



ALL ABOUT THE MONEY

Popular Annual Financial Report for the Year Ended December 31, 2019

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, 2019. 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 2019 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 2019 CAFR is available on the City of Hamilton's website: <http://www.hamilton-city.org>.

Public service is a special trust. The Department of Finance plays an important role in the public service. The Department of Finance has stewardship over citizens' shared financial resources. These resources make possible the services that are essential to the safety, livability, and vitality of our communities.

The Department of Finance has a deep and abiding desire to show that we are worthy of the trust that has been bestowed upon us. We strive to show it to the

citizens of Hamilton. The City of Hamilton continues to strive toward awareness, accountability, and transparency in all of our financial information to our citizens.

In 2019, the City received awards for the 2018 CAFR, 2018 PAFR, and 2019 Annual Budget Book from the Government Finance Officers Association (GFOA); awards which we have collectively coined as the “Triple Crown”. This is the sixth 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’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. 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



GFOA Award Winning
2019 Budget
2018 PAFR
2018 CAFR

General Fund revenues in 2019 increased \$1,664,914 or approximately 4.5% when compared with the previous year. Driving this increase, income tax collected was \$1.3 million higher than the prior year. Also, the City's General Fund investment earnings increased \$379k, or 146%.

In a strategic effort to increase available reserves, the City chose not to transfer in the full balances received in the Public Safety levy funds in 2019, which increased expenses on a GAAP basis for security of persons and property in the General Fund. Debt service expenditures increased due to new capital lease payments on One Renaissance Center, the building City Hall occupies. As a result, General Fund expenses increased over 2018 by \$5,902,115 or 20%. However, this prudent planning led to increased cash balances in both the levy funds, which are reported as special revenue funds in the CAFR, and the General Fund.

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

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	\$16,470,149
2019	\$17,041,141

*Restated

Population 1980 - 2019

2019 - 62.2k

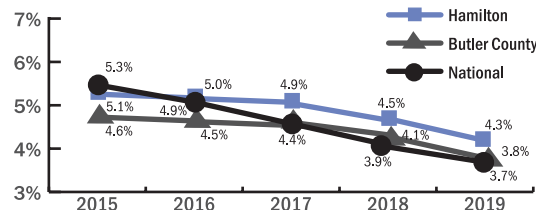
2010 - 62.5k

2000 - 60.7k

1990 - 61.4k

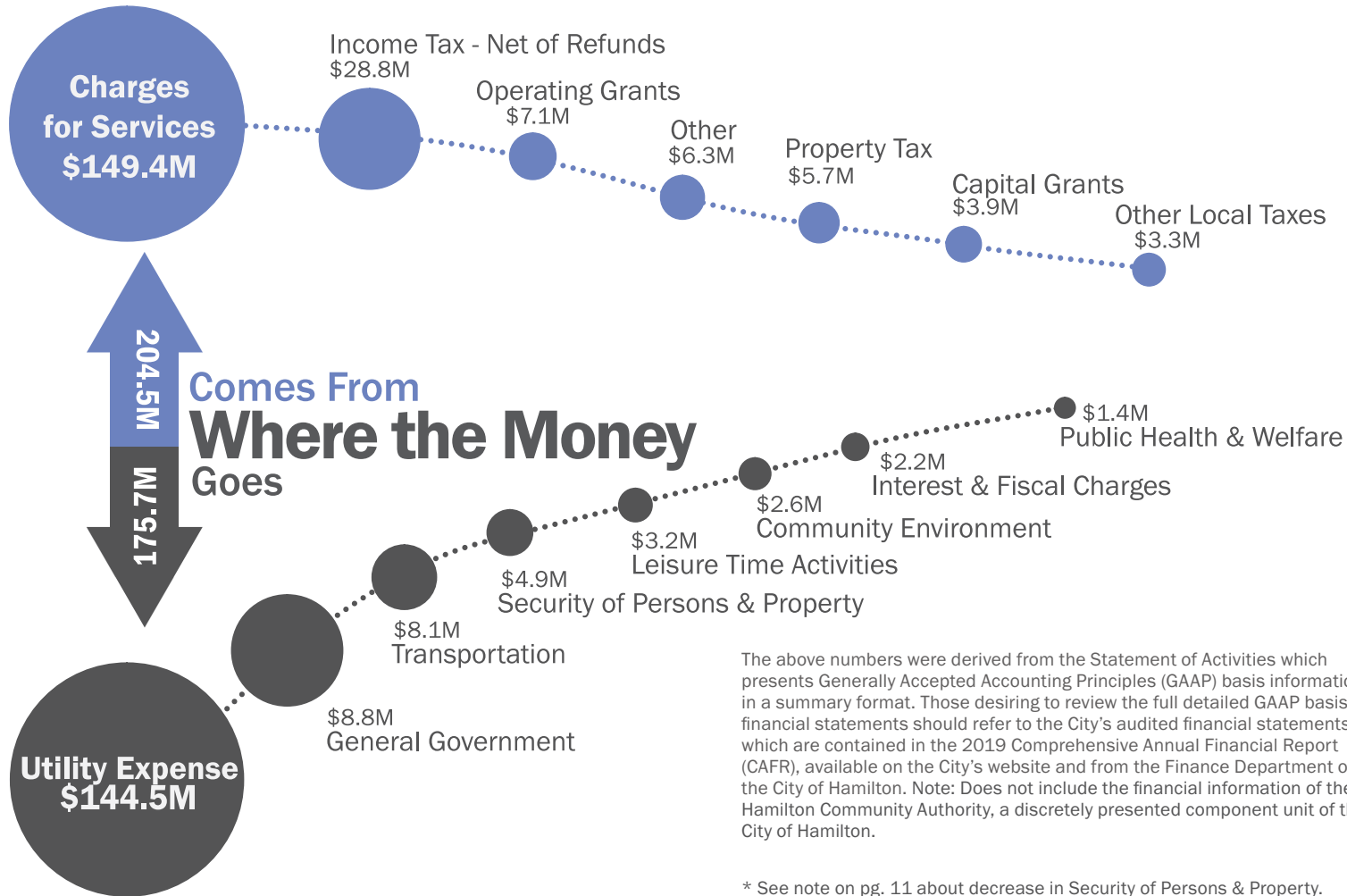
1980 - 63.2k

Annual Average Unemployment 2015 - 2019



Source: US Department of Labor

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 2019 Comprehensive Annual Financial Report (CAFR), available on the City's website and from the Finance Department of the City of Hamilton. Note: Does not include the financial information of the Hamilton Community Authority, a discretely presented component unit of the City of Hamilton.

* See note on pg. 11 about decrease in Security of Persons & Property.

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	66.1%
Butler County	15.8%
City of Hamilton	12.1%
Butler County JVSD	3.5%
Lane Public Library	1.3%
MetroParks	1.2%

An Average Home Pays:

Based on a \$100,000 Home

Hamilton City Schools	\$1,104
Butler County	\$264
City of Hamilton	\$202
Butler County JVSD	\$59
Lane Public Library	\$22
MetroParks	\$20
TOTAL:	\$1,671

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	0.89
Fire & EMS	1.00	0.89
Total Hamilton Real Estate Tax Levy	6.81	6.59

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 increased property tax collections in 2018.

Tax Year	Collection Year	Residential & Agricultural Real Estate	Commercial & Industrial Real Estate	Public Utility Property	Total
2019	2020	588,275,470	210,980,120	5,848,920	805,104,510
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

Tax Payer	Type of Business	2019 Assessed Valuation*	% of Total Valuation
1. Bethesda Hospital	Healthcare	6,920,100	0.86%
2. Colonial Senior Services	Healthcare	5,452,900	0.68%
3. Pedcor Investments	Investments	4,648,790	0.58%
4. Marcum Apartments	Real Estate	4,072,230	0.51%
5. AHP Knollwood Crossing	Real Estate	3,770,670	0.47%
6. Shadow Creek Apartments	Real Estate	3,617,920	0.45%
7. Tippmann Realty	Real Estate	3,610,190	0.45%
8. Duke Energy	Utility	3,235,480	0.40%
9. Wish Village Apartments	Real Estate	3,157,690	0.39%
10. Meijer Stores	Retail	2,502,510	0.31%
Subtotal		40,988,480	5.10%
All Others		764,116,030	94.90%
Total		\$805,104,510	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, 2020 (Tax Year 2019). Source: Butler County Auditor

Department Costs & Debt Summary

Who Spends the Money (General Fund)

\$45.9 million in dollars spent & obligations represented below



*The City's contribution to support the Hamilton Parks Conservancy is included under special appropriations.

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 12/31/2019 (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 January 1, 2019	Net Debt Added (Issued)	Net Debt Repaid (Retired)	Balance at December 31, 2019	
Income Tax Revenue Bonds	20,916	-	(10,650)	10,266	
Special Assessment Bonds	305	-	(95)	210	
General Obligation Bond	14,645	-	(670)	13,975	
Water System Bonds**	28,855	9,875	(9,730)	29,000	
Gas System Bonds**	6,965	-	(585)	6,380	
Electric System Bonds**	28,020	26,885	(15,440)	39,465	
Wastewater System Bonds**	43,785	8,865	(12,725)	39,925	
OWDA/OPWC Loans	12,297	1,885	(280)	13,902	
Long Term Notes Payable	-	3,893	-	3,893	
Totals:	\$155,788	\$51,403	\$50,175	\$157,016	
Historical Debt (in 1000s)	2019	2018	2017	2016	2015
Utility Revenue Bonds**	114,770	107,625	63,280	109,990	115,380
Enterprise Notes Payable*	-	-	-	-	103,695
General Obligation Bond	13,975	14,645	3,185	17,340	19,720
Special Assessment Bonds	210	305	470	625	770
OWDA/OPWC Loans	13,902	12,297	9,231	5,797	339
Loans Payable	-	-	-	9,432	10,115
Income Tax Revenue Bonds	10,266	20,916	22,790	-	-
Long Term Notes Payable	3,893	-	-	-	-
Total:	\$157,016	\$155,788	\$98,956	\$143,184	\$250,019

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 the CAFR which can be found under the Finance section of the Government tab on the City's website.

Note: Does not include the financial information of the Hamilton Community Authority, a discretely presented component unit of the City of Hamilton.

Financial Benefits (In 1000s)

	2019	2018*
Cash	\$15,171	\$14,248
Investments	\$114,595	\$88,154
Receivables	\$45,358	\$32,503
Property & Equipment	\$422,151	\$421,144
Other Assets	\$44,115	\$28,155
Total:	\$641,390	\$584,204

Financial Burdens (In 1000s)

Amounts Owed to Employees & Vendors	\$14,760	\$11,609
Long Term Debt Outstanding	\$341,372	\$304,476
Other Liabilities	\$18,124	\$29,699
Total:	\$374,256	\$345,784
Benefits Over Burdens:	\$267,134	\$238,420

*December 31, 2018 net position restated due to implementation of GASB 84

Sources of Revenue (in 1000s)		2019	2018
Pro-gram	Charges for Service	\$149,366	\$144,870
	Operating Grants	\$7,100	\$4,254
	Capital Grants	\$3,881	\$2,801
General	Income Tax - Net of Refunds	\$28,839	\$26,716
	Property Taxes	\$5,708	\$5,692
	Grants/Contributions	\$2,742	\$2,282
	Other Local Taxes	\$3,290	\$3,307
	Investment Earnings	\$2,198	\$1,597
	Miscellaneous	\$1,333	\$1,198
	Total:	\$204,457	\$192,717
Uses and Expenses (in 1000s)			
	Security of Persons/Property	\$4,872	\$35,284
	Public Health/Welfare	\$1,419	\$1,526
	Leisure Time Activities	\$3,183	\$2,880
	Community Environment	\$2,645	\$2,409
	Basic Utility Service	\$8,728	\$7,500
	Transportation	\$8,141	\$8,073
	General Government	\$8,781	\$7,717
	Interest on Debt	\$2,155	\$1,383
	Utility Expense	\$135,819	\$139,847
	Total:	\$175,743	\$206,619
Total Sources Over (Under) Uses		\$28,714	(\$13,902)

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 2019 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 2019 and 2018 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. Does not include the financial information of the Hamilton Community Authority, a discretely presented component unit of the City of Hamilton.

Note: Security of Persons & Property decreased on a full-accrual basis due to significant changes in Other Post-employment Benefits calculated statewide for all Police and Fire Pension entities in the State of Ohio. For a clearer picture on the City's spending on public safety, the CAFR includes Budget and Actual statements on a non-GAAP budgetary basis for the General Fund (2019 - \$30,947,179 vs. 2018 - \$29,809,366).



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
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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)