

Board of Trustees, Cincinnati Southern Railway

Financial Statements and Additional Financial Information
(Relating Solely to the Cash Transactions of the Board of Trustees)

Years Ended December 31, 2019 and 2018

with Accountant's Compilation Report

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To the Board of Trustees,
Cincinnati Southern Railway:

Management is responsible for the accompanying financial statements of the Board of Trustees, Cincinnati Southern Railway, which comprise the statements of assets and fund balances – cash basis (relating solely to the cash transactions of the Board of Trustees) as of December 31, 2019, and the related statement of receipts, disbursements and changes in fund balances – cash basis for the year then ended, and the related notes to the financial statements in accordance with the cash basis of accounting. Management is also responsible for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The 2018 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated May 7, 2019. We have not performed any auditing procedures since that date.

We draw your attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The accompanying other information contained the detailed schedule of cash disbursements and detailed schedule of tax credit fund activity on pages 14 and 15 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management. The other information was subject to our compilation engagement. We have not audited or reviewed the other information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
September 14, 2020

Board of Trustees, Cincinnati Southern Railway
 Statements of Assets and Fund Balances - Cash Basis
 (Relating Solely to the Cash Transactions of the Board of Trustees)
 December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets:		
Cash and cash equivalents (including certificates of deposit)	\$ <u>5,068,964</u>	<u>5,490,661</u>
Total assets	<u><u>5,068,964</u></u>	<u><u>5,490,661</u></u>
 Fund Balances:		
Unrestricted:		
Expense Reserve Fund	<u>3,473,721</u>	<u>3,187,420</u>
Total unrestricted fund balance	<u><u>3,473,721</u></u>	<u><u>3,187,420</u></u>
 Restricted:		
Tax Credit Fund	1,595,224	2,303,222
Investment Fund	<u>19</u>	<u>19</u>
Total restricted fund balances	<u><u>1,595,243</u></u>	<u><u>2,303,241</u></u>
Total fund balances	\$ <u><u>5,068,964</u></u>	<u><u>5,490,661</u></u>

See accompanying notes to financial statements.

Board of Trustees, Cincinnati Southern Railway
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
(Relating Solely to the Cash Transactions of the Board of Trustees)
For the Year Ended December 31, 2019

	Expense Reserve Fund	Investment Fund	Tax Credit Fund	Total
Receipts:				
Payments from lessee (Note 4)	\$ 252,360	-	-	252,360
Earnings on investments	-	96,866	-	96,866
Tax Credits	-	-	1,170,750	1,170,750
	<u>252,360</u>	<u>96,866</u>	<u>1,170,750</u>	<u>1,519,976</u>
Disbursements:				
Professional services	27,251	-	7,435	34,686
Public officials liability insurance	6,940	-	-	6,940
Payment to City	-	-	1,900,000	1,900,000
Bank fees	47	-	-	47
	<u>34,238</u>	<u>-</u>	<u>1,907,435</u>	<u>1,941,673</u>
Excess of cash receipts over disbursements	218,122	96,866	(736,685)	(421,697)
Transfers between funds:				
Allocation of earnings on investment	68,179	(96,866)	28,687	-
	<u>68,179</u>	<u>(96,866)</u>	<u>28,687</u>	<u>-</u>
Changes in fund balances	286,301	-	(707,998)	(421,697)
Fund balances:				
Beginning of year	3,187,420	19	2,303,222	5,490,661
End of year	\$ <u>3,473,721</u>	<u>19</u>	<u>1,595,224</u>	<u>5,068,964</u>

See accompanying notes to financial statements.

Board of Trustees, Cincinnati Southern Railway
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
(Relating Solely to the Cash Transactions of the Board of Trustees)
For the Year Ended December 31, 2018

	Expense Reserve Fund	Investment Fund	Tax Credit Fund	Total
Receipts:				
Payments from lessee (Note 4)	\$ 223,099	-	-	223,099
Earnings on investments	-	56,232	-	56,232
Tax Credits	-	-	1,172,500	1,172,500
	<u>223,099</u>	<u>56,232</u>	<u>1,172,500</u>	<u>1,451,831</u>
Total receipts				
Disbursements:				
Professional services	47,287	-	-	47,287
Public officials liability insurance	6,940	-	-	6,940
Bank fees	80	-	-	80
	<u>54,307</u>	<u>-</u>	<u>-</u>	<u>54,307</u>
Total disbursements				
Excess of cash receipts over disbursements	168,792	56,232	1,172,500	1,397,524
Transfers between funds:				
Allocation of earnings on investment	36,201	(56,232)	20,031	-
	<u>36,201</u>	<u>(56,232)</u>	<u>20,031</u>	<u>-</u>
Total transfers				
Changes in fund balances	204,993	-	1,192,531	1,397,524
Fund balances:				
Beginning of year	2,982,427	19	1,110,691	4,093,137
End of year	\$ <u>3,187,420</u>	<u>19</u>	<u>2,303,222</u>	<u>5,490,661</u>

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of the Board of Trustees, Cincinnati Southern Railway (“the Board”) are set forth to facilitate the understanding of data presented in the financial statements.

Description of entity

The Trustees of the Cincinnati Southern Railway operated initially under the provisions of the General Assembly of the State of Ohio and the General Code Sections as supplemented or amended by various House Bills. On April 4, 1977, House Bill 69 was passed authorizing the City of Cincinnati to provide legislation for the continuance of a Board of Trustees. Ordinance #290-1977 provided for the appointment, removal, bonding, and compensation of the Board. The Board of Trustees must consist of five members who shall be appointed by the Mayor with approval of City Council.

Principles of operations

The Board holds title on behalf of the City of Cincinnati to a railroad right-of-way between Cincinnati, Ohio and Chattanooga, Tennessee and leases the property to the Cincinnati, New Orleans and Texas Pacific Railway Company, a wholly-owned subsidiary of the Norfolk Southern Corporation (Lessee). The lease expires on December 31, 2026, but has an option for an additional twenty-five years. All funds paid by the Lessee under terms of Section 1 of the 1987 Supplementary Agreement are sent directly to the Treasurer of the City of Cincinnati without going through the Board's financial records. The lease also provides that the Board may sell or convey any land or lands included in the lease, which may become unnecessary for the maintenance, use and operation of the railway.

Basis of accounting

The Board prepares its financial statements on the basis of cash receipts and cash disbursements. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. The accompanying financial statements are therefore not intended to be in accordance with accounting principles generally accepted in the United States of America. These financial statements include only those funds that were received and accounted for through the records of the Board, which includes the annual payments by the Lessee for Board expenses, tax credits, income from trustee investments and income derived from the sale of unneeded right-of-way property.

Property of the Cincinnati Southern Railway, leases, and right-of-ways, etc., are not included in the financial statements because records of the cost and/or fair value of the tangible assets and intangible assets are not available. Additionally, proceeds from bond issues and payments for the principal and interest on bonds are not reported in the financial statements because these items are under the jurisdiction of the City of Cincinnati.

Fund accounting

In order to ensure the observance of limitations and restrictions placed on the use of the resources available to the Board, the accounts are maintained in accordance with the principles of fund accounting. Fund accounting is the procedure by which the resources for various purposes are classified for each fund and all financial transactions are reported by each fund group. A description of the funds follows:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Expense Reserve Fund

The Expense Reserve Fund receives revenue from the lease and pays the necessary expenses of the Board in overseeing the terms and conditions of the lease.

Tax Credit Fund

The Tax Credit Fund receives revenue from the lessee based on Tax Credit Agreements and remits excess federal and state tax credits to the City of Cincinnati. Professional service obligations incurred during lease renegotiations are also paid from the fund.

Sale of Property Fund

The Sale of Property Fund receives the proceeds and pays related expenses for the sale of leased property which is deemed to be superfluous and returned to the Trustees in accordance with Section 3(e) of the Supplemental Agreement. Based upon the research of the City of Cincinnati Solicitor's office, the net earnings from the sale of property fund are to be paid to the Treasurer of the City of Cincinnati for bond retirement. In 2019 and 2018, this Fund had no receipts and thus, no such payments were made. The Fund had no balances as of December 31, 2019 and 2018. In accordance with Section 3(f) of the Supplemental Agreement, proceeds for leased property which is condemned or conveyed under threat of condemnation are excluded from being recorded in the sale of property fund and are held by the Lessee in a property replacement account (see Note 5).

Investment Fund

The Investment Fund receives the proceeds from all investments and allocates these earnings to the other funds based on a calculation derived by the Board (see Note 3).

Income Taxes

The Board is exempt from federal income taxes under Internal Revenue Code Section 115.

Compensation

Section 205-5 of the Cincinnati Municipal Code provides that Trustees may receive compensation, with Board consent, for special assignments related to Board responsibilities that may arise from time to time. For the years ended December 31, 2019 and 2018, no Trustees received compensation.

2. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents include all cash balances, certificates of deposit and bankers acceptances with an initial maturity of three months or less on deposit with local banks. At December 31, 2019 and 2018, the cash and cash equivalent balances were \$5,068,964 and \$5,490,661, respectively. Of the bank deposit balances, the statutory limit was covered by the Federal Deposit Insurance Corporation and the balance was collateralized by pools established by the financial institutions to secure the repayment of all public monies deposited with the institutions as required by Section 135 of the Ohio Revised Code.

3. EARNINGS ON INVESTMENTS:

All interest earned on cash and cash equivalents are recorded in the Investment Fund. The Expense Reserve Fund and the Tax Credit Fund are allocated a portion of this revenue, with the remaining balance being deemed excess revenues to be remitted to the City of Cincinnati. For the years ended December 31, 2019 and 2018, the allocation to the Expense Reserve Fund is computed on a pro-rata basis based on the average fund balances of the Expense Reserve Fund, Tax Credit Fund and Investment Fund. The amounts allocated are as follows:

	<u>2019</u>	<u>2018</u>
Expense Reserve Fund	\$ 68,179	36,201
Tax Credit Fund	<u>28,687</u>	<u>20,031</u>
	<u>\$ 96,866</u>	<u>56,232</u>

4. PAYMENTS FROM LESSEE:

Expense Reserve Fund: The Board receives quarterly payments from the lessee to defray the cost of necessary expenses. The annual base payment is \$100,000 and the payments increase annually based on the change in the consumer price index (CPI). CPI Payments were \$127,360 and \$123,099 in 2019 and 2018, respectively. The Board received 5 quarterly payments in 2019.

Tax Credit Fund: In 2008, the Board entered into a Tax Credit Agreement with Cincinnati, New Orleans and Texas Pacific Railway Company (“Lessee”) which enabled the Lessee to claim tax credits under Section 45G(c)(2) of the Internal Revenue Code and under section 141.385(2) of the Kentucky Revised Statutes. A part of the agreement, the Lessee agreed to pay the Board fifty percent of the tax credits claimed. As per the agreement, payment of these amounts are conditioned on the full approval of the credits by the Internal Revenue Service and the Commonwealth of Kentucky.

5. PROPERTY REPLACEMENT ACCOUNT:

In accordance with Section 3(f) of the Supplemental Agreement, any cash awarded from leased property being condemned or under threat of condemnation is to be deposited into an interest-bearing account in the name of the lessee. This account is not included in the financial statements of the Board. These funds may only be used by the lessee for replacement of taken property or improvements or, alternatively, to acquire and improve additional property for railroad operations. Any new property or improvements are to be titled in the name of the Board and become part of the leased property. On an annual basis, the Board is to receive an accounting of these funds from the lessee. All monies remaining at the end of the lease will be remitted directly to the Board.

During 1990, a Property Replacement Account was established with a financial institution (since this account was opened, this bank has changed names, U.S. Bank is the current bank) with deposits of \$14,500 from McCreary County, Kentucky and \$500 from Hamilton County, Tennessee.

During 1991, a \$1,550 award from Hamilton County, Tennessee was negotiated and apportioned, with \$748 for permanent drainage easement to be deposited in the Property Replacement Account and \$802

5. PROPERTY REPLACEMENT ACCOUNT (continued):

for temporary slope easement to be retained by the Cincinnati, New Orleans and Texas Pacific Railway Company. Also, during 1991, \$9,175 was generated by approving a permanent and temporary easement to the State of Kentucky.

During 1992, \$14,925 was generated by selling three parcels of property that were to be condemned to the Tennessee Department of Transportation. Also, \$2,000 was generated from an adverse possession claim on the Catnip Hill, Kentucky property.

During 1993 and 1994, the only activity in this account was for interest earnings. During 1995, \$8,880 was generated by selling 1.416 acres in Tennessee to the Tennessee Department of Transportation under threat of condemnation.

During 1996, \$9,500 was generated by selling 1.318 acres in Tennessee to the Tennessee Department of Transportation under threat of condemnation. During 1997, \$2,075 was refunded to the Cincinnati, New Orleans and Texas Pacific Railway Company. The Board determined that \$2,075 of the \$9,500 deposit made in 1996 should have been paid to the Company for deprivation of use of land belonging to the Company.

During 1998, \$32,824 was generated by selling 8,604 square feet in Tennessee to the Chattanooga Housing Authority under threat of condemnation and \$800 was generated by selling 0.3 acres to the Tennessee Department of Transportation under threat of condemnation.

During 1999, \$47,468 was generated by selling 2.3 acres in Chattanooga, Tennessee and \$25,000 was generated for conveyance of land to Erlanger, Kentucky.

During 2000, \$7,470 was generated by selling .86 acres in Chattanooga, Tennessee and \$1,001 was generated related to a condemnation award for a wire line crossing in Scott County, Tennessee.

During 2001, 2002, and 2003, the only activity in this account was for interest earnings.

During 2004, \$4,400 was generated by selling 1.309 acres in Whitley City, Kentucky to the Kentucky Department of Transportation under threat of condemnation, \$36,984 was generated by selling 3.05 acres in Tennessee to Hamilton County, Tennessee related to a condemnation award for easements, \$6,825 was generated by selling .512 acres in Chattanooga, Tennessee to the Tennessee Department of Transportation related to a condemnation award for Third Street, and \$3,294 was generated by selling multiple parcels of land in Spring City, Tennessee to the Tennessee Department of Transportation related to a condemnation award.

During 2005, \$9,646 was generated by selling various easements in Pulaski County, Kentucky to East Kentucky Power Cooperative under threat of condemnation, \$7,000 was generated by selling land below the Elm Street Bridge located in Kenton County, Kentucky to the State of Kentucky under threat of condemnation, and \$168,000 was generated by selling 1.68 acres in Fayette County, Kentucky to the University of Kentucky under threat of condemnation.

During 2006, the only activity in this account was for interest earnings.

5. PROPERTY REPLACEMENT ACCOUNT (continued):

During 2007, \$3,000 was generated by the sale of a permanent easement for an overhead bridge in Crescent Springs, Kenton County, Kentucky.

During 2008, \$5,000 was generated by the sale of a permanent easement for transmission lines on land located in the Fourth Civil District of Scott County, Tennessee.

During 2009, \$127,220 was generated by the sale of permanent easements for sidewalks and utilities, \$4,443 was generated by the sale of permanent aerial easement for a bridge, \$8,525 was generated by the sale of permanent easements for roadway, \$7,775 was generated by sale of permanent easements, \$8,228 was generated by the sale of permanent easements, and \$351,000 was generated by the sale of 1.17 acres to Kentucky Transportation Cabinet.

During 2010, \$2,700 was generated by the sale of permanent easements. In March, \$7,775 was determined to have been deposited in 2009 into the 3(f) account in error. A transfer of \$7,775 was made from the 3(f) to Norfolk Southern Corporation to correct the error.

During 2011, the only activity in this account was for interest earnings. During 2012, \$560,900 was generated by the sale of a deed of conveyance and grant of temporary easement in Fayette County, Kentucky to the Kentucky Transportation Cabinet.

During 2013, \$2,418,000 was generated by the sale of a deed of conveyance in Fayette County, Kentucky to the Kentucky Transportation Cabinet. In April, the purchase of 9 parcels of property in Pulaski County, Kentucky was completed for a total purchase price of \$1,021,250. In May, \$6,100 was deposited into the account related to sale of property in Grant County, Kentucky.

During 2014, \$7,500 was generated by granting an aerial easement to the Tennessee Valley Authority, \$42,500 was generated by the granting of an easement in Greendale, Kentucky to the Kentucky Transportation Cabinet. In December, the Norfolk Southern Corporation withdrew \$2,960,000 in relation to the double-mail project at Grove/Somerset.

During 2015, \$1,175 was from the Tennessee Department of Transportation in relation to a 1996 condemnation.

During 2016, \$15,000 was from the Tennessee Valley Authority in relation to the granting of an easement in 2015 with the funds being deposited into the Property Replacement Account in 2016.

During 2017, \$9,500 was from the Tennessee Valley Authority in relation to the granting of an easement in 2016 with the funds being deposited into the Property Replacement Account in 2017.

During 2018, \$7,500 was from the Tennessee Valley Authority in relation to the granting of an easement in 2017 with the funds being deposited into the Property Replacement Account in 2018.

During 2019, the only activity in this account was for interest earnings.

Board of Trustees, Cincinnati Southern Railway
Notes to the Financial Statements
(Relating Solely to the Cash Transactions of the Board of Trustees)
December 31, 2019 and 2018

5. PROPERTY REPLACEMENT ACCOUNT (continued):

<u>Description of Account Activity</u>	<u>Amount</u>
Hamilton County, Tennessee – permanent easement, 1990	\$ 500
McCreary County, Kentucky – threat of condemnation, 1990	14,500
Hamilton County, Tennessee – permanent drainage easement, 1991	748
State of Kentucky – permanent and temporary easements, 1991	9,175
Tennessee Department of Transportation – threat of condemnation, 1992	14,925
Catnip Hill – adverse possession, 1992	2,000
Tennessee Department of Transportation – threat of condemnation, 1995	8,880
Tennessee Department of Transportation – threat of condemnation, 1996	9,500
Refund of 1996 deposit due to deprivation of land use, 1997	(2,075)
Chattanooga Housing Authority – threat of condemnation, 1998	32,824
Tennessee Department of Transportation – threat of condemnation, 1998	800
Chattanooga, Tennessee – sale of 2.3 acres deemed superfluous, 1999	47,468
Erlanger, Kentucky – sale of 1.573 acres deemed superfluous, 1999	25,000
Chattanooga, Tennessee – sale of .86 acres, 2000	7,470
Scott County, Tennessee – condemnation award, 2000	1,001
State of Kentucky – threat of condemnation, 2004	4,400
Hamilton County, Tennessee – condemnation award, 2004	36,984
Chattanooga, Tennessee – condemnation award, 2004	6,825
Spring City, Tennessee – condemnation award, 2004	3,294
Pulaski County, Kentucky – condemnation award, 2005	9,646
Kenton County, Kentucky – condemnation award, 2005	7,000
Fayette County, Kentucky – condemnation award, 2005	168,000
Kenton County, Kentucky – permanent easement, 2007	3,000
Scott County, Tennessee – permanent easement, 2008	5,000
Grant County, Kentucky – permanent easement, 2009	141,320
Temporary easement to be retained by Norfolk Southern, 2009	(14,100)
Crescent Springs, Kentucky – permanent easement, 2009	4,433
Lexington, Kentucky – permanent easements, 2009	8,525
Lexington, Kentucky – permanent easements, 2009	7,775
Lexington, Kentucky – sale of 1.17 acres – threat of condemnation, 2009	351,000
Pulaski County, Kentucky – permanent easement, 2009	8,228
Nicholasville, Kentucky – permanent easement, 2010	1,000
Scott County, Kentucky – permanent easement, 2010	1,700
Transfer to Norfolk Southern for overpayment account related to easement from 2009	(7,775)
Fayette County, Kentucky – deed of conveyance/grant of temporary easement, 2012	560,900
Fayette County, Kentucky – deed of conveyance, 2013	2,418,000
Grant County Kentucky – deed of conveyance, 2013	6,100
Pulaski County, Kentucky – purchase of 9 parcels of property, 2013	(1,021,250)
Tennessee Valley Authority - granting of aerial easement, 2014	7,500
Fayette County, Kentucky – granting of easement, 2014	42,500
Withdrawal for the double-main project at Grove/Somerset, 2014	(2,960,000)
Tennessee Dept of Transportation – additional funds received related 1996 condemnation	1,175
Tennessee Valley Authority - sale of an easement - sale in 2015 funds received 2016	15,000
Tennessee Valley Authority - sale of an easement - sale in 2016 funds received 2017	9,500
Tennessee Valley Authority - sale of an easement - sale in 2017 funds received in 2018	7,500
Bank and Wire Fees	(117)
Interest earnings through 2019	<u>32,843</u>
Total	<u>\$ 38,622</u>
Amount confirmed with both U.S. Bank and Norfolk Southern	<u>\$ 38,622</u>

6. CINCINNATI, NEW ORLEANS AND TEXAS PACIFIC RAILWAY COMPANY:

As described in Note 1, the Board leases property to the Cincinnati, New Orleans and Texas Pacific Railway Company, who remits payment under this lease directly to the City of Cincinnati in quarterly installments. In 1987, a Supplementary Agreement was negotiated in which the basic rent was established at \$11,000,000 per year, coupled with an escalator clause with a formula based upon the

Board of Trustees, Cincinnati Southern Railway
Notes to the Financial Statements
(Relating Solely to the Cash Transactions of the Board of Trustees)
December 31, 2019 and 2018

6. CINCINNATI, NEW ORLEANS AND TEXAS PACIFIC RAILWAY COMPANY (continued):

Implicit Price Deflator for Gross National Product (IPD-GNP). The use of this formula is reflected in rental payments as shown below:

Year	Rent Payments Received by the City of Cincinnati
1987	\$ 6,000,000 (A)
1987	11,706,522 (B)
1988	14,159,750 (C)
1989	8,900,706
1990	12,238,082
1991	12,685,453
1992	13,192,871
1993	13,632,589
1994	13,993,444
1995	14,207,684
1996	14,559,892
1997	14,857,993
1998	15,216,901
1999	15,256,161
2000	15,511,244
2001	15,852,336
2002	16,211,233
2003	16,407,065
2004	16,681,555
2005	17,085,916
2006	17,701,180
2007	18,317,889
2008	18,889,407
2009	19,323,674
2010	19,551,307
2011	19,709,868
2012	20,189,606
2013	20,553,019
2014	20,862,753
2015	21,194,471
2016	21,480,172
2017	21,804,737
2018	22,190,245
2019	22,684,866
	\$ 562,810,591

(A) Reflects the agreed upon sum for settlement of past claims under the Supplementary Agreement.

(B) Reflects rent for 1987 plus interest on late payment of rents.

(C) The 1988 rent received includes \$2,831,950 pre-payment of rental income due in 1989.

Board of Trustees, Cincinnati Southern Railway
Notes to the Financial Statements
(Relating Solely to the Cash Transactions of the Board of Trustees)
December 31, 2019 and 2018

7. SUBSEQUENT EVENTS:

On February 14, 2020 the Board received \$2,021,250 from the Lessee which consisted of \$673,750 related to the 2012 Kentucky Tax Credit, \$673,750 related to the 2013 Kentucky Tax Credit and \$673,750 related to the 2014 Kentucky Tax Credit.

In September 2020, the Board remitted \$3,100,000 from the Tax Credit Fund to the City of Cincinnati.

ADDITIONAL FINANCIAL INFORMATION

Board of Trustees, Cincinnati Southern Railway
Detailed Schedule of Cash Disbursements
For the Year Ended December 31, 2019

Date	Transactions	Expense Reserve Fund Amount	Tax Credit Fund Amount
01/11/19	Tom Kilcoyne - reimbursement	\$ 423	-
01/21/19	Charlie Luken - reimbursement	169	-
02/08/19	Queen City Club	139	-
02/14/19	Bank Fee	25	-
02/25/19	US Digital Partners - website maintenance and hosting for 2019	1,380	-
03/08/19	Queen City Club	200	-
05/07/19	Clark Schaefer Hackett - 2018 Audit	6,400	-
05/07/19	Vehr Communications	300	-
05/07/19	Dorothy Carman - consulting services	153	-
05/07/19	Treasurer, City of Cincinnati - Professional Services	10,029	-
05/07/19	City of Cincinnati - excess tax credit funds	-	1,900,000
06/04/19	Tailwind LLC - Lunken to Chattanooga Roundtrip	3,146	-
06/04/19	Roger J Pelletier - professional pilot services	700	-
07/10/19	Queen City Club	107	-
09/10/19	Numbers & Money LLC - monthly retainer - 5 months	1,500	-
09/10/19	Queen City Club	1,063	-
10/07/19	Queen City Club	688	-
11/06/19	Queen City Club	519	-
12/10/19	Arthur J. Gallagher Risk Management Services - Insurance Premium	6,940	-
12/10/19	RL Banks & Associates - consulting services	-	2,780
12/10/19	Stinson - professional services	-	4,655
12/10/19	Paul Sylvester - reimbursement	335	-
12/13/19	Bank Fee	22	-
		\$ <u>34,238</u>	<u>1,907,435</u>

Tax Credit Agreement Payments Received:

<u>Tax Year</u>	<u>Federal Amount</u>	<u>Kentucky Amount</u>	<u>Annual Total</u>	<u>Federal Date Received</u>	<u>State Date Received</u>
2008	\$ 1,165,500	NA	\$ 1,165,500	January 9, 2012	
2009	1,163,750	NA	1,163,750	November 20, 2012	
2010	1,163,750	673,750	1,837,500	November 20, 2012	December 3, 2015
2011	1,163,750	673,750	1,837,500	January 27, 2016	October 31, 2016
2012	1,163,750	673,750	1,837,500	January 27, 2016	February 14, 2020
2013	1,165,500	673,750	1,839,250	October 6, 2017	February 14, 2020
2014	1,172,500	673,750	1,846,250	September 25, 2018	February 14, 2020
2015	1,170,750	-	1,170,750	November 15, 2019	
Total to date:	\$ 9,329,250	\$ 3,368,750	\$ 12,698,000		

Federal Tax Credit Appropriated through 2022

Tax Credit Funds Remitted to the City of Cincinnati:

<u>Date Sent</u>	<u>Amount</u>
September 25, 2015	\$ 1,500,000
June 24, 2016	4,500,000
May 7, 2019	1,900,000
September 14, 2020	3,100,000
Total to date	<u>\$ 11,000,000</u>

Professional Service Obligations Disbursed as of December 31, 2019 From the Tax Credit Fund:

	<u>Amount</u>
Bank of Montreal	\$ -
RL Banks & Associates	2,780
Stinson	4,655
	<u>\$ 7,435</u>

The total obligations under these professional service agreements are not determinable at this time.

Tax Credit Agreement Future Payments:

<u>Tax Year</u>	<u>Estimated Federal Amount</u>	<u>Estimated Kentucky Amount</u>	<u>Estimated Annual Total</u>
2015	\$ -	\$ 673,750	\$ 673,750
2016	1,170,750	673,750	1,844,500
2017	1,170,750	673,750	1,844,500
2018	1,170,750	673,750	1,844,500
2019	1,170,750	673,750	1,844,500
Estimated Total:	\$ 4,683,000	\$ 3,368,750	\$ 8,051,750

Lessee remits tax credits to the Board approximately three (3) years after federal tax filings and four (4) years after state tax filing, which may be extended if federal or state audits keep those filing years open.

