ROBERT SPRAGUE

OHIO TREASURER

September 28, 2020

To: Municipal Securities Rulemaking Board
www.emma.msrb.org

RE: Annual Information Filing for the SIB State Transportation Infrastructure Bond Fund Program

In accordance with the continuing disclosure agreement made pursuant to SEC Rule 15c2-12(b), the State of Ohio herein provides annual financial information and operating data regarding the State Economic Development Revenue Bonds (State Bond Fund Program) as of June 30, 2020. This information is based in part on information received from the Ohio Department of Transportation. No representation is made as to the materiality or completeness of that information. Other information relating to Fiscal Year 2020 or to subsequent periods may exist that an investor would consider to be important when making an investment decision. No representation is made that this 2020 Annual Filing is indicative of financial or operating results of the State Bond Fund Program since June 30, 2020, or of future financial or operating results. **Please refer to Appendix I for a list of all the outstanding bonds and CUSIPs associated with this program.**

Any questions concerning this filing should be directed to the Office of Debt Management at (614) 466-7752.

Sincerely,

Robert Cole Sprague
Robert Cole Sprague
State Treasurer of Ohio

30 East Broad Street · 9th Floor · Columbus, Ohio 43215
Phone: (614) 466-2160 · www.ohiotreasurer.gov · Fax: (614) 644-7313

OHIO DEPARTMENT OF TRANSPORTATION
STATE TRANSPORATION INFRASTRUCTURE
BOND FUND PROGRAM
STATEMENT OF ANNUAL INFORMATION

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Information included in the Statement of Annual Information has been provided by the ODOT from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of ODOT or the State. No representation is made that past experience, as illustrated by the financial and other information will necessarily continue to be repeated in the future. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents.

INTRODUCTORY STATEMENT

The Treasurer of the State of Ohio (the "State") has issued Bonds[1] within the State Transportation Infrastructure Bond Fund Program (the "State Program") identified in Appendix I, pursuant to the Trust Indenture, dated as of September 1, 2006, between the State and The Huntington National Bank, as Trustee, as supplemented and amended (the "Indenture"). In connection with the issuance of the Bonds and pursuant to SEC Rule 15c2-12 (the "Rule") and the Indenture, the State agreed to provide or cause to be provided financial information and operating data (the "Annual Information"), audited financial statements and notices, in such manner as may be required for purposes of paragraph (b)(5)(i) of the Rule (the "Continuing Disclosure Agreement"). The State has prepared and is providing this Statement of Annual Information in accordance with its Continuing Disclosure Agreement of the type included in the disclosure document relating to each series of the Bonds.

FINANCIAL STATEMENTS OF THE STATE

The audited financial statements for the State of Ohio for its fiscal year ending June 30, 2019 are publicly available on the Ohio Auditor of State website at https://www.ohioauditor.gov.

[1] Any terms not defined herein have the meaning provided in the General Bond Order.

SUMMARY STATUS OF THE STATE PROGRAM
As of June 30, 2020

Purpose of the Program

The State Program was created to promote the development of roadway, rail, aviation, water, intermodal, transit and other transportation facilities. The State intends to accomplish this goal by enabling borrowers to benefit from the State's access to the national capital markets through the issuance of Bond Fund Bonds. The Bond Fund Bonds provide long-term and fixed-rate financing to the Contracting Parties. As the issuer for the State Program, the Treasurer of the State of Ohio issues bonds on a project by project basis.

Current Rating

The State Program is currently rated "AA+" by Standard & Poor's.

Key Facts

- No Common Fund Bonds are in default.
- No Common Fund Bonds have ever been in default.
- No Program Reserves have ever been accessed to cure a Borrower default.
- Pledge of State Infrastructure Bank – GRF:
    - Encumbered cash of $2,084,285;
    - Unencumbered cash of $8,264,965; and
    - Scheduled GRF Loan Repayments of $37,403,719 over years 2020 through 2044.
- Program Reserve of $5,254,119.[2]
- Total Outstanding Bonds of $67,385,000.
- Bondholders are paid semi-annually.

History of Bond Issues

Since 2006, the State Program has completed twelve bond issues totaling $81,130,000.

Past Payment Issues

No Contracting Party has ever failed to make their scheduled monthly payments.

[2] Program Reserve investments were marked to market on June 30, 2020.

SUMMARY DESCRIPTION OF SECURITY & RESERVES FOR THE STATE PROGRAM
As of June 30, 2020

State Infrastructure Bank – General Revenue Fund

Amounts in the State Infrastructure Bank General Revenue Fund may be used to pay Bond Service Charges. However, amounts in the State Infrastructure Bank General Revenue Fund may be expended or encumbered for any purpose consistent with and permitted by the Act and may therefore not be available to pay Bond Service Charges on the Bond Fund Bonds.

Since inception, the State Infrastructure Bank GRF Loan Program has made 80 loans totaling $101,710,376. As of June 30, 2020, 35 State GRF Direct Loans totaling $33,478,024 of principal were outstanding. The State Infrastructure Bank GRF Loan Program Repayments are expected to be used to make future State GRF Direct Loans.

As of June 30, 2020, the State Infrastructure Bank – GRF assets include:

1. Cash balance of $10,349,250, of which approximately $2,084,285 is encumbered to identified borrowers; and,
2. Scheduled loan repayments of $37,403,719 from calendar years 2020 through 2044. See Page 6 "Scheduled State GRF Direct Loan Repayments" herein.

State Program Reserve Fund

The Program Reserve Fund was initially funded in the amount of $5,000,000 by the State with proceeds from the State of Ohio Taxable Transportation Project Revenue Bonds (State Transportation Infrastructure Bond Fund) Series 2006-1. As a condition to the issuance of any series of Bond Fund Bonds, the Program Reserve Fund balance must be equal to the Program Reserve Requirement. The Program Reserve Requirement is the greater of (a) $5,000,000 or (b) five percent (5%) of the Outstanding Bonds.

State Covenant Relating to the Rating

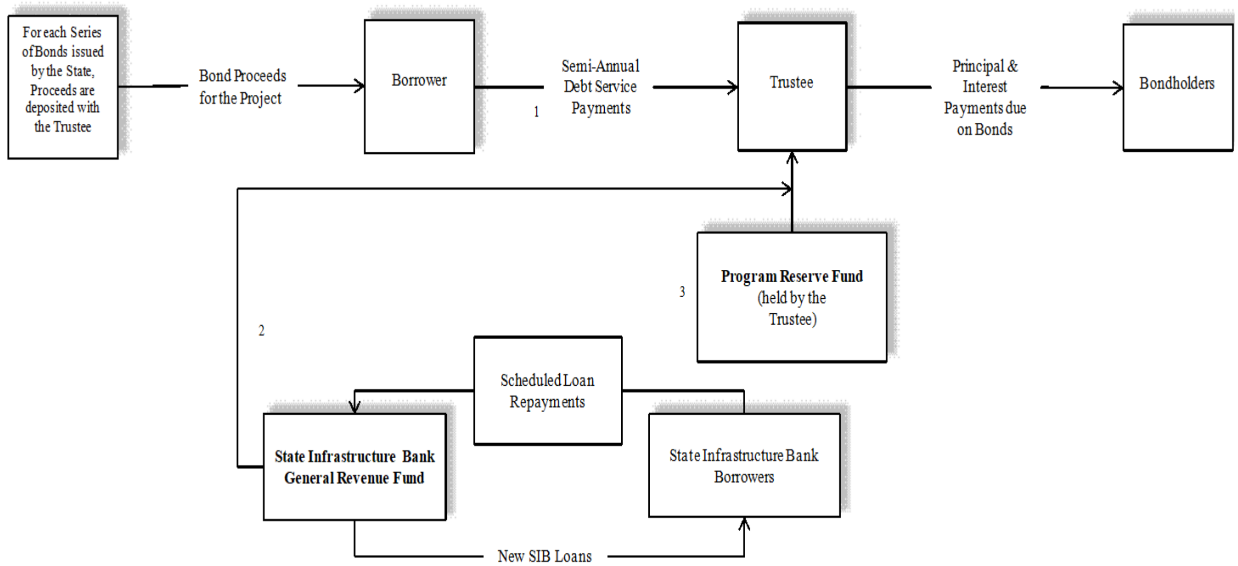
The State has covenanted that while a Rating Service maintains a rating on any series of Bond Fund Bonds, to maintain a ratio of "Total Annual Cash Flows" to "Total Annual Debt Service" of not less than 1.20:1.

Covenant Relating to Insufficiency of Pledged Revenues

In the event the Pledged Revenues are insufficient to make payment of any Bond Service Charges when due and payable, or to maintain the Program Reserve Requirement in the Program Reserve Fund, the Director will notify the Governor of the State (the "Governor") of such insufficiency and will determine to what extent, if any, payment of Bond Service Charges may be made, or moneys may be restored to the Program Reserve Fund from lawfully available moneys previously appropriated to the Ohio Department of Transportation. If payment of Bond Service Charges are not made or the moneys are not immediately and fully restored to the Program Reserve Fund from such moneys, the Director of Transportation is required to promptly submit to the Governor and to the Director of Budget and Management of the State a written request for either or both of the following: (1) that the biennial budget submitted by the Governor to the General Assembly include an amount to be appropriated from lawfully available moneys to the Department of Transportation for the purpose of and sufficient for the payment in full of Bond Service Charges previously due and for the full replenishment of the Program Reserve fund; or (2) that the General Assembly be requested to increase appropriations from lawfully available moneys for the Department of Transportation in the current biennium sufficient for the purpose of and for the payment in full of Bond Service Charges previously due and to come due in the biennium and for the full replenishment of the Program Reserve Fund.

SIMPLIFIED FLOW OF FUNDS

OHIO DEPARTMENT OF TRANSPORTATION
State Infrastructure Bank
Bond Fund Program



FLOW OF FUNDS

1. Borrower makes semi-annual debt service payments to the Trustee

IF A DEFAULT OCCURS

2. State Infrastructure Bank General Revenue Fund will be utilized.

3. Program Reserve Fund will be utilized.

Note: Collateral Proceeds Account, if any, will be used prior to all other funds.

SCHEDULED STATE TRANSPORTATION INFRASTRUCTURE REPAYMENTS

The State GRF Direct Loan Repayments shown below are being generated from State GRF Direct Loans made under the State Infrastructure Bank GRF Loan Program. This repayment stream is pledged to the State Program.

The following table sets forth the scheduled State GRF Direct Loan Repayments expected to be deposited in the State Infrastructure Bank from all loans outstanding under the State Infrastructure Bank GRF Loan Program as of June 30, 2020. No assurance is given that all repayments will be received as scheduled.

Scheduled Repayments of the Existing SIB GRF Loan Portfolio[3]

As of June 30, 2020

Calendar Year	Repayments
2020	$ 1,650,330
2021	3,760,321
2022	3,841,950
2023	3,345,964
2024	3,225,198
2025	2,741,826
2026	2,171,250
2027	1,919,087
2028	1,692,543
2029	1,692,543
2030	1,692,543
2031	1,692,543
2032	1,692,543
2033	1,692,543
2034	1,411,996
2035	856,516
2036	714,732
2037	469,604
2038	258,453
2039	180,530
2040	140,140
2041	140,140
2042	140,140
2043	140,140
2044	140,140
Total:	**$ 37,403,719**

[3] Represents principal and interest repayments from State GRF Direct Loans. See Appendix IV – "Ohio Department of Transportation Existing SIB GRF Loan Borrower Description as of June 30, 2020" for further information regarding expected future Program Receipts. Total amount may not foot due to rounding.

APPENDIX I

SUMMARY OF OUTSTANDING BONDS
As of June 30, 2020

Contracting Party	Series	Purpose	CUSIP	Level of Government	Original Principal	Outstanding Principal	% of Bonds Outstanding	% of Total Bond Fund	Primary Reserve	Final Maturity	Net Interest Cost	Maximum Annual Debt Service
Ohio Department of Transportation	2006-1	Fund Program Reserve	67759TAA6	State	$ 5,250,000	$ 980,000	18.67%	1.45%	$ 5,254,119	5/15/2022	6.02%	$ 527,876
Toledo-Lucas County Port Authority	2011-1	Parking Facilities	67759TBT4 67759TBU1 67759TBV9 67759TBW7 67759TBX5 67759TBY3 67759TBZ0 67759TCA4	Port Authority	$ 9,430,000	$ 6,355,000	67.39%	9.43%	$ -	11/15/2031	3.83%	$ 696,648
City of Dayton	2014-1	Parking Facilities	67759TEJ3 67759TEK0 67759TEL8 67759TEM6 67759TEN4 67759TEP9 67759TEQ7 67759TER5 67759TES3 67759TET1 67759TEU8 67759TEV6 67759TEW4 67759TEX2 67759TEY0	City	$ 3,540,000	$ 2,940,000	83.05%	4.36%	$ -	11/15/2036	3.43%	$ 249,556
City of Cincinnati	2014-2	Road Improvements Parking Facilities	67759TDT2 67759TDU9 67759TDV7 67759TDW5 67759TDX3 67759TDY1 67759TDZ8	City	$ 2,940,000	$ 2,640,000	89.80%	3.92%	$ -	5/15/2039	3.65%	$ 201,438

(continued on next page)

APPENDIX I

SUMMARY OF OUTSTANDING BONDS
As of June 30, 2020 (continued)

Contracting Party	Series	Purpose	CUSIP	Level of Government	Original Principal	Outstanding Principal	% of Bonds Outstanding	% of Total Bond Fund	Primary Reserve	Final Maturity	Net Interest Cost	Maximum Annual Debt Service
City of Lorain	2014-3	Road Improvements	67759TCG1 67759TCX4 67759TCH9 67759TCY2 67759TCJ5 67759TCK2 67759TCL0 67759TCM8 67759TCN6 67759TCP1 67759TCQ9 67759TCZ9 67759TDA3 67759TDB1	City	$ 7,165,000	$ 5,490,000	76.62%	8.15%	$ -	11/15/2034	3.27%	$ 492,056
City of Ashtabula	2014-4	Road Improvements	67759TDF2 67759TDG0 67759TDH8 67759TDJ4 67759TDK1 67759TDL9 67759TDM7 67759TDN5 67759TDP0 67759TDQ8	City	$ 4,010,000	$ 3,100,000	77.31%	4.60%	$ -	5/15/2030	2.97%	$ 366,568
City of Columbus	2016-1	Road Improvements	67759TFE3 67759TFF0 67759TFG8 67759TFH6 67759TFJ2 67759TFK9 67759TFL7 67759TFM5 67759TFN3 67759TFP8 67759TFQ6 67759TFR4	City	$ 7,900,000	$ 7,105,000	89.94%	10.54%	$ -	5/15/2036	2.98%	$ 583,225

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APPENDIX I

SUMMARY OF OUTSTANDING BONDS
As of June 30, 2020 (continued)

Contracting Party	Series	Purpose	CUSIP	Level of Government	Original Principal	Outstanding Principal	% of Bonds Outstanding	% of Total Bond Fund	Primary Reserve	Final Maturity	Net Interest Cost	Maximum Annual Debt Service
Licking County TID	2017-1	Road Improvements	67759TFU7 67759TFV5 67759TFW3 67759TFX1 67759TFY9 67759TFZ6 67759TGA0 67759TGB8 67759TGC6 67759TGD4 67759TGE2	Transportation Improvement District	$ 4,745,000	$ 3,115,000	65.65%	4.62%	$ 351,123	11/15/2036	3.57%	$ 284,716
Akron-Canton Regional Airport Authority	2018-1	Airport Gate Expansion	67759TGF9 67759TGG7 67759TGH5 67759TGJ1 67759TGK8 67759TGL6 67759TGM4 67759TGN2 67759TGP7	Regional Airport	$ 15,680,000	$ 15,680,000	100.00%	23.27%	$ -	5/15/2043	3.89%	$ 1,114,250

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APPENDIX I

SUMMARY OF OUTSTANDING BONDS
As of June 30, 2020 (continued)

Contracting Party	Series	Purpose	CUSIP	Level of Government	Original Principal	Outstanding Principal	% of Bonds Outstanding	% of Total Bond Fund	Primary Reserve	Final Maturity	Net Interest Cost	Maximum Annual Debt Service
Port of Greater Cincinnati Development Authority	2019-1	Parking Facilities	67759TGS1 67759TGT9 67759TGU6 67759TGV4 67759TGW2 67759TGX0 67759TGY8 67759TGZ5 67759THA9 67759THB7 67759THC5 67759THD3 67759THE1 67759THF8 67759THG6 67759THH4 67759THJ0 67759THL5 67759THM3 67759THN1 67759THP6	Port Authority	$ 15,245,000	$ 14,855,000	97.44%	22.04%	$ 6	11/15/2043	3.26%	$ 940,700
Toledo-Lucas County Port Authority	2019-2	Seaport Foreign Trade Zone Improvement	67759THQ4 67759THR2 67759THS0 67759THT8 67759THU5 67759THV3 67759THW1	Port Authority	$ 5,225,000	$ 5,125,000	98.09%	7.61%	$ -	5/15/2039	3.49%	$ 394,750
Totals					$ 81,130,000	$ 67,385,000	83.06%	100.00%				

APPENDIX II

DEBT SERVICE REQUIREMENTS ON OUTSTANDING BONDS

The total of all Common Fund Bonds currently outstanding is $67,385,000. The following table sets forth the debt service requirements for all outstanding Common Fund Bonds as of June 30, 2020.[4]

Date	Total Principal	Total Interest	Total Debt Service
11/15/2020	$ 1,405,000	$ 1,288,846	$ 2,693,846
5/15/2021	1,630,000	1,267,656	2,897,656
11/15/2021	1,660,000	1,238,295	2,898,295
5/15/2022	1,685,000	1,208,482	2,893,482
11/15/2022	1,455,000	1,177,441	2,632,441
5/15/2023	1,480,000	1,153,681	2,633,681
11/15/2023	1,505,000	1,126,136	2,631,136
5/15/2024	1,550,000	1,098,086	2,648,086
11/15/2024	1,560,000	1,070,679	2,630,679
5/15/2025	1,585,000	1,043,033	2,628,033
11/15/2025	1,630,000	1,010,767	2,640,767
5/15/2026	1,655,000	977,564	2,632,564
11/15/2026	1,680,000	946,067	2,626,067
5/15/2027	1,725,000	914,036	2,639,036
11/15/2027	1,750,000	877,710	2,627,710
5/15/2028	1,800,000	840,784	2,640,784
11/15/2028	1,825,000	802,791	2,627,791
5/15/2029	1,870,000	764,247	2,634,247
11/15/2029	1,895,000	729,641	2,624,641
5/15/2030	1,955,000	694,550	2,649,550
11/15/2030	1,785,000	660,441	2,445,441
5/15/2031	1,830,000	629,247	2,459,247
11/15/2031	1,845,000	595,516	2,440,516
5/15/2032	1,545,000	561,525	2,106,525
11/15/2032	1,575,000	533,466	2,108,466
5/15/2033	1,595,000	504,825	2,099,825
11/15/2033	1,610,000	475,494	2,085,494
5/15/2034	1,645,000	446,016	2,091,016
11/15/2034	1,670,000	415,831	2,085,831
5/15/2035	1,455,000	385,200	1,840,200
11/15/2035	1,480,000	357,366	1,837,366
5/15/2036	1,510,000	329,047	1,839,047
11/15/2036	1,250,000	300,909	1,550,909
5/15/2037	1,045,000	276,544	1,321,544
11/15/2037	1,060,000	255,925	1,315,925
5/15/2038	1,085,000	235,022	1,320,022
11/15/2038	1,110,000	213,609	1,323,609
5/15/2039	1,125,000	191,678	1,316,678
11/15/2039	855,000	167,238	1,022,238
5/15/2040	875,000	149,113	1,024,113
11/15/2040	895,000	130,313	1,025,313
5/15/2041	915,000	111,050	1,026,050
11/15/2041	935,000	91,363	1,026,363
5/15/2042	955,000	71,213	1,026,213
11/15/2042	975,000	50,638	1,025,638
5/15/2043	995,000	29,600	1,024,600
11/15/2043	465,000	8,138	473,138
Total	**$ 67,385,000**	**$ 28,406,811**	**$ 95,791,811**

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[4] Total amount may not foot due to rounding.

APPENDIX III

SUMMARY OF SECURITY AND DESCRIPTION OF PROJECTS

Contracting Party	Reserve[5]	Description of Security and Lien Position	Physical Description of the Project
Ohio Department of Transportation **2006-1**	**$5,254,119**	Pledge of earnings received from the investments of the Program Reserve Bonds Pledge of the SIB Loan repayments received from the State GRF Loan program The Program Reserve Bonds are being issued on parity basis and are to be secured equally and ratably with any other SIB State Bond Fund Bonds hereafter issued.	Fund the required Program Reserve for the State Transportation Infrastructure Bond Fund Program
Toledo-Lucas County Port Authority **2011-1**	**$0**	Pledge of all Net Operating Income generated from the Parking Garage Revenues Pledge of all Net Operating Income generated from the Meter and Violation Revenues Pari Passu First Mortgage Non-Tax Revenues of Port Authority	Proceeds used by the Toledo-Lucas County Port Authority to acquire the Parking Facilities from the City of Toledo. The Parking Facilities include: (1) Port Lawrence Parking Garage, which is a 661 space parking garage; (2) Superior Street Parking Garage, which is a 1,030 space parking garage; and (3) Vistula Street Parking Garage, which is a 970 space parking garage. In addition, the Port Authority will purchase approximately 900 metered parking spaces throughout the downtown Toledo area. The Port Authority has engaged Republic Parking System, which is a third party parking consultant, who has recommended various improvements, which should improve the operating efficiencies of the Parking Facilities.

(continued on next page)

[5] Reserve amounts marked to market as of June 30, 2020.

APPENDIX III

SUMMARY OF SECURITY AND DESCRIPTION OF PROJECTS (continued)

Contracting Party	Reserve	Description of Security and Lien Position	Physical Description of the Project
City of Dayton **2014-1**	**$0**	Pledge Non-Tax revenues Special Assessments payments are not pledged	Acquisition, construction, equipment and installation of a 428-space public parking facility.
City of Cincinnati **2014-2**	**$0**	Pledge of TIF service payments Pledge of Non-Tax revenues of the City of Cincinnati	Acquisition, construction, equipment and installation of street improvements, a 240-space public parking facility and other public infrastructure associated with the Keystone Parke Development.
City of Lorain **2014-3**	**$0**	Pledge of Street Repair Levy fund Other legally available funds will be used in the event of a payment shortfall	Resurfacing and reconstructing roadways as well as adding curbs, sidewalks, and other related improvements to 28 streets that have been graded low by the City of Lorain's engineering department.

(continued on next page)

APPENDIX III

SUMMARY OF SECURITY AND DESCRIPTION OF PROJECTS (continued)

Contracting Party	Reserve[6]	Description of Security and Lien Position	Physical Description of the Project
City of Ashtabula **2014-4**	**$0**	Pledge of the City of Ashtabula's Permanent Improvement Fund	Construction, repair, and installation of street improvements on various roadways and alleyways within the City of Ashtabula limits. The project will encompass several streets throughout the entire City of Ashtabula. The project included milling of existing asphalt, repairs to the street base if required, sewer manhole and storm catch basin repairs where required and relaying of asphalt. These streets will also be striped as a part of the Project. Additional curbing and sidewalk apron work will be performed where required.
City of Columbus **2016-1**	**$0**	Pledge of unvoted general obligation and full faith and credit Pledge of TIF Service Payments	Construction of an "S" curve on Hamilton Road. Various improvements to State Route 161 including reconfiguring and improving the exit and entry ramps and relocation a portion of the road.
Licking County Transportation Improvement District **2017-1**	**$351,123**	Pledge of income tax revenues Pledge of the TIF service payments Pledge of Non-Tax revenues from Licking County and Etna Township	Street improvements, including the acquisition, construction, equipping, and installation of road improvements, right-of-way purchases and issuance costs associated with the widening of State Route 310 from Interstate 70 to US 40.

(continued on next page)

[6] Reserve amounts marked to market as of June 30, 2020.

APPENDIX III

SUMMARY OF SECURITY AND DESCRIPTION OF PROJECTS (continued)

Contracting Party	Reserve[7]	Description of Security and Lien Position	Physical Description of the Project
Akron-Canton Reginal Airport Authority **2018-1**	**$0**	Pledge of Airport Revenues	Acquisition, construction, improvement, renovation, and equipping of nine boarding gates, passenger boarding bridges, a concrete aircraft parking apron and other airport facilities.
Port of Greater Cincinnati Development Authority **2019-1**	**$6**	Pledge of Plum Street Garage Revenues Pledge of Elm Street Garage Revenues Pledge of Non-Tax Revenues from Port of Greater Cincinnati Development Authority	Acquisition, construction, improvement and installation of two parking facilities with 890 and 680 parking spaces, respectively.
Toledo-Lucas County Port Authority **2019-2**	**$0**	Pledge of Non-Tax revenues of Toledo-Lucas County Port Authority	Construction, renovation, equipping and installation of improvements including replacement of waterlines, hydrants and service connections. Construction, installation and equipping of two buildings located in the Foreign Trade Zone.

[7] Reserve amounts marked to market as of June 30, 2020.

APPENDIX IV

Ohio Department of Transportation
EXISTING SIB GRF LOAN BORROWER DESCRIPTION
As of June 30, 2020

Loan	Borrower*	GO Rating	Security or Repayment Sources	Outstanding Principal
1	City of Toledo	A2	Pledge of General Revenues	$ 1,897,238
2	City of Lorain	Baa2	City income and property taxes, Non-tax revenues	43,132
3	City of East Liverpool	N/R	Motor vehicle gasoline taxes and motor vehicle license taxes	37,839
4	City of Westlake	Aaa	All TIF revenues, motor vehicle gasoline taxes, registration taxes, permissive taxes	5,340,575
5	City of Lorain	Baa2	Income taxes and property taxes	165,670
6	Twinsburg Township	N/R	General revenue fund	493,643
7	Erie Ottawa Regional Airport, Ottawa County**	Aa2	All legally available non-tax revenues	1,132,062
8	City of Dayton	Aa2	City non-tax revenues	2,162,646
9	City of Cincinnati	Aa2	All TIF Revenues, non-tax revenues in the event of a shortfall	2,314,438
10	City of Huber Heights	Aa3	TIF fund revenues, non-tax revenues in the event of a shortfall	3,119,827
11	Village of Ottawa	N/R	Income taxes	82,180
12	City of Warrensville Heights	A1	Hotel/Motel Tax receipts & Motor vehicle gasoline taxes	943,665
13	Ellsworth Township	N/R	Motor vehicle gasoline taxes	48,357
14	Village of Camden	N/R	Motor vehicle gasoline taxes, motor vehicle registration taxes, & local income tax	10,854
15	Village of Hopedale	N/R	General obligation, Motor vehicle gasoline taxes & motor vehicle registration taxes	471,348
16	City of Lorain	Baa2	Motor vehicle registration taxes & Street Levy Fund	484,559
17	City of Lorain	Baa2	Motor vehicle registration taxes & Street Levy Fund	766,441
18	Ottawa Village	N/R	Income Tax Fund	240,663
19	Twinsburg Township	N/R	JEDD Revenue & General Revenue Fund	1,715,882
20	City of Brookville, Montgomery County TID	A1	Motor vehicle gasoline taxes, TIF revenues, & non-tax revenues in the event of a shortfall	1,891,779
21	City of East Liverpool	N/R	Street Capital Improvement Fund, all legally available City revenues	283,270
22	Highland County Airport Authority, Highland County	N/R	Hangar lease revenue and non-tax revenues, Highland County's legally available revenues	97,590
23	Toledo-Lucas County Port Authority	A3	Non-tax revenues of the Port Authority	1,758,070
24	City of Munroe Falls	N/R	Road and Bridge Fund	300,000
25	City of Lorain	Baa2	Permissive License Tax and Street Levy Fund	1,408,007
26	Hambden Township	N/R	Road & Bridge Fund Receipts and General Fund Revenues	350,596
27	City of New Philadelphia	A2	Hangar Rent Revenues	503,990
28	City of Conneaut	A1	Permit Fees, Street Department's portion of Income Tax, Gas License Tax, and General Fund Transfer	804,300
29	City of Cambridge	A2	General Revenues including FAA Entitlement and State receipts	2,000
30	City of Huber Heights	Aa3	Special Assessments and Non-Tax Revenues	1,084,652
31	City of Conneaut	A1	Municipal Income Tax and Gas Tax Revenues	2,000
32	City of Norton	Aa2	Municipal Income Tax and Gas Tax Revenues	452,000
33	City of Huber Heights	Aa3	Special Assessments and Non-Tax Revenues	660,342
34	Village of Roseville	N/R	Income Tax	2,000
35	City of Zanesville	A1	TIF revenues and motor vehicle gas tax revenues	2,406,410
				$ 33,478,024

* The Toledo-Lucas County Port Authority loan (#170011) is not included as first loan fund draw is anticipated after June 30, 2020.

** A request to defer payments on the Erie Ottawa Regional Airport loan (#140002) due to the COVID-19 pandemic was granted by the SIB Loan Committee on June 4, 2020. The loan term was extended by one year, and two payments (November 2020 and May 2021) will be deferred. Interest will accrue during this time. Payments will resume on November 6, 2021.

APPENDIX V

Ohio Department of Transportation
SIB GRF LOAN PORTFOLIO HISTORY
As of June 30, 2020

Through June 30, 2020

For the Period:	CY 2020	CY 2019	CY 2018	CY 2017	CY 2016	CY 2015-1996	Total Since Inception (1996)
Principal Collected	$1,160,379.79	$2,522,389.85	$2,655,372.21	$4,515,797.55	$2,511,261.31	$44,839,202.98	$58,204,403.69
Interest Collected	$364,804.64	$849,334.36	$949,623.86	$947,241.02	$600,418.63	$8,305,962.64	$12,017,385.15
Total P & I Collected:	$1,525,184.43	$3,371,724.21	$3,604,996.07	$5,463,038.57	$3,111,679.94	$53,145,165.62	$70,221,788.84
New Loans Originated:[1]							
Number:	1	6	4	5	3	61	80
Principal Authorized:	$173,363	$3,903,800	$2,666,007	$6,206,698	$1,922,452	$86,838,056	$101,710,376
Average Loan Amount:	$173,363	$650,633	$666,502	$1,241,340	$640,817	$1,771,074	n/a
Principal Released - Will not be Drawn:[2]							($7,421,281)
Matured Loans:							
Number:	4	2	1	3	3	11	24
Original Principal:	$3,766,893	$2,877,168	$2,025,000	$1,027,200	$2,864,000	$16,836,482	$29,396,743
Prepaid Loans:							
Number:	0	0	0	1	0	18	19
Original Principal:	$0	$0	$0	$3,108,000	$0	$18,432,720	$21,540,720
Loans Written Off:[3]							
Number:	0	0	0	0	0	2	2
Principal:	$0	$0	$0	$0	$0	$2,903,555	$2,903,555
Total Outstanding Loans:							
Number:	35	38	34	31	30	30	
Outstanding Principal:	$33,478,024	$33,657,790	$30,953,931	$30,452,980	$30,145,317	$30,226,086	
Principal Not Drawn Yet - Active Loans:[4]	$2,606,668						
Current Loans:							
Number:	35	38	34	31	30	30	
Outstanding Principal:	$33,478,024	$33,657,790	$30,953,931	$30,452,980	$30,145,317	$30,226,086	
Delinquent Loans (60-120 days) as of End of Calendar Year:							
Number:	0	0	0	0	0	0	
Outstanding Principal:	$0	$0	$0	$0	$0	$0	
Delinquent Loans (Over 120 days) as of End of Calendar Year:							
Number:	0	0	0	0	0	0	
Outstanding Principal:	$0	$0	$0	$0	$0	$0	

[1] **Toledo-Lucas County Port Authority loan (#170011) omitted as funds have not yet been drawn.**

[2] **Total Loan Principal on all loans that has been released (cancelled). Will not be drawn.**

[3] **Loan Defaults - Two Eastlake Land Development Co. loans written off as uncollectable in 2005. SIB policy no longer permits loans to private entities.**

[4] **Total Loan Principal obligated to outstanding loans that has not been drawn down as of June 30, 2020.**

APPENDIX VI

AUDITED FINANCIAL STATEMENTS OF SIGNIFICANT OBLIGORS
Available as of June 30, 2020

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AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2018

OHIO AUDITOR OF STATE
KEITH FABER

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES
DECEMBER 31, 2018 AND 2017

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101 Central Plaza South
700 Chase Tower
Canton, Ohio 44702-1509
(330) 438-0617 or (800) 443-9272
EastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Akron-Canton Regional Airport Authority
Stark and Summit Counties
5400 Lauby Road Box 23
North Canton, Ohio 44720

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Akron-Canton Regional Airport Authority, Stark and Summit Counties, Ohio (the Airport), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Airport'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 Airport'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 Airport'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Akron-Canton Regional Airport Authority, Stark and Summit Counties, Ohio, as of December 31, 2018 and 2017, and the changes in its financial position and its cash flows, thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the financial statements, during the year ended December 31, 2018, the Airport adopted new accounting guidance in Governmental Accounting Standard Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Prior Period Financial Statements Audited by a Predecessor Auditor

The financial statements of Akron-Canton Regional Airport Authority, Stark and Summit Counties, Ohio, as of and for the year ended December 31, 2017, were audited by a predecessor auditor whose report dated May 11, 2018, expressed an unmodified opinion on those statements.

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 Airport's basic financial statements taken as a whole.

The Schedule of Receipts and Expenditures of Federal Awards and the Schedule of Expenditures of Passenger Facility Charges presents additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *Passenger Facility Charge Audit Guide for Public Agencies (the (Guide),* issued by the Federal Aviation Administration, respectively, and are not a required part of the financial statements.

The Schedule of Receipts and Expenditures of Federal Awards and the Schedule of Expenditures of Passenger Facility Charges are management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these schedules 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, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2019, on our consideration of the Airport'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 Airport's internal control over financial reporting and compliance.

Keith Faber

Keith Faber
Auditor of State

Columbus, Ohio

December 3, 2019

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The Airport

The Akron – Canton Regional Airport Authority, (the "Airport") was dedicated in 1946 and commercial air service began in 1948, when the Airport served 43,042 passengers. Today the Airport is the second entry portal to Northeast Ohio for air travelers. In 2018 the Airport served over 920,000 passengers.

The Airport offers 22 daily flights to 10 non-stop destinations and has one stop service to virtually anywhere in the world. The Airport continually updates and improves its facilities to ensure our passengers' have a great experience. During the year the Airport broke ground on a passenger gate replacement project to replace five older gates.

Overview of Financial Statements

The financial statements are presented in accordance with the accounting principles generally accepted in the United States of America, including GASB Statement No. 34. The statements are:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

The statements are prepared on the accrual basis and present all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Airport, both financial and capital, and short and long – term. They also present revenues and expenses of the Airport during the year, regardless of when cash was received or paid. Collectively, the statements provide information regarding the Airport's financial condition as of December 31, 2018 and 2017 and the results of its operations and cash flows for the years then ended. Accompanying the statements are notes and required supplemental information that are integral parts to understanding the Airport's net position.

Financial Highlights

As of December 31, 2018, Operating Revenues decreased from the prior year due to significant changes in air service levels. Despite this reduction in revenue the Airport was able to meet all its financial obligations comfortably. Operating Expenses in total decreased 6% from the prior year excluding depreciation due to proactive fiscal discipline by all departments.

Statement of Net Position

The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Airport using the accrual basis of accounting, which is similar to the accounting used by most private – sector institutions. Condensed information from the Airport's statements of net position, including comparative data from 2018 and 2017 is as follows:

(Table 1)
Net Position

	2018	2017	2016
Assets			
Current Assets	$ 1,546,225	$ 1,507,285	$ 1,043,476
Restricted Assets	37,269,590	13,078,995	12,964,699
Noncurrent Assets	163,822,482	169,717,821	174,685,991
Total Assets	202,638,297	184,304,101	188,694,166
Deferred Outflows of Resources			
OPEB	147,040	-	-
Pension	758,288	1,767,788	1,406,891
Total Deferred Outflow of Resources	905,328	1,767,788	1,406,891
Liabilities			
Current Liabilities	1,619,914	1,679,536	2,472,298
Noncurrent Liabilities	41,651,689	17,523,300	19,190,638
Total Liabilities	43,271,603	19,202,836	21,662,936
Deferred Inflows of Resources			
OPEB	214,650	-	-
Pension	858,596	119,905	93,143
Total Deferred Inflows of Resources	1,073,246	119,905	93,143
Net Position			
Net Investment in Capital Assets	126,891,059	156,059,909	158,089,555
Restricted Net Position	37,269,590	13,078,995	12,964,699
Unrestricted Net Position	(4,961,873)	(2,389,756)	(2,708,276)
Total Net Position	$ 159,198,776	$ 166,749,148	$ 168,345,978

An analysis of significant changes in assets, liabilities and net position for the year ended 2018 is as follows:

Assets

Total assets increased $18,334,196 from 2017 due to the following factor.

- Increase in Assets Restricted for Airport Improvement Projects due to issuance of Restricted Revenue bonds.

Liabilities

Total liabilities increased $24,068,767 due to the following factor

- Refinancing of existing debt service
- Addition of $23 million dollars in debt to fund Gate Concourse Replacement Project

An analysis of significant changes in assets, liabilities and net position for the year ended 2017 is as follows:

Assets

Total assets decreased $4,390,065 from 2016 due to the following factor.

- Increased Accumulated Depreciation Expense associated with completed projects that were capitalized during the year.

Liabilities

Total liabilities decreased $2,460,100 due to the following factor:

- Retirement of Debt Service State Infrastructure Bank Loan IV

Deferred Inflow of Resources and Deferred Outflows

The net pension liability (NPL) is reported by the Airport at December 31, 2018 and 2017, and is reported pursuant to GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27." For 2018, the Airport adopted GASB Statement No. 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 that follow, many end users of this financial statement will gain a clearer understanding of the Airport'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 government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB 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 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 75 require the net pension liability (asset) and the net OPEB liability to equal the Airport'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 pension and OPEB 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 Airport is not responsible for certain key factors affecting the balance of this liability. 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 healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for 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 system *as against the public employer.* State law operates to mitigate/lessen the moral obligation 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 previously, 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 Airport's statements prepared on an accrual basis of accounting include an annual pension expense and 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 Airport 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 January 1, 2018, from $166,749,148 to $164,820,176.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position present the operating results of the Airport, as well as the non - operating revenues and expenses. Federal Grant, Car Rental Facility Charge, Passenger Facility Charge and Interest income are considered non – operating revenues. Condensed information from the Airport's Statement of Revenues, Expenses, and Changes in Net Position, including comparative data from 2017 and 2016 is as follows:

(Table 2)
Change in Net Position

	2018	2017	2016
Operating Revenues	$ 9,660,664	$ 11,815,386	$ 10,590,015
Operating Expenes (Including Depreciation)	18,561,962	18,738,155	18,677,499
Operating Income (Loss)	(8,901,298)	(6,922,769)	(8,087,484)
Net Non-Operating Revenues (Expenses)	3,279,898	5,325,939	6,730,405
Change in Net Position	(5,621,400)	(1,596,830)	(1,357,079)
Net Position Beginning of the Year (restated)	164,820,176	168,345,978	169,703,057
Net Position End of Year	$159,198,776	$166,749,148	$168,345,978

An analysis of significant changes in revenues and expenses for the year ended 2018 is as follows:

Operating Revenues

The Airport had a decrease in annual passenger traffic of 27.0% compared to 2017 due to continued significant air service changes. As a result the Airport experienced declines in scheduled landing fee revenue, Airport concession revenues consisting of parking, rental car and terminal restaurant concession. The Airport had budgeted for the significant decline in revenues that transpired during the year.

Operating Expenses

Operating expenses less depreciation decreased 6.0% from 2017. Due to the anticipated reduction in annual revenues all departments made conscious efforts to maintain financial discipline while adapting to new air service realities. The depreciation expense increased by 4% due to the capitalization of several large completed projects.

Non-Operating Revenues

In 2018, the Airport received less federal funding compared to the previous year. The decrease was due to the delay in the commencement of a Gate Replacement Project. The Airport was awarded slightly more than $11 million in federal funds during the year towards this project. These federal funds are authorized by federal grants received by the Airport. The project did not start until November and the Airport did not need to significantly drawdown these funds. Passenger Facility Charge (PFC) and Car Rental Facility Charge (CFC) funds decreased compared to 2017 due to the decrease in passenger levels.

Restatement Note

The Beginning Net Position for 2018 was adjusted ($1,928,972) for the cumulative effect of a change in accounting principle pertaining to the net pension liability in 2017. The information was not available at the end of 2017 and therefore not practical to restate 2017 and earlier.

An analysis of significant changes in revenues and expenditures for the year ended 2017 is as follows:

Operating Revenues

The Airport had a decrease in annual passenger traffic of 9.5% compared to 2016 due to continued significant air service changes. As a result, the Airport experienced declines in scheduled landing fee revenue, Airport concession revenues consisting of parking, rental car and terminal restaurant concession. The Airport was able to offset these revenue reductions during the year by receiving proceeds from a negotiated real estate transaction as well as receiving increases in iterant landing fee, ground and space lease revenues.

Operating Expenses

Operating expenses increase minimally 0.5% from 2016. The Airport had higher administrative, labor and contract service expenses compared to the prior year. However, the Airport was able to reduce its material and supply expenses as well as utility expenses due to conscious effort by all departments to maintain financial discipline while adapting to new air service realities.

Non-Operating Revenues

In 2017, the Airport received less federal funding compared to the previous year. The decrease was due to the reduction in the number of eligible ongoing and new construction that took place during the year. These federal funds are authorized by federal grants received by the Airport. Federal funds received during 2017 went towards projects for entrance road reconstruction, taxiway rehabilitation and the design of a future gate concourse replacement. Passenger Facility Charge (PFC) and Car Rental Facility Charge (CFC) funds decreased compared to 2016 due to the decrease in passenger levels.

Budget Summary

The annual budget is the main document used to estimate revenues and expenses for the year and helps track the actual progress. The Airport is not required to follow the budgetary requirements of the Ohio Revised Code.

Capital Asset and Long-Term Debt Activity

The Airport's capital asset acquisitions during the year were for equipment replacements and facility enhancements. The Airport completed projects associated with taxiway and roadway improvements as wells the construction of a new maintenance storage facility. The Airport's long-term debt was comprised of three revenue bond agreements one with the Ohio Department of Transportation (ODOT) and two with S & T Bank at the end of the year. The Airport Authority was issued $15,680,000 in debt via Airport Revenue Bonds with the Ohio Department of Transportation (ODOT) and issued $6,184,000 in debt via Airport Revenue Bonds with S&T Bank. These bonds were issued to fund a terminal concourse gate replacement project. The Airport also refinanced long-term debt in the amount of $13,155,251 original held by the Huntington National Bank with S&T Bank. As of December 31, 2018, the Authority had $36,931,423 in Airport Revenue Bonds outstanding. See notes 8 and 11 in the Notes to the Financial Statements for further information related to debt and capital assets, respectively.

Contacting the Airport's Management

This financial report is designed to provide our users, investors and creditors with a general overview of the Airport's finances and to show the Airport Authority's accountability for the money it receives. If you have questions about this report or need additional financial information contact James Krum, Contracts and Finance Manager, at the Akron Canton Regional Airport, 5400 Lauby Road NW, Box 9, North Canton, OH. 44720.

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AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2018 and 2017

	2018	2017
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$ 895,403	$ 490,068
Accounts Receivable	591,904	967,956
Prepaid Expenses	58,918	49,261
Total Current Assets	1,546,225	1,507,285
Assets Restricted for Airport Improvement Projects:		
Cash and Cash Equivalents	14,427,322	12,821,849
Restricted Revenue Bond Project Funds	22,624,336	-
Federal Funds Receivable	-	-
Passenger Facility Charges Receivable	217,932	257,146
Total Assets Restricted for Airport Improvement Projects	37,269,590	13,078,995
Noncurrent Assets:		
Capital Assets:		
Airport Improvement Projects-In-Progress	5,277,112	18,523,057
Land and Land Improvements	52,821,716	52,821,716
Paving	116,010,251	103,899,261
Buildings	95,308,327	89,988,237
Vehicles and Equipment	23,600,350	23,514,978
Utility Systems	658,361	658,361
Less Accumulated Depreciation	(129,853,635)	(119,687,789)
Total Noncurrent Assets	163,822,482	169,717,821
TOTAL ASSETS	$ 202,638,297	$ 184,304,101
DEFERRED OUTFLOW OF RESOURCES:		
Total Deferred Outflows of Resources - OPEB	$ 147,040	$ -
Total Deferred Outflows of Resources - Pension	758,288	1,767,788
Total Deferred Outflow of Resources	905,328	$ 1,767,788
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 203,543,625**	**$ 186,071,889**

(Continued)

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENT OF NET POSITION (Continued)
AS OF DECEMBER 31, 2018 and 2017

	2018	2017
LIABILITIES:		
Current Liabilities:		
Accounts Payable	$ 235,190	$ 168,401
Projects Payable	205,707	-
Accrued Payroll Expenses	794,009	687,627
Accrued Real Estate Taxes	63,215	63,215
Debt Due Within One Year	321,793	760,293
Total Current Liabilities	1,619,914	1,679,536
Long-Term Liabilities:		
Long-term Notes and Bonds Payable	36,609,630	12,897,619
Net OPEB Liability	1,998,104	-
Net Pension Liability	3,043,955	4,625,681
Total Long-Term Liabilities	41,651,689	17,523,300
TOTAL LIABILITIES	$ 43,271,603	$ 19,202,836
DEFERRED INFLOWS OF RESOURCES:		
Total Deferred Inflows of Resources - OPEB	214,650	-
Total Deferred Inflows of Resources - Pension	858,596	119,905
Total Deferred Inflows of Resources	1,073,246	119,905
Net Position:		
Net Investment in Capital Assets	104,266,723	156,059,909
Restricted for Airport Improvement Projects	59,893,926	13,078,995
Unrestricted Net Position	(4,961,873)	(2,389,756)
TOTAL NET POSITION	159,198,776	166,749,148
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	**$ 203,543,625**	**$ 186,071,889**

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

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

	2018	2017
Operating Revenues:		
Charges for Services	$ 4,141,901	$ 4,295,978
Rent	1,067,642	1,064,788
Parking	3,666,723	4,581,555
Other Operating Revenues	784,398	1,873,065
Total Operating Revenues	9,660,664	11,815,386
Operating Expenses:		
Salaries	2,795,751	2,680,101
Contract Services	1,373,612	1,524,063
Materials and Supplies	644,374	507,241
Utilities	727,346	808,094
Fuel	60,973	58,742
Insurance	79,938	78,533
Administrative	2,688,619	3,290,184
Depreciation	10,191,349	9,791,197
Total Operating Expenses	18,561,962	18,738,155
Operating (Loss)	(8,901,298)	(6,922,769)
Nonoperating Revenues:		
Federal Funds	768,818	2,023,953
Car Rental Facility Charge Revenue	571,171	730,671
Passenger Facility Charge Revenue	1,891,886	2,553,239
Interest	40,523	18,076
Gain on Sale of Capital Assets	7,500	-
Total Non-operating Revenues	3,279,898	5,325,939
Change in Net Position	(5,621,400)	(1,596,830)
Net Position - January 1 (Restated - See Note 17)	164,820,176	168,345,978
Net Postion - December 31	**$ 159,198,776**	**$ 166,749,148**

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 10,036,716	$ 11,726,978
Cash Payments to Suppliers for Goods and Services	(5,312,024)	(6,798,861)
Cash Payments to Employees for Services	(2,386,161)	(1,993,487)
Net Cash Provided by Operations	**2,338,531**	**2,934,630**
Cash Flows from Capital and Related Financing Activities:		
Receipts from Passenger Facility Charge	1,931,100	2,611,702
Receipts from Car Rental Facility Charge	571,171	730,671
Grants	768,818	2,237,505
S & T Bank Series A & B Bonds	37,032,549	-
Acquisition of Construction of Capital Assets	(3,905,083)	(4,346,167)
Debt Principal Paid	(13,759,035)	(2,938,524)
Gain of Sale of Equipment	7,500	-
Interest Paid	(390,930)	(476,860)
Net Cash (Used by) Capital and Related Financing Activities	22,256,090	(2,181,673)
Cash Flows from Investing Activities:		
Interest Received	40,523	18,076
Net Cash Provided by Investing Activities	40,523	18,076
Net Increase in Cash and Cash Equivalents	24,635,144	771,033
Cash and Cash Equivalents - January 1	13,311,917	12,540,884
Cash and Cash Equivalents - December 31	**37,947,061**	**13,311,917**
Statement of Net Position Classification		
Cash and Cash Equivalents	$ 15,322,725	$ 13,311,917
Restricted Revenue Bond Proceeds	22,624,336	-
Total Cash and Cash Equivalents	**$ 37,947,061**	**$ 13,311,917**
Cash Flows from Operating Activities:		
Operating (Loss)	(8,901,299)	(6,922,769)
Adjustments to Reconcile Operating Income to Cash Flows from Operating Activities:		
Depreciation	10,191,348	9,791,197
(Increase) Decrease in Accounts Receivable	376,053	(88,408)
(Increase) Decrease in Prepaid Assets	(9,658)	9,322
(Increase) Decrease in Deferred Outflows Related to Pension	1,036,259	(360,897)
(Increase) Decrease in Deferred Outflows Related to OPEB	(147,040)	-
Increase (Decrease) in Accounts Payable	66,790	(522,579)
Increase (Decrease) in Project Payable	205,707	(18,747)
Increase (Decrease) in Payroll related Liabilities	106,383	77,399
Increase (Decrease) in Real Estate Tax Accrual	-	10,601
Increase (Decrease) in Net Pension Liability	(1,581,726)	931,749
Increase (Decrease) in OPEB Liability	42,373	-
Increase (Decrease) in Deferred Inflows Related to Pension	738,691	27,762
Increase (Decrease) in Deferred Inflows Related to OPEB	214,650	-
Total Adjustments	11,239,830	9,857,399
Net Cash Provided by Operating Activities	**$ 2,338,531**	**$ 2,934,630**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Akron-Canton Regional Airport (the Airport) was founded in 1946, as a governmental entity, for the purpose of operating an airport facility serving commercial carriers and industrial concerns. The Akron-Canton Regional Airport Authority was created by resolution of the County Commissioners of Stark and Summit Counties of Ohio in 1964. The Airport is governed by a Board of Trustees consisting of representatives from both Stark and Summit Counties.

The Airport's financial reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Reporting Entity*," as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units."* The financial statements include all departments and operations for which the Airport is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's governing board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefit to, or impose financial burdens on, the primary government/component unit. On this basis, no governmental organizations other than the Airport itself are included in the financial reporting entity.

B. BASIS OF ACCOUNTING

The Airport uses "fund accounting" to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Airport functions or activities.

A fund is defined as a fiscal and accounting entity with a self - balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the Airport has one fund which is categorized as a proprietary fund. Proprietary funds are used to account for the Airport's ongoing activities which are similar to those found in the private sector. The following is the Airport's proprietary fund type:

Enterprise Fund - A fund used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The accounting and financial reporting treatment applied to the Airport's fund is determined by their measurement focus. The Airport's enterprise fund, uses a flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. The Airport uses the accrual basis of accounting, which records revenue when earned and measurable and expenses when the liability is incurred. Revenues subject to accrual are charges for services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF ACCOUNTING (Continued)

Property and Equipment

Property and Equipment – The Airport's capitalization threshold is $500. Substantially all of the Airport's grounds and runways were contributed by the U.S. Government at the time the Airport was founded. These assets were recorded at their estimated fair value as of the date the contributions were made. Property and equipment acquired subsequent to the Airport's inception is carried at cost.

Renewals and betterments are capitalized. The cost of maintenance and repairs are charged to expense accounts as incurred.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Paving	2-30 years
Buildings	3-30 years
Vehicles and equipment	3-20 years
Utility systems	3-20 years

Compensated Absences – The Airport accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the Statement of Net Position date by those employees who currently are eligible to receive termination payments. To calculate the liability, those accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the Accrued Payroll Expenses accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Assets Restricted for Airport Improvement Projects – Cash and cash equivalents, and investments funded by federal grant monies, along with passenger facility charges receivable, are restricted for use in various Airport Improvement Projects. Such deposits, along with passenger facility charges receivable, are not available for use in the general operations of the Airport. When both restricted and unrestricted are available for use, it is the Airport's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents –The Airport considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF ACCOUNTING (Continued)

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 plans. 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 market value.

Accounting and Reporting for Nonexchange Transactions – The Airport accounts for nonexchange transactions in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. Nonexchange transactions occur when the Airport receives (or gives) something of value without giving (or receiving) equal value in return. As such, and in conformity with GASB Statement No. 33, the Airport has recognized grant funds expended for capitalizable property and equipment as revenues and the related depreciation thereon, as expenses in the accompanying financial statements.

Deferred Outflows / Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents 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 Airport, there were no deferred outflows of resources to report other than OPEB and pension deferred outflows. In addition to liabilities, the statement of financial position will sometimes 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. For the Airport, there were no deferred inflows of resources to report other than OPEB and pension deferred inflows.

Operating Revenues and Expenses – Operating revenues are those revenues that are generated directly from primary activities. For the Airport, these revenues are charges for services, lease rents, parking and other operating revenues. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Airport. Revenues and expenses which do not meet these definitions are reported as non-operating.

Net Position – Net position represents the difference between all other elements of the statement of net 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 their use either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other Airport Improvement Projects include resources from federal and state grants restricted for specified purposes.

Use of Accounting Estimates – Management uses estimates and assumptions in preparing financial statements in accordance with Generally Accepted Accounting Principles (GAAP). These estimates and assumptions affect the reported amounts in the financial statements and accompanying notes. Actual results could vary from the estimates that were used.

2. CASH AND CASH EQUIVALENTS

The investment and deposit of Airport monies are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, only financial institutions located in Ohio and domestic building and loan associations are eligible to hold public deposits. The statutes also permit the Airport to invest its monies in certificates of deposit, commercial paper, savings accounts, money market accounts, the State Treasurer's Asset Reserve investment pool (STAR Ohio) and obligations of the United States government or certain agencies thereof. The Airport may also enter into repurchase agreements with any eligible depository or any eligible dealer who is a member of the National Association of Securities Dealers for a period not exceeding thirty days. The Airport is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a derivative). The Airport is also prohibited from investing in reverse repurchase agreements.

Deposits with Financial Institutions

At December 31, 2018 and 2017, the carrying amount of the Airport's deposits was $15,322,609 and $13,311,801, respectively, excluding petty cash deposits of $116 and $116. The bank balance was $15,559,584 and $13,540,338 at December 31, 2018 and 2017, respectively. Additionally, for 2018, the Airport received restricted Revenue Bond proceeds for the Airport Improvement project. The carrying amount of the Airport's proceeds, at December 31, 2018, was $22,624,336 while the bank balance was $22,772,478. Deposits with financial institutions were covered by federal depository insurance and/or were collateralized by a pool of securities maintained by the Airport's financial institutions but not in the Airport's name.

Custodial credit risk is the risk that, in the event of bank failure, the Airport will not be able to recover deposits or collateral securities that are in the possession of an outside party. Ohio law requires that deposits either be insured or protected by: (1) eligible securities pledged to the Airport and deposited with a qualified trustee by the financial institution as security for repayment, whose market value at all times shall be at least 105 percent of the deposits being secured; or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. The Airport has no deposit policy for custodial credit risk beyond the requirements of the State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Airport to a successful claim by the FDIC.

These securities must be obligations of or guaranteed by the United States and must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities, subject to a repurchase agreement, must exceed the value of the principal by 2% and be marked to market daily.

3. INSURANCE COVERAGES

As of December 31, 2018 and 2017, the Airport had general liability insurance coverage of $50,000,000 for each occurrence and in the aggregate; director and officer liability coverage of $1,000,000 per loss and in the aggregate through February 13, 2018,and replaced as part of the $5,000,000 public liability policy covering the period February 14, 2018 through February 14, 2019; vehicle liability coverage with a combined single limit of $1,000,000; public officials' coverage of $5,000,000 per loss and in the aggregate and environmental impairment coverage of $1,000,000

per loss and in the aggregate. The risks of loss exposed to the Airport include theft, fire, errors and omissions, and general liability. There has been no reduction in insurance coverage during the year ending December 31, 2018. Settlement costs did not exceeded coverage in the past three years.

4. VACATION BENEFITS

Employees hired on or before January 1, 1996 earn two weeks of vacation annually during their first five years of service plus an additional week for every five years thereafter, up to a maximum of six weeks. Employees hired after January 1, 1996 can earn a maximum of five weeks of vacation. Vacation leave may, upon approval, be carried over for up to two years. As of December 31, 2018, and 2017, the accrual for vacation benefits totaled $356,650 and $303,727, respectively, and is included in the Accrued Payroll Expense in the accompanying Statement of Net Position.

5. DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

5. DEFINED BENEFIT PENSION PLAN (Continued)

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accounts payable.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Airport 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 pension plan with defined contribution features.

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

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

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

5. DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

	2018 State and Local	2017 State and Loca
Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0%
Employee	10.0 %	10.0%
Actual Contribution Rates		
Employer:		
Pension	14.0 %	13.0%
Post-employment Health Care Benefits	0.0	1.0%
Total Employer	14.0 %	14.0%
Employee	10.0 %	10.0%

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

The Airport's contractually required contribution was $391,405 for 2018.

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

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Airport's proportion of the net pension liability was based on the Airport's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	2018	2017
Proportionate Share of the Net Pension Liability	$3,043,955	$4,625,681
Proportion of the Net Pension Liability	0.019403%	0.020370%
Pension Expense	$558,670	$937,551
Change in Proportion from Prior Year	-0.000967%	-0.000956%

5. DEFINED BENEFIT PENSION PLAN (Continued)

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

	OPERS	
	2018	2017
Deferred outflow of resources		
Net difference between projected and actual earnings on pension plan investments	$ -	$ 688,891
Differences between expected and actual experience	3,110	6,270
Changes in proportion and differences between Airport contributions and proportionate share of contributions	-	-
Changes in assumptions	363,773	733,690
Airport's contributions subsequent to the measurement date	391,405	338,937
Total	**$ 758,288**	**$ 1,767,788**
Deferred inflows of resources		
Net difference between projected and actual earnings on pension plan investments	$ 653,500	$ -
Differences between expected and actual experience	59,987	27,530
Changes in proportion and differences between Airport contributions and proportionate share of contributions	145,109	92,375
Changes in assumptions	-	-
Airport's contribution subsequent to the measurement date	-	-
Total	**$ 858,596**	**$ 119,905**

$391,405 reported as deferred outflows of resources related to pension resulting from Airport contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	
2019	$180,231
2020	(115,770)
2021	(287,701)
2022	(268,473)
Total	($491,713)

5. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions - OPERS

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

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

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Mortality – The tables used in evaluating age-and-service and survivor benefit allowances to be paid were updated as a result of the experience study and are now based on the RP-2014 Healthy Annuitant mortality tables. The Healthy Annuitant mortality tables were used, adjusted for mortality improvement back to observation period base of 2006, and then established the base year as 2015 for males and 2010 for females. The mortality rates used in evaluating disability allowances were updated as a result of the experience study and are now based upon the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation period base year of 2006, and then established the base year as 2015 for males and 2010 for females. Mortality rates for particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to previously noted 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.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 16.82% percent for 2017.

5. DEFINED BENEFIT PENSION PLAN (Continued)

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:

	2018		2017	
Asset Class	Target Allocation	Long Term Expected Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)	Target Allocation	Long Term Expected Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %	23.00 %	2.75 %
Domestic Equities	19.00	6.37	20.70	6.34
Real Estate	10.00	5.26	10.00	4.75
Private Equity	10.00	8.97	10.00	8.97
International Equities	20.00	7.88	18.30	7.95
Other investments	18.00	5.26	18.00	4.92
Total	100.00 %	5.66 %	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future 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 Airport's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Airport's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the Airport's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 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%)
Airport's proportionate share of the net pension liability	$5,405,288	$3,043,955	$1,075,314

Defined Contribution Plan

OPERS also offers a defined contribution plan, the Member-Directed Plan. The Member-Directed Plan does not provide disability benefits, annual cost-of-living adjustments, post-retirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

5. DEFINED BENEFIT PENSION PLAN (Continued)

Combined Plan
OPERS also offers a combined plan. This is a cost-sharing, multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced benefit.

Employees electing the combined plan receive post-retirement health care benefits. OPERS provide retirement, disability, survivor and post-retirement health benefits to qualifying members of the combined plan.

Changes between Measurement Date and Report Date
In October of 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the Airport's net pension liability/asset is not known.

6. POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the 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 health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800- 222-7377. The hio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

6. POSTEMPLOYMENT BENEFITS (Continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.0% of earnable salary. 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% during calendar year 2017. As recommended by the OPERS' actuary, the portion of employer contribution allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0%. The actual contribution and the actuarially required contribution amounts are the same.

7. DEFERRED EMPLOYEE BENEFITS

Deferred employee benefits consist exclusively of accrued sick leave. Full-time employees accumulate ten hours of sick leave for each completed month in active pay status. Part-time employees accrue sick leave on a proportionate basis. Upon retirement, employees are paid for accrued sick leave, up to a maximum of 960 hours. Employees qualify for this payment upon retirement by having at least five years of service with the Airport and being eligible to receive OPERS retirement benefits.

8. LONG-TERM LIABILITIES

The changes in the Airport's long-term obligations during 2018 were as follows:

Name	Principal Outstanding 12/31/17	Additions	Deductions	Principal Outstanding 12/31/18	Due in One Year
Airport Bonds	$ 13,657,912	$ -	$ 13,657,912	$ -	$ -
S&T Bank Series A 2018	-	14,027,150	78,298	13,948,852	321,793
S&T Bank Series B 2018	-	6,184,000	-	6,184,000	-
SIB Series A 2018	-	16,821,399	22,828	16,798,571	-
Net OPEB Liability	-	1,998,104	-	1,998,104	
Net Pension Liability	4,625,681	-	1,581,726	3,043,955	
Totals	**$ 18,283,593**	**$ 39,030,653**	**$ 15,340,764**	**$ 41,973,482**	**$ 321,793**

Name	Principal Outstanding 12/31/16	Additions	Deductions	Principal Outstanding 12/31/17	Due in One Year
SIB IV	$ 2,215,020	$ -	$ 2,215,020	$ -	$ -
Airport Bonds	14,381,416	-	723,504	13,657,912	760,293
Net Pension Liability	3,693,932	931,749	-	4,625,681	-
Totals	**$ 20,290,368**	**$ 931,749**	**$ 2,938,524**	**$ 18,283,593**	**$ 760,293**

8. LONG-TERM LIABILITIES (Continued)

The changes in the Airport's long-term obligations during 2017 were as follows:

SIB IV - In 2012, the Airport entered into a loan agreement with the Ohio Department of Transportation (ODOT) whereby ODOT agreed to loan the Airport a total of $3,108,000 for the purpose of assisting in the financing of a parking lot project. The loan bears interest at a rate between 3% and payments are due semi-annually. This loan was paid in full during 2017.

Airport Bonds - During 2010, the Airport along with Huntington Bank reissued the 2007 Airport Revenue Bonds. The Bonds bear interest at a variable rate and mature on January 1, 2031. In 2018 the Airport refinanced these bonds with S & T Bank as part of larger financing deal. These bonds are now S & T Bank Series A 2018. The total amount of Airport Bonds refunded was $13,155,251.

S & T Bank Series A – These bonds were issued in 2018 to refinance the existing Revenue Bonds held by Huntington Bank. The amount of the new bonds issued was $14,027,150. This included the $13,155,251 in Airport Bonds that were refunded. The remainder of the issuance went towards fees associated with the transaction and breakage of an interest rate swap agreement associated with the Airport Bonds. Payments on these bonds are due monthly. Principal payments are due as follows. Interest payments are per current schedule.

Year Ending December 31,	Principal Payment	Interest Payment
2019	$ 321,793	$ 597,649
2020	336,006	583,435
2021	350,848	568,594
2022	366,344	553,097
2023	382,526	536,916
2024-2028	2,181,499	2,415,709
2029-2033	2,707,763	1,889,446
2034-2038	3,360,981	1,236,227
2039-2043	3,941,092	426,531
Total	**$ 13,948,852**	**$ 8,807,604**

S &T Bank Series B 2018 – These bonds were issued in 2018 on behalf of the Airport to help fund the passenger gate replacement project that commenced in late 2018. The total amount of bonds issued was $6,184,000. Payments on these bonds will be due monthly starting in April 2020. The Airport will make monthly interest payments based on the amount of funds drawdown at the end of each month. These interest payments for 2019 have been estimated based on the full balance.

Year Ending December 31,	Principal Payment	Interest Payment
2019	$ -	$ 272,714
2020	103,494	271,274
2021	143,416	265,275
2022	149,870	258,821
2023	156,615	252,076
2024-2028	895,354	1,148,098
2029-2033	1,115,787	927,665
2034-2038	1,390,490	652,963
2039-2043	1,732,823	310,630
2034-2045	496,151	14,712
Total	**$ 6,184,000**	**$ 4,374,228**

8. LONG-TERM LIABILITIES (Continued)

State of Ohio Infrastructure Bank Series A 2018 - These bonds were issued in 2018 on behalf of the Airport to help fund the passenger gate replacement project that commenced in late 2018. Payments on these bonds will be due semi - annually starting in May 2021. The Airport will make interest only payments on a semi – annual basis until May 2021 per schedule. The $16,798,571 balance associated with these bonds is comprised of two parts. The principal amount of these Revenue Bonds is $15,680,000. The remaining $1,118,571 is for the Bond Premium Payable associated with this borrowing. The Bond Premium Payable will be amortized over the life of the borrowing.

Year Ending December 31,	Principal Payment	Interest Payment
2019	$ -	$ 701,925
2020	-	701,925
2021	415,000	696,600
2022	435,000	675,600
2023	455,000	653,600
2024-2028	2,660,000	2,896,000
2029-2033	3,295,000	2,265,638
2034-2038	3,995,000	1,559,050
2039-2043	4,425,000	571,375
Total	**$ 15,680,000**	**$ 10,721,713**

Year Ending December 31,	Reduction of Bond Premium Payable
2019	$ 45,656
2020	45,656
2021	45,656
2022	45,656
2023	45,656
2024-2028	228,280
2029-2033	228,280
2034-2038	228,280
2039-2043	205,451
Total	**$ 1,118,571**

9. NONCANCELLABLE LEASES

The Airport leases space, hangars, counters, gates, etc. to various entities under noncancellable operating lease agreements. All leases are for the ground or space occupied by the lease. All leases are triple-net leases. Future minimum rentals as of December 31, 2018 under such agreements are as follows:

Year Ending December 31,	Amount
2019	$ 5,645,678
2020	5,163,522
2021	4,662,596
2022	4,505,607
2023	4,309,346
Thereafter	23,566,900
Total Payments	$ 47,853,649

10. AIRPORT IMPROVEMENT PROJECTS-IN-PROGRESS

Airport Improvement Projects-in-Progress consists of expenses for capitalized improvements or additions to the Authority's facilities. The cost of completed projects is transferred to property and equipment accounts and depreciated over the estimated useful lives of the projects as of the date of completion. Airport Improvement Projects-in-Progress consist of the following at December 31, 2018:

	Source of Funding		
Description of Project	Federal Grants	State/Local	Total Cost of Projects-In-Progress
AIP #6216	$ 1,959,095	$ 1,246,103	$ 3,205,198
AIP #6317	399,426	44,624	444,050
AIP #6418	352,988	39,221	392,209
AIP #6518	2,169	241	2,410
Various Projects	-	1,233,245	1,233,245
Total	$ 2,713,678	$ 2,563,434	$ 5,277,112

Airport Improvement Projects-in-Progress consist of the following at December 31, 2017:

	Source of Funding		
Description of Project	Federal Grants	State/Local	Total Cost of Projects-In-Progress
AIP #6115	$ 4,558,241	$ 577,561	$ 5,135,802
AIP #6216	3,843,389	1,454,380	5,297,769
Various Projects	-	8,089,486	8,089,486
Total	$ 8,401,630	$ 10,121,427	$ 18,523,057

11. CAPITAL ASSETS

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

	12/31/2017	12/31/2018		
	Balance	Additions	Deletions	Balance
Capital assets non-depreciable:				
Airport Improvement Projects in Progres	$ 18,523,057	$ 2,933,870	$ (16,179,815)	$ 5,277,112
Land	12,542,983	-	-	12,542,983
Land Improvements	40,278,733	-	-	40,278,733
Total non-depreciable capital assets	71,344,773	2,933,870	(16,179,815)	58,098,828
Capital assets being depreciated:				
Buildings	89,988,237	5,320,090	-	95,308,327
Paving	103,899,261	12,110,990	-	116,010,251
Vehicles and Equipment	23,514,978	110,875	(25,503)	23,600,350
Utility Systems	658,361	-	-	658,361
Total capital assets being depreciated	218,060,837	17,541,955	-25,503	235,577,289
Less accumulated depreciation				
Buildings	(49,603,144)	(4,535,859)	-	(54,139,003)
Paving	(50,897,779)	(4,883,190)	-	(55,780,969)
Vehicles and Equipment	(18,590,574)	(748,652)	25,503	(19,313,723)
Utility Systems	(596,292)	(23,648)	-	(619,940)
Total accumulated depreciation	(119,687,789)	(10,191,349)	25,503	(129,853,635)
Capital assets, net of depreciation	$ 169,717,821	$ 10,284,476	$ (16,179,815)	$163,822,482

The Airport capitalized $928,797 in interest expense associated with Phase I of the Terminal Gate Rehabilitation which is included in the Buildings Additions in the above table. There was no interest earned on the capitalized amount.

11. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended December 31, 2017:

	12/31/2016	12/31/2017		
	Balance	Additions	Deletions	Balance
Capital assets non-depreciable:				
Airport Improvement Projects in Progres	$ 16,556,625	$ 4,202,495	$ (2,236,063)	$ 18,523,057
Land	12,542,983	-	-	12,542,983
Land Improvements	40,278,733	-	-	40,278,733
Total non-depreciable capital assets	69,378,341	4,202,495	(2,236,063)	71,344,773
Capital assets being depreciated:				
Buildings	88,013,832	1,974,405	-	89,988,237
Paving	103,899,260	1	-	103,899,261
Vehicles and Equipment	22,658,743	856,235	-	23,514,978
Utility Systems	632,407	25,954	-	658,361
Total capital assets being depreciated	215,204,242	2,856,595	0	218,060,837
Less accumulated depreciation				
Buildings	(45,323,006)	(4,280,138.00)	-	(49,603,144)
Paving	(46,290,005)	(4,607,774.00)	-	(50,897,779)
Vehicles and Equipment	(17,713,455)	(877,119.00)	-	(18,590,574)
Utility Systems	(570,126)	(26,166.00)	-	(596,292)
Total accumulated depreciation	(109,896,592)	(9,791,197)	-	(119,687,789)
Capital assets, net of depreciation	$ 174,685,991	$ (2,732,107)	$ (2,236,063)	$169,717,821

The Airport capitalized $476,860 in interest expense associated with Phase I of the Terminal Gate Rehabilitation which is included in the Buildings Additions in the above table. There was no interest earned on the capitalized amount.

12. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, particularly the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed, by the grantor cannot be determined at this time although the Airport expects such amounts, if any, to be immaterial.

Management believes there are no pending claims or lawsuits that would have a material, if any, effect on the financial condition of the Airport.

13. SUBSEQUENT EVENTS

Management has considered all subsequent events through opinion date, the date the financial statements were available to be issued. No events have occurred that would require adjustment or disclosure in the financial statement.

14. NEWLY ADOPTED STATEMENTS ISSUED BY GASB

The Governmental Accounting Standards Board has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for fiscal years beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The adoption of GASB Statement No. 75 has required a restatement of beginning net position for its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 85, Omnibus 2017, effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The adoption of GASB Statement No. 85 had no impact on the December 30, 2018 financial statements**.**

15. DEFINED BENEFIT OPEB PLAN

Net OPEB Liability

For fiscal year 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” was effective.

OPEB is a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that have already occurred.

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

Ohio Revised Code limits The Akron – Canton Regional Airport Authority’s obligation for this liability to annually required payments. The Airport cannot control benefit terms or the manner in which OPEB are financed; however, The Airport does receive the benefit of employees’ services in exchange for compensation including OPEB.

15. DEFINED BENEFIT OPEB PLAN (Continued)

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. The proportional share of the plan's unfunded benefit is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in the accounts payable.

Plan Description

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the
member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information

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

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 OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

15. DEFINED BENEFIT OPEB PLAN (Continued)

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' 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 their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for
2018 was 4.0 percent.

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

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, in incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Airport's proportion of the net OPEB liability was based on Airport'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.

	OPERS
Proportionate Share of the Net OPEB Liability	$1,998,104
Proportion of the Net OPEB Liability	0.018400%
Increase / (decrease) in % from prior proportion measured	0.000963%
OPEB Expense	$136,742

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

	Deferred Outflows of Resource	**Deferred Inflows of Resources**
Net difference between projected and actual earnings on pension plan investments	$ -	$ 148,845
Differences between expected and actual experience	1,557	-
Changes in proportion and differences between Airport	-	65,805
contributions and proportionate share of contributions	-	-
Changes in assumptions	145,483	-
Airport's contributions subsequent to the measurement date	-	-
Total	**$ 147,040**	**$ 214,650**

15. DEFINED BENEFIT OPEB PLAN (Continued)

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

Year Ending December 31:	
2019	$1,627
2020	1,627
2021	(33,652)
2022	(37,212)
Total	($67,610)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modifications 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 patter 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:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2016
Rolled-forward measurement date	December 31, 2017
Experience Study	5 Year Period ended December 31, 2015
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Single Discount Rate current measurement period	3.85%
Investment Rate of Return	6.50%
Single Discount Rate Prior Measurement Period	4.23%
Municipal Bond Rate	3.31%
Wage Inflation	3.25%
Projected Salary Increases Health Care Cost Trend Rate	7.50% initial, 3.25% ultimate in 2028 3.25% - 10.75% (includes wage inflation of 3.25%)

15. DEFINED BENEFIT OPEB PLAN (Continued)

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.

A single discount rate of 3.85% as 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, 2106. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

The following table presents the OPEB liability calculated using the single discount rate of 3.85%, and the expected net OPEB liability if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
Aiport's proportionate share of the net OPEB liability	$2,654,568	$1,998,104	$1,467,032

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

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

15. DEFINED BENEFIT OPEB PLAN (Continued)

	1% Decrease 6.50 % decreasing to 2.25 %	Current Discount 7.50% decreasing to 3.25%	1% Increase 8.5% decreasing to 4.25%
Aiport's proportionate share of the net OPEB liability	$1,911,760	$1,998,104	$2,087,296

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the 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	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

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

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

16. RESTATEMENT FOR CHANGES IN ACCOUNTING PRINCIPLES

Effective July 1, 2017, the Corporation adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The Statement addresses accounting and financial reporting for other post-employment benefits (OPEB) provided to employees who participate in the State OPEB plan. The Statement also requires various note disclosures and required supplementary information. As a result, beginning net position has been restated as follows:

Net Position as previously reported at December 31, 2017	$166,749,148
Prior period adjustment	
Beginning new OPEB Liability	(1,955,731)
Deferred outflows of resources – 2017 OPEB contributions	26,759
Total prior period adjustment	(1,928,972)
Net position as restated, January 1, 2018	$164,820,176

The Net Position in 2018 was adjusted ($1,928,972) for the cumulative effect of a change in accounting principle pertaining to the net pension liability in 2017. The information was not available at the end of 2017 and therefore not practical to restate 2017 and earlier.

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES
Required Supplementary Information on GASB 68 Pension Liabilities
For the Year Ended December 31, 2018

Schedule of the Airport's Proportionate Share of OPERS Net Pension Liability:

	2018*	2017*	2016*	2015*	2014*
Airport's proportion of the net pension liability (asset) (percentage) - Traditional Plan	0.019403%	0.020370%	0.021326%	0.021587%	0.021587%
Airport's proportionate share of the net pension liability (asset) - Traditional Plan	$ 3,043,955	$ 4,625,681	$ 3,693,932	$ 2,603,633	$ 2,544,826
Airport's covered payroll	$ 2,607,208	$ 2,675,890	$ 2,669,464	$ 2,660,511	$ 2,774,597
Airport's pension liability (asset) as a percentage of its covered payroll	116.75%	172.87%	138.38%	97.86%	91.72%
Plan fiduciary net position as a percentage of the total pension liability (Traditional Plan)	84.66%	77.25%	81.08%	86.45%	86.36%

Information prior to 2013 is not available

Schedule of the Airport's Contributions to OPERS:

	2018	2017	2016	2015	2014
Contractually required contribution	$ 391,406	$ 338,937	$ 321,107	$ 318,659	$ 317,590
Contributions in relation to contractually required contribution	(391,406)	(338,937)	(321,107)	(318,659)	(317,590)
Contribution deficit (surplus)	$ -	$ -	$ -	$ -	$ -
Airport's covered payroll	$ 2,795,754	$ 2,607,208	$ 2,675,890	$ 2,669,464	$ 2,660,511
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	11.94%	11.94%

Information prior to 2014 is not available.

* Amounts presented for each year were determined as of the Airport's measurement date, which is the prior year end.
See accompanying nores to the required supplementary information.

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES
Required Supplementary Information on GASB 75 OPEB Liabilities
For the Year Ended December 31, 2018 and 2017

Schedule of the Airport's Proportionate Share of OPERS OPEB Liability:

	2018	2017
Airport's proportion of the net OPEB liability (asset) (percentage) - Traditional Plan	0.018400%	0.019363%
Airport's proportionate share of the net OPEB liability (asset) - Traditional Plan	$ 1,998,104	$ 1,955,731
Airport's covered payroll	$ 2,607,208	$ 2,675,890
Airport's pension liability (asset) as a percentage of its covered payroll	76.64%	73.09%
Plan fiduciary net position as a percentage of the total OPEB liability (Traditional Plan)	54.14%	54.05%

Information prior to 2016 is not available.

Schedule of the Airport's Contributions to OPERS OPEB:

	2018	2017
Contractually required contribution	$ -	$ 26,759
Contributions in relation to contractually required contribution	-	(26,759)
Contribution deficit (surplus)	$ -	$ -
Airport's covered payroll	$ 2,795,754	$ 2,607,208
Contributions as a percentage of covered payroll	0.00%	1.03%

Information prior to 2017 is not available.

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.

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AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Federal Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Funding:				
Airport Improvement Program:				
Airport Improvement Project No. 61	3-39-000-6115	20.106	$ -	$ 120,332
Airport Improvement Project No. 62	3-39-000-6216	20.106	150,118	360,942
Airport Improvement Project No. 63	3-39-000-6317	20.106	356,490	444,050
Airport Improvement Project No. 64	3-39-000-6418	20.106	262,210	392,209
Airport Improvement Project No. 65	3-39-000-6518	20.106	-	2,410
Total -- U.S. Department of Transportation			768,818	1,319,943
Total Federal Financial Assistance			$ 768,818	$ 1,319,943

The accompanying notes to this schedule are an integral part of this schedule.

Akron - Canton Regional Airport
Schedule of Expenditures of Passenger Facility Charges
for the Year ended December 31, 2018

Project Number	Project Name	Approved Project Budget	Cumulative Expenditures at 12/31/17	1st Qtr. 2018 Expenditures	2nd Qtr. 2018 Expenditures	3rd Qtr. 2018 Expenditures	4th Qtr. 2018 Expenditures	Total 2018 Expenditures	Cumulative Expenditures at 12/31/18
PFC6-01	Property Acquisition- Ketron	$128,169.00	$128,169.00	-	-	-	-	-	$128,169.00
PFC6-02	Property Acquisition- Goodyear	$246,802.00	$246,802.00	-	-	-	-	-	$246,802.00
PFC6-03	Property Acquisition- Fouts	$163,810.00	$163,810.00	-	-	-	-	-	$163,810.00
PFC6-04	Property Acquisition- Frayer	$97,567.00	$97,567.00	-	-	-	-	-	$97,567.00
PFC6-05	Property Acquisition- Salmons	$120,831.00	$120,831.00	-	-	-	-	-	$120,831.00
PFC6-08	Glycol Recovery Study	$134,689.00	$134,689.00	-	-	-	-	-	$134,689.00
PFC6-09	Glycol Recovery Design	$1,457,092.00	$1,457,092.00	-	-	-	-	-	$1,457,092.00
PFC6-10	SRE - High Speed Rotary Broom	$335,681.00	$335,681.00	-	-	-	-	-	$335,681.00
PFC6-11	SRE - High Speed Rotary Broom	$395,000.00	$395,000.00	-	-	-	-	-	$395,000.00
PFC6-12	SRE - Runway De-Icing Truck	$201,172.00	$201,172.00	-	-	-	-	-	$201,172.00
PFC6-14	Terminal Rehabilitation	$24,419,714.00	$19,126,649.16	$238,830.40	$156,132.12	-	-	$394,962.52	$19,521,611.68
PFC6-15	RNWY 14/32 Closure Converstion to Taxiway K	$36,558.00	$36,558.00	-	-	-	-	-	$36,558.00
PFC7-01	De-Icing North Pad Construction	$92,431.00	$92,431.00	-	-	-	-	-	$92,431.00
PFC7-02	De-Icing South Pad Construction	$262,807.00	$262,807.00	-	-	-	-	-	$262,807.00
PFC7-03	De-Icing Treatment Plant	$897,792.00	$897,792.00	-	-	-	-	-	$897,792.00
PFC7-04	Domestic Water Service	$568,116.00	$568,116.00	-	-	-	-	-	$568,116.00
PFC7-05	CTX Design and Installation	$1,578,857.00	$0.00	-	-	$159,825.73	$169,528.36	$329,354.09	$329,354.09
PFC7-06	Landside Planning Effort Study	$94,856.00	$94,856.00	-	-	-	-	-	$94,856.00
PFC7-07	Runway 5 and 23 Environmental Assessment Study	$41,474.00	$41,474.00	-	-	-	-	-	$41,474.00
PFC7-08	Runway 5 and 23 Runway Safety Area Fix	$3,000,000.00	$2,780,938.00	-	-	-	-	-	$2,780,938.00
PFC7-09	Wildlife Habitat Removal	$133,264.00	$133,264.00	-	-	-	-	-	$133,264.00
PFC7-10	ARFF, Snow Removal Equipment Storage Facility Design	$30,391.00	$30,391.00	-	-	-	-	-	$30,391.00
PFC7-11	ARFF, Snow Removal Equipment Storage Facility Constr.	$395,000.00	$395,000.00	-	-	-	-	-	$395,000.00
PFC7-12	Aircraft Rescue and Firefighting Vehicle A	$34,659.00	$34,659.00	-	-	-	-	-	$34,659.00
PFC7-13	Aircraft Rescue and Firefighting Vehicle B	$34,659.00	$34,659.00	-	-	-	-	-	$34,659.00
PFC7-14	Federal Inspection Facility Study	$57,308.00	$57,308.00	-	-	-	-	-	$57,308.00
PFC8-01	Security Checkpoint Expansion	$82,456.00	$82,456.00	-	-	-	-	-	$82,456.00
PFC8-02	SRE: HS Runway Brooms, Front End Loader, Tractor	$517,890.00	$67,890.00	-	-	-	-	-	$67,890.00
PFC8-03	Taxiway D, E, K Reconstruction	$404,412.00	$404,412.00	-	-	-	-	-	$404,412.00
PFC8-04	West General Aviation Ramp Reconstruction	$46,996.00	$46,996.00	-	-	-	-	-	$46,996.00
PFC8-05	Airport Master Plan Study	$113,527.00	$110,799.00	-	-	-	-	-	$110,799.00
PFC8-06	Part 150 Noise Study	$77,076.00	$77,076.00	-	-	-	-	-	$77,076.00
PFC8-07	General Aviation Customs & Border Patrol Facility	$490,161.00	$490,161.00	-	-	-	-	-	$490,161.00
PFC8-08	South De-Icing Pad Expansion	$540,607.00	$540,607.00	-	-	-	-	-	$540,607.00
PFC8-09	Airport Entrance Road Reconfiguration	$522,228.00	$522,228.00	-	-	-	-	-	$522,228.00
PFC8-10	Ticket Wing Reconstruction	$627,398.00	$627,398.00	-	-	-	-	-	$627,398.00
PFC8-11	Sand/Chemical Storage Building	$108,835.00	$104,460.00	-	-	-	-	-	$104,460.00
PFC8-12	Enclosed Baggage Make Up Area	$1,500,000.00	$1,413,529.00	-	-	-	-	-	$1,413,529.00
PFC8-13	Taxiway B Rehabilitation	$196,575.00	$132,953.00	-	-	-	-	-	$132,953.00
PFC8-14	Preparation of PFC Application	$43,681.00	$43,681.00	-	-	-	-	-	$43,681.00
PFC9-01	Terminal Modification - Gate Replacement	$24,145,535.00	-	-	-	-	-	-	-
PFC9-02	Terminal Apron - Design and Construct	$928,544.00	-	-	-	-	-	-	-
PFC9-03	Preparation of PFC Application	$75,000.00	-	-	-	-	-	-	-
	Grand Totals	$65,379,620.00	$32,532,361.16	$238,830.40	$156,132.12	$159,825.73	$169,528.36	$724,316.61	$33,256,677.77

The accompanying notes to this schedule are an integral part of this schedule.

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Receipts and Expenditures of Federal Awards and the Schedule of Expenditures of the Passenger Facility Charges include the federal award activity of the Akron – Canton Regional Airport Authority (the Airport) under programs of the federal government for the year ended December 31, 2018. The information on the Schedule of Expenditures and Receipts of Federal Awards is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements*, *Cost Principles*, and *Audit Requirements for Federal Awards* (Uniform Guidance). The information on the Schedule of Expenditures of Passenger Facility Charges is prepared in accordance with the requirements of the *Audit Requirements for Federal Awards*, and the *Passenger Facility Charge Audit Guide for Public Agencies* (the “Guide”). Because the Schedules present only a selected portion of the operations of the Airport, they are not intended to and do not present the financial position, changes in net position, or cash flows of the Airport.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Receipts and Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Schedule of Expenditures of Passenger Facility Charges has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred.

NOTE C – INDIRECT COST RATE

The Airport has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – MATCHING REQUIREMENTS

Certain federal programs require that the Airport contribute non-federal funds (matching funds) to support the federally-funded programs. The Airport has met its matching requirements The expenditures of non-federal funds are not included on these schedules**.**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Akron-Canton Regional Airport Authority
Stark and Summit Counties
5400 Lauby Road Box 23
North Canton, Ohio 44720

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Akron-Canton Regional Airport Authority, Stark and Summit Counties, (the Airport) as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements and have issued our report thereon dated December 3, 2019, wherein we noted the Aiport adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. In addition, our report refers to other auditors who audited the basic financial statements of the Airport as of and for the year ended December 31, 2017 as described in our report on the Airport's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that those auditors separately reported.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Airport's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Airport Authority's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Airport's financial statements. We consider finding 2018-001 described in the accompanying schedule of findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2018-002 described in the accompanying schedule of findings to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the Airport's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Airport*'s Response to Findings*

The Airport's responses to the findings identified in our audit are described in the accompanying schedule of findings and / or corrective action plan. We did not subject the Airport's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Airport Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Airport Authority's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State

Columbus, Ohio

December 3, 2019

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Akron-Canton Regional Airport Authority
Stark and Summit Counties
5400 Lauby Road Box 23
North Canton, Ohio 44720

To the Board of Trustees:

Report on Compliance for Each Major Federal Program and the Passenger Facility Charge Program

We have audited the Akron-Canton Airport Authority's, Stark and Summit Counties, (the Airport) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Airport's major federal program and the *Passenger Facility Charge Audit Guide for Public Agencies (the Guide),* issued by the Federal Aviation Administration, for the Airport Passenger Facility Charge Program for the year ended 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Airport's major federal program.

Management's Responsibility

The Airport's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program and Passenger Facility Charge program.

Auditor's Responsibility

Our responsibility is to opine on the Airport's compliance for the Airport's major federal program and the Passenger Facility Charge Program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance and *the Guide* require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program or the Passenger Facility Charge program occurred. An audit includes examining, on a test basis, evidence about the Airport's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Airport's major program and the Passenger Facility Charge Program. However, our audit does not provide a legal determination of the Airport's compliance.

Opinion on the Major Federal Program

In our opinion, the Akron-Canton Regional Airport Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program and the Passenger Facility Charge Program for the year ended December 31, 2018.

Report on Internal Control Over Compliance

The Airport's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Airport's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program or the Passenger Facility Charge Program, to determine our auditing procedures appropriate for opining on each major federal program's and the Passenger Facility Charge Program compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Airport's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance**.**

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance and the Guide requirements. Accordingly, this report is not suitable for any other purpose.

Keith Faber

Keith Faber
Auditor of State

Columbus, Ohio

December 3, 2019

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Airport Improvement Program (CFDA #20.106)
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2018-001

MATERIAL WEAKNESS – FINACIAL REPORTING

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The Airport's financial statements, the accompanying footnotes, required supplemental information and the management's discussion and analysis contained a variety of exceptions and errors which resulted in adjustments to reflect the proper reporting. These exceptions, as listed below, indicate a deficiency in the design, implementation and maintenance of internal control relevant to preparing and fairly presenting financial statements.

Preparation of Financial Statements:

- The calculation of the Net Position-Net Investment in Capital Assets on the Statement of Net Position improperly included the Restricted Revenue Bond Projects Funds of $22,624,336. The amount should have been reported as Net Position-Restricted for Airport Improvement Projects.
- The debt activity (additions of $37,032,559 and deductions of $13,759,035) for the year was not originally included within the Cash Flows.
- The prior year Cash and Investments balance was incorrectly stated on the fiscal year 2018 Statement of Cash Flows.
- The calculation of the Cash Payments to Suppliers for Goods and Services on the Statement of Cash Flows was improperly calculated which resulted in a decrease in of $62,079.
- The calculation of Cash Flow from Capital and Related Financing Activity: Acquisition of Construction of Capital Assets did not include all of the acquisition activity resulting in an adjustment of $1,230,147.
- The headers for the Statement of Assets, Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows did not properly identify the statements as comparative statements which included financial information as of December 31, 2017.

Preparation of Financial Statement Footnotes:

- The Airport presented the Long Term Liabilities principal and interest payments for each long-term obligation for the next five years individually but did not present the subsequent payments in intervals of five years. Similarly, the noncancellable leases disclosure did not properly present the minimum future rentals for the next five years nor did it present the subsequent rentals in intervals of five years.
- The Airport did not include a note disclosure describing the debt refunding transaction, the difference between the cash flows servicing the old debt and the cash flows required to service the new debt, or the economic gain or loss which resulted from the refunding transaction.
- The Airport did not include a note disclosure regarding the amount of Capitalized Interest net of the related interest payments which was included in the Capital Assets balance.
- The Airport classified the Restricted Net Assets as Restricted for other Purposes within the Basis of Accounting Note Disclosure while the Restricted Net Assets on the Statement of Net Position were classified as Restricted for Airport Improvement Projects.
- The Airport's Note Disclosures contained multiple instances in which the page headers were in the middle of page text as well as page numbers which were not sequential.

Required Supplemental Information / Management Discussion and Analysis:

- The Airport's Required Supplemental Information on GASB 75 OPEB Liabilities did not include Notes to the Pension and Other Post Employment Benefits Schedules; therefore, did not refer to the Notes which are an integral part of the Schedule.
- The Airport's Required Supplemental Information on GASB 68 Pension Liabilities were inserted within the Notes to the Financial Statements rather than presented as Notes to the Required Supplemental Information on GASB 68 Pension Liabilities. Additionally, the Required Supplemental Information on GASB 68 Pension Liabilities did not refer to the Notes which are an integral part of the Schedule.
- The Airport's Schedule of Expenditures of Passenger Facilities Charges incorrectly identified the date of the schedule as December 31, 2012 rather than December 31, 2018. Additionally, headers on the Schedule of Expenditures and Receipts of Federal Awards and the associated Notes was not formatted.
- The Airport omitted the totals for Deferred Inflows, Deferred Outflows and Net Position on the Summary Net Position table in the Management Discussion and Analysis.

The accompanying financial statements, footnote disclosures, Required Supplemental Information and the Management Discussion and Analysis were corrected to reflect the aforementioned activities and information.

To help ensure the financial statements are presented properly, the Airport should review the design, implementation and maintenance of internal controls relevant to preparing and fairly presenting financial statements and update and/or clarify the procedures and expected practices regarding proper Financial Statement reporting and compliance. Additionally, the Airport should develop procedures to help ensure proper monitoring of financial activity and subsequent reporting on the Airport’s annual Financial Statements.

Official’s Response: See Corrective Action Plan

FINDING NUMBER 2018-002

SIGNIFICANT DEFICIENCY – CASH RECONCILIATION

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Contracts and Finance Manager is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board of Trustees and/or other administrators are responsible for reviewing the reconciliations and related support.

While the Airport attempted to reconcile the cash balances to the accounting system records as of December 31, 2018 multiple times, the final reconciliation included the following deficiencies:

- Unnecessary inclusion of reconciling items that represented reclassification of account balances on the Airport's books rather than actual reconciling items between the accounting records and the bank statements.
- Improper inclusion of a reconciling item for a check in the amount of $354 and improper exclusion of a reconciling item for two deposits totaling $8,304.
- Incomplete recording of interest and dividends totaling $4,242 that were not included as a reconciling item.
- Incomplete recording of Administration and Trustee fees in the amount of $4,717 that were not included as a reconciling item.

Cumbersome and inaccurate monthly reconciliations increase the possibility that the Airport will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Contracts and Finance Manager should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Board of Trustees should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

In addition, in order to help correct the reconciliation deficiencies, the Airport should consider developing policies and procedures to help ensure:

- Reconciling items represent transactions which have occurred either within the Airport's bank accounts but were not recorded in the Airport's accounting records or were recorded in the Airport's accounting records but were not recorded in the Airport's bank accounts.
- Adequate, timely reviews procedures are performed over the accuracy of all reconciling items as documented on the bank reconciliation.
- Interest and dividends are accurately and timely recorded.
- Administration and Trustee fees are accurately and timely recorded.

Official's Response: See Corrective Action Plan

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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AKRON-CANTON
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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2018

Finding Number: **2018-001**

Planned Corrective Action:

The Akron – Canton Regional Airport Authority presented all financial records consistent with previously approved audited financials. The Airport utilized an outside auditor to assist and calculate values associated with GASB 68 and GASB 75.

The misclassification of the $22,624,336 between the Net Position- Net Investment in Capital Assets section total and the Net Position-Restricted for Airport Improvement Projects section total in the Statement of Net Position was due to a formula with the original document. This document was used in prior year audits; however, this was the first year the Airport had such project funds available. The document was corrected, and the project funds were reclassified.

The Airport recorded the refunding and acquisition of new debt service on the Statement of Cash Flows identical to the last such financing which took place 2010. The Airport recorded the net cash inflow and out flow of the transaction in its Hinkle System submission. The amounts were initially recorded in the Debt Principal Paid section and Interest Paid section on the Statement of Cash Flows. The Airport corrected the Statement of Cash Flows to record the refunding and acquisition of new debt service in its entirety. Due to this adjustment, an additional adjustment was needed in the Acquisition of Construction of Capital Assets section of $1,230,147.

As a result of this finding the Akron – Canton Regional Airport Authority has reclassified amended and revised its 2018 audited financials to conform with the issues stated in this finding. The Airport has consolidated to the extent possible all documents that make up the audit report into one document to address all layout issues with the report. The Airport will also revise and correct the layout and formatting issues with future Hinkle System submissions.

Anticipated Completion Date: Completed

Responsible Contact Person: James Krum, Contracts & Finance Manager

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Finding Number: **2018-002**

Planned Corrective Action:

The Akron – Canton Regional Airport Authority respectfully disagrees with the significance of the issues reported in this finding. The 2018 audit process was the first time any issue of this nature was presented with the account reconciliation process. There were no similar issues with prior audits.

A requirement of the October 2018 bond agreements was that the Airport had to change its primary financial institution. At the end of the year the Airport had multiple active checking and savings accounts receiving electronic payments with two different banking institutions. Due to this situation the original reconciliation of one of the Akron – Canton Regional Airport Authority's accounts was incomplete as it did not include information needed to be fully reconciled. The account was fully reconciled the following month. An additional contributing factor associated with this finding was significant staffing changes occurring within the Airport's finance and accounting departments at the end of 2018.

The interest, dividends, and trustees' fees in the amounts of $4,242 and $4,717 were associated with a trust account held by Huntington Bank created at the time of the acquisition of the Airport's new debt service. At the time the Airport's financial statements need to be submitted the Hinkle System, it was unknown that these accounts were interest bearing and/or who the beneficiary of any interest was. These accounts came into existence in October 2018 but did not record any interest until December 2018. After consulting with the Huntington Trustee and auditors if was determined this information needed to be recorded and was recorded.

In response to this finding the Akron – Canton Regional Airport Authority has changed the way all accounts are reconciled pursuant to the all the information contained in the finding. Previously, the Airport had details for each individual account which were reconciled between the detail balance and the book balance. The Airport has since consolidated most of these details into one main detail that reconciles between the bank statements, detail balance and Airport book balance.

In addition, the Airport has begun recording the earned interest on its general savings accounts on a monthly basis. In the past the Airport only recorded interest on these accounts on a quarterly basis. The consolidated improved reconciliation detail and increased frequency of recording interest will address all the issues found within this finding.

Anticipated Completion Date: Completed
Responsible Contact Person: James Krum, Contracts & Finance Manager

OHIO AUDITOR OF STATE
KEITH FABER

AKRON CANTON REGIONAL AIRPORT AUTHORITY

SUMMIT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 31, 2019

THE PORT

Making Real Estate Work

Port of Greater Cincinnati Development Authority

Financial Report
with Supplemental Information
December 31, 2019

OHIO AUDITOR OF STATE
KEITH FABER

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(800) 282-0370

Board of Directors
Port of Greater Cincinnati Development Authority
3 East Fourth Street, Suite 300
Cincinnati, Ohio 45202

We have reviewed the *Independent Auditor's Report* of the Port of Greater Cincinnati Development Authority, Hamilton County, prepared by Plante & Moran, PLLC, for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Port of Greater Cincinnati Development Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

August 13, 2020

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Contents

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Plante & Moran, PLLC
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Independent Auditor's Report

To the Board of Directors
Port of Greater Cincinnati Development Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Port of Greater Cincinnati Development Authority (The Port) as of and for the years ended December 31, 2019 and 2018 and the related notes to the financial statements, which collectively comprise The Port's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Port of Greater Cincinnati Development Authority as of December 31, 2019 and 2018 and the changes in its financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Port of Greater Cincinnati Development Authority

Other Matter

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2020 on our consideration of the Port of Greater Cincinnati Development Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port of Greater Cincinnati Development Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

June 29, 2020

Our discussion and analysis of Port of Greater Cincinnati Development Authority's (dba "The Port") financial performance provides an overview of the financial activities for the fiscal years ended December 31, 2019, 2018, and 2017. Please read it in conjunction with The Port's financial statements.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2019:

- Operating revenue of $8.8 million in 2019 was $0.8 million or 9% higher than the prior year, as The Port continues to increase operating revenues through its growth in charges for services.

- Capital grants and contributions in 2019 totaled $3.0 million, of which $2.8 million was provided by the City of Cincinnati in the amounts of $2.2 million for the Hudepohl redevelopment in Queensgate, and $0.6 million for business district redevelopment in Bond Hill and Roselawn.

- Capital assets increased $41.2 million or 55% in 2019 primarily due to the $25.7 million acquisition of the Convention Center garages, $13.4 million of garage construction and infrastructure improvements at the RBM Development site, and $5.0 million Gallery at Kenwood land acquisition, offset by $3.3 million of depreciation.

- Long-term liabilities increased $58.6 million or 46% in 2019 primarily as a result of issuing revenue bonds of $27.2 million for the Convention Center Garages, $26.4 million for Gallery at Kenwood development, and $2.5 million for the Cincinnati Neighborhood Commercial Real Estate Loan Fund.

- The Port's net position decreased to $13.2 million by the end of 2019, a decrease of $2.5 million or 16 percent from the previous year. The decrease is mainly derived from a $0.9 million decline in non-parking service revenue, an $0.8 million increase in depreciation from parking facility acquisitions, and $0.6 million of pension and postemployment benefit (OPEB) adjustments for GASB 68 & 75.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of revenues, expenses, and changes in net position provide information about the activities of The Port as a whole and present a longer-term view of its finances. These are followed by the statement of cash flows, which presents detailed information about the changes in The Port's cash position during the year.

Condensed Financial Information

The following table shows, in a condensed format, the current year's net position and changes in net position, compared to the prior two years:

	Business-type Activities				
	2017	2018	2019	Change	Percent Change
Assets					
Other assets	$ 46,741,233	$ 70,006,057	$ 88,418,515	$ 18,412,458	26%
Capital assets being depreciated - Net	44,616,643	48,414,870	66,340,390	17,925,520	37%
Capital assets not being depreciated	11,122,212	25,910,164	49,164,146	23,253,982	90%
Total assets	102,480,088	144,331,091	203,923,051	59,591,960	41%
Deferred Outflows of Resources	963,226	1,258,784	1,854,924	596,140	47%
Total assets and deferred outflows	103,443,314	145,589,875	205,777,975	60,188,100	41%
Liabilities					
Current liabilities	1,622,983	1,344,028	6,208,696	4,864,668	362%
Long-term liabilities:					
Due within one year	3,496,184	4,411,824	5,639,047	1,227,223	28%
Due in more than one year	85,450,418	123,337,223	180,678,686	57,341,463	46%
Total liabilities	90,569,585	129,093,075	192,526,429	63,433,354	49%
Deferred Inflows of Resources	115,895	761,875	57,587	(704,288)	-92%
Net Position					
Net investment in capital assets	3,606,442	5,568,793	3,442,943	(2,125,850)	-38%
Restricted	8,646,265	9,685,628	9,035,970	(649,658)	-7%
Unrestricted	505,127	480,504	715,046	234,542	49%
Total net position	**$ 12,757,834**	**$ 15,734,925**	**$ 13,193,959**	**$ (2,540,966)**	-16%

Note: 2018 net position includes a $1,692,405 beginning of year reduction for a change in accounting principle.

	Business-type Activities				
	2017	2018	2019	Change	Percent Change
Operating Revenue					
Public funding	$ 1,400,000	$ 1,400,000	$ 700,000	$ (700,000)	-50%
Charges for services	5,221,555	6,673,464	8,129,555	1,456,091	22%
Total operating revenue	6,621,555	8,073,464	8,829,555	756,091	9%
Operating Expenses					
Salaries and benefits	3,467,434	4,123,709	4,873,330	749,621	18%
Professional services	735,495	817,803	1,436,483	618,680	76%
Occupancy	168,262	163,998	153,927	(10,071)	-6%
Travel and business development	99,479	118,315	132,800	14,485	12%
Equipment and supplies	42,952	45,856	37,680	(8,176)	-18%
Taxes and holding costs	188,431	387,160	808,739	421,579	109%
Other operating expenses	202,466	224,224	304,245	80,021	36%
Depreciation	2,441,842	2,563,102	3,333,143	770,041	30%
Total operating expenses	7,346,361	8,444,167	11,080,347	2,636,180	31%
Operating Loss	(724,806)	(370,703)	(2,250,792)	(1,880,089)	507%
Restricted bond revenues	3,529,284	4,289,551	4,881,053	591,502	14%
Interest expense	(3,339,353)	(3,970,017)	(5,158,932)	(1,188,915)	30%
Gain/(Loss) on sale of property	53,641	(37,000)	(807,472)	(770,472)	N/A
Impairment on asset	(8,038,144)	(1,593,070)	(108,609)	1,484,461	-93%
Investment income	95,455	457,473	859,315	401,842	88%
Bond administrative expense	(1,226,656)	(2,061,598)	(2,993,345)	(931,747)	45%
Grants, net	-	-	50,719	50,719	N/A
Capital grants and contributions	4,916,602	7,954,860	2,987,097	(4,967,763)	-62%
Increase in Net Position	(4,733,977)	4,669,496	(2,540,966)	(7,210,462)	-154%
Adjustment for change in accounting principle	-	(1,692,405)	-	1,692,405	-100%
Change in Net Position	**$ (4,733,977)**	**$ 2,977,091**	**$ (2,540,966)**	**$ (5,518,057)**	-185%

The Port uses a broad range of tools to assist with economic development projects within the city of Cincinnati, Ohio and Hamilton County, Ohio, as described further in Note 1 to the financial statements.

The net position of all business-type activities decreased by $2.5 million, or 16 percent, in 2019. In comparison, net position in 2018 increased by $3.0 million, or 23 percent. The decrease in 2019 is mainly derived from a $0.9 million decline in non-parking service revenue, an $0.8 million increase in depreciation from parking facility acquisitions, and $0.6 million of pension and postemployment benefit (OPEB) adjustments for GASB 68 & 75.

Unrestricted net position, the part of net position that can be used to finance day-to-day operations, increased $234,542, or 49 percent in 2019. In comparison, in 2018 unrestricted net position decreased by $24,623, or 5 percent. The current level of unrestricted net position stands at $0.7 million, or about 10 percent of annual operating expenditures, excluding depreciation.

Restricted net position decreased by $0.6 million, or 7 percent, in 2019. Trust restricted equity decreased $2.0 million in 2019 from the prior year primarily due to the refinance of Fountain Square South Garage and Amberley Site bonds (see Note 6), while grant restricted equity increased $1.4 million from the Hudepohl redevelopment in Queensgate. In contrast, restricted net position increased by $1.0 million, or 12 percent, in 2018. The prior year increase resulted from a $0.3 million increase in reserve funds for Communities First (The Port's mortgage down payment assistance program), and a $0.2 million increase from principal paydowns on Fountain Square South Garage and Amberley Site bonds. Additionally, grant restricted equity in the prior year increased $0.5 million from the redevelopment of 2250 Seymour Ave (former Cincinnati Gardens).

Net position from The Port's net investment in capital assets decreased $2.1 million, or 38 percent, in 2019 primarily due to the addition of the Convention Center Garages and Gallery at Kenwood (see Note 6), offset by depreciation of $3.3 million. In contrast, in 2018 net investment in capital assets increased $2.0 million or 54 percent, mainly due a $4.9 million developer contribution towards the RBM Development Phase 2B Project (see Note 6), offset by depreciation of $2.6 million.

Operating Revenue

In 2019, public funding in the form of operating grants was provided solely by Hamilton County in the amount of $700,000. In years 2018 and 2017, public funding was provided in equal amounts of $700,000 from the City of Cincinnati and Hamilton County to support The Port's economic development and inclusion activities. These grants are appropriated annually and have not increased since 2012.

Charges for services consist primarily of fees charged for: garage parking, utilization of The Port's finance tools, mortgage down payment assistance, management of other organizations, commercial real estate leases, and oversight of redevelopment projects. Service revenue increased $1.5 million or 22 percent in 2019 compared to the prior year. The increase was led by a $2.4 million increase in parking fee revenue offset by a $0.7 million decrease in finance fees. In comparison, service revenue increased $1.5 million in 2018 due to a $1.3 million increase in finance fee revenue.

Operating Expenses

Operating expenses increased $2.6 million or 31 percent in 2019 compared to the prior year, primarily due to a $1.4 million increase in garage operating expenses related to the addition of the Convention Center Garages, $0.6 million pension and postemployment benefit (OPEB) adjustments for GASB 68 & 75, and a $0.2 million increase in consulting.

In 2018, operating expenses increased $1.1 million over the prior year due to a $0.7 million increase in salaries and benefits from additional staff, and a $0.2 million increase in property taxes and holding costs.

For years 2019, 2018 and 2017, The Port had adequate operating revenue to cover its operating expenses before depreciation on capital assets.

Nonoperating Income (Expenses)

Nonoperating income consists of grant revenues received under reimbursement-type grants and subsequently passed through to third parties, service payments, special assessments, or other revenues assigned by and received from other public bodies to support The Port's revenue bonds, other nonoperating contributions to The Port's projects, and certain post-closing bond reserves established for future debt service.

Restricted bond revenues increased $0.6 million or 14 percent in 2019 due to a $0.7 million increase in RBM 2A bond revenues. In comparison, restricted bond revenues decreased $0.8 million or 22 percent in 2018 mainly due to a $0.7 million increase in Kenwood Collection bond revenues.

Bond administrative expenses increased $0.9 million or 45 percent in 2019 due to an increase in issuance costs from new financings in 2019 (see Note 5). Similarly, in 2018 bond administrative expenses increased $0.8 million or 68% due to an increase in debt issuance costs.

In 2019, The Port recognized a $0.1 million cost-to-market adjustment on an asset held for sale in the West End neighborhood of Cincinnati. In comparison, in 2018 The Port completed its redevelopment of the former Cincinnati Gardens at 2250 Seymour Avenue in Bond Hill and listed the property for sale by a commercial real estate broker. Based upon the listed selling prices and expected selling costs, management estimated the net realizable values and recorded a cost-to-market adjustment of $1.3 million in 2018. This write-down represents the subsidy invested to make the properties marketable. Additionally, The Port recognized a $0.2 million asset impairment in 2018 after discontinuing a redevelopment project planned at the US Army Reserve in Roselawn.

Capital grants and contributions decreased $5.0 million or 62 percent in 2019 primarily due to a $4.9 million private developer contribution in 2018 for the RBM Development Project Phase 2B in Madisonville. In comparison, capital grants and contributions increased $3.0 million in 2018 due to the aforementioned $4.9 million developer contribution, offset by a $2.0 million decline in capital grants from public sources. During 2017 through 2019, The Port received public funding of capital grants from the City of Cincinnati, Hamilton County, and JobsOhio.

Capital Asset and Debt Administration

At the end of 2019, The Port had $115.5 million invested in a broad range of capital assets, including public parking facilities, infrastructure, and utilities. During the year, The Port acquired the 1,570-space Convention Center Garages for $25.7 million, recognized $13.4 million of construction-in-progress on the RBM 2B Medpace parking garage in Madisonville, and acquired land at the Gallery at Kenwood development for $5.0 million. This activity was offset by additional depreciation on capital assets in the amount of $3.3 million.

In comparison, in 2018 The Port acquired a 250-space surface parking lot at Fifth & Plum adjacent to the Convention Center for $11.9 million, and recognized $9.2 million of construction-in-progress related to the RBM parking garages in Madisonville. The RBM 2A garage was made available to the public in 2018 resulting in $6.3 million being reclassed from construction-in-progress to depreciable capital assets. This activity was offset by $2.6 million of additional depreciation on capital assets.

In support of economic development and other authorized projects within the City of Cincinnati and Hamilton County, The Port considers and, with board approval, issues bonds. In 2019, The Port issued $328.3 million of bonds, compared to $421.3 million and $161.8 million of bonds issued in 2018 and 2017, respectively. The following table summarizes The Port's issuance of bonds and conduit financings in the years 2019, 2018 and 2017.

Issue Date	Project Name	Bond Amount
02/2019	Mariemont City School District Project *	42,980,000
02/2019	Summit Park – Blue Ash Airport Redevelopment *	8,340,000
02/2019	Fountain Square South Garage (refinance)	11,325,000
03/2019	Convention Center Garages	27,170,000
06/2019	3CDC Master Parking (refinance) *	13,260,000
06/2019	Cincinnati Neighborhood Commercial Real Estate Loan Fund (new tranche)	1,500,000
08/2019	The Artistry *	54,605,000
09/2019	Findlay Center Project **	5,525,000
10/2019	1118 Sycamore Project *	30,600,000
10/2019	Madison & Whetsel - Phase II *	13,100,000
10/2019	Madison & Whetsel - Phase II **	4,500,000
12/2019	Fields Ertel Project *	7,500,000
12/2019	3CDC Master Parking (refinance) *	80,480,000
12/2019	Cincinnati Neighborhood Commercial Real Estate Loan Fund (new tranche)	1,000,000
12/2019	Gallery at Kenwood	26,405,000
	Total 2019	$ 328,290,000
06/2018	Fifth and Plum Project	$ 12,590,000
07/2018	RBM Development Phase 2B - TIF	22,805,000
08/2018	Greater Cincinnati Neighborhoods Housing Revitalization Loan Fund	1,000,000
06/2018	Mercer Commons Garage (refinance) *	8,329,000
07/2018	Poste (formerly Firehouse Row) *	13,680,795
07/2018	RBM Development Phase 2B - Lease *	43,000,000
09/2018	Woodlawn Meadows Project **	1,855,000
09/2018	Madison and Whetsel **	2,795,000
09/2018	Madison and Whetsel *	1,412,602
10/2018	Springdale Office Park **	6,605,000
10/2018	Fourth and Race Parking Garage *	29,240,000
12/2018	Provident Bank Building *	28,000,000
12/2018	FC Cincinnati MLS Stadium *	250,000,000
	Total 2018	$ 421,312,397
01-11/2017	Cincinnati Neighborhood Commercial Real Estate Loan Fund (two tranches in 2017)	$ 2,000,000
11/2017	Fairfax Village Red Bank (refinance)	3,247,356
01–09/2017	Patient Capital Fund (3 new investors in 2017)	3,500,000
04/2017	Keystone Hotel *	17,300,000
09/2017	Rumpke *	24,000,000
09/2017	The Collegiate *	85,592,546
11/2017	Fairfax Village Red Bank (refinance) *	3,787,644
12/2017	Court & Walnut *	17,230,000
12/2017	Washington Park Garage *	5,100,000
	Total 2017	$ 161,757,546

** Conduit revenue bond obligations*

*** Conduit revenue bond obligations - Southwest Ohio Regional Bond Fund*

Economic Factors and Next Year's Budgets and Rates

The Port will continue to rely on operating support provided from its public partners - the City of Cincinnati and Hamilton County. The City and County are expected to make operating grants of $700,000 each in 2020.

The Port actively manages a pipeline of potential structured financings that could result in the issuance of bonds or project leases, which generate recurring and non-recurring fees, some of which could be significant.

Revenues from The Port's mortgage down payment assistance program are correlated with the demand for mortgage loans, which can fluctuate due to economic factors such as mortgage interest rates and the supply of housing inventory.

Capital funding from the City of Cincinnati for real estate development is subject to annual, discretionary appropriation by Cincinnati City Council. The City has appropriated $2 million to The Port for redevelopment of an industrial site, of which $1 million is planned for capital expenditure in 2020 and will include developer fee revenue to The Port.

Contacting the Management

This financial report is intended to provide our stakeholders with a general overview of the finances and to show the accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact Rick Hudson, Vice President of Accounting & Financial Management at 513-621-3000.

Proprietary Funds
Statement of Net Position

December 31, 2019 and 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	$ 6,584,134	$ 6,027,391
Receivables - Net of allowance	2,829,789	1,671,469
Prepaid expenses and other assets	2,833,527	297,395
Total current assets	12,247,450	7,996,255
Noncurrent assets:		
Restricted cash and investments	51,949,534	41,815,468
Notes receivable	2,985,625	1,960,858
Capital assets: (Note 4)		
Assets not subject to depreciation	49,164,146	25,910,164
Assets subject to depreciation	66,340,390	48,414,870
Assets held for resale (Note 12)	21,235,906	18,233,476
Total noncurrent assets	191,675,601	136,334,836
Total assets	203,923,051	144,331,091
Deferred Outflows of Resources		
Pension (Note 9)	1,523,956	1,121,157
OPEB (Note 9)	330,968	137,627
Total deferred outflows of resources	1,854,924	1,258,784
Liabilities		
Current liabilities:		
Accounts payable	2,623,850	949,230
Accrued liabilities and other	3,577,346	245,311
Unearned grant revenue	7,500	149,487
Total current liabilities	6,208,696	1,344,028
Noncurrent liabilities:		
Accrued interest payable from restricted assets	2,214,842	1,735,958
Accrued expenses payable from restricted assets	822,113	806,766
Net pension obligation (Note 9)	3,670,558	1,993,142
Net OPEB obligation (Note 9)	2,488,494	1,870,194
Current portion of long-term debt payable from restricted assets (Note 6)	2,602,092	1,869,100
Long-term payable from restricted assets (Note 6)	39,042,434	30,253,489
Long-term debt payable from future restricted bond revenue (Note 6)	135,477,200	89,220,398
Total noncurrent liabilities	186,317,733	127,749,047
Total liabilities	192,526,429	129,093,075
Deferred Inflows of Resources		
Pension (Note 9)	50,835	471,083
OPEB (Note 9)	6,752	139,317
Interest rate swap agreement (Note 5)	-	151,475
Total deferred inflows of resources	57,587	761,875
Net Position		
Net investment in capital assets	3,442,943	5,568,793
Restricted:		
Grants	8,357,811	7,002,927
Trust assets	678,159	2,682,701
Unrestricted	715,046	480,504
Total net position	$ 13,193,959	$ 15,734,925

See notes to financial statements.

Proprietary Funds
Statement of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenue		
Public funding (Note 7)	$ 700,000	$ 1,400,000
Charges for services	8,129,555	6,673,464
Total operating revenue	8,829,555	8,073,464
Operating Expenses		
Salaries and benefits	4,873,330	4,123,709
Professional services	1,436,483	817,803
Occupancy	153,927	163,998
Travel and business development	132,800	118,315
Equipment and supplies	37,680	45,856
Other operating expenses	304,245	224,224
Taxes and holding costs	808,739	387,160
Depreciation	3,333,143	2,563,102
Total operating expenses	11,080,347	8,444,167
Operating Loss	(2,250,792)	(370,703)
Nonoperating Revenue (Expense)		
Restricted bond revenue	4,881,053	4,289,551
Investment income	859,315	457,473
Interest expense	(5,158,932)	(3,970,017)
(Loss) gain on sale of property	(807,472)	(37,000)
Impairment on assets	(108,609)	(1,593,070)
Bond administrative expense	(2,993,345)	(2,061,598)
Grants	1,450,885	5,164
Grant expenditures	(1,400,166)	(5,164)
Total nonoperating (expense) revenue	(3,277,271)	(2,914,661)
Loss - Before capital grants and contributions	(5,528,063)	(3,285,364)
Capital Grants and Contributions	2,987,097	7,954,860
Increase (Decrease) in Net Position	(2,540,966)	4,669,496
Net Position - Beginning of year	15,734,925	11,065,429
Net Position - End of year	$ 13,193,959	$ 15,734,925

See notes to financial statements.

Propriety Funds
Statement of Cash Flows

Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Receipts from public funding sources	$ 700,000	$ 1,400,000
Receipts from charges for services	8,279,565	6,612,152
Payments to suppliers	(1,684,817)	(1,417,409)
Payments to employees	(3,728,500)	(3,563,755)
Net cash and cash equivalents provided by operating activities	3,566,248	3,030,988
Cash Flows from Noncapital Financing Activities		
Receipts from grants and subsidies	2,142,153	7,086,552
Proceeds from the issuance of debt	12,474,380	1,500,000
Principal paid on debt	(8,743,333)	(398,680)
Interest paid	(450,468)	(429,319)
Proceeds from the sale of assets held for sale	1,056,230	1,000
Purchase and development of assets held for sale	(4,639,555)	(4,073,408)
Net cash and cash equivalents provided by noncapital financing activities	1,839,407	3,686,145
Cash Flows from Capital and Related Financing Activities		
Proceeds from the issuance of capital debt	54,925,620	35,395,000
Restricted bond revenue	4,881,053	4,289,552
Purchase and construction of capital assets	(44,512,646)	(21,160,230)
Principal paid on capital debt	(3,151,867)	(948,172)
Interest paid	(3,955,641)	(2,229,092)
Bond administrative expenses paid	(2,304,508)	(2,093,166)
Net cash and cash equivalents (used in) provided by capital and related financing activities	5,882,011	13,253,892
Cash Flows from Investing Activities		
Interest received on investments	853,517	460,900
Loans collected	1,907,826	-
Loans provided	(3,358,200)	(973,549)
Net cash and cash equivalents (used in) provided by investing activities	(596,857)	(512,649)
Net Increase (Decrease) in Cash and Cash Equivalents	10,690,809	19,458,376
Cash and Cash Equivalents - Beginning of year	47,842,859	28,384,483
Cash and Cash Equivalents - End of year	$ 58,533,668	$ 47,842,859
Classification of Cash and Cash Equivalents		
Cash and investments	$ 6,584,134	$ 6,027,391
Restricted cash	51,949,534	41,815,468
Total cash and cash equivalents	$ 58,533,668	$ 47,842,859

See notes to financial statements.

Propriety Funds
Statement of Cash Flows (Continued)

Years Ended December 31, 2019 and 2018

	2019	2018
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (2,250,792)	$ (370,703)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	3,333,143	2,563,102
Changes in assets and liabilities:		
Accounts receivable	(130,618)	(101,932)
Prepaid and other assets	(568,342)	(339,307)
Accounts payable	1,375,505	362,214
Accrued and other liabilities	1,807,352	917,614
Net cash and cash equivalents provided by operating activities	**$ 3,566,248**	**$ 3,030,988**

See notes to financial statements.

Note 1 - Nature of Business

Port of Greater Cincinnati Development Authority (dba, "The Port") is a port authority that uses a broad range of tools to assist with economic development projects within the City of Cincinnati, Ohio and Hamilton County, Ohio.

Note 2 - Significant Accounting Policies

The Port follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by The Port:

Reporting Entity

The Port is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Port was formed under Ohio Revised Code Section 4582.22 by the City of Cincinnati, Ohio (the "City") and Hamilton County, Ohio (the "County") on December 7, 2000. In August 2008, the City and County amended the original agreement by expanding The Port's geographical jurisdiction to include all of Hamilton County, Ohio and the City of Cincinnati, Ohio, streamlining the size of the board of directors and committing to a specific funding plan. The City and County also removed substantially all of the restrictions that had initially been imposed to permit The Port to use all powers available to Ohio port authorities.

The Port primarily seeks to identify, restore, and redevelop properties and land in Hamilton County, Ohio; to provide development financing through the issuance of revenue bonds; and to identify and pursue other opportunities to promote economic development, transportation, and other statutorily authorized purposes of The Port.

The Port's management believes these financial statements present all activities for which The Port is financially accountable.

Port Authority Powers

Historically, port authorities were created to conduct maritime activities and, later, airport activities. However, port authorities in Ohio have evolved as an economic development tool. As independent units of government, Ohio port authorities may conduct traditional waterborne and air transportation activities, as well as own property and provide financing for local economic development initiatives. Ohio law defines the "authorized purposes" of a port authority as "activities that enhance, foster, aid, provide, or promote transportation, economic development, housing, recreation, education, governmental operations, culture, or research within the jurisdiction of the port authority" and "activities authorized by Sections 13 and 16 of Article VIII, Ohio Constitution." These broad powers are complemented by expansive authority to enter into cooperative relationships with one or more other political subdivisions to undertake major development projects jointly.

Special Financing, Projects, and Programs

Under Ohio law, a port authority has a broad range of project management and funding capabilities that enable it to participate in a variety of ways in economic development projects:

Conduit Revenue Bond Financings - Port authorities may provide assistance through conduit revenue bond financing. These revenue bond financings are based on the creditworthiness of the borrower and may include some form of credit enhancement. The issuing port authority has no obligation with respect to the bonds except to the extent of loan payments payable solely from pledged receipts and, unless issued as part of a capital lease financing, would have no interest in the property financed (see Note 11). The Port has several conduit revenue bond issues outstanding and provides such assistance upon request.

Note 2 - Significant Accounting Policies (Continued)

The Port issues conduit debt on behalf of third parties. The Port classifies debt as conduit debt when all of the following characteristics exist: the proceeds from the debt issuance benefits a third party, the debt obligation is payable solely from pledged receipts and is not an obligation of The Port, and the third party has ultimate control over and primary benefit from the asset resulting from the expenditure of bond proceeds.

Cooperative Public Infrastructure Financings - The proceeds of port authority revenue bonds may be used to finance public facilities or properties to be owned by the port authority. Often these projects are undertaken in cooperation with one or more overlapping political subdivisions and supported by tax increment financing service payments, special assessments, or both, assigned by the political subdivision to the port. The bonds would be secured by the assignment of that revenue and would be non-recourse to the general revenue and assets of the port. The Port has issued such bonds in the past and expects to continue to do so.

Project Incentives - Port authorities may act as the central point of contact for investigating and procuring local, state, and federal business retention and expansion incentives.

Grant Programs - Ohio port authorities may apply for local, state, and federal grant funds, which generally are used for public infrastructure improvements made in support of local economic development efforts.

Common Bond Fund Programs - Common bond funds are a tool that supplements the financing options available to small- and medium-sized companies within the community. These programs provide credit enhancements and long-term, fixed-rate loans that make it possible for companies to access capital markets that might otherwise be unavailable.

In April 2015, The Port became an eligible issuer of economic development revenue bonds for the Southwest Ohio Regional Bond Fund, created from the expansion of the Dayton-region Port Authority Bond Fund. The expanded bond fund serves growing companies in the Dayton and Cincinnati regions. The Port also issues bond fund debt repayable from tax increment financing and special assessments. See Note 6 and Note 11 for additional details regarding the bond fund activity.

Property Ownership - Ohio port authorities have broad powers to acquire, construct, and own real or personal property, or any combination of real and personal property, to further any authorized purpose. This includes the power to own and improve property if doing so helps to create or preserve jobs and economic or business development opportunities. This is especially helpful when a property has negative value, as in the case of a Brownfield site where barriers such as liens and environmental issues are impediments to redevelopment. Furthermore, port authorities may sell, lease (to or from others and with or without purchase options), and convey other interests in real or personal property, improved or unimproved, as well. The Port has owned and improved property as part of its Brownfield development and economic redevelopment financing activities.

Structured Lease Projects - Under this structure, the port authority owns the real estate assets and leases it to a private entity on a long-term basis. The port authority may also issue revenue bonds to finance the acquisition, construction, and leasing of a project. The lease structure has been used to convey a variety of incentives, such as sales tax exemption on building materials incorporated into buildings owned by a port authority, and accounting advantages to the lessee/user of the project. The Port has provided capital lease structures and lease financing.

Down Payment Assistance Programs - Ohio port authorities may provide grants, loans, guarantees, and other means to enhance the availability of adequate housing for individuals and families in Ohio. In November 2014, The Port established a market rate government-insured mortgage and down payment assistance homeownership program for qualified borrowers of single-family residential properties. In July 2015, the program expanded to include conventional mortgages.

Note 2 - Significant Accounting Policies (Continued)

Project Coordination - Ohio port authorities can facilitate and coordinate the various regulatory approvals needed from multiple agencies or jurisdictions. This is particularly helpful for assisting with complicated, large-scale projects. As a result, the development process is streamlined, and projects can move forward more quickly and efficiently.

Management Agreements

The Port has management agreements to operate other entities aligned with The Port’s mission. These entities include:

- Hamilton County Land Reutilization Corporation (Hamilton County Landbank)
- Greater Cincinnati and Northern Kentucky Foreign Trade Zones
- Homesteading and Urban Redevelopment Corporation

Each entity has its own board of directors and no employees. Management fee revenue from the entities above is reflected in charges for services.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements consist of a single-purpose business-type activity, which is reported on the accrual basis of accounting, using the economic resources measurement focus.

The financial statements of The Port have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 Port maintains budgetary control by not permitting total expenditures and amounts charged to individual expense categories to exceed respective appropriations without amendment of appropriations by the board of directors. Unencumbered appropriations lapse at year end; but to the extent that unencumbered general operating monies remain at year end, an amount equal to 10 percent of that year's appropriation is appropriated for successive months' expenditures until the next year's appropriation is approved by the board.

The Port follows the GASB guidance as applicable to proprietary funds. Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Proprietary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

When an expense is incurred for the purpose for which both restricted and unrestricted net position are available, The Port's policy is to first apply restricted resources.

Assets, Liabilities, and Net Position

Bank Deposits and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Restricted Assets

The revenue bonds of the enterprise funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets. Unspent bond proceeds are required to be set aside for construction. These amounts have also been classified as restricted assets.

Note 2 - Significant Accounting Policies (Continued)

Assets Held for Resale

Assets held for resale consist of land and real estate held for resale and are valued at the lower of cost or market.

Capital Assets

Capital assets are stated at historical cost and depreciated using the straight-line method over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the improvements. Property held for redevelopment that is environmentally contaminated, or perceived to be contaminated, is not depreciated until redevelopment is completed. Bond-financed assets are depreciated over the life of the bond, or a lesser useful life when appropriate. Capital assets in excess of $2,500 are capitalized.

The Port capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing specifically for the project, net of interest earned on investments acquired with the proceeds of the borrowing. Capitalized interest for 2019 and 2018 was $1,102,003 and $552,648, respectively.

The following estimated useful lives are being used by The Port:

	Depreciable Life Years
Land improvements	30 to 45
Buildings and leasehold improvements	3 to 45
Office equipment and furnishings	3 to 7

Notes Receivable

The Port provided housing loans of $771,200 and $973,549 in years 2019 and 2018, respectively, from the Greater Cincinnati Neighborhoods Housing Revitalization Loan Fund (see Note 6). All loans were provided to entities managed by The Port, mature in the year 2025, and have an annual interest rate of 2.50 percent. Interest payments are due quarterly.

The Port provided a commercial loan of $1,937,000 in June 2019 from the Cincinnati Neighborhood Commercial Real Estate Loan Fund (see Note 6). No commercial loans were provided in 2018. The 2019 loan matures in the year 2026 and has an annual interest rate of 3.00 percent. Interest payments are due quarterly.

Compensated Absences (Vacation and Sick Leave)

It is The Port's policy to permit employees to accumulate earned but unused paid-time-off benefits (PTO). Employees begin earning PTO on their first day of service and are permitted to carry over a maximum of seven days from one service year to the next. Accumulated paid-time-off balances are accrued when incurred in the financial statements.

Long-term Debt

In the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the proprietary fund-type statement of net position. The Port records debt when The Port has legal title over the capital assets purchased, has ultimate control over the capital asset and its use, and the capital assets resulting from the expenditure of bond proceeds are for public use or support The Port's governmental purpose by fostering continued opportunity for economic or business development.

Note 2 - Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. The Port reports deferred outflows related to pensions and OPEB (other post-employment benefits) (Note 9).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Port reports deferred inflows related to pensions and OPEB (Note 9), and an interest rate swap agreement in 2018, which terminated in 2019 upon the refinance of Fountain Square South Garage bonds (Note 6).

Pension and Other Postemployment Benefit Costs

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Ohio Public Employees Retirement System Pension Plan (OPERS) and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Investments are reported at fair value. OPERS reports investments at fair value (see Note 9).

For the year ended December 31, 2018, The Port has adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. For purposes of measuring the net other postemployment benefit (OPEB) liability in, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of OPERS and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, OPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position Flow Assumption

The Port will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is The Port’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Note 2 - Significant Accounting Policies (Continued)

Net Position

Net position of The Port is classified in three components:

- Net Position Investment in Capital Assets - Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets.
- Restricted Net Position - Consists of cash and investments held by trusts to secure revenue bonds reduced by liabilities payable from the trusts and the remaining balance of purpose-restricted grants.
- Unrestricted Net Position - Equals the remaining assets less remaining liabilities that do not meet the definition of invested in capital assets or restricted net position.

Capital Grants and Contributions

Grants for the acquisition and construction of land and property are reported in the statement of revenue, expenses, and changes in net position under the classification of capital grants and contributions.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds are charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services, administrative expenses, and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Port is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for The Port's financial statements for the year ending December 31, 2022.

Note 2 - Significant Accounting Policies (Continued)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and will result in increased interest expense during periods of construction. The provisions of this statement are effective for The Port's financial statements for the December 31, 2021 fiscal year.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations,* which clarifies accounting for conduit debt. The standard clarifies and broadens the definition of what qualifies as a conduit debt obligation, eliminates the option for issuers to recognize conduit debt obligations, and enhances note disclosures. The requirements of the standard will be applied retrospectively. The Port is still determining what impact the new standard will have. The provisions of this statement are effective for The Port's financial statements for the December 31, 2022 fiscal year.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including June 29, 2020, which is the date the financial statements were available to be issued.

Note 3 - Deposits and Investments

Deposits

Monies in the funds of The Port, except as otherwise described below with respect to investments controlled by the terms of a bond resolution or trust agreement or indenture, and to the extent in excess of current needs, may be invested in accordance with the Ohio Uniform Depository Act, Revised Code Sections 135.01-135.21 (UDA). At December 31, 2019 and 2018, the aggregate amount of monies in the general operating funds of The Port was $6,658,194 and $6,091,631, respectively, all of which constituted "active deposits," with three qualified banking institutions deposited in accordance with UDA. At December 31, 2019 and 2018, approximately $1,000,000 and $797,400, respectively, of The Port's deposits were covered by FDIC insurance. The remaining bank balances at December 31, 2019 and 2018 of approximately $5,658,200 and $5,294,200, respectively, were collateralized with securities by the pledging institution's trust department or agent, but not in The Port's name. At no time during the two-year period ended December 31, 2019 did The Port have any amounts for investment in the unrestricted general operating funds of The Port not constituting active deposits.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, The Port's deposits may not be returned to it. Operating (nontrusteed) investments of The Port are insured, registered in the name of the government, and/or collateralized with securities by the pledging institution's trust department or agent; therefore, there is no custodial credit risk exposure.

Investments

Investments represent trusteed funds securing revenue bonds. Funds held by a corporate trustee on behalf of The Port may be legally invested in accordance with the bond-authorizing resolution of The Port's board of directors or the trust indenture or agreement securing those revenue bonds.

Note 3 - Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Port held U.S. Treasury securities with a market value of $5,895,158 and $11,328,960 having a maximum of 365 and 283 days remaining until maturity for the years ended December 31, 2019 and 2018, respectively. Additionally, The Port held 9 certificates of deposit with different bank institutions with a market value of $2,247,479 having a maximum of 2 years and 269 days remaining until maturity for the years ended December 31, 2019. No certificates of deposit were held in 2018.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Port has no investment policy that would further limit its investment choices. As of year end, the S&P credit quality ratings of the money markets held are AAAm.

Note 4 - Capital Assets

Capital asset activity of The Port's business-type activities was as follows:

	Balance January 1, 2019	Additions	Disposals	Balance December 31, 2019
Business-type Activities				
Capital assets not being depreciated:				
Land easements - Red Bank	$ 450,000	$ -	$ -	$ 450,000
Land - RBM 2A	5,785,192	-	-	5,785,192
Land - Fifth & Plum Parking Lot	11,920,221	-	-	11,920,221
Land - Convention Center Garages	-	4,857,323	-	4,857,323
Land - Gallery at Kenwood	-	4,999,052	-	4,999,052
Construction in progress - RBM 2B	7,754,751	13,397,607	-	21,152,358
Subtotal	25,910,164	23,253,982	-	49,164,146
Capital assets being depreciated:				
Land improvements - Cincinnati Mall	4,519,426	-	-	4,519,426
Land improvements - Springdale Pictoria	882,619	-	-	882,619
Land improvements - Red Bank	2,539,587	-	-	2,539,587
Buildings - Cincinnati Mall	10,084,875	-	-	10,084,875
Buildings - Springdale Pictoria	9,260,329	-	-	9,260,329
Buildings - Kenwood Collection	34,371,914	-	-	34,371,914
Buildings - RBM 2A	6,341,624	-	-	6,341,624
Buildings - Convention Center Garages	-	20,880,388	-	20,880,388
Parking equipment	-	115,016	-	115,016
Office equipment	23,541	-	-	23,541
Furniture and fixtures	85,518	-	-	85,518
Leasehold improvements - Garage	1,392,442	263,259	-	1,655,701
Leasehold improvements - Office	15,347	-	-	15,347
Subtotal	69,517,222	21,258,663	-	90,775,885
Accumulated depreciation:				
Land improvements - Cincinnati Mall	2,100,398	152,040	-	2,252,438
Land improvements - Springdale Pictoria	445,120	36,459	-	481,579
Land improvements - Red Bank	1,171,527	75,306	-	1,246,833
Buildings - Cincinnati Mall	4,599,560	342,832	-	4,942,392
Buildings - Springdale Pictoria	4,656,097	383,687	-	5,039,784
Buildings - Kenwood Collection	7,697,609	1,333,715	-	9,031,324
Buildings - RBM 2A	156,470	220,898	-	377,368
Buildings - Convention Center Garages	-	623,295	-	623,295
Parking equipment	-	16,717	-	16,717
Office equipment	19,489	3,363	-	22,852
Furniture and fixtures	38,430	12,221	-	50,651
Leasehold improvements - Garage	214,930	130,691	-	345,621
Leasehold improvements - Office	2,722	1,919	-	4,641
Subtotal	21,102,352	3,333,143	-	24,435,495
Net capital assets being depreciated	48,414,870	17,925,520	-	66,340,390
Net capital assets	$ 74,325,034	$41,179,502	$ -	$ 115,504,536

Note 4 - Capital Assets (Continued)

	Balance January 1, 2018	Additions	Disposals	Balance December 31, 2018
Business-type Activities				
Capital assets not being depreciated:				
Land easements - Red Bank	$ 450,000	$ -	$ -	$ 450,000
Land - RBM 2A	5,785,192	-	-	5,785,192
Land - Fifth & Plum Parking Lot	-	11,920,221	-	11,920,221
Construction in progress - RBM 2A	4,887,020	1,454,604	(6,341,624)	-
Construction in progress - RBM 2B	-	7,754,751	-	7,754,751
Subtotal	11,122,212	21,129,576	(6,341,624)	25,910,164
Capital assets being depreciated:				
Land improvements - Cincinnati Mall	4,519,426	-	-	4,519,426
Land improvements - Springdale Pictoria	882,619	-	-	882,619
Land improvements - Red Bank	2,539,587	-	-	2,539,587
Buildings - Cincinnati Mall	10,084,875	-	-	10,084,875
Buildings - Springdale Pictoria	9,260,329	-	-	9,260,329
Buildings - Kenwood Collection	34,371,914	-	-	34,371,914
Buildings - RBM 2A	-	6,341,624	-	6,341,624
Office equipment	30,988	-	(7,447)	23,541
Furniture and fixtures	75,806	9,712	-	85,518
Leasehold improvements - Garage	1,382,450	9,992	-	1,392,442
Leasehold improvements - Office	15,347	-	-	15,347
Subtotal	63,163,341	6,361,328	(7,447)	69,517,222
Accumulated depreciation:				
Land improvements - Cincinnati Mall	1,948,358	152,040	-	2,100,398
Land improvements - Springdale Pictoria	408,661	36,459	-	445,120
Land improvements - Red Bank	1,096,221	75,306	-	1,171,527
Buildings - Cincinnati Mall	4,256,728	342,832	-	4,599,560
Buildings - Springdale Pictoria	4,272,410	383,687	-	4,656,097
Buildings - Kenwood Collection	6,363,894	1,333,715	-	7,697,609
Buildings - RBM 2A	-	156,470	-	156,470
Office equipment	23,573	3,363	(7,447)	19,489
Furniture and fixtures	26,478	11,952	-	38,430
Leasehold improvements - Garage	149,571	65,359	-	214,930
Leasehold improvements - Office	804	1,918	-	2,722
Subtotal	18,546,698	2,563,101	(7,447)	21,102,352
Net capital assets being depreciated	44,616,643	3,798,227	-	48,414,870
Net capital assets	$ 55,738,855	$ 24,927,803	$ (6,341,624)	$ 74,325,034

It is The Port's practice to engage a third-party management company to manage the public-use facilities owned by The Port. The contracts generally require the management company to pay costs of operation, including but not limited to taxes, insurance, maintenance, and repairs.

Construction in Progress

Redevelopment and renovation of the public parking garage at the RBM 2A development began in August 2016 and was completed and open to the public in April 2018. In July 2018, construction on a new parking garage and related public infrastructure at the RBM 2B development began and continued through 2019 year end.

Note 4 - Capital Assets (Continued)

Construction Commitments

The Port commitments as of December 31, 2019 and 2018 are $25,979 and $585,723, respectively.

Note 5 - Fair Value Measurements

The Port 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 assets and liabilities. Level 1 inputs are quoted prices in active markets for identical assets and liabilities; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances whereby inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Port's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Port has the following recurring fair value measurements as of December 31, 2019 and 2018:

- U.S. Treasury securities of $5,895,158 and $11,328,960, respectively, are valued using quoted market prices (Level 1 inputs).
- Certificates of deposit of $2,247,479 and $0, respectively, are valued using quoted market prices (Level 1 inputs)
- Money market funds of $17,809,751 and $28,105,555, respectively, are valued using quoted market prices (Level 1 inputs).
- The interest rate swap at $0 and $151,475, respectively, is valued using a matrix pricing model (Level 2 inputs).

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of The Port's interest rate swap in 2018 was determined primarily based on Level 2 inputs. The Port estimates the fair value of this derivative using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals and daily mark reporting by the swap provider. The swap was terminated in 2019 upon the refinance of Fountain Square South Garage bonds (see Note 6).

The Port held no investments using Level 3 inputs for fair value measurement, nor investments measured at the net asset value per share as of December 31, 2019 and 2018.

Note 6 - Long-term Debt

The bonds are special limited obligations of The Port payable only from the funds established with and revenue assigned to the bond trustee under the trust indenture and treated as nonoperating revenue of The Port. All bonds issued are direct placement bonds. The bondholders have no recourse to any other revenue or assets of The Port, except for the Patient Capital Fund, Fifth and Plum Project, and the Convention Center Garage Parking Facility bondholders.

Costs of The Port, including legal costs, are generally considered to be administrative expenses under the bond documents and are eligible for payment or reimbursement from the trust if and when amounts are available in the trust for such purposes. The Port is also specifically indemnified by various parties including the private developers. This indemnification includes all costs of The Port, including legal costs.

Note 6 - Long-term Debt (Continued)

A detailed description of each bond issue as of December 31, 2019 follows:

Description	Amount
Business-type Activities	
Revenue bonds:	
2004 Cincinnati Mall Public Infrastructure (formerly known as Cincinnati Mills) Special Obligation Development Revenue Bonds, bearing interest at 6.30 percent and 6.40 percent, maturing in 2024 and 2034	$ 13,730,000
2006 Springdale Pictoria Public Parking/Infrastructure Special Obligation Development Revenue Bonds, bearing interest at 2.10 percent, maturing in 2031	6,085,000
2015 Southwest Ohio Regional Bond Fund - State Loan Revenue Bonds, bearing interest at 0.00 percent, maturing in 2055	2,500,000
2016 Kenwood Collection Redevelopment - Public Parking Project Special Obligation TIF Revenue Refunding Bonds, bearing interest at 4.50, 5.00, 6.00, 6.60, and 6.25 percent, maturing in 2039	18,290,000
2016 Patient Capital Fund - Economic Development Mortgage Revenue Bond Anticipation Notes, bearing interest at 0.15 percent, maturing in 2021	10,825,000
2016 RBM Development Phase 2A Special Obligation Development TIF Revenue Bonds, bearing interest at 4.00, 4.375, 4.75, 5.00, and 6.00 percent, maturing in 2033 and 2046	15,055,000
2017 Cincinnati Neighborhood Commercial Real Estate Loan Fund - Economic and Community Development Revenue Bonds, bearing interest at 0.00 percent through January 25, 2019 and 2.00 percent thereafter, maturing in 2026	5,000,000
2017 Fairfax Village Red Bank Infrastructure Project - Special Obligation TIF Refunding Revenue Bonds, bearing interest at 3.98 percent, maturing in 2037	3,088,104
2018 Fifth & Plum Project - Development Revenue Bonds, bearing interest at 4.95 percent through June 1, 2028 and 6.75% thereafter, maturing in 2043	12,590,000
2018 RBM Development Phase 2B Special Obligation Development TIF Revenue Bonds, bearing interest at 6.00 percent, maturing in 2050	22,805,000
2018 Greater Cincinnati Neighborhoods Housing Revitalization Loan Fund - Housing and Community Development Revenue Bond, bearing interest at 0.00 percent through March 31, 2019 and 2.22 percent thereafter, maturing in 2025	1,000,000
2019 Fountain Square South Garage - Parking Facility Refunding Revenue Bonds, bearing interest at 4.65 percent and 5.00 percent, maturing in 2043	11,180,000
2019 Convention Center Garages - Parking Facility Revenue Bonds, bearing interest ranging from 0.00 percent to 5.00 percent, maturing in 2043	26,920,000
2019 Gallery at Kenwood - Special Obligation TIF Revenue Bonds, bearing interest at 5.00 percent and 8.00 percent, maturing in 2051	26,405,000
Total	$ 175,473,104

Note 6 - Long-term Debt (Continued)

Changes in Long-term Debt

The following is a summary of long-term debt transactions (excluding unamortized bond premiums in the amount of $1,648,622 and $1,374,683 of The Port for the years ended December 31, 2019 and 2018, respectively):

	2019				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities -					
Revenue bonds	$ 119,968,304	$67,400,000	$(11,895,200)	$ 175,473,104	$ 2,602,092

	2018				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities -					
Revenue bonds	$ 84,420,156	$36,895,000	$(1,346,852)	$ 119,968,304	$ 1,869,100

Debt Service Requirements to Maturity

The annual total principal and interest requirements to service all debt outstanding at December 31, 2019 are as follows:

	Business-type Activities		
Years Ending December 31	Principal	Interest	Total
2020	$ 2,602,092	$ 7,521,023	$ 10,123,115
2021	13,712,597	8,701,007	22,413,604
2022	3,111,066	7,861,855	10,972,921
2023	3,962,874	7,714,903	11,677,777
2024	4,919,918	7,538,217	12,458,135
2025-2029	28,146,741	34,427,692	62,574,433
2030-2034	33,380,420	28,105,665	61,486,085
2035-2039	30,752,396	19,767,477	50,519,873
2040-2044	28,630,000	11,207,674	39,837,674
2045-2049	17,360,000	4,814,500	22,174,500
2050-2054	6,395,000	522,650	6,917,650
2055	2,500,000	-	2,500,000
Total	$ 175,473,104	$ 138,182,663	$ 313,655,767

Cincinnati Mall Public Infrastructure (formerly known as Cincinnati Mills)

In February 2004, The Port issued $18 million principal amount of Special Obligation Development Revenue Bonds for the purpose of financing, in cooperation with the cities of Forest Park, Ohio and Fairfield, Ohio, costs of the development of public infrastructure improvements to support the redevelopment of the suburban retail center currently known as Cincinnati Mall. The bonds consisted of $7,465,000 principal amount of term bonds maturing on February 15, 2024 and $10,535,000 principal amount of term bonds maturing on February 15, 2034. The assets acquired, improved, constructed, or otherwise developed by The Port with the proceeds of the bonds include a public parking garage and other parking facilities, two storm water detention ponds, and public roadways supporting the mall.

Note 6 - Long-term Debt (Continued)

Interest is payable semiannually at 6.30 and 6.40 percent for the 2024 and 2034 term bonds, respectively. Principal and interest payments for 2019 and 2018 were paid upon the due date. Total pledged revenues on the bonds for the year ended December 31, 2019 and 2018 were approximately $1,506,000 and $1,253,000, respectively, compared to net debt service (principal and interest) of approximately $1,417,000 and $1,414,000, respectively.

The debt service requirements for this bond issue are as follows as of December 31, 2019:

Years Ending December 31	Principal	Interest	Total
2020	$ 560,000	$ 857,885	$ 1,417,885
2021	595,000	821,503	1,416,503
2022	635,000	782,758	1,417,758
2023	680,000	741,335	1,421,335
2024	725,000	697,078	1,422,078
2025-2029	4,420,000	2,700,160	7,120,160
2030-2034	6,115,000	1,031,199	7,146,199
Total	$ 13,730,000	$ 7,631,918	$ 21,361,918

Springdale Pictoria Public Parking/Infrastructure

In October 2006, The Port issued $10 million principal amount of Special Obligation Development Revenue Bonds for the purpose of financing, in cooperation with the City of Springdale, Ohio, costs of the acquisition and development of public parking facilities to support the development of the Pictoria Corporate Center. The bonds consist of term bonds maturing on February 1, 2031. The assets acquired, improved, constructed, or otherwise developed by The Port with the proceeds of the bonds include a 1,132-space public parking garage serving the general public and located at a mixed-use commercial development (including office, restaurant, cinema, and distribution facilities).

Interest is payable semiannually at variable interest rates currently reset annually and with conversion options permitting the interest rate to be reset weekly or fixed to maturity. Until the interest rate on the bonds is fixed to maturity, bondholders have certain rights to tender bonds for purchase, as provided by the trust indenture. At issuance and as of December 31, 2019, RBC Capital Markets (formerly Seasongood & Mayer, LLC) is the remarketing agent for the bonds. Total pledged revenues on the bonds for the year ended December 31, 2019 and 2018 were approximately $780,000 and $1,003,000, respectively, compared to net debt service (principal and interest) of approximately $517,000 and $485,000, respectively.

Credit and liquidity support are provided for the bonds pursuant to a U.S. Bank N.A. Irrevocable Letter of Credit dated October 25, 2006, and as amended, extended, and reissued, and stated to expire on February 15, 2021, but extended one additional year annually thereafter if not terminated by the bank at least 270 days before February 15, 2021 or any subsequent expiration date. Obligations under the reimbursement agreement providing for that letter of credit are payable only from the trust estate established under the trust indenture. On February 15, 2015, the letter of credit fee increased from 3.0 to 3.5 percent, where it remained throughout 2019.

Note 6 - Long-term Debt (Continued)

On February 1, 2019, the interest rate was reset to 2.10 percent from 1.80 percent per year. Assuming a constant interest rate of 2.10 percent per year from February 1, 2019 to the maturity of the bonds, debt service as of December 31, 2019 is estimated as follows:

Years Ending December 31	Principal	Interest	Total
2020	$ 410,000	$ 123,480	$ 533,480
2021	425,000	114,713	539,713
2022	445,000	105,578	550,578
2023	460,000	96,075	556,075
2024	475,000	86,258	561,258
2025-2029	2,660,000	270,585	2,930,585
2030-2031	1,210,000	25,619	1,235,619
Total	$ 6,085,000	$ 822,308	$ 6,907,308

Southwest Ohio Regional Bond Fund (Reserve)

In April 2015, The Port issued $2,500,000 principal amount State Loan Revenue Bonds (Series 2015) to establish its bond fund program. The Southwest Ohio Regional Bond Fund was created from the expansion of the Dayton-region Port Authority Bond Fund. The Port's participation in the bond fund was made available by a $3.5 million deposit into the common fund (reserve), of which $2.5 million was loaned by the State of Ohio and $1.0 million was granted by Hamilton County, Ohio. Combined with Dayton's $4.2 million in reserves and a $10.0 million letter of credit, the bond fund has approximately $17.7 million in total program reserves and capacity to issue approximately $80 million in bonds. The expanded bond fund serves growing companies in 14 counties by providing access to project capital at terms and rates not available through traditional lending channels.

The state loan revenue bonds consist of term bonds maturing on April 29, 2055 in a lump sum. Interest (if any) is payable semiannually and is based upon the net investment earnings from the $2.5 million held by the trustee. The net investment earnings were $36,792 and $39,607 for the years 2019 and 2018. All investment earnings for years 2019 and 2018 were forwarded to the State of Ohio by the trustee in either the year received, or soon after yearend. Interest payable to the State of Ohio as of December 31, 2019 and 2018 was $17,040 and $4,205, respectively, and included in accrued expenses payable from restricted assets.

Assuming an interest rate of 0.0 percent per year to the maturity of the bonds, debt service as of December 31, 2019 is estimated as a lump-sum principal payment of $2.5 million in the year 2055. Total pledged revenues on the bonds for the year ended December 31, 2019 and 2018 were approximately $40,000 and $37,000, respectively, compared to net debt service (principal and interest) of approximately $40,000 and $37,000, respectively.

Kenwood Collection Redevelopment (Public Parking Project)

In May 2016, The Port issued Taxable Special Obligation TIF Revenue Refunding Bonds in principal amounts of $15,915,000 for Series 2016A and $2,750,000 for Series 2016B in order to provide funds to refund the 2008 Kenwood Development Bonds, fund required reserves, pay related issuance and transaction costs, and pay additional project costs. The Port worked with the new owner of the retail development and the Series B bonds to restructure aspects of the transaction.

The bonds being refunded were issued in January 2008. The Port issued $14,315,000 principal amount of Series 2008A Special Obligation Development Revenue Bonds and $6,115,000 of Series 2008B Taxable Special Obligation Development Revenue Bonds for the purpose of financing costs related to the acquisition, construction, installation, equipping, improvement, and development of public infrastructure improvements, in cooperation with Sycamore Township.

Note 6 - Long-term Debt (Continued)

The refinanced improvements include an approximately 2,500-space public parking garage and related infrastructure, in support of a mixed-use commercial development, generally known as Kenwood Collection, and other neighboring properties including the Kenwood Towne Centre Mall.

Litigation primarily relating to the construction of the Kenwood Development had prevented timely completion of the project facilities. The foreclosure sale of the Kenwood Development occurred in July 2012, which allowed The Port to resume construction of the public parking garage in 2013.

On February 1, 2011, the 2008 bonds were tendered to the trustee, in accordance with the trust indenture, at 100 percent of the principal amount plus accrued interest. The bonds were purchased from proceeds of draws on the letters of credit and were held as pledged bonds under the indenture until successfully remarketed in 2016.

Upon refunding the 2008B bonds, The Port recognized a $3,365,000 gain on the extinguishment of debt from the exchange of $6,115,000 Series 2008B bonds for $2,750,000 Series 2016B refunding bonds.

The table below summarizes the 2016 Taxable Special Obligation TIF Revenue Refunding Bonds issued:

Series	Amount	Matures January 1	Interest Rate	Bond Type
2016A	$ 375,000	2019	3.75%	Serial
2016A	800,000	2021	4.50	Term
2016A	1,355,000	2024	5.00	Term
2016A	2,810,000	2029	6.00	Term
2016A	10,575,000	2039	6.60	Term
2016B	2,750,000	2039	6.25*	Term
	$ 18,665,000			

*The 2016B refunding bonds have an interest rate of 6.25 percent through December 31, 2020, and 6.90 percent thereafter.

Interest is payable semiannually on the 2016A bonds, and the initial interest payment on the 2016B bonds is January 1, 2021 with semiannual payments thereafter. Total pledged revenues on the bonds for the year ended December 31, 2019 and 2018 were approximately $1,431,000 and $1,603,000, respectively, compared to net debt service (principal and interest) of approximately $1,352,000 and $984,000, respectively.

Assuming interest rates as shown in the table above through maturity of the bonds, debt service is estimated as follows as of December 31, 2019:

Years Ending December 31	Principal	Interest	Total
2020	$ 390,000	$ 961,525	$ 1,351,525
2021	410,000	1,835,232	2,245,232
2022	505,000	1,110,713	1,615,713
2023	530,000	1,083,365	1,613,365
2024	560,000	1,054,548	1,614,548
2025-2029	3,365,000	4,707,638	8,072,638
2030-2034	4,635,000	3,434,760	8,069,760
2035-2039	7,895,000	1,556,016	9,451,016
Total	$ 18,290,000	$ 15,743,797	$ 34,033,797

Note 6 - Long-term Debt (Continued)

Patient Capital Fund

In June 2016, The Port issued $7,325,000 principal amount Economic Development Mortgage Revenue Bond Anticipation Notes to establish its Patient Capital Fund. In 2017, The Port issued an additional $3,500,000 principal amount bringing the total original issue to $10,825,000 as of December 31, 2017.

The proceeds raised from social impact investment will be used to fund the acquisition of underutilized urban industrial sites and to reposition them for advanced manufacturing. The maximum amount of Patient Capital Fund funds used cannot exceed the expected land sale proceeds. Thus, funding for these industrial projects will likely require a combination of various funding sources. The Port developed this program for community-minded private investors, providing them with a transformational way to invest for economic development and social impact.

During 2016, The Port utilized Patient Capital Fund funds in the amounts of $6,383,788 to acquire 56 acres at 2100 Section Rd. in Amberley Village (the former headquarters of Gibson Greetings Cards) and $841,320 to acquire 19 acres at 2250 Seymour Ave. in Bond Hill (the former Cincinnati Gardens arena). Both sites are being redeveloped to attract advanced manufacturing. In 2017, The Port utilized Patient Capital Fund funds in the amount of $497,559 for redevelopment of the Amberley Site.

The notes bear interest at 0.15 percent per year, and interest is due upon the note maturity date of June 1, 2021. The Port's nontax revenue is pledged to support the interest payment if other funds held in trust are not available. To the extent debt service funds held by the trustee are not sufficient to pay principal due on the note maturity date, The Port will issue bonds to the Patient Capital Fund noteholders for the remaining unpaid principal amount. The bonds, if issued, will also bear interest at 0.15 percent per year with interest payable semiannually and will mature on June 1, 2026. The notes and bonds constitute special obligations of The Port, issued under and secured by the trust agreement and payable solely from the pledged revenue and secured mortgages authorized by the trust agreement. Total pledged revenues on the bonds for the year ended December 31, 2019 and 2018 were approximately $62,000 and $6,000, respectively, with no net debt service (principal and interest) payments in 2019 or 2018.

Assuming a constant interest rate of 0.15 percent per year to the maturity of the notes, debt service is estimated as follows as of December 31, 2019:

Years Ending December 31	Principal	Interest	Total
2020	$ -	$ -	$ -
2021	10,825,000	75,518	10,900,518
Total	$ 10,825,000	$ 75,518	$ 10,900,518

RBM Development Phase 2A Project

In July 2016, The Port issued $15,065,000 principal amount of Special Obligation Development TIF Revenue Bonds for the purpose of financing, in cooperation with the City of Cincinnati, costs of the acquisition and development of public parking facilities and related public infrastructure improvements supporting the development. The site consists of eight acres (Phase 2A) on the 31-acre campus headquarters of Medpace, a research-based drug and medical device company. The project is specifically located at the southeast intersection of Red Bank Expressway and Madison Road in the Madisonville neighborhood of the City of Cincinnati, Ohio. The mixed-use site includes a 239-room, six-story full-service boutique hotel and conference center, which sits atop the parking garage.

Note 6 - Long-term Debt (Continued)

The table below summarizes the Special Obligation Development TIF Revenue Bonds issued. Interest is payable semiannually:

Series	Amount	Matures January 1	Interest Rate	Bond Type	Bond Type
2016A	$ 1,115,000	2025	4.000%	Term	Taxable
2016A	1,080,000	2029	4.375	Term	Taxable
2016A	1,360,000	2033	4.750	Term	Taxable
2016B	8,765,000	2046	5.000	Term	Tax exempt
2016C	2,745,000	2046	6.000	Term	Tax exempt
	$ 15,065,000				

Total pledged revenues on the bonds for the year ended December 31, 2019 and 2018 were approximately $818,000 and $83,000, respectively, compared to net debt service (principal and interest) of approximately $769,000 and $759,000, respectively. Assuming interest rates as shown in the table above through maturity of the bonds, debt service is estimated as follows as of December 31, 2019:

Years Ending December 31	Principal	Interest	Total
2020	$ 160,000	$ 759,000	$ 919,000
2021	195,000	752,200	947,200
2022	205,000	743,900	948,900
2023	215,000	735,100	950,100
2024	255,000	725,800	980,800
2025-2029	1,550,000	3,445,181	4,995,181
2030-2034	2,290,000	3,008,125	5,298,125
2035-2039	3,280,000	2,328,500	5,608,500
2040-2044	4,580,000	1,348,550	5,928,550
2045-2046	2,325,000	183,250	2,508,250
Total	$ 15,055,000	$ 14,029,606	$ 29,084,606

Cincinnati Neighborhood Commercial Real Estate Loan Fund

In 2017, The Port issued two tranches of Economic and Community Development Revenue Bonds totaling $2,000,000 to establish its Commercial Real Estate Loan Fund (the "Loan Fund") that will focus on rebuilding commercial districts in targeted Cincinnati neighborhoods. The Port issued a third tranche in the amount of $500,000 in 2018, and a final tranche of $2,500,000 in 2019, bringing the total Loan Fund issue to $5,000,000 at December 31, 2019.

The Kresge Foundation, a private, national foundation based in Detroit, Michigan, provided initial capital to seed the Loan Fund up to $5,000,000. The Port administers the Loan Fund and develops the program.

The Loan Fund is part of a program aligned with The Port's strategic initiative to comprehensively revitalize disinvested target neighborhoods through acquisition and rehab of blighted residential properties and development of commercial districts with place-based, neighborhood-serving retail, arts and culture, and microenterprise. Among the program goals are to help lower the barrier for local business formation by providing available space for target tenants; stabilizing neighborhoods through the support of entrepreneurship; and restoring vibrant retail and commerce with a focus on inclusivity and engagement of neighborhood-based enterprise.

The Port provided loans from the Commercial Real Estate Loan Fund totaling $1,035,000 in 2017 and $1,937,000 in 2019 (see Note 2).

Note 6 - Long-term Debt (Continued)

The bonds bear interest at 0.00 percent per year through January 25, 2019 and 2.00 percent thereafter through the bond maturity date of December 31, 2026. Interest payments are quarterly in arrears, starting with the initial interest payment date of March 31, 2019. The bonds constitute special obligations of The Port, and the bond payments due are payable solely from pledged revenue, including the Loan Fund and any other recourse assets. Total pledged revenues on the bonds for the year ended December 31, 2019 and 2018 were approximately $85,000 and $53,000, respectively, compared to net debt service (principal and interest) of approximately $64,000 and $0, respectively.

Assuming an interest rate of 2.00 percent, debt service is estimated as follows as of December 31, 2019:

Years Ending December 31	Principal	Interest	Total
2020	$ -	$ 100,000	$ 100,000
2021	-	100,000	100,000
2022	-	100,000	100,000
2023	500,000	100,000	600,000
2024	1,000,000	90,000	1,090,000
2025-2026	3,500,000	120,000	3,620,000
Total	$ 5,000,000	$ 610,000	$ 5,610,000

Fairfax Red Bank Public Infrastructure

In November 2017, The Port issued Special Obligation TIF Refunding Revenue Bonds in the principal amount of $7,035,000 to provide funds to refund the 2007 Fairfax Red Bank Bonds, fund required reserves, and pay related issuance and transaction costs.

The bonds being refunded were issued in May 2007. The Port issued $7,675,000 principal amount of Series 2007 Special Obligation Development Revenue Bonds for the purpose of financing costs of the acquisition, construction, installation, equipping, improvement, and development of public infrastructure improvements, in cooperation with the Village of Fairfax, Ohio.

The refinanced improvements include road and street improvements, public utility (water, sanitary sewer, and storm water control facilities), and public safety improvements, in support of a mixed-use commercial development generally known as Red Bank Village.

Interest on the Series 2017 bonds is payable semiannually at 3.98 percent through the bond maturity date of February 1, 2037. Total pledged revenues on the bonds for the year ended December 31, 2019 and 2018 were approximately $382,000 and $378,000, respectively, compared to net debt service (principal and interest) of approximately $242,000 and $135,000, respectively.

Because of the nature and location of certain of the improvements financed, those improvements are owned by the Village of Fairfax, Ohio or other political subdivisions pursuant to cooperative agreements, dedication, or other arrangements (Red Bank Non-Port Infrastructure). The portion of the refunding revenue bonds issued to refinance Red Bank Non-Port Infrastructure ($3,787,644 principal amount, or 53.84 percent) and related revenue, expenses, assets, and liabilities is treated as a separate issue of conduit revenue bonds issued by The Port (Red Bank Conduit Bonds). The remaining improvements refinanced are owned by The Port (Red Bank Port Infrastructure) and, to the extent issued to refinance Red Bank Port Infrastructure ($3,247,356 principal amount, or 46.16 percent), those bonds (Red Bank Infrastructure Bonds), and related revenue, expenses, assets, and liabilities, are treated as a separate issue of infrastructure development refunding revenue bonds issued to refinance assets of The Port.

Note 6 - Long-term Debt (Continued)

The debt service requirements for The Port's portion of the Red Bank Infrastructure Bonds as of December 31, 2019 are as follows:

Years Ending December 31	Principal	Interest	Total
2020	$ 120,016	$ 121,712	$ 241,728
2021	126,940	116,890	243,830
2022	131,556	111,792	243,348
2023	136,172	106,510	242,682
2024	140,788	101,044	241,832
2025-2029	800,876	414,924	1,215,800
2030-2034	969,360	241,128	1,210,488
2035-2037	662,396	43,909	706,305
Total	$ 3,088,104	$ 1,257,909	$ 4,346,013

Fifth and Plum Project

In June 2018, The Port issued $12,590,000 principal amount Development Revenue Bonds (Series 2018) for the purpose of acquiring real and personal property comprising the project and paying bond issuance costs. The 1.7 acre property is a 250-space parking lot located south of the Duke Energy Convention Center in the southwest corner of Cincinnati's central business district. The Port will continue to operate the property as a surface parking lot in the short term, while exploring development options for the best long-term benefit to the region.

The term bonds have an initial interest rate of 4.95 percent. On June 2, 2028 the interest rate resets through maturity at a rate equal to the 10-year U.S. Treasury Securities rate on this date plus 2.12 percent, with a minimum calculated rate of 5.03 percent and a maximum calculated rate of 6.75 percent. The bonds have a maturity date of June 1, 2043 with semiannual payments of interest and principal on the bonds (principal payments commence June 1, 2024). Total pledged revenues on the bonds for the year ended December 31, 2019 and 2018 were approximately $942,000 and $437,000, respectively, compared to net debt service (principal and interest) of approximately $662,000 and $281,000, respectively. Additionally, The Port's nontax revenue is pledged to support the principal and interest payment if other funds held in the trust are not available.

Assuming a constant interest rate of 4.95 percent per year through June 1, 2028 and 6.75 percent (the maximum rate on the reset date) thereafter to the maturity of the bonds, debt service is estimated as follows as of December 31, 2019:

Years Ending December 31	Principal	Interest	Total
2020	$ -	$ 623,205	$ 623,205
2021	-	623,205	623,205
2022	-	623,205	623,205
2023	-	623,205	623,205
2024	225,000	620,483	845,483
2025-2029	1,485,000	3,193,493	4,678,493
2030-2034	2,130,000	3,392,381	5,522,381
2035-2039	4,130,000	2,393,044	6,523,044
2040-2043	4,620,000	655,930	5,275,930
Total	$ 12,590,000	$ 12,748,151	$ 25,338,151

Note 6 - Long-term Debt (Continued)

RBM Development Phase 2B Project

In July 2018, The Port issued $22,805,000 principal amount of Special Obligation Development TIF Revenue Bonds (Series 2018) for the purpose of financing the costs of acquiring, constructing and equipping an approximately 905-space structured parking facility and related public improvements, located on the 31-acre campus headquarters of Medpace. This project expands the campus development started in 2016 (see RBM Development Phase 2A Project – Series 2016).

In addition to proceeds received from the issuance of the RBM Development Phase 2B bonds, The Port received a $4,893,328 developer contribution to fund the project.

The bonds bear interest at 6.00 percent annually through the bond maturity date of December 1, 2050. Interest payments are semiannual. Total pledged revenues on the bonds for the year ended December 31, 2019 and 2018 were approximately $288,000 and $189,000, respectively, compared to net debt service (principal and interest) of approximately $1,368,000 and $460,000, respectively.

Assuming an interest rate of 6.00 percent through maturity of the bonds, debt service is estimated as follows as of December 31, 2019:

Years Ending December 31	Principal	Interest	Total
2020	$ -	$ 1,368,300	$ 1,368,300
2021	170,000	1,368,300	1,538,300
2022	180,000	1,358,100	1,538,100
2023	190,000	1,347,300	1,537,300
2024	235,000	1,335,900	1,570,900
2025-2029	1,520,000	6,443,400	7,963,400
2030-2034	2,420,000	5,886,000	8,306,000
2035-2039	3,595,000	5,030,100	8,625,100
2040-2044	5,220,000	3,766,800	8,986,800
2045-2049	7,460,000	1,947,600	9,407,600
2050	1,815,000	108,900	1,923,900
Total	$ 22,805,000	$ 29,960,700	$ 52,765,700

Greater Cincinnati Neighborhoods Housing Revitalization Loan Fund

In August 2018, The Port issued a $1,000,000 Housing and Community Development Revenue Bond to establish its Greater Cincinnati Neighborhoods Housing Revitalization Loan Fund (the "Program Fund") to rehab foreclosed, vacant residential properties into homes ready for sale in targeted Cincinnati neighborhoods.

The Greater Cincinnati Foundation provided the initial capital to seed the Program Fund. The Port administers the Program Fund and develops the program.

The Program Fund is part of The Port's strategic initiative to comprehensively revitalize disinvested target neighborhoods through acquisition and rehabilitation of blighted residential properties. This strategy has increasingly focused on barriers to opportunity, including the growing housing affordability crisis in Hamilton County and concern over displacement of legacy residents in neighborhoods undergoing revitalization.

During 2019 and 2018, The Port provided project loans from the Program Fund totaling $771,200 and $973,549, respectively (see Note 2). Two non-profit organizations managed by The Port are eligible borrowers, namely the Hamilton County Land Reutilization Corporation and Homesteading & Urban Redevelopment Corporation.

Note 6 - Long-term Debt (Continued)

The bonds bear interest at 0.00 percent per year through March 31, 2019 and 2.2213 percent thereafter through the bond maturity date of April 1, 2025. Interest payments are quarterly in arrears, commencing on July 1, 2019. The bonds constitute special obligations of The Port, and the bond payments due are payable solely from pledged revenue, including the Program Fund and any other recourse assets. Total pledged revenues on the bonds for the year ended December 31, 2019 and 2018 were approximately $25,000 and $10,000, respectively, compared to net debt service (principal and interest) of approximately $11,000 and $0, respectively.

Assuming interest rates of 0.00 percent through March 31, 2019 and 2.2213 percent thereafter, debt service is estimated as follows as of December 31, 2019:

Years Ending December 31	Principal	Interest	Total
2020	$ -	$ 22,213	$ 22,213
2021	-	22,213	22,213
2022	-	22,213	22,213
2023	-	22,213	22,213
2024	-	22,213	22,213
2025	1,000,000	11,106	1,011,106
Total	$ 1,000,000	$ 122,171	$ 1,122,171

Fountain Square South Garage - Parking Facility

In March 2019, The Port refinanced and consolidated debt for Fountain Square South Garage and Amberley Site bonds. The $11,325,000 principal debt issued consists of: $4,025,000 of bonds from the Southwest Ohio Regional Bond Fund issued by The Port at a fixed interest rate of 5.00 percent, and $7,300,000 from the Central Ohio Regional Bond Fund issued by the Columbus-Franklin County Finance Authority at a fixed interest rate of 4.65 percent. The cross collateralized bonds have a final maturity date in the year 2043. The refinance eliminated the interest rate swap on the 2015 Fountain Square South Garage bonds and removed The Port's nontax revenue pledge assigned under the Amberley Site bonds.

The 2016 Amberley Site development bonds were issued to assist with financing the acquisition of 56 acres at 2100 Section Rd. in Amberley Village (the former headquarters of Gibson Greetings). The other source of funds to acquire the property was the Patient Capital Fund. The principal balance of these bonds on the refinance date was $1,980,000.

The 2015 Parking Facility Revenue Bonds were issued for the purpose of acquiring a leasehold interest in, improving, furnishing, and equipping The Port's facilities, which includes Fountain Square South Garage (an underground parking garage located in downtown Cincinnati, Ohio), or financing other facilities approved by its board of directors. The principal balance of these bonds at refinancing was $8,064,100.

A long-term lease agreement for Fountain Square South Garage is with the City of Cincinnati, Ohio whereby The Port has agreed to operate, maintain, and rehabilitate the garage and use garage revenue to pay annual debt service on the bonds and other certain payments (see Note 8). Total pledged revenues on the bonds for the year ended December 31, 2019 and 2018 were approximately $1,854,000 and $1,872,000, respectively, compared to net debt service (principal and interest) of approximately $637,000 and $632,000, respectively.

Note 6 - Long-term Debt (Continued)

The debt service requirements for the bonds are as follows as of December 31, 2019:

Years Ending December 31	Principal	Interest	Total
2020	$ 210,000	$ 531,280	$ 741,280
2021	230,000	521,029	751,029
2022	235,000	510,054	745,054
2023	255,000	498,605	753,605
2024	260,000	486,316	746,316
2025-2029	1,550,000	2,226,588	3,776,588
2030-2034	2,015,000	1,808,790	3,823,790
2035-2039	2,630,000	1,264,829	3,894,829
2040-2043	3,795,000	510,899	4,305,899
Total	$ 11,180,000	$ 8,358,390	$ 19,538,390

Convention Center Garages - Parking Facilities

In April 2019, The Port acquired two parking facilities located at 605 Plum and 609 Elm, directly north of the Duke Energy Convention Center in Cincinnati's central business district. The 605 Plum parking facility has approximately 280,000 square feet, with 5 levels, 890 parking spaces and 7,800 square feet of retail on the street level. The 609 Elm parking facility has approximately 240,000 square feet with 5 levels and 680 parking spaces.

The $27,170,000 principal debt issued for The Port's acquisition of the garages includes: $4,500,000 of bonds from the Southwest Ohio Regional Bond Fund issued by The Port at a fixed interest rate of 4.65 percent, $15,245,000 of bonds issued by the State of Ohio (ODOT) with fixed interest rates ranging between 2.00 and 5.00 percent, and a $7,425,000 loan from the Ohio Development Services Agency (ODSA) with an initial interest rate of 0.00 percent later increasing to 3.00 percent.

All debt related to the garages is cross collateralized and matures in the year 2043. Interest and principal on the bonds are paid semiannually, however The Port funds debt service to the trustee on a monthly basis from parking operations. Additionally, The Port's nontax revenue is pledged to support the principal and interest payment if other funds held in the trust are not available.

A long-term ground lease agreement for the 605 Plum garage is with the City of Cincinnati, Ohio whereby The Port has agreed to pay a percentage of garage operating revenues to the City. This accrued ground lease liability is netted from parking revenue. Total pledged revenues on the bonds for the year ended December 31, 2019 were approximately $1,865,000 compared to net debt service (principal and interest) of approximately $720,000.

The debt service requirements for the bonds are as follows as of December 31, 2019:

Years Ending December 31	Principal	Interest	Total
2020	$ 752,076	$ 809,962	$ 1,562,038
2021	735,657	864,204	1,599,861
2022	734,510	907,542	1,642,052
2023	766,702	878,395	1,645,097
2024	804,130	847,577	1,651,707
2025-2029	4,495,865	3,770,167	8,266,032
2030-2034	8,901,060	2,737,513	11,638,573
2035-2039	4,755,000	1,447,829	6,202,829
2040-2043	4,975,000	475,245	5,450,245
Total	$ 26,920,000	$ 12,738,434	$ 39,658,434

Note 6 - Long-term Debt (Continued)

Gallery at Kenwood

In December 2019, The Port issued $26,405,000 principal amount of Special Obligation Development TIF Revenue Bonds for the purpose of financing the costs of acquiring, constructing and equipping an approximately 633-space public parking facility and related public improvements at The Gallery at Kenwood. The project is a mixed-use development on a 7-acre site located on Kenwood Road in Sycamore Township of Hamilton County, Ohio and includes: a six-story 130-room hotel, a five-story 115,000 square foot office building, two restaurants, and 248 luxury apartments.

In addition to proceeds received from the issuance of bonds, The Port received land valued at $4,999,052 (see Note 4).

The bonds bear interest at 5.00 percent and 8.00 percent annually through the bond maturity date of November 1, 2051. Interest payments are semiannual. There were no pledged revenues on the bonds for the year ended December 31, 2019 and no net debt service (principal and interest).

The debt service requirements for the bonds are as follows as of December 31, 2019:

Years Ending December 31	Principal	Interest	Total
2020	$ -	$ 1,242,461	$ 1,242,461
2021	-	1,486,000	1,486,000
2022	40,000	1,486,000	1,526,000
2023	230,000	1,482,800	1,712,800
2024	240,000	1,471,000	1,711,000
2025-2029	1,800,000	7,124,450	8,924,450
2030-2034	2,695,000	6,540,150	9,235,150
2035-2039	3,805,000	5,703,250	9,508,250
2040-2044	5,440,000	4,450,250	9,890,250
2045-2049	7,575,000	2,683,650	10,258,650
2050-2051	4,580,000	413,750	4,993,750
Total	$ 26,405,000	$ 34,083,761	$ 60,488,761

Note 7 - Public Funding

For the years ended December 31, 2019 and 2018, public funding for The Port came from the following sources:

	2019	2018
Hamilton County, Ohio	$ 700,000	$ 700,000
City of Cincinnati, Ohio	-	700,000
Total	$ 700,000	$ 1,400,000

Note 8 - Leases

Operating Leases

As of December 31, 2019, noncancelable operating leases for office space and equipment expire in various years through 2025. In October 2014, The Port signed a 10-year and 10-month term sublease agreement for office space. Minimum annual lease payments began in April 2016 and range from approximately $100,000 to $115,000.

Note 8 - Leases (Continued)

Future minimum lease payments are as follows:

Years Ending December 31	Amount
2020	$ 131,129
2021	126,847
2022	128,474
2023	130,125
2024	131,802
Thereafter	71,501
Total	$ 719,878

On January 8, 2015, the City of Cincinnati, Ohio leased a city-owned parking garage (Fountain Square Garage) to The Port for $100 for a 30-year term. The purpose of the lease is to modernize and improve the garage and provide funds to The Port for economic development within the city limits. In accordance with the agreement, The Port issued bonds to make improvements to the garage (see Note 6). The improvements are capitalized as leasehold improvements (see Note 4) and are amortized over the life of the lease.

In April 2019, The Port acquired the 605 Plum Street garage adjacent to the Convention Center in Cincinnati's central business district (see Note 6). The acquisition included the transfer of a ground lease with the City of Cincinnati, Ohio, the owner of title to the property. The ground lease is dated March 22, 1985 and has a term expiring on March 31, 2055. Basic rent, as defined by the lease, is $1 payable annually plus a percentage of garage operating revenues.

Note 9 - Net Pension and OPEB Liabilities

Net Pension and OPEB Liabilities

The net pension and OPEB (other postemployment benefits) liabilities reported on the statement of net position represents liabilities to employees for pensions and OPEB. 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/OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension and OPEB liabilities represent The Port's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability 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 this estimate annually.

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

GASB Statement No. 68 assumes the pension 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 include costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the state legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Note 9 - Net Pension and OPEB Liabilities (Continued)

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

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 accrued liabilities.

Plan Description

The Port's employees participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit pension and OPEB plan administered by OPERS. OPERS provides retirement, disability and survivor benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

OPERS administers three separate pension plans: the *traditional pension plan*, a cost-sharing, multiple-employer defined benefit pension plan; the *member-directed plan*, a defined contribution plan; and the *combined plan*, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. The Port employees are members in either the traditional pension plan or the member-directed plan. The Port has no employee members in the combined plan. OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare trust, which funds multiple health care plans including medical coverage, prescription drug coverage, and deposits to a health reimbursement arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. 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 healthcare coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB), as described in GASB Statement No. 75. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend health care coverage is provided to the OPERS board in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. When funding is approved by 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 covered payroll of active members. In 2019 and 2018, local employer units contributed at a rate of 14 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund postretirement healthcare benefits.

Note 9 - Net Pension and OPEB Liabilities (Continued)

Each year, the OPERS board of trustees determines the portion of the employer contribution rate that will be set aside for funding of postemployment healthcare benefits. The portion of employer contributions allocated to health care for members in the traditional pension and combined plans was 0 percent in years 2019 and 2018, as recommended by the OPERS' actuary. The OPERS board of trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the healthcare benefits 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 member-directed plan participants was 4.0 percent for years 2019 and 2018.

No portion of the employer contributions in years 2019 and 2018 was made to fund other postemployment benefits (OPEB). There are no postemployment benefits provided by The Port other than those provided through OPERS.

Benefits Provided

All benefits of OPERS, and any benefit increases, are established by the legislature pursuant to Ohio Revised Code Chapter 145. The board, pursuant to Ohio Revised Code Chapter 145, has elected to maintain funds to provide healthcare coverage to eligible traditional pension plan and combined plan retirees and survivors of members. Healthcare coverage does not vest and is not required under R.C. Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the board. Additional information on OPERS healthcare coverage can be found in the OPERS 2018 CAFR.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Members who were eligible to retire under law in effect prior to SB 343 or will be eligible to retire no later than five years after January 7, 2013, comprise transition Group A. Members who have 20 years of service credit prior to January 7, 2013, or will be eligible to retire no later than 10 years after January 7, 2013, are included in transition Group B. Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013. Please see the plan statement in the OPERS 2018 CAFR for additional details.

In the traditional pension plan, state and local members are calculated on the basis of age, final average salary (FAS), and service credit. State and local members in transition Groups A and B are eligible for retirement benefits at age 60 with 60 contributing months of service credit or at age 55 with 25 or more years of service credit. Group C for state and local members is eligible for retirement at age 57 with 25 years of service or at age 62 with five years of service. For Groups A and B, the annual benefit is based on 2.2 percent of final average salary multiplied by the actual years of service for the first 30 years of service credit and 2.5 percent for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2 percent for the first 35 years and a factor of 2.5 percent for the years of service in excess of 35. 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. Refer to the age-and-service tables located in the OPERS 2018 CAFR Plan Statement for additional information regarding the requirements for reduced and unreduced benefits. Members who retire before meeting the age and years of service credit requirement for unreduced benefit receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost of living adjustment.

Contributions

Employers are required to make contributions to OPERS on the basis of a percentage of eligible salary and at a rate based upon the recommendations of the OPERS actuary, subject to the statutory limitations. Penalties and interest are assessed for late payments. The contribution rate for state and local employers in 2019 and 2018 was 14.0 percent. The 2019 and 2018 employee contribution rate for state and local members was 10.0 percent of earnable salary.

Note 9 - Net Pension and OPEB Liabilities (Continued)

Individual accounts for each member of OPERS are maintained and funds contributed by members of the traditional pension plan are fully refundable at service termination or death. The refund value of contributions made by members of the combined plan and the member-directed plan are subject to changes (gains or losses) that occur as a result of the member's selected investment options.

Payable to the Pension and OPEB Plans

At December 31, 2019 and 2018, The Port reported a payable of $50,698 and $55,029, respectively, to OPERS for the outstanding amount of contributions to the plan required for the years ended December 31, 2019 and 2018.

Net Pension Liability, Deferrals, and Pension Expense

At December 31, 2019 and 2018, The Port reported a liability of $3,670,558 and $1,993,142, respectively, for its proportionate share of the net pension liability for OPERS. The net pension liability was measured as of December 31, 2018 and 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Port's proportion of the net pension liability was based on The Port's share of contributions to the pension plan relative to the contributions of all participating entities. The Port's proportionate share of the OPERS net pension liability is 0.013416 and 0.012736 percent for 2018 and 2017, respectively.

For the year ended December 31, 2019 and 2018, The Port recognized pension expense of $1,143,261 and $709,825, respectively.

At December 31, 2019 and 2018, The Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 16,038	$ 48,247	$ 11,409	$ 39,373
Changes in assumptions	321,044	-	239,341	-
Net difference between projected and actual earnings on pension plan investments	499,977	-	-	430,293
Changes in proportionate share and differences between employer contributions and proportionate share of contributions	304,394	2,588	517,610	1,417
Employer contributions to the plan subsequent to the measurement date	382,503	-	352,797	-
Total	$ 1,523,956	$ 50,835	$ 1,121,157	$ 471,083

Note 9 - Net Pension and OPEB Liabilities (Continued)

Contributions of $382,503 reported as deferred outflows of resources as of December 31, 2019 are related to pension resulting from The Port’s contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31	Amount
2020	$ 600,577
2021	199,852
2022	48,557
2023	234,734
2024	2,024
Thereafter	4,874
Total	$ 1,090,618

Net OPEB Liability, Deferrals, and OPEB Expense

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Port's proportion of the net OPEB liability was based on The Port's share of contributions to the retirement plan relative to the contributions of all participating entities. The Port's proportionate share of the OPERS net OPEB liability is 0.019087 and 0.017222 percent for 2018 and 2017, respectively. At December 31, 2019 and 2018, The Port reported a liability of $2,488,494 and $1,870,194, respectively, for its proportionate share of the net OPEB liability for OPERS.

For the year ended December 31, 2019 and 2018, The Port recognized OPEB expense of $292,394 and $179,479, respectively.

At December 31, 2019 and 2018, The Port reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 843	$ 6,752	$ 1,457	$ -
Changes in assumptions	80,232	-	136,170	-
Net difference between projected and actual earnings on OPEB plan investments	114,083	-	-	139,317
Changes in proportionate share and differences between employer contributions and proportionate share of contributions	135,811	-	-	-
Employer contributions to the plan subsequent to the measurement date	-	-	-	-
Total	$ 330,969	$ 6,752	$ 137,627	$ 139,317

Note 9 - Net Pension and OPEB Liabilities (Continued)

The Port had no OPEB contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31	Amount
2020	$ 156,080
2021	89,835
2022	20,830
2023	57,472
2024	-
Thereafter	-
Total	$ 324,217

Actuarial Assumptions

The total pension liability in the actuarial valuations was determined using the following actuarial assumptions applied to all periods included in the measurement:

	Ohio Public Employees Retirement System (OPERS)
Valuation date	December 31, 2018 and 2017
Experience study	Five-year period ended December 31, 2015
Actuarial cost method	Individual entry age
Investment rate of return	7.20% for 2018 and 7.50% for 2017 - Net of pension plan investment expense
Wage inflation	3.25%
Projected salary increases	3.25-10.75% (includes wage inflation at 3.25%) Traditional Plan 3.25-8.25% (includes wage inflation at 3.25%) Combined/Member-Directed Plans
Cost of living adjustments	3.00% Simple through 2018, then 2.15% simple thereafter

The total OPEB liability in the actuarial valuations was determined using the following actuarial assumptions applied to all periods included in the measurement:

	Ohio Public Employees Retirement System (OPERS)	
Valuation date	December 31, 2017 rolled forward to the measurement date December 31, 2018	December 31, 2016 rolled forward to the measurement date December 31, 2017
Experience study	Five-year period ended December 31, 2015	Five-year period ended December 31, 2015
Actuarial cost method	Individual entry age	Individual entry age
Single discount rate	3.96% current measurement date	3.85% current measurement date
Investment rate of return	6.00% - Net of OPEB plan investment expense	6.50% - Net of OPEB plan investment expense
Municipal bond rate	3.71%	3.31%
Wage inflation	3.25%	3.25%
Projected salary increases	3.25-10.75% (includes wage inflation at 3.25%)	3.25-10.75% (includes wage inflation at 3.25%)
Health care cost trend rate	10.0% initial, 3.25% ultimate in 2029	7.50% initial, 3.25% ultimate in 2028

Note 9 - Net Pension and OPEB Liabilities (Continued)

Mortality rates were 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.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 and 7.50 percent for years 2018 and 2017, respectively. The projection of cash flows used to determine the pension discount rate assumed that contributions from plan members and those of the contributing employers are made at statutorily required rates.

A single discount rate of 3.96 and 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2018 and 2017, respectively. This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 and 6.50 percent and a municipal bond rate of 3.71 and 3.31 percent, for years 2018 and 2017, respectively. The projection of cash flows used to determine the single OPEB discount rate assumed that employer contributions will be made at rates equal to statutorily required rates.

Projected Cash Flows

Based on the pension plan assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Based on the OPEB plan assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Investment Rate of Return

The allocation of investment assets within the defined benefit portfolio is approved by the board 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 plan. The following table displays the board-approved asset allocation policy for years 2018 and 2017 and the long-term expected real rates of return.

Note 9 - Net Pension and OPEB Liabilities (Continued)

Asset Class	2018 Target Allocation	2018 Long-term Expected Real Rate of Return	2017 Target Allocation	2017 Long-term Expected Real Rate of Return
Fixed income	23.00%	2.79%	23.00%	2.20%
Domestic equities	19.00	6.21	19.00	6.37
Real estate	10.00	4.90	10.00	5.26
Private equity	10.00	10.81	10.00	8.97
International equities	20.00	7.83	20.00	7.88
Other investments	18.00	5.50	18.00	5.26
Total	100.00%	5.95%	100.00%	5.66%

The allocation of investment assets within the health care portfolio is approved by the board as outlined in the annual investment plan. 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. The system's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The following table displays the board-approved asset allocation policy for years 2018 and 2017 and the long-term expected real rates of return.

Asset Class	2018 Target Allocation	2018 Long-term Expected Real Rate of Return	2017 Target Allocation	2017 Long-term Expected Real Rate of Return
Fixed income	34.00%	2.42%	34.00%	1.88%
Domestic equities	21.00	6.21	21.00	6.37
REITs	6.00	5.98	6.00	5.91
International equities	22.00	7.83	22.00	7.88
Other investments	17.00	5.57	17.00	5.39
Total	100.00%	5.16%	100.00%	4.98%

The long-term expected rate of return on both defined benefit and health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the defined benefit portfolio, the health care portfolio and the defined contribution portfolio. The defined benefit portfolio includes the investment assets of the Traditional pension plan, the defined benefit component of the combined plan, and the annuitized accounts of the member-directed plan. 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 money-weighted rate of return, net of investment expense, for the defined benefit portfolio is a loss of 2.94 and gain of 16.82 percent for 2018 and 2017, respectively.

Note 9 - Net Pension and OPEB Liabilities (Continued)

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 a loss of 5.60 and gain of 15.20 percent for 2018 and 2017, respectively.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of The Port, calculated using the discount rate of 7.20 and 7.50 percent for years 2019 and 2018, respectively, as well as what The Port's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (6.20%)	Current Discount Rate (7.20%)	1 Percent Increase (8.20%)
Net pension liability - 2019	$ 5,426,441	$ 3,670,558	$ 2,210,302

	1 Percent Decrease (6.50%)	Current Discount Rate (7.50%)	1 Percent Increase (8.50%)
Net pension liability - 2018	$ 3,545,107	$ 1,993,142	$ 698,904

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

The following presents the net OPEB liability of The Port, calculated using the single discount rate of 3.96 and 3.85 percent for years 2019 and 2018, respectively, as well as what The Port's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (2.96%)	Current Single Discount Rate (3.96%)	1 Percent Increase (4.96%)
Net OPEB liability - 2019	$ 3,183,712	$ 2,488,494	$ 1,935,613

	1 Percent Decrease (2.85%)	Current Single Discount Rate (3.85%)	1 Percent Increase (4.85%)
Net OPEB liability - 2018	$ 2,484,633	$ 1,870,194	$ 1,373,118

Note 9 - Net Pension and OPEB Liabilities (Continued)

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 rate, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1 percent point lower or 1 percentage point higher than the current rate.

	1 Percent Decrease	Current Health Care Cost Trend Rate Assumption	1 Percent Increase
Net OPEB liability - 2019	$ 2,391,983	$ 2,488,494	$ 2,599,649
Net OPEB liability - 2018	1,789,377	1,870,194	1,953,675

Additional Financial and Actuarial Information

OPERS issues a publicly available, stand-alone financial report that includes financial statements, required supplemental information, and detailed information about OPERS' fiduciary net position. That report can be obtained by visiting the OPERS website at www.opers.org. Additional information supporting the preparation of the schedules of collective pension/OPEB amounts and employer allocations (including the disclosure of the net pension/OPEB liability/(asset), required supplemental information on the net pension/OPEB liability (asset), and the unmodified audit opinion on the combined financial statements) is located in the OPERS 2018 CAFR. This CAFR is available at www.opers.org or by contacting OPERS at: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

Note 10 - Risk Management

The Port is exposed to various risks of loss related to torts-theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, natural disasters, and medical benefits provided to employees. These risks are covered by commercial insurance purchased from independent third parties.

The Port pays into the State of Ohio Bureau of Workers' Compensation System. Workers' compensation claims are submitted to the State of Ohio for authorization and payment to the injured employee. The Port has no further risk. The State of Ohio establishes employer payments, employee payments, and reserves.

Settled claims have not exceeded The Port's commercial insurance coverage for any of the past three years.

Note 11 - Conduit Revenue Bond Obligations

The Port has outstanding aggregate conduit revenue bond obligations of approximately $925,163,000 and $742,201,000 at December 31, 2019 and 2018, respectively. The conduit revenue bonds issued are payable solely from the net revenue derived from the respective agreements and are not a general obligation of The Port. After these bonds are issued, all financial activity is taken over by the paying agent. The bonds and related lease contracts are not reflected in The Port's financial statements. Information regarding the status of each bond issue, including possible default, must be obtained from the paying agent or other knowledgeable source.

In 2019, The Port issued conduit debt for Mariemont City School District, Summit Park - Blue Ash Airport Redevelopment, 3CDC Master Parking, The Artistry, Findlay Center, 1118 Sycamore, Madison & Whetsel Phase II, and Fields Ertel Project.

Note 11 - Conduit Revenue Bond Obligations (Continued)

Additional conduit debt outstanding includes the following: the Cincinnati Zoo, Queen City Square, Fountain Square, 12th and Vine Parking, Oakley Station, UC Health Drake Center, Fifth and Race Development, Saint Ursula Villa, AHA Colonial Village, RBM Development Phase 2A, Downtown/OTR West Redevelopment, Keystone Hotel, Rumpke, The Collegiate, Fairfax Village Red Bank Public Infrastructure, Court and Walnut Development, Washington Park Garage, Mercer Commons Garage, Poste (formerly Firehouse Row), RBM Development Phase 2B, Woodlawn Meadows, Madison and Whetsel, Springdale Commerce Park, Fourth and Race Parking Garage, Provident Bank Building, Eighth and Main Apartments, and FC Cincinnati MLS Stadium.

Note 12 - Assets Held for Resale

The Port's assets held for resale consist of 129 acres as of December 31, 2019, compared to 112 acres at the prior year end. All properties owned by The Port are located in Hamilton County, Ohio. A summary of real estate held for redevelopment follows:

	2019	2018
2100 Section Road (Amberley Village)	$ 7,162,913	$ 7,107,200
MidPointe Crossing and Swift Park (Bond Hill)	2,984,625	2,953,685
TechSolve II (Roselawn)	162,724	961,432
Bond Hill and Roselawn Business Districts	4,068,011	3,669,704
2250 Seymour Ave (Bond Hill)	1,534,998	2,179,582
Hudepohl & Queensgate	3,462,945	994,103
2000 West St (Reading)	756,780	-
West End properties	544,692	-
Evanston properties	432,472	367,770
Price Hill properties	125,746	-
Total	$ 21,235,906	$ 18,233,476

Assets held for resale are recorded at the lower of cost or market value. Management estimates net realizable value based upon the list prices used by commercial real estate brokers less selling costs. In 2019, The Port recognized a cost-to-market adjustment in the amount of $108,609 to write down costs on property located in the West End. In 2018, The Port recognized a cost-to-market adjustment in the amount of $1,280,659 to write down costs on 2250 Seymour Avenue (the former Cincinnati Gardens) in Bond Hill.

The Port funds its acquisition and redevelopment of real estate primarily from local and state redevelopment awards and the issuance of bonds and bond anticipation notes (see Note 6).

- The acquisition and redevelopment of MidPointe Crossing and TechSolve II was funded by the City of Cincinnati, Ohio in the amount of $6.2 million and $4.3 million, respectively.
- The Bond Hill and Roselawn Business Districts are being funded by a $3 million grant from the City of Cincinnati and The Port's real estate development fund, which was created by the issuance of Fountain Square South Garage parking revenue bonds in 2015, subsequently refinanced in 2019.
- The acquisitions of 2100 Section Road and 2250 Seymour Avenue were funded by the issuance of revenue bonds and mortgage revenue bond anticipation notes (Patient Capital Fund). Redevelopment at 2100 Section Road completed in 2017. Project costs on 2100 Section Road were primarily funded by capital contributions from Hamilton County and JobsOhio. Redevelopment at 2250 Seymour Avenue completed in 2018. Project costs were primarily funded by the City of Cincinnati and JobsOhio.
- The Hudepohl redevelopment is being funded by a $2.2 million grant from the City of Cincinnati and The Port's real estate development fund. This project is expected to complete in 2020.

Note 12 - Assets Held for Resale (Continued)

Certain redevelopment agreements disburse funds to The Port in advance of the redevelopment services being performed. These agreements require The Port to return any unused redevelopment funds. As a result, The Port records the unused portion as a liability, unearned grant revenue, in the statement of net position.

Note 13 - Subsequent Events

In February 2020, The Port issued $52.9 million of revenue bonds for the acquisition and demolition of the former Millennium Hotel in Cincinnati's central business district. The 872-room hotel is adjacent to the Duke Energy Convention Center and has hotel tax revenues pledged to support debt service. The bonds have a fixed interest rate of 3.00 percent and mature in the year 2023. In February 2020, The Port became subject to a legal proceeding and claim of $5 million, which arose related to the purchase terms of the hotel. The Port believes it will prevail in the lawsuit, and as such, the corresponding liability will be insignificant.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of The Port. The Port's investment portfolio and the investments of the pension and other employee benefit plan in which The Port participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on The Port's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Required Supplemental Information

Required Supplemental Information
Schedule of The Port's Pension Contributions
OPERS Traditional Plan

Last Ten Fiscal Years

Years Ended December 31

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 283,801	$ 265,822	$ 218,792	$ 130,688	$ 103,833	$ 105,605	$ 99,498	$ 49,896	$ 22,609	$ 11,849
Contributions in relation to the contractually required contribution	283,801	265,822	218,792	130,688	103,833	105,605	99,498	49,896	22,609	11,849
Contribution Deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The Port's Covered Payroll	$ 2,027,149	$ 1,898,732	$ 1,683,015	$ 1,089,067	$ 865,273	$ 880,038	$ 765,372	$ 498,963	$ 226,090	$ 135,414
Contributions as a Percentage of Covered Payroll	14.00 %	14.00 %	13.00 %	12.00 %	12.00 %	12.00 %	13.00 %	10.00 %	10.00 %	8.75 %

Required Supplemental Information
Schedule of The Port's OPEB Contributions
OPERS Health Care Plan

Last Three Fiscal Years

Years Ended December 31

	2019	2018	2017
Contractually required contribution	$ -	$ -	$ 16,830
Contributions in relation to the contractually required contribution	-	-	16,830
Contribution Deficiency	**$ -**	**$ -**	**$ -**
Covered Employee Payroll	**$ 2,027,149**	**$ 1,898,732**	**$ 1,683,015**
Contributions as a Percentage of Covered Employee Payroll	**- %**	**- %**	**1.00 %**

Note: OPEB data prior to 2017 is not available.

Required Supplemental Information
Schedule of The Port's Proportionate Share of Net Pension Liability
OPERS - Traditional Plan

Last Six Plan Years

For the Plan Years Ended December 31

	2019	2018	2017	2016	2015	2014
The Port's proportion of the net pension liability	0.01342 %	0.01274 %	0.00843 %	0.00695 %	0.00718 %	0.00718 %
The Port's proportionate share of the net pension liability	$ 3,670,558	$ 1,993,142	$ 1,912,511	$ 1,203,569	$ 865,747	$ 846,193
The Port's Covered Payroll	$ 1,898,732	$ 1,683,015	$ 1,089,067	$ 865,273	$ 880,038	$ 765,372
The Port's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	193.32 %	118.43 %	175.61 %	139.10 %	98.38 %	110.56 %
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.70 %	84.66 %	77.30 %	81.20 %	86.50 %	86.40 %

Note: Pension data prior to 2014 is not available.

Required Supplemental Information
Schedule of The Port's Proportionate Share of the Net OPEB Liability
OPERS - Health Care Plan

Last Two Plan Years

For the Plan Year Ended December 31

	2019	2018
The Port's proportion of the net OPEB liability	0.01909 %	0.01722 %
The Port's proportionate share of the net OPEB liability (asset)	$ 2,488,494	$ 1,870,194
The Port's Covered Employee Payroll	$ 1,898,732	$ 1,683,015
The Port's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Employee Payroll	131.06 %	111.12 %
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	46.33 %	54.14 %

Note: OPEB data prior to 2018 is not available.

December 31, 2019

Note A – Pension Liability and Contributions

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for the Plan years ended December 31, 2019 and 2018, respectively.

Changes in assumptions: The change in the actuarial information as of the measurement and valuation date of December 31, 2018 compared to December 31, 2017 included an increase in the investment rate of return from 7.20 percent to 7.50 percent.

Calculation of employer allocations: OPERS Health care funding is discretionary and dependent on both the pension funding and future projections. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 0% and 4% for Member-Directed Plan for 2018. The 2019 allocation is expected to be 0.0% for health care funding, and expected to continue at that rate thereafter.

Note B – OPEB Liability and Contributions

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for the Plan years ended December 31, 2019 and 2018, respectively.

Changes in assumptions: There were no changes in benefit terms from the amounts reported for the Plan year 2018. The change in the actuarial information as of the measurement and valuation date of December 31, 2018 compared to December 31, 2017 included an increase in the single discount rate from 3.85 percent to 3.96 percent, a decrease in the investment rate of return from 6.5 percent to 6.00 percent, increase in the municipal band rate from 3.31 percent to 3.71 percent, and increase in the health care cost trend rate from 7.50 percent initial, 3.25 percent ultimate in 2028 to 10.00 percent initial, 3.25 percent ultimate in 2029.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Directors
Port of Greater Cincinnati Development Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Port of Greater Cincinnati Development Authority (The Port), which comprise the basic statement of net position as of December 31, 2019 and the related basic statements of revenue, expenses, and changes in net position and cash flows for the year then ended, and related notes to the financial statements and have issued our report thereon dated June 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Port's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Port's internal control. Accordingly, we do not express an opinion on the effectiveness of The Port's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of The Port's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Port's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

To Management and the Board of Directors
Port of Greater Cincinnati Development Authority

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Port's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Port's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

June 29, 2020

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OHIO AUDITOR OF STATE
KEITH FABER

PORT GREATER CINCINNATI DEVELOPMENT AUTHORITY

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 8/25/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

APPENDIX VII

ODOT-STATE INFRASTRUCTURE BANK ANNUAL FINANCIAL REPORT
Available as of June 30, 2020

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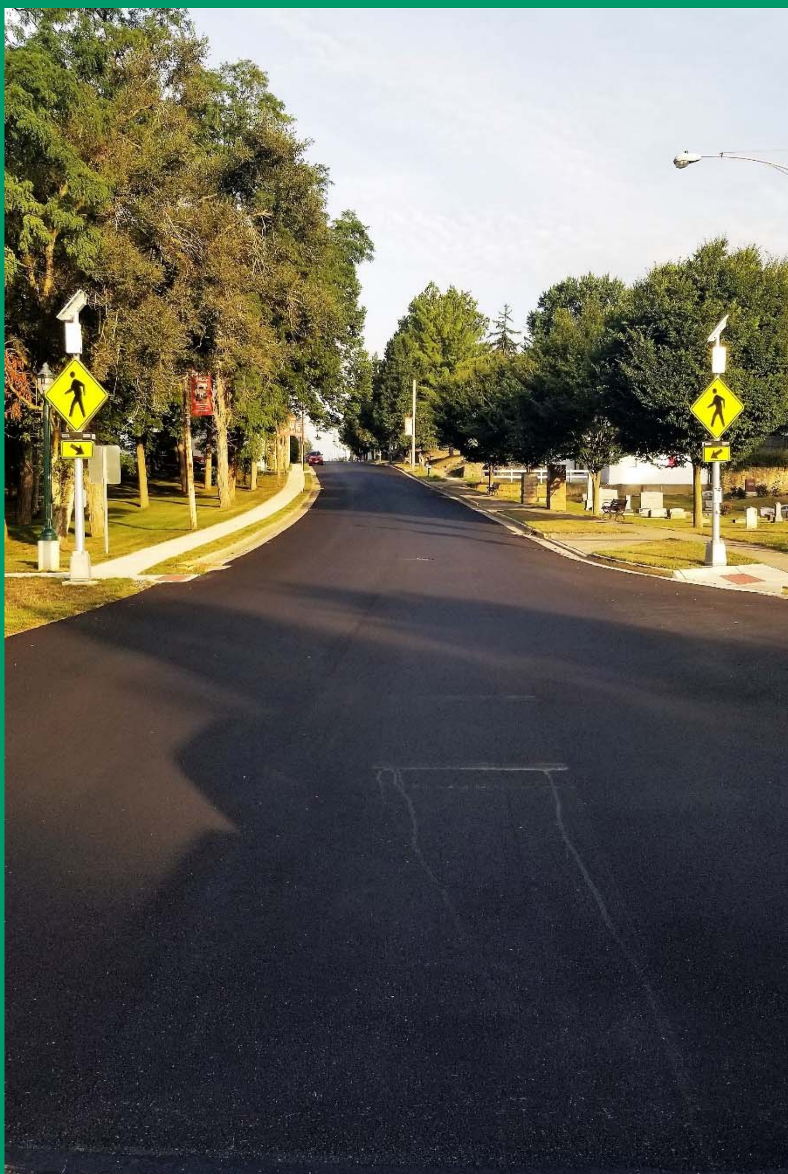
STATE INFRASTRUCTURE BANK
ANNUAL FINANCIAL REPORT



Federal Fiscal Year 2019
(October 2018 – September 2019)

Mike DeWine, Ohio Governor
Jack Marchbanks, Ph.D., ODOT Director

OHIO DEPARTMENT OF TRANSPORTATION

State Infrastructure Bank
Annual Financial Report

The Ohio Department of Transportation is pleased to present the Federal Fiscal Year (FFY) 2019 State Infrastructure Bank (SIB) Annual Financial Report.

This report contains a financial statement of the SIB and summaries for loans that were approved by the loan committee during the federal fiscal year (October 2018-September 2019).

The FFY 2019 portfolio of the SIB includes twenty loans totaling $20.5m and two bond issuances for $20.5m. Since the inception of the program, the Ohio SIB has issued 247 loans and twelve bonds totaling $755.9m.

The Ohio SIB has been audited for State Fiscal Year 2017 by the State of Ohio Auditor's office and complies with the Single Audit Act.

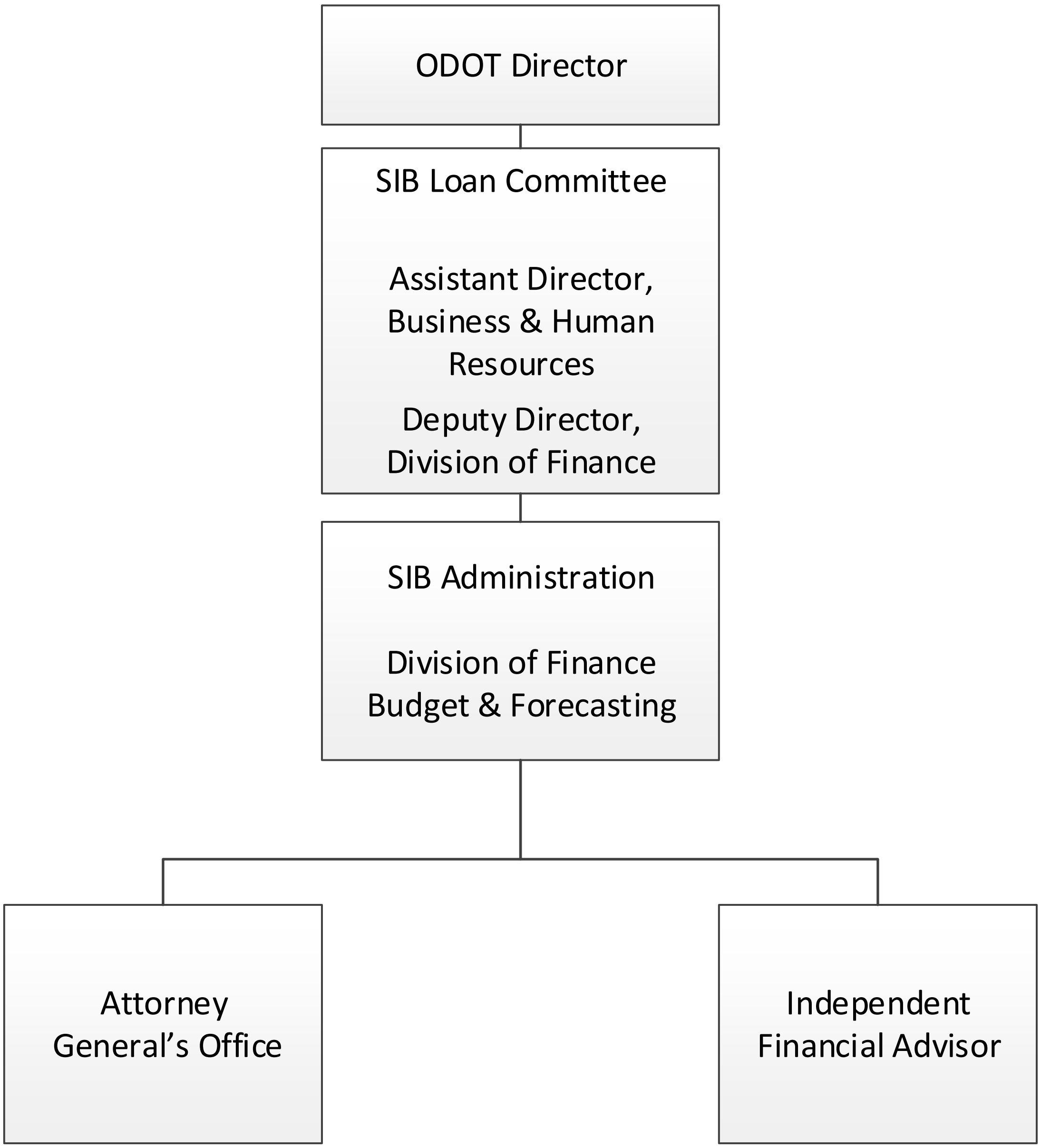
To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the Ohio State Infrastructure Bank.

Cover Photos: Village of Lewisburg - 2018 Street Resurfacing Program
Montgomery County TID/Miami Township-Lyons Road Pedestrian Access
Village of West Jefferson - SR29/US40 Improvements

Ohio Department of Transportation

State Infrastructure Bank

Organizational Chart



OHIO DEPARTMENT OF TRANSPORTATION
STATE INFRASTRUCTURE BANK
FUNDS 2120 AND 2130
COMBINED STATEMENT OF REVENUES AND EXPENDITURES IN FUND BALANCES
FOR FEDERAL YEAR ENDING SEPTEMBER 30, 2019

Beginning Cash Balance	$109,881,569
Revenues	
Investment Earnings	2,151,715
Principal Loan Repayment (FHWA)	7,022,998
Interest Payment on Loan (FHWA)	305,475
Principal Loan Repayment (GRF)	2,626,295
Interest Payment on Loan (GRF)	831,618
Principal Loan Repayment (2nd Generation)	7,378,240
Interest Payment on Loan (2nd Generation)	2,391,883
Principal Loan Repayment (State Motor Fuel)	1,832,731
Interest Payment on Loan (State Motor Fuel)	190,008
Transfer In - Fund 7002 to SIB Fund 2120	0
Administrative Fees	36,904
Total Revenues	$24,767,866
Expenditures	
Administrative	0
Federal Highway Funds	7,392,206
General Revenue Funds	5,471,983
Motor Fuel Tax Funds	3,962,161
Second Generation/Title 23 Funds	20,583,378
Total Expenditures	$37,409,729
Ending Cash Balance	$97,239,706

STATE INFRASTRUCTURE BANK
BALANCE SHEET FOR FUNDS 2120 AND 2130
FOR FEDERAL YEAR ENDING SEPTEMBER 30, 2019

Assets and Other Debits		
Assets		
Uncommitted Cash	$	25,618,642
Cash Reserve - Current Year Debt Service - Title 23 & GRF	$	-
Cash Reserve for Approved Loans Already Encumbered	$	40,203,347
Cash Reserve for Approved Loans Not Yet Encumbered	$	31,417,717
Total Cash on Hand:		$97,239,706
Receivables		
Loans Already Disbursed		
Principal Due	$	142,198,823
Interest Due	$	28,335,109
Administrative Fees	$	5,907
Total:		$170,539,839
Total Assets		$267,779,545
Equity		
Original Seed Money		
Federal	$	87,000,000
GRF	$	40,000,000
Motor Fuel Tax	$	15,000,000
Total:		$142,000,000
Investment Earnings	$	60,387,125
Interest from Loans	$	65,392,420
Total Equity:		$267,779,545

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Chamberlain Boulevard Reconstruction Project

The project includes widening and rehabilitation of a portion of Chamberlain Blvd. including the reconstruction and widening of 1,200 feet along Chamberlain Blvd. and the reconstruction and widening of 750 feet along Parrish Road at the intersection of Parrish Road and Route 20 within the City of Conneaut.

Borrower:	City of Conneaut
Total Project Cost:	$1,779,300
Construction/Procurement Date:	November 1, 2018
Project Completion Date:	December 31, 2019
PID Identification:	109122
STIP Identification:	N/A
SIB Identification:	190004

LOAN CHARACTERISTICS

Date of Loan:	February 14, 2019
Amount of Loan:	$804,300
Interest Rate:	3%
Term:	15 years
Purpose of Loan:	Construction
Primary Repayment Source:	Permit Fees, the Street Department’s portion of Municipal Income Tax, Gas License Tax, and General Fund Transfer receipts
SIB Funding Source:	General Revenue Fund

TOTAL FUNDING SOURCES

SIB Loan	$804,300
Jobs & Commerce	$175,000
629 Funds	$800,000

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Decorative Lights for Canton and Waterloo Road

The project includes the streetscape component of the overall project. Springfield Township requested that a decorative street lighting and landscape component be included in the project.

Borrower:	Springfield Township
Total Project Cost:	$227,000
Construction/Procurement Date:	May 1, 2019
Project Completion Date:	October 16, 2020
PID Identification:	89113
STIP Identification:	2018stipID0134FDCO
SIB Identification:	190005

LOAN CHARACTERISTICS

Date of Loan:	May 1, 2019
Amount of Loan:	$227,000
Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Decorative street lighting and landscaping
Primary Repayment Source:	General Fund
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

No additional funding sources.

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	State Route 20 Paving Project

The project includes the rehabilitation of (1) US 20 from North Ridgeville corporation limits to SR-57 and (2) Cleveland Street from SR-57 to Hawthorne Street. Rehabilitation will include milling, replacing asphalt surface, paving markings and traffic signal improvements.

Borrower:	City of Elyria
Total Project Cost:	$1,510,572
Construction/Procurement Date:	July 1, 2019
Project Completion Date:	October 31, 2019
PID Identification:	101359
STIP Identification:	SLI 15,32
SIB Identification:	190006

LOAN CHARACTERISTICS

Date of Loan:	January 23, 2019
Amount of Loan:	$420,200
Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Construction
Primary Repayment Source:	License Tax receipts
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

SIB Loan	$420,200
ODOT Urban Paving Funds	$1,090,372

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	State Route 113 Paving Project

The Project will include the rehabilitation of (1) SR-113 from SR57 west to Elyria corporate limits and (2) SR-57 from Schaden Road North to Elyria corporate limits. Rehabilitation will include milling, replacing asphalt surface, paving markings and other repairs and replacements.

Borrower:	City of Elyria
Total Project Cost:	$1,617,249
Construction/Procurement Date:	June 1, 2019
Project Completion Date:	September 30, 2019
PID Identification:	102874
STIP Identification:	SLI 15,32
SIB Identification:	190007

LOAN CHARACTERISTICS

Date of Loan:	January 23, 2019
Amount of Loan:	$690,699
Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Construction
Primary Repayment Source:	License Tax receipts
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

SIB Loan	$690,699
ODOT Funds	$926,550

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Cleveland-Massillon Road Widening Project

The project includes roadway widening and resurfacing of Cleveland-Massillon Road. The road will be widened a minimum of one lane to incorporate a TWLTL throughout the corridor. Additional widening at the Greenwich/Norton intersection will be done to accommodate additional turn lanes and Gardner Blvd. will be realigned to improve traffic and safety at intersection of Cleveland-Massillon Road. Sidewalks will be constructed on both sides of the project.

Borrower:	City of Norton
Total Project Cost:	$8,585,320
Construction/Procurement Date:	January 1, 2019
Project Completion Date:	August 31, 2020
PID Identification:	97638
STIP Identification:	2018AM08ID0237FDCO
SIB Identification:	190008

LOAN CHARACTERISTICS

Date of Loan:	December 5, 2018
Amount of Loan:	$3,158,000
Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Construction
Primary Repayment Source:	Road and Bridge Fund Receipts
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

SIB Loan	$3,158,000
Federal Funds	$5,427,320

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Transportation Traffic System Upgrade Project

This project is for a city-wide traffic system upgrade that includes the installation of fiber optics to all traffic cabinets, the purchase of new controllers and software packages, and funding for all hardware and training.

Borrower:	City of Lancaster
Total Project Cost:	$602,000
Construction/Procurement Date:	February 1, 2019
Project Completion Date:	December 31,2019
PID Identification:	109137
STIP Identification:	N/A
SIB Identification:	190009

LOAN CHARACTERISTICS

Date of Loan:	December 18,2018
Amount of Loan:	$227,000
Loan Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Construction
Primary Repayment Source:	State Gas Tax Revenue and License Plate Fees
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

SIB Loan	$227,000
City Equity	$225,000
STP Large City Funds	$150,000

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	SR 207 and Hospital Road Project

The project is for the extension of SR 207 from its existing intersection with Hospital Road and USR 23 to the east and create a new intersection with SR 159. Additionally, the project will upgrade to intersection of SR 180 and SR 159 using safety funds provided by ODOT.

Borrower:	Ross County
Total Project Cost:	$10,356,000
Construction/Procurement Date:	November 1, 2019
Project Completion Date:	October 30, 2020
PID Identification:	93744
STIP Identification:	2018stipID0634FDCO
SIB Identification:	190010

LOAN CHARACTERISTICS

Date of Loan:	March 1, 2019
Amount of Loan:	$2,006,000
Interest Rate:	3%
Term:	20 years
Purpose of Loan:	Construction
Primary Repayment Source:	License Registration Fees, including an additional $5.00 fee that will begin to be collected in 2019
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

SIB Loan	$2,006,000
Federal Funds	$6,430,000
State Safety Funds	$1,920,000

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Columbia Road Culvert Replacement

The project will consist of repairs to the Columbia Road Culvert.

Borrower:	City of Bay Village
Total Project Cost:	$835,940
Construction/Procurement Date:	March 1, 2019
Project Completion Date:	May/June 2019
PID Identification:	109814
STIP Identification:	N/A
SIB Identification:	190011

LOAN CHARACTERISTICS

Date of Loan:	March 20, 2019
Amount of Loan:	$835,940
Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Construction
Primary Repayment Source:	General Obligation Bond Debt Service Fund
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

No additional funding sources.

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	2019 Street Resurfacing Program Project

The project includes the resurfacing of various streets with an asphalt overlay, located within the Village of Lewisburg, Preble County.

Borrower:	Village of Lewisburg
Total Project Cost:	$850,000
Construction/Procurement Date:	July 1, 2019
Project Completion Date:	December 31, 2019
PID Identification:	109372
STIP Identification:	N/A
SIB Identification:	190012

LOAN CHARACTERISTICS

Date of Loan:	March 1, 2019
Amount of Loan:	$850,000
Interest Rate:	3%
Term:	20 years
Purpose of Loan:	Construction
Primary Repayment Source:	Municipal Income Tax receipts, Motor Vehicle Permissive License Fees
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

No additional funding sources.

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Runway Extension Project

The loan is for the purchase a total 5.602 acres (first parcel of 2.517 acres and a second parcel of 3.085 acres) of property. The properties are situated on opposite ends of the airport runway. This purchase is will enable the expansion of the existing runway of the airport located in Cambridge.

Borrower:	Cambridge Area Regional Airport Authority
Total Project Cost:	$122,000
Construction/Procurement Date:	September 2019
Project Completion Date:	September 2019
PID Identification:	110336
STIP Identification:	N/A
SIB Identification:	190013

LOAN CHARACTERISTICS

Date of Loan:	July 11, 2019
Amount of Loan:	$122,000
Interest Rate:	3%
Term:	7 years
Purpose of Loan:	Property Acquisition
Primary Repayment Source:	General revenues including all FAA Entitlement & State receipts
SIB Funding Source:	General Revenue Fund

TOTAL FUNDING SOURCES

No additional funding sources.

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Lower Miamisburg Road Project

To finance repairs to Miamisburg Road due to landslide conditions that occurred along the downhill side of the road that encroached on its south shoulder and caused the pavement to fall on the eastbound lane. Three retaining walls with a combined length of 550 feet will be constructed to correct the landslide conditions and a new roadway with improved drainage facilities will be constructed to replace the 1,000 feet section which is currently closed.

Borrowers:	Montgomery County TID City of Miamisburg
Total Project Cost:	$1,507,397
Construction/Procurement Date:	February 15, 2019
Project Completion Date:	June 30, 2019
PID Identification:	109817
STIP Identification:	N/A
SIB Identification:	190014

LOAN CHARACTERISTICS

Date of Loan:	February 22, 2019
Amount of Loan:	$1,005,564
Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Construction
Primary Repayment Source:	Gas Tax, Income Tax
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

SIB Loan	$1,005,564
City of Miamisburg	$143,898
Montgomery County	$357,935

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Vienna Parkway Extension Project

The construction of Vienna Parkway will provide signalized access to SR 741 from existing and future residential development to the east of the state highway, from undeveloped commercial property owned by the Miami Township Community Improvement Corporation on the east of SR 741, and from Five Rivers Metroparks's Cox Arboretum Metro Park on the west side of SR 741.

Borrowers:	Montgomery County Transportation Improvement District Miami Township
Total Project Cost:	$2,070,089
Construction/Procurement Date:	August 15, 2019
Project Completion Date:	May 31, 2020
PID Identification:	109986
STIP Identification:	N/A
SIB Identification:	190015

LOAN CHARACTERISTICS

Date of Loan:	May 16, 2019
Amount of Loan:	$1,960,589
Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Construction
Primary Repayment Source:	Miami Crossing JEDD receipts, Miami Township 741 TIF service payments
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

SIB Loan	$1,960,589
Miami Township (CIC) Equity	$109,500

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	U.S. 30/S.R. 39 Safety Improvements Project

The project consists of safety improvements along U.S. 30/S.R. 39 within the City of East Liverpool.

Borrower:	City of East Liverpool
Total Project Cost:	$1,505,929.78
Construction/Procurement Date:	July 2019
Project Completion Date:	June 2020
PID Identification:	106773
STIP Identification:	SLI 16
SIB Identification:	190016

LOAN CHARACTERISTICS

Date of Loan:	May 1, 2019
Amount of Loan:	$173,775.04
Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Construction
Primary Repayment Source:	Street Levy Fund
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

SIB Loan	$173,775.04
ODOT Small City Program	$1,263,647.00
City of East Liverpool (Local Funds)	$66,507.74
City of East Liverpool Equity	$2,000.00

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Carriage Trails Public Improvements Project

The project is for public street improvements for residential subdivisions located within their residential special assessment district. Public street improvements will include pavements and base and curbs within public right-of-way.

Borrower:	City of Huber Heights
Total Project Cost:	$1,107,000
Construction/Procurement Date:	October 15, 2018
Project Completion Date:	December 31, 2019
PID Identification:	110317
STIP Identification:	N/A
SIB Identification:	190017

LOAN CHARACTERISTICS

Date of Loan:	June 28, 2019
Amount of Loan:	$1,107,000
Interest Rate:	3%
Term:	20 years
Purpose of Loan:	Construction
Primary Repayment Source:	Special Assessment Revenues, Non-Tax Revenues
SIB Funding Source:	General Revenue Fund

TOTAL FUNDING SOURCES

No additional funding sources.

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	ProVia Window Plant & Distribution Center

The project is for the construction of two left turn lanes onto the Pro Via window manufacturing facility located in Tuscarawas County.

Borrowers:	The Economic Development & Finance Alliance of Tuscarawas County Tuscarawas County Pro Via LLC
Total Project Cost:	$1,339,000
Construction/Procurement Date:	June 1, 2019
Project Completion Date:	December 2019/January 2020
PID Identification:	110319
STIP Identification:	N/A
SIB Identification:	190018

LOAN CHARACTERISTICS

Date of Loan:	Closing Pending
Amount of Loan:	$1,089,000
Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Construction
Primary Repayment Source:	Pro Via semiannual SIB Loan payments, all net revenues of The Economic Development and Finance Alliance of Tuscarawas County, all legally available revenues from Tuscarawas County
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

SIB Loan	$1,089,000
ODOT Jobs and Commerce Grant	$250,000

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	DEL-CR609-2.24 (Sawmill Parkway) Resurfacing Project

The project is for the resurfacing of Sawmill Parkway starting North of Seldom Seen Road to South of Home Road.

Borrowers:	City of Powell MORPC
Total Project Cost:	$1,895,667
Construction/Procurement Date:	May 1, 2020
Project Completion Date:	September 1, 2020
PID Identification:	105806
STIP Identification:	2018AM12ID0397FDCO
SIB Identification:	190019

LOAN CHARACTERISTICS

Date of Loan:	Closing Pending
Amount of Loan:	$1,133,800
Interest Rate:	3%
Term:	4.5 years
Purpose of Loan:	Construction
Primary Repayment Source:	City Street Construction and Maintenance Fund, MORPC's annual federal allocation
SIB Funding Source:	Federal

TOTAL FUNDING SOURCES

SIB Loan	$1,133,800
City of Powell Street Construction and Maintenance Fund	$755,867
City of Powell Equity	$6,000

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Africa and Cheshire Road Resurfacing Project

The project is for the resurfacing of Africa Road starting North of Jaycox Road to South of Cheshire Road and the resurfacing of Cheshire Road starting East of South Old State Road to West of Africa Road.

Borrowers:	County of Delaware MORPC
Total Project Cost:	$6,380,263
Construction/Procurement Date:	May 1, 2020
Project Completion Date:	August 7, 2020
PID Identification:	103828
STIP Identification:	2018AM13ID0442FDCO
SIB Identification:	190020

LOAN CHARACTERISTICS

Date of Loan:	Closing Pending
Amount of Loan:	$3,382,400
Interest Rate:	3%
Term:	5.5 years
Purpose of Loan:	Construction
Primary Repayment Source:	County Sales Tax Receipts, MORPC’s Annual Federal Allocation
SIB Funding Source:	Federal

TOTAL FUNDING SOURCES

SIB Loan	$3,382,400
CEAO STP	$1,062,120
Local	$1,927,743
County of Delaware Equity	$8,000

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	ATB SR7/SR 531 Project

The project is for the City's portion of the streets resurfacing project for Broad Street (SR 7) between Jackson Street and Lake Road and Lake Road (SR 531) between Whitney Road and Broad Street including minor work on structures within the City of Conneaut.

Borrowers:	City of Conneaut
Total Project Cost:	$387,000
Construction/Procurement Date:	May 1, 2020
Project Completion Date:	October 31, 2020
PID Identification:	98379
STIP Identification:	SLI 32
SIB Identification:	200001

LOAN CHARACTERISTICS

Date of Loan:	Closing Pending
Amount of Loan:	$387,000
Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Construction
Primary Repayment Source:	Municipal Income Tax, Gas Tax
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

No additional funding sources.

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Lake Road Storm Sewer Project

The project is for the construction of a new storm sewer line approximately 1,200 feet east to an existing culvert just west of Point Drive in the City of Conneaut.

Borrowers:	City of Conneaut
Total Project Cost:	$132,500
Construction/Procurement Date:	September 15, 2019
Project Completion Date:	December 31, 2019
PID Identification:	111238
STIP Identification:	N/A
SIB Identification:	200002

LOAN CHARACTERISTICS

Date of Loan:	Closing Pending
Amount of Loan:	$132,500
Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Construction
Primary Repayment Source:	Municipal Income Tax, Gas Tax
SIB Funding Source:	General Revenue Fund

TOTAL FUNDING SOURCES

No additional funding sources.

LOAN AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Wayne Avenue (SR 60) Improvements Project

The project is for the construction (and restoration of construction sites) of a slip repair with a 280’ plug pile retaining wall and culvert replacement with an 8’x6’ box culvert and wing wall on Wayne Avenue (SR 60) in the City of Zanesville.

Borrowers:	City of Zanesville
Total Project Cost:	$869,800
Construction/Procurement Date:	October 1, 2019
Project Completion Date:	December 13, 2019
PID Identification:	111239
STIP Identification:	N/A
SIB Identification:	200003

LOAN CHARACTERISTICS

Date of Loan:	Closing Pending
Amount of Loan:	$754,000
Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Construction
Primary Repayment Source:	Property Tax Revenues, Storm Water Fund Charges
SIB Funding Source:	Title 23

TOTAL FUNDING SOURCES

SIB Loan	$754,000
City of Zanesville	$115,800

BOND AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Parking Garage Acquisition Project

The bond fund proceeds are to finance the acquisition and improvement of the 605 Plum Street Garage which is a 220,000 square feet facility with 5-levels, 890 spaces and 7,800 feet of retail space on the street level, and also purchase a second garage known as the 609 Elm Street garage which has 680 spaces and is also adjacent to the Convention Center.

Borrower:	Port of Greater Cincinnati Development Authority
Total Project Cost:	$16,325,000
Construction/Procurement Date:	December 2018
Project Completion Date:	December 2018
PID Identification:	109835
STIP Identification:	N/A
SIB Identification:	Series 2019-1; BD1901

BOND CHARACTERISTICS

Date of Bond:	March 28, 2019
Amount of Bond:	$15,245,000
Bond Interest Rate:	3.59%
Term:	25 years
Purpose of Bond:	Acquisition
Primary Repayment Source:	Non-Tax Revenues, Net Operating Income generated from project, Net Operating Income from Elm St. Garage
SIB Funding Source:	GRF Bond Program

TOTAL FUNDING SOURCES

SIB Bond	$15,605,000
Port Authority Contribution	$720,000

BOND AGREEMENT SUMMARY

PROJECT CHARACTERISTICS

Name of Project:	Seaport and Docks Project

The bond proceeds are to finance improvements to the Port Authority's Seaport facilities. This includes replacing 6,000 LF of existing 8" waterline and 1,800 LF of 12" waterline, associated hydrants and service connections. Also included is the construction of two 48,000 square feet buildings located in the Port Authority's Foreign Trade Zone (FTZ) to replace an existing deteriorated building.

Borrower:	Toledo-Lucas County Port Authority
Total Project Cost:	$6,141,733
Construction/Procurement Date:	December 2018
Project Completion Date:	December 2019
PID Identification:	109836
STIP Identification:	N/A
SIB Identification:	Series 2019-2; BD1902

BOND CHARACTERISTICS

Date of Bond:	April 11, 2019
Amount of Bond:	$5,225,000
Bond Interest Rate:	3.93%
Term:	20 years
Purpose of Bond:	Construction
Primary Repayment Source:	Non-Tax Revenues
SIB Funding Source:	GRF Bond Program

TOTAL FUNDING SOURCES

SIB Bond	$5,530,000
Port Authority Funds	$611,733

Active Project List ending September 30, 2019

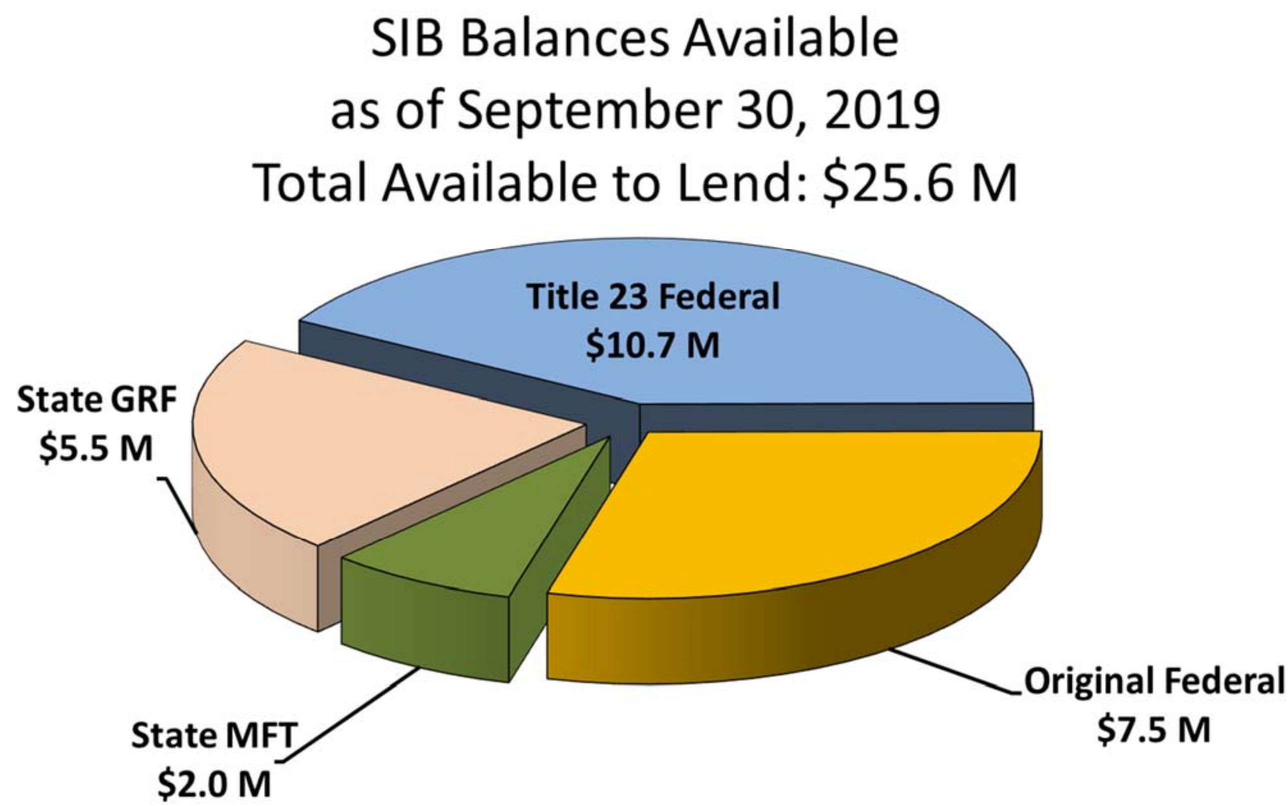
Borrower	Project	Loan/Bond Amount	Loan/Bond Disbursements	Funds Available	Interest Rate	Term	Loan Number
ALLIANCE, CITY OF	MLK VIADUCT PROJECT	$169,839.36	$169,839.36	$0.00	3.00%	10	100005
ASHTABULA, CITY OF	LOCAL ROAD PAVING PROJECTS	$942,000.00	$942,000.00	$0.00	3.00%	15	140021
ASHTABULA, CITY OF	US 20 REHABILITATION	$302,000.00	$249,206.32	$52,793.68	3.00%	10	160008
BAY VILLAGE, CITY OF	COLUMBIA ROAD CULVERT	$835,940.00	$4,000.00	$831,940.00	3.00%	10	190011
BELOMAR INTERSTATE PLANNING COMMISSION	I-70/SR40/SR331 INTERCHANGE MOD	$2,708,000.00	$1,745,391.44	$962,608.56	3.00%	10	150009
BRUNSWICK, CITY OF	BRUNSWICK-NORTH CARPENTER ROAD	$2,000.00	$2,000.00	$0.00	3.00%	10	170B08
CAMBRIDGE, CITY OF	AIRPORT RUNWAY EXTENSION	$122,000.00	$2,000.00	$120,000.00	3.00%	7	190013
CAMDEN, CITY OF	STREET & ALLEY RESURFACING	$302,000.00	$302,000.00	$0.00	3.00%	7	160003
CANTON, CITY OF	12TH ST. N CORRIDOR SAFETY	$2,308,000.00	$2,303,603.02	$4,396.98	3.00%	10	140016
CAREY, CITY OF	TWO ACCESS ROADS; ARROWHEAD & CSP	$329,250.00	$293,281.11	$35,968.89	3.00%	5	170013
CHARDON TOWNSHIP	ROAD RECONSTRUCTION	$222,000.00	$222,000.00	$0.00	3.00%	10	180013
CINCINNATI, CITY OF	KEYSTONE PARK	$2,500,000.00	$2,500,000.00	$0.00	3.00%	29	140013
CINCINNATI, CITY OF	MLK INTERCHANGE	$25,000,000.00	$11,906,392.59	$13,093,607.41	3.00%	25	140009
CLEVELAND HEIGHTS, CITY OF	TAYLOR ROAD REHAB	$7,266,000.00	$426,354.85	$6,839,645.15	3.00%	10	110002
CLEVELAND, CITY OF	W. 150TH AND HARVARD	$1,600.00	$1,600.00	$0.00	3.00%	10	160B10
CLEVELAND, CITY OF	TOWER CITY BRIDGES PROJECT	$2,000.00	$2,000.00	$0.00	3.00%	10	170B09
COLUMBUS, CITY OF	MAIN STREET BRIDGE REPLACEMENT	$15,001,134.00	$10,758,372.66	$4,242,761.34	3.00%	10	060012
CONCORD TOWNSHIP	CAPITAL PARKWAY EXTENSION	$5,390,450.00	$2,662,028.32	$2,728,421.68	3.00%	20	140007
CONNEAUT, VILLAGE OF	CHESTNUT STREET	$100,000.00	$100,000.00	$0.00	3.00%	10	180009
CONNEAUT, VILLAGE OF	US20 RESURFACING	$187,416.00	$111,597.85	$75,818.15	3.00%	10	190001
CONNEAUT, VILLAGE OF	CHAMBERLAIN REHAB	$804,300.00	$341,530.00	$462,770.00	3.00%	15	190004
COSHOCTON, CITY OF	CHESTNUT STREET REPAVING	$202,000.00	$202,000.00	$0.00	3.00%	12	130010
CUYAHOGA COUNTY	BAGLEY/PLEASANT VALLEY RDS	$8,026,000.00	$7,846,000.00	$180,000.00	3.00%	6	140018
DAYTON, CITY OF	WATER STREET PARKING GARAGE	$2,500,000.00	$2,500,000.00	$0.00	3.00%	22	140012
DOVER, CITY OF	TUSCARAWAS AVENUE BRIDGE	$1,868,675.00	$996,657.24	$872,017.76	3.00%	10	070001
DUBLIN, CITY OF	US33/I270 INTERCHANGE DUBLIN PORTION	$10,010,000.00	$7,579,295.74	$2,430,704.26	3.00%	20	150B03
DUBLIN, CITY OF	US33/I-270 INTERCHANGE MORPC PORTION	$25,000,000.00	$19,819,250.18	$5,180,749.82	3.00%	20	150A03
EAST LIVERPOOL, CITY OF	GARFIELD ST/ST. CLAIR RETAI	$302,000.00	$300,000.00	$2,000.00	3.00%	10	170012
EAST LIVERPOOL, CITY OF	RIVER ROAD	$1,256,000.00	$1,116,032.50	$139,967.50	3.00%	15	150007
EAST LIVERPOOL, CITY OF	ELIZABETH STREET BRIDGE	$200,000.00	$1,630.00	$198,370.00	3.00%	2	190002
ELLSWORTH TOWNSHIP	2015 REPAVING PROGRAM	$157,327.00	$157,327.00	$0.00	3.00%	7	160002
ELYRIA, CITY OF	STATE ROUTE 20 PAVING	$420,200.00	$33,022.97	$387,177.03	3.00%	20	190006
ELYRIA, CITY OF	STATE ROUTE 113 PAVING	$690,699.00	$424,731.65	$265,967.35	3.00%	10	190007
ERIE-OTTAWA REGIONAL AIRPORT	4 AIRPORT HANGER PROJECTS	$1,297,750.00	$1,297,750.00	$0.00	3.00%	20	140002
FRANKLIN COUNTY	WEST BROAD STREET RECONSTRU	$1,032,170.00	$878,394.98	$153,775.02	3.00%	10	130007
GENEVA ON THE LAKE	LOCAL ROAD REPAVING	$107,000.00	$90,467.05	$16,532.95	3.00%	7	150011
GERMAN TOWNSHIP	EBY ROAD REPAVING PROJECT	$102,000.00	$93,386.55	$8,613.45	3.00%	5	170007
GREAT LAKES SCIENCE CENTER	GREAT LAKES INTERMODAL FAC	$7,825,000.00	$7,616,977.01	$208,022.99	3.00%	20	SB9703
HAMBDEN TOWNSHIP	CUTTS ROAD RECONSTRUCTION	$454,000.00	$417,637.14	$36,362.86	3.00%	2	180016
HIGHLAND COUNTY	HANGAR ACQUISITION HIGHLAND CTY AIRPORT	$127,000.00	$103,698.51	$23,301.49	3.00%	20	180001
HOLMES COUNTY	COUNTY ROAD REPAVING	$2,508,000.00	$2,411,940.46	$96,059.54	3.00%	5	170006

Ohio Department of Transportation
State Infrastructure Bank
Active Project List ending September 30, 2019

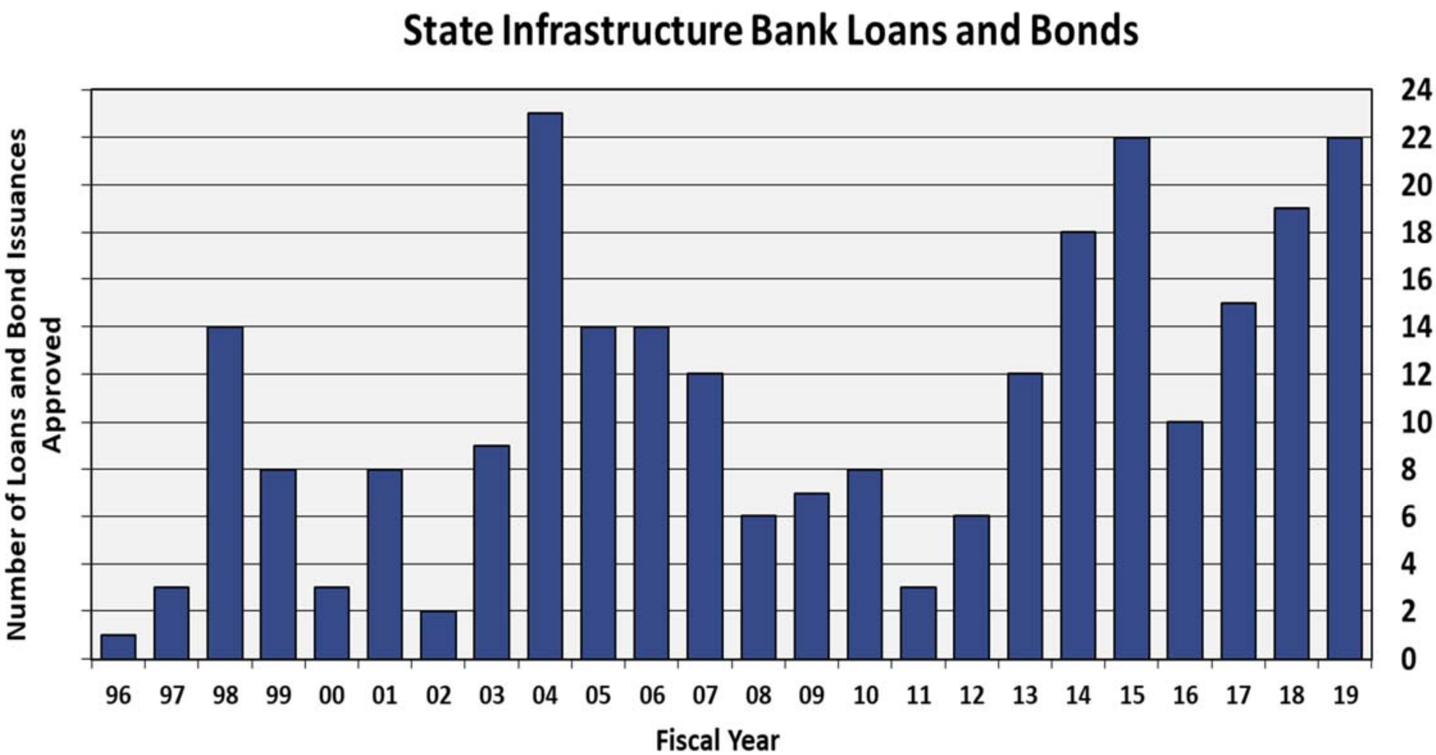
Borrower	Project	Loan/Bond Amount	Loan/Bond Disbursements	Funds Available	Interest Rate	Term	Loan Number
HOPEDALE VILLAGE	LOCAL ROAD (6) REPAVING PROGRAM	$529,000.00	$529,000.00	$0.00	3.00%	20	160005
HUBER HEIGHTS, CITY OF	I70/SR202 INTERCHANGE	$2,059,000.00	$2,059,000.00	$0.00	3.00%	27	SB0410
HUBER HEIGHTS, CITY OF	MUSIC CENTER PARKING	$4,008,000.00	$3,691,660.90	$316,339.10	3.00%	20	140017
HUBER HEIGHTS, CITY OF	SR 201/I70 INTERCHANGE	$1,504,000.00	$807,775.29	$696,224.71	3.00%	25	SB0510
HUBER HEIGHTS, CITY OF	CARRIAGE TRAIL	$1,107,000.00	$6,000.00	$1,101,000.00	3.00%	20	190017
LAKE TOWNSHIP	SR619 PHASE 1	$2,006,000.00	$2,006,000.00	$0.00	3.00%	10	130002
LANCASTER, CITY OF	TRANSPORTATION SYSTEM SYSTEM UPGRADE	$227,000.00	$217,587.00	$9,413.00	3.00%	10	190009
LAWRENCE ECONOMIC DEVELOPMENT CORPORATION	CONSTRUCTION OF A CRANE FOUNDATION	$2,088,000.00	$2,088,000.00	$0.00	3.00%	10	120002
LEBANON, CITY OF	BYPASS 48 RESURFACING	$302,000.00	$302,000.00	$0.00	3.00%	4	180015
LEWISBURG, VILLAGE OF	STREET RESURFACING	$850,000.00	$850,000.00	$0.00	3.00%	20	190012
LICKING TOWNSHIP	3 TOWNSHIP RD. REPAVING	$202,000.00	$202,000.00	$0.00	3.00%	10	160014
LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION	GRADE CROSSING ELIMINATION-LIMA	$2,279,200.00	$335,882.95	$1,943,317.05	3.00%	4	180004
LORAIN, CITY OF	REDFERN ROAD BRIDGE	$202,000.00	$202,000.00	$0.00	3.00%	10	130011
LORAIN, CITY OF	SR 57 AND 7 LOCAL ROADS	$1,633,000.00	$1,620,230.70	$12,769.30	3.00%	10	160012
LORAIN, CITY OF	12 LOCAL ROAD REHAB	$448,489.00	$412,952.91	$35,536.09	3.00%	10	130004
LORAIN, CITY OF	WEST 38TH, WEST 39TH, OBERLIN AVE	$409,572.00	$304,555.73	$105,016.27	3.00%	10	110003
LORAIN, CITY OF	SR58 AND VARIOUS LOCAL ROADS	$1,285,000.00	$1,166,785.95	$118,214.05	3.00%	10	090007
LORAIN, CITY OF	12 LOCAL ROADWAY REHABILITATION	$1,547,329.00	$1,415,848.40	$131,480.60	3.00%	10	170010
LORAIN, CITY OF	SR611 RESURFACING	$848,963.00	$564,713.55	$284,249.45	3.00%	10	130006
LORAIN, CITY OF	WASHINGTON & REID AVE REHAB	$1,630,076.00	$1,301,541.67	$328,534.33	3.00%	10	130005
LORAIN, CITY OF	LOCAL ROADWAY REHABILITATION 2015	$1,336,739.00	$934,356.62	$402,382.38	3.00%	7	160006
LORAIN, CITY OF	5 ROAD REHAB/REPAIR IN CITY	$2,458,000.00	$1,928,397.01	$529,602.99	3.00%	15	130009
LORAIN, CITY OF	LOCAL ROAD REHAB	$1,822,688.00	$1,547,488.76	$275,199.24	3.00%	7	180014
MACEDONIA, CITY OF	IR271 RAMP RELOCATION	$502,000.00	$502,000.00	$0.00	3.00%	10	140010
MARIETTA, CITY OF	RIVER TRAIL PATH PROJECT	$254,800.00	$229,059.15	$25,740.85	3.00%	10	160011
MARTINS FERRY, CITY OF	8TH ST. SLIP REPAIR	$392,000.00	$291,039.98	$100,960.02	3.00%	20	170005
MCCOMB VILLAGE	OLIVER STREET RECONSTRUCTION	$642,000.00	$540,230.05	$101,769.95	3.00%	15	140003
MENTOR ON THE LAKE	SR 283 NOACA PORTION	$1,842,140.00	$1,842,140.00	$0.00	3.00%	5	070A10
MENTOR ON THE LAKE	SR 283 CITY PORTION	$1,209,042.56	$1,209,042.56	$0.00	3.00%	20	070B10
MONTGOMERY CNTY TRANSPORTATION IMPROVEMENT	DOG LEG RD. IMPROVE	$13,369,518.00	$13,369,517.61	$0.39	3.00%	12	140001
MONTGOMERY CNTY TRANSPORTATION IMPROVEMENT	MARKET ST. EXTENSION	$1,976,000.00	$1,976,000.00	$0.00	3.00%	20	170002
MONTGOMERY CNTY TRANSPORTATION IMPROVEMENT	AUSTIN RD. ENHANCEMENTS	$704,000.00	$704,000.00	$0.00	3.00%	10	170003
MONTGOMERY COUNTY	YANKEE STREET	$1,135,218.00	$1,038,736.88	$96,481.12	3.00%	10	140004
MONTGOMERY COUNTY	AUSTIN PIKE	$2,508,000.00	$1,295,180.06	$1,212,819.94	3.00%	10	110007
MONTGOMERY COUNTY TID	MIAMI-LYONS ROAD	$584,180.00	$323,801.84	$260,378.16	3.00%	10	180017
MONTGOMERY COUNTY TID	MIAMISBURG ROAD	$1,005,564.00	$1,005,564.00	$0.00	3.00%	10	190014
MONTGOMERY COUNTY TID	MIAMI TOWNSHIP	$1,960,589.00	$6,000.00	$1,954,589.00	3.00%	10	190015
MUNROE FALLS	LOCAL ROAD REHAB	$1,100,000.00	$1,083,822.63	$16,177.37	3.00%	9	180011
MUSKINGUM COUNTY	PHILO-DUNCAN BRIDGE	$1,092,598.00	$423,866.01	$668,731.99	3.00%	20	180002
MUSKINGUM COUNTY TRNSPORTATION IMPROVEMENT	BYERS RD. RELOCATION	$2,510,990.00	$2,510,990.00	$0.00	3.00%	10	110005
MUSKINGUM COUNTY TRNSPORTATION IMPROVEMENT	NORTHPOINTE DRIVE	$11,060,000.00	$11,060,000.00	$0.00	3.00%	20	SB9908
NEW PHILADELPHIA, CITY OF	SR 39/WEST HIGH AVE	$350,000.00	$350,000.00	$0.00	3.00%	10	140014
NEW PHILADELPHIA, CITY OF	AIRPORT HANGAR	$504,000.00	$503,990.00	$10.00	3.00%	20	180018

Ohio Department of Transportation
State Infrastructure Bank
Active Project List ending September 30, 2019

Borrower	Project	Loan/Bond Amount	Loan/Bond Disbursements	Funds Available	Interest Rate	Term	Loan Number
NEWARK, CITY OF	WATERWORKS SR 13 RECONSTRUCTION	$3,010,000.00	$2,129,147.30	$880,852.70	3.00%	10	080003
NEWARK, CITY OF	MOUNT VERNON ROAD IMPROVEMENTS	$6,630,000.00	$5,553,269.11	$1,076,730.89	3.00%	20	150013
NEWARK, CITY OF	OHIO & MANNING BRIDGES	$2,717,728.00	$1,356,808.79	$1,360,919.21	3.00%	10	180008
NORTH RIDGEVILLE, CITY OF	LEAR NAGLE ROAD-NORTH RIDGEVILLE PORTION	$2,000.00	$2,000.00	$0.00	3.00%	10	160B07
NORTHEAST OHIO AREAWIDE COORDINATING AGENCY	LEAR NAGLE ROAD-NOACA PORTION	$5,304,000.00	$5,242,256.34	$61,743.66	3.00%	10	160A07
NORTHEAST OHIO AREAWIDE COORDINATING AGENCY	W.150TH & HARVARD	$4,006,400.00	$3,631,099.86	$375,300.14	3.00%	10	160A10
NORTHEAST OHIO AREAWIDE COORDINATING AGENCY	NOACA-CLEVELAND-TOWER CITY BRIDGE PROJEC	$8,298,000.00	$5,677,406.87	$2,620,593.13	3.00%	10	170A09
NORTHEAST OHIO AREAWIDE COORDINATING AGENCY	NOACA/BRUNSWICK-NORTH CARPENTER ROAD	$9,710,000.00	$2,296,559.73	$7,413,440.27	3.00%	10	170A08
NORTHEAST OHIO AREAWIDE COORDINATING AGENCY	NOACA/CUYAHOGA-ROYALTON ROAD WIDENING	$10,358,800.00	$2,447,166.86	$7,911,633.14	3.00%	10	180007
NORTHEAST OHIO AREAWIDE COORDINATING AGENCY	NOACA/LAKE-VROOMAN RD*AMENDMENT*	$14,809,910.00	$9,905,931.60	$4,903,978.40	3.00%	6	180005
NORTON, CITY OF	CLEVELAND-MASSILLON ROAD WIDENING	$3,158,000.00	$1,196,688.24	$1,961,311.76	3.00%	20	190008
OTTAWA VILLAGE	WILLIAMSTOWN RD PROFILING	$211,000.00	$138,903.54	$72,096.46	3.00%	10	140020
OTTAWA VILLAGE	PUTNAM PKWY EXTENSION	$272,725.00	$191,964.49	$80,760.51	3.00%	10	140019
OTTAWA VILLAGE	VILLA DRIVE RECONSTRUCT	$614,700.00	$289,891.97	$324,808.03	3.00%	10	160013
PATASKALA, CITY OF	SUMMIT ROAD SOUTH REHAB	$317,000.00	$247,771.32	$69,228.68	3.00%	10	110001
PERRY TOWNSHIP	LOCAL STREET REPAVING (6)	$302,000.00	$232,667.65	$69,332.35	3.00%	7	150008
ROSS COUNTY	SR207 & HOSPITAL ROAD	$2,006,000.00	$6,000.00	$2,000,000.00	3.00%	20	190010
SOUTHWEST LICKING COMM WATER & SEWER DISTRICT	I70&SR 310 INTERCHANGE	$314,722.00	$263,316.16	$51,405.84	3.00%	10	160009
SPRINGFIELD TOWNSHIP	LIGHTING, CANTON/WATERLOO	$227,000.00	$2,155.80	$224,844.20	3.00%	10	190005
STEUBENVILLE, CITY OF	SR43 WIDENING	$2,282,292.00	$2,257,851.16	$24,440.84	3.00%	25	SB9809
TOLEDO LUCAS CO PORT AUTHORITY	AIRPORT IMPROVEMENTS	$1,761,000.00	$1,281,594.14	$479,405.86	3.00%	20	180003
TOLEDO, CITY OF	TOLEDO/TMACOG MLK MEMORIAL BRIDGE	$4,547,300.00	$4,505,000.00	$42,300.00	3.00%	10	SB0416
TOLEDO, CITY OF	MARINA DISTRICT; RIVERSIDE DRIVE	$5,010,000.00	$4,044,735.86	$965,264.14	3.00%	15	080002
TUSCARAWAS VILLAGE	MAIN ST. SIDEWALK REP	$110,446.00	$102,561.55	$7,884.45	3.00%	10	170004
TWINSBURG TOWNSHIP	HEIGHTS RD RECONSTRUCTION	$2,932,478.00	$1,947,378.67	$985,099.33	3.00%	10	130008
TWINSBURG TOWNSHIP	MARWELL ESTATES ROAD REC	$2,040,698.00	$1,912,463.37	$128,234.63	3.00%	10	170001
TWINSBURG TOWNSHIP	HEIGHTS ALLOTMENT RD RECON	$1,582,019.00	$1,022,581.06	$559,437.94	3.00%	15	180006
UNIVERSITY HEIGHTS, CITY OF	UNIVERSITY PARKWAY	$682,000.00	$577,844.93	$104,155.07	3.00%	10	090009
VANDALIA, CITY OF	SOUTH DIXIE PHASE 3 WIDENING	$1,776,000.00	$1,652,214.99	$123,785.01	3.00%	10	140015
WARRENSVILLE HEIGHTS, CITY OF	3 LOCAL ROADS REHAB	$2,797,205.00	$2,797,205.00	$0.00	3.00%	10	150014
WEST FARMINGTON VILLAGE	2 BRIDGES/WATERLINE RELO	$12,600.00	$11,958.41	$641.59	3.00%	10	150010
WEST JEFFERSON	SR29/US40 EXT AND UPGRADES	$1,006,000.00	$1,006,000.00	$0.00	3.00%	20	180012
WESTLAKE, CITY OF	SR254/CROCKER ROAD IMPROVEMENTS	$8,510,000.00	$8,510,000.00	$0.00	3.00%	20	130003
YOUNGSTOWN, CITY OF	BRIER HILL INDUSTRIAL PARK	$2,626,090.00	$1,801,341.82	$824,748.18	3.00%	10	100001
ZANESVILLE, CITY OF	STATE STREET BRIDGE	$109,580.00	$75,728.73	$33,851.27	3.00%	10	120001
ZANESVILLE, CITY OF	SR146/60 CONNECTOR	$5,010,000.00	$4,641,113.28	$368,886.72	3.00%	27	SB0423
		$319,133,138.92	$232,648,733.31	$86,484,405.61			



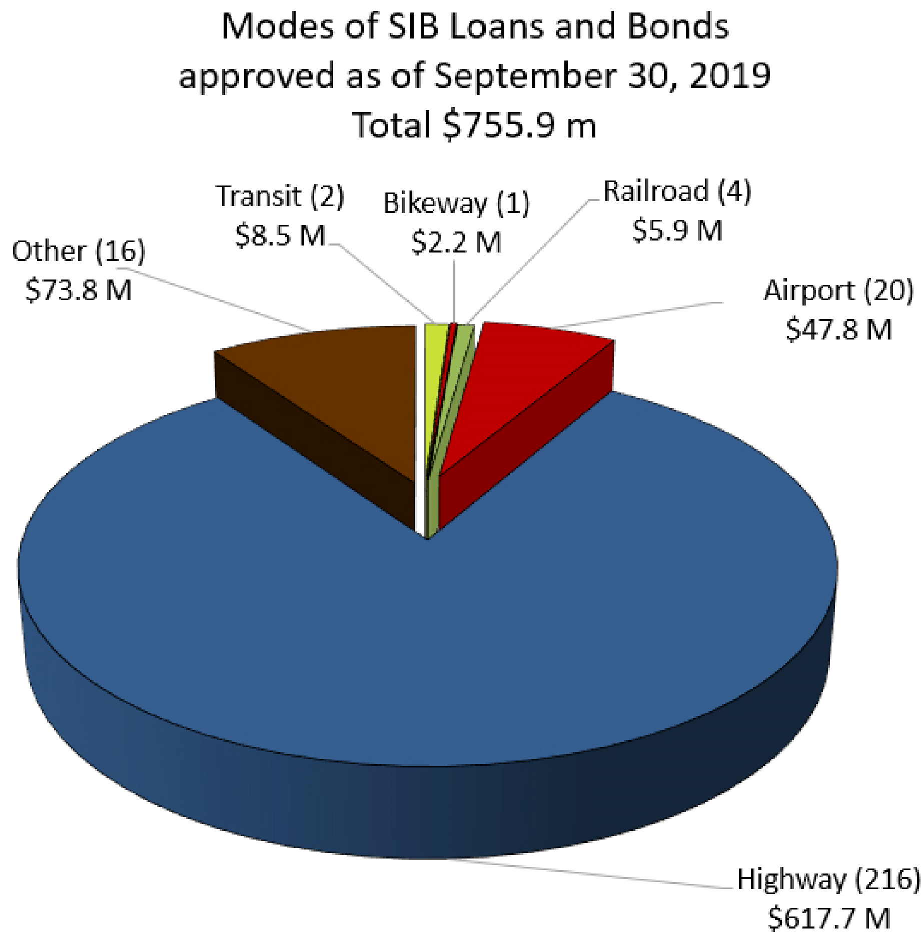
Note: Total available to lend is calculated net of annual debt service totaling $1,074,403.



State Fiscal Year	1996-2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total *
# of Loans	122	8	3	5	12	17	19	9	14	18	20	247
$ of Approved Loans (in millions)	$367.14	$18.6	$5.5	$7.8	$33.6	$56.9	$65.1	$10.1	$28.9	$47.4	$20.5	$661.5
# of Bonds	2			1		1	3	1	1	1	2	12
$ of Approved Bonds (in millions)	$18.5			$9.4		$7.2	$10.5	$7.9	$4.7	$15.7	$20.5	$94.4

Number of Loans:	247	Amount of Approved Loans:	$661.5
Number of Bonds:	12	Amount of Approved Bonds:	$94.4
Total:	259	Total:	$755.9

* Annual amounts may not equal to total due to rounding. Excludes loans that were approved but cancelled prior to closing on the loan.


Modes of SIB Loans and Bonds
approved as of September 30, 2019
Total $755.9 m
Transit (2)
$8.5 M
Bikeway (1)
$2.2 M
Railroad (4)
$5.9 M
Other (16)
$73.8 M
Airport (20)
$47.8 M
Highway (216)
$617.7 M

HIGHLIGHTED STATE INFRASTRUCTURE BANK (SIB) PROJECTS

SIB projects include those found below and are depicted on the next page.

Montgomery County TID - Miami Township, Lyons Road Pedestrian Access Project

This project located in Montgomery County consists of the construction of a new 10 ft. sidewalk, in addition to curb, gutter, and storm sewer along the south side of Lyons Road for 0.5 miles between Byers Road and SR 741 to improve safety and connectivity for pedestrians in high traffic areas, in Miami Township, Ohio.

Total Project Costs: $1,938,564 SIB Loan Amount: $584,180

Village of West Jefferson – SR29/US40 Improvements Project

The Village obtained a SIB loan for a project located in Madison County. The improvements consist of construction, relocation, and widening of a portion of SR-29 to allow for better connectivity. The project also includes the construction of a roundabout that will provide improved access to businesses located in the area.

Total Project Costs: $6,686,000 SIB Loan Amount: $1,006,000

Akron-Canton Regional Airport – Gate Expansion Project

With a SIB loan the airport was able to finance improvements that will include the replacement of five ground-level boarding gates with four second-level boarding gates, adding approximately 45,600 SF of new space and renovation of 10,000 SF of existing space, adding passenger boarding bridges, new restrooms, a business lounge, retail space and a children's play area.

Total Project Costs: $38,576,121 SIB Bond Amount: $15,680,000

Village of Lewisburg – 2018 Street Resurfacing Program Project

This project is for the resurfacing of various streets with an asphalt overlay, located within the Village of Lewisburg, Preble County, Ohio. This project is part of the Village's maintenance program to resurface deteriorated streets within the Village corporation limits.

Total Project Costs: $850,000 SIB Loan Amount: $850,000

City of New Philadelphia - 12 Bay Nested T Hangar Project

This SIB loan was used to finance the construction of a 12 Bay Nested T Hangar in the City of New Philadelphia, Ohio. The hangar has 42 ft. bi-fold doors and is a metal prefabricated building with electric and lighting and will be able to accommodate up to 12 single engine airplanes.

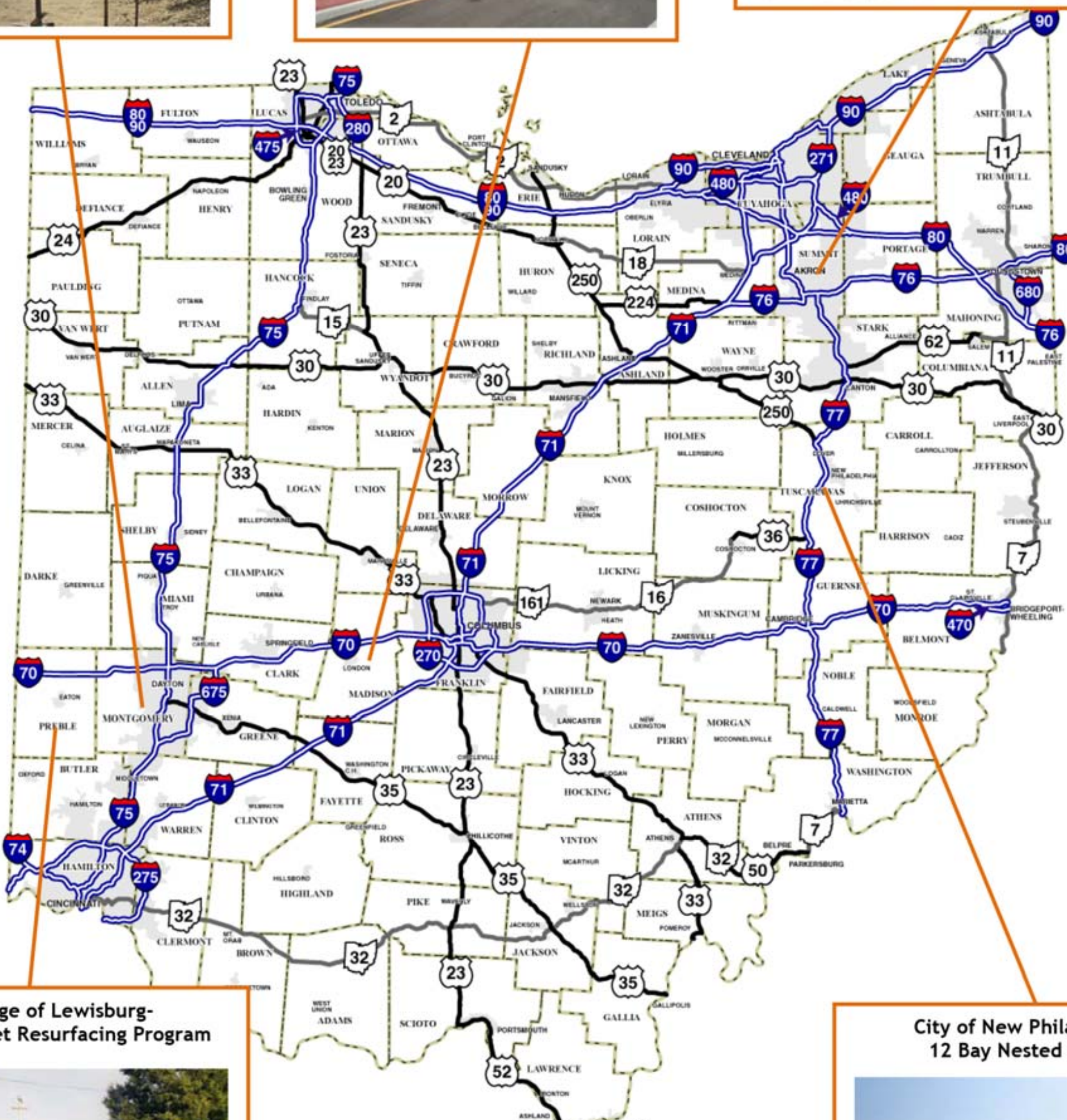
Total Project Costs: $504,000 SIB Bond Amount: $504,000

STATE INFRASTRUCTURE BANK PROJECTS

**Montgomery County TID-
Miami Township
Lyons Rd Pedestrian Access**

**Village of West Jefferson-
SR29/US40 Improvements**

**Akron-Canton Regional Airport Authority-
Gate Expansion**



**Village of Lewisburg-
2018 Street Resurfacing Program**

**City of New Philadelphia-
12 Bay Nested T Hangar**

SIB LOANS AND BONDS ISSUED SINCE PROGRAM INCEPTION
APPROVED, ACTIVE AND PAID OFF LOANS AND BONDS
as of September 30, 2019

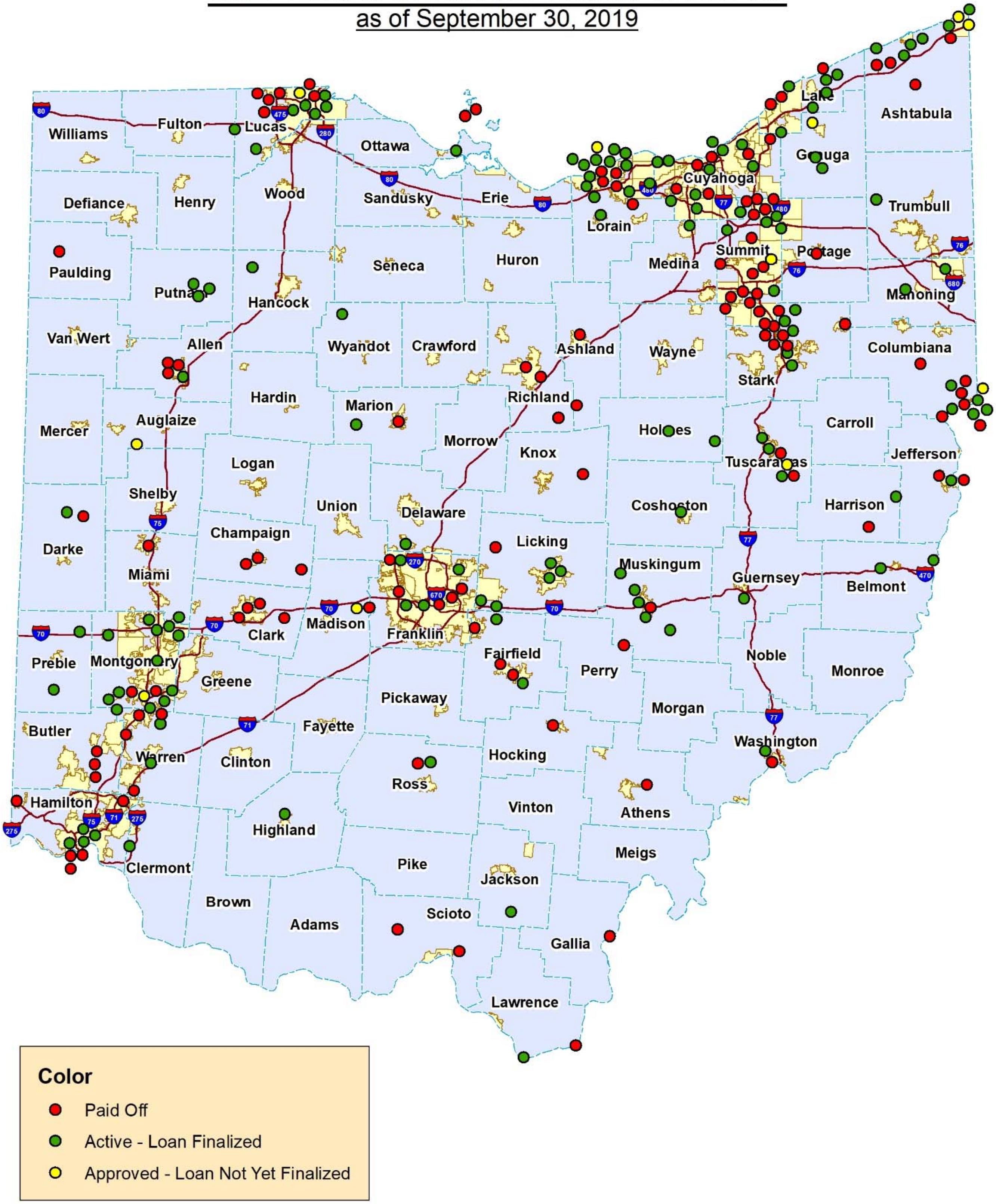
ODOT District	District Location	Loans	Bonds	Authorized Amount	% of Funds loaned/bonded	Approved * Loans	Active Loans	Paid off Loans	Approved * Bonds	Active Bonds	Paid-off Bonds
1	Lima	10		$7,997,339	1.06%		6	4			
2	Bowling Green	15	2	$50,975,050	6.74%		7	8		2	
3	Ashland	23	1	$33,348,032	4.41%		14	9		1	
4	Akron/Canton	46	3	$103,469,739	13.69%		21	25		2	1
5	Jacksontown	21	1	$56,905,156	7.53%		14	7		1	
6	Columbus	13	1	$92,539,486	12.24%	1	5	7		1	
7	Dayton	29	1	$63,609,332	8.42%	1	15	13		1	
8	Cincinnati	16	3	$126,731,245	16.77%		6	10		2	1
9	Chillicothe	9		$12,359,770	1.64%		3	6			
10	Marietta	7		$7,135,870	0.94%		1	6			
11	New Philadelphia	25		$22,609,847	2.99%	1	14	10			
12	Cleveland	33		$178,187,482	23.57%	2	18	13			
		247	12	$755,868,348	100.00%	5	124	118	0	10	2

Average loan amount is $2,677,969
Average bond amount is $7,867,500

***Approved loans or bonds means the SIB loan committee has approved but closing documents have not been executed.**

SIB LOAN/BOND LOCATIONS

as of September 30, 2019



SIB ANNUAL STATEMENT DISTRIBUTION LIST

Federal Highway Administration Washington office (3)
Federal Highway Administration Ohio office (2)
State of Ohio, Attorney General's office
State of Ohio, Office of Budget and Management
State of Ohio, Department of Transportation (20)
State of Ohio, Treasurer's office
Huntington National Bank
The Bank of New York Mellon Trust Company
Michael DiPerna, DiPerna Economic Development Advisors (2)