

ALL ABOUT THE MONEY

Popular Annual Financial Report for the year ended December 31, 2017

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, 2017. The PAFR summarizes the City's financial activities 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) and audited by Clark, Schaefer, Hackett and Company, an independent auditing firm.

The 2017 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 2017 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 2017, the City received awards for the 2016 CAFR, 2016 PAFR, and 2017 Annual Budget Book from the Government Finance Officers Association (GFOA); awards which we have collectively coined the "Triple Crown". This is the fourth year in a row the City of Hamilton has accomplished this achievement. 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.

Hamilton saw renewed passion, in 2017, as we continue to reimagine, reassess, and reinvent our city. Our downtown has transformed and our communities are cleaner and safer. Although downtown has been a key area of revitalization, the City has partnered with various organizations to invest in our 17 neighborhoods. From tearing down blighted and unsafe properties to bringing Spooky Nook at Champion Mill to Hamilton, the City is actively working to bring Hamilton back to life. We want our citizens to

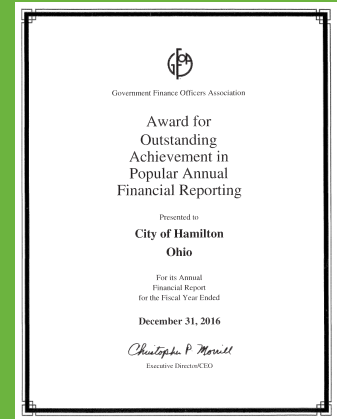
be proud of our city and to view Hamilton as a safe and great place to live, work, and play.

Dave C. Jones, CPA

Regards,
Dave Jones, CPA
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



General Fund revenues in 2017 increased \$1,266,549, or approximately 4% when compared with the previous year. An increase in charges for services can be attributed to fees received from AMP, Inc. for administrative services provided at the Meldahl and Greenup Hydroelectric Plants and for EMS charges. Refunds from the Ohio Bureau of Workers Compensation contributed to an increase in all other revenue.

General Fund expenditures decreased \$866,889, or approximately 3% from the prior year. A decrease in general government can be attributed to contributions made to the Hamilton Community Improvement Corporation in the prior year. A decrease in reimbursements to the General Fund from several public safety funds contributed to an increase in security of persons and property.

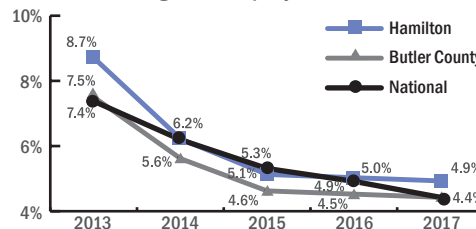
Readers interested in more detailed GAAP-based information are encouraged to read the Comprehensive Annual Financial Report (CAFR), which is available on the City's website.

General Fund Balance

2010	\$5,251,796
2011	\$11,907,012
2012	\$9,962,171
*2013	\$11,021,212
2014	\$11,757,651
2015	\$13,902,495
2016	\$9,136,820
2017	\$7,887,121

*Restated

Annual Average Unemployment 2013 - 2017



Source: US Department of Labor

Population 1980 - 2017

2017 - 62.5k

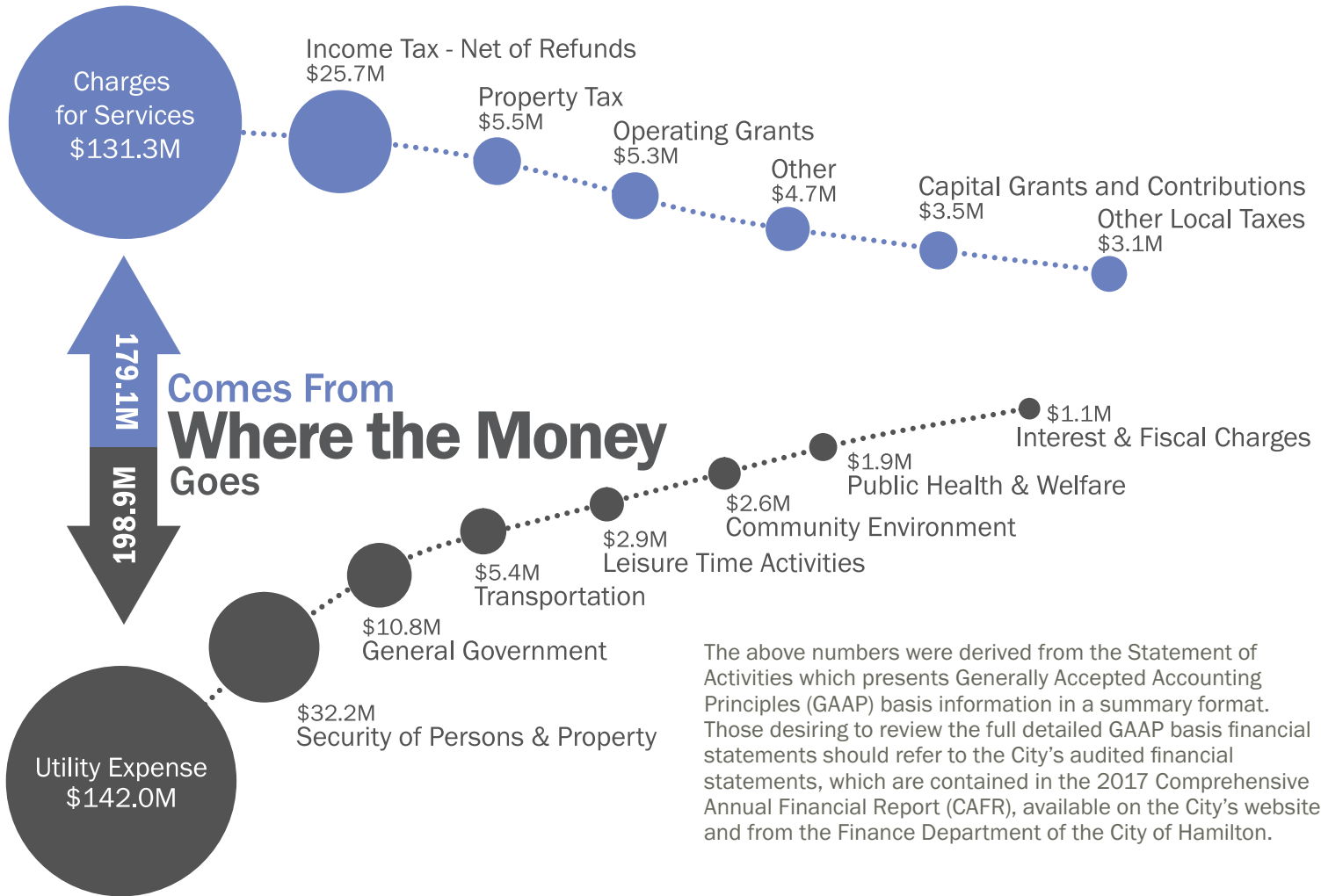
2010 - 62.5k

2000 - 60.7k

1990 - 61.4k

1980 - 63.2k

Source: US Census



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	69.3%
Butler County	16.3%
City of Hamilton	11.9%
Lane Public Library	1.3%
MetroParks	1.2%

An Average Home Pays:

Based on a \$100,000 Home

Hamilton City Schools	\$1,192
Butler County	\$279
City of Hamilton	\$205
Lane Public Library	\$23
MetroParks	\$21
TOTAL:	\$1,720

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

Property Values

The following charts show property values over the past five years used to calculate real estate taxes. These taxes come from properties in five major classifications: residential, agricultural, commercial, industrial, and public utility. 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 Butler County auditor adjusted the assessed values to better reflect the changes that 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. However, in 2017, the auditor increased the assessed valuation, which will lead to slight increases in 2018.

Tax Year	Collection Year	Residential & Agricultural Real Estate	Commercial & Industrial Real Estate	Public Utility Property	Total
2017	2018	587,269,920	202,385,580	5,309,340	794,964,840
2016	2017	550,533,580	194,217,950	5,062,790	749,814,320
2015	2016	553,437,730	194,186,500	4,937,810	752,562,040
2014	2015	556,180,360	197,341,140	4,763,000	758,284,500
2013	2014	596,321,459	209,518,351	4,726,410	810,566,220

Tax Payer	Type of Business	2017 Assessed Valuation*	% of Total Valuation
1. Colonial Senior Services	Healthcare	5,497,860	0.69%
2. Duke Realty	Real Estate	5,053,890	0.64%
3. Pedcor Investments	Investments	4,648,790	0.58%
4. AHP - Knollwood Crossing	Real Estate	3,770,670	0.47%
5. Shadow Creek Apartments	Real Estate	3,617,920	0.46%
6. Tippman Realty Partners	Real Estate	3,610,190	0.45%
7. Wish Village Apatments	Real Estate	3,161,050	0.40%
8. Duke Energy	Utility	2,950,890	0.37%
9. Meijer Stores	Retail	2,502,510	0.31%
10. DCT Symmes Road	Real Estate	2,449,710	0.31%
		37,263,480	4.69%
		757,701,360	95.31%
		794,964,840	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, 2018 (Tax Year 2017). Source: Butler County Auditor

Department Costs & Debt Summary

Who Spends the Money (General Fund)

\$48.3 million in dollars spent & obligations represented below



*The City's contribution to support the Hamilton Parks Conservancy is included under special appropriations. Additionally, the \$3.45M contribution to the CIC is included.

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 12/31/2017 (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/OPWC

OWDA & OPWC Loans are zero to low interest loans made to the City for Water and/or Sewer projects by the Ohio Water Development Authority and Ohio Public Works Commission.

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

* Enterprise Notes Payable were retired using proceeds from sale of Greenup Hydroelectric facility.

** 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, 2017	Net Debt Added (Issued)	Net Debt Repaid (Retired)	Balance at December 31, 2017
Income Tax Revenue Bonds	-	24,338	(1,548)	22,790
Special Assessment Bonds	625	-	(155)	470
General Obligation Bond	17,340	-	(14,155)	3,185
Water System Bonds**	27,390	-	(6,390)	21,000
Gas System Bonds**	4,250	5,840	(4,320)	5,770
Electric System Bonds**	30,285	-	(13,955)	16,330
Wastewater System Bonds**	48,065	-	(27,885)	20,180
OWDA/OPWC Loans	5,797	3,444	(10)	9,231
Loans Payable	9,432	-	(9,432)	-
Totals:	\$143,184	\$33,622	(\$77,850)	\$98,956

Historical Debt (in 1000s)

	2017	2016	2015	2014	2013
Utility Revenue Bonds**	63,280	109,990	115,380	220,600	233,715
Enterprise Notes Payable*	-	-	103,695	10,690	10,690
General Obligation Bond	3,185	17,340	19,720	22,045	24,310
Special Assessment Bonds	470	625	770	920	1,060
OWDA/OPWC Loans	9,231	5,797	339	366	383
Loans Payable	-	9,432	10,115	9,500	9,500
Income Tax Revenue Bonds	22,790	-	-	-	-
Total:	\$98,956	\$143,184	\$250,019	\$264,121	\$279,658

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)

	2017	2016
Cash	\$9,455	\$13,592
Investments	\$75,245	\$96,109
Receivables	\$34,102	\$33,694
Property & Equipment	\$418,097	\$414,109
Other Assets	\$31,064	\$26,995
Total:	\$567,963	\$584,499

Financial Burdens (In 1000s)

Amounts Owed to Employees & Vendors	\$12,060	\$15,946
Notes Payable	-	-
Long Term Debt Outstanding	\$238,193	\$230,248
Other Liabilities	\$13,384	\$14,034
Total:	\$263,637	\$260,228

Benefits Over Burdens: \$304,326 \$324,271

Sources of Revenue (in 1000s)		2017	2016
Pro-gram	Charges for Service	\$131,274	\$126,569
	Operating Grants	\$5,300	\$5,213
	Capital Grants	\$3,505	\$3,187
General	Income Tax - Net of Refunds	\$25,665	\$25,971
	Property Taxes	\$5,468	\$5,458
	Grants/Contributions	\$2,206	\$2,342
	Other Local Taxes	\$3,113	\$3,172
	Investment Earnings	\$978	\$319
	Miscellaneous	\$1,510	\$1,605
	Greenup Sale	-	\$139,000
	Total:	\$179,019	\$312,836

Uses and Expenses (in 1000s)			
	Security of Persons/Property	\$32,249	\$29,364
	Public Health/Welfare	\$1,876	\$1,393
	Leisure Time Activities	\$2,872	\$2,656
	Community Environment	\$2,638	\$2,156
	Basic Utility Service	\$6,692	\$5,987
	Transportation	\$5,419	\$5,399
	General Government	\$10,794	\$13,748
	Interest on Debt	\$1,143	\$1,137
	Utility Expense	\$135,281	\$121,724
	Total:	\$198,964	\$183,564

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 2017 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 2017 and 2016 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.

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)