

2018 Comprehensive Annual Financial Report

**For the year ended
December 31, 2018**

**The County of
Hamilton, Ohio**



**Issued by
Dusty Rhodes
Hamilton County
Auditor**

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**2018 Comprehensive
Annual Financial Report**
*For the fiscal year ended
December 31, 2018*



Issued by

Dusty Rhodes

**Auditor
Hamilton County, Ohio**

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**COUNTY OF HAMILTON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended December 31, 2018**

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**Introductory
Section**

**The County of
Hamilton, Ohio**

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County of Hamilton

DUSTY RHODES
— AUDITOR —

COUNTY ADMINISTRATION BUILDING
138 EAST COURT STREET
CINCINNATI, OHIO 45202

June 27, 2019

To the Honorable Board of County Commissioners
and Citizens of Hamilton County:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the County of Hamilton for the year ended December 31, 2018. This report contains the financial and statistical data that provide a complete and full disclosure of all material financial aspects of the County.

Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(B) require that the County produce annual financial statements pursuant to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The County's management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The County of Hamilton is required to undergo an annual single audit in conformity with the provisions of 2 CFR (Code of Federal Regulations) Part 200. Information related to this single audit, including a schedule of federal financial assistance, the independent auditor's report on internal control and compliance with applicable laws and regulations, and a schedule of findings are included in a separately issued audit report.

The basic financial statements of the County as of and for the year ended December 31, 2018, included in this CAFR have been audited by the Ohio Auditor of State. The independent auditor's report is located at the front of the financial section of this report. The State Auditor has issued an unmodified ("clean") opinion on the County's financial statements.

GAAP requires that management provide a Management's Discussion and Analysis (MD&A), a narrative introduction, overview and analysis to accompany the basic financial statements. The MD&A complements this letter and should be read in conjunction with it. The MD&A appears immediately after the independent auditor's report.

Reporting Entity

The County of Hamilton was named for the former Secretary of the Treasury Alexander Hamilton, and was created by proclamation of Arthur St. Clair, Governor of the Northwest Territory, on January 2, 1790. The County was the second county formed in the State of Ohio, with Cincinnati as the County seat. The County is situated in the extreme southwestern corner of the State and covers an area of 407.4 square miles. The County encompasses 49 cities, villages and townships, of which Cincinnati is the largest. The County is the third largest in the State of Ohio in terms of population (currently estimated at 816,684). Located on the Ohio River, Hamilton County forms the core of the Cincinnati-Middletown Metropolitan Statistical Area, a 15-county, three-state area located at the intersection of Ohio, Kentucky and Indiana. The metro area has an estimated population of 2,179,082, which makes it the 29th largest metropolitan area in the country per the U.S. Census Bureau.

The County has operated under the statutory form of government since its founding. As an agent of the State, County government serves the entire County in a variety of ways.

The County's legislative and taxing authority are vested in an elected, three-member Board of County Commissioners that is responsible for, among other things, passing resolutions, issuing bonds, adopting budgets and hiring the County Administrator. The County Administrator is responsible for carrying out the policies and resolutions of the Board of County Commissioners, and for appointing the heads of the departments under the control of the Board.

The County Auditor is also elected and serves as both the chief fiscal officer for the County and the real property assessor for all political subdivisions within the County. As chief fiscal officer, the Auditor is responsible for maintaining the County's centralized accounting, payroll and benefits systems; for preparing the Comprehensive Annual Financial Report; and for issuing warrants and processing payments made on behalf of County agencies. The Auditor prepares the general tax list of the County, calculates the voted and unvoted tax rates for real estate and, once collected, distributes the tax receipts to the appropriate political subdivisions and agencies within the County. As real property assessor, the Auditor is responsible for a full reappraisal of approximately 353,000 parcels of real property in the County every six years, with an interim update three years later.

The Treasurer is the custodian of County funds and is responsible for collecting all tax moneys and applying payments to the appropriate tax accounts. As specified by law, the Treasurer is also responsible for investing idle County funds.

In addition to those discussed immediately above, other elected officials serving four-year terms are the Clerk of Courts, Coroner, Engineer, Prosecutor, Recorder and Sheriff. The Court of Appeals Judges, Common Pleas Judges and the County-wide Municipal Court Judges are all elected to six-year terms.

The County provides its citizens with a wide range of services that include tax collection and distribution, public safety and social services, health assistance, economic and community development services, civil and criminal justice systems, road and bridge maintenance, and other general and administrative support services. The County maintains enterprise funds to account for the operations of the stadium, parking garages and communications center, and for riverfront development. The County-owned Metropolitan Sewer District, operated by the City of Cincinnati under a management contract, is also reported as an enterprise fund. The County maintains internal service funds for workers' compensation, health insurance and the Auditor's computer center.

The financial statements contained within this CAFR include all funds, agencies, boards and commissions for which the County's elected officials are financially accountable. Also included in these financial statements is reporting for a component unit of Hamilton County, the Convention Facilities Authority (CFA) for Hamilton County, Ohio. The CFA is a legally separate entity for which the County is financially accountable because the County appoints a voting majority of CFA's governing body and has the ability

to impose its will on the CFA. The CFA was created in 2002 for the purpose of financing the Cincinnati Convention Center (now known as the Duke Energy Center) renovation and expansion. (See the notes to the financial statements for additional information about the CFA.) A complete discussion of the County's reporting entity is provided in note I A to the basic financial statements.

The annual budget is the starting point for the County's financial planning and control. The budgeting process is primarily the province of the Board of County Commissioners (BOCC) but involves collective review by County officials at several stages. The BOCC typically adopts the final budget by December. If a final budget is not adopted before January 1, the start of the County's fiscal year, then the BOCC must adopt a temporary appropriation measure, and then approve the final budget by April 1.

The appropriated budget is prepared by (1) fund, (2) agency/function and (3) appropriation level (personnel services, other expenditures and capital outlay), otherwise known as the legal level of budgetary control (the level at which agencies may not overspend appropriations). Annual appropriations may not exceed the County Budget Commission's official estimates of resources, and appropriation measures are to be certified by the County Auditor as not appropriating more moneys than set forth in those latest official estimates.

Factors Affecting Financial Condition

Local Economy

Hamilton County has been a transportation and industrial center since the early development of the territory west of the Appalachians. Our key industries are advanced manufacturing, biohealth, food and flavoring, information technology and shared services.

The metropolitan area's operating costs for businesses are consistently ranked among the lowest in the nation. The region also has an affordable cost of living for our residents, and our County seat has been ranked number 49 on the *U.S. News & World Report's* 2018 Best Places to Live List.

As of December 2018, total employment was estimated at 395,700 for Hamilton County. The unemployment rate was 4.2 percent, 0.3 points higher than the national rate and 0.6 points lower than the rate for the State of Ohio. The County's unemployment rate increased 0.2 percent from December 2017, while the State of Ohio rate increased 0.3 percent and the national rate decreased 0.2 percent. The County's unemployment rate has remained at 4.5 percent or lower in the past four years.

Long-Term Financial Planning and Major Initiatives

One of the County's fiscal goals is to maintain a General Fund reserve of 15.0 percent of annual expenditures. The reserve balance at December 31, 2018, was at 13.5 percent. The Board of County Commissioners strives to achieve a budget that is structurally balanced; that is, ongoing revenues meet or exceed ongoing expenditures in each fund. For 2018, budgeted expenditures for the General Fund exceeded budgeted revenues by \$4.6 million. Budgeted General Fund expenditures for 2018 were \$5.9 million more than the 2017 appropriations. The County's General Fund budget for 2018 addressed expenditure pressures in the areas of jail capacity, human and physical capital needs, and departmental spending spurred by such pressures as the opioid epidemic.

The General Fund's major revenue sources are sales tax, service fees and property tax. Service fees include, most significantly, a number of real estate-related transaction fees, payments to the Sheriff for patrol services provided to some of the political jurisdictions of the County, and fees between County departments. In 2018, sales tax revenues were down \$1.9 million versus 2017. This was a continuation of the effect of new federal regulations no longer allowing the collection of sales tax from the Medicaid Managed Care Organizations. This decrease was offset with some onetime revenues from the State.

See additional discussion of the County's General Fund and other funds in the MD&A in the Financial Section of this report.

Currently the largest economic development project in Hamilton County and the region is The Banks riverfront development. The Banks is a multi-phase mixed-use project. It includes offices, retail space, a hotel, residential units, restaurant/entertainment venues, and parking. When completed, The Banks development is expected to generate over \$1 billion in annual economic impact. The project is 60 percent complete. Phase 3, projected to cost \$29 million, is expected to break ground in 2019 on a 325-space public parking garage and will support private development of a \$22 million music venue and three acres of additional riverfront park.

The County's most significant capital project in progress is the construction of the new Coroner's facility, whose anticipated cost is \$55 million.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hamilton County for its comprehensive annual financial report for the year ended December 31, 2017. In order to be awarded a Certificate of Achievement, a government 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. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not have been accomplished without the dedicated services of the Auditor's Finance Department, as well as other Auditor's Office staff. I would like to express my appreciation to all members of the Department who assisted and contributed to the preparation of this report. Due credit also should be given to the County administration for their efforts to fulfill their responsibilities with regard to the operations of the County. I would also like to thank all of the elected officials, department heads, and their staff for their support and assistance in this endeavor.

Sincerely,

A stylized, handwritten signature in black ink that reads "Dusty Rhodes". The letters are bold and somewhat irregular, with a cursive-like flow.

Dusty Rhodes
Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

County of Hamilton
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

COUNTY OF HAMILTON, OHIO ELECTED OFFICIALS

As of December 31, 2018

Board of County Commissioners

Todd Portune, President
Denise Driehaus, Vice-President
Chris Monzel

Dusty Rhodes
Aftab Pureval
Lakshmi K. Sammarco, M.D.
Theodore B. Hubbard
Joseph T. Deters
Norbert A. Nadel
James C. Neil
Robert A. Goering

Auditor
Clerk of Courts
Coroner
Engineer
Prosecutor
Recorder
Sheriff
Treasurer

Ohio Court of Appeals First District

Russell J. Mock II, Presiding Judge
Penelope R. Cunningham
Dennis Deters

Charles M. Miller
Beth A. Myers
Marilyn Zayas

Common Pleas Court Judges

General Division

Kim Wilson Burke, Presiding Judge
Lisa Allen
Thomas Beridon
Ethna M. Cooper
Patrick T. Dinkelacker
J. Patrick Foley III
Leslie Ghiz
Tom Heekin

Charles J. Kubicki Jr.
Jody M. Luebbbers
Melba D. Marsh
Steven E. Martin
Jerome J. Metz Jr.
Robert P. Ruehlman
Megan E. Shanahan
Robert C. Winkler

Domestic Relations Division

Jon Sieve, Administrative Judge
Amy L. Searcy

Susan Tolbert

Probate Court Division

Ralph E. Winkler, Presiding Judge

Juvenile Court Division

John M. Williams, Administrative Judge

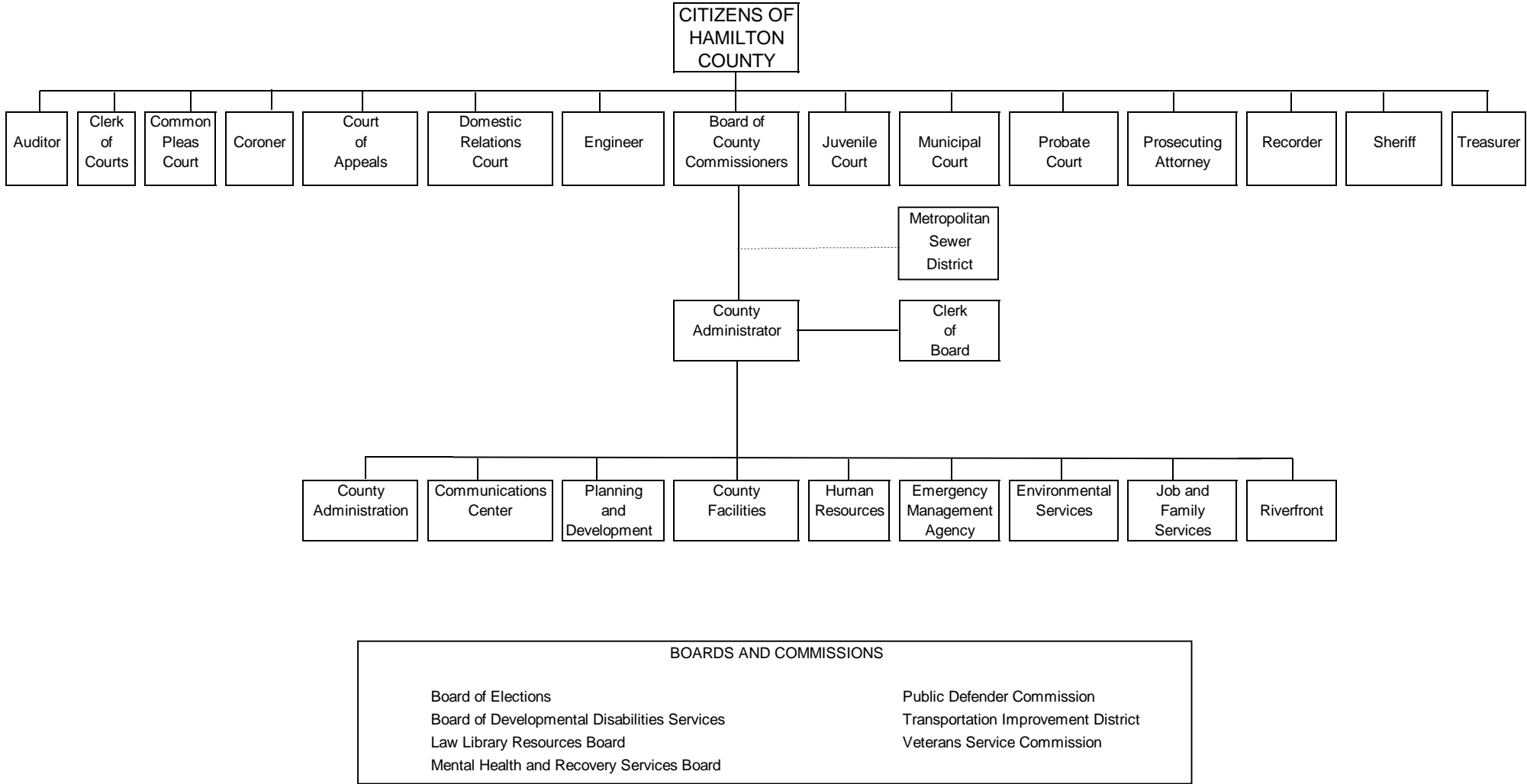
Melissa Powers

Municipal Court Judges

Bernie Bouchard, Presiding and Administrative Judge
Gwen Bender
Josh Berkowitz
Richard Bernat
Ted N. Berry
Jackie Ginocchio
Brad Greenberg

Curt Kissinger
Duane Mallory.
William Mallory
Fanon Rucker
Heather Russell
Alan C. Triggs
Tyrone Yates

**ORGANIZATION CHART
COUNTY OF HAMILTON, OHIO**



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**Financial
Section**

**The County of
Hamilton, Ohio**

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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

Hamilton County
138 East Court Street
Cincinnati, Ohio 45202

To the Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Hamilton County, Ohio (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the County'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 County'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.

Efficient • Effective • Transparent

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Hamilton County, Ohio, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Health and Human Services Levies funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, 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 County' 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 derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2019, on our consideration of the County'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 County's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

June 27, 2019

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**COUNTY OF HAMILTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED**

The discussion and analysis of Hamilton County's financial performance provides an overall review of the County's financial activities for the fiscal year ended December 31, 2018. The intent of this discussion and analysis is to present a narrative overview of the County's financial performance as a whole. Readers should also review the transmittal letter, at the front of this report, and the County's financial statements and notes, which follow this section, to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2018 are as follows:

- ❑ The net position of the County as of December 31, 2018, was \$1,504.2 million, including \$273.7 million in governmental activities and \$1,230.5 million in business-type activities.
- ❑ In total, net position decreased \$3.1 million in 2018. Net position of governmental activities decreased \$41.1 million. Net position of business-type activities increased \$38.0 million.
- ❑ The revenues of the governmental activities were \$763.6 million; \$319.3 million was from program revenues, and \$444.3 million was from general revenues. During this same period, expenses related to the governmental activities were \$800.4 million. The largest category of expenses was for social services-related purposes in the amount of \$193.2 million.
- ❑ The 2018 revenues of the business-type activities were \$386.7 million—\$297.0 million from program revenues and \$89.7 million from general revenues. Expenses related to the business-type activities were \$353.0 million. The largest expenses were in the operations of Metropolitan Sewer District in the amount of \$226.8 million.
- ❑ General revenues accounted for \$534.0 million of total revenues for 2018. Program-specific revenues—charges for services, grants and contributions—accounted for \$616.3 million of total revenues of \$1,150.3 million in 2018.
- ❑ As of December 31, 2018, the County's governmental funds reported a combined fund balance of \$509.6 million, a decrease of \$10.6 million compared to 2017. Just over 11 percent of this combined fund balance (\$57.7 million) is available for spending at the government's discretion (unassigned fund balance).
- ❑ The fund balance of the County's General Fund increased \$5.5 million in 2018.
- ❑ The General Fund's unassigned fund balance was \$61.4 million at December 31, 2018, a 16 percent change from the \$53.0 million at December 31, 2017. This portion of fund balance represents 26 percent of General Fund expenditures and other financing uses.
- ❑ Long-term bonds and loans outstanding had a net decrease of \$20.9 million.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Hamilton

**COUNTY OF HAMILTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED**

County as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The discussion and analysis in this section is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components: (1) the government-wide financial statements, (2) the fund financial statements and (3) the notes to the financial statements. This report also contains other supplementary information that further explains and supports information in the basic financial statements.

1. The government-wide financial statements—the Statement of Net Position and the Statement of Activities—are designed to provide both long-term and short-term information about the County's overall financial status.
2. The fund financial statements report detailed financial information about individual parts of the County's operations. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The most significant funds—major funds—are presented in separate columns on the fund financial statements. All other funds—nonmajor funds—are presented in total in one column.
3. The financial statement notes provide more detailed data and explanations for some financial statement information.

REPORTING HAMILTON COUNTY AS A WHOLE

Government-Wide Financial Statements

This document contains information about the separate funds used by Hamilton County to account for services and programs provided to our citizens. Additionally, the review of the County as a financial whole assesses all financial transactions and measures the County's financial position and liquidity. The government-wide financial statements—the Statement of Net Position and the Statement of Activities—are designed to provide readers with a broad overview of the County's finances.

Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities report both long-term and short-term information about the County's overall financial status using the accrual basis of accounting, similar to the method of accounting used by private-sector companies.

- **Statement of Net Position.** The Statement of Net Position presents information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference between all elements reported as net position. This statement provides information about the nature and amounts of investments in resources (assets) and the obligations to County creditors (liabilities), and supplies the basis for evaluating the County's capital structure, for computing the rates of return and for assessing the liquidity and financial flexibility of the County.
- **Statement of Activities.** The Statement of Activities provides information about all of the County's current-year revenues and expenses, and measures the success of the County's operations over the past year. Use of the accrual basis of accounting for financial reporting means all current-year revenues and expenses are reported regardless of when cash is received or paid.

**COUNTY OF HAMILTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED**

These two government-wide statements report the County's net position and the change in net position. The change is important because it tells the reader whether, for the County as a whole, the financial position has improved or diminished. In evaluating the overall position of the County, nonfinancial information—such as changes in the County's tax or employment base, the condition of County capital assets, changing economic conditions, population and customer growth, and new or changed rules and regulations—also need to be considered.

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the Statement of Activities for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the Statement of Net Position and the Statement of Activities, County functions are divided into the following two distinct kinds of activities:

- ◆ **Governmental Activities**—Most of the County's programs and services mandated by State statute are reported as governmental activities, including general government, judicial, public safety, social services, health, public works, environmental control, economic and community development, and recreational activities. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.
- ◆ **Business-Type Activities**—Most of the County's programs or services intended to recover all or a significant portion of their costs through user fees and charges are reported as business-type activities. The County charges fees to recoup the cost of operations and capital expenses associated with these activities.

The separately audited financial statements of the Metropolitan Sewer District of Greater Cincinnati (MSD), the County-owned sewer district operated by the City of Cincinnati under a management contract, have been included in this report as a proprietary enterprise fund with appropriate note disclosure.

The government-wide financial statements include not only the County itself (known as the primary government) but also any component units, if applicable. Component units are legally separate entities for which the primary government is financially accountable. For 2018, the Convention Facilities Authority (CFA) is a discretely presented component unit, and its financial data is reported on the government-wide statements.

The Hamilton County Transportation Improvement District (TID) is reported as a blended component unit. Even though the TID is a legally separate entity, it is reported as if it were part of the County because its governing board is substantively the same as that of the County. The TID is reported as part of the other governmental funds.

The government-wide financial statements can be found in this report immediately following this narrative.

REPORTING HAMILTON COUNTY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state

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and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Based on restrictions on the use of moneys, the County maintains many funds that account for the multitude of services provided to its citizens.

The fund financial statements report detailed financial information about individual parts of the County's operations, focusing on the County's most significant funds—major funds. Major funds are presented in separate columns on the fund financial statements, with all nonmajor funds presented in total in one column.

Governmental Funds, Proprietary Funds and Fiduciary Funds

All of the funds of the County 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 current sources and uses of spendable resources (cash and other financial assets that can readily be converted to cash flow in and out), as well as on balances of spendable resources available at the end of the fiscal year. Governmental fund statements explain how services were financed in the short term, as well as what dollars remain for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

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 government's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances for the governmental funds provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately in the Balance Sheet and in the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Health and Human Services Levies fund, which are considered to be major governmental funds. Data from the other nonmajor governmental funds, which include special revenue, debt service and capital projects funds, are combined into a single, aggregate presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The County is required by Ohio law to adopt budgets for the General Fund, special revenue funds and debt service funds. A budgetary comparison statement for the General Fund and each annually budgeted major special revenue fund has been provided as part of the basic governmental fund financial statements. In the supplementary information, budgetary comparisons are presented at the legal level of budgetary control for all governmental funds with legally adopted annual budgets.

The basic governmental fund financial statements can be found in this report immediately following the government-wide financial statements.

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Proprietary Funds. Proprietary fund statements present both short-term and long-term financial information about County operations financed and operated in a manner similar to a private business. On the Statement of Fund Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position, proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The final required statement for proprietary funds is the Statement of Cash Flows. This statement reports cash receipts, cash payments and net changes in cash and cash equivalents resulting from operations, investing and financing activities. This statement provides answers to such questions as where did cash come from, what was cash used for and what was the change in the cash balance during the reporting period.

Generally, the purpose of a proprietary fund is to provide a service or product to operating units within the reporting entity (the County) or to the public at a reasonable cost. Proprietary funds may also be used where the Board of County Commissioners has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The County charges fees to recoup the cost of operations and capital expenses associated with these activities.

The County maintains two different types of proprietary funds: enterprise funds and internal service funds.

- ❖ *Enterprise Funds.* Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County maintains seven enterprise funds: the Metropolitan Sewer District of Greater Cincinnati (MSD) fund, to account for sewer services provided to County residents; the Paul Brown Stadium fund, to account for the operations of the Bengals football stadium; the Baseball Stadium fund, to account for the operations of the Great American Ball Park and the Cincinnati Reds Hall of Fame and Museum; the Riverfront Development fund, to account for various construction projects (including parking) located between the stadiums; the Main Street Parking Garage fund, to account for the operations of the Main Street Parking Garage; the Sales Tax Stabilization fund, to account for revenue to be used as a contingency account for future debt service payments; and the Communications Center fund, to account for the financial activity relating to 911 services for Hamilton County.

Financial information is presented separately in the proprietary funds financial statements for the Metropolitan Sewer District fund, the Paul Brown Stadium fund and the Baseball Stadium fund, all of which are considered to be major enterprise funds. All other nonmajor enterprise funds are combined in total in one column.

- ❖ *Internal Service Funds.* Internal service funds are used to accumulate and allocate costs internally between the County's various functions, or to account for operations that provide services to County departments, agencies or other governments on a cost-reimbursement basis. Because the services provided by the County's governmental internal service funds—the Workers' Compensation Reserve fund, the Auditor's Computer Center fund, and the Medical Self-Insurance fund—benefit governmental functions, they have been included with governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found in this report immediately following the basic governmental fund financial statements.

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Fiduciary Funds. The fiduciary fund financial statements provide information about funds used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found in this report immediately following the basic proprietary fund financial statements.

Notes to the Financial Statements

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

The notes to the financial statements can be found in this report immediately following the basic fiduciary fund financial statement.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents individual fund data for each of the nonmajor governmental funds, nonmajor enterprise funds, and internal service funds. There is also certain required supplementary information related to the net pension liability, net other postemployment benefits, and retirement systems.

This supplementary information can be found in this report immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Hamilton County's financial statements comply with the reporting model required by the Governmental Accounting Standards Board. A comparative analysis of current-year and prior-year financial data is included in this report.

Net Position

Net position may serve over time as a useful indicator of the County's financial health. At the end of 2018, Hamilton County was able to report positive balances in all categories of net position for the County as a whole except the unrestricted net position. While business-type activities had positive balances in all net position categories, its unrestricted balance decreased \$23.5 million. This decrease as well as the negative unrestricted net position of governmental activities (\$465.0) are due to the implementation of GASB 68 and GASB 75. (See further discussion below.)

Hamilton County's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$1,504.2 million in 2018. This represents \$273.7 million in governmental activities and \$1,230.5 million in business-type activities.

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Table 1 summarizes the County's net position at December 31, 2018, compared to net position at December 31, 2017.

Table 1
HAMILTON COUNTY'S NET POSITION
(In Millions)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017*	2018	2017*	2018	2017*
ASSETS						
Current and Other Assets	\$ 936.5	\$ 910.9	\$ 618.2	\$ 654.4	\$1,554.7	\$1,565.3
Capital Assets, Net	308.7	307.1	2,225.2	2,160.1	2,533.9	2,467.2
TOTAL ASSETS	<u>1,245.2</u>	<u>1,218.0</u>	<u>2,843.4</u>	<u>2,814.5</u>	<u>4,088.6</u>	<u>4,032.5</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charge on Refunding	-	-	25.5	28.2	25.5	28.2
Pension	64.3	142.2	11.9	7.6	76.2	149.8
Other Postemployment Benefit Obligation	13.8	2.5	7.9	-	21.7	2.5
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>78.1</u>	<u>144.7</u>	<u>45.3</u>	<u>35.8</u>	<u>123.4</u>	<u>180.5</u>
LIABILITIES						
Current and Other Liabilities	89.5	93.2	44.2	42.0	133.7	135.2
Long-Term Liabilities						
Due Within One Year	10.2	10.3	87.5	83.1	97.7	93.4
Due in More Than One Year	156.6	173.8	1,376.5	1,400.4	1,533.1	1,574.2
Net Pension Liability	255.2	366.7	114.2	99.3	369.4	466.0
Net Other Postemployment Benefit Obligation	174.2	161.0	15.9	6.1	190.1	167.1
TOTAL LIABILITIES	<u>685.7</u>	<u>805.0</u>	<u>1,638.3</u>	<u>1,630.9</u>	<u>2,324.0</u>	<u>2,435.9</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Not Levied to Finance Current Year Operations	289.8	238.1	-	-	289.8	238.1
Deferred Charge on Refunding	0.1	0.1	3.3	3.5	3.4	3.6
Pension	61.0	4.7	1.8	23.4	62.8	28.1
Other Postemployment Benefit Obligation	13.0	-	14.8	-	27.8	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>363.9</u>	<u>242.9</u>	<u>19.9</u>	<u>26.9</u>	<u>383.8</u>	<u>269.8</u>
NET POSITION						
Net Investment in Capital Assets	277.9	264.2	848.2	786.8	1,126.1	1,051.0
Restricted for:						
Debt Service	-	3.7	7.1	7.0	7.1	10.7
Capital Projects	71.1	77.2	-	-	71.1	77.2
Special Revenue Funds	389.7	395.3	-	-	389.7	395.3
Unrestricted	(465.0)	(425.6)	375.2	398.7	(89.8)	(26.9)
TOTAL NET POSITION	<u>\$ 273.7</u>	<u>\$ 314.8</u>	<u>\$1,230.5</u>	<u>\$1,192.5</u>	<u>\$1,504.2</u>	<u>\$1,507.3</u>

*As restated for the implementation of GASB 75 in 2018 (see note II in the Notes to the Basic Financial Statements).

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The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2018, and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. For fiscal year 2018, the County adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all governments' financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pension costs (GASB 27, *Accounting for Pensions by State and Local Governmental Employers*) and postemployment benefits (GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*) focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability to equal the County's proportionate share of each plan's collective

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 a 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. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation

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of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASB 68 and GASB 75, the County's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability (asset) and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the County is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$473.3 million to \$314.8 million.

By far, the largest portion of the County's net position, \$1,126.1 million, reflects its investment in capital assets, which includes property, plant, equipment and infrastructure assets, net of accumulated depreciation and less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County'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 since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position represents resources that are subject to external restrictions on how they may be used. Restricted net position was \$460.8 million of governmental activities and \$7.1 million of business-type activities in 2018.

Changes in Net Position

Hamilton County's total revenues were \$1,150.3 million. Various taxes make up 43 percent of the County's revenue. Another 36 percent of the County's revenue comes from fees charged for services, and 18 percent is state and federal aid. Overall revenues in governmental activities were up \$18.7 million in 2018 versus the prior year, and expenditures increased by \$6.1 million. Net transfers were (\$4.3).

In order to further understand what makes up the changes in net position for the current year, Table 2 provides further details regarding the results of activities for 2018 and 2017.

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Table 2
HAMILTON COUNTY'S CHANGES IN NET POSITION
(In Millions)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017*	2018	2017*	2018	2017*
REVENUES						
Program Revenues:						
Charges for Services	\$119.1	\$112.8	\$291.6	\$311.0	\$410.7	\$423.8
Operating Grants and Contributions	196.1	202.9	0.3	-	196.4	202.9
Capital Grants and Contributions	4.1	5.4	5.1	4.9	9.2	10.3
General Revenues:						
Property Taxes	248.8	240.9	-	-	248.8	240.9
Sales and Use Taxes	141.7	137.9	65.6	64.4	207.3	202.3
Other Taxes	36.4	35.4	-	-	36.4	35.4
Grants and Entitlements	1.5	2.6	-	-	1.5	2.6
Unrestricted Investment Earnings	15.4	6.6	14.8	8.7	30.2	15.3
Other	0.5	0.4	9.3	6.0	9.8	6.4
TOTAL REVENUES	763.6	744.9	386.7	395.0	1,150.3	1,139.9
EXPENSES						
Program Expenses:						
General Government	\$ 80.1	\$ 66.0	\$ -	\$ -	\$ 80.1	\$ 66.0
Judicial	115.3	108.6	-	-	115.3	108.6
Public Safety	141.6	139.4	-	-	141.6	139.4
Social Services	193.2	191.5	-	-	193.2	191.5
Health	160.9	170.5	-	-	160.9	170.5
Public Works	31.8	31.7	-	-	31.8	31.7
Environmental Control	6.6	6.8	-	-	6.6	6.8
Economic and Community Dev.	18.9	19.3	-	-	18.9	19.3
Recreational Activities	48.3	58.4	-	-	48.3	58.4
Interest and Fiscal Charges	3.7	2.1	-	-	3.7	2.1
Metropolitan Sewer District	-	-	226.8	162.1	226.8	162.1
Paul Brown Stadium	-	-	38.0	38.6	38.0	38.6
Baseball Stadium	-	-	25.7	26.0	25.7	26.0
Riverfront Development	-	-	20.4	16.3	20.4	16.3
Main Street Parking Garage	-	-	0.8	0.7	0.8	0.7
Sales Tax Stabilization	-	-	30.1	-	30.1	-
Rotary Funds	-	-	-	0.2	-	0.2
Communications Center	-	-	11.2	10.8	11.2	10.8
Total Program Expenses	800.4	794.3	353.0	254.7	1,153.4	1,049.0
Indirect Expenses Allocation	4.2	3.4	-	-	4.2	3.4
Indirect Expenses Reimbursement	(4.2)	(3.4)	-	-	(4.2)	(3.4)
TOTAL EXPENSES	800.4	794.3	353.0	254.7	1,153.4	1,049.0

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	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017*</u>	<u>2018</u>	<u>2017*</u>	<u>2018</u>	<u>2017*</u>
Increase (Decrease) in Net Position Before Transfers	(36.8)	(49.4)	33.7	140.3	(3.1)	90.9
Transfers	(4.3)	(14.1)	4.3	14.1	-	-
INCREASE (DECREASE) IN NET POSITION	(41.1)	(63.5)	38.0	154.4	(3.1)	90.9
NET POSITION—BEGINNING OF YEAR	314.8	N/A	1,192.5	N/A	1,507.3	N/A
NET POSITION—END OF YEAR	<u>\$273.7</u>	<u>\$314.8</u>	<u>\$1,230.5</u>	<u>\$1,192.5</u>	<u>\$1,504.2</u>	<u>\$1,507.3</u>

*As restated for the implementation of GASB 75 in 2018 (see note II in the Notes to the Basic Financial Statements).

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$2.6 million computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$15.2 million. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments (in millions) are needed:

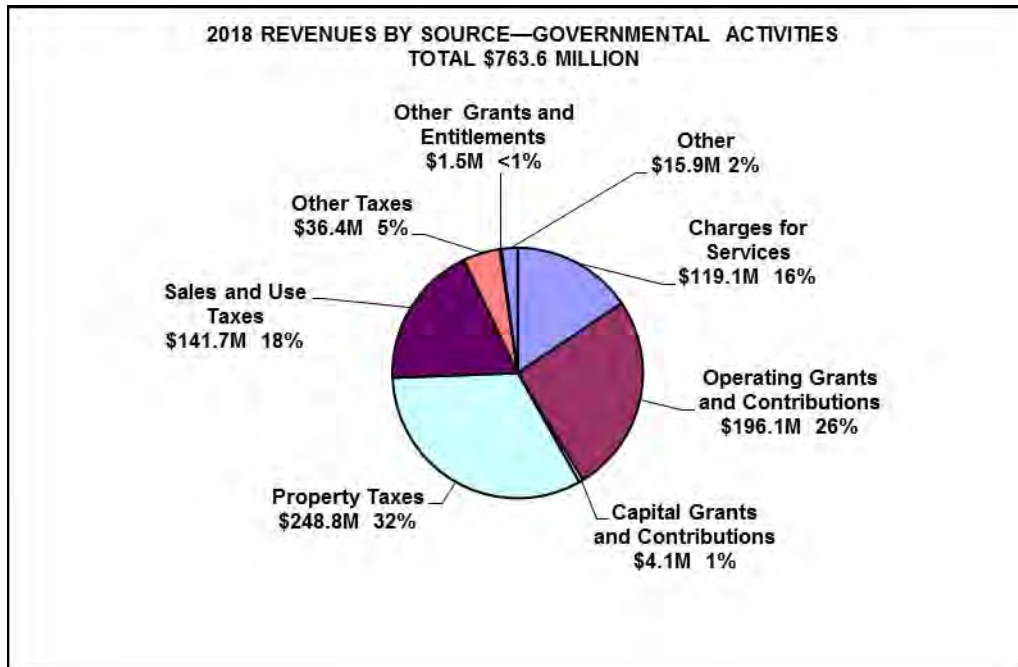
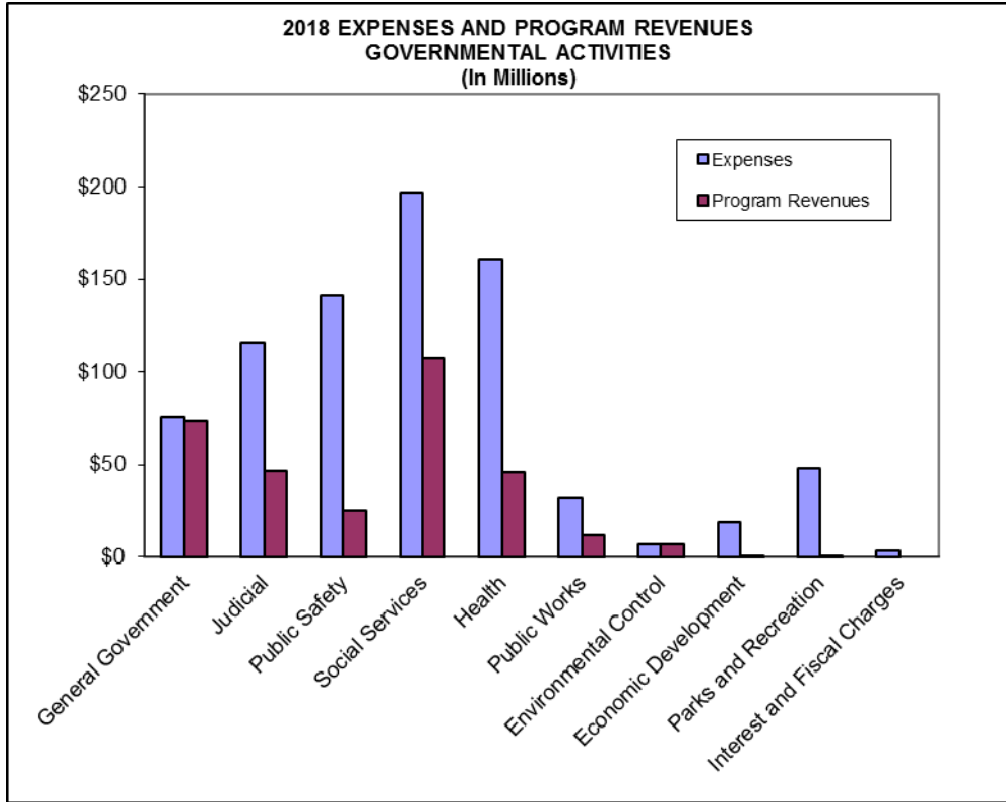
Total 2018 program expenses under GASB 75	\$ 800.4
Negative OPEB expense under GASB 75	(15.2)
2018 contractually required contribution	<u>0.3</u>
Adjusted 2018 program expenses	785.5
Total 2017 program expenses under GASB 45	<u>794.3</u>
Decrease in program expenses not related to OPEB	<u>\$ (8.8)</u>

Governmental Activities. Governmental activities decreased Hamilton County's net position by \$41.1 million (3 percent decrease compared to 2017's total net position). Of the \$6.1 million in increased expenses over prior year, the biggest changes were in general government (increased 14 percent), health (decreased 10 percent), and recreational activities (decreased 10 percent). The significant changes mirror those discussed later in the Governmental Funds section. In addition, the net pension liability and the deferred outflows/inflows related to pension and OPEB have a material effect on net position, as noted in the earlier discussion of net position. Compared to 2017, the decrease in net position due to pension and OPEB amounts was \$37.6 million.

Total program expenses of the County's governmental activities were \$800.4 million in 2018. The social services category accounts for \$193.2 million (24 percent) of the total expenses for governmental activities. Health expenses was the next largest program

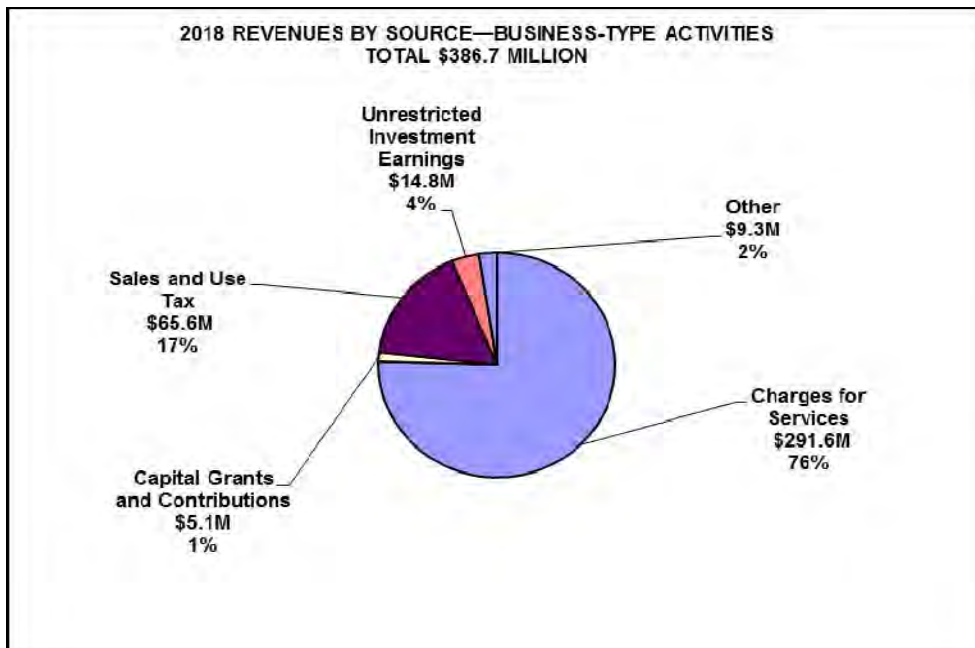
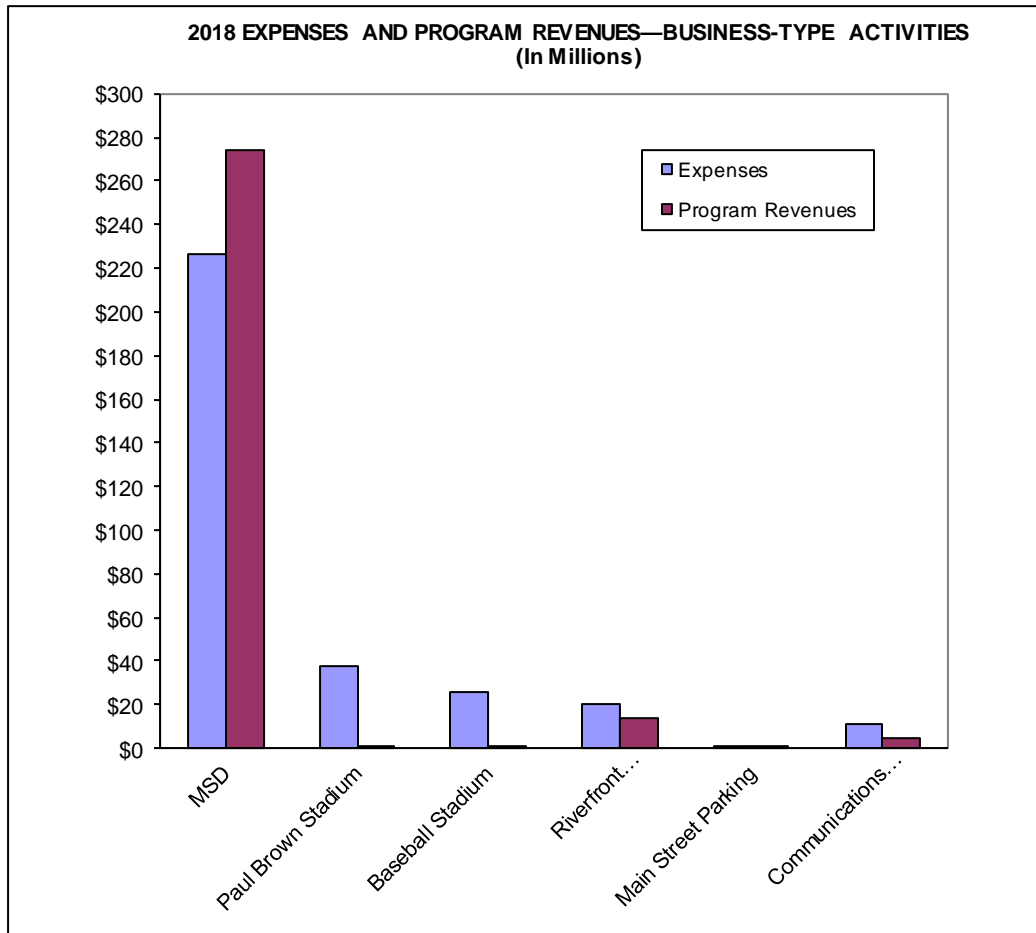
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within the County at \$160.9 million (20 percent) of total expenses for governmental activities for the year.



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Business-Type Activities. Business-type activities increased Hamilton County's net position by \$38.0 million, or 3 percent, in 2018.



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The County's direct charges to users of County business-type services, charges for services, were \$291.6 million or 75 percent of business-type activities' revenues in 2018. A significant portion of these charges, \$269.3 million, were Metropolitan Sewer District sewer service charges and surcharges that will provide for necessary operating expenses, annual debt support, support of the District's capital program and the satisfaction of bond covenants. The other major revenue source in 2018 was sales and use tax revenues of \$65.6 million.

Overall expenses of the County's business-type activities were \$353.0 million. Metropolitan Sewer District accounted for \$226.8 million (64 percent) of the total expenses for business-type activities in 2018. Paul Brown Stadium accounted for the next largest amount of business-type expenses at \$38.0 million (11 percent) of the 2018 total.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, Hamilton County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of Hamilton County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County commissioners.

As the County completed the year, its governmental funds reported a combined ending fund balance of \$509.6 million. Over 11 percent of this amount (\$57.7 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form (\$0.2 million); (2) legally required to be maintained intact (\$5.2 million); (3) restricted for particular purposes (\$352.3 million); (4) committed for particular purposes (\$85.0 million), or (5) assigned for particular purposes (\$9.2 million).

General Fund. The General Fund is the chief operating fund of the County, available for any authorized purpose and used to account for all financial resources except those required to be accounted for in another fund. In 2018, unassigned fund balance of the General Fund was \$61.4 million, while total fund balance was \$76.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. In 2018, unassigned fund balance represents approximately 26 percent of the total General Fund expenditures and net other financing uses, while total fund balance represents 32 percent of that same amount.

The fund balance of the County's General Fund increased \$5.5 million during 2018. Expenditures that increased the most from 2017 were in the judicial function, which increased by \$5.6 million. Cash transactions increased \$2.2 million in 2018, with the majority of the increase being in Juvenile Court and the Public Defender's Office. Those increases were anticipated due to loss of State funding and increased child dependency cases resulting from the heroin crisis's effect on local families. Another \$2.2 million

**COUNTY OF HAMILTON, OHIO
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relates to the variance in accrual-reversing transactions and expenditure reimbursements between 2017 and 2018. On the revenue side, intergovernmental revenues varied most versus 2017, with an increase of \$11.7 million. The Medicaid Sales Tax Transition revenues made up \$9.0 million of the increase. Increased State Public Defender reimbursements of \$1.3 million and increased election expense reimbursement of \$1.0 million were also significant components of the overall increase. In 2018, investment earnings increased \$6.6 million versus 2017. The investment authority has been shortening duration and taking advantage of the large percentage increase in interest rates.

Health and Human Services Levies Fund. The Health and Human Services Levies fund, a major special revenue fund, is budgeted annually. It is used to account for the revenue from health and human services levies. Levies and expenditures are determined by policies of the Board of County Commissioners. The fund balance of the County's Health and Human Services Levies fund increased by \$7.5 million in 2018. Property tax revenues increased \$8.6 million, mostly due to a voted increase in the Senior Services levy for collections beginning in 2018. Expenditures in the health and recreational activities functions decreased by \$9.6 and \$10.2 million, respectively, while social services expenditures increased by \$6.2 million. Health expenditures decreased as a result of a new levy plan and due to a difference of negative \$5.3 million in 2018 accruals and reversals of prior-year accruals compared to the same activity in 2017. Recreational activities spending decreased because of the reduction in payments to reimburse project costs of the Union Terminal renovation that are financed by the voted sales tax collected for this purpose. Social services increased expenditures of \$6.4 million relate to the levy increase noted above, plus \$9.1 million additional spending in the Children's Services levy due to providing services to additional children in out-of-home care and funding additional children's services positions, minus a difference of \$9.9 million between 2018 and 2017 accrual and reversal activity.

Other Governmental Funds. In the Other Governmental Funds, the most significant change compared to 2017 was an additional \$13.1 million in general government expenditures. This is due to the distribution of excess monies in the Real Estate Assessment fund to the County levy funds and to the political jurisdictions of the County.

Proprietary Funds

Proprietary enterprise funds provide the same type of information reported in the government-wide financial statements as business-type activities but in more detail.

Metropolitan Sewer District Fund, Paul Brown Stadium Fund and Baseball Stadium Fund. The Metropolitan Sewer District fund, the Paul Brown Stadium fund and the Baseball Stadium fund are major enterprise funds. The expenses (including depreciation) of providing goods and services primarily or solely to the general public are financed or recovered mainly through fees and user charges.

*Metropolitan Sewer District Fund.** The Metropolitan Sewer District fund is used to account for County-provided sewer services to residential, commercial and industrial users in Hamilton County. Sewer charges are the major revenue source for financing operations and maintenance for the sewer system.

The fund assets and deferred outflows of MSD exceeded liabilities and deferred inflows by \$1,141.8 million in 2018. Of that net position, 67 percent reflects MSD's investment in capital assets, less any related debt used to acquire those assets that is still outstanding.

**COUNTY OF HAMILTON, OHIO
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Of note in MSD's 2018 activities are the \$16.8 million decrease in sewerage service charges, \$47.3 million increase of pension expense, and \$6.1 million increase in depreciation expense.

*Source: Metropolitan Sewer District of Greater Cincinnati 2018 Audited Financial Statements

Paul Brown Stadium Fund. The Paul Brown Stadium fund is used to account for revenue received from stadium tenants and for the operation of Paul Brown Football Stadium. The fund net position of the Paul Brown Stadium fund was a negative \$58.5 million in 2018, an increase of \$6.5 million over 2017. No single category of revenue or expense varied significantly from 2017; however, there was no new debt issued in 2018 and therefore no related transfers in, compared to \$8.7 million in transfers in 2017.

Baseball Stadium Fund. The Baseball Stadium fund is used to account for the operations of Great American Ball Park Baseball Stadium and the Cincinnati Reds Hall of Fame and Museum. The fund net position of the Baseball Stadium fund was \$11.3 million, a decrease of \$1.3 million compared to 2017.

Both stadia continue to have significant depreciation expense with minimal operating revenue offset.

Other Enterprise Funds. The \$135.9 million fund net position of Other Enterprise Funds reflects a \$32.6 million decrease from 2017. Most of this change is due to the \$30.1 million closed out of the Sales Tax Stabilization Fund to be consolidated with the Undivided Sales Tax Fund as part of the accounting for the sales tax model balance and cash flow. For more information about Other Enterprise Funds, refer to the Combining Statement of Revenues, Expenses and Changes in Fund Net Position found in the section following the Notes to the Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County's annual budget, the starting point for the County's financial planning and control, is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Typically, the Board of County Commissioners (BOCC) adopts the annual operating budget for the County, including MSD, on or about the first of each year. All disbursements and transfers of cash between funds require appropriation by the County Commissioners.

The adopted budget may be amended in one of three ways: (1) transfer of appropriations between funds, departments or appropriation levels, all of which must be approved by the BOCC; (2) additional appropriations, which also require BOCC approval; and (3) transfers within appropriated levels, which require County Administrator approval. (With regard to this latter category, however, such transfers within appropriated levels are not necessary since agencies may legally spend within their total budget for a given appropriation level without further approval.) The Office of Budget and Strategic Initiatives reviews departmental requests for transfers and supplemental appropriations throughout the year and assists departments in monitoring budget activity. All budgetary amendments and supplemental appropriations made during 2018 are included in the revised budget amounts presented in the budget-to-actual comparisons.

**COUNTY OF HAMILTON, OHIO
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The final revised General Fund appropriations for 2018 were \$240.4 million, excluding transfers and advances out. The County spent 99 percent of the amount appropriated in the General Fund during 2018. Expenditures in the areas of public safety and the court system combine for 78 percent of General Fund expenditures. The cost of employee wages and benefits continues to be the largest expenditure category, accounting for approximately 74 percent of expenditures.

The final revised estimated resources for the General Fund for 2018 were \$235.8 million. Actual General Fund revenues received were \$247.7 million, a variance of 5 percent from final budgeted General Fund revenues.

Significant changes in final versus original budget occurred in the following General Fund departments:

- Sheriff, \$4.4 million increase, to cover bargaining unit salary adjustments and other salaries, overtime and compensatory time
- Nondepartmentals, \$1.5 million reduction, to help cover Sheriff's budget increase

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Hamilton County has invested \$2,533.9 million (net of accumulated depreciation) as of 2018 year-end in a broad range of capital assets, which include property, plant, equipment and infrastructure assets.

Net capital assets related to governmental activities amount to \$308.7 million. Net capital assets related to business-type activities amount to \$2,225.2 million and include \$1,672.4 million net capital assets of MSD.

Table 3 summarizes capital assets, net of accumulated depreciation, for 2018.

Table 3

**HAMILTON COUNTY'S
CAPITAL ASSETS AT YEAR-END**

(Net of Accumulated Depreciation, in Millions)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Land and Improvements	\$ 96.2	\$ 96.2	\$ 101.3	\$ 97.5	\$ 197.5	\$ 193.7
Buildings, Structures and Improvements	61.5	65.2	601.0	642.2	662.5	707.4
Infrastructure	112.9	103.8	-	-	112.9	103.8
Sewer Laterals	-	-	792.8	708.0	792.8	708.0
Furniture, Fixtures and Equipment	18.4	18.7	376.7	290.6	395.1	309.3
Construction in Progress	19.7	23.1	353.4	421.9	373.1	445.0
TOTAL CAPITAL ASSETS, NET	<u>\$308.7</u>	<u>\$307.0</u>	<u>\$2,225.2</u>	<u>\$2,160.2</u>	<u>\$2,533.9</u>	<u>\$2,467.2</u>

**COUNTY OF HAMILTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Major Capital Asset Events. Major capital asset events during the current fiscal year included the following:

- Continued construction on the new Coroner's lab increased Construction in Progress by \$4.6 million in governmental activities.
- Completed and new road improvement projects combined for \$9.1 million.
- MSD's capital assets increased \$95 million, or 6%, on system improvement projects, land acquired for those projects and equipment replacement in 2018.*

*Source: Metropolitan Sewer District of Greater Cincinnati 2018 Audited Financial Statements

2019 Capital Improvement Plan. The County Facilities Department identified 40 project requests for capital needs, which will be reviewed by a capital planning team from a cross-section of County departments, who will make recommendations to the Board of County Commissioners on which projects to advance during 2019. Recommended projects will be funded by (1) existing General Fund earmarks, (2) existing debt capacity or (3) other onetime sources.

Additionally, there are 32 projects previously approved and funded that are in various stages of completion. Original budgets on these totaled \$30.1 million.

Additional information regarding the County's capital assets can be found later in this report in the Capital Assets section of the Notes to the Basic Financial Statements.

Long-Term Obligations

Hamilton County's total long-term obligations outstanding at year-end, excluding premiums and discounts, were \$2,074.7 million (\$581.2 million related to governmental activities and \$1,493.5 million related to business-type activities). This includes liabilities for bonds, loans, capital leases, forgivable mortgages and loan, workers' compensation, compensated absences, net pension liability and other postemployment obligations.

Outstanding Debt Issues. At the end of 2018, the County had a number of debt issues outstanding. These issues, excluding any unamortized discounts and premiums, included \$132.0 million of general obligation bonds, \$2.2 million of general obligation special assessment bonds, \$915.9 million of sewer revenue bonds and other obligations of MSD, \$388.2 million of stadium sales tax bonds, and \$6.2 million in loans.

General obligation bonds and notes are backed by the full faith and credit of the government. General obligation special assessment bonds are debt for which the County is liable in the event of default by the property owners subject to the assessment. Sewer revenue bonds are backed by user charges against individual ratepayers. Sales tax bonds are backed by a lien on the receipts of an additional ½ percent sales tax approved by County voters in 1996.

**COUNTY OF HAMILTON, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2018
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Table 4 summarizes the outstanding long-term bonds and loans for 2018 and 2017.

Table 4
**HAMILTON COUNTY'S
OUTSTANDING LONG-TERM BONDS AND LOANS AT YEAR-END**
(In Millions)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
General Obligation Bonds—Unvoted	\$ 99.0	\$ 113.7	\$ 33.0	\$ 34.9	\$ 132.0	\$ 148.6
General Obligation Special Assessment Bonds	2.2	2.5	-	-	2.2	2.5
Metropolitan Sewer District Obligations	-	-	915.9	893.8	915.9	893.8
Sales Tax Bonds	-	-	388.2	411.9	388.2	411.9
Loans	2.0	2.1	4.2	6.5	6.2	8.6
TOTAL LONG-TERM BONDS AND LOANS	<u>\$103.2</u>	<u>\$118.3</u>	<u>\$1,341.3</u>	<u>\$1,347.1</u>	<u>\$1,444.5</u>	<u>\$1,465.4</u>

Manuscript Bonds. During 2018, manuscript bonds of \$0.1 million were issued to reimburse MSD for costs of acquiring and constructing sewer system improvements. Manuscript bonds are accounted for as interfund liabilities.

Credit Ratings. The County currently obtains credit ratings on all of its bonds and maintains ratings as of 2018 as follows:

County Bonds Issued	Bond Rating			Insurer
	Moody's	Standard & Poor's (S&P)	Fitch	
General Obligation	Aa2			
MSD Revenue (Series 2007-2015)*	Aa2	AA+		
Sales Tax—Riverfront (2000B)	A1		A+	AMBAC
Sales Tax—Riverfront (2011)	A1		A+	
Sales Tax—Riverfront (2016)	A1	AA-	A+	

Sources: Hamilton County Office of Budget and Strategic Initiatives and Metropolitan Sewer District of Greater Cincinnati 2017 Audited Financial Statements

Ratings

Aaa (Moody's), AAA (S&P, Fitch)—prime, maximum safety
Aa1, Aa2, Aa3 (Moody's), AA+, AA, AA- (S&P, Fitch)—high grade, high quality
A1, A2, A3 (Moody's), A+, A, A- (S&P, Fitch)—upper medium grade

Insurer

AMBAC—American Municipal Bond Assurance Corporation

* Underlying rating is A1 by Moody's Investors Service and A+ by Fitch.

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Legal Debt Margins. The Uniform Bond Law of the State of Ohio provides that the total net indebtedness created or incurred by any county shall never exceed a sum equal to 3 percent of the first \$100 million or part of the tax list, plus 1½ percent of the tax list in excess of \$100 million and not in excess of \$300 million, plus 2½ percent of the tax list in excess of \$300 million. In addition, the net indebtedness created or incurred by any county without vote of the electors shall never exceed a sum equal to 1 percent of the tax list of the County. Contained in the Uniform Bond Law of the State of Ohio are exceptions for debt limitations. Among the kinds of debt exempted are debt issued for special assessments, sewer works, self-supported revenue bonds and jail facilities.

The total voted and unvoted non-exempt debt of the County that could be issued subject to the 3 percent, 1½ percent and 2½ percent limitation described above is \$484.6 million. The total County net debt subject to this limitation is \$149.7 million, leaving a borrowing capacity of \$334.9 million within the limitation from combined voted and unvoted non-exempt debt. The total County unvoted, non-exempt debt that could be issued subject to the 1 percent limitation is \$194.4 million. The total County debt subject to such limitation is \$149.7 million, leaving a borrowing capacity of \$44.7 million within the 1 percent limitation for unvoted non-exempt debt.

Other Long-Term Obligations. The County's long-term obligations for 2018 also include compensated absences of \$44.7 million related to governmental activities and \$10.9 million related to business-type activities; forgivable loan contracts of \$3.3 million; various long-term leases for office space or equipment amounting to \$20.4 million; workers' compensation of \$0.6 million; net pension liability of \$255.2 million related to governmental activities and \$114.2 million related to MSD; and other postemployment benefits obligation of \$174.2 million related to governmental activities and \$15.9 million related to MSD.

Interest and fiscal charges for governmental activities were \$3.7 million, less than 1 percent of the total expenses in 2018.

For more information regarding the County's debt, see the section of the Notes to the Basic Financial Statements (found later in this report) titled Long-Term Debt and Other Obligations.

ECONOMIC FACTORS, NEXT YEAR'S BUDGETS AND RATES, AND OTHER SIGNIFICANT MATTERS*

Here are some highlights of the region's economic picture:

- Lowest cost index among the 31 largest U.S. cities
- Cost of living rating of 88 compared to national average of 100
- Housing costs significantly lower than national average
- Average unemployment rate of 4.2%, slightly above national rate, better than Ohio average
- Eight Fortune 500 companies
- Key industries: advanced manufacturing, biohealth, food and flavoring, information technology, shared services
- #49 on the 2018 Best Places to Live List (*U.S. News & World Report*)

**COUNTY OF HAMILTON, OHIO
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For 2019 the Board of County Commissioners (BOCC) approved a total budget of \$1,001.5 million. General Fund appropriations and estimated revenues are \$239.2. The total 2019 budget for the County's restricted funds is \$762.3 million.

During 2018, the State of Ohio Auditor's Office released a special audit (for the years 2009-2015) of MSD. The findings for recovery amounted to \$0.8 million, of which \$0.2 million has been recovered. The balance is with the Hamilton County Prosecutor Office for review and disposition.

In 1968, the County and the City of Cincinnati executed an agreement under which the City would be responsible for operational management of the County-owned sewer system. The original 50-year agreement, set to expire in April 2018, was extended through September 2018 and then extended indefinitely by the Federal District Court. The parties remain in mediation in Federal District Court. Additionally, in November 2018, the City of Cincinnati filed a motion to clarify the City and County's relationship under that agreement.

*Sources: Hamilton County Office of Budget and Strategic Initiatives; Metropolitan Sewer District of Greater Cincinnati 2018 Audited Financial Statements; choosecincy.com; redicincinnati.com; Ohio Department of Job and Family Services Labor Market Information

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Hamilton County Auditor Dusty Rhodes, 138 East Court Street, Cincinnati, Ohio 45202, (513) 946-4000, or visit the Auditor's website at www.hamiltoncountyauditor.org.

COUNTY OF HAMILTON, OHIO
STATEMENT OF NET POSITION

December 31, 2018

(Amounts in Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Convention Facility Authority
ASSETS				
Equity in Pooled Cash and Investments	\$ 496,908	\$ 26,628	\$ 523,536	\$ 9,421
Cash and Cash Equivalents—Segregated Accounts	4,930	21,153	26,083	-
Accounts Receivable	6,702	40,407	47,109	-
Lease Rent Receivable	-	262	262	-
Sales Tax Receivable	24,362	8,791	33,153	-
Interest Receivable	2,414	119	2,533	-
Intergovernmental Receivable	54,834	242	55,076	-
Real and Other Taxes Receivable	319,181	-	319,181	3,316
Internal Balances	20,321	(20,321)	-	-
Prepaid Expenses	-	7,216	7,216	-
Inventories	159	-	159	-
Restricted Assets:				
Cash and Cash Equivalents Held by the City of Cincinnati:				
Construction Account	-	156,891	156,891	-
Amount to Be Transferred to Surplus Account	-	82,711	82,711	-
Held by Trustees:				
Cash and Cash Equivalents	-	12,048	12,048	-
Investments—Held to Maturity	-	281,854	281,854	-
Special Assessments Receivable	5,014	-	5,014	-
Nondepreciable Capital Assets	115,545	454,627	570,172	-
Depreciable Capital Assets, Net	193,105	1,770,625	1,963,730	-
Net Pension Asset	1,782	-	1,782	-
Other Long-Term Assets	-	182	182	-
TOTAL ASSETS	1,245,257	2,843,435	4,088,692	12,737
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	-	25,450	25,450	-
Pension	64,288	11,939	76,227	-
Other Postemployment Benefit Obligations	13,777	7,948	21,725	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	78,065	45,337	123,402	-
LIABILITIES				
Accounts Payable	28,537	9,315	37,852	15
Accrued Wages and Benefits Payable	10,876	2,474	13,350	-
Matured Compensated Absences Payable	242	-	242	-
Intergovernmental Payable	3,217	80	3,297	-
Accrued Interest Payable	409	4,379	4,788	237
Construction Accounts Payable	-	13,411	13,411	-
Retainage Payable	755	88	843	-
Due to Other Governments	-	-	-	7,461
Due to Component Unit	2,172	-	2,172	-
Unearned Revenue	31,772	14,476	46,248	-
Escheat	5,164	-	5,164	-
Estimated Future Claims	6,463	-	6,463	-
Long-Term Liabilities:				
Due Within One Year	10,186	87,479	97,665	3,005
Due in More Than One Year	156,592	1,376,486	1,533,078	62,493
Net Pension Liability	255,178	114,163	369,341	-
Net Other Postemployment Benefit Obligations	174,176	15,900	190,076	-
TOTAL LIABILITIES	685,739	1,638,251	2,323,990	73,211
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Not Levied to Finance Current-Year Operations	289,817	-	289,817	-
Deferred Charge on Refunding	143	3,297	3,440	1,134
Pension	60,980	1,834	62,814	-
Other Postemployment Benefit Obligations	12,975	14,816	27,791	-
TOTAL DEFERRED INFLOWS OF RESOURCES	363,915	19,947	383,862	1,134
NET POSITION				
Net Investment in Capital Assets	277,939	848,231	1,126,170	-
Restricted for:				
Debt Service	-	7,063	7,063	-
Capital Projects	71,049	-	71,049	-
Public Assistance	34,331	-	34,331	-
Health and Human Services Levies	245,306	-	245,306	-
Motor Vehicle Gas Tax	47,439	-	47,439	-
Health and Community Services Nongrants	58,045	-	58,045	-
Capital Outlay	-	-	-	1,176
Other Purposes	4,606	-	4,606	-
Unrestricted	(465,047)	375,280	(89,767)	(62,784)
TOTAL NET POSITION	\$ 273,668	\$ 1,230,574	\$ 1,504,242	\$ (61,608)

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018
(Amounts in Thousands)

FUNCTION/PROGRAMS	Program Revenues					Net (Expense) Revenue and Changes in Net Position			Component Unit Convention Facility Authority
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
						Governmental Activities	Business-Type Activities	Total	
Primary Government:									
Governmental Activities									
General Government	\$ 80,097	\$ (4,210)	\$ 50,225	\$ 23,460	\$ -	\$ (2,202)	\$ -	\$ (2,202)	\$ -
Judicial	115,323	164	28,498	18,345	-	(68,644)	-	(68,644)	-
Public Safety	141,578	91	21,566	3,895	-	(116,208)	-	(116,208)	-
Social Services	193,248	3,690	5,903	101,297	-	(89,738)	-	(89,738)	-
Health	160,861	68	4,257	41,784	-	(114,888)	-	(114,888)	-
Public Works	31,771	-	4,075	4,011	4,110	(19,575)	-	(19,575)	-
Environmental Control	6,630	184	3,959	2,951	-	96	-	96	-
Economic and Community Development	18,929	-	547	-	-	(18,382)	-	(18,382)	-
Recreational Activities	48,285	13	62	396	-	(47,840)	-	(47,840)	-
Debt Service:									
Interest and Fiscal Charges	3,664	-	-	-	-	(3,664)	-	(3,664)	-
Total Governmental Activities	800,386	-	119,092	196,139	4,110	(481,045)	-	(481,045)	
Business-Type Activities									
Metropolitan Sewer District	226,840	-	269,274	-	4,894	-	47,328	47,328	
Paul Brown Stadium	37,955	-	1,288	79	-	-	(36,588)	(36,588)	
Baseball Stadium	25,746	-	1,394	-	-	-	(24,352)	(24,352)	
Riverfront Development	20,377	-	13,859	190	258	-	(6,070)	(6,070)	
Main Street Parking Garage	781	-	1,115	-	-	-	334	334	
Sales Tax Stabilization	30,066	-	-	-	-	-	(30,066)	(30,066)	
Communications Center	11,212	-	4,683	-	-	-	(6,529)	(6,529)	
Total Business-Type Activities	352,977	-	291,613	269	5,152	-	(55,943)	(55,943)	
Total Primary Government	\$ 1,153,363	\$ -	\$ 410,705	\$ 196,408	\$ 9,262	(481,045)	(55,943)	(536,988)	
Component Unit:									
Convention Facility Authority	\$ 11,067	\$ -	\$ -	\$ -	\$ 601				(10,466)
General Revenues									
Property Taxes						248,753	-	248,753	-
Sales and Use Taxes						141,606	65,549	207,155	-
Hotel Occupancy Taxes						-	-	-	13,479
Other Taxes						36,390	-	36,390	-
Grants and Entitlements not Restricted to Specific Programs						1,505	-	1,505	-
Gifts and Donations						243	-	243	-
Unrestricted Investment Earnings						15,416	14,832	30,248	-
Gain on Sale of Capital Assets						18	-	18	-
Other						286	9,348	9,634	-
Transfers						(4,290)	4,290	-	-
Total General Revenues and Transfers						439,927	94,019	533,946	13,479
Change in Net Position						(41,118)	38,076	(3,042)	3,013
Net Position—Beginning (As Restated—Note II)						314,786	1,192,498	1,507,284	(64,621)
Net Position—Ending						\$ 273,668	\$ 1,230,574	\$ 1,504,242	\$ (61,608)

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018
(Amounts in Thousands)

	General	Health and Human Services Levies	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Equity in Pooled Cash and Investments	\$ 65,818	\$ 209,700	\$ 208,804	\$ 484,322
Cash and Cash Equivalents—Segregated Accounts	-	2,215	2,715	4,930
Accounts Receivable	3,603	31	3,032	6,666
Interfund Receivable	-	20,340	-	20,340
Sales Tax Receivable	13,611	6,755	3,996	24,362
Interest Receivable	2,385	-	29	2,414
Intergovernmental Receivable	6,481	21,484	26,869	54,834
Real and Other Taxes Receivable	47,563	261,313	10,305	319,181
Due from Other Funds	1,582	2	4,188	5,772
Inventories	-	-	159	159
Due from Advances to Other Funds	113	-	-	113
Special Assessments Receivable	-	-	5,014	5,014
TOTAL ASSETS	\$ 141,156	\$ 521,840	\$ 265,111	\$ 928,107
LIABILITIES				
Accounts Payable	\$ 3,470	\$ 16,552	\$ 8,254	\$ 28,276
Accrued Wages and Benefits Payable	6,233	1,355	3,224	10,812
Matured Compensated Absences Payable	196	-	46	242
Intergovernmental Payable	1,086	1,298	825	3,209
Retainage Payable	18	114	623	755
Due to Component Unit	-	-	2,172	2,172
Due to Other Funds	35	4,688	1,068	5,791
Advances from Other Funds	-	-	113	113
Unearned Revenue	5,121	2,413	24,238	31,772
Escheat	5,164	-	-	5,164
TOTAL LIABILITIES	21,323	26,420	40,563	88,306
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Not Levied to Finance Current-Year Operations	39,703	250,114	-	289,817
Unavailable Revenue	3,958	26,687	9,716	40,361
TOTAL DEFERRED INFLOWS OF RESOURCES	43,661	276,801	9,716	330,178
FUND BALANCES (DEFICITS)				
Nonspendable	5,277	-	160	5,437
Restricted	-	218,551	133,742	352,293
Committed	262	68	84,653	84,983
Assigned	9,251	-	-	9,251
Unassigned (Deficit)	61,382	-	(3,723)	57,659
TOTAL FUND BALANCES (DEFICITS)	76,172	218,619	214,832	509,623
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	\$ 141,156	\$ 521,840	\$ 265,111	\$ 928,107

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
RECONCILIATION OF BALANCE SHEET—GOVERNMENTAL FUNDS
TO GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2018
(Amounts in Thousands)

Total Governmental Funds Balances	\$	509,623
<p>Amounts reported for governmental activities in the Statement of Net Position are different from the amounts reported in the governmental funds because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets	\$ 1,317,041	
Accumulated Depreciation	<u>(1,008,654)</u>	
Total		308,387
<p>Other long-term assets that are not available to pay for current-period expenditures are deferred in the funds but not in the governmental activities.</p>		
Property Taxes	12,977	
Grants and Other Intergovernmental Revenue	21,138	
Nongrants	1,232	
Special Assessments	<u>5,014</u>	
Total		40,361
<p>Internal service funds are used by management to charge the costs of workers' compensation, the Auditor's computer center, and medical self-insurance to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the Statement of Net Position.</p>		
		5,331
<p>Long-term liabilities and related deferred inflows/outflows, including bonds and notes payable, loans and loan contracts, compensated absences, and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds but are included in governmental activities.</p>		
General Obligation Bonds and Notes	(99,010)	
Deferred Amount on Refunding	(143)	
Unamortized Premium	(15,052)	
Special Assessment Bonds	(2,120)	
Loan Contracts	(3,295)	
State Loan	(1,970)	
Compensated Absences	(44,573)	
Accrued Interest Payable	<u>(409)</u>	
		(166,572)
<p>The net pension asset, net pension liability, and net OPEB liability are not due and payable in the current period; therefore, the asset, liabilities and related deferred inflows/outflows are not reported in governmental funds but are included in governmental activities.</p>		
Net Pension Asset	1,782	
Deferred Outflows—Pension	64,288	
Deferred Inflows—Pension	(60,980)	
Net Pension Liability	(255,178)	
Deferred Outflows—OPEB	13,777	
Deferred Inflows—OPEB	(12,975)	
Net OPEB Liability	<u>(174,176)</u>	
Total		<u>(423,462)</u>
Net Position of Governmental Activities	\$	<u><u>273,668</u></u>

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Amounts in Thousands)

	General	Health and Human Services Levies	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes and Special Assessments	\$ 38,939	\$ 208,754	\$ 493	\$ 248,186
Sales and Use Tax	79,442	39,607	22,557	141,606
State Shared Taxes	12,865	-	23,525	36,390
Charges for Services	50,277	416	30,517	81,210
Licenses and Permits	2,443	-	4,993	7,436
Fines and Forfeitures	7,683	-	4,249	11,932
Intergovernmental	31,164	81,956	97,671	210,791
Investment Earnings	14,128	119	965	15,212
Other	6,844	2,559	8,176	17,579
TOTAL REVENUES	<u>243,785</u>	<u>333,411</u>	<u>193,146</u>	<u>770,342</u>
EXPENDITURES				
Current:				
General Government	33,903	-	31,793	65,696
Judicial	80,447	4,872	19,472	104,791
Public Safety	100,932	19,517	6,775	127,224
Social Services	1,227	114,569	66,402	182,198
Health	-	138,412	18,840	157,252
Public Works	3,489	-	34,257	37,746
Environmental Control	-	-	5,943	5,943
Economic and Community Development	2,301	-	16,614	18,915
Recreational Activities	-	48,754	-	48,754
Capital Outlay	-	-	6,688	6,688
Debt Service:				
Principal Retirement	-	-	5,174	5,174
Interest and Fiscal Charges	38	-	5,832	5,870
TOTAL EXPENDITURES	<u>222,337</u>	<u>326,124</u>	<u>217,790</u>	<u>766,251</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>21,448</u>	<u>7,287</u>	<u>(24,644)</u>	<u>4,091</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,400	1,072	12,933	15,405
Transfers Out	(17,339)	(836)	(1,520)	(19,695)
Payment to Refunded Bonds Escrow Agent	-	-	(10,352)	(10,352)
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>(15,939)</u>	<u>236</u>	<u>1,061</u>	<u>(14,642)</u>
NET CHANGE IN FUND BALANCES	5,509	7,523	(23,583)	(10,551)
FUND BALANCES AT BEGINNING OF YEAR	<u>70,663</u>	<u>211,096</u>	<u>238,415</u>	<u>520,174</u>
FUND BALANCES AT END OF YEAR	<u>\$ 76,172</u>	<u>\$ 218,619</u>	<u>\$ 214,832</u>	<u>\$ 509,623</u>

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS
TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in Thousands)

Net Change in Fund Balance—Total Governmental Funds	\$	(10,551)
<p>Amounts reported for governmental activities in the Statement of Activities are different from amounts reported in the governmental funds because of the following:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of the capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>		
Capital Outlays	\$ 25,268	
Depreciation Expense	<u>(20,942)</u>	
Excess of Capital Outlays over Depreciation		4,326
<p>In the governmental funds, the proceeds from the sales of capital assets increase financial resources. In the Statement of Activities, however, the assets sold had been capitalized previously and have book values that need to be removed. The difference between the proceeds and the book values is the gain or loss that is recognized in the Statement of Activities. The change in net position differs from the change in fund balance by the net book values of the capital assets sold. Also included here is the removal of previously booked Construction in Progress that did not become a capital asset.</p>		
Reduction of Revenue for Proceeds Received on Sale of Capital Assets	(18)	
Gain Earned on Sale of Capital Assets	18	
Loss on Sale of Capital Assets	(68)	
Removal of Construction in Progress	<u>(2,688)</u>	
Net Book Value of Capital Assets Sold		(2,756)
<p>Property taxes that will not be collected for several months after the County's fiscal year ends, not considered to be available revenues to pay for current-period expenditures, are deferred in the governmental funds. Similarly, certain other revenues that do not provide current financial resources are deferred and not reported as revenues in the governmental funds but are included in the Statement of Activities.</p>		
Property Taxes	1,052	
Grants and Other Intergovernmental Revenue	(9,037)	
Nongrants	1,102	
Special Assessments	<u>(347)</u>	
Total Revenues		(7,230)
<p>Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.</p>		
Pension	32,312	
OPEB	<u>308</u>	
		32,620
<p>Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension expense in the Statement of Activities.</p>		
Pension	(53,220)	
OPEB	<u>(15,198)</u>	
		(68,418)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds also report premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Principal Retirement	5,174	
Principal Defeased	<u>10,000</u>	
Total		15,174
<p>In the Statement of Activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is expensed when due.</p>		
		77
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.</p>		
Compensated Absences Payable	(1,365)	
Amortization of Deferred Amount on Refundings	(47)	
Amortization of Premium on Bonds	2,529	
Amortization of Mortgages Payable and Forgiveness of Loans or Loan Contracts	<u>243</u>	
Total		1,360
<p>The governmental internal services funds are used by management to charge the costs of workers' compensation, the Auditor's computer center, and medical self-insurance to individual funds. The net decrease of these internal service funds are reported with governmental activities.</p>		
		<u>(5,720)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(41,118)</u></u>

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes and Special Assessments	\$ 37,743	\$ 37,743	\$ 38,939	\$ 1,196
Sales and Use Tax	76,418	76,418	78,639	2,221
State Shared Taxes	12,060	12,060	12,892	832
Charges for Services	52,031	52,031	54,944	2,913
Licenses and Permits	2,671	2,671	2,179	(492)
Fines and Forfeitures	7,097	7,097	7,684	587
Intergovernmental	29,469	29,549	31,974	2,425
Investment Earnings	7,703	7,703	13,521	5,818
Other	10,450	10,478	6,918	(3,560)
TOTAL REVENUES	<u>235,642</u>	<u>235,750</u>	<u>247,690</u>	<u>11,940</u>
EXPENDITURES				
Current:				
General Government	45,550	44,878	43,948	930
Judicial	81,998	82,497	81,837	660
Public Safety	98,600	104,376	103,405	971
Social Services	1,408	1,305	1,223	82
Public Works	4,794	4,314	4,258	56
Economic and Community Development	2,991	2,991	2,991	-
Debt Service	36	38	38	-
TOTAL EXPENDITURES	<u>235,377</u>	<u>240,399</u>	<u>237,700</u>	<u>2,699</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>265</u>	<u>(4,649)</u>	<u>9,990</u>	<u>14,639</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	4,863	4,863	2,460	(2,403)
Advances In	-	-	100	100
Transfers Out	(17,805)	(18,637)	(18,399)	238
Advances Out	(100)	(100)	(100)	-
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>(13,042)</u>	<u>(13,874)</u>	<u>(15,939)</u>	<u>(2,065)</u>
NET CHANGE IN FUND BALANCE	(12,777)	(18,523)	(5,949)	12,574
FUND BALANCE AT BEGINNING OF YEAR	52,540	52,540	52,540	-
Prior-Year Encumbrances Appropriated	9,962	9,962	9,962	-
FUND BALANCE AT END OF YEAR	<u>\$ 49,725</u>	<u>\$ 43,979</u>	<u>\$ 56,553</u>	<u>\$ 12,574</u>

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND HUMAN SERVICES LEVIES—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes and Special Assessments	\$ 205,191	\$ 205,191	\$ 208,754	\$ 3,563
Sales Tax	38,074	38,074	39,213	1,139
Charges for Services	416	416	416	-
Intergovernmental	94,267	94,267	82,733	(11,534)
Other	922	922	2,953	2,031
TOTAL REVENUES	<u>338,870</u>	<u>338,870</u>	<u>334,069</u>	<u>(4,801)</u>
EXPENDITURES				
Current:				
Judicial	6,330	6,328	6,116	212
Public Safety	24,927	24,615	23,409	1,206
Social Services	147,767	180,482	130,930	49,552
Health	172,864	165,224	160,883	4,341
Recreational Activities	45,121	51,821	51,799	22
TOTAL EXPENDITURES	<u>397,009</u>	<u>428,470</u>	<u>373,137</u>	<u>55,333</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(58,139)</u>	<u>(89,600)</u>	<u>(39,068)</u>	<u>50,532</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,373	2,103	1,801	(302)
Transfers Out	(1,634)	(2,364)	(1,565)	799
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>(261)</u>	<u>(261)</u>	<u>236</u>	<u>497</u>
NET CHANGE IN FUND BALANCE	(58,400)	(89,861)	(38,832)	51,029
FUND BALANCE AT BEGINNING OF YEAR	190,176	190,176	190,176	-
Prior-Year Encumbrances Appropriated	38,151	38,151	38,151	-
FUND BALANCE AT END OF YEAR	<u>\$ 169,927</u>	<u>\$ 138,466</u>	<u>\$ 189,495</u>	<u>\$ 51,029</u>

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018
(Amounts in Thousands)

	Business-Type Activities—Enterprise Funds		
	Metropolitan Sewer District	Paul Brown Stadium	Baseball Stadium
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	\$ -	\$ 1,484	\$ 1,696
Cash and Cash Equivalents—Segregated Accounts	21,073	3	77
Restricted Cash, Cash Equivalents and Investments:			
Cash, Cash Equivalents and Investments Held by Trustees	2,522	2,644	1,580
MSD Construction Account Held by the City of Cincinnati	13,411	-	-
Accounts Receivable	39,656	245	8
Lease Rent Receivable	-	262	-
Sales Tax Receivable	-	5,684	3,107
Interest Receivable	-	119	-
Intergovernmental Receivable	-	62	-
Due from Other Funds	-	-	-
Prepaid Expenses	6,141	-	-
Total Current Assets	82,803	10,503	6,468
Noncurrent Assets:			
Restricted Cash, Cash Equivalents and Investments:			
Held by the City of Cincinnati:			
Construction Account	143,480	-	-
Amount to Be Transferred to Surplus Account	82,711	-	-
Held by Trustees:			
Cash and Cash Equivalents	5,302	-	-
Investments—Held to Maturity	281,854	-	-
Total Restricted Assets	513,347	-	-
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	10,188	67,916	17,685
Construction in Progress	315,384	485	10,893
Total Nondepreciable Capital Assets	325,572	68,401	28,578
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	355,865	394,445	352,313
Sewer Laterals	1,293,287	-	-
Furniture, Fixtures and Equipment	682,525	14,112	3,698
Less Accumulated Depreciation	(984,813)	(261,448)	(201,732)
Total Depreciable Capital Assets, Net	1,346,864	147,109	154,279
Total Capital Assets, Net	1,672,436	215,510	182,857
Prepaid Expense	-	591	429
Other	182	-	-
Total Noncurrent Assets	2,185,965	216,101	183,286
TOTAL ASSETS	2,268,768	226,604	189,754
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	10,002	8,030	7,105
Pension	11,939	-	-
Other Postemployment Benefit Obligation	7,948	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	29,889	8,030	7,105
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,298,657	\$ 234,634	\$ 196,859
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 7,625	\$ 1,012	\$ 80
Construction Accounts Payable	13,411	-	-
Due to Other Funds	-	-	-
Accrued Wages and Benefits Payable	2,146	67	5
Intergovernmental Payable	-	41	1
Unearned Revenue	-	26	17
Accrued Interest Payable	-	-	-
Accrued Interest Payable from Restricted Assets	2,522	1,108	610
Retainage Payable	-	4	84
Accrued Compensated Absences	4,512	11	-
Unearned Lease Rent Revenue	-	5	-
Current Portion of State Loans Payable	-	-	-
Current Portion of Long-Term Debt	51,497	16,966	10,269
Capital Lease Payable	690	1,650	-
Estimated Future Claims	-	-	-
Total Current Liabilities	82,403	20,890	11,066
Noncurrent Liabilities:			
Estimated Future Claims	-	-	-
Accrued Compensated Absences	5,520	244	-
Unearned Lease Rent Revenue	-	4,160	10,249
Interfund Payable	-	-	-
Capital Lease Payable	8,870	-	-
State Loans Payable	-	-	-
Long-Term Debt	913,320	265,829	162,992
Net Pension Liability	114,163	-	-
Net Other Postemployment Benefit Obligation	15,900	-	-
Total Noncurrent Liabilities	1,057,773	270,233	173,241
TOTAL LIABILITIES	1,140,176	291,123	184,307
DEFERRED INFLOWS OF RESOURCES			
Deferred Gain on Refunding	-	2,002	1,295
Pension	1,834	-	-
Other Postemployment Benefit Obligation	14,816	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	16,650	2,002	1,295
NET POSITION			
Net Investment in Capital Assets	761,989	(62,826)	15,322
Restricted for Debt Service	7,063	-	-
Unrestricted	372,779	4,335	(4,065)
TOTAL NET POSITION	\$ 1,141,831	\$ (58,491)	\$ 11,257

See accompanying notes to the basic financial statements.

Business-Type Activities—Enterprise Funds		Governmental Activities
Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 23,448	\$ 26,628	\$ 12,586
-	21,153	-
-	6,746	-
-	13,411	-
498	40,407	36
-	262	-
-	8,791	-
-	119	-
180	242	-
23	23	-
55	6,196	-
<u>24,204</u>	<u>123,978</u>	<u>12,622</u>
-	143,480	-
-	82,711	-
-	5,302	-
-	281,854	-
-	<u>513,347</u>	-
5,465	101,254	-
26,611	353,373	-
<u>32,076</u>	<u>454,627</u>	-
225,759	1,328,382	41
-	1,293,287	-
24,637	724,972	831
(128,023)	(1,576,016)	(609)
<u>122,373</u>	<u>1,770,625</u>	<u>263</u>
154,449	2,225,252	263
-	1,020	-
-	182	-
<u>154,449</u>	<u>2,739,801</u>	<u>263</u>
178,653	2,863,779	12,885
313	25,450	-
-	11,939	-
-	7,948	-
<u>313</u>	<u>45,337</u>	-
<u>\$ 178,966</u>	<u>\$ 2,909,116</u>	<u>\$ 12,885</u>
\$ 598	\$ 9,315	\$ 261
-	13,411	-
4	4	-
256	2,474	64
38	80	8
19	62	-
57	57	-
82	4,322	-
-	88	-
28	4,551	15
-	5	-
1,211	1,211	-
645	79,377	-
-	2,340	-
-	-	6,780
<u>2,938</u>	<u>117,297</u>	<u>7,128</u>
-	-	300
551	6,315	126
-	14,409	-
20,340	20,340	-
-	8,870	-
2,942	2,942	-
16,218	1,358,359	-
-	114,163	-
-	15,900	-
<u>40,051</u>	<u>1,541,298</u>	<u>426</u>
42,989	1,658,595	7,554
-	3,297	-
-	1,834	-
-	14,816	-
-	<u>19,947</u>	-
133,746	848,231	263
-	7,063	-
2,231	375,280	5,068
<u>\$ 135,977</u>	<u>\$ 1,230,574</u>	<u>\$ 5,331</u>

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**
(Amounts in Thousands)

	Business-Type Activities— Enterprise Funds		
	Metropolitan Sewer District	Paul Brown Stadium	Baseball Stadium
OPERATING REVENUES			
Charges for Services	\$ -	\$ 653	\$ 855
Lease Rent Revenue	-	635	539
Sewerage Service Charges	252,474	-	-
Sewerage Surcharges	16,800	-	-
Intergovernmental	-	-	61
Other	3,611	171	178
TOTAL OPERATING REVENUES	<u>272,885</u>	<u>1,459</u>	<u>1,633</u>
OPERATING EXPENSES			
Personnel Services	52,190	1,799	127
Net Pension Expense	6,861	-	-
Utilities, Fuel and Supplies	18,820	2,604	1,306
Purchased Services	34,912	3,502	1,096
Claims	-	-	-
Depreciation and Amortization	65,132	15,447	12,915
Other	12,433	823	450
TOTAL OPERATING EXPENSES	<u>190,348</u>	<u>24,175</u>	<u>15,894</u>
OPERATING INCOME (LOSS)	<u>82,537</u>	<u>(22,716)</u>	<u>(14,261)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	14,495	124	59
Sales and Use Tax for Debt Service	-	27,915	15,315
Sales and Use Tax	-	14,907	7,412
Federal Subsidy	-	79	-
Payment in Lieu of Taxes	-	(6,257)	(4,639)
Contribution to Other Fund	-	-	-
Interest Expense	(36,492)	(7,520)	(5,212)
Fiscal Charges on Long-Term Debt	-	(3)	(1)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(21,997)</u>	<u>29,245</u>	<u>12,934</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>60,540</u>	<u>6,529</u>	<u>(1,327)</u>
Capital Contributions	4,894	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
CHANGE IN NET POSITION	<u>65,434</u>	<u>6,529</u>	<u>(1,327)</u>
NET POSITION—BEGINNING (AS RESTATED—NOTE II)	<u>1,076,397</u>	<u>(65,020)</u>	<u>12,584</u>
TOTAL NET POSITION—ENDING	<u>\$ 1,141,831</u>	<u>\$ (58,491)</u>	<u>\$ 11,257</u>

See accompanying notes to the basic financial statements.

Business-Type Activities— Enterprise Funds		Governmental Activities
Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 19,581	\$ 21,089	\$ 49,593
76	1,250	-
-	252,474	-
-	16,800	-
-	61	-
2,595	6,555	1,380
<u>22,252</u>	<u>298,229</u>	<u>50,973</u>
5,848	59,964	1,891
-	6,861	-
1,334	24,064	60
8,236	47,746	4,630
-	-	50,174
10,897	104,391	67
1,721	15,427	75
<u>28,036</u>	<u>258,453</u>	<u>56,897</u>
<u>(5,784)</u>	<u>39,776</u>	<u>(5,924)</u>
154	14,832	204
-	43,230	-
-	22,319	-
190	269	-
-	(10,896)	-
(30,066)	(30,066)	-
(1,566)	(50,790)	-
(36)	(40)	-
<u>(31,324)</u>	<u>(11,142)</u>	<u>204</u>
<u>(37,108)</u>	<u>28,634</u>	<u>(5,720)</u>
258	5,152	-
5,796	5,796	-
<u>(1,506)</u>	<u>(1,506)</u>	<u>-</u>
(32,560)	38,076	(5,720)
168,537	1,192,498	11,051
<u>\$ 135,977</u>	<u>\$ 1,230,574</u>	<u>\$ 5,331</u>

COUNTY OF HAMILTON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Amounts in Thousands)

	Business-Type Activities—Enterprise Funds		
	Metropolitan Sewer District	Paul Brown Stadium	Baseball Stadium
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	\$ 285,801	\$ 1,239	\$ 872
Lease Rent Revenue	-	-	-
Cash Received from Interfund Services Provided	-	-	-
Cash Payments to Suppliers for Goods and Services	(69,396)	(6,226)	(2,366)
Cash Payments for Claims	-	-	-
Cash Payments for Personnel Costs	(52,452)	(1,753)	(125)
Other Operating Revenues	3,197	139	239
Other Operating Expenses	-	(681)	(450)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	167,150	(7,282)	(1,830)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Sales and Use Tax	-	14,907	7,412
Federal Subsidy	-	17	-
Payment in Lieu of Taxes	-	(6,257)	(4,639)
Contribution to Other Fund	-	-	-
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	8,667	2,773
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Sales and Use Tax for Debt Service	-	27,779	15,252
Principal Payments on Long-Term Debt	(47,581)	(17,105)	(9,413)
Interest Payments on Long-Term Debt	(33,742)	(11,863)	(6,743)
Fiscal Charges on Long-Term Debt	-	(28)	(1)
MSD Loan Proceeds	15,439	-	-
Transfer into Construction Account from Trustee Investment Account	136,377	-	-
Transfer from Operating Cash to Trustee Investment Account	(50,697)	-	-
Transfer Out	-	-	-
Tap-in Fees	3,761	-	-
Capital Contributions	4,894	-	-
Acquisition and Construction of Property, Plant and Equipment	(102,620)	(642)	(9,428)
Gain on Sale of Property, Plant and Equipment	50	-	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(74,119)	(1,859)	(10,333)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Government Securities	(85,361)	-	-
Investment Earnings	3,914	11	59
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(81,447)	11	59
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	11,584	(463)	(9,331)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	256,915	4,594	12,684
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 268,499	\$ 4,131	\$ 3,353
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 82,537	\$ (22,716)	\$ (14,261)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	65,132	15,447	12,915
Capital Expenses Moved to Operating	406	-	-
Operating Expenses Moved to Capital	908	-	-
Net Changes in Operating Assets and Liabilities:			
Accounts Receivable	17,945	(45)	-
Due from Other Funds	-	-	-
Prepaid Expenses	(820)	-	-
Other Assets	(26)	-	-
Operating Accounts Payable	(1,671)	35	36
Accrued Payroll and Other Related Withholdings	(495)	12	1
Intergovernmental Payable	-	(6)	1
Claims Payable	-	-	-
Unearned Lease Rent Revenue	-	(66)	(539)
Unearned Revenue	-	30	17
Compensated Absences	-	27	-
Due to Other Funds	-	-	-
Estimated Future Claims	-	-	-
Net Pension Liability	14,856	-	-
Net Other Post Employment Benefit Obligation	9,795	-	-
Deferred Pension Outflows/Inflows	(19,040)	-	-
Cash Received from Customers	93	-	-
Deferred Charges on Refunding Outflows	1,327	-	-
Capital Expenses Moved to Fixed Assets Fund	(3,797)	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 167,150	\$ (7,282)	\$ (1,830)
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Equity in Pooled Cash and Investments	\$ -	\$ 1,484	\$ 1,696
Cash and Cash Equivalents—Segregated Accounts	21,073	3	77
Restricted Cash and Cash Equivalents Held by Trustees	7,824	2,644	1,580
Construction Account Held by the City of Cincinnati	156,891	-	-
Amount to Be Transferred to Surplus Account Held by the City of Cincinnati	82,711	-	-
TOTAL CASH AND CASH EQUIVALENTS	\$ 268,499	\$ 4,131	\$ 3,353
NONCASH INVESTING AND FINANCING TRANSACTIONS			
Structures Donated as Contributed Capital in Aid of Construction	\$ 2,945	\$ -	\$ -
Acquisition and Construction of Capital Assets Paid Directly by WPCLF Loan Proceeds	52,800	-	-
Construction Accounts Payable Related to Acquisition of Capital Assets	13,411	-	-
TOTAL NONCASH INVESTING AND FINANCING TRANSACTIONS	\$ 69,156	\$ -	\$ -

See accompanying notes to the basic financial statements.

Business-Type Activities—Enterprise Funds		Governmental Activities	
Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
\$ 19,334	\$ 307,246	\$ -	
75	75	-	
-	-	49,598	
(9,471)	(87,459)	(4,781)	
-	-	(48,784)	
(5,801)	(60,131)	(1,876)	
2,595	6,170	1,395	
<u>(1,577)</u>	<u>(2,708)</u>	<u>(1)</u>	
5,155	163,193	(4,449)	
-	22,319	-	
10	27	-	
-	(10,896)	-	
(30,066)	(30,066)	-	
5,796	5,796	-	
<u>(39)</u>	<u>(39)</u>	<u>-</u>	
<u>(24,299)</u>	<u>(12,859)</u>	<u>-</u>	
-	43,031	-	
(3,440)	(77,539)	-	
(1,833)	(54,181)	-	
(54)	(83)	-	
-	15,439	-	
-	136,377	-	
-	(50,697)	-	
(1,467)	(1,467)	-	
-	3,761	-	
258	5,152	-	
104	(112,586)	(66)	
-	50	-	
<u>(6,432)</u>	<u>(92,743)</u>	<u>(66)</u>	
-	(85,361)	-	
160	4,144	204	
160	(81,217)	204	
(25,416)	(23,626)	(4,311)	
48,864	323,057	16,897	
<u>\$ 23,448</u>	<u>\$ 299,431</u>	<u>\$ 12,586</u>	
\$ (5,784)	\$ 39,776	\$ (5,924)	
10,897	104,391	67	
-	406	-	
-	908	-	
(244)	17,656	(15)	
(23)	(23)	-	
-	(820)	-	
-	(26)	-	
239	(1,361)	17	
35	(447)	4	
3	(2)	-	
-	-	1,326	
-	(605)	-	
19	66	-	
9	36	12	
4	4	-	
-	-	64	
-	14,856	-	
-	9,795	-	
-	(19,040)	-	
-	93	-	
-	1,327	-	
-	(3,797)	-	
<u>\$ 5,155</u>	<u>\$ 163,193</u>	<u>\$ (4,449)</u>	
\$ 23,448	\$ 26,628	\$ 12,586	
-	21,153	-	
-	12,048	-	
-	156,891	-	
-	82,711	-	
<u>\$ 23,448</u>	<u>\$ 299,431</u>	<u>\$ 12,586</u>	
\$ -	\$ 2,945	\$ -	
-	52,800	-	
-	13,411	-	
<u>\$ -</u>	<u>\$ 69,156</u>	<u>\$ -</u>	

COUNTY OF HAMILTON, OHIO
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2018
(Amounts in Thousands)

	Agency
ASSETS	
Equity in Pooled Cash and Investments	\$ 96,405
Cash and Cash Equivalents—Segregated Accounts	29,557
Real and Other Taxes Receivable	1,409,529
TOTAL ASSETS	\$ 1,535,491
 LIABILITIES	
Intergovernmental Payable	\$ 55,388
Future Tax Collections to Be Distributed	1,409,529
Other Current Liabilities	70,574
TOTAL LIABILITIES	\$ 1,535,491

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Dollar Amounts Expressed in Thousands)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Hamilton County is governed by a board of 3 commissioners elected by the voters of the County. The County Commissioners serve as the County's taxing authority, its primary contracting body and the chief administrators of many of its public services. Other elected officials include the Auditor, Clerk of Courts, Coroner, Engineer, Prosecutor, Recorder, Sheriff, Treasurer, 6 Court of Appeals Judges, 20 Common Pleas Court Judges and 14 County Municipal Court Judges.

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Hamilton County, this includes the Board of Elections, Developmental Disabilities Services, the Mental Health and Recovery Services Board, the Veterans Service Commission and all departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the County, in that the County approves the organization's budget, the issuance of its debt or the levying of its taxes.

Blended Component Unit. The Hamilton County Transportation Improvement District (TID) is a body corporate and politic, organized and existing under Chapter 5540 of the Ohio Revised Code. The TID provides the opportunity to finance, construct, maintain, repair and operate roads, bridges, parking facilities and accompanying improvements within the County. It serves all the citizens of Hamilton County and is governed by a board that includes five voting and two nonvoting members. The voting members are the three County Commissioners (through September Board meeting due to Ohio Attorney General opinion on October 19, 2018), the County Engineer and a representative from the City of Cincinnati. The nonvoting members are appointed by the speaker of the House of Representatives of the General Assembly and by the President of the Senate of the General Assembly. Even though the TID is a legally separate entity, it is reported as if it were part of the County because its governing board is substantively the same as that of the County, and the County Engineer has operational responsibility. The TID is reported as a separate fund in the combining statements.

Discretely Presented Component Unit. The Convention Facilities Authority (CFA) of Hamilton County, Ohio, is an up to 11 member body corporate and politic, organized and existing under Chapter 351 of the Ohio Revised Code as amended. It is controlled by Hamilton County, which may appoint 6 members. The City of Cincinnati may appoint 3 members, and the remaining 2 members are from other municipalities. Each member may serve a four-year term and may not serve more than three consecutive terms. The CFA was created in 2002 for the purpose of financing the renovation and expansion of the Cincinnati Convention Center, now known as the Duke Energy Center. No financial activity took place until the revenue bonds were sold in 2004. The County is considered financially accountable for the CFA because the County appoints a voting majority of the CFA's governing body and the County has the ability to impose its will on the CFA. The CFA is not, however, fiscally dependent on the County. Complete financial statements for the CFA may be obtained from the City of Cincinnati, Office of Finance and Budget, 801 Plum Street, Cincinnati, Ohio 45202.

Fiscal Agent Related Entities. As counties are structured in Ohio, the County Auditor and County Treasurer serve as fiscal officer and custodian of funds, respectively, for various non-County entities. As fiscal officer, the Auditor maintains the accounts and certifies the availability of appropriated funds prior to the processing of warrants for payment. As custodian of funds, the Treasurer invests public moneys held on deposit in the County

COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Dollar Amounts Expressed in Thousands)

treasury and redeems the Auditor's warrants. In the case of the separate districts and commissions listed below, the County Auditor and County Treasurer serve as statutory fiscal agent and custodian of funds, respectively. The County, however, is not otherwise accountable for these entities. Accordingly, only the cash for the following boards and commissions that is being held by the County Treasurer is reflected in accompanying agency funds statements:

The *Hamilton County Family and Children First Council* was formed under Ohio Revised Code Section 121.37. The Council is composed of several community partners who work to streamline and coordinate existing government services for families seeking assistance for their children. Hamilton County Developmental Disabilities Services serves as administrative agent for the Council.

The *Hamilton County General Health District (Health District)* provides public health services to its residents and communities to prevent the spread of communicable diseases and promote good health. The Health District is governed by a five-member Board of Health (BOH), four of whom are elected by the District Advisory Council, which consists of the President of the Board of County Commissioners, the chief executive of each municipal corporation not constituting a city health district, and the chairperson of the board of township trustees. The other BOH member is elected by the District Licensing Council, which consists of representatives of entities licensed by the Health District. The BOH appoints the Health Commissioner and approves the budget and various resolutions including fees and operating policies. The Health Commissioner is empowered to direct the activities of the Health District, including hiring and adjusting employee wages, approving grant budgets and executing contracts. The Health District is responsible for its own fiscal management and undergoes an annual financial audit. The Health District is dependent on the County to provide facilities, legal counsel and custodianship over its funds.

The *Hamilton County Regional Planning Commission* serves the Board of County Commissioners by providing advisory planning services to the unincorporated areas (12 townships) of the County. It also serves 37 County municipalities that are members of the Commission and pay annual fees. The Commission itself is made up of 7 representatives: 4 township representatives appointed by the Board of County Commissioners, 1 municipality representative appointed by the Board of County Commissioners, 1 municipal planning commission representative elected by municipal planning commissions and 1 City of Cincinnati representative appointed by the Cincinnati Planning Commission. The Regional Planning Commission appoints an Executive Director and can hire and fix compensation of employees. The Commission is dependent on the County to provide facilities and legal counsel and to act as fiscal agent and custodian of its funds. The budget is approved by the Commission, which is responsible for fiscal management through its authority to enter into contracts and prepare certain financial reports.

The *Hamilton County River City Correctional Center (RCCC)*, a Community-Based Correctional Facility, is a local alternative to prison with the primary purpose of rehabilitation for nonviolent felony offenders. Funding is provided through the Community Corrections Act, from the Bureau of Community Sanctions of the Ohio Department of Rehabilitation and Correction (ODRC). The RCCC is governed by a Facility Governing Board, two-thirds of which is appointed by the Hamilton County Court of Common Pleas and one-third by the Board of County Commissioners. The Facilities Governing Board approves the annual budget and any revisions thereto. Ongoing fiscal management occurs with oversight from both the RCCC Executive Director and the Business Manager.

The *Hamilton County Soil and Water Conservation District (SWCD)* is a separate political subdivision of the State of Ohio and Hamilton County, organized under the Ohio Soil Conservation Act of 1941. Since its inception, the SWCD has been governed by a publicly elected board of volunteer supervisors that are authorized to contract and sue on behalf of the District. The Supervisors adopt their own budget, authorize District expenditures, and hire and fire staff. Funding comes from the County General Fund, a percentage match from the Ohio Department of Agriculture, and the Hamilton County Storm Water District. The District is committed to assist the citizens of Hamilton County through education, technical assistance and leadership in the conservation of our soil and water resources.

COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Dollar Amounts Expressed in Thousands)

Jointly Governed Organizations. Hamilton County Board of Developmental Disabilities is a member of the Southwestern Ohio Regional Council of Governments (COG) formed by Hamilton, Clermont, Butler and Warren Counties in 2009. Since 2015, two additional county boards have joined the COG: Greene and Montgomery. The role of this Council is to coordinate the powers and duties of the member boards to better serve and benefit persons with developmental disabilities within the member counties. Hamilton County Mental Health and Recovery Services Board is a member of the Three C Recovery and Health Care Network Council of Governments, which was created by the Hamilton County Mental Health and Recovery Services Board (Cincinnati); The Alcohol, Drug and Mental Health Board of Franklin County (Columbus); and The Alcohol, Drug Addiction and Mental Health Services Board of Cuyahoga County (Cleveland). The purpose of this Council is for creating a Shared Health Care and Recovery Enterprise System (SHARES) to support management of client enrollment, benefit management, provider contracting, payment processes and utilization management for the member boards and for additional boards that may join the COG in the future. (See note VI C, Jointly Governed Organizations.) The Southwest Ohio Regional Transit Authority (SORTA) is jointly governed with the City of Cincinnati. The County has no ongoing financial interest or responsibility in SORTA. Separate financial statements are available by contacting SORTA at 602 Main Street, Suite 1100, Cincinnati, Ohio 45202. Hamilton County and the City of Cincinnati also jointly govern the Southwest Ohio Region Workforce Investment Board (SWORWIB). While the County is the fiscal agent and administrative entity for this board, the County has no ongoing financial interest or responsibility to the board. Separate financial statements are available by contacting SWORWIB at 100 Scarlet Oaks Drive, Great Oaks IRC Room 102, Cincinnati, Ohio 45241.

Related Organizations. The Board of County Commissioners is responsible for appointing the majority of the members of the Board of Building Appeals, Board of Building Standards, Commission on Women and Girls, Community Development Advisory Committee, Local Corrections Planning Board, County Land Reutilization Corporation, Economic Inclusion Advisory Committee, Elderly Services Programs Advisory Council, Hospital Commission, Public Defender Commission, and Public Library Board of Cincinnati and Hamilton County. Hamilton County Commissioners also appoint half of the board members for the Greater Cincinnati Redevelopment Authority. The Hamilton County Probate Court Judge appoints the Board of Park Commissioners of the Hamilton County Park District. In none of the aforementioned instances does the County's accountability extend beyond making the appointments. These organizations do not have significant operational or financial relationships with the County.

B. Basis of Presentation

The financial statements of the County and CFA have been prepared in conformity with GAAP (generally accepted accounting principles) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the County's accounting policies are described below.

The County's basic financial statements consist of government-wide statements and fund financial statements. The government-wide statements include a Statement of Net Position and a Statement of Activities. The fund financial statements provide a more detailed level of financial information.

Government-Wide Financial Statements. The Statement of Net Position and the Statement of Activities display information about the County as a whole. These statements include the financial activities of the primary government and its component unit, whose financial activities are reported separately from those of the primary government. Agency funds are not included in the government-wide statements. The statements distinguish between those activities of the County that are governmental, which normally are supported by taxes and intergovernmental revenues, and those that are considered business-type activities, which rely to a significant extent on fees and charges for support. The activity of the governmental internal service funds is eliminated to avoid doubling up revenues and expenses. The effect of interfund activity has been removed from these statements.

COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Dollar Amounts Expressed in Thousands)

The Statement of Net Position presents the financial condition of the County's governmental and business-type activities and the component unit's activities at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. The policy of the County is to allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County or the component unit, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements. During the year, in order to aid financial management and to demonstrate legal compliance, the County segregates in separate funds the transactions related to certain County functions or activities. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The total for all internal service funds is presented in a separate column on the face of the proprietary fund statements. Separate financial statements are provided for the agency funds, even though they are not included in the government-wide statements.

C. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purposes and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds. Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following are the County's major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for the general operating revenues and expenditures of the County not recorded elsewhere. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

The *Health and Human Services Levies* special revenue fund accounts for the revenue from health and human services levies. Levies and expenditures are determined by policies of the Board of County Commissioners.

The other governmental funds of the County account for grants and other resources, whose use is restricted, committed or assigned to particular purposes.

COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Dollar Amounts Expressed in Thousands)

Proprietary Funds. Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board of County Commissioners has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The expenses of providing goods and services primarily or solely to the general public are financed or recovered primarily through user charges.

The following are the County's major enterprise funds:

Metropolitan Sewer District (MSD) is the County-owned sewer district operated by the City of Cincinnati under a management contract. The MSD fund accounts for County-provided wastewater service to residential and industrial users in Hamilton County. Sewer charges serve as the major revenue source for financing operations and maintenance of the sewer system. MSD employees are employees of the City. Per the contract with the City, the County has exercised its option to have a separate financial audit of MSD. Additionally, bond indentures require separately audited financial statements of MSD. These audited statements are included in this report as a major enterprise fund with appropriate note disclosure.

Paul Brown Stadium fund accounts for revenue received from football stadium tenants and for the operations of the stadium.

Baseball Stadium fund accounts for revenue and expenses associated with the operations of the baseball stadium (Great American Ball Park) and the Cincinnati Reds Hall of Fame and Museum.

Internal service funds account for the financing of services provided by one department or agency of the County to other departments or agencies of the County on a cost-reimbursement basis. The internal service funds report on (1) workers' compensation, (2) the Auditor's computer center and (3) medical self-insurance.

Fiduciary Funds. The County's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. These funds account for (1) assets held by the County as agent for the entities described in note I A as Fiscal Agent Related Entities and (2) various taxes, assessments and State-shared resources collected on behalf of other local governments.

D. Measurement Focus

Government-Wide Financial Statements. The government-wide financial statements are prepared using the *economic resources* measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the County and its component unit are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements. All governmental funds are accounted for using a flow of *current financial resources* measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements.

COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
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Like the government-wide statements, all proprietary fund types are accounted for on a flow of *economic resources* measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the *accrual* basis of accounting. Governmental funds use the *modified accrual* basis of accounting. Proprietary and fiduciary funds use the *accrual* basis of accounting. Differences in the accrual basis and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows of resources, and the presentation of expenses versus expenditures.

Revenues—Exchange and Non-exchange Transactions. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. *Measurable* means the amount of the transaction can be determined; *available* means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Hamilton County considers revenues available if they are expected to be received within 60 days of year-end.

Non-exchange transactions, in which the County or CFA receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see note V B). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County or CFA must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County or CFA on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales tax, local government funds, interest, fees and charges for services.

Unearned Revenue. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue, as are some taxes, local government funds and casino revenue and, in the enterprise funds, lease revenue that must be recognized over the life of the lease.

Deferred Inflows/Outflows of Resources. In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. 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/expenditure) until then. For the County, deferred outflows of resources include deferred charges on refundings, pension and other postemployment benefits (OPEB) reported in the government-wide Statement of Net Position. The deferred outflows of resources related to pension and OPEB are explained in notes VI F-J. The deferred charges on refundings result 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.

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In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include deferred charges on refundings, property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet and represents receivables that will not be collected within the available period. For the County, unavailable revenue includes delinquent property taxes, special assessments, intergovernmental revenues, loans, and grants not yet received though eligibility requirements have been met. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified in the Reconciliation of Balance Sheet—Governmental Funds—to Government-Wide Statement of Net Position. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position (see notes VI F-J).

Expenses/Expenditures. On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

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

F. Budgetary Process

The County is required by Ohio law to adopt annual budgets for the General Fund, some special revenue funds and all debt service funds. Under the direction of the County Administrator, staff of the Commissioners' Office and County Administration Department prepares the budget and issues a separate budgetary report. The budgetary process begins at least six months prior to the calendar year for which the budget is to be adopted, with the County certifying the proposed budget to the County Auditor by July 20. By January 1, the County Commissioners may adopt annual or temporary measures using, in part, the official certificate of estimated resources approved by the County Budget Commission and the tax rates certified by the County Auditor. Appropriations cannot exceed estimated resources. By April 1, the County Commissioners must adopt an annual appropriation resolution.

The certificate of estimated resources may be amended during the year for projected increases or decreases in revenue. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. Modifications to the original budget are approved by the Board of County Commissioners throughout the year as allowed by State statute. All budgetary amendments and supplemental appropriations made during 2018 are included in the revised budget amounts presented in the budget-to-actual comparisons. The County maintains budgetary control within an organizational unit and fund by not permitting expenditures and encumbrances to exceed appropriations within three major categories—Personnel Services, Other Expenditures and Capital Outlay.

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The budgetary process does not include annual budgeting for certain grants and the Capital Projects funds. For these funds, appropriations are made on a multiyear basis with the free balance and encumbrances being reappropriated annually. The administrative control is on a grant or project basis and, therefore, comparisons with annually appropriated funds do not provide meaningful data. The County adopts annual budgets for proprietary funds; however, budgetary data is not presented for proprietary funds due to the nature of the funds, where demand for goods and services largely determines the level of revenues and expenses. There is no legal requirement to report on such budgets.

The annual budget for MSD is prepared on a non-GAAP budgetary basis of accounting, is approved by the Board of County Commissioners and is administered by the City of Cincinnati. Budgetary control is exercised at the divisional level, and between personnel and other costs.

G. Cash, Cash Equivalents and Investments

The County's cash consists of cash on hand and demand deposits. County investments with original maturities of one year or less are recorded at cost or amortized cost. Investments of the County that have original maturities of one year or more are recorded at fair value, which is based on quoted market prices. For presentation on the financial statements, funds included within the Treasurer's cash management pool and County, CFA or MSD investments with original maturities of three months or less are considered to be cash and cash equivalents.

Cash resources of individual funds, including proprietary funds, are combined to form a pool of cash and investments that is managed by the County Treasurer. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as Equity in Pooled Cash and Investments on the financial statements. Certain moneys for MSD are held and invested by the City and trustees. These bank accounts and investments are represented by Cash and Cash Equivalents Held by the City of Cincinnati and Held by Trustees asset accounts.

In 2018, investments were limited to federal securities, securities issued by a government agency, commercial paper notes and STAR Ohio (the State Treasury Asset Reserve of Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The County measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. For the fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

See note V A for a detailed disclosure of cash, cash equivalents and investments held by the County.

The CFA's receipts are accounted for by its fiscal agent, the City of Cincinnati, or trustee. Cash received by the fiscal agent or trustee is maintained in accounts in the CFA's name.

MSD is required by Ohio law to invest in only U.S. obligations; federal agency securities; Ohio bonds and other obligations of the State or such obligations of political subdivisions of the State, provided that the subdivisions are located within Hamilton County; time certificates of deposit or deposit accounts in an eligible institution; and no-load money market mutual funds consisting only of investments mentioned above. Investments are required to mature within five years from the date of settlement, unless the investment is matched to a specific obligation or debt of MSD.

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Under existing Ohio statutes, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during 2018 amounted to \$13,522, which includes \$14 assigned from other County funds.

The County has segregated bank accounts for moneys held separate from the County's central bank accounts. Additionally, the Southwest Ohio Council of Governments, Three C Recovery and Health Care Network Council of Governments and the CFA are currently holding deposits that belong to the County. These monies are presented as Cash and Cash Equivalents—Segregated Accounts.

H. Inventories

Inventories of governmental funds are valued at cost. Costs are determined by the first-in, first-out (FIFO) method. The costs of inventory items are recognized as expenditures in the governmental funds when consumed.

MSD's supplies and materials are stated at the lower of cost or market on a FIFO basis.

I. Prepaid Expenses

MSD payments made to vendors for services that will benefit periods beyond fiscal year ended December 31, 2018, are recorded as Prepaid Expenses using the consumption method. Under this method, a current asset is recorded for the prepaid amount and expenses are reflected in the year in which services are consumed.

The City of Cincinnati offered an Early Retirement Incentive Program (ERIP) in 2007. The City Retirement System requested MSD's share of the remaining liability in the amount of \$8,723. This amount represents in full the liability for 2015-2023. The payment was processed in March 2016. The remaining prepaid expense is \$3,773 at December 31, 2018.

J. Interfund Transactions

On fund financial statements, receivables and payables resulting from long-term interfund loans are classified as Advances to/from Other Funds or as Interfund Receivable/Payable. Receivables and payables resulting from interfund transactions other than loans are classified as Due to/from Other Funds. Interfund transactions are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as Internal Balances.

K. Restricted Assets

The Trust Agreement for MSD's Series A Revenue bonds (see note V F) requires the establishment of certain trust accounts, including a Bond Account, Bond Reserve Account, and Surplus Account to be held by the trustee. The Bond Account will be used to accumulate periodic principal and interest payments. The Bond Reserve Account will be funded in an amount equal to the highest annual future debt service requirement. The Surplus Account is available to be used for any other sewer system purpose. The Trust Agreement also requires the creation of a Construction Account to be held by the City to pay for project costs. For Paul Brown and baseball stadiums, per the bond indenture requirements, restricted assets include sales tax withholdings required to be held by the custodial trustee for semiannual debt service for 2011 and 2016 sales tax-supported bonds. At December 31, 2018, the following balances (at fair value) were maintained in trust accounts:

Held by Trustees:	
Bond Retirement	\$ 12,048
Reserve	54,391
Surplus	227,463
Total	\$ 239,902

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L. Capital Assets

Capital assets, which include real property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets used by proprietary funds are also reported in the financial reports of the respective funds.

The County defines a capital asset as an asset with an initial cost of at least \$5,000 (amount not in thousands) and an estimated useful life of at least two years. Most capital assets are capitalized at cost or estimated historical cost. Donated capital assets or assets the County takes ownership of as a result of seizure or forfeiture are recorded at their acquisition values as of the date received. Capitalized amounts are updated for additions and retirements during the year. MSD assets acquired prior to its inception in 1968 that are not identifiable with specific historical costs are not included in the capital assets balance. Assets acquired by MSD through contributions, such as contributions from land developers and federal and State grants, are capitalized and recorded in the plant records at the contributor's reported cost. Land acquired for MSD's use is titled to either the City or the County. The cost of the land has been recorded on the books of MSD, since it has the full benefits of the land as an economic resource.

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Construction in progress includes the cost of in-force labor and costs incurred for projects not placed in use as of December 31, 2018.

Capital assets are depreciated except for land, some land improvements, and construction in progress. Depreciation is computed using the straight-line method over the following useful lives, unless history or other factors indicate a different estimate would be more appropriate:

Bridges	50 years
Buildings and Structures	40 years
MSD Sewer Laterals	40 years
Parking Garages	30 years
Stadia	28 years
Roads	20 years
Building Improvements	20 years
Depreciable Land Improvements	20 years
Office and Service Equipment	2 to 25 years

Infrastructure assets consist of roads and bridges. They are reported as governmental activities. Infrastructure assets acquired prior to January 1, 2002, consist of the bridges and roads that were acquired or that received substantial improvements subsequent to January 1, 1980, and are reported at estimated historical cost using deflated replacement cost.

Any material gain or loss arising from the disposal of capital assets for proprietary funds has been credited or charged to income or expense of the respective fund. The net gain or loss for governmental funds has been credited to General Revenues or charged to expenses of the General Government function in the Statement of Activities.

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Compensatory time is accrued as a

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liability as the benefits are earned. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded as Matured Compensated Absences Payable in the funds from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported in governmental funds. For governmental funds, the portion of unpaid compensated absences expected to be paid within a year is noted next to the total Compensated Absences in the Long-Term Debt and Other Obligations table (see note V F). This amount is a portion of what is reported as Long-Term Liabilities Due within One Year in the government-wide Statement of Net Position. In proprietary funds, the entire amount of accrued compensated absences is reported as a fund liability. The current amounts are an average of the annual expenses.

Ohio law requires that vacation time not be accumulated for more than three years. Normally, all vacation time is to be taken in the year available unless administrative written approval for carryover is obtained. Sick time not taken may be accumulated until retirement. Employees eligible to retire under a County-recognized retirement plan, with a minimum of 10 years of service, are paid one-half (up to 630 hours for 70-hour pay periods; 720 hours for 80-hour pay periods) of accumulated sick time upon retirement.

Certain agencies of the County that are not under the control of the Board of County Commissioners may have slight variances in policies on compensated absences. Compensated absences are accrued in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*.

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities and long-term obligations payable from proprietary funds are also reported in the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally due for payment during the current year. Net pension/OPEB liability is recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds and loans that will be paid from governmental funds are recognized as a liability in the fund financial statements when payment is due.

O. Bond Premiums and Discounts, Prepaid Insurance

On the government-wide financial statements and in the enterprise funds, bond premiums/discounts are deferred and amortized over the term of the bonds using the straight-line (bonds outstanding) method, which approximates the effective interest method. Bond premiums/discounts are presented as additions/reductions to the face amount of bonds payable. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred. On the governmental fund financial statements, premiums and discounts, as well as issuance costs, are recognized in the period in which the debt is issued. Bond premiums/discounts are reported as an Other Financing Source/Use. Issuance costs, even if withheld from the actual net proceeds received, are reported as Debt Service expenditures.

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P. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form (i.e., they are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact. The nonspendable fund balances include materials and supplies inventory (category a), unclaimed monies reduced by the amount of the estimated liability for payments to claimants (category b), and interfund advances (category b).

Restricted: The restricted classification is used when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments (e.g., State statutes) or (b) imposed by law through constitutional provisions or enabling legislation (County resolutions). Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party, such as citizens, public interest groups or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed: The committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the Commissioners remove or change the constraint via another resolution. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Assigned fund balance includes amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned amounts represent the remaining amount that is not restricted or committed. Assigned fund balance addresses the government's intent and should be expressed by the County Commissioners or a County official delegated that authority by resolution or by State statute. In the General Fund, assigned amounts represent encumbered amounts for outstanding obligations (purchases on order), appropriation of fund balance in the subsequent year's budget, and the amount reserved for judgments and claims.

Unassigned: Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In all other governmental funds, the unassigned classification is used only to report a deficit fund balance.

The County applies restricted resources first when expenditures are incurred for the purpose for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification could be used.

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Q. Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or CFA, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. MSD's restricted net position relates to debt service. MSD did not have net position restricted by enabling legislation. The County, MSD and CFA apply restricted resources first when an expenditure/expense is incurred for purposes for which both restricted and unrestricted net position is available.

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the County, these revenues are charges for services for wastewater treatment, stadium rental income, parking fees, and charges to political subdivisions and County departments for services provided by the County, including the costs of providing computer services, emergency communications, and workers' compensation and employees' health insurance coverage. For the CFA, operating revenues include contributions for financing the Convention Facility and the hotel taxes for repayment of debt. Operating expenses are the necessary costs incurred to provide the good or service that is the primary activity of the fund or CFA. For the County, these expenses include personnel, net pension expense, utilities and supplies, claims, depreciation and purchased services. For the CFA, operating expenses were for the return of residual funds to the City and County, project costs, audit and trustee fees, and insurance. Revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

S. Capital Contributions

Capital contributions in proprietary fund financial statements arise from outside contributions of capital assets, from grants or outside contributions of resources restricted to capital acquisition and construction, or from transfers from governmental funds. These assets, which are recorded at their acquisition values as of the date received, are not subject to repayment. Capital contributions in 2018 totaled \$5,152.

T. Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements. Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Transfers In and Transfers Out. Interfund transfers are reported as Other Financing Sources (Uses) in governmental funds and after Nonoperating Revenues (Expenses) in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

U. Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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V. Basis of Budgeting

While reporting financial position, results of operations and changes in fund balance on the basis of GAAP, the basis of budgeting as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. A Statement of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—is presented in the basic financial statements for the General Fund and the major special revenue fund with an annually appropriated budget. The major differences for those funds between the basis of budgeting and the GAAP basis are the following:

1. Revenues are recorded when received (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).
4. Loans and advances in and out, as well as changes in segregated cash and escheat estimates, are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Outstanding year-end encumbrances and prior-year appropriations are treated as expenditures (budget basis) as opposed to restricted, committed or assigned fund balance (GAAP basis).

Adjustments necessary to convert the results of operations at the end of the year on the basis of budgeting to the GAAP basis are presented in the following table:

	General Fund	Health and Human Services Levies
<u>Net Change in Fund Balance</u>		
<i>GAAP Basis</i>	\$ 5,509	\$ 7,523
Increase (Decrease):		
Net Adjustment for Revenue Accruals	(1,704)	392
Net Adjustment for Expenditure Accruals	883	(3,847)
Net Adjustment for Unrealized Gains	(100)	(119)
Net Adjustment for Change in Segregated Cash	-	(1,194)
Net Adjustment for Change in Escheat Estimate	(72)	-
Encumbrances	(10,465)	(41,587)
<i>Basis of Budgeting</i>	<u>\$ (5,949)</u>	<u>\$ (38,832)</u>

II. CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

A. Change in Accounting Principles

In 2018, the County implemented the following Governmental Accounting Standards Board (GASB) Statements:

- No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.
- No. 85, *Omnibus 2017*
- No. 86, *Certain Debt Extinguishment Issues*
- No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

GASB 75 establishes standards for measuring and recognizing postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. See Note II B below for the effect the implementation of this pronouncement had on net position as reported December 31, 2017.

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GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB statements and addresses a variety of topics.

GASB Statement No. 86 improves (a) consistency in accounting and financial reporting for in-substance defeasance of debt, (b) accounting and financial reporting for prepaid insurance on debt that is extinguished and (c) notes to financial statements for debt that is defeased in substance.

GASB Statement No. 89 (a) enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplifies accounting for interest cost incurred before the end of a construction period.

The implementation of pronouncements 85 and 86 did not result in any changes to the County's financial statements. With the implementation of pronouncement 89, the County will discontinue capitalizing interest incurred during construction for business-type capital assets and will expense that interest in the period in which it is incurred.

B. Restatement of Net Position

The implementation of GASB 75 had the following effect on net position as reported December 31, 2017:

	Governmental Activities	Business-Type Activities
Net Position December 31, 2017	\$ 473,271	\$ 1,207,251
Adjustments:		
Net OPEB Liability	(161,042)	4,308
Deferred Outflow—Payments Subsequent to Measurement Date	2,557	-
Deferred Inflow—Change in Assumptions	-	(15,389)
Deferred Inflow—Investment Differences	-	(3,672)
Restated Net Position December 31, 2017	<u>\$ 314,786</u>	<u>\$ 1,192,498</u>

Other than employer contributions subsequent to the measurement date, the County made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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III. FUND BALANCE

The fund balances for all governmental funds are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources (see note I P). The constraints placed on the fund balance for the major and other governmental funds are presented below:

Fund Balances	General	Health and Human Services Levies	Nonmajor Governmental Funds	Total
Nonspendable				
Materials and Supplies	\$ -	\$ -	\$ 160	\$ 160
Advances to Other Funds	113	-	-	113
Escheat	5,164	-	-	5,164
Total Nonspendable	5,277	-	160	5,437
Restricted for				
Public Assistance	-	-	34,331	34,331
Health and Human Services Levies	-	218,551	-	218,551
Motor Vehicle Gas Tax	-	-	34,699	34,699
Health and Community Services	-	-	58,045	58,045
Debt Service Payments	-	-	2,323	2,323
Other	-	-	4,344	4,344
Total Restricted	-	218,551	133,742	352,293
Committed				
Capital Projects	-	68	84,653	84,721
Other Purposes	262	-	-	262
Total Committed	262	68	84,653	84,983
Assigned				
Purchases on Order				
Materials/Supplies	1,266	-	-	1,266
Contractual Services	3,783	-	-	3,783
Maintenance/Utilities	1,788	-	-	1,788
Other Purposes	257	-	-	257
Subsequent Year's Budget:				
Appropriation of Fund Balance	2,058	-	-	2,058
Other Purposes	99	-	-	99
Total Committed	9,251	-	-	9,251
Unassigned (Deficit)	61,382	-	(3,723)	57,659
Total Fund Balance	\$ 76,172	\$ 218,619	\$ 214,832	\$509,623

The County has established a General Fund reserve policy. The Board of County Commissioners set a goal of 15 percent of the current year's ongoing budgeted expenditures as a reserve. If the reserve is not at that level, the Board will increase the reserve by .5 percent of the General Fund budgeted expenditures each year until the 15 percent level is attained. The reserve may be used to stabilize revenues, retire outstanding debt or pay judgments.

IV. STEWARDSHIP AND ACCOUNTABILITY

At December 31, 2018, the following nonmajor fund groups had deficit fund balances:

<u>Fund Group</u>	<u>Fund Balance</u>
Health and Community Services Grants	\$ (256)
Judicial Services Grants	(3,194)
Economic Development Grants	(273)

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These deficits were caused by deferring revenue for which eligibility requirements had not yet been met and/or the time lag between reimbursements for grant expenditures versus when the expenditures were incurred.

The deficit net position of (\$58,491) in the Paul Brown Stadium enterprise fund is due to the outstanding debt on the capital assets exceeding the cost of the assets net of depreciation.

V. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Moneys held by the County are classified by State statute into two categories:

1. Active moneys are public moneys determined to be necessary to meet current demand upon the County treasury. Active moneys must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, in negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
2. Moneys held by the County that are not considered active are classified as inactive.

The County's Statement of Investment Policy, approved by the County's Investment Advisory Committee, authorizes investments permitted under Ohio law, which states that inactive moneys are to be deposited or invested in the following:

1. U.S. Treasury notes, bills, bonds or other obligations or securities issued by the U.S. Treasury, any other obligation guaranteed as to principal and interest by the United States, or any book-entry, zero-coupon U.S. security that is a direct obligation of the United States;
2. bonds, notes, debentures or any other obligations or securities issued directly by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association;
3. time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
4. bonds and other obligations of the State of Ohio or its political subdivisions;
5. no-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in item 1, 2 or 4 above and repurchase agreements secured by such obligations;
6. the State Treasurer's investment pool (STAR Ohio);
7. securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities described in item 1 or 2 above or cash, equal value for equal value;
8. up to 25 percent of the County's total average portfolio in (a) high-grade commercial paper for a period not to exceed 270 days in an amount not to exceed 10 percent of the aggregate value of the issuing corporation's outstanding commercial paper or (b) bankers' acceptances for a period not to exceed 180 days (additional training for the County's investing authority is required for making investments in these categories);
9. up to 15 percent of the County's average portfolio in notes issued by U.S. corporations or by repository institutions doing business under authority granted by the United States provided the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;
10. up to 1 percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the U.S. government, with all interest and principal denominated and payable in U.S. funds;
11. a current unpaid or delinquent tax line of credit authorized by Revised Code, provided that all of the conditions for entering into such a line of credit under that division are satisfied, or bonds and other obligations of a county land reutilization corporation organized under Revised Code, if the county land reutilization corporation is located wholly or partly within Hamilton County; or

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12. written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives, as well as the issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are all prohibited.

Investments may be made only through dealers and institutions as specified in Ohio Revised Code. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information categorizes deposits and investments and identifies risks related to deposits and investments as defined in GASB Statement No. 3, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, and GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

Cash on Hand. At year-end, the County had \$683 in undeposited cash on hand. This amount is included on the Statement of Net Position of the County as part of Equity in Pooled Cash and Investments.

Deposits—County. At year-end, the County’s carrying amount of deposits was \$110,329 and the bank balance was \$105,340.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a bank failure, the County’s deposits may not be returned to it. The County’s policy for deposits is that any balance not covered by the Federal Deposit Insurance Corporation will be collateralized by the financial institutions with pledged securities. Of the year-end bank balance, \$5,264 was covered by federal depository insurance or by collateral held by the County’s agent in the County’s name. At December 31, 2018, \$100,076 of the bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution’s trust department or agent but not in the County’s name.

Investments—County. At December 31, 2018, investment balances were as follows:

<u>Measurement/Investment</u>	<u>Measurement Amount</u>	<u>Maturity</u>	<u>Standard & Poor’s or Moody’s Rating</u>	<u>Percent of Total Investments</u>
Net Asset Value per Share STAR Ohio	\$ 928	Less than one year	AAA	0.16
Fair Value—Level 1 Inputs				
U.S. Treasury Notes	62,854	Less than five years		11.06
Federal Home Loan Bank (FHLB)	118,640	Less than five years	AA+	20.89
Federal Home Loan Mortgage Corp. (FHLM)	83,507	Less than five years	AA+	14.70
Federal National Mortgage Association (FNMA)	159,119	Less than five years	AA+	28.01
Federal Farm Credit Banks (FFCB)	107,538	Less than five years	AA+	18.93
Credit Suisse New York	4,891	Less than five years	A-1	0.86
JP Morgan Securities LLC	13,443	Less than five years	A-1	2.37
Municipal Bonds	4,880	Less than one year	Aa3	0.86
Natixis	12,260	Less than five years	A-1	2.16
Total County Investments	<u>\$ 568,060</u>			<u>100.00</u>

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The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above chart identifies the County's recurring fair value measurements as of December 31, 2018. All the County's investments measured at fair value are valued using quoted market prices (Level 1 inputs).

Credit Risk. It is the County's policy to limit its investments in no-load money market mutual funds to funds rated in the highest category by nationally recognized statistical rating organizations and to limit investments in other obligations that are not U.S. government obligations or those explicitly guaranteed by the U.S. government to investments that have a credit quality rating of the top two ratings issued.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has implemented several controls to mitigate custodial risk. All security transactions are executed on a delivery versus payment basis. All securities are delivered to the County's custodian bank before payment is made to the broker dealer for the security. Securities delivered to the custodian are held in the name of the County. If the market conditions or liquidity needs require the sale of the security, the County will identify securities that mitigate the amount of the loss.

Concentration of Credit Risk. The County's investment policy provides for diversification to avoid undue concentration in one type of securities. The County has invested more than 5 percent of the County's investments in U.S. Treasury notes and the FHLB, FHLM, FNMA and FFCB, as noted in the table above.

Interest Rate Risk. Interest rate risk arises because fixed-income securities will increase or decrease in market value as interest rates fluctuate during the life of such securities. Accordingly, Ohio Revised Code requires that an investment must mature within five years from the date of purchase unless matched to specific obligations or debt of the County, and must be purchased with the expectation that it will be held to maturity. Additionally, policy specifies that the portfolio be structured to diversify investments to reduce the risk of loss resulting from over-concentration of assets in a specific maturity or a specific type of investment.

Deposits—MSD. MSD has active deposits as described above. Its inactive deposits are public deposits that MSD has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts, including, but not limited to, passbook accounts. In addition to deposits of active and inactive moneys, MSD may have deposits of interim moneys. These are moneys that are not needed for immediate use but that will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

At December 31, 2018, the carrying amount of MSD's deposits totaled \$260,675. Amounts held by the City are invested on MSD's behalf in accordance with the City's Municipal Code. These amounts are collateralized as part of the City's cash and investment balances.

Custodial Credit Risk (Defined Above). MSD's policy for deposits states that collateral is required for demand deposits and certificates of deposit at 105 percent, or 102 percent if the financial institution participates in the Treasurer of State's Ohio Pooled Collateral System, of all deposits not covered by federal deposit insurance. Protection of MSD's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Obligations that may be pledged as

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collateral are obligations of the United States and its agencies and obligations of the State and its municipalities, school districts and district corporations. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required. Although the pledging bank has an investment and securities pool used to collateralize all public deposits, which are held in the financial institution's name, noncompliance with federal requirements could potentially subject MSD to a successful claim by the FDIC. The deposits not covered by federal depository insurance are considered uninsured and uncollateralized under the provisions of GASB 3 and subject to custodial credit risk.

For additional GASB 40 disclosure requirements, refer to the financial statements as of June 30, 2018, the most recent available, for the City of Cincinnati.

Investments—MSD. State statute, Board of County Commissioners' resolutions, and the 1985 Trust Indenture as amended, authorize MSD to invest in obligations of the U.S. Treasury, its agencies or its instrumentalities; certificates of deposit; repurchase agreements; money market deposit accounts; municipal depository funds; super NOW accounts; sweep accounts; separate trading of registered interest and principal of securities; mutual funds; bonds and other obligations of the State; and the State Treasurer's investment pool. The following investment policies are the same for MSD as defined in the County's investment policy above: (1) limitations on repurchase agreements, (2) prohibited investments, and (3) guidelines governing dealers and payments. Investments made by MSD are summarized below:

<u>Measurement/Investment</u>	<u>Measurement Amount</u>	<u>Percent of Total Investments</u>
Fair Value—Level 1 Inputs		
U.S. Treasury Securities	\$ 174,425	31.69
Fair Value—Level 2 Inputs		
U.S. Agency Securities	107,429	19.52
Fair Value—Level 3 Inputs		
Deposits Held by City of Cincinnati	260,675	47.37
Money Market Funds	7,824	1.42
Total County Investments	<u>\$ 550,353</u>	<u>100.00</u>

MSD categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. U.S. Treasury securities, classified in Level 1, are valued using quoted market prices. U.S. Agency securities, classified in Level 2, are valued using pricing sources as provided by the investment managers. Deposits held by the City of Cincinnati, classified in Level 3, are valued using pricing provided by the City's investment managers. Money market funds are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

Custodial Credit Risk (Defined Above). Funds held by trustees are eligible investments as defined by the Trust Agreement and are in the name of the trustee for the benefit of MSD. As stated in GASB 40, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The Federal National Mortgage Association notes, Federal Home Loan Mortgage Corporation notes and Federal Home Loan Bank notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in MSD's name. The money market funds are invested in a treasury obligation fund with a Moody's credit rating of Aaa. MSD has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

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Concentration of Credit Risk. MSD uses the City of Cincinnati’s investment policy, which addresses concentration of credit risk by requiring investments to be diversified to reduce risk of loss resulting from over-concentration of assets in a specific issue or class of security. The table above includes the percentage of each investment type held by MSD at December 31, 2018.

MSD has no policy that addresses interest rate risk.

Deposits—CFA. At December 31, 2018, the carrying amount of CFA deposits held by the trustee totaled \$9,421 and the bank balance was \$9,421. The moneys are held in custodial accounts at The Bank of New York Mellon and are not collateralized.

Investments—CFA. The trustee for the CFA holds no investments as of December 31, 2018.

The CFA’s investment policy is limited by the Cooperative Agreement with the City and the County. The eligible investments include obligations guaranteed as to principal and interest by the United States or by an agency or instrumentality of the federal government or a no-load money market fund that consists of these obligations. The CFA may also invest in time certificates of deposits of eligible institutions; bonds and other obligations of the State, City or political subdivision of the State; Ohio subdivision’s fund; and certain written repurchase agreements.

The CFA does not have a written credit risk policy, concentration of credit risk policy, investment rate risk policy or foreign currency risk policy.

Reconciliation of Balance Sheet Cash with Deposits and Investments. The classifications of cash and cash equivalents, and investments on the combined financial statements for the primary government are based on criteria set forth in GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications of deposits and investments, including MSD, presented above per GASB 3 is as follows:

Carrying Amount of Deposits	\$ 351,347	Equity in Pooled Cash and Investments	\$ 619,941
Carrying Amount of Investments	857,738	Cash and Cash Equivalents—Segregated Accounts	55,640
Total	\$ 1,209,085	Cash and Cash Equivalents—Restricted	251,650
		Investments—Restricted	281,854
		Total	\$ 1,209,085

B. Receivables

Receivables at December 31, 2018, consisted of taxes, interest, special assessments, lease rent, accounts (billings for user-charged services, including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues. Property tax receivables and MSD’s accounts receivable are shown net of an allowance for uncollectibles. Receivables are recorded on the County’s financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectability.

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Property Taxes. Property taxes include amounts levied against real, public utility and tangible (personal) property. The assessed value by property classification upon which the 2018 tax collection was based is as follows:

Real Property—2018 Valuation:	
Residential/Agricultural	\$ 13,546,812
Commercial/Industrial/Public Utilities	4,786,561
Public Utility Personal Property	1,009,993
Total Valuation	\$ 19,343,366

Ohio law prohibits taxation of property by all overlapping taxing authorities in excess of 10 mills per dollar of assessed value without a vote of the people. Presently, the County levies 2.26 mills of this 10-mill limit for its General Fund. In addition to the 2.26 mills, voted levies in the amount of 16.90 mills have been approved for health and hospitalization, law enforcement, developmental disabilities and mental health, children’s services, zoological parks, senior services and family treatment services.

A summary of the voted levies follows:

<u>Purpose</u>	<u>Voter Authorized Rate⁽¹⁾</u>	<u>Rates Levied for Current Year Collection⁽²⁾</u>		<u>Final Collection Year</u>
		<u>Residential/ Agricultural</u>	<u>Commercial/ Industrial</u>	
University Hospital	4.07	1.63	2.64	2021
Police Information Center	0.54	0.16	0.29	Continuing
Developmental Disabilities	4.13	3.77	4.01	2019
Mental Health	2.99	1.57	2.26	2018
Children’s Services	2.77	1.80	2.62	2021
Zoo	0.46	0.35	0.44	2018
Senior Services	1.60	1.25	1.53	2021
Family Treatment Services	0.34	0.33	0.33	2019
Total Voted Millage	16.90	10.86	14.12	

⁽¹⁾dollar amount per \$1,000 of assessed valuation

⁽²⁾reduction factors applied to levies

Ohio law provides for a reduction in the rates of voted levies to offset increased values resulting from the reappraisal of real property. Reduction factors are applied to authorized voted levies so that each levy yields the same amount from real property taxes as in the year in which the levy was approved. The reduction factors are computed annually and applied separately for residential/agricultural property and commercial/industrial property. Increases to voted levy revenues occur with the addition of new construction that is added to the tax duplicate each year.

The County Commissioners allocated approximately 21.48 percent of the ½ cent permissive sales tax receipts to reduce residential property taxes in the County. In 2018, this represented a 2.33 percent reduction for all owner-occupied homeowners in the County.

Taxes collected on real property (other than public utilities) in one calendar year are levied on the preceding calendar year’s assessed values as of January 1 of that preceding year, the lien date. Assessed values are established the preceding year by the County Auditor at 35 percent of appraised market value. A physical reappraisal of all real property is required every six years, with a statistical update every third year. The last physical reappraisal was completed during 2017.

The County Treasurer bills and collects real property taxes on behalf of all taxing districts in the County, including the County. Taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid

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semi-annually, the first payment is due December 31 with the remainder payable by June 20 of the following year. The County's practice is to extend the December 31 due date to January. Unpaid taxes become delinquent after December 31 of the year they are due with penalties and interest assessed. Foreclosure proceedings may be initiated by the County Prosecutor if delinquent taxes are not paid within one year.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the collection year, the lien date. The majority of public utility tangible personal property currently is assessed at 25 percent of its true value. Public utility taxes are payable on the same date as real property taxes described previously.

The County Auditor periodically remits to the taxing districts their portions of the taxes collected. The final settlements of real and public utility property taxes are made in April and August. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. The County accrues property taxes as receivables since they can be measured and recorded when levied and recognized as deferred inflows since they are collected in advance of the year for which they are levied. Property taxes are recognized as revenue in the year for which they are levied.

Property tax revenues were recorded in the following funds in 2018:

General Fund	\$ 38,939
Health and Human Services Levies Fund	208,754
Nonmajor Special Revenue Funds	560
Total Property Tax Revenues	\$ 248,253

Property tax revenues include levies collected from both the current levy and delinquent levies. The cumulative delinquency as of December 31, 2018, was \$17,585 of real and public utility taxes and \$2,976 of tangible personal property taxes, for a total of \$20,561. The delinquent property tax revenue was not recorded in the financial statements due to the uncertainty of collection. Recording the delinquency would not have an impact on the fund balance of the County since it would be offset by a reserve for delinquent accounts.

Sales and Use Tax. On March 19, 1996, voters of Hamilton County approved a .5 percent increase (from .5 percent to 1.0 percent) in the County's general sales tax. The County Commissioners approved by resolution that this additional tax will be used for development of the riverfront area, including construction of the football and baseball stadiums. On November 4, 2014, voters of Hamilton County approved a five-year .25 percent increase (from 1 percent to 1.25 percent) in the sales tax. The proceeds are to be used for the renovation and restoration of the historic Union Terminal, which houses the Museum Center, Ohio Historical Society Library, and several other organizations. Vendor collections of sales tax are paid to the State Treasurer by the 25th day of the month following collection. The Ohio Department of Taxation (ODT) certifies to the Ohio Department of Budget and Management (OBM) the amount of the tax to be returned to the County. The ODT certification must be made within 45 days of the end of each month. The OBM then has 5 days in which to draw the warrant payable to the County.

Hotel Occupancy Tax. The CFA receives hotel occupancy tax quarterly from the County and City.

Intergovernmental. State subsidies for local property tax reductions are recorded as Intergovernmental Receivable when measurable and Intergovernmental Revenues when measurable and available. Federal and State grants and assistance awards made on the basis of entitlement are recorded as Intergovernmental Receivable and Revenues when entitlement occurs. All other federal and State reimbursement-type grants and other intergovernmental reimbursements are recorded as receivables and revenues when the related

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expenditures/expenses are incurred. A summary of the Intergovernmental Receivables for the year ended December 31, 2018, follows:

<u>Governmental Activities</u>	<u>Amount</u>
General Fund:	
State Subsidies	\$ 2,181
Casino Revenue	2,408
Board of Elections	9
Sheriff	39
Prosecutor	31
Emergency Management Agency—Other	3
Juvenile Court—Other	261
Domestic Relations Court	23
Probate Court	163
Clerk of Courts	6
Public Defender—Other	1,357
General Fund Total	<u>6,481</u>
Health and Human Services Levies—Special Revenue Fund:	
State Subsidies	10,593
Job and Family Services—Grants	6,198
Developmental Disabilities Services—Grants	4,693
Health and Human Services Levies Total	<u>21,484</u>
Nonmajor Special Revenue Funds:	
Job and Family Services—Grants	12,040
Planning and Development—Grants	462
Sheriff—Grants	251
Coroner—Grants	17
Emergency Management Agency—Grants	463
Juvenile Court—Grants	3,199
Municipal Court—Grants	2,046
Public Defender	12
Adult Probation—Grants	1,436
Environmental Services—Grants	1,428
Mental Health and Recovery Services Board—Grants	5,515
Nonmajor Special Revenue Funds Total	<u>26,869</u>
Governmental Activities Total	<u>\$ 54,834</u>

Loans. The Hamilton County Housing Rehab Program provides low-interest loans to income-qualifying homeowners to provide an affordable means for making major repairs on their homes. The program is funded by the Board of County Commissioners through the Hamilton County Community Block Grant Program, with funds from the U.S. Department of Housing and Urban Development. Funds from loan repayments by previous program recipients are made available for use through a revolving loan fund. These loans (\$112) are classified as Accounts Receivable on the Balance Sheet—Governmental Funds.

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In 2002, the County Commissioners adopted the Home Improvement Program (HIP). HIP allows homeowners in Hamilton County to borrow money from banks to repair or remodel their homes or rental property at interest rates 3 percent below the lowest rate the banks would normally offer.

C. Restricted Assets

Restricted assets in the enterprise funds include the following cash, cash equivalents and investments:

Restricted Cash and Cash Equivalents:	
Held by the City of Cincinnati:	
Construction Account	\$ 156,891
Amount to Be Transferred to Surplus Account	82,711
Held by Trustees	12,048
Total Restricted Cash and Cash Equivalents	251,650
Restricted Investments:	
Held by Trustees—Held to Maturity	281,854
Total Restricted Assets	\$ 533,504

D. Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance 1/1/2018	Additions	Reductions	Balance 12/31/2018
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 95,891	\$	\$ (2)	\$ 95,889
Construction in Progress	23,126	22,874	(26,344)	19,656
Total Capital Assets Not Being Depreciated	119,017	22,874	(26,346)	115,545
Capital Assets Being Depreciated:				
Land Improvements	679	-	-	679
Buildings, Structures and Improvements	378,700	2,601	-	381,301
Infrastructure	713,123	20,083	-	733,206
Furniture, Fixtures and Equipment	89,689	3,432	(5,939)	87,182
Total Capital Assets Being Depreciated	1,182,191	26,116	(5,939)	1,202,368
Less Accumulated Depreciation:				
Land Improvements	(330)	(55)	-	(385)
Buildings, Structures and Improvements	(313,503)	(6,270)	-	(319,773)
Infrastructure	(609,279)	(10,995)	-	(620,274)
Furniture, Fixtures and Equipment	(71,015)	(3,689)	5,873	(68,831)
Total Accumulated Depreciation	(994,127)	(21,009)	5,873	(1,009,263)
Capital Assets Being Depreciated, Net	188,064	5,107	(66)	193,105
Governmental Activities Capital Assets, Net	\$ 307,081	\$ 27,981	\$ (26,412)	\$ 308,650

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	Balance 1/1/2018	Additions	Reductions	Balance 12/31/2018
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 97,547	\$ 3,707	\$ -	\$ 101,254
Construction in Progress	421,925	164,509	(223,061)	353,373
Total Capital Assets Not Being Depreciated	<u>519,472</u>	<u>168,216</u>	<u>(223,061)</u>	<u>454,627</u>
Capital Assets Being Depreciated:				
Buildings, Structures and Improvements	1,326,037	2,345	-	1,328,382
Sewer Laterals	1,177,893	125,808	(10,414)	1,293,287
Furniture, Fixtures and Equipment	635,657	106,182	(16,867)	724,972
Total Capital Assets Being Depreciated	<u>3,139,587</u>	<u>234,335</u>	<u>(27,281)</u>	<u>3,346,641</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(683,879)	(43,455)	-	(727,334)
Sewer Laterals	(469,924)	(30,535)	-	(500,459)
Furniture, Fixtures and Equipment	(345,093)	(19,986)	16,856	(348,223)
Total Accumulated Depreciation	<u>(1,498,896)</u>	<u>(93,976)</u>	<u>16,856</u>	<u>(1,576,016)</u>
Capital Assets Being Depreciated, Net	<u>1,640,691</u>	<u>140,359</u>	<u>(10,425)</u>	<u>1,770,625</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,160,163</u>	<u>\$ 308,575</u>	<u>\$ (243,486)</u>	<u>\$ 2,225,252</u>

Construction in Progress includes assets that upon completion will be transferred to the governmental activities, MSD, or other enterprise funds. In the financial statements, Depreciation and Amortization of \$104,391 includes MSD's Study Assets amortization expense of \$10,415.

Depreciation expense was charged to functions/funds as follows:

<u>Governmental Activities</u>	
General Government	\$ 5,851
Judicial	468
Public Safety	1,424
Social Services	424
Health	1,017
Public Works	11,624
Environmental Control	134
Internal Service Funds—Charged to Functions Based on Usage	67
Total Depreciation Expense	<u>\$ 21,009</u>
<u>Business-Type Activities</u>	
MSD	\$ 54,717
Paul Brown Stadium	15,447
Baseball Stadium	12,915
Other Enterprise Funds	10,897
Total Depreciation Expense	<u>\$ 93,976</u>

E. Interfund Balances and Transfers

Interfund balances at December 31, 2018, consisted of the following amounts and represent charges for services or reimbursable expenses except for the General Fund's coverage of the negative cash balance for a nonmajor governmental fund (\$383).

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Due to/from balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting records and (3) payments are made between funds. All are expected to be paid within one year.

Due to Other Funds	General Fund	Health and Human Services Levies	Other Governmental Funds	Other Enterprise Funds	Total
General Fund	\$ -	\$ 2	\$ 10	\$ 23	\$ 35
Health and Human Services Levies	800	-	3,888	-	4,688
Other Governmental Funds	778	-	290	-	1,068
Other Enterprise Funds	4	-	-	-	4
Total	<u>\$ 1,582</u>	<u>\$ 2</u>	<u>\$ 4,188</u>	<u>\$ 23</u>	<u>\$ 5,795</u>

Due to Other Governments represents the return of residual funds by the CFA.

Advances to/from balances are amounts that are owed, other than charges for goods and services rendered, by a particular fund to another fund and that are not due within one year. Interfund receivables/payables represent manuscript bonds issued by the County and purchased by the Health and Human Services Levies Fund. TIF (tax increment financing) revenues will be used for repayment.

	Receivables		Payables	
	Manuscript Bonds	Advances to Other Funds	Manuscript Bonds	Advances from Other Funds
General Fund	\$ -	\$ 113	\$ -	\$ -
Health and Human Services Levies	20,340	-	-	-
Other Governmental Funds	-	-	-	113
Other Enterprise Funds	-	-	20,340	-
Totals	<u>\$ 20,340</u>	<u>\$ 113</u>	<u>\$ 20,340</u>	<u>\$ 113</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, to segregate money for anticipated capital projects, to provide additional resources for current operations or debt service, and to return money to the fund from which it was originally provided once a project is completed. Interfund transfers for the year ended December 31, 2018, consisted of the following:

	Transfers Out				Total
	General Fund	Health and Human Services Levies	Other Governmental Funds	Other Enterprise Funds	
<u>Transfers In</u>					
General Fund	\$ -	\$ -	\$ 1,400	\$ -	\$ 1,400
Health and Human Services Levies	1,072	-	-	-	1,072
Other Governmental Funds	10,471	836	120	1,506	12,933
Other Enterprise Funds	5,796	-	-	-	5,796
Total	<u>\$ 17,339</u>	<u>\$ 836</u>	<u>\$ 1,520</u>	<u>\$ 1,506</u>	<u>\$ 21,201</u>

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F. Long-Term Debt and Other Obligations

The long-term obligations of the County payable as of December 31, 2018, are as follows:

Governmental Activities	Maturity	Interest Rate %	Balance January 1	Additions	Reductions	Balance December 31	Due in One Year
<i>Long-Term Debt</i>							
<u>Year Issued/Purpose/Amount Issued</u>							
<u>General Obligation Bonds—Unvoted</u>							
2001 Various Purpose—\$1,455	2021	3.00-5.00	\$ 285	\$ -	\$ (70)	\$ 215	\$ 70
2001 Water West Phase 2—\$1,660	2021	3.00-5.00	450	-	(105)	345	110
2006 Emergency Mgmt. and Ops. Ctr.—\$725	2025	4.00-4.50	375	-	(40)	335	45
2007 Various Purpose Refunding—\$18,130	2024	3.75-4.15	440	-	(440)	-	-
2008 Various Purpose—\$8,795	2018	3.00-4.00	1,010	-	(1,010)	-	-
2009 Emergency System Alert—\$1,615	2024	2.00-4.25	110	-	(110)	-	-
2009 Urban Redevelopment—\$12,550	2039	1.875-6.8	10,310	-	(10,310)	-	-
2011 Energy Conservation—\$5,512	2040	2.40-5.25	4,023	-	(352)	3,671	373
2012 Energy Conservation Phase 1—\$9,400	2027	2.0-3.125	6,620	-	(610)	6,010	615
2015 Improvement and Refunding—\$10,830	2030	3.00-5.00	8,107	-	(1,330)	6,777	1,385
2017 Various Purpose Refunding—\$81,997	2039	4.00-5.00	81,997	-	(340)	81,657	2,935
Deferred Amounts:							
For Issuance Premiums			17,581	-	(2,529)	15,052	-
Total General Obligation Bonds—Unvoted			131,308	-	(17,246)	114,062	5,533
<u>Special Assessment Bonds</u>							
1998 Sewer District—\$705	2018	4.65-4.75	55	-	(55)	-	-
1999 Sewer District—\$170	2019	5.5	30	-	(15)	15	15
2000 Sewer District—\$545	2020	5.40-5.55	120	-	(40)	80	40
2001 Sewer District—\$150	2021	4.00-5.10	40	-	(10)	30	10
2002 Sewer District—\$295	2022	3.50-5.05	95	-	(15)	80	20
2003 Sewer District—\$460	2023	1.25-5.75	180	-	(25)	155	30
2004 Water and Sewer—\$625	2024	1.8-4.9	260	-	(30)	230	35
2005 Sewer District—\$110	2025	4.35-4.40	50	-	(5)	45	5
2006 Sewer District—\$76	2026	4.65-4.75	34	-	(4)	30	3
2007 Sewer District—\$750	2027	4.15-4.65	450	-	(40)	410	35
2008 Sewer District—\$262	2028	4.625-5.50	165	-	(10)	155	15
2009 Sewer District—\$710	2029	2.50-4.50	475	-	(30)	440	35
2010 Sewer District—\$387	2030	2.00-4.35	270	-	(15)	255	20
2011 Sewer District—\$275	2031	4.75	205	-	(15)	195	15
Total Special Assessment Bonds			2,429	-	(309)	2,120	278
Total Governmental Long-Term Debt			133,737	-	(17,555)	116,182	5,811
<i>Other Long-Term Liabilities</i>							
<u>Compensated Absences</u>							
			43,337	41,573	(40,196)	44,714	3,669
<u>State Loans</u>							
			2,118		(148)	1,970	147
<u>Loan Contracts</u>							
			2,814	-	(175)	2,639	175
<u>Forgivable Mortgage</u>							
			724	-	(68)	656	68
<u>Claims Payable</u>							
			1,354	23	(760)	617	316
<u>Net Pension Liability</u>							
			366,722	-	(111,544)	255,178	-
<u>Net Other Postemployment Benefit Obligation</u>							
			161,042	13,134	-	174,176	-
Total Governmental Long-Term Liabilities			\$ 711,848	\$54,730	\$ (170,446)	\$ 596,132	\$10,186

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Business-Type Activities	Maturity	Interest Rate %	Balance January 1	Additions	Reductions	Balance December 31	Due in One Year
<i>Long-Term Debt</i>							
<u>Year Issued/Purpose/Amount Issued</u>							
<u>MSD Obligations</u>							
2015 Series A Revenue Bonds—\$52,520	2025	3.00-5.00	\$ 24,845		\$ (4,280)	\$ 20,565	\$ 4,560
2014 Series A Revenue Bonds—\$162,650	2032	4.00-5.00	155,360	-	(7,675)	147,685	8,065
2013 Series A & B Revenue Bonds—\$258,695	2038	0.45-5.00	160,210	-	(3,090)	157,120	3,240
2010 Series A & B Revenue Bonds—\$130,675	2035	2.00-5.37	116,890	-	(7,785)	109,105	8,105
2009 Series A & B Revenue Bonds—\$149,815	2034	4.00-6.50	143,025	-	(6,220)	136,805	6,505
Ohio Water and Sewer Rotary Commission	-	-	50	-	-	50	-
Ohio Public Works Commission (OPWC)	2017	3.54-4.80	858	-	(186)	672	158
Construction Drawdown	2018	0.00-3.00	292,588	68,955	(17,675)	343,868	20,864
Capital Lease Payable	2029	2.00-5.00	10,230	-	(670)	9,560	690
Deferred Amounts:							
For Issuance Premiums			52,627	-	(3,681)	48,947	-
Total MSD Obligations			956,684	68,955	(51,262)	974,377	52,187
<u>Sales Tax Bonds</u>							
2000 Stadium Series B—\$349,992	2032	5.57	41,661	-	-	41,661	-
2011 Refunding Bonds A—\$72,665	2032	2.00-5.00	66,290	-	(2,365)	63,925	2,730
2016 Refunding Bonds—\$324,035	2032	3.00-5.00	303,980	-	(21,365)	282,615	23,130
Deferred Amounts:							
For Issuance Discounts			(943)	-	-	(943)	-
For Issuance Premiums			54,971	-	(6,391)	48,580	-
Total Sales Tax Bonds			465,959	-	(30,121)	435,838	25,860
<u>General Obligation</u>							
2007 Various Purpose Refunding—\$7,335	2024	3.75-4.15	4,095	-	(520)	3,575	535
2014 Riverfront Infrastructure Improvement—\$19,030	2028	2.00-5.00	4,420	-	(985)	3,435	1,060
2015 Improvement and Refunding Bonds—\$14,400	2030	3.00-5.00	10,983	-	(45)	10,938	55
2017 Various Purpose Improvement and Refunding Bonds—\$15,378	2039	4.00-5.00	15,378	-	(260)	15,118	370
For Issuance Discounts			(5)	-	1	(4)	-
For Issuance Premiums			4,873	-	(854)	4,019	-
Total General Obligation Bonds			39,744	-	(2,663)	37,081	2,020
Total Business-Type Long-Term Debt			1,462,387	68,955	(84,046)	1,447,296	80,067
<u>Other Long-Term Liabilities</u>							
Compensated Absences			11,349	5,461	(5,944)	10,866	4,551
Capital Lease Payable			3,244	-	(1,594)	1,650	1,650
Urban Redevelopment Loan			3,742	-	(529)	3,213	271
State Infrastructure Bank Loan			2,770	-	(1,830)	940	940
MSD Net Pension Liability			99,307	51,185	(36,329)	114,163	-
MSD Net Other Postemployment Benefit Obligation			6,105	2,325	(7,354)	15,900	-
Total Business-Type Long-Term Liabilities			\$ 1,588,904	\$ 142,750	\$(137,626)	\$ 1,594,028	\$ 87,479
Convention Facilities Authority							
	Maturity	Interest Rate %	Balance January 1	Additions	Reductions	Balance December 31	Due in One Year
<i>Long-Term Debt</i>							
<u>Year Issued/Purpose/Amount Issued</u>							
<u>CFA Obligations</u>							
2014 First Lien Improvement Bonds—\$69,890	2033	2.00-5.00	\$ 62,000	\$ -	\$ 2,865	\$ 59,135	\$ 3,005
Deferred Amounts:							
For Issuance Premium			6,818	-	455	6,363	-
Total CFA Obligations			\$ 68,818	\$ -	\$ 3,320	\$ 65,498	\$ 3,005

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Annual principal and interest requirements for the County's long-term debt are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 5,533	\$ 4,743	\$ 278	\$ 99
2020	5,680	4,494	259	86
2021	5,944	4,240	234	74
2022	4,753	3,985	224	62
2023	4,974	3,783	219	52
2024-2028	25,261	15,279	751	131
2029-2033	23,235	9,447	155	11
2034-2038	23,000	3,176	-	-
2039-2043	630	32	-	-
Total	<u>\$ 99,010</u>	<u>\$ 49,179</u>	<u>\$ 2,120</u>	<u>\$ 515</u>

Year	Business-Type Activities			
	MSD*		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 52,187	\$ 37,894	\$ 2,020	\$ 1,547
2020	50,491	35,941	2,135	1,484
2021	54,184	34,732	2,295	1,382
2022	57,212	33,379	2,615	1,274
2023	59,257	31,086	2,765	1,175
2024-2028	319,271	117,361	10,891	4,194
2029-2033	251,369	53,170	7,020	1,627
2034-2038	81,378	9,996	3,325	426
2039-2043	31	-	-	-
Total	<u>\$925,380</u>	<u>\$353,559</u>	<u>\$ 33,066</u>	<u>\$ 13,109</u>

*This represents the WPCLF loan balances outstanding at 12/31/2018. The total WPCLF loan availability is \$427,694.

Business-Type Activities			CFA		
Year	Sales Tax Bonds		Year	Improvement Bonds	
	Principal	Interest		Principal	Interest
2019	\$ 25,860	\$ 16,376	2019	\$ 3,005	\$ 2,839
2020	19,463	23,175	2020	3,155	2,689
2021	20,568	23,593	2021	3,310	2,531
2022	21,717	24,005	2022	3,475	2,366
2023	22,933	24,395	2023	3,650	2,192
2024-2028	110,040	141,011	2024-2028	21,195	8,032
2029-2033	167,620	19,052	2029-2033	21,345	3,150
Total	<u>\$388,201</u>	<u>\$271,607</u>	Total	<u>\$ 59,135</u>	<u>\$ 23,799</u>

Long-Term Bonds. All long-term bonds of the County are retired from the debt service funds except for debt payable from enterprise funds. General obligation bonds and notes are backed by the County's ability to levy a voted or unvoted property tax within limitations of State law. General obligation special assessment bonds are backed by the County's ability to levy an assessment against individual property owners within limitation of State law. The County is liable for this debt in the event of default by the property owners subject to the assessment. At year-end, delinquent receivables related to special assessment debt was \$9. Sewer revenue bonds are backed by user charges against individual ratepayers. Sales tax bonds are backed by a lien on the receipts of an additional

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.5 percent sales tax approved by the County voters on March 19, 1996. The available pledged revenues and principal and interest requirements for 2018 were as follows:

	Net Income Available for Debt Service	Principal and Interest Requirements
Sewer Revenue Bonds	\$ 165,000	\$ 60,735
Sales Tax Bonds	78,639	41,242
Special Assessment Bonds	542	491

General obligation bonds are generally issued as 20-year serial bonds with various amounts of principal maturing each year. Under State law applicable to the County, general obligation bond anticipation notes may be issued from time to time up to a maximum maturity of 20 years from the date of issuance of the original notes.

The Uniform Bond Law of the State of Ohio provides that the total net indebtedness created or incurred by any county shall never exceed a sum equal to 3.0 percent of the first \$100,000 or part of the tax list, plus 1.5 percent of the tax list in excess of \$100,000 and not in excess of \$300,000, plus 2.5 percent of the tax list in excess of \$300,000. In addition, the net indebtedness created or incurred by any county without vote of the electors shall never exceed a sum equal to 1.0 percent of the tax list of the county. Contained in the Uniform Bond Law of the State of Ohio are exceptions for debt limitations. Among the kinds of debt exempted are debt issued for special assessments, sewer works, self-supported revenue bonds and jail facilities.

The total voted and unvoted non-exempt debt of the County that could be issued subject to the 3.0 percent, 1.5 percent and 2.5 percent limitation described above is \$484,646. The total County net debt subject to this limitation is \$149,749, leaving a borrowing capacity of \$334,897 within the limitation from combined voted and unvoted non-exempt debt. The total County unvoted, non-exempt debt that could be issued subject to the 1.0 percent limitation is \$194,458. The total County debt subject to such limitation is \$149,749, leaving a borrowing capacity of \$44,709 within the 1.0 percent limitation for unvoted non-exempt debt.

Crossover Refunding: A portion of the refunding bonds issued in 2017 were used to partially refund the 2009 Urban Redevelopment Bonds. This was a crossover refunding, with the crossover date being December 1, 2018, on which date the \$10,000 of the 2009 issuance was refunded, and thus the liability was removed from the Statement of Net Position.

Series A and B Revenue Bonds. In 2015, 2014, 2013 and 2010, MSD issued County of Hamilton, Ohio, Series A Sewer System Refunding Revenue bonds. In 2010 and 2013, MSD also issued Series B Sewer System Refunding Revenue bonds. In 2009, MSD issued Series A Sewer System Improvement Revenue Bonds. In 2009 and 2010, MSD also issued Series B Sewer System Improvement Revenue Bonds (Build America Bonds). The proceeds of all of these bonds were used to permanently fund certain previous capital expenditures, provide funds for new projects, defease portions of previous bond issues, fund the new bond reserve requirements and pay the costs of issuance. The 2010 and 2009 bonds may be redeemed prior to their maturities in accordance with provisions of the bond resolutions. The redemption process for the bonds includes declining premiums up to 2 percent of principal. Under the terms of the amended revenue bond trust indenture, MSD has agreed to certain covenants, among other things to restrict additional borrowing, maintain rates sufficient to meet debt service requirements and maintain specified balances under trust agreements. The revenue bond issues contain covenants that require MSD to maintain a maximum level of debt service coverage of 125 percent.

Ohio Water Development Authority Contracts. All contracts between the Ohio Water Development Authority (OWDA) and MSD require the County to prescribe and charge such rates for sewer usage that are sufficient (after expenses of operation and maintenance) to pay principal and interest on OWDA contracts. The principal is repayable in equal semi-annual installments to maturity.

Ohio Water and Sewer Rotary Commission. Advances from the Ohio Water and Sewer Rotary Commission represent tap-in fees and acreage assessments to be forwarded to the Commission upon collection from customers. Such advances do not bear interest unless they are determined to be in default.

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Ohio Public Works Commission. MSD has entered into agreements with the Ohio Public Works Commission (OPWC) for financing of certain qualified capital projects. As the projects progress, the commitments are drawn down as funds are paid by OPWC directly to the contractors. The principal is repayable in semi-annual installments to the date of maturity for each project.

Water Pollution Control Loan Fund. MSD has received low-interest loan commitments from the Ohio Water Pollution Control Loan Fund for certain qualified projects. As the projects progress, the commitments are drawn down. The principal is repayable in semi-annual installments to the date of maturity of each project.

Prior Defeased Debt. The County, MSD and CFA have defeased various general obligation serial bonds and revenue serial bonds through refinancing and operations. Separate irrevocable trust funds are established and funded to fully service defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and is not included in the financial statements. At December 31, 2018, \$16,135 general obligation bonds were considered defeased. For MSD and CFA, the amount of defeased debt outstanding was \$168,250 and \$34,395, respectively.

Revenue Bonds. In 2014, the CFA issued First Lien Improvement Bonds for \$69,890 for the purpose of funding new projects and for refunding the 2004 First and Second Lien Improvement Bonds. The 2014 bonds have a final maturity date of December 1, 2033, and carry interest rates of 2–5 percent. The revenues pledged to the trustee to support the debt include the County 3.5 percent, City 2002 1.5 percent and City 1.0 percent hotel tax.

Capital Lease. In 2015, the County entered into a five-year capital lease-purchase agreement for \$7,739 for a new scoreboard for Paul Brown Stadium. MSD issued a capital lease for a new engineering building in 2010. The capital asset acquired under the lease is \$15,000. These lease obligations meet the criteria of a capital lease as defined by Financial Accounting Standards Board guidance. The scoreboard is reported with furniture, fixtures and equipment, and the MSD asset is reported with other buildings in the capital asset activity in note V D.

The following is a schedule of the future minimum lease payments required under the capital leases:

Year Ending December 31	MSD	Paul Brown Stadium
2019	\$ 1,113	\$ 1,684
2020	1,115	-
2021	1,114	-
2022	1,116	-
2023	1,111	-
2024-2028	5,572	-
2029-2033	1,113	-
Total Minimum Lease Payments	12,254	1,684
Less Amount Representing Interest	(2,694)	(34)
Present Value of Minimum Lease Payments	<u>\$ 9,560</u>	<u>\$ 1,650</u>

Compensated Absences. Employees with a minimum of one year of service become vested in accumulated unpaid vacation time. For County employees, Ohio law requires that vacation time not be accumulated for more than three years. Normally, all vacation time is to be taken in the year available unless administrative approval for carryover is obtained. Unpaid vacation time is payable upon termination of employment. In general, employees are eligible to be paid for unpaid overtime and unused compensatory time upon termination of employment. A portion of unpaid sick time is payable upon retirement. All sick, vacation and overtime/compensatory time payments are made at the employee's current wage rate. The liability is accrued by fund and is reported in the Statement of Net Position. The County pays obligations related to employees' compensation from the funds benefitting from their service.

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Other Long-Term Obligations. Other long-term obligations of the County consist of (1) four loans from the State of Ohio for road improvement projects, (2) a State loan to be used for the construction of an intermodal transit facility, (3) a State loan to be used for the riverfront development, (4) a forgivable mortgage for renovation work on a building, (5) loan contracts for the purchase of and improvement to various properties in the County, (6) claims payable estimate for workers' compensation, (7) net pension liability and (8) net other postemployment benefits obligation. These are reported as part of Long-Term Liabilities in the government-wide Statement of Net Position.

State Loans. The Hamilton County Engineer's Office has four interest-free loans with the Ohio Public Works Commission. These were fully issued in 2006, 2015 (two) and 2016, in the amounts of \$1,553, \$555, \$540 and \$301, respectively. Repayment has commenced on all of the loans. The final maturity dates range from 2028 to 2036. The proceeds of all of these loans are being used to finance road improvement projects. The loans will be repaid from the County's permissive auto tax.

In May 2009, the County obtained a loan from the State of Ohio in the amount of \$11,685 to be used for the construction of an intermodal transit facility, which is secured by parking revenues, sales tax receipts, and, on a contingent basis, by other non-tax revenues of the County. The loan will be repaid in 2012–2019. Interest rates on the loan range from 3.00 to 4.25 percent.

In October 2009, the County secured a loan for \$5,475 from the State to be used for the riverfront development. The loan is secured by shared TIF (Tax Increment Financing) revenues of the County and the City of Cincinnati. Repayment of the loan began in 2015 and will conclude in 2024. The interest rate for the first five years is 0 percent. Thereafter, the interest rate is 3 percent.

Annual principal and interest requirements for the State loans are as follows:

Year	Engineer	Riverfront Development	
	Principal	Principal	Interest
2019	\$ 147	\$ 1,211	\$ 66
2020	147	554	81
2021	147	570	64
2022	148	588	46
2023	148	606	29
2024-2028	737	624	10
2029-2033	349	-	-
2034-2037	147	-	-
Total	<u>\$ 1,970</u>	<u>\$ 4,153</u>	<u>\$ 296</u>

Forgivable Mortgage. In 2003, a forgivable mortgage in the amount of \$1,697, to be used for improvement to a facility, was executed between Hamilton County Alcohol and Drug Addiction Services (now part of the Mental Health and Recovery Services Board—MHRSB) and Ohio Department of Alcohol and Drug Addiction Services. The contract provides that the property must be used to provide alcohol and other drug services for a period of 25 years from contract inception. Should MHRSB discontinue alcohol and other drug services at this facility, the balance of the contract would become due immediately. The balance on the mortgage will be reduced each month through August 2028. There is no interest charged on this obligation.

Year Ending December 31	Mortgage Forgiveness
2018	\$ 68
2019	68
2020	68
2021	68
2022	68
2023-2027	316
Total	<u>\$ 656</u>

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Loan Contracts. The County's loan contracts are made between the Hamilton County Mental Health and Recovery Services Board (MHRSB) and the Ohio Department of Mental Health (ODMH), for the purchase of and improvement to various properties in the County for use in providing mental health services. The terms of the contracts are essentially equivalent to a mortgage on the property, with MHRSB being obligated to provide mental health services for a period of 40 years from the inception of the contract. Should MHRSB discontinue mental health services at a particular facility, the balance of the contract would become due immediately. Failure to pay the balance could result in foreclosure by ODMH. The balance due is reduced on a month-by-month basis over the term of the contract as long as the facility is used for mental health services. The amount outstanding on these loan contracts at December 31, 2018, amounted to \$2,639. There is no interest charged on these obligations.

Year Ending December 31	Loan Contracts Forgiveness
2019	\$ 175
2020	175
2021	175
2022	175
2023	175
2024-2028	877
2029-2033	671
2034-2038	154
2039-2043	57
2044-2048	5
Total	<u>\$ 2,639</u>

Claims Payable. Claims payable represent the County's estimated liability for workers' compensation coverage for all employees. Claims will be paid from the Workers' Compensation Reserve internal service fund (see note VI A).

Net Pension Liability and Net Other Postemployment Benefits Obligation. The County's and MSD's long-term liabilities for net pension are \$255,178 and \$114,163, respectively. The County's and MSD's net other postemployment benefits obligations are \$174,176 and \$15,900, respectively. (See also notes VI F-J.) The County pays obligations related to employees' compensation from the funds benefitting from their service.

Conduit Debt Obligations. Periodically, the County issues Hospital Facility, Economic Development, Health-Care System or Facility, Multifamily Housing or Student Housing revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. These bonds are backed by the property financed and are payable solely from payments received on the underlying mortgage loans. The bonds do not constitute a debt or pledge of the full faith and credit of the County and, therefore, are not reported in the financial statements. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. As of December 31, 2018, the aggregate principal amount outstanding for these bonds was as follows:

Hospital Facilities	\$ 1,317,582
Economic Development	88,963
Health-Care Systems and Facilities	65,260
Multifamily Housing	12,390
Student Housing	43,675
Total	<u>\$ 1,527,870</u>

G. Leases

Operating Leases—Lessee. At December 31, 2018, the County had entered into various long-term operating leases for office and storage space and for land for communications towers. The lease terms range from 2 years to 11 years. Operating lease payments are recorded in the period they are paid. These payments are made from the General Fund and from nonmajor special revenue funds. Sublease payments are made from nonmajor special

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revenue and enterprise funds. Operating lease payments, excluding subleases, for 2018 amounted to \$1,495. Sublease payments totaled \$72. Future rental obligations are as follows:

Year Ending December 31	Operating Lease Payments		Sublease Payments	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
2019	\$ 1,563	\$ 6	\$ 26	-
2020	1,373	6	-	-
2021	975	6	-	-
2022	986	6	-	-
2023	1,008	6	-	-
2024-2028	3,163	29	-	-
Total	\$ 9,068	\$ 59	\$ 26	-

Operating Leases—Lessor. The County has contractual agreements for the rental of properties, including stadiums, office space, retail space, adult educational and residential facilities, land and communications towers, to commercial and not-for-profit enterprises. These rentals are reported as operating leases for accounting purposes. Total rent received in 2018 was \$496 in governmental funds and \$644 in business-type funds.

In June of 1999, the County entered into a 35-year lease agreement with the Cincinnati Reds. Terms of the lease state that the Reds will pay the County \$2,500 a year for the first 9 years, beginning in 2003, and \$1 (amount not in thousands) a year for the remaining 26 years. In 2009, the lease was amended. The new agreement calls for the Reds to pay the County \$1,500 per year through 2011 and \$1 (amount not in thousands) per year to 2037. Additionally, there was an annual utility reimbursement through 2011 of \$625.

In May of 1997, the County entered into a contract that binds the Cincinnati Bengals from the date of the newly constructed stadium to June 30, 2026. The Bengals in turn agreed to pay the County rent for the first 9 years after the stadium was completed. That final rental payment was received in 2009. The lease agreement was amended in 1998, 2000, 2010, and 2014. Currently, the Bengals pay base rent of \$500 (through 2018) plus one-fifth of \$117 over five years, based on the amount over \$10,000 the County spent to purchase and install the new scoreboard. Additionally, in 2015, there was a onetime addition to rent of \$471 as part of the agreement that the County would pay to extend the ribbon board in the stadium.

Future rental revenues for leases are as follows:

Year Ending December 31	Operating Lease Revenues	
	Business-Type Activities	Governmental Activities
2019	\$ 370	\$ 287
2020	54	75
2021	41	5
2022	34	-
2023	10	-
Total	\$ 509	\$ 367

Assets and accumulated depreciation related to the operating leases, as of December 31, 2018, are included in the financial statements as follows:

	Business-Type Activities	Governmental Activities
Land	\$ 85,630	\$ 204
Buildings	747,533	10,424
Less Accumulated Depreciation	(456,410)	(8,252)
Total Net Book Value	\$ 376,753	\$ 2,376

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VI. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage. The County 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 retained by the County. There has been no reduction in insurance coverage or limits from coverage provided in 2017. Over the past three years, claim amounts from risks covered by commercial insurance have not exceeded the specific policy's limit.

The County retains risk of loss related to court judgments resulting from tort and general liability claims of County officials and employees. A portion of the General Fund balance has been assigned for paying potential court-ordered judgments, and at December 31, 2018, this amounted to \$99.

Beginning in 1990, the County established an internal service fund titled Workers' Compensation Reserve to account for and finance its workers' compensation claims risk. All departments of the County participate in the program and make per capita payments to the internal service fund. The claims liability reported in the workers' compensation internal service funds at December 31, 2018, is based on the requirements of Governmental Accounting Standards Board Statement No. 30, *Risk Financing Omnibus*, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. In 2018, the County used a prospectively billed program provided under the Bureau of Ohio Workers' Compensation to cover injured workers' claims.

The historical changes in claims payable during the past two years are as follows:

Year	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
2017	\$ 860	\$ 1,092	\$ (598)	\$ 1,354
2018	1,354	23	(760)	617

The County provides employees' health-care coverage through a self-insurance program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. Anthem reviews all claims for Anthem plans, which are then paid by the County. Separately, the County purchases stop-loss coverage from SunLife of \$500 per employee and an aggregate limit of 120 percent of expected claims and a \$5,000 lifetime (per member) maximum.

The County pays into the self-insurance internal service fund based on one of three plan options, according to the grid below (amounts not rounded). In 2018, the County collected the majority of the monthly employer cost of the plans in February. The premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

Medical Insurance	Coverage Level	Monthly Plan Value	Monthly Employer Cost	Monthly Employee Contribution	Biweekly Employee Contribution
Blue \$2,500	Single	\$ 495.00	\$ 453.60	\$ 41.40	\$ 19.11
	Double	989.00	922.23	66.77	30.82
	Family	1,553.00	1,457.27	95.73	44.18
Green \$1,000	Single	530.00	468.83	61.17	28.23
	Double	1,060.00	947.16	112.84	52.08
	Family	1,664.00	1,492.14	171.86	79.32
Orange \$500	Single	612.00	445.98	166.02	76.62
	Double	1,223.00	866.32	356.68	164.62
	Family	1,921.00	1,346.38	574.62	265.21

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A portion of the claims liability (\$4,534) reported in the Medical Self-Insurance Fund at December 31, 2018, is estimated by the external actuarial and is based on the requirements of GASB 30, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the self-insurance fund's claims liability payable during the past two years are as follows:

<u>Year</u>	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2017	\$ 4,585	\$ 42,217	\$ (42,466)	\$ 4,336
2018	4,336	50,151	(48,024)	6,463

The County participates in the Ohio Fire Marshall Underground Storage Tank Insurance program for environmental risks of underground fuel storage tanks.

MSD is part of the City of Cincinnati Risk Management Program. The City purchases (1) commercial insurance to cover losses due to theft of, damage to or destruction of assets, (2) general liability insurance for specific operations and (3) professional liability insurance for certain operations. All other risks of loss are self-insured. Separately, MSD carries property insurance pursuant to an all-risk policy on MSD's buildings and equipment per the revenue bond trust agreement. There has been no reduction in coverage since 2003. Insurance settlements for claims resulting from risks covered by commercial insurance have not exceeded the insurance coverage in any of the past four years.

B. Related Party Transactions

Cincinnati Water Works provides billing and collection services on customers' accounts for MSD. Fees for these services for 2018 were \$5,874. Fees are also paid to other municipalities and villages within the County for collection of sewerage bills.

The City of Cincinnati provides overhead services to MSD, such as check disbursement and investment and legal services. The fees for these services for 2018 were \$2,559. In addition, the City's Municipal Garage provides gasoline and repairs vehicles for MSD. Fees for these services were \$1,803 for 2018.

C. Jointly Governed Organizations

The County's Board of Developmental Disabilities is a participant in the Southwestern Ohio Council of Governments (COG). The Council consists of members representing each of the participating counties. Other County Boards of Developmental Disabilities may petition for membership to the Council; however, membership must be approved by a two-thirds vote of the Council members. The Council is a jointly governed organization whose role is to coordinate the powers and duties of the member boards to better serve and benefit persons with developmental disabilities within the member counties. In 2018, Hamilton County contributed \$151 to the council, and the council is currently holding \$2,061 in deposits that belong to the County and are represented by Cash and Cash Equivalents—Segregated Accounts—on the Statement of Net Position and the fund financial statements for the Health and Human Services Levies. Financial information for the Southwestern Ohio Council of Governments may be obtained at 412 South East Street, Lebanon, OH 45036. (See note I A.)

Hamilton County Mental Health and Recovery Services Board (HCMHRSB) is a member of the Three C Recovery and Health Care Network Council of Governments. The purpose of this Council is for creating a Shared Health Care and Recovery Enterprise System (SHARES) to support management of client enrollment, benefit management, provider contracting, payment processes and utilization management for the member boards and for

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additional boards that may join the COG in the future. The COG Board of Trustees consists of six members, two from each of the founding counties. Other mental health and/or alcohol and other drug county boards may petition for membership to the COG; however, membership must be approved by a unanimous vote of all COG members in good standing at the time of the vote. In 2018, Hamilton County contributed \$462 toward the operation of the COG. On December 31, 2018, the account balance of the COG was \$462, of which \$154 is allocated to HCMHRSB. This amount is reported as Cash and Cash Equivalents—Segregated Accounts—on the Statement of Net Position and the fund financial statements for the Health and Human Services Levies. Financial information for the Three C Recovery and Health Care Network Council of Governments may be obtained at 2350 Auburn Avenue, Cincinnati, Ohio 45219. (See note I A.)

D. Significant Commitments and Contingent Liabilities

The County has contracted construction commitments for the following:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Riverfront Development	\$ 225,457	\$ 1,431

At year-end, valid outstanding encumbrances are reappropriated and become part of the subsequent year's budget. The encumbrances as of December 31 are as follows:

General Fund	\$ 10,465
Health and Human Services Levies Fund	41,587
Other Governmental Funds	<u>78,484</u>
Total	<u>\$ 130,536</u>

The City of Cincinnati and the Board of County Commissioners of Hamilton County, Ohio, are parties to a Global Consent Decree, which was lodged in 2003 with the U.S. District Court for the Southern District of Ohio, Western Division. This decree focuses on combined sewer overflows, the implementation of the Sanitary Sewer Overflow Correction plan established in the Interim Partial Consent Decree, and other wet weather issues. The court approved the decrees on June 9, 2004. In August 2010, MSD's Revised Wet Weather Plan was approved by the federal government. The Plan commits MSD to complete a Phase 1 group of projects totaling \$1.145 billion (in 2006 dollars and including \$526 million that MSD has already spent on projects [amounts not rounded]) by 2018 before scheduling future work (Phase 2). The consent decree documents are posted on the MSD website, msdgc.org, under Consent Decree.

As part of MSD's capital improvement program, MSD has entered into a number of contracts for construction, design and other services. Commitments under these contracts aggregate approximately \$100,200 as of December 31, 2018.

Pursuant to a Memorandum of Understanding between the City and the County, dated September 30, 2002, a Cooperative Agreement between the City and the County, dated February 9, 2004, and a Project Service Agreement between the City and the CFA, dated February 3, 2004, the City and the County have agreed, among other things, that the City will (1) own the Duke Energy Center, (2) be responsible for the operation and maintenance of the Duke Energy Center and (3) manage the design and construction of the project. Construction of the improvements began in May 2004 and was completed in June 2006. There have been seven supplemental agreements. The most recent was executed December 17, 2015.

The CFA entered into a lease with the City of Cincinnati for the existing and expanded Duke Energy Center for the term of the improvement bonds, issued through December 2033, for an amount sufficient to retire City Bond Anticipation Notes of \$15,500. These notes were issued in anticipation of the revenue bond sale by the CFA. At the end of the lease, the City will own the existing and expanded Duke Energy Convention Center Facilities. In

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addition, the City and CFA have entered into a lease whereby the City will operate the existing and expanded Duke Energy Center for the term of the improvement bonds through December 2033.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County Prosecuting Attorney that resolution of these matters could fall within the scope of a material claim, though any dollar amount cannot be reasonably estimated at this time.

E. Deferred Compensation Plan

Employees of the County may elect to participate in a deferred compensation plan administered by one of the following: (1) The Ohio Public Employees Deferred Compensation Plan; (2) Voya Financial Services, Inc.; or (3) The County Commissioners Association of Ohio. Under these plans, employees could defer up to 25 percent of their annual salary not to exceed \$18,500 (amount not in thousands) in 2018. The deferred amounts, as well as any income related to the deferral, are not subject to federal or State income tax until actually received by the employee. In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and Internal Revenue Code Section 457, assets of the aforementioned plans were placed in trust for the exclusive benefit of the participants and beneficiaries during 1999. The amounts held in all three plans are not reported as assets of the County.

F. Net Pension Liability (Asset)/Net OPEB Liability

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

The net pension liability (asset) and the net OPEB liability reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB 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/OPEB liability (asset) represents the County's and MSD's proportionate shares of each pension/OPEB 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/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

GASB 68/75 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). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. 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/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

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The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payables on both the accrual and modified accrual bases of accounting. The next note includes the required pension disclosures. See notes VI I-J for the required OPEB disclosures.

G. Ohio Public Employees Retirement System (OPERS)

Plan Description. County employees and a limited number of MSD employees 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/defined contribution pension plan.

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

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Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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.

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When a traditional plan 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. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2018 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2018 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** This rate is determined by OPERS' Board and has no maximum rate established by ORC.

*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2018, The County's contractually required contribution was \$30,871 for the traditional plan, \$768 for the combined plan and \$770 for the member-directed plan. Of these amounts, \$1,493 is reported as an intergovernmental payable for the traditional plan, \$26 for the combined plan, and \$36 for the member-directed plan. MSD's contractually required contribution was \$316 for 2018.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPERS. The net pension liability (asset) for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's and MSD's proportions of the net pension liability (asset) were based on

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their shares of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the County's and MSD's defined benefit pension plans:

	County			MSD
	OPERS Traditional Plan	OPERS Combined Plan	Total	OPERS Traditional Plan
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	1.62657457%	1.30918669%		0.01708312%
Prior Measurement Date	<u>1.61492487%</u>	<u>1.33209130%</u>		<u>0.01727562%</u>
Change in Proportionate Share	<u>0.01164970%</u>	<u>-0.02290461%</u>		<u>-0.00019250%</u>
Proportionate Share of the:				
Net Pension Liability	\$255,178	\$0	\$255,178	\$2,680
Net Pension Asset	0	1,782	1,782	0
Pension Expense	53,685	(1,137)	52,548	452

2018 pension expense for the member-directed defined contribution plan was \$1,078.

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	County			MSD
	OPERS Traditional Plan	OPERS Combined Plan	Total	OPERS Traditional Plan
Deferred Outflows of Resources				
Differences between expected and actual experience	\$261	\$0	\$261	\$3
Changes of assumptions	30,495	156	30,651	320
Changes in proportion and differences between County/MSD contributions and proportionate share of contributions	1,726	11	1,737	13
County/MSD contributions subsequent to the measurement date	<u>30,871</u>	<u>768</u>	<u>31,639</u>	<u>316</u>
Total Deferred Outflows of Resources	<u>\$63,353</u>	<u>\$935</u>	<u>\$64,288</u>	<u>\$652</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$5,029	\$531	\$5,560	(\$52)
Net difference between projected and actual earnings on pension plan investments	54,783	281	55,064	(574)
Changes in proportion and differences between County/MSD contributions and proportionate share of contributions	<u>356</u>	<u>0</u>	<u>356</u>	<u>(143)</u>
Total Deferred Inflows of Resources	<u>\$60,168</u>	<u>\$812</u>	<u>\$60,980</u>	<u>(\$769)</u>

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The \$31,639 and \$316 reported as deferred outflows of resources related to pension resulting from County and MSD contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	County		Total	MSD
	OPERS Traditional Plan	OPERS Combined Plan		OPERS Traditional Plan
Year Ending December 31:				
2019	\$23,591	(\$88)	\$23,503	\$174
2020	(4,642)	(96)	(4,738)	(118)
2021	(24,124)	(159)	(24,283)	(253)
2022	(22,511)	(152)	(22,663)	(236)
2023	0	(54)	(54)	0
Thereafter	0	(97)	(97)	0
Total	<u>(\$27,686)</u>	<u>(\$646)</u>	<u>(\$28,332)</u>	<u>(\$433)</u>

Actuarial Assumptions. 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 was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017, are presented below:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.5 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	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. 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 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 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

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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 most recent experience study was completed for the five year period ended December 31, 2015.

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82 percent for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 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 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	<u>100.00 %</u>	<u>5.66 %</u>

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits 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 County's and MSD's Proportionate Shares of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following table presents the County's and MSD's proportionate shares of the net pension liability (asset) calculated using the current period discount rate assumption of 7.5 percent, as well as

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what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$453,131	\$255,178	\$90,145
OPERS Combined Plan	(969)	(1,782)	(2,343)
MSD's proportionate share of the net pension liability			
OPERS Traditional Plan	\$4,759	\$2,680	\$947

H. City of Cincinnati Retirement System (CRS)

Plan Description. MSD Employees who do not participate in OPERS participate in the Retirement System of the City of Cincinnati (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.

The financial report that includes financial statements, required supplementary information, and detailed information about CRS's fiduciary net position may be obtained by visiting <http://www.cincinnati-oh.gov/finance/cafr/>. Article XV of the Administrative Code of the City of Cincinnati provides the statutory authority vesting the general administration and responsibility for the proper operation of CRS in the Board of Trustees of the City of Cincinnati Retirement System.

Information in the remainder of this footnote is provided for MSD's portion, being reported as an agency fund of the City, which also participates and contributes to CRS, with a measurement date of June 30, 2018.

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-a-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 U.S. 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 of service credit) on that date. Employees who are members of the Cincinnati Retirement System 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 the following:

- normal retirement eligibility
- early retirement eligibility
- retiree health care eligibility
- cost-of-living adjustments payable to retirees
- establishment of a Deferred Retirement Option Program (DROP)
- creation of a 115 Trust for retiree health care benefits
- changes to the composition of the Board of Trustees
- payoff of the 2007 Early Retirement Incentive Program (ERIP) liability

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Groups C & D Eligible to retire on or before July 1, 2011; or December 31, 2013	Group E Eligible to retire on or before December 31, 2013	Group F Hired before January 1, 2010, and not eligible for other groups	Group G Hired on or after January 1, 2010
Normal Retirement: Age 60 with 5 years of service, or any age with 30 years of service	Normal Retirement: Age 60 with 5 years of service, or any age with 30 years of service.	Normal Retirement: Age 50 with 5 years of service, or any age with 30 years of service.	Normal Retirement: Age 67 with 5 years of service, or age 62 with 30 years of service.
Early Retirement: Age 55 with 25 years of service	Early Retirement: Age 55 with 25 years of service	Early Retirement: Age 55 with 25 years of service	Early Retirement: Age 57 with 15 years of service
Benefit Formula: 2.5% of FAS times years of service	Benefit Formula: 2.5% of FAS times years of service up to greater of 20 years or years of service as of July 1, 2011, and 2.2% thereafter	Benefit Formula: 2.5% of FAS times years of service up to greater of 20 years or years of service as of July 1, 2011, and 2.2% thereafter	Benefit Formula: 2.2% of FAS times years of service

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

Upon retirement, members will not receive a cost-of-living-adjustment (COLA) for the first three retirement anniversary dates. Thereafter, a 3 percent 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 participant 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 contributed at a rate of 9 percent of his pensionable wages for 2018. The percent contributed by employees is provided by Chapter 203 Section 73 of the Cincinnati Municipal Code.

MSD makes employer contributions based on a percentage of the covered payroll of all CRS members. For 2018, the contribution rate was 16.25 percent. MSD's contributions to the City of Cincinnati Retirement System's Pension Fund for the year ending December 31, 2018, were \$6,226.

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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. MSD reported a net pension liability of \$111,483 and pension expense of \$7,557.

At December 31, 2018, MSD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
MSD contributions subsequent to the measurement date	\$ 3,160	\$ -	\$ 3,160
Differences between expected and actual experience	2,990	-	2,990
Net difference between projected and actual investment earnings	-	(25)	(25)
Change in proportion	128	(1,040)	(912)
Change in assumptions	5,009	-	5,009
	<u>\$ 11,287</u>	<u>\$ (1,065)</u>	<u>\$ (10,222)</u>

The \$3,160 reported as deferred outflows of resources related to pension resulting from MSD contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 9,642
2020	1,839
2021	(3,888)
2022	(531)
	<u>\$ 7,062</u>

Actuarial Assumptions. Total pension liability was determined by the following actuarial valuations, using the following actuarial assumptions, applied to applicable periods included in the measurement:

	December 31, 2017	December 31, 2016
Inflation	2.75 percent	3.00 percent
Salary increases, including inflation	3.75 to 7.50 percent	4.00 to 7.50 percent
Long-term Investment rate of return, net of pension plan investment expense, including inflation	7.50 percent	7.50 percent
Municipal bond index rate:		
Prior measurement date	3.56 percent	3.01 percent
Measurement date	3.89 percent	3.56 percent
Single equivalent interest rate, net of pension plan investment expense, including inflation	7.50 percent	7.50 percent
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

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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.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Core Bond	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
Emerging Markets Small-Cap	3.00	8.50
Real Estate Corp 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 percent as of June 30, 2108. 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 MSD's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following chart represents MSD's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.50 percent, as well as the sensitivity to a 1 percent increase and 1 percent decrease in the current discount rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
MSD's Net Pension Liability	\$ 157,214	\$ 111,483	\$ 72,656

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Change in the Net Pension Liability. Changes in MSD's net pension liability for the year ended June 30, 2018, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2017	\$ 401,763	\$ 306,379	\$ 95,384
Changes for the Year:			
Service Cost	4,260	-	4,260
Interest	30,471	-	30,471
Difference between expected and actual experience	5,577	-	5,577
Change in assumptions	9,402	-	9,402
Contributions—employer	-	6,080	(6,080)
Contributions—employee	-	3,521	(3,521)
Net investment income	-	26,180	(26,180)
Benefit payments, including refunds of employee contributions	(31,436)	(31,436)	-
Administrative expense	-	(277)	277
Other changes	-	(1,893)	1,893
Net changes	18,274	2,175	16,099
Balances at June 30, 2018	\$ 420,037	\$ 308,554	\$ 111,483

The date of the actuarial valuation upon which the total pension liability (TPL) is based is December 31, 2017. An expected TPL is determined as of June 30, 2018, 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 next 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 plan provision changes adopted by the Board on March 1, 2018, are shown as an assumption change loss.

MSD's Portion of CRS TPL Rollforward

	(1)	New Assumptions (2)
(a) Interest Rate (SEIR)	7.50%	7.50%
(b) TPL as of December 31, 2017	\$ 428,880	\$ 437,893
(c) Entry Age Normal Cost for the Period January 1, 2018–June 30, 2018	2,209	2,266
(d) Actual Benefit Payments and Refunds for January 1 2018–June 30, 2018	15,718	15,718
(e) TPL as of June 30, 2018 = [(b) x (1 + (a)) ^{1/2}] + (c) - [(d) x (1 + (a)) ^{1/4}]	430,876	440,278
(f) June 30, 2017, TPL Rolled Forward to June 30, 2018	425,299	
(g) Experience (Gain)/Loss: (1e) – (1f)	\$ 5,577	
(h) Assumption (Gain)/Loss: (2e) – (1e)		\$ 9,402

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I. Postemployment Benefits—Ohio Public Employees Retirement System

Plan Description. The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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 postemployment 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 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 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 75. See OPERS's CAFR referenced below for additional information.

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

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 Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by the OPERS 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, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS's actuary, the portion of employer contributions allocated to health care beginning January 1, 2018, decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or his/her 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 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$308 for 2018. Of this amount, \$10 is reported as an intergovernmental payable.

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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	County OPERS	MSD OPERS
Proportion of the Net OPEB Liability:		
Current Measurement Date	1.6039435%	0.016650%
Prior Measurement Date	1.5944181%	0.137810%
Change in Proportionate Share	0.0095254%	-0.1211600%
Proportionate Share of the Net Pension Liability	\$174,176	\$1,808
OPEB Expense	\$15,198	\$90

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	County OPERS	MSD OPERS
Deferred Outflows of Resources		
Differences between expected and actual experience	\$136	\$2
Changes of assumptions	12,682	132
Changes in proportion and differences between County/MSD contributions and proportionate share of contributions	651	0
County/MSD contributions subsequent to the measurement date	308	0
Total Deferred Outflows of Resources	\$13,777	\$134
Deferred Inflows of Resources		
Differences between expected and actual experience	\$0	\$0
Net difference between projected and actual earnings on OPEB plan investments	12,975	(136)
Changes in proportion and differences between County/MSD contributions and proportionate share of contributions	0	(84)
Total Deferred Inflows of Resources	\$12,975	(\$220)

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The \$308 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	County OPERS	MSD OPERS
Year Ending December 31:		
2019	\$3,196	(\$10)
2020	3,196	(10)
2021	(2,654)	(32)
2022	(3,244)	(34)
Total	\$494	(\$86)

Actuarial Assumptions. 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 and include the types of coverage 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, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage inflation	3.25 percent
Projected salary increases, including inflation	3.25 to 10.75 percent
Single discount rate:	
Current measurement date	3.85 percent
Prior measurement date	4.23 percent
Investment rate of return	6.50 percent
Municipal bond rate	3.31 percent
Health care cost trend rate	7.5 percent, initial
	3.25 percent, ultimate in 2028
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. 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 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 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.

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The most recent experience study was completed for the five year period ended December 31, 2015.

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

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

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees 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's primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 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 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Sensitivity of the County's and MSD's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Discount Rate (3.85%)	1% Increase (4.85%)
County's proportionate share of the net OPEB liability	\$231,401	\$174,176	\$127,882
MSD's proportionate share of the net OPEB liability	\$2,402	\$1,808	\$1,327

Sensitivity of the County's and MSD's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate. 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 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. 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 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability	\$166,650	\$174,176	\$181,951
MSD's proportionate share of the net OPEB liability	\$1,730	\$1,808	\$1,889

J. Postemployment Benefits—Cincinnati Retirement System (CRS)

Plan Description. The CRS is accounted for as a single-employer defined benefit pension plan. CRS provides health care coverage to eligible retirees, their spouses and their dependent children. Active members in Group C who have earned 15 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 MSD employees.

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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 and part-time employees	2,993
DROP participants	108
Total	<u>7,055</u>

CRS is considered part of the City' of Cincinnati's financial reporting entity and is included in the City's financial report as part of the pension trust fund. The financial report that includes the financial statements, required supplementary information and detailed information about CRS' fiduciary net position may be obtained by visiting <http://cincinnati-oh.gov/finance/cafr/>. Information in the remainder of this footnote is provided for the MSD's portion, being reported as an agency fund of the City, which also participates in and contributes to the CRS, with a measurement date of June 30, 2018.

Funding Policy. Most retirees are subject to premiums that range from 0 percent to 10 percent. Other retiree premiums range from 5 percent to 75 percent 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.

OPEB Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB—CRS. MSD'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. MSD reported a net OPEB liability of \$14,092 and a negative OPEB expense of \$2,488.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$2,321	\$0	\$2,321
Net difference between projected and actual investment earnings	0	594	594
Changes of assumptions	5,492	0	5,492
Total Deferred Outflows of Resources	<u>\$7,813</u>	<u>\$594</u>	<u>\$8,407</u>

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COUNTY OF HAMILTON, OHIO
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Amounts reported as deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending December 31:	Net Deferred Outflows/ (Inflows) of Resources
2019	\$2,637
2020	2,637
2021	2,637
2022	496
Total	\$8,407

Actuarial Assumptions. The total OPEB liability in the following actuarial valuations were determined using the following actuarial assumptions, applied to the applicable periods included in the measurement:

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

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.

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

COUNTY OF HAMILTON, OHIO
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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'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.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Core Bond	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
Emerging Markets Small-Cap	3.00	8.50
Real Estate Corp 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 (SEIR). The discount rate used to measure the total OPEB liability as of June 30, 2018, was 6.13 percent. The projection of cash flows used to determine the discount rate was performed in accordance with GASB Statement No. 75. 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, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on these assumptions, CRS's 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 percent on CRS investments was applied to period through 2047, and the municipal bond index rate at the measurement date (3.89 percent) was applied to periods on and after 2047 resulting in a SEIR at the measurement date (6.13 percent).

COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Dollar Amounts Expressed in Thousands)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates.

The following presents the net OPEB liability of MSD, as well as what MSD's net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current discount rate. Similarly, the following also presents what the MSD's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower or 1 percent higher than the current rate (amounts in thousands):

MSD's Net OPEB Liability	Health Care Cost Trend Rates		
	1% Decrease	Current Rate	1% Increase
1% increase (7.13%)		\$ 3,406	
Current discount rate (6.13%)	\$ 2,601	\$ 14,092	\$ 27,932
1% decrease (5.13%)		\$ 26,832	

Change in the Net OPEB Liability. Changes in MSD's net OPEB liability for the measurement year ended June 30, 2018, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2017	\$ 93,325	\$ 89,024	\$ 4,301
Changes for the Year:			
Service Cost	945	-	945
Interest	5,841	-	5,841
Difference between expected and actual experience	3,030	-	3,030
Change in assumptions	7,173	-	7,173
Net investment income	-	7,354	(7,354)
Benefit payments, including refunds of employee contributions	(4,962)	(4,962)	-
Administrative expense	-	(78)	78
Other changes	-	(78)	78
Net changes	12,027	2,236	9,791
Balances at June 30, 2018	\$ 105,352	\$ 91,260	\$ 14,092

The total OPEB liability as of June 30, 2018, is based on the actuarial valuation results as of December 31, 2017. The total OPEB liability as of June 30, 2018, was determined using standard projection (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, the first half of 2018, 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 No. 75 results as of the prior measurement date, one year projection period used, and actual net benefit payments are subtracted. These procedures are shown in the table below. The difference between this expected total OPEB liability and the projected total OPEB liability as of June 30, 2018, 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 6.13 percent as opposed to the 6.31 percent used at the beginning of the period, (b) updating

COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Dollar Amounts Expressed in Thousands)

health care cost trend rates, and (c) including part-time employees in the valuation—relative to the experience change total OPEB liability is shown as an assumption (gain) or loss for the period.

	Expected Change (1)	Experience Change (2)	Assumption Change (3)
(a) Measurement Date	6/30/2017	12/31/2017	12/31/2017
(b) Project Period	1 year	½ year	½ year
(c) Discount Rate (SEIR)	6.31%	6.31%	6.13%
(d) TOL as of (a)	\$ 95,010	\$ 99,566	\$ 106,519
(e) Entry Age Normal Cost during the period from (a) to June 30, 2018	945	455	550
(f) Actual / Expected Benefit Payments during the period from (a) to June 30, 2018	4,962	3,200	3,200
(g) TOL as of June 30, 2018 = [(d) x (1 + (c)) ^(b)] + (e) - [(f) x (1 + (c)) ^{(b)/2}]	\$ 96,835	99,865	107,037
(h) Experience (Gain)/Loss: (2g) - (1g)		\$ 3,030	
(i) Assumption Change (Gain)/Loss: (3g) - (2g)			\$ 7,173

K. Tax Abatements

The County receives reduced property tax revenues as a result of agreements granted by cities and townships within the County for Enterprise Zone (EZ) programs and Community Reinvestment Area (CRA) programs. These program agreements are for the purpose of establishing, expanding, renovating or occupying facilities and hiring new employees and preserving jobs within said zones or areas in exchange for specified local tax incentives. Under the EZ program, businesses may apply for tax reductions on real property investments. The amount of the tax exemption is negotiated on an individual project basis and varies according to the size of the investment and the number of jobs created or retained. Under the CRA program, real property investment incentives are available for projects involving the renovation of existing or the construction of new buildings for residential, commercial or industrial projects.

For fiscal year 2018, the County's property tax revenues were reduced by \$157 under EZ programs and \$4,875 under CRA programs. The names of the governments that entered into the agreements are as follows:

Cities				Townships
Amberley	Cincinnati	Blue Ash	Cheviot	Colerain
Deer Park	Evendale	Fairfax	Forest Park	Columbia
Greenhills	Harrison	Lockland	Loveland	Symmes
Madeira	Mariemont	Newtown	North College Hill	Whitewater
Norwood	St. Bernard	Sharonville		

The County does not have any abatement agreements.

L. Subsequent Events

- The State of Ohio Auditor's Office released a special audit (for the years 2009-2015) of MSD. The findings for recovery amounted to \$779, of which \$213 has been recovered. The balance owed to MSD was turned over to the Hamilton County Prosecutor's Office in 2019 for review and disposition.

COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Dollar Amounts Expressed in Thousands)

- Until 1968, Hamilton County and the City of Cincinnati operated separate sewer enterprises. In that year, pursuant to a Board of County Commissioners resolution and City Council ordinance, the two entities executed an agreement with an initial 50-year term. Per the agreement, the city is responsible for operational management. The original 50-year agreement was set to expire in April 2018 but was extended to September 30, 2018. It was then extended indefinitely by the Federal District Court. The parties remain in mediation in Federal District Court. Additionally, in November 2018, the City of Cincinnati filed a motion to clarify the City and County's relationship under that agreement.

- A Customer Assistance Program (CAP) was approved by the Board of Commissioners in April 2019 to take effect on July 31, 2019. This program offers a 25 percent discount on sewer bills to low-income seniors over the age of 65. Depending on the number of customers that apply, MSD estimates this could affect revenue in the amount of \$250 to \$2,200, with 100% participation.

**COUNTY OF HAMILTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM—TRADITIONAL PLAN**

LAST FIVE YEARS ⁽¹⁾

(Dollar Amounts in Thousands)

	FISCAL YEAR				
	2018	2017	2016	2015	2014
County's Proportion of the Net Pension Liability	1.62657457%	1.61492487%	1.60348178%	1.66151589%	1.66151589%
County's Proportionate Share of the Net Pension Liability	\$ 255,178	\$ 366,722	\$ 277,743	\$ 200,397	\$ 195,871
County's Covered Payroll	\$ 207,211	\$ 201,255	\$ 191,890	\$ 197,745	\$ 182,463
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	123.15%	182.22%	144.74%	101.34%	107.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

⁽¹⁾Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the County's measurement date, which is the prior year-end.

**COUNTY OF HAMILTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE METROPOLITAN SEWER DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM—TRADITIONAL PLAN**

LAST FIVE YEARS ⁽¹⁾
(Dollar Amounts in Thousands)

	FISCAL YEAR				
	2018	2017 ⁽²⁾	2016	2015	2014
MSD's Proportion of the Net Pension Liability	0.01708312%	0.01727562%	0.01475990%	0.01517751%	0.014994790%
MSD's Proportionate Share of the Net Pension Liability	\$ 2,680	\$ 3,923	\$ 2,541	\$ 1,825	\$ 1,766
MSD's Covered Payroll	\$ 2,377	\$ 2,200	\$ 2,336	\$ 2,479	\$ 2,443
MSD's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	112.75%	178.32%	108.78%	73.62%	72.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

⁽¹⁾Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

⁽²⁾2017's proportion percentage was update to the appropriate amount.

Amounts presented as of the County's measurement date, which is the prior year-End.

**COUNTY OF HAMILTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM-COMBINED PLAN
2018⁽¹⁾**

(Dollar Amounts in Thousands)

	FISCAL YEAR
	2018
County's Proportion of the Net Pension Liability	1.30918669%
County's Proportionate Share of the Net Pension Liability	\$1,782
County's Covered Payroll	\$ 5,174
County's Proportionate Share of the Net Pension Asset as a Percentage of Its Covered Payroll	-34.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	137.28%

⁽¹⁾Amounts for the combined plan are not presented prior to 2018 as the County's participation in this plan was considered immaterial in previous years.

Amounts presented as of the County's measurement date, which is the prior year-end.

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COUNTY OF HAMILTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM–OPEB PLAN
LAST TWO YEARS ⁽¹⁾
(Dollar Amounts in Thousands)

	FISCAL YEAR	
	2018	2017
County's Proportion of the Net OPEB Liability	1.6039440%	1.5944180%
County's Proportionate Share of the Net OPEB Liability	\$174,176	\$161,042
County's Covered Payroll	\$ 219,802	\$ 213,568
County's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	79.24%	75.41%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

⁽¹⁾Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the County's measurement date, which is the prior year-end.

COUNTY OF HAMILTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE METROPOLITAN SEWER DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM–OPEB PLAN
LAST TWO YEARS ⁽¹⁾
(Dollar Amounts in Thousands)

	FISCAL YEAR	
	2018	2017
MSD's Proportion of the Net OPEB Liability	0.01664978%	0.01786139%
MSD's Proportionate Share of the Net OPEB Liability	\$1,808	\$1,804
MSD's Covered Payroll	\$ 2,377	\$ 2,200
MSD's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	76.06%	82.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

⁽¹⁾Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the County's measurement date, which is the prior year-end.

COUNTY OF HAMILTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM—TRADITIONAL AND COMBINED PLANS
LAST SIX YEARS⁽¹⁾
(Dollar Amounts in Thousands)

NET PENSION LIABILITY—TRADITIONAL PLAN

	FISCAL YEAR					
	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 30,871	\$ 27,963	\$ 25,116	\$ 23,910	\$ 24,557	\$ 24,485
Contributions in Relation to the Contractually Required Contribution	(30,871)	(27,963)	(25,116)	(23,910)	(24,557)	(24,485)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County Covered Payroll	\$ 212,953	\$ 207,211	\$ 201,253	\$ 191,890	\$ 197,745	\$ 182,463
Contributions as a Percentage of Covered Payroll	14.50%	13.49%	12.48%	12.46%	12.42%	13.42%

NET PENSION LIABILITY—COMBINED PLAN

	FISCAL YEAR		
	2018	2017	2016
Contractually Required Contribution	\$ 768	\$ 673	\$ 620
Contributions in Relation to the Contractually Required Contribution	(768)	(673)	(620)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
County Covered Payroll	\$ 5,487	\$ 5,174	\$ 5,169
Contributions as a Percentage of Covered Payroll	14.00%	13.01%	11.99%

(continued)

NET OPEB LIABILITY—OPEB PLAN⁽²⁾⁽³⁾

	FISCAL YEAR		
	2018	2017	2016
Contractually Required Contribution	\$ 308	\$ 2,421	\$ 4,414
Contributions in Relation to the Contractually Required Contribution	(308)	(2,421)	(4,414)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County Covered Payroll	\$ 226,142	\$ 219,802	\$ 213,568
Contributions as a Percentage of Covered Payroll	0.14%	1.10%	2.07%

⁽¹⁾Information prior to 2013 is not available for the traditional plan. Information prior to 2016 is not available for the combined plan.

⁽²⁾Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

⁽³⁾The OPEB plan includes the members from the traditional plan, the combined plan and the member-directed plan. The member-directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

**COUNTY OF HAMILTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE METROPOLITAN SEWER DISTRICT'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM—TRADITIONAL PLAN
LAST TEN YEARS**

(Dollar Amounts in Thousands)

NET PENSION LIABILITY—TRADITIONAL PLAN

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Required Contribution	\$ 316	\$ 309	\$ 264	\$ 280	\$ 297	\$ 318	\$ 275	\$ 237	\$ 196	\$ 156
Contributions in Relation to the Contractually Required Contribution	(316)	(309)	(264)	(280)	(297)	(318)	(275)	(237)	(196)	(156)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MSD Covered Payroll	\$ 2,257	\$ 2,377	\$ 2,200	\$ 2,336	\$ 2,479	\$ 2,443	\$ 2,750	\$ 2,371	\$ 2,200	\$ 1,893
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%	8.91%	8.24%

NET OPEB LIABILITY—OPEB PLAN

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Required Contribution	\$ -	\$ 24	\$ 44	\$ 47	\$ 50	\$ 24	\$ 110	\$ 95	\$ 112	\$ 109
Contributions in Relation to the Contractually Required Contribution	-	(24)	(44)	(47)	(50)	(24)	(110)	(95)	(112)	(109)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MSD's Covered Payroll	\$ 2,257	\$ 2,377	\$ 2,200	\$ 2,336	\$ 2,479	\$ 2,443	\$ 2,750	\$ 2,371	\$ 2,200	\$ 1,893
Contributions as a Percentage of Covered Payroll	0.00%	1.01%	2.00%	2.01%	2.02%	0.98%	4.00%	4.01%	5.09%	5.76%

COUNTY OF HAMILTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE METROPOLITAN SEWER DISTRICT'S CHANGES IN
NET PENSION LIABILITY AND RELATED RATIOS
CINCINNATI RETIREMENT SYSTEM
LAST FIVE YEARS ⁽¹⁾⁽²⁾

(Dollar Amounts in Thousands)

	FISCAL YEAR				
	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 4,260	\$ 3,764	\$ 5,639	\$ 5,346	\$ 4,919
Interest	30,471	29,256	25,454	28,680	28,146
Benefit Changes	-	5,344	(13,545)	-	-
Difference between Expected and Actual Experience	5,577	649	734	(2,698)	-
Changes of Assumptions	9,402	-	(111,431)	30,007	(3,381)
Benefit Payments	(31,093)	(30,368)	(28,777)	(30,628)	(29,614)
Refunds of Contributions	(343)	(244)	(325)	(429)	(339)
Other	-	-	(35,654)	-	-
Net Change in Total Pension Liability	<u>18,274</u>	<u>8,401</u>	<u>(157,905)</u>	<u>30,278</u>	<u>(269)</u>
Total Pension Liability—Beginning	<u>401,763</u>	<u>393,362</u>	<u>551,267</u>	<u>520,989</u>	<u>521,258</u>
Total Pension Liability—Ending (a)	<u>420,037</u>	<u>401,763</u>	<u>393,362</u>	<u>551,267</u>	<u>520,989</u>
Plan Net Position					
Contributions—Employer	6,080	5,647	4,639	5,596	7,252
Contributions—Member	3,521	3,246	1,599	3,115	2,761
Contributions—ERIP Payoff	-	-	8,723	-	-
Net Investment Income	26,180	38,292	(2,065)	9,455	49,003
Benefit Payments	(31,093)	(30,368)	(28,777)	(30,628)	(29,614)
Administrative Expense	(277)	(288)	(962)	(302)	(262)
Refunds of Contributions	(343)	(244)	(325)	(429)	(339)
Other	(1,893)	(3,065)	24,110	-	-
Net Change in Plan Net Position	<u>2,175</u>	<u>13,220</u>	<u>6,942</u>	<u>(13,193)</u>	<u>28,801</u>
Plan Net Position—Beginning	<u>306,379</u>	<u>293,159</u>	<u>286,217</u>	<u>299,410</u>	<u>270,609</u>
Plan Net Position—Ending (b)	<u>308,554</u>	<u>306,379</u>	<u>293,159</u>	<u>286,217</u>	<u>299,410</u>
Net Pension Liability—Ending (a) - (b)	<u>\$ 111,483</u>	<u>\$ 95,384</u>	<u>\$ 100,203</u>	<u>\$ 265,050</u>	<u>\$ 221,579</u>
Ratio of Plan Net Position to Total Pension Liability	73.46%	76.26%	74.53%	51.92%	57.47%
Covered Payroll	\$ 37,809	\$ 34,942	\$ 31,809	\$ 31,232	\$ 30,550
Net Pension Liability as a Percentage of Covered Payroll	294.86%	272.98%	315.01%	848.65%	725.30%

⁽¹⁾Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

⁽²⁾Measurement year is from July 1 through June 30.

COUNTY OF HAMILTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE METROPOLITAN SEWER DISTRICT'S CHANGES IN
NET OPEB LIABILITY AND RELATED RATIOS
CINCINNATI RETIREMENT SYSTEM
CURRENT YEAR⁽¹⁾⁽²⁾

(Dollar Amounts in Thousands)

	FISCAL YEAR
	2018
Total OPEB Liability	
Service Cost	\$ 945
Interest	5,841
Difference between Expected and Actual Experience	3,030
Changes of Assumptions	7,173
Benefit Payments	(4,962)
Net Change in Total OPEB Liability	12,027
Total OPEB Liability—Beginning	93,325
Total OPEB Liability—Ending (a)	105,352
Plan Net Position	
Net Investment Income	7,354
Benefit Payments	(4,962)
Administrative Expense	(78)
Other	(78)
Net Change in Plan Net Position	2,236
Plan Net Position—Beginning	89,024
Plan Net Position—Ending (b)	91,260
Net OPEB Liability—Ending (a) - (b)	\$ 14,092
Ratio of Plan Net Position to	
Total OPEB Liability	86.62%
Covered-Employee Payroll	\$ 33,158
Net OPEB Liability as a Percentage of	
Covered-Employee Payroll	42.50%

⁽¹⁾Although this schedule is intended to reflect information for ten years, information prior to 2018 is not available. An additional column will be added each year.

⁽²⁾Measurement year is from July 1 through June 30.

COUNTY OF HAMILTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE METROPOLITAN SEWER DISTRICT'S CONTRIBUTIONS
CINCINNATI RETIREMENT SYSTEM
LAST TEN YEARS
(Dollar Amounts in Thousands)

NET PENSION LIABILITY—CRS	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially Determined Employer Contributions	\$ 10,879	\$ 8,541	\$ 12,356	\$ 13,756	\$ 16,087	\$ 13,051	\$ 9,923	\$ 10,792	\$ 15,289	\$ 7,765
Actual Employer Contributions	(6,226)	(5,941)	(5,169)	(4,328)	(5,303)	(6,179)	(6,676)	(6,128)	(5,676)	(4,805)
Contribution Deficiency (Excess)	<u>\$ 4,653</u>	<u>\$ 2,600</u>	<u>\$ 7,187</u>	<u>\$ 9,428</u>	<u>\$ 10,784</u>	<u>\$ 6,872</u>	<u>\$ 3,247</u>	<u>\$ 4,664</u>	<u>\$ 9,613</u>	<u>\$ 2,960</u>
Covered Payroll	\$ 38,536	\$ 34,942	\$ 31,809	\$ 31,232	\$ 30,550	\$ 31,369	\$ 33,671	\$ 31,651	\$ 30,976	\$ 29,549
Actual Contributions as a Percentage of Covered Payroll	16.16%	17.00%	16.25%	13.86%	17.36%	19.70%	19.83%	19.36%	18.32%	16.26%
 NET PENSION LIABILITY—OPEB ⁽¹⁾	 FISCAL YEAR									
	<u>2018</u>	<u>2017</u>	<u>2016</u>							
Actuarially Determined Employer Contributions	\$ 534	\$ 714	\$ 248							
Actual Employer Contributions	-	-	-							
Contribution Deficiency (Excess)	<u>\$ 534</u>	<u>\$ 714</u>	<u>\$ 248</u>							
Covered-Employee Payroll	\$ 32,440	\$ 32,369	\$ 31,387							
Actual Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%							

⁽¹⁾Although this schedule is intended to reflect information for ten years, information prior to 2016 is not available. An additional column will be added each year.

**COUNTY OF HAMILTON, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Changes in Assumptions – OPERS Pension

Amounts reported beginning in 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

	2017	2016 and prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – OPERS OPEB

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

Actuarial Assumptions – Cincinnati Retirement System

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

Actuarial Cost Method	Entry age
Amortization Method	Level dollar
Amortization Period	Open 30-year period
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 expense and including inflation

**COUNTY OF HAMILTON, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Initial Health Care Cost	
Trend Rates	
Pre-Medicare	7.75%
Medicare	5.75%
Ultimate Health Care Cost	
Trend Rates	
Pre-Medicare	5.00%
Medicare	5.00%
Year Ultimate Health Care Cost Trend Rates Reached	
Pre-Medicare	2023
Medicare	2020

Change of Benefit Terms – Cincinnati Retirement System

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 Collaborative Settlement Agreement (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 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 CSA between the City of Cincinnati and various plaintiff groups representing certain active and retired members of the Cincinnati Retirement System, as approved by the Court on October 5, 2015, and generally effective January 1, 2016.

Changes in Actuarial Assumptions and Methods – Cincinnati Retirement System

In 2018, actuarial assumptions and methods were changed based on recent plan experience done concurrently with the December 31, 2017, valuation, including a change in the Municipal Bond Index Rate from 3.65% to 3.89%; a decrease in the discount rate (SEIR) from 6.31% to 6.13%; a decrease in the price inflation assumption from 3.00% to 2.75%; an update of the retirement, withdrawal and disability rates; an update of the mortality rates for all members to a generational approach using the RP-2014 mortality tables; an update of the merit salary scales; and updates to the following to better reflect the anticipated experience of the plan: assumed rates of health care inflation, assumed rates of health benefit plan participation, contribution rates for the Select Plan and the Model Plan, and DROP participation rates.

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.

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COUNTY OF HAMILTON, OHIO

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

COUNTY OF HAMILTON, OHIO
NONMAJOR GOVERNMENTAL FUNDS

COMBINING FINANCIAL STATEMENTS

NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for specific governmental revenues (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action and to account for expenditures for specified purposes.

ANNUALLY BUDGETED

Public Assistance	To account for revenues from federal, State and County governments and expenditures used to provide services to eligible County residents.
Motor Vehicle Gas Tax	To account for motor vehicle gas tax federal and State revenues that are distributed to various municipalities and townships for repair and building of streets and bridges.
Health and Community Services Nongrants	To account for revenues other than grants that are to be used for health and community services.
Health and Community Services Grants	To account for revenues from the federal, State and County governments and expenditures thereof as prescribed under the various health and community service functions.
Transportation Improvement District	To account for activity of the Transportation Improvement District, a blended component unit of the County.

MULTIYEAR BUDGETED

Judicial Services Grants

To account for revenue from the federal, State and County governments and expenditures used to provide legal services to eligible County residents.

Public Safety Grants

To account for revenue from the federal, State and County governments and expenditures thereof as prescribed under the various public safety functions.

Health Grants

To account for revenue from the federal, State and County governments and expenditures used to provide health-related services to eligible County residents.

Environmental Control Grants

To account for revenue from the federal, State and County governments and expenditures for the purpose of environmental protection for the community.

Economic Development Grants

To account for revenue from the federal, State and County governments and expenditures used for economic development.

**COUNTY OF HAMILTON, OHIO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING FINANCIAL STATEMENTS
NONMAJOR DEBT SERVICE FUNDS**

The debt service funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest and related costs.

General Obligation Nonvoted	To account for the retirement of principal and interest of various bond issues not approved by the electorate. The revenue source for this fund is transfers from various other funds.
Special Assessments	To account for the retirement of principal and interest on special assessment debt. The revenues are generated from special assessment tax collections.

NONMAJOR CAPITAL PROJECTS FUND

The Capital Projects fund is established to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by the proprietary funds).

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COUNTY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2018
(Amounts in Thousands)

	Special Revenue				
	Annually Budgeted				
	Public Assistance	Motor Vehicle Gas Tax	Health and Community Services Nongrants	Health and Community Services Grants	Transportation Improvement District
ASSETS					
Equity in Pooled Cash and Investments	\$ 23,261	\$ 46,867	\$ 55,935	\$ 65	\$ 1,033
Cash and Cash Equivalents—Segregated Accounts	-	544	2,171	-	-
Accounts Receivable	116	45	1,587	-	-
Interest Receivable	-	-	29	-	-
Sales Taxes Receivable	-	-	3,996	-	-
Intergovernmental Receivable	11,514	-	526	-	-
Real and Other Taxes Receivable	-	10,305	-	-	-
Due from Other Funds	3,940	11	237	-	-
Inventories	-	159	-	-	-
Special Assessments Receivable	-	-	-	-	-
TOTAL ASSETS	\$ 38,831	\$ 57,931	\$ 64,481	\$ 65	\$ 1,033
LIABILITIES					
Accounts Payable	\$ 2,166	\$ 869	\$ 2,918	\$ 321	\$ 9
Accrued Wages and Benefits Payable	1,786	373	715	-	-
Matured Compensated Absences Payable	42	1	-	-	-
Intergovernmental Payable	318	249	176	-	-
Retainage Payable	-	544	-	-	-
Due to Component Unit	-	-	2,172	-	-
Due to Other Funds	188	-	455	-	-
Advances from Other Funds	-	-	-	-	-
Unearned Revenue	-	8,456	-	-	-
TOTAL LIABILITIES	4,500	10,492	6,436	321	9
DEFERRED INFLOWS OF REOURCES					
Unavailable Revenue	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	160	-	-	-
Restricted	34,331	34,699	58,045	-	-
Committed	-	12,580	-	-	1,024
Unassigned (Deficit)	-	-	-	(256)	-
TOTAL FUND BALANCES (DEFICITS)	34,331	47,439	58,045	(256)	1,024
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	\$ 38,831	\$ 57,931	\$ 64,481	\$ 65	\$ 1,033

	Special Revenue					Total Nonmajor Special Revenue Funds
	Multiyear Budgeted					
	Judicial Services Grants	Public Safety Grants	Health Grants	Environmental Control Grants	Economic Development Grants	
ASSETS						
Equity in Pooled Cash and Investments	\$ 305	\$ 228	\$ 3,719	\$ 3,278	\$ -	\$ 134,691
Cash and Cash Equivalents—Segregated Accounts	-	-	-	-	-	2,715
Accounts Receivable	-	-	-	45	119	1,912
Interest Receivable	-	-	-	-	-	29
Sales Taxes Receivable	-	-	-	-	-	3,996
Intergovernmental Receivable	6,693	731	5,515	1,428	462	26,869
Real and Other Taxes Receivable	-	-	-	-	-	10,305
Due from Other Funds	-	-	-	-	-	4,188
Inventories	-	-	-	-	-	159
Special Assessments Receivable	-	-	-	-	-	-
TOTAL ASSETS	\$ 6,998	\$ 959	\$ 9,234	\$ 4,751	\$ 581	\$ 184,864
LIABILITIES						
Accounts Payable	\$ 508	\$ 52	\$ 668	\$ 29	\$ 165	\$ 7,705
Accrued Wages and Benefits Payable	185	32	28	90	15	3,224
Matured Compensated Absences Payable	2	-	-	1	-	46
Intergovernmental Payable	44	4	4	15	15	825
Retainage Payable	-	-	-	-	-	544
Due to Component Unit	-	-	-	-	-	2,172
Due to Other Funds	7	31	2	2	383	1,068
Advances from Other Funds	-	-	-	-	-	-
Unearned Revenue	6,812	335	6,985	1,650	-	24,238
TOTAL LIABILITIES	7,558	454	7,687	1,787	578	39,822
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	2,634	417	253	2	276	3,582
TOTAL DEFERRED INFLOWS OF RESOURCES	2,634	417	253	2	276	3,582
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	160
Restricted	-	88	1,294	2,962	-	131,419
Committed	-	-	-	-	-	13,604
Unassigned (Deficit)	(3,194)	-	-	-	(273)	(3,723)
TOTAL FUND BALANCES (DEFICITS)	(3,194)	88	1,294	2,962	(273)	141,460
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	\$ 6,998	\$ 959	\$ 9,234	\$ 4,751	\$ 581	\$ 184,864

(continued)

	Debt Service			Capital Projects		Total Nonmajor Governmental Funds
	Annually Budgeted		Total Nonmajor Debt Service Funds	Multiyear Budgeted		
	General Obligation Nonvoted	Special Assessments		Project Accounting		
ASSETS						
Equity in Pooled Cash and Investments	\$ 2,050	\$ 273	\$ 2,323	\$ 71,790	\$ 208,804	
Cash and Cash Equivalents—Segregated Accounts	-	-	-	-	2,715	
Accounts Receivable	1,120	-	1,120	-	3,032	
Interest Receivable	-	-	-	-	29	
Sales Taxes Receivable	-	-	-	-	3,996	
Intergovernmental Receivable	-	-	-	-	26,869	
Real and Other Taxes Receivable	-	-	-	-	10,305	
Due from Other Funds	-	-	-	-	4,188	
Inventories	-	-	-	-	159	
Special Assessments Receivable	-	5,014	5,014	-	5,014	
TOTAL ASSETS	\$ 3,170	\$ 5,287	\$ 8,457	\$ 71,790	\$ 265,111	
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ 549	\$ 8,254	
Accrued Wages and Benefits Payable	-	-	-	-	3,224	
Matured Compensated Absences Payable	-	-	-	-	46	
Intergovernmental Payable	-	-	-	-	825	
Retainage Payable	-	-	-	79	623	
Due to Component Unit	-	-	-	-	2,172	
Due to Other Funds	-	-	-	-	1,068	
Advances from Other Funds	-	-	-	113	113	
Unearned Revenue	-	-	-	-	24,238	
TOTAL LIABILITIES	-	-	-	741	40,563	
DEFERRED INFLOWS OF REOURCES						
Unavailable Revenue	1,120	5,014	6,134	-	9,716	
TOTAL DEFERRED INFLOWS OF RESOURCES	1,120	5,014	6,134	-	9,716	
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	160	
Restricted	2,050	273	2,323	-	133,742	
Committed	-	-	-	71,049	84,653	
Unassigned (Deficit)	-	-	-	-	(3,723)	
TOTAL FUND BALANCES (DEFICITS)	2,050	273	2,323	71,049	214,832	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	\$ 3,170	\$ 5,287	\$ 8,457	\$ 71,790	\$ 265,111	

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COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Amounts in Thousands)

	Special Revenue				
	Annually Budgeted				
	Public Assistance	Motor Vehicle Gas Tax	Health and Community Services Nongrants	Health and Community Services Grants	Transportation Improvement District
REVENUES					
Property Taxes and Special Assessments	\$ -	\$ 8	\$ -	\$ -	\$ -
Sales and Use Tax	-	-	21,451	-	-
State Shared Taxes	-	23,525	-	-	-
Charges for Services	-	3,590	26,607	-	-
Licenses and Permits	-	-	4,993	-	-
Fines and Forfeitures	-	192	4,057	-	-
Intergovernmental	44,091	7,811	8,863	4,648	350
Investment Earnings	52	415	268	-	5
Other	1,341	(178)	2,701	-	-
TOTAL REVENUES	45,484	35,363	68,940	4,648	355
EXPENDITURES					
Current:					
General Government	-	1,073	25,425	-	-
Judicial	-	-	8,161	-	-
Public Safety	-	-	4,571	-	-
Social Services	49,931	-	12,308	4,163	-
Health	-	-	4,587	-	-
Public Works	-	33,786	-	-	471
Environmental Control	-	-	2,544	-	-
Economic and Community Development	-	-	16,614	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	148	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	49,931	35,007	74,210	4,163	471
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,447)	356	(5,270)	485	(116)
OTHER FINANCING SOURCES (USES)					
Transfers In	572	436	2,490	-	420
Transfers Out	-	(120)	(1,400)	-	-
Payment to Refunded Bonds Escrow Agent	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES), NET	572	316	1,090	-	420
NET CHANGE IN FUND BALANCES	(3,875)	672	(4,180)	485	304
FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR	38,206	46,767	62,225	(741)	720
FUND BALANCES (DEFICITS) AT END OF YEAR	\$ 34,331	\$ 47,439	\$ 58,045	\$ (256)	\$ 1,024

	Special Revenue					Total Nonmajor Special Revenue Funds
	Multiyear Budgeted					
	Judicial Services Grants	Public Safety Grants	Health Grants	Environmental Control Grants	Economic Development Grants	
REVENUES						
Property Taxes and Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8
Sales and Use Tax	-	-	-	-	-	21,451
State Shared Taxes	-	-	-	-	-	23,525
Charges for Services	-	-	-	320	-	30,517
Licenses and Permits	-	-	-	-	-	4,993
Fines and Forfeitures	-	-	-	-	-	4,249
Intergovernmental	7,753	1,548	15,415	2,958	3,950	97,387
Investment Earnings	(2)	3	1	2	1	745
Other	3,280	256	33	404	35	7,872
TOTAL REVENUES	11,031	1,807	15,449	3,684	3,986	190,747
EXPENDITURES						
Current:						
General Government	118	-	-	-	4,057	30,673
Judicial	11,311	-	-	-	-	19,472
Public Safety	-	2,204	-	-	-	6,775
Social Services	-	-	-	-	-	66,402
Health	-	-	14,253	-	-	18,840
Public Works	-	-	-	-	-	34,257
Environmental Control	-	-	-	3,399	-	5,943
Economic and Community Development	-	-	-	-	-	16,614
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	148
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	11,429	2,204	14,253	3,399	4,057	199,124
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(398)	(397)	1,196	285	(71)	(8,377)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	3,918
Transfers Out	-	-	-	-	-	(1,520)
Payment to Refunded Bonds Escrow Agent	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES), NET	-	-	-	-	-	2,398
NET CHANGE IN FUND BALANCES	(398)	(397)	1,196	285	(71)	(5,979)
FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR	(2,796)	485	98	2,677	(202)	147,439
FUND BALANCES (DEFICITS) AT END OF YEAR	\$ (3,194)	\$ 88	\$ 1,294	\$ 2,962	\$ (273)	\$ 141,460

(continued)

	Debt Service			Capital Projects	
	Annually Budgeted		Total Nonmajor Debt Service Funds	Multiyear Budgeted	
	General Obligation Nonvoted	Special Assessments		Project Accounting	Total Nonmajor Governmental Funds
REVENUES					
Property Taxes and Special Assessments	\$ -	\$ 485	\$ 485	\$ -	\$ 493
Sales and Use Tax	1,106	-	1,106	-	22,557
State Shared Taxes	-	-	-	-	23,525
Charges for Services	-	-	-	-	30,517
Licenses and Permits	-	-	-	-	4,993
Fines and Forfeitures	-	-	-	-	4,249
Intergovernmental	284	-	284	-	97,671
Investment Earnings	-	-	-	220	965
Other	304	-	304	-	8,176
TOTAL REVENUES	1,694	485	2,179	220	193,146
EXPENDITURES					
Current:					
General Government	1,120	-	1,120	-	31,793
Judicial	-	-	-	-	19,472
Public Safety	-	-	-	-	6,775
Social Services	-	-	-	-	66,402
Health	-	-	-	-	18,840
Public Works	-	-	-	-	34,257
Environmental Control	-	-	-	-	5,943
Economic and Community Development	-	-	-	-	16,614
Capital Outlay	-	-	-	6,688	6,688
Debt Service:					
Principal Retirement	4,717	309	5,026	-	5,174
Interest and Fiscal Charges	5,650	182	5,832	-	5,832
TOTAL EXPENDITURES	11,487	491	11,978	6,688	217,790
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,793)	(6)	(9,799)	(6,468)	(24,644)
OTHER FINANCING SOURCES (USES)					
Transfers In	8,648	57	8,705	310	12,933
Transfers Out	-	-	-	-	(1,520)
Payment to Refunded Bonds Escrow Agent	(10,352)	-	(10,352)	-	(10,352)
TOTAL OTHER FINANCING SOURCES (USES), NET	(1,704)	57	(1,647)	310	1,061
NET CHANGE IN FUND BALANCES	(11,497)	51	(11,446)	(6,158)	(23,583)
FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR	13,547	222	13,769	77,207	238,415
FUND BALANCES (DEFICITS) AT END OF YEAR	\$ 2,050	\$ 273	\$ 2,323	\$ 71,049	\$ 214,832

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COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes and Special Assessments	\$ 37,743	\$ 37,743	\$ 38,939	\$ 1,196
Sales and Use Tax	76,418	76,418	78,639	2,221
State Shared Taxes	12,060	12,060	12,892	832
Charges for Services	52,031	52,031	54,944	2,913
Licenses and Permits	2,671	2,671	2,179	(492)
Fines and Forfeitures	7,097	7,097	7,684	587
Intergovernmental	29,469	29,549	31,974	2,425
Investment Earnings	7,703	7,703	13,521	5,818
Other	10,450	10,478	6,918	(3,560)
TOTAL REVENUES	<u>235,642</u>	<u>235,750</u>	<u>247,690</u>	<u>11,940</u>
EXPENDITURES				
Current:				
GENERAL GOVERNMENT				
County Commissioners/County Administration				
Personnel Services	3,719	3,824	3,818	6
Other Expenditures	749	748	730	18
Capital Outlay	16	11	4	7
Total County Commissioners/County Administration	<u>4,484</u>	<u>4,583</u>	<u>4,552</u>	<u>31</u>
County Facilities				
Personnel Services	5,180	5,356	5,265	91
Other Expenditures	11,328	11,713	11,713	-
Capital Outlay	39	48	48	-
Total County Facilities	<u>16,547</u>	<u>17,117</u>	<u>17,026</u>	<u>91</u>
Non-Departmentals				
Personnel Services	2,829	1,359	1,180	179
Other Expenditures	3,269	3,611	3,515	96
Capital Outlay	430	335	335	-
Total Non-Departmentals	<u>6,528</u>	<u>5,305</u>	<u>5,030</u>	<u>275</u>
Contracts and Subsidies				
Other Expenditures	488	488	488	-
Capital Outlay	20	20	19	1
Total Contracts and Subsidies	<u>508</u>	<u>508</u>	<u>507</u>	<u>1</u>

(Continued)

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Auditor				
Personnel Services	\$ 1,523	\$ 1,523	\$ 1,513	\$ 10
Other Expenditures	734	703	678	25
Total Auditor	<u>2,257</u>	<u>2,226</u>	<u>2,191</u>	<u>35</u>
Treasurer				
Personnel Services	343	343	342	1
Other Expenditures	785	782	780	2
Total Treasurer	<u>1,128</u>	<u>1,125</u>	<u>1,122</u>	<u>3</u>
Recorder				
Personnel Services	1,137	1,137	1,129	8
Other Expenditures	67	51	35	16
Total Recorder	<u>1,204</u>	<u>1,188</u>	<u>1,164</u>	<u>24</u>
Board of Elections				
Personnel Services	5,112	5,357	5,220	137
Other Expenditures	3,234	2,988	2,872	116
Capital Outlay	20	46	46	-
Total Board of Elections	<u>8,366</u>	<u>8,391</u>	<u>8,138</u>	<u>253</u>
Planning and Development				
Personnel Services	3,296	3,246	3,170	76
Other Expenditures	1,028	985	885	100
Capital Outlay	204	204	163	41
Total Planning and Development	<u>4,528</u>	<u>4,435</u>	<u>4,218</u>	<u>217</u>
TOTAL GENERAL GOVERNMENT	<u>45,550</u>	<u>44,878</u>	<u>43,948</u>	<u>930</u>
JUDICIAL				
Juvenile Court				
Personnel Services	15,460	15,780	15,714	66
Other Expenditures	2,128	213	213	-
Capital Outlay	231	1,818	1,787	31
Total Juvenile Court	<u>17,819</u>	<u>17,811</u>	<u>17,714</u>	<u>97</u>
Court of Appeals				
Other Expenditures	51	51	45	6
Total Court of Appeals	<u>51</u>	<u>51</u>	<u>45</u>	<u>6</u>

(Continued)

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Court of Common Pleas				
Personnel Services	\$ 3,283	\$ 3,298	\$ 3,298	\$ -
Other Expenditures	6,817	6,786	6,731	55
Total Court of Common Pleas	<u>10,100</u>	<u>10,084</u>	<u>10,029</u>	<u>55</u>
Municipal Court				
Personnel Services	5,822	5,991	5,991	-
Other Expenditures	36	37	36	1
Total Municipal Court	<u>5,858</u>	<u>6,028</u>	<u>6,027</u>	<u>1</u>
Domestic Relations				
Personnel Services	3,369	3,334	3,313	21
Other Expenditures	132	151	150	1
Total Domestic Relations	<u>3,501</u>	<u>3,485</u>	<u>3,463</u>	<u>22</u>
Probate Court				
Personnel Services	2,755	2,695	2,677	18
Other Expenditures	529	589	587	2
Total Probate Court	<u>3,284</u>	<u>3,284</u>	<u>3,264</u>	<u>20</u>
Clerk of Courts				
Personnel Services	10,060	9,660	9,602	58
Other Expenditures	2,619	121	103	18
Capital Outlay	121	2,382	2,339	43
Total Clerk of Courts	<u>12,800</u>	<u>12,163</u>	<u>12,044</u>	<u>119</u>
Public Defender				
Personnel Services	11,408	11,228	11,222	6
Other Expenditures	7,503	8,729	8,474	255
Total Public Defender	<u>18,911</u>	<u>19,957</u>	<u>19,696</u>	<u>261</u>
Court Reporters				
Personnel Services	2,647	2,633	2,617	16
Other Expenditures	99	99	99	-
Total Court Reporters	<u>2,746</u>	<u>2,732</u>	<u>2,716</u>	<u>16</u>

(Continued)

**COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Adult Probation				
Personnel Services	\$ 6,582	\$ 6,557	\$ 6,534	\$ 23
Other Expenditures	346	345	305	40
Total Adult Probation	<u>6,928</u>	<u>6,902</u>	<u>6,839</u>	<u>63</u>
TOTAL JUDICIAL	<u>81,998</u>	<u>82,497</u>	<u>81,837</u>	<u>660</u>
PUBLIC SAFETY				
Communications Center				
Personnel Services	557	557	543	14
Other Expenditures	826	824	784	40
Capital Outlay	35	35	35	-
Total Communications Center	<u>1,418</u>	<u>1,416</u>	<u>1,362</u>	<u>54</u>
Sheriff				
Personnel Services	67,739	72,134	71,908	226
Other Expenditures	7,279	8,394	7,885	509
Capital Outlay	1,151	1,150	1,148	2
Total Sheriff	<u>76,169</u>	<u>81,678</u>	<u>80,941</u>	<u>737</u>
Prosecutor				
Personnel Services	14,680	14,910	14,887	23
Other Expenditures	494	494	441	53
Capital Outlay	6	6	6	6
Total Prosecutor	<u>15,180</u>	<u>15,410</u>	<u>15,328</u>	<u>82</u>
Coroner				
Personnel Services	4,611	4,666	4,652	14
Other Expenditures	376	321	320	1
Total Coroner	<u>4,987</u>	<u>4,987</u>	<u>4,972</u>	<u>15</u>
Emergency Management				
Personnel Services	107	122	121	1
Other Expenditures	739	763	681	82
Total Emergency Management	<u>846</u>	<u>885</u>	<u>802</u>	<u>83</u>
TOTAL PUBLIC SAFETY	<u>98,600</u>	<u>104,376</u>	<u>103,405</u>	<u>971</u>

(Continued)

**COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
SOCIAL SERVICES				
Veterans Service Commission				
Personnel Services	\$ 687	\$ 612	\$ 589	\$ 23
Other Expenditures	721	693	634	59
Total Veterans Service Commission	<u>1,408</u>	<u>1,305</u>	<u>1,223</u>	<u>82</u>
TOTAL SOCIAL SERVICES	<u>1,408</u>	<u>1,305</u>	<u>1,223</u>	<u>82</u>
PUBLIC WORKS				
Metropolitan Sewer District				
Personnel Services	377	272	221	51
Other Expenditures	4,417	4,042	4,037	5
Total Engineer	<u>4,794</u>	<u>4,314</u>	<u>4,258</u>	<u>56</u>
TOTAL PUBLIC WORKS	<u>4,794</u>	<u>4,314</u>	<u>4,258</u>	<u>56</u>
ECONOMIC DEVELOPMENT				
Economic Development				
Other Expenditures	2,991	2,991	2,991	-
Total Economic Development	<u>2,991</u>	<u>2,991</u>	<u>2,991</u>	<u>-</u>
TOTAL ECONOMIC DEVELOPMENT	<u>2,991</u>	<u>2,991</u>	<u>2,991</u>	<u>-</u>
DEBT SERVICE				
Debt Service				
Interest and Fiscal Charges	36	38	38	-
Total Debt Service	<u>36</u>	<u>38</u>	<u>38</u>	<u>-</u>
TOTAL DEBT SERVICE	<u>36</u>	<u>38</u>	<u>38</u>	<u>-</u>
TOTAL EXPENDITURES	<u>235,377</u>	<u>240,399</u>	<u>237,700</u>	<u>2,699</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>265</u>	<u>(4,649)</u>	<u>9,990</u>	<u>14,639</u>

(Continued)

**COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 4,863	\$ 4,863	\$ 2,460	\$ (2,403)
Advances In	-	-	100	100
Transfers Out	(17,805)	(18,637)	(18,399)	238
Advances Out	(100)	(100)	(100)	-
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>(13,042)</u>	<u>(13,874)</u>	<u>(15,939)</u>	<u>(2,065)</u>
NET CHANGE IN FUND BALANCE	(12,777)	(18,523)	(5,949)	12,574
FUND BALANCE AT BEGINNING OF YEAR	52,540	52,540	52,540	-
Prior-Year Encumbrances Appropriated	<u>9,962</u>	<u>9,962</u>	<u>9,962</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 49,725</u></u>	<u><u>\$ 43,979</u></u>	<u><u>\$ 56,553</u></u>	<u><u>\$ 12,574</u></u>

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND HUMAN SERVICES LEVIES—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in Thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Property Taxes and Special Assessments	\$ 205,191	\$ 205,191	\$ 208,754	\$ 3,563
Sales Taxes	38,074	38,074	39,213	1,139
Charges for Services	416	416	416	-
Intergovernmental	94,267	94,267	82,733	(11,534)
Other	922	922	2,953	2,031
TOTAL REVENUES	<u>338,870</u>	<u>338,870</u>	<u>334,069</u>	<u>(4,801)</u>
EXPENDITURES				
Current:				
JUDICIAL				
Juvenile Court				
Other Expenditures	1,484	1,482	1,476	6
Total Juvenile Court	<u>1,484</u>	<u>1,482</u>	<u>1,476</u>	<u>6</u>
Municipal Court				
Personnel Services	311	311	292	19
Other Expenditures	2,886	2,886	2,852	34
Total Municipal Court	<u>3,197</u>	<u>3,197</u>	<u>3,144</u>	<u>53</u>
Probation				
Other Expenditures	1,649	1,649	1,496	153
Total Probation	<u>1,649</u>	<u>1,649</u>	<u>1,496</u>	<u>153</u>
TOTAL JUDICIAL	<u>6,330</u>	<u>6,328</u>	<u>6,116</u>	<u>212</u>
PUBLIC SAFETY				
Sheriff				
Personnel Services	6,635	6,635	6,305	330
Other Expenditures	7,982	7,982	7,552	430
Capital Outlay	15	15	11	4
Total Sheriff	<u>14,632</u>	<u>14,632</u>	<u>13,868</u>	<u>764</u>
CLEAR				
Other Expenditures	4,931	4,931	4,508	423
Capital Outlay	5,364	5,052	5,033	19
Total CLEAR	<u>10,295</u>	<u>9,983</u>	<u>9,541</u>	<u>442</u>
TOTAL PUBLIC SAFETY	<u>24,927</u>	<u>24,615</u>	<u>23,409</u>	<u>1,206</u>

(Continued)

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND HUMAN SERVICES LEVIES—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
SOCIAL SERVICES				
Job and Family Services				
Other Expenditures	\$ 119,152	\$ 151,839	\$ 102,342	\$ 49,497
Total Job and Family Services	<u>119,152</u>	<u>151,839</u>	<u>102,342</u>	<u>49,497</u>
Senior Services				
Personnel Services	13	13	13	-
Other Expenditures	28,602	28,630	28,575	55
Total Senior Services	<u>28,615</u>	<u>28,643</u>	<u>28,588</u>	<u>55</u>
TOTAL SOCIAL SERVICES	<u>147,767</u>	<u>180,482</u>	<u>130,930</u>	<u>49,552</u>
HEALTH				
Health and Hospitalization Tax				
Personnel Services	283	283	262	21
Other Expenditures	22,758	22,758	22,429	329
Total Health and Hospitalization Tax	<u>23,041</u>	<u>23,041</u>	<u>22,691</u>	<u>350</u>
Developmental Disabilities Services				
Personnel Services	27,765	27,765	26,962	803
Other Expenditures	3,412	3,411	1,358	2,053
Capital Outlay	68,032	61,818	61,342	476
Total Developmental Disabilities Services	<u>99,209</u>	<u>92,994</u>	<u>89,662</u>	<u>3,332</u>
Mental Health and Recovery Services				
Personnel Services	1,997	1,996	1,916	80
Other Expenditures	341	341	341	-
Capital Outlay	48,276	46,852	46,273	579
Total Mental Health and Recovery Services	<u>50,614</u>	<u>49,189</u>	<u>48,530</u>	<u>659</u>
TOTAL HEALTH	<u>172,864</u>	<u>165,224</u>	<u>160,883</u>	<u>4,341</u>

(Continued)

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND HUMAN SERVICES LEVIES—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECREATIONAL ACTIVITIES				
Zoological Gardens				
Personnel Services	\$ 4	\$ 4	\$ 4	\$ -
Other Expenditures	6,750	6,750	6,728	22
Total Zoological Gardens	<u>6,754</u>	<u>6,754</u>	<u>6,732</u>	<u>22</u>
Cincinnati Museum Center				
Personnel Services	20	20	20	-
Other Expenditures	38,347	45,047	45,047	-
Total Cincinnati Museum Center	<u>38,367</u>	<u>45,067</u>	<u>45,067</u>	<u>-</u>
TOTAL RECREATIONAL ACTIVITIES	<u>45,121</u>	<u>51,821</u>	<u>51,799</u>	<u>22</u>
TOTAL EXPENDITURES	<u>397,009</u>	<u>428,470</u>	<u>373,137</u>	<u>55,333</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(58,139)</u>	<u>(89,600)</u>	<u>(39,068)</u>	<u>50,532</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,373	2,103	1,801	(302)
Advances Out	(1,634)	(2,364)	(1,565)	799
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>(261)</u>	<u>(261)</u>	<u>236</u>	<u>497</u>
NET CHANGE IN FUND BALANCE	(58,400)	(89,861)	(38,832)	51,029
FUND BALANCE AT BEGINNING OF YEAR	190,176	190,176	190,176	-
Prior-Year Encumbrances Appropriated	38,151	38,151	38,151	-
FUND BALANCE AT END OF YEAR	<u>\$ 169,927</u>	<u>\$ 138,466</u>	<u>\$ 189,495</u>	<u>\$ 51,029</u>

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
PUBLIC ASSISTANCE—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in Thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Charges for Services	\$ 37,082	\$ 37,082	\$ 31,775	\$ (5,307)
Intergovernmental	63,806	63,806	41,161	(22,645)
Other	1,501	1,501	1,541	40
TOTAL REVENUES	<u>102,389</u>	<u>102,389</u>	<u>74,477</u>	<u>(27,912)</u>
EXPENDITURES				
Current:				
SOCIAL SERVICES				
Job and Family Services				
Personnel Services	52,138	52,138	47,184	4,954
Other Expenditures	771	733	76	657
Capital Outlay	68,884	60,369	48,220	12,149
Total Job and Family Services	<u>121,793</u>	<u>113,240</u>	<u>95,480</u>	<u>17,760</u>
TOTAL SOCIAL SERVICES	<u>121,793</u>	<u>113,240</u>	<u>95,480</u>	<u>17,760</u>
TOTAL EXPENDITURES	<u>121,793</u>	<u>113,240</u>	<u>95,480</u>	<u>17,760</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(19,404)</u>	<u>(10,851)</u>	<u>(21,003)</u>	<u>(10,152)</u>
OTHER FINANCING SOURCES				
Transfers In	572	572	572	-
TOTAL OTHER FINANCING SOURCES	<u>572</u>	<u>572</u>	<u>572</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(18,832)	(10,279)	(20,431)	(10,152)
FUND BALANCE AT BEGINNING OF YEAR	13,547	13,547	13,547	-
Prior-Year Encumbrances Appropriated	16,355	16,355	16,355	-
FUND BALANCE AT END OF YEAR	<u>\$ 11,070</u>	<u>\$ 19,623</u>	<u>\$ 9,471</u>	<u>\$ (10,152)</u>

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
MOTOR VEHICLE GAS TAX—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes and Special Assessments	\$ 3	\$ 3	\$ 8	\$ 5
State Shared Taxes	22,990	22,990	23,442	452
Charges for Services	3,698	3,698	3,690	(8)
Fines and Forfeitures	216	216	192	(24)
Intergovernmental	51	3,572	7,942	4,370
Investment Earnings	152	152	382	230
Other	176	176	(167)	(343)
TOTAL REVENUES	<u>27,286</u>	<u>30,807</u>	<u>35,489</u>	<u>4,682</u>
EXPENDITURES				
Current:				
GENERAL GOVERNMENT				
Planning and Development				
Personnel Services	1,007	1,007	830	177
Other Expenditures	275	375	179	196
Capital Outlay	37	37	35	2
Total Planning and Development	<u>1,319</u>	<u>1,419</u>	<u>1,044</u>	<u>375</u>
TOTAL GENERAL GOVERNMENT	<u>1,319</u>	<u>1,419</u>	<u>1,044</u>	<u>375</u>
PUBLIC WORKS				
County Engineer				
Personnel Services	12,275	12,275	9,489	2,786
Other Expenditures	10,303	10,505	9,101	1,404
Capital Outlay	61,857	62,813	60,395	2,418
Total County Engineer	<u>84,435</u>	<u>85,593</u>	<u>78,985</u>	<u>6,608</u>
TOTAL PUBLIC WORKS	<u>84,435</u>	<u>85,593</u>	<u>78,985</u>	<u>6,608</u>
DEBT SERVICE				
Debt Service				
Principal Retirement	153	150	148	2
Total Debt Service	<u>153</u>	<u>150</u>	<u>148</u>	<u>2</u>
TOTAL DEBT SERVICE	<u>153</u>	<u>150</u>	<u>148</u>	<u>2</u>
TOTAL EXPENDITURES	<u>85,907</u>	<u>87,162</u>	<u>80,177</u>	<u>6,985</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(58,621)</u>	<u>(56,355)</u>	<u>(44,688)</u>	<u>11,667</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	436	9,289	11,225	1,936
Transfers Out	(9,000)	(11,250)	(10,909)	341
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>(8,564)</u>	<u>(1,961)</u>	<u>316</u>	<u>2,277</u>
NET CHANGE IN FUND BALANCE	(67,185)	(58,316)	(44,372)	13,944
FUND BALANCE AT BEGINNING OF YEAR	(139)	(139)	(139)	-
Prior-Year Encumbrances Appropriated	47,774	47,774	47,774	-
FUND BALANCE AT END OF YEAR	<u>\$ (19,550)</u>	<u>\$ (10,681)</u>	<u>\$ 3,263</u>	<u>\$ 13,944</u>

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COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND COMMUNITY SERVICES NONGRANTS—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales and Use Tax	\$ 18,500	\$ 20,500	\$ 21,112	\$ 612
Charges for Services	28,303	28,528	26,552	(1,976)
Licenses and Permits	5,132	5,132	4,930	(202)
Fines and Forfeitures	2,809	2,809	4,064	1,255
Intergovernmental	10,168	10,168	8,517	(1,651)
Investment Earnings	66	66	158	92
Other	5,290	5,889	5,364	(525)
TOTAL REVENUES	<u>70,268</u>	<u>73,092</u>	<u>70,697</u>	<u>(2,395)</u>
EXPENDITURES				
Current:				
GENERAL GOVERNMENT				
Non-Departmentals				
Other Expenditures	60	100	100	-
Total Non-Departmentals	<u>60</u>	<u>100</u>	<u>100</u>	<u>-</u>
Auditor				
Personnel Services	3,959	3,959	3,449	510
Other Expenditures	7,260	21,218	18,329	2,889
Capital Outlay	50	50	32	18
Total Auditor	<u>11,269</u>	<u>25,227</u>	<u>21,810</u>	<u>3,417</u>
Treasurer				
Personnel Services	1,205	1,205	1,137	68
Other Expenditures	2,448	2,571	2,482	89
Capital Outlay	28	28	18	10
Total Treasurer	<u>3,681</u>	<u>3,804</u>	<u>3,637</u>	<u>167</u>
Recorder				
Personnel Services	179	181	181	-
Other Expenditures	159	144	141	3
Capital Outlay	108	123	123	-
Total Recorder	<u>446</u>	<u>448</u>	<u>445</u>	<u>3</u>
Law Library				
Personnel Services	399	399	388	11
Other Expenditures	628	603	475	128
Total Law Library	<u>1,027</u>	<u>1,002</u>	<u>863</u>	<u>139</u>
TOTAL GENERAL GOVERNMENT	<u>16,483</u>	<u>30,581</u>	<u>26,855</u>	<u>3,726</u> (Continued)

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND COMMUNITY SERVICES NONGRANTS—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
JUDICIAL				
Juvenile Court				
Personnel Services	\$ 50	\$ 50	\$ -	\$ 50
Other Expenditures	200	200	147	53
Capital Outlay	35	35	-	35
Total Juvenile Court	<u>285</u>	<u>285</u>	<u>147</u>	<u>138</u>
Court of Common Pleas				
Personnel Services	1,888	1,888	1,572	316
Other Expenditures	5,868	4,903	2,276	2,627
Capital Outlay	2,333	2,233	948	1,285
Total Court of Common Pleas	<u>10,089</u>	<u>9,024</u>	<u>4,796</u>	<u>4,228</u>
Municipal Court				
Personnel Services	580	580	483	97
Other Expenditures	635	610	503	107
Total Municipal Court	<u>1,215</u>	<u>1,190</u>	<u>986</u>	<u>204</u>
Court of Domestic Relations				
Personnel Services	234	234	53	181
Other Expenditures	30	30	30	-
Total Court of Domestic Relations	<u>264</u>	<u>264</u>	<u>83</u>	<u>181</u>
Probate Court				
Other Expenditures	981	981	451	530
Total Probate Court	<u>981</u>	<u>981</u>	<u>451</u>	<u>530</u>
Clerk of Courts				
Personnel Services	2,754	2,704	2,556	148
Other Expenditures	536	537	522	15
Capital Outlay	4	4	3	1
Total Clerk of Courts	<u>3,294</u>	<u>3,245</u>	<u>3,081</u>	<u>164</u>
Probation				
Personnel Services	1,560	1,559	1,244	315
Other Expenditures	369	303	242	61
Capital Outlay	90	90	32	58
Total Probation	<u>2,019</u>	<u>1,952</u>	<u>1,518</u>	<u>434</u>
TOTAL JUDICIAL	<u>18,147</u>	<u>16,941</u>	<u>11,062</u>	<u>5,879</u>
PUBLIC SAFETY				
Dog Warden				
Other Expenditures	1,897	1,884	1,873	11
Total Dog Warden	<u>1,897</u>	<u>1,884</u>	<u>1,873</u>	<u>11</u>

(Continued)

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND COMMUNITY SERVICES NONGRANTS—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Sheriff				
Personnel Services	\$ 413	\$ 413	\$ 320	\$ 93
Other Expenditures	431	364	281	83
Total Sheriff	<u>844</u>	<u>777</u>	<u>601</u>	<u>176</u>
Prosecutor				
Personnel Services	616	671	665	6
Other Expenditures	6	6		6
Capital Outlay	510	510	410	100
Total Prosecutor	<u>1,132</u>	<u>1,187</u>	<u>1,075</u>	<u>112</u>
Coroner				
Other Expenditures	195	210	203	7
Capital Outlay	112	98	96	2
Total Coroner	<u>307</u>	<u>308</u>	<u>299</u>	<u>9</u>
Communications Center				
Personnel Services	438	438	401	37
Other Expenditures	547	546	537	9
Capital Outlay	485	524	522	2
Total Communications Center	<u>1,470</u>	<u>1,508</u>	<u>1,460</u>	<u>48</u>
TOTAL PUBLIC SAFETY	<u>5,650</u>	<u>5,664</u>	<u>5,308</u>	<u>356</u>
SOCIAL SERVICES				
Job and Family Services				
Personnel Services	8,223	8,223	7,606	617
Other Expenditures	7,118	6,690	5,523	1,167
Total Job and Family Services	<u>15,341</u>	<u>14,913</u>	<u>13,129</u>	<u>1,784</u>
TOTAL SOCIAL SERVICES	<u>15,341</u>	<u>14,913</u>	<u>13,129</u>	<u>1,784</u>
HEALTH				
Mental Health and Recovery Services				
Personnel Services	144	144	138	6
Other Expenditures	11,301	11,692	8,254	3,438
Capital Outlay	216	187	125	62
Total Mental Health and Recovery Services	<u>11,661</u>	<u>12,023</u>	<u>8,517</u>	<u>3,506</u>
Health and Hospitalization Tax				
Personnel Services	27	27	27	-
Other Expenditures	15	15	7	8
Capital Outlay		28	28	-
Total Health and Hospitalization Tax	<u>42</u>	<u>70</u>	<u>62</u>	<u>8</u>
TOTAL HEALTH	<u>11,703</u>	<u>12,093</u>	<u>8,579</u>	<u>3,514</u>

(Continued)

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND COMMUNITY SERVICES NONGRANTS—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
ENVIRONMENTAL CONTROL				
Environmental Services				
Personnel Services	\$ 599	\$ 599	\$ 554	\$ 45
Other Expenditures	2,471	2,496	2,409	87
Total Environmental Services	<u>3,070</u>	<u>3,095</u>	<u>2,963</u>	<u>132</u>
TOTAL ENVIRONMENTAL CONTROL	<u>3,070</u>	<u>3,095</u>	<u>2,963</u>	<u>132</u>
ECONOMIC DEVELOPMENT				
Economic Development				
Personnel Services	64	64	52	12
Other Expenditures	16,810	19,496	19,000	496
Total Economic Development	<u>16,874</u>	<u>19,560</u>	<u>19,052</u>	<u>508</u>
TOTAL ECONOMIC DEVELOPMENT	<u>16,874</u>	<u>19,560</u>	<u>19,052</u>	<u>508</u>
TOTAL EXPENDITURES	<u>87,268</u>	<u>102,847</u>	<u>86,948</u>	<u>15,899</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(17,000)</u>	<u>(29,755)</u>	<u>(16,251)</u>	<u>13,504</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,249	3,288	2,490	(798)
Transfers Out	(700)	(1,400)	(1,400)	-
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>2,549</u>	<u>1,888</u>	<u>1,090</u>	<u>(798)</u>
NET CHANGE IN FUND BALANCE	(14,451)	(27,867)	(15,161)	12,706
FUND BALANCE AT BEGINNING OF YEAR	55,658	55,658	55,658	-
Prior-Year Encumbrances Appropriated	8,532	8,532	8,532	-
FUND BALANCE AT END OF YEAR	<u>\$ 49,739</u>	<u>\$ 36,323</u>	<u>\$ 49,029</u>	<u>\$ 12,706</u>

**COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND COMMUNITY SERVICES GRANTS—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 4,739	\$ 5,189	\$ 4,699	\$ (490)
TOTAL REVENUES	<u>4,739</u>	<u>5,189</u>	<u>4,699</u>	<u>(490)</u>
EXPENDITURES				
Current:				
SOCIAL SERVICES				
Job and Family Services				
Other Expenditures	4,739	5,189	4,668	521
Total Job and Family Services	<u>4,739</u>	<u>5,189</u>	<u>4,668</u>	<u>521</u>
TOTAL SOCIAL SERVICES	<u>4,739</u>	<u>5,189</u>	<u>4,668</u>	<u>521</u>
ENVIRONMENTAL CONTROL				
Environmental Services				
Other Expenditures	-	-	-	-
Total Environmental Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ENVIRONMENTAL CONTROL	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>4,739</u>	<u>5,189</u>	<u>4,668</u>	<u>521</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>31</u>	<u>31</u>
OTHER FINANCING SOURCES				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	31	31
FUND BALANCE AT BEGINNING OF YEAR	<u>34</u>	<u>34</u>	<u>34</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 34</u>	<u>\$ 34</u>	<u>\$ 65</u>	<u>\$ 31</u>

**COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
TRANSPORTATION IMPROVEMENT DISTRICT—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 250	\$ 350	\$ 100
Investment Earnings	-	2	6	4
TOTAL REVENUES	<u>-</u>	<u>252</u>	<u>356</u>	<u>104</u>
EXPENDITURES				
Current:				
PUBLIC WORKS				
Transportation Improvement District				
Other Expenditures		675	622	53
Total Transportation Improvement District	<u>-</u>	<u>675</u>	<u>622</u>	<u>53</u>
TOTAL PUBLIC WORKS	<u>-</u>	<u>675</u>	<u>622</u>	<u>53</u>
TOTAL EXPENDITURES	<u>-</u>	<u>675</u>	<u>622</u>	<u>53</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(423)</u>	<u>(266)</u>	<u>157</u>
OTHER FINANCING SOURCES				
Transfers In	-	300	420	120
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>300</u>	<u>420</u>	<u>120</u>
NET CHANGE IN FUND BALANCE	-	(123)	154	277
FUND BALANCE AT BEGINNING OF YEAR		565	565	-
Prior-Year Encumbrances Appropriated	168	168	168	-
FUND BALANCE AT END OF YEAR	<u>\$ 168</u>	<u>\$ 610</u>	<u>\$ 887</u>	<u>\$ 277</u>

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL OBLIGATION NONVOTED—DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales and Use Tax	\$ 1,655	\$ 1,655	\$ 1,106	\$ (549)
Intergovernmental	283	283	284	1
Other	1,148	1,148	304	(844)
TOTAL REVENUES	<u>3,086</u>	<u>3,086</u>	<u>1,694</u>	<u>(1,392)</u>
EXPENDITURES				
Current:				
GENERAL GOVERNMENT				
Other Expenditures	1,120	1,120	1,120	-
TOTAL GENERAL GOVERNMENT	<u>1,120</u>	<u>1,120</u>	<u>1,120</u>	<u>-</u>
DEBT SERVICE				
Debt Service				
Principal Retirement	4,717	4,717	4,717	-
Interest and Fiscal Charges	5,588	5,677	5,677	-
TOTAL DEBT SERVICE	<u>10,305</u>	<u>10,394</u>	<u>10,394</u>	<u>-</u>
TOTAL EXPENDITURES	<u>11,425</u>	<u>11,514</u>	<u>11,514</u>	<u>-</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(8,339)</u>	<u>(8,428)</u>	<u>(9,820)</u>	<u>(1,392)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	8,332	8,332	8,648	316
Payment to Refunded Bonds Escrow Agent	-	(10,352)	(10,352)	-
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>8,332</u>	<u>(2,020)</u>	<u>(1,704)</u>	<u>316</u>
NET CHANGE IN FUND BALANCE	(7)	(10,448)	(11,524)	(1,076)
FUND BALANCE AT BEGINNING OF YEAR	<u>13,536</u>	<u>13,536</u>	<u>13,536</u>	<u>-</u>
Prior-Year Encumbrances Appropriated	11	11	11	-
FUND BALANCE AT END OF YEAR	<u>\$ 13,540</u>	<u>\$ 3,099</u>	<u>\$ 2,023</u>	<u>\$ (1,076)</u>

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
SPECIAL ASSESSMENTS—DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes and Special Assessments	\$ 501	\$ 501	\$ 552	\$ 51
TOTAL REVENUES	<u>501</u>	<u>501</u>	<u>552</u>	<u>51</u>
EXPENDITURES				
Current:				
GENERAL GOVERNMENT				
Other Expenditures		143	143	-
TOTAL GENERAL GOVERNMENT	<u>-</u>	<u>143</u>	<u>143</u>	<u>-</u>
DEBT SERVICE				
Debt Service				
Principal Retirement	380	380	376	4
Interest and Fiscal Charges	203	203	185	18
TOTAL DEBT SERVICE	<u>583</u>	<u>583</u>	<u>561</u>	<u>22</u>
TOTAL EXPENDITURES	<u>583</u>	<u>726</u>	<u>704</u>	<u>22</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(82)</u>	<u>(225)</u>	<u>(152)</u>	<u>73</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	77	77	59	(18)
Bonds Issued		145	145	-
Transfers Out		(2)	(2)	-
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>77</u>	<u>220</u>	<u>202</u>	<u>(18)</u>
NET CHANGE IN FUND BALANCE	(5)	(5)	50	55
FUND BALANCE AT BEGINNING OF YEAR	<u>222</u>	<u>222</u>	<u>222</u>	<u>-</u>
Prior-Year Encumbrances Appropriated	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 218</u>	<u>\$ 218</u>	<u>\$ 273</u>	<u>\$ 55</u>

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**COUNTY OF HAMILTON, OHIO
NONMAJOR ENTERPRISE FUNDS**

COMBINING FINANCIAL STATEMENTS

The enterprise funds are established to account for operations that are financed and operated in a manner similar to business in the private sector. The expenses (including depreciation) of providing goods and services primarily or solely to the general public are financed or recovered primarily through user charges.

Riverfront Development	To account for revenue received for the construction and operations of riverfront developments.
Main Street Parking Garage	To account for revenue received for the construction and operations of the Main Street Parking Garage.
Sales Tax Stabilization	To set aside a reserve to meet future debt service payments.
Communications Center	To account for the financial activity relating to emergency 911 services for Hamilton County.

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2018
(Amounts in Thousands)

	<u>Business-Type Activities</u>		
	<u>Riverfront Development</u>	<u>Main Street Parking Garage</u>	<u>Sales Tax Stabilization</u>
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 20,838	\$ 882	\$ -
Restricted Cash, Cash Equivalents and Investments:			
Accounts Receivable	432	42	-
Prepaid Expenses	55	-	-
Intergovernmental Receivable	180	-	-
Due from Other Funds	-	-	-
Total Current Assets	<u>21,505</u>	<u>924</u>	<u>-</u>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	3,638	1,827	-
Construction in Progress	26,611	-	-
Total Nondepreciable Capital Assets	<u>30,249</u>	<u>1,827</u>	<u>-</u>
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	194,824	9,273	-
Furniture, Fixtures and Equipment	384	-	-
Less Accumulated Depreciation	(100,572)	(5,892)	-
Total Depreciable Capital Assets, Net	<u>94,636</u>	<u>3,381</u>	<u>-</u>
Total Capital Assets, Net	<u>124,885</u>	<u>5,208</u>	<u>-</u>
Total Noncurrent Assets	<u>124,885</u>	<u>5,208</u>	<u>-</u>
TOTAL ASSETS	<u>146,390</u>	<u>6,132</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	24	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>24</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 146,414</u>	<u>\$ 6,132</u>	<u>\$ -</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	417	25	-
Due to Other Funds	-	-	-
Accrued Wages and Benefits Payable	27	2	-
Intergovernmental Payable	7	1	-
Unearned Revenue	19	-	-
Accrued Interest Payable	-	12	-
Accrued Interest Payable from Restricted Assets	82	-	-
Accrued Compensated Absences	-	-	-
Current Portion of State Loans Payable	1,211	-	-
Current Portion of Long-Term Debt	55	535	-
Total Current Liabilities	<u>1,818</u>	<u>575</u>	<u>-</u>
Noncurrent Liabilities:			
Accrued Compensated Absences	-	-	-
State Loans Payable	2,942	-	-
Long-Term Debt	315	3,036	-
Interfund Payable	20,340	-	-
Total Noncurrent Liabilities	<u>23,597</u>	<u>3,036</u>	<u>-</u>
TOTAL LIABILITIES	<u>25,415</u>	<u>3,611</u>	<u>-</u>
NET POSITION			
Net Investment in Capital Assets	120,386	1,637	-
Unrestricted	613	884	-
TOTAL NET POSITION	<u>\$ 120,999</u>	<u>\$ 2,521</u>	<u>\$ -</u>

Business-Type Activities	
Communications Center	Total Nonmajor Enterprise Funds
\$ 1,728	\$ 23,448
24	498
-	55
-	180
23	23
<u>1,775</u>	<u>24,204</u>
-	5,465
-	26,611
-	<u>32,076</u>
21,662	225,759
24,253	24,637
(21,559)	(128,023)
<u>24,356</u>	<u>122,373</u>
<u>24,356</u>	<u>154,449</u>
<u>24,356</u>	<u>154,449</u>
26,131	178,653
289	313
<u>289</u>	<u>313</u>
<u>\$ 26,420</u>	<u>\$ 178,966</u>
156	598
4	4
227	256
30	38
-	19
45	57
-	82
28	28
-	1,211
55	645
<u>545</u>	<u>2,938</u>
551	551
-	2,942
12,867	16,218
-	20,340
<u>13,418</u>	<u>40,051</u>
<u>13,963</u>	<u>42,989</u>
11,723	133,746
734	2,231
<u>\$ 12,457</u>	<u>\$ 135,977</u>

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Amounts in Thousands)

	<u>Business-Type Activities</u>		
	<u>Riverfront Development</u>	<u>Main Street Parking Garage</u>	<u>Sales Tax Stabilization</u>
OPERATING REVENUES			
Charges for Services	\$ 13,858	\$ 1,089	\$ -
Lease Rent Revenue	1	26	-
Other	2,095	-	-
TOTAL OPERATING REVENUES	<u>15,954</u>	<u>1,115</u>	<u>-</u>
OPERATING EXPENSES			
Personnel Services	411	50	-
Utilities, Fuel and Supplies	318	18	-
Purchased Services	6,571	134	-
Depreciation and Amortization	7,967	310	-
Other	1,237	104	-
TOTAL OPERATING EXPENSES	<u>16,504</u>	<u>616</u>	<u>-</u>
OPERATING INCOME (LOSS)	<u>(550)</u>	<u>499</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)			
Federal Subsidy	190	-	-
Contribution to Other Fund	-	-	(30,066)
Interest Expense	(1,105)	(165)	-
Fiscal Charges on Long-Term Debt	(36)	-	-
Investment Earnings	(6)	-	162
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(957)</u>	<u>(165)</u>	<u>(29,904)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(1,507)</u>	<u>334</u>	<u>(29,904)</u>
Capital Contributions	258	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
CHANGE IN NET POSITION	<u>(1,249)</u>	<u>334</u>	<u>(29,904)</u>
TOTAL NET POSITION—BEGINNING	<u>122,248</u>	<u>2,187</u>	<u>29,904</u>
TOTAL NET POSITION—ENDING	<u>\$ 120,999</u>	<u>\$ 2,521</u>	<u>\$ -</u>

Business-Type Activities

Communications Center	Total Nonmajor Enterprise Funds
\$ 4,634	\$ 19,581
49	76
500	2,595
<u>5,183</u>	<u>22,252</u>
5,387	5,848
998	1,334
1,531	8,236
2,620	10,897
380	1,721
<u>10,916</u>	<u>28,036</u>
<u>(5,733)</u>	<u>(5,784)</u>
-	190
-	(30,066)
(296)	(1,566)
-	(36)
(2)	154
<u>(298)</u>	<u>(31,324)</u>
<u>(6,031)</u>	<u>(37,108)</u>
-	258
5,796	5,796
<u>(1,506)</u>	<u>(1,506)</u>
(1,741)	(32,560)
<u>14,198</u>	<u>168,537</u>
<u>\$ 12,457</u>	<u>\$ 135,977</u>

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Amounts in Thousands)

	Business-Type Activities		
	Riverfront Development	Main Street Parking Garage	Sales Tax Stabilization
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	\$ 13,671	\$ 1,076	\$ -
Lease Rent Revenue	-	26	-
Cash Payments to Suppliers for Goods and Services	(6,670)	(151)	-
Cash Payments for Personnel Costs	(406)	(50)	-
Other Operating Revenue	2,095	-	-
Other Operating Expenses	(1,237)	(95)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>7,453</u>	<u>806</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Other Non-Operating Revenue	10	-	-
Contribution to Other Fund	-	-	(30,066)
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>10</u>	<u>-</u>	<u>(30,066)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Payments on Long-Term Debt	(2,875)	(520)	-
Interest Payments on Long-Term Debt	(1,118)	(166)	-
Fiscal Charges on Long-Term Debt	(54)	-	-
Transfer Out	-	-	-
Capital Contributions	258	-	-
Acquisition and Construction of Property, Plant and Equipment	123	-	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,666)</u>	<u>(686)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments and Pooled Cash and Investments	1	-	-
Investment Earnings	(7)	-	168
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(6)</u>	<u>-</u>	<u>168</u>
Net Increase in Cash and Equity in Pooled Cash and Investments	3,791	120	(29,898)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>17,047</u>	<u>762</u>	<u>29,898</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 20,838</u>	<u>\$ 882</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (550)	\$ 499	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	7,967	310	-
Net Changes in Operating Assets and Liabilities:			
Accounts Receivable	(207)	(13)	-
Due from Other Funds	-	-	-
Operating Accounts Payable	219	10	-
Accrued Payroll and Other Related Withholdings	5	-	-
Intergovernmental Payable	-	-	-
Deferred Revenue	19	-	-
Compensated Absences	-	-	-
Due to Other Funds	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 7,453</u>	<u>\$ 806</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Equity in Pooled Cash and Investments	\$ 20,838	\$ 882	\$ -
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 20,838</u>	<u>\$ 882</u>	<u>\$ -</u>

Business-Type Activities	
Communications Center	Total Nonmajor Enterprise Funds
\$ 4,587	\$ 19,334
49	75
(2,650)	(9,471)
(5,345)	(5,801)
500	2,595
(245)	(1,577)
<u>(3,104)</u>	<u>5,155</u>
-	10
-	(30,066)
5,796	5,796
(39)	(39)
<u>5,757</u>	<u>(24,299)</u>
(45)	(3,440)
(549)	(1,833)
-	(54)
(1,467)	(1,467)
-	258
(19)	104
<u>(2,080)</u>	<u>(6,432)</u>
-	1
(2)	159
<u>(2)</u>	<u>160</u>
571	(25,416)
1,157	48,864
<u>\$ 1,728</u>	<u>\$ 23,448</u>
\$ (5,733)	\$ (5,784)
2,620	10,897
(24)	(244)
(23)	(23)
10	239
30	35
3	3
-	19
9	9
4	4
<u>\$ (3,104)</u>	<u>\$ 5,155</u>
\$ 1,728	\$ 23,448
<u>\$ 1,728</u>	<u>\$ 23,448</u>

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**COUNTY OF HAMILTON, OHIO
INTERNAL SERVICE FUNDS**

COMBINING FINANCIAL STATEMENTS

The internal service funds are established to account for the financing of goods or services provided by one department of the County to other departments of the County on a cost-reimbursement basis.

Workers' Compensation Reserve	To provide self-insurance to the County through a retrospective rating plan with the State of Ohio for workers' compensation.
Auditor's Computer Center	To account for the financial activity relating to the data processing center.
Medical Self-Insurance	To account for the financial activity of the County's health-care coverage for its employees.

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2018
(Amounts in Thousands)

	Governmental Activities			
	Workers' Compensation Reserve	Auditor's Computer Center	Medical Self- Insurance	Total Governmental Activities
ASSETS				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 7,130	\$ 1,197	\$ 4,259	\$ 12,586
Accounts Receivable	35	-	1	36
Total Current Assets	7,165	1,197	4,260	12,622
Depreciable Capital Assets, Net:				
Buildings, Structures and Improvements	-	41	-	41
Furniture, Fixtures and Equipment	-	831	-	831
Less Accumulated Depreciation	-	(609)	-	(609)
Total Depreciable Capital Assets, Net	-	263	-	263
Total Capital Assets, Net	-	263	-	263
Total Noncurrent Assets	-	263	-	263
TOTAL ASSETS	7,165	1,460	4,260	12,885
LIABILITIES				
Current Liabilities:				
Accounts Payable	-	5	256	261
Accrued Wages and Benefits Payable	5	49	10	64
Intergovernmental Payable	-	7	1	8
Claims Payable	317	-	6,463	6,780
Compensated Absences	-	15	-	15
Total Current Liabilities	322	76	6,730	7,128
Noncurrent Liabilities:				
Claims Payable—Net of Current Portion	300	-	-	300
Accrued Compensated Absences	-	126	-	126
Total Noncurrent Liabilities	300	126	-	426
TOTAL LIABILITIES	622	202	6,730	7,554
NET POSITION				
Net Investment in Capital Assets	-	263	-	263
Unrestricted	6,543	995	(2,470)	5,068
TOTAL NET POSITION	\$ 6,543	\$ 1,258	\$ (2,470)	\$ 5,331

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Amounts in Thousands)

	Governmental Activities			
	Workers' Compensation Reserve	Auditor's Computer Center	Medical Self- Insurance	Total Governmental Activities
OPERATING REVENUES				
Charges for Services	\$ -	\$ 1,800	\$ 47,793	\$ 49,593
Other	1,215	1	164	1,380
TOTAL OPERATING REVENUES	<u>1,215</u>	<u>1,801</u>	<u>47,957</u>	<u>50,973</u>
OPERATING EXPENSES				
Personnel Services	138	1,302	451	1,891
Purchased Services	991	278	3,361	4,630
Utilities, Fuel and Supplies	-	57	3	60
Claims	23	-	50,151	50,174
Depreciation	-	67	-	67
Other	-	74	1	75
TOTAL OPERATING EXPENSES	<u>1,152</u>	<u>1,778</u>	<u>53,967</u>	<u>56,897</u>
OPERATING INCOME (LOSS)	63	23	(6,010)	(5,924)
NONOPERATING REVENUES				
Investment Earnings	9	1	194	204
TOTAL NONOPERATING REVENUES	<u>9</u>	<u>1</u>	<u>194</u>	<u>204</u>
INCOME (LOSS)	<u>72</u>	<u>24</u>	<u>(5,816)</u>	<u>(5,720)</u>
CHANGE IN NET POSITION	72	24	(5,816)	(5,720)
NET POSITION—BEGINNING	<u>6,471</u>	<u>1,234</u>	<u>3,346</u>	<u>11,051</u>
NET POSITION—ENDING	<u>\$ 6,543</u>	<u>\$ 1,258</u>	<u>\$ (2,470)</u>	<u>\$ 5,331</u>

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Amounts in Thousands)

	Governmental Activities			
	Workers' Compensation Reserve	Auditor's Computer Center	Medical Self- Insurance	Total Governmental Activities
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Interfund Services Provided	\$ -	\$ 1,800	\$ 47,798	\$ 49,598
Other Operating Revenue	1,230	1	164	1,395
Cash Payments to Suppliers for Goods and Services	(1,026)	(414)	(3,341)	(4,781)
Cash Payments for Claims	(760)	-	(48,024)	(48,784)
Cash Payments for Personnel Costs	(138)	(1,288)	(450)	(1,876)
Other Operating Expenses	-	-	(1)	(1)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(694)</u>	<u>99</u>	<u>(3,854)</u>	<u>(4,449)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Property, Plant and Equipment	-	(66)	-	(66)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>(66)</u>	<u>-</u>	<u>(66)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Earnings	9	1	194	204
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>9</u>	<u>1</u>	<u>194</u>	<u>204</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(685)	34	(3,660)	(4,311)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,815	1,163	7,919	16,897
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 7,130</u>	<u>\$ 1,197</u>	<u>\$ 4,259</u>	<u>\$ 12,586</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 63	\$ 23	\$ (6,010)	\$ (5,924)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	67	-	67
Net Changes in Operating Assets and Liabilities:				
Accounts Receivable	(19)	-	4	(15)
Accounts Payable	-	(6)	23	17
Intergovernmental Payable	(1)	1	-	-
Claims Payable	(801)	-	2,127	1,326
Accrued Payroll and Other Related Withholdings	-	2	2	4
Compensated Absences	-	12	-	12
Estimated Future Claims	64	-	-	64
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (694)</u>	<u>\$ 99</u>	<u>\$ (3,854)</u>	<u>\$ (4,449)</u>

**COUNTY OF HAMILTON, OHIO
AGENCY FUNDS**

COMBINING FINANCIAL STATEMENTS

The agency funds are established to account for assets received and held by the County acting in the capacity of an agent or custodian.

Undivided Tax

To account for all undivided taxes collected by the County and their distribution to the proper beneficiaries.

Other Agency Funds

To account for payroll taxes and other related payroll deductions collected as custodian. To account for the collection of moneys held by the County agencies outside of the County Treasury.

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2018
(Amounts in Thousands)

	<u>Undivided Taxes</u>	<u>Other Agency</u>	<u>Total</u>
ASSETS			
Equity in Pooled Cash and Investments	\$ 43,140	\$ 53,265	\$ 96,405
Cash and Cash Equivalents—Segregated Accounts	-	29,557	29,557
Real and Other Taxes Receivable	1,409,529	-	1,409,529
TOTAL ASSETS	<u>\$ 1,452,669</u>	<u>\$ 82,822</u>	<u>\$ 1,535,491</u>
LIABILITIES			
Intergovernmental Payable	\$ 43,140	\$ 12,248	\$ 55,388
Future Tax Collections to Be Distributed	1,409,529	-	1,409,529
Other Current Liabilities	-	70,574	70,574
TOTAL LIABILITIES	<u>\$ 1,452,669</u>	<u>\$ 82,822</u>	<u>\$ 1,535,491</u>

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Amounts in Thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
UNDIVIDED TAXES				
ASSETS				
Equity in Pooled Cash and Investments	\$ 72,783	\$ 2,874,873	\$ 2,904,516	\$ 43,140
Real and Other Taxes Receivable	1,341,462	1,409,529	1,341,462	1,409,529
TOTAL ASSETS	<u>\$ 1,414,245</u>	<u>\$ 4,284,402</u>	<u>\$ 4,245,978</u>	<u>\$ 1,452,669</u>
LIABILITIES				
Intergovernmental Payable	\$ 72,783	\$ 2,874,873	\$ 2,904,516	\$ 43,140
Future Tax Collections to Be Distributed	1,341,462	1,409,529	1,341,462	1,409,529
TOTAL LIABILITIES	<u>\$ 1,414,245</u>	<u>\$ 4,284,402</u>	<u>\$ 4,245,978</u>	<u>\$ 1,452,669</u>
OTHER AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash and Investments	\$ 26,700	\$ 69,904	\$ 43,339	\$ 53,265
Cash and Cash Equivalents—Segregated Accounts	29,397	193,769	193,609	29,557
TOTAL ASSETS	<u>\$ 56,097</u>	<u>\$ 263,673</u>	<u>\$ 236,948</u>	<u>\$ 82,822</u>
LIABILITIES				
Intergovernmental Payable	\$ 11,672	\$ 109,490	\$ 108,914	\$ 12,248
Other Current Liabilities	44,425	154,183	128,034	70,574
TOTAL LIABILITIES	<u>\$ 56,097</u>	<u>\$ 263,673</u>	<u>\$ 236,948</u>	<u>\$ 82,822</u>

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**Statistical
Section**

**The County of
Hamilton, Ohio**

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**COUNTY OF HAMILTON, OHIO
STATISTICAL SECTION**

STATISTICAL SCHEDULES

This part of Hamilton County’s comprehensive annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County’s overall financial health.

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These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.	
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These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year.

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COUNTY OF HAMILTON, OHIO
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Amounts in Thousands)

	FISCAL YEAR									
	2009	2010 ⁽¹⁾	2011 ⁽¹⁾	2012	2013 ⁽¹⁾	2014 ⁽¹⁾	2015	2016	2017 ⁽¹⁾	2018
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 379,653	\$ 350,462	\$ 314,319	\$ 287,912	\$ 279,328	\$ 273,507	\$ 267,343	\$ 268,488	\$ 264,167	\$ 277,939
Restricted	283,432	277,409	309,491	319,813	310,768	354,056	374,383	409,235	476,201	460,776
Unrestricted	(4,755)	17,777	25,282	37,346	39,327	(130,415)	(123,873)	(140,941)	(425,582)	(465,047)
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	<u>\$ 658,330</u>	<u>\$ 645,648</u>	<u>\$ 649,092</u>	<u>\$ 645,071</u>	<u>\$ 629,423</u>	<u>\$ 497,148</u>	<u>\$ 517,853</u>	<u>\$ 536,782</u>	<u>\$ 314,786</u>	<u>\$ 273,668</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 506,395	\$ 476,830	\$ 553,915	\$ 557,819	\$ 501,198	\$ 561,056	\$ 650,739	\$ 709,308	\$ 786,866	\$ 848,231
Restricted	6,460	8,408	8,008	7,994	8,423	8,454	8,238	8,313	6,973	7,063
Unrestricted	317,285	344,945	294,252	335,165	410,079	237,565	201,922	335,163	398,659	375,280
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	<u>\$ 830,140</u>	<u>\$ 830,183</u>	<u>\$ 856,175</u>	<u>\$ 900,978</u>	<u>\$ 919,700</u>	<u>\$ 807,075</u>	<u>\$ 860,899</u>	<u>\$ 1,052,784</u>	<u>\$ 1,192,498</u>	<u>\$ 1,230,574</u>
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 886,048	\$ 827,292	\$ 868,234	\$ 845,731	\$ 780,526	\$ 834,563	\$ 918,082	\$ 977,796	\$ 1,051,033	\$ 1,126,170
Restricted	289,892	285,817	317,499	327,807	319,191	362,510	382,621	417,548	483,174	467,839
Unrestricted	312,530	362,722	319,534	372,511	449,406	107,150	78,049	194,222	(26,923)	(89,767)
TOTAL PRIMARY GOVERNMENT NET POSITION	<u>\$ 1,488,470</u>	<u>\$ 1,475,831</u>	<u>\$ 1,505,267</u>	<u>\$ 1,546,049</u>	<u>\$ 1,549,123</u>	<u>\$ 1,304,223</u>	<u>\$ 1,378,752</u>	<u>\$ 1,589,566</u>	<u>\$ 1,507,284</u>	<u>\$ 1,504,242</u>

Source: Hamilton County Auditor's Finance Department.

⁽¹⁾As restated.

COUNTY OF HAMILTON, OHIO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Amounts in Thousands)

FISCAL YEAR	FISCAL YEAR									
	2009	2010 ⁽¹⁾	2011 ⁽¹⁾	2012	2013 ⁽¹⁾	2014	2015	2016	2017	2018
EXPENSES										
Governmental Activities										
General Government	\$ 83,610	\$ 100,171	\$ 97,855	\$ 139,552	\$ 82,046	\$ 68,133	\$ 62,983	\$ 66,004	\$ 66,040	\$ 80,097
Judicial	101,347	91,320	88,641	89,903	89,524	94,281	92,282	100,607	108,570	115,323
Public Safety	101,128	101,631	98,943	106,958	101,155	104,530	98,236	112,227	139,361	141,578
Social Services	271,457	167,874	140,044	143,950	146,298	143,149	154,406	165,182	191,541	193,248
Health	252,592	250,968	255,933	226,480	189,604	185,594	171,507	169,802	170,544	160,861
Public Works	43,870	50,330	48,673	37,656	40,973	42,979	36,411	31,648	31,627	31,771
Environmental Control	7,077	6,720	6,508	6,337	5,943	6,889	6,470	6,221	6,849	6,630
Economic and Community Development	6,799	7,527	7,848	8,248	8,867	9,014	11,785	24,006	19,299	18,929
Recreational Activities	8,446	8,481	7,679	7,834	8,179	7,159	19,765	35,122	58,446	48,285
Interest and Fiscal Charges	4,880	4,689	4,330	4,769	3,667	3,118	2,987	2,202	2,066	3,664
Total Governmental Activities Program Expenses	881,206	789,711	756,454	771,687	676,256	664,846	656,832	713,021	794,343	800,386
Indirect Expenses Allocation	6,849	5,212	4,569	3,016	3,194	3,400	3,620	3,080	3,371	4,210
Indirect Expenses Reimbursement	(6,849)	(5,212)	(4,569)	(3,016)	(3,194)	(3,400)	(3,620)	(3,080)	(3,371)	(4,210)
Total Governmental Activities Expenses	881,206	789,711	756,454	771,687	676,256	664,846	656,832	713,021	794,343	800,386
Business-Type Activities										
Metropolitan Sewer District	167,871	194,947	202,666	190,006	245,379	219,566	208,063	109,163	162,072	226,840
Paul Brown Stadium ⁽²⁾	39,836	45,582	46,063	44,364	44,642	44,276	43,924	41,670	38,642	37,955
Baseball Stadium ⁽²⁾	25,932	29,671	31,056	29,873	29,731	30,276	29,674	26,553	25,966	25,746
Riverfront Development	9,771	41,780	27,025	14,356	14,984	14,876	16,772	16,995	16,330	20,377
Main Street Parking Garage	904	866	1,010	861	798	883	771	790	745	781
Sales Tax Stabilization	-	-	-	-	-	-	-	-	-	30,066
Rotary Funds ⁽³⁾	6,212	7,868	8,327	8,224	8,866	9,829	12,782	12,146	157	-
Communications Center ⁽²⁾	8,034	7,004	7,107	7,448	6,645	7,367	7,992	7,499	10,770	11,212
Total Business-Type Activities Expenses	258,560	327,718	323,254	295,132	351,045	327,073	319,978	214,816	254,682	352,977
Total Primary Government Expenses	\$ 1,139,766	\$ 1,117,429	\$ 1,079,708	\$ 1,066,819	\$ 1,027,301	\$ 991,919	\$ 976,810	\$ 927,837	\$ 1,049,025	\$ 1,153,363
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	\$ 42,938	\$ 41,937	\$ 43,542	\$ 51,993	\$ 49,759	\$ 44,309	\$ 45,546	\$ 44,499	\$ 44,917	\$ 50,225
Judicial	24,723	28,518	28,240	28,335	27,438	26,321	25,964	24,626	25,871	28,498
Public Safety	16,245	16,139	15,365	15,407	16,685	17,123	10,613	10,311	19,173	21,566
Social Services	5,924	5,091	7,422	5,850	6,054	5,438	5,198	6,321	5,323	5,903
Health	6,579	8,188	12,164	11,091	8,328	9,534	2,437	2,576	3,675	4,257
Public Works	4,205	3,858	3,300	3,388	2,839	4,156	8,372	7,497	9,288	4,075
Environmental Control	3,536	3,502	3,278	3,198	2,764	2,743	2,772	3,304	3,524	3,959
Economic and Community Development	(1,332)	43	39	42	64	32	161	1,084	990	547
Recreational Activities	-	-	-	112	-	-	-	-	-	62
Interest and Fiscal Charges	-	3,180	2,174	-	-	-	-	-	-	-
Operating Grants and Contributions	388,627	266,818	262,874	273,318	195,344	231,749	199,893	206,429	202,880	196,139
Capital Grants and Contributions	1,796	3,443	1,098	563	627	595	5,050	5,723	5,411	4,110
Total Governmental Activities Program Revenues	493,241	380,717	379,496	393,297	309,902	342,000	306,006	312,370	321,052	319,341

FISCAL YEAR	FISCAL YEAR									
	2009	2010 ⁽¹⁾	2011 ⁽¹⁾	2012	2013 ⁽¹⁾	2014	2015	2016	2017	2018
Business-Type Activities										
Charges for Services										
Metropolitan Sewer District	\$ 201,273	\$ 217,915	\$ 234,905	\$ 245,614	\$ 250,382	\$ 257,465	\$ 272,507	\$ 276,623	\$ 287,594	\$ 269,274
Paul Brown Stadium	774	809	832	831	831	997	1,325	1,305	1,238	1,288
Baseball Stadium	980	1,071	1,240	1,211	1,278	1,458	1,419	1,271	1,270	1,394
Riverfront Development	5,731	6,493	6,291	8,895	12,181	11,322	12,664	13,069	14,300	13,859
Main Street Parking Garage	758	722	785	913	840	951	983	1,005	1,187	1,115
Rotary Funds ⁽³⁾	6,238	9,376	8,214	7,961	7,952	10,212	12,221	10,529	734	-
Communications Center	4,962	5,250	5,555	5,675	5,620	5,311	5,954	5,441	4,711	4,683
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	269
Capital Grants and Contributions	12,385	23,684	29,751	7,175	14,921	9,679	9,673	8,553	4,920	5,152
Total Business-Type Activities Program Revenues	<u>233,101</u>	<u>265,320</u>	<u>287,573</u>	<u>278,275</u>	<u>294,005</u>	<u>297,395</u>	<u>316,746</u>	<u>317,796</u>	<u>315,954</u>	<u>297,034</u>
Total Primary Government Program Revenues	<u>\$ 726,342</u>	<u>\$ 646,037</u>	<u>\$ 667,069</u>	<u>\$ 671,572</u>	<u>\$ 603,907</u>	<u>\$ 639,395</u>	<u>\$ 622,752</u>	<u>\$ 630,166</u>	<u>\$ 637,006</u>	<u>\$ 616,375</u>
NET EXPENSE										
Governmental Activities	\$ (387,965)	\$ (408,994)	\$ (376,958)	\$ (378,390)	\$ (366,354)	\$ (322,846)	\$ (350,826)	\$ (400,651)	\$ (473,291)	\$ (481,045)
Business-Type Activities	(25,459)	(62,398)	(35,681)	(16,857)	(57,040)	(29,678)	(3,232)	102,980	61,272	(55,943)
Total Primary Government Net Expense	<u>\$ (413,424)</u>	<u>\$ (471,392)</u>	<u>\$ (412,639)</u>	<u>\$ (395,247)</u>	<u>\$ (423,394)</u>	<u>\$ (352,524)</u>	<u>\$ (354,058)</u>	<u>\$ (297,671)</u>	<u>\$ (412,019)</u>	<u>\$ (536,988)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes										
Property Taxes	\$ 241,924	\$ 238,961	\$ 236,518	\$ 226,392	\$ 228,717	\$ 235,070	\$ 231,836	\$ 234,973	\$ 240,921	\$ 248,753
Sales and Use Taxes	67,072	72,029	75,345	72,929	77,921	81,242	114,860	141,013	137,837	141,606
Other Taxes	44,206	43,606	39,480	36,919	33,306	35,356	34,945	35,105	35,406	36,390
Grants and Entitlements not Restricted to Specific Programs	59,590	34,474	23,784	15,787	11,264	11,263	9,055	5,082	2,623	1,505
Gifts and Donations	-	82	314	86	82	186	92	196	169	243
Unrestricted Investment Earnings	8,124	7,277	5,899	7,443	3,648	3,742	6,023	6,978	6,621	15,416
Gain on Sale of Capital Assets	-	1,546	98	12,551	24	37	58	37	19	18
Other Revenue	-	-	299	2,280	1,619	497	448	220	258	286
Extraordinary Item	-	-	-	-	-	-	(22,500)	-	-	-
Transfers	(16,006)	(1,663)	(1,329)	(18)	(5,875)	(5,508)	(3,286)	(4,024)	(14,074)	(4,290)
Total Governmental Activities	<u>404,910</u>	<u>396,312</u>	<u>380,408</u>	<u>374,369</u>	<u>350,706</u>	<u>361,885</u>	<u>371,531</u>	<u>419,580</u>	<u>409,780</u>	<u>439,927</u>
Business-Type Activities										
Sales and Use Taxes	49,026	50,222	50,518	49,981	56,063	59,764	65,973	68,845	64,444	65,549
Unrestricted Investment Earnings	(391)	6,436	4,736	7,698	4,208	42,505	(19,508)	9,307	8,686	14,832
Other Expenses	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	126	217	181	546	-	-	465	-	-
Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	3,994	4,867	3,782	9,070	8,162	7,305	6,264	5,991	9,348
Transfers	16,006	1,663	1,329	18	5,875	5,508	3,286	4,024	14,074	4,290
Total Business-Type Activities	<u>64,641</u>	<u>62,441</u>	<u>61,667</u>	<u>61,660</u>	<u>75,762</u>	<u>115,939</u>	<u>57,056</u>	<u>88,905</u>	<u>93,195</u>	<u>94,019</u>
Total Primary Government	<u>\$ 469,551</u>	<u>\$ 458,753</u>	<u>\$ 442,075</u>	<u>\$ 436,029</u>	<u>\$ 426,468</u>	<u>\$ 477,824</u>	<u>\$ 428,587</u>	<u>\$ 508,485</u>	<u>\$ 502,975</u>	<u>\$ 533,946</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 16,945	\$ (12,682)	\$ 3,450	\$ (4,021)	\$ (15,648)	\$ 39,039	\$ 20,705	\$ 18,929	\$ (63,511)	\$ (41,118)
Business-Type Activities	39,182	43	25,986	44,803	18,722	86,261	53,824	191,885	154,467	38,076
Total Primary Government	<u>\$ 56,127</u>	<u>\$ (12,639)</u>	<u>\$ 29,436</u>	<u>\$ 40,782</u>	<u>\$ 3,074</u>	<u>\$ 125,300</u>	<u>\$ 74,529</u>	<u>\$ 210,814</u>	<u>\$ 90,956</u>	<u>\$ (3,042)</u>

Source: Hamilton County Auditor's Finance Department.

⁽¹⁾As restated.

⁽²⁾ For 2009-2011, business-type internal service fund activity is consolidated with the activity of the appropriate business-type program.

⁽³⁾ Transitioned to General Fund during 2017.

COUNTY OF HAMILTON, OHIO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Amounts in Thousands)

	FISCAL YEAR									
	2009	2010 ⁽¹⁾	2011	2012	2013 ⁽¹⁾	2014	2015	2016	2017	2018
GENERAL FUND										
Nonspendable	\$ 6,010	\$ 6,208	\$ 7,646	\$ 9,244	\$ 7,962	\$ 8,804	\$ 4,542	\$ 5,992	\$ 5,348	\$ 5,277
Committed	-	-	284	203	217	302	275	286	218	262
Assigned	9,266	10,248	11,235	13,110	13,524	16,514	19,821	12,909	12,127	9,251
Unassigned	33,207	48,172	56,368	49,763	54,699	52,403	57,993	59,096	52,970	61,382
TOTAL GENERAL FUND	<u>\$ 48,483</u>	<u>\$ 64,628</u>	<u>\$ 75,533</u>	<u>\$ 72,320</u>	<u>\$ 76,402</u>	<u>\$ 78,023</u>	<u>\$ 82,631</u>	<u>\$ 78,283</u>	<u>\$ 70,663</u>	<u>\$ 76,172</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ 3,671	\$ 2,948	\$ 3,575	\$ 4,889	\$ 4,961	\$ 293	\$ 115	\$ 120	\$ 153	\$ 160
Restricted	203,565	235,680	268,118	266,517	266,882	303,190	328,157	358,916	363,294	352,293
Committed	5,770	6,042	14,086	19,996	15,375	8,309	9,579	14,736	89,803	84,721
Unassigned	(9,810)	(7,553)	(12,193)	(1,821)	(4,257)	(5,470)	(1,652)	(1,193)	(3,739)	(3,723)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 203,196</u>	<u>\$ 237,117</u>	<u>\$ 273,586</u>	<u>\$ 289,581</u>	<u>\$ 282,961</u>	<u>\$ 306,322</u>	<u>\$ 336,199</u>	<u>\$ 372,579</u>	<u>\$ 449,511</u>	<u>\$ 433,451</u>

Source: Hamilton County Auditor's Finance Department.

⁽¹⁾As restated.

COUNTY OF HAMILTON, OHIO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Amounts in Thousands)

	FISCAL YEAR									
	2009	2010 ⁽¹⁾	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Property Taxes and Assessments	\$ 240,272	\$ 235,018	\$ 239,045	\$ 229,347	\$ 232,710	\$ 235,796	\$ 235,254	\$ 236,461	\$ 239,892	\$ 248,186
Sales and Use Tax	67,072	72,029	75,345	72,929	77,921	81,242	114,860	141,013	137,837	141,606
State Shared Taxes	44,547	43,606	39,480	36,919	33,306	35,356	34,945	35,105	35,406	36,390
Charges for Services	67,139	64,735	68,331	68,330	71,503	68,557	65,988	65,303	76,336	81,210
Licenses and Permits	4,949	6,407	7,037	6,973	7,561	7,257	7,559	7,916	7,812	7,436
Fines and Forfeitures	12,748	14,506	13,402	13,361	12,803	12,618	12,852	12,180	11,137	11,932
Intergovernmental	409,901	348,584	301,778	282,812	206,533	222,841	216,069	215,744	209,423	210,791
Investment Earnings	6,906	7,245	5,883	7,388	3,719	3,757	5,965	6,894	6,478	15,212
Other	21,243	27,205	32,906	32,405	25,274	21,863	15,378	15,309	16,843	17,579
TOTAL REVENUES	874,777	819,335	783,207	750,464	671,330	689,287	708,870	735,925	741,164	770,342
EXPENDITURES										
Current:										
General Government	63,451	74,294	76,461	115,470	64,317	54,301	53,532	55,183	52,088	65,696
Judicial	100,058	93,168	90,909	91,480	89,933	94,216	92,188	96,854	99,121	104,791
Public Safety	97,363	100,538	100,813	106,009	100,370	104,198	98,953	106,182	120,870	127,224
Social Services	279,070	175,546	150,843	142,046	149,918	145,870	151,481	159,307	179,482	182,198
Health	251,313	252,088	255,974	227,912	190,558	185,251	170,966	168,458	168,773	157,252
Public Works	26,313	32,903	24,984	26,046	26,295	32,998	34,301	36,053	35,976	37,746
Environmental Control	7,246	7,114	7,109	6,620	6,824	6,597	6,189	5,738	6,021	5,943
Economic and Community Development	6,963	7,534	7,945	8,234	8,878	9,042	11,785	24,005	19,293	18,915
Recreational Activities	8,455	8,470	7,925	7,845	7,670	7,687	20,273	35,641	58,945	48,754
Capital Outlay	699	378	1,480	8,431	9,431	5,363	2,129	1,782	4,189	6,688
Debt Service:										
Principal Retirement	13,485	11,419	11,651	11,439	11,790	11,369	8,827	8,516	7,937	5,174
Interest and Fiscal Charges	4,951	4,541	4,197	3,968	3,421	2,966	2,817	2,451	2,628	5,870
TOTAL EXPENDITURES	859,367	767,993	740,291	755,500	669,405	659,858	653,441	700,170	755,323	766,251
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	15,410	51,342	42,916	(5,036)	1,925	29,429	55,429	35,755	(14,159)	4,091
OTHER FINANCING SOURCES (USES)										
Transfers In	21,429	24,449	15,185	5,787	13,761	16,043	21,298	15,278	18,725	15,405
Transfers Out	(37,435)	(26,112)	(16,514)	(5,805)	(18,406)	(21,353)	(24,584)	(19,302)	(32,795)	(19,695)
Issuance of Refunding Debt	-	-	-	-	-	-	5,485	-	8,832	-
Premium on Debt Issued	249	-	-	175	-	-	1,734	-	17,363	-
Payment to Refunded Bonds Escrow Agent	-	-	-	(7,112)	-	-	(8,280)	-	(1,819)	(10,352)
Proceeds from Issuance of Bonds	14,875	387	5,787	9,773	182	326	5,345	-	73,165	-
Issuance of Loans	-	-	-	-	-	537	558	301	-	-
Proceeds from Sale of Capital Assets	-	-	-	15,000	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES), NET	(882)	(1,276)	4,458	17,818	(4,463)	(4,447)	1,556	(3,723)	83,471	(14,642)
EXTRAORDINARY ITEM	-	-	-	-	-	-	(22,500)	-	-	-
NET CHANGE IN FUND BALANCES	\$ 14,528	\$ 50,066	\$ 47,374	\$ 12,782	\$ (2,538)	\$ 24,982	\$ 34,485	\$ 32,032	\$ 69,312	\$ (10,551)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	2.2%	2.1%	2.2%	2.1%	2.3%	2.2%	1.8%	1.6%	1.4%	1.5%

Source: Hamilton County Auditor's Finance Department.

⁽¹⁾As restated.

**COUNTY OF HAMILTON, OHIO
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
 OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

(Amounts in Thousands)

Tax Year/ Collection Year	ASSESSED VALUES									Total Direct Tax Rate	Estimated Actual Taxable Value ⁽²⁾	Assessed Value as a Percentage of Actual Value ⁽¹⁾
	REAL PROPERTY					PERSONAL PROPERTY			TOTAL			
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Public Utility Property	Tangible Property ⁽²⁾	Public Utility Property	Tax Exempt Property	Taxable Assessed Value ⁽¹⁾			
2008/2009	\$ 14,206,751	\$ 4,300,440	\$ 990,862	\$ 59,429	\$ 7,148	\$ 61,888	\$ 608,626	\$ 4,760,067	\$ 20,235,144	19.60	\$ 57,734,995	35.05%
2009/2010	14,216,289	4,258,435	998,345	52,560	8,003	34,201	650,513	4,934,617	20,218,346	19.45	57,795,426	34.98%
2010/2011	14,158,842	4,074,153	989,564	53,209	8,000	-	683,436	5,088,595	19,967,204	19.45	56,463,352	35.36%
2011/2012	12,700,329	3,827,089	940,474	49,068	8,448	-	723,511	4,940,025	18,248,919	19.03	51,519,616	35.42%
2012/2013	12,671,139	3,717,857	932,521	47,004	9,026	-	773,714	5,075,748	18,151,261	19.03	51,197,562	35.45%
2013/2014	12,659,012	3,678,998	931,342	46,724	9,600	-	843,929	5,305,713	18,169,605	19.03	51,189,789	35.49%
2014/2015	12,724,934	3,688,759	887,143	57,051	9,999	-	899,654	5,406,076	18,267,540	18.85	51,421,839	35.52%
2015/2016	12,773,715	3,694,211	887,127	56,447	9,608	-	927,266	5,595,125	18,348,374	18.85	51,629,126	35.54%
2016/2017	12,796,935	3,753,498	875,044	58,630	12,171	-	966,586	5,813,194	18,462,864	18.85	51,922,538	35.56%
2017/2018	13,490,060	3,874,693	899,929	56,752	11,939	-	1,009,993	6,145,198	19,343,366	19.16	54,401,052	35.56%

Source: Hamilton County Auditor's Finance Department.

Note: Property in Hamilton County is reassessed every six years. In Ohio, taxable assessed value is 35% of appraised market value. Estimated actual value is calculated by dividing assessed value by that percent. Tax rates are per \$1,000 of assessed valuation. According to Ohio law, tax exempt property is classified separately and is not included in residential, commercial or industrial properties until it is no longer exempt and its use is determined at a later date.

⁽¹⁾Excludes tax-exempt property.

⁽²⁾The tangible personal property tax for businesses was phased out over a three-year period starting in 2006 with the last tax due in 2008. Telecommunication companies paid the tangible personal property tax on a declining basis with the last tax due in 2010.

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**COUNTY OF HAMILTON, OHIO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

	TAX YEAR/COLLECTION YEAR									
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
HAMILTON COUNTY DIRECT RATES:										
General Operating	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26
Debt (Bond Retirement)	0.14	-	-	-	-	-	-	-	-	-
Drake Hospital	0.84	-	-	-	-	-	-	-	-	-
For University of Cincinnati Hospital	4.49	4.49	4.49	4.07	4.07	4.07	4.07	4.07	4.07	4.07
For County Police Information Center	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54
For Developmental Disabilities Board	3.62	4.13	4.13	4.13	4.13	4.13	4.13	4.13	4.13	4.13
For Community Mental Health	2.99	2.99	2.99	2.99	2.99	2.99	2.99	2.99	2.99	2.99
For Support of Children Services	2.77	2.77	2.77	2.77	2.77	2.77	2.77	2.77	2.77	2.77
For Recreation/Zoological Purposes	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46
For Senior Services	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.60
For Family Treatment & Services	-	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34
For Museum Center	0.20	0.18	0.18	0.18	0.18	0.18	-	-	-	-
Total Direct Rate	19.60	19.45	19.45	19.03	19.03	19.03	18.85	18.85	18.85	19.16
TOWNSHIP RATES⁽¹⁾:										
Anderson	14.57	14.57	14.57	14.57	14.57	14.57	14.57	14.57	18.12	18.12
Anderson Township Park District	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28
Colerain	17.33	17.33	18.26	18.26	18.26	18.26	20.21	20.21	20.21	20.21
Columbia	14.76	14.76	14.76	17.01	17.01	17.01	17.01	18.61	18.61	22.01
Crosby	10.24	10.24	10.24	10.24	10.24	10.24	10.24	10.24	10.24	10.24
Delhi	26.34	26.34	26.34	26.34	26.34	28.09	30.58	30.58	31.12	31.12
Green	11.71	11.71	11.71	11.71	11.71	11.71	14.66	14.66	14.66	14.66
Harrison	3.74	3.74	5.24	5.24	5.24	5.24	5.24	5.24	5.24	5.24
Miami	9.91	9.91	9.91	9.91	10.91	11.91	13.41	13.41	13.41	13.41
Springfield	20.30	22.80	22.80	22.80	23.80	23.80	23.80	23.80	23.80	23.80
Sycamore	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75
Symmes	13.70	13.50	14.50	14.50	14.50	14.50	14.50	15.00	15.00	15.00
Whitewater	11.44	11.44	11.44	11.44	11.44	11.44	11.44	11.44	16.81	16.81
SCHOOL DISTRICT RATES⁽¹⁾:										
Cincinnati	67.95	67.87	68.54	70.76	71.34	71.49	70.65	70.15	77.91	77.23
Deer Park	78.63	78.63	78.63	78.63	78.63	86.53	86.53	86.53	91.94	92.03
Finneytown	86.92	86.96	94.90	94.90	96.88	96.88	96.88	96.93	97.58	97.78
Forest Hills	61.65	61.65	61.65	61.65	65.55	65.55	70.50	70.50	68.81	68.81
Indian Hill	46.32	45.82	45.72	45.87	45.99	46.06	44.81	46.06	46.16	46.16
Lockland	51.59	50.79	48.59	48.59	48.59	47.19	47.09	47.09	47.09	47.09
Loveland	74.24	74.24	74.24	77.64	77.98	78.08	83.68	82.09	82.09	82.09
Madeira	95.39	94.02	94.02	101.27	101.94	101.82	101.82	101.55	107.77	107.07
Mariemont	97.87	97.72	106.47	106.97	107.77	107.77	113.92	113.92	113.92	113.92
Milford	74.60	74.60	74.60	75.05	75.05	79.65	79.65	80	80	80
Mt. Healthy	75.03	74.95	74.93	75.74	76.47	76.87	74.81	75.26	75.47	75.47
North College Hill	66.05	65.97	66.00	66.07	66.77	66.77	66.77	66.77	67.03	67.03
Northwest	53.56	53.57	53.60	54.22	59.57	59.57	59.57	58.87	58.87	58.48
Norwood	48.17	49.23	49.11	59.09	58.97	59.02	59.66	59.98	67.29	65.8
Oak Hills	45.90	45.83	45.80	46.02	46.05	50.97	51.15	51.15	51.15	51.51
Princeton	48.99	48.99	50.48	50.83	61.28	61.28	62.58	62.58	62.58	62.58
Reading	64.08	69.79	69.90	70.67	70.67	70.67	70.67	78.15	78.15	78.15
St. Bernard	53.20	52.87	53.01	58.68	58.28	57.34	58.46	58.56	64.07	66.12
Southwest	45.14	44.98	44.68	44.18	44.18	44.18	44.18	44.18	44.18	48.67
Sycamore	65.77	65.77	66.38	66.45	66.45	66.45	66.45	66.37	72.87	72.87
Three Rivers	44.90	44.90	49.87	49.87	49.87	49.87	49.87	49.22	49.22	50
Winton Woods	78.03	85.93	86.03	87.32	87.41	87.41	87.41	87.81	94.76	94.76
Wyoming	87.87	87.84	87.84	88.58	93.37	93.37	93.37	93.28	93.28	102.73
Great Oaks Joint Vocational	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Butler Tech Joint Vocational	-	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93

COUNTY OF HAMILTON, OHIO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)

	TAX YEAR/COLLECTION YEAR									
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
CITY & VILLAGE RATES⁽¹⁾:										
Addyston	7.59	7.59	7.59	7.59	7.59	7.59	8.09	8.09	8.09	8.09
Amberley	7.00	7.00	7.00	7.00	17.00	17.00	17.00	17.00	17.00	15.00
Arlington Heights	11.52	11.52	11.52	11.52	11.52	11.52	11.52	20.52	20.52	20.52
Blue Ash	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Cheviot	14.52	20.13	20.13	20.13	20.13	20.13	20.13	20.13	20.13	20.13
Cincinnati	9.89	9.82	10.07	10.50	10.85	12.20	12.10	12.10	12.04	12.04
Cleves	12.99	12.99	6.99	10.09	10.09	13.99	13.99	13.99	13.99	14.4
Deer Park	10.45	10.45	10.45	10.45	10.45	10.45	10.45	10.45	12.45	12.45
Elmwood Place	17.78	17.78	17.78	17.78	17.78	17.78	17.78	17.78	17.78	17.78
Evendale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fairfax	2.76	2.76	2.76	2.76	2.76	2.76	2.76	1.80	2.76	2.76
Fairfield	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	8.44	8.44
Forest Park	12.76	12.76	12.76	12.76	12.76	12.76	12.76	18.51	18.51	16.83
Glendale	20.08	20.08	20.08	20.08	21.58	21.58	21.58	21.58	21.58	21.58
Golf Manor	38.52	38.52	38.52	38.52	38.52	38.52	38.52	43.52	43.52	43.52
Greenhills	27.88	27.83	32.73	33.58	33.58	33.58	33.58	30.86	30.15	29.23
Harrison	11.19	14.50	14.50	14.50	14.50	14.50	14.50	16.90	15.09	15.09
Indian Hill	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Lincoln Heights	35.33	35.33	39.33	40.73	48.73	48.73	48.73	48.73	42.83	57.83
Lockland	7.52	7.52	7.52	7.52	7.52	7.52	7.52	7.52	11.52	11.52
Loveland	10.35	10.35	10.35	10.35	10.35	10.35	12.10	12.10	12.10	12.10
Madeira	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Mariemont	14.37	14.37	14.37	14.37	14.37	14.37	14.37	14.37	14.37	16.35
Milford	11.80	11.80	11.80	11.80	11.80	11.80	13.80	13.80	13.80	13.80
Montgomery	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05
Mt. Healthy	11.11	11.11	11.11	11.11	11.11	11.11	11.11	11.11	11.11	11.11
Newtown	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	12.64	12.54
North Bend	10.09	10.09	10.09	10.09	10.09	11.38	11.38	9.44	9.44	9.44
North College Hill	7.98	7.98	7.98	7.98	7.98	12.88	12.88	11.58	11.58	14.78
Norwood	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40
Reading	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52
St. Bernard	11.28	11.28	11.28	11.28	11.28	11.28	11.28	11.28	11.28	11.28
Sharonville	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Silverton	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15
Springdale	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Terrace Park	12.09	8.59	11.34	11.34	11.34	13.84	13.84	13.84	13.84	13.28
Woodlawn	5.08	5.08	5.08	5.08	5.08	5.08	10.08	10.08	10.08	10.08
Wyoming	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
SPECIAL DISTRICT RATES⁽¹⁾:										
Deer Park/Silverton Joint Fire District	6.40	6.40	6.40	6.40	6.4	7.90	7.90	7.90	7.90	7.90
Eastern Joint Ambulance District	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Little Miami Joint Fire District	9.75	12.05	12.05	12.05	12.05	12.05	12.05	12.05	12.05	12.05
Western Joint Ambulance District	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.28
Hamilton County Park District	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Public Library of Cincinnati & Hamilton County	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: Hamilton County Auditor's Finance Department—Tax Year Data.

Note: The Ohio Constitution permits local governments, as a group within a taxing district, to levy up to 10 mills without a vote of the electorate. These levies, collectively called inside millage levies because they fall within the 10-mill limit, are also known as unvoted levies. The allocation of inside millage between entities is set by statute. The County's special revenue levy property tax rates may be increased only by a majority vote of the County's residents. The bond retirement rate is adjusted annually to meet the principal and interest payments required each year. A state-mandated County-wide property reappraisal was implemented in 2017.

⁽¹⁾Overlapping rates are those of local governments that apply to property owners within Hamilton County. Not all overlapping rates apply to all Hamilton County property owners.

**COUNTY OF HAMILTON, OHIO
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

(Amounts in Thousands)

Name of Taxpayer	COLLECTION YEAR 2018			COLLECTION YEAR 2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Ohio, Inc. (formerly Cinergy Corp.)	\$1,062,593	1	5.49%	\$607,109	1	3.00%
City of Cincinnati	101,590	2	0.53%	89,754	2	0.44%
Procter & Gamble Company	72,187	3	0.37%	84,232	3	0.42%
Hines Global REIT II, Inc. (HGREIT)	66,500	4	0.34%	—	—	—
Fifth Third Bank	34,902	5	0.18%	30,565	6	0.15%
Texas Gas Transmission	31,804	6	0.16%	—	—	—
Kroger Company	21,686	7	0.11%	—	—	—
Acabay Atrium Two LP	19,926	8	0.10%	—	—	—
Regency Centers LP	19,591	9	0.10%	—	—	—
Hertz Center at 600 Vine LLC	16,993	10	0.09%	—	—	—
Tri County Mall LLC	—	—	—	50,400	4	0.25%
Duke Realty Ohio	—	—	—	47,686	5	0.24%
Cincinnati Trophy LLC	—	—	—	29,570	7	0.15%
Emery Realty, Incorporated	—	—	—	29,264	8	0.14%
Northgate Partners LLC	—	—	—	27,301	9	0.13%
Columbia Development Corp.	—	—	—	24,240	10	0.12%
Total	<u>\$1,447,772</u>		<u>7.48%</u>	<u>\$1,020,121</u>		<u>5.04%</u>

Source: Hamilton County Auditor's Finance Department.

**COUNTY OF HAMILTON, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
REAL, UTILITY AND TANGIBLE TAXES
LAST TEN YEARS
(Amounts Not in Thousands)**

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Current Levy Collected	Delinquent Collection	Total Collection	Total Collections as a Percent of Current Levy
2008/2009	\$ 268,405,061	\$ 24,986,543	\$ 293,391,604	\$ 255,494,652	95.19%	\$ 11,893,488	\$ 267,388,140	99.62%
2009/2010	268,360,431	23,906,442	292,266,873	250,349,774	93.29%	9,796,207	260,145,981	96.94%
2010/2011	269,901,539	23,031,728	292,933,267	256,290,793	94.96%	11,297,992	267,588,785	99.14%
2011/2012	258,680,233	20,673,734	279,353,967	247,079,287	95.52%	11,218,173	258,297,460	99.85%
2012/2013	260,889,847	21,610,582	282,500,429	252,048,232	96.61%	8,612,038	260,660,270	99.91%
2013/2014	262,546,004	15,031,820	277,577,824	254,197,080	96.82%	8,252,965	262,450,045	99.96%
2014/2015	261,800,887	14,700,657	276,501,544	253,810,047	96.95%	7,477,900	261,287,947	99.80%
2015/2016	262,581,917	13,256,291	275,838,208	255,949,464	97.47%	6,948,426	262,897,890	100.12%
2016/2017	264,597,590	12,666,450	277,264,040	257,379,587	97.27%	6,542,891	263,922,478	99.74%
2017/2018	274,317,312	17,578,742	291,896,054	266,879,506	97.29%	7,431,453	274,310,959	100.00%
Totals	\$ 2,650,614,859	\$ 198,717,139	\$ 2,849,331,998	\$ 2,542,503,633		\$ 95,575,916	\$ 2,638,079,549	

Source: Hamilton County Auditor's Finance Department.

Includes the rollback, homestead and \$10K personal property reimbursements from the State of Ohio.

Note: Delinquent collections of property taxes are not separable by tax year because the tax tracking system does not differentiate between tax years.

COUNTY OF HAMILTON, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

(Amounts in Thousands, Except Per Capita Amount)

Fiscal Year	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES							Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	General Obligation Bonds Unvoted	Special Assessment Bonds	Loan Contracts	State Loans	Metropolitan Sewer District Revenue Bonds	Parking Facility Revenue Bonds	Sales Tax Bonds	General Obligation Bonds	Metropolitan Sewer District Loans	Riverfront Development State Loans				
2009	\$ 101,052	\$ 4,600	\$ 4,661	\$ 3,144	\$ 757,617	\$ 20,455	\$ 561,850	\$ 7,488	\$ 44,718	\$ 17,160	\$ 1,522,745	4.20%	\$ 1,781	
2010	90,056	4,623	4,468	2,607	804,809	19,730	559,062	7,174	99,772	17,160	1,609,461	4.38%	2,006	
2011	84,293	4,567	3,954	2,237	775,684	18,960	561,633	6,786	145,446	17,160	1,620,720	4.32%	2,025	
2012	76,997	4,193	3,778	1,896	742,131	18,145	581,698	6,383	217,365	16,415	1,669,001	4.21%	2,081	
2013	65,390	3,804	3,603	1,547	832,965	17,280	565,969	5,960	231,406	14,885	1,742,809	4.30% ⁽²⁾	2,166	
2014	54,479	3,456	3,340	1,613	799,475	16,365	548,099	25,876	235,134	13,310	1,701,147	4.02%	2,109	
2015	50,484	3,107	3,165	2,090	748,749	15,395	526,293	41,383	234,885	11,203	1,636,754	3.78%	2,027	
2016	42,010	2,758	2,989	2,265	701,535	14,365	494,703	39,501	259,823	9,027	1,568,976	3.51% ⁽³⁾	1,939	
2017	131,308	2,429	2,814	2,118	652,958	-	465,959	39,744	303,726	6,512	1,607,568	3.53%	1,975	
2018	114,062	2,120	2,639	1,970	620,227	-	435,838	37,081	354,150	4,153	1,572,240	3.28%	1,925	

Source: Hamilton County Auditor's Finance Department.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾See the Schedule of Demographic and Economic Statistics on page 197 for personal income and population data.

⁽²⁾2013-2015: Estimated figure using prior-year state and county figures; CAFR-year data not available.

⁽³⁾2016: Estimated figure using state figure CAFR year. County data not available.

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COUNTY OF HAMILTON, OHIO
LEGAL DEBT MARGIN INFORMATION—TOTAL DEBT LIMIT
LAST TEN FISCAL YEARS

(Amounts in Thousands)

	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limitation of Assessed Valuation	\$ 504,379	\$ 503,958	\$ 497,680	\$ 454,723	\$ 452,282	\$ 455,189	\$ 457,209	\$ 460,072	\$ 482,084	\$ 484,646
Total Net Debt Applicable to Debt Limitation	88,756	80,541	71,537	69,648	66,892	76,894	107,098	97,299	155,189	149,749
Legal Debt Margin Remaining	<u>\$ 415,623</u>	<u>\$ 423,417</u>	<u>\$ 426,143</u>	<u>\$ 385,075</u>	<u>\$ 385,390</u>	<u>\$ 378,295</u>	<u>\$ 350,111</u>	<u>\$ 362,773</u>	<u>\$ 326,895</u>	<u>\$ 334,897</u>
Total Net Debt Applicable to Debt Limitation as a Percentage of Debt Limitation	17.60%	15.98%	14.37%	15.32%	14.79%	16.89%	23.42%	21.15%	32.19%	30.90%

Legal Debt Margin Calculation for Fiscal Year 2018—Total Debt Limit

Assessed Valuation	\$ 19,445,825
Debt Limitation of Assessed Valuation⁽¹⁾	484,646
Debt Applicable to Limit: Outstanding Debt	1,463,545
Less: Debt Exempt from Calculation	
Metropolitan Sewer District Bonds	571,280
Metropolitan Sewer District Loans	344,590
Special Assessments	3,844
Waterline West Phase II	345
Sales Tax Supported Bonds	388,201
Urban Redevelopment	3,213
Total Debt Exempt from Calculation	<u>1,311,473</u>
Less: Available Funds in Debt Service Funds as of December 31, 2018	<u>(2,323)</u>
Total Net Debt Applicable to Debt Limitation	<u>149,749</u>
Legal Debt Margin Remaining	<u><u>\$ 334,897</u></u>

Source: Hamilton County Auditor's Finance Department.

⁽¹⁾The debt limitation is the sum of the following:

three percent (3%) of the first \$100,000,000 of the assessed valuation	\$ 3,000
plus one and a half percent (1.5%) of such valuation of \$100,000,000	3,000
and not in excess of \$300,000,000 plus two and a half percent (2.5%)	478,646
of such valuation in excess of \$300,000,000	<u>\$ 484,646</u>

COUNTY OF HAMILTON, OHIO
LEGAL DEBT MARGIN INFORMATION—UNVOTED DEBT LIMIT
LAST TEN FISCAL YEARS

(Amounts in Thousands)

	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limitation of Assessed Valuation	\$ 202,351	\$ 202,183	\$ 199,672	\$ 182,489	\$ 181,513	\$ 182,675	\$ 183,484	\$ 184,629	\$ 193,434	\$ 194,458
Total Net Debt Applicable to Debt Limitation	<u>88,756</u>	<u>80,541</u>	<u>71,537</u>	<u>69,648</u>	<u>66,892</u>	<u>76,894</u>	<u>107,098</u>	<u>97,299</u>	<u>155,189</u>	<u>149,749</u>
Legal Debt Margin Remaining	<u>\$ 113,595</u>	<u>\$ 121,642</u>	<u>\$ 128,135</u>	<u>\$ 112,841</u>	<u>\$ 114,621</u>	<u>\$ 105,781</u>	<u>\$ 76,386</u>	<u>\$ 87,330</u>	<u>\$ 38,245</u>	<u>\$ 44,709</u>
Total Net Debt Applicable to Debt Limitation as a Percentage of Debt Limitation	43.86%	39.84%	35.83%	38.17%	36.85%	42.09%	58.37%	52.70%	80.23%	77.01%

Legal Debt Margin Calculation for Fiscal Year 2018—Total Debt Limit

Assessed Valuation	\$ 19,445,825
Debt Limitation of Assessed Valuation⁽¹⁾	194,458
Debt Applicable to Limit: Outstanding Debt	1,463,545
Less: Debt Exempt from Calculation	
Metropolitan Sewer District Bonds	571,280
Metropolitan Sewer District Loans	344,590
Special Assessments	3,844
Waterline West Phase II	345
Sales Tax Supported Bonds	388,201
Urban Redevelopment	<u>3,213</u>
Total Debt Exempt from Calculation	1,311,473
Less: Available Funds in Debt Service Funds as of December 31, 2018	<u>(2,323)</u>
Total Net Debt Applicable to Debt Limitation	<u>149,749</u>
Legal Debt Margin Remaining	<u>\$ 44,709</u>

Source: Hamilton County Auditor's Finance Department.

⁽¹⁾The debt limitation is one percent of the total assessed valuation.

COUNTY OF HAMILTON, OHIO
PLEGGED REVENUE COVERAGE—METROPOLITAN SEWER DISTRICT
LAST TEN FISCAL YEARS

(Amounts in Thousands)

Fiscal Year	SEWER REVENUE BONDS						
	Sewerage Charges and Other	Less: Operating Expenses	Revenues Transferred to Surplus ⁽¹⁾	Net Revenue Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2009	\$ 209,073	\$ 103,825	\$ 18,100	\$ 123,348	\$ 30,235	\$ 31,391	2.00
2010	227,040	120,368	18,418	125,090	31,845	37,546	1.80
2011	244,254	111,823	31,090	163,521	33,520	40,635	2.21
2012	260,388	101,418	36,535	195,505	35,250	38,553	2.65
2013	270,919	126,289	28,024	144,630 ⁽²⁾	37,115	37,423	1.94
2014	276,941	120,018	33,513	156,923	42,435	35,211	2.02
2015	290,431	115,271	70,757	175,160	40,920	38,262	2.21
2016	292,553	11,347	85,680	281,206	43,125	35,375	3.58
2017 ⁽³⁾	304,821	78,631	50,697	226,190	29,050	31,685	3.72
2018	290,216	125,216	82,711	165,000	30,475	30,260	2.72

Source: Audited MSD financial reports.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements. Sewerage Charges and Other includes sewerage service charges, sewer surcharges, all other operating revenues, interest income, capitalized interest income and tap-in/connection fees. Operating expenses do not include interest, depreciation or amortization expenses.

⁽¹⁾ Half of pledged revenues are transferred to a surplus account.

⁽²⁾ Revised formula per trust agreement.

⁽³⁾ As restated.

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**COUNTY OF HAMILTON, OHIO
PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

(Amounts in Thousands)

ADJUSTABLE RATE PARKING SYSTEM REVENUE BONDS

Fiscal Year	Parking Service Charges and Other ⁽¹⁾	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2009 ⁽²⁾⁽³⁾	\$ 5,731	\$ 3,641	\$ 2,090	\$ 685	\$ 93	2.69
2010	6,612	4,680	1,932	725	49	2.50
2011	6,482	4,667	1,815	770	36	2.25
2012	9,179	6,032	3,147	815	33	3.71
2013	12,221	6,408	5,813	865	39	6.43
2014	11,434	6,780	4,654	915	60	4.77
2015	12,140	6,363	5,777	970	24	5.81
2016	13,069	6,701	6,368	1,030	77	5.75
2017	14,300	7,176	7,124	14,365 ⁽⁷⁾	107	0.49
2018	N/A					

Source: Audited Hamilton County financial statements and Hamilton County Auditor's Finance Department.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾Parking Service Charges and Other includes charges for services and sales and use tax revenues.

Operating Expenses do not include interest, depreciation or amortization expenses.

⁽²⁾In May 2009, the County obtained a loan from the State of Ohio in the amount of \$11,685 for construction of an intermodal transit facility. The loan is secured by parking revenues, sales tax receipts, and by other non-tax revenues of the County on a contingent basis. The loan will be repaid in 2012–2019. Loan interest rates range from 3.00% to 4.25%.

⁽³⁾In October 2009, the County secured a loan for \$5,475 from the State of Ohio for riverfront development.

The loan is secured by shared TIF (Tax Increment Financing) revenues of the County and the City of Cincinnati.

The loan will be repaid in 2015–2024. Loan interest rates are 0% for the first five years and 3% thereafter.

SPECIAL ASSESSMENT BONDS

SALES TAX BONDS⁽⁴⁾

Special Assessment Collections	Debt Service ⁽⁶⁾		Coverage	Sales Tax Collections ⁽⁴⁾	Paul Brown Stadium Debt Service		Baseball Stadium Debt Service		Coverage
	Principal	Interest			Principal	Interest	Principal	Interest	
\$ 467	\$ 310	\$ 216	0.89	\$ 60,630	\$ 3,219	\$ 17,372	\$ 7,595	\$ 8,659	1.65
512	364	225	0.87	62,172	2,140	17,201	-	8,269	2.25
498	331	224	0.90	65,044	73,418 ⁽⁵⁾	15,752	1,273	8,285	0.66
502	374	216	0.85	66,642	180	16,843	945	8,339	2.53
543	402	212	0.88	69,637	7,009	16,896	6,511	8,344	1.80
571	368	200	1.01	74,141	10,590	16,485	5,125	7,976	1.85
556	379	201	0.96	77,982	15,110	15,966	4,610	7,719	1.80
400	349	189	0.74	80,441	16,458	11,608	5,662	5,441	2.05
462	329	169	0.93	80,474	13,490	11,872	8,580	6,343	2.00
552	376	185	0.98	78,639	14,594	11,430	9,136	6,082	1.91

⁽⁴⁾On March 19, 1996, voters of Hamilton County approved a ½% increase in the County's general sales tax. The County Commissioners approved by resolution that this additional tax be used for the development of the riverfront area, including construction of the football and baseball stadiums—Paul Brown Stadium and Great American Ball Park. The sales tax bonds are not a general obligation of the County. They are secured by the County's pledge and assignment of the revenue from the additional ½% sales tax.

⁽⁵⁾2011 includes payment of principal on refunded bonds.

⁽⁶⁾Includes manuscript bonds for 2012 and after.

⁽⁷⁾Total outstanding bonds of \$14,365 were paid in 2017.

COUNTY OF HAMILTON, OHIO
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

(Amounts in Thousands, Except Per Capita Amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value⁽¹⁾ of Property	Per Capita⁽²⁾
2009	\$ 108,610	\$ 2,094	\$ 106,516	0.18%	\$ 124.57
2010	97,185	2,059	95,126	0.16%	118.56
2011	90,987	8,255	82,732	0.15%	103.37
2012	82,652	5,303	77,349	0.15%	96.44
2013	70,839	132	70,707	0.14%	87.89
2014	78,572	105	78,467	0.15%	97.28
2015	86,385	216	86,169	0.17%	106.70
2016	77,004	218	76,786	0.15%	94.90
2017	153,472	13,537	139,935	0.27%	171.95
2018	151,143	2,022	149,121	0.29%	183.24

Source: Hamilton County Auditor's Finance Department.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 182 for property value data.

⁽²⁾Population data can be found in the Schedule of Demographic and Economic Statistics on page 197.

**COUNTY OF HAMILTON, OHIO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population⁽¹⁾	Personal Income⁽²⁾⁽⁵⁾⁽⁶⁾ <small>(Amounts in Thousands)</small>	Per Capita Personal Income	Annual Average Unemployment Rate⁽³⁾	Median Age⁽⁴⁾
2009	855,062	\$ 36,248,694	\$ 42,393	8.90%	36.8
2010	802,374	36,770,921	45,828	9.50%	37.1
2011	800,362	37,522,065	46,881	8.60%	37.3
2012	802,038	39,631,501	49,413	7.00%	37.3
2013	804,520	40,522,891	50,369	7.10%	37.1
2014	806,631	42,299,608	52,440	5.30%	37.4
2015	807,598	43,277,897	53,588	4.50%	37.1
2016	809,099	44,667,579	55,207	4.00%	37.0
2017	813,822	45,576,164	56,003	4.40%	37.0
2018	816,684	47,933,702	58,693	4.20%	36.9

Data Sources:

⁽¹⁾U.S. Department of Commerce, Bureau of the Census, 2009–2018 Census and Midyear Population Estimates.

⁽²⁾U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System (2009-2018).

⁽³⁾Ohio Department of Job and Family Services, Labor Market Information.

⁽⁴⁾U.S. Department of Commerce, Bureau of the Census, 2009–2018 American FactFinder Fact Sheets;
used prior year data, county data for CAFR year not available.

⁽⁵⁾2013-2015: Estimated figure using prior-year state and county figures; CAFR-year data not available.

⁽⁶⁾2016: Estimated figure for using state figure for CAFR year. County data not available.

**COUNTY OF HAMILTON, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Name of Employer⁽¹⁾⁽³⁾	2018			2009		
	Number of Employees⁽¹⁾	Rank	Percentage of Total County Employment	Number of Employees⁽³⁾	Rank	Percentage of Total County Employment
Kroger Company	15,668	1	3.79%	17,000	1	3.92%
Cincinnati Children's Hospital Medical Center	15,661	2	3.79%	11,385	4	2.62%
TriHealth Incorporated	12,500	3	3.03%	9,875	6	2.28%
UC Health (fna: Health Alliance of Greater Cincinnati Inc.)	10,991	4	2.66%	10,000	5	2.30%
University of Cincinnati	10,798	5	2.61%	15,340	2	3.53%
Mercy Health	10,500	6	2.54%	7,316	9	1.69%
Procter & Gamble Company	10,000	7	2.42%	13,000	3	3.00%
General Electric	9,700	8	2.35%			
Fifth Third Bank	7,503	9	1.82%	7,219	10	1.66%
City of Cincinnati	6,671	10	1.61%			
Archdiocese of Cincinnati				8,000	7	1.84%
Walmart Stores				7,375	8	1.70%
Total Principal Employers	109,992		26.62%	106,510		24.54%
Total County Employed⁽²⁾	413,100			434,000		

Data Sources:

⁽¹⁾Cincinnati Business Courier 2018/2019 Book of Lists

⁽²⁾Ohio Department of Job and Family Services, Labor Market Information

⁽³⁾Cincinnati Business Courier 2009 Book of Lists

COUNTY OF HAMILTON, OHIO
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	FISCAL YEARS									
	2009	2010 ⁽¹⁰⁾	2011 ⁽¹⁰⁾	2012	2013	2014	2015	2016	2017	2018
General Government ⁽²⁾⁽¹¹⁾	499.69	427.13	413.50	417.02	359.78	359.53	358.84	348.40	350.60	357.61
Judicial ⁽²⁾⁽⁹⁾⁽¹⁰⁾	1,450.13	1,298.06	1,115.30	1,109.65	1,023.12	1,050.80	1,051.04	1,071.11	1,076.48	1,077.86
Public Safety ⁽¹⁾⁽²⁾	950.33	963.21	1,007.99	1,045.23	1,065.80	1,083.74	1,088.53	1,157.51	1,166.51	1,184.96
Social Services ⁽¹⁾⁽²⁾⁽¹⁰⁾	1,445.80	949.69	817.69	801.56	823.56	874.25	854.27	894.27	974.30	981.30
Health ⁽²⁾	659.76	678.45	630.18	630.84	621.31	628.28	607.96	588.94	527.63	398.12
Public Works ⁽¹⁾	191.60	208.20	209.05	210.20	206.84	209.90	210.55	230.04	205.41	186.80
Environmental Control ⁽²⁾	59.90	55.35	10.27	9.06	8.52	7.69	7.80	7.83	7.94	9.14
Economic and Community Development ⁽²⁾	14.19	0.29	-	-	-	0.75	0.65	0.65	0.65	0.75
Recreational Activities	1.00	0.10	4.19	5.20	4.51	4.01	6.42	5.97	5.89	5.24
Metropolitan Sewer District ⁽³⁾	-	-	-	-	-	-	-	-	-	-
Paul Brown Stadium ⁽⁴⁾	27.81	26.22	26.21	26.60	25.61	25.34	26.98	27.34	27.33	28.78
Baseball Stadium ⁽⁵⁾	1.00	1.07	0.47	-	-	-	-	-	-	-
Riverfront Development ⁽⁶⁾	-	2.47	0.60	0.87	1.02	0.87	1.25	1.45	1.45	1.40
Main Street Parking Garage ⁽⁶⁾	-	-	-	-	-	0.52	0.55	0.55	0.55	0.65
Rotary Funds ⁽⁷⁾⁽¹³⁾	106.00	103.00	35.00	-	-	-	-	-	-	-
Communications Center	93.00	91.00	84.00	76.42	79.42	75.42	74.42	74.42	82.42	79.42
Workers' Compensation Reserve for Stadiums ⁽⁸⁾⁽¹¹⁾⁽¹²⁾	2.00	2.00	2.00	-	-	-	-	-	-	-
Total	5,502.21	4,806.24	4,356.45	4,332.65	4,219.49	4,321.10	4,289.26	4,408.48	4,427.16	4,312.03

Sources: Hamilton County, Ohio 2009-2018 Budgets, Budgeted FTEs
Hamilton County, Ohio, Department of Budget and Strategic Initiatives

Method: An FTE is the equivalent of one full-time employee. To calculate a percentage of an FTE, for each employee a ratio is derived by dividing expected hours to be worked by 2,080 hours per year.

⁽¹⁾Employees of certain agencies subsidized by the General Fund are included.

⁽²⁾Employees funded by grants are included in certain departmental FTE counts.

⁽³⁾Personnel in this agency are employed by the City of Cincinnati.

⁽⁴⁾Paul Brown Stadium personnel are managed in part by Hamilton County and in part by Paul Brown Stadium, Ltd.

⁽⁵⁾Great American Ball Park baseball stadium personnel are managed by the Cincinnati Reds.

⁽⁶⁾Additional parking facilities personnel services are provided via management contract.

⁽⁷⁾The County is fully reimbursed for Sheriff's Township Patrol services.

⁽⁸⁾Employees who service the Workers' Compensation Reserve for Stadiums internal service fund are employed by the Board of County Commissioners.

⁽⁹⁾Court of Appeals staff are employees of the State of Ohio.

⁽¹⁰⁾The 695.97 positions reduced in 2010 and the 449.79 in 2011 resulted primarily from budget reductions in the Judicial and Social Services functions.

⁽¹¹⁾For 2012-2015, employees who service the Workers' Compensation Reserve for Stadiums internal service funds are reported with the General Government function.

⁽¹²⁾For 2016, the Workers' Compensation funds specific to the stadiums were closed.

⁽¹³⁾During 2017, these positions transitioned to the Public Safety function.

**COUNTY OF HAMILTON, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

FUNCTION/PROGRAM	FISCAL YEAR										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Governmental Activities											
General Government											
Auditor											
Non-Exempt Property Conveyances	15,060	14,649	14,349	14,333	17,554	16,331	17,538	18,500	18,504	22,139	
Exempt Property Conveyances	10,217	9,403	10,066	10,688	11,603	11,466	11,656	11,349	11,718	11,581	
Parcels Assessed or Reappraised at Market Value	347,587	348,148	348,360 ⁽²⁾	348,362	347,492	348,535 ⁽¹⁾	348,885	351,286	351,286 ⁽²⁾	352,503	
Dog and Kennel Licenses Issued	61,833	59,316	60,298	59,045	58,051	55,414	50,638	47,204	45,965	43,037	
Weights and Measures Inspections and Tests Performed	38,983	14,365	- ⁽⁷⁾	-	-	-	-	-	-	-	
Board of Elections											
Voter Registrations and Changes Processed	50,294	43,490	82,037	146,758 ⁽⁴⁾	94,519	84,081	88,788	206,077 ⁽⁴⁾	116,434	108,888	
Building Inspections											
Building Inspections Performed	18,893	13,566	12,708	12,699	13,340	13,255	13,219	14,539	14,628	13,125	
Building Permits Issued	4,112 ⁽³⁾	4,441 ⁽³⁾	4,193 ⁽³⁾	4,033 ⁽³⁾	4,589 ⁽³⁾	4,651 ⁽³⁾	4,935 ⁽³⁾	5,238 ⁽³⁾	5,034	5,378	
Recorder											
Deeds Filed	25,206	23,758	22,788	24,053	28,413	26,637	27,646	28,376	28,879	32,891	
Mortgages Filed	43,031	39,184	35,862	42,425	40,612	28,453	31,191	33,503	35,556	33,491	
Treasurer											
Tax Bills Processed	289,000	286,500	291,600	294,700	294,000	293,700	292,350	295,775	296,270	298,150	
Judicial											
Court of Appeals											
Overall New Cases ⁽⁵⁾	947	872	899	915	877	809	817	940	718	704	
Criminal New Cases ⁽⁵⁾	587	521	480	506	457	440	412	381	366	297	
Civil New Cases ⁽⁵⁾	229	234	276	266	420	346	381	534	315	369	
Court of Common Pleas											
Overall New Cases ⁽⁵⁾	24,845	24,455	23,041	22,447	19,457	18,064	15,866	16,504	15,775	15,175	
Criminal New Cases ⁽⁵⁾	9,224	9,078	9,072	8,920	8,182	7,981	6,684	6,797	6,639	6,644	
Civil New Cases ⁽⁵⁾	15,621	15,377	13,969	13,527	11,275	10,083	9,182	9,707	9,136	9,136	
Court of Domestic Relations											
Overall New Cases ⁽⁵⁾	7,560	6,699	6,479	6,061	6,239	6,035	5,989	5,729	6,447	6,365	
Juvenile Court											
Overall New Cases ⁽⁵⁾	33,199	30,681	28,355	28,109	30,379	24,816	16,468	14,919	26,272	24,004	
Hearings Conducted	128,764	120,169	120,028	118,853	118,800	118,669	128,981	135,649	113,899	105,259	
Municipal Court											
Overall New Cases ⁽⁵⁾	332,902	319,097	316,812	206,611	233,940	214,466	289,727	279,103	270,448	247,456	
Probate Court											
Overall New Cases ⁽⁵⁾	6,564	6,458	6,606	6,632	6,552	6,029	6,037	10,808	10,932	10,560	

	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Coroner										
Autopsies Performed	898	860	922	909	936	796	930	1,181	1,265	1,200
Prosecutor										
Criminal Misdemeanor and Felony Arraignments	44,184	40,719	41,426	39,384	34,410	34,917	32,962	30,730	29,639	27,001
Formal Opinions and Letters of Advice to County Agencies	49	37	42	26	48	24	36	20	27	39
Property Foreclosures	4,767	7,843	5,848	5,833	4,262	3,350	2,990	3,028	2,644	2,274
Sheriff										
Inmates Housed	42,000	40,000	38,626	36,653	32,425	31,872	30,985	30,977	30,198	28,452
Prisoners Transported	3,615	3,333	3,059	3,077	2,820	4,954	3,229	5,697	3,651	3,174
Courtroom Security Provided (Hours)	46,126	43,960	55,472	55,038	49,628	49,202	51,322	93,854	51,893	64,177
Major Crime Cases Investigated	7,245	6,835	6,713	6,260	5,066	4,974	4,442	4,861	4,996	3,740
Road Patrol Division-Jurisdictions Served (townships served) ⁽¹³⁾	-	-	-	-	-	-	-	-	-	14
Central Warrants/Identification Division ⁽¹³⁾										
Expungements Processed	-	-	-	-	-	-	-	-	-	2,999
Warrants/Capias Processed	-	-	-	-	-	-	-	-	-	120,605
Offender Fingerprints Processed	-	-	-	-	-	-	-	-	-	34,558
Public Fingerprint Services Provided	-	-	-	-	-	-	-	-	-	13,935
Social Services										
Job and Family Services—JFS										
Cash Assistance Recipients (Monthly Average)	26,496	25,301	20,326	17,570	15,670	14,062	13,295	12,040	24,353	- ⁽¹²⁾
Food Stamp Assistance Recipients (Monthly Average)	119,189	137,148	129,281	135,280	135,898	126,984	125,808	120,449	110,074	98,406
Medicaid Participants (Monthly Average)	142,116	156,494	154,768	171,131	180,295	206,464	225,000	225,206	233,243	216,370
Subsidized Child Care Recipients (Monthly Average)	14,034	15,451	19,292	16,201 ⁽³⁾	16,563	16,376	16,799	12,928	12,736	8,517
Children's Services Recipients	15,422	15,831	16,964	16,912	16,824	16,101	15,780	17,357	20,204	19,413
Child Support Collections (Millions)	\$143.00	\$126.00	\$129.60	\$129.60	\$130.00	\$127.80	\$129.50	\$128.00	\$127.00	\$126.00
Workforce Development Admissions (Includes Reapplications)	5,129	13,810	14,500	28,738	20,212	25,820	29,268	29,094	16,805	9,360
Health										
Developmental Disability Services										
Eligible Individuals Served ⁽⁶⁾	16,051	15,443	16,585	16,689	15,893	13,982	17,219	21,099	19,684	17,654
Public Works										
County Engineer										
Bridges Constructed/Repaired	2	6	2	2	2	5	8	9	3	5
Landslides Stabilized	-	-	5	8	3	2	2	3	2	2
Roads Resurfaced (Number)	21	24	4	11	23	9	14	8	17	14
Roads Resurfaced (Miles)	12	18	3	8	26	8	11	6	9	16
Public Works										
Permits Processed for Storm Review and FEMA Regulations	1,461	1,783	1,610	1,732	2,190	1,763	1,853	2,078	1,971	2,117
Environmental Control										
Environmental Services										
Material Recycled (Tons)	36,615	39,885	45,498	43,590	40,935	40,350	38,562	39,777	41,754	40,518

(continued)

FUNCTION/PROGRAM	FISCAL YEAR										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Business-Type Activities											
Metropolitan Sewer District											
Sewer Connections	228,133	229,452	231,100	229,808	227,160	211,631	211,689	226,000	242,000	240,900	
Wastewater Collected and Treated (Millions of Gallons) ⁽⁸⁾	60,800	58,746	73,008	54,785	70,147	65,551	71,135	58,384	64,000	202,000 ⁽⁸⁾	
Paul Brown Stadium											
Game Attendance (Total)	516,663	575,718	482,917	489,504	593,800	525,372	599,456	456,407	427,442	411,296	
Game Attendance (Average)	64,583	63,969	60,365	61,188	53,982	52,537	54,496	50,712	42,744	41,130	
Baseball Stadium											
Game Attendance (Total)	1,747,919	2,060,550	2,213,498	2,347,251	2,492,059	2,476,664	2,550,410	1,894,085	1,836,917	1,629,365	
Game Attendance (Average)	21,579	25,439	27,327	28,978	31,151	30,576	30,362	23,384	22,678	20,116	
Riverfront Development											
Parking Spaces Managed	6,317	7,077	7,641	7,768	7,401	7,085	7,085	7,294	7,292	7,580	
Main Street Parking Garage											
Parking Spaces Managed	700	700	694	694	692	693	693	693	690	690	
Rotary Funds											
Sheriff's Road Patrol Division											
Jurisdictions Served (townships served) ⁽¹³⁾	7	6	7	7	8	8	14	13	14	-	
Central Warrants/Identification Division ⁽¹³⁾											
Expungements Processed	1,846	1,862	2,847	3,566	3,212	4,352	5,103	3,140	4,173	-	
Warrants/Capias Processed	184,546	185,012	155,464	143,354	118,518	114,314	169,442	127,849	100,001	-	
Offender Fingerprints Processed	46,561	45,442	53,796	49,785	40,846	34,962	34,303	38,092	35,913	-	
Public Fingerprint Services Provided	26,240	20,537	19,215	26,240	23,773	20,537	19,256	19,405	18,143	-	
Communications Center											
Emergency 911 Telephone Calls Processed	766,452	589,542	745,139	688,817	681,755	658,761	551,960	532,136	251,122	251,972	
Police, Fire and Rescue Unit Calls Processed	598,359	580,428	570,475	547,852	555,778	583,312	590,405	523,976	258,125	251,993	
Workers' Compensation Reserve for Stadiums											
Claims Managed	6 ⁽¹⁰⁾	5 ⁽¹⁰⁾	4 ⁽⁹⁾	4 ⁽⁹⁾	-	1 ⁽¹¹⁾	1 ⁽¹¹⁾	1 ⁽¹¹⁾	-	-	

Sources:

Hamilton County, Ohio, 2009-2018 Budgets	http://www.hcso.org/GeneralInformation/AnnualReport.pdf
Hamilton County Auditor	http://www.sconet.state.oh.us/Publications/default.asp
Various Hamilton County Departments	http://www.bengals.com/team/history
Supreme Court of Ohio	http://www.baseball-reference.com/teams/CIN/attend.html
http://www.hcjfs.hamilton-co.org, 2009-2018	

⁽¹⁾Triennial reassessment, payable following year. Ohio law requires a mid-cycle value adjustment three years after the mass reappraisal to update the six-year mass reappraisal so values change gradually.

⁽²⁾Mass reappraisal, payable following year. Ohio law requires counties to revalue all real property every three years. The Auditor's Office is responsible for setting the value of properties, not the assessment of taxes.

⁽³⁾Revised figure.

⁽⁴⁾These are presidential election years.

⁽⁵⁾The number includes new cases docketed, transferred in or reactivated as reported to the Supreme Court of Ohio.

⁽⁶⁾The number of eligible individuals served includes some individuals who received more than one service per year.

⁽⁷⁾Compilation of Activity Report ended in 2011.

⁽⁸⁾Yearly rainfall levels result in variances in amounts of wastewater collected and treated.

⁽⁹⁾The number represents management of workers' compensation claims for Paul Brown Stadium and Great American Ball Park.

⁽¹⁰⁾The number represents management of workers' compensation claims for Great American Ball Park.

⁽¹¹⁾The number represents management of workers' compensation claims for Paul Brown Stadium.

⁽¹²⁾Cash Assistance Recipients no longer provided.

⁽¹³⁾During 2017, these operations transitioned to Public Safety.

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**COUNTY OF HAMILTON, OHIO
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

		FISCAL YEAR									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	Properties ⁽¹⁾⁽⁵⁾	8	8	8	5	5	5	5	5	5	5
Judicial	Properties ⁽¹⁾	10	10	10	10	10	10	10	10	10	10
Public Safety	Coroner										
	Properties ⁽¹⁾	1	1	1	1	1	1	1	1	1	1
	Emergency Management										
	Office Building	1	1	1	1	1	1	1	1	1	1
	Emergency Warning Sirens	195	195	199	199	200	199	194	194	194	190
	Sheriff										
	District Patrol Headquarters ⁽²⁾	5	5	5	5	5	5	5	5	5	5
	Detention Facilities	3	3	3	3	3	3	3	3	3	3
Social Services	Job and Family Services										
	Properties ⁽¹⁾	4	4	3	3	3	3	3	3	3	3
Health	Developmental Disabilities Services										
	Properties ⁽¹⁾	13	12	12	12	12	12	12	12	12	12
	Mental Health and Recovery Services Board										
	Properties ⁽¹⁾	64	64	63	63	63	63	63	63	63	63
Public Works	Planning and Development										
	Maintenance Facility	1	1	1	1	1	1	1	1	1	1
	Maintenance Vehicles and Equipment	29	30	31	31	30	30	24	27	28	27
	County Engineer										
	County Roads Maintained (Miles)	544	532	532	504	504	504	504	504	516	514
	Maintenance Facilities	6	6	6	6	6	7	7	7	7	7

<u>FUNCTION/PROGRAM</u>	<u>FISCAL YEAR</u>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Business-Type Activities</u>										
Metropolitan Sewer District										
Major Wastewater Treatment Plants	7	7	7	7	7	7	7	7	7	7
Combined and Sanitary Sewers (Miles)	2,994	2,994	2,994	2,990	2,991	2,994	2,994	3,000	3,000	3,008
Paul Brown Stadium										
Paul Brown Football Stadium	1	1	1	1	1	1	1	1	1	1
Parking Garage	1	1	1	1	1	1	1	1	1	1
Baseball Stadium										
Great American Ballpark Baseball Stadium	1	1	1	1	1	1	1	1	1	1
Hall of Fame Museum	1	1	1	1	1	1	1	1	1	1
Team Store	1	1	1	1	1	1	1	1	1	1
Riverfront Development										
Parking Garages ⁽³⁾	3	3	4	4	4	2	2	2	2	2
Surface Parking Lots	5	5	5	5	5	5	5	5	5	5
Main Street Parking Garage										
Alms & Doepke Parkhaus Parking Garage	1	1	1	1	1	1	1	1	1	1
Communications Center										
911 Communications Center	1	1	1	1	1	1	1	1	1	1
Radio Towers ⁽⁴⁾	15	15	15	15	15	15	15	15	15	15
Emergency Alert System	-	-	1	1	1	1	1	1	1	1

Sources: Hamilton County, Ohio, 2009-2018 Budgets
Hamilton County Auditor
Various Hamilton County Departments

Note: No capital asset indicators are available for the following functions/programs:
* the Environmental Control, Economic Development and Parks and Recreation functions
* the Rotary fund

⁽¹⁾Improved real properties are primarily buildings, County-owned unless otherwise indicated, presented in the function of the primary use(r).

⁽²⁾Three District Patrol Headquarters are owned by townships. The Sheriff provides contracted police services.

⁽³⁾Three small garages were combined to become one large one in 2014.

⁽⁴⁾Ten of the Communications Center towers are County-owned; the other five towers are leased.

⁽⁵⁾Hamilton County sold Drake Hospital and the former Kahn's Meat Packing Facilities in 2012.

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