



# ALL ABOUT THE MONEY

Popular Annual Financial Report for the Year Ended December 31, 2018

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, 2018. 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 2018 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 2018 CAFR is available on the City of Hamilton's website: <http://www.hamilton-city.org>.

The City of Hamilton continues to strive toward awareness, accountability, and transparency on all of our financial information to our citizens. In 2018, the City received awards for the 2017 CAFR, 2017 PAFR, and 2018 Annual Budget Book from the Government Finance Officers Association (GFOA); awards which we have collectively coined as the "Triple Crown". This is the fifth 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.

The city's current renaissance has renewed our passion as we continue to reimagine, reassess, and reinvent our city. Excitement for our future permeates throughout each of our 17 neighborhoods. Our downtown has transformed. Our community is cleaner and safer, and **the City's number one priority is to improve the quality of life in each of our 17 neighborhoods.**

While our main focus is on our neighborhoods, we also realize we have to provide amenities for not only our citizens but also our visitors who chose to work and play in our

city. The City was fortunate in 2018 to sign a development agreement with Spooky Nook Sports LLC and held a groundbreaking ceremony. Work on the site has begun and the project is anticipated to open in 2021. This \$144 million project will be supported by city investments in property acquisition, public infrastructure improvements (including stormwater system and public intersection improvements), and other utility improvements.

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.

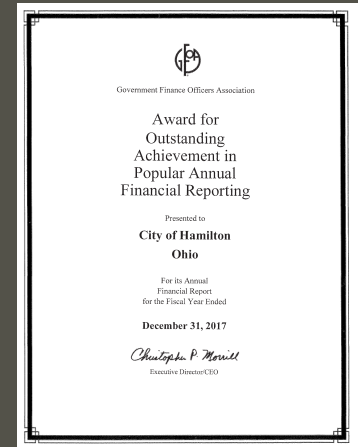
Regards,



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 2018 increased \$1,092,227 or approximately 3% when compared with the previous year. Driving this increase, income tax collected was \$841k higher than the prior year. Also, an increase in property taxes was the result of a property value reappraisal performed in 2017.

General Fund expenditures decreased \$2,130,736, or approximately 6% from the prior year. A decrease in general government can be attributed to several factors: partnered with City of Cleveland Central Collections Agency (CCA) for income tax administration, had various departmental restructuring, and claims paid in the prior year for water damage. An increase in reimbursements to the General Fund from several public safety funds contributed to a decrease in security of persons and property.

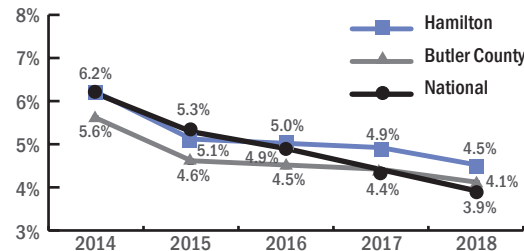
Readers interested in more detailed GAAP-based information are encouraged to read the Comprehensive Annual Financial Report (CAFR), which is available on the City's website.

### General Fund Balance

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
2018	\$16,441,877

\*Restated

### Annual Average Unemployment 2014 - 2018



Source: US Department of Labor

### Population 1980 - 2018

2018 - 62.2k

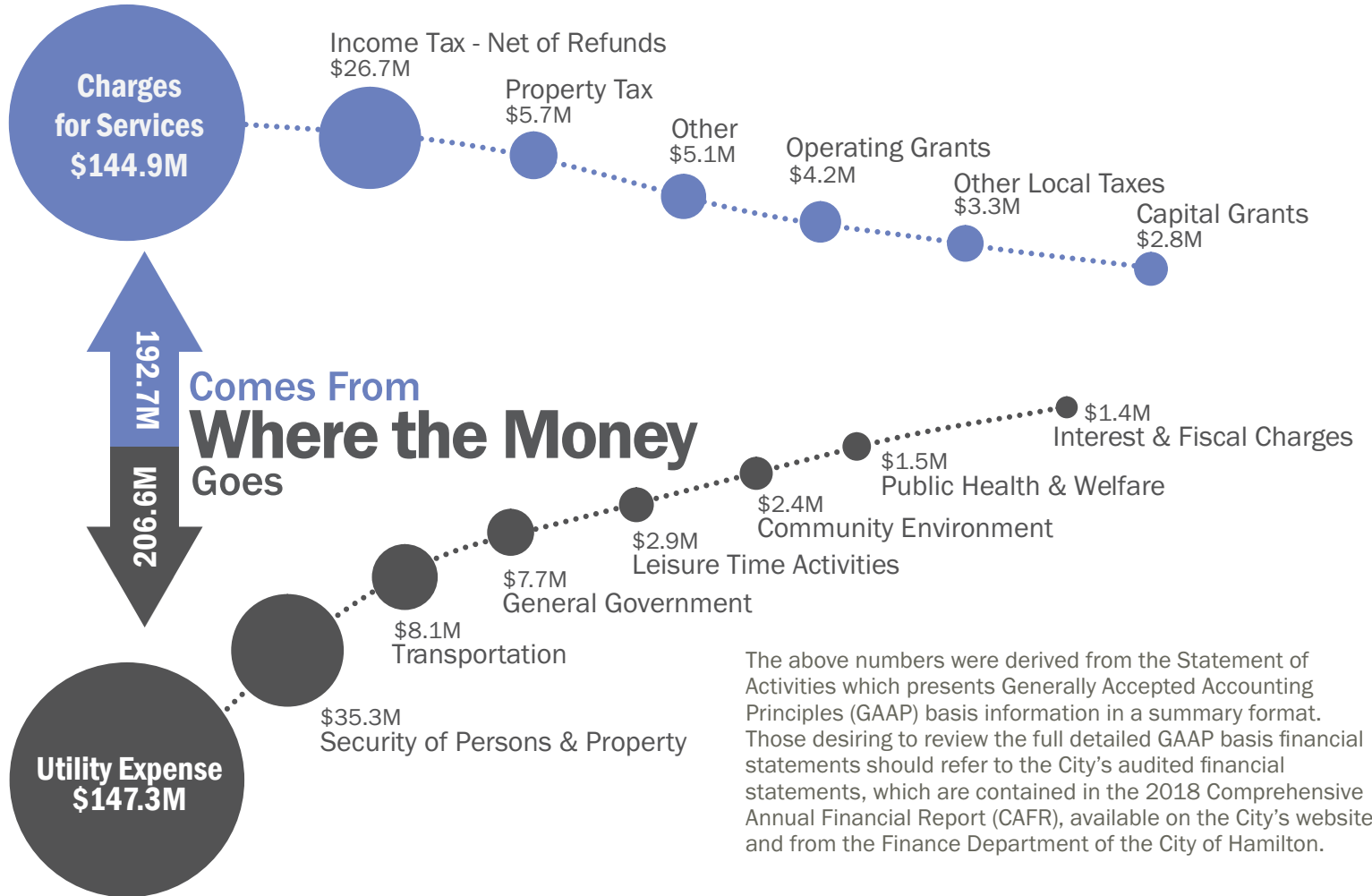
2010 - 62.5k

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 2018 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	69.1%
Butler County	16.1%
City of Hamilton	12.3%
Lane Public Library	1.3%
MetroParks	1.2%

## An Average Home Pays:

Based on a \$100,000 Home

Hamilton City Schools	\$1,133
Butler County	\$264
City of Hamilton	\$202
Lane Public Library	\$21
MetroParks	\$20
<b>TOTAL:</b>	<b>\$1,640</b>

## 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
<b>Total Inside Millage</b>	<b>3.81</b>	<b>3.81</b>
Charter Fire	1.00	1.00
Police	1.00	0.89
Fire & EMS	1.00	0.89
<b>Total Hamilton Real Estate Tax Levy</b>	<b>6.81</b>	<b>6.59</b>

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 2017, the Butler County Auditor increased the assessed valuation, which contributed to the increased property tax collections in 2018.

Tax Year	Collection Year	Residential & Agricultural Real Estate	Commercial & Industrial Real Estate	Public Utility Property	Total
2018	2019	586,807,330	201,309,420	5,738,750	793,855,500
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

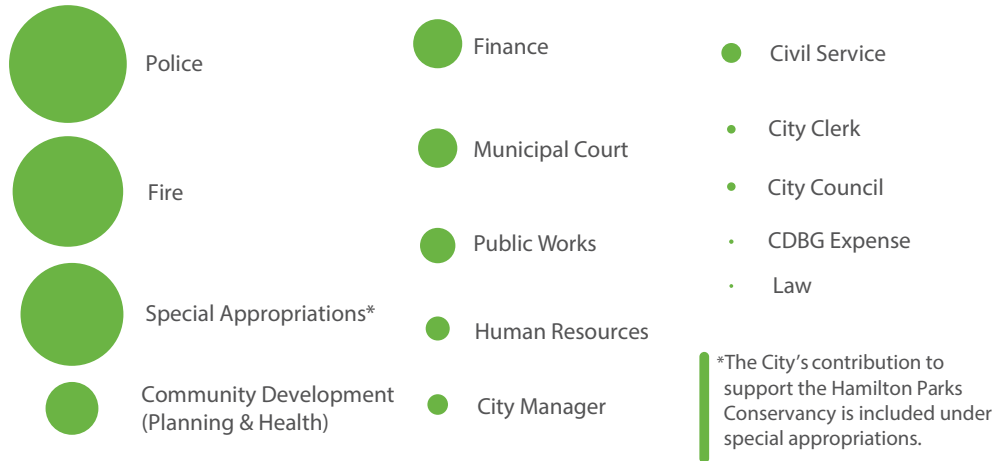
Tax Payer	Type of Business	2018 Assessed Valuation*	% of Total Valuation
1. Bethesda Hospital	Healthcare	6,354,820	0.80%
2. Colonial Senior Services	Healthcare	5,421,420	0.68%
3. Pedcor Investments	Investments	4,648,790	0.59%
4. AHP - Knollwood Crossing	Real Estate	3,770,670	0.47%
5. Shadow Creek Apartments	Real Estate	3,617,920	0.46%
6. Tippmann Realty	Real Estate	3,610,190	0.45%
7. Wish Village Apartments	Real Estate	3,157,690	0.40%
8. Duke Energy	Utility	3,034,150	0.38%
9. Meijer Stores	Retail	2,502,510	0.32%
10. DCT Symmes Road	Real Estate	2,449,710	0.31%
<b>Subtotal</b>		<b>38,567,870</b>	<b>4.86%</b>
<b>All Others</b>		<b>755,287,630</b>	<b>95.14%</b>
<b>Total</b>		<b>\$793,855,500</b>	<b>100.00%</b>

\* 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, 2019 (Tax Year 2018). Source: Butler County Auditor

# Department Costs & Debt Summary

## Who Spends the Money (General Fund)

\$45.5 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 12/31/2018 (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.

<b>Debt Activity (in 1000s)</b>	<b>Balance at Jan. 1, 2018</b>	<b>Net Debt Added (Issued)</b>	<b>Net Debt Repaid (Retired)</b>	<b>Balance at December 31, 2018</b>
Income Tax Revenue Bonds	22,790	-	(1,874)	20,916
Special Assessment Bonds	470	-	(165)	305
General Obligation Bond	3,185	12,025	(565)	14,645
Water System Bonds**	21,000	8,590	(735)	28,855
Gas System Bonds**	5,770	1,720	(525)	6,965
Electric System Bonds**	16,330	12,980	(1,290)	28,020
Wastewater System Bonds**	20,180	25,325	(1,720)	43,785
OWDA/OPWC Loans	9,231	3,157	(91)	12,297
<b>Totals:</b>	<b>\$98,956</b>	<b>\$63,797</b>	<b>(\$6,965)</b>	<b>\$155,788</b>

### Historical Debt (in 1000s)

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Utility Revenue Bonds**	107,625	63,280	109,990	115,380	220,600
Enterprise Notes Payable*	-	-	-	103,695	10,690
General Obligation Bond	14,645	3,185	17,340	19,720	22,045
Special Assessment Bonds	305	470	625	770	920
OWDA/OPWC Loans	12,297	9,231	5,797	339	366
Loans Payable	-	-	9,432	10,115	9,500
Income Tax Revenue Bonds	20,916	22,790	-	-	-
<b>Total:</b>	<b>\$155,788</b>	<b>\$98,956</b>	<b>\$143,184</b>	<b>\$250,019</b>	<b>\$264,121</b>

# 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)

	2018	2017*
Cash	\$14,248	\$9,455
Investments	\$88,154	\$75,245
Receivables	\$32,503	\$34,102
Property & Equipment	\$421,144	\$418,097
Other Assets	\$28,001	\$31,064
Total:	\$584,050	\$567,963

## Financial Burdens (In 1000s)

Amounts Owed to Employees & Vendors	\$11,609	\$12,060
Notes Payable	-	-
Long Term Debt Outstanding	\$304,476	\$290,685
Other Liabilities	\$29,699	\$13,050
Total:	\$345,784	\$315,795
Benefits Over Burdens:	\$238,266	\$252,168

\*December 31, 2017 net position restated due to implementation of GASB 75

<b>Sources of Revenue (in 1000s)</b>		<b>2018</b>	<b>2017</b>
Pro-gram	Charges for Service	\$144,870	\$131,274
	Operating Grants	\$4,254	\$5,300
	Capital Grants	\$2,801	\$3,505
General	Income Tax - Net of Refunds	\$26,716	\$25,665
	Property Taxes	\$5,692	\$5,468
	Grants/Contributions	\$2,282	\$2,206
	Other Local Taxes	\$3,307	\$3,113
	Investment Earnings	\$1,597	\$978
	Miscellaneous	\$1,198	\$1,510
	<b>Total:</b>	<b>\$192,717</b>	<b>\$179,019</b>

<b>Uses and Expenses (in 1000s)</b>			
	Security of Persons/Property	\$35,284	\$32,249
	Public Health/Welfare	\$1,526	\$1,876
	Leisure Time Activities	\$2,880	\$2,872
	Community Environment	\$2,409	\$2,638
	Basic Utility Service	\$7,500	\$6,692
	Transportation	\$8,073	\$5,419
	General Government	\$7,717	\$10,794
	Interest on Debt	\$1,383	\$1,143
	Utility Expense	\$139,847	\$135,281
	<b>Total:</b>	<b>\$206,619</b>	<b>\$198,964</b>

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 2018 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 2018 and 2017 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](http://hamilton-city.org)