

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 2019



city of  
CINCINNATI  
**2019**  
CINCINNATI, OHIO



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 2019

Director of Finance:

**Karen Alder**

Interim Assistant Director of Finance:

**Nicole Lee**

Finance Manager:

**Mark Ashworth**





# INTRODUCTORY SECTION



**CITY OF CINCINNATI, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the fiscal year ended June 30, 2019**

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December 30, 2019

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, 2019. 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 23. 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 2019. 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 2019 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 2019, the unemployment rate has decreased to 3.6% as of April 2019, compared to 4.0% in January 2019. The report states that the "Cincinnati metro area's unemployment rate is currently on par with the unemployment rate recorded for the United States as a whole and is well below the statewide average of 4.2 percent." The research shows that two sectors experienced higher employment growth locally: leisure and hospitality and manufacturing. By contrast, employment growth in construction was very weak, growing only 0.1 percent.

Local home prices increased by 6.9% from the previous year. The Fed Report notes that the growth rate has slowed compared to the previous year, but there "is little evidence to suggest that the trend of solid growth seen since the end of the recession is reversing."

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

In June 2015, and again in June 2019, 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 updated 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 and contains four components: General Fund Carryover Balance, General Fund Contingency Account, Economic Downturn Reserve, and the Working Capital Reserve. The amended policy also includes a waterfall funding mechanism to add the necessary funds to the City's reserve balance each year in order to achieve the recommended fund balance over time. This waterfall funding mechanism prioritizes the use of the annual year-end surplus in the following order:

1. Replenish any reserve draw(s) from prior year.
2. Fund the General Fund Carryover Balance at 1.5% of revenue.
3. Fund General Fund Contingency Account at 2% of revenue.
4. With remaining surplus fund 50% to Economic Downturn Reserve, 25% to Working Capital Reserve and 25% to one-time expenditures.

At June 30, 2019 reserves were 12.8% of fiscal year 2019 revenue.

Actual Non-GAAP General Fund expenditures/encumbrances for fiscal year 2019 were \$405.4 million which were lower than the budgeted amount of \$409.1 million by approximately \$3.7 million. Actual Non-GAAP revenue for fiscal year 2019 of \$413.7 million was higher than budgeted fiscal year 2019 revenues of \$404.0 million. The actual revenue was higher than the original fiscal year 2019 revenue estimate by \$9.7 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 (the State Treasurer's investment pool), STAR Plus (the State Treasurer's deposit option), Ohio Municipal securities, and City of Cincinnati notes/bonds. The City has an investment committee that meets regularly to review investment policies and procedures. Beginning in March 2003, separate portfolios were created for general and bond investments in order to track specific interest earned on bond proceeds.

The City's Investment Policy, which was approved by the Mayor and City Council, is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized. The investments held by the City at June 30, 2019 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 a professional investment management firm, Nuveen Asset Management, to manage a portion of the City's investment portfolio. The portfolio managed by this firm must follow the same laws and investment policies that guide the City's internally managed portfolio. As of June 30, 2019 the par value of City assets managed by this firm was \$266.3 million.

The par value of the assets managed internally by the City’s Treasury Division was \$1.02 billion. 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, 2019, the investment allocation of the aggregate portfolio was as follows:

U. S. Treasury Notes	13.37%
U.S. Agency Securities	49.72%
STAR Ohio	13.17%
STAR Plus	0.01%
Certificates of Deposit	0.10%
Ohio Municipal Debt	14.80%
City of Cincinnati Notes	0.02%
Overnight Funds/Cash	0.98%
Commercial Paper	7.83%

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 for most occurrences, 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 \$2.20 billion as of June 30, 2019 compared to \$2.26 billion as of June 30, 2018. The net investment return for the fiscal year ending June 30, 2019 was 4.15%. The Cincinnati Retirement System’s actuary reported the December 31, 2018 pension funded ratio of 72.6% and the health care funded ratio of 97.3%. This compares to the December 31, 2017 pension funded ratio of 75.5% and the health care funded ratio of 100.2%.

In 2011, City Council approved changes to pension benefits for active employees. Multiple suits against the City in response to the pension changes were filed by active employees, the unions and the retirees as a result. 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 2019, 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.

130-132 E. 6th Street. Neyer Holdings will renovate the Brunswick Building, an existing office building with ground floor retail into a LEED certified building, with 13,211 square feet of renovated office space and all new commercial space on the ground floor. The total project cost is estimated at \$4.5 million.

106 W 7th. The City approved a Leadership in Energy & Environmental Design (LEED) Silver CRA tax abatement to Keystone Management Group for the renovation of the property at 106 W. 7th Street in the Central Business District. The vacant building will be converted into an extended stay hotel. The project includes the renovation of 49,501 square feet and the construction of an additional 17,000 square feet. In total, the project includes 84 hotel rooms carrying a Marriot Townplace Suites flag. The \$12.4 million project will result in 15 new jobs. Construction began in summer 2019.

Avondale Town Center Redevelopment. A mixed-use, mixed income project that includes the construction of two new buildings that will include 119 rental units (both market rate and affordable) as well as approximately 75,000 square feet of commercial space. 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 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 November 2017 and is expected to be complete by the end of 2019.

824 Broadway. Rookwood Properties received a 12-year tax exemption for 100% of the value of improvements made to real property located at 824 Broadway in the Central Business District. The work will consist of a renovation of the property into 69 units and 63 net new parking spaces. The total project cost is \$12 million.

Burke Expansion. Burke, Inc. is a marketing research firm that was founded in the City of Cincinnati in 1931 and has been operating in the City ever since. The company constructed a new office space as an expansion in Cincinnati at 500 W. 7th street to accommodate the move of their subsidiary, Seed Strategy, from a location outside of the City to their campus at 500 W 7th Street. The new building is an approximately 25,000 square feet, two-floor Class A office building on Burke's campus to accommodate these employees. The estimated total project cost will be approximately \$5.5 million.

Cincinnati Children's Hospital. Cincinnati Children's will construct a new 650,000 square foot clinical building with room for 110-150 new patient beds at an estimated total investment of \$550 million. The expansion is expected to be completed in 2021 and create 600 new jobs.

Clyffside Brewery. The brewing renaissance in Cincinnati will soon see another addition in Over-the-Rhine. Clyffside Brewery is renovating a historic building located at 244-246 McMicken Avenue into 47,000 square feet of commercial space. When completed the building will house a brewery on the ground-level and several event spaces above. The estimated total project cost for the renovation is \$13 million.

Court and Walnut. The Court and Walnut Development is an 18-story mixed-use development with a total project cost of approximately \$90 million. The Development includes a 45,000 square foot, two-story Kroger grocery store. Above the store is a 555-space parking garage. Above the garage is a 139 residential apartment building. The project was completed in August of 2019.

FC Cincinnati Stadium. Fussball Club Cincinnati, LLC will construct a 21,000 seat Major League Soccer Stadium in the West End neighborhood of Cincinnati to house FC Cincinnati. Included in the scope of the project are public improvements including demolition, site preparation, and infrastructure. to facilitate the construction of the stadium. The total estimated cost of the private improvements is projected to be \$217.6 million and the total estimated cost of the public improvements is projected to be \$34.8 million.

Firehouse Row. Milhaus Development is constructing 124 new market and workforce rate rental units and 4,000 square feet of retail storefront space in the Walnut Hills Business district, at a total investment of approximately \$18.2 million. The project utilizes a 1.75 acre site assembled by the City and the Walnut Hills Redevelopment Foundation. Construction will be complete by spring of 2020 and lease-up has begun.

Freeport Row. Source 3 Development is redeveloping the Northwest corner of Liberty and Elm Streets into a \$23 million mixed use development that will include 113 apartments and 12,000 square feet of retail space. Construction began in the summer of 2019 and is expected to be completed by the end of 2020.

I-71/MLK Interchange. ODOT and the City invested in an \$80 million full-movement interchange at I-71 and Martin Luther King Drive. The new interchange is now open and is expected to reduce travel time, simplify wayfinding, and promote economic vitality in the Uptown Cincinnati. Planned major developments in this area include Uptown Gateway, the UC 1819 Innovation Hub, NIOSH, and the MLK Investors I development.

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 initially, with space for an additional 250 employees in the future. The design and construction of the new campus began in 2018 and is expected to be completed in early 2021.

Paramount Square. Paramount Square is the redevelopment of 8 historic structures by the Model Group, at an overall investment of \$21.8 million. The project will result in 54 market and workforce rate rental units and 50,000 square feet of commercial space. Anchor tenants Esoteric Brewing, a local craft brewery, and Taste of Belgium, a local restaurant and bakery chain have signed leases to operate in two of the commercial storefronts. Esoteric Brewing will have production space and a taproom in the historic Paramount Theater building. Taste of Belgium will have office and logistics space, a commercial production kitchen, a research and development test kitchen, and a neighborhood café space. Construction is expected to be complete by the end of 2019.

Trinitas Student Housing. Trinitas, an Indiana-based student housing developer completed a 350-unit multi-family 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 at a total cost of \$108 million. Trinitas and the City are involved in active negotiations for future phases of development on the remainder of the site.

632 Vine St. Pearl Capital Management, a developer based in Indianapolis will renovate the Provident Building, an existing office building into 160 market-rate residential apartments and all new commercial space on the ground floor. The total project cost is estimated at \$37.6 million.

## **Awards and Acknowledgements**

### Certificate of Achievement and Budget Award

During fiscal year 2019, 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, 2018. 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-nine 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 was the 32<sup>nd</sup> 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,

A handwritten signature in cursive script that reads "Karen Alder".

Karen Alder  
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, 2018**

*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**

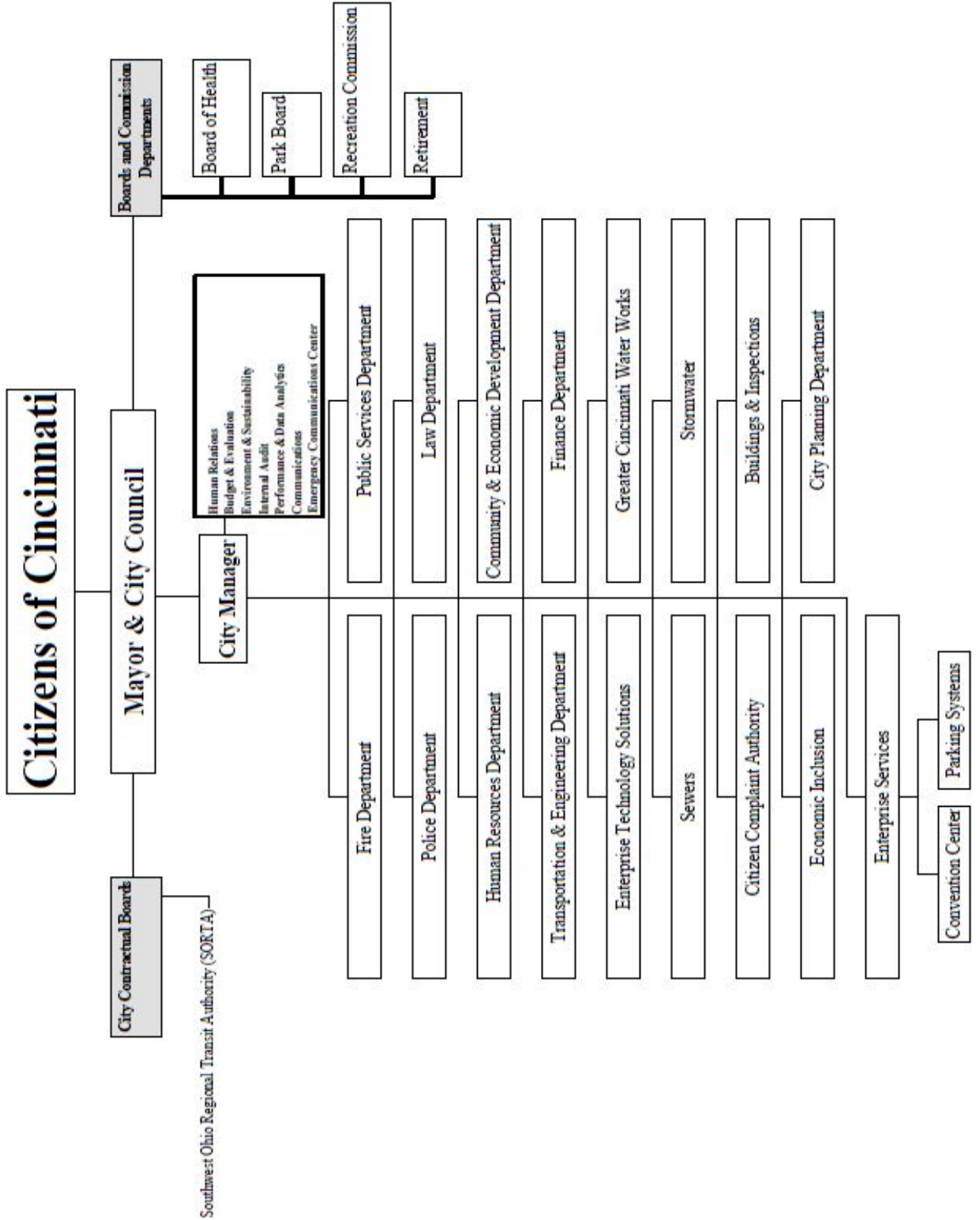
Amy Murray, Second Term  
David Mann, Second Term  
Wendell Young, Second Term  
Greg Landsman, First Term

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

### **CITY MANAGER**

Patrick Duhaney

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# FINANCIAL SECTION



# OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash  
11117 Kenwood Road  
Blue Ash, Ohio 45242-1817  
(513) 361-8550 or (800) 368-7419  
SouthwestRegion@ohioauditor.gov

## 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, 2019, 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 State *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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis, required budgetary comparison schedules* and schedules of net pension 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 will also issue our report dated December 30, 2019, 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.



Keith Faber  
Auditor of State

Columbus, Ohio

December 30, 2019

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# **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, 2019. 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 - 11 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 \$1.3 billion (net position). Of this amount, negative \$1.3 billion is considered unrestricted. The unrestricted net position of the City's governmental activities has a balance of negative \$1.2 billion. The unrestricted net position of the City's business type activities is a negative \$56.8 million. The unrestricted portion of net position does not include assets with externally imposed restrictions or restrictions imposed by law.
- The City's total net position was \$1.3 billion in 2019. Net position of the governmental activities increased by \$313.4 million, which represents a 1546.1% change from the 2018 balance. Net position of business-type activities increased \$21.3 million or 2.2% increase from 2018. Governmental activities' net investment in capital assets decreased \$41.0 million. Governmental activities' restricted net position increased \$40.5 million. Business-type activities' net investment in capital assets increased \$34.2 million. Business-type activities' restricted net position decreased by \$24.2 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$512.2 million, in comparison to \$486.9 million at June 30, 2018. On a combined basis, approximately \$6.7 million is considered nonspendable, \$403.2 million is restricted for specific purposes, \$26.7 million has been committed by City Council and \$8.9 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 \$66.7 million, 16.5% of total 2019 general fund expenditures. The total fund balance was \$85.0 million, 21.0% of total 2019 general fund expenditures. \$3.4 million is considered nonspendable, \$6.0 million committed, and \$8.9 million assigned. There was a \$10.5 million increase in general fund balance for the fiscal year ended June 30, 2019.
- The City's total general obligation and revenue debt for governmental activities decreased by \$11.7 million or 1.7% during the current fiscal year.
- The unrestricted net position of the City's governmental activities has a balance of negative \$1.2 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 27 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, the debt service fund and the tax increment financing fund, all of which are considered to be major funds. Data from the other 23 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 55 to 153 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 155 to 180 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information. Supplementary information can be found on pages 181 to 253 of this report.

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

	Governmental Activities		Business-type Activities		Total	
	June 30 2019	June 30 2018	June 30 2019	June 30 2018	June 30 2019	June 30 2018
Current and other assets	\$ 859,461	\$ 815,579	\$ 411,332	\$ 409,562	\$ 1,270,793	\$ 1,225,141
Capital assets	1,490,497	1,501,411	1,357,999	1,338,957	2,848,496	2,840,368
Total Assets	2,349,958	2,316,990	1,769,331	1,748,519	4,119,289	4,065,509
Deferred Outflows	279,061	140,336	32,444	18,287	311,505	158,623
Long-term liabilities outstanding	1,913,034	2,048,048	632,843	698,389	2,545,877	2,746,437
Other liabilities	193,972	177,668	134,749	50,921	328,721	228,589
Total liabilities	2,107,006	2,225,716	767,592	749,310	2,874,598	2,975,026
Deferred Inflows	228,863	251,882	30,876	35,465	259,739	287,347
Net Position:						
Net Investment in Capital Assets	897,570	938,541	862,847	828,628	1,760,417	1,767,169
Restricted	641,611	601,160	197,236	221,472	838,847	822,632
Unrestricted	(1,246,031)	(1,559,973)	(56,776)	(68,069)	(1,302,807)	(1,628,042)
Total net position	\$ 293,150	\$ (20,272)	\$ 1,003,307	\$ 982,031	\$ 1,296,457	\$ 961,759

### Government-wide Financial Analysis

The net pension liability (NPL) is one of the largest liabilities reported by the City at June 30, 2019, and is reported pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pension—an Amendment of GASB Statement No. 27*. Another significant liability for the City is the net other postemployment benefits (OPEB) liability reported pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, which significantly revises accounting for costs and liabilities related to 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 noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$1.3 billion at the close of the most recent fiscal period.

The largest portion of the City's net position \$1.8 billion (135.8%) 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 \$838.8 million (64.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance, a negative \$1.3 billion, represents *unrestricted net position*. The pension and OPEB plans experienced better than projected investment performance during their measurement periods contributing to the increase in deferred outflows, the decrease in long-term liabilities outstanding and decrease in the unrestricted net position deficit during the fiscal year.

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

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenues:						
Program Revenues:						
Charges for Services	\$ 145,450	\$ 149,666	\$ 205,778	\$202,526	\$ 351,228	\$ 352,192
Operating Grants and Contributions	44,026	36,632			44,026	36,632
Capital Grants and Contributions	14,645	14,287	5,350	6,610	19,995	20,897
General Revenues:						
Property Taxes	61,436	62,659			61,436	62,659
Income Taxes	392,004	374,664			392,004	374,664
Admission Taxes	6,002	5,796			6,002	5,796
Shared Revenues	41,858	41,791			41,858	41,791
Occupancy Taxes	4,106	3,690	2,511	2,314	6,617	6,004
Unrestricted Investment	17,779	2,407	9,303	3,760	27,082	6,167
Miscellaneous	57,837	51,587	1,192	1,664	59,029	53,251
<b>Total Revenues</b>	<b>785,143</b>	<b>743,179</b>	<b>224,134</b>	<b>216,874</b>	<b>1,009,277</b>	<b>960,053</b>
Expenses:						
General Government	130,144	74,731			130,144	74,731
Community Development	46,894	35,477			46,894	35,477
Parks and Recreation	54,139	30,332			54,139	30,332
Public Safety	8,318	326,114			8,318	326,114
Transportation and Engineering	55,399	41,284			55,399	41,284
Transit System	55,773	58,088			55,773	58,088
Public Services	52,192	26,722			52,192	26,722
Public Health	50,716	14,902			50,716	14,902
Interest on long-term debt	21,043	19,834			21,043	19,834
Water Works			135,569	75,980	135,569	75,980
Parking Facilities			14,078	8,795	14,078	8,795
Convention Center			13,515	13,726	13,515	13,726
General Aviation			2,392	1,549	2,392	1,549
Municipal Golf			5,983	6,233	5,983	6,233
Stormwater Management			28,424	15,920	28,424	15,920
<b>Total Expenses</b>	<b>474,618</b>	<b>627,484</b>	<b>199,961</b>	<b>122,203</b>	<b>674,579</b>	<b>749,687</b>
Change in net position before transfers	310,525	115,695	24,173	94,671	334,698	210,366
Transfers	2,897	2,934	(2,897)	(2,934)		
<b>Change in net position</b>	<b>313,422</b>	<b>118,629</b>	<b>21,276</b>	<b>91,737</b>	<b>334,698</b>	<b>210,366</b>
Net position – Beginning	(20,272)	(138,901)	982,031	890,294	961,759	751,393
<b>Net position – Ending</b>	<b>\$ 293,150</b>	<b>\$ (20,272)</b>	<b>\$1,003,307</b>	<b>\$982,031</b>	<b>\$ 1,296,457</b>	<b>\$ 961,759</b>

**Governmental Activities.** Governmental activities increased net position in the fiscal year 2019 by \$313.4 million. Key elements of the change in net position include:

### Revenues

The City realized an increase of governmental activities' revenues of \$42.0 million for 2019. Highlights include:

- Charges for services decreased by \$4.2 million. This includes the following changes by program:

<b>Governmental Program</b>	<b>Change in Millions</b>
General Government	\$ 12.6
Community Development	(2.7)
Parks and Recreation	(2.9)
Public Safety	(3.1)
Transportation and Engineering	0.5
Public Services	(3.1)
Public Health	(5.5)

See the Financial Trends information in the Statistical section beginning on page 281.

- Operating grants and contributions increased by \$7.4 million. Community development increased by \$4.0 million due to increased funding from the Federally-funded Community Development Block Grants and HOME programs. Parks and recreation increased by \$2.9 million donations for the Sinclair Media project and park endowments.
- Capital grants and contributions were fairly consistent, increasing by just \$0.4 million.
- Income tax increased by \$17.3 million due to strength in the local economy.
- Property tax decreased by \$1.2 million due to an decrease in real property values.
- Investment earnings increased significantly by \$15.4 million due to a fair market value change from the prior year to the current year end.
- Miscellaneous revenues increased \$6.3 million, due to receiving project contributions for debt service payments.

More information on governmental revenue trends is available in the Statistical Section, Financial Trends Information beginning on Page 282.

### Expenses

Expenses for governmental activities for the fiscal year ended June 30, 2019 were \$474.6 million. The City shows a decrease of \$152.9 million in governmental expenses for fiscal year 2019 when compared to 2018. The City's proportionate share of the Ohio Police and Fire Pension System net OPEB liability resulted in a *negative* OPEB expense of \$320.5 million in 2019, compared to \$31.5 million in 2018, resulting in the significant decrease in public safety expenses (see Note 21 for more information on net OPEB liabilities).

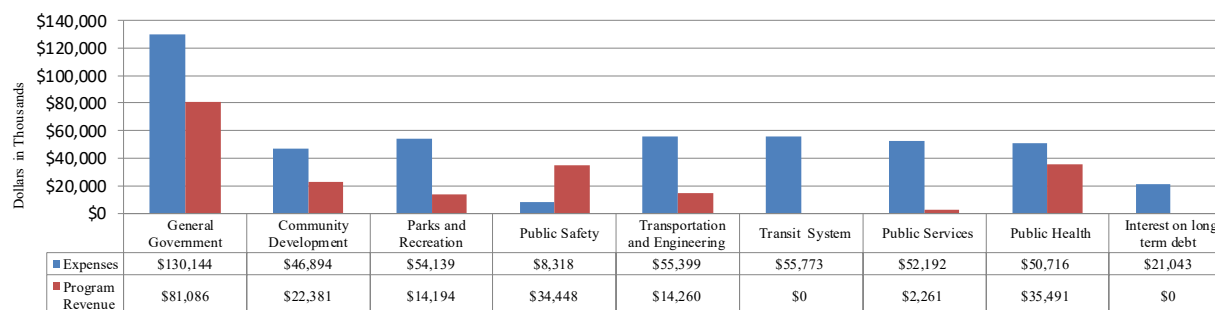
The decreases associated with the net OPEB liability were partially offset by increases in pension expense associated with the increase in net pension liabilities. Governmental activities recognized \$1.5 million in *negative* pension expenses in 2019 associated with the Cincinnati Retirement System (CRS), compared to *negative* pension expenses of \$170.1 million in 2018 (see Note 20 for more information on net pension liabilities.)

The net costs of operations covered by charges for service, grants and contributions are as follows:

**City of Cincinnati, Ohio**  
**Statement of Activities**  
**For the fiscal year ended June 30, 2019**  
**(Amounts in Thousands)**

	<b>Expenses</b>	<b>Total Program Revenue</b>	<b>Net Revenue (Expense) Per Activity</b>	<b>Percent Covered</b>
<b>Governmental Activities:</b>				
Public Safety	\$ 8,318	\$ 34,448	\$ 26,130	414.14%
General Government	130,144	81,086	(49,058)	62.30%
Public Services	52,192	2,261	(49,931)	4.33%
Public Health	50,716	35,491	(15,225)	69.98%
Parks and Recreation	54,139	14,194	(39,945)	26.22%
Community Development	46,894	22,381	(24,513)	47.73%
Transit System	55,773		(55,773)	0.00%
Transportation and Engineering	55,399	14,260	(41,139)	25.74%
Interest on Long Term Debt	21,043		(21,043)	0.00%
<b>Total governmental activities</b>	<b>\$474,618</b>	<b>\$204,121</b>	<b>\$(270,497)</b>	

**Governmental Activities**  
**Expenses and Program Revenue**  
**For the Year Ending June 30, 2019**



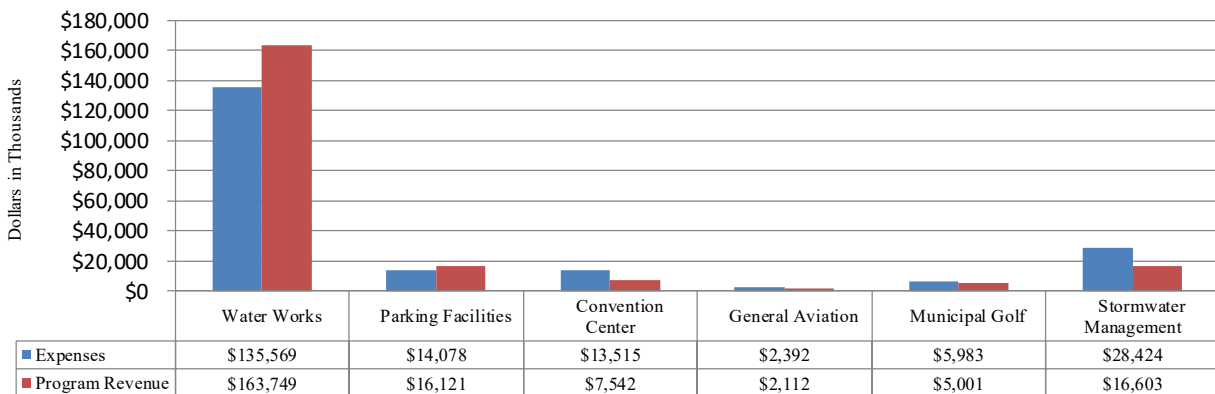
**Business-type Activities.** Business-type activities increased the City’s net position in fiscal year 2019 by \$21.3 million. Key elements of the change were:

- Water Works revenue decreased by \$2.4 million mainly caused by a decrease in water usage (43.2 million gallons in 2019 compared to 44.1 million gallons in 2018).
- Water Works expenses increased by approximately \$59.6 million. Variations in pension and OPEB expenses accounted for \$47.3 million (\$3.1 million in pension and OPEB expense in 2019 compared to \$44.2 in *negative* pension and OPEB expenses in 2018).
- Unrestricted investment earnings increased by \$5.5 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
<b>Business type activities:</b>				
Water Works	\$ 135,569	\$ 163,749	\$ 28,180	120.79%
Parking Facilities	14,078	16,121	2,043	114.51%
Convention Center	13,515	7,542	(5,973)	55.80%
General Aviation	2,392	2,112	(280)	88.29%
Municipal Golf	5,983	5,001	(982)	83.59%
Stormwater Management	28,424	16,603	(11,821)	58.41%
<b>Total Business-type activities</b>	<b>\$ 199,961</b>	<b>\$ 211,128</b>	<b>\$ 11,167</b>	

### Business-Type Activities Expenses and Program Revenue For the Year Ending June 30, 2019



## 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 (Note 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 \$512.2 million, an increase of \$25.3 million in comparison with the prior year. Approximately 78.7% or \$403.2 million of this total amount constitutes *restricted fund balance*, which is available for spending for a specific purpose. The *committed fund balance*, \$26.7 million or 5.2%, 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 \$28.9 million. The total unassigned fund balance of the general fund (including the working capital reserve) was \$66.7 million, which is 16.5% of 2019 general fund revenues.

The fund balance of the City's general fund increased by \$10.5 million during the current fiscal year compared to the fund balance as of June 30, 2018. The revenues and expenditures are provided below as an analysis of the effect on fund balance for the fiscal year ended June 30, 2019:

(Amounts in Thousands)	General Fund	
	6/30/19	6/30/18
<b>REVENUES</b>		
Taxes	\$ 321,241	\$ 310,904
Licenses and Permits	20,366	17,205
Use of Money and Property	18,432	8,007
Intergovernmental Revenue	23,759	22,721
Charges for Current Services	27,780	25,705
Miscellaneous	3,808	2,119
Total Revenues	<u>\$ 415,386</u>	<u>\$ 386,661</u>
<b>EXPENDITURES</b>		
Current:		
General Government	\$ 63,902	\$ 58,828
Community Development	8,057	7,741
Parks and Recreation	25,698	23,697
Public Safety	271,618	266,032
Transportation and Engineering	2,779	2,894
Public Services	16,089	17,425
Public Health	17,033	17,361
Total Expenditures	<u>\$ 405,176</u>	<u>\$ 393,978</u>

The capital projects fund has a total fund balance of \$196.3 million which is an increase of \$16.1 million from the June 30, 2018. The change in fund balance relates to increase in transfers in from other funds to capital projects.

The total fund balance of the debt service fund was \$118.4 million which is restricted for the payment of debt service. The increase in fund balance was \$11.4 million. Debt service principal payments in fiscal year 2019 were \$44.6 million.

The total fund balance in the tax increment financing fund was \$29.8 million which is a decrease of \$5.7 million from 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 \$64.0 million, primarily driven by the net pension and OPEB liabilities. The total change in net position was an increase of \$35.4 million for the Water Works fund and a decrease of \$16.0 million for the other enterprise funds. If the components of recording the net pension and OPEB liabilities were removed from the statement of net position, the enterprise funds' unrestricted net position would be a positive \$63.1 million.

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

### **General Fund Budgetary Highlights**

Revenue estimates for fiscal year 2019 were fairly consistent throughout the year, a final budget of \$404.0 million, \$9.6 million higher than actual revenue of \$413.7 million, due to better than budgeted income tax revenue. The original appropriations were \$403.0 million, while the final appropriations were \$409.1 million.

Appropriation increases were made for 2019 general fund departments. Detailed information by department can be found on pages 185 to 191 in the General Fund Budgetary statement. Major increases were made in the following departments:

- Department of Community and Economic Development increased by \$2.4 million due to additional leveraged funding appropriated by City Council.
- Department of Fire increased by \$2.5 million due primarily to the need for additional overtime and negotiated contractual wage increases.
- Department of Police increased by \$2.0 due primarily to the need for unanticipated lump sum payments and negotiated contractual wage increases.

### **Capital Asset and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2019 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)

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land	\$ 199,755	\$ 200,072	\$ 44,070	\$ 44,070	\$ 243,825	\$ 244,142
Buildings	121,916	117,585	150,301	155,512	272,217	273,097
Improvements	210,310	226,234	955,771	928,590	1,166,081	1,154,824
Machinery and Equipment	44,865	46,227	94,968	95,326	139,833	141,553
Infrastructure	682,879	705,463			682,879	705,463
Construction in Progress	209,083	185,005	112,889	115,356	321,972	300,361
Property Acquired under Capital Lease	21,689	20,825	0	103	21,689	20,928
<b>Total</b>	<b>\$ 1,490,497</b>	<b>\$ 1,501,411</b>	<b>\$ 1,357,999</b>	<b>\$ 1,338,957</b>	<b>\$ 2,848,496</b>	<b>\$ 2,840,368</b>

Total capital assets, net of accumulated depreciation, increased \$8.1 million. The governmental activities' capital assets decreased \$10.9 million in fiscal year ended June 30, 2019, net of depreciation. During 2019, the construction in progress increased by \$24.1 million as new projects began. \$42.0 million was removed from construction in progress and added to buildings, machinery and equipment, and infrastructure. Buildings of \$13.3 million were added as Police District 3 improvements were completed in 2019. Also, construction in progress related to the acquisition of machinery and equipment with capital lease financing of \$4.1 million of assets were placed in service during 2019. Also, \$24.0 million of infrastructure was placed in service in 2019 from a variety of street rehabilitation projects.

The business activities capital assets increased by \$19.0 million, due to several water main replacements, system upgrades and Miller Plant filter improvements.

Additional information on the City's capital assets can be found in Note 14 on pages 91 to 93 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, \$563.6 million comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

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

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>General Obligation</b>	\$533,704	\$550,105	\$ 29,873	\$ 27,270	\$ 563,577	\$ 577,375
<b>Revenue Bonds</b>	126,099	121,415	521,878	544,380	647,977	665,795
<b>Total</b>	<b>\$659,803</b>	<b>\$671,520</b>	<b>\$551,751</b>	<b>\$571,650</b>	<b>\$ 1,211,554</b>	<b>\$ 1,243,170</b>

During the current fiscal year, the City's total debt decreased by \$31.6 million (2.5%).

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 \$338.9 million and a legal debt margin for unvoted debt of \$52.2 million. Additional information about the City's long-term debt can be found in Note 9 on pages 79 to 86 of this report.

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

- The unemployment rate for the Cincinnati MSA was 3.9% compared to 4.7% a year prior. This rate is lower than the State's average unemployment rate of 4.0% and higher than the national average rate of 3.7%.
- The vacancy rate of the central business class A office space was 7.9% at the end of fiscal year 2019, down from 11.5% at the end of fiscal year 2018.
- 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 budget update for the fiscal year 2020:

General Fund expenditures for the fiscal year 2019 were \$3.7 million less than the estimate resulting in an increase in unappropriated fund balance at June 30, 2019. The General Fund balance is estimated to be \$27.8 million, on a budgetary basis. At the end of the fiscal year 2019, the reserve balance was \$52.9 million (composed of \$28.9 million working capital reserve, \$5.9 contingency reserve and the estimated \$18.1 million in carryover fund balance), which was 12.79% of 2019 General Fund revenues.

The 2020 fiscal year General Fund budget estimated current revenues of \$415.0 million plus \$121 thousand transfers in and estimated expenditures of \$397.1 million with a \$16.7 million transfer out to the newly created Cincinnati Health District Fund, a \$500 thousand transfer out to the Streetcar Operations Fund, and a \$2.6 million transfer out for debt service.

Continuing budget priorities for 2020 include safety, thriving neighborhoods, growing economic opportunities, efficient service delivery, and fiscal sustainability. To support safety, the 2020 budget supports several projects aimed at enhancing citizen safety including a Police recruit class, continued implementation of the Emergency Communications Center (ECC) Action Plan, technological improvements to the Emergency Operations Center (EOC) and interview rooms at several Police Districts, and maintenance of the Genesis Extrication Tool which is used by the Fire Department to rescue individuals trapped in vehicles. To improve neighborhoods, the budget includes funding to keep all recreation centers operating, to keep all swimming pools operating, to keep all parks operating, to keep all health centers operating, and maintains current service levels for garbage collection, street cleaning, and snow removal. Enhancements were made to improve pothole repair, road paving, and roadway structure maintenance and hard surface repairs. Additional litter pickup crews are also included in the budget. The City continues to use data-driven strategies and tactics to remain fiscally sustainable and innovate government. With the 2020 budget, the City continues to pursue long-term financial stability while exploring every opportunity to strategically invest in immediate process improvements and modernization.

### **Requests for Information**

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

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**BASIC  
FINANCIAL STATEMENTS**

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**City of Cincinnati, Ohio**  
**Statement of Net Position**  
**June 30, 2019**  
(Amounts in Thousands)

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 91,086	\$ 2,661	\$ 93,747
Equity in City Treasury	194,725	47,193	241,918
Advances and Petty Cash	197		197
Investments	26,980		26,980
Receivables:			
Taxes	89,850	667	90,517
Accounts, Net	76,779	21,804	98,583
Special Assessments	38,179	865	39,044
Accrued Interest	1,877	568	2,445
Due from Fiduciary Activities	49		49
Due from Other Governments	4,589	11,184	15,773
Prepaid Items and Other Assets	4,474	2,487	6,961
Inventory	4,718	5,751	10,469
Restricted Assets:			
Cash and Cash Equivalents		280	280
Equity in City Treasury		28,473	28,473
Investments		133,403	133,403
Internal Balances	(29,093)	29,093	
Total Current Assets	504,410	284,429	788,839
<u>Noncurrent Assets</u>			
Equity in City Treasury	322,533	78,151	400,684
Restricted Equity in City Treasury Cash		47,153	47,153
Accounts Receivable, Net	32,518		32,518
Regulatory Asset		1,599	1,599
Land	199,755	44,070	243,825
Buildings, net of Accumulated Depreciation	121,916	150,301	272,217
Improvements, net of Accumulated Depreciation	210,310	955,771	1,166,081
Machinery and Equipment, net of Accumulated Depreciation	44,865	94,968	139,833
Construction in Progress	209,083	112,889	321,972
Property Acquired under Capital Leases, net of Accumulated Amortization	21,689		21,689
Infrastructure Assets, net of Accumulated Depreciation	682,879		682,879
Total Noncurrent Assets	1,845,548	1,484,902	3,330,450
Total Assets	2,349,958	1,769,331	4,119,289
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Systems Related	197,079	15,426	212,505
Other Postemployment Benefit Systems Related	67,484	8,379	75,863
Loss on Defeasance	14,498	8,639	23,137
	279,061	32,444	311,505

(Continued)

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

**City of Cincinnati, Ohio**  
**Statement of Net Position**  
**June 30, 2019**  
(Amounts in Thousands)

(Continued)	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
<b>LIABILITIES:</b>	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<u>Current</u>			
Accounts Payable	\$ 25,368	\$ 3,802	\$ 29,170
Withholdings and Other Deposits	7,923		7,923
Due to Fiduciary Activities	786	251	1,037
Due to Other Governmental Agencies		5,715	5,715
Accrued Payroll	13,021	1,656	14,677
Accrued Liabilities	6,589	551	7,140
Accrued Interest	2,537	1,494	4,031
Deposits Payable	25,154	4	25,158
Unearned Revenue		1,622	1,622
Obligations Under Capital Leases	5,197		5,197
Compensated Absences Payable	38,977	4,683	43,660
Unpaid Claims	13,811	1,689	15,500
Ohio Public Works Commission Loan	288	218	506
Ohio Water Development Authority Loan		2,829	2,829
Matured Bonds and Interest Payable	515		515
Notes Payable	965		965
State Infrastructure Bond and Loan Payable	166		166
General Obligation Bonds	46,021	1,779	47,800
Revenue Bonds	6,320	99,015	105,335
Other	215		215
Advances from Other Governments	119		119
Payable from Restricted Assets:			
Construction Contracts		5,267	5,267
Deposits Payable		4,174	4,174
Total Current Liabilities	193,972	134,749	328,721
<u>Noncurrent</u>			
Obligations Under Capital Leases	23,750		23,750
Notes Payable	10,551		10,551
State Infrastructure Bond and Loan Payable	5,059		5,059
General Obligation Notes Payable	61,259		61,259
General Obligation Bonds	487,683	28,094	515,777
Revenue Bonds	119,779	422,863	542,642
Compensated Absences Payable	89,282	6,057	95,339
Pollution Remediation	1,665		1,665
Other Liabilities	1,649		1,649
Ohio Public Works Commission Loan	2,851	1,530	4,381
Ohio Water Development Authority Loan		42,820	42,820
Unpaid Claims Payable	8,598		8,598
Net Pension Liabilities	981,280	115,135	1,096,415
Net Other Postemployment Benefit Liabilities	119,628	16,344	135,972
Total Noncurrent Liabilities	1,913,034	632,843	2,545,877
Total Liabilities	2,107,006	767,592	2,874,598
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Revenues Levied for the next year	155,817		155,817
Pension Systems Related	1,756	2,660	4,416
Other Postemployment Benefit	70,803	16,788	87,591
Service Concession Arrangements		11,363	11,363
Gain on Defeasance	487	65	552
Total Deferred Inflows of Resources	228,863	30,876	259,739
<u>Net Position</u>			
Net Investment in Capital Assets	897,570	862,847	1,760,417
Restricted Net Position for:			
Tax Increment Financing	82,071		82,071
Debt Service	179,648	197,236	376,884
Capital Projects	281,043		281,043
Public Transit	12,155		12,155
Public Safety	5,725		5,725
Parks and Recreation	9,689		9,689
Street Improvement	3,662		3,662
Infrastructure	9,854		9,854
Public Health	783		783
Community Development	13,246		13,246
Other Purposes	30,506		30,506
Fleet Services	1,512		1,512
Permanent Funds - Expendable	9,370		9,370
Permanent Funds - Nonexpendable	2,347		2,347
Unrestricted Net Position	(1,246,031)	(56,776)	(1,302,807)
Total Net Position	\$ 293,150	\$ 1,003,307	\$ 1,296,457

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, 2019  
(Amounts in Thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs</b>							
Governmental Activities:							
General Government	\$ 130,144	\$ 78,476	\$ 1,518	\$ 1,092	\$ (49,058)	\$	\$ (49,058)
Community Development	46,894	6,892	14,919	570	(24,513)		(24,513)
Parks and Recreation	54,139	8,833	4,841	520	(39,945)		(39,945)
Public Safety	8,318	22,953	11,345	150	26,130		26,130
Transportation and Engineering	55,399	1,947		12,313	(41,139)		(41,139)
Transit System	55,773				(55,773)		(55,773)
Public Services	52,192	2,261			(49,931)		(49,931)
Public Health	50,716	24,088	11,403		(15,225)		(15,225)
Interest on long-term debt	21,043				(21,043)		(21,043)
Total governmental activities	474,618	145,450	44,026	14,645	(270,497)		(270,497)
Business type activities:							
Water Works	135,569	158,399		5,350		\$ 28,180	\$ 28,180
Parking Facilities	14,078	16,121				2,043	2,043
Convention Center	13,515	7,542				(5,973)	(5,973)
General Aviation	2,392	2,112				(280)	(280)
Municipal Golf	5,983	5,001				(982)	(982)
Stormwater Management	28,424	16,603				(11,821)	(11,821)
Total Business-type activities	199,961	205,778		5,350		11,167	11,167
Total	\$ 674,579	\$ 351,228	\$ 44,026	\$ 19,995	(270,497)	11,167	(259,330)
General Revenues:							
Taxes:							
Property taxes					61,436		61,436
Income taxes					392,004		392,004
Admission taxes					6,002		6,002
Occupancy taxes					4,106	2,511	6,617
Shared Revenues					41,858		41,858
Unrestricted investment earnings					17,779	9,303	27,082
Miscellaneous					57,837	1,192	59,029
Transfers between governmental and business-type activities					2,897	(2,897)	
Total general revenues and transfers					583,919	10,109	594,028
Change in net position					313,422	21,276	334,698
Net position-beginning					(20,272)	982,031	961,759
Net position-ending					\$ 293,150	\$ 1,003,307	\$ 1,296,457

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

**City of Cincinnati, Ohio**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**  
**(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>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 232	\$ 83,228	\$ 1		\$ 7,358	\$ 90,819
Equity in City Treasury Cash	93,101	155,488	107,956	42,353	67,543	466,441
Advances and Petty Cash	197					197
Investments, at Fair Value			8,990	5,440	12,550	26,980
Receivables:						
Taxes	45,972	1,894	36,936		5,048	89,850
Accounts, Net	13,028	11,929	15,696	57,063	10,434	108,150
Special Assessments	2,120	1,247			34,812	38,179
Accrued Interest and Dividends	1,132	316	245		72	1,765
Due from Other Funds	434	131	2,783	10	272	3,630
Due from Other Governments	3,514				916	4,430
Inventory	3,412	650			271	4,333
Advances to Other Funds	900				521	1,421
Total Assets	<u>\$ 164,042</u>	<u>\$ 254,883</u>	<u>\$ 172,607</u>	<u>\$ 104,866</u>	<u>\$ 139,797</u>	<u>\$ 836,195</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 3,456	\$ 8,012	\$ 3	\$ 7,500	\$ 4,469	\$ 23,440
Withholdings and Other Deposits	7,923					7,923
Due to Other Funds	1,161	335		2,561	675	4,732
Due to Fiduciary Funds	491		2		246	739
Accrued Payroll	10,956		15		1,755	12,726
Accrued Liabilities	147	1		7,283	873	8,304
Deposits Payable	8,799	7,238	605		3,066	19,708
Estimated Liability for Unpaid Claims	260				36	296
Advances from Other Funds	992	29,031			900	30,923
Advances from Other Governments	98				1	99
Matured Bonds and Interest Payable			515			515
Total Liabilities	<u>34,283</u>	<u>44,617</u>	<u>1,140</u>	<u>17,344</u>	<u>12,021</u>	<u>109,405</u>
<b>Deferred Inflow of Resources:</b>						
Revenues Levied for the next year and Unavailable Revenue	44,767	13,934	53,030	57,722	45,120	214,573
<b>Fund Balances:</b>						
Nonspendable	3,412	650			2,617	6,679
Restricted		195,682	118,437	29,800	59,312	403,231
Committed	5,956				20,727	26,683
Assigned	8,876					8,876
Unassigned	66,748					66,748
Total Fund Balances	<u>84,992</u>	<u>196,332</u>	<u>118,437</u>	<u>29,800</u>	<u>82,656</u>	<u>512,217</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 164,042</u>	<u>\$ 254,883</u>	<u>\$ 172,607</u>	<u>\$ 104,866</u>	<u>\$ 139,797</u>	<u>\$ 836,195</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, 2019**  
**(Amounts in Thousands)**

<b>Total fund balances - governmental funds</b>	\$	512,217
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.		1,476,039
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.		58,756
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.		20,558
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.		14,011
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:		190,787
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		(540,023)
Revenue bonds payable		(122,749)
Long Term Notes Payable		(11,516)
Unamortized bond premium and discounts		(56,179)
State Infrastructure Bank Bond and Loan Payable		(5,225)
Compensated absences		(126,520)
Net Pension Liability		(958,196)
Net Other Post Employment Benefit Liability		(116,612)
Ohio Public Works Commission Loans		(3,139)
Unpaid claims payable		(2,921)
Accrued interest on bonds		(2,529)
Other Accrued Liabilities		(2,997)
Pollution Remediation		(1,665)
Capital leases payable		(28,947)
<b>Total net position - - governmental activities (page 40)</b>	<b>\$</b>	<b>293,150</b>

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

**City of Cincinnati, Ohio**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the fiscal year ended June 30, 2019**  
**(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>
<b>REVENUES</b>						
Taxes	\$ 321,241	\$ 27,943	\$ 34,669		\$ 78,618	\$ 462,471
Licenses and Permits	20,366				1,491	21,857
Use of Money and Property	18,432	1,092	27,792	\$ 131	5,586	53,033
Special Assessments		633	83		6,098	6,814
Intergovernmental Revenue	23,759	1,743	4,701	652	19,208	50,063
Federal Grants		5,900			31,172	37,072
State Grants and Other Subsidies		7,002			4,007	11,009
Charges for Current Services	27,780	204			31,610	59,594
Miscellaneous	3,808	2,474	8,465	49,238	3,347	67,332
Total Revenues	<u>415,386</u>	<u>46,991</u>	<u>75,710</u>	<u>50,021</u>	<u>181,137</u>	<u>769,245</u>
<b>EXPENDITURES</b>						
Current:						
General Government	63,902	1,002	1,838	24,800	23,309	114,851
Community Development	8,057			1,684	14,923	24,664
Parks and Recreation	25,698				17,108	42,806
Public Safety	271,618				7,913	279,531
Transportation and Engineering	2,779	467			7,922	11,168
Transit System					55,773	55,773
Public Services	16,089				22,616	38,705
Public Health	17,033				37,219	54,252
Capital Outlay		100,785		913		101,698
Debt Service:						
Principal Retirement		9,323	44,648	3,418		57,389
Interest		3,857	20,035	3,462		27,354
Bond Issuance Cost			690			690
Total Expenditures	<u>405,176</u>	<u>115,434</u>	<u>67,211</u>	<u>34,277</u>	<u>186,783</u>	<u>808,881</u>
Excess (Deficiency) of Revenues over (under) Expenditures	10,210	(68,443)	8,499	15,744	(5,646)	(39,636)
<b>OTHER FINANCING SOURCES(USES)</b>						
General Obligation Bonds and Notes Issued		38,765	12,070			50,835
Capital Lease Financing		8,125				8,125
Premium on Bonds Issued			3,705			3,705
Transfers In	4,972	51,483	20,673	1,197	2,737	81,062
Transfers (Out)	(4,656)	(13,789)	(33,559)	(22,597)	(4,187)	(78,788)
Total Other Financing Sources(Uses)	<u>316</u>	<u>84,584</u>	<u>2,889</u>	<u>(21,400)</u>	<u>(1,450)</u>	<u>64,939</u>
Net change in fund balances	10,526	16,141	11,388	(5,656)	(7,096)	25,303
Fund Balances at July 1	74,466	180,191	107,049	35,456	89,752	486,914
Fund Balances at June 30	<u>\$ 84,992</u>	<u>\$ 196,332</u>	<u>\$ 118,437</u>	<u>\$ 29,800</u>	<u>\$ 82,656</u>	<u>\$ 512,217</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, 2019**  
**(Amounts in Thousands)**

<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>25,303</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$82,414) exceeded capitalizable outlay (\$70,765) in the current period.		(11,649)
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 (\$17,050) and accumulated depreciation of the disposed asset (\$15,662).		(1,388)
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.		5,591
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.		632
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.		358
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.		(48,806)
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.		335,039

(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, 2019**  
**(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.	\$ 2,285
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.	1,934
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.	1,665
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.	42
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.	(20)
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.	(1,327)
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.	(3,856)
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>7,619</u>
Change in net position of governmental activities (page 41)	<u><u>\$ 313,422</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, 2019**  
(Amounts in Thousands)

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Works</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>				
<u>Current:</u>				
Cash and Cash Equivalents	\$ 2,491	\$ 170	\$ 2,661	\$ 267
Equity in City Treasury Cash	36,499	10,694	47,193	19,110
Receivables:				
Taxes		667	667	
Accounts, Net	18,097	3,707	21,804	1,221
Special Assessments	865		865	
Accrued Interest	480	88	568	112
Due from Other Funds	58	133	191	1,725
Due from Fiduciary Funds				49
Due from Other Governments	11,184		11,184	159
Prepaid Items	2,000	487	2,487	1,923
Inventory	5,751		5,751	385
Advances to Other Funds	50	22,423	22,473	7,079
Restricted Assets:				
Cash and Cash Equivalents	280		280	
Equity in City Treasury Cash	28,473		28,473	
Investments, at Fair Value	133,403		133,403	
<b>Total Current Assets</b>	<b>239,631</b>	<b>38,369</b>	<b>278,000</b>	<b>32,030</b>
<u>Noncurrent:</u>				
Equity in City Treasury Cash	60,444	17,707	78,151	31,707
Restricted Equity in City Treasury Cash	47,153		47,153	
Land	2,727	41,343	44,070	283
Buildings, net of Accumulated Depreciation	134,798	15,503	150,301	
Improvements, net of Accumulated Depreciation	811,441	144,330	955,771	2,802
Machinery and Equipment, net of Accumulated Depreciation	92,023	2,945	94,968	5,613
Construction in Progress	91,601	21,288	112,889	5,760
Other Assets	1,599		1,599	2,551
<b>Total Noncurrent Assets</b>	<b>1,241,786</b>	<b>243,116</b>	<b>1,484,902</b>	<b>48,716</b>
<b>Total Assets</b>	<b>1,481,417</b>	<b>281,485</b>	<b>1,762,902</b>	<b>80,746</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Defeasance	8,147	492	8,639	
Pension Systems Related	13,237	2,189	15,426	3,069
Other Postemployment Benefit Systems Related	7,168	1,211	8,379	1,764
<b>Total Deferred Outflows of Resources</b>	<b>28,552</b>	<b>3,892</b>	<b>32,444</b>	<b>4,833</b>

(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, 2019**  
(Amounts in Thousands)

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water</b>	<b>Other</b>	<b>Total</b>	<b>Internal</b>
	<b>Works</b>	<b>Enterprise</b>	<b>Enterprise</b>	<b>Service</b>
		<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
(Continued)				
<b>LIABILITIES</b>				
Current:				
Accounts Payable	\$ 2,400	\$ 1,402	\$ 3,802	\$ 1,930
Due to Other Funds	488	320	808	6
Due to Fiduciary Funds	211	40	251	47
Due to Other Governments	5,715		5,715	
Accrued Payroll	1,350		1,656	295
Accrued Liabilities		306	551	669
Accrued Interest	1,419	75	1,494	7
Deposits Payable		13	13	2,002
Unearned Revenue		1,613	1,613	
Compensated Absences Payable	4,123	560	4,683	954
Unpaid Claims Payable	1,679	10	1,689	10,594
Ohio Public Works Commission Loan	218		218	
Ohio Water Development Authority Loan	2,829		2,829	
General Obligation Bonds and Notes Payable	154	1,625	1,779	66
Revenue Bonds Payable	99,015		99,015	
Payable from Restricted Assets:				
Construction Contracts	5,267		5,267	
Deposits Payable	4,174		4,174	
<b>Total Current Liabilities</b>	<b>129,042</b>	<b>6,515</b>	<b>135,557</b>	<b>16,570</b>
Noncurrent:				
Compensated Absences Payable	4,912	1,145	6,057	785
Ohio Public Works Commission Loan	1,530		1,530	
Ohio Water Development Authority Loan	42,820		42,820	
Estimated liability for Unpaid Claims				8,598
Advances from Other Funds				50
Advances from Other Governments				20
Revenue Bonds Payable	422,863		422,863	
General Obligation Bonds and Notes Payable	4,795	23,299	28,094	2,045
Net Pension Liabilities	99,201	15,934	115,135	23,084
Net Other Postemployment Benefit Liabilities	14,256	2,088	16,344	3,016
<b>Total Noncurrent Liabilities</b>	<b>590,377</b>	<b>42,466</b>	<b>632,843</b>	<b>37,598</b>
<b>Total Liabilities</b>	<b>719,419</b>	<b>48,981</b>	<b>768,400</b>	<b>54,168</b>
<b>DEFERRED INFLOWS</b>				
Gain on Defeasance		65	65	
Service Concession Arrangement		11,363	11,363	
Pension Systems Related	688	1,972	2,660	311
Other Postemployment Benefit Systems Related	13,864	2,924	16,788	3,305
	14,552	16,324	30,876	3,616
<b>NET POSITION</b>				
Net Investment in Capital Assets	652,029	210,818	862,847	14,458
Restricted Net Position				
Water Works	197,236		197,236	
Fleet Services				2,551
Unrestricted Net Position	(73,267)	9,254	(64,013)	10,786
<b>Total Net Position</b>	<b>\$ 775,998</b>	<b>\$ 220,072</b>	<b>996,070</b>	<b>\$ 27,795</b>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.			7,237	
Net position of business type activities			<u>\$ 1,003,307</u>	

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

**City of Cincinnati, Ohio**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the fiscal year ended June 30, 2019**  
**(Amounts in Thousands)**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Works</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>				
Charges for Current Services	\$ 157,942	\$ 47,379	\$ 205,321	\$ 116,477
Miscellaneous	955	448	1,403	2,787
Total Operating Revenues	<u>158,897</u>	<u>47,827</u>	<u>206,724</u>	<u>119,264</u>
<b>OPERATING EXPENSES</b>				
Personal Services	48,307	14,949	63,256	12,090
Contractual Services	12,256	21,310	33,566	5,503
Maintenance and Repairs	4,031	3,538	7,569	831
Materials and Supplies	9,125	820	9,945	11,735
Utilities	8,106	803	8,909	2,118
Insurance	251	421	672	76,338
Taxes	1	1,103	1,104	
Depreciation and Amortization	26,603	11,966	38,569	1,693
Rent	2,861	394	3,255	998
Pension Expense	3,856	6,703	10,559	366
Other Postemployment Benefit Expense	(726)	1,264	538	(320)
Other Expense	2,083	127	2,210	65
Total Operating Expenses	<u>116,754</u>	<u>63,398</u>	<u>180,152</u>	<u>111,417</u>
Operating Income (Loss)	42,143	(15,571)	26,572	7,847
<b>NONOPERATING REVENUES(EXPENSES)</b>				
Interest Revenue	7,080	873	7,953	1,116
Build America Bond Subsidy	1,596		1,596	
Occupancy Tax Receipts		2,511	2,511	
Interest Expense	(19,810)	(968)	(20,778)	(82)
Loss on Disposal of Assets	(890)	(26)	(916)	
Nonoperating Revenues(Expenses)	<u>(12,024)</u>	<u>2,390</u>	<u>(9,634)</u>	<u>1,034</u>
Income (Loss) before Contributions and Transfers	30,119	(13,181)	16,938	8,881
Transfers In		3,333	3,333	2,557
Transfers (Out)	(118)	(6,112)	(6,230)	(1,934)
Capital contributions	5,350		5,350	
Change in Net Position	35,351	(15,960)	19,391	9,504
Net Position at July 1	<u>740,647</u>	<u>236,032</u>		<u>18,291</u>
Net Position at June 30	<u>\$ 775,998</u>	<u>\$ 220,072</u>		<u>\$ 27,795</u>

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

Change in net position of business type activities

1,885  
\$ 21,276

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, 2019**  
**(Amounts in Thousands)**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Works</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Cash Flows from Operating Activities:</b>				
Receipts from Customers	\$ 151,884	\$ 45,467	\$ 197,351	\$ 15,218
Receipts from Other Funds	7,502	1,394	8,896	105,525
Receipts from Retirement System				121
Payments to Suppliers	(28,098)	(22,574)	(50,672)	(92,920)
Payments to Other Funds	(22,368)	(4,522)	(26,890)	(10,713)
Payments to Employees	(33,029)	(14,762)	(47,791)	(12,416)
Payments for Property Taxes	(1)	(956)	(957)	
Net Cash Provided by Operating Activities	<u>75,890</u>	<u>4,047</u>	<u>79,937</u>	<u>4,815</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Repayment of Advances Made To Other Funds		1,911	1,911	1,237
Amount Due from Other Funds for City Notes	1,112	233	1,345	315
Interest paid on Bond and Notes	(192)	(106)	(298)	(82)
Principal paid on Bond and Notes	(150)	(85)	(235)	(64)
Advances To Other Funds		(8,799)	(8,799)	
Occupancy Tax Receipts		2,464	2,464	
Transfers to Other Funds	(118)	(6,112)	(6,230)	(1,934)
Transfers from Other Funds		3,333	3,333	2,557
Net Cash Provided(Used) by Noncapital Financing	<u>652</u>	<u>(7,161)</u>	<u>(6,509)</u>	<u>2,029</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
<b>Financing Activities:</b>				
Capital Contributed by Other Sources	103		103	
Capital Items Expensed		2,034	2,034	
Proceeds from the Sale of Capital Assets	201		201	
Proceeds from Ohio Water Development Authority Loan	5,074		5,074	
Proceeds from Sale of Bonds and Notes		4,415	4,415	
Acquisition of Property, Plant and Equipment	(6,359)	(753)	(7,112)	(8)
Interest Paid on Bonds and Notes	(21,432)	(855)	(22,287)	(2,033)
Principal Paid on Bonds and Notes	(19,715)	(1,572)	(21,287)	
Principal Paid on Ohio Public Works Bonds	(219)		(219)	
Principal Paid on Ohio Water Development Authority Loan	(2,748)		(2,748)	
Payments on Long Term Capital Lease Obligations		(440)	(440)	(1,775)
Additions to Construction in Progress	(39,349)	(7,605)	(46,954)	
Net Cash (Used) by Capital and Related Financing Activities	<u>(84,444)</u>	<u>(4,776)</u>	<u>(89,220)</u>	<u>(3,816)</u>
<b>Cash Flow from Investing Activities:</b>				
Investment (Purchases)Sales	1,019		1,019	
Interest on Investments	8,760	896	9,656	1,137
Net Cash Provided by Investing Activities	<u>9,779</u>	<u>896</u>	<u>10,675</u>	<u>1,137</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,877	(6,994)	(5,117)	4,165
Cash and Cash Equivalents at Beginning of Period	<u>173,463</u>	<u>35,565</u>	<u>209,028</u>	<u>46,919</u>
Cash and Cash Equivalents at End of Period	<u>\$ 175,340</u>	<u>\$ 28,571</u>	<u>\$ 203,911</u>	<u>\$ 51,084</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, 2019**  
**(Amounts in Thousands)**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Works</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Reconciliation of Operating Income (Loss) to</b>				
<b><u>Net Cash Provided by</u></b>				
<b><u>Operating Activities:</u></b>				
Operating Income (Loss)	\$ 42,143	\$ (15,571)	\$ 26,572	\$ 7,847
Depreciation and Amortization	26,603	11,966	38,569	1,693
<b>Changes in Assets, Deferred Inflows/Outflows and Liabilities:</b>				
<b>(Increase) Decrease in:</b>				
Receivables	1,572	(817)	755	(47)
Due from Other Funds	510	(44)	466	140
Due from Fiduciary Funds				(47)
Due from Other Governments	(1,593)		(1,593)	(141)
Inventory	(91)		(91)	(1)
Prepaid Items	54	12	66	(137)
Other Assets				345
Deferred Outflows Cincinnati Retirement System	(13,400)	(1,529)	(14,929)	(2,156)
Deferred Outflows Ohio Public Employees Retirement System	(515)		(515)	(236)
<b>Increase (Decrease) in:</b>				
Accounts Payable	748	408	1,156	(2,156)
Deposits Payable		6	6	1,692
Due to Other Funds	278	(48)	230	(14)
Due to Fiduciary Funds	11	6	17	1
Due to Other Governmental Agencies	765		765	
Accrued Payroll	92	68	160	4
Accrued Liabilities		96	96	(22)
Unearned Revenue		200	200	
Liability for Compensated Absences	219	112	331	(325)
Deferred Inflows Service Concession Arrangements		(311)	(311)	
Deferred Inflows Cincinnati Retirement System	(6,084)	2,296	(3,788)	(2,731)
Deferred Inflows Ohio Public Employees Retirement System	(482)		(482)	(101)
Estimated Liability for Unpaid Claims	1,449	(3)	1,446	(4,063)
Net Pension Liability Cincinnati Retirement System	13,057	5,578	18,635	3,152
Net Pension Liability Ohio Public Employees Retirement System	1,365		1,365	
Net Other Postemployment Benefit Liability Cincinnati Retirement System	8,980	1,622	10,602	2,118
Net Other Postemployment Benefit Liability Ohio Public Employees Retirement System	209		209	
Net Cash Provided by Operating Activities	<u>\$ 75,890</u>	<u>\$ 4,047</u>	<u>\$ 79,937</u>	<u>\$ 4,815</u>
<b><u>Schedule of Noncash Investing, Capital</u></b>				
<b><u>and Financing Activities:</u></b>				
Change in Fair Value of Investments	\$ 2,363	\$ 408	\$ 2,771	\$ 548
Acquisition of Property, Plant and Equipment from Capital Contributions	5,247		5,247	
Total Noncash Investing, Capital and Financing Activities	<u>\$ 7,610</u>	<u>\$ 408</u>	<u>\$ 8,018</u>	<u>\$ 548</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, 2019**  
(Amounts in Thousands)

	<b>Pension Trust</b>	<b>Investment Trust Fund</b>	<b>Agency</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 58,053		\$ 16
Equity in City Treasury Cash		\$ 260,898	5,057
Investments:			
U. S. Treasury Bills and Notes			311,118
International Bonds	4,993		
US Government Bonds	39,961		
Corporate Fixed Income	21,560		
US Agencies	53,650		
Equities - Common Stock	1,132,249		
Mutual Funds	157,121		
Private Equity	252,784		
Real Estate	230,964		
Private Placements	24,719		
Other Assets (Alternatives)	282,572		
	2,200,573		311,118
Total Investments, at Fair Value			
Collateral on Loaned Securities	22,690		
Receivables:			
Accounts, Net	1,543		32,144
Accounts Receivable for Securities Sold	12,837		
Accrued Interest and Dividends	2,346		776
Due from Primary Government	1,037		
Loans Receivable	26		
Machinery and Equipment	477		
Accumulated Depreciation	(448)		
Total Assets	2,299,134	260,898	349,111
<b>LIABILITIES</b>			
Accounts Payable	2,246		18,841
Accounts Payable for Securities Purchased	25,768		
Due to Primary Government	49		
Due to Other Governmental Agencies			315,242
Obligations Under Securities Lending	22,690		
Accrued Payroll	46		115
Accrued Liabilities	38,583		38
Bonds Payable	269		
Deposits Payable			4,701
Estimated Liability for Compensated Absences	205		10,174
Total Liabilities	89,856	260,898	\$ 349,111
<b>NET POSITION</b>			
Restricted for External Pool Participant		260,898	
Restricted for Employees' Pension Benefits	1,720,206		
Restricted for Employees' Postemployment Healthcare Benefits	489,072		
Total Net Position	\$ 2,209,278	\$ 260,898	

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, 2019**  
**(Amounts in Thousands)**

	<u>Pension Trust</u>	<u>Investment Trust Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Plan members	\$ 19,457	
Employer	33,763	
Participant Deposits		\$ 427,850
Total Contributions	<u>53,220</u>	<u>427,850</u>
Transfers From Other Retirement Systems	84	
Investment earnings:		
Interest and Dividends	31,493	4,689
Proceeds from Litigation	188	
Net Appreciation in the Fair Value of Investments	<u>73,016</u>	<u>3,778</u>
Total Investment Earnings	104,697	8,467
Less Investment Management Expenses	<u>6,935</u>	
Net Income From Investing Activities	<u>97,762</u>	<u>8,467</u>
From Security Lending Activities:		
Securities Lending Income	<u>94</u>	
Securities Lending Expense:		
Borrower Rebates	(219)	
Management Fees	<u>31</u>	
Total Securities Lending Expenses	<u>(188)</u>	
Net Income from Securities Lending Activities	<u>(94)</u>	
Total Additions	<u>150,972</u>	<u>436,317</u>
<b>DEDUCTIONS</b>		
Benefit Payments:		
Pension and Annuities	167,178	
Distributions to Participants		433,485
Hospital and Medical Care	31,119	
Death Benefits, Active and Retired	581	
Transfers - Retirement to other systems	<u>67</u>	
Total Benefits Payments	<u>198,945</u>	<u>433,485</u>
Refunds of Contributions	<u>2,075</u>	
Administrative expenses:		
Personal Services	1,317	
Contractual Services	456	
Materials and Supplies	112	
Depreciation	<u>5</u>	
Total Administrative Expenses	<u>1,890</u>	
Total Deductions	<u>202,910</u>	<u>433,485</u>
Change in Net Position	(51,938)	2,832
Net Position at July 1	<u>2,261,216</u>	<u>258,066</u>
Net Position at June 30	<u>\$ 2,209,278</u>	<u>\$ 260,898</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, 2019

### 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 Governmental Accounting Standards Board (GASB) Statement No. 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 \$22,383,000 and \$21,967,000 for the fiscal years ending June 30, 2019 and June 30, 2018, 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 or 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, 2019 are prepared in accordance with standards promulgated by the 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 (TIF) Fund** – This fund is used to account for service payments in lieu of property taxes, capital and debt service expenditures from Tax Increment Financing Districts and Projects.

The City reports the following major proprietary fund:

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

The City reports the following fund types:

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

**Pension Trust Fund** – This fund is used to account for the revenues and expenses of the City’s Retirement System, which is accounted for as a single-employer defined benefit pension plan. This fund accounts for both the pension benefits and the post-employment healthcare benefits. Note 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 and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include income taxes, property taxes, grants, shared revenues, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the taxpayer’s liability occurs and revenue from property taxes is recognized in the fiscal year for which the taxes are levied. On an accrual basis, revenue in the form of shared revenue is recognized when the provider government recognizes its liability to the City. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

The fiduciary fund types recognize revenue and expenses on a basis consistent with the fund's accounting measurement objective. The pension trust fund and the mixed investment pool statements are prepared utilizing the flow of economic resources measurement focus and the accrual basis of accounting. The pension trust fund accounts for both the pension benefits and the employees' post-employment benefits.

Agency funds do not have a measurement focus. Their financial statements are prepared utilizing the accrual basis of accounting.

### **Other Accounting Policies**

- A. *Investments* – The investments of the City (excluding the City of Cincinnati's Retirement System, see Note 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 in accordance with GASB Statement No. 72.
- 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 \$1,657,180,000 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 \$52,191,000 at June 30, 2019, 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 Statement 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 post employments benefits (OPEB) are explained in Notes 20 and 21.
- 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 from unavailable revenue arise when potential revenue does not meet the "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 inflows of resources related to pension and OPEB are explained in Notes 20 and 21.

- H.** *Grants and Other Intergovernmental Revenues* – The proprietary fund types recognize 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 expenses/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.** *Statement of Cash Flows* – For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments held by trustees, with a maturity of three months or less when purchased, to be cash equivalents. In addition, all cash and temporary investments with the City Treasurer are also considered to be cash equivalents since they are available to the proprietary funds on demand. The temporary investments primarily consist of certificates of deposit, federal agencies or instrumentalities, Ohio Municipals, STAR Ohio Investment Pool, and U. S. Treasury securities that have maturities of up to five years.
- K.** *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 recognized as outflows as incurred except for prepaid bond insurance, which is reported as a deferred outflow of resources and amortized over the term of the bonds. Bond issuance costs for the Water Works proprietary fund are 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.
- L.** *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.
- M.** *Pronouncements Effective for the 2019 Financial Statements* – GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued in November 2016. The provisions in Statement No. 83 are effective for reporting periods beginning after June 15, 2018. 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.

GASB Statement No. 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. 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.

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. The City elected to early implement this Statement in the 2019 financial statements. 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. 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.

- N. *Pronouncements Issued But Not Yet Effective* – GASB Statement No. 84, *Fiduciary Activities*, was issued in January 2017. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. 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.

GASB Statement No. 87, *Leases*, was issued in June 2017. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. 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 No. 90, *Majority Equity Interest—an amendment of GASB Statement No. 14 and No. 61*, was issued in August 2018. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

- O. *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.
- P. *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, cash 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 as a whole. Cash and investments for the Cincinnati Retirement System (CRS) pension trust fund are presented in Note 22.

The following is a reconciliation of deposits and investments reported in this note to the cash and investments reported in the financial statements as June 30, 2019 (amounts in thousands):

<u>Deposits and Investment per Footnote:</u>	
Carrying Value of Deposits	\$ 66,196
Investments	<u>1,483,531</u>
Total Deposits and Investments	<u>\$ 1,549,727</u>
 <u>Cash and Investment per Financial Statements:</u>	
Governmental Activities:	
Cash and Equivalents	\$ 91,086
Equity in City Treasury	517,258
Investments	26,980
Business-Type Activities:	
Cash and Equivalents	2,661
Equity in City Treasury	125,344
Restricted Cash and Equivalents	280
Restricted Equity in City Treasury	75,626
Restricted Investments	133,403
Investment Trust Fund:	
Equity in City Treasury	260,898
Agency Funds:	
Cash and Equivalents	16
Equity in City Treasury	5,057
Investments	<u>311,118</u>
Total Cash and Investments	<u>\$ 1,549,727</u>

### Deposits

At fiscal year end, the carrying amount of the City's deposits, including certificates of deposit with various financial institutions was \$66,196,000 and the bank balance was \$81,511,000. 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. Beginning in 2018, the Ohio Pooled Collateral System (OPCS) allowed for participating financial institutions to pool collateral for Ohio public unit deposits. The Treasurer of State is the sole administrator and monitors the OPCS. Fifth Third Bank, U.S. Bank and PNC Bank participated in the OPCS during fiscal year 2019.

Included in the City's deposits discussed above are funds held in STAR Plus, which is a cash management option that provides a competitive yield on deposits in a network of carefully selected Federal Deposit Insurance Corporation (FDIC)-insured banks via a single, convenient account. Deposits are distributed by the Custodian as directed by the Federal 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 funds in STAR Plus at June 30, 2019 was \$98,000.

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 FDIC, or by any other agency or instrumentality of the federal government. As an alternative, the City Treasurer may require such institution to deposit with him surety company bonds which, when executed, shall be for an amount equal to such excess amount.

### Investments and Fair Value Hierarchy

The fair value of investments for the City at June 30, 2019 was:

(Amounts in Thousands)

	City Treasury	Permanent Funds	Park Board Funds	Total
Money Market Funds	\$ 65,365			\$ 65,365
U.S. Treasury Obligations	539,577		\$ 222	539,799
U.S. Agencies	629,784		100	629,884
Bond Mutual Funds		\$ 359	1,108	1,467
Corporate Fixed Income			1,023	1,023
Tax Exempt Ohio Municipals	21,990			21,990
Commercial Paper	79,793			79,793
STAR Ohio Investment Pool	134,472			134,472
Real Estate		30		30
Equity Securities		1,334	8,374	9,708
Total Investments	<u>\$ 1,470,981</u>	<u>\$ 1,723</u>	<u>\$ 10,827</u>	<u>\$ 1,483,531</u>

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 53 days to maturity at June 30, 2019 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 \$100 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 U.S. 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 GAAP. 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, 2019:

(Amounts in Thousands)	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	
	Investment Type	Fair Value	Level 1	Level 2
U.S. Treasury Obligations	\$ 539,577	\$ 539,577		
U.S. Agencies	629,784		\$ 629,784	
Tax Exempt Ohio Municipals	21,990			21,990
Money Market Funds	65,365			65,365
Commerical Paper	79,793			79,793
Equity Securities	1,334	1,334		
Bond Mutual Funds	359			359
Real Estate	30			30
Total	\$ <u>1,338,232</u>	\$ <u>540,911</u>	\$ <u>797,321</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, 2019 was \$10,827,000. 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, 2019:

(Amounts in Thousands)	Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs
		Level 1	Level 2
U.S. Treasury Obligations	\$ 222	\$ 222	
U.S. Agencies	100		\$ 100
Equity Securities	8,374	8,374	
Corporate Fixed Income	1,023	1,023	
Bond Mutual Funds	1,108		1,108
	<u>\$ 10,827</u>	<u>\$ 9,619</u>	<u>\$ 1,208</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, 2019, 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	\$ 539,577	\$ 250,282	\$ 284,633	\$ 4,662
U.S. Agencies	629,784	77,732	550,375	1,677
Tax Exempt Ohio Municipalities	21,990	11,766	10,224	
Total	\$ <u>1,191,351</u>	\$ <u>339,780</u>	\$ <u>845,232</u>	\$ <u>6,339</u>

Currently, the investment policy limits the investments to: 1) obligations issued by the U.S. 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 a 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, 2019 the City held the following investments (amounts in thousands):

Investment Type	Fair Value	Aaa/AAA	AA/Aa	A	Not Rated	Full Faith & Credit
U.S. Treasury Obligations	\$ 539,577	\$ 294,205	\$ 144,240		\$ 78,923	\$ 22,209
U.S. Agencies	629,784	3,690	598,542		27,552	
Tax Exempt Ohio Municipalities	21,990	4,945	16,450	\$ 595		
Total	\$ <u>1,191,351</u>	\$ <u>302,840</u>	\$ <u>759,232</u>	\$ <u>595</u>	\$ <u>106,475</u>	\$ <u>22,209</u>

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

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. At June 30, 2019, the City's investment holdings representing more than five percent of total investments include: Federal Home Loan Mortgage Corporation securities (17%), Federal Farm Credit Bureau securities (9%), Federal Home Loan Bank securities (9%), and Federal National Mortgage Association securities (7%).

## B. Permanent Funds

The Permanent Funds (excluding the Park Board Fund) do not have a written investment policy for interest rate risk, credit risk, custodial credit risk, concentration of credit risk, or foreign currency risk. Each fund has a separate trust agreement, which limits the activity of the fund. At June 30, 2019, total investments were \$1,723,000. At June 30, 2019, the Permanent Funds' investment holdings representing more than five percent of total investments include: Chevron common stock (20%) and Procter & Gamble common stock (10%). 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. The equities 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, 2019, the Park Board investment portfolio did not have more than five percent of total investments with a single issuer.

At June 30, 2019 the Park Board had total investments with a fair value of \$10,827,000, which includes equity securities with a fair value of \$8,374,000, and fixed income with a fair value of \$1,108,000. The remaining \$1,345,000 in investments is identified in the chart below.

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

Investment Type	Investment Maturities (in years)			
	Fair Value	Less Than 1	1 to 5	More than 10
U.S. Treasury Obligations	\$ 222	\$ 60	\$ 162	
US Agency Bonds	100		100	
Corporate Bonds	1,023	110	592	321
Total	\$ 1,345	\$ 170	\$ 854	\$ 321

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

Investment Type	Total Fair Value	Credit Rating							Not Rated
		AAA	AA	A	BBB	Baa	BB		
U.S. Government Treasury	\$ 222	\$ 61	\$ 161						
U.S. Agency Bonds	100	100							
Corporate Bonds	1,023	30	138	365	220	66	204		
Fixed Income	1,108							\$ 1,108	
Total	\$ 2,453	\$ 191	\$ 299	\$ 365	\$ 220	\$ 66	\$ 204	\$ 1,108	

### 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 No. 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	\$ 309	\$ 309		
Commercial Paper	69,736	69,808		7/19/19 to 9/16/19
Certificates of Deposit	747	747	1.8% to 2.15%	7/23/19 to 12/30/19
U. S. Treasury Notes	136,589	136,231	1.0% to 8.125%	8/31/19 to 5/15/24
FHLB/FNMA/FHLMC Securities	507,754	508,501	1.125% to 5.15%	7/30/19 to 9/25/24
Ohio Municipal	151,188	153,034	1.5% to 5.0%	7/1/19 to 2/15/24
Star Ohio Investment Pool	81,998	81,998		
Cash	33,552	33,552		
Total	\$ 981,873	\$ 984,180		

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, 2019**  
(Amounts in Thousands)

<u>Assets</u>	
Equity in City Treasury	<u>\$ 984,180</u>
<u>Net Position</u>	
Held in Trust for Internal Pool Participants	\$ 723,282
Held in Trust for External Pool Participants	<u>260,898</u>
Total Net Position	<u>\$ 984,180</u>

**Mixed Investment Pool**  
**Statement of Changes in Net Position**  
**For the fiscal year ended June 30, 2019**  
(Amounts in Thousands)

	<u>Internal</u> <u>Participants</u>	<u>External</u> <u>Participants</u>	<u>Total</u>
Additions:			
Contributions:			
Participant Deposits	\$ 1,502,227	\$ 427,850	\$ 1,930,077
Investment earnings:			
Interest and dividends	12,010	4,689	16,699
Net appreciation in the fair value of investments	<u>10,222</u>	<u>3,778</u>	<u>14,000</u>
Total investment earnings	<u>22,232</u>	<u>8,467</u>	<u>30,699</u>
Total additions	1,524,459	436,317	1,960,776
Deductions:			
Distributions to Participants	<u>1,506,703</u>	<u>433,485</u>	<u>1,940,188</u>
Change in Net Position	17,756	2,832	20,588
Net Position - beginning	<u>705,526</u>	<u>258,066</u>	<u>963,592</u>
Net Position - ending	<u>\$ 723,282</u>	<u>\$ 260,898</u>	<u>\$ 984,180</u>

#### 4. COMMITMENTS

**Convention Facilities Authority (CFA)** - The CFA is an up to 11-member body, corporate and politic, organized and existing under Chapter 351 of the Ohio Revised Code, as amended. The CFA issued bonds netting proceeds of \$111,176,644 dated March 2, 2004 for the purpose of expanding and renovating the Convention Center in Cincinnati. On December 4, 2014 the original debt was refunded with \$65,135,000 of first lien debt. Additional first lien debt of \$4,755,000 was issued for new projects.

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

In the financial plan for the Convention Center expansion and renovation, the dedicated Transient Occupancy Tax (City) and Lodging Excise Tax (County) is expected to cover the outstanding debt service for senior debt of \$59,135,000. 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. Currently, there is not subordinate debt outstanding for the Convention Center.

The 8<sup>th</sup> Supplement to the Cooperative agreement executed June 26, 2019 eliminated the requirement that the City pay \$250,000 (City Annual Contribution) to the Trustee of the CFA. This contribution was previously pledged as an additional revenue source for the payment of the bonds.

**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 FY2019 and Cincinnati City Council has authorized an additional \$700,000 for FY2020 and \$688,310 for FY2021. 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 committed Additional Project-Based Funding to the GCRA in its FY2019 in the amount of \$2,500,000 for the Industrial Site Redevelopment Program.

Funding was authorized in the FY2019 Capital Budget. The source of funds are bond proceeds from the sale of Economic Development Revenue Bonds Series 2018B to be repaid from municipal income taxes. In addition, the City sold \$1,000,000 in Economic Development Revenue Bonds (Series 2018C) to fund the Port Authority's Former Hudepohl Brewery Remediation project in FY2019. The bonds were authorized prior to FY2019 by Ordinance 67-2017 approved on March 29, 2017.

**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 various delineated section of the Ohio Revised Code 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. The Agreement expires on December 31, 2019, with the City making the final installment of the \$5 million annual payment on October 9, 2019. The City of Cincinnati and the “Board” are currently in negotiations regarding a possible new agreement that would again authorize the City to establish certain property tax exemptions and compensate the “Board” for certain foregone tax revenues, though final terms are yet to be determined.

**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, 2019 are as follows:

(Amounts in Thousands)	General Fund	Capital Projects	Debt Service	Tax Increment Financing	Non Major Governmental	Total
General Government	\$ 4,463		\$ 109	\$ 1,054	\$ 2,194	\$ 7,820
Community Development	2,064			66	6,475	8,605
Parks	300				1,090	1,390
Recreation	222				310	532
Police	565				1,450	2,015
Fire	718				10	728
Transportation & Engineering	51				36	87
Public Services	242				3,071	3,313
Public Health	153				1,728	1,881
Capital Outlay		\$ 89,166				89,166
<b>Total</b>	<b>\$ 8,778</b>	<b>\$ 89,166</b>	<b>\$ 109</b>	<b>\$ 1,120</b>	<b>\$ 16,364</b>	<b>\$ 115,537</b>

## 5. INTER-FUND ASSETS/LIABILITIES

The composition of inter-fund balances as of June 30, 2019, 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			\$ 11	\$ 1,070		\$ 64	\$ 491	\$ 1,652
Capital Projects Fund	\$ 21		\$ 24	\$ 10	219	13	\$ 39	9		335
Debt Service Fund									2	2
Tax Increment Financing Fund			2,561							2,561
Non-Major Governmental Funds	391	1			39	244			246	921
Internal Service Funds					3	2		1	47	53
Water Works Enterprise Fund	19	112				306		51	211	699
Non-Major Enterprise Funds	3	2	198			90	19	8	40	360
Fiduciary Funds						49				49
<b>TOTAL</b>	<b>\$ 434</b>	<b>\$ 131</b>	<b>\$ 2,783</b>	<b>\$ 10</b>	<b>\$ 272</b>	<b>\$ 1,774</b>	<b>\$ 58</b>	<b>\$ 133</b>	<b>\$ 1,037</b>	<b>\$ 6,632</b>

At year end, the City held \$205,000 in notes outstanding, with accrued interest of \$2,000. The notes provide capital project financing. A portion of these notes are held by MSD (\$55,000), and Capital Projects Fund (\$33,000), 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	\$ 21	
Capital Projects		\$ 119
Debt Service	24	
Tax Increment Financing	10	
Nonmajor Governmental funds	12	
Internal Service funds	10	
Water Works fund	37	
Nonmajor Enterprise Funds	5	
	<u>\$ 119</u>	<u>\$ 119</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		\$ 22,423			22,423
Internal Service Funds	471	6,608			7,079
<b>TOTAL</b>	<b>\$ 992</b>	<b>\$ 29,031</b>	<b>\$ 900</b>	<b>\$ 50</b>	<b>\$ 30,973</b>

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, 2019, 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		\$ 1,300				\$ 83		\$ 3,589	\$ 4,972
Capital Projects Fund	\$ 2,034		\$ 33,299	\$ 13,089	\$ 1,808	1,128	\$ 118	7	51,483
Debt Service Fund	2,619	7,283		9,508	1,244	19			20,673
Tax Increment Financing Fund		181						1,016	1,197
Non-Major Governmental Fund	3				1,105	129		1,500	2,737
Internal Service Funds		2,527			30				2,557
Non-Major Enterprise Funds		2,498	260			575			3,333
<b>Total</b>	<b>\$ 4,656</b>	<b>\$ 13,789</b>	<b>\$ 33,559</b>	<b>\$ 22,597</b>	<b>\$ 4,187</b>	<b>\$ 1,934</b>	<b>\$ 118</b>	<b>\$ 6,112</b>	<b>\$ 86,952</b>

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

## 7.

## NET POSITION / FUND BALANCE

## Fund Balance Classifications

Fund balance is classified in five categories: (1) Non-spendable, (2) Restricted, (3) Committed, (4) Assigned, and (5) Unassigned. Non-spendable fund balances include amounts that are not in spendable form or are legally required to remain intact. Restricted fund balances include amounts that have external restrictions by either: grantors, debt covenants, laws or other governments. The City Council is the highest level of decision-making authority and can commit or rescind a portion of the fund balance to a specific purpose by passing an ordinance. The authority to assign fund balance is inferred by state and municipal law to the fiscal officer or his designated official. Unassigned fund balance includes amounts that have not been assigned to any purpose. Restricted funds are spent first as expenditures are incurred to the extent of the restricted fund revenue. Then committed, assigned and unassigned funds are used. The following chart displays the fund balance classifications for the governmental funds at June 30, 2019 (Amounts in Thousands):

Fund Balances	General Fund	Capital Projects	Debt Service	Tax Increment Financing	Non Major Governmental	Total Governmental
<b>Non-spendable</b>						
Inventory	\$ 3,412	\$ 650			\$ 271	\$ 4,333
In accordance with Trusts					2,346	2,346
<b>Non-spendable Total</b>	<b>3,412</b>	<b>650</b>			<b>2,617</b>	<b>6,679</b>
<b>Restricted</b>						
Debt Service			\$ 106,905	\$ 24,349		131,254
Capital Projects		195,682	11,532	5,451		212,665
Income Tax Transit					11,030	11,030
Public Safety Operations					5,165	5,165
Fleet Services					1,499	1,499
Recreation Operations					2,729	2,729
Parks Operations					16,295	16,295
Public Health Services					599	599
Street Construction, Maintenance and Repair					3,662	3,662
Income Tax Infrastructure					9,415	9,415
Community Development					1,870	1,870
Other					7,048	7,048
<b>Restricted Total</b>		<b>195,682</b>	<b>118,437</b>	<b>29,800</b>	<b>59,312</b>	<b>403,231</b>
<b>Committed</b>						
Emergency Reserve	2,594					2,594
Reserve for Weather Events, Other Emergencies, and One-time Events	3,332					3,332
Property Investment Reimbursement Agreement	30					30
Public Health					3,487	3,487
Recreation					3,933	3,933
Parks					10,239	10,239
Public Safety Operations					156	156
Other					2,912	2,912
<b>Committed Total</b>	<b>5,956</b>				<b>20,727</b>	<b>26,683</b>
<b>Assigned</b>						
General Government Encumbrances	4,463					4,463
Community Development Encumbrances	2,064					2,064
Parks Encumbrances	300					300
Recreation Encumbrances	222					222
Police Encumbrances	565					565
Fire Encumbrances	718					718
Transportation and Engineering Encumbrances	51					51
Public Health Encumbrances	242					242
Public Services Encumbrances	153					153
Internal Service Funds	98					98
<b>Assigned Total</b>	<b>8,876</b>					<b>8,876</b>
<b>Unassigned</b>						
Working Capital Reserve Fund	28,919					28,919
Other	37,829					37,829
<b>Unassigned Total</b>	<b>66,748</b>					<b>66,748</b>
<b>Total Fund Balance</b>	<b>\$ 84,992</b>	<b>\$ 196,332</b>	<b>\$ 118,437</b>	<b>\$ 29,800</b>	<b>\$ 82,656</b>	<b>\$ 512,217</b>

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, 2019. The net position deficit in the internal service funds are: Purchasing Reproduction and Printing (\$190,000), and Fleet Services (\$4,305,000), and are to be covered by future user charges. These internal service funds are billed to user funds based on current costs.

### **Stabilization Funds Policy**

In June 2015, and again in June 2019, City Council updated the stabilization policy, which was originally established in 1984, to assure a strong financial position and to protect the City's general obligation bond rating during periods of fiscal stress. The updated 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 and contains four components: the General Fund Carryover Balance, General Fund Contingency Account, Economic Downturn Reserve, and the Working Capital Reserve. The policy also includes a waterfall funding mechanism to add the necessary funds to the City's reserve balance each year in order to achieve the recommended fund balance over time. The waterfall mechanism prioritizes the use of the annual year-end surplus in the following order:

1. Replenish any reserve draw(s) from prior year;
2. Fund the General Fund Carryover Balance at 1.5% of revenue;
3. Fund General Fund Contingency Account at 2% of revenue;
4. With remaining surplus fund 50% to Economic Downturn Reserve, 25% to Working Capital Reserve, and 25% to one-time expenditures.

At June 30, 2019, reserves were 12.8% of fiscal year 2019 revenue.

## **8. LEASES**

### **CITY AS LESSEE**

#### **Operating Leases**

The City has entered into various leases for property, equipment and office space. These leases are considered for accounting purposes to be operating leases. The total cost for such leases were \$1,001,000 for the fiscal year ended June 30, 2019. Future minimum lease payments are as follows:

(Amounts in Thousands)	
<u>Fiscal Year</u>	<u>Amounts</u>
2020	\$ 849
2021	375
2022	374
2023	288
2024	288
Remaining Years	<u>4,637</u>
Total Future Minimum Rents	<u><u>\$ 6,811</u></u>

#### **Capital Leases**

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

The assets acquired through capital leases are as follows:

(Amounts in Thousands)	Governmental <u>Activities</u>
Leased Property/Equipment	\$ 30,641
Less: Accumulated Depreciation	8,952
Total	<u>\$ 21,689</u>

The following is a schedule of future minimum capital leases and the present value of the net minimum lease payments at June 30, 2019:

(Amounts in Thousands)	Governmental <u>Activities</u>
<u>Fiscal Year</u>	
2020	\$ 5,732
2021	6,415
2022	6,398
2023	5,043
2024	3,260
2025-2029	<u>3,909</u>
Total Minimum lease payments	30,757
Less: Amounts representing interest	<u>1,810</u>
Present value of net minimum lease payments	<u>\$ 28,947</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, 2019 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>		
2020	\$ 22,487	\$ 1,622
2021	22,304	1,374
2022	21,957	1,039
2023	21,847	775
2024	21,825	584
Remaining years	<u>138,688</u>	<u>3,465</u>
Total Future Minimum Rental Payments	\$ 249,108	\$ 8,859
Total Rentals for Fiscal Year 2019:	\$ 23,864	\$ 1,921

## 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 Note 18.

## Governmental Capital Assets

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

On March 12, 2008 Ordinance 78-2008 was passed authorizing the issuance of bonds for the construction of a new administrative building for the Metropolitan Sewer District (MSD). The bonds were issued on July 22, 2009 for a term of 20 years. MSD will lease the building and the rentals will be equivalent to the annual debt service payment. The total rent payments in fiscal year ending June 30, 2019 were \$973,000. The outstanding principal is \$7,905,000.

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**

### 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%	\$ 480,875
Business-Type Activities	1.168% to 5.25%	29,816
		<u>\$ 510,691</u>

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

(Amounts in Thousands)

Year Ending June 30	Governmental Activities		Business-Type Activities		All Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 46,021	\$ 19,184	\$ 1,779	\$ 1,178	\$ 47,800	\$ 20,362
2021	43,919	17,324	1,793	1,106	45,712	18,430
2022	37,246	15,628	1,805	1,038	39,051	16,666
2023	34,060	14,074	1,576	974	35,636	15,048
2024	31,937	12,621	1,579	913	33,516	13,534
2025-2029	138,370	43,954	8,435	3,571	146,805	47,525
2030-2034	92,622	19,868	6,567	2,054	99,189	21,922
2035-2039	48,357	5,499	5,267	702	53,624	6,201
2040-2042	8,343	399	1,015	45	9,358	444
	<u>\$ 480,875</u>	<u>\$ 148,551</u>	<u>\$ 29,816</u>	<u>\$ 11,581</u>	<u>\$ 510,691</u>	<u>\$ 160,132</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, both new money and refunding, in prior years was \$1,206,620,000, of which \$844,700,000 was issued.

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

(Amounts in Thousands)

Purpose	Interest Rates	Amount
Economic Development	0.51% to 5.70%	\$ 122,749
Water Works	.75% to 6.458%	485,970
		<u>\$ 608,719</u>

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

(Amounts in Thousands)

Year Ending June 30	Governmental Activities Non Property Tax Revenue		Business-Type Activities Water Revenue		All Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 6,320	\$ 4,429	\$ 99,015	\$ 17,139	\$ 105,335	\$ 21,568
2021	6,510	4,223	22,620	15,625	29,130	19,848
2022	6,850	4,001	23,300	14,945	30,150	18,946
2023	7,065	3,763	24,055	14,189	31,120	17,952
2024	7,285	3,510	25,050	13,191	32,335	16,701
2025-2029	27,880	14,523	114,965	48,296	142,845	62,819
2030-2034	31,065	8,662	100,260	24,545	131,325	33,207
2035-2039	21,565	3,619	44,230	11,252	65,795	14,871
2040-2044	6,185	770	20,800	5,170	26,985	5,940
2045-2047	2,024	89	11,675	687	13,699	776
	<u>\$ 122,749</u>	<u>\$ 47,589</u>	<u>\$485,970</u>	<u>\$ 165,039</u>	<u>\$ 608,719</u>	<u>\$ 212,628</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, the Cincinnati Water Works issued Series 2009B taxable bonds as Build America Bonds under the provisions of the American Recovery and Reinvestment Act of 2009. Under this agreement, the Water Works is to receive 35% of the Bond interest as the Build America Bond Subsidy. The amount received in fiscal year 2019 was \$1,596,000.

Long-Term State Loans (Direct Borrowing)

The Ohio Public Works Commission (OPWC) extends loans to the City. Loans in the amount of \$3,139,000 accounted for as Governmental type and \$1,748,000 as Business-type represent the amounts due on the loans from the 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>
2020	\$ 288	\$ 218
2021	288	219
2022	288	219
2023	285	219
2024	266	219
2025-2029	1,008	498
2030-2034	652	156
2035	64	
Total	<u>\$ 3,139</u>	<u>\$ 1,748</u>

The Ohio Water Development Authority (OWDA) extends loans to the City. Notes outstanding as of June 30, 2019 of \$45,649,000 accounted for as Business-type Activities represent the amounts due on several loans for water works improvements. These notes bear interest at from 1.31% 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. The City has been authorized for a total of \$54,657,000 in loans, with \$9,008,000 remaining for future disbursement as of June 30, 2019.

Annual debt service requirement to maturity for the OWDA notes are as follows:

(Amounts in Thousands)

Year Ending	Business-type Activities	
	Principal	Interest
<u>June 30</u>		
2020	\$ 2,829	\$ 845
2021	2,888	791
2022	2,947	735
2023	3,006	677
2024	3,067	618
2025-2029	15,407	2,189
2030-2034	13,237	777
2035-2039	2,265	75
2040	3	-
Total	<u>\$ 45,649</u>	<u>\$ 6,707</u>

Notes Payable and State Infrastructure Bank Debt (Direct Borrowing)

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.

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>	<u>Total</u>
2020	\$ 1,131	\$ 700	\$ 1,831
2021	1,175	654	1,829
2022	1,220	607	1,827
2023	1,278	557	1,835
2024	1,327	505	1,832
2025-2029	3,724	1,913	5,637
2030-2034	4,373	1,056	5,429
2035-2039	1,807	262	2,069
2040-2044	637	64	701
2045	69	1	70
Total	<u>\$ 16,741</u>	<u>\$ 6,319</u>	<u>\$ 23,060</u>

The following are the total outstanding bonds and notes at June 30, 2019 and the debt service requirement for fiscal year 2020. Internal notes of \$205,000 are included in the chart.

<b>Bonds and Notes Outstanding at June 30, 2019</b>						
(AMOUNTS IN THOUSANDS)						
Description	Interest Rates	Issue Dates	Maturity Dates	Originally Issued	Amount Due 2020	Amount Outstanding 6/30/2019
<b>Bonds:</b>						
<b>General Property Tax</b>						
Various Rate Issues	1.5% to 5.25%	2011-2019	2021-2041	\$ 275,240	\$ 18,460	\$ 169,935
Refunding	0.45 to 5.25%	2012-2018	2019-2034	123,685	10,193	97,764
<b>Urban Redevelopment</b>						
Various Rate Issues	1.5% to 5.0%	2014&2017	2021&2036	5,535	305	4,525
<b>Municipal Income Tax</b>						
Refunding	0.45 to 5.25%	2013-2018	2021-2034	54,587	4,700	46,240
<b>Recreational Facilities</b>						
Refunding	0.45% to 2.738%	2016	2021	1,450	495	1,330
<b>Urban Renewal/Economic Dev.</b>						
Refunding	0.62% to 5.41%	2011-2016	2023-2036	71,700	3,420	17,445
<b>Urban Development Taxable</b>						
Refunding	0.45 to 3.1%	2016-2017	2021-2031	9,110	530	8,710
Judgement	1.168% to 4.390%	2016	2041	33,220	763	24,626
MSD Administration Bldg	2.0% to 4.0%	2016	2029	7,920	695	7,905
<b>Police &amp; Fire Pension</b>						
Refunding	0.371% to 5.25%	2014-2016	2022&2035	32,030	1,330	27,725
<b>Total Governmental Activities Bond Obligations</b>				<u>719,992</u>	<u>46,021</u>	<u>480,875</u>
<b>General Aviation</b>						
Convention Center	1.5% to 5.0%	2010-2018	2021-2026	447	40	300
Municipal Golf	1.168% to 5.0%	2010-2017	2025-2041	4,197	162	3,364
Stormwater	1.5% to 5.0%	2013-2018	2021-2026	315	30	228
Parking Facilities	1.168% to 5.0%	2016-2019	2021-2041	12,668	758	11,757
Water Works	1.168% to 5.25%	2010-2017	2028-2041	15,238	635	9,218
<b>Proprietary Fund Obligations</b>						
<b>Total Proprietary Fund Obligations</b>				<u>40,007</u>	<u>1,779</u>	<u>29,816</u>
<b>Total General Obligation Bonds Payable</b>				<u>759,999</u>	<u>47,800</u>	<u>510,691</u>
<b>Notes:</b>						
Streets	1.45% to 2.50%	2017-2019	2021-2022	59,249		59,249
Equipment	2.21% to 2.50%	2018	2022	1,407		1,407
Public Buildings	.62% to 2.50%	2018-2019	2020-2022	808	205	808
<b>Total General Obligation Notes Payable</b>				<u>61,464</u>	<u>205</u>	<u>61,464</u>
<b>Total General Obligation Bonds and Notes Payable</b>				<u>\$ 821,463</u>	<u>\$ 48,005</u>	<u>\$ 572,155</u>
<b>Revenue Bonds and Notes</b>						
<b>Total Outstanding Debt</b>				<u>\$ 1,660,293</u>	<u>\$ 153,340</u>	<u>\$ 1,180,874</u>

## Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

(Amounts in Thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 495,427	\$ 31,485	\$ (46,037)	\$ 480,875	\$ 46,021
Unamortized premiums	54,678	3,373	(5,222)	52,829	
	<u>550,105</u>	<u>34,858</u>	<u>(51,259)</u>	<u>533,704</u>	<u>46,021</u>
Revenue Bonds	118,269	10,250	(5,770)	122,749	6,320
Unamortized premiums	3,414	332	(148)	3,598	
Unamortized discounts	(268)		20	(248)	
	<u>121,415</u>	<u>10,582</u>	<u>(5,898)</u>	<u>126,099</u>	<u>6,320</u>
Total Bonds Payable	671,520	45,440	(57,157)	659,803	52,341
General Obligation Notes Payable (Note 12)	52,159	9,100		61,259	
Direct Borrowing:					
Notes Payable	12,441		(925)	11,516	965
State Infrastructure Bank Bond and Loan Payable	5,389		(164)	5,225	166
State Loans	3,427		(288)	3,139	288
Compensated Absences	129,216	42,274	(43,231)	128,259	38,977
Claims and Judgments (Note 17)	26,660	74,268	(78,519)	22,409	13,811
Capital Leases (Note 8)	25,091	8,125	(4,269)	28,947	5,197
Net Pension Liabilities (Note 20)	783,868	197,412		981,280	
Net OPEB Liabilities (Note 21)	429,217		(309,589)	119,628	
Pollution Remediation (Note 16)	1,669	718	(722)	1,665	
Other	1,484	380		1,864	215
Governmental Activities Long-term Liabilities	<u>\$ 2,142,141</u>	<u>\$ 377,717</u>	<u>\$ (494,864)</u>	<u>\$ 2,024,994</u>	<u>\$ 111,960</u>
<b>Business-type Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 27,201	\$ 4,415	\$ (1,800)	\$ 29,816	\$ 1,779
Unamortized premiums	69		(12)	57	
	<u>27,270</u>	<u>4,415</u>	<u>(1,812)</u>	<u>29,873</u>	<u>1,779</u>
Revenue Bonds	505,685		(19,715)	485,970	99,015
Unamortized premiums	38,695		(2,787)	35,908	
	<u>544,380</u>	<u></u>	<u>(22,502)</u>	<u>521,878</u>	<u>99,015</u>
Total Bonds Payable	571,650	4,415	(24,314)	551,751	100,794
Compensated Absences	10,409	5,183	(4,852)	10,740	4,683
Claims and Judgments (Note 17)	243	1,529	(83)	1,689	1,689
Capital Leases (Note 8)	440		(440)		
Net Pension Liabilities (Note 20)	95,135	20,000		115,135	
Net OPEB Liabilities (Note 21)	5,533	10,811		16,344	
Direct Borrowing:					
State Loans	45,290	5,074	(2,967)	47,397	3,047
Business-Type Activities Long-term Liabilities	<u>\$ 728,700</u>	<u>\$ 47,012</u>	<u>\$ (32,656)</u>	<u>\$ 743,056</u>	<u>\$ 110,213</u>

For the governmental activities, claims and judgments are generally liquidated by the general fund. The net pension liabilities, net OPEB liabilities, 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, \$1,739,000 of compensated absences, \$19,192,000 of unpaid claims, \$23,084,000 of net pension liability, and \$3,016,000 of net OPEB liability for the internal service funds are included in the above amounts.

In the event of a default or termination of one of the City's debt agreements, the borrower and/or investors shall utilize any rights available to them under law. The City's debt agreements contain no specific finance-related consequences related to events of default or termination, nor do these agreements contain any subjective acceleration clauses.

### **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, 2019:

(Amounts in Thousands)

Bond Type	Call Date	Par Amount	Refunded Date	Series
Revenue Refunding	11/1/2019	\$ 2,230	11/2/2016	2009B
Tax Exempt GO Bonds	12/1/2019	16,860	2/4/2016	2011A
Taxable GO Bonds	12/1/2019	3,035	2/4/2016	2009C
Taxable GO Bonds	12/1/2019	4,200	10/25/2016	2011C
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
Tax Exempt GO Bonds	12/1/2019	1,400	12/27/2017	2011B
Taxable GO Bonds	12/1/2019	650	12/27/2017	2011D
Taxable GO Bonds	6/1/2020	2,950	10/25/2016	2010F
Tax Exempt GO Bonds	12/1/2020	23,750	2/4/2016	2012A
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	\$ 218,370		

## **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 (ORC). 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 ORC.

Section 133.05 provides that the principal amount of both voted and un-voted debt of the City may not exceed 10.5% of the City's assessed valuation, and the principal amount of the City's un-voted debt may not exceed 5.5% of the City's assessed valuation. The ORC also provides several exemptions of debt from the 5.5% and 10.5% limitations.

**11. TAXES AND TAX ABATEMENTS**

**City Income Tax**

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

The City's income tax of 2.1% is subdivided into four components. The first component is 0.1%, which is to be spent only for the maintenance of the City's infrastructure. The second component is the 0.3%, which can be used only for public transit purposes, including both capital and current operating expense. The third component is 0.15%, which can be used only for permanent improvement purposes. The remaining 1.55% is used to meet operating expenses in the General Fund.

The following table identifies the 1.55% income tax collections to the General Fund for the fiscal periods 2015 through 2019:

(Amounts in Thousands)

<u>Year</u>	General Fund Collections <u>of 1.55%</u>
2015	\$ 261,848
2016	277,673
2017	274,312
2018	277,477
2019	288,826

**Property Taxes**

The assessed valuation of property within the City subject to the levy of ad valorem taxes includes real property, public utilities property, and tangible personal property. The assessed value upon which the collection years 2018 and 2019 were based was \$5,313,434,440 and \$457,626,470 for 2018 and \$5,261,461,220 and \$472,306,030 for 2019. 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 - 2019**

Lien date	January 1, 2018
Levy date	October 31, 2018
First installment payment due	January 31, 2019
Second installment payment due	June 20, 2019

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 2018 and the first six months of calendar 2019 has been included in revenues for the fiscal year 2019. The second installment of 2019 is not recorded as revenue for fiscal year 2019. The ORC requires the second installment of property tax be recorded as a deferred inflow of resources.

**Tax Increment Financing (TIF) Districts**

The City, pursuant to the ORC 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 a TIF District is 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 a TIF District. Property values existing before the commencement of a TIF District continue to be subjected to property taxes.

In 2019, the City received “statutory service payments” totaling \$22.2 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, 27% 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
2015	\$ 7,875
2016	8,059
2017	7,907
2018	8,093
2019	8,289

## **Tax Abatements**

Pursuant to 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 CRA 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. CRA are areas of land in which property owners can receive tax incentives for investing in real property improvements. In order to use the CRA 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 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 2019, the amount of property tax revenue forgone under the CRA program was \$3,014,000.

### **Job Creation Tax Credit (JCTC) 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 2019, the amount of income tax revenue forgone under the JCTC program was \$6,564,000.

**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 \$205,000 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 Note 5 on Inter-fund Assets and Liabilities. A municipal income tax supported general obligation note of \$9,100,000 was issued externally in January of 2019.

(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	56,124	\$ 12,920	7,785	\$ 61,259
	<u>\$ 58,124</u>	<u>\$ 12,920</u>	<u>\$ 9,785</u>	<u>\$ 61,259</u>
<u>Business Activities</u>				
General Obligation Bond Anticipation Notes	\$ 478	\$ 205	\$ 478	\$ 205

**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	\$ 2,653
Revenue bond Reserve Account - Water Works	133,403
Customer Deposits - Water Works	9,884
Construction Account - Other - Water Works	63,369
	<u>\$ 209,309</u>

## 14. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

(Amounts in Thousands)	Beginning			Ending
<b>Governmental Activities:</b>	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Capital assets, not being depreciated:				
Land	\$ 200,072	\$ 184	\$ (501)	\$ 199,755
Construction in Progress	171,979	66,126	(29,022)	209,083
Total capital assets, not being depreciated	<u>372,051</u>	<u>66,310</u>	<u>(29,523)</u>	<u>408,838</u>
Capital assets, being depreciated:				
Buildings	306,570	311		306,881
Improvements other than buildings	532,195	56	(11,626)	520,625
Machinery and Equipment	185,675	8,743	(4,212)	190,206
Property acquired under capital leases	26,560	4,147	(66)	30,641
Infrastructure	1,313,952	24,037	(780)	1,337,209
Total capital assets, being depreciated	<u>2,364,952</u>	<u>37,294</u>	<u>(16,684)</u>	<u>2,385,562</u>
Less accumulated depreciation for:				
Buildings	(175,959)	(9,006)		(184,965)
Improvements other than buildings	(305,961)	(15,980)	11,626	(310,315)
Machinery and Equipment	(139,448)	(9,954)	4,061	(145,341)
Property acquired under capital leases	(5,735)	(3,257)	40	(8,952)
Infrastructure	(608,489)	(45,910)	69	(654,330)
Total accumulated depreciation	<u>(1,235,592)</u>	<u>(84,107)</u>	<u>15,796</u>	<u>(1,303,903)</u>
Total capital assets, being depreciated, net	<u>1,129,360</u>	<u>(46,813)</u>	<u>(888)</u>	<u>1,081,659</u>
Governmental-type Activities capital assets, net	<u>\$ 1,501,411</u>	<u>\$ 19,497</u>	<u>\$ (30,411)</u>	<u>\$ 1,490,497</u>

(Amounts in Thousands)	Beginning			Ending
<b>Business-type Activities:</b>	<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	115,356	\$ 55,862	\$ (58,329)	112,889
Total capital assets, not being depreciated	<u>159,426</u>	<u>55,862</u>	<u>(58,329)</u>	<u>156,959</u>
Capital assets, being depreciated:				
Buildings	373,234	985		374,219
Improvements other than buildings	1,248,933	47,303	(1,414)	1,294,822
Machinery and Equipment	316,452	11,396	(2,313)	325,535
Property acquired under capital leases	2,178		(20)	2,158
Total capital assets, being depreciated	<u>1,940,797</u>	<u>59,684</u>	<u>(3,747)</u>	<u>1,996,734</u>
Less accumulated depreciation for:				
Buildings	(217,722)	(6,196)		(223,918)
Improvements other than buildings	(320,343)	(19,070)	362	(339,051)
Machinery and Equipment	(221,126)	(11,711)	2,270	(230,567)
Property acquired under capital leases	(2,075)	(103)	20	(2,158)
Total capital assets, being depreciated	<u>(761,266)</u>	<u>(37,080)</u>	<u>2,652</u>	<u>(795,694)</u>
Total capital assets, being depreciated, net	<u>1,179,531</u>	<u>22,604</u>	<u>(1,095)</u>	<u>1,201,040</u>
Business-type Activities capital assets, net	<u>\$ 1,338,957</u>	<u>\$ 78,466</u>	<u>\$ (59,424)</u>	<u>\$ 1,357,999</u>

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

(Amounts in Thousands)

Governmental activities:	
General Government	\$ 3,632
Community Development	4,816
Recreation	5,845
Police	4,093
Transportation and Engineering	41,882
Public Services	12,627
Public Health	603
Parks	6,076
Fire	2,840
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	1,693
Total depreciation expense - governmental activities:	<u>\$ 84,107</u>

Business-type activities:	
Water Works	\$ 25,114
Parking Facilities	2,377
Convention Center	4,414
General Aviation	716
Municipal Golf	888
Stormwater Management	3,571
Total depreciation expense - business-type activities:	<u>\$ 37,080</u>

(Amounts in Thousands)

	Project	Expended to		Required
<u>Administering Department</u>	<u>Authorizations</u>	<u>6/30/2019</u>	<u>Committed</u>	<u>Future</u>
				<u>Financing</u>
Transportation and Engineering	\$ 180,703	\$ 101,674	\$ 79,029	\$ 39,003
Community Development	78,786	58,397	20,389	2,679
Recreation	10,442	5,754	4,688	
Police	6,287	5,275	1,012	264
Fire	893	817	76	
Parks	12,278	5,814	6,464	150
Public Services	37,585	24,189	13,396	1,697
Other	9,940	7,163	2,777	1
Total	<u>\$ 336,914</u>	<u>\$ 209,083</u>	<u>\$ 127,831</u>	<u>\$ 43,794</u>

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

Business Activities Construction in Progress at June 30, 2019 is comprised of the following:

(Amounts in Thousands)	Project	Expended	Required	
<u>Enterprise Fund</u>	<u>Authorization</u>	<u>to 6/30/19</u>	<u>Committed</u>	<u>Future Financing</u>
Water Works	\$ 222,817	\$ 91,601	\$ 131,216	
Parking Facilities	5,186	3,035	2,151	
Convention Center	7,372	5,594	1,778	\$ 1,176
General Aviation	5,552	5,152	400	2,117
Municipal Golf	1,611	586	1,025	
Stormwater Management	7,009	6,921	88	
<b>Total</b>	<b>\$ 249,547</b>	<b>\$ 112,889</b>	<b>\$ 136,658</b>	<b>\$ 3,293</b>

## 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, 2019, are as follows: Taxes Receivable (\$1,006,000) and other accounts receivable (\$67,441,000). The uncollectible accounts related to the Debt Service Fund at June 30, 2019 are Taxes Receivable (\$1,416,000). The balance for the allowance for uncollectible accounts in the Capital Projects Fund at June 30, 2019 is (\$322,000). The balance of the allowance accounts for Special Revenue Funds is (\$3,553,000) as of June 30, 2019. The balances of the allowance accounts of the proprietary funds as of June 30, 2019 are as follows: Water Works (\$5,685,000), Municipal Golf (\$13,000), General Aviation (\$39,000), Parking Facilities (\$43,000) and Stormwater Management (\$1,607,000).

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 (CDBG). These loans are secured by liens on the property. Federal regulations provide that the grantor maintains the ownership of the City's CDBG 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 \$27,328,000, 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 CDBG 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, 2019 total \$53,116,000.

In addition, the special revenue funds have a loan receivable from Cincinnati Landmark Productions. In 2014, the City 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 2019.

(Amounts in Thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020		\$ 43	\$ 43
2021		43	43
2022	\$ 199	42	241
2023	245	40	285
2024	247	37	284
2025-2029	1,276	148	1,424
2030-2034	1,343	82	1,425
2035-2038	890	16	906
Total	\$ 4,200	\$ 451	\$ 4,651

The special revenue funds also have a loan receivable from Westwood Town Hall. In 2017, the City entered into a loan agreement with Westwood Town Hall for \$4 million. The loan is to be repaid over a 22-year period at 1% interest. Below is the repayment schedule. Interest payments of \$40,000 were received in fiscal year 2019.

(Amounts in Thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020		\$ 40	\$ 40
2021		40	40
2022		40	40
2023		40	40
2024		40	40
2025-2029	\$ 1,267	170	1,437
2030-2034	1,332	105	1,437
2035-2038	1,401	37	1,438
Total	\$ 4,000	\$ 512	\$ 4,512

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, 2019 is \$17,620,000. 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 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 18 fiscal years will be as follow from August 31, 2019 to August 1, 2036: fiscal years 2020-2027 - \$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>
2020	\$ 888	\$ 362	\$ 1,250
2021	846	404	1,250
2022	806	444	1,250
2023	767	483	1,250
2024	731	519	1,250
2025-2029	3,399	3,351	6,750
2030-2034	2,975	4,525	7,500
2035-2037	1,466	3,034	4,500
Total	<u>\$ 11,878</u>	<u>\$ 13,122</u>	<u>\$ 25,000</u>

Within the debt service fund the City has recorded a loan with Graeter's. In 2009, the City 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 2019.

(Amounts in Thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 522	\$ 262	\$ 784
2021	544	241	785
2022	566	219	785
2023	589	196	785
2024	613	172	785
2025-2029	3,455	468	3,923
2030	384	8	392
Total	<u>\$ 6,673</u>	<u>\$ 1,566</u>	<u>\$ 8,239</u>

## 16. CONTINGENT LIABILITIES

### Federal and State Grants

The City has received Federal and State grants of approximately \$42 million for specific purposes that are subject to review and audit by the grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Such disallowances have been immaterial in prior years.

### Litigation

Various claims and lawsuits are pending against the City as of June 30, 2019. A liability of \$24 million was recorded for those claims and judgments as of June 30, 2019. Over the past decade, the City has averaged annual payments of \$919,000 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 \$1,665,000 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 2019. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in any of the past three years. The property insurance is accounted for in the internal service fund, titled "Self Insurance – Risk Management".

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

In 1990, the City began to account for and finance its risk of loss due to workers' compensation claims and established an internal service fund titled "Self Insurance - Workers' Compensation". The city pays worker's comp claims on a per claim basis except a small portion that is paid through the State of Ohio Bureau of Workers' Compensation. All funds of the City participate in the program and make payments to the internal service fund based on the experience premium that would normally be charged by the Bureau of Workers' Compensation. Policy years 1989 through 2000 were financed through the retrospective rating program. Policy years 2001 and 2002 were financed through the fully insured program with the State Fund workers' compensation program. Beginning with policy year 2003, the City elected to be fully self-insured for workers' compensation. All of the City's workers' compensation liabilities are funded within the "Self-Insurance –Workers' Compensation" fund. Changes in the balances of claims liabilities and claims adjustment expenses during fiscal years 2019 and 2018 are as follows:

(Amounts in Thousands)	General Fund		Water Works Fund		Parking Facilities Fund		Municipal Golf Fund		Stormwater Fund	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Beginning Balance	\$ 96	\$ 305	\$ 230	\$ 260	\$ 6		\$ 7			
Current-Year Claims										
Claims and Changes in Estimates	1,658	607	1,528	63		\$ 6	\$ (7)	\$ 7	\$ 8	\$ 38
Claim Payments	(1,494)	(816)	(79)	(93)	(4)					\$ (38)
Ending Balance	\$ 260	\$ 96	\$ 1,679	\$ 230	\$ 2	\$ 6	\$ 7	\$ 8		

(Amounts in Thousands)	Special Revenue Funds		Self Insurance Risk Management Fund		Workers' Compensation Fund		Governmental Activities Obligations		Entity Wide Totals	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Beginning Balance	\$ 30	\$ 14	\$ 7,929	\$ 7,983	\$ 15,903	\$ 14,046	\$ 3,279	\$ 3,169	\$ 27,480
Current-Year Claims										
Claims and Changes in Estimates	23	50	75,922	80,621	(3,259)	7,152	458	926	76,331	89,470
Claim Payments	(17)	(34)	(75,890)	(80,675)	(302)	(5,295)	(816)	(816)	(78,602)	(87,767)
Ending Balance	\$ 36	\$ 30	\$ 7,961	\$ 7,929	\$ 12,342	\$ 15,903	\$ 2,921	\$ 3,279	\$ 25,209	\$ 27,480

The claims liabilities at June 30, 2019 for the Internal Service Funds above (Self-Insurance Risk Management 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	\$ 712	
Accrued Liabilities		\$ 399
Estimated Liability For Unpaid Claim	7,249	11,943
Total	<u>\$ 7,961</u>	<u>\$ 12,342</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, 2019 is \$4.7 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, 2019 was \$5.4 million. The current period revenue recognition is \$198,000.

During fiscal year 2015 the Fountain Square South Garage was leased to the Port Authority “as is” for 30 years. Improvements of \$1.2 million were made by the Port Authority to the garage and these improvements are included in improvements of the Parking Facilities Fund. The current period revenue recognition is \$46,000. The book value at June 30, 2019 was \$1.1 million.

**19. SUBSEQUENT EVENTS**

In December 2019 the City plans to issue \$45,825,000 of new general obligation bonds. The City Council approved the following debt ordinances in April and June of 2019:

(Amounts in Thousands)

Ordinance #	Date	Debt Type	Purpose	Amount Authorized
126-2019	4/24/2019	General Obligation Bonds	Street Improvement	\$ 7,600,000
223-2019	6/19/2019	General Obligation Bonds	Street Improvement	10,450,000
224-2019	6/19/2019	General Obligation Bonds	Public Buildings	1,300,000
226-2019	6/19/2019	General Obligation Bonds	Equipment	11,250,000
227-2019	6/19/2019	General Obligation Bonds	Stormwater	7,725,000
228-2019	6/19/2019	*Anticipation Notes	Street Improvement	14,790,500
229-2019	6/19/2019	*Anticipation Notes	Recreation	2,905,000
230-2019	6/19/2019	*Anticipation Notes	Parks	2,009,000
225-2019	6/19/2019	*Anticipation Notes	Public Buildings	2,148,000
232-2019	6/19/2019	Anticipation Notes	Street Improvement	7,500,000
233-2019	6/19/2019	General Obligation Bonds	Refunding	75,000,000
235-2019	6/19/2019	General Obligation Bonds	Refunding	80,000,000
236-2019	6/19/2019	Revenue Bonds	Refunding	80,000,000

\* 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.

The net pension liabilities and related deferred outflows and inflows of resources recorded in the accrual basis financial statements as of June 30, 2019 were as follows:

(Amounts in Thousands)

	OP&F	OPERS	CRS	Total
Net Pension Liability	\$ 592,378	\$ 18,027	\$ 486,010	\$ 1,096,415
Deferred Outflows of Resources	141,816	4,644	66,045	212,505
Deferred Inflows of Resources	553	870	2,993	4,416
Pension Expense	48,843	2,337	8,551	59,731

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

The ORC 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 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):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of Service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 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 2019, 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 \$1,231,000 for 2019.

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

Certain City full-time police and firefighters participate in the 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 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](http://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 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>	
<b>2019 Statutory Maximum Contribution Rates</b>				
Employer	19.50	%	24.00	%
Employee	12.25	%	12.25	%
<b>2019 Actual Contribution Rates</b>				
Employer:				
Pension	19.00	%	23.50	%
Post-employment Health Care Benefits	0.50	%	0.50	%
Total Employer	<u>19.50</u>	%	<u>24.00</u>	%
Employee	<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 \$35,101,000 for 2019.

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, 2018 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, 2018 and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. 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&amp;F</u>
Proportionate Share of Net Pension Liability	\$ 18,027	\$ 592,378
Proportion of Net Pension Liability	0.065821%	7.25719%
Change in Proportion	-0.003008%	0.05165%
Pension Expense	\$ 2,337	\$ 48,843

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (Amounts in Thousands):

	<u>OPERS</u>	<u>OP&amp;F</u>
<b>Deferred Outflows of Resources</b>		
Differences between expected and actual experience	\$ 1	\$ 24,338
Net difference between projected and actual earnings on pension plan investments	2,447	72,981
Change in assumptions	1,570	15,705
Change in City's proportionate share and difference in employer contributions	4	11,493
City contributions subsequent to the measurement date	622	17,299
Total Deferred Outflows of Resources	<u>\$ 4,644</u>	<u>\$ 141,816</u>
	<u>OPERS</u>	<u>OP&amp;F</u>
<b>Deferred Inflows of Resources</b>		
Differences between expected and actual experience	\$ 237	\$ 553
Change in City's proportionate share and difference in employer contributions	633	
Total Deferred Inflows of Resources	<u>\$ 870</u>	<u>\$ 553</u>

\$17,921,000 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, 2020.

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):

	<u>OPERS</u>	<u>OP&amp;F</u>
Fiscal Year Ending June 30:		
2020	\$ 1,174	\$ 39,388
2021	613	23,429
2022	227	25,010
2023	1,138	34,069
2024	2,068	2,068
	<u>\$ 3,152</u>	<u>\$ 123,964</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, 2018 actuarial valuation was determined using the following actuarial assumptions:

Wage inflation	3.25%
Future salary increases, Including inflation COLA or Ad Hoc COLA	3.25% to 10.75% Pre 1/7/2013 retirees: 3%; Post 1/7/2013 retirees: 3% simple through 2018, then 2.15% simple
Current measurement period investment rate of return	7.20%
Prior measurement period investment rate of return	7.50%
Actuarial cost method	Individual entry age

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. Post-retirement mortality rates are based on the RP-2014 Health Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. 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, for to all of the above described tables. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of 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 2018, 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 2.94% for 2018.

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 table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.79%
Domestic Equities	19.00%	6.21%
Real Estate	10.00%	4.90%
Private Equity	10.00%	10.81%
International Equities	20.00%	7.83%
Other Investments	<u>18.00%</u>	<u>5.50%</u>
Total	<u>100.00%</u>	<u>5.95%</u>

**Discount Rate.** The discount rate used to measure the total pension liability was 7.2%. 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 7.2%, 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 (6.2%) and one-percentage point higher (8.2%) than the current rate (amounts in thousands):

	1% Decrease (6.2%)	Current Discount Rate of 7.2%	1% Increase (8.2%)
City's proportionate share of the net pension liability	\$ 26,631	\$ 18,027	\$ 10,877

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018 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 determined 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, 2018 with actuarial liabilities rolled forward to December 31, 2018
Actuarial assumption experience study date	5-year period ended December 31, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Cost-of-living adjustments	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 according to the rates in the following table, projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

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 OP&F's 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, 2018 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	0.0%	0.80%
Domestic equity	16.0%	5.50%
Non-U.S. equity	16.0%	5.90%
Private markets	8.0%	8.40%
Core fixed income*	23.0%	2.60%
High yield fixed income	7.0%	4.80%
Private credit	5.0%	7.50%
U.S. inflation linked bonds*	17.0%	2.30%
Master limited partnerships	8.0%	6.40%
Real assets	8.0%	7.00%
Private real estate	12.0%	6.10%
	120.0%	

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	\$ 778,640	\$ 592,378	\$ 436,729

## **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. Note 22 provides information on CRS as of June 30, 2019 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 CRS.

Information in the remainder of this Note is provided for the City's portion being reported in governmental activities and proprietary funds with a measurement date of June 30, 2018. 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.

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

Average Highest Compensation (AHC) represents the average of the highest three consecutive years of earnings for Groups C and D. Group E will have a AHC 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 AHC 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 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, 2017 valuation date was as follows:

Retired participants and beneficiaries	
currently receiving benefits	4,233
Terminated participants and beneficiaries	
entitled to benefits but not yet receiving	
benefits	211
Inactive participants	8,472
Active participants:	
Full-time	3,029
Part-time	742
Total	<u>16,687</u>

Funding Policy—Each member contributes at a rate of 9.0% of his pensionable wages for fiscal year 2019. 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 2019, the employer contribution rate for full-time members was 16.25% and 3.0% for part-time members. The Employer’s contributions to the CRS Pension Fund for the fiscal year ending June 30, 2019 were \$27,382,000.

***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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The City reported a net pension liability of \$486,010,000 and a pension expense of \$8,551,000.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (Amounts in Thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
City contributions subsequent to the measurement date	\$ 27,382		\$ 27,382
Differences between expected and actual experience	13,035		13,035
Net difference between projected and actual investment earnings		\$ (112)	(112)
Change in proportion	3,793	(2,881)	912
Change in assumptions	21,835		21,835
	<u>\$ 66,045</u>	<u>\$ (2,993)</u>	<u>\$ 63,052</u>

City contributions subsequent to the measurement date of \$27,382,000 reported as deferred outflows of resources related to pension will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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 Resources
2020	\$ 46,234
2021	8,701
2022	(16,951)
2023	<u>(2,314)</u>
	<u>\$ 35,670</u>

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

Valuation date	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Actuarial assumption experience study date	February 28, 2018	October 28, 2011
Inflation	2.75%	3.00%
Salary increases, including inflation	3.75% to 7.50%	4.00% to 7.50%
Long-term investment rate of return, net of pension plan investment expense, including inflation	7.50%	7.50%
Single equivalent interest rate, net of pension plan investment expense, including inflation	7.50%	7.50%
Mortality tables	RP-2014	RP-2000

Pre-retirement mortality rates were based on the RP-2014 Employees Mortality Table with a generational approach using the MP-2017 projection scale. Post-retirement mortality rates were based on 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. Post-disability mortality rates were based on the RP-2014 Disabled Retiree Mortality Table with a generational approach using the MP-2017 projection scale.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of the last actuarial experience study, 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 class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
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	<u>100.00 %</u>	

\* Geometric mean

*Discount Rate.* The discount rate used to measure the total pension liability was 7.50% as of June 30, 2018. 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	\$ 685,382	\$ 486,010	\$ 316,746

*Change in the Net Pension Liability:* Changes in the City financial reporting entity's net pension liability for the fiscal year ended June 30, 2018 were as follows (amounts in thousands):

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2017	\$ 1,824,327	\$ 1,398,358	\$ 425,969
Changes for the year:			
Service cost	18,574		18,574
Interest	132,842		132,842
Difference between expected and actual experience	24,312		24,312
Change in assumptions	40,990		40,990
Contributions - employer		26,506	(26,506)
Contributions - employee		15,352	(15,352)
Net investment income		114,134	(114,134)
Benefit payments, including refunds of employee contributions	(137,046)	(137,046)	
Administrative expense		(1,208)	1,208
Other changes		1,893	(1,893)
Net changes	79,672	19,631	60,041
Balances at June 30, 2018	\$ 1,903,999	\$ 1,417,989	\$ 486,010

The date of the actuarial valuation upon which the total pension liability (TPL) is based on is December 31, 2017. The 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) 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 change loss.

<b>CRS TPL Rollforward</b>		
<i>(amounts in thousands)</i>		
	(1)	New Assumptions (2)
(a) Interest Rate (SEIR)	7.50%	7.50%
(b) TPL as of December 31, 2017	\$ 1,869,718	\$ 1,909,013
(c) Entry Age Normal Cost for the period January 1, 2018 - June 30, 2018	9,629	9,877
(d) Actual Benefit Payments and Refunds for January 1, 2018 - June 30, 2018	68,523	68,523
(e) TPL as of June 30, 2018 = [(b) x (1 + (a)) <sup>1/2</sup> ] + (c) - [(d) x (1 + (a)) <sup>1/4</sup> ]	1,878,421	1,919,411
(f) June 30, 2017 TPL Rolled Forward to June 30, 2018	1,854,109	
(g) Experience (Gain)/Loss: (1e) - (1f)	24,312	
(h) Assumption (Gain)/Loss: (2e) - (1e)		40,990

## 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 OPERS and OP&F are cost-sharing multiple-employer defined benefit OPEB plans. The 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.

The net OPEB liabilities and related deferred outflows and inflows of resources recorded in the accrual basis financial statements as of June 30, 2019 were as follows:

(Amounts in Thousands)	OP&F	OPERS	CRS	Total
Net OPEB Liability	\$ 66,088	\$ 8,318	\$ 61,566	\$ 135,972
Deferred Outflows of Resources	38,795	653	36,415	75,863
Deferred Inflows of Resources	22,819	465	64,307	87,591
OPEB Expense/(Negative Expense)	(320,467)	508	14,862	(305,097)

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

The ORC 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)***

OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an OPEB as described in GASB Statement No. 75. See OPERS' CAFR referenced below for additional information.

The ORC permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the ORC.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

**Funding Policy**—The ORC provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by Systems' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rate permitted by ORC. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care for 2019 was 0% for both the traditional pension and combined 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 employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2019 was 4.0%.

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

The City contributes to the OP&F sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an OPEB as described in GASB Statement No. 75.

The ORC allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the ORC.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org), or by writing to the OP&F Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**Funding Policy**—The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5% and 24.0% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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 Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$835,000 for the fiscal year ended June 30, 2019.

***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, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to December 31, 2018 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, 2018 and was determined by rolling forward the total OPEB liability as of January 1, 2018, with actuarial liabilities to December 31, 2018. 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/(negative expense) (amounts in thousands):

	<u>OPERS</u>	<u>OP&amp;F</u>
Proportionate Share of Net OPEB Liability	\$ 8,318	\$ 66,088
Proportion of Net OPEB Liability	0.063798%	7.257190%
Change in Proportion	-0.003278%	0.05165%
OPEB Expense/(Negative Expense)	\$ 508	\$ (320,467)

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (Amounts in Thousands):

	<u>OPERS</u>	<u>OP&amp;F</u>
<b>Deferred Outflows of Resources</b>		
Differences between expected and actual experience	\$ 3	\$ 2,237
Net difference between projected and actual earnings on OPEB plan investments	382	
Change in assumptions	268	34,257
Change in City's proportionate share and difference in employer contributions		1,890
City contributions subsequent to the measurement date		411
Total Deferred Outflows of Resources	<u>\$ 653</u>	<u>\$ 38,795</u>
<b>Deferred Inflows of Resources</b>		
Differences between expected and actual experience	\$ 22	\$ 1,771
Change in assumptions		18,296
Change in City's proportionate share and difference in employer contributions	443	2,752
Total Deferred Inflows of Resources	<u>\$ 465</u>	<u>\$ 22,819</u>

\$411,000 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, 2020.

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&amp;F</u>
Fiscal Year Ending June 30:		
2020	\$ 5	\$ 2,803
2021	(69)	2,803
2022	60	2,803
2023	192	3,480
2024		2,413
Thereafter		1,263
	<u>\$ 188</u>	<u>\$ 15,565</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 OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2018.

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

Actuarial valuation date	December 31, 2017
Rolled-forward measurement date	December 31, 2018
Experience study	5-year period ended December 31, 2015
Actuarial cost method	Individual entry age normal
Actuarial Assumptions:	
Single discount rate	3.96%
Investment rate of return	6.00%
Municipal bond rate	3.71%
Wage inflation	3.25%
Projected salary increases	3.25% - 10.75% (includes wage inflation at 3.25%)
Health care cost trend rate	10.0% initial, 3.25% ultimate in 2029

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 described tables.

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 2018, 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 5.60% for 2018.

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 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	2.42%
Domestic Equities	21.00%	6.21%
REITs	6.00%	5.98%
International Equities	22.00%	7.83%
Other Investments	<u>17.00%</u>	<u>5.57%</u>
Total	<u>100.00%</u>	<u>5.16%</u>

**Discount Rate.** A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. 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 6.0% and a municipal bond rate of 3.71%. The single discount rate on the prior measurement date 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 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, 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 3.96% 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):

	<u>1% Decrease</u> <u>(2.96%)</u>	<u>Current</u> <u>Discount</u> <u>Rate of 3.96%</u>	<u>1% Increase</u> <u>(4.96%)</u>
City's proportionate share of the net OPEB liability	\$ 10,642	\$ 8,318	\$ 6,470

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 2019 is 10.0%. 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</u> <u>Health Care</u> <u>Trend Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 7,995	\$ 8,318	\$ 8,689

***Actuarial Assumptions—OP&F***

OP&F’s total OPEB liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. 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, 2018, with actuarial liabilities rolled forward to December 31, 2018
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; 2.25% 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 according to the rates in the following table, projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

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 OP&F's 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, 2018 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	0.0%	0.80%
Domestic equity	16.0%	5.50%
Non-U.S. equity	16.0%	5.90%
Private markets	8.0%	8.40%
Core fixed income*	23.0%	2.60%
High yield fixed income	7.0%	4.80%
Private credit	5.0%	7.50%
U.S. inflation linked bonds*	17.0%	2.30%
Master limited partnerships	8.0%	6.40%
Real assets	8.0%	7.00%
Private real estate	12.0%	6.10%
	120.0%	

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 on the December 31, 2018 measurement date was calculated using the discount rate of 4.66%. Total OPEB liability on the December 31, 2017 measurement date 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 not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 (3.16% at December 31, 2017) was blended with the long-term rate of 8.0%, which resulted in a blended discount rate of 4.66% at December 31, 2018 (3.24% at December 31, 2017).

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.***

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 (3.66%) and 1% higher (5.66%) than the current discount rate of 4.66% (amounts in thousands):

	1% Decrease <u>(3.66%)</u>	Current Discount Rate of 4.66%	1% Increase <u>(5.66%)</u>
City's proportionate share of the net OPEB liability	\$ 80,513	\$ 66,088	\$ 53,979

As discussed below, OP&F has changed its health care model to a stipend-based health care model, beginning January 1, 2019, with health care cost trend assumptions no longer impacting the net OPEB liability.

***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, 2017 valuation date was as follows:

Retired members and surviving spouses	
currently receiving retiree health benefits	3,684
Terminated vested members and retired	
members eligible for retiree health benefits,	
not currently receiving benefits but may	
elect to enroll for coverage in the future	270
Active participants:	
Full-time	2,993
DROP	108
Total	<u><u>7,055</u></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. Note 22 provides information on CRS as of June 30, 2019 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 participate 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. There were no employer contributions to the plan during the fiscal year ended June 30, 2019.

***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, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. The City reported a net OPEB liability of \$61,566,000 and a negative OPEB expense of \$14,862,000.

At June 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources (Amounts in Thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,140	
Net difference between projected and actual investment earnings		\$ (14,837)
Change in proportion	2,281	(1,958)
Change in assumptions	23,994	(47,512)
	<u>\$ 36,415</u>	<u>\$ (64,307)</u>

Amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows (Amounts in Thousands):

Year Ending June 30:	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ (15,121)
2021	(15,121)
2022	155
2022	2,195
	<u>\$ (27,892)</u>

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

Valuation	December 31, 2017	December 31, 2016
Actuarial assumption experience study date	February 28, 2018	October 28, 2011
Inflation	2.75%	3.00%
Salary increases, including wage inflation	3.75% - 7.50%	4.00% - 7.50%
Long-term investment rate of return, net of OPEB plan investment expense, including inflation	7.50%	7.50%
Municipal bond index rate:		
Measurement date	3.89%	3.56%
Prior measurement date	3.56%	3.01%
Year of projected depletion:		
Measurement date	2047	2050
Prior measurement date	2050	2038
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation		
Measurement date	6.13%	6.31%
Prior measurement date	6.31%	4.57%
Health care cost trends:		
Medicare supplement claims		
Pre-Medicare	7.75% for 2018, decreasing to an ultimate rate of 4.75% by 2028	7.75% for 2017, decreasing to an ultimate rate of 5.00% by 2023
Medicare	5.50% / 5.80% for Non-Model Plans for 2018 decreasing to an ultimate rate of 4.75% by 2024 and 2025, respectively	5.75% for 2017, decreasing to an ultimate rate of 5.00% by 2020
Mortality tables	RP-2014	RP-2000

Pre-retirement mortality rates were based on RP-2014 healthy employee dataset mortality with fully generational projected mortality improvements using MP-2017. RP-2014 health employee dataset mortality rates for males and females have been set forward 2 years. Post-retirement mortality rates for healthy lives were based on RP-2014 total dataset mortality with fully generational projected mortality improvements using MP-2017. RP-2014 total dataset mortality rates for males and females have been set forward 2 years. For disabled lives, RP-2014 disabled retiree mortality with fully generational projected mortality improvements using MP-2017.

The demographic actuarial assumptions used in the December 31, 2017 valuation were based on the results of the most recent actuarial experience study, adopted by the Board on March 1, 2018. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, DROP participation, part-time employees, plan participation, rates of plan election, etc.) used in the December 31, 2017 valuation were based on a review of recent plan experience done concurrently with the December 31, 2017 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, 2017 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, 2018 was 6.13%. The projection's basis was an actuarial valuation performed as of December 31, 2017. In addition to the actuarial methods and assumptions of the December 31, 2017 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 2047 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 2047, and the municipal bond index rate at the measurement date (3.89%) was applied to periods on and after 2047, resulting in a SEIR at the measurement date (6.13%).

*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 (7.13%)		\$ 14,882	
Current Discount Rate (6.13%)	\$ 11,363	61,566	\$ 122,034
1% Decrease (5.13%)		117,227	

*Change in Net OPEB Liability.* Changes in the City’s financial reporting entity’s net OPEB liability for the year ended June 30, 2018 were as follows (amounts in thousands):

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2017	\$ 416,780	\$ 397,570	\$ 19,210
Changes for the year:			
Service cost	4,131		4,131
Interest	25,518		25,518
Difference between expected and actual experience	13,242		13,242
Changes in assumptions	31,333		31,333
Net investment income	-	32,129	(32,129)
Benefit payments, including refunds of employee contributions	(21,678)	(21,678)	
Administrative expense		(339)	339
Other changes		78	(78)
Net changes	52,546	10,190	42,356
Balances at June 30, 2018	\$ 469,326	\$ 407,760	\$ 61,566

The date of the actuarial valuation upon which the total OPEB liability is based as of December 31, 2017. The total OPEB liability (TOL) as of June 30, 2018 is determined using standard roll forward techniques. The roll forward calculation adds the normal cost (also called the service cost) for the projection period—for experience and assumption changes, for the first half of 2018, subtracts the expected net benefit payments for the period, and then applies the SEIR used to measure the TOL as of the valuation date. The roll forward calculation for the expected change is determined using a similar procedures, except that the TOL and service cost are based on GASB Statement No. 75 results as of the prior measurement date, a one-year projection period is used, and actual net benefit payments are subtracted. These procedures are shown in the table below. The difference between this expected TOL and the projected TOL as of June 30, 2018 before reflecting any changes in assumptions or other inputs is the experience (gain) or loss for the period. The impact of measuring the liabilities after reflecting these changes—including but not limited to (a) using a discount rate of 6.13% as opposed to the 6.31% used at the beginning of the period, (b) updating health care cost trend rates, and (c) including part-time employees in the valuation—relative to the experience change TOL is shown as an assumption (gain) or loss for the period.

**CRS TOL Rollforward**

*(amounts in thousands)*

	Expected Change (1)	Experience Change (2)	Assumption Change (3)
(a) Measurement Date	June 30, 2017	Dec. 31, 2017	Dec. 31, 2017
(b) Project Period	1 year	1/2 year	1/2 year
(c) Discount Rate (SEIR)	6.31%	6.31%	6.13%
(d) TOL as of (a)	\$ 415,095	\$ 435,000	\$ 465,377
(e) Entry Age Normal Cost during the period from (a) to June 30, 2018*	4,131	1,990	2,403
(f) Actual / Expected Benefit Payments during the period from (a) to June 30, 2018	21,678	13,981	13,981
(g) TOL as of June 30, 2018 = [(d) x (1 + (c)) <sup>(b)</sup> ] + (e) - [(f) x (1 + (c)) <sup>(b)/2</sup> ]	423,066	436,308	467,641
(h) Experience (Gain)/Loss: (2g) - (1g)		13,242	
(i) Assumption Changes (Gain)/Loss: (3g) - (2g)			31,333

This footnote presents information on the Cincinnati Retirement System as a whole as of June 30, 2019.

### 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 for 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.

### 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, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.15%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### **Funding of Pension and Other Postemployment Benefit (OPEB) Trusts**

The Pension Trust is funded by employee and employer contributions, and investment income. Employees contribute 9.0% of pensionable earnings. The percent contributed by employees is provided by Chapter 203 Section 73 of the Cincinnati Municipal Code. 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 74. It is advance-funded through a 115 OPEB trust. The OPEB trust is funded by interest on investments, and retiree premium contributions. Retirement healthcare is not a vested benefit.

The City makes employer contributions to the Pension Trust based on a percentage of covered payroll of all CRS members. For fiscal year 2019 the contribution rate was 16.25% on covered payroll. The total covered payroll for CRS members was \$215,683,000. The Actuarially Determined Contribution rate (ADC) for fiscal year 2019 based on the December 31, 2017 actuarial report, was 28.51% on covered payroll for the Pension Trust.

The City of Cincinnati's approved budget for Fiscal Year 2019 incorporated a contribution rate of 16.25%. The employer contributions to the City of Cincinnati Retirement System's Pension Trust for the fiscal year ending June 30, 2019 were \$33,763,000. For the year ended June 30, 2018 the contributions were \$32,586,000. The contributions for these periods were less than the ADC. Administrative costs are financed from the system assets.

For fiscal year 2019, there were no contributions to the OPEB trust. The covered employee payroll for CRS OPEB members was \$174,957,000. It is less than the covered payroll for the pension trust since members of the pension trust hired after December 31, 2015 are not members of the OPEB trust. The ADC rate was 2.23% as a percentage of covered employee payroll for the OPEB trust for fiscal year 2019 based upon the December 31, 2017 actuarial report.

## Retirement Benefits

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

\* Less than 200 active members are subject to a 2.22% multiplier and a average highest compensation (AHC) definition that includes compensation for overtime.

Average Highest Compensation (AHC) represents the average of the highest three consecutive years of earnings for Groups C and D. Group E will have a AHC 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 AHC 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. The AHC for 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.

### Deferred Retirement Option Plan (DROP)

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 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.

### **Other Postemployment Benefit (OPEB) 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. 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 10% 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 74 for these benefits.

## Membership

The following summarizes the membership of the Cincinnati Retirement System as of June 30, 2019:

	<u>Pension</u>	<u>OPEB</u>
Retirees and Beneficiaries (Optionees) receiving benefits*	4,062	4,968
Terminated plan members and Beneficiaries (Optionees) entitled to future benefits	212	223
Deferred Retirement Option Plan (DROP) participants	145	145
Active Plan Members		
Full time	2,951	2,357
Part time	<u>1,250</u>	<u>421</u>
Total	<u>8,620</u>	<u>8,114</u>
Inactive Participants**	8,300	Not applicable

\* The OPEB members includes 1,366 spouses currently receiving retiree health benefits.

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

## Pension Plan

*Net Pension Liability* – The net pension liability is equal to the total pension liability minus the Fiduciary net position. The net pension liability as of June 30, 2019 is presented below (amounts in thousands):

Total Pension Liability	\$ 2,970,107
Fiduciary Net Position	<u>1,720,206</u>
Net Pension Liability	<u>\$ 1,249,901</u>
Ratio of Fiduciary Net Position to Total Pension Liability	57.92%

*Actuarial Assumptions* - Total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.75%
Salary increases, including inflation	3.75 to 7.50%
Investment Rate of Return,	7.5%, net of pension plan investment expenses
Year FNP is projected to be depleted	2046
Mortality	Active Members: RP-2014 Mortality Table with a generational mortality improvement projections using scale MP-2017 Healthy Inactive Members: RP-2014 Mortality Table with generational mortality improvement projections using scale MP-2017, set forward two years for both males and females. Disabled Inactive Members: RP-2014 Disabled Retiree Mortality Table with generational mortality improvement projections using scale MP-2017.

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

*Discount Rate* – The discount rate used to measure the total pension liability was 5.56% as of June 30, 2019 and 7.50% as of June 30, 2018

*Projected cash flows* - 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.

*Long-term rate of return* - The long-term expected rate of return on pension plan investments was determined using log-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.

*Municipal bond rate* - The municipal bond rate of 3.50% as of June 30, 2019 was utilized since the fiduciary net position was projected to be depleted in 2046. The municipal bond rate was based on the Bond Buyer GO 20-year Municipal Bond Index as of June 27, 2019. Consequently, the single equivalent rate used to determine the Total Pension Liability as of June 30, 2019 is 5.56%.

*Periods of projected benefit payments* - Based on these assumptions, the System's fiduciary net position was projected to be available to make projected future benefit payments for current members through 2046.

*Assumed asset allocation* - 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

*Sensitivity of the net pension liability to changes in the discount rate* – The following table presents the net pension liability of the System, calculated using the discount rate of 5.56%, as well as what the System's net pension liability calculated using a discount rate that is 1 percentage point lower (4.56%) or 1 percentage point higher (6.56%) than the current rate.

(Amounts in Thousands)	<u>1% Decrease Rate(4.56%)</u>	<u>Current Discount Rate(5.56%)</u>	<u>1% Increase Rate(6.56%)</u>
System's Net Pension Liability	\$ 1,609,265	\$ 1,249,901	\$ 950,107

*Total pension liability* - The Total Pension Liability (TPL) at the end of the measurement year, June 30, 2019, is measured as of the valuation date of December 31, 2018 and projected to June 30, 2019. Valuations will be completed every year. Each valuation will be rolled forward six months to provide the GASB liability. There were assumption changes during the period, which are reflected in these numbers. The table below shows the projection of the TPL at the discount rate used for disclosure and plus and minus one percent from the rate used for disclosure. TPL and Service Cost have been determined using the entry age actuarial cost method as mandated in GASB Statement 67. (Amounts in Thousands)

**Projection of Total Pension Liability from Valuation to Measurement Date**

Discount Rate	4.56%	5.56%	6.56%
Valuation Total Pension Liability, 12/31/2018			
Actives	\$ 910,544	\$ 776,718	\$ 667,657
Deferred Vested	47,802	40,863	35,432
Retirees	2,357,452	2,138,340	1,952,771
Total	<u>\$ 3,315,798</u>	<u>\$ 2,955,921</u>	<u>\$ 2,655,860</u>
Service Cost	24,272	18,718	14,565
Benefit Payments	(84,951)	(84,951)	(84,951)
Interest	74,352	80,419	84,839
Total Pension Liability 6/30/2019	<u>\$ 3,329,471</u>	<u>\$ 2,970,107</u>	<u>\$ 2,670,313</u>

The TPL as of June 30, 2019 was determined using standard projection (roll forward) techniques. The roll forward calculation shown above adds the service cost (also called the normal cost), reflecting the experience and assumption changes, for the first half of 2019, subtracts the expected benefit payments for the period, and then adjusts for interest based on the single equivalent interest rate used to measure TPL as of the Valuation Date.

he roll forward calculation for the expected change is determined using a similar procedure, except that the TPL and service cost are based on GASB 67/68 results as of the prior Measurement Date, therefore a one-year projection is used, and actual benefit payments are subtracted. The difference between the expected TPL and the projected experience TPL as of June 30, 2019, before reflecting any assumption changes, is the experience (gain) or loss for the period. Finally, there is an assumption loss from reducing the discount rate from 7.50% to 5.56%. The following table depicts the roll forward calculation:

<b>Projection of Total Pension Liability</b>			
(Amounts in thousands)	Expected	Experience	Assumption
Measurement Date	6/30/2018	12/31/2018	12/31/2018
Projection Period	1 year	1/2 year	1/2 year
Discount Rate	7.50%	7.50%	5.56%
Total as of Measurement Date	\$ 2,359,689	\$ 2,417,514	\$ 2,955,921
Service Cost	23,750	11,607	18,718
Benefit Payments	(169,901)	(84,951)	(84,951)
Interest	172,502	87,895	80,419
Net Changes	<u>26,351</u>	<u>14,551</u>	<u>14,186</u>
Balance at 6/30/2019	<u>\$ 2,386,040</u>	<u>\$ 2,432,065</u>	<u>\$ 2,970,107</u>
Experience (Gain)Loss [Experience-Expected]		\$ 46,025	
Assumption (Gain)Loss [Assumption-Experience]			\$ 538,042

*Change in the Net Pension Liability:* Changes in the net pension liability for the year ended June 30, 2019 were as follows (amounts in thousands):

	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability
Balances at June 30, 2018	\$ 2,359,689	\$ 1,762,196	\$ 597,493
Changes for the year:			
Service cost	23,750		23,750
Interest	172,502		172,502
Difference between expected and actual experience	46,025		46,025
Changes of assumptions	538,042		538,042
Contributions - employer		33,763	(33,763)
Contributions - employee		19,457	(19,457)
Net investment income		76,163	(76,163)
Benefit payments, including refunds of employee contributions	(169,901)	(169,901)	
Administrative expense		(1,472)	1,472
Net changes	<u>610,418</u>	<u>(41,990)</u>	<u>652,408</u>
Balances at June 30, 2019	<u>\$ 2,970,107</u>	<u>\$ 1,720,206</u>	<u>\$ 1,249,901</u>

## OPEB Trust

*Net OPEB Liability* - The net OPEB liability is equal to the total OPEB liability minus the fiduciary net position. The net OPEB liability as of June 30, 2019, the measurement date is presented below (amounts in thousands):

Total OPEB Liability	\$ 654,311
Fiduciary Net Position	<u>489,072</u>
Net OPEB Liability	<u>\$ 165,239</u>
Ratio of Fiduciary Net Position to Total OPEB Liability	74.75%

*Actuarial Assumptions* - The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, using the following key actuarial assumptions and other inputs:

Inflation	CPI: 2.75% Medical CPI: 3.25%
Salary increases	3.75% to 7.5% decreasing as years of service increase
Expected Return on Assets	7.50% per year, net plan investment expense
Municipal Bond Index Rate:	
Measurement Date	3.50%
Prior Measurement Date	3.89%
Year PFP is projected to be depleted:	
Measurement Date	2040
Prior Measurement Date	2047
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation on the:	
Measurement Date	5.07%
Prior Measurement Date	6.13%
Health Care Cost Trend Rates:	
Pre-Medicare	8.00% for 2018 decreasing to an ultimate rate of 4.00% by 2033
Medicare	8.72%/8.86% for Non-Model and Model Plans, respectively, for 2018 decreasing to an ultimate rate of 4.00% by 2033

The demographic actuarial assumptions used in the December 31, 2018 valuation were based on the results of the most recent actuarial experience study, adopted by the Board on March 1, 2018.

Pre-retirement mortality rates were based on the RP-2014 healthy dataset mortality table set forward two years for males and females with fully generational projected mortality improvements using MP-2017.

Post-retirement mortality rates were based on RP-2014 total dataset mortality table set forward two years for males and females with fully generational projected mortality improvements using MP-2017.

Disability mortality rates were based on the RP-2014 disabled mortality table with fully generational projected mortality improvements using MP-2017

Of the CSA employee members eligible for DROP benefits, 60% are assumed to decline participation and 40% are assumed to elect participation. Those electing to participate are assumed to remain in DROP for 3 years.

Of the vested members who terminate, it is assumed that 60% will leave their contributions in the plan in order to be eligible for a benefit at their normal retirement date while the remaining 40% elect to withdraw their contributions.

*Long-term expected return* – The long-term expected return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan’s 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, 2017 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.

*Target asset allocation* – 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%	7.8%
Private Equity-FOF	10.0%	11.1%
Total	<u>100.0%</u>	

*Determination of Discount rate (SEIR)* – This plan uses the Bond Buyer GO 20-Bond Municipal Bond Index to satisfy the requirements under paragraph 48 of GASB statement 74. As this index is issued weekly, the value closest to but not after the reporting date is used in determining the appropriate rate. Based on this practice, the municipal bond rate at June 28, 2018 was 3.89% and the municipal bond rate at June 27, 2019 was 3.50%.

The discount rate used to measure the total OPEB liability (TOL) as of the Measurement Date was 6.13%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB statement 74. The projection’s basis was an actuarial valuation performed as of December 31, 2018. In addition to the actuarial methods and assumptions of the December 31, 2018 actuarial valuation, the following actuarial methods and assumptions were used to project cash flows:

- No future employee contributions were assumed to be made.
- No future employer contributions were assumed to be made.

Based on these assumptions, the Plan’s projected future net position (PFNP) was projected to be depleted in 2040 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 7.5% on Plan investments was applied to periods through 2040, resulting in an SEIR at the Measurement Date of 5.07%.

The PFNP projections are based upon the Plan’s financial status on the valuation date, the indicated set of methods and assumptions, and the requirements described in GASB statement 74. As such, the PFNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan’s ability to make benefit payments in future years.

*Sensitivity of the Net OPEB Liability* – The following exhibit presents the NOL of the plan, calculated using current health care cost trend rates, as well as what the Plan’s NOL would be if it were calculated using health care cost trend rates that are 1 percentage point lower and 1 percentage point higher than current rates. Similarly, the exhibit presents the net OPEB liability of the plan, calculated using the current discount rate of 5.07%, as well as what the Plans net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current rate (amounts in thousands):

<u>Discount Rate</u>	<u>Health Care Cost Trends</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
1% Increase (6.07%)		\$ 100,966	
Current (5.07%)	\$ 93,699	\$ 165,239	\$ 251,697
1% Decrease (4.07%)		\$ 236,131	

Please keep in mind that the estimates provided in the prior table were prepared using streamlined calculation techniques and are intended to provide an “order of magnitude” indication of the net OPEB liability’s sensitivity to changes in these assumptions. Results based on more refined calculations may yield findings and conclusions different than those suggested by the methodology required under GASB 74, as shown above. For example, one possible refinement would consider the impact of similar changes in bonds yields on Plan assets, including (but not limited to) the valuations of certain fixed income investments held by the Plan. However, as required by GASB rules, we have not made any attempt to adjust the Plan’s PFNP to reflect a potentially related change in fixed income asset pricing.

*Total OPEB liability* – The total OPEB liability (TOL) at the end of the measurement year, June 30, 2019, is measured as of a valuation date of December 31, 2018 and projected to June 30, 2019. Valuations will be completed every year. Each valuation will be rolled forward six months to provide the GASB liability. There were assumption changes during the period, which are reflected in these numbers. The table below shows the projection of the TOL at discount rates equal to the rate used for disclosure and plus and minus one percent from the rate for disclosure. TOL and service cost have been determined using the entry age actuarial cost method as described in paragraph 54 of GASB statement 74.

The following table projects the TOL from the valuation date to the end of the fiscal year. The discount rate plus and minus 1% discount rate liabilities are also shown in the following chart (amounts in thousands):

**Total OPEB Liability Sensitivity-Discount Rate**

Discount Rate	4.07%	5.07%	6.07%
Valuation Total OPEB Liability, 12/31/2018			
Actives	\$ 212,088	\$ 193,621	\$ 173,175
Retirees	508,972	456,384	412,372
Total	<u>\$ 721,060</u>	<u>\$ 650,005</u>	<u>\$ 585,547</u>
Service Cost	5,226	3,693	2,691
Benefit Payments	(15,560)	(15,560)	(15,560)
Interest	14,477	16,173	17,359
Total OPEB Liability 6/30/2019	<u><u>\$ 725,203</u></u>	<u><u>\$ 654,311</u></u>	<u><u>\$ 590,037</u></u>

The following table projects the TOL from the valuation date to the end of the fiscal year. The medical trend baseline plus and minus 1% are shown in the following chart (amounts in thousands):

**Total OPEB Liability Sensitivity-Healthcare Costs trend**

Healthcare Costs Trends	-1.00%	Baseline	1.00%
Valuation Total OPEB Liability, 12/31/2018			
Actives	\$ 164,996	\$ 193,621	\$ 229,635
Retirees	416,058	456,384	503,535
Total	<u>\$ 581,054</u>	<u>\$ 650,005</u>	<u>\$ 733,170</u>
Service Cost	2,851	3,693	4,874
Benefit Payments	(15,560)	(15,560)	(15,560)
Interest	14,425	16,173	18,284
Total OPEB Liability 6/30/2019	<u><u>\$ 582,770</u></u>	<u><u>\$ 654,311</u></u>	<u><u>\$ 740,768</u></u>

The TOL as of June 30, 2019 is based on the Plan's actuarial valuation results as of December 31, 2018. The TOL as of June 30, 2019 was determined using standard projection (rollforward) techniques. The roll forward calculation adds the normal cost (also called the service cost) for the projection period – for experience and assumption changes, for the first half of 2019 subtracts the expected net benefit payments for the period, and then applies the SEIR used to measure the total OPEB liability as of the valuation date.

The roll forward calculation for the expected change is determined using a similar procedure, except that the total OPEB liability and service cost are based on GASB statement 75 results as of the prior measurement date, a one-year project period is used, and actual net benefit payments are subtracted. These procedures are show in the following table. The difference between this expected total OPEB liability and the projected total OPEB liability as of June 30, 2019 before reflecting any changes of assumptions or other inputs is the experience (gain) or loss for the period. The impact of measuring the liabilities after reflecting these changes, including but not limited to (a) using a discount rate of 5.07% as opposed to the 6.13% used at the beginning of period, (b) updating health care costs and trend rates-relative to the experience change TOL is shown as an assumption (gain) or loss for the period.

### Total OPEB Liability Rollforward

(Amounts in thousands)

	<u>Expected chg.</u>	<u>Experience chg</u>	<u>Assumption Change</u>
	(1)	(2)	(3)
Measurement Date	7/1/2018	12/31/2018	12/31/2018
Projection Period	1 Year	1/2 Year	1/2 Year
Discount Rate (SEIR)	6.13%	6.13%	5.07%
TOL as of Measurement Date	\$ 574,678	\$ 581,976	\$ 650,005
Service Cost	6,110	2,638	3,693
Interest	34,288	17,419	16,173
Benefit Payments	<u>(31,119)</u>	<u>(15,560)</u>	<u>(15,560)</u>
Net Changes	<u>9,279</u>	<u>4,497</u>	<u>4,306</u>
Balances at 6/30/2019	<u>\$ 583,957</u>	<u>\$ 586,473</u>	<u>\$ 654,311</u>
Experience (Gain)/Loss: [Experience-Expected]		\$ 2,516	
Assumption (Gain)/Loss: [Assumption-Experience]			\$ 67,838

*Change in net OPEB liability* – Changes in the net OPEB liability for the year ended June 30, 2019 were as follows (amounts in thousands):

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances at June 30, 2018	\$ 574,678	\$ 499,020	\$ 75,658
Changes for the year:			
Service cost	6,110		6,110
Interest	34,288		34,288
Difference between expected and actual experience	2,516		2,516
Changes of assumptions	67,838		67,838
Net investment income		21,589	(21,589)
Benefit payments, including refunds of employee contributions	(31,119)	(31,119)	
Administrative expense		(418)	418
Net changes	<u>79,633</u>	<u>(9,948)</u>	<u>89,581</u>
Balances at June 30, 2019	<u>\$ 654,311</u>	<u>\$ 489,072</u>	<u>\$ 165,239</u>

## Bonds Payable

Early retirement incentive 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
2020	\$ 8	\$ 10	\$ 18
2021	8	10	18
2022	9	10	19
2023	9	10	19
2024	9	9	18
2025-2029	51	42	93
2030-2034	62	31	93
2035-2039	77	16	93
2040-2041	36	2	38
Total	<u>\$ 269</u>	<u>\$ 140</u>	<u>\$ 409</u>

## Cash Held with Financial and Investment Banks as of June 30, 2019

Deposits held by the City's Retirement System for which the fiscal year ended June 30, 2019 book balance was \$58,053,000. The June 30, 2019 bank balance was \$17,128,000 and the book balance was \$18,587,000. The cash balance was held by the City Treasurer. The cash equivalents of \$39,466,000 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, 2019 was \$2,200,573,000. These investments include \$39,961,000 in U.S. Government Bonds, \$53,650,000 in U.S. Government Agencies, \$21,560,000 in Corporate Fixed Income, \$252,784,000 in Private Equity, \$1,132,249,000 in Equity Securities, \$282,572,000 in Other Investments, \$230,964,000 in Real Estate Investments, \$24,719,000 in Private Placements, \$157,121,000 in mutual funds, and \$4,993,000 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)**  
**June 30, 2019**  
(Amounts in Thousands)

	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)
<u>Investments by Fair Value Level</u>			
<u>Debt Securities:</u>			
Corporate Bonds	\$ 21,560	\$ 21,560	
Bond Mutual Fund	157,121	157,121	
International Bonds	4,993	4,993	
US Government Bonds	39,961	39,961	
Private placements	24,719	24,719	
Senior Loan Fund	6,247		\$ 6,247
US Agencies	53,650	53,650	
Total Debt Securities	308,251	197,082	104,922 6,247
<u>Equity Securities</u>			
Domestic Equities	94,783	94,783	
Emerging Market Equities Mutual Funds	172,026	172,026	
Global Equity Mutual Funds	100,764	100,764	
Total Equity Securities	367,573	367,573	
<u>Private Equity</u>			
Venture Capital and LBO Funds	177,056		177,056
High Yield Bond Fund	75,728	75,728	
Total Private Equity	252,784	75,728	177,056
<u>Other Assets</u>			
Global Risk Parity	83,215	11,720	71,495
Infrastructure	159,121		159,121
Total other Assets	242,336	11,720	71,495 159,121
<u>Total Investments by Fair Value Level</u>	1,170,944	\$ 576,375	\$ 252,145 \$ 342,424

Investments Measured at the Net Asset Value

Real Estate Funds <sup>1</sup>	230,964
Northern Trust Domestic Equity Index Funds <sup>2</sup>	539,955
Northern Trust International Equity Index Funds <sup>2</sup>	224,721
Risk Parity measured at Net Asset Value (NAV) <sup>3</sup>	33,989
Total Investments at the Net Asset Value (NAV)	1,029,629

<u>Equity reconciled to Financial Statements</u>	
Northern Trust Domestic Valued at NAV	\$ 539,955
Northern Trust International Valued at NAV	224,721
Equity Securities listed in Fair Value Level	367,573
Financial Statements	\$ 1,132,249

Total Investments measured at Fair Value \$ 2,200,573

<u>Other Assets reconciled to Financial Statements</u>	
Senior Loan Fund	\$ 6,247
Risk Parity at NAV and FMV	117,204
Infrastructure	159,121
Financial Statements	\$ 282,572

## Investments Measured at the Net Asset Value

(Amounts in Thousands)

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Funds <sup>(1)</sup>	\$230,964	\$0	Quarterly	45 - 90 days
Commingled Index Funds <sup>(2)</sup>	\$764,676	\$0	Daily	1 day
Risk Parity <sup>(3)</sup>	\$33,989	\$0	Monthly	15 days

- (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 and one global equity fund. 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.
- (3) The City of Cincinnati Retirement System's risk parity investment consists of one global risk fund which invests in a liquid diversified portfolio. The fair value of this investment has been determined using the NAV per share of investments. These investments are eligible for redemption on a monthly basis with a notice period of 15 days.

**City of Cincinnati Retirement System**  
**Investment Summary**  
**June 30, 2019**

(Amounts in Thousands)

	Fair Value	Percent of Total Investments
Stock:		
<u>US Common Stock</u>		
Consumer Discretionary	\$ 12,891	0.6%
Consumer Staples	4,076	0.2%
Energy	3,033	0.1%
Financial Services	18,673	0.8%
Health Care	6,350	0.3%
Materials and Processing	9,383	0.4%
Industrials	8,057	0.4%
Technology	15,354	0.7%
Utilities	5,118	0.2%
Real Estate	11,848	0.5%
Total US Common Stock	<u>94,783</u>	<u>4.2%</u>
<u>Other</u>		
International Stock	224,721	10.2%
Northern Trust Domestic Index Funds	539,955	24.6%
Emerging Market Equity Funds	172,026	7.8%
International mutual Funds	100,764	4.6%
Total Other	<u>1,037,466</u>	<u>47.2%</u>
Total Stock Equities	<u>1,132,249</u>	<u>51.4%</u>
Debt:		
<u>Corporate Bonds</u>		
Finance	11,066	0.5%
Health Care	547	0.0%
Industrial	5,106	0.2%
Transportation	898	0.0%
Utilities	1,755	0.1%
Telecom	2,188	0.1%
	<u>21,560</u>	<u>0.9%</u>
<u>US Government Bonds</u>		
US Government Bonds	39,961	1.8%
US Government Agencies	53,650	2.4%
	<u>93,611</u>	<u>4.2%</u>
<u>Private placements</u>	24,719	1.1%
<u>Senior Loan Fund</u>	6,247	0.3%
<u>International Bonds</u>	4,993	0.2%
<u>Bond Mutual Fund</u>	<u>157,121</u>	<u>7.1%</u>
Total Debt	<u>308,251</u>	<u>13.8%</u>
Other Investments:		
Other (Risk Parity and Infrastructure)	276,325	12.7%
Private Equity (High Yield fund included with Debt)	252,784	11.6%
Real Estate	230,964	10.5%
Total Other Investments	<u>760,073</u>	<u>34.8%</u>
Total Investments	<u>\$ 2,200,573</u>	<u>100.0%</u>

### Interest Rate Risk

The interest rate risk is addressed by guidelines that require the weighted duration of the investments to be within a range of the duration of a benchmark index. For bonds, the average effective duration may not vary more than 25%. At June 30, 2019, 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	\$ 38,267	\$ 38,267			
Fixed Investments					
Corporate Bonds	21,560	1,812	\$ 11,767	\$ 2,988	\$ 4,993
International Bonds	4,993		2,337	2,307	349
Private Placements	24,719	2,446	8,058	3,997	10,218
US Agencies	53,650	13,753	1,131	6,392	32,374
US Governments	39,961	1,376	1,812	24,690	12,083
Derivatives					
Future Contracts	137	104	15	9	9
Total	\$ 183,287	\$ 57,758	\$ 25,120	\$ 40,383	\$ 60,026

### 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, 2019 (amounts in thousands):

Investment Type	Total Fair Value	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Cash Equivalents	\$ 38,267		\$ 19,320						\$ 18,947
Fixed Investments									
Corporate Bonds	21,560			\$ 3,763	\$ 12,874	\$ 3,939	\$ 865	\$ 119	
International Bonds	4,993		304	734	2,874	373	708		
Private Placements	24,719	\$ 4,591	1,043	2,909	10,667	4,228	582	51	648
US Agencies	53,650	2,702	37,225	428					13,295
US Governments	39,961	36,551	3,410						
Derivatives									
Future Contracts	137								137
Total	\$ 183,287	\$ 43,844	\$ 61,302	\$ 7,834	\$ 26,415	\$ 8,540	\$ 2,155	\$ 170	\$ 33,027

### 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, 2019 is as follows (amounts in thousands):

Currency	Fair Value	Fixed Income	Cash
Danish Krone	\$ 52		\$ 52
Euro Currency	513		513
Japanese Yen	329		329
Mexican New Peso	2,242	\$ 2,242	
Swedish Krona	31		31
Swiss Franc	611		611
United Kingdom Pound Sterling	54		54
Uruguayan Peso	458	458	
Total	\$ <u>4,290</u>	\$ <u>2,700</u>	\$ <u>1,590</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 1 day for the year ended June 30, 2019. Cash collateral is invested in a short-term investment pool, which had an average weighted maturity of 7 days as of June 30, 2019.

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, 2019, 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. Securities lending expenses may exceed earnings when the investable asset base is small.

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	\$ 9,930	\$ 10,159
Total	<u>\$ 9,930</u>	<u>\$ 10,159</u>
Non-Cash Collateral:	\$ 11,509	\$ 12,532

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

Investment Maturities (in years)			
Asset class	Less Than 1	More than 15	Total
Asset Backed Security		\$ 1,667	\$ 1,667
Repurchase Agreements	\$ 703		\$ 703
Total	<u>\$ 703</u>	<u>\$ 1,667</u>	<u>\$ 2,370</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	CC	D Default	Not Rated
Asset Backed Security	\$ 1,667	\$ 171	\$ 1,496	
Repurchase Agreements	703			\$ 703
Total	<u>\$ 2,370</u>	<u>\$ 171</u>	<u>\$ 1,496</u>	<u>\$ 703</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 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, 2019, CRS held investment derivatives consisting of futures, but had no swaps, forward contracts, 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, 2019, CRS had the following exposure via futures contracts (Notional and Fair Value in thousands):

Futures Contract	Expiration	Long/ Short	Quantity	Notional Value*	Fair Value
US Long Bond Future (CBT)	09/08/2019	Long	9	\$ 1,391	\$ 9
US 10YR Note Future (CBT)	09/08/2019	Short	10	1,271	9
US 5YR Note Future (CBT)	09/18/2019	Long	20	2,348	15
S&P500 EMINI Future (CME)	09/18/2019	Long	52	7,593	63
MSCI EAFE Future (NYF)	09/18/2019	Long	28	2,662	30
MSCI EMGMKT Future (NYF)	09/21/2019	Long	27	1,411	11
			<b>Total</b>	<b>\$ 16,676</b>	<b>\$ 137</b>

\* 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.



**CITY OF CINCINNATI, OHIO**  
**Statement of Changes in Position**  
**Pension Trust Fiscal Year Ending June 30, 2019**  
(Amounts in Thousands)

	Pension Trust	Healthcare 115 Trust	Total
<b>ADDITIONS:</b>			
Contributions:			
Members	\$ 19,457	\$	\$ 19,457
Employers	<u>33,763</u>	<u>          </u>	<u>33,763</u>
Total Contributions:	<u>53,220</u>	<u>          </u>	<u>53,220</u>
Transfers From Other Retirement Systems	84		84
Investment Income			
From Investing Activities:			
Interest & Dividends	24,532	6,961	31,493
Proceeds from Litigation	146	42	188
Net Appreciation (Depreciation) in Fair Value of Investments	<u>56,877</u>	<u>16,139</u>	<u>73,016</u>
Investment Income	81,555	23,142	104,697
Less Investment Management Expenses:	<u>5,402</u>	<u>1,533</u>	<u>6,935</u>
Net Income From Investing Activities	<u>76,153</u>	<u>21,609</u>	<u>97,762</u>
From Security Lending Activities:			
Securities Lending Income:	<u>73</u>	<u>21</u>	<u>94</u>
Securities Lending Expense:			
Borrower Rebates	(171)	(48)	(219)
Management Fees	<u>24</u>	<u>7</u>	<u>31</u>
Total Securities Lending Activities Expenses	<u>(147)</u>	<u>(41)</u>	<u>(188)</u>
Net Income from Securities Lending Activities	<u>(74)</u>	<u>(20)</u>	<u>(94)</u>
Total Additions:	<u>129,383</u>	<u>21,589</u>	<u>150,972</u>
<b>DEDUCTIONS:</b>			
Benefits Payments:			
Pensions and Annuities	167,178		167,178
Hospital and Medical Care		31,119	31,119
Death Benefits, Active and Retired	581		581
Transfers - Retirement to other Systems	<u>67</u>		<u>67</u>
Total Benefits:	<u>167,826</u>	<u>31,119</u>	<u>198,945</u>
Refunds of Contributions	<u>2,075</u>		<u>2,075</u>
Administration Expenses;			
Personal Services	1,026	291	1,317
Contractual Services	355	101	456
Material & Supplies	87	25	112
Depreciation	<u>4</u>	<u>1</u>	<u>5</u>
Total Administrative Expenses:	<u>1,472</u>	<u>418</u>	<u>1,890</u>
Total Deductions:	<u>171,373</u>	<u>31,537</u>	<u>202,910</u>
Net Increase ( Decrease )	(41,990)	(9,948)	(51,938)
Net Position restricted for Benefits			
Beginning of Year	<u>1,762,196</u>	<u>499,020</u>	<u>2,261,216</u>
End of Year	<u>\$ 1,720,206</u>	<u>\$ 489,072</u>	<u>\$ 2,209,278</u>

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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 Six Fiscal Years (1)**

	2019	2018	2017	2016	2015	2014 (2)
City's Proportion of the Net Pension Liability	7.25719%	7.20554%	7.15240%	7.03491%	6.86072%	6.86072%
City's Proportionate Share of the Net Pension Liability	\$ 592,378	\$ 442,237	\$ 453,026	\$ 452,561	\$ 355,414	\$ 334,139
City's Covered Payroll	\$ 159,361	\$ 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	371.72%	280.09%	292.11%	314.91%	261.13%	253.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	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.

**Schedule of City's Pension Contributions**  
**Last Ten Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013 (3)	2012	2011	2010
Contractually Required Contributions	\$ 35,101	\$ 32,885	\$ 32,576	\$ 30,274	\$ 29,552	\$ 26,295	\$ 9,580	\$ 19,616	\$ 19,612	\$ 20,902
Contributions in Relation to the Contractually Required Contributions	(35,101)	(32,885)	(32,576)	(30,274)	(29,552)	(26,295)	(9,580)	(19,616)	(19,612)	(20,902)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 167,079	\$ 166,948	\$ 155,041	\$ 144,248	\$ 140,540	\$ 132,536	\$ 64,913	\$ 133,600	\$ 134,036	\$ 142,751
Contributions as a Percentage of Covered Payroll	21.01%	19.70%	21.01%	20.99%	21.03%	19.84%	14.76%	14.68%	14.63%	14.64%

(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.

See Notes to the Required Supplementary Pension Information.

**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 Three Fiscal Years (1)**

	2019	2018	2017 (2)
City's Proportion of the Net OPEB Liability	7.25719%	7.20554%	7.15240%
City's Proportionate Share of the Net OPEB Liability	\$ 66,088	\$ 408,256	\$ 339,508
City's Covered Payroll	\$ 159,361	\$ 157,892	\$ 155,087
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.47%	258.57%	218.91%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	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 Ten Fiscal Years**

	2019	2018	2017 (3)	2016	2015	2014	2013 (3)	2012	2011	2010
Contractually Required Contributions	\$ 835	\$ 778	\$ 775	\$ 721	\$ 1,494	\$ 2,220	\$ 4,382	\$ 9,017	\$ 9,047	\$ 9,635
Contributions in Relation to the Contractually Required Contributions	(835)	(778)	(775)	(721)	(1,494)	(2,220)	(4,382)	(9,017)	(9,047)	(9,635)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 167,079	\$ 166,948	\$ 155,041	\$ 144,248	\$ 140,540	\$ 132,536	\$ 64,913	\$ 133,600	\$ 134,036	\$ 142,751
Contributions as a Percentage of Covered Payroll	0.50%	0.47%	0.50%	0.50%	1.06%	1.68%	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.

See Notes to the Required Supplementary OPEB Information.

**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 Six Fiscal Years (1)**

	2019	2018	2017	2016	2015	2014 (2)
City's Proportion of the Net Pension Liability	0.065821%	0.068829%	0.075000%	0.076455%	0.084999%	0.085182%
City's Proportionate Share of the Net Pension Liability	\$ 18,027	\$ 10,797	\$ 17,023	\$ 13,250	\$ 10,260	\$ 10,042
City's Covered Payroll	\$ 9,366	\$ 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	192.47%	111.76%	174.56%	138.53%	98.44%	93.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	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.

**Schedule of City's Pension Contributions**  
**Last Ten Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013 (3)	2012	2011	2010
Contractually Required Contributions	\$ 1,231	\$ 1,205	\$ 1,149	\$ 1,148	\$ 1,280	\$ 1,246	\$ 729	\$ 1,236	\$ 1,285	\$ 1,193
Contributions in Relation to the Contractually Required Contributions	(1,231)	(1,205)	(1,149)	(1,148)	(1,280)	(1,246)	(729)	(1,236)	(1,285)	(1,193)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 8,793	\$ 9,337	\$ 9,181	\$ 9,564	\$ 10,664	\$ 10,386	\$ 5,607	\$ 12,357	\$ 12,850	\$ 13,379
Contributions as a Percentage of Covered Payroll	14.00%	12.91%	12.51%	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%	8.92%

(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.

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.

See Notes to the Required Supplementary Pension Information.

**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 Three Fiscal Years (1)**

	2019	2018	2017 (2)
City's Proportion of the Net OPEB Liability	0.063798%	0.067076%	0.071978%
City's Proportionate Share of the Net OPEB Liability	\$ 8,318	\$ 7,284	\$ 7,270
City's Covered Payroll	\$ 9,366	\$ 9,661	\$ 9,752
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	88.81%	75.40%	74.55%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	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 Ten Fiscal Years**

	2019	2018	2017 (3)	2016	2015	2014	2013 (3)	2012	2011	2010
Contractually Required Contributions (4)	\$ -	\$ 57	\$ 167	\$ 191	\$ 213	\$ 208	\$ 56	\$ 494	\$ 514	\$ 680
Contributions in Relation to the Contractually Required Contributions	-	(57)	(167)	(191)	(213)	(208)	(56)	(494)	(514)	(680)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 8,793	\$ 9,337	\$ 9,181	\$ 9,564	\$ 10,664	\$ 10,386	\$ 5,607	\$ 12,357	\$ 12,850	\$ 13,379
Contributions as a Percentage of Covered Payroll	0.00%	0.61%	1.82%	2.00%	2.00%	2.00%	1.00%	4.00%	4.00%	5.08%

(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.

(4) - Employer contribution rate allocations toward health care were 2% for calendar year 2016, 1% for calendar year 2017, and 0% for calendar years 2018 and 2019.

See Notes to the Required Supplementary OPEB Information.

**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 Five Fiscal Years (2)(3)**  
**(Amounts in thousands)**

	2019	2018	2017	2016	2015
<b>Total pension liability</b>					
Service cost	\$ 18,574	\$ 16,812	\$ 26,125	\$ 22,439	\$ 21,018
Interest	132,842	130,656	117,929	120,372	120,262
Benefit changes		23,864	(62,756)		
Difference between expected and actual experience	24,312	2,896	3,403	(11,326)	
Changes of assumptions	40,990		(516,262)	125,942	(14,446)
Benefit payments	(135,552)	(135,618)	(133,326)	(130,350)	(127,981)
Refunds of contributions	(1,494)	(1,090)	(1,503)		
<b>Net change in total pension liability</b>	<u>79,672</u>	<u>37,520</u>	<u>(566,390)</u>	<u>127,077</u>	<u>(1,147)</u>
<b>Total pension liability - beginning</b>	<u>1,824,327</u>	<u>1,786,807</u>	<u>2,353,197</u>	<u>2,226,120</u>	<u>2,227,267</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 1,903,999</u>	<u>\$ 1,824,327</u>	<u>\$ 1,786,807</u>	<u>\$ 2,353,197</u>	<u>\$ 2,226,120</u>
<b>Plan net position</b>					
Contributions - employer	\$ 26,506	\$ 25,221	\$ 21,677	\$ 24,566	\$ 30,488
Contributions - member	15,352	14,494	14,738	11,994	12,298
Contributions - ERIP payoff	-	-	32,900		
Net investment income	114,134	171,007	(9,566)	39,683	209,380
Benefit payments	(135,552)	(135,618)	(133,326)	(128,548)	(126,535)
Administrative expense	(1,208)	(1,284)	(4,456)	(1,268)	(1,122)
Refunds of contributions	(1,494)	(1,090)	(1,503)	(1,802)	(1,425)
Other	1,893	3,065	178,133		(22)
<b>Net change in plan net position</b>	<u>19,631</u>	<u>75,795</u>	<u>98,597</u>	<u>(55,375)</u>	<u>123,062</u>
<b>Plan net position - beginning</b>	<u>1,398,358</u>	<u>1,322,563</u>	<u>1,223,966</u>	<u>1,279,341</u>	<u>1,156,279</u>
<b>Plan net position - ending (b)</b>	<u>1,417,989</u>	<u>1,398,358</u>	<u>1,322,563</u>	<u>1,223,966</u>	<u>1,279,341</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 486,010</u>	<u>\$ 425,969</u>	<u>\$ 464,244</u>	<u>\$ 1,129,231</u>	<u>\$ 946,779</u>
<b>Ratio of plan net position to total pension liability</b>	74.47%	76.65%	74.53%	51.92%	57.47%
<b>Covered payroll</b>	\$ 170,508	\$ 161,503	\$ 149,722	\$ 146,605	\$ 134,680
<b>Net pension liability as a percentage of covered payroll</b>	285.04%	263.75%	310.07%	770.25%	702.98%

(1) This schedule does not include MSD.

(2) The amounts presented for each fiscal year were determined as of the City's measurement date, which is the prior fiscal year-end.

(3) 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**  
**Cincinnati Retirement System**  
**Net Pension Liability Employer Schedule**  
**Last Ten Fiscal Years**  
**(Amounts in thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013 (1)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined employer contributions	\$ 42,747	\$ 39,081	\$ 38,148	\$ 57,583	\$ 60,751	\$ 62,992	\$ 27,476	\$ 40,029	\$ 44,083	\$ 65,593
Actual employer contributions	<u>(27,382)</u>	<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>
Contribution deficiency (excess)	<u>\$ 15,365</u>	<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>
City covered payroll	\$ 174,919	\$ 170,508	\$ 161,503	\$ 149,722	\$ 146,605	\$ 134,680	\$ 63,254	\$ 133,477	\$ 133,378	\$ 136,613
Actual contributions as a percentage of covered payroll	15.65%	15.55%	15.62%	14.63%	16.76%	23.38%	20.94%	20.18%	18.77%	17.83%

(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 Pension Information.

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

**Ohio Police and Fire Pension Fund**

*Actuarial Assumptions:*

Actuarial assumptions and methods used to determine contribution rates are described below based on the actuarial valuation as of January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018:

Valuation method	Entry age normal
Amortization method	Level percent of payroll, open
Amortization period	30 years
Asset valuation method	4-year adjusted fair value with a corridor of 20% of the fair value
Investment return	8.00%
Projected salary increases	3.75% to 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%
Cost-of-living adjustments	3% simple; 2.2% simple for increase based on the lesser of the increase in CPI and 3%.

*Changes in Actuarial Assumptions and Methods:*

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.

**City of Cincinnati, Ohio**  
**Required Supplementary Information 7**  
**Notes to the Required Pension Information (continued)**

**Ohio Public Employees Retirement System**

*Actuarial Assumptions:*

Actuarial assumptions and methods used to determine contribution rates are described below based on the actuarial valuation as of December 31, 2018:

Valuation method	Individual entry age
Amortization method	Level percent of payroll
Amortization period	19 years from December 31, 2018, closed
Asset valuation method	Fair value
Investment return	7.20%
Wage inflation	3.25%
Salary scale	3.25% to 10.75%, including inflation
Cost-of-living adjustments	Pre-January 7, 2013 retirees: 3.0% simple Post-January 7, 2013 retirees: 3.0% simple through 2018, then 2.15% simple

*Changes in Actuarial Assumptions and Methods:*

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.

In 2019, a change in assumptions included a reduction of the discount rate from 7.5% to 7.2%.

**City of Cincinnati, Ohio**  
**Required Supplementary Information 7**  
**Notes to the Required Pension Information (continued)**

**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	2.75%
Salary increases, including wage inflation	3.75% to 7.50%
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:*

In 2018, several changes in actuarial assumptions were made as a result of an updated experience study dated February 28, 2018. Changes included:

- Decrease in price inflation from 3.00% to 2.75%.
- Update of the retirement, withdrawal and disability rates.
- Update of the mortality rates for all members to a generational approach using the RP-2014 mortality tables.
- Assumed administrative expense as a percentage of payroll added to the total normal cost was increased from 0.75% to 0.80%.
- Update of assumed proportion of deferred vested members electing to withdraw their contributions or electing a deferred benefit.
- Update of assumed percentage of members who are married for pre-retirement survivor benefit considerations.

**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**  
**Two Fiscal Years (2)(3)**  
**(Amounts in thousands)**

	2019	2018
<b>Total OPEB liability</b>		
Service cost	\$ 4,131	\$ 6,266
Interest	25,518	22,425
Difference between expected and actual experience	13,242	
Changes of assumptions	31,333	(89,736)
Benefit payments	(21,678)	(25,446)
<b>Net change in total OPEB liability</b>	52,546	(86,491)
<b>Total OPEB liability - beginning</b>	416,780	503,271
<b>Total OPEB liability - ending (a)</b>	\$ 469,326	\$ 416,780
<b>Plan net position</b>		
Net investment income	\$ 32,129	\$ 47,714
Benefit payments	(21,678)	(25,446)
Administrative expense	(339)	(360)
Other	78	
<b>Net change in plan net position</b>	10,190	21,908
<b>Plan net position - beginning</b>	397,570	375,662
<b>Plan net position - ending (b)</b>	407,760	397,570
<b>Net OPEB liability - ending (a) - (b)</b>	\$ 61,566	\$ 19,210
<b>Ratio of plan net position to total OPEB liability</b>	86.88%	95.39%
<b>Covered-employee payroll</b>	\$ 141,891	\$ 144,555
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	43.39%	13.29%

(1) This schedule does not include MSD.

(2) The amounts presented for each fiscal year were determined as of the City's measurement date, which is the prior fiscal year-end.

(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)

	2019	2018	2017	2016	2015	2014	2013 (1)	2012	2011	2010
Actuarially determined employer contributions	\$ 3,602	\$ 937	\$ 5,056	\$ -	\$ 1,186	\$ 6,142	\$ 4,673	\$ 363	\$ 16,021	\$ 36,242
Actual employer contributions										(1,404)
Contribution deficiency (excess)	<u>\$ 3,602</u>	<u>\$ 937</u>	<u>\$ 5,056</u>	<u>\$ -</u>	<u>\$ 1,186</u>	<u>\$ 6,142</u>	<u>\$ 4,673</u>	<u>\$ 363</u>	<u>\$ 16,021</u>	<u>\$ 34,838</u>
City covered-employee payroll (2)	\$ 141,891	\$ 144,555	\$ 146,978	\$ 144,052	\$ 139,009	\$ 136,378	\$ 137,092	\$ 133,945	\$ 132,574	\$ 135,912
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%	0.00%	1.03%

(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.

(2) - Since contributions to the Plan, when applicable, were not based on a measure of pay, covered-employee payroll was used.

See Notes to the Required Supplementary OPEB Information.

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

**Ohio Police and Fire Pension Fund**

*Actuarial Assumptions:*

Actuarial assumptions and methods used to determine contribution rates are described below based on the actuarial valuation as of January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018:

Valuation method	Individual entry age
Amortization method	Level percent of payroll
Amortization period	30 years, open
Asset valuation method	Fair value
Investment return	8.00%
Wage inflation	3.25%
Salary scale	3.25% to 10.50%, including inflation
Inflation assumptions	2.75%
Cost-of-living adjustments	3% simple; 2.2% simple for increases based on the lessor of the increase in CPI and 3%.

**City of Cincinnati, Ohio**  
**Required Supplementary Information 10**  
**Notes to the Required OPEB Information (continued)**

**Ohio Public Employees Retirement System**

*Actuarial Assumptions:*

Actuarial assumptions and methods used to determine contribution rates are described below based on the health care actuarial valuation on December 31, 2017:

Valuation method	Individual entry age
Amortization method	Level percent of payroll
Amortization period	30 years, open
Asset valuation method	Fair value
Single discount rate	3.96%
Investment return	6.00%
Municipal bond rate	3.71%
Wage inflation	3.25%
Salary scale	3.25% to 10.75%, including inflation
Health care cost trend rate	10.0% initial, 3.25% ultimate in 2029

*Changes in Actuarial Assumptions and Methods:*

In 2019, changes in assumptions included a reduction of the investment rate of return from 6.50% to 6.00%, an increase in the municipal bond rate from 3.31% to 3.71%, resulting in an increase in the single discount rate from 3.85% to 3.96%. Another change includes adjusting the health care cost trend rate from 7.5% initial, 3.25% ultimate in 2028 to 10.0% initial, 3.25% ultimate in 2029.

**City of Cincinnati, Ohio**  
**Required Supplementary Information 10**  
**Notes to the Required OPEB Information (continued)**

**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	2.75%
Salary increases, including wage inflation	3.75% to 7.50%
Long-term investment rate of return, net of pension plan investment expense, including price inflation	7.50%
Municipal bond index rate:	3.89%
Measurement date	3.56%
Prior measurement date	
Year of projected depletion:	
Measurement date	2047
Prior measurement date	2050
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation on the:	
Measurement date	6.13%
Prior measurement date	6.31%
Health care cost trend rates:	
Pre-Medicare	7.75% for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.50% / 5.80% for Non-Model and Model Plans for 2018 decreasing to an ultimate rate of 4.75% by 2024 and 2025, respectively

*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.

**City of Cincinnati, Ohio**  
**Required Supplementary Information 10**  
**Notes to the Required OPEB Information (continued)**

**Cincinnati Retirement System (continued)**

*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.

In 2018, several changes in actuarial assumptions were made as a result of an updated experience study dated February 28, 2018. Changes included:

- Increase in the Municipal Bond Index Rate from 3.56% as of June 30, 2017 to 3.89% as of June 30, 2018.
- Decrease in the discount rate from 6.31% as of June 30, 2017 to 6.13% as of June 30, 2018.
- Decrease in price inflation from 3.00% to 2.75%.
- Update of the retirement, withdrawal and disability rates.
- Update of the mortality rates for all members to a generational approach using the RP-2014 mortality tables.
- Update of the merit salary scale.
- Update of assumed rates of health care inflation.
- Update of assumed rates of health benefit plan participation.
- Update of the Select Plan and the Model Plan contribution rates.
- Update of the DROP participation rates
- Inclusion of part-time employees in the Plan's population as of December 31, 2017.

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

	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>						
Service Cost	\$ 23,750	\$ 22,834	\$ 20,576	\$ 31,764	\$ 27,785	\$ 25,937
Interest	172,502	163,313	159,912	143,383	149,052	148,408
Benefit changes			29,208	(76,301)		
Difference between expected and actual experience	46,025	29,889	3,545	4,137	(14,024)	
Changes of assumptions	538,042	50,392		(627,693)	155,948	(17,827)
Benefit payments and refunds	(169,901)	(168,482)	(167,320)	(163,931)	(161,407)	(157,934)
<b>Net change in total pension liability</b>	<u>\$ 610,418</u>	<u>\$ 97,946</u>	<u>\$ 45,921</u>	<u>\$ (688,641)</u>	<u>\$ 157,354</u>	<u>\$ (1,416)</u>
<b>Total pension liability - beginning</b>	<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>	<u>2,748,525</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 2,970,107</u>	<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>
<b>Plan net position</b>						
Contributions – employer	\$ 33,763	\$ 32,586	\$ 30,868	\$ 67,939	\$ 29,084	\$ 37,740
Contributions – member	19,457	18,873	17,740	16,337	16,186	15,059
Net investment income	76,163	140,314	209,299	(11,631)	49,138	258,382
Benefit payments and refunds	(169,901)	(168,482)	(167,320)	(163,931)	(161,407)	(157,934)
Administrative expense	(1,472)	(1,485)	(1,572)	(5,418)	(1,570)	(1,384)
Other				237,897		
<b>Net change in plan net position</b>	<u>\$ (41,990)</u>	<u>\$ 21,806</u>	<u>\$ 89,015</u>	<u>\$ 141,193</u>	<u>\$ (68,569)</u>	<u>\$ 151,863</u>
<b>Plan net position – beginning</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>	<u>\$ 1,426,888</u>
<b>Plan net position - ending (b)</b>	<u>\$ 1,720,206</u>	<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>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 1,249,901</u>	<u>\$ 597,493</u>	<u>\$ 521,353</u>	<u>\$ 564,447</u>	<u>\$ 1,394,281</u>	<u>\$ 1,168,358</u>
Total pension liability	\$ 2,970,107	\$ 2,359,689	\$ 2,261,743	\$ 2,215,822	\$ 2,904,463	\$ 2,747,109
Plan net position	<u>\$ 1,720,206</u>	<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	\$ 1,249,901	\$ 597,493	\$ 521,353	\$ 564,447	\$ 1,394,281	\$ 1,168,358
Ratio of plan net position to total pension liability	57.92%	74.68%	76.95%	74.53%	52.00%	57.47%
Covered payroll	\$ 215,683	\$ 208,317	\$ 196,445	\$ 174,963	\$ 164,575	\$ 163,477
Net pension liability as a percentage of covered payroll	579.51%	286.82%	265.39%	322.61%	847.20%	714.69%
<b>Money -Weighted Rate of Return on Pension Plan Investments</b>	4.15%	7.83%	12.11%	-0.53%	0.97%	16.65%

\* For fiscal year 2019 only six years of data are available. The chart will eventually present ten years.

**Cincinnati Retirement System**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
 Required Supplementary Information 12  
 (Amounts in thousands)

	2019	2018	2017	2016	2015	2014	2013*	2012	2011	2010
Fiscal year										
Actuarially determined employer contribution	\$ 52,709	\$ 48,046	\$ 46,689	\$ 69,939	\$ 75,566	\$ 78,101	\$ 33,500	\$ 49,952	\$ 54,875	\$ 80,882
Actual employer contributions:										
City of Cincinnati Financial Reporting Entity	27,382	26,506	25,221	21,908	24,566	31,484	13,246	26,932	25,032	24,353
City of Cincinnati Operating Unit (MSD)	6,381	6,080	5,647	4,701	4,518	6,256	2,904	6,676	6,128	5,676
Total Actual employer contributions	33,763	32,586	30,868	26,609	29,084	37,740	16,150	33,608	31,160	30,029
Annual contribution deficiency/(excess)	\$ 18,946	\$ 15,460	\$ 15,821	\$ 43,330	\$ 46,482	\$ 40,361	\$ 17,350	\$ 16,344	\$ 23,715	\$ 50,853
Covered payroll	\$ 215,683	\$ 208,317	\$ 196,445	\$ 174,963	\$ 164,575	\$ 163,477	\$ 77,637	\$ 167,148	\$ 165,029	\$ 167,589
Actual contributions as a percentage of covered payroll	15.65%	15.64%	15.71%	15.21%	17.67%	23.09%	20.80%	20.11%	18.88%	17.92%

\* 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 fiscal year end in which contributions are reported (as of December 31, 2017 for the fiscal year ending June 30, 2019 contributions).

Key Methods and Assumptions Used to Determine Contribution Rates

*Actuarial cost method:* Entry Age Normal Cost Method  
*Amortization method:* Level dollar, open  
*Remaining amortization period:* 30 years; Open

*Asset Valuation method:* 5 year Smoothed Value  
*Inflation:* 2.75%  
*Discount Rate:* 7.5% net of pension plan investment expenses

**Cincinnati Retirement System**  
**REQUIRED SUPPLEMENTARY INFORMATION 13**  
**Notes to the Required Pension Information**

*Actuarial Assumptions:*

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Five-year smoothed market value
Inflation	2.75%
Salary increases, including wage inflation	3.75% to 7.5%
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:*

In 2019, there were no changes in actuarial assumptions and methods.

*Method and assumptions used in calculation of actuarially determined contributions:*

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of December 31, eighteen months prior to the end of the fiscal year in which contributions are reported (as of December 31, 2017 for the fiscal year 2019 contributions). The following actuarial methods and assumptions were used to determine actuarial contribution rates reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases, including wage inflation	3.75% to 7.50%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, and including inflation

**Cincinnati Retirement System**  
**REQUIRED SUPPLEMENTARY INFORMATION 14**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**(Amounts In Thousands)**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB liability</b>			
Service Cost	\$ 6,110	\$ 5,076	\$ 7,669
Interest	34,288	31,360	27,446
Difference between expected and actual experience	2,516	16,272	
Changes of assumptions	67,838	38,505	(109,830)
Benefit payments	(31,119)	(26,640)	(31,144)
<b>Total Change in OPEB Liability</b>	<u>\$ 79,633</u>	<u>\$ 64,573</u>	<u>\$ (105,859)</u>
<b>Total OPEB Liability - Beginning</b>	\$ 574,678	\$ 510,105	\$ 615,964
<b>Total OPEB Liability - Ending (b)</b>	\$ 654,311	\$ 574,678	\$ 510,105
<b>Plan fiduciary net position</b>			
Net investment income	\$ 21,589	\$ 39,483	\$ 58,398
Benefit payments	(31,119)	(26,640)	(31,144)
Administrative expense	(418)	(417)	(440)
<b>Net change in plan net position</b>	<u>\$ (9,948)</u>	<u>\$ 12,426</u>	<u>\$ 26,814</u>
<b>Plan net position – beginning</b>	\$ 499,020	\$ 486,594	\$ 459,780
<b>Plan net position - ending (b)</b>	<u>\$ 489,072</u>	<u>\$ 499,020</u>	<u>\$ 486,594</u>
<b>Net OPEB liability - ending (a) - (b)</b>	\$ 165,239	\$ 75,658	\$ 23,511
<b>Money -Weighted Rate of Return on Pension Plan Investments</b>	4.15%	7.83%	12.11%
<b>Plan Fiduciary Net Position as a percent of the Total OPEB Liability</b>	74.75%	86.83%	95.39%
<b>Covered-employee Payroll</b>	\$ 174,957	\$ 177,713	\$ 179,887
<b>Net OPEB Liability as a percent of covered payroll</b>	94.45%	42.57%	13.07%

\* For fiscal year 2019 only three years of data is available. The chart will eventually present ten years.

**Cincinnati Retirement System**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB**

Required Supplementary Information 15

(Amounts in thousands)

	2010	2011	2012	2013*	2014	2015	2016	2017	2018	2019	2010
Fiscal year											
Actuarially determined employer contribution	\$ 4,442	\$ 1,262	\$ 6,188	\$ 5,697	\$ 7,363	\$ 1,404	\$ 6,188	\$ 1,262	\$ 4,442	\$ 4,442	\$ 44,689
Actual employer contributions:											
City of Cincinnati Financial Reporting Entity											1,404
City of Cincinnati Operating Unit (MSD)											327
Total Actual employer contributions											1,731
Annual contribution deficiency/(excess)	\$ 4,442	\$ 1,262	\$ 6,188	\$ 5,697	\$ 7,363	\$ 1,404	\$ 6,188	\$ 1,262	\$ 4,442	\$ 4,442	\$ 42,958
Covered payroll **											\$ 167,589
Covered-employee payroll ***	\$ 174,957	\$ 177,713	\$ 179,887	\$ 167,148	\$ 163,477	\$ 164,575	\$ 174,963	\$ 177,713	\$ 174,957	\$ 174,957	\$ 165,029
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%	0.00%	0.00%	1.03%

\* 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.

\*\* In 2010, employer contributions were based upon Covered Payroll.

\*\*\* Beginning in 2011 there were no employer contributions. Since payroll was not a basis for employer contributions, covered employee payroll is presented for 2011 through 2019.

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:	30 year level dollar	Price inflation:	2.75%
Discount rate:	7.50%	Amortization growth rate:	0.00%
Salary increase:	Initial 7.5% dropping to 3.75% by the 21st year of service	Mortality:	RP-2014 Healthy Dataset Mortality table set forward two years for males and females with fully generational projected mortality improvements using MP-2017

**Cincinnati Retirement System**  
**REQUIRED SUPPLEMENTARY INFORMATION 16**  
**Notes to the Required OPEB Information**

*Changes of Benefit Terms since prior report:*

None.

*Changes in assumptions and other inputs since prior report:*

- The Municipal Bond Index Rate changed from 3.89% as of June 30, 2018 to 3.50% as of June 30, 2019.
- The discount rate (SEIR) changed from 6.13% as of June 30, 2018 to 5.07% as of June 30, 2019.
- Part-time employees are included in the plan's population as of December 31, 2018.
- The health care cost trend rates were updated to reflect the current market place.

*Method and assumptions used in calculation of actuarially determined contributions:*

The Actuarially Determined Contribution rates, as a percentage of payroll, used to determine the the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated each year with the annual valuation. The following actuarial methods and assumptions (from the December 31, 2017 actuarial valuation) were used to determine contribution amounts reported in that schedule for the fiscal year ending on June 30, 2019:

Actuarial cost method	Entry age
Amortization method	Level dollar, open
Amortization period	Open 30 year period
Asset valuation method	5-year smoothed market
Inflation	CPI: 2.75% per year Medical CPI: 3.25% per year
Expected Return on Assets	7.50%, net of pension plan investment expense, and including wage inflation
Salary increases, including wage inflation	3.75% to 7.50%
Initial health care cost trend rates:	
Pre Medicare	8.00%
Medicare	8.86%
Ultimate health care cost trend rates:	
Pre Medicare	4.00%
Medicare	4.00%
Year ultimate health care trend rates reached:	
Pre Medicare	2033
Medicare	2033

Please refer to the December 31, 2017 Retiree Health Benefits Plan actuarial valuation report for details about the data, assumptions, methods, and plan provisions used in the determination of the plan's actuarially determined contribution rates for the fiscal year ending on June 30, 2019.

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**City of Cincinnati, Ohio**  
**Budgetary Comparison Schedule**  
**Non GAAP**  
**For the fiscal year ended June 30, 2019**  
**(Amounts in thousands)**

	<b>General Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>General Fund</b>				
Revenues				
Taxes	\$ 313,932	\$ 313,223	\$ 321,320	\$ 8,097
Licenses and Permits	23,316	23,316	20,374	(2,942)
Use of Money and Property	11,085	11,085	13,267	2,182
Intergovernmental Revenue	22,145	22,145	23,449	1,304
Charges for Services	31,223	31,223	31,869	646
Miscellaneous	3,006	3,046	3,402	356
Total Revenues	<u>404,707</u>	<u>404,038</u>	<u>413,681</u>	<u>9,643</u>
<b>EXPENDITURES</b>				
Current				
General Government	66,222	66,670	64,276	2,394
Community Development	6,925	9,366	9,046	320
Parks and Recreation	24,994	24,758	24,564	194
Public Safety	264,973	268,243	267,749	494
Transportation and Engineering	3,083	2,864	2,798	66
Public Services	15,238	15,718	15,590	128
Public Health	17,067	16,552	16,518	34
Nondepartmental Employee Benefits	4,448	4,933	4,844	89
Capital Outlay	29	29	26	3
Total Expenditures	<u>402,979</u>	<u>409,133</u>	<u>405,411</u>	<u>3,722</u>
Deficiency of Revenue under Expense	1,728	(5,095)	8,270	13,365
Other Financing Sources (Uses)				
Transfers In	1,200	1,300	1,300	
Transfers (Out)	(2,719)	(5,699)	(5,699)	
Total Other Financing Sources (Uses)	<u>(1,519)</u>	<u>(4,399)</u>	<u>(4,399)</u>	
Change in Fund Balance	209	(9,494)	3,871	13,365
Cancellation of Prior Years Encumbrances			1,636	1,636
Fund balances - beginning	<u>22,278</u>	<u>22,278</u>	<u>22,278</u>	
Fund balances - ending	<u>\$ 22,487</u>	<u>\$ 12,784</u>	<u>\$ 27,785</u>	<u>\$ 15,001</u>

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

<b>Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other uses per the Budgetary Comparison Schedule</b>	\$ 3,871
(Increases) decreases from revenues:	
Received in cash during year but already accrued as receivables (GAAP) at June 30, 2018	(20,779)
Accrued as receivables at June 30, 2019 but not recognized in budget	27,253
(Increases) decreases from encumbrances:	
Expenditures of amounts encumbered during prior years	(9,145)
Recognized as expenditures in the budget	12,005
(Increases) decreases from expenditures:	
Accrued as liabilities at June 30, 2018 recognized as expenditures (GAAP) but not in budget	8,795
Accrued as liabilities at June 30, 2019	<u>(11,474)</u>
<b>Net Change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance (Page 44)</b>	<u>\$ 10,526</u>

See notes to required supplementary information.

**City Of Cincinnati, Ohio**  
Note to the Required Supplementary Information  
June 30, 2019

**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 Streetcar 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 period's 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.

## **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 - accounts 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 fiscal year ended June 30, 2019  
(Amounts in Thousands)

<b>General Fund</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues				
Taxes				
Real Property	\$ 26,843	\$ 26,843	\$ 26,491	\$ (352)
City Income Tax	280,700	280,700	288,826	8,126
Outdoor Advertising Tax	709			
Admissions and Other	5,680	5,680	6,003	323
Total Taxes	<u>313,932</u>	<u>313,223</u>	<u>321,320</u>	<u>8,097</u>
Licenses and Permits				
Street Use	5,039	5,039	5,506	467
Police and Protective	78	78	214	136
Beer and Liquor	600	600	677	77
Business and Merchandising	4,015	4,015	3,602	(413)
Amusements	59	59	71	12
Professional and Occupational	207	207	204	(3)
Buildings, Structures and Equipment	13,318	13,318	10,100	(3,218)
Total Licenses and Permits	<u>23,316</u>	<u>23,316</u>	<u>20,374</u>	<u>(2,942)</u>
Use of Money and Property				
Fines, Forfeits and Penalties	7,400	7,400	6,826	(574)
Income from Treasury Investments	3,500	3,500	6,289	2,789
Rents	185	185	151	(34)
General Concessions and Commissions			1	1
Total Use of Money and Property	<u>11,085</u>	<u>11,085</u>	<u>13,267</u>	<u>2,182</u>
Intergovernmental Revenue				
Proportionately Shared State Taxes				
Local Government Fund - Sales, Franchise, State				
Income Tax	12,000	12,000	12,654	654
Casino Tax-County Share	5,000	5,000	4,913	(87)
Casino Tax-Host City	3,000	3,000	3,376	376
State Income Tax - Real Property Tax Reduction	2,145	2,145	2,506	361
Total Intergovernmental Revenue	<u>22,145</u>	<u>22,145</u>	<u>23,449</u>	<u>1,304</u>
Charges for Services				
General Government	9,345	9,345	10,429	1,084
Public Recreation			1	1
City Planning				
Other Inspection Certificates	2,980	2,980	3,425	445
Elevator Certificates	690	690	903	213
Public Safety				
Police and Communication Charges	392	392	437	45
Motor Vehicle Response	600	600	649	49
Impounded Vehicle Fees	400	400	617	217
Protective Inspection Fees	230	230	193	(37)
Protective Service - Burglary Alarm	595	595	680	85
Emergency Transportation Service	8,633	8,633	8,859	226
Other Public Safety Charges	787	787	967	180
Parking Facilities	5,032	5,032	3,589	(1,443)
Public Services				
Recycling Incentive Fee	380	380	325	(55)
Other Public Services Charges	544	544	207	(337)
Public Health				
Vital Statistics	612	612	588	(24)
Other Public Health charges	3	3		(3)
Total Charges for Current Services	<u>31,223</u>	<u>31,223</u>	<u>31,869</u>	<u>646</u>
Miscellaneous	<u>3,006</u>	<u>3,046</u>	<u>3,402</u>	<u>356</u>
Total Revenues	<u>404,707</u>	<u>404,038</u>	<u>413,681</u>	<u>9,643</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, 2019  
(Amounts in Thousands)

General Fund (Continued)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
City Council				
Personal Services	\$ 2,025	\$ 2,119	\$ 2,114	\$ 5
Non Personal Services	36	25	21	4
Total City Council	2,061	2,144	2,135	9
Office of the Mayor				
Personal Services	806	822	747	75
Non Personal Services	16	16	13	3
Total Office of the Mayor	822	838	760	78
Office of the Clerk of Council				
Personal Services	516	518	507	11
Non Personal Services	133	143	140	3
Total Office of the Clerk of Council	649	661	647	14
Department of Enterprise Technology Solutions				
Personal Services	5,404	5,239	5,239	
Non Personal Services	1,040	567	567	
Total Department of Enterprise Technology Services	6,444	5,806	5,806	
Department of the City Manager				
Office of the City Manager				
Personal Services	2,380	2,250	2,217	33
Non Personal Services	790	1,862	1,827	35
Total Office of the City Manager	3,170	4,112	4,044	68
Division of Budget and Evaluation				
Personal Services	950	840	838	2
Non Personal Services	69	75	66	9
Total Division of Budget and Evaluation	1,019	915	904	11
Division of Emergency Communications				
Personal Services	10,882	10,782	10,039	743
Non Personal Services	184	275	199	76
Total Division of Emergency Communications	11,066	11,057	10,238	819
Office of Environment and Sustainability				
Personal Services	571	590	581	9
Non Personal Services	1,878	1,935	1,929	6
Total Office of Environment and Sustainability	2,449	2,525	2,510	15
Division of Performance and Data Analytics				
Personal Services	717	719	663	56
Non Personal Services	100	99	81	18
Total Division of Performance and Data Analytics	817	818	744	74
Internal Audit				
Personal Services	404	404	389	15
Non Personal Services	7	6	5	1
Total Internal Audit	411	410	394	16
Total Department of the City Manager	18,932	19,837	18,834	1,003
Citizen's Complaint Authority				
Personal Services	644	615	614	1
Non Personal Services	27	46	41	5
Total Citizen's Complaint Authority	671	661	655	6
Department of Economic Inclusion				
Personal Services	886	864	834	30
Non Personal Services	83	107	106	1
Total Department of Economic Inclusion	969	971	940	31

(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, 2019  
(Amounts in Thousands)

<b>General Fund</b>	<b>Original</b>	<b>Final</b>		<b>Variance with Final</b>
(Continued)	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget Positive</b>
Expenditures				<b>(Negative)</b>
Department of Law				
Civil Division				
Personal Services	\$ 3,949	\$ 3,995	\$ 3,988	\$ 7
Non Personal Services	486	755	642	113
Total Civil Division	<u>4,435</u>	<u>4,750</u>	<u>4,630</u>	<u>120</u>
Office of Administrative Hearings and Prosecution				
Personal Services	2,930	2,640	2,591	49
Non Personal Services	161	160	130	30
Total Office of Administrative Hearings and Prosecution	<u>3,091</u>	<u>2,800</u>	<u>2,721</u>	<u>79</u>
Total Department of Law	<u>7,526</u>	<u>7,550</u>	<u>7,351</u>	<u>199</u>
Department of Human Resources				
Personal Services	1,292	1,264	1,264	
Non Personal Services	494	512	486	26
Total Department of Human Resources	<u>1,786</u>	<u>1,776</u>	<u>1,750</u>	<u>26</u>
Department of Finance				
Office of the Director				
Personal Services	371	377	367	10
Non Personal Services	24	98	75	23
Capital Outlay				
Total Office of the Director	<u>395</u>	<u>475</u>	<u>442</u>	<u>33</u>
Division of Accounts and Audits				
Personal Services	1,470	1,360	1,314	46
Non Personal Services	100	112	109	3
Total Division of Accounts and Audits	<u>1,570</u>	<u>1,472</u>	<u>1,423</u>	<u>49</u>
Division of Treasury				
Personal Services	712	654	641	13
Non Personal Services	252	238	173	65
Total Division of Treasury	<u>964</u>	<u>892</u>	<u>814</u>	<u>78</u>
Division of Risk Management				
Non Personal Services	157	164	159	5
Total Division of Risk Management	<u>157</u>	<u>164</u>	<u>159</u>	<u>5</u>
Division of Income Tax				
Personal Services	2,800	2,735	2,617	118
Non Personal Services	381	374	270	104
Total Division of Income Tax	<u>3,181</u>	<u>3,109</u>	<u>2,887</u>	<u>222</u>
Division of Purchasing				
Personal Services	795	635	568	67
Non Personal Services	128	231	231	
Total Division of Purchasing	<u>923</u>	<u>866</u>	<u>799</u>	<u>67</u>
Total Department of Finance	<u>7,190</u>	<u>6,978</u>	<u>6,524</u>	<u>454</u>
Department of Community and Economic Development				
Director's Office and Administration				
Personal Services	793	865	863	2
Non Personal Services	3,772	4,729	4,707	22
Total Director's Office and Administration	<u>4,565</u>	<u>5,594</u>	<u>5,570</u>	<u>24</u>
Housing Division				
Personal Services	121	132	118	14
Non Personal Services	564	1,398	1,392	6
Total Housing Division	<u>685</u>	<u>1,530</u>	<u>1,510</u>	<u>20</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, 2019  
(Amounts in Thousands)

<b>General Fund</b>	<b>Original</b>	<b>Final</b>		<b>Variance with Final</b>
(Continued)	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget Positive</b>
Expenditures				<b>(Negative)</b>
Department of Community and Economic Development (Continued)				
Economic Development and Major/Special Projects Divisions				
Personal Services	\$ 610	\$ 505	\$ 291	\$ 214
Non Personal Services	1,065	1,737	1,675	62
Total Economic Development and Major/Special Projects Divisions	<u>1,675</u>	<u>2,242</u>	<u>1,966</u>	<u>276</u>
Total Department of Community and Economic Development	6,925	9,366	9,046	320
Department of City Planning				
Personal Services	603	595	501	94
Non Personal Services	47	45	44	1
Total Department of City Planning	<u>650</u>	<u>640</u>	<u>545</u>	<u>95</u>
Department of Public Recreation				
West Region Division				
Personal Services	2,561	2,561	2,553	8
Non Personal Services	469	468	465	3
Total West Region Division	<u>3,030</u>	<u>3,029</u>	<u>3,018</u>	<u>11</u>
East Region Division				
Personal Services	1,784	1,784	1,774	10
Non Personal Services	384	383	367	16
Total East Region Division	<u>2,168</u>	<u>2,167</u>	<u>2,141</u>	<u>26</u>
Central Region Division				
Personal Services	2,155	2,155	2,145	10
Non Personal Services	406	404	388	16
Total Central Region Division	<u>2,561</u>	<u>2,559</u>	<u>2,533</u>	<u>26</u>
Maintenance Division				
Personal Services	2,074	1,895	1,895	
Non Personal Services	997	993	990	3
Total Maintenance Division	<u>3,071</u>	<u>2,888</u>	<u>2,885</u>	<u>3</u>
Division of Athletics				
Personal Services	2,607	2,857	2,849	8
Non Personal Services	380	443	431	12
Total Division of Athletics	<u>2,987</u>	<u>3,300</u>	<u>3,280</u>	<u>20</u>
Division of Support Services				
Personal Services	2,099	1,961	1,960	1
Non Personal Services	179	190	189	1
Capital Outlay	26	26	26	
Total Division of Support Services	<u>2,304</u>	<u>2,177</u>	<u>2,175</u>	<u>2</u>
Total Department of Public Recreation	<u>16,121</u>	<u>16,120</u>	<u>16,032</u>	<u>88</u>
Department of Parks				
Office of the Director				
Personal Services	266	266	214	52
Non Personal Services	1	1	1	
Total Office of the Director	<u>267</u>	<u>267</u>	<u>215</u>	<u>52</u>
Division of Operations and Facility Management				
Personal Services	3,810	3,527	3,501	26
Non Personal Services	2,181	2,226	2,223	3
Total Division of Operations and Facility Management	<u>5,991</u>	<u>5,753</u>	<u>5,724</u>	<u>29</u>
Division of Administration and Program Services				
Personal Services	1,848	1,859	1,859	
Non Personal Services	793	785	760	25
Total Division of Administration and Program Services	<u>2,641</u>	<u>2,644</u>	<u>2,619</u>	<u>25</u>
Total Department of Parks	<u>8,899</u>	<u>8,664</u>	<u>8,558</u>	<u>106</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, 2019  
(Amounts in Thousands)

<b>General Fund</b>	<b>Original</b>	<b>Final</b>		<b>Variance with Final</b>
(Continued)	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget Positive</b>
Expenditures				<b>(Negative)</b>
Department of Building and Inspections				
Building Division				
Personal Services	\$ 6,836	\$ 6,520	\$ 6,455	\$ 65
Non Personal Services	499	615	606	9
Total Building Division	<u>7,335</u>	<u>7,135</u>	<u>7,061</u>	<u>74</u>
Division of Building Inspections, Licenses and Permits				
Personal Services	2,786	2,508	2,472	36
Non Personal Services	247	273	272	1
Total Division of Building Inspections, Licenses and Permits	<u>3,033</u>	<u>2,781</u>	<u>2,744</u>	<u>37</u>
Total Department of Buildings and Inspections	<u>10,368</u>	<u>9,916</u>	<u>9,805</u>	<u>111</u>
Department of Police				
Patrol Bureau				
Personal Services	94,958	96,246	96,246	
Non Personal Services	6,769	6,736	6,735	1
Total Patrol Bureau	<u>101,727</u>	<u>102,982</u>	<u>102,981</u>	<u>1</u>
Investigations Bureau				
Personal Services	18,307	18,394	18,394	
Non Personal Services	1,486	1,479	1,479	
Total Investigations Bureau	<u>19,793</u>	<u>19,873</u>	<u>19,873</u>	
Support Bureau				
Personal Services	9,494	9,186	9,186	
Non Personal Services	2,189	2,583	2,583	
Total Support Bureau	<u>11,683</u>	<u>11,769</u>	<u>11,769</u>	
Administration Bureau				
Personal Services	11,441	11,071	11,071	
Non Personal Services	2,804	2,662	2,662	
Total Administration Bureau	<u>14,245</u>	<u>13,733</u>	<u>13,733</u>	
Total Department of Police	<u>147,448</u>	<u>148,357</u>	<u>148,356</u>	<u>1</u>
Department of Fire				
Division of Response				
Personal Services	99,073	101,401	101,047	354
Non Personal Services	7,376	7,502	7,502	
Total Division of Response	<u>106,449</u>	<u>108,903</u>	<u>108,549</u>	<u>354</u>
Division of Support Services				
Personal Services	9,462	8,997	8,858	139
Non Personal Services	1,614	1,986	1,986	
Total Division of Support Services	<u>11,076</u>	<u>10,983</u>	<u>10,844</u>	<u>139</u>
Total Department of Fire	<u>117,525</u>	<u>119,886</u>	<u>119,393</u>	<u>493</u>
Department of Transportation and Engineering				
Office of the Director				
Personal Services	416	310	303	7
Non Personal Services	68	59	54	5
Total Office of the Director	<u>484</u>	<u>369</u>	<u>357</u>	<u>12</u>
Division of Transportation Planning				
Personal Services	45	47	47	
Non Personal Services	14	12	1	11
Total Division of Transportation Planning	<u>59</u>	<u>59</u>	<u>48</u>	<u>11</u>
Division of Engineering				
Personal Services	45	(6)	(7)	1
Non Personal Services	53	41	28	13
Total Division of Engineering	<u>98</u>	<u>35</u>	<u>21</u>	<u>14</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, 2019  
(Amounts in Thousands)

General Fund (Continued)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Department of Transportation and Engineering (Continued)				
Division of Traffic Engineering				
Personal Services	\$ 159	\$ 129	\$ 129	
Non Personal Services	2,283	2,272	2,243	\$ 29
Total Division of Traffic Engineering	2,442	2,401	2,372	29
Total Department of Transportation and Engineering	3,083	2,864	2,798	66
Department of Public Services				
Office of the Director				
Personal Services	964	1,043	1,033	10
Non Personal Services	92	91	91	
Total Office of the Director	1,056	1,134	1,124	10
Division of Traffic and Road Operations				
Non Personal Services		200	187	13
Total Traffic and Road Operations		200	187	13
Neighborhood Operations Division				
Personal Services	5,706	5,632	5,539	93
Non Personal Services	5,339	5,702	5,694	8
Total Neighborhood Operations Division	11,045	11,334	11,233	101
Division of City Facility Management				
Personal Services	102	102	99	3
Non Personal Services	2,873	2,786	2,785	1
Capital Outlay				
Debt Service				
Total City Facility Management	2,975	2,888	2,884	4
Division of Fleet Services				
Personal Services	161	161	161	
Non Personal Services	1	1	1	
Total Fleet Services	162	162	162	
Total Department of Public Services	15,238	15,718	15,590	128
Department of Public Health				
Office of the Commissioner				
Personal Services	2,091	1,859	1,859	
Non Personal Services	206	201	201	
Capital Outlay	3	3		3
Total Office of the Commissioner	2,300	2,063	2,060	3
Office of Technical Resources				
Personal Services	2,070	1,998	1,993	5
Non Personal Services	472	469	467	2
Total Office of Technical Resources	2,542	2,467	2,460	7
Office of Community Health Services				
Personal Services	3,676	3,730	3,730	
Non Personal Services	264	260	260	
Total Office of Community Health Services	3,940	3,990	3,990	
Division of Primary Care - Programs				
Personal Services	2,335	2,086	2,085	1
Non Personal Services	126	125	125	
Total Division of Primary Care - Programs	2,461	2,211	2,210	1
Division of Primary Care - Centers				
Personal Services	4,580	4,583	4,583	
Non Personal Services	7	7	7	
Total Division of Primary Care - Centers	4,587	4,590	4,590	

(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, 2019  
(Amounts in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>General Fund</b>				
(Continued)				
Expenditures				
Department of Public Health (Continued)				
Division of School and Adolescent Health				
Personal Services	\$ 1,194	\$ 1,189	\$ 1,167	\$ 22
Non Personal Services	46	45	41	4
Total Division of School and Adolescent Health	<u>1,240</u>	<u>1,234</u>	<u>1,208</u>	<u>26</u>
Total Department of Public Health	17,070	16,555	16,518	37
Nondepartmental Accounts				
Employee Benefits				
Public Employee Assistance	288	309	288	21
Workers' Compensation Insurance	3,234	3,234	3,233	1
Police Officers and Firefighters' Insurance	290	290	235	55
State Unemployment Compensation	148	148	136	12
Lump Sum Payments	488	952	952	
Professional Services and Legal Fees				
Judgments Against the City	900	900	898	2
Audit and Examiners' Fees	370	370	370	
Hamilton County Fees and Estate Tax Adjustment	525	525	413	112
County Clerk Fees	350	350	350	
Election Expense	155	155	131	24
Miscellaneous Accounts				
Enterprise Software and Licenses	4,674	5,283	5,283	
Memberships and Lobbyists	261	254	150	104
Manager's Office Obligations	174	231	208	23
Downtown Special Improvement District	45	45	3	42
Greater Cincinnati Redevelopment Authority	700	700	700	
Property Investment Reimbursement Agreements		18	18	
Reserve for Contingencies		61		61
Total Nondepartmental Accounts	<u>12,602</u>	<u>13,825</u>	<u>13,368</u>	<u>457</u>
Total Expenditures	<u>402,979</u>	<u>409,133</u>	<u>405,411</u>	<u>3,722</u>
Excess (deficiency) of revenues over (under) expenditures	1,728	(5,095)	8,270	13,365
Other Financing Sources (Uses)				
Transfers In	1,200	1,300	1,300	
Transfers (Out)	(2,719)	(5,699)	(5,699)	
Total Other Financing Sources (Uses)	<u>(1,519)</u>	<u>(4,399)</u>	<u>(4,399)</u>	
Excess (Deficiency) of Revenue over (under) Expenditures and Other Financing Sources (Uses)	209	(9,494)	3,871	13,365
Cancellation of Prior Years Encumbrances			1,636	1,636
Fund balances - beginning	22,278	22,278	22,278	
Fund balances - ending	<u>\$ 22,487</u>	<u>\$ 12,784</u>	<u>\$ 27,785</u>	<u>\$ 15,001</u>

**City of Cincinnati, Ohio**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the fiscal year ended June 30, 2019**  
(Amounts in Thousands)

GENERAL FUND

Revenues

Taxes

Property Taxes	\$ 26,502
City Income Tax	288,736
Other Taxes	<u>6,003</u>
Total Taxes	321,241

Licenses and Permits

Street Use	5,506
Police and Protective	214
Beer and Liquor	671
Business and Merchandising	3,601
Amusements	71
Professional and Occupational	119
Buildings, Structures and Equipment	<u>10,184</u>
Total Licenses and Permits	20,366

Use of Money and Property

Fines, Forfeits and Penalties	6,256
Income from Treasury Investments	12,107
Rents	<u>69</u>
Total Use of Money and Property	18,432

Intergovernmental Revenue

Proportionately shared State Taxes	
Local Government Fund - Sales, Franchise, State Income Tax	12,832
State Income Tax - Real Property Tax Reduction Estate Tax	2,506
Casino Tax - County Share	4,948
Casino Tax - Host City Share	3,413
Payments from Other Governmental Units	20
Revenues from Private Sources	<u>40</u>
Total Intergovernmental Revenue	23,759

(Continued)

**City of Cincinnati, Ohio**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the fiscal year ended June 30, 2019**  
**(Amounts in Thousands)**

GENERAL FUND  
(Continued)

Charges for Services		
General Government	\$	9,984
Planning and Buildings		
Other Inspection Certificates		3,429
Elevator Certificates		880
Public Recreation		
Public Safety		
Police and Communication Charges		496
Impounded Vehicle Fees		1,266
Protective Inspection Fees		197
Protective Service - Burglary Alarm		196
Emergency Transportation Service		8,795
Other Public Safety Charges		1,388
Public Services		561
Public Health		
Vital Statistics		588
Total Charges for Current Services		27,780
Miscellaneous		3,808
Total Revenues		415,386

Expenditures

City Council	2,118
Office of the Clerk of Council	677
Office of the Mayor	761
Department of the City Manager	
Office of the City Manager	3,958
Division of Budget and Evaluation	931
Office of Environment and Sustainability	2,384
Division of Performance and Data Analytics	726
Division of Internal Audit	397
Total Department of City Manager	8,396
Citizen's Complaint and Internal Audit	664

(Continued)

**City of Cincinnati, Ohio**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the fiscal year ended June 30, 2019**  
(Amounts in Thousands)

GENERAL FUND

(Continued)

Expenditures

Department of Economic Inclusion	\$ 941
Department of Law	7,343
Department of Human Resources	1,609
Department of Finance	
Office of the Director	404
Division of Accounts and Audits	1,471
Division of Treasury	784
Division of Risk Management	159
Division of Income Tax	2,956
Division of Purchasing	896
Total Department of Finance	6,670
Department of City Planning and Buildings	
Office of the Director	546
Total Department of City Planning and Buildings	546
Department of Community Development	
Office of the Director	5,479
Division of Housing Development	793
Division of Community Development	1,785
Total Department of Community Development	8,057
Department of Public Recreation	
Division of Community Activities - West Region Division	3,079
Division of Community Activities - East Region Division	2,172
Division of Community Activities - Central Region Division	2,549
Division of Community Activities - Maintenance Division	2,997
Division of Athletics	3,629
Division of Administration	2,383
Total Department of Public Recreation	16,809
Department of Parks Administration and Program Services	
Office of the Director	382
Division of Operations and Facility Management	5,744
Division of Planning, Design and Development	2,763
Total Department of Parks Administration and Program Services	8,889

(Continued)

**City of Cincinnati, Ohio**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the fiscal year ended June 30, 2019**  
(Amounts in Thousands)

GENERAL FUND  
(Continued)  
Expenditures

Department of Buildings and Inspections	
Division of Buildings	\$ 7,395
Division of Building Inspections, Licenses and Permits	2,462
Total Department of Buildings and Inspections	9,857
Department of Police	
Division of Police	150,774
Emergency Communications Center	10,474
Total Department of Police	161,248
Department of Fire	
	120,397
Department of Transportation and Engineering	
Office of the Director	377
Division of Engineering	17
Division of Transportation Planning	45
Division of Traffic Engineering	2,340
Total Department of Transportation and Engineering	2,779
Department of Public Services	
Office of the Director	1,127
Division of Traffic and Road Operations	473
Division of Neighborhood Operations	11,348
Division of City Facility Management	2,978
Division of Fleet Services	163
Total Department of Public Services	16,089
Department of Enterprise Technology Solutions	
	5,812
Department of Public Health	
Office of the Commissioner	2,270
Division of Technical Resources	2,420
Division of Community Health Services	4,051
Division of Primary Care - Programs	2,224
Division of Primary Care - Health Centers	4,624
Division of Primary Care - Other	1,444
Total Department of Public Health	17,033

(Continued)

**City of Cincinnati, Ohio**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the fiscal year ended June 30, 2019**  
(Amounts in Thousands)

GENERAL FUND  
(Continued)  
Expenditures

Nondepartmental Accounts	
Judgments Against the City	\$ 1,141
Enterprise Software Licenses	5,082
County Fees	761
Election Expense	107
Mayor's Office Obligations	4
Cincinnati Manager's Office Obligations	184
Professional Memberships and Publications	149
Downtown Special Improvement Districts	3
Audit Fees	332
Port Authority of Greater Cincinnati	700
Property Investment Reimbursement Agreements	18
Total Nondepartmental Accounts	8,481
Total Expenditures	405,176
Excess (Deficiency) of revenues over expenditures	10,210
Other Financing Sources(Uses)	
Transfers In	4,972
Transfers (Out)	(4,656)
Total Other Financing Sources (Uses)	316
Net Change in Fund Balance	10,526
Fund balances, July 1	74,466
Fund balances, June 30	\$ 84,992

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Capital Project Funds</b>			
<b>Revenues</b>			
Taxes	\$ 27,951	\$ 27,951	\$
Use of Money and Property	814	814	
Special Assessments	566	566	
Intergovernmental Revenue	1,743	1,743	
Federal Grants	5,869	5,869	
State Grants	5,254	5,254	
Grants and Subsidies	1,778	1,778	
Miscellaneous	<u>11,936</u>	<u>11,936</u>	
Total Revenues	55,911	55,911	
<b>Capital Outlay Expenditures</b>			
Enterprise Technology Services	3,883	3,883	
Department of the City Manager			
Division of Emergency Communications	436	436	
Office of Environment and Sustainability	333	333	
Division of Economic Development	430	430	
Division of Performance and Data Analytics	<u>35</u>	<u>35</u>	
Total Department of the City Manager	1,234	1,234	
Department Community and Economic Development			
Housing Division	1,627	1,627	
Economic Development and Major/Special Projects Divisions	22,637	22,637	
Division of New Construction and Building Standards	<u>75</u>	<u>75</u>	
Total Department of Community and Economic Development	24,339	24,339	
Department of City Planning	84	84	
Department of Public Recreation			
Division of Golf	49	49	
Division of Support Services	<u>3,835</u>	<u>3,835</u>	
Total Department of Public Recreation	3,884	3,884	
Department of Parks			
Division of Operations and Facility Management	1	1	
Division of Administration and Program Services	<u>2,551</u>	<u>2,551</u>	
Total Department of Parks	2,552	2,552	
Department of Police			
Division of Police	<u>1,299</u>	<u>1,299</u>	
Total Department of Police	1,299	1,299	
Department of Fire	439	439	
Department of Building and Inspections			
Building Division	1	1	
Division of Building Inspections, Licenses and Permits	<u>443</u>	<u>443</u>	
Total Department of Building and Inspections	444	444	
Department of Transportation and Engineering			
Office of the Director	96	96	
Division of Transportation Planning	2,463	2,463	
Division of Engineering	44,862	44,862	
Division of Aviation	4,205	4,205	
Division of Traffic Engineering	<u>7,229</u>	<u>7,229</u>	
Total Department of Transportation and Engineering	58,855	58,855	

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Capital Project Funds</b>			
(Continued)			
<b>Capital Outlay Expenditures</b>			
Department of Enterprise Services			
Division of Convention Center	\$ 855	\$ 855	\$
Division of Parking Facilities	555	555	
Total Department of Enterprise Services	1,410	1,410	
Department of Public Services			
Office of the Director	39	39	
Division of Traffic and Road Operations	70	70	
Neighborhood Operations Division	20	20	
Division of City Facility Management	4,880	4,880	
Division of Fleet Services	91	91	
Total Department of Public Services	5,100	5,100	
Department of Public Health			
Office of the Commissioner	164	164	
Total Department of Public Health	164	164	
Department of Stormwater Management			
Office of the Director	2,123	2,123	
Total Department of Stormwater Management	2,123	2,123	
Motorized Equipment	9,970	9,970	
Total Capital Outlay Expenditures	115,780	115,780	
<b>Other Expenditures</b>			
Department of Law			
Non Personal Services	2	2	
Department of Finance			
Division of Accounts and Audits			
Non Personal Services	749	749	
Debt Service	18,351	18,351	
Department of Transportation and Engineering			
Division of Engineering			
Non Personal Services	467	467	
Department of Enterprise Services			
Division of Fleet Services			
Non Personal Services	108	108	
Total Other Expenditures	19,677	19,677	
Total Expenditures	135,457	135,457	
Excess (deficiency) of revenues over expenditures	(79,546)	(79,546)	
Other Financing Sources (Uses)			
Bond and Note Proceeds	68,772	68,772	
Transfers In	135,473	135,473	
Transfers (Out)	(112,761)	(112,761)	
Total Other Financing Sources (Uses)	91,484	91,484	
Net Change in Fund Balance	11,938	11,938	
Fund balances - beginning	219,505	219,505	
Fund balances - ending	\$ 231,443	\$ 231,443	\$

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

<b>Debt Service Fund</b>	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 31,648	\$ 34,300	\$ 2,652
Use of Money and Property	23,033	25,894	2,861
Intergovernmental Revenue	3,836	4,701	865
Special Assessments		83	83
Miscellaneous Revenue	7,926	9,340	1,414
Total Revenues	<u>66,443</u>	<u>74,318</u>	<u>7,875</u>
Expenditures			
Department of Finance			
Office of the Director			
Personal Services	96	96	
Total Office of the Director	<u>96</u>	<u>96</u>	
Division of Accounts and Audits			
Personal Services	92	92	
Non Personal Services	488	488	
Debt Service	250	250	
Total Division of Accounts and Audits	<u>830</u>	<u>830</u>	
Division of Treasury			
Personal Services	281	281	
Non Personal Services	1,586	1,586	
Debt Service	80,576	80,576	
Total Division of Treasury	<u>82,443</u>	<u>82,443</u>	
Total Department of Finance	<u>83,369</u>	<u>83,369</u>	
Department Community and Economic Development			
Economic Development and Major/Special Projects Divisions			
Debt Service	774	774	
Total Economic Development and Major/Special Projects Divisions	<u>774</u>	<u>774</u>	
Total Department Community and Economic Development	<u>774</u>	<u>774</u>	
Non Departmental Accounts			
Workers' Compensation Insurance	5	5	
Total Non-Departmental Accounts	<u>5</u>	<u>5</u>	
Non Departmental - Debt Service Payments			
Debt Service	3,777	3,777	
Total Non-Departmental - Debt Service Payments	<u>3,777</u>	<u>3,777</u>	
Total Expenditures	<u>87,925</u>	<u>87,925</u>	
Excess (deficiency) of revenues over (under) expenditures	(21,482)	(13,607)	7,875
Other Financing Sources (Uses)			
General Obligation Bond Proceeds	60,250	12,070	(48,180)
Bond Premiums	332	3,704	3,372
Build America Bonds Subsidy		106	106
Transfers In	42,072	42,072	
Transfers (Out)	(37,100)	(37,100)	
Total Other Financing Sources (Uses)	<u>65,554</u>	<u>20,852</u>	<u>(44,702)</u>
Net Change in Fund Balance	44,072	7,245	(36,827)
Fund balances - beginning	106,213	106,213	
Fund balances - ending	<u>\$ 150,285</u>	<u>\$ 113,458</u>	<u>\$ (36,827)</u>

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Tax Increment Financing Funds</b>			
Revenues			
Intergovernmental Revenue	\$ 652	\$ 652	\$
Use of Money and Property	130	130	
Miscellaneous Revenue	<u>50,289</u>	<u>50,289</u>	
Total Revenues	51,071	51,071	
Expenditures			
Department of the City Manager			
Office of the City Manager			
Capital Outlay	499	499	
Debt Service	<u>162</u>	<u>162</u>	
Total Office of the City Manager	661	661	
Office of Economic Development			
Capital Outlay	1,012	1,012	
Debt Service	<u>23</u>	<u>23</u>	
Total Office of Economic Development	1,035	1,035	
Total Department of the City Manager	<u>1,696</u>	<u>1,696</u>	
Department of Finance			
Division of Accounts and Audits			
Non Personal Services	22,439	22,439	
Capital Outlay	1,050	1,050	
Debt Service	<u>16,590</u>	<u>16,590</u>	
Total Department of Finance	40,079	40,079	
Department Community and Economic Development			
Housing Division			
Debt Service	<u>7</u>	<u>7</u>	
Total Housing Division	7	7	
Economic Development and Major/Special Projects Divisions			
Debt Service	<u>537</u>	<u>537</u>	
Total Economic Development and Major/Special Projects Divisions	537	537	
Total Department Community and Economic Development	<u>544</u>	<u>544</u>	
Total Expenditures	<u>42,319</u>	<u>42,319</u>	
Excess (deficiency) of revenues over (under) expenditures	8,752	8,752	
Other Financing Sources (Uses)			
Transfers In	5,413	5,413	
Transfers (Out)	<u>(14,900)</u>	<u>(14,900)</u>	
Total Other Financing Sources (Uses)	<u>(9,487)</u>	<u>(9,487)</u>	
Net Change in Fund Balance	(735)	(735)	
Fund balances - July 1	<u>48,538</u>	<u>48,538</u>	
Fund balances - June 30	<u>\$ 47,803</u>	<u>\$ 47,803</u>	<u>\$</u>

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

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**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**

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**SPECIAL REVENUE FUNDS (Cont)**

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**

Grosbeck 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, 2019  
 (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 Cash Equivalents	\$ 2,528	\$ 2,979	\$ 9,400	\$ 8,363	\$ 1,348	\$ 626	\$ 2,437	\$ 1,517
Equity in City Treasury Cash Receivables:								
Taxes			1,262	3,786				
Accounts, Net	1,454		68		53	8,284		
Accrued Interest				24		9	7	
Due from Other Funds	1	85	140	2	12	1	1	
Due from Other Governments		690			226			
Inventory			63		2			
Advances to Other Funds		496						
Total Assets	\$ 3,983	\$ 4,250	\$ 10,933	\$ 12,175	\$ 1,641	\$ 11,990	\$ 2,445	\$ 1,517
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable	\$ 432	\$ 141	\$ 179	\$ 8	\$ 39	\$ 119	\$ 27	\$ 422
Due to Other Funds	10	138	238		21	1		
Due to Fiduciary Funds	51	35	90	2	9	5	1	1
Accrued Payroll	344	259	530	10	59	185	6	13
Accrued Liabilities	7	3	10		1	7		
Deposits Payable		6	21					1
Estimated Liability for Unpaid Claims		6	11			16		
Advances from Other Funds								900
Total Liabilities	844	588	1,079	20	129	333	34	1,337
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Revenues Levied for the next year and Unavailable Revenue			376	1,125	11	8,210	5	
Fund Balances:								
Nonspendable			63		2			180
Restricted		3,662	9,415	11,030	1,499	3,447	2,406	
Committed	3,139							
Total Fund Balances	3,139	3,662	9,478	11,030	1,501	3,447	2,406	180
Total Liabilities, Deferred Inflows and Fund Balances	\$ 3,983	\$ 4,250	\$ 10,933	\$ 12,175	\$ 1,641	\$ 11,990	\$ 2,445	\$ 1,517

(continued)

City of Cincinnati, Ohio  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2019  
 (Amounts in Thousands)

	Special Revenue Funds							Bettman Nature Center
	Recreation	Parks	Safety	Health	Cincinnati Blue Ash Airport	Community Development	Other	
<b>ASSETS</b>								
Cash and Cash Equivalents		\$ 4,690				\$ 606	\$ 1,068	\$ 35
Equity in City Treasury Cash Investments	2,386	8,942	8,893	1,830	121	2,633	10,107	2,154
Receivables:								
Accounts, Net			570					5
Special Assessments				4		11,376		23,432
Accrued Interest	7	21	2					
Due from Other Funds		8	2			2		18
Inventory				180				26
Advances to Other Funds	25							
Total Assets	\$ 2,418	\$ 13,661	\$ 9,467	\$ 2,014	\$ 121	\$ 14,617	\$ 34,656	\$ 2,189
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable	45	188	268	610		1,040	948	
Due to Other Funds		9	229	4			25	
Due to Fiduciary Funds		2	7	34		6	3	
Accrued Payroll		28	45	229		23	24	
Accrued Liabilities			1	6		301	537	
Deposits Payable			3,036				2	
Estimated Liability for Unpaid Claims		3						
Advances from Other Governments						1		
Total Liabilities	45	230	3,586	883		1,371	1,539	
Deferred Inflows of Resources								
Revenues Levied for the next year and Unavailable Revenue	5	15	560	4		11,376	23,432	
Fund Balances:								
Nonspendable				180				26
Restricted	1,882	5,583	5,165	599	121	1,870	6,747	2,189
Committed	486	7,833	156	348			2,912	
Total Fund Balances	2,368	13,416	5,321	1,127	121	1,870	9,685	2,189
Total Liabilities, Deferred Inflows and Fund Balances	\$ 2,418	\$ 13,661	\$ 9,467	\$ 2,014	\$ 121	\$ 14,617	\$ 34,656	\$ 2,189

(continued)

City of Cincinnati, Ohio  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2019  
 (Amounts in Thousands)

	Permanent Funds							Total Nonmajor Governmental Funds
	Groesbeck 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	
<b>ASSETS</b>								
Cash and Cash Equivalents	37	51	130	14	81	690	319	7,358
Equity in City Treasury Cash	449		244	1,030			8,673	67,543
Investments, at Fair Value								12,550
Receivables:								
Taxes								5,048
Accounts, Net								10,434
Special Assessments								34,812
Accrued Interest						2		72
Due from Other Funds								272
Due from Other Governments								916
Inventory								271
Advances to Other Funds								521
Total Assets	486	51	374	1,044	81	692	8,992	139,797
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable								4,469
Due to Other Funds					3			675
Due to Fiduciary Funds								246
Accrued Payroll								1,755
Accrued Liabilities								873
Deposits Payable								3,066
Estimated Liability for Unpaid Claims								36
Advances from Other Funds								900
Advances from Other Governments								1
Total Liabilities					3			12,021
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Revenues Levied for the next year and Unavailable Revenue						1		45,120
Fund Balances:								
Nonspendable	480	51	366	225	50	502	672	2,617
Restricted	6		8	819	28	189	8,320	59,312
Committed								20,727
Total Fund Balances	486	51	374	1,044	78	691	8,992	82,656
Total Liabilities, Deferred Inflows and Fund Balances	486	51	374	1,044	81	692	8,992	139,797

City of Cincinnati, Ohio  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
 Nonmajor Governmental Funds  
 For the fiscal year ended June 30, 2019  
 (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		
<b>REVENUES</b>										
Taxes			\$ 18,628	\$ 55,884		\$ 402	\$ 87			
Use of Money and Property	30	\$ 10,065		218	\$ 2,741					
Intergovernmental Revenue						762				
Federal Grants	92					1				\$ 900
State Grants and Other Subsidies	20,492	221	78		57	4,492	702			
Charges for Current Services			15			102	31			
Miscellaneous										
Total Revenues	20,614	10,286	18,721	56,102	2,798	5,759	820			900
<b>EXPENDITURES</b>										
Current:										
General Government	819		3,376	526	120	299	24			2,354
Parks and Recreation		323	2,780	24		4,547	814			
Transportation and Engineering			6,552	208						529
Transit System				55,770						
Public Services	22,055		5,947		3,481					140
Public Health										
Total Expenditures	22,874	11,805	18,655	56,528	3,601	4,846	838			3,023
Excess (Deficiency) of Revenues over (under) Expenditures	(2,260)	(1,519)	66	(426)	(803)	913	(18)			(2,123)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In										
Transfers (Out)		(113)	(1,910)	(100)	(40)	(600)	12			1,500
Total Other Financing Sources (Uses)		(113)	(1,910)	(100)	(40)	(600)	12			1,500
Net Change in Fund Balances	(2,260)	(1,632)	(1,844)	(526)	(843)	313	(6)			(623)
Fund Balances, July 1	5,399	5,294	11,322	11,556	2,344	3,134	2,412			803
Fund Balances, June 30	\$ 3,139	\$ 3,662	\$ 9,478	\$ 11,030	\$ 1,501	\$ 3,447	\$ 2,406			\$ 180

(continued)

City of Cincinnati, Ohio  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
 Nonmajor Governmental Funds  
 For the fiscal year ended June 30, 2019  
 (Amounts in Thousands)

	Special Revenue Funds							
	Recreation	Parks	Safety	Health	Cincinnati Blue Ash Airport	Community Development	Other	Bettman Nature Center
<b>REVENUES</b>								
Taxes							\$ 4,106	
Licenses and Permits			\$ 42	\$ 1,449				
Use of Money and Property	62	\$ 1,123	19		\$	\$ 45	2,692	\$ 119
Special Assessments				2		35	6,061	
Intergovernmental Revenue			4,531	1,841				
Federal Grants	123		6,695	8,261		13,059	2,272	
State Grants and Other Subsidies	119	1,406	119	1,178			192	
Charges for Current Services	19	1,348	1,445	1,556		293	907	
Miscellaneous	2	2,428		1		766	2	
Total Revenues	325	6,305	12,851	14,288		14,198	16,232	119
<b>EXPENDITURES</b>								
Current:								
General Government	7	68	4,718	463		1,495	9,040	
Community Development						11,938	2,985	
Parks and Recreation	362	5,414				829	1,878	15
Public Safety			7,913					
Transportation and Engineering							633	
Transit System							3	
Public Services							1,566	
Public Health								
Total Expenditures	369	5,482	12,631	14,962		14,464	16,105	15
Excess (Deficiency) of Revenues over (under) Expenditures	(44)	823	220	(1,137)		(266)	127	104
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	18	337				3	117	325
Transfers (Out)		(858)	(50)			(36)	(125)	(65)
Total Other Financing Sources (Uses)	18	(521)	(50)			(33)	(8)	260
Net Change in Fund Balances	(26)	302	170	(1,137)		(299)	119	364
Fund Balances, July 1	2,394	13,114	5,151	2,264	121	2,169	9,566	1,825
Fund Balances, June 30	2,368	13,416	5,321	1,127	121	1,870	9,685	2,189

(continued)

City of Cincinnati, Ohio  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
 Nonmajor Governmental Funds  
 For the fiscal year ended June 30, 2019  
 (Amounts in Thousands)

	Permanent Funds							Total Nonmajor Governmental Funds
	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	
<b>REVENUES</b>								
Taxes								\$ 78,618
Licenses and Permits								1,491
Use of Money and Property	17	2	60	57	2	20	661	5,586
Special Assessments								6,098
Intergovernmental Revenue								19,208
Federal Grants								31,172
State Grants and Other Subsidies								4,007
Charges for Current Services								31,610
Miscellaneous								3,347
<b>Total Revenues</b>	17	2	60	57	2	20	661	181,137
<b>EXPENDITURES</b>								
Current:								
General Government								23,309
Community Development								14,923
Parks and Recreation		1		5	3		113	17,108
Public Safety								7,913
Transportation and Engineering								7,922
Transit System								55,773
Public Services								22,616
Public Health								37,219
<b>Total Expenditures</b>		1		5	3		113	186,783
Excess (Deficiency) of Revenues over Expenditures	17	1	60	52	(1)	20	548	(5,646)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In							425	2,737
Transfers (Out)	(22)		(9)	(18)			(241)	(4,187)
<b>Total Other Financing Sources (Uses)</b>	(22)		(9)	(18)			184	(1,450)
Net Change in Fund Balances	(5)	1	51	34	(1)	20	732	(7,096)
Fund Balances, July 1	491	50	323	1,010	79	671	8,260	89,752
Fund Balances, June 30	\$ 486	\$ 51	\$ 374	\$ 1,044	\$ 78	\$ 691	\$ 8,992	\$ 82,656

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>HEALTH SERVICES FUND</b>			
<b>REVENUES</b>			
Charges for Current Services	\$ 22,792	\$ 20,475	\$ (2,317)
Intergovernmental Revenue		30	30
Grants and Subsidies	100	92	(8)
Miscellaneous		9	9
Total Revenues	<u>22,892</u>	<u>20,606</u>	<u>(2,286)</u>
<b>EXPENDITURES</b>			
Department of Public Health			
Division of Primary Health Care - Programs			
Personal Services	545	514	31
Non-Personal Services	3	3	
Total Division of Primary Health Care - Programs	<u>548</u>	<u>517</u>	<u>31</u>
Division of Primary Health Care - Centers			
Personal Services	8,692	8,368	324
Non-Personal Services	6,565	6,403	162
Total Division of Primary Health Care - Centers	<u>15,257</u>	<u>14,771</u>	<u>486</u>
Division of School & Adolescent Health			
Personal Services	5,824	5,531	293
Non-Personal Services	1,765	1,648	117
Total Division of School & Adolescent Health	<u>7,589</u>	<u>7,179</u>	<u>410</u>
Total Department of Public Health	<u>23,394</u>	<u>22,467</u>	<u>927</u>
Nondepartmental Accounts			
Public Employee Assistance	12	11	1
Workers' Compensation Insurance	123	123	
General Fund Overhead Charge	989	819	170
Total Nondepartmental Accounts	<u>1,124</u>	<u>953</u>	<u>171</u>
Total Expenditures	<u>24,518</u>	<u>23,420</u>	<u>1,098</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(1,626)	(2,814)	(1,188)
Net Change in Fund Balance	(1,626)	(2,814)	(1,188)
Cancellation of Prior Year Encumbrances		266	266
Fund Balance - July 1	<u>3,599</u>	<u>3,599</u>	
Fund Balance - June 30	<u>\$ 1,973</u>	<u>\$ 1,051</u>	<u>\$ (922)</u>

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND</b>			
<b>REVENUES</b>			
Intergovernmental Revenue			
Motor Vehicle License	\$ 1,960	\$ 1,919	\$ (41)
Gasoline	7,965	8,140	175
Miscellaneous	141	573	432
Total Revenues	<u>10,066</u>	<u>10,632</u>	<u>566</u>
<b>EXPENDITURES</b>			
Department of Parks			
Operations and Facility Management			
Personal Services	268	216	52
Non-Personal Services	116	116	
Total Department of Parks	<u>384</u>	<u>332</u>	<u>52</u>
Department of Public Services			
Traffic and Road Operations Division			
Personal Services	5,242	5,057	185
Non-Personal Services	3,465	3,347	118
Capital Outlay	18	16	2
Total Traffic and Road Operations Division	<u>8,725</u>	<u>8,420</u>	<u>305</u>
Neighborhood Operations Division			
Personal Services	2,817	2,730	87
Non-Personal Services	684	671	13
Total Neighborhood Operations Division	<u>3,501</u>	<u>3,401</u>	<u>100</u>
Total Department of Public Services	<u>12,226</u>	<u>11,821</u>	<u>405</u>
Nondepartmental Accounts			
Public Employee Assistance	7	6	1
Workers' Compensation Insurance	114	76	38
State Unemployment Compensation	15		15
Lump Sum Payments	78		78
Total Nondepartmental Accounts	<u>214</u>	<u>82</u>	<u>132</u>
Total Expenditures	<u>12,824</u>	<u>12,235</u>	<u>589</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(2,758)	(1,603)	1,155
<b>OTHER FINANCING USES</b>			
Transfers Out	(113)	(113)	
Total Other Financing Uses	<u>(113)</u>	<u>(113)</u>	
Net Change in Fund Balance	(2,871)	(1,716)	1,155
Cancellation of Prior Year Encumbrances		157	157
Fund Balance - July 1	4,308	4,308	
Fund Balance - June 30	<u>\$ 1,437</u>	<u>\$ 2,749</u>	<u>\$ 1,312</u>

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>INCOME TAX INFRASTRUCTURE FUND</b>			
<b>REVENUES</b>			
Taxes			
City Income Tax	\$ 18,110	\$ 18,634	\$ 524
Charges for Current Services		65	65
Miscellaneous		504	504
Total Revenues	<u>18,110</u>	<u>19,203</u>	<u>1,093</u>
<b>EXPENDITURES</b>			
Department of Enterprise Technology Solutions			
Non-Personal Services	873	873	
Total Department of Enterprise Technology Solutions	<u>873</u>	<u>873</u>	
Department of the City Manager			
Office of the Budget and Evaluation			
Personal Services	210	193	17
Non-Personal Services	23	21	2
Total Office of Budget and Evaluation	<u>233</u>	<u>214</u>	<u>19</u>
Total Department of the City Manager	233	214	19
Department of Law			
Civil Division			
Personal Services	195	195	
Non-Personal Services	3		3
Total Civil Division	<u>198</u>	<u>195</u>	<u>3</u>
Real Estate Division			
Personal Services	42	27	15
Non-Personal Services	3		3
Total Real Estate Division	<u>45</u>	<u>27</u>	<u>18</u>
Total Department of Law	243	222	21
Department of Human Resources			
Personal Services	410	410	
Total Department of Human Resources	<u>410</u>	<u>410</u>	
Department of Finance			
Division of Accounts and Audits			
Personal Services	189	181	8
Total Division of Accounts and Audits	<u>189</u>	<u>181</u>	<u>8</u>
Division of Purchasing			
Personal Services	157	136	21
Total Division of Purchasing	<u>157</u>	<u>136</u>	<u>21</u>
Total Department of Finance	346	317	29
Department of Public Recreation			
Division of Maintenance			
Personal Services	793	686	107
Non-Personal Services	209	206	3
Total Department of Public Recreation	<u>1,002</u>	<u>892</u>	<u>110</u>

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>INCOME TAX INFRASTRUCTURE FUND</b>			
(Continued)			
<b>EXPENDITURES (Continued)</b>			
Department of Parks			
Division of Operations and Facility Management			
Personal Services	\$ 1,801	\$ 1,741	60
Non-Personal Services	7	5	2
Total Division of Operations and Facility Management	<u>1,808</u>	<u>1,746</u>	<u>62</u>
Division of Administration and Program Services			
Personal Services	58	58	
Total Division of Administration and Program Services	<u>1,866</u>	<u>1,804</u>	<u>62</u>
Total Department of Parks	1,866	1,804	62
Department of Buildings & Inspections			
Building Division			
Personal Services	65	41	24
Total Department of Buildings & Inspections	<u>65</u>	<u>41</u>	<u>24</u>
Department of Transportation and Engineering			
Office of the Director			
Personal Services	844	844	
Non-Personal Services	8	8	
Total Office of the Director	<u>852</u>	<u>852</u>	
Division of Transportation Planning			
Personal Services	414	414	
Non-Personal Services	17	4	13
Total Division of Transportation Planning	<u>431</u>	<u>418</u>	<u>13</u>
Division of Engineering			
Personal Services	2,531	2,527	4
Non-Personal Services	418	417	1
Total Division of Engineering	<u>2,949</u>	<u>2,944</u>	<u>5</u>
Division of Traffic Engineering			
Personal Services	1,907	1,906	1
Non-Personal Services	97	81	16
Total Division of Traffic Engineering	<u>2,004</u>	<u>1,987</u>	<u>17</u>
Total Department of Transportation and Engineering	6,236	6,201	35
Department of Public Services			
Office of the Director			
Personal Services	131	126	5
Non-Personal Services	66	62	4
Total Office of the Director	<u>197</u>	<u>188</u>	<u>9</u>
Division of Traffic and Road Operations			
Personal Services	2,386	2,050	336
Non-Personal Services	937	687	250
Capital Outlay	12		12
Total Division of Traffic and Road Operations	<u>3,335</u>	<u>2,737</u>	<u>598</u>

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget - Positive (Negative)</b>
<b>INCOME TAX INFRASTRUCTURE FUND</b>			
(Continued)			
<b>EXPENDITURES (Continued)</b>			
Department of Public Services (Continued)			
Division of City Facility Management			
Personal Services	\$ 2,161	\$ 2,074	\$ 87
Non-Personal Services	1,297	1,297	
Total City Facility Management	3,458	3,371	87
Total Department of Public Services	6,990	6,296	694
Department of Economic Inclusion			
Personal Services	315	314	1
Total Department of Economic Inclusion	315	314	1
Nondepartmental Accounts			
Public Employee Assistance	13	12	1
Workers' Compensation Insurance	199	141	58
State Unemployment Compensation	5		5
Lump Sum Payments	430	383	47
General Fund Overhead	963	938	25
Total Nondepartmental Accounts	1,610	1,474	136
Total Expenditures	20,189	19,058	1,131
Excess (Deficiency) of Revenues over (under) Expenditures	(2,079)	145	2,224
<b>OTHER FINANCING USES</b>			
Transfers Out	(1,910)	(1,910)	
Total Other Financing Uses	(1,910)	(1,910)	
Net Change in Fund Balance	(3,989)	(1,765)	2,224
Cancellation of Prior Years Encumbrances		182	182
Fund Balance - July 1	9,610	9,610	
Fund Balance - June 30	\$ 5,621	\$ 8,027	\$ 2,406

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>INCOME TAX TRANSIT FUND</b>			
<b>REVENUES</b>			
Taxes			
City Income Tax	\$ 54,329	\$ 55,902	\$ 1,573
Use of Money and Property	125	109	(16)
Miscellaneous		3	3
Total Revenues	<u>54,454</u>	<u>56,014</u>	<u>1,560</u>
<b>EXPENDITURES</b>			
<b>SORTA</b>			
Operations	<u>55,770</u>	<u>55,770</u>	
Total SORTA	<u>55,770</u>	<u>55,770</u>	
Department of Law			
Civil Division			
Personal Services	<u>138</u>	<u>101</u>	<u>37</u>
Total Department of Law	<u>138</u>	<u>101</u>	<u>37</u>
Department of Parks			
Division of Parks Operations and Facility Management			
Non Personal Services	<u>31</u>	<u>24</u>	<u>7</u>
Total Department of Parks	<u>31</u>	<u>24</u>	<u>7</u>
Department of Transportation and Engineering			
Office of the Director			
Personal Services	<u>66</u>	<u>52</u>	<u>14</u>
Total Office of the Director	<u>66</u>	<u>52</u>	<u>14</u>
Division of Transportation Planning			
Personal Services	120	113	7
Non-Personal Services	<u>56</u>	<u>37</u>	<u>19</u>
Total Division of Transportation Planning	<u>176</u>	<u>150</u>	<u>26</u>
Total Department of Transportation and Engineering	<u>242</u>	<u>202</u>	<u>40</u>
Nondepartmental Accounts			
Workers' Compensation Insurance	2	2	
General Fund Overhead	<u>489</u>	<u>427</u>	<u>62</u>
Total Nondepartmental Accounts	<u>491</u>	<u>429</u>	<u>62</u>
Total Expenditures	<u>56,672</u>	<u>56,526</u>	<u>146</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(2,218)	(512)	1,706
<b>OTHER FINANCING USES</b>			
Transfers Out	<u>(100)</u>	<u>(100)</u>	
Total Other Financing Uses	<u>(100)</u>	<u>(100)</u>	
Net Change in Fund Balance	<u>(2,318)</u>	<u>(612)</u>	<u>1,706</u>
Fund Balance - July 1	<u>9,013</u>	<u>9,013</u>	
Fund Balance - June 30	<u>\$ 6,695</u>	<u>\$ 8,401</u>	<u>\$ 1,706</u>

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<b>Budget</b>	<b>Actual</b>	<b>Budget - Positive (Negative)</b>
<b>MOTOR VEHICLE LICENSE FUND</b>			
<b>REVENUES</b>			
Intergovernmental Revenue	\$ 2,600	\$ 2,750	\$ 150
Charges for Services		66	66
Miscellaneous		60	60
Total Revenues	2,600	2,876	276
<b>EXPENDITURES</b>			
Department of Public Services			
Traffic and Road Operations Division			
Personal Services	1,973	1,973	
Non-Personal Services	1,655	1,584	71
Total Department of Public Services	3,628	3,557	71
Nondepartmental Accounts			
Public Employees Assistance Program	2	2	
Workers' Compensation Insurance	29	18	11
General Fund Overhead	127	120	7
Total Nondepartmental Accounts	158	140	18
Total Expenditures	3,786	3,697	89
Excess (Deficiency) of Revenues over (under) Expenditures	(1,186)	(821)	365
<b>OTHER FINANCING USES</b>			
Transfers Out	(40)	(40)	
Total Other Financing Uses	(40)	(40)	
Net Change in Fund Balance	(1,226)	(861)	365
Cancellation of Prior Years Encumbrances		35	35
Fund Balance - July 1	2,015	2,015	
Fund Balance - June 30	\$ 789	\$ 1,189	\$ 400

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>SPECIAL RECREATION FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 328	\$ 363	\$ 35
Charges for Services	4,067	4,045	(22)
Federal Grants	500	762	262
Grants and Subsidies		1	1
Miscellaneous Revenue	<u>5</u>	<u>168</u>	<u>163</u>
Total Revenues	<u>4,900</u>	<u>5,339</u>	<u>439</u>
<b>EXPENDITURES</b>			
Department of Recreation			
West Region			
Personal Services	829	766	63
Non-Personal Services	<u>192</u>	<u>151</u>	<u>41</u>
Total West Region	1,021	917	104
East Region			
Personal Services	1,206	1,161	45
Non-Personal Services	<u>242</u>	<u>230</u>	<u>12</u>
Total East Region	1,448	1,391	57
Central Region			
Personal Services	1,046	1,007	39
Non-Personal Services	<u>203</u>	<u>168</u>	<u>35</u>
Total Central Region	1,249	1,175	74
Division of Athletics			
Personal Services	463	326	137
Non-Personal Services	<u>444</u>	<u>400</u>	<u>44</u>
Total Division of Athletics	907	726	181
Division of Support Services			
Personal Services	86	86	
Non-Personal Services	134	119	15
Capital Outlay	<u>13</u>	<u>1</u>	<u>12</u>
Total Division of Support Services	<u>233</u>	<u>206</u>	<u>27</u>
Total Department of Recreation	<u>4,858</u>	<u>4,415</u>	<u>443</u>

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget - Positive (Negative)</b>
<b>SPECIAL RECREATION FUND</b>			
(Continued)			
<b>EXPENDITURES (Continued)</b>			
Nondepartmental Accounts			
Public Employee Assistance	\$ 4	\$ 4	
Workers' Compensation Insurance	59	45	\$ 14
General Fund Overhead	320	299	21
Total Nondepartmental Accounts	383	348	35
Total Expenditures	5,241	4,763	478
Excess (Deficiency) of Revenues over (under) Expenditures	(341)	576	917
<b>OTHER FINANCING USES</b>			
Transfers Out	(600)	(600)	
Total Other Financing Uses	(600)	(600)	
Net Change in Fund Balance	(941)	(24)	917
Cancellation of Prior Year Encumbrances		106	106
Fund Balance - July 1	2,618	2,618	
Fund Balance - June 30	\$ 1,677	\$ 2,700	\$ 1,023

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget - Positive (Negative)</b>
<b>SPECIAL PARKS FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 445	\$ 68	\$ (377)
Charges for Services	613	732	119
Total Revenues	1,058	800	(258)
<b>EXPENDITURES</b>			
Department of Parks			
Division of Operations and Facility Management			
Personal Services	942	534	408
Non-Personal Services	727	437	290
Total Division of Operations and Facility Management	1,669	971	698
Total Department of Parks	1,669	971	698
Nondepartmental Accounts			
Public Employee Assistance			
Workers' Compensation Insurance	5	4	1
Life Insurance			
General Fund Overhead	61	24	37
Total Nondepartmental Accounts	66	28	38
Total Expenditures	1,735	999	736
Net Change in Fund Balance	(677)	(199)	478
Cancellation of Prior Year Encumbrances		4	4
Fund Balance - July 1	2,415	2,415	
Fund Balance - June 30	\$ 1,738	\$ 2,220	\$ 482

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>STREETCAR OPERATIONS FUND</b>			
<b>REVENUES</b>			
Grants and Subsidies	\$ 900	\$ 900	
Charges for Current Services	1,500	1,500	
Total Revenues	<u>2,400</u>	<u>2,400</u>	
<b>EXPENDITURES</b>			
SORTA			
Operations			
Non-Personal Services	2,600	2,600	
Total SORTA	<u>2,600</u>	<u>2,600</u>	
Department of Transportation and Engineering			
Office of the Director			
Personal Services	196	156	\$ 40
Non-Personal Services	9	7	2
Total Office of the Director	<u>205</u>	<u>163</u>	<u>42</u>
Total Department of Transportation and Engineering	205	163	42
Department of Public Services			
Traffic and Road Operations Division			
Personal Services	182	142	40
Non-Personal Services	30	30	30
Total Traffic and Road Operations Division	<u>212</u>	<u>142</u>	<u>70</u>
Total Department of Public Services	212	142	70
Nondepartmental Accounts			
Workers' Compensation Insurance	2		2
General Fund Overhead	16	15	1
Total Nondepartmental Accounts	<u>18</u>	<u>15</u>	<u>3</u>
Total Expenditures	<u>3,035</u>	<u>2,920</u>	<u>115</u>
Net Change in Fund Balance	(635)	(520)	115
Fund Balance - July 1	<u>442</u>	<u>442</u>	
Fund Balance - June 30	<u>\$ (193)</u>	<u>\$ (78)</u>	<u>\$ 115</u>

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>RECREATION GRANTS FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 31	\$ 35	\$ 4
Federal Grants	170	123	(47)
Grants and Subsidies	200	119	(81)
Charges for Current Services	23	19	(4)
Miscellaneous	3	3	3
	<u>424</u>	<u>299</u>	<u>(125)</u>
<b>Total Revenues</b>			
<b>EXPENDITURES</b>			
Department of Recreation			
West Region			
Non-Personal Services	9	9	
Total West Region	<u>9</u>	<u>9</u>	
East Region			
Personal Services			
Non-Personal Services	4	4	
Total East Region	<u>4</u>	<u>4</u>	
Central Region			
Non-Personal Services			
Total Central Region	<u>22</u>	<u>22</u>	
Division of Golf			
Non-Personal Services			
Capital Outlay	1	1	
Total Division of Golf	<u>1</u>	<u>1</u>	
Division of Athletics			
Personal Services			
Non-Personal Services	110	110	
Total Division of Athletics	<u>110</u>	<u>110</u>	
Division of Support Services			
Personal Services			
Non-Personal Services	69	69	
Total Division of Support Services	<u>69</u>	<u>69</u>	
<b>Total Department of Recreation</b>	<b>325</b>	<b>325</b>	

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget - Positive (Negative)</b>
<b>RECREATION GRANTS FUND</b>			
(Continued)			
<b>EXPENDITURES (Continued)</b>			
Nondepartmental Accounts			
Workers' Compensation Insurance	\$ 1	\$ 1	
General Fund Overhead	7	7	
Total Nondepartmental Accounts	8	8	
Total Expenditures	333	333	
Excess (Deficiency) of Revenues over (under) Expenditures	91	(34)	\$ (125)
<b>OTHER FINANCING SOURCES</b>			
Transfers In	18	18	
Total Other Financing Sources	18	18	
Net Change in Fund Balance	109	(16)	(125)
Fund Balance - July 1	2,428	2,428	
Fund Balance - June 30	\$ 2,537	\$ 2,412	\$ (125)

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>PARKS FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 1,192	\$ 988	\$ (204)
Charges for Current Services	1,332	1,346	14
State Grants	19		(19)
Grants and Subsidies	1,426	1,406	(20)
Miscellaneous	141	417	276
Total Revenues	<u>4,110</u>	<u>4,157</u>	<u>47</u>
<b>EXPENDITURES</b>			
Department of Parks			
Division of Operations and Facility Management			
Personal Services	801	801	
Non-Personal Services	1,180	1,180	
Total Division of Operations and Facility Management	<u>1,981</u>	<u>1,981</u>	
Division of Administration and Program Services			
Personal Services	172	172	
Non-Personal Services	353	353	
Total Division of Administration and Program Services	<u>525</u>	<u>525</u>	
Total Department of Parks	2,506	2,506	
Nondepartmental Accounts			
Public Employee Assistance Program	1	1	
Workers' Compensation Insurance	10	10	
General Fund Overhead	69	69	
Total Nondepartmental Accounts	<u>80</u>	<u>80</u>	
Total Expenditures	<u>2,586</u>	<u>2,586</u>	
Excess (Deficiency) of Revenues over (under) Expenditures	1,524	1,571	47
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	242	242	
Transfers Out	(319)	(319)	
Total Financing Sources (Uses)	<u>(77)</u>	<u>(77)</u>	
Net Change in Fund Balance	1,447	1,494	47
Fund Balance - July 1	<u>7,403</u>	<u>7,403</u>	
Fund Balance - June 30	<u>\$ 8,850</u>	<u>\$ 8,897</u>	<u>\$ 47</u>

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>SAFETY FUND</b>			
<b>REVENUES</b>			
Licenses and Permits	\$ 128	\$ 42	\$ (86)
Use of Money and Property	13	13	
Intergovernmental Revenue	5,904	4,466	(1,438)
Federal Grants	1,130	6,696	5,566
State Grants		101	101
Grants and Subsidies	16	16	
Charges for Current Services	1,340	1,445	105
Miscellaneous	8	8	
Total Revenues	<u>8,539</u>	<u>12,787</u>	<u>4,248</u>
<b>EXPENDITURES</b>			
Enterprise Technology Solutions			
Division of Administration			
Non-Personal Services	389	389	
Total Division of Administration	<u>389</u>	<u>389</u>	
Division of County Law Enforcement Applied Regionally (CLEAR)			
Personal Services	1,359	1,359	
Non-Personal Services	1,737	1,737	
Total Division of CLEAR	<u>3,096</u>	<u>3,096</u>	
Total Enterprise Technology Services	3,485	3,485	
Office of the City Manager			
Division of Emergency Communications			
Personal Services	942	942	
Non-Personal Services	280	280	
Total Division of Emergency Communications	<u>1,222</u>	<u>1,222</u>	
Total Office of the City Manager	1,222	1,222	
Department of Law			
Non-Personal Services	26	26	
Total Department of Law	26	26	
Department of Police			
Patrol Bureau			
Personal Services	1,229	1,229	
Non-Personal Services	759	759	
Total Patrol Bureau	<u>1,988</u>	<u>1,988</u>	
Investigations Bureau			
Personal Services	153	153	
Non-Personal Services	814	814	
Total Investigations Bureau	<u>967</u>	<u>967</u>	

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>SAFETY FUND</b>			
(Continued)			
<b>EXPENDITURES (Continued)</b>			
Department of Police (Continued)			
Support Bureau			
Non-Personal Services	\$ 73	\$ 73	
Total Support Bureau	<u>73</u>	<u>73</u>	
Administration Bureau			
Personal Services	7	7	
Non-Personal Services	<u>511</u>	<u>511</u>	
Total Administration Bureau	<u>518</u>	<u>518</u>	
Total Department of Police	3,546	3,546	
Department of Fire			
Division of Response			
Personal Services	2,960	2,960	
Non-Personal Services	<u>1,213</u>	<u>1,213</u>	
Total Division of Response	<u>4,173</u>	<u>4,173</u>	
Total Department of Fire	<u>4,173</u>	<u>4,173</u>	
Nondepartmental Accounts			
General Fund Overhead	95	95	
Workers' Compensation Program	<u>14</u>	<u>14</u>	
Total Nondepartmental Accounts	<u>109</u>	<u>109</u>	
Total Expenditures	<u>12,561</u>	<u>12,561</u>	
Excess (Deficiency) of Revenues over (under) Expenditures	(4,022)	226	4,248
<b>OTHER FINANCING USES</b>			
Transfers Out	<u>(50)</u>	<u>(50)</u>	
Total Other Financing Uses	<u>(50)</u>	<u>(50)</u>	
Net Change in Fund Balance	(4,072)	176	4,248
Fund Balance - July 1	<u>5,633</u>	<u>5,633</u>	
Fund Balance - June 30	<u>\$ 1,561</u>	<u>\$ 5,809</u>	<u>\$ 4,248</u>

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>HEALTH FUND</b>			
<b>REVENUES</b>			
Licenses and Permits	\$ 1,282	\$ 1,449	\$ 167
Intergovernmental Revenue	1,707	1,841	134
Federal Grants	8,590	8,261	(329)
State Grants	81	326	245
Grants and Subsidies	360	854	494
Charges for Current Services	2,116	1,557	(559)
Special Assessments	2	2	2
Miscellaneous	<u>2</u>	<u>10</u>	<u>8</u>
Total Revenues	14,138	14,300	162
<b>EXPENDITURES</b>			
Department of Finance			
Division of Treasury			
Personal Services	<u>6</u>	<u>6</u>	
Total Division of Treasury	6	6	
Division of Risk Management			
Personal Services	308	308	
Non-Personal Services	<u>46</u>	<u>46</u>	
Total Division of Risk Management	<u>354</u>	<u>354</u>	
Total Department of Finance	360	360	
Department of Public Health			
Office of the Commissioner			
Personal Services	386	386	
Non-Personal Services	<u>181</u>	<u>181</u>	
Total Office of the Commissioner	567	567	
Division of Technical Resources			
Non-Personal Services	<u>1</u>	<u>1</u>	
Total Division of Technical Resources	1	1	
Division of Community Health Services			
Personal Services	1,308	1,308	
Non-Personal Services	<u>336</u>	<u>336</u>	
Total Division of Community Health Services	1,644	1,644	
Division of Primary Health Care - Programs			
Personal Services	4,167	4,167	
Non-Personal Services	<u>1,157</u>	<u>1,157</u>	
Total Division of Primary Health Care - Programs	5,324	5,324	

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget - Positive (Negative)</b>
<b>HEALTH FUND</b>			
(Continued)			
<b>EXPENDITURES (Continued)</b>			
Department of Public Health (Continued)			
Division of Primary Health Care - Centers			
Personal Services	\$ 2,267	\$ 2,267	
Non-Personal Services	1,547	1,547	
Total Division of Primary Health Care - Centers	3,814	3,814	
Division of School and Adolescent Health			
Personal Services	2,021	2,021	
Non-Personal Services	1,087	1,087	
Total Division of School and Adolescent Health	3,108	3,108	
Total Department of Public Health	14,458	14,458	
Nondepartmental Accounts			
Public Employee Assistance	8	8	
Workers' Compensation Insurance	77	77	
General Fund Overhead Charge	103	103	
Total Nondepartmental Accounts	188	188	
Total Expenditures	15,006	15,006	
Net Change in Fund Balance	(868)	(706)	\$ 162
Fund Balance - July 1	2,239	2,239	
Fund Balance - June 30	\$ 1,371	\$ 1,533	\$ 162

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>CINCINNATI BLUE ASH AIRPORT FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ _____	\$ _____	\$ _____
Total Revenues			
<b>EXPENDITURES</b>			
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 fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>COMMUNITY DEVELOPMENT FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 1,234	\$ 1,234	\$
Federal Grants	13,059	13,059	
Charges for Current Services	293	293	
Special Assessments	35	35	
Miscellaneous	11	11	
Total Revenues	<u>14,632</u>	<u>14,632</u>	
<b>EXPENDITURES</b>			
Department of the City Manager			
Office of Economic Development			
Capital Outlay	<u>115</u>	<u>115</u>	
Total Office of Economic Development	<u>115</u>	<u>115</u>	
Total Department of the City Manager	115	115	
Department of Community and Economic Development			
Director's Office and Administration			
Personal Services	561	561	
Non-Personal Services	373	373	
Capital Outlay	197	197	
Debt Service	<u>36</u>	<u>36</u>	
Total Director's Office and Administration	<u>1,167</u>	<u>1,167</u>	
Division of Housing			
Personal Services	383	383	
Non-Personal Services	133	133	
Capital Outlay	<u>6,922</u>	<u>6,922</u>	
Total Division of Housing	<u>7,438</u>	<u>7,438</u>	
Division of Economic Development and Major/Special Projects			
Personal	51	51	
Non-Personal Services	35	35	
Capital Outlay	<u>1,835</u>	<u>1,835</u>	
Total Division of Economic Development and Major/Special Projects	<u>1,921</u>	<u>1,921</u>	
Division of New Construction and Existing Building Standards			
Capital Outlay	<u>47</u>	<u>47</u>	
Total Division of New Construction and Existing Building Standards	<u>47</u>	<u>47</u>	
Total Department of Community and Economic Development	10,573	10,573	
Department of City Planning			
Personal Services	<u>402</u>	<u>402</u>	
Total Department of City Planning	402	402	
Department of Recreation			
Division of Support Services			
Capital Outlay	<u>736</u>	<u>736</u>	
Total Division of Support Services	<u>736</u>	<u>736</u>	
Total Department of Recreation	736	736	

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget - Positive (Negative)</b>
<b>COMMUNITY DEVELOPMENT FUND</b>			
(Continued)			
<b>EXPENDITURES (Continued)</b>			
Department of Building and Inspections			
Division of Building Inspections, Licenses and Permits			
Non-Personal Services	\$ 26	\$ 26	\$
Capital Outlay	992	992	
Total Division of Building Inspections, Licenses and Permits	1,018	1,018	
Total Department of Buildings and Inspections	1,018	1,018	
Department of Health			
Division of Community Health Services			
Capital Outlay	202	202	
Division of Community Health Services	202	202	
Total Department of Health	202	202	
Nondepartmental Accounts			
Special Investigations and Studies	1,255	1,255	
Total Nondepartmental Accounts	1,255	1,255	
Total Expenditures	14,301	14,301	
Net Change in Fund Balance	331	331	
Fund Balance - July 1	2,872	2,872	
Fund Balance - June 30	\$ 3,203	\$ 3,203	\$

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>OTHER GRANTS FUND</b>			
<b>REVENUES</b>			
Taxes	\$ 2,500	\$ 4,106	\$ 1,606
Use of Money and Property	2,306	2,663	357
Special Assessments	5,861	6,060	199
Federal Grants	2,273	2,273	
State Grants	167	167	
Grants and Subsidies	24	24	
Charges for Current Services	662	907	245
Miscellaneous	6	56	50
Total Revenues	<u>13,799</u>	<u>16,256</u>	<u>2,457</u>
<b>EXPENDITURES</b>			
City Council			
Non-Personal Services	<u>2</u>	<u>2</u>	
Total City Council	2	2	
Office of the Clerk of Council			
Non-Personal Services	<u>4</u>	<u>4</u>	
Total Office of the Clerk of Council	4	4	
Department of the City Manager			
Office of the City Manager			
Non-Personal Services	<u>7</u>	<u>7</u>	
Total Office of the City Manager	7	7	
Office of Environment and Sustainability			
Non-Personal Services	3	3	
Capital Outlay	<u>7</u>	<u>7</u>	
Total Office of Environment and Sustainability	<u>10</u>	<u>10</u>	
Total Department of the City Manager	17	17	
Department of Human Resources			
Non Personal Services	<u>3</u>	<u>3</u>	
Total Department of Human Resources	3	3	
Department of Finance			
Division of Accounts and Audits			
Non-Personal Services	<u>555</u>	<u>555</u>	
Total Division of Accounts and Audits	555	555	
Division of Treasury			
Non-Personal Services	<u>7,182</u>	<u>7,182</u>	
Total Division of Treasury	<u>7,182</u>	<u>7,182</u>	
Total Department of Finance	7,737	7,737	

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>OTHER GRANTS FUND</b>			
(Continued)			
<b>EXPENDITURES (Continued)</b>			
Department of Community and Economic Development			
Housing Division			
Personal Services	\$ 91	\$ 91	\$
Non-Personal Services	58	58	
Capital Outlay	1,821	1,821	
Total Housing Division	<u>1,970</u>	<u>1,970</u>	
Economic Development and Major/Special Projects Divisions			
Non Personal Services	934	934	
Total Economic Development and Major/Special Projects Divisions	<u>934</u>	<u>934</u>	
Total Department of Community and Economic Development	<u>2,904</u>	<u>2,904</u>	
Department of Recreation			
Division of Support Services			
Non-Personal Services	<u>7</u>	<u>7</u>	
Total Division of Support Services	<u>7</u>	<u>7</u>	
Total Department of Recreation	<u>7</u>	<u>7</u>	
Department of Parks			
Division of Operations and Facility Management			
Personal Services	707	707	
Non-Personal Services	1,163	1,163	
Capital Outlay	<u>26</u>	<u>26</u>	
Total Division of Operations and Facility Management	<u>1,896</u>	<u>1,896</u>	
Total Department of Parks	<u>1,896</u>	<u>1,896</u>	
Department of Buildings and Inspections			
Division of Building Inspections, Licenses and Permits			
Personal Services	86	86	
Non-Personal Services	<u>482</u>	<u>482</u>	
Total Division of Bldg. Inspections, License and Permits	<u>568</u>	<u>568</u>	
Total Department of Buildings and Inspections	<u>568</u>	<u>568</u>	
Department of Transportation and Engineering			
Division of Engineering			
Non-Personal Services	<u>3</u>	<u>3</u>	
Total Division of Engineering	<u>3</u>	<u>3</u>	
Division of Traffic Engineering			
Personal Services	122	122	
Non-Personal Services	<u>494</u>	<u>494</u>	
Total Division of Traffic Engineering	<u>616</u>	<u>616</u>	
Total Department of Transportation and Engineering	<u>619</u>	<u>619</u>	
Department of Public Services			
Division of Traffic and Road Operations			
Personal Services	<u>75</u>	<u>75</u>	
Total Division of Traffic and Road Operations	<u>75</u>	<u>75</u>	

(Continued)

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget - Positive (Negative)</b>
<b>OTHER GRANTS FUND</b>			
(Continued)			
<b>EXPENDITURES (Continued)</b>			
Department of Public Services (Continued)			
Division of Neighborhood Operations			
Non-Personal Services	\$ 51	\$ 51	\$ _____
Total Division of Neighborhood Operations	51	51	
Division of City Facility Management			
Non-Personal Services	1,445	1,445	_____
Total City Facility Management	1,445	1,445	_____
Total Department of Public Services	1,571	1,571	
Department of Water Works			
Non-Personal Services	3	3	_____
Total Department of Water Works	3	3	
Nondepartmental Accounts			
Public Employees Assistance	1	1	
Workers' Compensation Insurance	10	10	
General Fund Overhead	64	64	_____
Total Nondepartmental Accounts	75	75	_____
Total Expenditures	15,406	15,406	_____
Excess (Deficiency) of Revenues over (under) Expenditures	(1,607)	850	2,457
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	3	3	
Transfers Out	(125)	(125)	_____
Total Other Financing Sources (Uses)	(122)	(122)	_____
Net Change in Fund Balance	(1,729)	728	2,457
Fund Balance - July 1	9,357	9,357	_____
Fund Balance - June 30	\$ 7,628	\$ 10,085	\$ 2,457

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>BETTMAN NATURE CENTER</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 99	\$ 99	\$
Total Revenues	<u>99</u>	<u>99</u>	
<b>EXPENDITURES</b>			
Department of Parks			
Division of Operations and Facility Management			
Non-Personal Services	<u>15</u>	<u>15</u>	
Total Department of Parks	<u>15</u>	<u>15</u>	
Total Expenditures	<u>15</u>	<u>15</u>	
Excess (Deficiency) of Revenues over (under) Expenditures	84	84	
<b>OTHER FINANCING SOURCES</b>			
Transfers In	<u>259</u>	<u>259</u>	
Total Other Financing Sources	<u>259</u>	<u>259</u>	
Net Change in Fund Balance	343	343	
Fund Balance - July 1	<u>1,762</u>	<u>1,762</u>	
Fund Balance - June 30	<u>\$ 2,105</u>	<u>\$ 2,105</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 fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>GROESBECK ENDOWMENT FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 21	\$ 21	\$
Total Revenues	<u>21</u>	<u>21</u>	
Excess (Deficiency) of Revenues over (under) Expenditures	21	21	
<b>OTHER FINANCING USES</b>			
Transfers Out	<u>(22)</u>	<u>(22)</u>	
Total Other Financing Uses	<u>(22)</u>	<u>(22)</u>	
Net Change in Fund Balance	(1)	(1)	
Fund Balance - July 1	<u>57</u>	<u>57</u>	
Fund Balance - June 30	<u>\$ 56</u>	<u>\$ 56</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 fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>SCHMIDLAPP PARK MUSIC FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$</u>
Total Revenues	<u>1</u>	<u>1</u>	<u></u>
Excess (Deficiency) of Revenues over (under) Expenditures	1	1	
<b>OTHER FINANCING USES</b>			
Transfers Out	<u>(1)</u>	<u>(1)</u>	<u></u>
Total Other Financing Uses	<u>(1)</u>	<u>(1)</u>	<u></u>
Net Change in Fund Balance			
Fund Balance - July 1	<u>51</u>	<u>51</u>	<u></u>
Fund Balance - June 30	<u><u>\$ 51</u></u>	<u><u>\$ 51</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 fiscal year ended June 30, 2019  
 (Amounts in Thousands)

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget - Positive (Negative)</b>
<b>THE W. M. AMPT MUSIC ENDOWMENT FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 9	\$ 9	\$
Total Revenues	9	9	
Excess (Deficiency) of Revenues over (under) Expenditures	9	9	
<b>OTHER FINANCING USES</b>			
Transfers Out	(9)	(9)	
Total Other Financing Uses	(9)	(9)	
Net Change in Fund Balance			
Fund Balance - July 1	137	137	
Fund Balance - June 30	\$ 137	\$ 137	\$

**City of Cincinnati, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget - Positive (Negative)</b>
<b>CROSLEY FIELD TRUST</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 62	\$ 62	\$
Total Revenues	62	62	
<b>EXPENDITURES</b>			
Department of Recreation			
Division of Athletics			
Non-Personal Services	6	6	
Total Department of Recreation	6	6	
Total Expenditures	6	6	
Excess (Deficiency) of Revenues over (under) Expenditures	56	56	
<b>OTHER FINANCING USES</b>			
Transfers Out	(18)	(18)	
Total Other Financing Uses	(18)	(18)	
Net Change in Fund Balance	38	38	
Fund Balance - July 1	937	937	
Fund Balance - June 30	\$ 975	\$ 975	\$

**City of Cincinnati, Ohio**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the fiscal year ended June 30, 2019  
 (Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>KROGER TRUST</b>			
<b>REVENUES</b>			
Use of Money and Property	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$</u>
Total Revenues	<u>1</u>	<u>1</u>	<u></u>
Net Change in Fund Balance	1	1	
Fund Balance - July 1	<u>80</u>	<u>80</u>	<u></u>
Fund Balance - June 30	<u><u>\$ 81</u></u>	<u><u>\$ 81</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 fiscal year ended June 30, 2019  
 (Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>YEATMAN'S COVE PARK TRUST</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 11	\$ 11	\$
Total Revenues	<u>11</u>	<u>11</u>	
Net Change in Fund Balance	11	11	
Fund Balance - July 1	<u>676</u>	<u>676</u>	
Fund Balance - June 30	<u><u>\$ 687</u></u>	<u><u>\$ 687</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 fiscal year ended June 30, 2019  
(Amounts in Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
<b>PARK BOARD FUND</b>			
<b>REVENUES</b>			
Use of Money and Property	\$ 591	\$ 591	\$
Total Revenues	<u>591</u>	<u>591</u>	
<b>EXPENDITURES</b>			
Department of Parks			
Division of Administration and Program Services			
Non-Personal Services	<u>113</u>	<u>113</u>	
Total Department of Parks	<u>113</u>	<u>113</u>	
Total Expenditures	<u>113</u>	<u>113</u>	
Excess (Deficiency) of Revenues over (under) Expenditures	478	478	
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	425	425	
Transfers Out	<u>(241)</u>	<u>(241)</u>	
Total Other Financing Sources (Uses)	<u>184</u>	<u>184</u>	
Net Change in Fund Balance	662	662	
Fund Balance - July 1	<u>6,661</u>	<u>6,661</u>	
Fund Balance - June 30	<u>\$ 7,323</u>	<u>\$ 7,323</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, 2019**  
**(Amounts in Thousands)**

	<b>Business Type Activities - Enterprise Funds</b>					Total Nonmajor Enterprise Funds
	Convention Center	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents		\$ 116		\$ 54		\$ 170
Equity in City Treasury Cash	\$ 2,514	4,291	\$ 705	\$ 327	\$ 2,857	10,694
Receivables:						
Taxes	667					667
Accounts, Net	1,530	135	35	5	2,002	3,707
Accrued Interest		36	8	2	42	88
Due from Other Funds	1	2			130	133
Prepaid Items	403	77	7			487
Advances to Other Funds	3,465	2,803	2,690	300	13,165	22,423
Total Current Assets	8,580	7,460	3,445	688	18,196	38,369
Noncurrent Assets:						
Equity in City Treasury Cash	4,163	7,105	1,168	541	4,730	17,707
Land	11,555	8,161	13,229	1,324	7,074	41,343
Buildings, net of Accumulated Depreciation	37	14,857	404	205		15,503
Improvements, net of Accumulated Depreciation	72,159	16,173	5,551	5,911	44,536	144,330
Machinery and Equipment, net of Accumulated Depreciation	118	568	678	443	1,138	2,945
Construction in Progress	5,594	3,035	5,152	586	6,921	21,288
Total Noncurrent Assets	93,626	49,899	26,182	9,010	64,399	243,116
Total Assets	102,206	57,359	29,627	9,698	82,595	281,485
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Loss on Defeasance		478	7	7		492
Pension Systems Related		702	251	29	1,207	2,189
Other Postemployment Benefit Systems Related		393	151	19	648	1,211
Total Deferred Outflows of Resources		1,573	409	55	1,855	3,892
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	155	845	63	139	200	1,402
Due to Other Funds	186	12	25	29	68	320
Due to Fiduciary Funds		11	4		25	40
Accrued Payroll		78	29	3	196	306
Accrued Liabilities		523	25		3	551
Accrued Interest	19	30	1	1	24	75
Obligations Under Capital Lease						
Deposits Payable	9		4			13
Unearned Revenue	1,567	11	35			1,613
Compensated Absences Payable		187	92	8	273	560
Unpaid Claims Payable		2			8	10
General Obligation Bonds Payable	162	635	40	30	758	1,625
Total Current Liabilities	2,098	2,334	318	210	1,555	6,515
Noncurrent Liabilities:						
Compensated Absences Payable		84	184	31	846	1,145
General Obligation Bonds Payable	3,202	8,606	277	215	10,999	23,299
Net Pension Liabilities		5,427	1,834	238	8,435	15,934
Net Other Postemployment Benefit Liabilities		619	270	32	1,167	2,088
Total Noncurrent Liabilities	3,202	14,736	2,565	516	21,447	42,466
Total Liabilities	5,300	17,070	2,883	726	23,002	48,981
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Gain on Defeasance	34		19	12		65
Service Concession Arrangements		11,363				11,363
Pension Systems Related		113	6	5	1,848	1,972
Other Postemployment Benefit Systems Related		628	319	36	1,941	2,924
Total Deferred Inflows of Resources	34	12,104	344	53	3,789	16,324
<b>NET POSITION</b>						
Net Investment in Capital Assets	88,160	34,549	24,685	8,219	55,205	210,818
Unrestricted Net Position	8,712	(4,791)	2,124	755	2,454	9,254
Total Net Position	\$ 96,872	\$ 29,758	\$ 26,809	\$ 8,974	\$ 57,659	\$ 220,072

**City of Cincinnati, Ohio**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the fiscal year ended June 30, 2019**  
**(Amounts in Thousands)**

	<b>Business Type Activities - Enterprise Funds</b>					Total Nonmajor Enterprise Funds
	Convention Center	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
<b>OPERATING REVENUES</b>						
Charges for Services	\$ 7,542	\$ 16,121	\$ 2,112	\$ 5,001	\$ 16,603	\$ 47,379
Miscellaneous Income		432		8	8	448
Total Operating Revenues	<u>7,542</u>	<u>16,553</u>	<u>2,112</u>	<u>5,009</u>	<u>16,611</u>	<u>47,827</u>
<b>OPERATING EXPENSES</b>						
Personal Services	175	2,725	1,116	195	10,738	14,949
Contractual Services	8,676	6,431	206	4,337	1,660	21,310
Maintenance and Repairs		128	24		3,386	3,538
Materials and Supplies		208	58	120	434	820
Utilities		129	195	373	106	803
Insurance	63	45	10	6	297	421
Taxes		1,000	51	52		1,103
Depreciation and Amortization	4,414	2,377	716	888	3,571	11,966
Rent		114	16	1	263	394
Pension Expense		693	(54)	(5)	6,069	6,703
Other Postemployment Benefit Expense		(258)	39	(1)	1,484	1,264
Other Expense		102	3		22	127
Total Operating Expenses	<u>13,328</u>	<u>13,694</u>	<u>2,380</u>	<u>5,966</u>	<u>28,030</u>	<u>63,398</u>
Operating Income (Loss)	<u>(5,786)</u>	<u>2,859</u>	<u>(268)</u>	<u>(957)</u>	<u>(11,419)</u>	<u>(15,571)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest Revenue		374	77	30	392	873
Occupancy Tax	2,511					2,511
Interest Expense	(161)	(384)	(12)	(17)	(394)	(968)
Loss on Disposal of Assets			(26)			(26)
Total Non-Operating Revenues (Expenses)	<u>2,350</u>	<u>(10)</u>	<u>39</u>	<u>13</u>	<u>(2)</u>	<u>2,390</u>
Income (Loss) before Contributions and Transfers	<u>(3,436)</u>	<u>2,849</u>	<u>(229)</u>	<u>(944)</u>	<u>(11,421)</u>	<u>(13,181)</u>
Transfers In	500	1,353			1,480	3,333
Transfers (Out)		(6,106)	(4)		(2)	(6,112)
Capital Contributions						
Change in Net Position	<u>(2,936)</u>	<u>(1,904)</u>	<u>(233)</u>	<u>(944)</u>	<u>(9,943)</u>	<u>(15,960)</u>
Beginning 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>
Ending Net Position	<u>\$ 96,872</u>	<u>\$ 29,758</u>	<u>\$ 26,809</u>	<u>\$ 8,974</u>	<u>\$ 57,659</u>	<u>\$ 220,072</u>

**City of Cincinnati, Ohio**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the fiscal year ended June 30, 2019**  
**(Amounts in Thousands)**

	<b>Business Type Activities - Enterprise Funds</b>					Total Nonmajor Enterprise Funds
	Convention Center	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
<b><u>Cash Flows from Operating Activities:</u></b>						
Receipts from Customers	\$ 6,614	\$ 16,162	\$ 2,095	\$ 5,062	\$ 15,534	\$ 45,467
Receipts from Other Funds	1,394					1,394
Payments to Suppliers	(8,624)	(6,387)	(471)	(4,993)	(2,099)	(22,574)
Payments to Other Funds	(77)	(225)			(4,220)	(4,522)
Payments to Employees	(175)	(2,858)	(1,133)	(196)	(10,400)	(14,762)
Payments for Property Taxes		(906)	(50)			(956)
Net Cash Provided (Used) by Operating Activities	<u>(868)</u>	<u>5,786</u>	<u>441</u>	<u>(127)</u>	<u>(1,185)</u>	<u>4,047</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>						
Repayment of Advances Made To Other Funds			1,911			1,911
Amounts Due From Other Funds for City Notes	39	72	16	10	96	233
Interest paid on Debt	(81)	(20)			(5)	(106)
Principal paid on Debt	(65)	(16)			(4)	(85)
Advances to Other Funds	(322)	(180)		(184)	(8,113)	(8,799)
Occupancy Tax	2,464					2,464
Transfers to Other Funds		(6,106)	(4)		(2)	(6,112)
Transfers from Other Funds	500	1,353			1,480	3,333
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,535</u>	<u>(4,897)</u>	<u>1,923</u>	<u>(174)</u>	<u>(6,548)</u>	<u>(7,161)</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>						
Capital Items Expensed		2,034				2,034
Proceeds from the Sale of Bonds					4,415	4,415
Acquisition of Property, Plant and Equipment	(14)	(415)	(137)		(187)	(753)
Interest Paid on Bonds and Notes	(79)	(348)	(16)	(21)	(391)	(855)
Principal Paid on Bonds and Notes	(100)	(622)	(40)	(285)	(525)	(1,572)
Payments on Long Term Capital Leases Obligations				(440)		(440)
Additions to Construction in Progress	(773)	(1,098)	(2,610)	(51)	(3,073)	(7,605)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(966)</u>	<u>(449)</u>	<u>(2,803)</u>	<u>(797)</u>	<u>239</u>	<u>(4,776)</u>
<b><u>Cash Flow from Investing Activities:</u></b>						
Interest and Dividends on Investments		382	86	31	397	896
Net Cash Provided by Investing Activities		<u>382</u>	<u>86</u>	<u>31</u>	<u>397</u>	<u>896</u>
Net Increase (decrease) in Cash and Cash Equivalents	701	822	(353)	(1,067)	(7,097)	(6,994)
Cash and Cash Equivalents, July 1	5,976	10,690	2,226	1,989	14,684	35,565
Cash and Cash Equivalents, June 30	<u>\$ 6,677</u>	<u>\$ 11,512</u>	<u>\$ 1,873</u>	<u>\$ 922</u>	<u>\$ 7,587</u>	<u>\$ 28,571</u>

(Continued)

**City of Cincinnati, Ohio**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the fiscal year ended June 30, 2019**  
**(Amounts in Thousands)**

	<b>Business Type Activities - Enterprise Funds</b>					Total Nonmajor Enterprise Funds
	Convention Center	Parking Facilities	General Aviation	Municipal Golf	Stormwater Management	
(Continued)						
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>						
<u>Provided (Used) by Operating Activities:</u>						
Operating Income (Loss)	\$ (5,786)	\$ 2,859	\$ (268)	\$ (957)	\$ (11,419)	\$ (15,571)
Depreciation and Amortization	4,414	2,377	716	888	3,571	11,966
Changes in Assets, Deferred Inflows/Outflows and Liabilities:						
(Increase) Decrease in:						
Receivables	263	(83)	(17)	53	(1,033)	(817)
Due from Other Funds					(44)	(44)
Prepaid Items	63	(51)				12
Deferred Outflows Cincinnati Retirement System		(501)	(282)	(29)	(717)	(1,529)
Increase (Decrease) in:						
Accounts Payable	(11)	596	48	(90)	(135)	408
Deposits Payable	6					6
Due to Other Funds	(14)	4	(7)	(14)	(17)	(48)
Due to Fiduciary Funds				(1)	7	6
Accrued Payroll		3	2		63	68
Accrued Liabilities		94	1		1	96
Unearned Revenue	197	3				200
Compensated Absences Payable		(136)	(19)		267	112
Deferred Inflows Service Concession Arrangements		(311)				(311)
Deferred Inflows Cincinnati Retirement System		(376)	(135)	(37)	2,844	2,296
Unpaid Claims Payable		(4)			1	(3)
Net Pension Liability Cincinnati Retirement System		897	205	37	4,439	5,578
Net Other Postemployment Benefit Liability- Cincinnati Retirement System		415	197	23	987	1,622
Net Cash Provided (Used) by Operating Activities	<u>\$ (868)</u>	<u>\$ 5,786</u>	<u>\$ 441</u>	<u>\$ (127)</u>	<u>\$ (1,185)</u>	<u>\$ 4,047</u>
<u>Schedule of Noncash Investing, Capital and Financing Activities:</u>						
Change in Fair Value of Investments	<u>\$</u>	<u>\$ 175</u>	<u>\$ 39</u>	<u>\$ 11</u>	<u>\$ 183</u>	<u>\$ 408</u>
Total Noncash Investing, Capital and Financing Activities	<u>\$</u>	<u>\$ 175</u>	<u>\$ 39</u>	<u>\$ 11</u>	<u>\$ 183</u>	<u>\$ 408</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 the expenses related to vehicle repairs, maintenance, and fuel.

**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, 2019**  
**(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
<b>ASSETS</b>							
Current Assets:							
Cash and Cash Equivalents	\$ 197	\$ 1,808	\$ 1,396	\$ 267	\$ 6,489	\$ 1,397	\$ 267
Equity in City Treasury Cash				7,823			19,110
Receivables:							
Accounts, Net	25	149		1,019		28	1,221
Accrued Interest				56	50	6	112
Due from Other Funds	111	1,326	1	6	8	273	1,725
Due from Fiduciary Funds	10			37		2	49
Due from Other Governments					91	159	159
Prepaid Items		4	30	1,302		496	1,923
Inventory	27	358					385
Advances to Other Funds		471				6,608	7,079
Total Current Assets	370	4,116	1,427	10,510	6,638	8,969	32,030
Noncurrent Assets:							
Equity in City Treasury Cash	325	2,994	2,312	12,955	10,746	2,375	31,707
Land		283					283
Improvements, net of Accumulated Depreciation		1,198				1,604	2,802
Machinery and Equipment, net of Accumulated Depreciation	50	537	8				5,613
Construction in Progress							5,760
Other Assets		2,551					2,551
Total Noncurrent Assets	375	7,563	2,320	12,955	10,746	14,757	48,716
Total Assets	745	11,679	3,747	23,465	17,384	23,726	80,746
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension Systems Related	113	1,511	159	453	30	803	3,069
Other Postemployment Benefit Systems Related	52	896	120	236	19	441	1,764
Total Deferred Outflows of Resources	165	2,407	279	689	49	1,244	4,833

(Continued)

**City of Cincinnati, Ohio**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2019**  
**(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
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	\$ 48	\$ 752	\$ 2	\$ 784	\$ 146	\$ 200	\$ 1,930
Due to Other Funds		4	2				6
Due to Fiduciary Funds	1	25	2	7	1	11	47
Accrued Payroll	8	155	9	52	3	68	295
Accrued Liabilities	1	2	1	1	399	266	669
Accrued Interest	1	3		1		2	7
Deposits Payable			2,001				2,002
Compensated Absences Payable	43	504	32	122	7	246	954
Unpaid Claims Payable				7,249	3,345		10,594
General Obligation Bonds Payable	5	28		10		23	66
Total Current Liabilities	107	1,473	2,046	8,226	3,901	817	16,570
Noncurrent Liabilities:							
Estimated Liability for Compensated Absences	7	499	15	109	21	134	785
Estimated Liability for Unpaid Claims					8,598		8,598
Advances from Other Funds		50					50
Advances from Other Governments		20					20
General Obligation Bonds Payable	147	867		300		731	2,045
Net Pension Liabilities	642	11,973	1,082	3,227	220	5,940	23,084
Net Other Postemployment Benefit Liabilities	95	1,615	79	404	32	791	3,016
Total Noncurrent Liabilities	891	15,024	1,176	4,040	8,871	7,596	37,598
Total Liabilities	998	16,497	3,222	12,266	12,772	8,413	54,168
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Pension Systems Related		104		94	3	110	311
Other Postemployment Benefit Systems Related	102	1,790	80	438	38	857	3,305
Total Deferred Inflows of Resources	102	1,894	80	532	41	967	3,616
<b>NET POSITION</b>							
Net Investment in Capital Assets	50	2,018	8			12,382	14,458
Restricted		2,551					2,551
Unrestricted Net Position	(240)	(8,874)	716	11,356	4,620	3,208	10,786
Total Net Position	\$ (190)	\$ (4,305)	\$ 724	\$ 11,356	\$ 4,620	\$ 15,590	\$ 27,795

**City of Cincinnati, Ohio**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the fiscal year ended June 30, 2019**  
**(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
<b>OPERATING REVENUES</b>							
Charges for Services	\$ 2,572	\$ 18,563	\$ 2,763	\$ 85,118	\$ 3,331	\$ 6,893	\$ 116,477
Miscellaneous		24					2,787
Total Operating Revenues	<u>2,572</u>	<u>18,587</u>	<u>2,763</u>	<u>85,118</u>	<u>3,331</u>	<u>6,893</u>	<u>119,264</u>
<b>OPERATING EXPENSES</b>							
Personal Services	435	5,694	955	1,664	74	3,268	12,090
Contractual Services	878	1,379	76	1,943	9	1,218	5,503
Maintenance and Repairs	4	822				5	831
Materials and Supplies	1,224	10,345	18	78	70		11,735
Utilities	2	130	4	10		1,972	2,118
Insurance		4		75,890	444		76,338
Depreciation and Amortization	75	265	3			1,350	1,693
Rent	41	78	56	127		696	998
Pension Expense	(82)	224	121	357	13	(267)	366
Other Postemployment Benefit Expense	(5)	(12)	(194)	(55)	6	(60)	(320)
Other Expense		10	2	3		50	65
Total Operating Expenses	<u>2,572</u>	<u>18,939</u>	<u>1,041</u>	<u>80,017</u>	<u>546</u>	<u>8,302</u>	<u>111,417</u>
Operating Income (Loss)		<u>(352)</u>	<u>1,722</u>	<u>5,101</u>	<u>2,785</u>	<u>(1,409)</u>	<u>7,847</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest Revenue				550	512	54	1,116
Interest Expense	(6)	(35)		(12)		(29)	(82)
Total Non-Operating Revenue (Expenses)	<u>(6)</u>	<u>(35)</u>		<u>538</u>	<u>512</u>	<u>25</u>	<u>1,034</u>
Income (Loss) before Transfers	<u>(6)</u>	<u>(387)</u>	<u>1,722</u>	<u>5,639</u>	<u>3,297</u>	<u>(1,384)</u>	<u>8,881</u>
Transfers In						2,557	2,557
Transfers (Out)			(1,934)				(1,934)
Change in Net Position	<u>(6)</u>	<u>(387)</u>	<u>(212)</u>	<u>5,639</u>	<u>3,297</u>	<u>1,173</u>	<u>9,504</u>
Beginning 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	<u>(190)</u>	<u>(4,305)</u>	<u>724</u>	<u>\$ 11,356</u>	<u>\$ 4,620</u>	<u>\$ 15,590</u>	<u>\$ 27,795</u>

**City of Cincinnati, Ohio**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the fiscal year ended June 30, 2019**  
**(Amounts in Thousands)**

	Purchasing Reproduction and Printing	Fleet Services	Property Management	Self Insurance Risk Management	Self Insurance Workers' Compensation	Enterprise Technology Services	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>							
Receipts from Customers	\$ 457	\$ 305	\$ 4,455	\$ 8,897	\$ 350	\$ 754	\$ 15,218
Receipts from Other Funds	2,139	18,251		76,088	2,981	6,066	105,525
Receipts from Retirement System				121			121
Payment to Suppliers	(2,190)	(2,421)	(228)	(80,735)	(4,004)	(3,342)	(92,920)
Payments to Other Funds	(13)	(9,939)				(761)	(10,713)
Payments to Employees	(483)	(5,776)	(949)	(1,711)	(71)	(3,426)	(12,416)
Net Cash Provided (Used) by Operating Activities	(90)	420	3,278	2,660	(744)	(709)	4,815
<u>Cash Flows from Noncapital Financing Activities:</u>							
Repayment of Advances Made to Other Funds						1,237	1,237
Due from Other Funds for City Note Payable	4	29	15	119	117	31	315
Interest paid on Bond and Notes	(6)	(35)		(12)		(29)	(82)
Principal paid on Bond and Notes	(5)	(27)		(9)		(23)	(64)
Transfers to Other Funds			(1,934)				(1,934)
Transfers from Other Funds						2,557	2,557
Net Cash Provided (Used) by Noncapital Financing Activities	(7)	(33)	(1,919)	98	117	3,773	2,029
<u>Cash Flows from Capital and Related Financing Activities:</u>							
Acquisition of Property, Plant and Equipment							(8)
Interest Paid on Debt						(2,033)	(2,033)
Payment on Long Term Capital Lease Obligations						(1,775)	(1,775)
Net Cash (Used) by Capital and Related Financing Activities						(3,808)	(3,816)
<u>Cash Flows from Investing Activities:</u>							
Interest on Investments				557	523	57	1,137
Net Cash Provided by Investing Activities				557	523	57	1,137
Net Increase (Decrease) in Cash and Cash Equivalents	(97)	387	1,351	3,315	(104)	(687)	4,165
Cash and Cash Equivalents at July 1	619	4,415	2,357	17,730	17,339	4,459	46,919
Cash and Cash Equivalents at June 30	\$ 522	\$ 4,802	\$ 3,708	\$ 21,045	\$ 17,235	\$ 3,772	\$ 51,084

**City of Cincinnati, Ohio**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the fiscal year ended June 30, 2019**  
**(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
Reconciliation of Operating Income(Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating Income (Loss)	\$ 75	\$ (352)	\$ 1,722	\$ 5,101	\$ 2,785	\$ (1,409)	\$ 7,847
Depreciation and Amortization		265	3			1,350	1,693
Changes in Assets, Deferred Outflows/Inflows and Liabilities:							
(Increase) Decrease in:							
Receivables	(10)	(20)		11		(28)	(47)
Due from Other Funds	44	(11)		14	(3)	96	140
Due from Fiduciary Funds	(10)			(37)			(47)
Due from Other Governments						(141)	(141)
Inventory	(1)						(1)
Prepaid Items			(30)	54		(161)	(137)
Other assets		345					345
Deferred Outflows Cincinnati Retirement System	(117)	(1,690)	(86)	454	(32)	(685)	(2,156)
Deferred Outflows Ohio Public Employees Retirement System				(236)			(236)
Increase (Decrease) in:							
Accounts Payable	(53)	62	(44)	(2,042)	(141)	62	(2,156)
Deposits Payable			1,692				1,692
Due to Other Funds		1	2	(16)		(1)	(14)
Due to Fiduciary Funds		1			1	(1)	1
Accrued Payroll	(4)	2	6	9	(24)	(9)	4
Accrued Liabilities						2	(22)
Estimated Liability for Compensated Absences	(44)	(85)		(56)	2	(142)	(325)
Deferred Inflows Cincinnati Retirement System	(63)	(922)	(146)	(620)	(7)	(973)	(2,731)
Deferred Inflows Ohio Public Employees Retirement System				(101)			(101)
Estimated Liability for Unpaid Claims Payable				(680)	(3,383)		(4,063)
Net Pension Liability Cincinnati Retirement System	26	1,673	123	523	34	773	3,152
Net Other Postemployment Benefit Liability							
Net Cash Provided (Used) by Operating Activities	\$ 67	\$ 1,151	\$ 36	\$ 282	\$ 24	\$ 558	\$ 2,118
Schedule of Noncash Investing, Capital and Financing Activities:	\$ (90)	\$ 420	\$ 3,278	\$ 2,660	\$ (744)	\$ (709)	\$ 4,815
Change in Fair Value of Investments				\$ 274	\$ 245	\$ 29	\$ 548
Total Noncash Investing, Capital and Financing Activities	\$	\$	\$	\$ 274	\$ 245	\$ 29	\$ 548

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CITY OF CINCINNATI, OHIO

**FIDUCIARY FUNDS**

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**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, 2019  
(Amounts in Thousands)

	Agency Funds						Total
	Towing Charges Private Operators	Convention Facility Authority	Admissions Tax Bonds	Engineering Deposits	Metropolitan Sewer District		
<b>ASSETS</b>							
Cash and Cash Equivalents				\$ 16		\$	16
Equity in City Treasury Cash	81	1,778	39	3,159			5,057
Cash With Fiscal Agent							
Investments, at fair value					\$ 311,118		311,118
Receivables:							
Accounts, Net				48	32,096		32,144
Accrued Interest and Dividends					776		776
<b>Total Assets</b>	<u>\$ 81</u>	<u>\$ 1,778</u>	<u>\$ 39</u>	<u>\$ 3,223</u>	<u>\$ 343,990</u>	<u>\$</u>	<u>\$ 349,111</u>
<b>LIABILITIES</b>							
Accounts Payable	66			17	18,758		18,841
Due to Other Governments		338			314,904		315,242
Accrued Payroll					115		115
Accrued Liabilities					38		38
Deposits Payable	15	1,440	39	3,206	1		4,701
Estimated Liability for Compensated Absences					10,174		10,174
<b>Total Liabilities</b>	<u>\$ 81</u>	<u>\$ 1,778</u>	<u>\$ 39</u>	<u>\$ 3,223</u>	<u>\$ 343,990</u>	<u>\$</u>	<u>\$ 349,111</u>

**City of Cincinnati, Ohio**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the fiscal year ended June 30, 2019**  
**(Amounts in Thousands)**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b><u>TOWING CHARGES - PRIVATE OPERATORS</u></b>				
ASSETS				
Equity in City Treasury Cash	\$ 75	\$ 556	\$ 550	\$ 81
Total Assets	<u>\$ 75</u>	<u>\$ 556</u>	<u>\$ 550</u>	<u>\$ 81</u>
LIABILITIES				
Accounts Payable	\$ 41	\$ 626	\$ 601	\$ 66
Deposits Payable	<u>34</u>	<u>1,157</u>	<u>1,176</u>	<u>15</u>
Total Liabilities	<u>\$ 75</u>	<u>\$ 1,783</u>	<u>\$ 1,777</u>	<u>\$ 81</u>
 <b><u>CONVENTION FACILITY AUTHORITY</u></b>				
ASSETS				
Equity in City Treasury Cash	\$ 821	\$ 3,088	\$ 2,131	\$ 1,778
Accounts Receivable	<u>5</u>	<u></u>	<u>5</u>	<u></u>
Total Assets	<u>\$ 826</u>	<u>\$ 3,088</u>	<u>\$ 2,136</u>	<u>\$ 1,778</u>
LIABILITIES				
Accounts Payable		\$ 2,131	\$ 2,131	
Due to Other Governments	\$ 826	338	826	\$ 338
Deposits Payable		<u>1,440</u>		<u>1,440</u>
Total Liabilities	<u>\$ 826</u>	<u>\$ 3,909</u>	<u>\$ 2,957</u>	<u>\$ 1,778</u>
 <b><u>ADMISSION TAX BONDS</u></b>				
ASSETS				
Equity in City Treasury Cash	\$ 37	\$ 2	\$	\$ 39
Total Assets	<u>\$ 37</u>	<u>\$ 2</u>	<u>\$</u>	<u>\$ 39</u>
LIABILITIES				
Deposits Payable	\$ 37	\$ 2	\$	\$ 39
Total Liabilities	<u>\$ 37</u>	<u>\$ 2</u>	<u>\$</u>	<u>\$ 39</u>
 <b><u>ENGINEERING DEPOSITS</u></b>				
ASSETS				
Cash and Cash Equivalents	\$ 4	\$ 577	\$ 565	\$ 16
Equity in City Treasury Cash	2,904	3,533	3,278	3,159
Accounts Receivable	<u>28</u>	<u>201</u>	<u>181</u>	<u>48</u>
Total Assets	<u>\$ 2,936</u>	<u>\$ 4,311</u>	<u>\$ 4,024</u>	<u>\$ 3,223</u>
LIABILITIES				
Accounts Payable	\$ 24	\$ 258	\$ 265	\$ 17
Deposits Payable	<u>2,912</u>	<u>3,282</u>	<u>2,988</u>	<u>3,206</u>
	<u>\$ 2,936</u>	<u>\$ 3,540</u>	<u>\$ 3,253</u>	<u>\$ 3,223</u>

**City of Cincinnati, Ohio**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the fiscal year ended June 30, 2019**  
**(Amounts in Thousands)**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b><u>METROPOLITAN SEWER DISTRICT</u></b>				
<b>ASSETS</b>				
Cash with Fiscal Agent	\$ 1	\$ 18,303	\$ 18,304	
Investments	299,695	819,809	808,386	\$ 311,118
Accounts Receivable	34,475	38,614	40,993	32,096
Accrued Interest Receivable	734	837	795	776
Total Assets	<u>\$ 334,905</u>	<u>\$ 877,563</u>	<u>\$ 868,478</u>	<u>\$ 343,990</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 19,668	\$ 314,265	\$ 315,175	\$ 18,758
Due to Other Governments	303,518	326,131	314,745	314,904
Accrued Payroll	1,506	1,734	3,125	115
Accrued Liabilities	37	38	37	38
Deposits Payable	2	27	28	1
Estimated Liability for Compensated Absences	10,174			10,174
Total Liabilities	<u>\$ 334,905</u>	<u>\$ 642,195</u>	<u>\$ 633,110</u>	<u>\$ 343,990</u>
 <b><u>TOTAL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4	\$ 577	\$ 565	\$ 16
Equity in City Treasury Cash	3,837	7,179	5,959	5,057
Cash with Fiscal Agent	1	18,303	18,304	
Investments	299,695	819,809	808,386	311,118
Receivables:				
Accounts, Net	34,508	38,815	41,179	32,144
Accrued Interest Receivable	734	837	795	776
Total Assets	<u>\$ 338,779</u>	<u>\$ 885,520</u>	<u>\$ 875,188</u>	<u>\$ 349,111</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 19,733	\$ 317,280	\$ 318,172	\$ 18,841
Due to Other Governments	304,344	326,469	315,571	315,242
Accrued Payroll	1,506	1,734	3,125	115
Accrued Liabilities	37	38	37	38
Deposits Payable	2,985	5,908	4,192	4,701
Estimated Liability for Compensated Absences	10,174			10,174
Total Liabilities	<u>\$ 338,779</u>	<u>\$ 651,429</u>	<u>\$ 641,097</u>	<u>\$ 349,111</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 Last Two Fiscal Years**  
**(Amounts In Thousands)**

	June 30 2019	June 30 2018
	<u>                    </u>	<u>                    </u>
Governmental Activities Capital Assets		
Land	\$ 199,755	\$ 200,072
Buildings	306,881	306,570
Improvements	520,625	532,195
Machinery and Equipment	190,206	185,675
Infrastructure	1,337,209	1,313,952
Construction in Progress	209,083	171,979
Property acquired under capital leases	<u>30,641</u>	<u>26,560</u>
Total Governmental Capital Assets	<u>\$ 2,794,400</u>	<u>\$ 2,737,003</u>

Investment in Governmental Capital Assets by Source:

General Obligation Bonds	\$ 1,911,139	\$ 1,864,813
Federal Grants	216,589	204,894
State Grants	199,267	198,079
County Grants	18,286	17,144
Private	14,848	14,507
General Fund Revenues	98,803	98,523
Special Revenue Funds	80,275	77,150
Gifts	2,529	2,529
Other and Undifferentiated	<u>252,664</u>	<u>259,364</u>
Total from All Sources	<u>\$ 2,794,400</u>	<u>\$ 2,737,003</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, 2019**  
**(Amounts In Thousands)**

	Total	Land	Buildings	Improvements	Equipment	Infrastructure	Property Acquisition under Capital Leases	Construction In Progress
Mayor and Council	\$ 6				\$ 6			
City Manager	5,205		48	\$ 9	3,093	\$ 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	243,538	\$ 71,362	48,338	74,323	68	49,447		
City Planning and Buildings	59			3	56			
Citizens Complaint & Internal Audit	23				23			
Recreation	155,197	3,963	33,823	113,153	4,051	207		
Parks	176,059	15,063	19,345	76,352	4,833	60,348	118	
Buildings and Inspections	1,533	1,376		145	12			
Public Safety	98,361	1,833	8,608	12,358	62,224	1,177,642	13,338	
Transportation & Engineering	1,255,038	44,339	7,731	14,099	11,227			
Enterprise Services	1,030	297			733			
Public Services	228,832	6,043	70,879	66,016	33,250	47,517	5,127	
Public Health	17,973	237	4,203	9,997	3,536			
Pooled, Unassigned Equipment	546				546			
Southern Railway Improvement	83,224			83,224				
General Government								
Land	54,959	54,959						
Buildings	113,634		113,634					
Improvements	50,532			50,532				
<b>Total Governmental Capital Assets Allocated by Function</b>	<b>2,508,942</b>	<b>199,472</b>	<b>306,609</b>	<b>507,594</b>	<b>127,417</b>	<b>1,337,209</b>	<b>30,641</b>	
Construction in Progress	209,083							\$ 209,083
Internal Service Funds:								
Purchasing, Printing and Stores	1,358				1,358			
Fleet Services	7,729	283	272	4,508	2,666			
Self Insurance Risk Management	12				12			
Self Insurance Workers' Compensation	82				82			
Property Management	37			6	31			
Enterprise Technology Services	67,157			8,517	58,640			
<b>Total Governmental Capital Assets</b>	<b>\$ 2,794,400</b>	<b>\$ 199,755</b>	<b>\$ 306,881</b>	<b>\$ 520,625</b>	<b>\$ 190,206</b>	<b>\$ 1,337,209</b>	<b>\$ 30,641</b>	<b>\$ 209,083</b>

**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, 2019**  
**(Amounts in Thousands)**

	General Capital Assets July 1, 2018	Additions	Deletions	General Capital Assets June 30, 2019
Mayor and Council	\$ 58		\$ 52	\$ 6
City Manager	5,570		365	5,205
Economic Inclusion	24			24
Law	53			53
Human Resources	6,819			6,819
Enterprise Technology Services	14,737			14,737
Finance	1,560			1,560
Community and Economic Development	244,083	\$ 195	740	243,538
City Planning and Buildings	86		27	59
Citizen's Complaint & Internal Audit		23		23
Recreation	160,268	136	5,207	155,197
Parks	176,671	143	755	176,059
Buildings and Inspections	1,533			1,533
Public Safety	96,348	5,311	3,298	98,361
Transportation & Engineering	1,257,005		1,967	1,255,038
Enterprise Services	1,030			1,030
Public Services	204,417	27,775	3,360	228,832
Public Health	17,972	79	78	17,973
Pooled, Unassigned Equipment	546			546
Southern Railway Improvement	83,224			83,224
General Government				
Land	55,260		301	54,959
Buildings	113,634			113,634
Improvements	51,433		901	50,532
Construction in Progress	171,979	66,126	29,022	209,083
Internal Service Funds:				
Purchasing, Printing and Stores	1,358			1,358
Fleet Services	7,863		134	7,729
Self Insurance Risk Management	12			12
Self Insurance Workers' Compensation	82			82
Property Management	29	8		37
Enterprise Technology Services	63,349	3,808		67,157
Total Governmental Capital Assets	<u>\$ 2,737,003</u>	<u>\$ 103,604</u>	<u>\$ 46,207</u>	<u>\$ 2,794,400</u>

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

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# **SCHEDULES**

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**City of Cincinnati, Ohio**  
**Schedule of Outstanding Bonds and Notes, GAAP**  
**Last Six Fiscal Years (g)**

Fiscal Year	(a) General Obligation Bonds and Notes	(b) Sec. 133.05 (B)(7) Municipal Income Tax Bonds and Notes	(a) Sec.133.04 (B)(1) Special Assessment Bonds	(c) Sec 133.04 (B)(4) Urban Renewal Bonds	(a) Sec.133.04 (B)(5) Judgment Bonds	(c) Sec. 133.04 (B)(8) TIF Bonds and Notes
	2014	\$ 251,690,000	\$ 97,395,000		\$ 15,630,000	\$ 1,905,000
2015	243,044,080	98,095,000		14,510,000	1,615,000	94,435,000
2016	270,615,000	111,435,000		13,785,000	36,552,212	54,505,000
2017	265,226,000	110,627,000	\$ 1,000,000	12,465,000	35,330,145	50,295,000
2018	258,836,000	108,133,000	965,000	11,145,000	34,078,165	55,025,000
2019	263,166,000	108,918,000	930,000	9,710,000	32,816,318	51,890,000

Fiscal Year	(c) Sec 133.05 (B)(1)(a) Water Bonds	(c) Sec 133.05 (B)(1)(b) Sewer Stormwater Bonds	(c) Sec 133.05 (B)(1)(f) Parking Facilities Bonds	(c) Sec 133.05 (B)(1)(i) Urban Redevelopment Bonds	(c) Sec. 133.05 (B)(1)(j) Public Attraction Bonds	(c) Sec. 133.05 (B)(10) Police & Fire Pension Bonds
	2014	\$ 1,800,000	\$ 14,085,000	\$ 4,450,000	\$ 4,215,000	\$ 16,225,000
2015		12,810,000	4,200,000	3,360,000	14,995,000	35,920,000
2016		11,400,000	9,950,000	2,550,000	24,160,000	31,600,000
2017		15,160,000	9,940,000	6,330,000	35,017,124	30,325,000
2018		17,850,000	9,320,000	5,775,000	32,490,000	29,035,000
2019		21,065,000	8,700,000	5,205,000	30,490,000	27,725,000

Fiscal Year	(d) Sec 133.05 (B)(12) Energy Conservation Bonds	(d) Sec.133.05 (B)(5) Non-Tax Revenue Pledge Bonds	(d)(f) Sec.133.05 (B)(5) Water System Revenue Pledge Bonds	Gross General Obligation Debt	Gross Self-Supported Debt	Gross Total Debt
	2014	\$ 7,060,000	\$ 110,880,000	\$ 471,585,000	\$ 251,690,000	\$ 887,700,000
2015	6,720,000	119,985,000	450,965,000	243,044,080	857,610,000	1,100,654,080
2016	13,890,000	127,040,000	473,480,000	270,615,000	910,347,212	1,180,962,212
2017	13,055,000	128,871,620	524,960,000	265,226,000	973,375,889	1,238,601,889
2018	12,135,000	118,269,000	505,685,000	258,836,000	939,905,165	1,198,741,165
2019	11,335,000	122,749,000	485,970,000	263,166,000	917,503,318	1,180,669,318

- (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, 2018, and 2019.
- (g) The City changed reporting periods from a calendar year to a June 30th fiscal year, with the first full fiscal year ended June 30, 2014. This schedule will continue to build out prospectively until ten full fiscal years are available.

Note: Excludes City internal notes.

**CITY OF CINCINNATI**  
**SCHEDULE OF ANNUAL DEBT SERVICE**  
**General Obligation and Revenue Bonds**  
**June 30, 2019**

<u>PROPERTY TAX-SUPPORTED</u>					<u>SELF-SUPPORTED</u>				
Fiscal Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding	Maturing	Interest Cost	Debt Service Requirement	Outstanding	Fiscal Year
				Debt End of Year				Debt End of Year	
2019				\$ 244,035,000				\$ 188,411,318	2019
2020	\$ 27,560,000	\$ 9,992,394	\$ 37,552,394	216,475,000	\$ 12,196,671	\$ 7,161,642	\$ 19,358,313	176,214,646	2020
2021	25,570,000	8,850,479	34,420,479	190,905,000	12,271,495	6,702,362	18,973,857	163,943,152	2021
2022	20,480,000	7,849,913	28,329,913	170,425,000	11,811,275	6,255,538	18,066,812	152,131,877	2022
2023	18,575,000	6,957,244	25,532,244	151,850,000	11,026,010	5,823,009	16,849,019	141,105,867	2023
2024	16,730,000	6,136,413	22,866,413	135,120,000	11,085,746	5,395,562	16,481,307	130,020,121	2024
2025	14,795,000	5,406,244	20,201,244	120,325,000	11,425,481	4,950,518	16,375,999	118,594,640	2025
2026	13,045,000	4,759,253	17,804,253	107,280,000	11,175,173	4,500,539	15,675,712	107,419,467	2026
2027	12,790,000	4,153,194	16,943,194	94,490,000	10,859,820	4,057,790	14,917,610	96,559,647	2027
2028	11,850,000	3,571,794	15,421,794	82,640,000	10,974,468	3,633,064	14,607,532	85,585,179	2028
2029	11,200,000	3,069,072	14,269,072	71,440,000	10,909,071	3,233,255	14,142,326	74,676,108	2029
2030	10,205,000	2,627,163	12,832,163	61,235,000	10,168,630	2,824,293	12,992,924	64,507,477	2030
2031	9,145,000	2,242,225	11,387,225	52,090,000	9,063,190	2,430,225	11,493,415	55,444,288	2031
2032	8,455,000	1,900,475	10,355,475	43,635,000	9,252,705	2,051,283	11,303,988	46,191,563	2032
2033	7,875,000	1,577,675	9,452,675	35,760,000	9,007,132	1,678,374	10,685,506	37,184,450	2033
2034	7,405,000	1,272,825	8,677,825	28,355,000	7,246,559	1,347,850	8,594,409	29,937,891	2034
2035	7,310,000	982,725	8,292,725	21,045,000	7,450,986	1,057,117	8,508,103	22,486,905	2035
2036	5,145,000	748,369	5,893,369	15,900,000	9,570,369	727,341	10,297,710	12,916,535	2036
2037	4,465,000	562,963	5,027,963	11,435,000	4,189,752	458,706	4,648,459	8,726,783	2037
2038	4,180,000	385,766	4,565,766	7,255,000	2,304,047	331,235	2,635,283	6,422,735	2038
2039	2,775,000	240,859	3,015,859	4,480,000	2,143,342	234,639	2,377,981	4,279,393	2039
2040	1,800,000	143,750	1,943,750	2,680,000	2,092,593	141,933	2,234,526	2,186,800	2040
2041	1,825,000	65,859	1,890,859	855,000	2,186,800	48,000	2,234,800		2041
2042	855,000	13,359	868,359						

<u>MUNICIPAL INCOME TAX SUPPORTED</u>					<u>TOTAL</u>				
Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding	Maturing	Interest Cost	Debt Service Requirement	Outstanding	Year
				Debt End of Year				Debt End of Year	
2019				\$ 78,245,000				\$ 1,119,410,318	2019
2020	\$ 8,045,000	\$ 3,208,169	\$ 11,253,169	70,200,000	\$ 153,136,671	\$ 41,930,302	\$ 195,066,974	966,273,646	2020
2021	7,870,000	2,876,786	10,746,786	62,330,000	74,841,495	38,277,694	113,119,189	891,432,152	2021
2022	6,760,000	2,560,644	9,320,644	55,570,000	69,201,275	35,611,834	104,813,108	822,230,877	2022
2023	6,035,000	2,267,334	8,302,334	49,535,000	66,756,010	33,000,222	99,756,232	755,474,867	2023
2024	5,700,000	2,002,128	7,702,128	43,835,000	65,850,746	30,235,521	96,086,266	689,624,121	2024
2025	5,685,000	1,748,778	7,433,778	38,150,000	63,360,481	27,349,209	90,709,690	626,263,640	2025
2026	5,785,000	1,492,991	7,277,991	32,365,000	62,935,173	24,506,840	87,442,013	563,328,467	2026
2027	5,915,000	1,227,366	7,142,366	26,450,000	54,489,820	21,858,643	76,348,463	508,838,647	2027
2028	5,605,000	968,125	6,573,125	20,845,000	54,609,468	19,459,633	74,069,101	454,229,179	2028
2029	4,790,000	752,619	5,542,619	16,055,000	54,254,071	17,169,828	71,423,899	399,975,108	2029
2030	3,610,000	585,550	4,195,550	12,445,000	52,458,630	14,920,599	67,379,230	347,516,477	2030
2031	2,250,000	468,125	2,718,125	10,195,000	49,478,190	12,835,965	62,314,155	298,038,288	2031
2032	2,045,000	382,850	2,427,850	8,150,000	49,897,705	10,883,785	60,781,490	248,140,583	2032
2033	1,875,000	302,275	2,177,275	6,275,000	45,112,132	9,014,291	54,126,423	203,028,450	2033
2034	1,585,000	230,550	1,815,550	4,690,000	33,566,559	7,473,474	41,040,033	169,461,891	2034
2035	1,580,000	166,975	1,746,975	3,110,000	31,645,986	6,231,598	37,877,584	137,815,905	2035
2036	990,000	119,075	1,109,075	2,120,000	30,505,369	5,075,339	35,580,709	107,310,535	2036
2037	720,000	86,175	806,175	1,400,000	24,314,752	4,035,859	28,350,611	82,995,783	2037
2038	500,000	59,125	559,125	900,000	18,039,047	3,201,271	21,240,318	64,956,735	2038
2039	300,000	39,375	339,375	600,000	14,913,342	2,526,558	17,439,900	50,043,393	2039
2040	300,000	23,625	323,625	300,000	9,907,593	1,993,624	11,901,217	40,135,800	2040
2041	300,000	7,875	307,875		10,291,800	1,538,535	11,830,335	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

<u>REVENUE</u>				
Year	Maturing	Interest Cost	Debt Service Requirement	Outstanding
				Debt End of Year
2019				\$ 608,719,000
2020	\$ 105,335,000	\$ 21,568,098	\$ 126,903,098	503,384,000
2021	29,130,000	19,848,068	48,978,068	474,254,000
2022	30,150,000	18,945,740	49,095,740	444,104,000
2023	31,120,000	17,952,636	49,072,636	412,984,000
2024	32,335,000	16,701,419	49,036,419	380,649,000
2025	31,455,000	15,243,670	46,698,670	349,194,000
2026	32,930,000	13,754,057	46,684,057	316,264,000
2027	24,925,000	12,420,293	37,345,293	291,339,000
2028	26,180,000	11,286,651	37,466,651	265,159,000
2029	27,355,000	10,114,883	37,469,883	237,804,000
2030	28,475,000	8,883,593	37,358,593	209,329,000
2031	29,020,000	7,695,389	36,715,389	180,309,000
2032	30,145,000	6,549,177	36,694,177	150,164,000
2033	26,355,000	5,455,968	31,810,968	123,809,000
2034	17,330,000	4,622,249	21,952,249	106,479,000
2035	15,305,000	4,024,781	19,329,781	91,174,000
2036	14,800,000	3,480,555	18,280,555	76,374,000
2037	14,940,000	2,928,015	17,868,015	61,434,000
2038	11,055,000	2,425,145	13,480,145	50,379,000
2039	9,695,000	2,011,685	11,706,685	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, 2019

(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
<b>U.S. DEPARTMENT OF AGRICULTURE</b>										
* Passed through Ohio Department of Health Hamilton County WIC Program Hamilton County WIC Program	391	10.557	03120011WA1118	NAM	Health	\$ 1,186	\$ 5	\$ 3,203		
	391	10.557	03120011WA1219	NAM	Health	2,044	8	3,203		
<b>Total for CFDA No. 10.557</b>						3,230	13	3,203		
* Passed through Ohio Department of Education Child and Adult Care Food Program (CACFP)	324	10.558	55x2031	NAR	Recreation				4	
<b>Total for CFDA No. 10.558</b>									4	
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>										
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>										
CDBG - Entitlement Grants Cluster:										
Community Development Block Grants/ Entitlement Grants	304	14.218	B14MC390003	NAC	DCED	869		811		
Community Development Block Grants/ Entitlement Grants	304	14.218	B15MC390003	NAC	DCED	1,598		1,457		\$ 200
Community Development Block Grants/ Entitlement Grants	304	14.218	B16MC390003	NAC	DCED	823		651		40
Community Development Block Grants/ Entitlement Grants	304	14.218	B17MC390003	NAC	DCED	3,171		2,893		1,116
Community Development Block Grants/ Entitlement Grants	304	14.218	B18MC390003	NAC	DCED	4,714	709	5,257		2,962
Community Development Block Grants/ Entitlement Grants	304	14.218	B19MC390003	NAC	DCED	11,175	258	12,029	960	4,318
<b>Total for CFDA No. 14.218</b>						11,175	967	12,029	-	4,318
Emergency Solutions Grant Program - 2017 Grant Emergency Solutions Grant Program - 2018 Grant	445	14.231	E17 MC 39 0003 E18 MC 39 0003	NAO NAO	DCED DCED	9 949		9 949		9 948
<b>Total for CFDA No. 14.231</b>						958	-	958	-	957
HOME Investment Partnerships Program - 2014 HOME Investment Partnerships Program - 2015 HOME Investment Partnerships Program - 2016 HOME Investment Partnerships Program - 2017 HOME Investment Partnerships Program - 2018 HOME Investment Partnerships Program - 2019	411	14.239	M14MC390213 M15MC390213 M16MC390213 M17MC390213 M18MC390213 M19MC390213	NAC NAC NAC NAC NAC NAC	DCED DCED DCED DCED DCED DCED	1,118 107 177 239 243		1,145 112 177 265 243		149 43 335 485 863
<b>Total for CFDA No. 14.239</b>						1,884	258	1,942	-	149
Housing Opportunities for Persons with AIDS - 2016 Housing Opportunities for Persons with AIDS - 2017 Housing Opportunities for Persons with AIDS - 2018	465	14.241	OHH 16001 OHH 17001 OHH 18001	NAO NAO NAO	DCED DCED DCED	46 311 506		43 335 485		43 335 485
<b>Total for CFDA No. 14.241</b>						863	-	863	-	863
CDBG Section 108 Loan Guarantees	305	14.248	B12MC 390003	NAO	DCED		151	319		
<b>Total for CFDA No. 14.248</b>							151	319		
Lead Hazard Reduction Demonstration Grant Program Lead Hazard Reduction Demonstration Grant Program	381 387	14.905	OHLHB0582-14 OHLHD031117	NAM NAO	Health Finance	98 35		52 124		
<b>Total for CFDA No. 14.905</b>						133	-	176	-	-
<b>TOTAL FOR U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>						15,013	1,376	16,287	-	6,287
<b>U.S. DEPARTMENT OF INTERIOR</b>										
Fish and Wildlife Cluster:										
* Passed through Ohio Department of Natural Resources, Division of Wildlife Sport Fish Restoration Sport Fish Restoration	324	15.605	AQ18-31102 AQ19-31102	NAR NAR	Recreation Recreation	8 8		7 1		
<b>Total for CFDA No. 15.605</b>						8	-	8	-	-
<b>TOTAL FOR U.S. DEPARTMENT OF INTERIOR</b>						8	-	8	-	-

(continued)

CITY OF CINCINNATI, OHIO  
 Schedule of Receipts and Expenditures of Federal Awards  
 (Non-GAAP Budgetary Basis)  
 For Fiscal Year ended June 30, 2019

(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
<b>U.S. DEPARTMENT OF JUSTICE</b>										
* Passed through Ohio Attorney General										
Crime Victim Assistance (18VALU & 18VALU ADD-ON)	368	16.575	2018-VOCA-109309512 / 128496696	NAS	Police	\$ 36	\$ 44	44		
Crime Victim Assistance (19VALU)	368	16.575	2019-VOCA-132135903	NAS	Police	99	104	104		
<b>Total for CFDA No. 16.575</b>						135	148	148		
* Passed through Ohio Office of Criminal Justice Services										
Violence Against Women Formula Grants (17VAWA)	368	16.588	2017-WF-VA5-8583	NAS	Police	44	44	44		44
Violence Against Women Formula Grants (18VAWA)	368	16.588	2017-WF-VA5-8583a / 2018-WF-VA5-8583	NAS	Police	13	13	13		13
<b>Total for CFDA No. 16.588</b>						57	57	57		57
Public Safety Partnership and Community Policing Grants (15COPS)	368	16.710	2015-UL-WX-0030	NAS	Police	343		343		
Public Safety Partnership and Community Policing Grants (16COPS)	368	16.710	2016-UL-WX-0050	NAS	Police	726		673		
<b>Total for CFDA No. 16.710</b>						1,069		1,016		
2016 Technology Innovation for Public Safety (16TIPS)	368	16.738	2016-DG-BX-K052	NAS	Police	32	72	\$ (40)		
Edward Byrne Memorial Justice Assistance Grant Program (16JAG)	478	16.738	2016-DJ-BX-0213	NAS	Police	\$ 1	56	70		56
Edward Byrne Memorial Justice Assistance Grant Program (17JAG)	478	16.738	2017-DJ-BX-0116	NAS	Police	302	3	154		154
Edward Byrne Memorial Justice Assistance Grant Program (18JAG)	478	16.738	2018-DJ-BX-0599	NAS	Police	295		133		133
<b>Total for CFDA No. 16.738</b>						629	4	415	30	343
Body Worn Camera Policy and Implementation	880	16.835	2016-BC-BX-K061	CP	Police	150		178		
<b>Total for CFDA No. 16.835</b>						150		178		
Equitable Sharing Program	366	16.922		NAS	Police	483	6	233	124	
Equitable Sharing Program	367	16.922		NAS	Police	(21)	6	(85)		
<b>Total for CFDA No. 16.922</b>						462	6	321	39	
<b>TOTAL FOR U.S. DEPARTMENT OF JUSTICE</b>						2,502	10	2,135	69	400
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>										
Airport Improvement Program (FAA Local Match 142329)	980	20.106	3-39-0018-022-2014	CP	DOTe			350		
Airport Improvement Program (FAA/ODOT Local Match 172329)	980	20.106	3-39-0018-024-2017	CP	DOTe	1,434		3,495		
<b>Total for CFDA No. 20.106</b>						1,434		3,845		
Highway Planning and Construction Cluster:										
Highway Planning and Construction	980	20.205	PID 87036	CP	DOTe	299	292	595		
Highway Planning and Construction	980	20.205	PID 94068	CP	DOTe	154	49	203		
Highway Planning and Construction	980	20.205	PID 94484	CP	DOTe	1,993	1,767	3,761		
Highway Planning and Construction	980	20.205	PID 96693	CP	DOTe	45	45	45		
Highway Planning and Construction	980	20.205	PID 98757	CP	DOTe	97	97	97		
Highway Planning and Construction	980	20.205	PID 98782	CP	DOTe	75	75	75		
Highway Planning and Construction	980	20.205	PID 102062	CP	DOTe	42	32	60		
Highway Planning and Construction	980	20.205	PID 107981	CP	DOTe	12	12	241		
Highway Planning and Construction	980	20.205	PID 107982	CP	DOTe	155	366	366		
Highway Planning and Construction	980	20.205	PID 101886	CP	DOTe	1,413	471	2,049		
<b>Total for CFDA No. 20.205</b>						4,285	2,611	7,492		
<b>Total for Highway Planning and Construction Cluster</b>						4,285	2,611	7,492		
Federal Transit Cluster:										
Passed through Southwest Ohio Regional Transit Authority	980	20.500	OH-03-0303-00	CP	DOTe			3,366		
Federal Transits-Capital Investment Grants								3,366		
<b>Total for CFDA No. 20.500 ii</b>								3,366		
<b>Total for Federal Transit Cluster</b>								3,366		

(continued)

CITY OF CINCINNATI, OHIO  
Schedule of Receipts and Expenditures of Federal Awards  
(Non-GAAP Budgetary Basis)  
For Fiscal Year ended June 30, 2019

(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
<b>Highway Safety Cluster:</b>										
* Passed through Blue Ash Police Department State and Community Highway Safety State and Community Highway Safety	368	20.600	2017 MOA-Sub-recipient	NAS	Police	\$ 11	\$	\$ 11	11	-
	368	20.600	2018 MOA-Sub-recipient	NAS	Police	6		6	6	-
* Passed through Ohio Traffic Safety Office State and Community Highway Safety State and Community Highway Safety	368	20.600	IDEP/STEP-2018-Cinti Police Dept-00026	NAS	Police	16		16	16	-
	368	20.600	IDEP/STEP-2019-Cinti Police Dept-00012	NAS	Police	19		19	19	-
	368	20.600	GG-2019-Cincinnati Police Dept-00024	NAS	Police	8		8	15	-
<b>Total for CFDA No. 20.600</b>						<b>60</b>			<b>67</b>	
* Passed through Ohio Traffic Safety Office National Priority Safety Programs	368	20.616	DDEP-2019-00033	NAS	Police	6		6	6	-
<b>Total for CFDA No. 20.616</b>						<b>66</b>			<b>73</b>	
<b>Total for Highway Safety Cluster</b>										
* Passed through Ohio Traffic Safety Office Minimum Penalties for Repeat Offenders for Driving While Intoxicated	368	20.608	IDEP/STEP-2018-Cinti Police Dept-00026	NAS	Police	31		31	31	-
* Passed through Ohio Traffic Safety Office Minimum Penalties for Repeat Offenders for Driving While Intoxicated	368	20.608	IDEP/STEP-2019-Cinti Police Dept-00012	NAS	Police	27		27	27	-
<b>Total for CFDA No. 20.608</b>						<b>58</b>			<b>58</b>	
<b>TOTAL FOR U.S. DEPARTMENT OF TRANSPORTATION</b>						<b>5,843</b>	<b>2,611</b>	<b>14,834</b>		
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>										
* Passed through Council On Aging of Southwest Ohio Special Programs for the Aging, Title III, Part B, Prevention and Health Promotion Services	324	93.043		NAR	Recreation	1		1	1	-
<b>Total for CFDA No. 93.043</b>						<b>1</b>			<b>1</b>	
* Passed through Council On Aging of Southwest Ohio Special Programs for the Aging, Title III, Part B, Special Programs for Supportive Services and Senior Centers	324	93.044	65x2076	NAR	Recreation	10	4	4	5	-
<b>Total for CFDA No. 93.044</b>						<b>10</b>	<b>4</b>		<b>5</b>	
* Passed through Council On Aging of Southwest Ohio Special Programs for the Aging, Title III, Part C, Nutrition Services	324	93.045	65x2076	NAR	Recreation	76		110	110	-
<b>Total for CFDA No. 93.045</b>						<b>76</b>		<b>110</b>		
* Passed through National Recreation and Parks Association Chronic Diseases: Research, Control and Prevention	324	93.053	65x2076	NAR	Recreation	10		8	8	-
<b>Total for CFDA No. 93.053</b>						<b>10</b>		<b>8</b>		
<b>Total for Aging Cluster</b>						<b>96</b>	<b>4</b>	<b>123</b>		
* Passed through National Recreation and Parks Association Chronic Diseases: Research, Control and Prevention	324	93.068		NAR	Recreation			1	1	-
<b>Total for CFDA No. 93.068</b>								<b>1</b>		
* Passed through Ohio Department of Health Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	350	93.074	03120012PH1019	NAM	Health	64		64	64	-
* Passed through Ohio Department of Health Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	350	93.074	03120012PH0918	NAM	Health	46		64	64	-
<b>Total for CFDA No. 93.074</b>						<b>110</b>				
* Passed through Ohio Department of Health Family Planning Services	350	93.217	03120011RH0819	NAM	Health	250	27	276	276	-
* Passed through Ohio Department of Health Family Planning Services	350	93.217	03120011RH0920	NAM	Health	10		556	\$ 10	-
* Passed through Ohio Department of Health Family Planning Services	350	93.217	03120011RH0718	NAM	Health	116	17	135	135	-
<b>Total for CFDA No. 93.217</b>						<b>366</b>	<b>64</b>	<b>967</b>		<b>10</b>
<b>Health Center Program Cluster</b>										
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	446	93.224	H80CS25663	NAM	Health	2,884		2,843	2,843	-
* Passed through Cincinnati Health Network Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	448	93.224	H80CS500189	NAM	Health	257		221	221	-
<b>Total for CFDA No. 93.224</b>						<b>3,141</b>		<b>3,064</b>		
<b>Total for Health Center Program Cluster</b>						<b>3,141</b>		<b>3,064</b>		

(continued)

CITY OF CINCINNATI, OHIO  
 Schedule of Receipts and Expenditures of Federal Awards  
 (Non-GAAP Budgetary Basis)  
 For Fiscal Year ended June 30, 2019

(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 Health Immunization Cooperative Agreements	415	93.268	03120012GV0119	NAM	Health	\$ 211	\$ -	\$ 238	-	-
Immunization Cooperative Agreements	415	93.268	03120012IM1017	NAM	Health	42	-	238	-	-
<b>Total for CFDA No. 93.268</b>						253	-	238	-	-
* Passed through Ohio Department of Health Tobacco Use Prevention and Cessation	350	93.305	03120014TU0218	NAM	Health	50	-	75	-	-
Tobacco Use Prevention and Cessation	350	93.305	03120014TU0319	NAM	Health	42	-	75	-	-
<b>Total for CFDA No. 93.305</b>						92	-	75	-	-
Grants for Capital Development in Health Centers	446	93.526	15CFCAA-HIP	NAM	Health	510	-	629	-	-
<b>Total for CFDA No. 93.526</b>						510	-	629	-	-
<b>TANF Cluster:</b>										
* Passed through Ohio Department of Jobs and Family Services Temporary Assistance for Needy Families	323	93.558	05x2034 & 05x2035	APR	Recreation	380	136	643	-	-
<b>Total for CFDA No. 93.558</b>						380	136	643	-	-
* Passed through Ohio Department of Jobs and Family Services Refugee and Entrant Assistance State/Replacement Designee Administered Programs	350	93.566	G-1415-17-0841	NAM	Health	107	-	107	-	-
<b>Total for CFDA No. 93.566</b>						107	-	107	-	-
<b>CCDF Cluster:</b>										
* Passed through Ohio Department of Jobs and Family Services Child Care and Development Block Grant	323	93.575	05x2034 & 05x2035	APR	Recreation	191	68	321	-	-
<b>Total for CFDA No. 93.575</b>						191	68	321	-	-
* Passed through Ohio Department of Jobs and Family Services Social Services Block Grant	323	93.667	05x2034 & 05x2035	APR	Recreation	191	68	321	-	-
<b>Total for CFDA No. 93.667</b>						191	68	321	-	-
* Passed through Ohio Department of Health Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds	425	93.758	03120014CC0918	NAM	Health	52	-	87	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds	425	93.758	03120014CC1019	NAM	Health	39	-	11	-	-
<b>Total for CFDA No. 93.758</b>						91	-	98	-	-
* Passed through Ohio Department of Developmental Disabilities Medical Assistance Program	324	93.778		NAR	Recreation	7	-	11	-	-
<b>Total for CFDA No. 93.778</b>						7	-	11	-	-
* Passed through Ohio Department of Health Maternal and Child Health Services Block Grant to States	350	93.994	03120011RH0819	NAM	Health	138	-	138	-	-
Maternal and Child Health Services Block Grant to States	350	93.994	03120011RH0718	NAM	Health	125	-	125	-	-
<b>Total for CFDA No. 93.994</b>						263	-	263	-	-
<b>TOTAL FOR U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						5,799	330	6,926	10	-
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>										
* Passed through Ohio Department of Natural Resources, Division of Parks and Watercraft Boating Safety Financial Assistance	324	97.012	19-13	NAR	Recreation	11	-	-	-	-
<b>Total for CFDA 97.012</b>						11	-	-	-	-
* Passed through Ohio Department of Public Safety Disaster Grants - Public Assistance (Presidentially Declared Disasters)	479	97.036	FEMA-4360-DR-15000-00	NAO	Finance	417	121	537	-	-
Assistance to Firefighters Grant	472	97.044	EMW-2016-FO-06850	NAS	Fire	186	-	186	-	-
Assistance to Firefighters Grant	472	97.044	EMW-2017-FO-06892	NAS	Fire	1,225	-	1,216	-	-
<b>Total for CFDA No. 97.044</b>						1,411	-	1,402	-	-
Port Security Grant Program	368	97.056	EMW-2013-PJ-00176	NAS	Police	3	-	5	-	-
Port Security Grant Program	368	97.056	EMW-2016-PJ-00391	NAS	Police	1	-	1	-	-
Port Security Grant Program	368	97.056	EMW-2017-PJ-00197	NAS	Police	31	-	14	-	-
<b>Total for CFDA No. 97.056</b>						35	-	19	-	-
Staffing for Adequate Fire and Emergency Response	472	97.083	EMW-2015-FH-00547	NAS	Fire	2,142	-	2,142	-	-
Staffing for Adequate Fire and Emergency Response	472	97.083	EMW-2017-FH-00573	NAS	Fire	632	-	632	-	-
<b>Total for CFDA No. 97.083</b>						2,774	-	2,774	-	-
<b>TOTAL FOR U.S. DEPARTMENT OF HOMELAND SECURITY</b>						4,648	121	4,732	-	-
<b>TOTAL FEDERAL GRANTS &amp; SUBSIDIES (Non-GAAP Basis)</b>						\$ 37,043	\$ 4,461	\$ 48,129	\$ 79	\$ 6,687

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**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 2019 and 2018.

**(AMOUNTS IN THOUSANDS)**

	<b><u>FY2019</u></b>	<b><u>FY2018</u></b>
Required Base Amount	\$61,887	\$62,849
Actual Appropriated Amount	\$92,389	\$95,195
Infrastructure Expenditures - As of June 30	\$38,352	\$75,337
Percentage of Expenditures to Base Amount	61.9707%	119.8703%

I hereby certify that the City of Cincinnati appropriated for FY2019 an amount sufficient to meet the requirements for continuation of the Infrastructure Income Tax.

  
Karen Alder  
Finance Director

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# STATISTICAL SECTION



CITY OF CINCINNATI, OHIO

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**STATISTICAL SECTION**

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

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

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

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

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

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

**Sources:** Unless otherwise noted, the information in these statistical schedules is from the comprehensive annual financial reports for the relevant years.

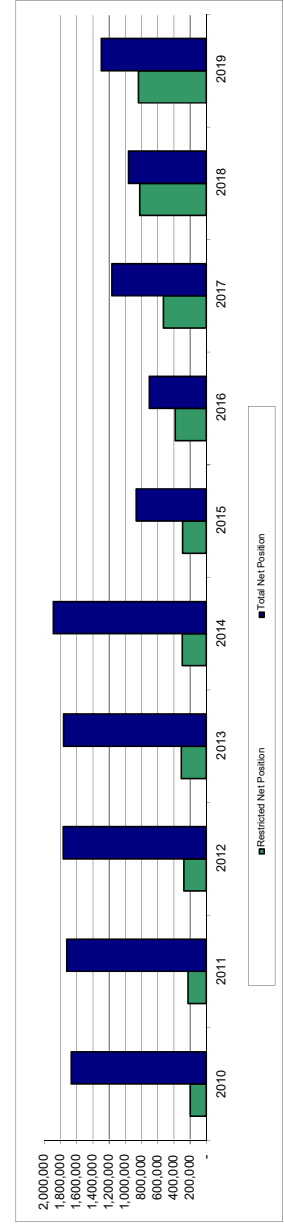
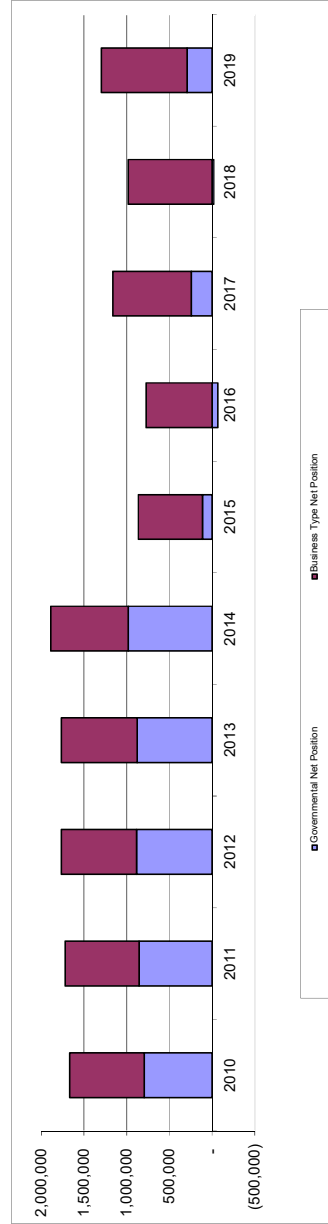
**Note:** The City changed its fiscal year in 2013 from a January 1 through December 31 to July 1 through June 30. The 2013 Fiscal year represents the six month conversion period from January 1 to June 30.

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City of Cincinnati  
Financial Trends Information  
Schedule 1  
Net Position by Category (Accrual Basis)  
Last Ten Fiscal Periods  
(Amounts in Thousands)

	Fiscal Period									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 714,580	\$ 741,266	\$ 777,236	\$ 797,444	\$ 866,831	\$ 928,893	\$ 868,010	\$ 902,668	\$ 938,541	\$ 887,570
Restricted	160,955	203,698	223,826	233,054	205,812	212,989	316,981	380,598	601,160	641,611
Unrestricted	(80,222)	(89,024)	(114,492)	(153,490)	(90,482)	(1,029,535)	(1,252,133)	(1,039,794)	(1,559,973)	(1,246,051)
Subtotal governmental activities net position	795,313	855,940	886,570	877,008	982,161	112,347	(67,242)	243,472	(20,272)	293,150
<b>Business-Type activities</b>										
Net Investment in Capital Assets	750,184	745,722	748,487	743,892	741,619	779,790	792,466	741,844	828,628	862,847
Restricted	36,587	23,010	52,330	77,273	90,651	79,623	67,988	146,953	221,472	197,236
Unrestricted	85,433	98,341	79,518	65,200	75,073	(106,980)	(86,602)	31,351	(68,069)	(56,776)
Subtotal business-type activities net position	872,204	867,073	880,335	886,365	907,343	752,433	773,852	920,148	982,031	1,003,307
<b>Primary Government</b>										
Net Investment in Capital Assets	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	1,760,417
Restricted	197,542	226,708	276,156	310,327	296,463	292,612	384,869	527,551	822,632	838,847
Unrestricted	5,211	9,317	(34,974)	(88,290)	(15,409)	(1,136,515)	(1,338,735)	(1,009,443)	(1,628,042)	(1,302,807)
Total primary government net position	\$ 1,667,517	\$ 1,723,013	\$ 1,766,905	\$ 1,763,373	\$ 1,889,504	\$ 864,780	\$ 706,610	\$ 1,163,620	\$ 961,759	\$ 1,296,457

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 (Accrual Basis)**  
**Last Ten Fiscal Periods**  
**(Amounts in Thousands)**

	Fiscal Period									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	\$ 106,395	\$ 78,682	\$ 52,737	\$ 18,198	\$ 59,231	\$ 62,795	\$ 59,129	\$ 64,104	\$ 65,860	\$ 78,476
General Government	5,147	37	13,346	6,779	31,726	32,147	10,799	13,471	9,627	6,892
Community Development	7,451	7,059	7,404	4,809	10,775	8,833	9,215	8,332	11,694	8,833
Parks and Recreation	14,789	19,331	18,059	8,752	22,032	25,205	22,172	15,952	26,032	22,953
Public Safety	1,956	1,360	1,581	937	3,233	3,865	550	1,993	1,496	1,947
Transportation and Engineering	2,588	36	2,301	1,056	2,789	2,971	4,578	3,721	5,346	2,261
Public Services	10,152	10,314	12,340	6,941	14,188	18,666	22,826	21,108	29,611	24,088
Public Health	64,475	66,024	78,897	21,967	58,425	66,808	48,537	39,173	36,632	44,026
Operating Grants and Contributions	23,436	27,012	31,232	21,416	36,456	35,054	20,563	12,786	14,287	14,645
Capital Grants and Contributions	236,389	209,855	217,897	90,855	238,855	256,344	198,169	180,640	200,585	204,121
Total governmental activities program revenue	123,443	119,434	132,486	64,840	139,635	140,124	146,395	155,282	160,811	158,399
Business-type activities	9,520	10,385	10,402	5,709	13,468	12,119	13,095	12,903	14,443	16,121
Charges for Services	6,764	7,513	6,788	4,221	6,693	6,978	8,211	7,407	8,764	7,542
Water Works	2,039	2,044	2,083	1,444	1,848	1,985	2,086	2,133	2,141	2,112
Parking Facilities	6,069	5,270	5,990	2,760	5,392	5,509	5,759	5,855	5,754	5,001
Convention Center	8,919	8,412	9,686	5,691	11,305	11,455	11,200	11,187	10,613	16,603
General Aviation	32,217	3,543	3,414	359	2,197	4,684	9,964	1,576	6,610	5,350
Municipal Golf	188,971	156,601	170,849	85,024	180,538	182,854	196,710	196,343	209,136	211,128
Stormwater Management	425,360	366,456	388,746	175,879	419,393	439,198	394,879	376,983	409,721	415,249
Capital Grants and Contributions	178,047	117,064	111,713	33,404	122,523	93,793	145,758	3,895	74,731	130,144
Total business-type activities program revenues	54,316	45,274	49,744	25,076	10,122	55,155	67,760	27,189	35,477	46,894
Total primary government program revenues	51,298	42,419	44,615	25,399	50,777	46,310	59,286	7,229	30,332	54,139
Expenses	254,720	242,159	248,347	128,138	231,266	255,412	276,858	279,296	326,114	8,318
Governmental Activities:	46,805	34,121	58,483	11,671	59,104	44,366	52,063	14,881	41,284	55,399
General Government	40,398	41,746	45,047	23,976	48,877	49,800	50,811	52,561	58,088	55,773
Community Development	60,920	57,415	46,287	28,611	60,855	50,878	58,286	8,006	26,722	52,192
Parks and Recreation	58,940	47,862	43,197	26,279	50,063	44,362	65,361	(16,397)	14,902	50,716
Public Safety	22,865	23,004	23,806	11,957	20,623	22,045	23,621	25,093	19,834	21,043
Transportation and Engineering	768,309	651,064	671,239	314,511	654,210	662,121	799,804	401,753	627,484	474,618
Public Services	132,531	119,423	116,652	64,130	123,598	109,676	131,121	21,598	75,980	135,569
Public Health	9,605	8,807	11,765	4,296	12,174	9,587	12,444	4,520	8,795	14,078
Interest on long-term debt	15,424	15,484	14,617	9,664	12,625	11,998	14,670	13,158	13,726	13,515
Business-type activities	2,864	2,729	2,110	1,120	2,503	2,289	2,431	(513)	1,549	2,392
Water Works	6,258	7,313	6,291	3,318	6,179	6,179	6,103	5,866	6,233	5,983
Parking Facilities	8,927	11,157	11,458	4,621	10,481	11,623	12,318	9,985	15,920	28,424
Convention Center	175,609	164,913	162,893	84,449	167,560	150,770	179,087	54,614	122,203	199,961
General Aviation	943,918	815,977	834,132	398,960	821,770	812,891	978,891	456,367	749,687	674,579
Municipal Golf										
Stormwater Management										
Total business-type activities expenses										
Total primary government expenses										
<b>Net (Expense)/Revenue</b>										
Governmental activities	(531,920)	(441,209)	(453,342)	(223,656)	(415,355)	(405,777)	(601,635)	(221,113)	(426,899)	(270,497)
Business-type activities	13,362	(8,312)	7,956	575	12,978	32,084	17,623	141,729	86,933	11,167
Total Primary Government Net Expense	(518,558)	(449,521)	(445,386)	(223,081)	(402,377)	(373,693)	(584,012)	(79,384)	(339,966)	(259,330)

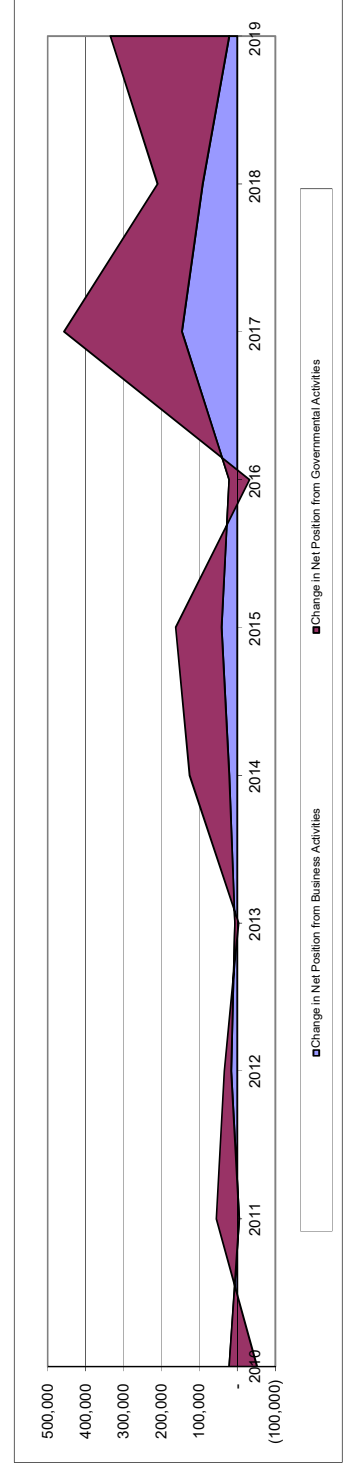
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**City of Cincinnati, Ohio**  
**Financial Trends Information**  
 Schedule 2  
**Changes in Net Position (Accrual Basis)**  
**Last Ten Fiscal Period**  
 (Amounts in Thousands)

	Fiscal Period									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Tax										
Property taxes	\$ 51,509	\$ 53,335	\$ 50,310	\$ 23,730	\$ 58,714	\$ 58,668	\$ 59,426	\$ 60,253	\$ 62,659	\$ 61,436
Income taxes	297,636	325,089	319,317	159,275	351,262	362,184	371,650	369,978	374,664	392,004
Admission taxes	4,174	4,450	4,616	1,720	5,278	5,422	6,586	5,811	5,796	6,002
Occupancy Tax	2,007	2,270	2,330	1,092	2,705	2,854	3,369	3,626	3,690	4,106
Shared Revenues	64,714	62,012	57,438	14,817	50,004	46,839	48,767	41,979	41,791	41,858
Unrestricted Investment earnings	10,861	9,407	5,931	(2,963)	10,357	7,108	8,972	3,413	2,407	17,779
Miscellaneous	27,380	31,844	31,370	17,474	41,048	42,585	45,067	44,426	51,587	57,837
Special Item - Gain on Sale of Property	(76)	(571)	100	(1,051)	1,140	1,119	4,788	2,341	2,934	2,897
Transfers between governmental and business-type activities										
Total governmental activities	458,205	501,836	471,412	214,094	520,508	526,779	548,625	531,827	545,528	583,919
Business-type activities:										
Tax										
Occupancy taxes	1,234	1,394	1,419	836	1,640	1,662	2,179	2,166	2,314	2,511
Unrestricted Investment earnings	4,969	4,515	3,976	(449)	4,443	3,524	4,625	2,224	3,760	9,303
Miscellaneous	2,041	1,486	3,294	4,301	3,057	5,243	1,780	2,518	1,684	1,192
Special Item	76	571	(100)	1,051	(1,140)	(1,119)	(4,788)	(2,341)	(2,934)	(2,897)
Transfers between governmental and business-type activities										
Total business-type activities	8,320	3,181	8,589	5,739	8,000	9,310	3,796	4,567	4,804	10,109
Total Primary Governmental Activities	466,525	505,017	480,001	219,833	528,508	536,089	552,421	536,394	550,332	594,028
<b>Change in Net Position</b>										
Governmental activities	(73,715)	60,627	18,070	(9,562)	105,153	121,002	(53,010)	310,714	118,629	313,422
Business-type activities	21,682	(5,131)	16,545	6,314	20,978	41,394	21,419	146,296	91,737	21,276
Total Primary Governmental Activities	\$ (52,033)	\$ 55,496	\$ 34,615	\$ (3,248)	\$ 126,131	\$ 162,396	\$ (31,591)	\$ 457,010	\$ 210,366	\$ 334,698

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 (Modified Accrual Basis)  
Last Ten Fiscal Periods  
(Amounts in Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable	\$ 3,726	\$ 4,063	\$ 6,415	\$ 4,025	\$ 2,304	\$ 3,612	\$ 3,730	\$ 3,931	\$ 3,852	\$ 3,412
Unrestricted:										
Committed	8,295	5,287	6,828	7,177	7,793	5,264	6,366	6,475	6,653	5,956
Assigned	27,316	24,975	24,548	22,561	6,620	5,734	8,810	7,539	8,981	8,876
Unassigned	46,017	65,481	61,915	52,545	64,778	72,232	73,932	59,380	54,980	66,748
Total General Fund	85,354	99,806	99,706	86,308	81,495	86,842	92,838	77,325	74,466	84,992
Capital Projects Fund										
Nonspendable	15,962	898	903	837	797	754	774	730	756	650
Restricted	109,561	125,603	160,798	134,339	134,412	59,435	151,402	202,045	179,435	195,682
Total Capital Projects Fund	125,523	126,501	161,701	135,176	135,209	60,189	152,176	202,775	180,191	196,332
Debt Service Fund										
Nonspendable	10,000									
Restricted	50,548	81,090	76,846	90,078	108,575	99,091	116,003	102,507	107,049	118,437
Total Debt Service Fund	60,548	81,090	76,846	90,078	108,575	99,091	116,003	102,507	107,049	118,437
Tax Increment Financing Fund										
Restricted	45,421	60,738	37,224	25,087	26,505	27,350	50,284	35,192	35,456	29,800
Total Tax Increment Financing Fund	45,421	60,738	37,224	25,087	26,505	27,350	50,284	35,192	35,456	29,800
All Other Governmental Funds										
Nonspendable	3,274	2,645	2,655	2,658	2,713	2,628	2,428	2,395		
Restricted	52,664	56,348	56,742	58,190	59,621	72,833	66,917	71,580	2,287	2,617
Unrestricted:										
Committed	18,447	18,021	13,171	13,642	17,218	19,443	19,129	17,378	65,512	59,312
Assigned		(1,748)	(1,024)	(2,841)	(1,025)	(2,139)	(1,502)		21,953	20,727
Unassigned	74,888	75,266	71,544	71,649	78,527	92,765	86,972	91,353	89,752	82,656
Total Other Governmental Funds	\$ 391,734	\$ 443,401	\$ 447,021	\$ 408,298	\$ 430,311	\$ 386,237	\$ 498,273	\$ 509,152	\$ 486,914	\$ 512,217
Total Fund Balance, Governmental Funds	\$ 1,065	\$ 1,048	\$ (3,448)	\$ 5,707	\$ (1,317)	\$ 2,395	\$ 3,334	\$ 10,433	\$ 10,174	\$ (632)
Estimated Liability for Compensated Absences										

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 (Modified Accrual Basis)**  
**Last Ten Fiscal Periods**  
**(Amounts in Thousands)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$ 359,559	\$ 377,508	\$ 379,467	\$ 190,262	\$ 409,624	\$ 421,178	\$ 440,768	\$ 439,212	\$ 446,981	\$ 462,471
Licenses and Permits	11,218	11,313	10,824	6,071	14,041	15,078	14,781	17,024	18,639	21,857
Use of Money and Property	43,935	38,047	37,099	13,488	44,654	39,960	50,051	38,085	42,071	53,033
Special Assessments	5,416	4,993	5,058	3,128	6,061	6,376	5,398	6,739	6,938	6,814
Intergovernmental Revenue	75,139	71,506	90,255	29,442	55,963	54,187	57,413	51,444	48,614	50,063
Federal Grants	60,328	62,508	65,729	30,728	69,829	80,131	53,240	36,342	32,133	37,072
State Grants and Other Subsidies	14,738	10,550	10,550	7,233	4,384	10,528	4,749	8,840	11,009	11,009
Charges for Current Services	35,015	35,007	37,738	18,461	40,675	48,551	53,926	52,261	61,924	59,594
Miscellaneous	35,753	35,419	34,839	18,791	47,628	47,151	48,911	62,719	62,834	67,332
<b>Total Revenue</b>	<b>641,101</b>	<b>654,125</b>	<b>671,359</b>	<b>317,604</b>	<b>697,859</b>	<b>723,140</b>	<b>729,078</b>	<b>708,575</b>	<b>728,974</b>	<b>769,245</b>
<b>Expenditures</b>										
<b>Current</b>										
General Government	62,296	64,982	65,969	42,632	92,091	98,413	100,781	95,102	103,720	114,851
Community Development	10,553	8,386	8,351	3,854	12,928	12,272	46,146	23,774	19,922	24,664
Parks and Recreation	28,324	26,048	28,133	13,959	35,930	38,214	38,518	39,614	40,151	42,806
Public Safety	177,738	177,432	176,453	84,797	229,607	240,235	241,815	267,093	276,401	279,531
Transportation and Engineering	7,488	6,241	7,671	3,851	9,216	8,798	8,395	8,874	10,057	11,168
Transit System	40,398	41,746	45,047	23,976	48,877	49,800	50,811	52,561	58,088	55,773
Public Services	35,514	28,887	27,834	15,573	40,661	39,646	37,417	36,435	38,343	38,705
Public Health	33,898	30,203	31,397	15,742	44,464	46,371	49,504	52,779	52,597	54,252
Employee Benefits	92,418	94,932	102,874	53,084						
Capital Outlay	171,810	144,866	205,251	86,988	186,742	180,904	135,669	118,793	112,749	101,698
Debt Services:										
Principal Retirement	38,338	40,869	44,888	708	59,635	49,039	51,346	57,441	63,641	57,389
Interest	22,878	22,670	23,885	12,020	20,812	25,882	26,688	28,422	21,500	27,354
Bond Issuance Cost	556	850	1,193	-	900	-	4,202	1,336	851	690
<b>Total Expenditures</b>	<b>722,209</b>	<b>688,112</b>	<b>768,946</b>	<b>357,184</b>	<b>781,863</b>	<b>789,574</b>	<b>791,292</b>	<b>782,224</b>	<b>798,020</b>	<b>808,881</b>
<b>Excess(Deficiency) of Revenues over(under) Expenditures</b>	<b>(81,108)</b>	<b>(33,987)</b>	<b>(97,587)</b>	<b>(39,580)</b>	<b>(84,004)</b>	<b>(66,434)</b>	<b>(62,214)</b>	<b>(73,649)</b>	<b>(69,046)</b>	<b>(39,636)</b>
<b>Other Financing Sources (Uses)</b>										
General Obligation Bonds and Notes Issued	47,027	49,000	89,155		94,721		140,481	65,038	41,911	50,835
Revenue Bonds Issued		21,000					35,530	10,000		
Capital Lease Financing							20,079	10,420		8,125
Refunding Bonds Issued	10,305	19,000	49,025		42,045		173,100	10,725	60,023	
Payment to Refunded Bonds Escrow Agent	(10,810)	(20,683)	(54,571)		(46,959)		(191,486)	(10,667)	(69,146)	
Discount on Bonds		(180)					(120)	(6)		
Premium on Bonds Issued										
State Loans Received	1,661	3,869	17,670		16,309		32,049	3,940	11,843	3,705
Capital Lease Agreements										
Revenue Loan Proceeds										
Judgement Payment with Bonds Issued										
Transfers In	81,621	74,290	115,744	19,985	101,424	46,663	164,800	102,285	52,316	81,062
Transfers(Out)	(81,815)	(74,642)	(114,796)	(19,128)	(101,650)	(44,303)	(159,741)	(107,207)	(50,139)	(78,788)
<b>Total Other Financing Sources(Uses)</b>	<b>47,989</b>	<b>71,654</b>	<b>102,227</b>	<b>857</b>	<b>105,890</b>	<b>2,360</b>	<b>194,250</b>	<b>84,528</b>	<b>46,808</b>	<b>64,939</b>
Special Item		14,000								
<b>Net change in fund balances</b>	<b>\$ (33,119)</b>	<b>\$ 51,667</b>	<b>\$ 4,640</b>	<b>\$ (38,723)</b>	<b>\$ 21,886</b>	<b>\$ (64,074)</b>	<b>\$ 132,036</b>	<b>\$ 10,879</b>	<b>\$ (22,238)</b>	<b>\$ 25,303</b>
<b>Capitalized Assets</b>	<b>\$ 108,294</b>	<b>\$ 112,357</b>	<b>\$ 141,071</b>	<b>\$ 79,205</b>	<b>\$ 88,689</b>	<b>\$ 123,072</b>	<b>\$ 64,152</b>	<b>\$ 33,137</b>	<b>\$ 21,658</b>	<b>\$ 70,765</b>
<b>Debt services as a Percentage of Noncapital Expenditures</b>	<b>11.12%</b>	<b>11.70%</b>	<b>12.20%</b>	<b>4.71%</b>	<b>13.52%</b>	<b>12.31%</b>	<b>11.90%</b>	<b>12.94%</b>	<b>12.45%</b>	<b>11.48%</b>

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.

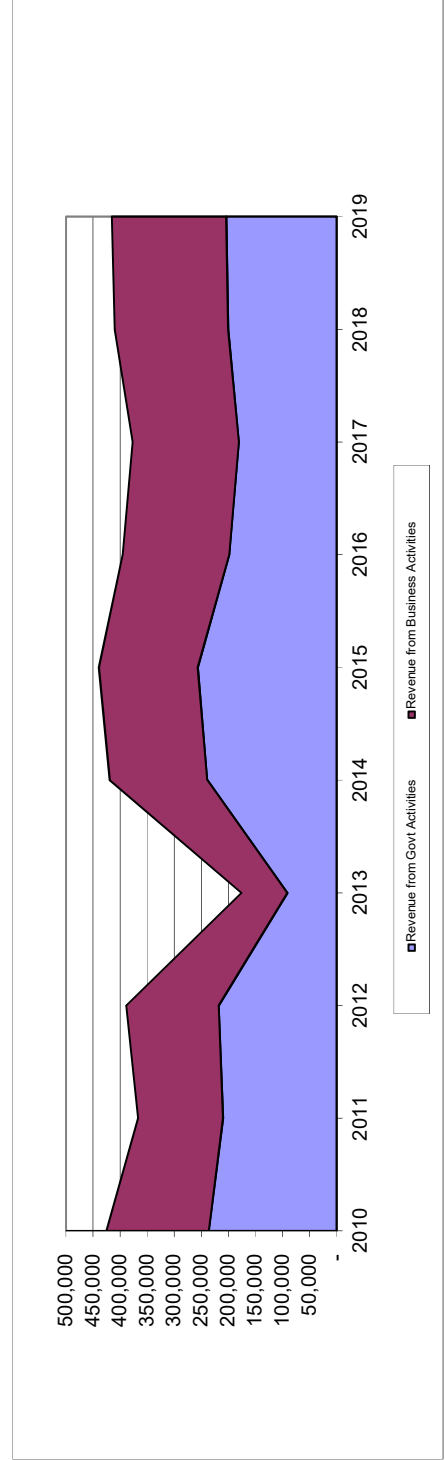
Note: The City of Cincinnati Changed Fiscal Year in 2013. The information for the 2013 Fiscal Year represents six months of information for the period ending June 30, 2013.

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 (Accrual Basis)  
Last Ten Fiscal Periods  
(Amounts in Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Function/Program</b>										
<b>Governmental Activities:</b>										
General Government	\$ 111,773	\$ 90,913	\$ 69,143	\$ 23,079	\$ 65,245	\$ 68,380	\$ 59,270	\$ 64,906	\$ 67,305	\$ 81,086
Community Development	43,336	36,005	45,061	18,610	64,039	74,185	32,935	28,688	21,250	22,381
Parks and Recreation	12,601	9,447	9,295	5,361	12,171	10,535	12,547	10,849	16,746	14,194
Public Safety	27,654	35,241	30,243	13,150	34,914	36,894	36,155	26,457	36,779	34,448
Transportation and Engineering	15,828	17,007	41,236	17,796	35,199	33,049	17,987	12,662	11,528	14,260
Public Services	4,812	1,409	3,304	1,358	3,161	3,801	5,618	3,758	5,351	2,261
Public Health	20,385	19,833	19,615	11,501	24,126	29,500	33,657	33,320	41,626	35,491
<b>Subtotal governmental activities program revenue</b>	<b>236,389</b>	<b>209,855</b>	<b>217,897</b>	<b>90,855</b>	<b>238,855</b>	<b>256,344</b>	<b>198,169</b>	<b>180,640</b>	<b>200,585</b>	<b>204,121</b>
<b>Business-type activities</b>										
Water Works	126,482	122,738	135,871	65,142	141,637	144,323	154,357	156,763	161,299	163,749
Parking Facilities	9,520	10,535	10,402	5,766	13,468	12,119	13,095	12,903	14,443	16,121
Convention Center	6,764	7,513	6,788	4,221	6,693	7,381	9,428	7,443	11,336	7,542
General Aviation	2,042	2,133	2,112	1,444	2,043	2,067	2,871	2,183	5,691	2,112
Municipal Golf	6,367	5,270	5,990	2,760	5,392	5,509	5,759	5,864	5,754	5,001
Stormwater Management	37,796	8,412	9,686	5,691	11,305	11,455	11,200	11,187	10,613	16,603
<b>Subtotal business-type activities program revenues</b>	<b>188,971</b>	<b>156,601</b>	<b>170,849</b>	<b>85,024</b>	<b>180,538</b>	<b>182,854</b>	<b>196,710</b>	<b>196,343</b>	<b>209,136</b>	<b>211,128</b>
<b>Total primary government program revenues</b>	<b>\$ 425,360</b>	<b>\$ 366,456</b>	<b>\$ 388,746</b>	<b>\$ 175,879</b>	<b>\$ 419,393</b>	<b>\$ 439,198</b>	<b>\$ 394,879</b>	<b>\$ 376,983</b>	<b>\$ 409,721</b>	<b>\$ 415,249</b>

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 (Modified Accrual Basis)**  
**Last Ten Fiscal Periods**  
**(Amounts in Thousands)**

Fiscal Year	Licenses and Permits		Use of Money and Property		Special Assessments		Inter-Governmental Revenues		Grants and Subsidies		Charges for Current Services		Misc	Total
	Taxes	Permits	Property	Assessments	Special	Governmental	Subsidies	Services	Misc	Total				
2010	\$ 359,559	\$ 11,218	\$ 43,935	\$ 5,416	\$ 75,139	\$ 75,066	\$ 35,015	\$ 641,101	\$ 35,753	\$ 641,101	\$ 35,753	\$ 641,101	\$ 35,753	\$ 641,101
2011	377,508	11,313	38,047	4,993	71,506	80,332	35,007	654,125	35,419	654,125	35,419	654,125	35,419	654,125
2012	379,467	10,624	37,099	5,058	90,255	76,279	37,738	671,359	34,839	671,359	34,839	671,359	34,839	671,359
2013	190,262	6,071	13,488	3,128	29,442	37,961	18,461	317,604	18,791	317,604	18,791	317,604	18,791	317,604
2014	409,624	14,041	44,654	6,061	55,963	79,213	40,675	697,859	47,628	697,859	47,628	697,859	47,628	697,859
2015	421,178	15,078	39,960	6,376	54,187	90,659	48,551	723,140	47,151	723,140	47,151	723,140	47,151	723,140
2016	440,768	14,781	50,051	5,398	57,413	57,830	53,926	729,078	48,911	729,078	48,911	729,078	48,911	729,078
2017	439,212	17,024	38,085	6,739	51,444	41,091	52,261	708,575	62,719	708,575	62,719	708,575	62,719	708,575
2018	446,981	18,639	42,071	6,938	48,614	40,973	61,924	728,974	62,834	728,974	62,834	728,974	62,834	728,974
2019	462,471	21,857	53,033	6,814	50,063	48,081	59,594	769,245	67,332	769,245	67,332	769,245	67,332	769,245

Change 2010-2019 28.6% 94.8% 20.7% 25.8% -33.4% -35.9% 70.2% 88.3% 20.0%

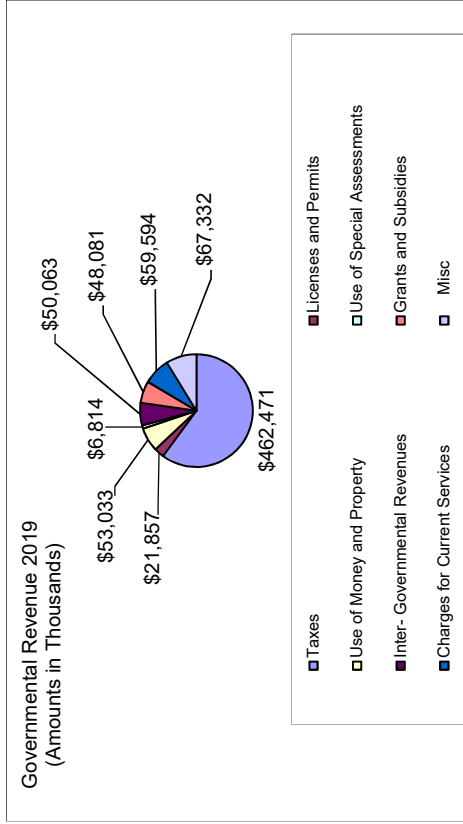
**City of Cincinnati**  
**Tax Revenues by Source, Governmental Funds**  
**Last Ten Fiscal Periods**  
**(Amounts in Thousands)**

Fiscal Year	Income Tax		Property Tax		Admissions Tax		Occupancy Tax		Tax Revenue	
	Income Tax	Property Tax	Admissions Tax	Occupancy Tax	Income Tax	Property Tax	Admissions Tax	Occupancy Tax	Income Tax	Property Tax
2010	\$ 302,307	\$ 51,070	\$ 4,175	\$ 2,007	\$ 359,559	\$ 51,070	\$ 4,175	\$ 2,007	\$ 359,559	\$ 51,070
2011	317,453	53,335	4,450	2,270	377,508	53,335	4,450	2,270	377,508	53,335
2012	322,526	49,995	4,616	2,330	379,467	49,995	4,616	2,330	379,467	49,995
2013	166,137	21,314	1,719	1,092	190,262	21,314	1,719	1,092	190,262	21,314
2014	344,688	56,953	5,278	2,705	409,624	56,953	5,278	2,705	409,624	56,953
2015	355,276	57,604	5,444	2,854	421,178	57,604	5,444	2,854	421,178	57,604
2016	371,435	59,379	6,585	3,369	440,768	59,379	6,585	3,369	440,768	59,379
2017	370,134	59,641	5,811	3,626	439,212	59,641	5,811	3,626	439,212	59,641
2018	374,663	62,831	5,797	3,690	446,981	62,831	5,797	3,690	446,981	62,831
2019	391,191	61,172	6,002	4,106	462,471	61,172	6,002	4,106	462,471	61,172

Change 2010-2019 29.4% 19.8% 43.8% 104.6% 28.6%

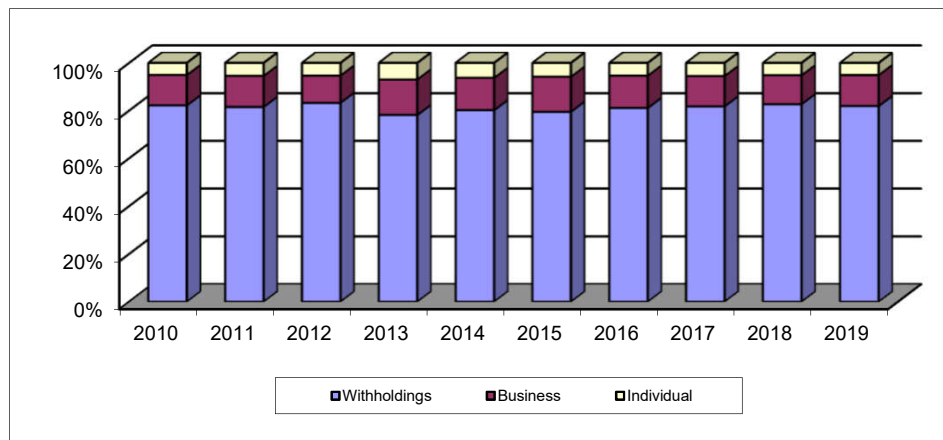
(1) Property Taxes include TIF service payments until 2010. TIF service payments are now in Miscellaneous Revenue.

(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
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
2019	21,160	5.1%	53,983	13.0%	340,774	81.9%	415,917	21,720	394,197



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  
Last Ten Fiscal Periods  
(Amounts in Thousands)**

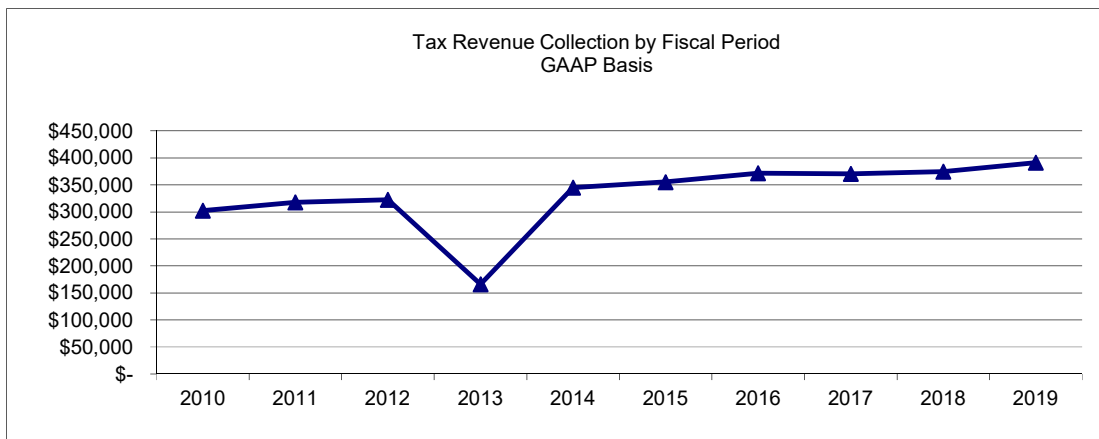
**Non GAAP Budgetary Basis**

Year	General Fund	Transit Fund	Infrastructure Fund	Capital Projects Fund	Total	% Inc(Dec) Prior Year
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	1.15%
2019	288,826	55,902	18,634	27,951	391,313	4.09%

**Modified Accrual Basis**

Year	General Fund	Transit Fund	Infrastructure Fund	Capital Projects Fund	Total	% Inc(Dec) Prior Year
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%
2019	288,736	55,884	18,628	27,943	391,191	4.41%

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**

**Assessed Valuations**

<b>Collection Year</b>	<b>Real Property</b>	<b>Public Utility Property</b>	<b>Tangible Personal Property</b>	<b>Total</b>	<b>Direct Tax Rate</b>
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
2019	5,261,461,220	472,306,030	-	5,733,767,250	12.42

The current assessed valuation for collection year 2019 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:

<b>Collection Year</b>	<b>Estimated True Values</b>	<b>Year</b>	<b>Estimated True Values</b>
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
2014	14,993,279,743	2019	16,382,192,143

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 Seven Collection Years**

<b>Collection Year</b>	<b>Agricultural</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Residential</b>	<b>Utilities</b>
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
2019	1,065,470	1,642,319,980	233,670,980	3,374,628,630	9,776,160

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				
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	5.90	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	6.50	71.49	21.06	104.75	76.51	88.19
2014 for	2015	5.60	6.50	70.65	20.88	103.63	75.20	87.94
2015 for	2016	5.60	6.50	70.15	20.88	103.13	74.80	87.64
2016 for	2017	5.54	6.50	77.91	20.88	110.83	82.72	95.40
2017 for	2018	5.54	6.50	77.23	21.19	110.46	80.63	93.48
2018 for	2019	5.16	7.26	76.61	24.17	113.20	83.44	96.52

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	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Duke Energy	\$ 478,103,880	1	8.34%	\$ 273,503,210	1	4.60%
City of Cincinnati	101,440,490	2	1.77%	93,903,310	2	1.58%
The Procter and Gamble Co	53,216,680	3	0.93%	59,104,370	3	1.00%
Fifth Third Bank	31,866,040	4	0.56%	21,799,510	8	0.37%
Acabay Atrium Two L P	19,925,860	5	0.35%			
Regency Centers LP	19,590,580	6	0.34%	19,619,800	9	0.33%
Hertz Center	16,992,830	7	0.30%			
CVG Partners LLC	16,197,550	8	0.28%			
PNC Center Associates LLC	15,447,310	9	0.27%			
Cincinnati Fifth Street Hotel LLC	13,492,690	10	0.24%			
Columbia Development				24,239,670	7	0.41%
Carew Realty Inc				29,263,860	4	0.49%
Cincinnati Bell				27,292,680	5	0.46%
Ohio Teachers Retirement System				24,325,000	6	0.41%
580 Walnut Street				15,462,840	10	0.26%
Total	<u>\$ 766,273,910</u>		<u>13.38%</u>	<u>\$ 588,514,250</u>		<u>9.92%</u>
Total Assessed Value	<u>\$ 5,733,767,250</u>			<u>\$ 5,940,113,290</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)**

<b>Collection Year</b>	<b>Net Tax Levy</b>	<b>Current Collections</b>	<b>Percentage of Current Collections to Net Levy</b>	<b>Prior Year Collections</b>	<b>Total Collections</b>	<b>Percentage of Total Collections to Net Levy</b>
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%
2018	63,338	60,313	95.62%	2,249	62,562	98.78%
2019	64,662	62,174	96.15%	2,482	64,657	99.99%

Note 1: Collections (2010 - 2019) have been reduced for State reimbursements of personal property tax that had been included in prior year amounts. These amounts are included in intergovernmental revenues.

Note 2: The information presented in this chart is based on collection years from January 1 through December 31.

**City of Cincinnati**  
**Revenue Capacity**  
**Schedule 8**  
**Water Works**  
**Top Ten Retail Customer Data**  
**For The Year Ended June 30, 2019**

RANK	NAME OF CUSTOMER	TOTAL CONSUMPTION,		TOTAL CONSUMPTION,		TOTAL CHARGES		TOTAL CHARGES	
		HUNDREDS OF CUBIC FEET	THOUSANDS OF GALLONS	HUNDREDS OF CUBIC FEET	THOUSANDS OF GALLONS	TOTAL CHARGES	TOTAL CHARGES	PERCENT OF TOTAL CONSUMPTION	PERCENT OF TOTAL CHARGES
1	University of Cincinnati	595,989	445,800			\$1,122,032		1.27%	0.73%
2	Children's Hospital	335,575	251,010			\$714,615		0.71%	0.47%
3	Procter and Gamble	220,096	164,632			\$475,644		0.47%	0.31%
4	CCB CC Operaton (Coca Cola)	198,942	148,809			\$410,156		0.42%	0.27%
5	Rhodia Inc	198,829	148,724			\$413,659		0.42%	0.27%
6	Samuel Adams Brewing	177,713	132,929			\$369,344		0.38%	0.24%
7	John Morrell Co	159,082	118,993			\$414,215		0.34%	0.27%
8	Cinergy Solutions	138,684	103,736			\$375,203		0.30%	0.24%
9	Flint Ink	118,034	88,289			\$307,307		0.25%	0.20%
10	Two Holdings	115,331	86,268			\$287,997		0.25%	0.19%
	Total - Top Ten Retail Users	2,258,275	1,689,190			\$4,890,172		4.80%	3.18%
	TOTAL - Top 75 Users	18,326,539	13,708,251			\$38,622,581		38.99%	25.15%
	TOTAL - System	47,008,627	35,162,453			\$153,594,559		100.00%	100.00%

**City of Cincinnati  
Revenue Capacity  
Schedule 9  
Water Works  
Historical and Projected Water System Pumpage**

Year	Total Pumpage (MG)	Average Day MGD	Maximum Day MGD	System's Rated Pumpage Capacity MGD	Maximum Daily Pumpage as % of Capacity
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%
2019	43,165.940	118.3	183.4	260	70.54%

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 Years' Sales	Percentage of Sales Collected
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%
2019	145,276,539	145,313,037	100.03%
	<u>\$ 1,195,069,268</u>	<u>\$ 1,193,779,042</u>	<u>99.89%</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 Position Ratio
<b>Governmental Activities</b>												
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	284	632,950	2,136.73	4.9%	1.35		
2013 (1)	480,958	69,275	93,418	7,500	12,817	200	666,488	2,247.47	5.1%	1.33		
2014	533,482	51,050	90,023		11,952	121	688,737	2,314.95	5.0%	1.27		
2015	486,949	73,144	84,044		11,643	135	660,359	2,319.42	4.9%	1.49		
2016	579,156	34,225	126,534	14,725	11,643	25,133	795,419	2,211.89	4.5%	0.14		
2017	580,407	29,248	132,118		18,879	28,408	792,775	2,653.20	5.1%	(0.08)		
2018	550,105	52,159	121,415		12,441	\$ 5,389	770,027	2,555.67	N/A	(0.03)		
2019	533,704	61,259	126,099		11,516	5,225	769,889	2,544.20	N/A	0.40		
<b>Business-Type Activities</b>												
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	4.2%	1.20		
2018	27,201		544,380		45,290	440	617,311	2,048.82	N/A	1.59		
2019	29,873		521,878		47,397		599,148	1,979.97	N/A	1.67		
<b>Total Primary Governmental Activities</b>												
2010	\$ 421,665	\$ 22,500	\$ 478,100		\$ 11,118	\$ 650	\$ 934,033	\$ 2,564.14	7.1%	1.84		
2011	428,445	17,000	544,580		12,957	473	1,003,455	2,786.09	7.4%	1.66		
2012	495,020	34,595	613,006	\$ 7,500	20,215	2,119	1,185,342	2,809.48	7.6%	1.45		
2013 (1)	494,663	69,275	611,510	7,500	12,817	1,885	1,230,415	3,018.29	10.1%	1.44		
2014	543,804	51,050	586,593		42,029	1,622	1,237,050	4,143.61	10.3%	1.43		
2015	494,178	73,144	558,053		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	26,122	1,366,809	3,986.82	8.2%	0.63		
2017	605,587	29,248	710,597		18,879	29,107	1,439,618	4,800.03	9.3%	0.49		
2018	577,306	52,159	665,795		12,441	\$ 5,389	1,387,338	4,604.49	N/A	0.05		
2019	563,577	61,259	647,977		11,516	5,225	1,369,037	4,524.17	N/A	0.96		

(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
2010	\$ 421,665,000	\$ 50,548,000	\$ 371,117,000	\$ 5,940,113,290	332,252	113.62%	\$ 1,269
2011	428,445,000	81,090,000	347,355,000	5,827,536,160	296,943	123.34%	1,443
2012	495,020,000	76,846,000	418,174,000	5,343,335,120	296,223	118.38%	1,671
2013	494,663,000	90,078,000	404,585,000	5,274,053,840	296,550	122.26%	1,668
2014	543,804,000	108,575,000	435,229,000	5,247,647,910	296,550	124.95%	1,834
2015	494,178,000	99,091,000	395,087,000	5,331,713,410	297,517	125.08%	1,661
2016	600,474,000	116,003,000	484,471,000	5,385,585,640	298,550	123.94%	2,011
2017	605,587,000	102,507,000	503,080,000	5,450,610,000	298,800	120.38%	2,027
2018	577,306,000	107,049,000	470,257,000	5,771,060,910	301,301	122.76%	1,916
2019	563,577,000	118,437,000	445,140,000	5,733,767,250	302,605	126.61%	1,862

Note 1 - This is general bonded debt of both governmental activities and business-type activities, net of premiums and discounts.

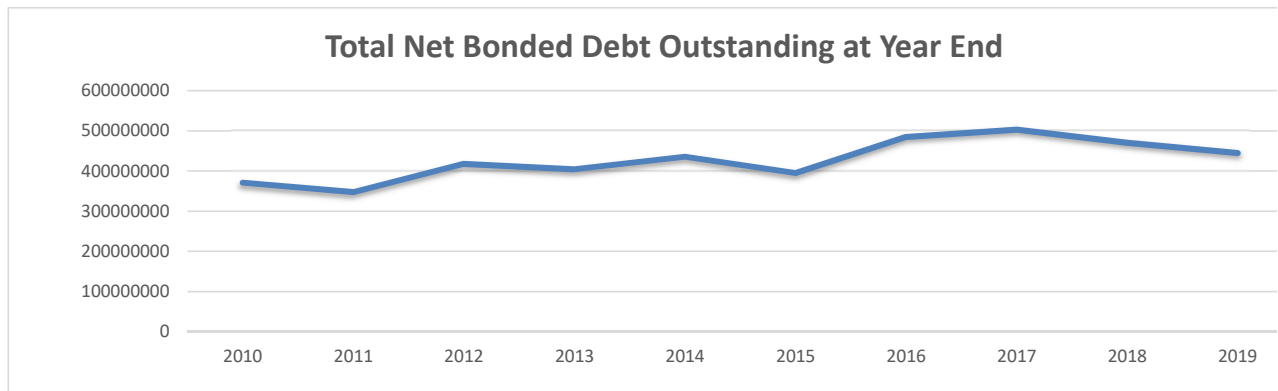
Note 2 - This is the amount restricted for debt service principal payments.

**City of Cincinnati  
Debt Capacity Information  
Schedule 3  
Computation of Direct and Overlapping Debt  
June 30, 2019**

	Assessed Valuation (a)	Total Direct Debt	Percent Overlapping	Net Tax Supported Overall Debt
<u>Direct:</u>				
City of Cincinnati	\$ 5,733,767,250	\$ 769,889,000	100 %	\$ 769,889,000
<u>Overlapping:</u>				
Board of Education -				
Cincinnati City School District	6,428,985,790	308,460,000 (b)	89.19%	275,103,711
Hamilton County	19,445,824,730	101,576,478 (a)	29.49%	29,950,691
Subtotal		<u>410,036,478</u>		<u>305,054,402</u>
Total		<u>\$ 1,179,925,478</u>		<u>\$ 1,074,943,402</u>

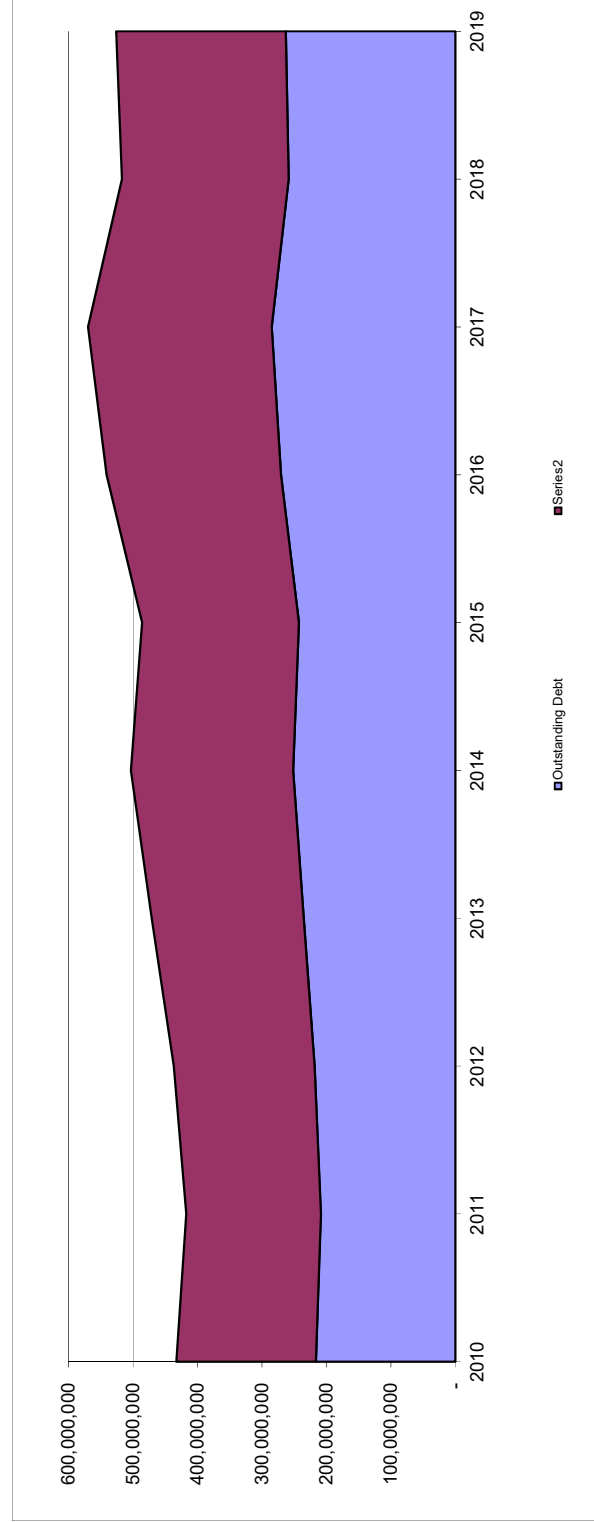
(a) Source: Hamilton County Auditor's Office

(b) Source: Cincinnati City School District



**City of Cincinnati**  
**Debt Capacity Information**  
**Schedule 4**  
**Legal Debt Margin**  
**For the Last Ten Fiscal Periods**

	<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>	<u>2019</u>
Overall Debt Limitation - 10.5% of Assessed Valuation	\$ 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	\$ 602,045,561
Net Debt Within 10.5% Limitation	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	263,166,000
Legal Debt Margin Within 10.5% Limitation	\$ 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	\$ 338,879,561
Net Debt Percentage of 10.5% Limitation	34.73%	34.12%	38.95%	42.53%	45.68%	43.41%	47.86%	51.79%	42.69%	43.71%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 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	\$ 315,357,199
Net Debt Within 5.5% Limitation	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	263,166,000
Legal Debt Margin Within 5.5% Limitation	\$ 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	\$ 52,191,199
Net Debt Percentage of 5.5% Limitation	66.30%	65.14%	74.36%	81.18%	87.20%	82.88%	91.36%	98.88%	81.50%	83.45%



**City of Cincinnati**  
**Debt Service Capacity**  
**Schedule 5**  
**Revenue Bonds Debt Service Coverage**  
**Last Six Fiscal Years<sup>1</sup>**

Economic Development Revenue Bonds<sup>2</sup>

Fiscal Year	Special Funds <sup>3</sup>	Maximum Annual		Dedicated Economic Development Fund	Special Funds <sup>3</sup>	Maximum Annual		Coverage
		Debt Service <sup>4</sup>	Coverage	(DEDFF)	+	DEDFF	Debt Service <sup>4</sup>	
2014	\$ 17,090,510	\$ 8,270,572	2.07	\$ 2,000,000	\$ 19,090,510	\$ 8,270,572	2.31	
2015	19,378,983	8,741,704	2.22	2,000,000	21,378,983	8,741,704	2.45	
2016	19,995,515	10,197,363	1.96	2,000,000	21,995,515	10,197,363	2.16	
2017	22,800,941	10,786,342	2.11	2,000,000	24,800,941	10,786,342	2.30	
2018	23,671,463	10,786,342	2.19	2,000,000	25,671,463	10,786,342	2.38	
2019	27,197,986	11,689,396	2.33	2,000,000	29,197,986	11,689,396	2.50	

<sup>1</sup>The City changed reporting periods from a calendar year to a June 30th fiscal year, with the first full fiscal year ended June 30, 2014. This schedule will continue to build out prospectively until ten full fiscal years are available.

<sup>2</sup>The City's Economic Development Revenue Bonds (EDRBs) are issued pursuant to the Trust Agreement, dated as of May 1, 1996, as amended and supplemented (the "EDRB Trust Agreement"), between the City and The Bank of New York Mellon Trust Company, N.A. (as successor trustee to Fifth Third Bank), as trustee. In accordance with the applicable Undertakings related to its EDRBs, the City is required to provide updates on the historical debt service coverage provided by the Special Funds, which appears in the Official Statements related to such EDRBs. In Fiscal Year 2019, the City has updated Schedule 5 to comply with the debt service coverage requirements of the EDRB Trust Agreement.

<sup>3</sup>"Special Funds" means all revenues received by the City under the revenue items designated as Fines, Forfeitures & Penalties and License & Permit Fees in the annual City appropriation ordinance; Pledged Revenues with respect to the 2009A Bonds not included.

<sup>4</sup>Refers only to all Bonds Outstanding as of the end of the applicable Fiscal Year.

Includes:

Urban Renewal Revenue Bonds, Series 1990A - One Gateway Project  
Economic Development Revenue Bonds, Series 1996 - Cincinnati Development Group LLC - Fountain Square West Project  
Economic Development Revenue Bonds, Series 1998 - Convention Place Mall Project - RSJJ Investments Limited  
Economic Development Revenue Bonds, Series 2002 - Saks Fifth Avenue Inc. & Race Street Development LTD  
Economic Development Revenue Bonds, Series 2003 - Convergys Corporation Project  
Economic Development Revenue Bonds, Series 2007 - Convergys Corporation Project  
Economic Development Revenue Bonds, Series 2008A - The Keystone Project  
Economic Development Revenue Bonds, Series 2008B - Baldwin 300 Project  
Economic Development Revenue Bonds, Series 2008C - Madison Circle Project  
Recovery Zone Facilities Bonds, Series 2009A - Graeter's Manufacturing Facility  
Economic Development Revenue Bonds, Series 2009B - Columbia Square  
Economic Development Revenue Bonds, Series 2011A - USquare Project  
Economic Development Revenue Bonds, Series 2012A - Convergys Corporation Project  
Non-Tax Revenue Pledge- State Infrastructure Bank Revenue Bonds, Series 2014A - Keystone Park Phase 2  
Non-Tax Revenue Pledge- State Infrastructure Bank Loan, Series 2014L - Keystone Park Phase 2  
Non-Tax Revenue Pledge- HUD 108 Loan, 2015 - Men's Shelter  
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 Refunding, Series 2016C - The Keystone Project  
Economic Development Revenue Bonds Refunding, Series 2016D - Baldwin 300 Project  
Economic Development Revenue Bonds Refunding, Series 2016E - Madison Circle Project  
Economic Development Revenue Bonds, Series 2016F - OTR Arts Improvements Project  
Economic Development Revenue Bonds Refunding, Series 2016G - Columbia Square Project  
Economic Development Revenue Bonds, Series 2018A - OTR Arts Improvements Project  
Economic Development Revenue Bonds, Series 2018B - Industrial Site Redevelopment Project (Federally Taxable)  
Economic Development Revenue Bonds, Series 2018C - Hudepohl Brewery Remediation Project (Federally Taxable)  
Economic Development Revenue Bonds, Series 2018D - East Price Hill Revitalization Project

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

**Last 6 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
2019	67,773,961	22,382,999

**Projected 5 year plan<sup>1</sup>**  
**(Amounts in Thousands)**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
CIP Budget	\$63,505	\$63,272	\$60,992	\$60,715	\$64,940	\$ 313,424
Property Tax Supported Debt	23,000	26,500	26,500	26,500	31,000	133,500
%Debt	36.22%	41.88%	43.45%	43.65%	47.74%	42.59%

<sup>1</sup>Ordinance 126-2019, approved by City Council on April 24, 2019, authorizes the issuance of \$7.6m in property tax supported debt for street improvements related to the Columbia Parkway Hillside Stabilization project. This debt was approved outside of the FY 2020 CIP process and is not included in the reported figures.

**City of Cincinnati**  
**Debt Capacity**  
**Schedule 7**  
**Water Works**  
**Historical Financial Operations**  
**(Amounts in Thousands)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Operating Revenue</u>										
Total Operating Revenue	\$125,287	\$120,682	\$135,384	\$68,947	\$142,316	\$142,085	\$147,748	\$156,760	\$161,835	\$158,897
<u>Operating Expense:</u>										
Personal Services	58,805	47,129	43,050	23,440	47,074	35,392	49,452	47,420	45,282	48,307
Contractual Services	8,628	8,329	7,766	3,999	8,330	9,077	8,242	9,849	10,071	12,256
Maintenance and Repair	3,980	4,536	3,813	1,863	4,825	4,877	5,150	5,165	4,585	4,031
Materials and Supplies	8,007	8,976	8,756	4,715	9,250	8,713	9,255	9,535	9,461	9,125
Utilities	11,427	7,530	7,732	4,037	8,882	8,614	7,244	7,674	8,719	8,106
Insurance	121	121	142	69	157	3	155	144	181	251
Taxes	6	3	5	2	11	3	2	4	3	1
Rent	1,302	1,252	2,211	662	1,428	1,500	1,649	3,086	2,413	2,861
Other	630	328	2,355	3,153	1,812	218	453	548	559	2,083
Depreciation and Amortization Expense	24,206	24,832	23,432	11,086	22,521	23,472	26,310	25,797	26,567	26,476
Amortization Mason Agreement		88	92	48	99	104	110	115	121	127
Net Pension Expense								(96,806)	(39,801)	3,856
Net Other Postemployment Benefit Expense									(4,405)	(726)
<b>Total Operating Expense</b>	<b>117,196</b>	<b>103,124</b>	<b>99,354</b>	<b>53,074</b>	<b>104,389</b>	<b>91,973</b>	<b>108,022</b>	<b>12,531</b>	<b>63,756</b>	<b>116,754</b>
<b>Operating Income</b>	<b>8,091</b>	<b>17,558</b>	<b>36,030</b>	<b>15,873</b>	<b>37,927</b>	<b>50,112</b>	<b>39,726</b>	<b>144,229</b>	<b>98,079</b>	<b>42,143</b>
<u>Non-Operating Revenue (Expenses):</u>										
Capital Contribution	3,039	3,304	3,385	302	2,002	4,199	7,962	1,481	488	5,350
Gain (Loss) on Disposal of Fixed Assets	(1,320)	(829)	(838)	(4)	(1,910)	(293)	(22)	(553)	49	(890)
Gain on Sale of Inventory									54	
Transfers In(Out)		131	(47)		(500)			(146)	(27)	(118)
Interest Revenue	2,560	2,309	1,981	(1,020)	2,417	1,555	2,482	664	2,202	7,080
Build America Bond Subsidy	1,701	1,701	1,701	777	1,579	1,577	1,586	1,584	1,589	1,596
Judgement Payments							(5,393)			
Interest Expense	(12,695)	(14,909)	(16,358)	(9,823)	(18,339)	(17,889)	(17,472)	(13,464)	(14,158)	(19,810)
<b>Total Non-Operating Revenue (Expense):</b>	<b>(6,715)</b>	<b>(8,293)</b>	<b>(10,176)</b>	<b>(9,768)</b>	<b>(14,751)</b>	<b>(10,851)</b>	<b>(10,857)</b>	<b>(10,434)</b>	<b>(9,803)</b>	<b>(6,792)</b>
<b>Net Income</b>	<b>\$ 1,376</b>	<b>\$ 9,265</b>	<b>\$ 25,854</b>	<b>\$ 6,105</b>	<b>\$ 23,176</b>	<b>\$ 39,261</b>	<b>\$ 28,869</b>	<b>\$ 133,795</b>	<b>\$ 88,276</b>	<b>\$ 35,351</b>

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**

**Amounts in Thousands)**

<u>Description</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Metered Water Sales						
Revenue Under Existing Rates	\$ 150,838	\$ 150,838	\$ 150,838	\$ 150,838	\$ 150,838	\$ 150,838
Indicated Revenue Increases (a)(b)						
Month - Year						
Revenue Increase						
January 2020	2,828	5,656	5,656	5,656	5,656	5,656
January 2021		2,934	5,869	5,869	5,869	5,869
January 2022			3,247	6,495	6,495	6,495
January 2023				3,377	6,754	6,754
January 2024					3,512	7,024
January 2025						3,653
Water Sales Increase - CPI				(437)	(1,749)	(1,819)
Interest From Treasury Investments	1,475	1,250	1,050	1,050	1,050	1,050
Other Revenue (c)	10,550	10,761	10,976	11,196	11,420	11,648
Private Lead Service Line Reimbursements	499	696	954	1,133	1,328	1,328
Direct Federal Cash Payment for Build America Bonds (d)	800					
<b>Total Revenue</b>	<b>166,990</b>	<b>172,135</b>	<b>178,590</b>	<b>185,177</b>	<b>191,173</b>	<b>198,496</b>
Operating & Maintenance Expense (e)	91,434	93,262	95,128	97,030	98,971	100,950
Private Lead Service Line Replacement	2,750	3,300	3,960	3,960	3,960	3,960
<b>Net Revenue Available for Debt Service</b>	<b>72,806</b>	<b>75,573</b>	<b>79,502</b>	<b>84,187</b>	<b>88,242</b>	<b>93,586</b>
Total Senior Lien Revenue Bond Debt Service (f)	38,919	38,588	38,626	38,758	38,865	38,900
Future Senior Lien Revenue Bond Debt Service (g)	1,072	1,838	3,188	4,538	6,001	7,463
<b>Total Senior Lien Revenue Bond Debt Service</b>	<b>39,991</b>	<b>40,426</b>	<b>41,814</b>	<b>43,296</b>	<b>44,866</b>	<b>46,363</b>
State of Ohio Issue 2 Money (\$4.38M/20Yrs/0%)	219	219	219	219	219	219
Ohio EPA Water Supply Revolving Loan (1.31%-3.25%)	3,953	3,953	3,953	3,953	3,953	3,953
Ohio EPA Water Supply Revolving Loan Future Years		896	1,378	1,380	1,382	1,334
<b>Other Financing Requirements</b>	<b>4,172</b>	<b>5,068</b>	<b>5,550</b>	<b>5,552</b>	<b>5,554</b>	<b>5,506</b>
<b>Total Debt Payments</b>	<b>44,163</b>	<b>45,494</b>	<b>47,364</b>	<b>48,848</b>	<b>50,420</b>	<b>51,869</b>
Surplus (Deficit)	28,643	30,079	32,138	35,339	37,822	41,717
Total Bond Proceeds	50,000		55,000		60,000	
LESS: Transfer to Other Funds		(6,700)		(6,700)		(6,700)
LESS: Capital Expenditures	(67,000)	(67,000)	(67,000)	(67,000)	(67,000)	(67,000)
ADD: Cash Inflows	24,020	9,726				
ADD: Adjustment Fund 312	2,251	2,604	3,006	2,827	2,632	2,632
<b>Ending Balance Available for Transfer</b>	<b>163,861</b>	<b>132,570</b>	<b>155,714</b>	<b>120,180</b>	<b>153,634</b>	<b>124,283</b>
<b>Debt Service Coverage</b>						
Senior Bond Debt Service Coverage	182%	187%	190%	194%	197%	202%
Total Bond Debt Service Coverage	165%	166%	168%	172%	175%	180%
Days Cash on Hand	635	501	574	434	545	432

Footnotes:

- (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) Rate increases of 3.75% for FY20 and FY21 were approved on October 10, 2016. Increases for FY22 through FY24 are projected.
- (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 with respect to such Series 2009B Bonds, less a 6.9% reduction as a result of federal sequestration through December 1, 2019.
- (e) Operating and Maintenance Expenses exclude Accrued Pension and OPEB Liabilities.
- (f) The Series 2009B Redemption Price to be paid on the Crossover Date and the interest due with respect to the Series 2016C Bonds to the Crossover Date is excluded. Cash flow reflects payments to the Trustee based on monthly 1/6 & 1/12 installments basis and is shown on a gross basis inclusive of BABs subsidy payments.
- (g) 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 & Issua	Total Issue	Interest
2020	\$50,000	\$2,515	\$52,515	4.00%
2022	55,000	5,000	60,000	4.00%
2024	60,000	5,000	65,000	4.00%

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	Debt Service Build America Bonds Series 2009B*	Debt Service Series 2009A	Total Senior Bonds Debt Service and Subordinated Bonds Debt Service
2019	\$ 2,589,975	\$ 1,250,000	\$ 1,487,250	\$ -	\$ 2,082,138	\$ 3,578,650	\$ 16,643,573	\$ 2,240,481	\$ 557,238	\$ 4,860,614	\$ 2,948,863	\$ 38,238,781
2020	2,588,575	1,250,000	1,487,250	1,488,850	2,082,138	3,578,650	16,655,173	2,235,119	557,238	80,365,307	3,865,431	116,153,730
2021	2,587,175	1,250,000	1,487,250	2,977,700	2,082,138	3,578,650	16,640,282	2,228,219	5,413,744			38,245,157
2022	2,595,575	1,250,000	1,487,250	2,977,700	2,082,138	3,578,650	16,624,585	2,229,434	5,419,375			38,244,706
2023	4,612,575	1,250,000	1,487,250	4,386,575	3,218,481	7,390,900	13,311,719	1,592,450	994,250			38,241,350
2024	6,723,575	1,250,000	1,487,250	3,578,200	3,216,125	21,742,400		213,800	30,000			38,242,400
2025	4,383,775	1,250,000	7,293,375	8,067,700	3,217,725	13,776,025		213,800	30,000			38,239,600
2026	4,386,375	1,250,000	7,346,625	8,113,200	3,217,325	13,682,275		213,800	30,000			28,926,475
2027	5,071,575	1,250,000	6,597,000	7,474,825	3,218,000	5,071,275		213,800	30,000			28,923,863
2028	5,068,575	1,976,375	6,206,000	7,142,325	3,219,788	5,067,000		213,800	30,000			28,929,300
2029	5,070,575	1,978,125	5,980,875	7,378,825	3,216,100	5,061,000		213,800	30,000			28,921,600
2030	5,464,275	1,977,875		10,392,950	3,216,700	5,058,400		2,781,400	30,000			28,922,575
2031	5,464,250	1,975,625		10,409,300	3,214,900	5,049,000		2,779,500	30,000			28,922,250
2032	7,493,500	1,976,250		10,424,400	3,215,600	5,047,500		765,000				23,546,225
2033	8,251,725	1,979,500		5,062,700	3,218,600	5,033,700						14,492,350
2034	8,237,325	1,975,375		1,060,000	3,219,650							14,447,050
2035	8,230,400	1,978,750		1,020,000	3,217,900							13,412,925
2036	8,217,025	1,979,375			3,216,525							13,409,319
2037	8,216,794	1,977,250			3,216,275							9,022,206
2038	3,826,181	1,977,250			3,218,775							5,191,025
2039		1,974,250			3,216,775							5,197,025
2040		1,978,000			3,219,025							5,193,525
2041		1,978,250			3,215,275							5,190,350
2042		1,975,000			3,215,350							5,192,800
2043		1,976,000			3,214,800							5,196,150
2044		1,977,000			3,219,150							5,195,075
2045		1,976,875			3,218,200							5,189,325
2046		1,977,375			3,211,950							1,978,250
2047		1,978,250										
	\$ 109,089,800	\$ 50,794,750	\$ 42,347,375	\$ 91,955,250	\$ 85,536,544	\$ 106,294,075	\$ 79,875,332	\$ 17,369,403	\$ 13,946,844	\$ 85,225,921	\$ 6,814,294	\$ 689,249,587

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

**City of Cincinnati**  
**Debt Service Capacity**  
**Schedule 10**  
**Water Works Revenue Bonds Debt Service Coverage**  
**Last Ten Fiscal Years**

Fiscal Year	Water Works Revenue	Debt Service Principal	Interest	Total	Coverage *
2010	\$ 131,000,000	\$ 14,865,000	\$ 19,210,000	\$ 34,075,000	1.20
2011	120,682,000	11,840,000	20,624,000	32,464,000	1.51
2012	139,066,000	17,700,000	22,837,000	40,537,000	1.61
2013#	68,947,000		12,005,000	12,005,000	2.49
2014	146,312,000	19,580,000	20,738,000	40,318,000	1.77
2015	145,217,000	20,620,000	24,345,000	44,965,000	1.64
2016	151,816,000	24,685,000	19,625,000	44,310,000	1.81
2017	159,008,000	26,310,000	20,222,000	46,532,000	1.64
2018	165,626,000	19,275,000	19,327,000	38,602,000	2.19
2019	165,292,000	19,837,000	18,524,000	38,361,000	2.03

# 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.

\* Excludes Non-Cash Expenses for Depreciation and Net Pension Liability and NOPEB Liability

\*\* Excludes the principal amount of the Crossover Refunded Series 2009B Bonds and cash defeasance of 2009A and 2011A Bonds

\*\*\* Excludes interest payable on the Series 2016C Bonds to the Crossover Date (December 1, 2019)

**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
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	51,536	56,931	162,892,043	5,884,933	1,126,709	429,461	145,500	4.4
2018	327,167,434	11,689,442	2,190,209	816,684	51,640	48,739	NA	NA	160,818,740	5,799,600	1,136,600	412,200	149,600	4.7
2019	N/A	N/A	N/A	N/A	NA	NA	NA	NA	162,981,000	5,807,800	1,154,300	427,800	151,500	3.9

Year	Personal Income (in millions)			
	United States	Ohio	Cincinnati MSA	Hamilton County
2010	\$ 12,353,577	\$ 417,234	\$ 84,600	\$ 36,770
2011	12,949,905	436,818	87,485	37,522
2012	13,401,869	453,556	92,497	39,631
2013	14,081,282	472,845	93,882	40,415
2014	14,708,582	493,578	96,671	41,293
2015	15,401,900	503,699	101,960	42,060
2016	15,893,200	521,208	105,372	43,252
2017	16,364,400	544,828	112,301	46,331
2018	17,813,035	569,726	NA	NA
2019	NA	NA	NA	NA

Source: Ohio Department of Job and Family Services ([mi.state.oh.us/](http://mi.state.oh.us/))  
 US Dept of Commerce, Bureau of Economic Commerce ([www.bea.gov](http://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#](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	2019			2010		
	Number of Employees		Percentage of Total Employment	Number of Employees		Percentage of Total Employment
The Kroger Co	15,668	1	0.72%	17,000	1	0.80%
Cincinnati Children's Hospital Medical Center	15,661	2	0.72%	15,162	2	0.71%
Cincinnati/Northern Kentucky International Airport	13,678	3	0.62%	14,000	3	0.66%
TriHealth Inc.	12,500	4	0.57%	9,898	5	0.46%
UC Health	10,991	5	0.50%	12,057	4	0.57%
University of Cincinnati	10,798	6	0.49%			
Mercy Health	10,442	7	0.48%	7,300	8	0.34%
Procter & Gamble	10,000	8	0.46%			
General Electric	9,700	9	0.44%			
St. Elizabeth Healthcare	8,587	10	0.39%	8,550	6	0.40%
Archdiocese of Cincinnati				8,000	7	0.38%
Wal-Mart Stores				6,932	9	0.33%
St. Elizabeth Medical Center				6,839	10	0.32%
<b>Total</b>	<u>118,025</u>		<u>5.39%</u>	<u>105,738</u>		<u>4.96%</u>
Total Metropolitan Statistical Area	2,190,209			2,132,415		

Sources: Cincinnatiusa.com  
Business Courier 2018-2019 Winter Book of Business Lists  
Data ranked by local employees as of July 2018 - per Book of Lists  
Data: City population USA metro Cincinnati, OH 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)
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
2019	110	37,972	65	256,023	10,790	843,660

Fiscal Year	Property Value (2)	
	Residential (in thousands)	Non-Residential (in thousands)
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
2019	9,641,796	5,390,950

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	\$242,700
Commissioner of Health	\$124,577 - \$192,634
Deputy City Manager	\$124,577 - \$168,179
City Solicitor	\$124,577 - \$192,627
Various Department Directors	\$106,621 - \$203,593

**MAYOR and CITY COUNCIL**

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

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

A faithful performance blanket bond coverage of \$5,000,000 is maintained for all City employees.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Goods-Producing Industries</b>	<b>146.4</b>	<b>149.7</b>	<b>151.8</b>	<b>143.8</b>	<b>150.8</b>	<b>158.1</b>	<b>158.9</b>	<b>165.4</b>	<b>167.8</b>	<b>172.9</b>
<b>Mining, Logging, and Construction</b>	<b>36.1</b>	<b>36.9</b>	<b>36.8</b>	<b>37.0</b>	<b>41.5</b>	<b>43.7</b>	<b>44.6</b>	<b>48.9</b>	<b>50.6</b>	<b>51.1</b>
Construction of Buildings	7.7	7.6	7.6	8.6	9.2	9.5	9.4	10.9	10.6	10.0
Specialty Trade Contractors	22.5	22.6	24.0	23.3	27.5	28.8	28.7	31.5	32.6	33.6
<b>Manufacturing</b>	<b>110.3</b>	<b>112.8</b>	<b>115.0</b>	<b>106.8</b>	<b>109.3</b>	<b>114.4</b>	<b>114.3</b>	<b>116.5</b>	<b>117.2</b>	<b>121.8</b>
Durable Goods	65.3	69.6	70.5	64.0	65.6	64.7	68.1	69.7	68.7	71.4
Primary Metals	5.9	7.0	7.0	6.0	5.8	5.8	5.3	5.6	5.4	N/A
Transportation Equipment	18.2	17.5	18.0	19.2	19.8	20.1	21.2	23.3	23.4	24.8
Motor Vehicle Parts	6.6	6.7	6.8	8.0	8.5	8.8	9.5	10.6	10.2	10.4
Aerospace Products and Parts	9.2	9.5	9.7	10.0	N/A	N/A	N/A	N/A	N/A	N/A
Nondurable Goods	45.0	43.2	44.5	42.8	43.7	49.7	46.2	46.8	48.5	50.4
Chemical Manufacturing	11.5	11.0	10.9	10.7	10.7	10.8	11.2	11.6	11.8	12.6
<b>Service-Providing Industries</b>	<b>841.3</b>	<b>853.0</b>	<b>871.8</b>	<b>754.5</b>	<b>777.0</b>	<b>796.2</b>	<b>803.8</b>	<b>824.7</b>	<b>823.3</b>	<b>843.7</b>
<b>Trade, Transportation, and Utilities</b>	<b>196.4</b>	<b>202.4</b>	<b>207.9</b>	<b>201.8</b>	<b>205.6</b>	<b>214.8</b>	<b>213.3</b>	<b>218.3</b>	<b>221.9</b>	<b>221.0</b>
Wholesale Trade	52.3	57.6	58.2	59.2	61.3	60.1	60.5	62.8	63.2	60.2
Merchant Wholesalers, Durable Goods	22.9	26.0	27.7	27.4	28.2	29.4	30.6	30.7	31.3	33.8
Merchant Wholesalers, Non-Durable Goods	22.8	22.0	21.0	19.7	20.9	19.4	18.7	19.1	19.4	21.7
Retail Trade	<b>104.5</b>	<b>103.8</b>	<b>107.6</b>	<b>101.7</b>	<b>103.9</b>	<b>109.7</b>	<b>110.3</b>	<b>110.8</b>	<b>109.0</b>	<b>108.1</b>
Food and Beverage Stores	19.8	20.3	20.8	20.5	19.1	20.4	20.6	19.8	20.6	20.6
Grocery Stores	17.1	17.8	18.5	18.4	16.9	17.7	18.1	17.5	17.3	18.5
Health and Personal Care Stores	6.8	6.6	7.1	6.5	6.6	6.1	6.6	6.3	6.2	6.0
Clothing and Clothing Accessories Stores	10.2	9.4	11.5	7.8	7.6	7.8	7.6	8.1	7.8	7.9
General Merchandise Stores	22.6	21.6	22.1	19.9	19.7	20.0	20.5	20.9	21.0	20.0
Transportation, Warehousing and Utilities	<b>39.6</b>	<b>41.0</b>	<b>42.1</b>	<b>40.9</b>	<b>40.4</b>	<b>45.0</b>	<b>42.5</b>	<b>44.7</b>	<b>49.7</b>	<b>52.7</b>
Transportation and Warehousing	34.9	37.9	39.0	38.3	37.8	42.3	40.1	42.0	47.0	48.7
Air Transportation	5.4	4.5	3.9	3.9	2.8	2.7	2.8	3.0	3.0	3.2
Information	<b>14.0</b>	<b>13.9</b>	<b>13.8</b>	<b>13.6</b>	<b>13.9</b>	<b>13.5</b>	<b>13.9</b>	<b>14.3</b>	<b>13.5</b>	<b>13.9</b>
Telecommunications	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Financial Activities	<b>58.4</b>	<b>58.5</b>	<b>62.0</b>	<b>64.1</b>	<b>66.6</b>	<b>68.2</b>	<b>73.3</b>	<b>76.8</b>	<b>78.7</b>	<b>78.8</b>
Finance and Insurance	49.9	50.0	52.4	52.6	54.0	56.2	59.3	61.4	61.3	61.2
Credit Intermediation and Related Activities	20.6	20.4	21.8	22.2	21.8	21.6	21.9	25.2	26.3	26.2
Insurance Carriers and Related Activities	23.5	23.7	25.2	24.5	25.6	27.4	28.0	28.2	27.1	26.7
Professional and Business Services	<b>149.7</b>	<b>153.5</b>	<b>163.6</b>	<b>165.6</b>	<b>166.9</b>	<b>174.7</b>	<b>166.3</b>	<b>174.5</b>	<b>168.6</b>	<b>179.3</b>
Professional and Technical Services	54.0	57.3	61.2	57.4	58.2	61.9	60.6	67.0	61.0	69.8
Management of Companies and Enterprises	38.0	40.0	42.9	42.1	42.3	42.4	40.4	39.6	38.4	39.1
Administrative, Support, and Waste Services	57.7	56.2	59.5	66.1	66.4	70.4	65.3	67.9	69.2	70.4
Employment Services	24.3	24.9	27.3	29.0	31.8	30.4	28.1	29.4	28.8	29.3
Services to Buildings and Dwellings	12.2	12.5	13.9	15.5	15.7	16.1	17.7	16.9	17.5	16.2
Educational and Health Services	<b>151.9</b>	<b>153.2</b>	<b>152.2</b>	<b>153.6</b>	<b>158.8</b>	<b>156.9</b>	<b>161.8</b>	<b>163.8</b>	<b>165.2</b>	<b>170.4</b>
Educational Services	16.6	16.7	18.5	17.2	18.1	17.9	18.1	16.8	17.5	16.8
Health Care and Social Assistance	135.3	136.5	133.7	136.4	140.7	139.0	143.7	147.0	147.7	153.6
Hospitals	46.2	46.0	46.4	47.6	48.5	47.6	50.3	50.7	51.4	52.5
Leisure and Hospitality	<b>97.0</b>	<b>98.8</b>	<b>104.6</b>	<b>116.8</b>	<b>123.4</b>	<b>127.2</b>	<b>135.0</b>	<b>134.6</b>	<b>132.5</b>	<b>137.9</b>
Arts, Entertainment and Recreation	15.6	14.4	14.4	27.1	29.9	29.7	33.0	31.4	31.5	31.6
Accommodation and Food Services	81.4	84.4	90.2	89.7	93.5	97.5	102.0	103.2	101.0	106.3
Other Services	<b>40.9</b>	<b>42.2</b>	<b>40.3</b>	<b>39.0</b>	<b>41.8</b>	<b>40.9</b>	<b>40.2</b>	<b>42.4</b>	<b>42.9</b>	<b>42.4</b>
Government	<b>133.0</b>	<b>130.5</b>	<b>127.4</b>	<b>121.7</b>	<b>123.2</b>	<b>121.5</b>	<b>123.3</b>	<b>124.4</b>	<b>124.3</b>	<b>124.1</b>
Federal Government	16.6	16.5	15.6	15.9	15.7	15.2	15.4	14.8	14.9	14.6
State Government	28.6	28.4	28.0	23.3	23.7	23.8	24.2	29.1	24.8	24.9
State Government Education	23.2	24.7	23.7	17.4	18.9	18.7	18.4	23.8	18.8	18.5
Local Government	87.8	85.6	83.8	82.5	83.8	82.5	83.7	80.5	84.6	84.6
Local Government Education	51.1	50.0	49.4	43.9	44.8	44.2	43.7	41.8	46.0	46.5
<b>Total</b>	<b>987.7</b>	<b>1002.7</b>	<b>1023.6</b>	<b>898.3</b>	<b>927.8</b>	<b>954.3</b>	<b>962.7</b>	<b>990.1</b>	<b>991.1</b>	<b>1016.6</b>
<b>Unemployment Rate</b>	<b>9.0</b>	<b>7.8</b>	<b>7.8</b>	<b>7.4</b>	<b>5.6</b>	<b>4.6</b>	<b>4.4</b>	<b>4.6</b>	<b>4.4</b>	<b>3.9</b>

Note: The Cincinnati-Middletown area includes 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 2018.

<b>Higher Education Institutions</b>	<b>Total Enrollment</b>
University of Cincinnati	45,949
Miami University	24,162
Northern Kentucky University	10,964
Cincinnati State Technical & Community College	8,807
Xavier University	7,132
Gateway Community and Technical College	4,020
Thomas More College	2,254
Mount St. Joseph University	2,062
Ivy Tech Community College Southeast-Lawrenceburg	1,391
Sinclair Community College/Courseview	1,200

Source: Business Courier 2018-19 Book of Lists

The region's largest college or university, the University of Cincinnati, has significant research and contract activity. During the 2016, 2017, and 2018 fiscal years, the University of Cincinnati and its affiliates received \$429 million, \$193 million and \$201 million respectively, in federal, state, city/county, and non-government agency grants, contracts, and awards.

City of Cincinnati  
Operating Information  
Schedule 1  
Full Time Equivalent Positions by Function/Program

Last Ten Fiscal Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Function/Program</b>										
General Government	447	425	447	518	518	538	600	490	486	603
Community Development	70	66	54	71	67	70	44	40	41	37
General Services	62	57	59	57	63	64	71	68	67	64
Parks and Recreation	298	282	288	285	286	296	290	294	286	289
Public Safety										
Police	1,324	1,253	1,221	1,093	1,088	1,150	1,180	1,283	1,289	1,181
Fire	844	806	829	818	888	867	841	909	897	909
Transportation and Engineering	144	143	156	143	135	135	144	145	141	136
Public Services	367	334	326	321	291	326	321	328	320	349
Public Health	404	369	377	372	376	400	420	434	445	420
MSD	599	608	594	589	552	548	545	587	600	602
Enterprise										
Water Works	552	533	522	523	500	504	525	543	543	553
Parking Facility	35	28	31	30	29	29	32	35	37	34
General Aviation	13	11	11	9	10	10	10	10	10	11
Municipal Golf	2	2	2	2	2	2	1	1	1	1
Stormwater Management	<u>15</u>	<u>13</u>	<u>16</u>	<u>15</u>	<u>17</u>	<u>18</u>	<u>17</u>	<u>23</u>	<u>25</u>	<u>29</u>
Total	5,176	4,930	4,933	4,846	4,822	4,957	5,041	5,190	5,188	5,218

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Litigations										
Total Cases (open)	123	128	119	124	148	158	128	205	171	161
Open Cases (current year)	103	155	90	52	80	95	111	96	106	130
Community and Economic Development										
Housing Units	2,560	1,795	1,880	1,030	1,741	1,921	1,615	752	1,460	1,760
Job Created/Retained thru Income Tax Credits	1			387	3,105	664	196	4,159	1,010	2,564
Police										
Service Calls	263,196	276,407	272,212	129,086	261,955	258,433	224,494	237,258	207,931	215,803
Arrests	37,529	37,207	35,141	16,109	32,155	29,121	29,107	27,090	27,431	28,073
Reports Filed	36,179	38,573	36,901	17,040	31,363	31,315	30,847	30,713	30,052	27,785
Fire										
Incidences (Fires, EMS, other)	70,889	73,531	75,412	31,960	81,955	73,248	71,451	71,451	74,954	76,883
Parks										
Annual Visitors	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	6,000,000
Nature Education Programs	1,375	1,382	1,298	698	1,403	1,871	1,068	1,277	1,172	1,151
Volunteer Hours	59,046	56,340	65,576	31,582	63,685	43,215	53,971	38,255	59,801	49,025
Park Reservations	958	976	961	411	812	860	1,011	1,011	1,032	1,137
Visitor Center Phone Calls	15,000	15,211	16,244	8,100	17,800	17,800	17,800	16,822	5,334	4540*
Health										
Patients	37,319	32,176	43,299	21,700	35,000	33,704	45,000	51,238	53,569	42,905
Visits	151,505	137,966	155,684	76,218	151,505	95,645	140,000	146,392	146,723	172,436
Inspections	20,798	22,812	22,664	11,379	20,146	25,040	22,000	21,760	21,084	20,470
Birth and Death Certificates	63,349	55,483	45,330	22,205	44,583	58,369	60,313	62,669	58,237	58,504
Sanitation										
Total solid waste collected and disposed	99,203	95,571	90,570	90,570	71,895	68,345	69,905	71,104	72,360	72,862
Water Works										
Water Delivered to Water Mains (Gallons)	47,328,971,000	44,386,749,000	45,233,282,700	20,559,715,500	43,838,631,300	43,024,975,500	42,784,941,100	43,859,083,500	44,184,229,400	43,165,940,700
Total Water Consumption (Gallons)	39,300,198,000	37,331,342,000	38,142,397,000	16,488,683,000	36,891,200,000	38,304,800,000	35,275,500,000	35,910,000,000	36,915,946,000	35,163,092,000
Percent of Unmetered Water	17%	16%	16%	20%	16%	11%	18%	18%	16%	19%
Average Daily Delivery (Gallons)	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	118,262,303
Maximum Daily Pumpage (Gallons)	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	183,421,700
Minimum Daily Pumpage (Gallons)	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	95,949,000

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.

\*Parks does not have a centralized Visitor Center. These numbers represent Krohn Conservatory's call center.

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

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Public Safety</b>										
Police										
Stations	5	5	5	5	5	5	5	5	5	5
Fire										
Fire Stations	26	26	26	26	26	26	26	26	26	26
Paramedic Units	4	12	12	12	12	12	42	42	42	52
Life Support Ambulances	8						12	12	12	12
Aircraft Rescue	1	1	1	1	1	1	1	1	1	1
<b>Transportation and Engineering</b>										
Streets (lane miles)	3,050	3,000	3,050	3,050	3,065	3,060	2,891	2,936	2,936	2,910
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	276,648
Bridges	62	65	64	64	65	64	65	65	65	67
Bridges - Wasson Way****								8	8	8
Retaining Walls (miles)	50	50	50	50	50	50	50	50	50	50
<b>Public Recreation</b>										
Parks										
Acreage	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Regional Parks	5	5	5	5	5	5	5	5	5	5
Neighborhood parks	70	70	71	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	54	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	85,000	85,000	85,000	85,000
Recreation										
Acreage	2,600	2,600	2,600	2,600	2,600	1,978	1,978	1,981	1,978	1,959
Recreation and Senior Centers	38	32	30	27	27	24	23	23	23	23
Play Areas	108	108	96	100	100	98	98	99	96	96
Swimming Pools/Aquatics Facilities	28	33	32	34	34	31	30	29	29	29
Tennis Courts	122	103	103	97	97	97	90	90	87	85
<b>Public Services</b>										
Traffic Engineering										
Traffic Signs	757	765	758	758	758	770	780	780	780	780
Street Lights	12,000	12,200	8,515	8,515	10,000	10,000	10,000	10,000	10,000	10,000
<b>Public Health</b>										
Health Centers	6	6	6	6	6	6	7	9	9	9
<b>Water Works</b>										
Total Assets (in thousands)	1,081,596	1,144,127	1,229,795	1,248,476	1,265,321	1,354,789	1,349,288	1,462,460	1,457,131	1,481,417
Water Customer Accounts	241,704	241,714	241,707	241,809	241,987	242,227	242,335	240,313	240,336	240,747
Miles of Water Main in the System	3,133	3,316	3,145	3,146	3,148	3,149	3,161	3,168	3,176	3,176
<b>Municipal Golf</b>										
Golf Courses	7	7	6	6	6	6	6	6	6	6
<b>General Aviation</b>										
Acreage	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353
<b>Convention Center</b>										
Meeting Rooms	37	36	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
<b>Parking Facilities</b>										
Parking Lots/Garages	14	14*	14*	14*	13**	15	14***	14***	14***	14***
Parking Meters	5,400	5,400	4,979	4,979	4,979	4,994	4,506	4,506	4,506	4,506
<b>Stormwater Management</b>										
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 City employees: The American Federation of State, County, and Municipal Employees, the Cincinnati Organized and Dedicated Employees (CODE); the Fraternal Order of Police; the International Association of Fire Fighters; the Cincinnati Building Trades Council, 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**

<b><u>Bargaining Unit</u></b>	<b><u>Approximate No. of Employees Represented</u></b>	<b><u>Contract Effective Date</u></b>	<b><u>Contract Termination Date</u></b>	<b><u>Contract Wage Increase</u></b>
AFSCME	1,810	08/11/2019	08/06/2022	2.0%
CODE	948	03/24/2019	03/19/2022	2.0% <sup>1</sup>
FOP (Non-Supervisors)	793	05/12/2019	05/01/2021	2.0%
FOP(Supervisors)	229	05/12/2019	05/01/2021	2.0%
IAFF	839	01/01/2019	12/12/2020	2.0%
IAFF Asst. Chiefs	4	01/01/2019	12/12/2020	2.0%
Building Trades	40	08/25/2019	08/20/2022	2.0%
Teamsters	10	10/23/2016	10/19/2019	N/A <sup>2</sup>
AFSCME – MW's	<u>95</u>	08/11/2019	08/06/2022	Increase to \$15.00/hr <sup>3</sup>
<b>TOTAL</b>	<b>4,768</b>			

<sup>1</sup> Pending ratification of a tentative agreement between the union and the City as a result of collective bargaining.

<sup>2</sup> The Teamsters union is currently in negotiation of their collective bargaining agreement with the City.

<sup>3</sup> Pending ratification of a tentative agreement between the union and the City as a result of collective bargaining.

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 2019

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