportionate share and OPEB expense (amounts in thousands):

	<u>OPERS</u>	<u>OP&F</u>
Proportionate Share of Net OPEB Liability	\$ 7,284	\$ 408,256
Proportion of Net OPEB Liability	0.067076%	7.20554%
Change in Proportion	-0.004901%	0.05315%
OPEB Expense	\$ 352	\$ 31,454

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

Deferred Outflows of Resources	<u>OPERS</u>	<u>OP&F</u>
Differences between expected and actual experience	\$ 5	
Change in assumptions	530	39,837
Change in City's proportionate share and difference in employer contributions		2,214
City contributions subsequent to the measurement date		372
Total Deferred Outflows of Resources	<u>\$ 535</u>	<u>\$ 42,423</u>
Deferred Inflows of Resources	<u>OPERS</u>	<u>OP&F</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 541	\$ 2,687
Differences between expected and actual experience		2,059
Change in City's proportionate share and difference in employer contributions	332	
Total Deferred Inflows of Resources	<u>\$ 873</u>	<u>\$ 4,746</u>

\$372,000 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts in thousands):

	<u>OPERS</u>	<u>OP&F</u>
Fiscal Year Ending June 30:		
2019	\$ (38)	\$ 5,175
2020	(38)	5,175
2021	(126)	5,175
2022	(136)	5,175
2023		5,847
Thereafter		10,758
	<u>\$ (338)</u>	<u>\$ 37,305</u>

Actuarial Assumptions—OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OBEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017.

Key Methods and Assumptions Used in Valuation of the Total OPEB Liability:

Actuarial valuation date	December 31, 2016
Rolled-forward measurement date	December 31, 2017
Experience study	5-year period ended December 31, 2015
Actuarial cost method	Individual entry age normal
Actuarial Assumptions:	
Single discount rate	3.85%
Investment rate of return	6.50%
Municipal bond rate	3.31%
Wage inflation	3.25%
Projected salary increases	3.25% - 10.75% (includes wage inflation at 3.25%)
Health care cost trend rate	7.5% initial, 3.25% ultimate in 2028

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above tables.

Since the prior measurement date, the single discount rate was decreased from 4.23% to 3.85% based on a change in the municipal bond rate used between measurement dates.

The allocation of investment assets within the Health Care portfolio is approved by the OPERS Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the OPERS Board-approved asset allocation policy for 2017 and the long-term expected real rates of return.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00%	1.88%
Domestic Equities	21.00%	6.37%
REITs	6.00%	5.91%
International Equities	22.00%	7.88%
Other Investments	<u>17.00%</u>	<u>5.39%</u>
Total	<u>100.00%</u>	<u>4.98%</u>

The long-term expected rate of return on health care 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.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. 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 investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2% for 2017.

Discount Rate. A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates. The following table present the net OPEB liability calculated using the single discount rate of 3.85% and the expected net OPEB liability if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate (amounts in thousands):

	1% Decrease <u>(2.85%)</u>	Current Discount Rate of 3.85%	1% Increase <u>(4.85%)</u>
City's proportionate share of the net OPEB liability	\$ 9,677	\$ 7,284	\$ 5,348

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate (amounts in thousands):

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 6,969	\$ 7,284	\$ 7,609

Actuarial Assumptions—OP&F

The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value 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.

Projections of benefit for financial purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key Methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

Actuarial valuation date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial cost method	Entry age normal (level percent of payroll)
Actuarial assumption experience study	5-year period ended December 31, 2016
Investment rate of return	OP&F OPEB long-term rate is 8.0%
Cost of living increases (COLA)	3% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3%
Salary increases	3.75% to 10.50%
Payroll growth	Inflation rate of 2.75% plus productivity increase rate of 0.5%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%. Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted and projected with the Conduent Modified 2016 Improvement Scale.

Since the prior measurement date, the discount rate was decreased from 8.25% to 8.0% and the CPI-based COLA was reduced from 2.6% to 2.2%, both based on economic projections. Additionally, salary inflation was reduced from 3.75% to 3.25% for lower inflation projections and payroll growth was reduced from 3.75% to 3.25%, both for lower inflation projections. The assumed mortality, disability, retirement and withdrawal assumptions were also modified.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. 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 average 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 real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalent	0.0%	0.0%
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%

Note: Assumptions are geometric. * Levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F'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 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate. Total OPEB liability was calculated using the discount rate of 3.24%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.0%. Based on those assumptions, OP&F's fiduciary net position was projected to be able to make all future benefit payment of current plan members through 2025. Therefore, a municipal bond rate of 3.16% at December 31, 2017 was blended with the long-term rate of 8.0%, which resulted in a blended discount rate of 3.24%.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates. Net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of OP&F, what OP&F’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.24%) and 1% higher (4.24%) than the current discount rate (3.24%). Also shown is what OP&F’s net OPEB liability would be based on health care cost trend rates that are 1% lower and 1% higher than the current cost trend rate (amounts in thousands):

	<u>1% Decrease (2.24%)</u>	<u>Current Discount Rate of 3.24%</u>	<u>1% Increase (4.24%)</u>
City's proportionate share of the net OPEB liability	\$ 510,325	\$ 408,256	\$ 329,718

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 317,141	\$ 408,256	\$ 531,049

Changes Subsequent to the Measurement Date. Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual health reimbursement accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

B. Single-Employer Defined Benefit OPEB Plan

Plan Description – City of Cincinnati Retirement System (CRS)

CRS provides health care coverage to eligible retirees, their spouse and dependent children and is accounted for as a single-employer defined benefit OPEB plan. 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.

CRS 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.

Membership in CRS as of the December 31, 2016 valuation date was as follows:

Retired members and surviving spouses currently receiving retiree health benefits	3,792
Spouses currently receiving retiree health benefits	1,461
Terminated vested members eligible for retiree health benefits	23
Active participants:	
Full-time	2,720
DROP	49
Total	<u>8,045</u>

CRS is considered part of the City's financial reporting entity and is included in the City's financial report as part of the pension trust fund. No separate financial report is issued. Footnote 22 provides information on CRS as of June 30, 2018 and on the plan as a whole.

Funding Policy—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. All members electing to participant in the dental and/or vision plan are required to pay the full cost of coverage. As such, it was assumed that CRS has no liability under GASB Statement No. 74 for these benefits.

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

The City's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. The City reported a net OPEB liability of \$19,210,000 and a negative OPEB expense of \$23,290,000.

At June 30, 2018, the City reported deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 16,390
Change in assumptions	<u>68,720</u>
	<u>\$ 85,110</u>

Amounts reported as deferred inflows of resources will be recognized in OPEB expense as follows (amounts in thousands):

Year Ending June 30:	<u>Deferred Inflows of Resources</u>
2019	\$ 25,112
2020	25,112
2021	25,112
2022	<u>9,774</u>
	<u>\$ 85,110</u>

Actuarial Assumptions. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases, including wage inflation	4.00% - 7.50%
Long-term investment rate of return	7.50%
Municipal bond index rate:	
Measurement date	3.56%
Prior measurement date	3.01%
Year of projected depletion:	
Measurement date	2050
Prior measurement date	2038
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation	
Measurement date	6.31%
Prior measurement date	4.57%
Health care cost trends:	
Medicare supplement claims	
Pre-Medicare	7.75% for 2017, decreasing to an ultimate rate of 5.00% by 2023
Post-Medicare	5.75% for 2017, decreasing to an ultimate rate of 5.00% by 2020

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, 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 demographic actuarial assumptions used in the December 31, 2016 valuation were based on the results of the last actuarial experience study, dated October 28, 2011. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the December 31, 2016 valuation were based on a review of recent plan experience done concurrently with the December 31, 2016 valuation.

Long Term Expected Rate of Return. Several factors were considered in evaluating the long-term rate of return assumption, including CRS' current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class compiled by Horizon Actuarial Services, LLC in its "*Survey of Capital Market Assumptions, 2016 Edition*". The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Core Bonds	14.00 %	2.80 %
High Yield Bonds	3.00 %	4.90 %
Large-Cap Value Equity	7.00 %	7.20 %
Large-Cap Growth Equity	5.00 %	7.10 %
Mid-Cap Value Equity	4.00 %	7.50 %
Mid-Cap Core Equity	4.00 %	7.50 %
Small-Cap Value Equity	7.50 %	8.00 %
Non-U.S. Developed Large Cap	10.00 %	7.40 %
Non-U.S. Small Cap	5.00 %	8.10 %
Emerging Markets All-Cap	5.00 %	8.50 %
EM Small-Cap	3.00 %	8.50 %
Real Estate Core Equity	10.00 %	7.40 %
Infrastructure	7.50 %	7.80 %
Risk Parity	5.00 %	4.10 %
Private Equity	10.00 %	11.10 %
Total	100.00 %	

* Geometric mean

Discount Rate. The discount rate used to measure the total OPEB liability as of June 30, 2017 was 6.31%. The projection's basis was an actuarial valuation performed as of December 31, 2016. In addition to the actuarial methods and assumptions of the December 31, 2016 actuarial valuation, no future contributions were assumed to be made by either employees or employers.

Based on these assumptions, CRS' fiduciary net position was projected to be depleted in 2050 and, as a result, the municipal bond index rate was used in the determination of the single equivalent interest rate (SEIR). Here, the long-term expected rate of return of 7.50% on CRS investments was applied to period through 2050, and the municipal bond index rate at the measurement date (3.56%) was applied to periods on and after 2050, resulting in a SEIR at the measurement date (6.31%).

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate. Similarly, the following also presents what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate (amounts in thousands):

City's Portion of Net OPEB Liability	Health Care Cost Trend Rates		
	1 % Decrease	Current Cost Trend Rate	1% Increase
Discount Rate:			
1% Increase (7.31%)		\$ (20,983)	
Current Discount Rate (6.31%)	\$ (23,980)	\$ 19,210	\$ 71,041
1% Decrease (5.31%)		\$ 67,209	

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

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2016	\$ 503,271	\$ 375,662	\$ 127,609
Changes for the year:			
Service cost	6,266		6,266
Interest	22,425		22,425
Changes in assumptions	(89,736)		(89,736)
Net investment income		47,714	(47,714)
Benefit payments, including refunds of employee contributions	(25,446)	(25,446)	
Administrative expense		(360)	360
Net changes	<u>(86,491)</u>	<u>21,908</u>	<u>(108,399)</u>
Balances at June 30, 2017	<u>\$ 416,780</u>	<u>\$ 397,570</u>	<u>\$ 19,210</u>

The date of the actuarial valuation upon which the total OPEB liability is based is December 31, 2016. The total OPEB liability 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 SEIR for the period. This procedure was used to determine the total OPEB liability as of June 30, 2017, as shown in the following table. In addition, an expected total OPEB liability as of June 30, 2017 is determined by rolling forward the June 30, 2016 total OPEB liability using similar techniques. The difference between this expected total OPEB liability and the actual total OPEB liability 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 period is shown as an assumption gain.

CRS TOL Rollforward

(amounts in thousands)

	(1)	Benefit Changes (2)
(a) Interest Rate (SEIR)	6.31%	4.57%
(b) TOL as of December 31, 2016	\$ 414,859	\$ 504,841
(c) Entry Age Normal Cost for the period January 1, 2017 - June 30, 2017	1,951	3,133
(d) Actual Benefit Payments and Refunds for January 1, 2017 - June 30, 2017	12,723	12,723
(e) TOL as of June 30, 2017 = [(b) x (1 + (a)) ^{1/2}] + (c) - [(d) x (1 + (a)) ^{1/4}]	416,780	506,516
(f) Final TOL as of June 30, 2017	416,780	
(g) Experience (Gain)/Loss: (1f) - (1e)		
(h) Benefit Changes (Gain)/Loss: (1e) - (2e)		(89,736)

This footnote presents information on the Cincinnati Retirement System as a whole as of June 30, 2018.

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, 2018:

	<u>Pension</u>	<u>Health</u>
Retirees and Beneficiaries (Optionees) receiving benefits*	4,233	3,684
Terminated plan members entitled to future benefits	211	270
Deferred Retirement Option Plan (DROP) participants	108	108
Active Plan Members		
Full time (Health plan includes part time)	3,029	2,993
Part time	742	
Total	<u>8,323</u>	<u>7,055</u>
Inactive Participants**	8,472	not available

* Health count includes eligible dependent spouses

** 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, 2018. As of the 12/31/2017 valuation, the healthcare plan's unfunded actuarial accrued liability was (\$1,045,000). The actuarial value of assets was \$497,233,000. The unfunded actuarial accrued liability as a percentage of covered payroll of \$172,156,000 was (.6%). 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 Cincinnati Retirement System 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	12/31/2017
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	2.75 percent per year
Salary increase	3.75 to 7.5 percent, including inflation thereafter
Investment rate of return	7.5 percent, net of pension plan investment expense, and including inflation
Deaths after retirement	
Non-disabled lives:	RP-2014 Mortality Table with a generational approach using the MP-2017 projection scale and set forward two years for both males and females is used for the period after retirement and for dependent beneficiaries.
Disabled Retirees:	RP-2014 Disabled Retiree Mortality Table with a generational approach using the MP-2017 projection scale is used for the period after disability.
Withdrawal assumption	It is assumed that 60% of vested members who terminate elect to leave their contributions in the plan in order to be eligible for a benefit at their retirement date while the remaining 40% elect to withdraw their contributions.

Health 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	12/31/2017
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	Medical CPI 3.25 percent per year
Salary increase	3.75 to 7.5 percent, including inflation thereafter
Investment rate of return	7.5 percent, net of health plan investment expense, and including inflation
Deaths after Retirement	
Non-disabled lives:	RP-2014 Mortality Table with a generational approach using the MP-2017 projection scale and set forward two years for both males and females is used for the period after retirement and for dependent beneficiaries.
Disabled Retirees:	RP-2014 Disabled Retiree Mortality Table with a generational approach using the MP-2017 projection scale is used for the period after disability.
Long Term Health Care Cost Trends	
Pre-Medicare	7.75% for 2018 decreasing to 4.75% by 2028
Post-Medicare	5.5% for 2018 decreasing to 4.75% by 2024

Cash Held with Financial and Investment Banks as of June 30, 2018

Deposits held by the City's Retirement System for which the fiscal year ended June 30, 2018 book balance was \$71,157,000. The June 30, 2018 bank balance was \$18,523,000 and the book balance was \$18,489,000. The cash balance was held by the City Treasurer. The cash equivalents of \$51,460,000 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, 2018 was \$2,227,398,000. These investments include \$31,710,000 in U.S. Government Bonds, \$43,367,000 in U.S. Government Agencies, \$26,093,000 in Corporate Fixed Income, \$250,923,000 in Private Equity, \$874,653,000 in Equity Securities, \$278,448,000 in Other Investments, \$236,550,000 in Real Estate Investments, \$29,978,000 in Private Placements, \$445,606,000 in mutual funds, and \$10,070,000 in international 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 3%, risk parity 5% with a variance of 2.5%, and private equity 10% with a range of 0.0% to 14%.

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	\$ 26,093		\$ 26,093											
Bond Mutual Fund	160,458	\$ 160,458												
International Bonds	10,070		10,070											
US Government Bonds	31,710	31,710												
Private placements	29,978		29,978											
US Agencies	43,367	182	37,474	\$ 5,711										
Total Debt Securities	301,676	192,350	103,615	5,711										
Equity Securities														
Domestic Equities	96,402	96,402												
International Equities	216,332	216,332												
Emerging Market Equities Mutual Funds	171,236	171,236												
Global Equity Mutual Funds	113,912	113,912												
Total Equity Securities	597,882	597,882												
Private Equity														
Venture Capital and LBO Funds	178,932			178,932										
High Yield Bond Fund	71,991		71,991											
Total Private Equity	250,923		71,991	178,932										
Other Assets														
Infrastructure	162,000			162,000										
Global Risk Parity	116,448	8,151	108,297											
Total other Assets	278,448	8,151	108,297	162,000										
Total Investments by Fair Value Level	\$ 1,428,929	\$ 798,383	\$ 283,903	\$ 346,643										
Investments Measured at the Net Asset Value														
Real Estate Funds ¹	236,550	<table border="1"> <thead> <tr> <th colspan="2">Equity reconciled to Financial Statements (A)</th> </tr> </thead> <tbody> <tr> <td>Northern Trust Valued at NAV</td> <td>\$ 561,919</td> </tr> <tr> <td>Domestic Equity Funds</td> <td>96,402</td> </tr> <tr> <td>International Equity Funds</td> <td>216,332</td> </tr> <tr> <td>Financial Statements</td> <td>\$ 874,653</td> </tr> </tbody> </table>			Equity reconciled to Financial Statements (A)		Northern Trust Valued at NAV	\$ 561,919	Domestic Equity Funds	96,402	International Equity Funds	216,332	Financial Statements	\$ 874,653
Equity reconciled to Financial Statements (A)														
Northern Trust Valued at NAV	\$ 561,919													
Domestic Equity Funds	96,402													
International Equity Funds	216,332													
Financial Statements	\$ 874,653													
Northern Trust Equity Index Funds ²	561,919													
Total Investments at the Net Asset Value (NAV)	798,469													
Total Investments measured at Fair Value	\$ 2,227,398	<table border="1"> <thead> <tr> <th colspan="2">Equity included in Mutual Funds (B)</th> </tr> </thead> <tbody> <tr> <td>Emerging Markets Mutual Funds</td> <td>\$ 171,236</td> </tr> <tr> <td>Global Equity Funds</td> <td>113,912</td> </tr> <tr> <td>Included in GASB 72 Equities</td> <td>\$ 285,148</td> </tr> </tbody> </table>			Equity included in Mutual Funds (B)		Emerging Markets Mutual Funds	\$ 171,236	Global Equity Funds	113,912	Included in GASB 72 Equities	\$ 285,148		
Equity included in Mutual Funds (B)														
Emerging Markets Mutual Funds	\$ 171,236													
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Included in GASB 72 Equities	\$ 285,148													
		<table border="1"> <tbody> <tr> <td>Equities per Investment Summary (A + B)</td> <td>\$ 1,159,801</td> </tr> </tbody> </table>			Equities per Investment Summary (A + B)	\$ 1,159,801								
Equities per Investment Summary (A + B)	\$ 1,159,801													

Investments Measured at the Net Asset Value

(\$in thousands of dollars)

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Funds ⁽¹⁾	\$236,550	\$0	Quarterly	45 - 90 days
Commingled Index Funds ⁽²⁾	\$561,919	\$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 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.

City of Cincinnati Retirement System
Investment Summary
30-Jun-18
(in thousands of dollars)

	Fair Value	Percent of Total Investments
Stock:		
<u>US Common Stock</u>		
Consumer Discretionary	\$ 17,837	0.7%
Consumer Staples	6,362	0.3%
Energy	6,748	0.3%
Financial Services	20,244	0.9%
Health Care	4,338	0.2%
Materials and Processing	8,194	0.4%
Industrials	8,772	0.4%
Technology	10,315	0.5%
Utilities	9,736	0.4%
Real Estate	3,856	0.2%
Total US Common Stock	<u>96,402</u>	<u>4.3%</u>
<u>Other</u>		
International Stock	216,332	9.7%
Northern Trust Domestic Index Funds	561,919	25.2%
Emerging Market Equity Funds	171,236	7.7%
International mutual funds	113,912	5.1%
Total Other	<u>1,063,399</u>	<u>47.7%</u>
Total Stock Equities	1,159,801	52.0%
DEBT:		
<u>Corporate Bonds</u>		
Finance	13,381	0.6%
Health Care	1,291	0.1%
Industrial	6,001	0.3%
Transportation	639	0.0%
Utilities	2,407	0.1%
Telecom	2,374	0.1%
	<u>26,093</u>	<u>1.2%</u>
<u>US Government Bonds</u>		
US Government Bonds	31,710	1.5%
US Government Agencies	43,367	1.9%
	<u>75,077</u>	<u>3.4%</u>
<u>Private placements</u>	29,978	1.3%
<u>High Yield Bonds (included with private equity)</u>	71,991	3.2%
<u>International Bonds</u>	10,070	0.5%
<u>Bond Mutual Fund</u>	160,458	7.2%
Total Debt	<u>373,667</u>	<u>16.8%</u>
Other Investments:		
Other (Risk Parity and Infrastructure)	278,448	12.5%
Private Equity (High Yield fund included with Debt)	178,932	8.1%
Real Estate	236,550	10.6%
Total Other Investments	<u>693,930</u>	<u>31.2%</u>
Total Investments	\$ <u><u>2,227,398</u></u>	<u><u>100.0%</u></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, 2018, 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	\$ 47,498	\$ 47,498			
Fixed Investments					
Corporate Bonds	26,093		\$ 16,550	\$ 2,718	\$ 6,825
International Bonds	10,070		4,224	4,796	1,050
Private Placements	29,978	3,222	11,142	5,160	10,454
US Agencies	43,367	9,139	1,877	3,124	29,227
US Governments	31,710	2,218	7,071	11,255	11,166
Total	\$ 188,716	\$ 62,077	\$ 40,864	\$ 27,053	\$ 58,722

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, 2018 (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	\$ 47,498	\$ 16,583				\$ 30,915
Fixed Investments						
Corporate Bonds	26,093	2,524	\$ 15,145	\$ 8,424		
International Bonds	10,070	3,015	5,943	1,112		
Private Placements	29,978	11,830	11,771	6,243	\$ 134	
US Agencies	43,367	43,367				
US Governments	31,710	31,710				
Total	\$ <u>188,716</u>	\$ <u>109,029</u>	\$ <u>32,859</u>	\$ <u>15,779</u>	\$ <u>134</u>	\$ <u>30,915</u>

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, 2018 is as follows (amounts in thousands):

Currency	Fair Value	Equity	Fixed Income	Cash
Australian Dollar	\$ 2,728	\$ 2,722		\$ 6
Danish Krone	3,328	3,274		54
Euro Currency	64,609	64,057	\$ 279	273
Hong Kong Dollar	11,051	11,051		
Japanese Yen	35,440	35,105		335
Mexican New Peso	6,275	1,254	5,021	
New Taiwan Dollar	1,842	1,842		
S African Comm Rand	4,718	4,718		
Singapore Dollar	8,588	8,588		
Swedish Krona	7,521	7,542		(21)
Swiss Franc	17,183	16,583		600
United Kingdom Pound Sterling	35,636	35,710		(74)
Uruguayan Peso	681		681	
Total	\$ <u>199,600</u>	\$ <u>192,446</u>	\$ <u>5,981</u>	\$ <u>1,173</u>

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, 2018. Cash collateral is invested in a short-term investment pool, which had an average weighted maturity of 6 days as of June 30, 2018. 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, 2018, 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. Corporate Fixed Income	\$ 10,723	\$ 10,972
U.S. Equities	10,922	11,115
Non-U.S. Equities	43	47
Total	<u>\$ 21,688</u>	<u>\$ 22,134</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			\$ 1,865	\$ 1,865
Floating Rate Notes	\$ 9,664	\$ 400		10,064
Repurchase Agreements	666			666
Total	<u>\$ 10,330</u>	<u>\$ 400</u>	<u>\$ 1,865</u>	<u>\$ 12,595</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	\$ 1,865		\$ 199	\$ 1,666	
Floating Rate Notes	10,064	\$ 10,064			
Repurchase Agreements	666				\$ 666
Total	<u>\$ 12,595</u>	<u>\$ 10,064</u>	<u>\$ 199</u>	<u>\$ 1,666</u>	<u>\$ 666</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, 2018, 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, 2018, 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)	9/19/2018	Long	11	\$ 1,595	\$ 21
US 10 YR TREAS NTS FUTURE(CBT)	9/19/2018	Long	4	2,884	16
US 5YR TREAS NTS FUTURE (CBT)	9/28/2018	Long	5	2,727	8
S & P 500 EMINI IND FUT (CME)	9/28/2018	Long	70	10,342	(217)
MINI MSCI EAFE FUTURE (NYF)	9/21/2018	Long	61	10,657	(234)
MINI MSCI EMG MKT FUTURE (NYF)	9/21/2018	Long	15	1,967	(75)
			Total	\$ 30,172	\$ (481)

* 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
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	\$ 277	\$ 150	\$ 427

Contributions

Each member contributes at a rate of 9.0% of his salary for fiscal year 2018. 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 2018 the contribution rate was 16.25% on covered payroll. The total covered payroll for CRS members was \$208,317,000. The Actuarially Determined Contribution rate (ADC) for fiscal year 2018 based on the 2017 actuarial report, was 28.0% on covered payroll for the Pension Fund. The Actuarially Determined Contribution rate (ADC) was .7% on covered payroll for the Health Benefits Fund. The City of Cincinnati's approved budget for Fiscal Year 2018 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, 2018 were \$32,586,000. For the year ended June 30, 2017 the contributions were \$30,868,000. 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, 2017, the pension plan unfunded actuarial accrued liability was \$574,412,000 to be amortized over an open period of 30 years. The funded ratio was 76.9%, and the actuarial value of assets was \$1,772,494,000. The unfunded actuarial accrued liability as a percentage of covered payroll of \$191,806,000 was 299.5%. The Actuarial Accrued Liability at 12/31/2017 was \$2,346,906,000.

As of the last actuarial valuation date of December 31, 2017, the Health benefits plan unfunded actuarial accrued liability was (\$1,045,000). The funded ratio was 100.2%, and the actuarial value of assets was \$497,233,000. The unfunded actuarial accrued liability as a percentage of covered payroll of \$172,156,000 was (0.6%). The Actuarial Accrued Liability at 12/31/2017 was \$496,188,000.

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, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.8%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Plan

Net Pension Liability – The components of the change in the CRS’ net pension liability for fiscal year 2018 are as follows:

(Amounts in Thousands)	
Total Pension Liability	\$ 2,359,689
Fiduciary Net Position	<u>1,762,196</u>
Net Pension Liability	\$ 597,493
Ratio of Fiduciary Net Position to Total Pension Liability	74.68%

Actuarial Assumptions: Total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Inflation	2.75%
Salary increases	3.75% to 7.5%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, and including inflation
Mortality	The RP-2014 Mortality Table with a generational approach using the MP-2017 projection scale and set forward two years for both males and females is used for the period after retirement and for dependent beneficiaries. The RP-2014 Disabled Retiree Mortality Table with a generational approach using the MP-2017 projection scale is used for the period after disability.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of the last actuarial experience study as of dated February 28, 2018.

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 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%	4.1%
Private Equity-FOF	10.0%	11.1%
Total	<u>100.0%</u>	

* Geometric Mean

Discount Rate – The discount rate used to measure the total pension liability was 7.5% as of June 30, 2018. 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 was not needed as of June 30, 2018 as the FNP is projected not be depleted during the projection period. The projected benefit payments for all current plan members were projected through 2117.

Deferred Outflows and Deferred Inflows of Resources: At June 30, 2018, 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, 2018

(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		\$ (137)	\$ (137)
Differences between expected and actual experience	16,025		16,025
Changes in assumptions	26,844		26,844
Total	\$ 42,869	\$ (137)	\$ 42,732

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 6/30/18
(Amounts in Thousands)

<u>Fiscal year</u>	<u>Pension Expense</u>
2019	\$ 55,876
2020	10,540
2021	(20,839)
2022	(2,845)
Total Deferred Outflows	<u>\$ 42,732</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	\$ 842,596	\$ 597,493	\$ 389,402

Change in the Net Pension Liability: Changes in the City financial reporting entity's net pension liability for the year ended June 30, 2018 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, 2017	\$2,261,743	\$1,740,390	\$ 521,353
Changes for the year:			
Service cost	22,834		22,834
Interest	163,313		163,313
Benefit changes			
Difference between expected and actual experience	29,889		29,889
Contributions - employer	50,392	32,586	17,806
Contributions - employee		18,873	(18,873)
Net investment income		140,314	(140,314)
Benefit payments, including refunds of employee contributions	(168,482)	(168,482)	
Administrative expense		(1,485)	1,485
Net changes	<u>97,946</u>	<u>21,806</u>	<u>76,140</u>
Balances at June 30, 2018	<u>\$2,359,689</u>	<u>\$1,762,196</u>	<u>\$ 597,493</u>

The date of the actuarial valuation upon which the total pension liability (TPL) is based is December 31, 2017. An expected TPL as of June 30, 2018 is determined using standard roll forward techniques. The roll forward calculation adds the normal cost for the first half of 2018 (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, 2018, as shown in the following table. In addition, an expected TPL as of June 30, 2018 is determined by rolling forward the June 30, 2017 TPL using similar techniques. The difference between this expected TPL and the actual TPL as of June 30, 2018 is the experience gain or loss for the period. The impact of the assumption changes adopted by the Board on March 1, 2018 are shown as an assumption loss.

CRS TPL Rollforward		Benefit Changes	
(Amounts in thousands)		(1)	(2)
(a) Interest Rate (SEIR)		7.50%	7.50%
(b) TPL as of December 31, 2017	\$ 2,298,598		\$ 2,346,906
(c) Entry Age Normal Cost for the period January 1, 2018 - June 30, 2018		11,838	12,143
(d) Actual Benefit Payments and Refunds for the period January 1, 2018 - June 30, 2018		84,241	84,241
(e) TPL as of June 30, 2018 = [(a) x (1 + SEIR) ^{1/2}] + (b) - [(c) x (1 + SEIR) ^{1/4}]		2,309,297	\$ 2,359,689
(f) June 30, 2017 TPL Rolled Fwd to June 30, 2018	\$ 2,279,408		
(g) Experience (Gain)/Loss: (1e) - (1f)		29,889	
(h) Benefit Changes (Gain)/Loss: (2e) - (1e)			\$ 50,392

Other Post Employment Benefit (OPEB)

The date of the actuarial valuation upon which the total OPEB liability (TOL) is based is December 31, 2017. An expected TOL as of June 30, 2018 is determined using standard roll forward techniques. The roll forward calculation adds the normal cost for the first half of 2018 (also called the service cost), subtracts the expected 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, 2018, as shown in the following table. In addition, an expected TOL as of June 30, 2018 is determined by rolling forward the June 30, 2017 TOL using similar techniques. The difference between this expected TOL and the actual TOL as of June 30, 2018 is the experience gain or loss for the period. The impact of measuring the liabilities (1) using a discount rate of 6.13% as opposed to the 6.31% used at the beginning of the period, (2) updated medical trend and (3) the assumption changes as adopted by the Board on March 1, 2018 is shown as an assumption (gain)/loss.

CRS TOL Rollforward
(Amounts in thousands)

	<u>Expected chg.</u>	<u>Experience chg</u>	<u>Assumption Change</u>
	(1)	(2)	(3)
(a) Measurement Date	6/30/2017	12/31/2017	12/31/2017
(b) Projection Period	1 Year	1/2 Year	1/2 Year
(c) Discount Rate (SEIR)	6.31%	6.31%	6.13%
(d) TOL as of (a)	\$ 510,105	\$ 534,566	\$ 571,896
(e) Entry Age Normal Cost for the period from (a) to June 30, 2018 *	5,076	2,445	2,953
(f) Actual Benefit Payments during the period from (a) to June 30, 2018	26,640	17,181	17,181
(g) TOL as of June 30, 2018 = [(d) x (1 + (c)) ^(b)] + (e) - [(f) x (1 + (c)) ^{(b)/2}]	\$ 519,901	536,173	\$ 574,678
(h) Experience (Gain)/Loss: [(2g) - (1g)]		16,272	
(i) Assumption Change (Gain)/Loss: [(3g) - (2g)]			\$ 38,505

*Includes Interest from the measurement date to June 30, 2018

Net OPEB Liability	
Measurement Date June 30, 2018	Fiscal
(Amounts in Thousands)	<u>2018</u>
Total OPEB Liability	\$ 574,678
Fiduciary Net Position	499,020
Net OPEB Liability	\$ 75,658
 Ratio of Fiduciary Net Position to Total OPEB Liability	 86.8%

Sensitivity of the NOL to the discount rate and health care cost trends (in thousands of dollars)

Net OPEB Liability			
Discount Rate	Health Care Cost Trends		
	1% Decrease	Current	1% Increase
1% Increase (7.13%)		\$ 18,288	
Current (6.13%)	\$ 13,964	\$ 75,658	\$ 149,966
1% Decrease (5.13%)		\$ 144,059	

CITY OF CINCINNATI, OHIO
Statement of Plan Net Position
Pension Trust Fiscal Year Ending June 30, 2018

(amounts in thousands)

	Pension Trust	Healthcare 115 Trust	Total
ASSETS			
Cash and Cash Equivalents	\$ 55,454	\$ 15,703	\$ 71,157
Investments, at fair value:			
International Bonds	7,848	2,222	10,070
US Government Bonds	24,712	6,998	31,710
Corporate Fixed Income	20,335	5,758	26,093
US Agencies	33,796	9,571	43,367
Equities- Common Stock	681,629	193,024	874,653
Mutual Funds	347,267	98,339	445,606
Private Equity	195,548	55,375	250,923
Real Estate	184,347	52,203	236,550
Private Placements	23,362	6,616	29,978
Other Assets (Alternatives)	216,998	61,450	278,448
	1,735,842	491,556	2,227,398
Collateral on Loaned Securities	27,961	7,918	35,879
Receivables:			
Accounts Receivable - Other	1,182	335	1,517
Accounts Receivable for Securities	7,295	2,066	9,361
Accrued Interest and Dividends	2,287	648	2,935
Due from Primary Government	780	221	1,001
Loans Receivable	28	8	36
Machinery and Equipment	372	105	477
Accumulated Depreciation	(345)	(98)	(443)
Total Assets	1,830,856	518,462	2,349,318
LIABILITIES			
Accounts Payable - Other	2,477	702	3,179
Accounts Payable for Securities Purchased	11,212	3,175	14,387
Due to Primary Government	2		2
Obligations Under Securities Lending	27,961	7,918	35,879
Accrued Payroll	35	10	45
Accrued Liabilities	26,575	7,525	34,100
Bonds Payable	216	61	277
Estimated Liability for Compensated Absences	182	51	233
Total Liabilities	68,660	19,442	88,102
NET POSITION			
Restricted for Employees' Pension Benefits	1,762,196		1,762,196
Restricted for Employees' Postemployment Healthcare Benefits		499,020	499,020
Combined Net Position	\$ 1,762,196	\$ 499,020	\$ 2,261,216

CITY OF CINCINNATI, OHIO
Statement of Changes in Position
Pension Trust Fiscal Year Ending June 30, 2018

(amounts in thousands)

	Pension Trust	Healthcare 115 Trust	Total
ADDITIONS:			
Contributions:			
Members	\$ 18,873		\$ 18,873
Employers	32,586		32,586
Total Contributions:	51,459		51,459
Transfers From Other Retirement Systems	19		19
Investment Income			
From Investing Activities:			
Interest & Dividends	30,088	\$ 8,466	38,554
Proceeds from Litigation	9	3	12
Net Appreciation (Depreciation) in Fair Value of Investments	118,072	33,225	151,297
Investment Income	148,169	41,694	189,863
Less Investment Management Expenses:	7,897	2,222	10,119
Net Income From Investing Activities	140,272	39,472	179,744
From Security Lending Activities:			
Securities Lending Income:	392	110	502
Securities Lending Expense:			
Borrower Rebates	(336)	(95)	(431)
Management Fees	(14)	(4)	(18)
Total Securities Lending Activities Expenses	(350)	(99)	(449)
Net Income from Securities Lending Activities	42	11	53
Total Additions:	191,792	39,483	231,275
DEDUCTIONS			
Benefits Payments:			
Pensions and Annuities	165,560		165,560
Hospital and Medical Care		26,640	26,640
Death Benefits, Active and Retired	625		625
Transfers - Retirement to other Systems	479		479
Total Benefits:	166,664	26,640	193,304
Refunds of Contributions	1,837		1,837
Administration Expenses;			
Personal Services	1,020	287	1,307
Contractual Services	357	100	457
Material & Supplies	106	30	136
Depreciation	2		2
Total Administrative Expenses:	1,485	417	1,902
Total Deductions:	169,986	27,057	197,043
Net Increase (Decrease)	21,806	12,426	34,232
Net Position restricted for Benefits			
Beginning of Year	1,740,390	486,594	2,226,984
End of Year	\$ 1,762,196	\$ 499,020	\$ 2,261,216

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REQUIRED
SUPPLEMENTARY INFORMATION

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City of Cincinnati, Ohio
Required Supplementary Information 1
Ohio Police and Fire Pension Fund
Net Pension Liability Schedules
(Amounts in thousands)

Schedule of Proportionate Share of the Net Pension Liability
Last Five Fiscal Years (1)

	2018 (3)	2017	2016	2015	2014 (2)
City's Proportion of the Net Pension Liability	7.20554%	7.15240%	7.03491%	6.86072%	6.86072%
City's Proportionate Share of the Net Pension Liability	\$ 442,237	\$ 453,026	\$ 452,561	\$ 355,414	\$ 334,139
City's Covered Payroll	\$ 157,892	\$ 155,087	\$ 143,712	\$ 136,107	\$ 131,554
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	280.09%	292.11%	314.91%	261.13%	253.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	72.20%	73.00%

(1) - The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

(2) - Information prior to 2014 was not available.

(3) - *Change in assumptions*. Effective on the January 1, 2017 actuarial valuation, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2016. Significant changes included a reduction of the investment rate from 8.25% to 8.00%, a reduction in the COLA from 2.6% to 2.2%, a reduction in projected salary increases and inflation assumptions by 0.5%, and updates in mortality and turnover assumptions.

Schedule of City's Pension Contributions
Last Ten Fiscal Years

	2018	2017	2016	2015	2014 (4)	2012	2011	2010	2009
Contractually Required Contributions	\$ 32,885	\$ 32,576	\$ 30,274	\$ 29,552	\$ 26,295	\$ 9,580	\$ 19,612	\$ 20,902	\$ 21,434
Contributions in Relation to the Contractually Required Contributions	(32,885)	(32,576)	(30,274)	(29,552)	(26,295)	(9,580)	(19,612)	(20,902)	(21,434)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 166,948	\$ 155,041	\$ 144,248	\$ 140,540	\$ 132,536	\$ 64,913	\$ 134,036	\$ 142,751	\$ 145,856
Contributions as a Percentage of Covered Payroll	19.70%	21.01%	20.99%	21.03%	19.84%	14.76%	14.63%	14.64%	14.70%

(4) - 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 2
Ohio Police and Fire Pension Fund
Net OPEB Liability Schedules
(Amounts in thousands)

Schedule of Proportionate Share of the Net OPEB Liability
Last Two Fiscal Years (1)

	2018	2017 (2)
City's Proportion of the Net OPEB Liability	7.20554%	7.15240%
City's Proportionate Share of the Net OPEB Liability	\$ 408,256	\$ 339,508
City's Covered Payroll	\$ 157,892	\$ 155,087
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	258.57%	218.91%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

(1) - The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.
(2) - Information prior to 2017 was not available.

Schedule of City's OPEB Contributions
Last Two Fiscal Years

	2018	2017	2016	2015	2014	2013 (3)	2012	2011	2010	2009
Contractually Required Contributions	\$ 778	\$ 775	\$ 721	\$ 1,494	\$ 2,220	\$ 4,382	\$ 9,017	\$ 9,047	\$ 9,635	\$ 9,845
Contributions in Relation to the Contractually Required Contributions	(778)	(775)	(721)	(1,494)	(2,220)	(4,382)	(9,017)	(9,047)	(9,635)	(9,845)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 166,948	\$ 155,041	\$ 144,248	\$ 140,540	\$ 132,536	\$ 64,913	\$ 133,600	\$ 134,036	\$ 142,751	\$ 145,856
Contributions as a Percentage of Covered Payroll	0.47%	0.50%	0.50%	1.06%	1.68%	6.75%	6.75%	6.75%	6.75%	6.75%

(3) - 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
Ohio Public Employees Retirement System-Traditional Pension Plan
Net Pension Liability Schedules
(Amounts in thousands)

Schedule of Proportionate Share of the Net Pension Liability
Last Five Fiscal Years (1)

	2018	2017 (3)	2016	2015	2014 (2)
City's Proportion of the Net Pension Liability	0.068829%	0.075000%	0.076455%	0.084999%	0.085182%
City's Proportionate Share of the Net Pension Liability	\$ 10,797	\$ 17,023	\$ 13,250	\$ 10,260	\$ 10,042
City's Covered Payroll	\$ 9,661	\$ 9,752	\$ 9,565	\$ 10,423	\$ 10,783
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	111.76%	174.56%	138.53%	98.44%	93.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

(1) - The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

(2) - Information prior to 2014 was not available.

(3) - *Change in assumptions*. In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

Schedule of City's Pension Contributions
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013 (4)	2012	2011	2010	2009
Contractually Required Contributions	\$ 1,205	\$ 1,149	\$ 1,148	\$ 1,280	\$ 1,246	\$ 729	\$ 1,236	\$ 1,285	\$ 1,193	\$ 1,219
Contributions in Relation to the Contractually Required Contributions	(1,205)	(1,149)	(1,148)	(1,280)	(1,246)	(729)	(1,236)	(1,285)	(1,193)	(1,219)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 9,337	\$ 9,181	\$ 9,564	\$ 10,664	\$ 10,386	\$ 5,607	\$ 12,357	\$ 12,850	\$ 13,379	\$ 14,779
Contributions as a Percentage of Covered Payroll	12.91%	12.51%	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%	8.92%	8.25%

(4) - 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.

Note: The City's Financial Reporting entity does not include the Metropolitan Sewer District which operates as part of the City and is an enterprise fund for Hamilton County, Ohio.

City of Cincinnati, Ohio
 Required Supplementary Information 4
 Ohio Public Employees Retirement System
 Net OPEB Liability Schedules
 (Amounts in thousands)

**Schedule of Proportionate Share of the Net OPEB Liability
 Last Two Fiscal Years (1)**

	2018	2017 (2)
City's Proportion of the Net OPEB Liability	0.067076%	0.071978%
City's Proportionate Share of the Net OPEB Liability	\$ 7,284	\$ 7,270
City's Covered Payroll	\$ 9,661	\$ 9,752
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	75.40%	74.55%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.05%

(1) - The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.
 (2) - Information prior to 2017 was not available.

**Schedule of City's OPEB Contributions
 Last Two Fiscal Years**

	2018	2017	2016	2015	2014	2013 (3)	2012	2011	2010	2009
Contractually Required Contributions (4)	\$ 57	\$ 167	\$ 191	\$ 213	\$ 208	\$ 208	\$ 494	\$ 514	\$ 680	\$ 850
Contributions in Relation to the Contractually Required Contributions	(57)	(167)	(191)	(213)	(208)	(208)	(494)	(514)	(680)	(850)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 9,337	\$ 9,181	\$ 9,564	\$ 10,664	\$ 10,386	\$ 5,607	\$ 12,357	\$ 12,850	\$ 13,379	\$ 14,779
Contributions as a Percentage of Covered Payroll	0.61%	1.82%	2.00%	2.00%	2.00%	1.00%	4.00%	4.00%	5.08%	5.75%

(4) - Employer contribution rate allocations toward health care were 2% for calendar year 2016, 1% for calendar year 2017, and 0% for calendar year 2018.

City of Cincinnati, Ohio
Required Supplementary Information 5
Schedule of City's Changes in Net Pension Liability and Related Ratios (1)
Cincinnati Retirement System
Net Pension Liability Employer Schedule
Last Four Fiscal Years (2)
(Amounts in thousands)

	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 16,812	\$ 26,125	\$ 22,439	\$ 21,018
Interest	130,656	117,929	120,372	120,262
Benefit changes	23,864	(62,756)		
Difference between expected and actual experience	2,896	3,403	(11,326)	
Changes of assumptions		(516,262)	125,942	(14,446)
Benefit payments	(135,618)	(133,326)	(130,350)	(127,981)
Refunds of contributions	(1,090)	(1,503)		
Net change in total pension liability	\$ 37,520	\$ (566,390)	\$ 127,077	\$ (1,147)
Total pension liability - beginning	\$ 1,786,807	\$ 2,353,197	\$ 2,226,120	\$ 2,227,267
Total pension liability - ending (a)	\$ 1,824,327	\$ 1,786,807	\$ 2,353,197	\$ 2,226,120
Plan net position				
Contributions - employer	\$ 25,221	\$ 21,677	\$ 24,566	\$ 30,488
Contributions - member	14,494	14,738	11,994	12,298
Contributions - ERIP payoff		32,900		
Net investment income	171,007	(9,566)	39,683	209,380
Benefit payments	(135,618)	(133,326)	(128,548)	(126,535)
Administrative expense	(1,284)	(4,456)	(1,268)	(1,122)
Refunds of contributions	(1,090)	(1,503)	(1,802)	(1,425)
Other	3,065	178,133		(22)
Net change in plan net position	\$ 75,795	\$ 98,597	\$ (55,375)	\$ 123,062
Plan net position - beginning	\$ 1,322,563	\$ 1,223,966	\$ 1,279,341	\$ 1,156,279
Plan net position - ending (b)	\$ 1,398,358	\$ 1,322,563	\$ 1,223,966	\$ 1,279,341
Net pension liability - ending (a) - (b)	\$ 425,969	\$ 464,244	\$ 1,129,231	\$ 946,779
Ratio of plan net position to total pension liability	76.65%	74.53%	51.92%	57.47%
Covered payroll	\$ 161,503	\$ 149,722	\$ 146,605	\$ 134,680
Net pension liability as a percentage of covered payroll	263.75%	310.07%	770.25%	702.98%

(1) This schedule does not include MSD.

(2) Information prior to 2015 was not available. The City will continue to present information for years available until a full ten-year trend is available.

See Notes to the Required Supplementary Pension Information.

City of Cincinnati, Ohio
 Required Supplementary Information 6
 Schedule of City's Pension Contributions (1)
 Cincinnati Retirement System
 Net Pension Liability Employer Schedule
 Last Ten Fiscal Years
 (Amounts in thousands)

	2018	2017	2016	2015	2014	2013 (2)	2012	2011	2010	2009
Actuarially determined employer contributions	\$ 39,081	\$ 38,148	\$ 57,583	\$ 60,751	\$ 62,992	\$ 27,476	\$ 40,029	\$ 44,083	\$ 65,593	\$ 35,300
Actual employer contributions	<u>(26,506)</u>	<u>(25,221)</u>	<u>(21,908)</u>	<u>(24,566)</u>	<u>(31,484)</u>	<u>(13,246)</u>	<u>(26,932)</u>	<u>(25,032)</u>	<u>(24,353)</u>	<u>(21,845)</u>
Contribution Deficiency (Excess)	\$ <u>12,575</u>	\$ <u>12,927</u>	\$ <u>35,675</u>	\$ <u>36,185</u>	\$ <u>31,508</u>	\$ <u>14,230</u>	\$ <u>13,097</u>	\$ <u>19,051</u>	\$ <u>41,240</u>	\$ <u>13,455</u>
City Covered Payroll	\$ 170,508	\$ 161,503	\$ 149,722	\$ 146,605	\$ 134,680	\$ 63,254	\$ 133,477	\$ 133,378	\$ 136,613	\$ 140,957
Actual contributions as a Percentage of Covered Payroll	15.55%	15.62%	14.63%	16.76%	23.38%	20.94%	20.18%	18.77%	17.83%	15.50%

(1) This schedule does not include MSD.

(2) - 2013 represents the short period covered January 1, 2013 to June 30, 2013 when the City changed reporting periods. 2012 and prior represent calendar year reporting periods.

See Notes to the Required Supplementary Pension Information.

City of Cincinnati, Ohio
Required Supplementary Information 7
Notes to the Required Pension Information
Cincinnati Retirement System

Actuarial Assumptions:

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Five-year smoothed market value
Inflation	3.00%
Salary increases, including wage inflation	3.00% to 7.00%, including inflation for five-year select period beginning December 31, 2011; 4.00% to 7.50%, including inflation thereafter
Investment rate of return	7.50%, net of pension plan investment expense, and including inflation

Changes of Benefit Terms:

In 2017, the Plan changes included in Ordinance 336-2016 were adopted by the City Council on October 26, 2016.

In addition to incorporating many of the changes mandated by the CSA, the Ordinance also:

- Established benefit and eligibility provisions for Group E and F members not covered under the CSA similar to employees who are covered under the CSA.
- Established a universal cost-of-living adjustment (COLA) suspension period for all members.
- Established a universal 3% simple COLA rate for all members.

In 2016, there were several changes in benefit provisions as a result of the Collaborative Settlement Agreement (CSA) between the City and various plaintiff groups representing certain active and retired members of CRS as approved by the Court on October 5, 2015 and generally effective January 1, 2016.

Changes in Actuarial Assumptions and Methods:

None.

City of Cincinnati, Ohio
Required Supplementary Information 8
Schedule of City's Changes in Net OPEB Liability and Related Ratios (1)
Net OPEB Liability Employer Schedule
Cincinnati Retirement System
One Fiscal Year (2)
(Amounts in thousands)

	2018
Total OPEB liability	
Service cost	\$ 6,266
Interest	22,425
Changes of assumptions	(89,736)
Benefit payments	(25,446)
Net change in total OPEB liability	\$ (86,491)
Total OPEB liability - beginning	\$ 503,271
Total OPEB liability - ending (a)	\$ 416,780
Plan net position	
Net investment income	\$ 47,714
Benefit payments	(25,446)
Administrative expense	(360)
Net change in plan net position	\$ 21,908
Plan net position - beginning	\$ 375,662
Plan net position - ending (b)	\$ 397,570
Net OPEB liability - ending (a) - (b)	\$ 19,210
Ratio of plan net position to total OPEB liability	95.39%
Covered-employee payroll	\$ 146,978
Net OPEB liability as a percentage of covered-employee payroll	13.07%

(1) This schedule does not include MSD.

(2) Information prior to 2018 was not available. The City will continue to present information for years available until a full ten-year trend is available.

See Notes to the Required Supplementary OPEB Information.

City of Cincinnati, Ohio
Required Supplementary Information 9
Schedule of City's OPEB Contributions
Cincinnati Retirement System
Net OPEB Liability Employer Schedule
Last Ten Fiscal Years
(Amounts in thousands)

	2018	2017	2016	2015	2014	2013 (1)	2012	2011	2010	2009
Actuarially determined employer contributions	\$ 1,152	\$ 5,056	\$ -	\$ 1,186	\$ 6,142	\$ 4,673	\$ 363	\$ 16,021	\$ 36,242	\$ 43,757
Actual employer contributions	-	-	-	-	-	-	-	-	(1,404)	(3,125)
Contribution Deficiency (Excess)	\$ 1,152	\$ 5,056	\$ -	\$ 1,186	\$ 6,142	\$ 4,673	\$ 363	\$ 16,021	\$ 34,838	\$ 40,632
City Covered-Employee Payroll	\$ 144,555	\$ 146,978	\$ 144,052	\$ 139,009	\$ 136,378	\$ 137,092	\$ 133,945	\$ 132,574	\$ 135,912	\$ 139,690
Actual contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.03%	2.24%

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

See Notes to the Required Supplementary OPEB Information.

City of Cincinnati, Ohio
Required Supplementary Information 10
Notes to the Required OPEB Information
Cincinnati Retirement System

Actuarial Assumptions:

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Five-year smoothed market value
Price inflation	3.00%
Salary increases, including wage inflation	4.00% to 7.50%
Initial health care cost trend rates:	
Medicare supplement claims-Pre-Medicare	7.75%
Medicare supplement claims-Post-Medicare	5.75%
Ultimate health care cost trend rates:	
Medicare supplement claims-Pre-Medicare	5.00%
Medicare supplement claims-Post-Medicare	5.00%
Year of ultimate trend rates:	
Medicare supplement claims-Pre-Medicare	2023
Medicare supplement claims-Post-Medicare	2020
Long-term investment rate of return, net of pension plan investment expense, including price inflation	7.50%

Changes of Benefit Terms:

In 2017, the Plan changes included in Ordinance 336-2016 were adopted by the City Council on October 26, 2016.

In addition to incorporating many of the changes mandated by the CSA, the Ordinance also:

- Excluded members hired after December 31, 2015 from eligibility to receive retiree health benefits;
- Established benefit and eligibility provisions for Group E and F members not covered under the CSA similar to employees who are covered under the CSA.
- Specified eligibility and postemployment contribution requirements for the retiree health benefits payable to members and beneficiaries entitled to deferred benefits.
- Modified eligibility and postemployment contribution requirements to retiree health benefits paid as the result of an in-service death.

In 2016, there were several changes in benefit provisions as a result of the Collaborative Settlement Agreement (CSA) between the City and various plaintiff groups representing certain active and retired members of CRS as approved by the Court on October 5, 2015 and generally effective January 1, 2016.

Changes in Actuarial Assumptions and Methods:

In 2017, future contribution rates for retiree health benefit recipients are now based upon the projected retiree health care costs associated with each projection year's closed group of participants.

Cincinnati Retirement System
REQUIRED SUPPLEMENTARY INFORMATION 11
Schedule of Changes in Net Pension Liability and Related Ratios
(Amounts In Thousands)

	2018	2017	2016	2015	2014
Total pension liability					
Service Cost	\$ 22,834	\$ 20,576	\$ 31,764	\$ 27,785	\$ 25,937
Interest	163,313	159,912	143,383	149,052	148,408
Benefit changes	-	29,208	(76,301)	-	-
Difference between expected and actual experience	29,889	3,545	4,137	(14,024)	-
Changes of assumptions	50,392	-	(627,693)	155,948	(17,827)
Benefit payments	(166,645)	(165,986)	(162,103)	(159,176)	(156,149)
Refunds of contributions	<u>(1,837)</u>	<u>(1,334)</u>	<u>(1,828)</u>	<u>(2,231)</u>	<u>(1,785)</u>
Net change in total pension liability	\$ 97,946	\$ 45,921	\$ (688,641)	\$ 157,354	\$ (1,416)
Total pension liability - beginning	2,261,743	2,215,822	2,904,463	2,747,109	2,748,525
Total pension liability - ending (a)	<u>\$ 2,359,689</u>	<u>\$ 2,261,743</u>	<u>\$ 2,215,822</u>	<u>\$ 2,904,463</u>	<u>\$ 2,747,109</u>
Plan net position					
Contributions – employer	\$ 32,586	\$ 30,868	\$ 67,939	\$ 29,084	\$ 37,740
Contributions – member	18,873	17,740	16,337	16,186	15,059
Net investment income	140,314	209,299	(11,631)	49,138	258,382
Benefit payments	(166,645)	(165,986)	(162,103)	(159,176)	(156,149)
Administrative expense	(1,485)	(1,572)	(5,418)	(1,570)	(1,384)
Refunds of contributions	(1,837)	(1,334)	(1,828)	(2,231)	(1,785)
Other	-	-	237,897	-	-
Net change in plan net position	\$ 21,806	\$ 89,015	\$ 141,193	\$ (68,569)	\$ 151,863
Plan net position – beginning	\$ 1,740,390	\$ 1,651,375	\$ 1,510,182	\$ 1,578,751	\$ 1,426,888
Plan net position - ending (b)	<u>\$ 1,762,196</u>	<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)	\$ 597,493	\$ 521,353	\$ 564,447	\$ 1,394,281	\$ 1,168,358
Total pension liability	\$ 2,359,689	\$ 2,261,743	\$ 2,215,822	\$ 2,904,463	\$ 2,747,109
Plan net position	<u>\$ 1,762,196</u>	<u>\$ 1,740,390</u>	<u>\$ 1,651,375</u>	<u>\$ 1,510,182</u>	<u>\$ 1,578,751</u>
Net pension liability	\$ 597,493	\$ 521,353	\$ 564,447	\$ 1,394,281	\$ 1,168,358
Ratio of plan net position to total pension liability	74.68%	76.95%	74.53%	52.00%	57.47%
Covered payroll	\$ 208,317	\$ 196,445	\$ 174,963	\$ 164,575	\$ 163,477
Net pension liability as a percentage of covered payroll	286.82%	265.39%	322.61%	847.20%	714.69%
Money -Weighted Rate of Return on Pension Plan Investments	7.83%	12.11%	-0.53%	0.97%	16.65%

* For fiscal year 2018 only five years of data are available. The chart will eventually present ten years.

Cincinnati Retirement System

Required Supplementary Information 12

SCHEDULE OF EMPLOYER CONTRIBUTIONS-PENSION

(Amounts in thousands)

Fiscal year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013*</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined employer contribution	\$ 48,046	\$ 46,689	\$ 69,939	\$ 75,566	\$ 78,101	\$ 33,500	\$ 49,952	\$ 54,875	\$ 80,882	\$ 43,065
Actual employer contributions:										
City of Cincinnati Financial Reporting Entity	26,506	25,221	21,908	24,566	31,484	13,246	26,932	25,032	24,353	21,845
City of Cincinnati Operating Unit (MSD)	6,080	5,647	4,701	4,518	6,256	2,904	6,676	6,128	5,676	4,805
Total Actual employer contributions	<u>32,586</u>	<u>30,868</u>	<u>26,609</u>	<u>29,084</u>	<u>37,740</u>	<u>16,150</u>	<u>33,608</u>	<u>31,160</u>	<u>30,029</u>	<u>26,650</u>
Annual contribution deficiency/(excess)	\$ <u>15,460</u>	\$ <u>15,821</u>	\$ <u>43,330</u>	\$ <u>46,482</u>	\$ <u>40,361</u>	\$ <u>17,350</u>	\$ <u>16,344</u>	\$ <u>23,715</u>	\$ <u>50,853</u>	\$ <u>16,415</u>
Covered payroll	\$ 208,317	\$ 196,445	\$ 174,963	\$ 164,575	\$ 163,477	\$ 77,637	\$ 167,148	\$ 165,029	\$ 167,589	\$ 170,416
Actual contributions as a percentage of covered payroll	15.64%	15.71%	15.21%	17.67%	23.09%	20.80%	20.11%	18.88%	17.92%	15.64%

* 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 13
Schedule of Changes in Net OPEB Liability and Related Ratios
(Amounts In Thousands)

	2018	2017
Total OPEB liability		
Service Cost	\$ 5,076	\$ 7,669
Interest	31,360	27,446
Difference between expected and actual experience	16,272	
Changes of assumptions	38,505	(109,830)
Benefit payments	(26,640)	(31,144)
Total Change in OPEB Liability	<u>\$ 64,573</u>	<u>\$ (105,859)</u>
Total OPEB Liability - Beginning	\$ 510,105	\$ 615,964
Total OPEB Liability - Ending (b)	\$ 574,678	\$ 510,105
Plan fiduciary net position		
Net investment income	\$ 39,483	\$ 58,398
Benefit payments	(26,440)	(31,144)
Administrative expense	(417)	(440)
Net change in plan net position	<u>\$ 12,626</u>	<u>\$ 26,814</u>
Plan net position – beginning	\$ 486,594	\$ 459,780
Plan net position - ending (b)	<u>\$ 499,220</u>	<u>\$ 486,594</u>
Net OPEB liability - ending (a) - (b)	\$ 75,458	\$ 23,511
Money -Weighted Rate of Return on Pension Plan Investments	7.83%	12.11%

* For fiscal year 2018 only two years of data is available. The chart will eventually present ten years

Cincinnati Retirement System
 Required Supplementary Information 14
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB
 (Amounts in thousands)

Fiscal year	2018	2017	2016	2015	2014	2013*	2012	2011	2010	2009	2008
Actuarially determined employer contribution	\$ 1,262	\$ 6,188	\$ 1,404	\$ 7,363	\$ 5,697	\$ 44,689	\$ 53,382	\$ 19,943	\$ 44,689	\$ 53,382	\$ 22,767
Actual employer contributions:											
City of Cincinnati Financial Reporting Entity						1,404	3,125	1,901	1,404	3,125	1,901
City of Cincinnati Operating Unit (MSD)						327	687	385	327	687	385
Total Actual employer contributions						1,731	3,812	2,286	1,731	3,812	2,286
Annual contribution deficiency/(excess)	\$ 1,262	\$ 6,188	\$ 1,404	\$ 7,363	\$ 5,697	\$ 42,958	\$ 49,570	\$ 19,943	\$ 42,958	\$ 49,570	\$ 20,481
Covered payroll (Note 1)	\$ 177,713	\$ 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 payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.03%	2.24%	1.39%

* 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.

Note 1 - The covered payroll is being presented for all years in this schedule since historically when employer contributions are made, the contributions have been based on payroll.

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 normal	Asset Valuation method:	5 year smoothed market
Amortization method:	Level dollar, open	Inflation:	Medical CPI 3.25%
Remaining amortization period:	30 years	Investment rate of return:	7.5% net of pension plan investment expense including inflation
Salary increase:	3.75 to 7.5 %, including inflation thereafter		

Cincinnati Retirement System
REQUIRED SUPPLEMENTARY INFORMATION 15
Schedule of the Net OPEB Liability
(Amounts In Thousands)

	2018	2017
Total OPEB Liability	\$ 574,678	\$ 510,105
Plan Fiduciary Net Position	499,020	486,594
NET OPEB Liability	75,658	23,511
Plan Fiduciary Net Position as a percent of the Total OPEB Liability	86.83%	95.39%
Covered Payroll (Note 1)	\$ 177,713	\$ 179,887
Net OPEB Liability as a percent of covered payroll	42.57%	13.07%

* For fiscal year 2018 only two years of data is available. The chart will eventually present ten years.

Note 1 - The covered payroll is being presented for all years in this schedule since historically when employer contributions are made, the contributions have been made based on payroll.

City of Cincinnati, Ohio
Budgetary Comparison Schedule
Non GAAP
For the fiscal year ended June 30, 2018
(Amounts in thousands)

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Budget - Positive (Negative)
	Original	Final		
General Fund				
Revenues				
Taxes	\$ 312,253	\$ 312,253	\$ 311,831	\$ (422)
Licenses and Permits	16,596	16,596	17,177	581
Use of Money and Property	11,170	10,570	9,928	(642)
Intergovernmental Revenue	22,362	22,362	22,650	288
Charges for Services	27,167	27,167	28,297	1,130
Miscellaneous	2,697	2,697	1,521	(1,176)
Total Revenues	<u>392,245</u>	<u>391,645</u>	<u>391,404</u>	<u>(241)</u>
EXPENDITURES				
Current				
General Government	60,195	60,752	59,450	1,302
Community Development	8,013	8,502	8,394	108
Parks and Recreation	24,461	24,490	24,393	97
Public Safety	261,018	262,082	262,023	59
Transportation and Engineering	3,341	3,137	3,026	111
Public Services	16,310	17,084	16,876	208
Public Health	16,750	16,927	16,851	76
Employee Benefits	4,460	4,857	4,841	16
Capital Outlay	72	72	72	
Total Expenditures	<u>394,620</u>	<u>397,903</u>	<u>395,926</u>	<u>1,977</u>
Deficiency of Revenue under Expense	<u>(2,375)</u>	<u>(6,258)</u>	<u>(4,522)</u>	<u>1,736</u>
Other Financing Sources (Uses)				
Transfers In	2,230	3,930	3,930	
Transfers (Out)	<u>(58)</u>	<u>(1,148)</u>	<u>(1,148)</u>	
Total Other Financing Sources (Uses)	<u>2,172</u>	<u>2,782</u>	<u>2,782</u>	
Change in Fund Balance	(203)	(3,476)	(1,740)	1,736
Cancellation of Prior Years Encumbrances			2,469	2,469
Fund balances - beginning	21,549	21,549	21,549	
Fund balances - ending	<u>\$ 21,346</u>	<u>\$ 18,073</u>	<u>\$ 22,278</u>	<u>\$ 4,205</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	\$ (1,740)
(Increases) decreases from revenues:	
Received in cash during year but already accrued as receivables (GAAP) at June 30, 2017	(21,548)
Accrued as receivables at June 30, 2018 but not recognized in budget	20,683
(Increases) decreases from encumbrances:	
Expenditures of amounts encumbered during prior years	(8,009)
Recognized as expenditures in the budget	11,016
(Increases) decreases from expenditures:	
Accrued as liabilities at June 30, 2017 recognized as expenditures (GAAP) but not in budget	5,641
Accrued as liabilities at June 30, 2018	<u>(8,902)</u>
Net Change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance (Page 44)	<u>\$ (2,859)</u>

See notes to required supplementary information.

City Of Cincinnati, Ohio
Note to the Required Supplementary Information
June 30, 2018

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 fiscal 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 and permanent appropriated funds whose revenues are mostly grants which are appropriated monthly as revenues are receipted. The other special revenue funds include: Tax Increment Financing Funds, Recreation, Parks, Safety, Health, Cincinnati Blue Ash Airport, Community Development, Department of Labor Grants, and Other. The permanent funds include: Groesbeck Endowment, Schmidlapp Park Music, W. M. Ampt Music Endowment, Crosley Field Trust, Kroger Trust, Yeatman's Cove Park Trust, and Park Board Fund. 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.

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

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CITY OF CINCINNATI, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

General Fund	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes				
Real Property	\$ 27,272	\$ 27,272	\$ 28,557	\$ 1,285
City Income Tax	279,381	279,381	277,477	(1,904)
Admissions	5,600	5,600	5,797	197
Total Taxes	<u>312,253</u>	<u>312,253</u>	<u>311,831</u>	<u>(422)</u>
Licenses and Permits				
Street Use	4,813	4,813	5,502	689
Police and Protective	52	52	95	43
Beer and Liquor	600	600	636	36
Business and Merchandising	2,015	2,015	2,066	51
Amusements	58	58	58	
Professional and Occupational	175	175	203	28
Buildings, Structures and Equipment	8,883	8,883	8,617	(266)
Total Licenses and Permits	<u>16,596</u>	<u>16,596</u>	<u>17,177</u>	<u>581</u>
Use of Money and Property				
Fines, Forfeits and Penalties	7,700	7,100	6,496	(604)
Income from Treasury Investments	3,300	3,300	3,226	(74)
Rents	170	170	206	36
Total Use of Money and Property	<u>11,170</u>	<u>10,570</u>	<u>9,928</u>	<u>(642)</u>
Intergovernmental Revenue				
Proportionately Shared State Taxes				
Local Government Fund - Sales, Franchise, State Income Tax	12,500	12,500	12,062	(438)
Casino Tax-County Share	4,500	4,500	4,807	307
Casino Tax-Host City	3,000	3,000	3,246	246
Estate Tax			1	1
State Income Tax - Real Property Tax Reduction	2,362	2,362	2,534	172
Total Intergovernmental Revenue	<u>22,362</u>	<u>22,362</u>	<u>22,650</u>	<u>288</u>
Charges for Services				
General Government	8,085	8,085	9,155	1,070
City Planning				
Other Inspection Certificates	2,775	2,775	2,523	(252)
Elevator Certificates	622	622	702	80
Public Safety				
Police and Communication Charges	425	425	417	(8)
Motor Vehicle Response	600	600	677	77
Impounded Vehicle Fees	600	600	463	(137)
Protective Inspection Fees	230	230	233	3
Protective Service - Burglary Alarm	620	620	766	146
Emergency Transportation Service	8,365	8,365	8,246	(119)
Other Public Safety Charges	537	537	1,104	567
Parking Facilities	2,140	2,140	2,140	
Public Services				
Recycling Incentive Fee	390	390	485	95
Other Public Services Charges	1,120	1,120	790	(330)
Public Health				
Vital Statistics	550	550	596	46
Clinic Fees	106	106		(106)
Other Public Health charges	2	2		(2)
Total Charges for Current Services	<u>27,167</u>	<u>27,167</u>	<u>28,297</u>	<u>1,130</u>
Miscellaneous	2,697	2,697	1,521	(1,176)
Total Revenues	<u>392,245</u>	<u>391,645</u>	<u>391,404</u>	<u>(241)</u>

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 1,950	\$ 2,032	\$ 2,024	\$ 8
Non Personal Services	36	25	21	4
Total City Council	<u>1,986</u>	<u>2,057</u>	<u>2,045</u>	<u>12</u>
Office of the Mayor				
Personal Services	708	713	709	4
Non Personal Services	12	12	11	1
Total Office of the Mayor	<u>720</u>	<u>725</u>	<u>720</u>	<u>5</u>
Office of the Clerk of Council				
Personal Services	499	504	504	
Non Personal Services	183	182	181	1
Total Office of the Clerk of Council	<u>682</u>	<u>686</u>	<u>685</u>	<u>1</u>
Department of Enterprise Technology Services				
Personal Services	4,945	4,849	4,849	
Non Personal Services	584	584	584	
Total Department of Enterprise Technology Services	<u>5,529</u>	<u>5,433</u>	<u>5,433</u>	
Department of the City Manager				
Office of the City Manager				
Personal Services	2,310	2,662	2,629	33
Non Personal Services	1,760	1,841	1,835	6
Total Office of the City Manager	<u>4,070</u>	<u>4,503</u>	<u>4,464</u>	<u>39</u>
Division of Budget and Evaluation				
Personal Services	915	946	923	23
Non Personal Services	108	117	114	3
Total Division of Budget and Evaluation	<u>1,023</u>	<u>1,063</u>	<u>1,037</u>	<u>26</u>
Office of Environment and Sustainability				
Personal Services	571	574	558	16
Non Personal Services	2,683	2,828	2,828	
Total Office of Environment and Sustainability	<u>3,254</u>	<u>3,402</u>	<u>3,386</u>	<u>16</u>
Division of Performance and Data Analytics				
Personal Services	605	612	612	
Non Personal Services	100	100	97	3
Total Division of Performance and Data Analytics	<u>705</u>	<u>712</u>	<u>709</u>	<u>3</u>
Internal Audit				
Personal Services	352	357	357	
Non Personal Services	7	7	6	1
Total Internal Audit	<u>359</u>	<u>364</u>	<u>363</u>	<u>1</u>
Total Department of the City Manager	<u>9,411</u>	<u>10,044</u>	<u>9,959</u>	<u>85</u>
Citizen's Complaint Authority				
Personal Services	638	591	538	53
Non Personal Services	29	55	44	11
Total Citizen's Complaint Authority	<u>667</u>	<u>646</u>	<u>582</u>	<u>64</u>
Department of Economic Inclusion				
Personal Services	883	890	843	47
Non Personal Services	229	206	146	60
Total Department of Economic Inclusion	<u>1,112</u>	<u>1,096</u>	<u>989</u>	<u>107</u>
Department of Law				
Personal Services	6,327	6,298	6,201	97
Non Personal Services	750	695	623	72
Total Department of Law	<u>7,077</u>	<u>6,993</u>	<u>6,824</u>	<u>169</u>
Department of Human Resources				
Personal Services	1,438	1,366	1,364	2
Non Personal Services	462	414	390	24
Total Department of Human Resources	<u>1,900</u>	<u>1,780</u>	<u>1,754</u>	<u>26</u>

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 355	\$ 386	\$ 368	\$ 18
Non Personal Services	24	19	12	7
Total Office of the Director	<u>379</u>	<u>405</u>	<u>380</u>	<u>25</u>
Division of Accounts and Audits				
Personal Services	1,482	1,242	1,230	12
Non Personal Services	160	160	103	57
Total Division of Accounts and Audits	<u>1,642</u>	<u>1,402</u>	<u>1,333</u>	<u>69</u>
Division of Treasury				
Personal Services	676	678	639	39
Non Personal Services	321	223	109	114
Total Division of Treasury	<u>997</u>	<u>901</u>	<u>748</u>	<u>153</u>
Division of Risk Management				
Non Personal Services	157	157	151	6
Total Division of Risk Management	<u>157</u>	<u>157</u>	<u>151</u>	<u>6</u>
Division of Income Tax				
Personal Services	2,721	2,672	2,598	74
Non Personal Services	416	416	325	91
Total Division of Income Tax	<u>3,137</u>	<u>3,088</u>	<u>2,923</u>	<u>165</u>
Division of Purchasing				
Personal Services	896	725	636	89
Non Personal Services	131	350	350	
Total Division of Purchasing	<u>1,027</u>	<u>1,075</u>	<u>986</u>	<u>89</u>
Total Department of Finance	<u>7,339</u>	<u>7,028</u>	<u>6,521</u>	<u>507</u>
Department of Community and Economic Development				
Director's Office and Administration				
Personal Services	1,233	1,215	1,193	22
Non Personal Services	4,055	4,421	4,380	41
Total Director's Office and Administration	<u>5,288</u>	<u>5,636</u>	<u>5,573</u>	<u>63</u>
Housing Division				
Personal Services	92	93	80	13
Non Personal Services	636	636	608	28
Total Housing Division	<u>728</u>	<u>729</u>	<u>688</u>	<u>41</u>
Economic Development and Major/Special Projects Divisions				
Personal Services	254	266	265	1
Non Personal Services	1,743	1,871	1,868	3
Total Economic Development and Major/Special Projects Divisions	<u>1,997</u>	<u>2,137</u>	<u>2,133</u>	<u>4</u>
Total Department of Community and Economic Development	<u>8,013</u>	<u>8,502</u>	<u>8,394</u>	<u>108</u>
Department of City Planning				
Personal Services	685	686	641	45
Non Personal Services	49	49	41	8
Total Department of City Planning	<u>734</u>	<u>735</u>	<u>682</u>	<u>53</u>
Department of Public Recreation				
West Region Division				
Personal Services	2,432	2,330	2,320	10
Non Personal Services	471	470	464	6
Total West Region Division	<u>2,903</u>	<u>2,800</u>	<u>2,784</u>	<u>16</u>
East Region Division				
Personal Services	1,561	1,492	1,492	6
Non Personal Services	400	400	394	6
Total East Region Division	<u>1,961</u>	<u>1,892</u>	<u>1,886</u>	<u>6</u>
Central Region Division				
Personal Services	2,092	2,037	2,024	13
Non Personal Services	421	420	411	9
Total Central Region Division	<u>2,513</u>	<u>2,457</u>	<u>2,435</u>	<u>22</u>

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 1,874	\$ 1,813	\$ 1,802	\$ 11
Non Personal Services	965	1,242	1,238	4
Total Maintenance Division	<u>2,839</u>	<u>3,055</u>	<u>3,040</u>	<u>15</u>
Division of Athletics				
Personal Services	2,597	2,719	2,719	
Non Personal Services	376	407	402	5
Total Division of Athletics	<u>2,973</u>	<u>3,126</u>	<u>3,121</u>	<u>5</u>
Division of Support Services				
Personal Services	2,037	1,909	1,909	
Non Personal Services	180	180	166	14
Capital Outlay	26	26	26	
Total Division of Support Services	<u>2,243</u>	<u>2,115</u>	<u>2,101</u>	<u>14</u>
Total Department of Public Recreation	<u>15,432</u>	<u>15,445</u>	<u>15,367</u>	<u>78</u>
Department of Parks				
Office of the Director				
Personal Services	245	248	248	
Non Personal Services	1	1	1	
Total Office of the Director	<u>246</u>	<u>249</u>	<u>249</u>	
Division of Operations and Facility Management				
Personal Services	4,323	4,328	4,328	
Non Personal Services	2,107	2,107	2,106	1
Capital Outlay	43	43	43	
Total Division of Operations and Facility Management	<u>6,473</u>	<u>6,478</u>	<u>6,477</u>	<u>1</u>
Division of Administration and Program Services				
Personal Services	1,585	1,593	1,576	17
Non Personal Services	794	794	793	1
Total Division of Administration and Program Services	<u>2,379</u>	<u>2,387</u>	<u>2,369</u>	<u>18</u>
Total Department of Parks	<u>9,098</u>	<u>9,114</u>	<u>9,095</u>	<u>19</u>
Department of Building and Inspections				
Building Division				
Personal Services	6,420	6,013	5,986	27
Non Personal Services	516	770	723	47
Total Building Division	<u>6,936</u>	<u>6,783</u>	<u>6,709</u>	<u>74</u>
Division of Building Inspections, Licenses and Permits				
Personal Services	2,650	2,240	2,139	101
Non Personal Services	728	741	665	76
Total Division of Building Inspections, Licenses and Permits	<u>3,378</u>	<u>2,981</u>	<u>2,804</u>	<u>177</u>
Total Department of Buildings and Inspections	<u>10,314</u>	<u>9,764</u>	<u>9,513</u>	<u>251</u>
Department of Police				
Division of Police				
Personal Services	126,912	125,724	125,722	2
Non Personal Services	13,359	13,360	13,360	
Total Division of Police	<u>140,271</u>	<u>139,084</u>	<u>139,082</u>	<u>2</u>
Division of Police Emergency Communications				
Personal Services	9,202	9,355	9,355	
Non Personal Services	201	502	499	3
Total Division of Police Emergency Communications	<u>9,403</u>	<u>9,857</u>	<u>9,854</u>	<u>3</u>
Total Department of Police	<u>149,674</u>	<u>148,941</u>	<u>148,936</u>	<u>5</u>
Department of Fire				
Personal Services	102,085	103,832	103,779	53
Non Personal Services	9,259	9,309	9,308	1
Total Department of Fire	<u>111,344</u>	<u>113,141</u>	<u>113,087</u>	<u>54</u>

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 421	\$ 363	\$ 351	\$ 12
Non Personal Services	70	70	49	21
Total Office of the Director	<u>491</u>	<u>433</u>	<u>400</u>	<u>33</u>
Division of Transportation Planning				
Personal Services	32	47	47	
Non Personal Services	22	8	3	5
Total Division of Transportation Planning	<u>54</u>	<u>55</u>	<u>50</u>	<u>5</u>
Division of Engineering				
Personal Services	341	219	207	12
Non Personal Services	53	27	23	4
Total Division of Engineering	<u>394</u>	<u>246</u>	<u>230</u>	<u>16</u>
Division of Traffic Engineering				
Personal Services	85	86	57	29
Non Personal Services	2,317	2,317	2,289	28
Total Division of Traffic Engineering	<u>2,402</u>	<u>2,403</u>	<u>2,346</u>	<u>57</u>
Total Department of Transportation and Engineering	<u>3,341</u>	<u>3,137</u>	<u>3,026</u>	<u>111</u>
Department of Public Services				
Office of the Director				
Personal Services	812	797	789	8
Non Personal Services	90	90	89	1
Total Office of the Director	<u>902</u>	<u>887</u>	<u>878</u>	<u>9</u>
Division of Traffic and Road Operations				
Non Personal Services	96	1,067	1,067	
Total Traffic and Road Operations	<u>96</u>	<u>1,067</u>	<u>1,067</u>	
Neighborhood Operations Division				
Personal Services	6,952	6,709	6,611	98
Non Personal Services	5,316	5,432	5,334	98
Total Neighborhood Operations Division	<u>12,268</u>	<u>12,141</u>	<u>11,945</u>	<u>196</u>
Division of City Facility Management				
Personal Services	95	95	93	2
Non Personal Services	2,800	2,742	2,742	
Total City Facility Management	<u>2,895</u>	<u>2,837</u>	<u>2,835</u>	<u>2</u>
Division of Fleet Services				
Personal Services	148	151	150	1
Non Personal Services	1	1	1	
Total Fleet Services	<u>149</u>	<u>152</u>	<u>151</u>	<u>1</u>
Total Department of Public Services	<u>16,310</u>	<u>17,084</u>	<u>16,876</u>	<u>208</u>
Department of Public Health				
Office of the Commissioner				
Personal Services	1,810	1,929	1,921	8
Non Personal Services	220	222	220	2
Capital Outlay	3	3	3	
Total Office of the Commissioner	<u>2,033</u>	<u>2,154</u>	<u>2,144</u>	<u>10</u>
Office of Technical Resources				
Personal Services	1,821	1,799	1,799	
Non Personal Services	442	442	441	1
Total Office of Technical Resources	<u>2,263</u>	<u>2,241</u>	<u>2,240</u>	<u>1</u>
Office of Community Health Services				
Personal Services	3,446	3,634	3,634	
Non Personal Services	240	417	417	
Total Office of Community Health Services	<u>3,686</u>	<u>4,051</u>	<u>4,051</u>	

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 1,920	\$ 2,130	\$ 2,130	
Non Personal Services	81	142	142	
Total Division of Primary Care - Programs	<u>2,001</u>	<u>2,272</u>	<u>2,272</u>	
Division of Primary Care - Centers				
Personal Services	5,604	5,080	5,040	40
Non Personal Services	3	3	3	
Total Division of Primary Care - Centers	<u>5,607</u>	<u>5,083</u>	<u>5,043</u>	40
Division of School and Adolescent Health				
Personal Services	1,112	1,078	1,053	25
Non Personal Services	51	51	51	
Total Division of School and Adolescent Health	<u>1,163</u>	<u>1,129</u>	<u>1,104</u>	25
Total Department of Public Health	<u>16,753</u>	<u>16,930</u>	<u>16,854</u>	76
Nondepartmental Accounts				
Employee Benefits				
Public Employee Assistance	288	288	288	
Workers' Compensation Insurance	3,234	3,234	3,234	
Police Officers and Firefighters' Insurance	300	205	205	
State Unemployment Compensation	150	150	134	16
Lump Sum Payments	488	980	980	
Professional Services and Legal Fees				
Judgments Against the City	900	900	900	
Audit and Examiners' Fees	370	370	370	
Hamilton County Fees and Estate Tax Adjustment	470	1,781	1,781	
County Clerk Fees	350	350	350	
Election Expense	650	480	480	
Miscellaneous Accounts				
Enterprise Software and Licenses	3,901	3,801	3,797	4
Memberships and Lobbyists	194	194	191	3
Mayor's Office Obligations	41	41	37	4
Manager's Office Obligations	103	103	100	3
Downtown Special Improvement District	45	45	37	8
Cincinnati Public Schools	5,000	5,000	5,000	
Port Authority of Greater Cincinnati	700	700	700	
Total Nondepartmental Accounts	<u>17,184</u>	<u>18,622</u>	<u>18,584</u>	38
Total Expenditures	<u>394,620</u>	<u>397,903</u>	<u>395,926</u>	1,977
Excess (deficiency) of revenues over expenditures	(2,375)	(6,258)	(4,522)	1,736
Other Financing Sources (Uses)				
Transfers In	2,230	3,930	3,930	
Transfers (Out)	(58)	(1,148)	(1,148)	
Total Other Financing Sources (Uses)	<u>2,172</u>	<u>2,782</u>	<u>2,782</u>	
Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing Sources (Uses)	(203)	(3,476)	(1,740)	1,736
Cancellation of Prior Years Encumbrances			2,469	2,469
Fund balances - beginning	21,549	21,549	21,549	
Fund balances - ending	<u>\$ 21,346</u>	<u>\$ 18,073</u>	<u>\$ 22,278</u>	<u>\$ 4,205</u>

City of Cincinnati, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2018
(Amounts in Thousands)

GENERAL FUND

Revenues

Taxes

Property Taxes	\$ 28,570
City Income Tax	276,537
Other Taxes	5,797
Total Taxes	<u>310,904</u>

Licenses and Permits

Street Use	5,501
Police and Protective	95
Beer and Liquor	672
Business and Merchandising	2,066
Amusements	58
Professional and Occupational	120
Buildings, Structures and Equipment	8,693
Total Licenses and Permits	<u>17,205</u>

Use of Money and Property

Fines, Forfeits and Penalties	7,054
Income from Treasury Investments	908
Rents	45
Total Use of Money and Property	<u>8,007</u>

Intergovernmental Revenue

Proportionately shared State Taxes	
Local Government Fund - Sales, Franchise, State	
Income Tax	12,066
State Income Tax - Real Property Tax Reduction	2,534
Estate Tax	1
Casino Tax - County Share	4,837
Casino Tax - Host City Share	3,256
Payments from Other Governmental Units	6
Revenues from Private Sources	21
Total Intergovernmental Revenue	<u>22,721</u>

(Continued)

City of Cincinnati, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2018
(Amounts in Thousands)

GENERAL FUND
(Continued)

Charges for Services		
General Government	\$	8,561
Planning and Buildings		
Other Inspection Certificates		2,519
Elevator Certificates		652
Public Recreation		3
Public Safety		
Police and Communication Charges		487
Impounded Vehicle Fees		463
Protective Inspection Fees		210
Protective Service - Burglary Alarm		309
Emergency Transportation Service		8,370
Other Public Safety Charges		2,252
Public Services		1,283
Public Health		
Vital Statistics		596
Total Charges for Current Services		25,705
Miscellaneous		2,119
Total Revenues		386,661

Expenditures

City Council	2,124
Office of the Clerk of Council	756
Office of the Mayor	732
Department of the City Manager	
Office of the City Manager	4,070
Division of Budget and Evaluation	1,072
Office of Environment and Sustainability	3,489
Division of Performance and Data Analytics	722
Division of Internal Audit	372
Total Department of City Manager	9,725
Citizen's Complaint and Internal Audit	579

(Continued)

City of Cincinnati, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2018
(Amounts in Thousands)

GENERAL FUND

(Continued)

Expenditures

Department of Economic Inclusion	\$ 1,021
Department of Law	6,568
Department of Human Resources	1,793
Department of Finance	
Office of the Director	382
Division of Accounts and Audits	1,329
Division of Treasury	746
Division of Risk Management	151
Division of Income Tax	3,626
Division of Purchasing	732
Total Department of Finance	6,966
Department of City Planning and Buildings	
Office of the Director	809
Total Department of City Planning and Buildings	809
Department of Community Development	
Office of the Director	5,398
Division of Housing Development	652
Division of Community Development	1,691
Total Department of Community Development	7,741
Department of Public Recreation	
Division of Community Activities - West Region Division	2,937
Division of Community Activities - East Region Division	1,864
Division of Community Activities - Central Region Division	2,425
Division of Community Activities - Maintenance Division	2,924
Division of Athletics	2,827
Division of Administration	2,011
Total Department of Public Recreation	14,988
Department of Parks Administration and Program Services	
Office of the Director	327
Division of Operations and Facility Management	6,014
Division of Planning, Design and Development	2,368
Total Department of Parks Administration and Program Services	8,709

(Continued)

City of Cincinnati, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2018
(Amounts in Thousands)

GENERAL FUND
(Continued)
Expenditures

Department of Buildings and Inspections	
Division of Buildings	\$ 6,530
Division of Building Inspections, Licenses and Permits	<u>2,906</u>
Total Department of Buildings and Inspections	9,436
Department of Police	
Division of Police	142,611
Emergency Communications Center	<u>9,656</u>
Total Department of Police	152,267
Department of Fire	114,045
Department of Transportation and Engineering	
Office of the Director	403
Division of Engineering	282
Division of Transportation Planning	48
Division of Traffic Engineering	<u>2,161</u>
Total Department of Transportation and Engineering	2,894
Department of Public Services	
Office of the Director	893
Division of Traffic and Road Operations	1,308
Division of Neighborhood Operations	12,239
Division of City Facility Management	2,833
Division of Fleet Services	<u>152</u>
Total Department of Public Services	17,425
Department of Enterprise Technology Solutions	5,575
Department of Public Health	
Office of the Commissioner	2,550
Division of Technical Resources	2,233
Division of Community Health Services	4,115
Division of Primary Care - Programs	2,289
Division of Primary Care - Health Centers	5,111
Division of Primary Care - Other	<u>1,063</u>
Total Department of Public Health	17,361

(Continued)

City of Cincinnati, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2018
(Amounts in Thousands)

GENERAL FUND
(Continued)
Expenditures

Nondepartmental Accounts	
Judgments Against the City	\$ 359
Enterprise Software Licenses	2,941
County Fees and Estate Tax Adjustment	2,262
Election Expense	480
Mayor's Office Obligations	53
Cincinnati Manager's Office Obligations	119
Professional Memberships and Publications	191
Downtown Special Improvement Districts	38
Cincinnati Public Schools	5,000
Audit Fees	291
Port Authority of Greater Cincinnati	700
Property Investment Reimbursement Agreements	30
Total Nondepartmental Accounts	12,464
Total Expenditures	393,978
Excess (Deficiency) of revenues over expenditures	(7,317)
Other Financing Sources(Uses)	
Transfers In	4,941
Transfers (Out)	(483)
Total Other Financing Sources (Uses)	4,458
Net Change in Fund Balance	(2,859)
Fund balances, July 1	77,325
Fund balances, June 30	\$ 74,466

CITY OF CINCINNATI, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Capital Project Funds			
Revenues			
Taxes	\$ 26,853	\$ 26,853	\$
Use of Money and Property	800	800	
Special Assessments	387	387	
Intergovernmental Revenue	4,193	4,193	
Federal Grants	7,595	7,595	
State Grants	5,344	5,344	
Grants and Subsidies	1,531	1,531	
Miscellaneous	<u>7,314</u>	<u>7,314</u>	
Total Revenues	54,017	54,017	
Capital Outlay Expenditures			
Enterprise Technology Services	2,149	2,149	
Department of the City Manager			
Office of the City Manager	132	132	
Division of Budget and Evaluation	213	213	
Office of Environment and Sustainability	882	882	
Division of Economic Development	2,311	2,311	
Division of Performance and Data Analytics	<u>25</u>	<u>25</u>	
Total Department of the City Manager	3,563	3,563	
Department of Finance			
Division of Treasury	57	57	
Division of Purchasing	<u>13</u>	<u>13</u>	
Total Department of Finance	70	70	
Department Community and Economic Development			
Housing Division	5,016	5,016	
Economic Development and Major/Special Projects Divisions	10,735	10,735	
Division of New Construction and Building Standards	<u>3</u>	<u>3</u>	
Total Department of Community and Economic Development	15,754	15,754	
Department of City Planning	89	89	
Department of Public Recreation			
Division of Golf	450	450	
Division of Support Services	<u>2,043</u>	<u>2,043</u>	
Total Department of Public Recreation	2,493	2,493	
Department of Parks			
Division of Operations and Facility Management	7	7	
Division of Administration and Program Services	<u>1,933</u>	<u>1,933</u>	
Total Department of Parks	1,940	1,940	
Department of Police			
Division of Police	3,245	3,245	
Division of Emergency Communications	<u>134</u>	<u>134</u>	
Total Department of Police	3,379	3,379	
Department of Fire	1,627	1,627	
Department of Building and Inspections			
Building Division	65	65	
Division of Building Inspections, Licenses and Permits	<u>733</u>	<u>733</u>	
Total Department of Building and Inspections	798	798	

(Continued)

CITY OF CINCINNATI, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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 Transportation and Engineering			
Office of the Director	\$ 145	\$ 145	\$
Division of Transportation Planning	5,942	5,942	
Division of Engineering	50,855	50,855	
Division of Aviation	157	157	
Division of Traffic Engineering	5,400	5,400	
Total Department of Transportation and Engineering	<u>62,499</u>	<u>62,499</u>	
Department of Enterprise Services			
Division of Convention Center	1,687	1,687	
Division of Parking Facilities	391	391	
Total Department of Enterprise Services	<u>2,078</u>	<u>2,078</u>	
Department of Public Services			
Division of Traffic and Road Operations	214	214	
Neighborhood Operations Division	36	36	
Division of City Facility Management	4,590	4,590	
Division of Fleet Services	400	400	
Total Department of Public Services	<u>5,240</u>	<u>5,240</u>	
Department of Public Health			
Office of the Commissioner	75	75	
Total Department of Public Health	<u>75</u>	<u>75</u>	
Department of Stormwater Management			
Office of the Director	2,943	2,943	
Total Department of Stormwater Management	<u>2,943</u>	<u>2,943</u>	
Motorized Equipment	13,458	13,458	
Total Capital Outlay Expenditures	<u>118,155</u>	<u>118,155</u>	
Other Expenditures			
Department of Finance			
Division of Accounts and Audits			
Non Personal Services	726	726	
Debt Service	17,850	17,850	
Department of Transportation and Engineering			
Division of Engineering			
Non Personal Services	344	344	
Total Other Expenditures	<u>18,920</u>	<u>18,920</u>	
Total Expenditures	<u>137,075</u>	<u>137,075</u>	
Excess (deficiency) of revenues over expenditures	(83,058)	(83,058)	
Other Financing Sources (Uses)			
Bond and Note Proceeds	65,792	65,792	
Transfers In	96,988	96,988	
Transfers (Out)	(92,301)	(92,301)	
Total Other Financing Sources (Uses)	<u>70,479</u>	<u>70,479</u>	
Net Change in Fund Balance	(12,579)	(12,579)	
Fund balances - beginning	<u>232,084</u>	<u>232,084</u>	
Fund balances - ending	<u>\$ 219,505</u>	<u>\$ 219,505</u>	<u>\$</u>

CITY OF CINCINNATI, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

Debt Service Fund	Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	\$ 31,582	\$ 33,506	\$ 1,924
Use of Money and Property	22,476	23,335	859
Intergovernmental Revenue	5,310	5,914	604
Special Assessments		23	23
Miscellaneous Revenue	<u>8,189</u>	<u>14,637</u>	<u>6,448</u>
Total Revenues	67,557	77,415	9,858
Expenditures			
Department of Finance			
Office of the Director			
Personal Services	<u>83</u>	<u>83</u>	
Total Division of Accounts and Audits	83	83	
Division of Accounts and Audits			
Personal Services	101	101	
Non Personal Services	535	535	
Debt Service	<u>333</u>	<u>333</u>	
Total Division of Accounts and Audits	969	969	
Division of Treasury			
Personal Services	256	256	
Non Personal Services	1,079	1,079	
Debt Service	<u>73,750</u>	<u>73,750</u>	
Total Division of Treasury	75,085	75,085	
Total Department of Finance	76,137	76,137	
Department Community and Economic Development			
Director's Office and Administration			
Debt Service	<u>6</u>	<u>6</u>	
Total Director's Office and Administration	6	6	
Housing Division			
Non Personal Services	<u>4</u>	<u>4</u>	
Total Housing Division	4	4	
Economic Development and Major/Special Projects Divisions			
Debt Service	<u>780</u>	<u>780</u>	
Total Economic Development and Major/Special Projects Divisions	780	780	
Total Department Community and Economic Development	790	790	
Non Departmental Accounts			
Workers' Compensation Insurance	<u>4</u>	<u>4</u>	
Total Non-Departmental Accounts	4	4	
Non Departmental - Debt Service Payments			
Debt Service	<u>3,322</u>	<u>3,322</u>	
Total Non-Departmental - Debt Service Payments	3,322	3,322	
Total Expenditures	<u>80,253</u>	<u>80,253</u>	
Excess (deficiency) of revenues over expenditures	(12,696)	(2,838)	9,858
Other Financing Sources (Uses)			
General Obligation Bond Proceeds	50,000	3,385	(46,615)
Bond Premiums		2,176	2,176
Build America Bonds Subsidy		105	105
Transfers In	35,649	35,649	
Transfers (Out)	<u>(33,109)</u>	<u>(33,109)</u>	
Total Other Financing Sources (Uses)	52,540	8,206	(44,334)
Net Change in Fund Balance	39,844	5,368	(34,476)
Fund balances - beginning	100,845	100,845	
Fund balances - ending	<u>\$ 140,689</u>	<u>\$ 106,213</u>	<u>\$ (34,476)</u>

CITY OF CINCINNATI, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Tax Increment Financing Funds			
Revenues			
Intergovernmental Revenue	\$ 477	\$ 477	\$
Use of Money and Property	82	82	
Miscellaneous Revenue	<u>41,607</u>	<u>41,607</u>	
Total Revenues	42,166	42,166	
Expenditures			
Department of the City Manager			
Office of the City Manager			
Capital Outlay	819	819	
Debt Service	<u>211</u>	<u>211</u>	
Total Office of the City Manager	1,030	1,030	
Office of Economic Development			
Capital Outlay	1,131	1,131	
Debt Service	<u>20</u>	<u>20</u>	
Total Office of Economic Development	1,151	1,151	
Total Department of the City Manager	<u>2,181</u>	<u>2,181</u>	
Department of Finance			
Division of Accounts and Audits			
Non Personal Services	19,741	19,741	
Capital Outlay	1,133	1,133	
Debt Service	<u>10,602</u>	<u>10,602</u>	
Total Department of Finance	31,476	31,476	
Department Community and Economic Development			
Housing Division			
Debt Service	<u>79</u>	<u>79</u>	
Total Housing Division	79	79	
Economic Development and Major/Special Projects Divisions			
Debt Service	<u>908</u>	<u>908</u>	
Total Economic Development and Major/Special Projects Divisions	908	908	
Total Department Community and Economic Development	<u>987</u>	<u>987</u>	
Total Expenditures	<u>34,644</u>	<u>34,644</u>	
Excess (deficiency) of revenues over(under) expenditures	7,522	7,522	
Other Financing Sources (Uses)			
Transfers In	5,811	5,811	
Transfers (Out)	<u>(10,942)</u>	<u>(10,942)</u>	
Total Other Financing Sources (Uses)	<u>(5,131)</u>	<u>(5,131)</u>	
Net Change in Fund Balance	2,391	2,391	
Fund balances - July 1	<u>46,147</u>	<u>46,147</u>	
Fund balances - June 30	<u>\$ 48,538</u>	<u>\$ 48,538</u>	<u>\$</u>

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CITY OF CINCINNATI, OHIO
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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 for 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.

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

CITY OF CINCINNATI, OHIO
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Cont)

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

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

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

PERMANENT FUNDS

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

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

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, 2018
 (Amounts in Thousands)

	Special Revenue 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	\$ 4,694	\$ 4,380	\$ 11,043	\$ 8,794	\$ 2,168	\$ 218	\$ 2,423	\$ 2,009
Equity in City Treasury Cash Receivables:								
Taxes			1,229	3,688				
Accounts, Net	1,437	1	105		17	4,248		
Accrued Interest				27		12	8	
Due from Other Funds	31	192	87	63	27	22	17	13
Due from Other Governments		684			236			
Inventory			112		4			
Advances to Other Funds		496						
Total Assets	\$ 6,162	\$ 5,753	\$ 12,576	\$ 12,572	\$ 2,452	\$ 7,601	\$ 2,448	\$ 2,022
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 397	\$ 93	\$ 116	\$	\$ 24	\$ 47	\$ 28	\$ 315
Due to Other Funds	16	96	135		24	4	1	
Due to Fiduciary Funds	48	34	90	\$ 2	7	5		1
Accrued Payroll	296	225	496	5	51	182	2	2
Accrued Liabilities	6	3	11		1	6		
Deposits Payable		6	21					1
Estimated Liability for Unpaid Claims		2	9			13		
Advances from Other Funds								900
Total Liabilities	763	459	878	7	107	257	31	1,219
DEFERRED INFLOWS OF RESOURCES								
Revenues Levied for the next year and Unavailable Revenue			376	1,009	1	4,210	5	
Fund Balances:								
Restricted		5,294	11,322	11,556	2,344	3,134	2,412	803
Committed	5,399							
Total Fund Balances	5,399	5,294	11,322	11,556	2,344	3,134	2,412	803
Total Liabilities, Deferred Inflows and Fund Balances	\$ 6,162	\$ 5,753	\$ 12,576	\$ 12,572	\$ 2,452	\$ 7,601	\$ 2,448	\$ 2,022

CITY OF CINCINNATI, OHIO
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2018
 (Amounts in Thousands)

	Special Revenue Funds										Bettman Nature Center	
	Recreation	Parks	Safety	Health	Cincinnati Blue Ash	Airport	Community Development	Department of Labor	Grants	Other		
ASSETS												
Cash and Equivalents		\$ 5,867								\$ 925	\$ 74	
Equity in City Treasury Cash	\$ 2,354	7,303	\$ 8,419	\$ 2,553	\$ 120	\$ 2,901				9,316	1,751	
Investments												
Receivables:												
Accounts, Net			759	46						13		
Special Assessments				4		10,449				22,761		
Accrued Interest	15	24	3									
Due from Other Funds	17	50	63	17	1	19				62		
Inventory				150						71		
Advances to Other Funds	25											
Total Assets	\$ 2,411	\$ 13,244	\$ 9,244	\$ 2,770	\$ 121	\$ 13,369	\$	\$	\$ 33,148	\$ 1,825		
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES												
Liabilities:												
Accounts Payable	\$ 7	\$ 78	\$ 215	\$ 133		\$ 410			\$ 318			
Due to Other Funds	1	4	232	18		2			2			
Due to Fiduciary Funds		2	6	42		7			4			
Accrued Payroll		30	38	299		25			22			
Accrued Liabilities			1	6		306			463			
Deposits Payable			2,841						3			
Estimated Liability for Unpaid Claims		2		4								
Advances from Other Governments						1						
Total Liabilities	\$ 8	\$ 116	\$ 3,333	\$ 502	\$ 1	\$ 751	\$	\$	\$ 812	\$	\$	
Deferred Inflows of Resources:												
Revenues Levied for the next year and												
Unavailable Revenue	9	14	760	4		10,449			22,770			
Fund Balances:												
Restricted	1,862	6,051	4,891	2,002	\$ 121	2,169			6,675	\$ 1,825		
Committed	532	7,063	260	262					2,891			
Total Fund Balances	2,394	13,114	5,151	2,264	121	2,169			9,566	1,825		
Total Liabilities, Deferred Inflows and Fund Balances	\$ 2,411	\$ 13,244	\$ 9,244	\$ 2,770	\$ 121	\$ 13,369	\$	\$	\$ 33,148	\$ 1,825		

CITY OF CINCINNATI, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018
(Amounts in Thousands)

	Permanent Funds							Total
	Grosbeck Endowment Fund	Schmidlapp Park Music Fund	The W.M. Ampt Music Endowment Fund	Crosley Field Trust	Kroger Trust	Yeatman's Cove Park Trust	Park Board Fund	
ASSETS								
Cash and Equivalents	38	50	\$ 127	17	\$ 78	\$ 666	\$ 251	\$ 7,352
Equity in City Treasury Cash	453		195	993			8,009	72,537
Investments, at Fair Value								11,401
Receivables:								
Taxes								4,917
Accounts, Net								6,626
Special Assessments								33,214
Accrued Interest						1		90
Due from Other Funds			1		1	5		688
Due from Other Governments								920
Inventory								337
Advances to Other Funds								521
Total Assets	<u>491</u>	<u>\$ 50</u>	<u>\$ 323</u>	<u>\$ 1,010</u>	<u>\$ 79</u>	<u>\$ 672</u>	<u>\$ 8,260</u>	<u>\$ 138,603</u>

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES

Liabilities:								
Accounts Payable								2,181
Due to Other Funds								535
Due to Fiduciary Funds								248
Accrued Payroll								1,673
Accrued Liabilities								803
Deposits Payable								2,872
Estimated Liability for Unpaid Claims								30
Advances from Other Funds								900
Advances from Other Governments								1
Total Liabilities								<u>9,243</u>

DEFERRED INFLOWS OF RESOURCES

Revenues Levied for the next year and Unavailable Revenue						\$ 1		39,608
Fund Balances:								
Nonspendable	484	\$ 50	\$ 315	\$ 225	\$ 49	\$ 492	\$ 672	2,287
Restricted	7		8	785	30	179	7,588	65,512
Committed								21,953
Total Fund Balances	<u>491</u>	<u>50</u>	<u>323</u>	<u>1,010</u>	<u>79</u>	<u>671</u>	<u>8,260</u>	<u>89,752</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>491</u>	<u>\$ 50</u>	<u>\$ 323</u>	<u>\$ 1,010</u>	<u>\$ 79</u>	<u>\$ 672</u>	<u>\$ 8,260</u>	<u>\$ 138,603</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2018
(Amounts in Thousands)

	Special Revenue Funds						
	Street Construction Maintenance and Repair	Income Tax Infrastructure	Income Tax Transit	Motor Vehicle License	Special Recreation	Special Parks	Streetcar Operations
REVENUES							
Taxes		\$ 17,841	\$ 53,523		\$ 277	\$ 120	
Use of Money and Property			38				
Intergovernmental Revenue	\$ 9,962			\$ 2,743			
Federal Grants					384		
State Grants and Other Subsidies					1		\$ 900
Charges for Current Services	177	110		62	3,846	705	
Miscellaneous		24			43	1	
Total Revenues	10,139	17,975	53,561	2,805	4,551	826	900
EXPENDITURES							
Current:							
General Government	506	3,145	7	110	257	30	2,958
Parks and Recreation		2,824	24		4,231	661	
Transportation and Engineering	384	5,921	40				229
Transit System			58,086				
Public Services		6,264		2,649			1
Public Health	17,879						
Total Expenditures	18,385	18,154	58,157	2,759	4,488	691	3,188
Excess (Deficiency) of Revenues over (under) Expenditures	2,758	(179)	(4,596)	46	63	135	(2,288)
OTHER FINANCING SOURCES (USES)							
Transfers In	425						1,500
Transfers (Out)		(114)	(100)	(40)			
Total Other Financing Sources (Uses)	425	(114)	(100)	(40)			1,500
Net Change in Fund Balances	3,213	(845)	(4,696)	6	63	150	(788)
Fund Balances, July 1	2,186	6,139	16,252	2,338	3,071	2,262	1,591
Fund Balances, June 30	\$ 5,399	\$ 5,294	\$ 11,322	\$ 2,344	\$ 3,134	\$ 2,412	\$ 803

CITY OF CINCINNATI, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2018
(Amounts in Thousands)

	Special Revenue Funds								Bettman Nature Center	
	Recreation	Parks	Safety	Health	Cincinnati Blue Ash Airport	Community Development	Department of Labor Grants	Other		
REVENUES										
Taxes										
Licenses and Permits			\$ 48	\$ 1,385				\$ 3,690		
Use of Money and Property			6	(1)		\$ 93		1		\$ 138
Special Assessments				1		182		6,333		
Intergovernmental Revenue			3,284	1,954						
Federal Grants	147		7,207	9,237		9,020		2,094		
State Grants and Other Subsidies	130	2	70	709				40		
Charges for Current Services	5	1,294	1,279	6,569		68		852		
Miscellaneous	8	1,295		2		3,423				
Total Revenues	279	4,043	11,894	19,856		12,786		15,135		138
EXPENDITURES										
Current:										
General Government		83	3,395	127		1,390		8,360		
Community Development						8,410		2,083		
Parks and Recreation	478	4,498				798		2,485		13
Public Safety			10,369							
Transportation and Engineering								629		
Transit System								2		
Public Services								1,518		
Public Health										
Total Expenditures	478	4,581	13,764	17,257		10,825		15,077		13
Excess (Deficiency) of Revenues over (under) Expenditures	(199)	(538)	(1,870)	2,599		1,961		58		125
OTHER FINANCING SOURCES (USES)										
Transfers In	15	244				7		188		
Transfers (Out)			(50)	(425)		(36)		(129)		(39)
Total Other Financing Sources (Uses)	15	244	(50)	(425)		(29)		59		(39)
Net Change in Fund Balances	(184)	(294)	(1,920)	2,174		1,932		117		86
Fund Balances, July 1	2,578	13,408	7,071	90		237		9,449		1,739
Fund Balances, June 30	\$ 2,394	\$ 13,114	\$ 5,151	\$ 2,264	\$ 121	\$ 2,169	\$	\$ 9,566	\$	\$ 1,825

CITY OF CINCINNATI, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2018
(Amounts in Thousands)

	Permanent Funds								Total
	Grosbeck Endowment Fund	Schmidlapp Park Music Fund	The W.M. Ampt Music Endowment Fund	Crosley Field Trust	Kroger Trust	Yeatman's Cove Park Trust	Park Board Fund	Nonmajor Governmental Funds	
REVENUES									
Taxes									\$ 75,054
Licenses and Permits									1,434
Use of Money and Property	(75)		4	74		2	821		5,063
Special Assessments									6,516
Intergovernmental Revenue									17,943
Federal Grants									28,089
State Grants and Other Subsidies									1,965
Charges for Current Services									36,027
Miscellaneous									4,796
Total Revenues	(75)		4	74		2	821		176,887
EXPENDITURES									
Current:									
General Government									20,368
Community Development									10,493
Parks and Recreation		1		6			55		16,458
Public Safety									10,369
Transportation and Engineering									6,819
Transit System									58,088
Public Services									20,918
Public Health									35,236
Total Expenditures		1		6			55		178,749
Excess (Deficiency) of Revenues over Expenditures	(75)	(1)	4	68		2	766		(1,862)
OTHER FINANCING SOURCES (USES)									
Transfers In									2,394
Transfers (Out)	(19)		(8)	(15)			(178)		(2,133)
Total Other Financing Sources (Uses)	(19)		(8)	(15)			(178)		261
Net Change in Fund Balances	(94)	(1)	(4)	53		2	588		(1,601)
Fund Balances, July 1	585	51	327	957	79	669	7,672		91,353
Fund Balances, June 30	491	50	323	1,010	79	671	8,260		\$ 89,752

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
HEALTH SERVICES FUND			
REVENUES			
Charges for Current Services	\$ 13,387	\$ 20,306	\$ 6,919
Grants and Subsidies	5,406	114	(5,292)
Total Revenues	18,793	20,420	1,627
EXPENDITURES			
Department of Public Health			
Division of Primary Health Care - Programs			
Personal Services	569	559	10
Non-Personal Services	3	3	
Total Division of Primary Health Care - Programs	572	562	10
Division of Primary Health Care - Centers			
Personal Services	7,472	7,197	275
Non-Personal Services	5,491	5,457	34
Total Division of Primary Health Care - Centers	12,963	12,654	309
Division of School & Adolescent Health			
Personal Services	4,330	3,818	512
Non-Personal Services	1,138	1,119	19
Total Division of School & Adolescent Health	5,468	4,937	531
Total Department of Public Health	19,003	18,153	850
Nondepartmental Accounts			
Public Employee Assistance	9	7	2
Workers' Compensation Insurance	91	77	14
General Fund Overhead Charge	506	506	
Total Nondepartmental Accounts	606	590	16
Total Expenditures	19,609	18,743	866
Excess (Deficiency) of Revenues over (under) Expenditures	(816)	1,677	2,493
OTHER FINANCING SOURCES (USES)			
Transfers In	425	425	
Total Other Financing Sources (Uses)	425	425	
Net Change in Fund Balance	(391)	2,102	2,493
Cancellation of Prior Year Encumbrances		239	239
Fund Balance - July 1	1,258	1,258	
Fund Balance - June 30	<u>\$ 867</u>	<u>\$ 3,599</u>	<u>\$ 2,732</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 1,901	\$ (59)
Gasoline	7,965	8,047	82
Miscellaneous	141	493	352
Total Revenues	10,066	10,441	375
EXPENDITURES			
Department of Parks			
Operations and Facility Management			
Personal Services	262	261	1
Non-Personal Services	114	110	4
Total Operations and Facility Management	376	371	5
Total Department of Parks	376	371	5
Department of Public Services			
Traffic and Road Operations Division			
Personal Services	4,960	4,847	113
Non-Personal Services	2,740	2,702	38
Capital Outlay	18	15	3
Total Traffic and Road Operations Division	7,718	7,564	154
Neighborhood Operations Division			
Personal Services	2,633	2,490	143
Non-Personal Services	463	445	18
Total Neighborhood Operations Division	3,096	2,935	161
Total Department of Public Services	10,814	10,499	315
Nondepartmental Accounts			
Public Employee Assistance	6	6	
Workers' Compensation Insurance	81	71	10
State Unemployment Compensation	20	14	6
Total Nondepartmental Accounts	107	91	16
Total Expenditures	11,297	10,961	336
Excess (Deficiency) of Revenues over (under) Expenditures	(1,231)	(520)	711
OTHER FINANCING SOURCES (USES)			
Transfers Out	(114)	(114)	
Total Other Financing Sources (Uses)	(114)	(114)	
Net Change in Fund Balance	(1,345)	(634)	711
Cancellation of Prior Year Encumbrances		164	164
Fund Balance - July 1	4,778	4,778	
Fund Balance - June 30	\$ 3,433	\$ 4,308	\$ 875

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 18,387	\$ 17,902	\$ (485)
Charges for Current Services		135	135
Miscellaneous		396	396
Total Revenues	<u>18,387</u>	<u>18,433</u>	<u>46</u>
EXPENDITURES			
Department of Enterprise Technology Solutions			
Non-Personal Services	848	848	
Total Department of Enterprise Technology Solutions	<u>848</u>	<u>848</u>	
Department of the City Manager			
Office of the Budget and Evaluation			
Personal Services	149	149	
Non-Personal Services	23	18	5
Total Office of Budget and Evaluation	<u>172</u>	<u>167</u>	<u>5</u>
Total Department of the City Manager	<u>172</u>	<u>167</u>	<u>5</u>
Department of Law			
Personal Services	238	238	
Non-Personal Services	7	4	3
Total Department of Law	<u>245</u>	<u>242</u>	<u>3</u>
Department of Human Resources			
Personal Services	319	319	
Total Department of Human Resources	<u>319</u>	<u>319</u>	
Department of Finance			
Division of Accounts and Audits			
Personal Services	225	223	2
Non-Personal Services	3	2	1
Total Division of Accounts and Audits	<u>228</u>	<u>225</u>	<u>3</u>
Division of Purchasing			
Personal Services	127	120	7
Total Division of Purchasing	<u>127</u>	<u>120</u>	<u>7</u>
Total Department of Finance	<u>355</u>	<u>345</u>	<u>10</u>
Department of Public Recreation			
Division of Maintenance			
Personal Services	770	766	4
Non-Personal Services	257	257	
Total Department of Public Recreation	<u>1,027</u>	<u>1,023</u>	<u>4</u>
Department of Parks			
Division of Operations and Facility Management			
Personal Services	1,767	1,767	
Non-Personal Services	7	7	
Total Division of Operations and Facility Management	<u>1,774</u>	<u>1,774</u>	
Division of Administration and Program Services			
Personal Services	54	54	
Total Division of Administration and Program Services	<u>54</u>	<u>54</u>	
Total Department of Parks	<u>1,828</u>	<u>1,828</u>	
Department of Buildings & Inspections			
Building Division			
Personal Services	68	51	17
Total Department of Buildings & Inspections	<u>68</u>	<u>51</u>	<u>17</u>

(Continued)

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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			
Office of the Director			
Personal Services	\$ 861	\$ 849	\$ 12
Non-Personal Services	37	26	11
Total Office of the Director	<u>898</u>	<u>875</u>	<u>23</u>
Division of Transportation Planning			
Personal Services	370	303	67
Non-Personal Services	18	14	4
Total Division of Transportation Planning	<u>388</u>	<u>317</u>	<u>71</u>
Division of Engineering			
Personal Services	2,514	2,481	33
Non-Personal Services	474	474	0
Total Division of Engineering	<u>2,988</u>	<u>2,955</u>	<u>33</u>
Division of Traffic Engineering			
Personal Services	1,963	1,805	158
Non-Personal Services	198	197	1
Total Division of Traffic Engineering	<u>2,161</u>	<u>2,002</u>	<u>159</u>
Total Department of Transportation and Engineering	<u>6,435</u>	<u>6,149</u>	<u>286</u>
Department of Public Services			
Office of the Director			
Personal Services	124	119	5
Non-Personal Services	75	70	5
Total Office of the Director	<u>199</u>	<u>189</u>	<u>10</u>
Division of Traffic and Road Operations			
Personal Services	2,187	2,064	123
Non-Personal Services	892	812	80
Capital Outlay	12	11	1
Total Division of Traffic and Road Operations	<u>3,091</u>	<u>2,887</u>	<u>204</u>
Division of City Facility Management			
Personal Services	2,141	2,116	25
Non-Personal Services	1,163	1,162	1
Total City Facility Management	<u>3,304</u>	<u>3,278</u>	<u>26</u>
Total Department of Public Services	<u>6,594</u>	<u>6,354</u>	<u>240</u>
Department of Economic Inclusion			
Personal Services	314	313	1
Total Department of Economic Inclusion	<u>314</u>	<u>313</u>	<u>1</u>
Nondepartmental Accounts			
Public Employee Assistance	11	10	1
Workers' Compensation Insurance	142	127	15
State Unemployment Compensation	4	3	1
Lump Sum Payments	100	100	0
General Fund Overhead	834	834	0
Total Nondepartmental Accounts	<u>1,091</u>	<u>1,074</u>	<u>17</u>
Total Expenditures	<u>19,296</u>	<u>18,713</u>	<u>583</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(909)	(280)	629

(Continued)

City of Cincinnati, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget(Non-GAAP Budgetary Basis) and Actual
 For the year ended June 30, 2018
 (Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
INCOME TAX INFRASTRUCTURE FUND			
(Continued)			
OTHER FINANCING SOURCES (USES)			
Transfers Out	\$ (964)	\$ (964)	
Total Other Financing Sources (Uses)	<u>(964)</u>	<u>(964)</u>	
Net Change in Fund Balance	(1,873)	(1,244)	\$ 629
Cancellation of Prior Years Encumbrances		95	95
Fund Balance - July 1	<u>10,759</u>	<u>10,759</u>	
Fund Balance - June 30	<u>\$ 8,886</u>	<u>\$ 9,610</u>	<u>\$ 724</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 54,074	\$ 53,705	\$ (369)
Use of Money and Property	125	134	9
Miscellaneous		38	38
Total Revenues	<u>54,199</u>	<u>53,877</u>	<u>(322)</u>
EXPENDITURES			
SORTA			
Operations	<u>58,282</u>	<u>58,086</u>	<u>196</u>
Total SORTA	58,282	58,086	196
Department of Law			
Administration			
Personal Services	<u>125</u>	<u>113</u>	<u>12</u>
Total Department of Law	125	113	12
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	30	24	6
Department of Transportation and Engineering			
Office of the Director			
Personal Services	<u>75</u>	<u>13</u>	<u>62</u>
Total Office of the Director	75	13	62
Division of Transportation Planning			
Personal Services	55	31	24
Non-Personal Services	<u>111</u>	<u>111</u>	<u>111</u>
Total Division of Transportation Planning	<u>166</u>	<u>31</u>	<u>135</u>
Total Department of Transportation and Engineering	241	44	197
Nondepartmental Accounts			
Workers' Compensation Insurance	1		1
General Fund Overhead	<u>480</u>	<u>382</u>	<u>98</u>
Total Nondepartmental Accounts	<u>481</u>	<u>382</u>	<u>99</u>
Total Expenditures	<u>59,159</u>	<u>58,649</u>	<u>510</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(4,960)	(4,772)	188
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(100)</u>	<u>(100)</u>	
Total Other Financing Sources (Uses)	<u>(100)</u>	<u>(100)</u>	
Net Change in Fund Balance	(5,060)	(4,872)	188
Cancellation of Prior Years Encumbrances		358	358
Fund Balance - July 1	<u>13,527</u>	<u>13,527</u>	
Fund Balance - June 30	<u>\$ 8,467</u>	<u>\$ 9,013</u>	<u>\$ 546</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
MOTOR VEHICLE LICENSE FUND			
REVENUES			
Intergovernmental Revenue	\$	\$ 66	\$ 66
Charges for Services		30	30
Miscellaneous	<u>2,600</u>	<u>2,743</u>	<u>143</u>
Total Revenues	2,600	2,839	239
EXPENDITURES			
Department of Public Services			
Traffic and Road Operations Division			
Personal Services	1,957	1,789	168
Non-Personal Services	<u>805</u>	<u>768</u>	<u>37</u>
Total Department of Public Services	2,762	2,557	205
Nondepartmental Accounts			
Public Employees Assistance Program	1	1	
Workers' Compensation Insurance	21	17	4
General Fund Overhead	<u>115</u>	<u>110</u>	<u>5</u>
Total Nondepartmental Accounts	<u>137</u>	<u>128</u>	<u>9</u>
Total Expenditures	<u>2,899</u>	<u>2,685</u>	<u>214</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(299)	154	453
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(40)</u>	<u>(40)</u>	
Total Other Financing Sources (Uses)	<u>(40)</u>	<u>(40)</u>	
Net Change in Fund Balance	(339)	114	453
Cancellation of Prior Years Encumbrances		29	29
Fund Balance - July 1	<u>1,872</u>	<u>1,872</u>	
Fund Balance - June 30	<u>\$ 1,533</u>	<u>\$ 2,015</u>	<u>\$ 482</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 343	\$ 312	\$ (31)
Charges for Services	3,781	3,879	98
Federal Grants	500	384	(116)
Grants and Subsidies		1	1
Miscellaneous Revenue	1	62	61
Total Revenues	<u>4,625</u>	<u>4,638</u>	<u>13</u>
EXPENDITURES			
Department of Recreation			
West Region			
Personal Services	805	785	20
Non-Personal Services	124	119	5
Total West Region	<u>929</u>	<u>904</u>	<u>25</u>
East Region			
Personal Services	1,312	1,225	87
Non-Personal Services	159	151	8
Total East Region	<u>1,471</u>	<u>1,376</u>	<u>95</u>
Central Region			
Personal Services	1,095	1,015	80
Non-Personal Services	153	145	8
Total Central Region	<u>1,248</u>	<u>1,160</u>	<u>88</u>
Division of Athletics			
Personal Services	467	418	49
Non-Personal Services	532	494	38
Total Division of Athletics	<u>999</u>	<u>912</u>	<u>87</u>
Division of Support Services			
Personal Services	80	80	
Non-Personal Services	102	83	19
Capital Outlay	70	64	6
Total Division of Support Services	<u>252</u>	<u>227</u>	<u>25</u>
Total Department of Recreation	<u>4,899</u>	<u>4,579</u>	<u>320</u>
Nondepartmental Accounts			
Public Employee Assistance	3	3	
Workers' Compensation Insurance	42	39	3
General Fund Overhead	271	257	14
Total Nondepartmental Accounts	<u>316</u>	<u>299</u>	<u>17</u>
Total Expenditures	<u>5,215</u>	<u>4,878</u>	<u>337</u>
Net Change in Fund Balance	(590)	(240)	350
Cancellation of Prior Year Encumbrances		49	49
Fund Balance - July 1	<u>2,809</u>	<u>2,809</u>	
Fund Balance - June 30	<u>\$ 2,219</u>	<u>\$ 2,618</u>	<u>\$ 399</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 162	\$ (283)
Charges for Services	613	706	93
Total Revenues	<u>1,058</u>	<u>868</u>	<u>(190)</u>
EXPENDITURES			
Department of Parks			
Division of Operations and Facility Management			
Personal Services	923	355	568
Non-Personal Services	719	294	425
Total Division of Operations and Facility Management	<u>1,642</u>	<u>649</u>	<u>993</u>
Total Department of Parks	1,642	649	993
Nondepartmental Accounts			
Workers' Compensation Insurance	5	5	
General Fund Overhead	38	30	8
Total Nondepartmental Accounts	<u>43</u>	<u>35</u>	<u>8</u>
Total Expenditures	<u>1,685</u>	<u>684</u>	<u>1,001</u>
Excess of Revenue over Expenditures	<u>(627)</u>	<u>184</u>	<u>811</u>
Net Change in Fund Balance	(627)	184	811
Cancellation of Prior Year Encumbrances		21	21
Fund Balance - July 1	<u>2,210</u>	<u>2,210</u>	
Fund Balance - June 30	<u>\$ 1,583</u>	<u>\$ 2,415</u>	<u>\$ 832</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
STREETCAR OPERATIONS			
REVENUES			
Grants and Subsidies	\$ 900	\$ 900	\$
Charges for Current Services	1,500	1,500	
Total Revenues	<u>2,400</u>	<u>2,400</u>	
EXPENDITURES			
SORTA			
Operations			
Non-Personal Services	2,485	2,485	
Total SORTA	<u>2,485</u>	<u>2,485</u>	
Department of Transportation and Engineering			
Office of the Director			
Personal Services	363	213	150
Non-Personal Services	400	378	22
Total Office of the Director	<u>763</u>	<u>591</u>	<u>172</u>
Total Department of Transportation and Engineering	763	591	172
Total Expenditures	<u>3,248</u>	<u>3,076</u>	<u>172</u>
Net Change in Fund Balance	(848)	(676)	172
Fund Balance - July 1	<u>1,118</u>	<u>1,118</u>	
Fund Balance - June 30	<u>\$ 270</u>	<u>\$ 442</u>	<u>\$ 172</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	156	(144)
Grants and Subsidies	200	130	(70)
Charges for Current Services	15	13	(2)
Miscellaneous	18	18	
Total Revenues	<u>564</u>	<u>347</u>	<u>(217)</u>
EXPENDITURES			
Department of Recreation			
West Region			
Non-Personal Services	<u>18</u>	<u>18</u>	
Total West Region	18	18	
East Region			
Non-Personal Services	<u>11</u>	<u>11</u>	
Total East Region	11	11	
Central Region			
Non-Personal Services	<u>22</u>	<u>22</u>	
Total Central Region	22	22	
Division of Golf			
Non-Personal Services	<u>1</u>	<u>1</u>	
Total Division of Golf	1	1	
Division of Athletics			
Personal Services	190	190	
Non-Personal Services	<u>199</u>	<u>199</u>	
Total Division of Athletics	389	389	
Division of Support Services			
Personal Services	3	3	
Non-Personal Services	<u>49</u>	<u>49</u>	
Total Division of Support Services	<u>52</u>	<u>52</u>	
Total Department of Recreation	<u>493</u>	<u>493</u>	
Total Expenditures	493	493	
Excess (Deficiency) of Revenues over (under) Expenditures	71	(146)	(217)
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>15</u>	<u>15</u>	
Total Other Financing Sources	<u>15</u>	<u>15</u>	
Net Change in Fund Balance	86	(131)	(217)
Fund Balance - July 1	<u>2,559</u>	<u>2,559</u>	
Fund Balance - June 30	<u>\$ 2,645</u>	<u>\$ 2,428</u>	<u>\$ (217)</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
PARKS			
REVENUES			
Use of Money and Property	\$ 894	\$ 1,496	\$ 602
Charges for Current Services	1,061	1,291	230
State Grants	19		(19)
Grants and Subsidies		2	2
Miscellaneous	32	169	137
Total Revenues	2,006	2,958	952
EXPENDITURES			
Department of Parks			
Division of Operations and Facility Management			
Personal Services	1	1	
Non-Personal Services	1,270	1,270	
Total Division of Operations and Facility Management	1,271	1,271	
Division of Administration and Program Services			
Personal Services	206	206	
Non-Personal Services	237	237	
Total Division of Administration and Program Services	443	443	
Total Department of Parks	1,714	1,714	
Nondepartmental Accounts			
Public Employee Assistance Program	1	1	
Workers' Compensation Insurance	13	13	
General Fund Overhead	83	83	
Total Nondepartmental Accounts	97	97	
Total Expenditures	1,811	1,811	
Excess (Deficiency) of Revenues over (under) Expenditures	195	1,147	952
OTHER FINANCING SOURCES(USES)			
Transfers In	28	28	
Total Financing Sources	28	28	
Net Change in Fund Balance	223	1,175	952
Fund Balance - July 1	6,228	6,228	
Fund Balance - June 30	<u>\$ 6,451</u>	<u>\$ 7,403</u>	<u>\$ 952</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
SAFETY			
REVENUES			
Licenses and Permits	\$ 50	\$ 48	\$ (2)
Use of Money and Property	18	18	
Intergovernmental Revenue	6,801	5,602	(1,199)
Federal Grants	2,476	7,205	4,729
State Grants	64	64	
Grants and Subsidies	6	6	
Charges for Current Services	1,348	1,279	(69)
Miscellaneous	14	14	
Total Revenues	<u>10,763</u>	<u>14,236</u>	<u>3,473</u>
EXPENDITURES			
Enterprise Technology Services			
Personal Services	1,323	1,323	
Non-Personal Services	<u>2,040</u>	<u>2,040</u>	
Total Enterprise Technology Services	3,363	3,363	
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	1,995	1,995	
Non-Personal Services	<u>2,631</u>	<u>2,631</u>	
Total Division of Police	4,626	4,626	
Division of Emergency Communications			
Personal Services	610	610	
Non-Personal Services	<u>568</u>	<u>568</u>	
Total Division of Emergency Communications	<u>1,178</u>	<u>1,178</u>	
Total Department of Police	<u>5,804</u>	<u>5,804</u>	
Department of Fire			
Personal Services	5,468	5,468	
Non-Personal Services	<u>6</u>	<u>6</u>	
Total Department of Fire	5,474	5,474	
Nondepartmental Accounts			
General Fund Overhead	93	93	
Workers' Compensation Program	<u>14</u>	<u>14</u>	
Total Nondepartmental Accounts	107	107	
Total Expenditures	<u>14,755</u>	<u>14,755</u>	
Excess (Deficiency) of Revenues over (under) Expenditures	(3,992)	(519)	3,473
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(50)</u>	<u>(50)</u>	
Total Other Financing Sources (Uses)	(50)	(50)	
Net Change in Fund Balance	(4,042)	(569)	3,473
Fund Balance - July 1	<u>6,202</u>	<u>6,202</u>	
Fund Balance - June 30	<u>\$ 2,160</u>	<u>\$ 5,633</u>	<u>\$ 3,473</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
HEALTH			
REVENUES			
Licenses and Permits	\$ 1,202	\$ 1,385	\$ 183
Intergovernmental Revenue	1,487	1,954	467
Federal Grants	9,442	9,237	(205)
State Grants	80	142	62
Grants and Subsidies	884	566	(318)
Charges for Current Services	11,793	7,169	(4,624)
Special Assessments		1	1
Miscellaneous		<u>2</u>	<u>2</u>
Total Revenues	24,888	20,456	(4,432)
EXPENDITURES			
Department of Finance			
Division of Treasury			
Personal Services	<u>18</u>	<u>18</u>	
Total Division of Treasury	18	18	
Total Department of Finance	18	18	
Department of Public Health			
Office of the Commissioner			
Personal Services	291	291	
Non-Personal Services	<u>360</u>	<u>360</u>	
Total Office of the Commissioner	651	651	
Division of Technical Resources			
Non-Personal Services	<u>12</u>	<u>12</u>	
Total Division of Technical Resources	12	12	
Division of Community Health Services			
Personal Services	1,937	1,937	
Non-Personal Services	<u>1,372</u>	<u>1,372</u>	
Total Division of Community Health Services	3,309	3,309	
Division of Primary Health Care - Programs			
Personal Services	3,785	3,785	
Non-Personal Services	<u>1,158</u>	<u>1,158</u>	
Total Division of Primary Health Care - Programs	4,943	4,943	
Division of Primary Health Care - Centers			
Personal Services	2,536	2,536	
Non-Personal Services	<u>1,822</u>	<u>1,822</u>	
Total Division of Primary Health Care - Centers	4,358	4,358	
Division of School and Adolescent Health			
Personal Services	3,067	3,067	
Non-Personal Services	<u>1,330</u>	<u>1,330</u>	
Total Division of School and Adolescent Health	4,397	4,397	
Total Department of Public Health	17,670	17,670	
Nondepartmental Accounts			
Public Employee Assistance	11	11	
Workers' Compensation Insurance	135	135	
General Fund Overhead Charge	<u>109</u>	<u>109</u>	
Total Nondepartmental Accounts	255	255	
Total Expenditures	<u>17,943</u>	<u>17,943</u>	
Excess (Deficiency) of Revenues over (under) Expenditures	6,945	2,513	(4,432)
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(425)</u>	<u>(425)</u>	
Total Other Financing Sources (Uses)	(425)	(425)	
Net Change in Fund Balance	6,520	2,088	(4,432)
Fund Balance - July 1	<u>151</u>	<u>151</u>	
Fund Balance - June 30	<u>\$ 6,671</u>	<u>\$ 2,239</u>	<u>\$ (4,432)</u>

City of Cincinnati, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget(Non-GAAP Budgetary Basis) and Actual
 For the year ended June 30, 2018
 (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	\$ _____	\$ _____	\$ _____
Total Revenues			
EXPENDITURES			
Total Expenditures	_____	_____	_____
Net Change in Fund Balance			
Fund Balance - July 1	_____ 121	_____ 121	_____
Fund Balance - June 30	<u>\$ 121</u>	<u>\$ 121</u>	<u>\$ _____</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	Variance with Budget - Positive (Negative)
COMMUNITY DEVELOPMENT			
REVENUES			
Use of Money and Property	\$ 3,523	\$ 3,523	\$
Federal Grants	9,020	9,020	
Charges for Current Services	67	67	
Special Assessments	182	182	
Miscellaneous	1,510	1,510	
Total Revenues	<u>14,302</u>	<u>14,302</u>	
EXPENDITURES			
Department of the City Manager			
Office of Economic Development			
Capital Outlay	286	286	
Total Office of Economic Development	<u>286</u>	<u>286</u>	
Total Department of the City Manager	<u>286</u>	<u>286</u>	
Department of Community and Economic Development			
Director's Office and Administration			
Personal Services	1,140	1,140	
Non-Personal Services	221	221	
Capital Outlay	374	374	
Debt Service	36	36	
Total Director's Office and Administration	<u>1,771</u>	<u>1,771</u>	
Division of Housing			
Personal Services	156	156	
Non-Personal Services	17	17	
Capital Outlay	5,222	5,222	
Total Division of Housing	<u>5,395</u>	<u>5,395</u>	
Division of Economic Development and Major/Special Projects			
Personal	110	110	
Non-Personal Services	5	5	
Capital Outlay	1,539	1,539	
Total Division of Economic Development and Major/Special Projects	<u>1,654</u>	<u>1,654</u>	
Division of New Construction and Existing Building Standards			
Capital Outlay	480	480	
Total Division of New Construction and Existing Building Standards	<u>480</u>	<u>480</u>	
Total Department of Community and Economic Development	<u>9,300</u>	<u>9,300</u>	
Department of City Planning			
Division of City Planning			
Personal Services	79	79	
Capital Outlay	32	32	
Total Division of City Planning	<u>111</u>	<u>111</u>	
Total Department of City Planning and Buildings	<u>111</u>	<u>111</u>	
Department of Recreation			
Division of Support Services			
Capital Outlay	994	994	
Total Division of Support Services	<u>994</u>	<u>994</u>	
Total Department of Recreation	<u>994</u>	<u>994</u>	
Department of Buildings and Inspections			
Division of Bldg. Inspections, License and Permits			
Non-Personal Services	20	20	
Capital Outlay	958	958	
Total Division of Bldg. Inspections, License and Permits	<u>978</u>	<u>978</u>	
Total Department of Buildings and Inspections	<u>978</u>	<u>978</u>	

(Continued)

City of Cincinnati, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget(Non-GAAP Budgetary Basis) and Actual
 For the year ended June 30, 2018
 (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	\$ 227	\$ 227	\$ _____
Division of Community Health Services	227	227	_____
Total Department of Health	227	227	
Nondepartmental Accounts			
Special Investigations and Studies	1,262	1,262	
Total Nondepartmental Accounts	1,262	1,262	_____
Total Expenditures	13,158	13,158	_____
Net Change in Fund Balance	1,144	1,144	
Fund Balance - July 1	(739)	(739)	
Prior Period Adjustment to Fund Balance for accruals *	2,467	2,467	_____
Fund Balance - June 30	\$ 2,872	\$ 2,872	\$ _____

* In prior years, accrued revenue was included in the budgetary schedule.

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	_____	_____	_____
OTHER FINANCING SOURCES (USES)			
Transfers Out	(15)	(15)	_____
Total Other Financing (Uses)	(15)	(15)	_____
Net Change in Fund Balance	(15)	(15)	_____
Fund Balance - July 1	15	15	_____
Fund Balance - June 30	\$ _____	\$ _____	\$ _____

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
OTHER GRANTS			
REVENUES			
Taxes	\$ 3,000	\$ 3,691	\$ 691
Use of Money and Property	2,358	2,214	(144)
Special Assessments	6,081	6,333	252
Federal Grants	2,092	2,092	
Charges for Current Services	662	853	191
License and Permits	2	1	(1)
Intergovernmental Revenue	37	37	
Miscellaneous	175	177	2
Total Revenues	<u>14,407</u>	<u>15,398</u>	<u>991</u>
EXPENDITURES			
Department of the City Manager			
Office of the City Manager			
Non-Personal Services	9	9	
Total Office of the City Manager	<u>9</u>	<u>9</u>	
Office of Environment and Sustainability			
Non-Personal Services	53	53	
Capital Outlay	407	407	
Total Office of Environment and Sustainability	<u>460</u>	<u>460</u>	
Total Department of the City Manager	<u>469</u>	<u>469</u>	
Department of Human Resources			
Non Personal Services	2	2	
Total Department of Human Resources	<u>2</u>	<u>2</u>	
Department of Finance			
Division of Accounts and Audits			
Non-Personal Services	173	173	
Total Division of Accounts and Audits	<u>173</u>	<u>173</u>	
Division of Treasury			
Non-Personal Services	6,926	6,926	
Total Division of Treasury	<u>6,926</u>	<u>6,926</u>	
Total Department of Finance	<u>7,099</u>	<u>7,099</u>	
Department of Community and Economic Development			
Director's Office and Administration			
Non-Personal Services	10	10	
Total Director's Office and Administration	<u>10</u>	<u>10</u>	
Division of Housing			
Non-Personal Services	59	59	
Capital Outlay	1,780	1,780	
Total Division of Housing	<u>1,839</u>	<u>1,839</u>	
Division of Economic Development and Major/Special Projects			
Non Personal Services	783	783	
Total Division of Economic Development and Major/Special Projects	<u>783</u>	<u>783</u>	
Total Department of Community and Economic Development	<u>2,632</u>	<u>2,632</u>	
Department of Parks			
Division of Operations and Facility Management			
Personal Services	708	708	
Non-Personal Services	1,082	1,082	
Total Division of Operations and Facility Management	<u>1,790</u>	<u>1,790</u>	
Total Department of Parks	<u>1,790</u>	<u>1,790</u>	
Department of Recreation			
Division of Support Services			
Personal Services	66	66	
Non-Personal Services	90	90	
Total Division of Support Services	<u>156</u>	<u>156</u>	
Total Department of Recreation	<u>156</u>	<u>156</u>	

(Continued)

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
OTHER GRANTS			
(Continued)			
EXPENDITURES (Continued)			
Department of Buildings and Inspections			
Division of Bldg. Inspections, License and Permits			
Non-Personal Services	\$ 1,217	\$ 1,217	
Total Division of Bldg. Inspections, License and Permits	<u>1,217</u>	<u>1,217</u>	
Total Department of Buildings and Inspections	<u>1,217</u>	<u>1,217</u>	
Department of Transportation and Engineering			
Division of Engineering			
Non-Personal Services	10	10	
Total Division of Traffic Engineering	<u>10</u>	<u>10</u>	
Division of Traffic Engineering			
Personal Services	110	110	
Non-Personal Services	551	551	
Total Division of Traffic Engineering	<u>661</u>	<u>661</u>	
Total Department of Transportation and Engineering	<u>671</u>	<u>671</u>	
Department of Public Services			
Division of Traffic and Road Operations			
Personal Services	19	19	
Total Division of Traffic and Road Operations	<u>19</u>	<u>19</u>	
Division of Neighborhood Operations			
Non-Personal Services	41	41	
Total Division of Neighborhood Operations	<u>41</u>	<u>41</u>	
Division of City Facility Management			
Non-Personal Services	1,422	1,422	
Total City Facility Management	<u>1,422</u>	<u>1,422</u>	
Total Department of Public Services	<u>1,482</u>	<u>1,482</u>	
Department of Water Works			
Non-Personal Services	2	2	
Total Department of Water Works	<u>2</u>	<u>2</u>	
Nondepartmental Accounts			
Public Employees Assistance	1	1	
Workers' Compensation Insurance	9	9	
General Fund Overhead	46	46	
Total Department of Nondepartmental Accounts	<u>56</u>	<u>56</u>	
Total Expenditures	<u>15,576</u>	<u>15,576</u>	
Excess (Deficiency) of Revenues over (under) Expenditures	(1,169)	(178)	\$ 991
OTHER FINANCING SOURCES (USES)			
Transfers Out	(129)	(129)	
Total Other Financing Sources (Uses)	<u>(129)</u>	<u>(129)</u>	
Net Change in Fund Balance	(1,298)	(307)	991
Fund Balance - July 1	9,664	9,664	
Fund Balance - June 30	<u>\$ 8,366</u>	<u>\$ 9,357</u>	<u>\$ 991</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 246	\$ 246	\$
Total Revenues	246	246	
EXPENDITURES			
Department of Parks			
Division of Operations and Facility Management			
Non-Personal Services	<u>12</u>	<u>12</u>	
Total Division of Operations and Facility Management	<u>12</u>	<u>12</u>	
Total Department of Parks	<u>12</u>	<u>12</u>	
Total Expenditures	<u>12</u>	<u>12</u>	
Excess (Deficiency) of Revenues over (under) Expenditures	234	234	
OTHER FINANCING (USES)			
Transfers Out	<u>(39)</u>	<u>(39)</u>	
Total Other Financing (Uses)	<u>(39)</u>	<u>(39)</u>	
Net Change in Fund Balance	195	195	
Fund Balance - July 1	<u>1,567</u>	<u>1,567</u>	
Fund Balance - June 30	<u>\$ 1,762</u>	<u>\$ 1,762</u>	<u>\$</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 18	\$ 18	\$
Total Revenues	18	18	
Excess (Deficiency) of Revenues over (under) Expenditures	18	18	
OTHER FINANCING (USES)			
Transfers Out	(19)	(19)	
Total Other Financing (Uses)	(19)	(19)	
Net Change in Fund Balance	(1)	(1)	
Fund Balance - July 1	58	58	
Fund Balance - June 30	<u>\$ 57</u>	<u>\$ 57</u>	<u>\$</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(Amounts in Thousands)

	Budget	Actual	Variance with Budget - Positive (Negative)
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	(1)	(1)	
Total Other Financing (Uses)	(1)	(1)	
Net Change in Fund Balance			
Fund Balance - July 1	51	51	
Fund Balance - June 30	\$ 51	\$ 51	\$

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	
<hr/>			
Excess (Deficiency) of Revenues over (under) Expenditures	8	8	
OTHER FINANCING (USES)			
Transfers Out	(8)	(8)	
Total Other Financing (Uses)	(8)	(8)	
<hr/>			
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 Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 77	\$ 77	\$
Total Revenues	77	77	
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	72	72	
OTHER FINANCING (USES)			
Transfers Out	(15)	(15)	
Total Other Financing (Uses)	(15)	(15)	
Net Change in Fund Balance	57	57	
Fund Balance - July 1	880	880	
Fund Balance - June 30	<u>\$ 937</u>	<u>\$ 937</u>	<u>\$</u>

City of Cincinnati, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget(Non-GAAP Budgetary Basis) and Actual
 For the year ended June 30, 2018
 (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	
Excess (Deficiency) of Revenues over (under) Expenditures	1	1	
Net Change in Fund Balance	1	1	
Fund Balance - July 1	79	79	
Fund Balance - June 30	<u>\$ 80</u>	<u>\$ 80</u>	<u>\$</u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 9	\$ 9	\$
Total Revenues	<u>9</u>	<u>9</u>	
Net Change in Fund Balance	9	9	
Fund Balance - July 1	<u>667</u>	<u>667</u>	
Fund Balance - June 30	<u><u>\$ 676</u></u>	<u><u>\$ 676</u></u>	<u><u>\$</u></u>

City of Cincinnati, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget(Non-GAAP Budgetary Basis) and Actual
For the year ended June 30, 2018
(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	\$ 587	\$ 587	\$
Total Revenues	587	587	
EXPENDITURES			
Department of Parks			
Division of Administration and Program Services			
Non-Personal Services	55	55	
Total Division of Administration and Program Services	55	55	
Total Department of Parks	55	55	
Total Expenditures	55	55	
Excess (Deficiency) of Revenues over (under) Expenditures	532	532	
OTHER FINANCING (USES)			
Transfers Out	(178)	(178)	
Total Other Financing (Uses)	(178)	(178)	
Net Change in Fund Balance	354	354	
Fund Balance - July 1	6,307	6,307	
Fund Balance - June 30	<u>\$ 6,661</u>	<u>\$ 6,661</u>	<u>\$</u>

CITY OF CINCINNATI, OHIO

NONMAJOR 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, 2018
(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		\$ 76		\$ 496		\$ 572
Equity in City Treasury Cash	\$ 2,298	4,081	\$ 856	574	\$ 5,646	13,455
Receivables:						
Taxes	620					620
Accounts, Net	1,793	52	18	58	969	2,890
Accrued Interest		44	17	3	47	111
Due from Other Funds	40	74	16	10	182	322
Prepaid Items	466	26	7			499
Advances to Other Funds	3,143	2,623	4,601	116	5,052	15,535
Total Current Assets	<u>8,360</u>	<u>6,976</u>	<u>5,515</u>	<u>1,257</u>	<u>11,896</u>	<u>34,004</u>
Noncurrent Assets:						
Equity in City Treasury Cash	3,678	6,533	1,370	919	9,038	21,538
Land	11,555	8,161	13,229	1,324	7,074	41,343
Buildings, net of Accumulated Depreciation	33	15,956	423	224		16,636
Improvements, net of Accumulated Depreciation	76,464	17,104	6,084	6,482	47,822	153,956
Machinery and Equipment, net of Accumulated Depreciation	217	500	731	633	1,236	3,317
Construction in Progress	4,821	3,971	2,542	535	3,848	15,717
Property Acquired Under Capital Lease Net of Accumulated Amortization				103		103
Total Noncurrent Assets	<u>96,768</u>	<u>52,225</u>	<u>24,379</u>	<u>10,220</u>	<u>69,018</u>	<u>252,610</u>
Total Assets	<u>105,128</u>	<u>59,201</u>	<u>29,894</u>	<u>11,477</u>	<u>80,914</u>	<u>286,614</u>
DEFERRED OUTFLOWS OF RESOURCES						
Loss on Defeasance		496	10	10		516
Cincinnati Retirement System-Pension		594	120	19	1,138	1,871
Total Deferred Outflows of Resources		<u>1,090</u>	<u>130</u>	<u>29</u>	<u>1,138</u>	<u>2,387</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	166	249	15	229	335	994
Due to Other Funds	200	8	32	43	85	368
Due to Fiduciary Funds		11	4	1	18	34
Accrued Payroll		75	27	3	133	238
Accrued Liabilities		429	24		2	455
Accrued Interest	13	32	1		26	74
Obligations Under Capital Lease				440		440
Deposits Payable	3		4			7
Unearned Revenue	1,370	8	35			1,413
Compensated Absences Payable		126	91	12	177	406
Unpaid Claims Payable		6			7	13
General Obligation Bonds Payable	165	635	40	280	528	1,648
Total Current Liabilities	<u>1,917</u>	<u>1,579</u>	<u>273</u>	<u>1,010</u>	<u>1,311</u>	<u>6,090</u>
Noncurrent Liabilities:						
Compensated Absences Payable		281	204	27	675	1,187
General Obligation Bonds Payable	3,364	9,244	322	250	7,343	20,523
Net Pension Liability-Cincinnati Retirement System		4,530	1,629	201	3,996	10,356
Net Other Postemployment Benefit Liability-Cincinnati Retirement System		204	73	9	180	466
Total Noncurrent Liabilities	<u>3,364</u>	<u>14,259</u>	<u>2,228</u>	<u>487</u>	<u>12,194</u>	<u>32,532</u>
Total Liabilities	<u>5,281</u>	<u>15,838</u>	<u>2,501</u>	<u>1,497</u>	<u>13,505</u>	<u>38,622</u>
DEFERRED INFLOWS OF RESOURCES						
Gain on Defeasance	39		21	13		73
Service Concession Arrangements		11,674				11,674
Cincinnati Retirement System-Pension		209	134	37	149	529
Cincinnati Retirement System-Other Postemployment Benefit		908	326	41	796	2,071
Total Deferred Inflows of Resources	<u>39</u>	<u>12,791</u>	<u>481</u>	<u>91</u>	<u>945</u>	<u>14,347</u>
NET POSITION						
Net Investment in Capital Assets	91,682	36,843	22,636	8,328	54,657	214,146
Unrestricted Net Position	8,126	(5,181)	4,406	1,590	12,945	21,886
Total Net Position	<u>\$ 99,808</u>	<u>\$ 31,662</u>	<u>\$ 27,042</u>	<u>\$ 9,918</u>	<u>\$ 67,602</u>	<u>\$ 236,032</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the year ended June 30, 2018
(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	\$ 8,764	\$ 14,443	\$ 2,141	\$ 5,754	\$ 10,613	\$ 41,715
Miscellaneous Income		427		6		433
Total Operating Revenues	<u>8,764</u>	<u>14,870</u>	<u>2,141</u>	<u>5,760</u>	<u>10,613</u>	<u>42,148</u>
OPERATING EXPENSES						
Personal Services	151	2,839	1,013	243	7,246	11,492
Contractual Services	8,539	4,612	194	4,280	2,224	19,849
Maintenance and Repairs		181	83		3,869	4,133
Materials and Supplies		117	108	113	346	684
Utilities		132	179	433	111	855
Insurance	63	44	9	5	12	133
Taxes	307	878	50	53		1,288
Depreciation and Amortization	4,498	2,339	761	1,120	3,482	12,200
Rent		102	11		218	331
Pension Expense		(2,716)	(785)	(47)	(1,594)	(5,142)
Other Postemployment Benefit Expense		(245)	(89)	(10)	(221)	(565)
Other Expense		101	2		2	105
Total Operating Expenses	<u>13,558</u>	<u>8,384</u>	<u>1,536</u>	<u>6,190</u>	<u>15,695</u>	<u>45,363</u>
Operating Income (Loss)	<u>(4,794)</u>	<u>6,486</u>	<u>605</u>	<u>(430)</u>	<u>(5,082)</u>	<u>(3,215)</u>
NONOPERATING REVENUES (EXPENSES)						
Interest Revenue		50	16	10	49	125
Occupancy Tax	2,314					2,314
Interest Expense	(168)	(411)	(13)	(43)	(225)	(860)
Loss on Disposal of Assets				(3)		(3)
Total Non-Operating Revenues (Expenses)	<u>2,146</u>	<u>(361)</u>	<u>3</u>	<u>(36)</u>	<u>(176)</u>	<u>1,576</u>
Income (Loss) before Contributions and Transfers	(2,648)	6,125	608	(466)	(5,258)	(1,639)
Transfers In		575			1,307	1,882
Transfers (Out)		(4,788)			(1)	(4,789)
Capital Contributions	2,572		3,550			6,122
Change in Net Position	(76)	1,912	4,158	(466)	(3,952)	1,576
Beginning 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>
Restatement of Net Position: Net Other Postemployment Benefit Liability- Cincinnati Retirement System	41	(394)	(100)	(48)	(645)	(1,146)
Ending Net Position	<u>\$ 99,808</u>	<u>\$ 31,662</u>	<u>\$ 27,042</u>	<u>\$ 9,918</u>	<u>\$ 67,602</u>	<u>\$ 236,032</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended June 30, 2018
(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	\$ 7,562	\$ 14,425	\$ 2,159	\$ 5,764	\$ 11,949	\$ 41,859
Receipts from Other Funds	771					771
Payments to Suppliers	(8,448)	(4,845)	(580)	(4,810)	(3,295)	(21,978)
Payments to Other Funds	(79)	(386)			(4,195)	(4,660)
Payments to Employees	(151)	(2,806)	(999)	(242)	(6,877)	(11,075)
Payments for Property Taxes	(307)	(865)	(48)			(1,220)
Net Cash Provided (Used) by Operating Activities	<u>(652)</u>	<u>5,523</u>	<u>532</u>	<u>712</u>	<u>(2,418)</u>	<u>3,697</u>
Cash Flows from Noncapital Financing Activities:						
Repayment of Advances Made To Other Funds		(67)		349		282
Amounts Due From Other Funds for City Notes	(14)	(25)	(4)	(3)	(31)	(77)
Interest paid on Debt		(20)			(5)	(25)
Principal paid on Debt		(15)			(4)	(19)
Advances to Other Funds	(2,438)		(2,364)		(194)	(4,996)
Occupancy Tax	2,215					2,215
Transfers to Other Funds		(4,788)			(1)	(4,789)
Transfers from Other Funds		575			1,307	1,882
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(237)</u>	<u>(4,340)</u>	<u>(2,368)</u>	<u>346</u>	<u>1,072</u>	<u>(5,527)</u>
Cash Flows from Capital and Related Financing Activities:						
Capital Contributed by Other Sources	2,572		3,550			6,122
Proceeds from the Sale of Bonds					3,675	3,675
Acquisition of Property, Plant and Equipment			(129)		(100)	(229)
Interest Paid on Bonds and Notes	(165)	(374)	(17)	(46)	(223)	(825)
Principal Paid on Bonds and Notes	(122)	(622)	(43)	(280)	(330)	(1,397)
Payments on Long Term Capital Leases Obligations				(259)		(259)
Additions to Construction in Progress	(1,322)	(203)	(1,864)	(349)	(1,382)	(5,120)
Net Cash (Used) by Capital and Related Financing Activities	<u>963</u>	<u>(1,199)</u>	<u>1,497</u>	<u>(934)</u>	<u>1,640</u>	<u>1,967</u>
Cash Flow from Investing Activities:						
Interest and Dividends on Investments		41	13	11	49	114
Net Cash Provided by Investing Activities		<u>41</u>	<u>13</u>	<u>11</u>	<u>49</u>	<u>114</u>
Net Increase (decrease) in Cash and Cash Equivalents	74	25	(326)	135	343	251
Cash and Cash Equivalents, July 1	<u>5,902</u>	<u>10,665</u>	<u>2,552</u>	<u>1,854</u>	<u>14,341</u>	<u>35,314</u>
Cash and Cash Equivalents, June 30	<u>\$ 5,976</u>	<u>\$ 10,690</u>	<u>\$ 2,226</u>	<u>\$ 1,989</u>	<u>\$ 14,684</u>	<u>\$ 35,565</u>

(Continued)

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended June 30, 2018
(Amounts in Thousands)

	<u>Business Type Activities - Enterprise Funds</u>					Total Nonmajor Enterprise Funds
	Convention Center	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
(Continued)						
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>						
<u>Provided (Used) by Operating Activities:</u>						
Operating Income (Loss)	\$ (4,794)	\$ 6,486	\$ 605	\$ (430)	\$ (5,082)	\$ (3,215)
Depreciation and Amortization	4,498	2,339	761	1,120	3,482	12,200
Changes in Assets, Deferred Inflows/Outflows and Liabilities:						
(Increase) Decrease in:						
Receivables	(519)	(12)	18	4	1,395	886
Due from Other Funds					(59)	(59)
Prepaid Items	76	51				127
Deferred Outflows Cincinnati Retirement System		425	398	121	(283)	661
Increase (Decrease) in:						
Accounts Payable	14		(5)	81	(172)	(82)
Deposits Payable	1					1
Due to Other Funds	(15)	1	11	(7)	(543)	(553)
Due to Fiduciary Funds		1		1	7	9
Accrued Payroll		8	2		53	63
Accrued Liabilities		13	2		1	16
Unearned Revenue	87	(6)				81
Compensated Absences Payable		24	12		308	344
Deferred Inflows Service Concession Arrangements		(427)				(427)
Deferred Inflows Cincinnati Retirement System		(2,224)	(624)	(112)	(1,061)	(4,021)
Deferred Inflows Ohio Public Employees Retirement System				41		41
Unpaid Claims Payable		6			7	13
Net Pension Liability Cincinnati Retirement System		(9)	(233)	(56)	546	248
Net Other Postemployment Benefit Liability- Cincinnati Retirement System		(1,153)	(415)	(51)	(1,017)	(2,636)
Net Cash Provided (Used) by Operating Activities	<u>\$ (652)</u>	<u>\$ 5,523</u>	<u>\$ 532</u>	<u>\$ 712</u>	<u>\$ (2,418)</u>	<u>\$ 3,697</u>
<u>Schedule of Noncash Investing, Capital and Financing Activities:</u>						
Change in Fair Value of Investments		\$ (138)	\$ (52)	\$ (9)	\$ (155)	\$ (354)
Bonds Refunded	\$ (121)		(28)	(28)		(177)
Refunding Bonds Issued	116		28	28		172
Property Plant and Equipment Contributed by Other Funds			118			118
Total Noncash Investing, Capital and Financing Activities	<u>\$ (5)</u>	<u>\$ (138)</u>	<u>\$ 66</u>	<u>\$ (9)</u>	<u>\$ (155)</u>	<u>\$ (241)</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, 2018
(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				\$ 352	\$ 6,667	\$ 1,715	\$ 352
Equity in City Treasury Cash	238	1,698	906	6,682			17,906
Receivables:							
Accounts, Net	15	129		1,030			1,174
Accrued Interest				63	61	9	133
Due from Other Funds	159	1,344	16	139	122	399	2,179
Due from Fiduciary Funds						2	2
Due from Other Governments					91	18	18
Prepaid Items		4		1,356		335	1,786
Inventory	26	358					384
Advances to Other Funds		471				7,845	8,316
Total Current Assets	438	4,004	922	9,622	6,941	10,323	32,250
Noncurrent Assets:							
Equity in City Treasury Cash							
Land	381	2,717	1,451	10,696	10,672	2,744	28,661
Improvements, net of Accumulated Depreciation		283					283
Machinery and Equipment, net of Accumulated Depreciation		1,386				1,766	3,152
Other Assets	125	614	3			8,158	8,900
Total Noncurrent Assets	506	7,896	1,454	10,696	10,672	12,668	2,896
Total Assets	944	11,900	2,376	20,318	17,613	22,991	76,142
DEFERRED OUTFLOWS OF RESOURCES							
Cincinnati Retirement System-Pension	48	717	193	907	17	559	2,441
Total Deferred Outflows of Resources	48	717	193	907	17	559	2,441

(Continued)

CITY OF CINCINNATI, OHIO
Combining Statement of Net Position
Internal Service Funds
June 30, 2018
(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
LIABILITIES							
Current Liabilities:							
Accounts Payable	\$ 101	\$ 690	\$ 44	\$ 2,826	\$ 287	\$ 138	\$ 4,086
Due to Other Funds		3		16			19
Due to Fiduciary Funds	1	24	2	7		12	46
Accrued Payroll	12	153	3	43	3	77	291
Accrued Liabilities	1	2		1	423	264	691
Accrued Interest	1	3		1		2	7
Deposits Payable			309			1	310
Compensated Absences Payable	33	452	31	96	6	259	877
Unpaid Claims Payable				7,929	2,953		10,882
General Obligation Bonds Payable	5	27		9		23	64
Total Current Liabilities	154	1,354	389	10,928	3,672	776	17,273
Noncurrent Liabilities:							
Estimated Liability for Compensated Absences	61	636	16	191	20	263	1,187
Estimated Liability for Unpaid Claims					12,373		12,373
Advances from Other Funds		50					50
Advances from Other Governments		20					20
General Obligation Bonds Payable	152	895		310		754	2,111
Net Pension Liability-Cincinnati Retirement System	616	10,300	959	2,704	186	5,167	19,932
Net Other Postemployment Benefit Liability-Cincinnati Retirement System	28	464	43	122	8	233	898
Total Noncurrent Liabilities	857	12,365	1,018	3,327	12,587	6,417	36,571
Total Liabilities	1,011	13,719	1,407	14,255	16,259	7,193	53,844
DEFERRED INFLOWS OF RESOURCES							
Cincinnati Retirement System-Pension	43	759	36	714	11	906	2,469
Cincinnati Retirement System-Other	122	2,057	190	539	37	1,034	3,979
Postemployment Benefit	165	2,816	226	1,253	48	1,940	6,448
Total Deferred Inflows of Resources							
NET POSITION							
Net Investment in Capital Assets	125	2,283	3			9,924	12,335
Restricted		2,896					2,896
Unrestricted Net Position	(309)	(9,097)	933	5,717	1,323	4,493	3,060
Total Net Position	\$ (184)	\$ (3,918)	\$ 936	\$ 5,717	\$ 1,323	\$ 14,417	\$ 18,291

CITY OF CINCINNATI, OHIO
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the year ended June 30, 2018
(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	\$ 2,624	\$ 17,202		\$ 74,899	\$ 3,505	\$ 8,933	\$ 107,163
Miscellaneous	2,190	1	\$ 3,057	64			5,312
Total Operating Revenues	<u>4,814</u>	<u>17,203</u>	<u>3,057</u>	<u>74,963</u>	<u>3,505</u>	<u>8,933</u>	<u>112,475</u>
OPERATING EXPENSES							
Personal Services	632	5,681	707	1,004	159	3,240	11,423
Contractual Services	399	1,224	98	1,811	10	1,773	5,315
Maintenance and Repairs	5	772	11			34	822
Materials and Supplies	1,272	6,589	10	47		525	8,443
Utilities	3	134	5	9		1,826	1,977
Insurance		5		80,675	5,296		85,976
Taxes		1					1
Depreciation and Amortization	75	303	3		2	1,088	1,471
Rent	29	119	66	111		1,199	1,524
Pension Expense	(618)	(6,167)	(269)	(1,826)	(61)	(3,723)	(12,664)
Other Postemployment Benefit Expense	(35)	(565)	(54)	(149)	(11)	(281)	(1,095)
Other Expense		11	7	26			44
Total Operating Expenses	<u>1,762</u>	<u>8,107</u>	<u>584</u>	<u>81,708</u>	<u>5,395</u>	<u>5,681</u>	<u>103,237</u>
Operating Income (Loss)	<u>3,052</u>	<u>9,096</u>	<u>2,473</u>	<u>(6,745)</u>	<u>(1,890)</u>	<u>3,252</u>	<u>9,238</u>
NONOPERATING REVENUES (EXPENSES)							
Interest Revenue				70	64	5	139
Interest Expense	(6)	(35)		(12)		(30)	(83)
Total Non-Operating Revenue (Expenses)	<u>(6)</u>	<u>(35)</u>		<u>58</u>	<u>64</u>	<u>(25)</u>	<u>56</u>
Income (Loss) before Contributions and Transfers							
Transfers In	3,046	9,061	2,473	(6,687)	(1,826)	3,227	9,294
Transfers (Out)			(2,211)			2,968	2,968
Capital Contribution		55					(2,211)
Change in Net Position	<u>3,046</u>	<u>9,116</u>	<u>262</u>	<u>(6,687)</u>	<u>(1,826)</u>	<u>6,195</u>	<u>10,106</u>
Beginning Net Position	(3,215)	(11,621)	828	13,121	3,190	7,953	10,256
Restatement of Net Position:							
Net Other Postemployment Benefit Liability	(15)	(1,413)	(154)	(717)	(41)	269	(2,071)
Cincinnati Retirement System	(15)	(1,413)	(154)	(717)	(41)	269	(2,071)
Total Restatement of Net Position	<u>(184)</u>	<u>(3,918)</u>	<u>936</u>	<u>5,717</u>	<u>1,323</u>	<u>14,417</u>	<u>18,291</u>
Ending Net Position							

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2018
(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
Cash Flows from Operating Activities:							
Receipts from Customers	\$ 442	\$ 609	\$ 3,314	\$ 7,881	\$ 368	\$ 889	\$ 13,503
Receipts from Other Funds	4,347	16,674		66,678	3,137	7,936	98,772
Receipts from Retirement System				138			138
Payments to Suppliers	(4,113)	(7,655)	(129)	(83,568)	(3,485)	(4,814)	(103,764)
Payments to Other Funds	(13)	(1,594)				(1,005)	(2,612)
Payments to Employees	(718)	(5,652)	(713)	(963)	(158)	(3,247)	(11,451)
Net Cash Provided (Used) by Operating Activities	(55)	2,382	2,472	(9,834)	(138)	(241)	(5,414)
Cash Flows from Noncapital Financing Activities:							
Repayment of Advances Made to Other Funds	(50)	(482)	(177)	(125)			(834)
Due from Other Funds for City Note Payable	(1)	(11)	(6)	1	(41)	(9)	(67)
Interest paid on Bond and Notes	(6)	(35)		(12)		(30)	(83)
Principal paid on Bond and Notes	(5)	(27)		(9)			(41)
Advances to Other Funds		(471)	(2,211)			(692)	(1,163)
Transfers to Other Funds						2,968	(2,211)
Transfers from Other Funds							2,968
Net Cash Provided (Used) by Noncapital Financing Activities	(62)	(1,026)	(2,394)	(145)	(41)	2,237	(1,431)
Cash Flows from Capital and Related Financing Activities:							
Capital Items Expensed						(64)	(64)
Acquisition of Property, Plant and Equipment	(22)						
Additions to Construction In Progress						(145)	(167)
Net Cash (Used) by Capital and Related Financing Activities	(22)					(2,171)	(2,171)
Cash Flows from Investing Activities:							
Investment Purchases		(1,294)				(2,380)	(2,402)
Interest on Investments				87	55	4	(1,294)
Net Cash Provided by Investing Activities		(1,294)		87	55	4	146
Net Increase (Decrease) in Cash and Cash Equivalents	(139)	62	78	(9,892)	(124)	(380)	(10,395)
Cash and Cash Equivalents at July 1	758	4,353	2,279	27,622	17,463	4,839	57,314
Cash and Cash Equivalents at June 30	\$ 619	\$ 4,415	\$ 2,357	\$ 17,730	\$ 17,339	\$ 4,459	\$ 46,919

CITY OF CINCINNATI, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2018
(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>							
Net Cash Provided (Used) by Operating Activities:							
Operating Income (Loss)	\$ 3,052	\$ 9,096	\$ 2,473	\$ (6,745)	\$ (1,890)	\$ 3,252	\$ 9,238
Depreciation and Amortization	75	303	3		2	1,088	1,471
Changes in Assets, Deferred Outflows/Inflows and Liabilities:							
(Increase) Decrease in:							
Receivables	2	49		(533)			(482)
Due from Other Funds	(27)	31		267		(145)	126
Due from Fiduciary Funds						(2)	(2)
Due from Other Governments						39	39
Inventory	6	(50)					(44)
Prepaid Items		1	29	(130)		(105)	(205)
Deferred Outflows Cincinnati Retirement System	109	1,665	119	(343)	70	1,569	3,189
Deferred Outflows Ohio Public Employees Retirement System	59					116	175
Increase (Decrease) in:							
Accounts Payable	(2,424)	(344)	40	(894)	(150)	(298)	(4,070)
Deposits Payable		(1)	257			10	257
Due to Other Funds		(1)	(1)	15			23
Due to Fiduciary Funds		(1)	(10)	1		(3)	1
Accrued Payroll				5		(69)	(9)
Accrued Liabilities				1	189		121
Estimated Liability for Compensated Absences	11	30	4	34	1	(4)	76
Deferred Inflows Cincinnati Retirement System	(566)	(4,456)	(283)	(1,438)	(109)	(3,069)	(9,921)
Deferred Inflows Ohio Public Employees Retirement System	(4)			539	37	(95)	477
Estimated Liability for Unpaid Claims Payable				120	1,782		1,902
Net Pension Liability Cincinnati Retirement System	(39)	(1,319)	85	(45)	(22)	(1,077)	(2,417)
Net Pension Liability Ohio Public Employees Retirement System	(152)					(133)	(285)
Net Other Postemployment Benefit Liability							
Cincinnati Retirement System	(157)	(2,622)	(244)	(688)	(48)	(1,315)	(5,074)
Net Cash Provided (Used) by Operating Activities	\$ (55)	\$ 2,382	\$ 2,472	\$ (9,834)	\$ (138)	\$ (241)	\$ (5,414)
<u>Schedule of Noncash Investing, Capital and Financing Activities:</u>							
Change in Fair Value of Investments				\$ (210)	\$ (195)	\$ (29)	\$ (434)
Property Plant and Equipment							
Contributed by Other Funds		55					55
Total Noncash Investing, Capital and Financing Activities	\$	\$ 55	\$	\$ (210)	\$ (195)	\$ (29)	\$ (379)

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CITY OF CINCINNATI, OHIO

FIDUCIARY 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, 2018
(Amounts in Thousands)

	Agency Funds						Total
	Towing Charges Private Operators	Convention Facility Authority	Admissions Tax Bonds	Engineering Deposits	Metropolitan Sewer District		
ASSETS							
Cash and Cash Equivalents				\$ 4		\$ 4	
Equity in City Treasury Cash	75	\$ 821	37	2,904		\$ 3,837	
Cash With Fiscal Agent					\$ 1	1	
Investments, at fair value					299,695	299,695	
Receivables:							
Accounts, Net		5		28	34,475	34,508	
Accrued Interest and Dividends					734	734	
Total Assets	<u>\$ 75</u>	<u>\$ 826</u>	<u>\$ 37</u>	<u>\$ 2,936</u>	<u>\$ 334,905</u>	<u>\$ 338,779</u>	
LIABILITIES							
Accounts Payable	41			\$ 24	\$ 19,668	\$ 19,733	
Due to Other Governments		\$ 826			303,518	304,344	
Accrued Payroll					1,506	1,506	
Accrued Liabilities					37	37	
Deposits Payable	34		\$ 37	2,912	2	2,985	
Estimated Liability for Compensated Absences					10,174	10,174	
Total Liabilities	<u>\$ 75</u>	<u>\$ 826</u>	<u>\$ 37</u>	<u>\$ 2,936</u>	<u>\$ 334,905</u>	<u>\$ 338,779</u>	

CITY OF CINCINNATI, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the fiscal year ended June 30, 2018
(Amounts in Thousands)

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>TOWING CHARGES - PRIVATE OPERATORS</u>				
ASSETS				
Equity in City Treasury Cash	\$ 97	\$ 573	\$ 595	\$ 75
Total Assets	<u>\$ 97</u>	<u>\$ 573</u>	<u>\$ 595</u>	<u>\$ 75</u>
LIABILITIES				
Accounts Payable	\$ 43	\$ 580	\$ 582	\$ 41
Deposits Payable	54	1,665	1,685	34
Total Liabilities	<u>\$ 97</u>	<u>\$ 2,245</u>	<u>\$ 2,267</u>	<u>\$ 75</u>
 <u>CONVENTION FACILITY AUTHORITY</u>				
ASSETS				
Equity in City Treasury Cash	\$ 594	\$ 2,018	\$ 1,791	\$ 821
Accounts Receivable	3	5	3	5
Total Assets	<u>\$ 597</u>	<u>\$ 2,023</u>	<u>\$ 1,794</u>	<u>\$ 826</u>
LIABILITIES				
Accounts Payable		\$ 1,786	\$ 1,786	
Due to Other Governments	\$ 597	826	597	\$ 826
Total Liabilities	<u>\$ 597</u>	<u>\$ 2,612</u>	<u>\$ 2,383</u>	<u>\$ 826</u>
 <u>ADMISSION TAX BONDS</u>				
ASSETS				
Equity in City Treasury Cash	\$ 36	\$ 1	\$	\$ 37
Total Assets	<u>\$ 36</u>	<u>\$ 1</u>	<u>\$</u>	<u>\$ 37</u>
LIABILITIES				
Deposits Payable	\$ 36	1	\$	\$ 37
Total Liabilities	<u>\$ 36</u>	<u>\$ 1</u>	<u>\$</u>	<u>\$ 37</u>
 <u>ENGINEERING DEPOSITS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 6	\$ 298	\$ 300	\$ 4
Equity in City Treasury Cash	2,058	2,098	1,252	2,904
Accounts Receivable	69	176	217	28
Total Assets	<u>\$ 2,133</u>	<u>\$ 2,572</u>	<u>\$ 1,769</u>	<u>\$ 2,936</u>
LIABILITIES				
Accounts Payable		\$ 226	\$ 202	\$ 24
Deposits Payable	\$ 2,133	1,160	381	\$ 2,912
Total Liabilities	<u>\$ 2,133</u>	<u>\$ 1,386</u>	<u>\$ 583</u>	<u>\$ 2,936</u>

CITY OF CINCINNATI, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the fiscal year ended June 30, 2018
(Amounts in Thousands)

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>METROPOLITAN SEWER DISTRICT</u>				
ASSETS				
Cash with Fiscal Agent		\$ 28,706	\$ 28,705	\$ 1
Investments	\$ 308,473	997,228	1,006,006	299,695
Accounts Receivable	51,217	39,101	55,843	34,475
Accrued Interest Receivable	622	840	728	734
Total Assets	<u>\$ 360,312</u>	<u>\$ 1,065,875</u>	<u>\$ 1,091,282</u>	<u>\$ 334,905</u>
LIABILITIES				
Accounts Payable	\$ 20,863	\$ 336,099	\$ 337,294	\$ 19,668
Due to Other Governments	327,317	311,990	335,789	303,518
Accrued Payroll	1,452	2,939	2,885	1,506
Accrued Liabilities	37	37	37	37
Deposits Payable	113	175	286	2
Estimated Liability for Compensated Absences	10,530		356	10,174
Total Liabilities	<u>\$ 360,312</u>	<u>\$ 651,240</u>	<u>\$ 676,647</u>	<u>\$ 334,905</u>
 <u>TOTAL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 6	\$ 298	\$ 300	\$ 4
Equity in City Treasury Cash	2,785	4,690	3,638	3,837
Cash with Fiscal Agent		28,706	28,705	1
Investments	308,473	997,228	1,006,006	299,695
Receivables:				
Accounts, Net	51,289	39,282	56,063	34,508
Accrued Interest Receivable	622	840	728	734
Total Assets	<u>\$ 363,175</u>	<u>\$ 1,071,044</u>	<u>\$ 1,095,440</u>	<u>\$ 338,779</u>
LIABILITIES				
Accounts Payable	\$ 20,906	\$ 338,691	\$ 339,864	\$ 19,733
Due to Other Governments	327,914	312,816	336,386	304,344
Accrued Payroll	1,452	2,939	2,885	1,506
Accrued Liabilities	37	37	37	37
Deposits Payable	2,336	3,001	2,352	2,985
Estimated Liability for Compensated Absences	10,530		356	10,174
Total Liabilities	<u>\$ 363,175</u>	<u>\$ 657,484</u>	<u>\$ 681,880</u>	<u>\$ 338,779</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)

	June 30 2018	June 30 2017
Governmental Activites Capital Assets		
Land	\$ 200,072	\$ 203,501
Buildings	293,544	286,086
Improvements	532,195	528,494
Machinery and Equipment	185,675	183,879
Infrastructure	1,313,952	1,302,684
Construction in Progress	185,005	132,736
Property acquired under capital leases	<u>26,560</u>	<u>24,637</u>
 Total Governmental Capital Assets	 <u>\$ 2,737,003</u>	 <u>\$ 2,662,017</u>
 Investment in Governmental Capital Assets	 <u>\$ 2,737,003</u>	 <u>\$ 2,662,017</u>

Investment in Governmental Capital Assets by Source:

Permanent Improvement Fund or		
General Obligation Bonds	\$ 1,864,813	\$ 1,810,479
Federal Grants	204,894	198,247
State Grants	198,079	190,303
County Grants	17,144	16,258
Private	14,507	13,714
General Fund Revenues	98,523	102,926
Special Revenue Funds	77,150	70,577
Gifts	2,529	2,529
Other and Undifferentiated	<u>259,364</u>	<u>256,984</u>
 Total from All Sources	 <u>\$ 2,737,003</u>	 <u>\$ 2,662,017</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, 2018
(Amounts In Thousands)

	Total	Land	Buildings	Improvements	Equipment	Infrastructure	Property Acquisition under Capital Leases	Construction In Progress
Mayor and Council	58				58			
City Manager	5,570				3,458	2,048		7
Economic Inclusion	24				24			
Law	53				53			
Human Resources	6,819			6,673	115			31
Enterprise Technology Services	14,737				2,737		12,000	
Finance	1,560			710	830			20
Community & Economic Development	244,083	\$ 71,378	48,327	74,423	68	49,887		
City Planning and Buildings	86			3	83			
Recreation	160,268	3,963	33,823	118,261	4,014	207		
Parks	176,671	15,063	19,345	77,006	4,791	60,348		118
Buildings and Inspections	1,533	1,376		145	12			
Public Safety	96,348	1,833	8,608	12,618	61,966		11,323	
Transportation & Engineering	1,257,005	44,339	7,731	15,712	11,240	1,177,983		
Enterprise Services	1,030	297			733			
Public Services	191,391	6,043	57,553	68,950	32,305	23,479	3,061	
Public Health	17,972	237	4,203	9,997	3,535			
Pooled, Unassigned Equipment/	546				546			
Southern Railway Improvement	83,224			83,224				
General Government								
Land	55,260	55,260						
Buildings	113,634		113,634					
Improvements	51,433			51,433				
Total Governmental Capital Assets	2,479,305	199,769	293,272	519,164	126,568	1,313,952	26,560	
Allocated by Function								
Construction in Progress	185,005							\$ 185,005
Internal Service Funds:								
Purchasing, Printing and Stores	1,358				1,358			
Fleet Services	7,863	263	272	4,508	2,800			
Self Insurance Risk Management	12				12			
Self Insurance Worker's Compensation	82				82			
Property Management	29			6	23			
Enterprise Technology Services	63,349			8,517	54,832			
Total Governmental Capital Assets	\$ 2,737,003	\$ 200,072	\$ 293,544	\$ 532,195	\$ 185,675	\$ 1,313,952	\$ 26,560	\$ 185,005

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, 2018
(Amounts in Thousands)

	General Capital Assets July 1, 2017	Additions	Deletions	General Capital Assets June 30, 2018
Mayor and Council	\$ 58			\$ 58
City Manager	5,542	\$ 1,008	\$ 980	5,570
Economic Inclusion		24		24
Law	120		67	53
Human Resources	6,819			6,819
Enterprise Technology Services	14,693	62	18	14,737
Finance	1,443	144	27	1,560
Community and Economic Development	240,610	7,963	4,490	244,083
City Planning and Buildings	86			86
Citizen's Complaint & Internal Audit	25		25	
Recreation	160,077	726	535	160,268
Parks	169,133	7,750	212	176,671
Buildings and Inspections	1,533			1,533
Public Safety	92,481	9,194	5,327	96,348
Transportation & Engineering	1,251,947	8,147	3,089	1,257,005
Enterprise Services	1,030			1,030
Public Services	190,477	5,328	4,414	191,391
Public Health	18,024	16	68	17,972
Pooled, Unassigned Equipment	523	23		546
Southern Railway Improvement	83,224			83,224
General Government				
Land	55,899		639	55,260
Buildings	113,634			113,634
Improvements	51,558		125	51,433
Construction in Progress	132,736	89,123	36,854	185,005
Internal Service Funds:				
Purchasing, Printing and Stores	1,336	22		1,358
Fleet Services	7,894	55	86	7,863
Self Insurance Risk Management	12			12
Self Insurance Workers' Compensation	82			82
Property Management	29			29
Enterprise Technology Services	60,992	5,214	2,857	63,349
Total Governmental Capital Assets	<u>\$ 2,662,017</u>	<u>\$ 134,799</u>	<u>\$ 59,813</u>	<u>\$ 2,737,003</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, 2018

Fiscal Year	(a)General Obligation Bonds and Notes	(b)Municipal Income Tax Bonds and Notes	(c)Water Works Bonds	(d)(f)Revenue Bonds and Notes	(c)Police and Fire Pension Bonds	(a)Judgement Bonds		
	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		653,831,620	30,325,000	34,260,145		
2018	258,836,000	108,133,000		623,954,000	29,035,000	33,293,165		

Fiscal Year	(e)Urban Development Taxable Bonds and Notes	(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	(c) Blue Ash Revenue Stream Bonds
	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		
2018	3,805,000	2,590,000	9,320,000	81,485,000	10,105,000		\$ 15,890,000

Fiscal Year	(c)Stormwater Bonds and Notes	(c)Urban Redevelopment Bonds and Notes	(d) Public Building Bonds and Notes	(a) Streets Special Assessment Bonds	Gross Tax Supported Debt	Gross Revenue Supported Debt	Gross Total Debt
	2009	\$ 1,250,000	\$ 9,485,000			\$ 220,385,000	\$ 689,295,000
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	939,115,744	1,238,601,889
2018	7,745,000	1,450,000	12,135,000	965,000	292,129,165	906,612,000	1,198,741,165

- (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 has property tax support if necessary
- (d) Supported by current revenue, no tax support pledged
- (e) Supported by current revenue, but has property tax support if necessary-taxable
- (f) Includes crossover refunding of \$77,935,000 in fiscal years 2017 and 2018.

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
SCHEDULE OF ANNUAL DEBT SERVICE
General Obligation and Revenue Bonds
June 30, 2018

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
2018				\$ 239,705,000				\$ 196,363,165	2018
2019	\$ 27,155,000	\$ 9,667,377	\$ 36,822,377	212,550,000	\$ 12,366,847	\$ 7,413,606	\$ 19,780,453	183,996,318	2019
2020	24,815,000	8,591,369	33,406,369	187,735,000	11,971,671	6,965,917	18,937,588	172,024,647	2020
2021	22,825,000	7,585,704	30,410,704	164,910,000	12,046,495	6,517,887	18,564,382	159,978,152	2021
2022	17,735,000	6,722,388	24,457,388	147,175,000	11,586,275	6,082,313	17,668,588	148,391,877	2022
2023	15,830,000	5,966,969	21,796,969	131,345,000	10,801,010	5,661,034	16,462,044	137,590,867	2023
2024	13,995,000	5,283,138	19,278,138	117,350,000	10,860,746	5,244,837	16,105,583	126,730,121	2024
2025	13,560,000	4,652,219	18,212,219	103,790,000	11,200,481	4,811,043	16,011,524	115,529,640	2025
2026	11,810,000	4,066,978	15,876,978	91,980,000	10,950,173	4,372,314	15,322,487	104,579,467	2026
2027	11,555,000	3,522,669	15,077,669	80,425,000	10,634,820	3,940,815	14,575,635	93,944,647	2027
2028	10,615,000	3,003,019	13,618,019	69,810,000	10,749,468	3,527,339	14,276,807	83,195,179	2028
2029	9,965,000	2,562,047	12,527,047	59,845,000	10,684,071	3,138,780	13,822,851	72,511,108	2029
2030	8,970,000	2,181,888	11,151,888	50,875,000	9,943,630	2,741,068	12,684,698	62,567,478	2030
2031	7,910,000	1,852,525	9,762,525	42,965,000	8,838,190	2,357,125	11,195,315	53,729,288	2031
2032	7,220,000	1,560,175	8,780,175	35,745,000	9,027,705	1,987,183	11,014,888	44,701,583	2032
2033	6,840,000	1,286,775	7,926,775	29,105,000	8,782,132	1,623,274	10,405,406	35,919,451	2033
2034	6,170,000	1,031,325	7,201,325	22,935,000	7,021,559	1,301,750	8,323,309	28,897,892	2034
2035	6,205,000	788,025	6,993,025	16,730,000	7,225,986	1,020,017	8,246,003	21,671,906	2035
2036	4,040,000	597,869	4,637,869	12,690,000	9,345,369	699,241	10,044,610	12,326,537	2036
2037	3,360,000	456,663	3,816,663	9,330,000	3,964,752	439,606	4,404,358	8,361,785	2037
2038	3,075,000	323,666	3,398,666	6,255,000	2,079,047	321,135	2,400,182	6,282,738	2038
2039	1,775,000	220,859	1,995,859	4,480,000	2,003,343	231,840	2,235,183	4,279,395	2039
2040	1,800,000	143,750	1,943,750	2,680,000	2,092,594	141,934	2,234,528	2,186,801	2040
2041	1,825,000	65,859	1,890,859	855,000	2,186,801	48,001	2,234,802		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
2018				\$ 86,560,000				\$ 1,146,582,165	2018
2019	\$ 8,315,000	\$ 3,534,745	\$ 11,849,745	78,245,000	\$ 73,321,847	\$ 43,362,451	\$ 116,684,298	1,073,260,318	2019
2020	8,045,000	3,208,169	11,253,169	70,200,000	149,631,671	39,945,055	189,576,726	923,628,647	2020
2021	7,870,000	2,876,786	10,746,786	62,330,000	71,321,495	36,460,075	107,781,570	852,307,152	2021
2022	6,760,000	2,560,644	9,320,644	55,570,000	64,246,275	33,963,031	98,209,306	788,060,877	2022
2023	6,035,000	2,267,334	8,302,334	49,535,000	64,651,010	31,520,235	96,171,245	723,409,867	2023
2024	5,700,000	2,002,128	7,702,128	43,835,000	62,325,746	28,924,400	91,250,146	661,084,121	2024
2025	5,685,000	1,748,778	7,433,778	38,150,000	61,335,481	26,169,440	87,504,921	599,748,640	2025
2026	5,785,000	1,492,991	7,277,991	32,365,000	60,900,173	23,421,361	84,321,534	538,848,467	2026
2027	5,915,000	1,227,366	7,142,366	26,450,000	52,454,820	20,867,814	73,322,634	486,393,647	2027
2028	5,605,000	968,125	6,573,125	20,845,000	52,564,468	18,563,824	71,128,292	433,829,179	2028
2029	4,790,000	752,619	5,542,619	16,055,000	52,204,071	16,369,505	68,573,576	381,625,108	2029
2030	3,610,000	585,550	4,195,550	12,445,000	50,493,630	14,214,790	64,708,420	331,131,478	2030
2031	2,250,000	468,125	2,718,125	10,195,000	47,508,190	12,216,404	59,724,594	283,623,288	2031
2032	2,045,000	382,850	2,427,850	8,150,000	47,927,705	10,343,445	58,271,150	235,695,583	2032
2033	1,875,000	302,275	2,177,275	6,275,000	43,137,132	8,553,490	51,690,622	192,558,451	2033
2034	1,685,000	230,550	1,815,550	4,690,000	31,681,559	7,090,561	38,772,120	160,876,892	2034
2035	1,580,000	166,975	1,746,975	3,110,000	29,890,986	5,922,111	35,813,097	130,985,906	2035
2036	990,000	119,075	1,109,075	2,120,000	28,750,369	4,836,178	33,586,547	102,235,537	2036
2037	720,000	86,175	806,175	1,400,000	22,559,752	3,866,522	26,426,274	79,675,785	2037
2038	500,000	59,125	559,125	900,000	16,284,047	3,102,352	19,386,399	63,391,738	2038
2039	300,000	39,375	339,375	600,000	13,348,343	2,494,853	15,843,196	50,043,395	2039
2040	300,000	23,625	323,625	300,000	9,907,594	1,993,625	11,901,219	40,135,801	2040
2041	300,000	7,875	307,875		10,291,801	1,538,535	11,830,336	29,844,000	2041
					6,125,000	1,180,628	7,305,628	23,719,000	2042
					4,900,000	946,313	5,846,313	18,819,000	2043
					5,120,000	724,797	5,844,797	13,699,000	2044
					5,350,000	492,878	5,842,878	8,349,000	2045
					6,420,000	235,425	6,655,425	1,929,000	2046
					1,929,000	48,250	1,977,250		2047

REVENUE				
Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding Debt End of Year
2018				\$ 623,954,000
2019	\$ 25,485,000	\$ 22,746,723	\$ 48,231,723	598,469,000
2020	104,800,000	21,179,600	125,979,600	493,669,000
2021	28,580,000	19,479,698	48,059,698	465,089,000
2022	28,165,000	18,597,686	46,762,686	436,924,000
2023	31,985,000	17,624,898	49,609,898	404,939,000
2024	31,770,000	16,394,297	48,164,297	373,169,000
2025	30,890,000	14,957,400	45,847,400	342,279,000
2026	32,355,000	13,489,078	45,844,078	309,924,000
2027	24,350,000	12,176,964	36,526,964	285,574,000
2028	25,595,000	11,065,341	36,660,341	259,979,000
2029	26,765,000	9,916,059	36,681,059	233,214,000
2030	27,970,000	8,706,284	36,676,284	205,244,000
2031	28,510,000	7,538,629	36,048,629	176,734,000
2032	29,635,000	6,413,237	36,048,237	147,099,000
2033	25,840,000	5,341,166	31,181,166	121,259,000
2034	16,905,000	4,526,936	21,431,936	104,354,000
2035	14,880,000	3,947,094	18,827,094	89,474,000
2036	14,375,000	3,419,993	17,794,993	75,099,000
2037	14,515,000	2,884,078	17,399,078	60,584,000
2038	10,630,000	2,398,426	13,028,426	49,954,000
2039	9,270,000	2,002,779	11,272,779	40,684,000
2040	5,715,000	1,684,316	7,399,316	34,969,000
2041	5,980,000	1,416,800	7,396,800	28,989,000
2042	5,270,000	1,167,269	6,437,269	23,719,000
2043	4,900,000	946,313	5,846,313	18,819,000
2044	5,120,000	724,797	5,844,797	13,699,000
2045	5,350,000	492,878	5,842,878	8,349,000
2046	6,420,000	235,425	6,655,425	1,929,000
2047	1,929,000	48,250	1,977,250	

CITY OF CINCINNATI, OHIO
Schedule of Receipts and Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For Fiscal Year ended June 30, 2018

(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 Environmental Protection Agency										
* Passed through Ohio Environmental Protection Agency Nonpoint Source Implementation Grants	436	66.460	C9975500016	NAO	Environment & Sustainability	246	200	263		263
Total for CFDA No. 66.460						246	200	263		263
TOTAL ENVIRONMENTAL PROTECTION AGENCY										
2 U.S. Department of Agriculture										
* Passed through Ohio Department of Health Hamilton County WIC Program	391	10.557	03120011WA1017	NAM	Health	1,665		818		
Hamilton County WIC Program	391	10.557	03120011WA1118	NAM	Health	2,031		2,376		
Total for CFDA No. 10.557						3,696		3,194		
* Passed through Ohio Department of Education Child and Adult Care Food Program (CACFP)	324	10.558	55x2031	NAR	Recreation	25		23		
Total for CFDA No. 10.558						25		23		
TOTAL DEPARTMENT OF AGRICULTURE						3,721		3,217		
3 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	13		9		
b. Total for CFDA No. 93.044						13		9		
* 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	65	5	119		
b. Total for CFDA No. 93.045						65	5	119		
* Passed through Council on Aging of Southwestern Ohio Nutrition Services Incentive Program (NSIF)	324	93.053	65X2076	NAR	Recreation	29		14		
b. Total for CFDA No. 93.053						29		14		
* Passed through Ohio Department of Health Public Health Emergency Preparedness Public Health Emergency Preparedness	350	93.074	03120012PH817	NAM	Health	270		118		
	350	93.074	03120012PH918	NAM	Health	40		86		
Total for CFDA No. 93.074						310		204		
* Passed through Ohio Department of Health Reproductive Health & Wellness	350	93.217	3120011RH0718	NAM	Health	497	26	634		
Total for CFDA No. 93.217						497	26	634		
Health Center Cluster	446	93.224	H80CS25683	NAM	Health	2,767		2,694		
* Passed through Cincinnati Health Network Homeless Health Care Program	448	93.224	Contract #65x10136	NAM	Health	68		185		
i. Total for CFDA No. 93.224						2,835		2,879		
* Passed through Ohio Department of Health Immunization Action Plan Special	415	93.268	03120012IM1017	NAM	Health	289		225		
Total for CFDA No. 93.268						289		225		
* Passed through Ohio Department of Health Tobacco Use Prevention and Cessation	350	93.305	03120014TU0218	NAM	Health	30		80		
Total for CFDA No. 93.305						30		80		
Health Infrastructure Improvement Grant	446	93.526	C8DCS29106	NAM	Health	45		62		
Total for CFDA No. 93.526						45		62		
* Passed through Ohio Department of Job and Family Services Temporary Assistance for Needy Families (TANF)	323	93.558	05x2034 & 05x2035	APR	Recreation	192	160	417		
h. Total for CFDA No. 93.558						192	160	417		
* Passed through Ohio Department of Job and Family Services Refugee and Entrant Assistant Grant	350	93.566	G-14-15-17-0841	NAM	Health	100		100		
Total for CFDA No. 93.566						100		100		

CITY OF CINCINNATI, OHIO
Schedule of Receipts and Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For Fiscal Year ended June 30, 2018

(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
* Passed through Ohio Department of Job and Family Services										
Child Care and Development Block Grant (CCDBG)	323	93.575	05x2034 & 05x2035	APR	Recreation	96	80	209		209
a. Total for CFDA No. 93.575						96	80	209		209
* Passed through Ohio Department of Job and Family Services										
Social Services Block Grant - Title XX (SSBG)	323	93.667	05x2034 & 05x2035	APR	Recreation	96	80	209		209
Total for CFDA No. 93.667						96	80	209		209
* Passed through Ohio Department of Health										
Creating Healthy Communities	425	93.758	03120014CC0817	NAM	Health	88		113		113
Creating Healthy Communities	425	93.758	03120014CC0918	NAM	Health	68		7		7
Total for CFDA No. 93.758						156		120		120
* Passed through Ohio Department of Developmental Disabilities										
Medical Assistance Program	324	93.778	N/A	NAR	Recreation	14		23		23
c. Total for CFDA No. 93.778						14		23		23
Family & Community Violence Prevention Program (14CAMP)										
	368	93.910	YEPMP140082-02-00	NAS	Police	265		263		263
Total for CFDA No. 93.910						265		263		263
* Passed through Ohio Department of Health										
Denial Sealant Grant	350	93.994	03120011DS0417	NAM	Health			1	\$	(7)
Total for CFDA No. 93.994								1		(7)
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES						5,032	351	5,568		(7)
4 U.S. Department of Homeland Security										
FY16 Assistance to Firefighters Grant (AFG)	472	97.044	EMW-2016-FO-06950	NAS	Fire	1,028		1,028		
Total for CFDA No. 97.044						1,028		1,028		
FY15 Port Security Grant Program	368	97.056	EMW-2015-PU-00265	NAS	Police	37		11		11
FY16 Port Security Grant Program	368	97.056	EMW-2016-PU-00391	NAS	Police	54		53		53
FY17 Port Security Grant Program	368	97.056	EMW-2017-PU-00197-S01	NAS	Police	5		22		22
Total for CFDA No. 97.056						96		86		86
FY15 Staffing for Adequate Fire & Emergency Response	472	97.083	EMW-2015-FH-00547	NAS	Fire	3,751		4,440		4,440
Total for CFDA No. 97.083						3,751		4,440		4,440
TOTAL DEPARTMENT OF HOMELAND SECURITY						4,875		5,554		
5 U.S. Department of Housing and Urban Development										
Community Development Block Grants/Entitlement Grants	304	14.218	B14MC390003	NAC	DCED	856		856		174
Community Development Block Grants/Entitlement Grants	304	14.218	B15MC390003	NAC	DCED	1,307		1,307		538
Community Development Block Grants/Entitlement Grants	304	14.218	B16MC390003	NAC	DCED	1,512		1,286		679
Community Development Block Grants/Entitlement Grants	304	14.218	B17MC390003	NAC	DCED	3,793	789	4,825		4,029
Community Development Block Grants/Entitlement Grants	304	14.218	B18MC390003	NAC	DCED		2,152	2,974		9
Neighborhood Stabilization Program 1	438	14.218	B-08-MN-39-0003	NAO	DCED		20	1		1
d. Total for CFDA No. 14.218						7,468	2,961	11,249		5,429
Emergency Solutions Grant Program- 2016	445	14.231	E 16 MC 39 0003	NAO	DCED	108		42		42
Emergency Solutions Grant Program- 2017	445	14.231	E17 MC 39 0003	NAO	DCED	952		952		952
Total for CFDA No. 14.231						1,060		994		994
Home Investment Partnerships Program- 2012	411	14.239	M12MC390213	NAC	DCED			3		3
Home Investment Partnerships Program- 2013	411	14.239	M13MC390213	NAC	DCED	119		119		119
Home Investment Partnerships Program- 2014	411	14.239	M14MC390213	NAC	DCED	388		387		23
Home Investment Partnerships Program- 2015	411	14.239	M15MC390213	NAC	DCED	283		283		283
Home Investment Partnerships Program- 2016	411	14.239	M16MC390213	NAC	DCED	574		561		8

CITY OF CINCINNATI, OHIO
Schedule of Receipts and Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For Fiscal Year ended June 30, 2018

(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
Home Investment Partnerships Program- 2017	411	14.239	M17MC390213	NAC	DCED	188	\$	\$ 193		63
Home Investment Partnerships Program- 2018	411	14.239	M18MC390213	NAC	DCED	1,552	1,826	1,546		94
Total for CFDA No. 14.239						25		25		25
Housing Opportunities for Persons with AIDS- 2014	465	14.241	OHH 14001	NAO	DCED	76		76		76
Housing Opportunities for Persons with AIDS- 2015	465	14.241	OHH 15001	NAO	DCED	227		227		227
Housing Opportunities for Persons with AIDS- 2016	465	14.241	OHH 16001	NAO	DCED	455		455		455
Housing Opportunities for Persons with AIDS- 2017	465	14.241	OHH 17001	NAO	DCED	783		783		783
Total for CFDA No. 14.241							387	354		
Total for CFDA No. 14.248							387	354		
MetroWest HUD EDI - 10221	980	14.251	B-10-SP-OH-0080	CP	DCED	729		122		122
ARRA - Neighborhood Stabilization Program 3	438	14.256	B-11-MN-39-0003	NAO	DCED	729		122		122
Total for CFDA No. 14.256								1		1
Continuum of Care Program	410	14.267	OH0009L5E001407	NAO	DCED	3		4		4
Total for CFDA No. 14.267						3		4		4
Lead Hazard Control Grant	381	14.905	OHLHB0582-14	NAM	Health	1,286		1,336		1,336
Total for CFDA No. 14.905						1,286		1,336		1,336
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						12,881	5,174	16,389		7,304
6 U.S. Department of Justice										
* Passed through Ohio Attorney General Crime Victim Assistance (17VALU)	368	16.575	2017-VOCA-43552425	NAS	Police	45		20		20
Crime Victim Assistance (18VALU)	368	16.575	2018-VOCA-109309512	NAS	Police	51		43		43
Total for CFDA No. 16.575						96		63		63
* Passed through Ohio Office of Criminal Justice Services Violence Against Women Formula Grants (16VAWA)	368	16.588	2016-WF-VA5-8583	NAS	Police	44		44		44
Violence Against Women Formula Grants (17VAWA)	368	16.588	2017-WF-VA5-8583	NAS	Police	16		16		16
Total for CFDA No. 16.588						60		60		60
Public Safety Partnership & Community Policing Grant 2011	368	16.710	2011-UJL-WX-0024	NAS	Police			26		26
Public Safety Partnership & Community Policing Grant 2014	368	16.710	2014-UJL-WX-0029	NAS	Police	485		485		485
Public Safety Partnership & Community Policing Grant 2015	368	16.710	2015-UJL-WX-0030	NAS	Police	750		802		802
Public Safety Partnership & Community Policing Grant 2016	368	16.710	2016-UJL-WX-0050	NAS	Police	26		26		26
Total for CFDA No. 16.710						1,261		1,339		1,339
Technology Innovation for Public Safety (16TIPS)	368	16.738	2016-DG-BX-K052	NAS	Police	305		95		95
Edward Byrne Memorial Justice Assistance Grant (13JAG)	478	16.738	2013-DJ-BX-0194	NAS	Police			21		21
Edward Byrne Memorial Justice Assistance Grant (14JAG)	478	16.738	2014-DJ-BX-0398	NAS	Police		1	138		(7)
Edward Byrne Memorial Justice Assistance Grant (15JAG)	478	16.738	2015-DJ-BX-0238	NAS	Police		2	70		55
Edward Byrne Memorial Justice Assistance Grant (16JAG)	478	16.738	2016-DJ-BX-0213	NAS	Police		2	20		20
Total for CFDA No. 16.738						305	5	344	(7)	75
Body Worn Camera Policy & Implementation (162202)	980	16.835	2016-BC-BX-K061	CP	Police	186		186		186
Total for CFDA No. 16.835						186		186		186

CITY OF CINCINNATI, OHIO
Schedule of Receipts and Expenditures of Federal Awards
(Non-GAAP Budgetary Basis)
For Fiscal Year ended June 30, 2018

(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
						\$	\$	\$	\$	\$
Equitable Sharing Program	367	16.922		NAS	Police	205		561	(1)	
Total for CFDA No. 16.922						205		561	(1)	
TOTAL DEPARTMENT OF JUSTICE						2,113	5	2,553	(8)	135
7 U.S. Department of the Interior										
* Passed through Ohio Department of Natural Resources, Division of Wildlife										
Sport Fishing Restoration	324	15.605	AC17-31102	NAR	Recreation					7
Sport Fishing Restoration	324	15.605	AC18-31102	NAR	Recreation	10		3		
e. Total for CFDA No. 15.605						10		10		10
TOTAL DEPARTMENT OF INTERIOR						10		10		10
8 U.S. Department of Transportation										
Airport Improvement Program (FAA Local Match	980	20.106	3-39-0018-022-2014	CP	DOT			73		
142329)								73		
Total for CFDA No. 20.106								73		
* Passed through Ohio Department of Transportation										
Uptown Access Improvements West MLK Drive	980	20.205	PID 87036	CP	DOT	2,008	2,063	4,072		
(11330)										
Bicycle Transportation Program -Lunken Trail	980	20.205	PID 98756	CP	DOT			13		
(152337)										
Safe Routes to School (152387)	980	20.205	PID 94308	CP	DOT	60		9		
(152337)										
Colerain Corridor TSM Improvements (03343)	980	20.205	PID 87451	CP	DOT	376	63	439		
(152337)										
Transportation Alternative-Westwood Trail (172316)	980	20.205	PID 98757	CP	DOT	385		385		
(152337)										
Safety Improvement Project (172355)	980	20.205	PID 102062	CP	DOT	242		260		
(152337)										
FHA Local Bridge Fund Maiburg Bridge Grants	980	20.205	PID 94068	CP	DOT	908	863	1,771		
(172314)										
Street Rehabilitation Grants/Loans (172348)	980	20.205	PID 96693	CP	DOT	735		735		
(172314)										
Traffic Signal Installation & Renovation (162301)	980	20.205	PID 99782	CP	DOT	282		284		
(162384)										
Computerized Traffic Signal System Grants	980	20.205	PID 94484	CP	DOT	1,364	1,210	2,573		
(162384)										
* Passed through Ohio -Kentucky-Indiana Regional Council										
Computerized Traffic Signal System Grants	980	20.205	PID 101886	CP	DOT	258	86	485		
(182384)										
f. Total for CFDA No. 20.205						6,618	4,285	11,026		
* Passed through Southwest Ohio Regional Transit Authority										
FTA -Urban Circulator Grant - 03678	980	20.500	OH-03-0303-00	CP	DOT	62		1,087		
(182384)										
j. Total for CFDA No. 20.500						62		1,087		
* Passed through Ohio State Highway Patrol										
State and Community Highway Safety	368	20.600	MOA - Subgrantee (2016)	NAS	Police	17		23		
(16BLUEASH)										
State and Community Highway Safety	368	20.600	MOA - Subgrantee (2017)	NAS	Police	13		13		
(17BLUEASH)										
Selective Traffic Enforcement Program	368	20.600	STEP-2015-31-00-00-00500-00	NAS	Police					3
(14NONBLITZ)										
Selective Traffic Enforcement Program (16STEP)	368	20.600	STEP-2017-31-00-00-00483-00	NAS	Police	16		22		
(14NONBLITZ)										
Selective Traffic Enforcement Program (17STEP)	368	20.600	IDEP/STEP-2018-Cinti Police Dept-0026	NAS	Police	18		18		
(14NONBLITZ)										
Construction Zone Grant (17WORK71 & 17WORK75)	368	20.600	CZ-2017-31-00-00-00618-00	NAS	Police	33		33		
(14NONBLITZ)										
g. Total for CFDA No. 20.600						97		109		3
* Passed through Ohio State Highway Patrol										
Minimum Penalties for Repeat Offenders for Driving	368	20.608	IDEP/STEP-2018-Cinti Police Dept-0026	NAS	Police	22		22		
While Intoxicated (17IDEP)										
Total for CFDA No. 20.608						22		22		
* Passed through Ohio State Highway Patrol										
National Priority Safety Programs (14BLITZ)	368	20.616	IDEP-2015-31-00-00-00352-00	NAS	Police					3
(14NONBLITZ)										

CITY OF CINCINNATI, OHIO
Schedule of Receipts and Expenditures of Federal Awards
 (Non-GAAP Budgetary Basis)
 For Fiscal Year ended June 30, 2018

(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 (16IDEP)	368	20.616	IDEP-2017-31-00-00-00346-00	NAS	Police	26		26		
						26		29		
9. Total for CFDA No. 20.616						6,825	4,285	12,346		3
TOTAL DEPARTMENT OF TRANSPORTATION						\$ 35,703	\$ 10,015	\$ 45,900		(12) \$ 7,702

Notes to the Schedule of Receipts and Expenditures of Federal Awards

Basis of Presentation - The schedule of receipts and expenditures of federal awards (the "Schedule") includes the federal award activity of the City under programs of the federal government for the fiscal year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the City.

Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the Non-GAAP budgetary basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain type of expenditures are not allowed or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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, 2018 totaled \$10,883,315 under CFDA 14.218, \$35,094,122 under CFDA 14.239, \$354,336 under CFDA 14.248, \$6,575,274 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 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 remaining grant covered under this agreement is:

The Urban Circulator Grant CFDA 20.500 \$ 24,990,000.00

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

Reconciliation of Schedule of Receipts and Expenditures of Federal Awards to Budgetary Statements

Budgetary Statements	SEEA
Special Recreation Fund (APR)	\$ 384
Community Development (NAC)	9,020
Health (NAM)	9,237
Other Grants (NAO)	2,092
Recreation Grants (NAR)	156
Safety (NAS)	7,205
Capital Projects (CP)	7,595
	<u>\$ 35,703</u>

#1 Difference is unspent grant fund returned to the State of Ohio included in the repayments column above

#2 Difference is repayment to DOJ included in the repayments column above

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 2018 and 2017.

(AMOUNTS IN THOUSANDS)

	<u>FY2018</u>	<u>FY2017</u>
Required Base Amount	\$62,849	\$61,908
Actual Appropriated Amount	\$95,195	\$91,801
Infrastructure Expenditures - As of June 30, 2018	\$46,711	\$79,427
Percentage of Expenditures to Base Amount	74.3225%	128.2984%

I hereby certify that the City of Cincinnati appropriated for FY2018 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.

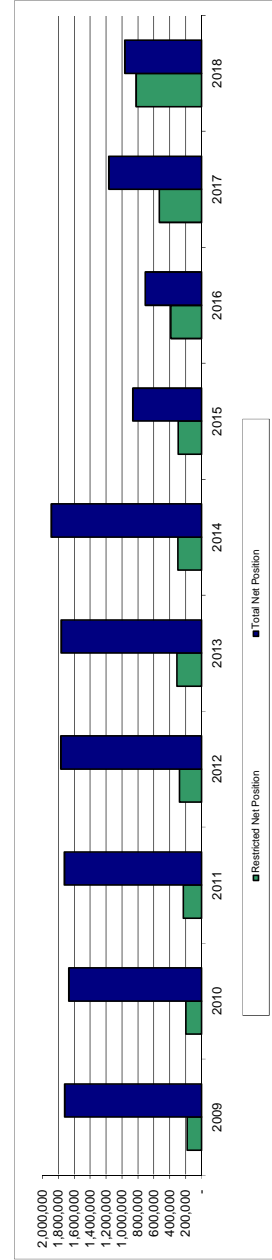
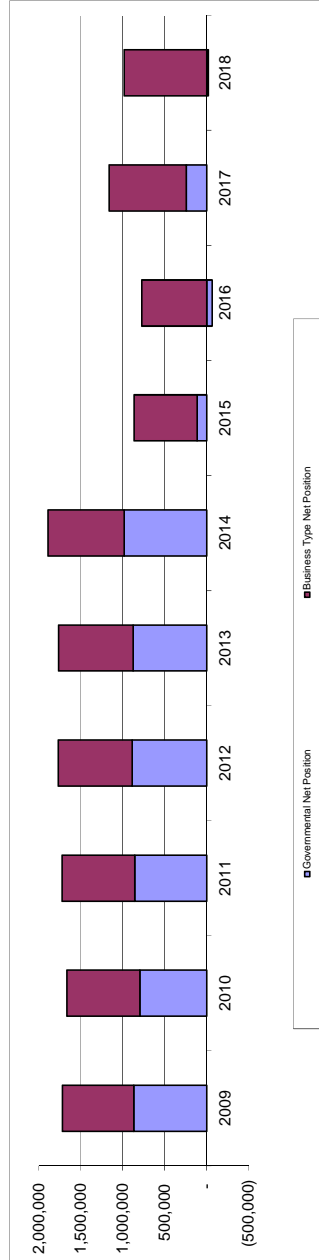
Note: The City changed its fiscal year in 2013 from a January 1 through December 31 to July 1 through June 30. The 2013 Fiscal year represents the six month conversion period from January 1 to June 30.

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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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net Investment in Capital Assets	\$ 674,090	\$ 714,580	\$ 741,266	\$ 777,236	\$ 797,444	\$ 866,831	\$ 928,893	\$ 868,010	\$ 902,668	\$ 938,541
Restricted	133,750	160,955	203,698	223,826	233,054	205,812	212,989	316,881	380,598	601,160
Unrestricted	60,588	(80,222)	(89,024)	(114,492)	(153,490)	(90,482)	(1,029,535)	(1,252,133)	(1,038,794)	(1,559,973)
Subtotal governmental activities net position	869,028	795,313	855,940	886,570	877,008	982,161	112,347	(67,242)	243,472	(20,272)
Business-Type activities										
Net Investment in Capital Assets	705,909	750,184	745,722	748,487	743,892	741,619	779,790	792,466	741,844	828,628
Restricted	47,438	36,587	23,010	52,330	77,273	90,651	79,623	67,988	146,953	221,472
Unrestricted	97,175	85,433	98,341	79,518	65,200	75,073	(106,980)	(86,602)	31,351	(68,069)
Subtotal business-type activities net position	850,522	872,204	867,073	880,335	886,365	907,343	752,433	773,852	920,148	982,031
Primary Government										
Net Investment in Capital Assets	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	1,767,169
Restricted	181,188	197,542	226,708	276,156	310,327	296,463	292,612	384,869	527,551	822,632
Unrestricted	157,763	5,211	9,317	(34,974)	(88,290)	(15,409)	(1,136,515)	(1,338,735)	(1,008,443)	(1,628,042)
Total primary government net position	\$ 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	\$ 961,759

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 107,959	\$ 106,395	\$ 78,682	\$ 52,737	\$ 18,198	\$ 59,231	\$ 62,795	\$ 59,129	\$ 64,104	\$ 65,860
General Government	408	5,147	37	13,346	6,779	31,726	32,147	10,799	13,471	9,627
Community Development	7,314	7,451	7,059	7,404	8,833	10,775	8,332	9,215	8,332	11,694
Parks and Recreation	14,230	14,789	19,331	18,059	8,752	22,032	25,205	22,172	15,952	26,032
Public Safety	85	1,956	1,360	1,581	937	3,233	3,865	550	1,993	1,496
Transportation and Engineering	5,735	2,588	36	2,301	1,056	2,789	2,971	4,578	3,721	5,346
Public Services	9,607	10,152	10,314	12,340	6,941	14,188	18,666	22,626	21,108	29,611
Public Health	54,101	64,475	66,024	78,897	21,967	58,425	66,808	48,537	39,173	36,632
Operating Grants and Contributions	22,951	23,436	27,012	31,232	21,416	36,456	35,054	20,563	12,786	14,287
Capital Grants and Contributions										
Total governmental activities program revenue	222,390	236,389	209,855	217,897	90,855	238,855	256,344	198,169	180,640	200,585
Business-type activities										
Charges for Services										
Water Works	115,377	123,443	119,434	132,486	64,840	139,635	140,124	146,395	155,282	160,811
Parking Facilities	8,860	9,520	10,385	10,402	5,709	13,468	12,119	13,095	12,903	14,443
Convention Center	5,236	6,764	7,513	6,788	4,221	6,693	6,978	8,211	7,407	8,764
General Aviation	1,932	2,039	2,044	2,083	1,444	1,848	1,985	2,086	2,133	2,141
Municipal Golf	6,458	6,069	5,270	5,990	2,760	5,392	5,509	5,759	5,855	5,754
Stormwater Management	8,756	8,919	8,412	9,686	5,691	11,305	11,455	11,200	11,187	10,613
Capital Grants and Contributions	9,971	32,217	3,543	3,414	359	2,197	4,684	9,964	1,576	6,610
Total business-type activities program revenues	156,590	188,971	156,601	170,849	85,024	180,538	182,854	196,710	196,343	209,136
Total primary government program revenues	\$ 378,980	\$ 425,360	\$ 366,456	\$ 388,746	\$ 175,879	\$ 419,393	\$ 439,198	\$ 394,879	\$ 376,983	\$ 409,721
Expenses										
Governmental Activities:										
General Government	\$ 140,573	\$ 178,047	\$ 117,064	\$ 111,713	\$ 33,404	\$ 122,523	\$ 93,793	\$ 145,758	\$ 3,895	\$ 74,731
Community Development	44,194	54,316	45,274	49,744	25,076	10,122	55,155	67,760	27,189	35,477
Parks and Recreation	42,345	51,298	42,419	44,615	25,399	50,777	46,310	59,286	7,229	30,332
Public Safety	253,413	254,720	242,159	248,347	128,138	231,266	255,412	276,858	279,296	326,114
Transportation and Engineering	42,361	46,805	34,121	58,483	11,671	59,104	44,366	52,063	14,881	41,284
Transit Systems	46,537	40,398	41,746	45,047	23,976	48,877	49,800	50,811	52,561	58,088
Public Services	48,987	60,920	57,415	46,287	28,611	60,855	50,878	58,286	8,006	26,722
Public Health	48,017	58,940	47,862	43,197	26,279	50,063	44,362	65,361	(16,397)	14,902
Interest on long-term debt	22,180	22,865	23,004	23,806	11,957	20,623	22,045	23,621	25,093	19,834
Total governmental activities expenses	688,607	768,309	651,064	671,239	314,511	654,210	662,121	799,804	401,753	627,484
Business-type activities										
Water Works	117,007	132,531	119,423	116,652	64,130	123,598	109,676	131,121	21,598	75,980
Parking Facilities	8,831	9,605	8,807	11,765	4,296	12,174	9,587	12,444	4,520	8,795
Convention Center	14,605	15,424	15,484	14,617	6,964	12,625	11,998	14,670	13,158	13,726
General Aviation	2,529	2,864	2,729	2,110	1,120	2,503	2,289	2,431	(513)	1,549
Municipal Golf	6,141	6,258	7,313	6,291	3,318	6,179	5,597	6,103	5,866	6,233
Stormwater Management	9,998	8,927	11,157	11,458	4,621	10,481	11,623	12,318	9,985	15,920
Total business-type activities expenses	159,111	175,609	164,913	162,893	84,449	167,560	150,770	179,087	54,614	122,203
Total primary government expenses	\$ 847,718	\$ 943,918	\$ 815,977	\$ 834,132	\$ 398,960	\$ 821,770	\$ 812,891	\$ 978,891	\$ 456,367	\$ 749,687
Net (Expense)/Revenue										
Governmental activities	\$ (466,217)	\$ (531,920)	\$ (441,209)	\$ (453,342)	\$ (223,656)	\$ (415,355)	\$ (405,777)	\$ (601,635)	\$ (221,113)	\$ (426,899)
Business-type activities	(2,521)	13,362	(8,312)	7,956	575	12,978	32,084	17,623	141,729	86,933
Total Primary Government Net Expense	(468,738)	(518,558)	(449,521)	(445,386)	(223,081)	(402,377)	(373,693)	(584,012)	(79,384)	(339,966)

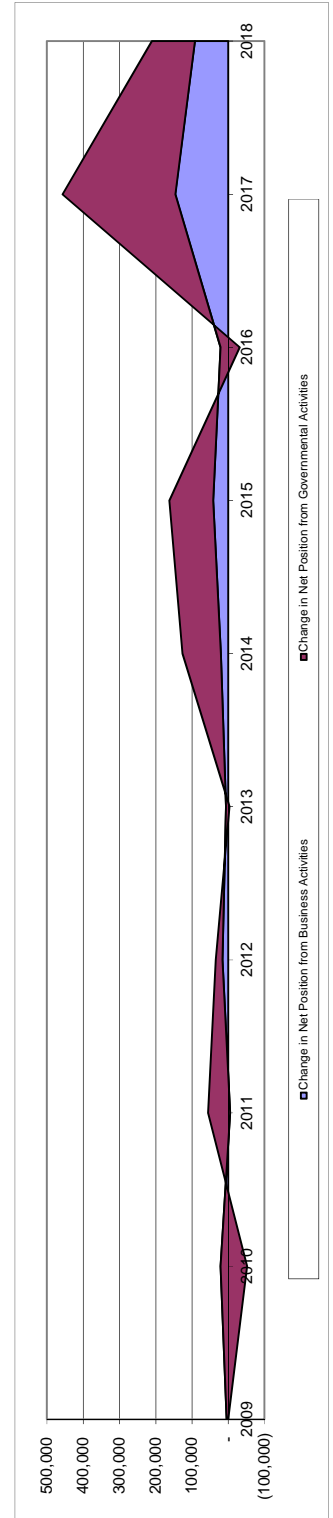
Continued

City of Cincinnati, Ohio
 Financial Trends Information
 Schedule 2
 Changes in Net Position
 Last Ten Fiscal Period
 (Amounts in Thousands)

	Fiscal Period									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Assets(Position)										
Governmental activities:										
Tax										
Property taxes	\$ 80,153	\$ 51,509	\$ 53,335	\$ 50,310	\$ 23,730	\$ 58,714	\$ 58,668	\$ 59,426	\$ 60,253	\$ 62,659
Income taxes	299,778	297,636	325,089	319,317	159,275	351,262	362,184	371,650	369,978	374,664
Admission taxes	4,028	4,174	4,450	4,616	1,720	5,278	5,422	6,586	5,811	5,796
Occupancy Tax	1,884	2,007	2,270	2,330	1,092	2,705	2,854	3,369	3,626	3,690
Shared Revenues	60,320	64,714	62,012	57,438	14,817	50,004	46,839	48,767	41,979	41,791
Unrestricted Investment earnings	14,461	10,861	9,407	5,931	(2,963)	10,357	7,108	8,972	3,413	2,407
Miscellaneous	1,350	27,380	31,844	31,370	17,474	41,048	42,585	45,067	44,426	51,587
Special Item - Gain on Sale of Property			14,000							
Transfers between governmental and business-type activities	202	(76)	(571)	100	(1,051)	1,140	1,119	4,788	2,341	2,934
Total governmental activities	462,176	458,205	501,836	471,412	214,094	520,508	526,779	548,625	531,827	545,528
Business-type activities:										
Tax										
Occupancy taxes	1,187	1,234	1,394	1,419	836	1,640	1,662	2,179	2,166	2,314
Unrestricted Investment earnings	3,662	4,969	4,515	3,976	(449)	4,443	3,524	4,625	2,224	3,760
Miscellaneous	2,494	2,041	1,486	3,294	4,301	3,057	5,243	1,780	2,518	1,664
Special Item	(202)	76	571	(100)	1,051	(1,140)	(1,119)	(4,788)	(2,341)	(2,934)
Transfers between governmental and business-type activities										
Total business-type activities	7,141	8,320	3,181	8,589	5,739	8,000	9,310	3,796	4,567	4,804
Total Primary Governmental Activities	469,317	466,525	505,017	480,001	219,833	528,508	536,089	552,421	536,394	550,332
Change in Net Position										
Governmental activities	\$ (4,041)	\$ (73,715)	\$ 60,627	\$ 18,070	\$ (9,562)	\$ 105,153	\$ 121,002	\$ (53,010)	\$ 310,714	\$ 118,629
Business-type activities	4,620	21,682	(5,131)	16,545	6,314	20,978	41,394	21,419	146,296	91,737
Total Primary Governmental Activities	\$ 579	\$ (62,033)	\$ 55,496	\$ 34,615	\$ (3,248)	\$ 126,131	\$ 162,396	\$ (31,591)	\$ 457,010	\$ 210,366

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable	\$ 5,790	\$ 3,726	\$ 4,063	\$ 6,415	\$ 4,025	\$ 2,304	\$ 3,612	\$ 3,730	\$ 3,931	\$ 3,852
Unrestricted:										
Committed	12,885	8,295	5,287	6,828	7,177	7,793	5,264	6,366	6,475	6,653
Assigned	36,106	27,316	24,975	24,548	22,561	6,620	5,734	8,810	7,539	8,981
Unassigned	35,214	46,017	65,481	61,915	52,545	64,778	72,232	73,932	59,380	54,980
Total General Fund	89,995	85,354	99,806	99,706	86,308	81,495	86,842	92,838	77,325	74,466
Capital Projects Fund										
Nonspendable	17,213	15,962	898	903	837	797	754	774	730	756
Restricted	118,630	109,561	125,603	160,798	134,339	134,412	59,435	151,402	202,045	179,435
Unrestricted:										
Committed	15,764									
Assigned	31,550									
Total Capital Projects Fund	183,157	125,523	126,501	161,701	135,176	135,209	60,189	152,176	202,775	180,191
Debt Service Fund										
Nonspendable		10,000								
Restricted	73,137	50,548	81,090	76,846	90,078	108,575	99,091	116,003	102,507	107,049
Total Debt Service Fund	73,137	60,548	81,090	76,846	90,078	108,575	99,091	116,003	102,507	107,049
Tax Increment Financing Fund										
Restricted		45,421	60,738	37,224	25,087	26,505	27,350	50,284	35,192	35,456
Total Tax Increment Financing Fund		45,421	60,738	37,224	25,087	26,505	27,350	50,284	35,192	35,456
All Other Governmental Funds										
Nonspendable	3,447	3,274	2,645	2,655	2,658	2,713	2,628	2,428	2,385	
Reserved										
Restricted	52,111	52,664	56,348	56,742	58,190	59,621	72,833	66,917	71,580	
Unrestricted:										
Committed										
Assigned	24,587	503	18,021	13,171	13,642	17,218	19,443	19,129	17,378	2,287
Unassigned	(1,581)	18,447	(1,748)	(1,024)	(2,841)	(1,025)	(2,139)	(1,502)		65,512
Total Other Governmental Funds	78,564	74,888	75,266	71,544	71,649	78,527	92,765	86,972	91,353	21,953
Total Fund Balance, Governmental Funds	\$ 424,853	\$ 391,734	\$ 443,401	\$ 447,021	\$ 408,298	\$ 430,311	\$ 366,237	\$ 498,273	\$ 509,152	\$ 486,914
Estimated Liability for Compensated Absences	\$ 10,623	\$ 1,065	\$ 1,048	\$ (3,448)	\$ 5,707	\$ (1,317)	\$ 2,395	\$ 3,334	\$ 10,433	\$ 10,174

Notes: 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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 386,846	\$ 359,559	\$ 377,508	\$ 379,467	\$ 190,262	\$ 409,624	\$ 421,178	\$ 440,768	\$ 439,212	\$ 446,981
Licenses and Permits	12,045	11,218	11,313	10,624	6,071	14,041	15,078	14,781	17,024	18,639
Use of Money and Property	41,409	43,935	38,047	37,099	13,488	44,654	39,960	50,051	38,085	42,071
Special Assessments	4,383	5,416	4,993	5,058	3,128	6,061	6,376	5,398	6,739	6,938
Intergovernmental Revenue	71,514	75,139	71,506	90,255	29,442	55,963	54,187	57,413	51,444	48,614
Federal Grants	48,165	60,328	62,508	65,729	30,728	69,829	80,131	53,240	36,342	32,133
State Grants and Other Subsidies	10,461	14,738	17,824	10,550	7,233	9,384	10,528	4,590	8,840	8,840
Charges for Current Services	34,066	35,015	35,007	37,738	18,461	40,675	48,551	53,926	52,261	61,924
Miscellaneous	13,216	35,753	35,419	34,839	18,791	47,628	47,151	48,911	62,719	62,834
Total Revenue	622,095	641,101	654,125	671,359	317,604	697,859	723,140	729,078	708,575	728,974
Expenditures										
Current										
General Government	65,161	62,296	64,982	65,969	42,632	92,091	98,413	100,781	95,102	103,720
Community Development	11,418	10,553	8,386	8,351	3,854	12,928	12,272	46,146	23,774	19,922
Parks and Recreation	28,864	28,324	26,048	28,133	13,959	35,930	38,214	38,518	39,614	40,155
Public Safety	180,917	177,738	177,432	176,453	84,797	229,607	240,235	241,815	267,093	276,401
Transportation and Engineering	8,222	7,488	6,241	7,671	3,851	9,216	8,798	8,395	8,874	10,057
Transit System	46,537	40,398	41,746	45,047	23,976	48,877	49,800	50,811	52,561	58,088
Public Services	33,549	35,514	28,887	27,834	15,573	40,661	39,646	37,417	36,435	38,343
Public Health	34,275	33,898	30,203	31,397	15,742	44,464	46,371	49,504	52,779	52,597
Employee Benefits	84,487	92,418	94,932	102,874	53,084	186,742	180,904	135,669	118,793	112,549
Capital Outlay	142,571	171,810	144,866	205,251	86,988	186,742	180,904	135,669	118,793	112,549
Debt Services:										
Principal Retirement	41,852	38,338	40,869	44,888	708	59,635	49,039	51,346	57,441	63,641
Interest	21,878	22,878	22,670	23,885	12,020	20,812	25,882	26,688	28,422	21,696
Bond Issuance Cost	1,070	556	850	1,193	-	900	-	4,202	1,336	851
Total Expenditures	700,801	722,209	688,112	768,946	357,184	781,863	789,574	791,292	782,224	798,020
Excess(Deficiency) of Revenues over(under) Expenditures	(78,706)	(81,108)	(33,987)	(97,587)	(39,580)	(84,004)	(66,434)	(62,214)	(73,649)	(69,046)
Other Financing Sources (Uses)										
General Obligation Bonds and Notes Issued	64,250	47,027	49,000	89,155	94,721	140,481	65,038	140,481	65,038	41,911
Revenue Bonds Issued	12,770		21,000			35,530	10,000	20,079	10,420	
Capital Lease Financing						173,100	10,725	(191,486)	(10,667)	60,023
Refunding Bonds Issued	5,080	10,305	19,000	49,025	42,045	(46,959)	(120)	32,049	3,940	11,843
Payment to Refunded Bonds Escrow Agent	(4,800)	(10,810)	(20,683)	(54,571)	(19,128)	101,424	46,663	164,800	102,285	52,316
Discount on Bonds	(31)	(180)	(180)	(180)	(180)	(159,741)	(107,207)	(50,139)		
Premium on Bonds Issued	1,279	1,661	3,869	17,670	16,309	105,890	2,360	194,250	84,528	46,808
State Loans Received										
Capital Lease Agreements										
Revenue Loan Proceeds										
Judgement Payment with Bonds Issued										
Transfers In	80,441	81,621	74,290	115,744	19,985	101,424	46,663	164,800	102,285	52,316
Transfers(Out)	(80,561)	(81,815)	(74,642)	(114,796)	(19,128)	(101,650)	(44,303)	(159,741)	(107,207)	(50,139)
Total Other Financing Sources(Uses)	78,428	47,989	71,654	102,227	857	105,890	2,360	194,250	84,528	46,808
Special Item			14,000							
Net change in fund balances	\$ (278)	\$ (33,119)	\$ 51,667	\$ 4,640	\$ (38,723)	\$ 21,886	\$ (64,074)	\$ 132,036	\$ 10,879	\$ (22,236)
Capitalized Assets	\$ 124,870	\$ 108,294	\$ 112,357	\$ 141,071	\$ 79,205	\$ 88,689	\$ 123,072	\$ 64,152	\$ 33,137	\$ 21,658
Debt services as a Percentage of Noncapital Expenditures	11.42%	11.12%	11.70%	12.20%	4.71%	13.52%	12.31%	11.90%	12.94%	12.45%

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

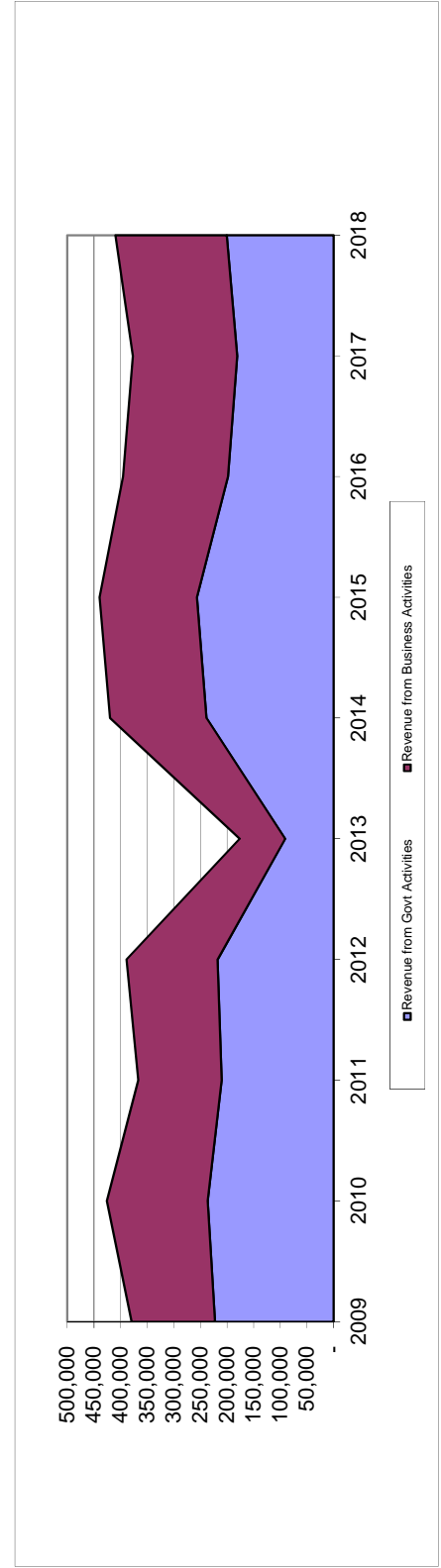
Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program										
Governmental Activities:										
General Government	\$ 110,673	\$ 111,773	\$ 90,913	\$ 69,143	\$ 23,079	\$ 65,245	\$ 68,380	\$ 59,270	\$ 64,906	\$ 67,305
Community Development	31,580	43,336	36,005	45,061	18,610	64,039	74,185	32,935	28,688	21,250
Parks and Recreation	9,358	12,601	9,447	9,295	5,361	12,171	10,535	12,547	10,849	16,746
Public Safety	26,464	27,654	35,241	30,243	13,150	34,914	36,894	36,155	26,457	36,779
Transportation and Engineering	19,382	15,828	17,007	41,236	17,796	35,199	33,049	17,987	12,662	11,528
Public Services	5,781	4,812	1,409	3,304	1,358	3,161	3,801	5,618	3,758	5,351
Public Health	19,152	20,385	19,833	19,615	11,501	24,126	29,500	33,657	33,320	41,626
Subtotal governmental activities program revenue	222,390	236,389	209,855	217,897	90,855	238,855	256,344	198,169	180,640	200,585
Business-type activities										
Water Works	125,081	126,482	122,738	135,871	65,142	141,637	144,323	154,357	156,763	161,299
Parking Facilities	8,868	9,520	10,535	10,402	5,766	13,468	12,119	13,095	12,903	14,443
Convention Center	5,236	6,764	7,513	6,788	4,221	6,693	7,381	9,428	7,443	11,336
General Aviation	2,191	2,042	2,133	2,112	1,444	2,043	2,067	2,871	2,183	5,691
Municipal Golf	6,458	6,367	5,270	5,990	2,760	5,392	5,509	5,759	5,864	5,754
Stormwater Management	8,756	37,796	8,412	9,686	5,691	11,305	11,455	11,200	11,187	10,613
Subtotal business-type activities program revenues	156,590	188,971	156,601	170,849	85,024	180,538	182,854	196,710	196,343	209,136
Total primary government program revenues	\$ 378,980	\$ 425,360	\$ 366,456	\$ 388,746	\$ 175,879	\$ 419,393	\$ 439,198	\$ 394,879	\$ 376,983	\$ 409,721

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

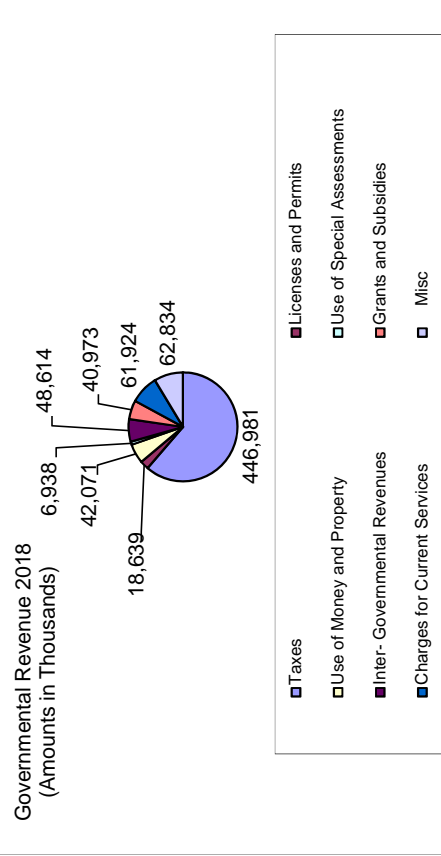
Total Revenue by Source, Governmental Funds
Last Ten Fiscal Periods
(Amounts in Thousands)

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
2009	366,846	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	55,963	79,213	40,675	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
2018	446,981	18,639	42,071	6,938	48,614	40,973	61,924	62,834	728,974
Change 2009-2018	15.5%	54.7%	1.6%	58.3%	-32.0%	-30.1%	81.8%	375.4%	17.2%

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

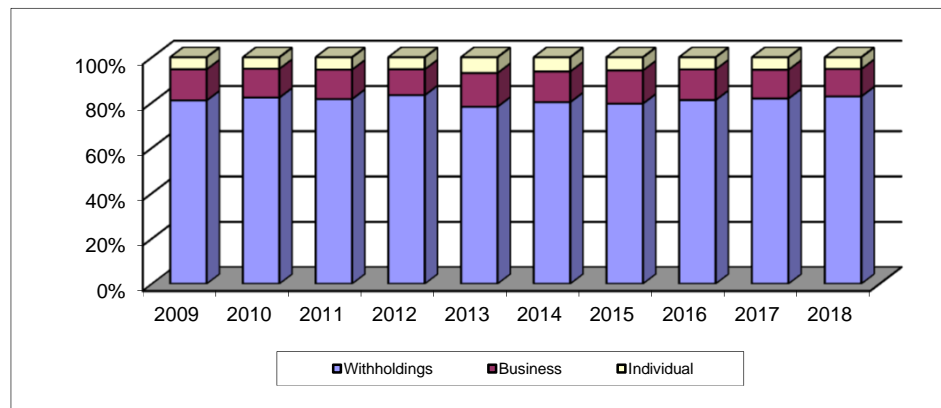
Fiscal Year	Income Tax	Property Tax	Admissions Tax	Occupancy Tax	Tax Revenue
2009	303,685	77,250	4,027	1,884	386,846
2010	302,307	51,070	4,175	2,007	359,559
2011	317,453	53,335	4,450	2,270	377,508
2012	322,526	49,995	4,616	2,330	379,467
2013	166,137	21,314	1,719	1,092	190,262
2014	344,688	56,953	5,278	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
2018	374,663	62,831	5,797	3,690	446,981
Change 2009-2018	23.3%	-18.7%	44.0%	95.9%	15.6%

(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
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
2018	20,422	5.2%	47,783	12.1%	326,447	82.7%	394,652	22,424	372,228



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)**

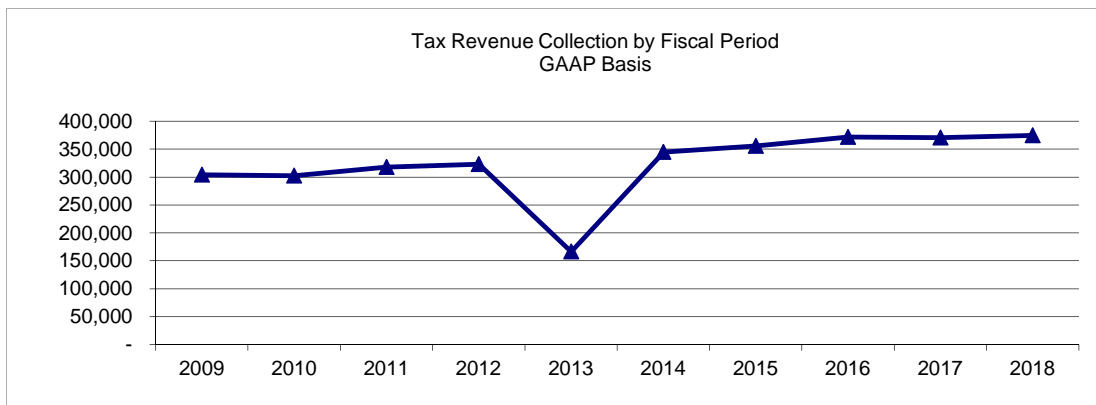
Non GAAP Budgetary Basis

Year	General Fund	Transit Fund	Infrastructure Fund	Permanent Improvement Fund	Total	% Inc(Dec) PriorYr
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	-1.21%
2018	277,477	53,705	17,902	26,853	375,937	1.14%

GAAP Basis

Year	General Fund	Transit Fund	Infrastructure Fund	Permanent Improvement Fund	Total	% Inc(Dec) PriorYr
2009	222,942	43,150	14,383	23,210	303,685	1.99%
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	-0.35%
2018	276,537	53,523	17,841	26,762	374,663	1.22%

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	<u>Assessed Valuations</u>					Direct Tax Rate
	Real Property	Public Utility Property	Tangible Personal Property	Total		
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	
2018	5,313,434,440	457,626,470	-	5,771,060,910	12.04	

The current assessed valuation for collection year 2018 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
2009	\$ 16,956,032,857	2014	\$ 14,993,279,743
2010	16,971,752,257	2015	15,233,466,886
2011	16,694,282,143	2016	15,387,387,543
2012	15,266,671,771	2017	15,573,171,429
2013	15,068,725,257	2018	16,488,745,457

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	<u>Agricultural</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Residential</u>	<u>Utilities</u>
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
2018	1,228,660	1,705,982,070	236,461,380	3,359,714,230	10,048,100

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				
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
2017 for	2018	5.54	6.5	77.23	21.19	110.46	80.63	93.48

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	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Duke Energy	\$ 463,438,620	1	8.03%	266,271,770	1	4.49%
City of Cincinnati	100,473,450	2	1.74%			
The Procter and Gamble Co	53,216,680	3	0.92%	62,975,800	2	1.06%
Fifth Third Bank	44,582,810	4	0.77%	21,799,510	7	0.37%
The Christ Hospital	42,183,610	5	0.73%			
Emery Realty	23,766,200	6	0.41%			
Cardinal Funding Company LLC	23,446,260	7	0.41%			
OTR	19,925,860	8	0.35%			0.00%
Regency Centers LP	19,590,580	9	0.34%	19,619,800	9	0.33%
Columbia Development	17,186,350	10	0.30%	24,239,670	6	0.41%
Carew Realty Inc				29,263,860	4	0.49%
Cincinnati Bell				34,557,140	3	0.58%
Jewish Health Systems, Inc				20,496,940	8	0.35%
Centro NP Residual Pool				15,477,130	10	0.26%
Ohio Teachers Retirement System				26,250,000	5	0.44%
Total	<u>\$ 807,810,420</u>		<u>14.00%</u>	<u>520,951,620</u>		<u>8.78%</u>
Total Assessed Value	<u>\$ 5,771,060,910</u>			<u>\$ 5,934,611,500</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 2017 valuation for 2018 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
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	59,415	56,877	95.73%	2,387	59,264	99.75%
2017	59,798	57,220	95.69%	1,986	59,206	99.01%

Note 1: Collections (2008 - 2017) 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.

Revenue Capacity
Schedule 8
Water Works
Top Ten Retail Customer Data
For The Year Ended June 30, 2018

RANK	NAME OF CUSTOMER	TOTAL			TOTAL			PERCENT OF TOTAL CHARGES
		CONSUMPTION, HUNDREDS OF CUBIC FEET	CONSUMPTION, THOUSANDS OF GALLONS	PERCENT OF TOTAL CONSUMPTION	CONSUMPTION, THOUSANDS OF GALLONS	PERCENT OF TOTAL CONSUMPTION	CHARGES	
1	University of Cincinnati	560,127	418,975	1.13%	418,975	1.13%	\$1,017,398	0.65%
2	Children's Hospital	304,333	227,641	0.62%	227,641	0.62%	\$622,009	0.40%
3	Cognis Corporation	287,212	214,835	0.58%	214,835	0.58%	\$601,469	0.38%
4	Procter and Gamble	238,299	178,248	0.48%	178,248	0.48%	\$493,432	0.31%
5	CCB CC Operations*	181,764	135,959	0.37%	135,959	0.37%	\$361,243	0.23%
6	Rhodia Inc	177,480	132,755	0.36%	132,755	0.36%	\$356,486	0.23%
7	Samuel Adams Brewing	157,580	117,870	0.32%	117,870	0.32%	\$315,483	0.20%
8	Cinergy Solutions	150,046	112,234	0.30%	112,234	0.30%	\$390,329	0.25%
9	John Morrell Co	148,885	111,366	0.30%	111,366	0.30%	\$373,271	0.24%
10	Christ Hospital	124,031	92,775	0.25%	92,775	0.25%	\$249,858	0.16%
	Total - Top Ten Retail Users	2,329,757	1,742,658	4.71%	1,742,658	4.71%	\$4,780,978	3.05%
	TOTAL - Top 75 Users	18,128,618	13,560,206	36.73%	13,560,206	36.73%	\$36,975,371	23.52%
	TOTAL - System	49,376,511	36,933,630	100.00%	36,933,630	100.00%	\$157,402,813	100.00%

*Formerly Coca Cola

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
2009	45,554.620	124.8	169.3	260	65.12%
2010	47,328.971	129.7	188.6	260	72.54%
2011	44,396.749	121.6	206.3	260	79.36%
2012	45,233.283	123.6	230.3	260	88.56%
2013	20,559.715	113.6	168.6	260	64.85%
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%
2018	44,184.229	121.1	157.2	260	60.48%

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
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%
2018	148,070,537	147,519,014	99.63%
	<u>\$ 1,158,441,688</u>	<u>\$ 1,156,321,827</u>	<u>99.82%</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		State Infrastructure Bank		Loans		Capital Leases		Total Outstanding Debt		Outstanding Debt per Capita (Actual)		% of Per Capita Personal Income (2)		Debt to Net Asset Ratio		
Governmental Activities																									
2009	\$	389,680	\$	4,490	\$	80,140								\$	3,029	\$	501	\$	477,840	\$	1,437.29		3.8%		1.83
2010		401,597		22,500		77,000									2,847		460		504,404		1,698.66		4.3%		1.72
2011		411,574		17,000		95,715									2,636		353		527,278		1,775.69		3.8%		1.51
2012		481,313		34,595	\$	93,946	\$	7,500	12,887					2,425		284		632,950		2,136.73		4.9%		1.35	
2013 (1)		480,958		69,275		93,418		7,500	12,817					2,320		200		666,488		2,247.47		5.1%		1.33	
2014		533,482		51,050		90,023			11,952					2,109		121		688,737		2,314.95		5.0%		1.27	
2015		486,949		73,144		84,044			11,643					4,444		135		660,359		2,319.42		4.9%		1.49	
2016		579,156		34,225		126,534		14,725	11,643					4,003		25,133		795,419		2,211.89		4.5%		0.14	
2017		580,407		29,248		132,118			18,879					3,715		28,408		792,775		2,653.20		N/A		(0.08)	
2018		550,105		52,159		121,415			12,441	\$	5,389			3,427		25,091		770,027		2,555.67		N/A		(1.37)	
Business-Type Activities																									
2009	\$	13,155	\$	6,250	\$	415,965								\$	12,190	\$	284	\$	447,844	\$	1,347.07		3.5%		1.89
2010		20,068				401,100								8,271		190		429,629		1,446.84		3.6%		1.98	
2011		16,871				448,865								10,321		120		476,177		1,603.60		3.4%		1.83	
2012		13,707				519,060								17,790		1,835		552,392		1,864.78		4.1%		1.57	
2013 (1)		13,705				518,092								30,445		1,685		563,927		1,901.63		4.3%		1.57	
2014		10,322				496,570								39,920		1,501		548,313		1,842.96		4.7%		1.62	
2015		7,229				474,009								45,882		1,252		528,372		1,838.96		3.9%		1.72	
2016		21,318				504,232								44,851		989		571,390		1,910.19		3.9%		1.32	
2017		25,180				578,479								42,485		699		646,843		2,146.83		N/A		1.20	
2018		27,201				544,380								45,290		440		617,311		2,048.82		N/A		1.59	
Total Primary Governmental Activities																									
2009	\$	402,835	\$	10,740	\$	496,105								\$	15,219	\$	785	\$	925,684	\$	2,564.14		6.7%		1.86
2010		421,665		22,500		478,100								11,118		650		934,033		2,786.09		7.1%		1.84	
2011		428,445		17,000		544,580								12,957		473		1,003,455		2,809.48		7.4%		1.66	
2012		495,020		34,595		613,006	\$	7,500	12,887					20,215		2,119		1,185,342		3,018.29		7.6%		1.45	
2013 (1)		494,663		69,275		611,510		7,500	12,817					32,765		1,885		1,230,415		3,923.16		10.1%		1.44	
2014		543,804		51,050		586,593			11,952					42,029		1,622		1,237,050		4,143.61		10.3%		1.43	
2015		494,178		73,144		558,053			11,643					50,326		1,387		1,188,731		3,995.51		8.5%		1.59	
2016		600,474		34,225		630,766		14,725	11,643					48,854		26,122		1,366,809		3,986.82		8.2%		0.63	
2017		605,587		29,248		710,597			18,879					46,200		29,107		1,439,618		4,800.03		N/A		0.49	
2018		577,306		52,159		665,795			12,441	\$	5,389			48,717		25,531		1,387,338		4,604.49		N/A		(0.05)	

(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 Capita
Last Ten Years**

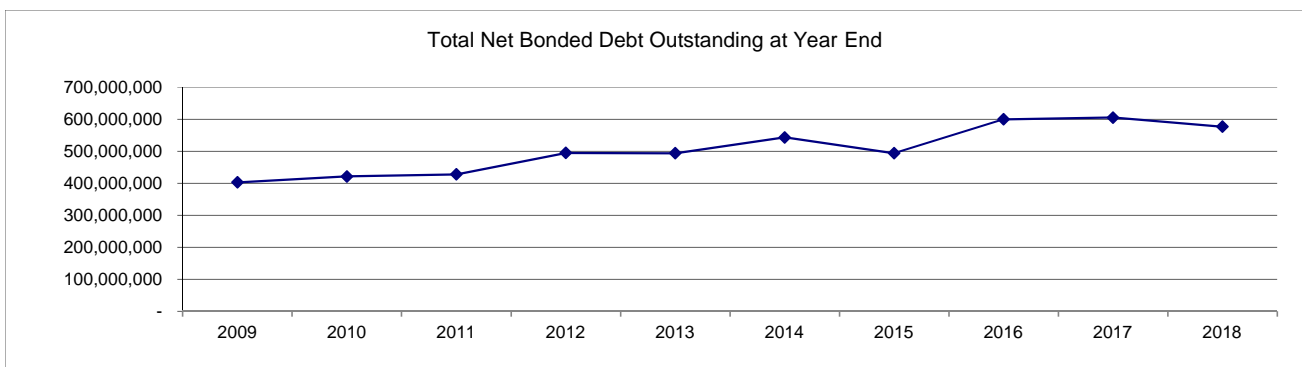
Fiscal Year	General Obligation Bonds (Note 1)	Less: Amounts Available for Debt Service (Note 2)	Net Bonded Debt	Assessed Value	Population	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt per Capita
2009	402,835,000	73,137,000	329,698,000	5,934,611,500	332,458	122.18%	1,212
2010	421,665,000	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	298,800	123.94%	2,011
2017	605,587,000	102,507,000	503,080,000	5,450,610,000	298,800	120.38%	2,027
2018	577,306,000	107,049,000	470,257,000	5,771,060,910	301,301	122.76%	1,916

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.

**City of Cincinnati
Debt Capacity Information
Schedule 3
Computation of Direct and Overlapping Debt
June 30, 2018**

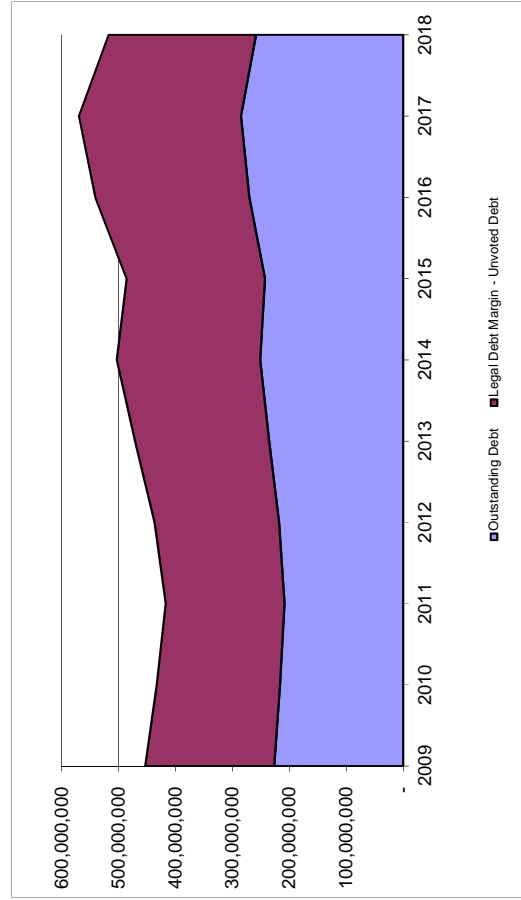
	Assessed Valuation (a)	Total Direct Debt	Percent Overlapping	Net Tax Supported Overall Debt
<u>Direct:</u>				
City of Cincinnati	\$ 5,771,060,910	\$ 770,027,000	100 %	\$ 770,027,000
<u>Overlapping:</u>				
Board of Education -				
Cincinnati City School District	6,466,104,740	308,460,000 (b)	89.25%	275,303,528
Hamilton County	19,343,365,690	101,576,478 (a)	29.83%	30,305,173
Subtotal		410,036,478		305,608,701
Total		\$ 1,180,063,478		\$ 1,075,635,701

(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>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>	<u>2018</u>
Overall Debt Limitation - 10-1/2 % of Assessed Valuation	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	605,961,396
Net Debt Within 10-1/2% Limitation	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	258,686,000
Legal Debt Margin Within 10-1/2% Limitation	\$ 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	\$ 347,275,396
Net Debt Percentage of 10 1/2 % Limitation	36.37%	34.73%	34.12%	38.95%	42.53%	45.68%	43.41%	47.86%	51.79%	42.69%
Unvoted Debt Limitation - 5-1/2% of Assessed Valuation	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	317,408,350
Net Debt Within 5-1/2% Limitation	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	258,686,000
Legal Debt Margin Within 5-1/2% Limitation	\$ 99,768,633	\$ 110,111,231	\$ 111,744,488	\$ 75,358,432	\$ 54,579,513	\$ 36,930,635	\$ 50,200,158	\$ 25,592,210	\$ 3,226,000	\$ 58,722,350
Net Debt Percentage of 5 1/2 % Limitation	69.43%	66.30%	65.14%	74.36%	81.18%	87.20%	82.88%	91.36%	98.88%	81.50%



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 Loans	Debt Service Principal	Interest	Total	Coverage	Water Works Revenue	Debt Service Principal **	Interest ***	Total	Coverage*
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	139,066,000	17,700,000	22,837,000	40,537,000	1.61
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	146,312,000	19,580,000	20,738,000	40,318,000	1.77
2015	11,417,173	4,334,995	3,675,732	8,010,727	1.43	145,217,000	20,620,000	24,345,000	44,965,000	1.64
2016	10,475,462	4,765,000	3,336,993	8,101,993	1.29	151,816,000	24,685,000	19,625,000	44,310,000	1.81
2017	10,961,781	5,065,000	3,723,140	8,788,140	1.25	159,008,000	26,310,000	20,222,000	46,532,000	1.64
2018	11,389,144	5,560,915	4,744,327	10,305,242	1.11	165,626,000	19,275,000	19,327,000	38,072,000	2.19

#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.

Economic Development Financing Bonds include:

- Urban Renewal Revenue Bonds, Series 1990A - One Gateway Project
- Economic Development Revenue Bonds, Series 1996 - Cincinnati Development Group LLC - Fountain Square West Project
- Economic Development Revenue Bonds, Series 1998 - Convention Place Mall Project - RSJJ Investments Limited
- Economic Development Revenue Bonds, Series 2002 - Saks Fifth Avenue Inc. & Race Street Development LTD
- Economic Development Revenue Bonds, Series 2003 - Convergys Corporation Project
- Economic Development Revenue Bonds, Series 2007 - Convergys Corporation Project
- Economic Development Revenue Bonds, Series 2008A - The Keystone Project
- Economic Development Revenue Bonds 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

City of Cincinnati
Bond Retirement Fund Balance, Southern Railway Revenue and Capital Improvement Plan
Debt Capacity Schedule 6

Last 5 Fiscal Years

<u>Year</u>	<u>Bond Retirement Fund Balance</u>	<u>Southern Railway Revenue</u>
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
2018	70,831,277	21,967,020

Projected 5 year plan
(Amounts in Thousands)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
CIP Budget	\$85,379	\$58,250	\$57,464	\$49,182	\$48,901	\$ 299,176
Property Tax Supported Debt	\$31,485	\$15,000	\$15,000	\$15,000	\$15,000	\$91,485
%Debt	36.88%	25.75%	26.10%	30.50%	30.67%	30.58%

City of Cincinnati
Debt Capacity
Schedule 7

Water Works
Historical Financial Operations
(Amounts in Thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Operating Revenue</u>										
Total Operating Revenue	\$117,441	\$125,287	\$120,682	\$135,384	\$68,947	\$142,316	\$142,085	\$147,748	\$156,760	\$161,835
<u>Operating Expense:</u>										
Personal Services	42,827	58,805	47,129	43,050	23,440	47,074	35,392	49,452	47,420	45,282
Contractual Services	9,249	8,628	8,329	7,766	3,999	8,330	9,077	8,242	9,849	10,071
Maintenance and Repair	3,704	3,980	4,536	3,813	1,863	4,825	4,877	5,150	5,165	4,585
Materials and Supplies	8,475	8,007	8,976	8,756	4,715	9,250	8,713	9,255	9,535	9,461
Utilities	10,821	11,427	7,530	7,732	4,037	8,882	8,614	7,244	7,674	8,719
Insurance	117	121	121	142	69	157	3	155	144	181
Taxes	1	6	3	5	2	11	3	2	4	3
Rent	1,256	1,302	1,252	2,211	662	1,428	1,500	1,649	3,086	2,413
Other	620	630	328	2,355	3,153	1,812	218	453	548	559
Depreciation and Amortization Expense	24,161	24,206	24,832	23,432	11,086	22,521	23,472	26,310	25,797	26,567
Amortization Mason Agreement			88	92	48	99	104	110	115	121
Net Pension Expense									(96,806)	(39,801)
Net Other Postemployment Benefit Expense										(4,405)
Total Operating Expense	101,231	117,196	103,124	99,354	53,074	104,389	91,973	108,022	12,531	63,756
Operating Income	\$ 16,210	\$ 8,091	\$ 17,558	\$ 36,030	\$ 15,873	\$ 37,927	\$ 50,112	\$ 39,726	\$144,229	\$ 98,079
<u>Non-Operating Revenue (Expenses):</u>										
Capital Contribution	\$9,704	\$3,039	\$3,304	\$3,385	\$302	\$2,002	\$4,199	\$7,962	\$1,481	\$488
Gain (Loss) on Disposal of Fixed Assets	(1,621)	(1,320)	(829)	(838)	(4)	(1,910)	(293)	(22)	(553)	49
Gain on Sale of Inventory										54
Transfers In(Out)			131	(47)		(500)			(146)	(27)
Interest Revenue	2,403	2,560	2,309	1,981	(1,020)	2,417	1,555	2,482	664	2,202
Build America Bond Subsidy	553	1,701	1,701	1,701	777	1,579	1,577	1,586	1,584	1,589
Judgement Payments								(5,393)		
Interest Expense	(13,525)	(12,695)	(14,909)	(16,358)	(9,823)	(18,339)	(17,889)	(17,472)	(13,464)	(14,158)
Total Non-Operating Revenue (Expense):	(2,486)	(6,715)	(8,293)	(10,176)	(9,768)	(14,751)	(10,851)	(10,857)	(10,434)	(9,803)
Net Income	\$13,724	\$1,376	\$9,265	\$25,854	\$6,105	\$23,176	\$39,261	\$28,869	\$133,795	\$88,276

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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Metered Water Sales					
Revenue Under Existing Rates	\$ 149,139,000	\$ 149,139,000	\$ 149,139,000	\$ 149,139,000	\$ 149,139,000
Indicated Revenue Increases (a)(b)					
Month - Year	Revenue Increase				
January 2019	3.75%	2,536,000	5,534,000	5,534,000	5,534,000
January 2020	3.75%		2,632,000	5,742,000	5,742,000
January 2021	3.75%			2,730,000	5,957,000
January 2022	3.75%				2,833,000
January 2023	3.75%				2,939,000
Water Sales Increase - CPI	248,000	382,000	519,000	658,000	802,000
Total Increased Revenue	2,784,000	8,548,000	14,525,000	20,724,000	27,154,000
Total Metered Water Sales Revenue	151,923,000	157,687,000	163,664,000	169,863,000	176,293,000
Interest From Treasury Investments	486,000	358,000	279,000	183,000	72,000
Other Revenue (c)	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Direct Federal Cash Payment for Direct Payment Build America Bonds(d)	1,584,000	792,000			
Private Lead Service Line Reimbursements (e)	5,000	154,000	454,000	1,075,000	2,340,000
Total Revenue	164,998,000	169,991,000	175,397,000	182,121,000	189,705,000
Operating & Maintenance Expense (f)	96,853,000	100,163,000	103,196,000	106,354,000	109,643,000
Private Lead Service Line Replacement (g)	4,200,000	4,200,000	5,000,000	5,000,000	5,000,000
Net Revenue Available for Debt Service	63,945,000	65,628,000	67,201,000	70,767,000	75,062,000
Total Senior Lien Revenue Bond Debt Service (h)	38,239,000	38,219,000	38,245,000	38,245,000	38,244,000
Future Senior Lien Revenue Bond Debt Service (i)		3,804,000	3,804,000	9,238,000	9,238,000
Total Senior Lien Revenue Bond Debt Service	38,239,000	42,023,000	42,049,000	47,483,000	47,482,000
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 (\$5.7M/20Yrs/3.25%) -2006	384,347	384,347	384,347	384,347	384,347
Ohio EPA Water Supply Revolving Loan (\$6.78M/20Yrs/2%) -2011	460,032	460,032	460,032	460,032	460,032
Ohio EPA Water Supply Revolving Loan (\$5.9M/20Yrs/1.71% - 2.0%) -2012	1,806,089	1,806,089	1,806,089	1,806,089	1,806,089
Ohio EPA Water Supply Revolving Loan (\$7.7M/20Yrs/2.00%) -2015	442,115	442,115	442,115	442,115	442,115
Ohio EPA Water Supply Revolving Loan Future Years	550,862	550,862	550,862	550,862	550,862
Ohio EPA Water Supply Revolving Loan (\$10.9M/20Yrs/1.31% - 1.64%) -2019	359,561	1,724,561	1,724,561	1,724,561	1,724,561
Other Financing Requirements	4,222,000	5,587,000	5,587,000	5,587,000	5,587,000
Total Debt Payments	42,461,000	47,610,000	47,636,000	53,070,000	53,069,000
Total Bond Proceeds	70,000,000		100,000,000		85,000,000
LESS: Capital Expenditures	81,668,000	70,000,000	70,000,000	75,000,000	80,000,000
ADD: Cash Inflows (j)	11,522,000	23,461,000			
Revenues Available for Transfer to Water System Reserve Fund	90,131,475	61,610,475	111,175,475	53,872,475	80,865,475

Debt Service Coverage

Total Bond Debt Service Coverage	151%	138%	141%	133%	141%
Days Cash on Hand	340	225	393	185	269

(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 revenue 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) Reimbursement based on 10-year assessment paid semiannually

(f) Operating and Maintenance Expenses exclude Accrued Pension and OPEB Liabilities.

(g) Reflects the amounts that the Utility anticipates spending in Fiscal Year 2019 to Fiscal Year 2023 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."

(h) 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."

(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) Will receive \$1 mil reimbursement from Duke Energy for installation of retaining wall. Will also receive cash reimbursements for expenses on OWDA projects.

City of Cincinnati
Debt Capacity
Schedule 9
Water Works

Senior Bonds and Senior Subordinated Debt Service Requirements

Fiscal Year	Debt Service Series 2017A	Debt Service Series 2016A	Debt Service Series 2016B	Debt Service Series 2016C	Debt Service Series 2015A	Debt Service Series 2015B	Debt Service Series 2015C	Debt Service Series 2012A	Debt Service Series 2011A	Build America Bonds Series 2009B*	Debt Service Series 2009A	Total Senior Bonds Debt Service and Subordinated Bonds Debt Service
2018	2,442,212.29	1,250,000.00	1,487,250.00	2,977,700.00	2,082,137.50	3,578,650.00	14,233,088.81	2,220,083.76	805,737.50	4,860,613.70	5,642,262.50	41,579,746.06
2019	2,589,975.00	1,250,000.00	1,487,250.00	2,977,700.00	2,082,137.50	3,578,650.00	16,643,573.23	2,240,481.26	805,737.50	4,860,613.70	3,133,137.50	41,649,255.69
2020	2,588,575.00	1,250,000.00	1,487,250.00	2,977,700.00	2,082,137.50	3,578,650.00	16,655,172.80	2,235,118.76	805,737.50	80,365,306.85	3,918,131.25	117,943,779.66
2021	2,587,175.00	1,250,000.00	1,487,250.00	2,977,700.00	2,082,137.50	3,578,650.00	16,640,282.05	2,228,218.76	5,627,993.75			38,459,407.06
2022	2,595,575.00	1,250,000.00	1,487,250.00	2,977,700.00	2,082,137.50	3,578,650.00	16,624,594.60	2,229,434.38	7,679,375.00			40,504,706.48
2023	4,612,575.00	1,250,000.00	1,487,250.00	4,386,575.00	3,218,481.25	7,390,900.00	13,311,719.20	1,592,450.00	2,424,250.00			39,674,200.45
2024	6,723,575.00	1,250,000.00	1,487,250.00	3,578,200.00	3,216,125.00	21,742,400.00		213,800.00	30,000.00			38,241,350.00
2025	4,393,775.00	1,250,000.00	7,293,375.00	8,067,700.00	3,217,725.00	13,776,025.00		213,800.00	30,000.00			38,242,400.00
2026	4,386,375.00	1,250,000.00	7,346,625.00	8,113,200.00	3,217,325.00	13,682,275.00		213,800.00	30,000.00			38,239,600.00
2027	5,071,575.00	1,250,000.00	6,597,000.00	7,874,825.00	3,218,000.00	5,071,275.00		213,800.00	30,000.00			28,926,475.00
2028	5,068,575.00	1,976,375.00	6,206,000.00	7,142,325.00	3,219,787.50	5,067,000.00		213,800.00	30,000.00			28,923,862.50
2029	5,070,575.00	1,978,125.00	5,980,875.00	7,378,825.00	3,216,100.00	5,061,000.00		213,800.00	30,000.00			28,929,300.00
2030	5,464,275.00	1,977,875.00		10,392,950.00	3,216,700.00	5,058,400.00		2,781,400.00	30,000.00			28,921,600.00
2031	5,464,250.00	1,976,625.00		10,409,300.00	3,214,900.00	5,049,000.00		2,779,500.00	30,000.00			28,922,575.00
2032	7,493,500.00	1,976,250.00		10,424,400.00	3,215,600.00	5,047,500.00			765,000.00			28,922,250.00
2033	8,251,725.00	1,979,500.00		5,062,700.00	3,218,600.00	5,033,700.00						23,546,225.00
2034	8,237,325.00	1,975,375.00		1,060,000.00	3,219,650.00							14,492,350.00
2035	8,230,400.00	1,978,750.00		1,020,000.00	3,217,900.00							14,447,050.00
2036	8,217,025.00	1,979,375.00			3,216,525.00							13,412,925.00
2037	8,216,793.75	1,977,250.00			3,215,275.00							13,409,318.75
2038	3,826,181.25	1,977,250.00			3,216,775.00							9,022,206.25
2039		1,974,250.00			3,216,775.00							5,191,025.00
2040		1,978,000.00			3,219,025.00							5,197,025.00
2041		1,978,250.00			3,215,275.00							5,190,350.00
2042		1,975,000.00			3,215,350.00							5,192,800.00
2043		1,978,000.00			3,214,800.00							5,196,150.00
2044		1,977,000.00			3,219,150.00							5,195,075.00
2045		1,976,875.00			3,218,200.00							5,189,325.00
2046		1,977,375.00			3,211,950.00							1,978,250.00
2047		1,978,250.00										
	<u>\$ 111,532,012.29</u>	<u>\$ 52,044,750.00</u>	<u>\$ 43,834,625.00</u>	<u>\$ 99,399,500.00</u>	<u>\$ 87,618,681.25</u>	<u>\$ 109,872,725.00</u>	<u>\$ 94,108,420.69</u>	<u>\$ 19,589,496.92</u>	<u>\$ 19,159,831.25</u>	<u>\$ 90,086,534.25</u>	<u>\$ 12,693,531.25</u>	<u>\$ 739,934,107.90</u>

*This includes 77,935,000 of crossover refunding debt. Crossover date is 12/1/19.

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
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	48,668	53,456	158,880,000	5,810,000	1,101,900	408,500	144,500	4.9
2017	325,341,848	11,658,609	2,179,082	813,822	43,075	46,732	NA	NA	162,892,043	5,884,933	1,126,709	429,461	145,500	4.4
2018	N/A	N/A	N/A	N/A	51,640	NA	NA	NA	160,818,740	5,799,600	1,136,600	412,200	149,600	4.7

Personal Income (in millions)

Year	Personal Income (in millions)		
	United States	Ohio	Cincinnati MSA
2009	12,168,161	408,707	82,460
2010	12,353,577	417,234	84,600
2011	12,949,905	436,818	87,485
2012	13,401,869	453,556	92,497
2013	14,081,282	472,845	93,882
2014	14,708,582	493,578	96,671
2015	15,401,900	503,699	101,960
2016	15,893,200	521,208	105,372
2017	16,364,400	544,828	NA
2018	17,499,800	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	2018		2009	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
The Kroger Co	21,263	1 0.98%	17,000	1 1.68%
Children's Hospital Medical Center	15,429	2 0.71%	11,385	4 1.13%
Cincinnati/Northern Kentucky International Airport	12,682	3 0.59%		
TriHealth Inc.	12,000	4 0.56%	9,850	6 0.98%
UC Health	11,241	5 0.52%		
University of Cincinnati	10,551	6 0.49%	15,340	2 1.52%
General Electric	10,500	7 0.49%		
Mercy Health	10,442	8 0.48%	7,316	10 0.72%
Proctor & Gamble	10,000	9 0.46%	13,000	3 1.29%
St. Elizabeth Healthcare	8,413	10 0.39%		
Fifth Third Bancorp			7,219	9 0.71%
ABX Air Inc.				
Archdiocese of Cincinnati			8,000	7 0.79%
Health Alliance			10,000	5 0.99%
Wal-mart Stores			7,375	8 0.73%
Total	122,521	5.67%	106,485	10.54%
Total Metropolitan Statistical Area	2,179,082		1,010,200	

Sources: Cincinnatiusa.com
Business Courier 2017-2018 Winter Book of Business Lists
Data ranked by local employees as of June 2017 - 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)
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
2018	133	42,388	76	282,897	10,877	752,270

Fiscal Year	Property Value (2)	
	Residential (in thousands)	Non-Residential (in thousands)
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
2018	9,599,184	5,582,058

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	\$240,298
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 - \$199,581

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Goods-Producing Industries	146.1	146.4	149.7	151.8	143.8	150.8	158.1	158.9	165.4	167.8
Mining, Logging, and Construction	40.6	36.1	36.9	36.8	37.0	41.5	43.7	44.6	48.9	50.6
Construction of Buildings	8.4	7.7	7.6	7.6	8.6	9.2	9.5	9.4	10.9	10.6
Specialty Trade Contractors	24.9	22.5	22.6	24.0	23.3	27.5	28.8	28.7	31.5	32.6
Manufacturing	105.5	110.3	112.8	115.0	106.8	109.3	114.4	114.3	116.5	117.2
Durable Goods	60.1	65.3	69.6	70.5	64.0	65.6	64.7	68.1	69.7	68.7
Primary Metals	5.6	5.9	7.0	7.0	6.0	5.8	5.8	5.3	5.6	5.4
Transportation Equipment	17.6	18.2	17.5	18.0	19.2	19.8	20.1	21.2	23.3	23.4
Motor Vehicle Parts	6.5	6.6	6.7	6.8	8.0	8.5	8.8	9.5	10.6	10.2
Aerospace Products and Parts	9.2	9.2	9.5	9.7	10.0	N/A	N/A	N/A	N/A	N/A
Nondurable Goods	45.4	45.0	43.2	44.5	42.8	43.7	49.7	46.2	46.8	48.5
Chemical Manufacturing	11.4	11.5	11.0	10.9	10.7	10.7	10.8	11.2	11.6	11.8
Service-Providing Industries	850.7	841.3	853.0	871.8	754.5	777.0	796.2	803.8	824.7	823.3
Trade, Transportation, and Utilities	201.0	196.4	202.4	207.9	201.8	205.6	214.8	213.3	218.3	221.9
Wholesale Trade	54.9	52.3	57.6	58.2	59.2	61.3	60.1	60.5	62.8	63.2
Merchant Wholesalers, Durable Goods	24.7	22.9	26.0	27.7	27.4	28.2	29.4	30.6	30.7	31.3
Merchant Wholesalers, Non-Durable Goods	22.8	22.8	22.0	21.0	19.7	20.9	19.4	18.7	19.1	19.4
Retail Trade	105.7	104.5	103.8	107.6	101.7	103.9	109.7	110.3	110.8	109.0
Food and Beverage Stores	20.8	19.8	20.3	20.8	20.5	19.1	20.4	20.6	19.8	20.6
Grocery Stores	16.8	17.1	17.8	18.5	18.4	16.9	17.7	18.1	17.5	17.3
Health and Personal Care Stores	7.1	6.8	6.6	7.1	6.5	6.6	6.1	6.6	6.3	6.2
Clothing and Clothing Accessories Stores	9.8	10.2	9.4	11.5	7.8	7.6	7.8	7.6	8.1	7.8
General Merchandise Stores	22.6	22.6	21.6	22.1	19.9	19.7	20.0	20.5	20.9	21.0
Transportation, Warehousing and Utilities	40.4	39.6	41.0	42.1	40.9	40.4	45.0	42.5	44.7	49.7
Transportation and Warehousing	36.4	34.9	37.9	39.0	38.3	37.8	42.3	40.1	42.0	47.0
Air Transportation	5.8	5.4	4.5	3.9	3.9	2.8	2.7	2.8	3.0	3.0
Information	14.4	14.0	13.9	13.8	13.6	13.9	13.5	13.9	14.3	13.5
Telecommunications	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Financial Activities	61.7	58.4	58.5	62.0	64.1	66.6	68.2	73.3	76.8	78.7
Finance and Insurance	50.9	49.9	50.0	52.4	52.6	54.0	56.2	59.3	61.4	61.3
Credit Intermediation and Related Activities	20.7	20.6	20.4	21.8	22.2	21.8	21.6	21.9	25.2	26.3
Insurance Carriers and Related Activities	24.2	23.5	23.7	25.2	24.5	25.6	27.4	28.0	28.2	27.1
Professional and Business Services	150.6	149.7	153.5	163.6	165.6	166.9	174.7	166.3	174.5	168.6
Professional and Technical Services	53.2	54.0	57.3	61.2	57.4	58.2	61.9	60.6	67.0	61.0
Management of Companies and Enterprises	37.9	38.0	40.0	42.9	42.1	42.3	42.4	40.4	39.6	38.4
Administrative, Support, and Waste Services	58.7	57.7	56.2	59.5	66.1	66.4	70.4	65.3	67.9	69.2
Employment Services	24.3	24.3	24.9	27.3	29.0	31.8	30.4	28.1	29.4	28.8
Services to Buildings and Dwellings	11.8	12.2	12.5	13.9	15.5	15.7	16.1	17.7	16.9	17.5
Educational and Health Services	148.4	151.9	153.2	152.2	153.6	158.8	156.9	161.8	163.8	165.2
Educational Services	16.3	16.6	16.7	18.5	17.2	18.1	17.9	18.1	16.8	17.5
Health Care and Social Assistance	132.1	135.3	136.5	133.7	136.4	140.7	139.0	143.7	147.0	147.7
Hospitals	45.1	46.2	46.0	46.4	47.6	48.5	47.6	50.3	50.7	51.4
Leisure and Hospitality	99.1	97.0	98.8	104.6	116.8	123.4	127.2	135.0	134.6	132.5
Arts, Entertainment and Recreation	16.6	15.6	14.4	14.4	27.1	29.9	29.7	33.0	31.4	31.5
Accommodation and Food Services	82.5	81.4	84.4	90.2	89.7	93.5	97.5	102.0	103.2	101.0
Other Services	41.6	40.9	42.2	40.3	39.0	41.8	40.9	40.2	42.4	42.9
Government	133.9	133.0	130.5	127.4	121.7	123.2	121.5	123.3	124.4	124.3
Federal Government	16.7	16.6	16.5	15.6	15.9	15.7	15.2	15.4	14.8	14.9
State Government	29.1	28.6	28.4	28.0	23.3	23.7	23.8	24.2	29.1	24.8
State Government Education	23.8	23.2	24.7	23.7	17.4	18.9	18.7	18.4	23.8	18.8
Local Government	88.1	87.8	85.6	83.8	82.5	83.8	82.5	83.7	80.5	84.6
Local Government Education	51.4	51.1	50.0	49.4	43.9	44.8	44.2	43.7	41.8	46.0
Total	996.8	987.7	1002.7	1023.6	898.3	927.8	954.3	962.7	990.1	991.1
Unemployment Rate	10.1	9.0	7.8	7.8	7.4	5.6	4.6	4.4	4.6	4.4

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

Source: Ohio Department of Job and Family Services, Bureau of Labor Market Information
 Ohiolmi.com - LMR2018

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 2017.

Higher Education Institutions	Total Enrollment
University of Cincinnati	44,783
Miami University	24,282
Northern Kentucky University	14,566
Cincinnati State Technical & Community College	8,807
Xavier University	6,798
Gateway Community and Technical College	4,450
Thomas More College	2,065
Mount St. Joseph University	2,011
Ivy Tech Community College Southeast-Lawrenceburg	1,973
Sinclair Community College/Courseview	1,114

Source: Business Courier 2017-18 Book of Lists

The region's largest college or university, the University of Cincinnati, has significant research and contract activity. During the 2015, 2016, and 2017 fiscal years, the University of Cincinnati and its affiliates received \$397 million, \$429 million, and \$193 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>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	446	447	425	447	518	518	538	600	490	486
Community Development	73	70	66	54	71	67	70	44	40	41
General Services	63	62	57	59	57	63	64	71	68	67
Parks and Recreation	290	298	282	288	285	286	296	290	294	286
Public Safety	1,335	1,324	1,253	1,221	1,093	1,088	1,150	1,180	1,283	1,289
Police	890	844	806	829	818	888	867	841	909	897
Fire	154	144	143	156	143	135	135	144	145	141
Transportation and Engineering	402	367	334	326	321	291	326	321	328	320
Public Services	421	404	369	377	372	376	400	420	434	445
Public Health	587	599	608	594	589	552	548	545	587	600
MSD										
Enterprise										
Water Works	561	552	533	522	523	500	504	525	543	543
Parking Facility	40	35	28	31	30	29	29	32	35	37
General Aviation	13	13	11	11	9	10	10	10	10	10
Municipal Golf	2	2	2	2	2	2	2	1	1	1
Stormwater Management	16	15	13	16	15	17	18	17	23	25
Total	5,293	5,176	4,930	4,933	4,846	4,822	4,957	5,041	5,190	5,188

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Litigations										
Total Cases (open)	106	123	128	119	124	148	158	128	205	171
Open Cases (current year)	98	103	155	90	52	80	95	111	96	106
Community and Economic Development										
Housing Units	1,834	2,560	1,735	1,880	1,030	1,741	1,921	1,615	752	1,460
Job Created/Retained thru Income Tax Credits	149	1			387	3,105	664	196	4,159	1,010
Police										
Service Calls	275,424	263,196	276,407	272,212	129,086	261,955	258,433	224,494	237,258	207,931
Arrests	36,768	37,529	37,207	35,141	16,109	32,155	29,121	29,107	27,090	27,431
Reports Filed	38,700	36,179	38,573	36,901	17,040	31,363	31,315	30,847	30,713	30,052
Fire										
Incidences (Fires, EMS, other)	72,128	70,889	73,531	75,412	31,960	81,955	73,248	71,451	71,451	74,954
Parks										
Annual Visitors	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	6,000,000
Nature Education Programs	1,168	1,375	1,382	1,298	698	1,403	1,871	1,068	1,277	1,172
Volunteer Hours	93,439	59,046	56,340	65,576	31,582	63,685	43,215	53,971	38,255	59,801
Park Reservations	732	958	976	961	411	812	860	1,011	1,011	1,032
Visitor Center Phone Calls	16,848	15,000	15,211	16,244	8,100	17,800	17,800	17,800	16,822	5,334
Health										
Patients	37,375	37,319	32,176	43,299	21,700	35,000	33,704	45,000	51,238	53,569
Visits	153,548	151,505	137,966	155,684	76,218	151,505	95,645	140,000	146,392	146,723
Inspections	19,751	20,798	22,812	22,664	11,379	20,146	25,040	22,000	21,760	21,084
Birth and Death Certificates	66,990	63,349	55,483	45,330	22,205	44,583	56,369	60,313	62,669	58,237
Sanitation										
Total solid waste collected and disposed	99,946	99,203	95,571	90,570	90,570	71,895	68,345	69,905	71,104	72,360
Water Works										
Water Delivered to Water Mains (Gallons)	45,554,623,000	47,328,871,000	44,396,749,000	45,233,282,700	20,559,715,500	43,638,631,300	43,024,975,500	42,784,941,100	43,859,083,500	44,184,228,400
Total Water Consumption (Gallons)	37,844,460,000	39,300,198,000	37,331,342,000	38,142,397,000	16,488,683,000	36,691,200,000	38,304,800,000	35,275,500,000	35,910,000,000	36,915,946,000
Percent of Unmetered Water	17%	17%	16%	16%	20%	16%	11%	18%	18%	18%
Average Daily Delivery (Gallons)	124,807,000	129,668,000	121,635,000	123,588,200	113,589,588	120,105,839	117,876,600	116,898,700	120,161,900	121,052,700
Maximum Daily Pumpage (Gallons)	169,260,000	200,712,000	206,325,000	230,258,100	168,569,000	157,429,000	164,010,500	158,984,000	174,890,800	157,246,400
Minimum Daily Pumpage (Gallons)	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	93,700,500

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	6	4	12	12	12	12	12	42	42	42
Life Support Ambulances	8	8						12	12	12
Aircraft Rescue	1	1	1	1	1	1	1	1	1	1
Transportation and Engineering										
Streets (lane miles)	3,050	3,050	3,000	3,050	3,050	3,065	3,060	2,891	2,936	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	65	64	64	65	64	65	65	65
Bridges - Wasson Way****									8	8
Retaining Walls (miles)	52	50	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	71	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	54	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	85,000	85,000	85,000
Recreation										
Acreage	2,600	2,600	2,600	2,600	2,600	2,600	1,978	1,978	1,981	1,978
Recreation and Senior Centers	38	38	32	30	27	27	24	23	23	23
Play Areas	108	108	108	96	100	100	98	98	99	96
Swimming Pools/Aquatics Facilities	38	28	33	32	34	34	31	30	29	29
Tennis Courts	122	122	103	103	97	97	97	90	90	87
Public Services										
Traffic Engineering										
Traffic Signs	757	757	765	758	758	758	770	780	780	780
Street Lights	12,000	12,000	12,200	8,515	8,515	10,000	10,000	10,000	10,000	10,000
Public Health										
Health Centers	6	6	6	6	6	6	6	7	9	9
Water Works										
Total Assets (in thousands)	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	1,476,340
Water Customer Accounts	241,500	241,704	241,714	241,707	241,809	241,987	242,227	242,335	240,313	240,336
Miles of Water Main in the System	3,128	3,133	3,316	3,145	3,146	3,148	3,149	3,161	3,168	3,176
Municipal Golf										
Golf Courses	7	7	7	6	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	36	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*	13**	15	14***	14***	14***
Parking Meters	5,400	5,400	5,400	4,979	4,979	4,979	4,994	4,506	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 (AFSCME); the Cincinnati Organized and Dedicated Employees (CODE); the Fraternal Order of Police (FOP); the International Association of Fire Fighters (IAFF); 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 received a 4.0% increase effective 07/02/17; and a 4.0% increase effective 07/01/18.

2 CODE received 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 received 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) received a 4% increase effective 05/21/17; and a 4.0% increase effective 05/20/18.

4 FOP (Supervisors) received a 4% increase effective 05/21/17; and a 4.0% increase effective 05/20/18.

5 The IAFF received a 4.0% increase effective 07/02/17; and a 4.0% increase effective 07/01/18.

6 The IAFF (Asst. Chiefs) received a 4.0% increase effective 07/02/17; and a 4.0% increase effective 07/01/18.

7 Building Trades received a 4.0% increase effective 07/02/17; and a 4.0% increase effective 07/01/18.

8 The Teamsters received a 4.0% increase effective 10/22/17; and a 4.0% increase effective 10/21/18.

9 AFSCME Municipal Workers (MW's) received 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, 2018

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