

ALL ABOUT THE MONEY

Popular Annual Financial Report for the year ended December 31, 2015

City of Hamilton
BUTLER COUNTY OHIO



Letter from the Finance Director



The Department of Finance is proud to present the City of Hamilton's Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2015. The PAFR summarizes the City's financial information from a more detailed report called the Comprehensive Annual Financial Report (CAFR). The CAFR contains financial statements prepared in conformance with Generally Accepted Accounting Principles (GAAP) audited by Clark, Schaeffer, Hackett and Company, an independent auditing firm. The 2015 CAFR received an unmodified (clean) opinion and the PAFR uses that same information presented in

a more reader-friendly format. The City of Hamilton's 2015 CAFR is available on the City of Hamilton's website: <http://www.hamilton-city.org>.

The City of Hamilton continues to strive towards awareness, accountability, and transparency on all of our financial information to our citizens. In 2015, the City received awards for the 2014 CAFR, 2014 PAFR, and 2015 Annual Budget Book from the Government Finance Officers Association (GFOA); awards which we have collectively coined the "Triple Crown". This is the second year in a row the City of Hamilton has accomplished this achievement and is one of only three municipalities in the State of Ohio to receive this recognition in 2015. The attainment of these three awards represents a significant accomplishment by a government and its management. The City provides access to

not only these three financial reports, but also an intelligent financial reporting platform called OpenGov. OpenGov is an internet based system that allows users to completely interact with the City of Hamilton's financial data. We encourage you to view all financial reports and OpenGov on the City of Hamilton's website.

As a City, we are proud of the many accomplishments over the past year and continue to make Hamilton a great place to live, work, and play. This is evident from the renaissance of our Downtown District, the opening of many new businesses within the City, and continual improvement of our parks and recreational activities. With information from this report and the many changes occurring throughout our great City, our goal is to make sure that citizens realize we are doing our best to maximize resources in order for all citizens to

benefit from the positive impact. It's an exciting time to be a Hamiltonian and all City staff and elected officials are proud to serve this wonderful City.



Regards,
Tom Vanderhorst
Finance Director

Last year The Government Finance Officers Association of the United States and Canada (GFOA) awarded Hamilton the Award for Outstanding Achievement in Popular Annual Financial Reporting. This award is a prestigious national award recognizing the highest standards for preparation of state and local government popular reports.

In order to receive this Award a government unit must publish a Popular Annual Financial Report, whose contents exemplify the standards of creativity, presentation, understandability and reader appeal set by the GFOA.



Hamilton

At a Glance



GFOA Award Winning
2015 Budget
2014 PAFR
2014 CAFR

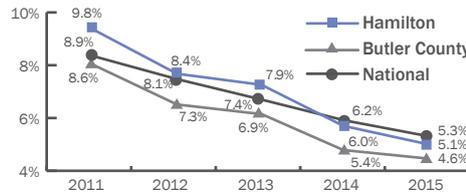
General Fund Balance

| | |
|-------|--------------|
| 2008 | \$2,752,474 |
| 2009 | \$2,555,718 |
| 2010 | \$5,251,796 |
| 2011 | \$11,907,012 |
| 2012 | \$9,962,171 |
| *2013 | \$11,021,212 |
| 2014 | \$11,757,651 |
| 2015 | \$13,902,495 |

*Restated

General Fund revenues in 2015 increased \$718,949, or approximately 2% when compared with the previous year. This was largely due to an increase in income tax revenue of \$1,372,464 attributed to overall improvements in economic conditions as well as new business development in the City.

Annual Average Unemployment 2011-2015



Source: US Department of Labor

General Fund expenditures decreased \$211,724, or <1%. A decrease in expenditures for Security of Persons and Property of \$1,091,499 was offset by increases in General Government as the City contributed \$1,475,000 to the Consortium for Ongoing Reinvestment Efforts (CORE) Fund in 2015 for property acquisition.

Readers interested in more detailed GAAP-based information are encouraged to read the Comprehensive Annual Financial Report (CAFR), which is available on the City's website.

Population 1980-2015

2015 - 62.5k

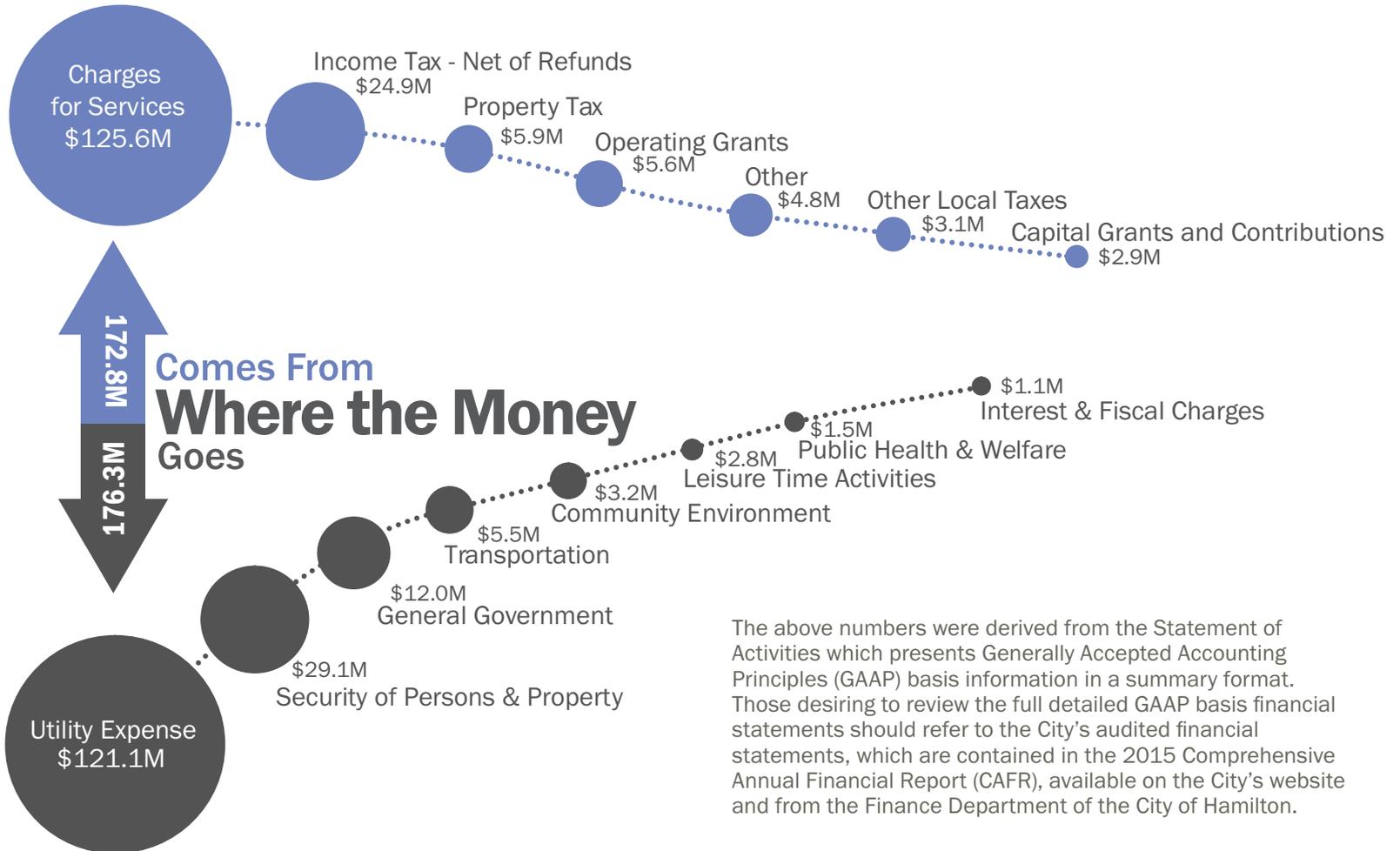
2010 - 62.5k

2000 - 60.7k

1990 - 61.4k

1980 - 63.2k

Source: US Census



The above numbers were derived from the Statement of Activities which presents Generally Accepted Accounting Principles (GAAP) basis information in a summary format. Those desiring to review the full detailed GAAP basis financial statements should refer to the City's audited financial statements, which are contained in the 2015 Comprehensive Annual Financial Report (CAFR), available on the City's website and from the Finance Department of the City of Hamilton.

Real Estate Summary

The City of Hamilton receives a portion of the real estate taxes collected on all real property located within the City. These tax dollars support public safety services such as those provided by police and fire departments, as well as many other critical government functions. Shown on the following pages are a series of graphs and charts depicting key elements of real estate relating to the City of Hamilton.

My Property Tax Goes to:

| | |
|-----------------------|-------|
| Hamilton City Schools | 69.8% |
| Butler County | 16.2% |
| City of Hamilton | 11.8% |
| Lane Public Library | 1.3% |
| MetroParks | 0.9% |

An Average Home Pays:

Based on a \$100,000 Home

| | |
|-----------------------|----------------|
| Hamilton City Schools | \$1,382 |
| Butler County | \$319 |
| City of Hamilton | \$234 |
| Lane Public Library | \$26 |
| MetroParks | \$18 |
| TOTAL: | \$1,979 |

Understanding Levies

A levy is the tax placed on a property. It is based on the amount charged per \$1,000 of taxable property value also known as 'millage'. Amounts collected for levies other than general operating must be used for those specific purposes. The "burden" is the amount of tax paid as adjusted for rollbacks and exemptions. The "Effective Tax Rate" is the rate charged against the portion of a home's value that is taxable or "assessed."

| Name of Levy | Gross Rate | Effective Rate |
|--|-------------|----------------|
| General Operating | 3.21 | 3.21 |
| Fire Pension | 0.30 | 0.30 |
| Police Pension | 0.30 | 0.30 |
| Total Inside Millage | 3.81 | 3.81 |
| Charter Fire | 1.00 | 1.00 |
| Police | 1.00 | 0.94 |
| Fire & EMS | 1.00 | 0.94 |
| Total Hamilton Real Estate Tax Levy | 6.81 | 6.69 |

Source: Butler County Auditor

Values and Collections

The following charts show the amount of money collected by the City over the past five years through real estate taxes. These taxes come from properties in four major classifications: residential, agricultural, commercial, and industrial. The values shown represent “assessed value,” or that portion of the property value that is taxed. Since tax collections are received on the prior year’s values, there is a delay in the impact to the City’s finances for large changes in real estate values. In 2009, the auditor adjusted the assessed values to more accurately reflect the changes that had occurred as a result of the housing market collapse of 2008. Prior to the economic crisis, the value of most properties increased from year-to-year.

| Tax Year | Collection Year | Residential & Agricultural Real Estate | Commercial & Industrial Real Estate | Public Utility Property | Total |
|----------|-----------------|--|-------------------------------------|-------------------------|-------------|
| 2014 | 2015 | 553,437,730 | 194,186,500 | 4,937,810 | 752,562,040 |
| 2013 | 2014 | 556,180,360 | 197,341,140 | 4,763,000 | 758,284,500 |
| 2012 | 2013 | 596,321,459 | 209,518,351 | 4,726,410 | 810,566,220 |
| 2011 | 2012 | 610,132,220 | 212,767,730 | 5,798,610 | 828,698,560 |
| 2010 | 2011 | 655,519,560 | 234,343,570 | 5,891,190 | 895,754,320 |
| 2009 | 2010 | 656,289,410 | 244,145,280 | 2,461,240 | 902,895,930 |

| Tax Payer | Type of Business | 2015 Assessed Valuation* | % of Total Valuation |
|-----------------------------|------------------|--------------------------|----------------------|
| 1. Colonial Senior Services | Healthcare | 5,491,920 | 0.73% |
| 2. Duke Realty | Real Estate | 3,993,590 | 0.53% |
| 3. Shadow Creek Apartments | Real Estate | 3,869,070 | 0.51% |
| 4. AHP - Knollwood Crossing | Real Estate | 3,770,670 | 0.50% |
| 5. Tippman Realty Partners | Real Estate | 3,628,230 | 0.48% |
| 6. Pedcor Investments | Investments | 3,031,700 | 0.40% |
| 7. Duke Energy | Utility | 2,798,010 | 0.37% |
| 8. SD Country Walk | Real Estate | 2,502,860 | 0.33% |
| 9. VCG - Hamilton Crossings | Real Estate | 2,380,000 | 0.32% |
| 10. TCG Symmes | Real Estate | 2,308,500 | 0.31% |
| Subtotal | | 33,774,550 | 4.48% |
| All Others | | 718,787,490 | 95.52% |
| Total | | 752,562,040 | 100.00% |

* Assessed value is the portion of property value that is taxed. For commercial and industrial properties, it is generally 35% of the appraised property value, although there are exemptions for some properties. Amounts are for the collection year ending December 31, 2015 (Tax Year 2014). Source: Butler County Auditor

Department Costs & Debt Summary

Who Spends the Money (General Fund)

\$42.3 million in dollars spent & obligations represented below



Above shows a summary comparison of total actual dollars spent plus obligations for all the various departments within the General Fund of the City, excluding transfers and advances (loans) to other funds. These amounts are based upon actual cash expenditures plus obligations outstanding on 12/31/2015 (non-GAAP Budgetary Basis). Readers interested in more detailed GAAP-based information are encouraged to read the Comprehensive Annual Financial Report (CAFR) available on the City's website or by contacting the Finance Department at the City of Hamilton.

Hamilton has employed a variety of financing techniques for capital improvements, as described below:

Notes Payable

Bond Anticipation Notes are instruments due in one year or less, and are issued to raise money for City projects. These notes are usually converted into bonds at the completion of the projects.

Special Assessments

These debts are issued to finance improvements for property owners, who re-pay the City over a period of time.

General Obligation

General Obligation Bonds are long-term debts that are paid from the City's available resources and for which the City pledges its full faith and credit. These debts include the Parking, Golf, and One Renaissance Center Bonds.

OWDA

OWDA Loans are low interest loans made to the City for Water and/or Sewer projects by the Ohio Water Development Authority. Payments are due every six months for a period of twenty years.

Utility Revenue

Utility Revenue Bonds are special limited obligations issued to pay for improvements of our utility systems and for which revenues of the systems are used to re-pay the bonds. These bonds include the Gas, Electric, Water, and Wastewater bonds.

Notes: Numbers rounded for presentation

* Principal amounts; the City's payment obligation is limited to utility revenues. These bonds are denoted above as Utility Revenue Bonds.

| Debt Activity (in 1000s) | Balance at Jan. 1, 2015 | Net Debt Added (Issued) | Net Debt Repaid (Retired) | Balance at Dec. 31, 2015 |
|-------------------------------------|------------------------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Enterprise Notes Payable | 10,690 | 103,695 | (10,690) | 103,695 |
| Special Assessment Bonds | 920 | - | (150) | 770 |
| General Obligation Bond | 22,045 | - | (2,325) | 19,720 |
| Water System Bonds* | 22,705 | 11,700 | (6,355) | 28,050 |
| Gas System Bonds* | 5,920 | - | (1,420) | 4,500 |
| Electric System Bonds* | 138,060 | - | (106,945) | 31,115 |
| Wastewater System Bonds* | 53,915 | - | (2,200) | 51,715 |
| OWDA Loan* | 366 | - | (27) | 339 |
| Loans Payable | 9,500 | 700 | (85) | 10,115 |
| Totals: | \$264,121 | \$116,095 | (\$130,197) | \$250,019 |

Historical Debt (in 1000s)

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------------------|------------------|------------------|------------------|------------------|------------------|
| Utility Revenue Bonds* | 115,380 | 220,600 | 233,715 | \$245,815 | \$257,525 |
| Enterprise Notes Payable | 103,695 | 10,690 | 10,690 | 10,690 | 5,900 |
| General Obligation Bond | 19,720 | 22,045 | 24,310 | 26,540 | 29,030 |
| Special Assessment Bonds | 770 | 920 | 1,060 | 1,195 | 1,400 |
| OWDA Loans* | 339 | 366 | 383 | 400 | 416 |
| Loans Payable | 10,115 | 9,500 | 9,500 | - | - |
| Total: | \$250,019 | \$264,121 | \$279,658 | \$284,640 | \$294,271 |

Activities Statement & Net Position

Our Activities and Net Position tables offer a detailed snapshot of what we have on hand as well as how money moves through our organization. These numbers reflect, in aggregate, the details provided in our Comprehensive Annual Financial Report (CAFR). For more details on our assets, liabilities, revenues, and expenses check out OpenGov and the CAFR which can be found under the Finance section of the Government tab on the City's website.

Financial Benefits (In 1000s)

| | 2015 | 2014* |
|----------------------|-----------|-----------|
| Cash | \$50,324 | \$37,215 |
| Investments | \$38,825 | \$71,667 |
| Receivables | \$31,993 | \$31,825 |
| Property & Equipment | \$412,120 | \$407,271 |
| Other Assets | \$13,430 | \$13,568 |
| Total: | \$546,692 | \$561,546 |

Financial Burdens (In 1000s)

| | | |
|-------------------------------------|-----------|-----------|
| Amounts Owed to Employees & Vendors | \$9,098 | \$12,294 |
| Notes Payable | \$103,695 | \$10,690 |
| Long Term Debt Outstanding | \$221,495 | \$321,351 |
| Other Liabilities | \$11,996 | \$13,120 |
| Total: | \$346,284 | \$357,455 |

Benefits Over Burdens: \$200,408 \$204,091

* 2014 balances restated due to implementation of GASB 68. See 2015 CAFR for details.

| Sources of Revenue (in 1000s) | | 2015 | 2014 |
|--------------------------------------|-----------------------------|------------------|------------------|
| Pro-gram | Charges for Service | \$125,598 | \$132,721 |
| | Operating Grants | \$5,585 | \$5,925 |
| | Capital Grants | \$2,881 | \$2,687 |
| General | Income Tax - Net of Refunds | \$24,852 | \$23,354 |
| | Property Taxes | \$5,875 | \$5,629 |
| | Grants/Contributions | \$2,691 | \$2,675 |
| | Other Local Taxes | \$3,084 | \$3,081 |
| | Investment Earnings | \$432 | \$1,307 |
| | Miscellaneous | \$1,635 | \$1,021 |
| | Total: | \$172,633 | \$178,400 |

| Uses and Expenses (in 1000s) | | | |
|-------------------------------------|----------------------------------|------------------|------------------|
| | Security of Persons and Property | 29,110 | 27,645 |
| | Public Health/Welfare | 1,543 | 1,206 |
| | Leisure Time Activities | 2,788 | 2,828 |
| | Community Environment | 3,214 | 4,341 |
| | Transportation | 5,496 | 5,878 |
| | General Government | 11,973 | 5,496 |
| | Interest on Debt | 1,075 | 992 |
| | Utility Expense | 121,118 | 126,184 |
| | Total: | \$176,317 | \$175,240 |

Readers of the City of Hamilton's Financial Activity Statement and Financial Position Statement should keep in mind that both statements present GAAP-basis information in a summary format. Those desiring to review the full detailed GAAP basis financial statements should refer to the City's audited financial statements, which are contained in the 2015 CAFR, available on the City's website and from the Finance Department of the City of Hamilton. The amounts shown were derived by employing the same method of accounting as the 2015 and 2014 audited financial statements.

Benefits over Burdens represents the difference between the financial benefits and financial burdens of the City, providing a Net Worth of Hamilton. The Financial Position Statement, known in accounting terms as the "Balance Sheet," reports the benefits (assets) available to provide services, while Burdens (liabilities) are the amounts for which the City must pay in the future. New to the Position Statement in 2014 were Deferred Inflows and Deferred Outflows. The City has included these in Other Assets and Other Liabilities for reporting purposes on this page both in 2014 and 2015. Note: Rounded figures are presented.

Contact Us

Emergency - Dial 911

General - 513.785.7000

Utilities - 513.785.7100

Parks - 513.785.7055

Finance - 513.785.7170

City of Hamilton, Ohio
345 High Street
Hamilton, Ohio 45011

311 Request System

Ever had questions about a program or notice a streetlight that is out? The City of Hamilton has an online 311 service request system which can help you get connected with the people who can answer your questions. This system will take down your request or question and even allow you to see live updates on the progress of the request. Try it and see for yourself by going to: [hamilton-city.org](https://www.hamilton-city.org)

