



CITY OF HAMILTON, OHIO

Schedule of Expenditures of Federal Awards and
Other Single Audit Reports
Year Ended December 31, 2016



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Hamilton, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Hamilton is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 9, 2017

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CITY OF HAMILTON, OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Passed through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Community Development Block Grants/Entitlement Grants	n/a	14.218	\$ 237,731	972,775
HOME Investment Partnerships Program	n/a	14.239	<u>44,000</u>	<u>120,098</u>
Total U.S. Department of Housing and Urban Development			<u>281,731</u>	<u>1,092,873</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Bulletproof Vest Partnership Program	n/a	16.607		12,267
<i>(Passed through from Butler County):</i>				
Edward Byrne Memorial Justice Assistance Grant Program	2015-DJ-BX-0128	16.738		<u>34,917</u>
Total U.S. Department of Justice				<u>47,184</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>(Passed through Ohio Department of Public Safety):</i>				
Highway Safety Cluster:				
Alcohol Impaired Driving Countermeasures Incentive Grants	OVITF-2016-9-00404	20.601		21,895
Alcohol Impaired Driving Countermeasures Incentive Grants	OVITF-2017-9-00447	20.601		<u>6,659</u>
				28,554
State and Community Highway Safety (STEP Grant)	STEP-2016-9-00472	20.600		9,812
State and Community Highway Safety (STEP Grant)	STEP-2017-9-00494	20.600		<u>3,074</u>
				12,886
National Priority Safety Program	IDEP-2016-9-00316	20.616		13,954
National Priority Safety Program	IDEP-2017-9-00368	20.616		<u>4,905</u>
				<u>18,859</u>
Total Highway Safety Cluster				<u>60,299</u>
<i>(Passed through Ohio Department of Transportation):</i>				
Highway Planning & Construction Cluster:				
Highway Planning and Construction - US 127	PID93595	20.205		1,062,152
Highway Planning and Construction - US 129	PID93593	20.205		99,819
Highway Planning and Construction - BUT Cleveland Avenue	PID94522	20.205		<u>831,320</u>
Total Highway Planning & Construction Cluster				<u>1,993,291</u>
Total U.S. Department of Transportation				<u>2,053,590</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>(Passed through City of Cincinnati Health Department):</i>				
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements	03120012PH0817	93.074		4,500
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements	03120012PH0716	93.074		5,500
<i>(Passed through Butler County Health Department):</i>				
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements	00910012PH0514	93.074		<u>25,330</u>
				35,330
<i>(Passed through Ohio Department of Health)</i>				
Immunization Grants	00920022IM0613	93.268		<u>63,222</u>
Total U.S. Department of Health and Human Services				<u>98,552</u>
Total Passed Through to Subrecipients and Federal Expenditures			\$ <u>281,731</u>	<u>3,292,199</u>

CITY OF HAMILTON, OHIO
Schedule of Expenditures of Federal Awards - continued
Year Ended December 31, 2016

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Hamilton, Ohio (the "City") under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the costs principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C - PASSTHROUGH AWARDS

The City of Hamilton, Ohio receives certain federal awards from the State of Ohio as pass-through awards. The amounts received are commingled by the State of Ohio with other funds and cannot be separately identified. The total amount of such pass-through awards is included on the schedule of expenditures of federal awards.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS****INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and Members of City Council
City of Hamilton, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hamilton, Ohio ("City"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 21, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 21, 2017

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and Members of City Council
City of Hamilton, Ohio:

Report on Compliance for Each Major Federal Program

We have audited the City of Hamilton, Ohio's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2016. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 21, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 21, 2017

**CITY OF HAMILTON, OHIO
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2016**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified not considered to be material weaknesses?	None
Noncompliance material to financial statements noted?	None

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified not considered to be material weaknesses?	None
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	None
Identification of major programs:	
• CFDA 20.205 – Highway Planning and Construction	
Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

**CITY OF HAMILTON, OHIO
Schedule of Prior Audit Findings
Year Ended December 31, 2016**

2015-001 CFDA 14.218—Community Development Block Grant/Entitlement Grants

The City's program management failed to file the second (4/1/2015 – 6/30/2015) and third quarter (7/1/2015 – 9/30/2015) *Federal Financial Report SF-425* within 30 days after the end of each quarter in accordance with 24 CFR 85.41. Both reports were submitted on February 17, 2016. Additionally the reports submitted by the City did not contain cumulative data, but only data from the quarter being submitted.

Status: Corrected



2016 CAFR

The Comprehensive Annual Financial Report
for Hamilton, Ohio - Year Ended 12/31/16



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2016

Prepared by:
Department of Finance

Tom Vanderhorst
Finance Director



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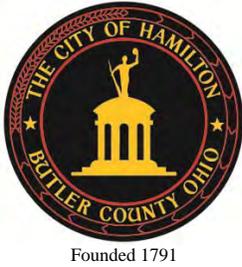
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INTRODUCTORY SECTION







CITY OF HAMILTON OHIO

Department of Finance

One Renaissance Center
345 High Street, Hamilton Ohio 45011
phone (513) 785-7150 fax (513) 785-7160

June 21, 2017

To the Honorable Mayor, Vice Mayor, City Council and
All Citizens of the City of Hamilton, Ohio:

We are pleased to present this Comprehensive Annual Financial Report (CAFR) for Hamilton, Ohio. This report, for the year ended December 31, 2016, contains the financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the City. The responsibility for the accuracy of all data presented and its completeness and fairness of presentation rests with the City of Hamilton's Department of Finance.

This report presents the financial activity of the City in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

The City of Hamilton is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and the U. S. Office of Management and Budget's Circular A-133, Audits of State and Local Governments. Information related to this single audit, including a schedule of federal expenditures, the independent auditors' reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Hamilton's MD&A can be found immediately following the independent auditors' report.

THE REPORTING ENTITY

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, in that they include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

CITY OF HAMILTON, OHIO

Letter of Transmittal For the Year Ended December 31, 2016

Based on the foregoing, the reporting entity of the City has no component units but includes all funds, agencies, boards and commissions that are part of the primary government. The primary government includes the financial activities of the Hamilton Civil Service Commission and the Hamilton Municipal Court.

CITY OVERVIEW

Located thirty miles northwest of Cincinnati, Hamilton encompasses approximately 21.5 square miles and is located within a one-day drive of approximately 65% of the purchasing population in the United States. A network of four interstate highways (71, 74, 75 and 275) and five U.S. and Ohio routes (4, 128, 129, 177 and 127) serve the City.

The City of Hamilton provides a host of traditional municipal services including police and fire protection, health and certain social services, operation of a municipal court, street maintenance and other governmental services. In addition, the City owns and operates four utility systems to serve consumers within the City and certain immediately adjacent environs.

A seven-member Council, elected by voters of the City, governs the City. Council is elected for four-year staggered terms. The Mayor, who is separately elected, is recognized as the official head of the City for all ceremonial purposes and presides at Council meetings. The voters also elect a Municipal Court Judge, who serves a six-year term, to preside over the proceedings of the Hamilton Municipal Court.

City Council appoints the City Manager who is the chief executive officer of the City. The Manager is charged with the proper administration of all affairs of the City. The Manager has the authority to appoint and remove all heads of departments and all subordinate officers and employees of the City and they also exercise control over all departments created by the City Council.

The Government Finance Officers Association (GFOA) recommends local governments establish a rainy day fund equal to at least two months operating reserve or 16.7% of annual expenditures. In 2012, City Council enacted Budget and Financial Policies Resolution #R2012-6-25, which requires the maintenance of a minimum General Fund Balance (reserve) of 10-16% of annual expenditures. Per this resolution, if the General Fund reserve rises above 16% of General Fund revenues at the fiscal year-end, the amount over 16% will be swept into an Economic Budget Stabilization Fund, which can be expended only through special action by City Council.

Income tax receipts during 2016 were up 5.7% over 2015 and the City was successful in limiting General Fund expenditures at 98.1% of the adopted budget. The City transferred \$316,023 into the Economic Budget Stabilization fund in 2016 due to the City's improving fiscal condition that was created by controlling expenditures while stabilizing revenues through ongoing economic development. As of December 31, 2016, the balance in the City's Economic Budget Stabilization fund was \$493,978.

*Letter of Transmittal
For the Year Ended December 31, 2016*

RECENT ECONOMIC DEVELOPMENT

In 2016, a significant amount of economic development activity occurred throughout Hamilton. Private investment totaling \$87 million was undertaken or completed during the year, and 820 new jobs were created or filled as a direct result of these projects.

TriHealth opened a \$45 million, 51,000 square foot expansion to its Bethesda Butler Hospital campus in February 2016. This addition features 46 private medical/surgical beds and 6 new intensive care unit beds. TriHealth hired 70 new part- and full-time employees prior to operating the expansion, and now employs almost 200 people in Hamilton.

ThyssenKrupp Bilstein, the City of Hamilton's largest manufacturer, continues growing year after year. In 2016, ThyssenKrupp invested \$26 million to expand by 60,000 square feet. One 30,000 square foot expansion opened in February 2016 and the other was completed in October 2016. The company added 50 jobs in 2016, for a total of over 500 new jobs created in Hamilton since 2010.

In September 2016, Community First Solutions completed construction on Jamestowne Inpatient and Outpatient Therapy, a 42,000 square foot healthcare facility on Main Street. This \$13 million facility includes 42 private suites, high quality dining options, spa services, and a 5,000 square foot therapy gym. Jamestowne will provide physical, speech, and occupational therapy to short-term, post-acute patients.

Bohlke Veneer began a 70,000 square foot warehouse expansion in August 2016. This investment will total \$1.9 million and is expected to be completed by early 2017. StarTek celebrated its ribbon cutting ceremony April 2016. STARTEK employed approximately 350 people at the end of 2016 and will employ nearly 700 once fully operational.

In 2015, Barclaycard announced that it planned to open a customer contact center in Hamilton that would employ 1,500 people. This was the single largest job announcement for Greater Cincinnati in 2015 and one of the largest announcements in Ohio in the past decade. Barclaycard celebrated its ribbon cutting in May 2016 at Vora Technology Park, the location of the former Champion Paper headquarters. The company spent over \$9 million to renovate an initial 40,000 square feet of vacant or underutilized office space and will expand into approximately 150,000 square feet within the next few years. Barclaycard employed approximately 300 people at the end of 2016 and will be hiring another 1,200 over the next two years.

In 2016, The Hamilton Mill ("The Mill") welcomed new startups Pipeline H2O, Kauffman FastTrac, and Municipal Brew Works to the program. The Mill is comprised of various member companies and the Ohio Small Business Development Center (SBDC), and is the entrepreneurial engine of Butler County, specifically focused on advanced manufacturing, clean-tech, and associated applications.

*Letter of Transmittal
For the Year Ended December 31, 2016*

One of the twelve goals of the City of Hamilton's Strategic Plan is to assist in the establishment of 5 new desired retail or restaurant options annually. Due in large part to the growing vitality of downtown Hamilton's small business community, this goal was quickly exceeded. Eleven new retail and restaurant businesses opened in downtown Hamilton alone. All of these businesses enhance the quality of life in Hamilton, making it a better place for people to live, work, and shop. New small businesses that opened in 2016:

- Treasures on Main
- Municipal Brew Works
- Serendipity
- IVY Salon
- Creating Sacred Space
- Silverwing Alterations
- Pop Revolution
- The Studio
- Plumtree Realty
- Sherry's Petals
- Lah-V-Dah

During August 2016, the City began construction of South Hamilton Crossing. The South Hamilton Crossing project will replace an existing at-grade railroad crossing with a railroad overpass created by extending Grand Boulevard westerly. Fifty-six trains travel through the existing crossing daily, blocking the crossing 15.3% of the time. Due to safety concerns, the current crossing does not allow truck traffic, a significant challenge for local companies. Currently there is only one major existing grade separated crossing that permits east-west flow through the City of Hamilton (Jack Kirsch Underpass). This project is expected to greatly improve connectivity, reduce drive times, and increase safety. South Hamilton Crossing is anticipated to have especially important benefits to Vora Technology Park, University Commerce Park, and Miami University-Hamilton. The anticipated completion date for the project is Summer 2018.

The Meldahl Hydroelectric Facility began commercial operation in April 2016. The plant has a capacity of 105 MW, with an average gross annual output of approximately 550,000 MWH of clean, renewable energy – enough to power approximately 55,000 homes. This \$504 million project was a partnership between the City of Hamilton and American Municipal Power (AMP).

FUTURE ECONOMIC DEVELOPMENT PROJECTS

The City is involved with many economic development projects that continue to make Hamilton a purposeful destination to work, live, and play. Main Street began to build momentum in 2016 with eleven new businesses opening in the historic Main Street business district, including multiple home décor stores, an alterations shop, and a paint-your-own-pottery shop. The CORE Fund sold their first Main Street building to Fleurish Home, a home décor and gift shop. The CORE is a public-private partnership consisting of the City, the Hamilton Community Foundation, and local lending institutions to provide financial resources for qualified residential and commercial real estate projects within the urban core. One property owner utilized the Upper Floor Residential Rehabilitation Program (UFRRP) and began renovations on two apartment units on Main Street. The UFRRP assists owners of mixed use buildings on Main Street with the redevelopment of upper floor space into high-quality rental housing. Owners may obtain funds from the City for costs associated with the redevelopment of the residential space.

***Letter of Transmittal
For the Year Ended December 31, 2016***

2017 is anticipated to be a big year for Main Street. The CORE Fund is finalizing details on a \$2.5 million loan from the Community Improvement Corporation (CIC) to rehab five properties and add 18 apartment units and six storefronts to the district. In total, there will be \$3.8 million available for investment into Main Street through this initiative. The CIC has an additional \$1 million available to loan for future redevelopment projects on Main Street. The City of Hamilton will also be undertaking a streetscape renovation that includes new streetlights, landscaping, and options for sidewalk patio areas.

The goal for Main Street is to increase foot traffic, especially after 5 pm and on the weekends, by adding restaurants, shops, and housing units to reinvigorate the district. In an effort to incentivize new housing units, the City has continued UFRRP in 2017. UFRRP provides a matching grant up to \$20,000 per unit for property owners to redevelop the residential units above Main Street retail spaces.

In 2014, the City in conjunction with MKSK design firm developed a master plan for the remaining portion of the development site, located at the former Mercy Hospital downtown. In February 2015, Joe and Sarah Marcum committed to funding an expansion of the park, which builds on the success of the RiversEdge Amphitheater by adding amenities to further activate the park. Their donation is the largest-ever private donation for a park in Hamilton. Marcum Park is slated to open in May 2017. The Marcum, a 104-unit apartment complex with 12,000 square feet commercial use on the first floor, held its groundbreaking on April 24, 2017.

INTERNAL ACCOUNTING AND BUDGETARY CONTROLS

The City's budgetary accounting system was designed to provide reasonable, but not absolute, assurances that:

1. The City's assets are protected against loss and unauthorized use or disposition; and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated using the following criteria:

1. The expenditure associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the members of the Finance Department.

It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary control is maintained by an encumbrance of purchase commitment amounts prior to the release of purchase orders to vendors. The City Manager and the appropriate Department Director submit requisitions for the expenditure of monies to the Director of Finance for certification of funds and preparation of a purchase order after approval. The purchase order is reviewed for the availability of funds and the estimated expenditure is encumbered against the available appropriation. Encumbrances, which would exceed the available appropriation, are not approved or recorded until City Council authorizes additional appropriations. Unencumbered appropriations lapse at the end of each year.

*Letter of Transmittal
For the Year Ended December 31, 2016*

INDEPENDENT AUDIT

Included in this report is the unmodified audit opinion rendered on the City's financial statements for the year ended December 31, 2016, by Clark, Schaefer, Hackett & Co. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. This annual independent audit serves to maintain and strengthen the City's accounting and budgetary controls.

CERTIFICATE OF ACHIEVEMENT

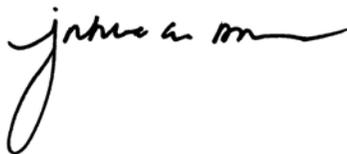
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hamilton for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. In order to be Awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

ACKNOWLEDGEMENTS

The City of Hamilton is proud to be submitting this Comprehensive Annual Financial Report, which is the result of the continued cooperation and combined efforts of the City's Finance Department staff. A special thanks goes to Comptroller Matthew McKinney and his staff for their outstanding work which created this document.

The support of the Hamilton City Council was essential in the successful preparation and issuance of this report.



Joshua A. Smith
City Manager



Thomas Vanderhorst
Director of Finance



CITY OF HAMILTON, OHIO

**List of Principal Officials
For the Year Ended December 31, 2016**

***ELECTED
OFFICIALS***

Pat Moeller
Rob Wile
Robert Brown
Carla Fiehrer
Matthew Von Stein
Kathleen Klink
Timothy Naab
Daniel J. Gattermeyer, Judge

OFFICE

Mayor
Vice Mayor
Council Member
Council Member
Council Member
Council Member
Council Member
Municipal Court

***ADMINISTRATIVE
PERSONNEL***

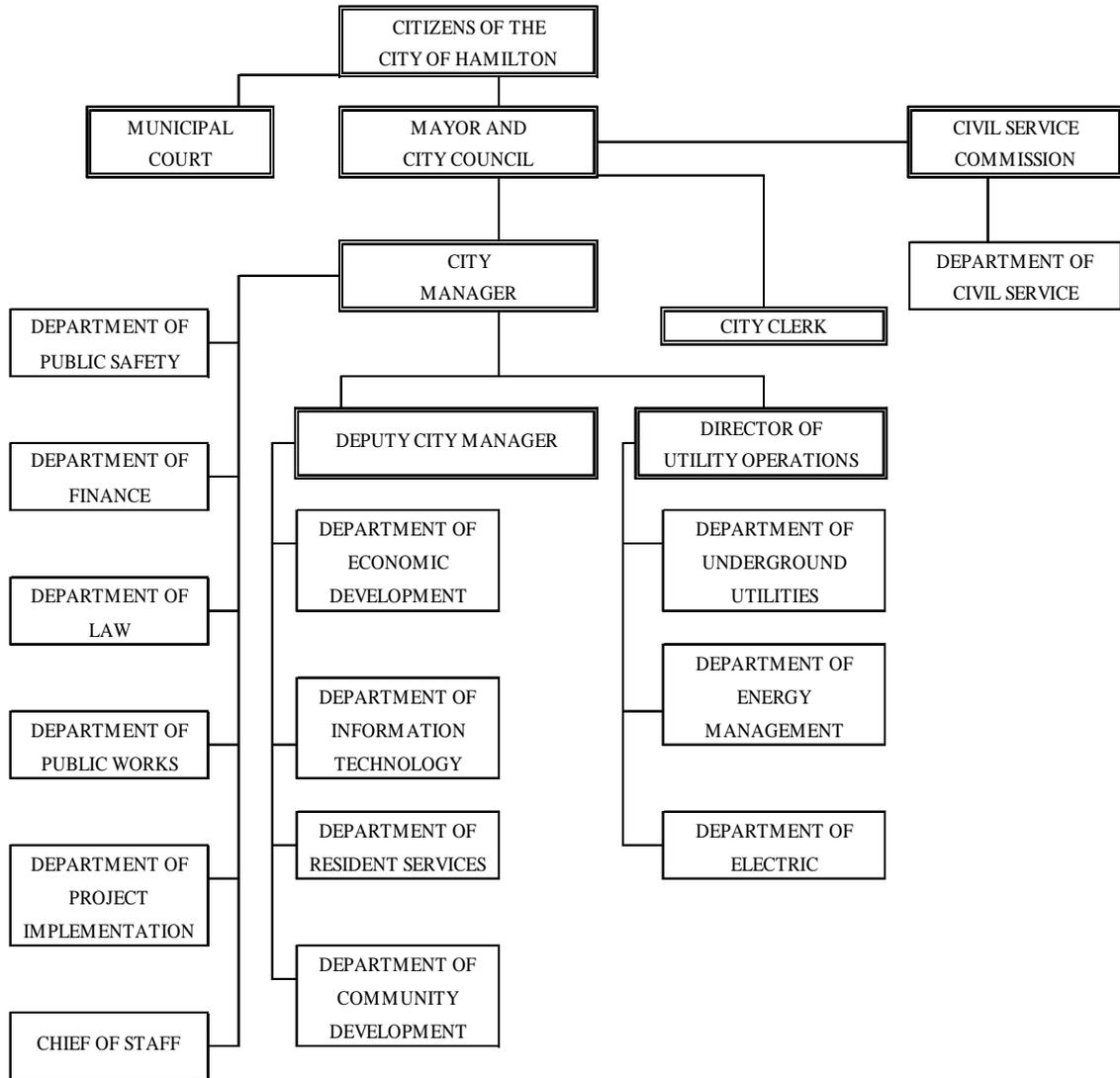
Joshua A. Smith
Timothy Werdmann
Thomas Vanderhorst
Nadine Hill
J. Scott Scrimizzi
Craig Bucheit
Steve Dawson
Kevin Maynard
Michael R. Perry
Richard Engle, P.E.
Adam Helms
Eugene "Bud" Scharf
Heather Lewis, Esq.
Jody Gunderson

TITLE

City Manager
Director of Human Resources
Director of Finance
Director of Civil Service and Personnel
Director of Public Safety
Police Chief
Fire Chief
Director of Utility Operations
Director of Project Implementation
Director of Public Works
Director of Resident Services
Director of Community Development
Director of Law – Millikin & Fitton
Director of Economic Development

CITY OF HAMILTON, OHIO

**City Organizational Chart
For the Year Ended December 31, 2016**



*Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting*



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Hamilton
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015



Executive Director/CEO

FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
City of Hamilton, Ohio:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hamilton, Ohio (the "City") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hamilton, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 21, 2017



This discussion and analysis of the City of Hamilton's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2016. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key (**GAAP Basis**) financial highlights for 2016 are as follows:

- ❑ In total, net position increased \$129,272,919. Net position of governmental activities increased \$80,278, which represents less than a 1% increase from 2015. Net position of business-type activities increased \$129,192,641. This substantial increase in business-type net position can be attributed to the sale of 48.6% ownership interest in the Greenup Hydroelectric Plant.
- ❑ General revenues accounted for \$38,867,939 in revenue or 22% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$134,968,495, or 78%, of total revenues of \$173,836,434.
- ❑ The City had \$61,839,474 in expenses related to governmental activities; \$23,345,470 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$38,574,282 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$34,689,361 in revenues and \$34,607,535 in expenditures. The general fund's fund balance decreased from \$13,902,495 to \$9,136,820.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplemental information*, and an optional section that presents *combining and individual statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Required supplemental information is also presented, which provides additional data regarding the net pension liability.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City's assets, liabilities, and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net-position is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are divided into two categories:

- *Governmental Activities* – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, basic utility services, leisure time activities, community environment, transportation and general government.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's gas, electric, water and wastewater services are reported as business-type activities.

Fund Financial Statements

Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements. The City maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

CITY OF HAMILTON, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

Proprietary Funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its gas, electric, water and wastewater operations. All enterprise funds are reported as major funds in the proprietary funds Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position.

Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet management services and costs of certain goods or services provided to other departments or agencies of the City.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. Individual fund data for each of these funds is provided in the form of combining statements elsewhere in this report.

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CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial health. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$324,271,716 (\$46,721,246 in governmental activities and \$277,550,470 in business type activities) as of December 31, 2016. By far, the largest portion of the City's net position (83.7%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The table below provides a summary of the City's statement of net position for 2016 compared to 2015.

	Governmental Activities		Business-type Activities		Total	
	Restated		Restated		Restated	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$37,142,929	\$41,784,127	\$109,820,625	\$83,059,401	\$146,963,554	\$124,843,528
Capital assets, Net	102,262,644	94,368,338	311,846,996	312,341,647	414,109,640	406,709,985
Total Assets	<u>139,405,573</u>	<u>136,152,465</u>	<u>421,667,621</u>	<u>395,401,048</u>	<u>561,073,194</u>	<u>531,553,513</u>
Deferred Outflows of Resources	15,353,078	6,540,859	8,073,087	3,187,948	23,426,165	9,728,807
Net Pension Liability	57,382,069	47,736,833	19,118,970	14,145,798	76,501,039	61,882,631
Other Long-term Liabilities	34,945,959	38,337,998	118,801,388	121,273,788	153,747,347	159,611,786
Other Liabilities	7,930,394	3,885,123	13,168,431	114,563,014	21,098,825	118,448,137
Total Liabilities	<u>100,258,422</u>	<u>89,959,954</u>	<u>151,088,789</u>	<u>249,982,600</u>	<u>251,347,211</u>	<u>339,942,554</u>
Deferred Inflows of Resources	7,778,983	6,092,402	1,101,449	248,567	8,880,432	6,340,969
Net Position						
Net Investment in Capital Assets	74,591,613	66,544,600	196,783,938	100,463,100	271,375,551	167,007,700
Restricted	6,212,366	8,178,159	18,131,101	18,235,929	24,343,467	26,414,088
Unrestricted (Deficit)	(34,082,733)	(28,081,791)	62,635,431	29,658,800	28,552,698	1,577,009
Total Net Position	<u>\$46,721,246</u>	<u>\$46,640,968</u>	<u>\$277,550,470</u>	<u>\$148,357,829</u>	<u>\$324,271,716</u>	<u>\$194,998,797</u>

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. In the current year, this represented \$24,343,467, or 7.5%, of net position. The remaining unrestricted \$28,552,698, or 8.8%, of net position may be used to meet the City's ongoing obligations to its citizens and creditors and for business-type activities.

The adoption of GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," significantly revised accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

Change in Net Position – The following table shows the change in net position for 2016 compared with 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for Services and Sales	\$15,688,982	\$14,626,675	\$110,879,778	\$110,971,220	\$126,568,760	\$125,597,895
Operating Grants and Contributions	4,469,691	5,584,899	743,247	0	5,212,938	5,584,899
Capital Grants and Contributions	3,186,797	2,880,774	0	0	3,186,797	2,880,774
Total Program Revenues	23,345,470	23,092,348	111,623,025	110,971,220	134,968,495	134,063,568
General Revenues:						
Property Taxes	5,457,646	5,875,301	0	0	5,457,646	5,875,301
Income Taxes	25,970,527	24,852,412	0	0	25,970,527	24,852,412
Other Local Taxes	3,169,478	3,083,986	2,952	0	3,172,430	3,083,986
Intergovernmental, Unrestricted	2,342,386	2,691,164	0	0	2,342,386	2,691,164
Investment Earnings	28,749	114,686	290,705	317,485	319,454	432,171
Miscellaneous	1,605,496	1,635,091	0	0	1,605,496	1,635,091
Total General Revenues	38,574,282	38,252,640	293,657	317,485	38,867,939	38,570,125
Total Revenues	61,919,752	61,344,988	111,916,682	111,288,705	173,836,434	172,633,693
Program Expenses						
General Government	13,748,213	11,972,665	0	0	13,748,213	11,972,665
Security of Persons and Property	29,364,275	29,109,984	0	0	29,364,275	29,109,984
Leisure Time Activities	2,655,781	2,788,945	0	0	2,655,781	2,788,945
Community Environment	2,156,324	3,213,932	0	0	2,156,324	3,213,932
Basic Utility Services	5,986,601	6,779,008	0	0	5,986,601	6,779,008
Transportation	5,398,871	5,496,120	0	0	5,398,871	5,496,120
Public Health and Welfare Services	1,392,658	1,542,573	0	0	1,392,658	1,542,573
Interest and Fiscal Charges	1,136,751	1,075,144	0	0	1,136,751	1,075,144
Gas Utility	0	0	20,059,695	22,071,290	20,059,695	22,071,290
Electric Utility	0	0	73,482,880	65,637,974	73,482,880	65,637,974
Water Utility	0	0	14,948,562	14,563,899	14,948,562	14,563,899
Wastewater Utility	0	0	13,232,904	12,065,377	13,232,904	12,065,377
Total Expenses	61,839,474	61,978,371	121,724,041	114,338,540	183,563,515	176,316,911
Change in Net Position Before Transfers and Special Items	80,278	(633,383)	(9,807,359)	(3,049,835)	(9,727,081)	(3,683,218)
Transfers	0	(46,727)	0	46,727	0	0
Special Item-Sale of Ownership Interest in Electric Plant	0	0	139,000,000	0	139,000,000	0
Total Change in Net Position	80,278	(680,110)	129,192,641	(3,003,108)	129,272,919	(3,683,218)
Beginning Net Position - Restated	46,640,968	47,321,078	148,357,829	151,360,937	194,998,797	198,682,015
Ending Net Position	\$46,721,246	\$46,640,968	\$277,550,470	\$148,357,829	\$324,271,716	\$194,998,797

CITY OF HAMILTON, OHIO

**Management’s Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

Governmental Activities

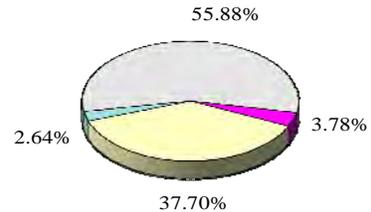
Net position of the City’s governmental activities increased \$80,278. This represents less than a 1% change from 2015. An increase in income tax receipts can be attributed to overall improvements in economic conditions as well as new business development in the City. Decreases in CDBG and HOME grants resulted in the decrease in operating grants. 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, as well as significant fines received related to a large drug court case.

An increase in general government expense can be attributed to contributions to the Hamilton Community Improvement Corporation. A decrease in Land Reutilization and HOME Program rehabilitation costs resulted in the decrease in community environment expense. This decrease in rehabilitation costs was the result of a decrease in grant funding.

The City receives an income tax, which is based on 2% of all salaries, wages, commissions and other compensation and on net profits earned from residents and businesses located within the City.

Income taxes and property taxes made up 42% and 9%, respectively, of revenues for governmental activities in 2016. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 56% of total revenues from general tax revenues:

Revenue Sources	2016	Percent of Total
General Tax Revenues	\$34,597,651	55.88%
Intergovernmental, Unrestricted	2,342,386	3.78%
Program Revenues	23,345,470	37.70%
General Other	1,634,245	2.64%
Total Revenue	<u>\$61,919,752</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business-type activities increased \$129,192,641. This substantial increase in business-type net position can be attributed to the sale of 48.6% ownership interest in the Greenup Hydroelectric Plant.

The Gas Utility reported a decrease in charges to customers. Mild temperatures contributed to lower demand, resulting in decreases in Gas Utility revenues as well as expenses for the purchase of gas.

As noted above, the Electric Utility reported proceeds from the sale of 48.6% ownership interest in the Greenup Hydroelectric Plant. A significant increase in expense for purchased power can be attributed to the Meldahl plant beginning commercial operation in 2016, after which, the City began paying the full Purchased Power Agreement cost on its 54MW hour share of the project.

A 6% rate increase resulted in an increase in revenues in the Water Utility. An increase in Wastewater Utility expenses can be attributed to various supplies and contractual costs. In 2016, the Wastewater Utility issued \$9.5 million in refunding revenue bonds.

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$16,211,854, which is a decrease from last year's balance of \$24,560,256. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2016 and 2015:

	Fund Balance December 31, 2016	Fund Balance December 31, 2015	Increase (Decrease)
General	\$9,136,820	\$13,902,495	(\$4,765,675)
Other Governmental	7,075,034	10,657,761	(3,582,727)
Total	\$16,211,854	\$24,560,256	(\$8,348,402)

General Fund – The City's General Fund balance change is due to several factors. The tables that follow assist in illustrating the financial activities of the General Fund:

	2016 Revenues	2015 Revenues	Increase (Decrease)
Income Taxes	\$20,000,090	\$19,033,055	\$967,035
Property and Other Local Taxes	5,271,515	5,201,527	69,988
Intergovernmental Revenues	2,150,351	2,213,885	(63,534)
Charges for Services	5,233,285	4,764,929	468,356
Licenses and Permits	699,295	640,657	58,638
Investment Earnings	62,970	96,541	(33,571)
Fines and Forfeitures	662,813	666,392	(3,579)
All Other Revenue	609,042	115,256	493,786
Total	\$34,689,361	\$32,732,242	\$1,957,119

General Fund revenues in 2016 increased \$1,957,119, or approximately 6%, when compared with the previous year. An increase in income tax receipts can be attributed to overall improvements in economic conditions as well as new business development in the City. 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. Reimbursements for utility payments made out of the General Fund contributed to an increase in all other revenue.

	2016 Expenditures	2015 Expenditures	Increase (Decrease)
General Government	\$10,180,987	\$5,166,612	\$5,014,375
Security of Persons and Property	20,894,395	19,215,719	1,678,676
Leisure Time Activities	1,242,332	1,341,379	(99,047)
Community Environment	647,033	516,981	130,052
Basic Utility Services	307,269	230,396	76,873
Public Health and Welfare Services	1,335,519	1,366,933	(31,414)
Total	\$34,607,535	\$27,838,020	\$6,769,515

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

General Fund expenditures increased \$6,769,515, or 24% from the prior year. An increase in general government can be attributed to contributions to the Hamilton Community Improvement Corporation. A decrease in reimbursements to the General Fund from several public safety funds contributed to an increase in security of persons and property.

Other Governmental Funds – The City's Other Governmental Funds reported a decrease in fund balance of \$3,582,727, or 34%. Revenues were consistent with the prior year. Overall, expenditures were consistent with the prior year. A decrease in Land Reutilization and HOME Program rehabilitation costs resulted in a decrease in community environment expenditures. A decrease in reimbursements to the General Fund from several public safety Other Governmental Funds resulted in a decrease in security of persons and property. A decrease in capital outlay costs for infrastructure improvements were offset by increases in basic utility services and transportation for capital projects.

Budgetary

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2016 the City amended its General Fund budget several times.

For the General Fund, original budgeted revenues were increased approximately 5% to account for increases in income tax receipts. Final budgeted expenditures were 18% more than original estimates due to budget amendments for contributions to the Hamilton Community Improvement Corporation and transfers out to other funds. Final budgeted expenditures exceeded actual budget basis expenditures by \$880,996.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the City had \$414,109,640 invested in land, construction in progress, buildings, improvements, infrastructure, and machinery and equipment, net of accumulated depreciation. Of this total, \$102,262,644 was related to governmental activities and \$311,846,996 to the business-type activities. The following tables show 2016 and 2015 balances:

	Governmental Activities	Restated 2015	Increase (Decrease)
	2016	2015	
Land	\$20,309,897	\$20,309,897	\$0
Construction In Progress	31,066,107	24,301,580	6,764,527
Buildings and Improvements	42,119,944	41,538,494	581,450
Machinery and Equipment	26,864,655	26,104,987	759,668
Infrastructure	154,042,721	150,526,771	3,515,950
Less: Accumulated Depreciation	(172,140,680)	(168,413,391)	(3,727,289)
Totals	\$102,262,644	\$94,368,338	\$7,894,306

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

Construction in Progress increased due to several storm sewer improvement projects, including South Hamilton Crossing, as well as street resurfacing and intersection improvements, two bridge reconstructions, and a parking garage renovation.

Buildings and improvements increased due to the creation of Civic Park.

Machinery and equipment increased due to the purchase of several police cruisers, an ambulance, maintenance equipment and dump trucks for Resident Services.

The increase in infrastructure was a direct result of the completion of the North Third Street Streetscape and a street resurfacing project.

	Business-Type Activities		Increase (Decrease)
	2016	Restated 2015	
Land	\$7,789,074	\$7,789,074	\$0
Construction in Progress	32,007,088	49,319,109	(17,312,021)
Intangible Capital Assets	1,070,786	1,070,786	0
Buildings and Improvements	128,133,656	104,494,588	23,639,068
Machinery and Equipment	634,402,496	624,607,947	9,794,549
Less: Accumulated Depreciation	(491,556,104)	(474,939,857)	(16,616,247)
Totals	\$311,846,996	\$312,341,647	(\$494,651)

The decrease in Construction in Progress was due to the completion of the 60" sanitary sewer interceptor project and phase II of the water reclamation improvements. The buildings and improvements increase was also directly impacted by the completion of these same two projects.

Additional information on the City's capital assets can be found in Note 10.

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

Debt

At December 31, 2016, the City had \$18.2 million in General Obligation bonds outstanding, \$2.2 million due within one year. The following table summarizes the City's debt outstanding as of December 31, 2016 and 2015:

	2016	2015
Governmental Activities:		
General Obligation Bonds	\$18,218,564	\$20,762,700
Special Assessment Bonds	625,000	770,000
OWDA Loan	1,592,766	0
Loans Payable	9,432,035	10,115,037
Net Pension Liability	57,382,069	47,736,833
Worker's Compensation Retrospective Liability	106,195	1,611,800
Compensated Absences	4,971,399	5,078,461
Total Governmental Activities	92,328,028	86,074,831
Business-Type Activities:		
Mortgage Revenue Bonds	111,982,756	116,034,701
OWDA Loans	334,401	339,322
OPWC Loans	3,869,759	0
Net Pension Liability	19,118,970	14,145,798
Claims Payable	0	2,400,000
Compensated Absences	2,614,472	2,499,765
Total Business-Type Activities	137,920,358	135,419,586
Totals	\$230,248,386	\$221,494,417

Under state law, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2016, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 15.

ECONOMIC FACTORS

The City's Budget and Financial Policies Resolution R2012-6-25 requires the maintenance of a minimum General Fund Balance (reserve) of 10-16% of budgeted expenditures. Per this resolution, if the General Fund reserve rises above 16% of General Fund revenues at the fiscal year-end, the amount over 16% will be swept into an Economic Budget Stabilization Fund, which can be expended only through special action by City Council. The 2016 unencumbered General Fund cash was \$5,608,466 (non-GAAP).

Income tax receipts were up 5.7% over 2015, stabilizing the ending General Fund balance. In 2016, the City was successful in curbing the General Fund expenditures at 98.1% of the adopted budget. The City transferred \$316,023 into the Economic Budget Stabilization fund in 2016 due to the City's improving fiscal condition that was created by controlling expenditures while stabilizing revenues through ongoing economic development. As of December 31, 2016, the balance in the City's Economic Budget Stabilization fund was \$493,978.

CITY OF HAMILTON, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

General Fund revenue is estimated to be \$45.5 million and General Fund expenditures are expected to be \$45.5 million for 2017, resulting in another structurally balanced budget. The \$45.5 million of budgeted revenue is an approximate 6.1% increase from 2016. The majority of this increase can be attributed to a 9.2% budgeted increase for income taxes. In 2016, the City budgeted \$30.8 million for personnel and benefit costs; and in 2017, the City has budgeted \$33.2 million. The increased budget is due to the City's plan to hire additional public safety personnel in 2017.

Many positive economic development efforts have come to fruition. In December 2016, Daran Hybrid, Inc., a Tennessee-based electromechanical services provider announced it is bringing 200 new jobs to Hamilton with a \$46 million investment. Colorado-based StarTek, Inc's call center, which opened in downtown Hamilton in July 2015, continues to have success. Barclaycard, a division of the United Kingdom-based Barclays Bank, announced in August 2015 that their new customer contact center will be located in Hamilton, Ohio. Once fully operational in the coming years, Barclaycard will be able to employ up to 1,500 employees, which amounts to an estimated \$50 million in gross payroll.

The City must continue to control or reduce expenditures while maintaining attractive service levels which will make Hamilton a great place to work, live and play.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, investors and elected officials with a general overview of the City's finances and to show accountability for the money it receives. If you have any questions about this report or need additional information, contact the Office of the City of Hamilton Finance Director, 345 High Street, 7th Floor, Hamilton, Ohio 45011, (513) 785-7170, or visit the City website at www.hamilton-city.org.



CITY OF HAMILTON, OHIO

**Statement of Net Position
December 31, 2016**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$ 23,565,823	\$ 67,398,285	\$ 90,964,108
Receivables:			
Taxes	12,758,025	0	12,758,025
Accounts	1,150,123	14,337,233	15,487,356
Due From Other Governments	2,437,504	0	2,437,504
Interest	37,944	135,144	173,088
Special Assessments	442,505	0	442,505
Loans	2,394,727	0	2,394,727
Internal Balance	(6,645,150)	6,645,150	0
Inventory of Supplies at Cost	125,027	2,169,478	2,294,505
Prepaid Items	270,039	1,004,234	1,274,273
Restricted Assets:			
Cash and Investments	0	18,131,101	18,131,101
Cash with Fiscal Agent	606,362	0	606,362
Non-Depreciable Capital Assets	51,376,004	39,796,162	91,172,166
Depreciable Capital Assets, Net	50,886,640	272,050,834	322,937,474
Total Assets	139,405,573	421,667,621	561,073,194
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	188,869	724,471	913,340
Pension:			
OPERS	4,678,510	7,348,616	12,027,126
OP&F	10,485,699	0	10,485,699
Total Deferred Outflows of Resources	15,353,078	8,073,087	23,426,165
Liabilities:			
Accounts Payable	6,253,980	8,344,009	14,597,989
Accrued Wages and Benefits	540,127	807,502	1,347,629
Intergovernmental Payable	99,413	59,050	158,463
Claims Payable	363,861	0	363,861
Accrued Liabilities	512,478	802	513,280
Customer Deposits	6,335	2,560,240	2,566,575
Unearned Revenue	6,200	0	6,200
Accrued Interest Payable	148,000	1,396,828	1,544,828
Long-Term Liabilities:			
Due Within One Year	5,144,036	4,757,854	9,901,890
Due in More Than One Year:			
Net Pension Liability	57,382,069	19,118,970	76,501,039
Other Amounts Due in More Than One Year	29,801,923	114,043,534	143,845,457
Total Liabilities	100,258,422	151,088,789	251,347,211

CITY OF HAMILTON, OHIO

Statement of Net Position
December 31, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	5,449,214	0	5,449,214
Pension:			
OPERS	701,239	1,101,449	1,802,688
OP&F	1,628,530	0	1,628,530
Total Deferred Inflows of Resources	<u>7,778,983</u>	<u>1,101,449</u>	<u>8,880,432</u>
 Net Position:			
Net Investment in Capital Assets	74,591,613	196,783,938	271,375,551
Restricted For:			
Debt Service	0	8,631,101	8,631,101
Capital Projects	1,307,105	0	1,307,105
Community Environment	535,316	0	535,316
General Government	758,410	0	758,410
Public Health and Welfare Services	205,381	0	205,381
Security of Persons and Property	2,178,299	0	2,178,299
Streets	1,152,806	0	1,152,806
Nonexpendable Endowments	75,049	0	75,049
Rate Stabilization	0	9,500,000	9,500,000
Unrestricted (Deficit)	(34,082,733)	62,635,431	28,552,698
Total Net Position	<u>\$ 46,721,246</u>	<u>\$ 277,550,470</u>	<u>\$ 324,271,716</u>

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

**Statement of Activities
For the Year Ended December 31, 2016**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 13,748,213	\$ 3,666,535	\$ 0	\$ 0
Security of Persons and Property	29,364,275	3,195,876	77,612	40,560
Leisure Time Activities	2,655,781	1,098,407	0	0
Community Environment	2,156,324	789,256	980,722	0
Basic Utility Services	5,986,601	6,031,405	0	0
Transportation	5,398,871	683,059	3,130,199	3,146,237
Public Health and Welfare Services	1,392,658	224,444	230,781	0
Interest and Fiscal Charges	1,136,751	0	50,377	0
Total Governmental Activities	<u>61,839,474</u>	<u>15,688,982</u>	<u>4,469,691</u>	<u>3,186,797</u>
Business-Type Activities:				
Gas Utility	20,059,695	19,086,678	0	0
Electric Utility	73,482,880	66,319,492	310,719	0
Water Utility	14,948,562	13,088,389	192,514	0
Wastewater Utility	13,232,904	12,385,219	240,014	0
Total Business-Type Activities	<u>121,724,041</u>	<u>110,879,778</u>	<u>743,247</u>	<u>0</u>
Totals	<u>\$ 183,563,515</u>	<u>\$ 126,568,760</u>	<u>\$ 5,212,938</u>	<u>\$ 3,186,797</u>

General Revenues and Special Items

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Purposes

Income Tax

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Special Item-Sale of Ownership Interest in Electric Plant

Total General Revenues and Special Items

Change in Net Position

Net Position Beginning of Year - Restated

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (10,081,678)	\$ 0	\$ (10,081,678)
(26,050,227)	0	(26,050,227)
(1,557,374)	0	(1,557,374)
(386,346)	0	(386,346)
44,804	0	44,804
1,560,624	0	1,560,624
(937,433)	0	(937,433)
(1,086,374)	0	(1,086,374)
<u>(38,494,004)</u>	<u>0</u>	<u>(38,494,004)</u>
0	(973,017)	(973,017)
0	(6,852,669)	(6,852,669)
0	(1,667,659)	(1,667,659)
0	(607,671)	(607,671)
0	(10,101,016)	(10,101,016)
<u>\$ (38,494,004)</u>	<u>\$ (10,101,016)</u>	<u>\$ (48,595,020)</u>
2,107,158	0	2,107,158
2,313,882	0	2,313,882
1,036,606	0	1,036,606
25,970,527	0	25,970,527
3,169,478	2,952	3,172,430
2,342,386	0	2,342,386
28,749	290,705	319,454
1,605,496	0	1,605,496
0	139,000,000	139,000,000
<u>38,574,282</u>	<u>139,293,657</u>	<u>177,867,939</u>
80,278	129,192,641	129,272,919
46,640,968	148,357,829	194,998,797
<u>\$ 46,721,246</u>	<u>\$ 277,550,470</u>	<u>\$ 324,271,716</u>

CITY OF HAMILTON, OHIO

Balance Sheet
Governmental Funds
December 31, 2016

	General	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in Pooled Cash and Investments	\$ 12,636,707	\$ 10,586,568	\$ 23,223,275
Receivables:			
Taxes	7,220,091	5,537,934	12,758,025
Accounts	279,472	870,651	1,150,123
Intergovernmental	717,899	1,719,605	2,437,504
Interest	30,168	7,776	37,944
Special Assessments	0	442,505	442,505
Loans	2,140,000	254,727	2,394,727
Due from Other Funds	411	0	411
Interfund Receivable	551,848	0	551,848
Inventory of Supplies, at Cost	48,624	52,875	101,499
Prepaid Items	221,511	48,528	270,039
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	606,362	0	606,362
Total Assets	<u>\$ 24,453,093</u>	<u>\$ 19,521,169</u>	<u>\$ 43,974,262</u>
Liabilities:			
Accounts Payable	\$ 4,579,315	\$ 1,603,317	\$ 6,182,632
Accrued Wages and Benefits Payable	482,080	47,260	529,340
Intergovernmental Payable	91,396	6,524	97,920
Claims Payable	405,028	0	405,028
Accrued Liabilities	397,170	115,308	512,478
Customer Deposits	0	6,335	6,335
Due to Other Funds	0	411	411
Interfund Payable	3,450,000	3,746,998	7,196,998
Unearned Revenue	0	6,200	6,200
Total Liabilities	<u>9,404,989</u>	<u>5,532,353</u>	<u>14,937,342</u>
Deferred Inflows of Resources:			
Unavailable Amounts	3,809,247	3,566,605	7,375,852
Property Tax Levy for Next Fiscal Year	2,102,037	3,347,177	5,449,214
Total Deferred Inflows of Resources	<u>5,911,284</u>	<u>6,913,782</u>	<u>12,825,066</u>
Fund Balance:			
Nonspendable	270,135	176,403	446,538
Restricted	0	2,748,424	2,748,424
Committed	0	4,438,845	4,438,845
Assigned	1,598,710	103,101	1,701,811
Unassigned	7,267,975	(391,739)	6,876,236
Total Fund Balance	<u>9,136,820</u>	<u>7,075,034</u>	<u>16,211,854</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 24,453,093</u>	<u>\$ 19,521,169</u>	<u>\$ 43,974,262</u>

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2016***

Total Governmental Fund Balances \$ 16,211,854

***Amounts reported for governmental activities in the
statement of net position are different because***

Capital Assets used in governmental activities are not
resources and therefore are not reported in the funds. 102,225,552

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds. 7,375,852

The net pension liability is not due and payable in the current period;
therefore, the liability and related deferred inflows/outflows are not
reported in governmental funds:

Deferred Outflows - Pension	14,912,879	
Deferred Inflows - Pension	(2,292,099)	
Net Pension Liability	(56,728,181)	(44,107,401)

Internal service funds are used by management to charge
back costs of services to individual funds. The assets, liabilities,
and deferred outflows/inflows of the Fleet Maintenance Fund are
included in governmental activities in the statement of net position. (229,473)

Long-term liabilities, including bonds payable, are not due
and payable in the current period and therefore are not
reported in the funds.

General Obligation Bonds Payable	(17,340,000)	
Special Assessment Bonds Payable	(625,000)	
Bond Premium	(878,564)	
General Obligation Loans	(9,432,035)	
Ohio Water Development Authority Loans	(1,592,766)	
Deferred Loss on Refunding	188,869	
Worker's Compensation Liability	(65,028)	
Compensated Absences Payable	(4,862,614)	
Accrued Interest Payable	(148,000)	(34,755,138)

Net Position of Governmental Activities **\$ 46,721,246**

See accompanying notes to the basic financial statements



CITY OF HAMILTON, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016**

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Income Taxes	\$ 20,000,090	\$ 5,806,477	\$ 25,806,567
Property and Other Local Taxes	5,271,515	3,347,184	8,618,699
Intergovernmental Revenues	2,150,351	7,924,908	10,075,259
Charges for Services	5,233,285	7,513,259	12,746,544
Licenses and Permits	699,295	387,658	1,086,953
Investment Earnings	62,970	(34,221)	28,749
Special Assessments	0	452,533	452,533
Fines and Forfeitures	662,813	401,161	1,063,974
All Other Revenue	609,042	1,271,454	1,880,496
Total Revenues	34,689,361	27,070,413	61,759,774
Expenditures:			
Current:			
General Government	10,180,987	5,207	10,186,194
Security of Persons and Property	20,894,395	6,540,035	27,434,430
Leisure Time Activities	1,242,332	1,075,916	2,318,248
Community Environment	647,033	1,515,491	2,162,524
Basic Utility Services	307,269	8,037,309	8,344,578
Transportation	0	4,109,609	4,109,609
Public Health and Welfare Services	1,335,519	63,353	1,398,872
Capital Outlay	0	11,282,845	11,282,845
Debt Service:			
Principal Retirement	0	3,208,002	3,208,002
Interest and Fiscal Charges	0	1,283,266	1,283,266
Total Expenditures	34,607,535	37,121,033	71,728,568
Excess (Deficiency) of Revenues Over (Under) Expenditures	81,826	(10,050,620)	(9,968,794)
Other Financing Sources (Uses):			
Sale of Capital Assets	1,716	13,620	15,336
OWDA Loans Issued	0	1,592,766	1,592,766
Transfers In	0	10,319,607	10,319,607
Transfers Out	(4,847,786)	(5,471,821)	(10,319,607)
Total Other Financing Sources (Uses)	(4,846,070)	6,454,172	1,608,102
Net Change in Fund Balance	(4,764,244)	(3,596,448)	(8,360,692)
Fund Balance at Beginning of Year	13,902,495	10,657,761	24,560,256
Increase (Decrease) in Inventory	(1,431)	13,721	12,290
Fund Balance End of Year	\$ 9,136,820	\$ 7,075,034	\$ 16,211,854

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2016***

Net Change in Fund Balances - Total Governmental Funds \$ (8,360,692)

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	11,846,689	
Depreciation Expense	<u>(3,923,043)</u>	7,923,646

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets. This is the loss on disposal of capital assets, net of proceeds. (17,725)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 159,978

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 4,168,791

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (7,168,126)

The issuance of long-term debt provides current financial resources to governmental funds, however, has no effect on net position.

Ohio Water Development Authority Loan Issuance (1,592,766)

Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

General Obligation Bond Principal Payment	2,380,000	
Special Assessment Bond Principal Payment	145,000	
Loan Principal Payment	683,002	
Amortization of Deferred Loss on Refunding	(35,130)	
Amortization of Bond Premium	<u>164,136</u>	3,337,008

(Continued)

CITY OF HAMILTON, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2016***

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 17,509

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	109,948	
Worker's Compensation Liability	1,485,612	
Change in Inventory	12,290	1,607,850

Internal Service Funds are used by management to charge costs to individual funds and are not reported in the statement of activities. Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the Fleet Maintenance Fund is allocated among the governmental activities. 4,805

Change in Net Position of Governmental Activities \$ 80,278

See accompanying notes to the basic financial statements



CITY OF HAMILTON, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Income Taxes	\$ 18,625,875	\$ 19,560,500	\$ 20,003,538	\$ 443,038
Property and Other Local Taxes	5,399,000	5,414,380	5,261,756	(152,624)
Intergovernmental Revenues	2,167,000	2,204,145	2,156,796	(47,349)
Charges for Services	14,715,345	15,154,345	15,174,917	20,572
Licenses and Permits	548,650	673,000	699,295	26,295
Investment Earnings	100,000	100,000	115,556	15,556
Fines and Forfeitures	646,420	646,420	674,802	28,382
All Other Revenue	162,280	934,231	919,063	(15,168)
Total Revenues	<u>42,364,570</u>	<u>44,687,021</u>	<u>45,005,723</u>	<u>318,702</u>
Expenditures:				
Current:				
Security of Persons and Property	26,814,452	27,691,271	27,331,568	359,703
Public Health and Welfare Services	1,491,730	1,461,556	1,382,840	78,716
Leisure Time Activities	24,425	6,001	5,843	158
Community Environment	1,763,921	1,530,552	1,440,415	90,137
Basic Utility Services	1,396,087	1,499,405	1,467,245	32,160
General Government	10,448,371	15,317,561	15,061,263	256,298
Total Expenditures	<u>41,938,986</u>	<u>47,506,346</u>	<u>46,689,174</u>	<u>817,172</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	425,584	(2,819,325)	(1,683,451)	1,135,874
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	1,716	1,716
Transfers In	0	622	622	0
Transfers Out	(1,481,023)	(3,785,533)	(3,721,709)	63,824
Advances In	0	3,450,000	3,450,000	0
Total Other Financing Sources (Uses):	<u>(1,481,023)</u>	<u>(334,911)</u>	<u>(269,371)</u>	<u>65,540</u>
Net Change in Fund Balance	(1,055,439)	(3,154,236)	(1,952,822)	1,201,414
Fund Balance at Beginning of Year	6,505,855	6,505,855	6,505,855	0
Prior Year Encumbrances	1,055,439	1,055,439	1,055,439	0
Fund Balance at End of Year	<u>\$ 6,505,855</u>	<u>\$ 4,407,058</u>	<u>\$ 5,608,472</u>	<u>\$ 1,201,414</u>

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
Assets:			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 2,963,958	\$ 41,584,417	\$ 8,971,323
Restricted Cash and Investments	3,051,681	7,353,153	1,666,409
Receivables:			
Accounts	3,311,947	7,820,844	1,616,181
Interest	8,907	58,900	25,410
Interfund Receivable	0	6,645,150	0
Inventory of Supplies at Cost	148,083	1,813,795	206,951
Prepaid Items	139,002	613,775	140,229
Total Current Assets	<u>9,623,578</u>	<u>65,890,034</u>	<u>12,626,503</u>
Noncurrent Assets:			
Non Depreciable Capital Assets	2,656,779	17,781,506	9,014,798
Depreciable Capital Assets, Net	32,127,320	100,011,163	86,785,255
Total Noncurrent Assets	<u>34,784,099</u>	<u>117,792,669</u>	<u>95,800,053</u>
Total Assets	<u>44,407,677</u>	<u>183,682,703</u>	<u>108,426,556</u>
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	0	0	483,198
Pension:			
OPERS	659,485	3,439,768	957,199
Total Deferred Outflows of Resources	<u>659,485</u>	<u>3,439,768</u>	<u>1,440,397</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	1,813,050	5,225,566	625,338
Accrued Wages and Benefits	105,527	398,645	122,333
Intergovernmental Payable	4,110	33,636	6,413
Accrued Liabilities - Current	0	802	0
Customer Deposits Payable	749,726	1,338,112	220,212
Compensated Absences Payable - Current	161,520	483,570	201,988
Accrued Interest Payable	38,144	413,427	294,531
Revenue Bonds Payable - Current	260,000	865,000	705,000
OWDA Loans Payable - Current	0	0	0
Total Current Liabilities	<u>3,132,077</u>	<u>8,758,758</u>	<u>2,175,815</u>

CITY OF HAMILTON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2016**

	<u>Wastewater</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
Assets:			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 13,873,418	\$ 67,393,116	\$ 347,717
Restricted Cash and Investments	6,059,858	18,131,101	0
Receivables:			
Accounts	1,588,261	14,337,233	0
Interest	41,927	135,144	0
Interfund Receivable	0	6,645,150	0
Inventory of Supplies at Cost	649	2,169,478	23,528
Prepaid Items	111,228	1,004,234	0
Total Current Assets	<u>21,675,341</u>	<u>109,815,456</u>	<u>371,245</u>
Noncurrent Assets:			
Non Depreciable Capital Assets	10,343,079	39,796,162	0
Depreciable Capital Assets, Net	53,127,096	272,050,834	37,092
Total Noncurrent Assets	<u>63,470,175</u>	<u>311,846,996</u>	<u>37,092</u>
Total Assets	<u>85,145,516</u>	<u>421,662,452</u>	<u>408,337</u>
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	241,273	724,471	0
Pension:			
OPERS	712,599	5,769,051	1,830,895
Total Deferred Outflows of Resources	<u>953,872</u>	<u>6,493,522</u>	<u>1,830,895</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	434,417	8,098,371	316,986
Accrued Wages and Benefits	111,436	737,941	80,348
Intergovernmental Payable	4,901	49,060	11,483
Accrued Liabilities - Current	0	802	0
Customer Deposits Payable	252,190	2,560,240	0
Compensated Absences Payable - Current	181,850	1,028,928	266,721
Accrued Interest Payable	650,726	1,396,828	0
Revenue Bonds Payable - Current	1,665,000	3,495,000	0
OWDA Loans Payable - Current	19,267	19,267	0
Total Current Liabilities	<u>3,319,787</u>	<u>17,386,437</u>	<u>675,538</u>

(Continued)

CITY OF HAMILTON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
Noncurrent Liabilities:			
Revenue Bonds Payable	3,961,385	29,246,546	27,411,322
OWDA Loans Payable	0	0	13,734
OPWC Loans Payable	0	0	627,337
Compensated Absences Payable	201,059	491,552	276,398
Net Pension Liability	1,715,789	8,949,281	2,490,354
Total Noncurrent Liabilities	<u>5,878,233</u>	<u>38,687,379</u>	<u>30,819,145</u>
Total Liabilities	<u>9,010,310</u>	<u>47,446,137</u>	<u>32,994,960</u>
Deferred Inflows of Resources:			
Pension:			
OPERS	98,847	515,570	143,471
Total Deferred Inflows of Resources	<u>98,847</u>	<u>515,570</u>	<u>143,471</u>
Net Position:			
Net Investment in Capital Assets	30,562,714	87,948,019	67,651,447
Restricted for Debt Service	551,681	3,353,153	666,409
Restricted for Rate Stabilization	2,500,000	4,000,000	1,000,000
Unrestricted	2,343,610	43,859,592	7,410,666
Total Net Position	<u>\$ 35,958,005</u>	<u>\$ 139,160,764</u>	<u>\$ 76,728,522</u>

CITY OF HAMILTON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2016**

	Wastewater	Total	Governmental Activities - Internal Service Funds
Noncurrent Liabilities:			
Revenue Bonds Payable	47,868,503	108,487,756	0
OWDA Loans Payable	301,400	315,134	0
OPWC Loans Payable	3,242,422	3,869,759	0
Compensated Absences Payable	183,982	1,152,991	274,617
Net Pension Liability	1,853,976	15,009,400	4,763,458
Total Noncurrent Liabilities	53,450,283	128,835,040	5,038,075
Total Liabilities	56,770,070	146,221,477	5,713,613
Deferred Inflows of Resources:			
Pension:			
OPERS	106,808	864,696	274,423
Total Deferred Inflows of Resources	106,808	864,696	274,423
Net Position:			
Net Investment in Capital Assets	10,621,758	196,783,938	37,092
Restricted for Debt Service	4,059,858	8,631,101	0
Restricted for Rate Stabilization	2,000,000	9,500,000	0
Unrestricted	12,540,894	66,154,762	(3,785,896)
Total Net Position	\$ 29,222,510	\$ 281,069,801	\$ (3,748,804)
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.		(3,519,331)	
Net Position of Business-type Activities		\$ 277,550,470	

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
Operating Revenues:			
Charges for Services	\$ 19,049,203	\$ 66,152,902	\$ 12,945,107
Other Operating Revenues	37,475	166,590	143,282
Total Operating Revenues	<u>19,086,678</u>	<u>66,319,492</u>	<u>13,088,389</u>
Operating Expenses:			
Personal Services	2,168,018	8,374,150	2,699,209
Contractual Services	1,553,754	6,777,634	3,481,564
Materials and Supplies	444,883	901,891	1,311,269
Purchase of Gas and Electric	10,078,713	42,211,702	0
Depreciation	2,385,378	8,861,138	3,421,802
Other Operating Expenses	3,226,932	3,785,813	2,645,375
Total Operating Expenses	<u>19,857,678</u>	<u>70,912,328</u>	<u>13,559,219</u>
Operating Income (Loss)	(771,000)	(4,592,836)	(470,830)
Non-Operating Revenue (Expenses):			
Interest Income	31,059	132,503	41,896
Interest and Fiscal Charges	(185,656)	(1,849,977)	(1,387,582)
Loss on Disposal of Capital Assets	(16,361)	0	(1,761)
Other Local Taxes (kWh Tax)	0	2,952	0
Grants	0	310,719	192,514
Total Non-Operating Revenues (Expenses)	<u>(170,958)</u>	<u>(1,403,803)</u>	<u>(1,154,933)</u>
Loss Before Special Items	(941,958)	(5,996,639)	(1,625,763)
Special Items:			
Special Item-Sale of Ownership Interest in Electric Plant	0	139,000,000	0
Total Special Items	<u>0</u>	<u>139,000,000</u>	<u>0</u>
Change in Net Position	(941,958)	133,003,361	(1,625,763)
Net Position Beginning of Year - Restated	36,899,963	6,157,403	78,354,285
Net Position End of Year	<u>\$ 35,958,005</u>	<u>\$ 139,160,764</u>	<u>\$ 76,728,522</u>

CITY OF HAMILTON, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016**

	Wastewater	Total	Governmental Activities - Internal Service Funds
Operating Revenues:			
Charges for Services	\$ 12,384,393	\$ 110,531,605	\$ 9,657,175
Other Operating Revenues	826	348,173	1,023
Total Operating Revenues	12,385,219	110,879,778	9,658,198
Operating Expenses:			
Personal Services	1,973,944	15,215,321	6,069,633
Contractual Services	2,442,263	14,255,215	2,317,272
Materials and Supplies	332,908	2,990,951	1,423,367
Purchase of Gas and Electric	0	52,290,415	0
Depreciation	3,529,973	18,198,291	11,615
Other Operating Expenses	2,406,032	12,064,152	561,473
Total Operating Expenses	10,685,120	115,014,345	10,383,360
Operating Income (Loss)	1,700,099	(4,134,567)	(725,162)
Non-Operating Revenue (Expenses):			
Interest Income	85,247	290,705	(2,208)
Interest and Fiscal Charges	(2,547,784)	(5,970,999)	0
Loss on Disposal of Capital Assets	0	(18,122)	0
Other Local Taxes (kWh Tax)	0	2,952	0
Grants	240,014	743,247	11,600
Total Non-Operating Revenues (Expenses)	(2,222,523)	(4,952,217)	9,392
Loss Before Special Items	(522,424)	(9,086,784)	(715,770)
Special Items:			
Special Item-Sale of Ownership Interest in Electric Plant	0	139,000,000	0
Total Special Items	0	139,000,000	0
Change in Net Position	(522,424)	129,913,216	(715,770)
Net Position Beginning of Year - Restated	29,744,934	151,156,585	(3,033,034)
Net Position End of Year	\$ 29,222,510	\$ 281,069,801	\$ (3,748,804)
Change in Net Position - Total Enterprise Funds		\$ 129,913,216	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.		(720,575)	
Change in Net Position - Business-type Activities		\$ 129,192,641	

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	Business Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$18,353,696	\$65,810,471	\$13,222,581
Cash Payments for Goods and Services	(15,161,542)	(50,606,203)	(7,289,359)
Cash Payments to Employees	(2,009,656)	(9,428,002)	(2,704,994)
Net Cash Provided (Used) by Operating Activities	<u>1,182,498</u>	<u>5,776,266</u>	<u>3,228,228</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Intergovernmental Grants	0	310,719	192,514
Kilowatt Hour Tax Received	0	2,403,875	0
Kilowatt Hour Tax Paid to State	0	(2,400,923)	0
Advances In from Other Funds	0	180,150	0
Advances Out to Other Funds	0	(6,550,000)	0
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>(6,056,179)</u>	<u>192,514</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from Sale of Undivided Interest	0	139,000,000	0
Premium on Debt Issuance	0	0	0
Note Retirement	0	(103,695,000)	0
Revenue Bond Proceeds	0	0	0
Revenue Bond Principal Retirement	(250,000)	(830,000)	(660,000)
OWDA Loan Proceeds	0	0	13,734
OPWC Loan Proceeds	0	0	627,337
OWDA Loan Principal Retirement	0	0	0
Interest and Fiscal Charges	(182,925)	(1,956,422)	(1,404,721)
Acquisition and Construction of Assets	(1,341,599)	(5,781,322)	(3,441,395)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,774,524)</u>	<u>26,737,256</u>	<u>(4,865,045)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	42,431	242,064	74,607
Change in Fair Value of Investments	(18,659)	(161,232)	(53,232)
Net Cash Provided (Used) by Investing Activities	<u>23,772</u>	<u>80,832</u>	<u>21,375</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(568,254)	26,538,175	(1,422,928)
Cash and Cash Equivalents at Beginning of Year	6,583,893	22,399,395	12,060,660
Cash and Cash Equivalents at End of Year	<u>\$6,015,639</u>	<u>\$48,937,570</u>	<u>\$10,637,732</u>
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$2,963,958	\$41,584,417	\$8,971,323
Restricted Cash and Cash Equivalents	3,051,681	7,353,153	1,666,409
Cash and Cash Equivalents at End of Year	<u>\$6,015,639</u>	<u>\$48,937,570</u>	<u>\$10,637,732</u>

CITY OF HAMILTON, OHIO

***Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016***

	Wastewater	Totals	Governmental- Activities Internal Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$12,219,294	\$109,606,042	\$9,658,198
Cash Payments for Goods and Services	(5,133,548)	(78,190,652)	(4,330,558)
Cash Payments to Employees	(2,112,184)	(16,254,836)	(5,371,752)
Net Cash Provided (Used) by Operating Activities	4,973,562	15,160,554	(44,112)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Intergovernmental Grants	240,014	743,247	11,600
Kilowatt Hour Tax Received	0	2,403,875	0
Kilowatt Hour Tax Paid to State	0	(2,400,923)	0
Advances In from Other Funds	0	180,150	0
Advances Out to Other Funds	0	(6,550,000)	0
Net Cash Provided (Used) by Noncapital Financing Activities	240,014	(5,623,651)	11,600
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from Sale of Undivided Interest	0	139,000,000	0
Premium on Debt Issuance	1,619,387	1,619,387	0
Note Retirement	0	(103,695,000)	0
Revenue Bond Proceeds	9,490,000	9,490,000	0
Revenue Bond Principal Retirement	(13,140,000)	(14,880,000)	0
OWDA Loan Proceeds	0	13,734	0
OPWC Loan Proceeds	3,242,422	3,869,759	0
OWDA Loan Principal Retirement	(18,655)	(18,655)	0
Interest and Fiscal Charges	(2,781,447)	(6,325,515)	0
Acquisition and Construction of Assets	(9,919,409)	(20,483,725)	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(11,507,702)	8,589,985	0
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	145,249	504,351	0
Change in Fair Value of Investments	(87,835)	(320,958)	(2,208)
Net Cash Provided (Used) by Investing Activities	57,414	183,393	(2,208)
Net Increase (Decrease) in Cash and Cash Equivalents	(6,236,712)	18,310,281	(34,720)
Cash and Cash Equivalents at Beginning of Year	26,169,988	67,213,936	382,437
Cash and Cash Equivalents at End of Year	\$19,933,276	\$85,524,217	\$347,717
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$13,873,418	\$67,393,116	\$347,717
Restricted Cash and Cash Equivalents	6,059,858	18,131,101	0
Cash and Cash Equivalents at End of Year	\$19,933,276	\$85,524,217	\$347,717

(Continued)

CITY OF HAMILTON, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	Business Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$771,000)	(\$4,592,836)	(\$470,830)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	2,385,378	8,861,138	3,421,802
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
(Increase) Decrease in Accounts Receivable	(732,982)	(1,348,846)	134,192
(Increase) Decrease in Inventory	(2,644)	81,835	49,008
(Increase) Decrease in Prepays	(3,696)	19,153	(382)
Increase in Deferred Outflows of Resources	(454,228)	(2,279,831)	(631,273)
Increase (Decrease) in Accounts Payable	146,470	2,154,477	74,352
Increase in Accrued Wages and Benefits	31,443	239,960	37,885
Increase (Decrease) in Customer Deposits Payable	(1,020)	122,618	25,373
Increase in Accrued Liabilities	0	35	0
Decrease in Intergovernmental Payable	(10,661)	(50,835)	(16,784)
Increase (Decrease) in Compensated Absences	26,419	84,033	23,183
Increase in Net Pension Liability	491,722	2,090,357	473,970
Increase in Deferred Inflows of Resources	77,297	395,008	107,732
Total Adjustments	1,953,498	10,369,102	3,699,058
Net Cash Provided (Used) by Operating Activities	\$1,182,498	\$5,776,266	\$3,228,228

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2016 the Gas, Electric, Water, and Wastewater Funds had outstanding liabilities of \$139,074, \$401,179, \$343,174, and \$243,957, respectively for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

***Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016***

	<u>Wastewater</u>	<u>Totals</u>	<u>Governmental- Activities Internal Service Funds</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$1,700,099	(\$4,134,567)	(\$725,162)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	3,529,973	18,198,291	11,615
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
(Increase) Decrease in Accounts Receivable	(165,925)	(2,113,561)	0
(Increase) Decrease in Inventory	(18)	128,181	(4,657)
(Increase) Decrease in Prepays	(1,368)	13,707	0
Increase in Deferred Outflows of Resources	(450,783)	(3,816,115)	(1,294,045)
Increase (Decrease) in Accounts Payable	39,892	2,415,191	(24,215)
Increase in Accrued Wages and Benefits	31,590	340,878	22,851
Increase (Decrease) in Customer Deposits Payable	8,596	155,567	0
Increase in Accrued Liabilities	0	35	0
Decrease in Intergovernmental Payable	(13,907)	(92,187)	(29,083)
Increase (Decrease) in Compensated Absences	(42,703)	90,932	26,661
Increase in Net Pension Liability	259,489	3,315,538	1,749,936
Increase in Deferred Inflows of Resources	78,627	658,664	221,987
Total Adjustments	<u>3,273,463</u>	<u>19,295,121</u>	<u>681,050</u>
Net Cash Provided (Used) by Operating Activities	<u>\$4,973,562</u>	<u>\$15,160,554</u>	<u>(\$44,112)</u>

CITY OF HAMILTON, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2016***

	<u>Agency Funds</u>
Assets:	
Equity in Pooled Cash and Investments	\$ 2,332,559
Receivables:	
Taxes	1,114
Total Assets	<u>2,333,673</u>
Liabilities:	
Accounts Payable	28,305
Intergovernmental Payable	1,242,466
Due to Others	1,062,902
Total Liabilities	<u>\$ 2,333,673</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are presented as of December 31, 2016 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The City of Hamilton, Ohio (the City) is a home rule municipal corporation created under the auspices of the laws and constitution of the State of Ohio. The origins of the City date back as early as 1791. In 1803, the State of Ohio officially created Butler County and named the City as the county seat in 1810. Hamilton operates under a city charter adopted November 2, 1926 which became effective on January 1, 1928. The current charter, as amended, was adopted November 7, 2000 and became effective on January 1, 2001.

A seven-member council elected by voters of the City governs the City. The Mayor, who is separately elected, is recognized as the official head of the City for all ceremonial purposes. The City also elects a municipal court judge (the Judge) to preside over the proceedings of the Hamilton Municipal Court. The Judge is elected to a six-year term.

The City Council appoints the City Manager who serves as Chief Executive Officer and Director of Public Safety. He is charged with the proper administration of all city affairs. The City Manager appoints all Directors and the Deputy City Manager-Operations, to whom the various utility systems' directors report. The City Manager also appoints the Finance Director, who acts as the Chief Financial Officer, as well as, the Directors of Law, Planning, Economic Development, Public Works, Health, Information Technology, the Chiefs of Police and Fire, and the Directors of the Electric and Gas and Water Utilities. Ultimately, the City Manager retains the power to appoint and remove all department heads, subordinate staff and employees and exercises control over all departments.

The services provided under the direction of the City Manager as delegated to each of the subordinate Directors and their departments comprise the primary government unit of the City. They have therefore been included as part of the reporting entity. The funds, agencies, boards and commissions that are a part of the primary government include the following services: operation of a municipal court, police and fire protection, health, parks and recreation, street maintenance, and other governmental services. In addition, the City owns and operates a gas distribution system, electric generation facilities and distribution system, a water treatment and distribution system, a wastewater treatment and collection system, all of which are reported as enterprise funds (business type-major). The City also operates parking facilities, athletic facilities, and two golf courses, which are reported as special revenue funds (governmental – non-major).

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The reporting entity is composed of the primary government, component units and other organizations. The primary government includes all funds, organizations, activities and component units for which the City (the primary government) is financially accountable and that are not legally separate.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if it appoints a voting majority of the organization's governing board and either (1) the City is able to significantly influence the programs or services performed or provided by the organization, or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. Based upon this definition, the City has no component units.

The following potential component units have been excluded from the accompanying financial statements because they are legally separate from the City and the City is not financially accountable for the unit nor is the unit fiscally dependent on the City.

Butler County, Ohio
Butler Technology and Career Development Center
Hamilton City School District
Lane Public Library
Greater Hamilton Convention and Visitor's Bureau
Hamilton Chamber of Commerce
Hamilton Central Business Special Improvement District

The City participates in four governmental joint ventures: two Hamilton-Indian Springs Joint Economic Development Districts (JEDD), the Ohio Municipal Electric Generation Agency (OMEGA) JV2, and the Meldahl Hydroelectric Project. The City also participates in the following jointly governed organizations: American Municipal Power (AMP) Inc., the Transportation Improvement District (TID) of Butler County, the Butler County Emergency Management Agency (EMA), the Hamilton Community Improvement Corporation (CIC), the Hamilton Economic Development Corporation (HEDC), and the Ohio-Kentucky-Indiana Regional Council of Governments (OKI). These organizations are presented in Note 19 and Note 20 to the basic financial statements and are excluded from the accompanying financial statements except as noted.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

As a custodian of public funds, the City invests all public monies held on deposit in the City Treasury. In the case of the Hamilton-Indian Springs Joint Economic Development Districts (the "JEDD"), a legally separate district, the City serves as fiscal agent but the organization is not considered a part of the City. The JEDD has a five-member board of trustees for which the City appoints one member and for which the City is not financially accountable. The JEDD was formed under the auspices of Ohio Revised Code Charter 715 to facilitate commercial and economic development within a specific territory completely located within the boundaries of then Indian Springs, now Fairfield Township. The JEDD has levied an income tax equal to the income tax rate charged within the City of Hamilton (2%) on all compensation earned by employees working in the JEDD. Income tax collections net of collection expenses and refunds are first applied to District operating expenses in accordance with the District's Budget, then to any long-term maintenance set aside, with any surplus to be paid to Hamilton and Fairfield Township according to contractual percentages. The JEDD is a joint venture of the City, which is more fully explained in Note 19 to the basic financial statements. Accordingly, the activity of the JEDD is presented as agency funds (fiduciary) within the City's financial statements.

B. Basis of Presentation - Fund Accounting

The accounting policies and financial reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies:

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund equity, revenues and expenditures (expenses). The following fund types are used by the City:

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following is the City's only major governmental fund:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Proprietary Funds

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

Gas Fund – To account for the operation of the City's gas service.

Electric Fund – To account for the operation of the City's electric service.

Water Fund – To account for the operation of the City's water system.

Wastewater Fund – To account for the operation of the City's wastewater system.

Internal Service Funds – These funds are used to account for fleet management services and costs of certain goods or services provided to other departments or agencies of the City.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: agency funds, pension trust funds, investment trust funds and private-purpose trust funds. The City has twelve Agency funds. The City has a Rounding Up Utility Account Agency fund to account voluntary contributions from citizens and/or organizations within the City to assist elderly, needy and disabled utility customers with utility charges incurred, a Convention and Visitor's Bureau Agency Fund to account for the Hotel/Motel tax levied on guests of the City where 50% of all such tax monies are distributed to the Convention & Visitors Bureau and for which the City receives 50% remuneration, an Employee Taxes and Benefits Agency Fund to account for special taxes and benefits of Hamilton employees, an Unclaimed Monies Agency Fund to account for the receipt of monies unable to be returned or disbursed (the City will hold the receipts for the statutory period and then the monies will be disbursed to the State of Ohio), a Tax Collections Agency Fund to account for taxes

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds (Continued)

obtained on behalf of other municipalities, a Butler County Annexation Tax Agency Fund to account for income taxes obtained from a special annexation of contiguous property to Hamilton, a Hamilton Central Business Special Improvement District Agency Fund to account for the receiving and disbursing of Special Assessments levied upon real property within the Hamilton Central Business Special Improvement District, a Joint Economic Development District Agency Fund to account for the receipt and disbursement of income tax revenue pursuant to Section 11 of The Joint Economic Development District Agreement with Indian Springs/Fairfield Township, a Joint Economic Development District II Agency Fund to account for the receipt and disbursement of income tax revenue pursuant to Section 11 of The 2004 Joint Economic Development District Agreement with Indian Springs/Fairfield Township, a Fire Damage Deposit Escrow Agency Fund to account for deposits and reimbursements held for fire damage as prescribed by Ohio Revised Code, a Police Property Room Forfeiture Agency Fund to account for the receipt of items remaining in the custody of the police department (the City will hold the items for certain period of time at which they will be auctioned or disposed) and Municipal Court Agency Fund to account for funds that flow through the municipal court office. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City currently has no trust funds.

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. In order to avoid distorting the measurement of the cost of individual functional activities, entries are made to eliminate the activity provided by the internal service funds to those funds considered governmental and those considered business-type. These balances appear as internal balances on the statement of net position. Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide Statement of Net Position. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column. Interfund services provided and used are not eliminated in the process of consolidation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, deferred outflows/inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenue considered susceptible to accrual at year end includes income taxes, interest on investments and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Licenses, permits, charges for services and other miscellaneous revenues are recorded as revenue when received in cash because generally this revenue is not measurable until received.

Special assessment installments including related accrued interest, which are measurable but not available at December 31, 2016, are recorded as deferred inflows of resources. Property taxes, which are measurable at December 31, 2016 but are not intended to finance 2016 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 6.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds and agency funds. Revenues are recognized when they are earned and expenses recognized when incurred.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the fund, department and object level. Budgetary modifications may be made only by ordinance of the City Council.

1. Tax Budget

The Director of Finance submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2016.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

As required by charter, an annual appropriation ordinance must be adopted prior to the beginning of the fiscal year. The appropriation ordinance establishes spending controls at the fund, department and object level, the legal level of control. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified by the County Budget Commission. During the year, several supplemental appropriations were necessary to budget contingency funds, intergovernmental grants and proceeds of debt issues. The allocation of appropriations among departments and objects within a fund may be modified during the year by management. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual for the General Fund" are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Encumbrance

As part of formal budgetary controls, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

6. Budgetary Basis of Accounting

The City's budgetary process accounts for the City's transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures on the budgetary basis.

CITY OF HAMILTON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary cash basis statement for the General Fund:

	<u>Net Change in Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	(\$4,764,244)
Increase (Decrease):	
Accrued Revenues at December 31, 2016 received during 2017	(4,399,850)
Accrued Revenues at December 31, 2015 received during 2016	5,394,973
Accrued Expenditures at December 31, 2016 paid during 2017	5,348,627
Accrued Expenditures at December 31, 2015 paid during 2016	(2,290,936)
Change in Interfund Balances	2,898,152
2015 Prepays for 2016	223,065
2016 Prepays for 2017	(221,511)
Outstanding Encumbrances	(4,406,699)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	<u>265,601</u>
Budget Basis	<u><u>(\$1,952,822)</u></u>

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, the State Treasury Asset Reserve (STAR Ohio) and short-term securities with original maturities of three months or less. STAR Ohio is considered a cash equivalent because it is a highly liquid investment. See Note 5, "Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 5, "Cash, Cash Equivalents and Investments".

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

H. Inventory

Inventories are stated at moving average cost. The costs of governmental fund inventories are recorded as expenditures when purchased rather than when consumed. The costs of proprietary fund inventories are recorded as expenses when consumed rather than when purchased.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Governmental and Business-Type Activities Estimated Lives (in years)
Buildings	40
Improvements Other than Buildings	40
Machinery, Equipment, Furniture and Fixtures	5 – 10
Infrastructure	25 – 75
Intangible Assets – FERC License	50

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
General Obligation Bonds	Debt Service Fund Parking Fund Golf Course Fund
OWDA Loans	Water Fund, Wastewater Fund, Stormwater Management Fund
OPWC Loans	Water Fund, Wastewater Fund
Special Assessment Bonds	Debt Service Fund
Revenue Bonds	Gas Fund, Electric Fund, Water Fund Wastewater Fund
General Obligation Loans	Debt Service Fund, Hamilton Capital Improvement Fund
Compensated Absences	General Fund Safety Services Fund, Refuse Fund Street Maintenance Fund Community Development Block Grant Fund Gas Fund, Electric Fund, Water Fund Wastewater Fund, Parking Fund Golf Course Fund, Fleet Maintenance Fund Central Services Fund

L. Compensated Absences

Employees of the City earn vacation leave at various rates within limits specified under collective bargaining agreements or under ordinance. Vacation earned in a calendar year must be used during that year. Vacation time cannot carry over into the subsequent year, unless written permission is granted from the City Manager. At termination or retirement, employees are paid at their then full rate for 100% of their unused vacation leave.

The rate of cash compensation for sick leave payout varies within specified limits under collective bargaining agreements or City ordinance. Employees hired before 1990 are paid 75% of the accumulated sick time upon retirement or death up to a maximum of 1,200 hours for employees whose normal work schedule is 40 hours per week, and up to 1,680 hours for those working a 51 hour week. Those individuals that commenced employment on or after January 1, 1990, will be paid 50%, and those individuals that commenced employment on or after January 1, 1994 will be paid 25% of the accumulated sick leave upon death or retirement. Compensation for sick leave is paid at the employee's then full rate of pay at the time of termination or retirement.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered or to rights that vest or accumulate, and when payment of the obligation is probable and can be reasonably determined. For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The City had no such fund liability at year end. The long-term portion of the liability is reported in the Government-wide Statements under Long-term Liabilities.

M. Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Pensions

The provision for pension cost is recorded when the related payroll is accrued and the obligation is incurred. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

O. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. In order to avoid distorting the measurement of the cost of individual functional activities, entries are made to eliminate the activity provided by the internal service funds to those funds considered governmental and those considered business-type. The elimination of the internal service funds is based on the activity of each fund to which it provides service.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed.

In 2012, City Council enacted Budget and Financial Policies (R2012-6-25), which requires the maintenance of a minimum General Fund Balance (reserve) of 10-16% of annual expenditures. If the General Fund reserve rises above 16% of General Fund revenue at fiscal year end, the amount over 16% will be swept into the Economic Development Capital Projects Fund and/or the Economic Budget Stabilization Fund, which can be expended only through special action by City Council. During 2016, \$316,023 was swept into the Economic Budget Stabilization Fund, and is reported in unassigned fund balance.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited to debt service payments and rate stabilization. Restricted cash in the General Fund represents resources set aside for the payment of health insurance claims.

R. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for gas and electric service, water treatment and distribution and wastewater collection and treatment. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

S. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for the deferred charge on debt refunding and for deferred pension amounts. The deferred charge on debt refunding is reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources are reported for pension amounts on the government-wide and proprietary funds statement of net position. See Note 11.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Deferred Outflows/Inflows of Resources (Continued)

In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for delinquent property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide and proprietary funds statement of net position. See Note 11.

U. Special Items

Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. In 2016 the Electric Utility reported a Special Item, proceeds from the sale of a 48.6% undivided ownership interest in the Greenup Hydroelectric Plant to American Municipal Power Inc.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” and GASB Statement No. 77 “Tax Abatement Disclosures.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes, for applying fair value to certain investments, and disclosures related to all fair value measurements. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government’s tax revenues. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

CITY OF HAMILTON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION (Continued)

Adjustments were necessary to account for corrections to beginning of year capital asset balances.

These capital asset corrections had the following effect on net position as reported December 31, 2015:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Gas Fund</u>	<u>Electric Fund</u>
Net Position December 31, 2015	\$49,383,141	\$151,025,007	\$36,965,489	\$6,647,263
Adjustments:				
Capital Asset Corrections	<u>(2,742,173)</u>	<u>(2,667,178)</u>	<u>(65,526)</u>	<u>(489,860)</u>
Restated Net Position December 31, 2015	<u>\$46,640,968</u>	<u>\$148,357,829</u>	<u>\$36,899,963</u>	<u>\$6,157,403</u>
	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Fleet Maintenance Fund</u>	
Net Position December 31, 2015	\$79,339,188	\$30,871,823	(\$217,185)	
Adjustments:				
Capital Asset Corrections	<u>(984,903)</u>	<u>(1,126,889)</u>	<u>(17,093)</u>	
Restated Net Position December 31, 2015	<u>\$78,354,285</u>	<u>\$29,744,934</u>	<u>(\$234,278)</u>	

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CITY OF HAMILTON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 3 – FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, committed, assigned, and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Supplies Inventory	\$48,624	\$52,875	\$101,499
Prepaid Items	221,511	48,528	270,039
Permanent Fund Corpus	0	75,000	75,000
Total Nonspendable	<u>270,135</u>	<u>176,403</u>	<u>446,538</u>
Restricted:			
Public Health and Safety	0	594,306	594,306
County Court Computer Improvements	0	288,558	288,558
Dispute Resolution	0	19,944	19,944
Law Enforcement	0	615,518	615,518
Street Maintenance	0	600,448	600,448
Community Development and Improvement	0	345,316	345,316
Capital Improvements	0	284,334	284,334
Total Restricted	<u>0</u>	<u>2,748,424</u>	<u>2,748,424</u>
Committed:			
Stormwater Operations	0	2,124,842	2,124,842
Refuse Operations	0	1,685,587	1,685,587
Parking Operations	0	449,109	449,109
Golf Course Operations	0	179,307	179,307
Total Committed	<u>0</u>	<u>4,438,845</u>	<u>4,438,845</u>
Assigned:			
Capital Improvements	0	103,101	103,101
Encumbrances:			
Services and Supplies	21,964	0	21,964
Worker's Compensation	1,576,746	0	1,576,746
Total Assigned	<u>1,598,710</u>	<u>103,101</u>	<u>1,701,811</u>
Unassigned (Deficits):	<u>7,267,975</u>	<u>(391,739)</u>	<u>6,876,236</u>
Total Fund Balances	<u>\$9,136,820</u>	<u>\$7,075,034</u>	<u>\$16,211,854</u>

CITY OF HAMILTON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities – The following funds had deficit fund balance/net position amounts at December 31, 2016:

<u>Fund</u>	<u>Fund Balance/ Net Position Deficit</u>
<i>Nonmajor Governmental Funds</i>	
Capital Projects Fund:	
Municipal Improvement Tax Increment Equivalent (MITIE) Fund	\$391,739
<i>Internal Service Funds</i>	
Fleet Maintenance	\$229,473
Central Services	3,519,331

The deficit occurring in the Municipal Improvement Tax Increment Equivalent (MITIE) Fund arose from the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recognized on the budgetary basis. As cash is received and the payables liquidated, the deficit will be eliminated.

The deficits in the Fleet Maintenance Fund and Central Services Fund have occurred due to recognition of liabilities at year-end. The Internal Service Funds operate as a rotary fund and cash is recognized as revenue operationally only after an actual expense is made.

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the City into three categories:

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Category 3 consists of "interim" funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions. The City's policy is to deposit funds with banking institutions which collateralize public monies in accordance with the Ohio Revised Code.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

A. Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a custodial credit risk policy.

As of December 31, 2016, \$15,939,491 of the City's bank balance of \$16,699,491 was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging institutions trust department not in the City's name.

B. Investments

The City's investments at December 31, 2016 are summarized below:

	Fair Value	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
Money Market Mutual Fund ²	\$8,697,244	AA+ ¹	NA	9.05%	\$8,697,244	\$0	\$0
Commercial Paper	4,265,941	A-1+ ¹	Level 2	4.44%	4,265,941	0	0
STAR Ohio ²	21,537,083	AAAm ¹	NA	22.41%	21,537,083	0	0
FNMA	16,952,125	AA+ ¹	Level 2	17.64%	0	12,055,785	4,896,340
FFCB	6,006,249	AA+ ¹	Level 2	6.25%	1,071,552	3,475,266	1,459,431
FHLB	13,643,394	AA+ ¹	Level 2	14.20%	5,465,195	6,721,653	1,456,546
FHLMC	11,579,684	AA+ ¹	Level 2	12.05%	1,000,538	8,835,888	1,743,258
US Treasury Notes	13,426,788	AA+ ¹	Level 1	13.96%	998,359	11,442,218	986,211
Total Investments	<u>\$96,108,508</u>			<u>100.00%</u>	<u>\$43,035,912</u>	<u>\$42,530,810</u>	<u>\$10,541,786</u>

¹ Standard & Poor's

² Reported at amortized cost

Custodial Credit Risk

The risk that, in the event of a failure of a counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City employs the use of "safekeeping" accounts to hold and maintain custody of its investments as identified within this policy and as a means of mitigating this risk.

Interest Rate Risk

The risk that the City will incur fair value losses arising from rising interest rates. Such risk is mitigated by the investment policy by limiting investments to certain maximum maturities. As a rule, unless specified otherwise within the policy, investments are to have a maximum maturity of five years unless the investment is matched to a specific expenditure. The context of a specific investment purchase must be weighed in proportion to the remainder of the existing investment portfolio and the "prudent investor" rule to attempt to limit such risk.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments (Continued)

Credit Risk

It is the City's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations.

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. The City has several investment categories that are above the five percent threshold as detailed above.

C. Benninghofen Trust

The Benninghofen Trust Fund reports the endowment bequeathed to the City from the estate of Christian Benninghofen. The endowment is to be held permanently by the City and invested and reinvested in bonds issued by the United States, the State of Ohio, or any County, as well as municipal bonds issued by such subdivisions with the State of Ohio. Earnings from the endowment are to be used for the purpose of assisting and aiding the needy poor of the City. The City disburses earnings from the endowment quarterly.

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2016 were levied after October 1, 2015 on assessed values as of January 1, 2015, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be reevaluated every six years and equalization adjustments made in the third year following the reappraisal. The last revaluation was completed for tax year 2011. Real property taxes are payable annually or semiannually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Hamilton. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for the City's operations for the year ended December 31, 2016 was \$6.81 per \$1,000 of assessed value. The assessed value upon which the 2016 receipts were based was \$749,814,320. This amount constitutes \$744,751,530 in real property assessed value and \$5,062,790 in public utility assessed value.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 6 - TAXES (Continued)

A. Property Taxes (Continued)

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is 0.681% (6.81 mills) of assessed value.

Real Estate Tax Abatement

Pursuant to Ohio Revised Code Chapter 5709, the City established an Enterprise Zone Abatement Program. The City authorizes incentives through passage of public ordinances, based upon each businesses investment criteria and through a contractual application process with each business. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Enterprise Zone gave the City the ability to maintain and expand business located within the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate and includes major housing improvements in specified areas.

The City has offered the Enterprise Zone abatements to encourage economic stability, maintain property values, and generate new employment opportunities and population growth.

Below is information relevant to the disclosure of the Enterprise Zone Program for the year ending December 31, 2016.

Tax Abatement Program	Total Amount of Taxes Abated For the year 2016
<i>Enterprise Zone</i>	
Bethesda Hospital and Duke Realty	\$210,246
Interstate Warehousing	59,831
	\$270,077

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 6 - TAXES (Continued)

B. Income Tax

The City levies a tax of 2.00% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of 2.00% of taxable salaries, wages, commissions and other compensation.

Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. All City residents are required to file a municipal income tax return annually regardless of whether tax is owed.

Income Tax Abatement

The City created the Job Creation and Tax Credit Program to maintain the City's competitiveness as a site for location of new businesses and the expansion of existing businesses. Pursuant to Ohio Revised Code 718 and the applicable City ordinance, the City provides an incentive to the company based upon the company's gross annual payroll, the amount of income tax generated annually and the number of jobs created or retained by the business. The abatement is administered as a refund based upon the company's payroll taxes. The time period of the incentive in years, is determined by how many new jobs are created by the company. The tax abatement incentive to a new business or expanding business with new payroll is at a percentage of up to 60% of income tax paid on new payroll for a period of 3 to 10 years.

Below is information relevant to the disclosure of the Job Creation and Tax Credit Program for the year ending December 31, 2016.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated For the year 2016</u>
<i>Job Creation Income Tax Credit</i>	
Imflux Incorporated	<u>\$54,344</u>
	<u><u>\$54,344</u></u>

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 7 – RECEIVABLES

Receivables at December 31, 2016 consisted of taxes, accounts receivable, accrued interest, loans receivable, interfund receivables and intergovernmental (due from other governments) receivables arising from shared revenues. These receivables result from both exchange and non-exchange transactions.

Business-type receivables at December 31, 2016, are presented net of allowances for doubtful accounts. To better detail the accounts receivable balances in the Business-type Funds, the following schedule identifies and reconciles these amounts as of December 31, 2016 as follows:

Accounts Receivable	Total				
As of December 31, 2016	Gas	Electric	Water	Wastewater	Business-Type Activities
Earned and unbilled consumer accounts	\$1,944,455	\$3,976,866	\$1,036,992	\$712,000	\$7,670,313
Earned and billed consumer accounts	3,950,681	7,611,260	1,292,637	2,069,466	14,924,044
Less allowance for uncollectible accounts	(2,583,267)	(4,678,297)	(753,195)	(1,193,205)	(9,207,964)
Due from AMP, Inc.	0	882,214	0	0	882,214
Other	78	28,801	39,747	0	68,626
Accounts Receivable	<u>3,311,947</u>	<u>7,820,844</u>	<u>1,616,181</u>	<u>1,588,261</u>	<u>14,337,233</u>
Accrued Interest Receivable	8,907	58,900	25,410	41,927	135,144
Total Receivables	<u>\$3,320,854</u>	<u>\$7,879,744</u>	<u>\$1,641,591</u>	<u>\$1,630,188</u>	<u>\$14,472,377</u>

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2016:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$0	\$4,847,786
Other Governmental Funds	<u>10,319,607</u>	<u>5,471,821</u>
Totals	<u>\$10,319,607</u>	<u>\$10,319,607</u>

The City makes transfers between various funds during the year for operating and debt service related payments. The individual governmental funds transfer their portion of the debt service payment during the year into the Debt Service Sinking Fund for payment of obligations and some transfers are made from the general fund at year-end to eliminate deficit balances. In 2016 the General Fund, Capital Improvement Fund, and Street Maintenance Fund transferred \$786,176, \$767,000, and \$1,012,723, respectively, to the Infrastructure Program Fund for various infrastructure improvement projects. In addition, the General Fund transferred \$884,510 and \$1.5 million to the Capital Improvement Fund and Parking Fund, respectively, for various capital projects.

CITY OF HAMILTON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 9 – INTERFUND TRANSACTIONS

The composition of inter-fund balances as of December 31, 2016, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$551,848	\$3,450,000	\$411	\$0
Other Governmental Funds	0	3,746,998	0	411
Electric Fund	6,645,150	0	0	0
	<u>\$7,196,998</u>	<u>\$7,196,998</u>	<u>\$411</u>	<u>\$411</u>

The due from other funds for the General Fund is monies where the General Fund serves as a participant in the activity for the City. All monies due between funds are expected to be paid/received within the next fiscal year.

\$551,848 of the interfund activity relates to cash advances the General Fund made to the Special Assessment Fund. The advances are expected to be returned within the next fiscal year.

The Golf Course Fund issued notes that were purchased by the Electric Fund for \$475,750 for the purchase of golf equipment. At year end these notes had an outstanding balance of \$95,150. The General Fund, Capital Improvement Fund, Infrastructure Program Fund, and Municipal Improvement Tax Increment Equivalent Fund issued notes that were purchased by the Electric Fund for \$3,450,000, \$1,100,000, \$1,000,000, and \$1,000,000, respectively. The General Fund note was issued to provide a grant to the Community Improvement Corporation. The Capital Improvement Fund and Municipal Improvement Tax Increment Equivalent Fund notes were for property acquisition and development. The Infrastructure Program Fund note was for South Hamilton Crossing improvements.

An internal balance is reported between the Governmental Activities and Business-Type Activities as a result of these interfund balances.

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CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2016:

Historical Cost:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<i>Capital assets not being depreciated:</i>				
Land	\$20,309,897	\$0	\$0	\$20,309,897
Construction in Progress	24,301,580	9,826,672	(3,062,145)	31,066,107
Sub-Total	44,611,477	9,826,672	(3,062,145)	51,376,004
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	41,538,494	581,450	0	42,119,944
Machinery and Equipment	26,104,987	984,762	(225,094)	26,864,655
Infrastructure	150,526,771	3,515,950	0	154,042,721
Total Cost	<u>\$262,781,729</u>	<u>\$14,908,834</u>	<u>(\$3,287,239)</u>	<u>\$274,403,324</u>
<i>Accumulated Depreciation:</i>				
Class	Restated December 31, 2015	Additions	Deletions	December 31, 2016
Buildings and Improvements	(\$17,564,480)	(\$1,031,575)	\$0	(\$18,596,055)
Machinery and Equipment	(20,290,919)	(1,168,526)	207,369	(21,252,076)
Infrastructure	(130,557,992)	(1,734,557)	0	(132,292,549)
Total Depreciation	<u>(\$168,413,391)</u>	<u>(\$3,934,658) *</u>	<u>\$207,369</u>	<u>(\$172,140,680)</u>
<i>Net Value:</i>	<u>\$94,368,338</u>			<u>\$102,262,644</u>

*Depreciation expenses were charged to governmental functions as follows:

General Government	\$689,934
Security of Persons and Property	558,947
Leisure Time Activities	352,595
Transportation	2,332,242
Public Health and Welfare Services	940
Total Depreciation Expense	<u>\$3,934,658</u>

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 10 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category at December 31, 2016:

Historical Cost:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<i>Capital assets not being depreciated:</i>				
Land	\$7,789,074	\$0	\$0	\$7,789,074
Construction in Progress	49,319,109	9,096,737	(26,408,758)	32,007,088
Sub-Total	<u>57,108,183</u>	<u>9,096,737</u>	<u>(26,408,758)</u>	<u>39,796,162</u>
<i>Capital assets being depreciated:</i>				
Intangible Capital Assets	1,070,786	0	0	1,070,786
Buildings and Improvements	104,494,588	23,644,413	(5,345)	128,133,656
Machinery and Equipment	624,607,947	11,389,370	(1,594,821)	634,402,496
Total Cost	<u>\$787,281,504</u>	<u>\$44,130,520</u>	<u>(\$28,008,924)</u>	<u>\$803,403,100</u>

Accumulated Depreciation:

Class	Restated December 31, 2015	Additions	Deletions	December 31, 2016
Intangible Capital Assets	(\$171,328)	(\$21,416)	\$0	(\$192,744)
Buildings and Improvements	(65,009,339)	(2,141,616)	5,345	(67,145,610)
Machinery and Equipment	(409,759,190)	(16,035,259)	1,576,699	(424,217,750)
Total Depreciation	<u>(\$474,939,857)</u>	<u>(\$18,198,291)</u>	<u>\$1,582,044</u>	<u>(\$491,556,104)</u>
<i>Net Value:</i>	<u>\$312,341,647</u>			<u>\$311,846,996</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$2,829,496 for 2016. Of this amount, \$86,298 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %
2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$3,127,255 for 2016. Of this amount, \$72,165 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$31,291,101	\$45,209,938	\$76,501,039
Proportion of the Net Pension Liability-2016	0.180651%	0.702774%	
Proportion of the Net Pension Liability-2015	<u>0.195707%</u>	<u>0.738902%</u>	
Percentage Change	<u>(0.015056%)</u>	<u>(0.036128%)</u>	
Pension Expense	\$3,880,094	\$5,911,958	\$9,792,052

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$9,197,630	\$7,358,444	\$16,556,074
City contributions subsequent to the measurement date	<u>2,829,496</u>	<u>3,127,255</u>	<u>5,956,751</u>
Total Deferred Outflows of Resources	<u>\$12,027,126</u>	<u>\$10,485,699</u>	<u>\$22,512,825</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$604,603	\$126,948	\$731,551
Change in Proportionate Share	<u>1,198,085</u>	<u>1,501,582</u>	<u>2,699,667</u>
Total Deferred Inflows of Resources	<u>\$1,802,688</u>	<u>\$1,628,530</u>	<u>\$3,431,218</u>

\$5,956,751 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2017	\$1,458,813	\$1,623,897	\$3,082,710
2018	1,605,883	1,623,897	3,229,780
2019	2,248,819	1,623,897	3,872,716
2020	2,081,427	1,231,624	3,313,051
2021	0	(313,782)	(313,782)
2022	<u>0</u>	<u>(59,619)</u>	<u>(59,619)</u>
Total	<u>\$7,394,942</u>	<u>\$5,729,914</u>	<u>\$13,124,856</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.8 percent simple, thereafter
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2015, OPERS managed investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.27 %</u>

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's proportionate share of the net pension liability	\$49,854,367	\$31,291,101	\$15,633,572

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2015 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return</u>	<u>30 Year Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %	0.00 %
Domestic Equity	16.00	4.47	7.80
Non-US Equity	16.00	4.47	8.00
Core Fixed Income *	20.00	1.62	5.35
Global Inflation Protected *	20.00	1.33	4.73
High Yield	15.00	3.39	7.21
Real Estate	12.00	3.93	7.43
Private Markets	8.00	6.98	10.73
Timber	5.00	4.92	7.35
Master Limited Partnerships	8.00	7.03	10.75
Total	<u>120.00 %</u>		

* levered 2x

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	<u>1% Decrease (7.25%)</u>	<u>Current Discount Rate (8.25%)</u>	<u>1% Increase (9.25%)</u>
City's proportionate share of the net pension liability	\$59,625,854	\$45,209,938	\$32,998,240

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (“OPERS”)

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2016, 2015, and 2014 were \$488,098, \$492,314 and \$521,247, respectively, which were equal to the required contributions for each year.

B. Ohio Police and Fire Pension Fund (“OP&F”)

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at www.op-f.org.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

B. Ohio Police and Fire Pension Fund (“OP&F”) (Continued)

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2016, 2015, and 2014 were \$36,909, \$35,534 and \$37,165 for police and \$36,784, \$35,115 and \$36,009 for firefighters, respectively, which were equal to the required contributions for each year.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

C. Retiree Life Insurance

The City provides post-employment life insurance coverage through The Hartford Insurance Company. The insurance coverage provided is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

Eligible employees are grouped into two classes. Employees who retired prior to March 1, 1977 are eligible to receive \$2,000 in life insurance benefits. Employees who retired after March 1, 1977 are eligible to receive \$4,000 in life insurance benefits. Benefit provisions of the plan are established and may be amended by City Council through ordinance.

For fiscal year 2016, annual OPEB cost was \$96,136. The City contributed 86.5%, or \$83,168, resulting in a total net OPEB obligation of \$46,132. The total unfunded actuarial accrued liability at year end was \$1,271,132.

For fiscal year 2015, annual OPEB cost was \$90,038. The City contributed 88.6%, or \$79,737, resulting in a total net OPEB obligation of \$33,164. The total unfunded actuarial accrued liability at year end was \$1,331,638.

For fiscal year 2014, annual OPEB cost was \$58,262. The City contributed 87.5%, or \$50,976, resulting in a total net OPEB obligation of \$22,863. The total unfunded actuarial accrued liability at year end was \$1,252,088.

The actuarial valuation date was December 31, 2016 and the accrued liability was calculated using the entry age normal cost method. The City's post-employment life-insurance plan currently has no assets.

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*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 13 – METROPOLITAN PENSION PLAN

Employees of the City who were not included under the Ohio Public Employees Retirement System “OPERS” prior to May 15, 1962 and who were included under a Group Annuity Contract of the Metropolitan Life Insurance Company participate in the City of Hamilton Metropolitan Pension Plan, a single-employer defined benefit pension plan.

Upon retirement, plan participants are entitled to a supplemental retirement benefit paid by the City, equal to the difference between OPERS benefits that would have been payable to such employee had the employee been covered by OPERS during the full period of employment and actual OPERS benefits received. Benefit provisions of the plan are established and may be amended by City Council through ordinance. All current participants in the Metropolitan Pension Plan are retired from service with the City.

For fiscal year 2016, annual pension cost was \$198,617. The City contributed 62.3%, or \$123,719, resulting in a total net pension obligation of \$267,067. The total unfunded actuarial accrued liability at year end was \$818,793.

For fiscal year 2015, annual pension cost was \$196,940. The City contributed 63.8%, or \$125,682, resulting in a total net pension obligation of \$192,169. The total unfunded actuarial accrued liability at year end was \$893,876.

For fiscal year 2014, annual pension cost was \$186,297. The City contributed 77.8%, or \$144,906, resulting in a total net pension obligation of \$120,911. The total unfunded actuarial accrued liability at year end was \$993,056.

The actuarial valuation date was December 31, 2016 and the accrued liability was calculated using the entry age normal cost method. The Metropolitan Pension Plan currently has no assets. The amortization method used was level dollar and the amortization period was 5 years.

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CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 14 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five year period. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	December 31, 2015	Issued	(Retired)	December 31, 2016
Business Type Activities :				
Enterprise Notes Payable:				
0.43% Electric System Improvements	\$103,695,000	\$0	(\$103,695,000)	\$0
Total Notes Payable	\$103,695,000	\$0	(\$103,695,000)	\$0

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CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 15 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2016 were as follows:

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016	Due Within One Year
Governmental activities:								
Bonds payable:								
General Obligation Bonds:								
2003	3.5% - 3.75%	Road Improvement	2016	\$320,000	\$0	(\$320,000)	\$0	\$0
2009	2.5% - 4.50%	Various Purpose 2009 G O Bonds	2028	4,265,000	0	(530,000)	3,735,000	550,000
2011	2% - 5.00%	Various Purpose Refunding	2026	13,145,000	0	(1,385,000)	11,760,000	1,480,000
2011	2% - 5.00%	Various Purpose	2026	1,990,000	0	(145,000)	1,845,000	150,000
Total General Obligation Bonds				19,720,000	0	(2,380,000)	17,340,000	2,180,000
Special Assessment Bonds:								
2003	5.25%	Shaffer's Creek Sanitary Sewer	2023	90,000	0	(10,000)	80,000	10,000
1998	5.00%	Various Purpose Series 1998	2018	210,000	0	(65,000)	145,000	70,000
2000	5.74-5.8%	Various Purpose Series 2000	2020	115,000	0	(20,000)	95,000	20,000
2001	6.00%	Various Purpose Series 2001	2021	355,000	0	(50,000)	305,000	55,000
Total Special Assessment Bonds (with Governmental Commitment)				770,000	0	(145,000)	625,000	155,000
Less Unamortized Amounts:								
For Issuance Discounts/Premiums				1,042,700	0	(164,136)	878,564	0
Total Bonds Payable				21,532,700	0	(2,689,136)	18,843,564	2,335,000
Ohio Water Development Authority Loan Payable:								
2016	2.13%	South Hamilton Road Storm Water	2049	0	1,592,766	0	1,592,766	0
Loans Payable (General Obligation):								
2013	Variable	Various Purpose	2035	9,415,037	0	(336,467)	9,078,570	349,093
2015	2.00%	Hamilton Community Foundation	2017	700,000	0	(346,535)	353,465	353,465
Total Loans Payable				10,115,037	0	(683,002)	9,432,035	702,558
Net Pension Liability:								
Ohio Public Employees Retirement System				9,458,649	2,713,482	0	12,172,131	0
Ohio Police and Fire Pension Fund				38,278,184	6,931,754	0	45,209,938	0
Total Net Pension Liability				47,736,833	9,645,236	0	57,382,069	0
Worker's Compensation Retrospective Liability				1,611,800	106,195	(1,611,800)	106,195	41,167
Compensated absences				5,078,461	1,920,488	(2,027,550)	4,971,399	2,065,311
Governmental Activities Long-term liabilities				<u>\$86,074,831</u>	<u>\$13,264,685</u>	<u>(\$7,011,488)</u>	<u>\$92,328,028</u>	<u>\$5,144,036</u>

The principal amount of the City's special assessment bonds outstanding was \$625,000. The special assessments issued are for non-capital related repairs to sidewalks, streets, etc. Special assessment bonds are general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 15 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

Outstanding general obligation bonds are direct obligations of the City for which the full faith and credit of City resources are pledged. Outstanding revenue bonds totaled \$109,990,000 at December 31, 2016.

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016	Due Within One Year
Business-type activities:								
Mortgage Revenue Bonds:								
2009	2.75% - 5.00%	Gas series A	2029	\$4,500,000	\$0	(\$250,000)	\$4,250,000	\$260,000
2009	2.5% - 5.00%	Electric series A	2030	16,595,000	0	(830,000)	15,765,000	865,000
2009	6.5% - 6.6%	Electric series B	2039	14,520,000	0	0	14,520,000	0
2009	2.5% - 4.63%	Water series A	2029	7,435,000	0	(415,000)	7,020,000	430,000
2009	6.62%	Water series B	2039	8,915,000	0	0	8,915,000	0
2015	2.0% - 5.0%	Water Refunding	2044	11,700,000	0	(245,000)	11,455,000	275,000
2005	4.4% - 5.250%	Wastewater Refunding	2023	12,270,000	0	(12,270,000)	0	0
2009	2.5% - 3.38%	Wastewater series A	2017	570,000	0	(280,000)	290,000	290,000
2011	2.0% - 5.00%	Wastewater	2041	27,410,000	0	(590,000)	26,820,000	600,000
2009	6.11% - 6.62%	Wastewater series B	2039	11,465,000	0	0	11,465,000	0
2016	1.75% - 5.0%	Wastewater Refunding	2026	0	9,490,000	0	9,490,000	775,000
Total Mortgage Revenue Bonds				115,380,000	9,490,000	(14,880,000)	109,990,000	3,495,000
Less Unamortized Amounts:								
For Issuance Discounts/Premiums				654,701	1,619,387	(281,332)	1,992,756	0
Total Bonds Payable				116,034,701	11,109,387	(15,161,332)	111,982,756	3,495,000
Ohio Water Development Authority Loans:								
2010	3.25%	Sanitary Sewer Improvements	2030	339,322	0	(18,655)	320,667	19,267
2016	1.33%	River Road Water Main	2037	0	13,734	0	13,734	0
Total Ohio Water Development Authority Loans				339,322	13,734	(18,655)	334,401	19,267
Ohio Public Works Commission Loans:								
2016	0.00%	Gilmore Road Pump Station	2047	0	3,242,422	0	3,242,422	0
2016	0.00%	Pershing Avenue Water Main	2047	0	627,337	0	627,337	0
Total Ohio Public Works Commission Loans				0	3,869,759	0	3,869,759	0
Net Pension Liability:								
Ohio Public Employees Retirement System				14,145,798	4,973,172	0	19,118,970	0
Claims Payable				2,400,000	0	(2,400,000)	0	0
Compensated absences				2,499,765	1,308,163	(1,193,456)	2,614,472	1,243,587
Business-type activity Long-term liabilities				\$135,419,586	\$21,274,215	(\$18,773,443)	\$137,920,358	\$4,757,854

Under the terms of the revenue bond indentures, the City has agreed to certain covenants including, among other things, maintaining revenue levels to provide for operating expenses and debt service. All of the borrowing issued under the master trust indentures for the revenue bonds are insured under municipal bond insurance policies. Under the terms of the policies, the insurer guarantees the payments of principal and interest.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 15 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Loan Issuance

In September 2015 the City received a \$700,000 loan from the Hamilton Community Foundation for the purchase and improvement of property on Main Street and South C Street. The loan has an interest rate of 2% and matures in 2017.

B. Defeasance of Debt

In September 2009 the City defeased \$2,235,000 of General Obligation Bonds for Police and Fire Pension through the issuance of \$2,235,000 of Various Purpose Bonds. The net proceeds of the 2009 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$1,630,000 at December 31, 2016 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In October 2016 the City refunded \$10,840,000 of 2005 Wastewater Mortgage Revenue Bonds through the issuance of \$9,490,000 of Revenue Refunding Bonds. The net proceeds of the 2016 Bonds have been used to currently refund the 2005 Bonds. The City reduced its aggregate debt service payments over the life of the refunded bonds by \$1,172,361 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$1,196,288.

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CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 15 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

C. Future Long-Term Financing Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2016 follows:

GOVERNMENTAL ACTIVITIES									
Years	General Obligation Bonds			Special Assessment Bonds			Loans		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2017	\$2,180,000	\$793,844	\$2,973,844	\$155,000	\$35,153	\$190,153	\$702,558	\$319,143	\$1,021,701
2018	1,665,000	710,769	2,375,769	165,000	26,725	191,725	361,502	299,666	661,168
2019	1,600,000	635,994	2,235,994	95,000	17,750	112,750	374,352	286,816	661,168
2020	1,655,000	584,694	2,239,694	100,000	12,175	112,175	386,877	274,290	661,167
2021	1,735,000	501,944	2,236,944	80,000	6,300	86,300	401,410	259,758	661,168
2022-2026	8,305,000	1,279,331	9,584,331	30,000	2,363	32,363	2,230,827	1,075,010	3,305,837
2027-2031	200,000	13,500	213,500	0	0	0	2,656,694	649,143	3,305,837
2032-2036	0	0	0	0	0	0	2,317,815	159,056	2,476,871
Totals	<u>\$17,340,000</u>	<u>\$4,520,076</u>	<u>\$21,860,076</u>	<u>\$625,000</u>	<u>\$100,466</u>	<u>\$725,466</u>	<u>\$9,432,035</u>	<u>\$3,322,882</u>	<u>\$12,754,917</u>

BUSINESS-TYPE ACTIVITIES						
Years	Revenue Bonds			OWDA Loans		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$3,495,000	\$5,479,970	\$8,974,970	\$19,267	\$10,041	\$29,308
2018	3,690,000	5,356,400	9,046,400	19,898	9,477	29,375
2019	3,805,000	5,228,500	9,033,500	20,550	8,894	29,444
2020	3,925,000	5,090,040	9,015,040	21,223	8,293	29,516
2021	4,085,000	4,921,493	9,006,493	21,919	7,670	29,589
2022-2026	22,970,000	21,906,843	44,876,843	120,846	28,295	149,141
2027-2031	20,870,000	16,897,878	37,767,878	96,964	9,399	106,363
2032-2036	23,705,000	10,920,168	34,625,168	0	0	0
2037-2041	21,630,000	3,358,754	24,988,754	0	0	0
2042-2044	1,815,000	147,200	1,962,200	0	0	0
Totals	<u>\$109,990,000</u>	<u>\$79,307,246</u>	<u>\$189,297,246</u>	<u>\$320,667</u>	<u>\$82,069</u>	<u>\$402,736</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 15 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

D. Conduit Debt

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2016, there were four series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$16,542,803.

E. Ohio Water Development Authority Loans

Storm Water Improvements - In 2016 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for storm water improvements at South Hamilton Road. The total amount is subject to change and has not been finalized. The interest rate on the loan is 2.13%, per annum. This loan is payable from storm water collection charges and is received by the City in increments as the project is completed. As of December 31, 2016, the City had received \$1,592,766 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2016 the loan has not been finalized and there is no amortization schedule for the loan.

River Road Water Main - In 2016 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a water main replacement at River Road. The total amount is subject to change and has not been finalized. The interest rate on the loan is 1.33%, per annum. This loan is payable from water service charges and is received by the City in increments as the project is completed. As of December 31, 2016, the City had received \$13,734 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2016 the loan has not been finalized and there is no amortization schedule for the loan.

Sanitary Sewer Improvements - In 2010 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for sanitary sewer improvements in the amount of \$431,837. The interest rate on the loan is 3.25%, per annum. This loan is payable from wastewater utility charges. As of December 31, 2016 the outstanding balance of the loan is \$320,667.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 15 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

F. Ohio Public Works Commission Loans

Pump Station - In 2016 the City obtained financing through the Ohio Public Works Commission for the Gilmore Road Pump Station at an interest rate of 0%. This loan is received by the City in increments as the project is completed. As of December 31, 2016, the City had received \$3,242,422 from OPWC. Subsequent amounts will be received in future years. As of December 31, 2016 the loan has not been finalized and there is no amortization schedule for the loan.

Water Main Replacement - In 2016 the City obtained financing through the Ohio Public Works Commission for a water main replacement at Pershing Avenue at an interest rate of 0%. This loan is received by the City in increments as the project is completed. As of December 31, 2016, the City had received \$627,337 from OPWC. Subsequent amounts will be received in future years. As of December 31, 2016 the loan has not been finalized and there is no amortization schedule for the loan.

G. Pledged Revenue Coverage

The Gas Utility revenue bonds are payable from the net revenue derived from operations of the gas utility and are secured by a pledge of and lien on such net revenues until the bond maturity date of 2029. In 2016 the Gas Fund reported \$1,645,437 of net pledged revenues for coverage of a principal and interest debt service requirement of \$432,925.

The Electric Utility revenue bonds are payable from the net revenue derived from operations of the electric utility and are secured by a pledge of and lien on such net revenues until the bond maturity dates of 2030 and 2039. In 2016 the Electric Fund reported \$4,400,805 of net pledged revenues for coverage of a principal and interest debt service requirement of \$2,470,584.

The Water Utility revenue bonds are payable from the net revenue derived from operations of the water utility and are secured by a pledge of and lien on such net revenues until the bond maturity dates of 2029, 2039 and 2044. In 2016 the Water Fund reported \$2,992,868 of net pledged revenues for coverage of a principal and interest debt service requirement of \$2,064,721.

The Wastewater Utility revenue bonds are payable from the net revenue derived from operations of the wastewater utility and are secured by a pledge of and lien on such net revenues until the bond maturity dates of 2017, 2026, 2039, and 2041. In 2016 the Wastewater Fund reported \$5,315,319 of net pledged revenues for coverage of a principal and interest debt service requirement of \$4,846,320.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 16 - INSURANCE AND RISK MANAGEMENT

The City is exposed to various risks of loss related to torts and liability; damage to and theft of or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains a number of insurance coverages in order to protect against the various risks mentioned above. Those coverages are as follows:

Property Insurance	\$203,694,799	Limit
Earthquake	\$75,000,000	
Flood	\$5,000,000	
Ordinance or Law Coverage	\$2,500,000	
Extra Expense Designated Locations	\$500,000	
Valuable Papers Restoration	\$1,250,000	
 Electric Property Insurance	 \$400,000,000	 Limit
Earthquake	\$125,000,000	
Flood	\$125,000,000	
Demolition and Increased Cost Construction	\$10,000,000	
Misc. Unnamed Locations	\$5,000,000	
 Boiler and Machinery	 \$40,000,000	 Limit
 Auto	 \$1,000,000	 Limit
Comprehensive and Collision	\$20,000	Deductible
Garage Keepers Liability	\$500,000	Limit
	\$19,000,000	Umbrella
 Crime – Theft of Money and Securities In/Out	 \$100,000	 Limit
 Forgery and Alteration Coverage	 \$100,000	 Limit
 Public Officials Bond – Treasurer	 \$150,000	 Limit
 Public Officials Bond – All Others		
Various Limits to Named Positions	\$2,500	Limit
Blanket Limit (for police officers)	\$2,500	Limit
Blanket Minimum for All Other employees	\$2,500	Limit
 Police Professional Liability (per occurrence)	 \$1,000,000	 Limit
	\$19,000,000	Umbrella

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 16 - INSURANCE AND RISK MANAGEMENT (Continued)

Public Officials Liability	\$1,000,000	Limit
Employment Practices		
Claims Made – Full Prior Acts	\$19,000,000	Umbrella
Public Utilities Excess Liability	\$80,000,000	Limit
Claims Made Retroactive 4/86		
Combined Products Liability		
Completed Operations Liability		
Failure to Supply Liability		
Pollution Liability		
Medical Malpractice Liability		
General Liability (per occurrence)	\$1,000,000	Limit
Products, Personal Injury, Stop Gap Liability	\$19,000,000	Umbrella
Ambulance Attendants Errors and Omissions	\$1,000,000	Limit
Pollution Legal Liability	\$10,000,000	Limit
Named NDD Housing Lead Abatement		
One Year Term		
Pollution Legal Liability		
Named Brownfield Location – Hamilton Die Cast	\$5,000,000	Limit
10 Year Term		
Umbrella	\$19,000,000	Limit
Does not apply separately over the underlying/primary coverages		

Third-party liability coverage is subject to a \$100,000 Self-Insured Retention (SIR). A \$400,000 total Self-Insured Retention (SIR) (annual) will be applicable to Public Entity General Liability, Employee Benefit, Plan Administration Liability, Law Enforcement Liability, Auto Liability, and Public Entity Management Liability. This will act as an aggregate stop loss maximum. Third party claims adjustment services are provided by Travelers Insurance as per the terms of the City of Hamilton’s contract with Travelers Insurance for SIR claims and Cunningham Lindsey U.S. Inc. for utility claims.

The City had no reduction in coverage in 2016. Settled claims did not exceed this commercial coverage in any of the past three years.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 16 - INSURANCE AND RISK MANAGEMENT (Continued)

A. Self-Insurance

Medical coverage is offered to employees through a self-funded insurance plan. The plan is offered to local governments state-wide through the Jefferson Health Plan (JHP) in Steubenville, Ohio and administered by United Healthcare of Ohio.

The City participates in the plan and makes payment to the Risk Management Agency based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services). The claims liability of \$363,861 reported in the General Fund at December 31, 2016 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This amount is non-discounted and is based upon historical claims experience. Changes in the claims liability in 2016 was as follows:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2015	\$253,760	\$2,843,001	(\$2,638,770)	\$457,991
2016	457,991	2,599,123	(2,693,253)	363,861

B. BWC Group Retrospective Rating Program

The City participates in the Ohio BWC Group Retrospective Rating Program. The Group Retrospective Rating Program is a performance-based incentive program designed to recover a portion of premium for employers that reduce injury rates and lower associated claims costs. Group retrospective rating member employers initially pay their individual experience rated premium to the BWC as if they were not in a retro group. The total of the individual premiums for the group members is the “standard premium” of the group. 12 months after the end of the policy year, the BWC will calculate the group retrospective premium, based upon developed incurred claim losses of the entire group. The BWC will then compare the group retrospective premium to the standard premium. If the retrospective premium is lower than the standard premium, group members will receive a rebate of the difference. If the retrospective premium is higher, each group member will be charged an assessment to cover the shortfall. This calculation is done again at 24 and 36 months, providing a financial incentive for group members to continuously work on safety and claims management.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 16 - INSURANCE AND RISK MANAGEMENT (Continued)

C. BWC Individual Retrospective Rating Program

In prior years the City was enrolled in the Ohio BWC’s Individual Retrospective Rating program. Each retrospective rated policy year carries a 10 year liability period. The Individual Retrospective Rating provided the City with an up-front premium discount in exchange for assuming dollar-for-dollar claims liability for any claim filed during the Retrospective Rating policy year. There is a maximum per claim limit and an aggregate policy limit in Retrospective Rating. For 2016 Hamilton’s per claim limit is \$200,000 and its aggregate policy limit is 150% of the standard premium (i.e., premium before the Individual Retrospective Rating discount and less BWC administrative costs).

The claims liability of \$106,195 reported in Governmental Activities at December 31, 2016 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A portion (\$41,167) of the claims liability is reported in the General Fund as a current liability. Changes in the claims liability amount are as follows:

Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2015	\$408,651	\$1,594,664	(\$391,515)	\$1,611,800
2016	1,611,800	61,160	(1,566,765)	106,195

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CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 17 – SIGNIFICANT COMMITMENTS

A. Contractual Commitments

As of December 31, 2016, the City had contractual commitments related to property, plant and equipment improvements and additions, as well as various other contracts and agreements to provide or receive services related to the operations of the City. The list below reflects the major contracts that comprise commitments at December 31, 2016:

Vendor	Contractual Commitment
Community Improvement Corp of Hamilton	\$3,450,000
Adleta, Incorporated	1,060,003
Precision Environmental	879,827
Sunesis Construction	766,589
Prus Construction	697,600
Miller Pipeline Corporation	553,517
Adleta, Incorporated	457,428
Prus Construction	400,590
Best Equipment Company	375,149
Invensys DBA Schneider Electric	371,149
Sunesis Construction	355,552
Midwest Powerline LLC	322,664
Arcadis US Incorporated	317,968
American Municipal Power, Incorporated	250,000
Lithco Restoration Technologies	239,311
W G Stang	202,113
Kramer & Feldman, Incorporated	199,670
Mi De Con, Incorporated	188,552
Johnson Controls	186,824
Odle, Incorporated	184,761
ThyssenKrupp Elevator	172,710
Cincinnati Bell Technology	171,711
Premier Energy Services	168,466
	<u>\$11,972,154</u>

B. Encumbrance Commitments

At December 31, 2016 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$4,468,080
Other Governmental Funds	3,845,573
Total Governmental Funds	<u>\$8,313,653</u>

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 18 – CONTINGENCIES

A. Litigation

Various claims and lawsuits are pending against the City. The City believes that the ultimate disposition of such claims and lawsuits will not have a material adverse effect on the City's financial position.

B. Federal and State Grants

For the period January 1, 2016 to December 31, 2016, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 19 – JOINT VENTURES

The City of Hamilton is a member of a number of Governmental Joint Ventures as described in GASB Statement No. 61. The following is a list of organizations and a brief description of each Joint Venture.

A. Hamilton-Indian Springs Joint Economic Development Districts

In 1996, a Joint Economic Development District (JEDD) between the City of Hamilton and Fairfield Township was approved by Fairfield Township voters. It set aside over 200 acres of prime land, zoned for business and industrial, to be serviced jointly as specified in the contract and marketed for commercial/industrial development. The original JEDD (I) authorized a 2% earnings tax on all business within its boundaries, of which 75% flows to the City and 25% flows to the Township. One stipulation of the JEDD agreement is that the City of Hamilton will not annex any township land for the 30-year term of the contract. In exchange, 12 acres of county-owned land on the boundary between Hamilton and the Township was transferred to the City. The JEDD contains Menards, which opened in 2011, a home improvement chain store with locations throughout the Midwestern United States. Construction was completed on a new Hobby Lobby store in 2015 and Discount Tire and AAA Storage opened for business during 2016.

A second JEDD (JEDD II) was approved in August 2004 to include over 100 acres of retail development. This second JEDD reversed the collection percentage of the entities (75% for Fairfield Township and 25% for the City). To date, the development in the JEDD areas has proceeded at a strong pace. A number of projects and developments have occurred within all phases of the JEDD, including several banks and restaurants, as well as stores such as Wal-Mart, Target, Dick's, Best Buy, JC Penney, Staples and a variety of other retail establishments. The interchange was upgraded and the State Route 4 By-Pass was widened to provide improved access to JEDD I and JEDD II. Due to this JEDD's location around the interchange of State Route 129 and the State Route 4 By-Pass, additional retail and commercial development is expected to continue at this location into the future.

During 2016, the City's distribution of tax collections for JEDD I and JEDD II were \$453,228 and \$166,861, respectively, with a total JEDD distribution of \$620,089.

B. American Municipal Power (AMP) – OMEGA JV2 Project

In December 2000, the City became a part of the OMEGA (Ohio Municipal Energy Generation Association) JV2 Project. The OMEGA JV2 project is a joint venture among the City of Hamilton and 35 other participating municipalities created under the auspices of the Ohio Constitution Section XVIII, Sections 3 and 4 and Ohio Revised Code Section 715.02. All of the participating communities are members of AMP, Inc. and the joint venture has appointed that non-profit corporation to perform certain management functions.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 19 – JOINT VENTURES (Continued)

B. American Municipal Power (AMP) – OMEGA JV2 Project (Continued)

The purpose of the joint venture is to create distributive generation among the participating members allowing for increased electric production capacity during peak demand. The degree of control exercised by any participating member is weighted in proportion to each participant's project share, which is 23.87% for the City (a non-majority voting position). Project share is equal to the amount of distributive generation capacity for each of the members. Membership in the joint venture is defined as financing or non-financing participant, as well as an owner or purchasing participant, for which the City qualifies as a financing, purchasing participant. As a financing purchasing participant, the City makes payments to OMEGA JV2.

The following amount was expended in 2016 by the Electric Fund and recorded within the Purchase of Electric expense account to the OMEGA JV2:

Payments – OMEGA JV2	<u>\$2,430,247</u>
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The continued existence of OMEGA JV2 is dependent upon the City's continued participation, but the City, as a financing purchasing participant, does not have an equity interest in OMEGA JV2. Complete financial statements may be obtained from AMP, Inc., 1111 Schrock Road, Columbus, Ohio 43219.

C. Meldahl Hydroelectric Project

AMP constructed a three unit hydroelectric generation facility on the Captain Anthony Meldahl Locks and Dam, an existing dam, on the Ohio River, constructed by the United States Army Corps of Engineers and of related equipment and associated transmission facilities (the "Meldahl Project"). Now that the Meldahl Project has entered commercial operation, it has a generating capacity of approximately 105 MW. The City of Hamilton and AMP hold, as co-licensees, the Federal Energy Regulatory Commission license to operate the Meldahl Project.

The City of Hamilton has executed a take-or-pay power sales contract with AMP for a Project Share of 54MW or 51.4% of capacity and associated energy from the Meldahl Project.

Pursuant to the various agreements between Hamilton and AMP, the Meldahl Project is owned by Meldahl, LLC, a single member, Delaware not-for-profit limited liability company ("Meldahl, LLC"). AMP is the sole member of Meldahl, LLC and appoints three members of its Board of Directors (the Meldahl Board). AMP, acting as agent of Meldahl LLC, has financed the development, acquisition, construction and equipping of the Meldahl Project. In order to finance the construction of the Meldahl Project and related costs, in 2010 and 2011 AMP issued six series of its Meldahl Hydroelectric Project Revenue Bonds (the "Meldahl Bonds") in the amount of \$685,100,000 consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Meldahl Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 48 of its Members. The Meldahl Project entered commercial operation on April 12, 2016.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 20 – JOINTLY GOVERNED ORGANIZATIONS

The City of Hamilton is a member of a number of Jointly Governed Organizations as described in GASB Statement No. 61. The following is a list of organizations and a brief description of each Jointly Governed Organization.

A. AMP, Inc.

The City of Hamilton is a member of American Municipal Power, Inc. (AMP). AMP is a non-profit corporation organized under Ohio law and Internal Revenue Code Section 501 and is a jointly governed organization. The organization operates on a non-profit basis for the mutual benefit of its member municipalities, all of whom own or operate a municipal electric system. The non-profit corporation is dedicated to providing member assistance and low-cost power supplies.

The controlling board of AMP, Inc. is based upon a representative from several of the member communities. The degree of control exercised by any participating government is limited to its representation on the board. The continued existence of the corporation is not dependent upon the City. Complete financial statements may be obtained from AMP, Inc., 1111 Schrock Road, Columbus, Ohio 43229.

B. Transportation Improvement District of Butler County

The Transportation Improvement District of Butler County (TID), a jointly governed organization, provides the opportunity to construct roads, bridges, and accompanying improvements within the County. The TID's Board of Trustees, which consists of representatives from Butler County, two cities and three townships, oversees the operation of the District. The continued existence of the TID is not dependent upon the City of Hamilton's continued participation and the City of Hamilton has no equity interest in the Transportation Improvement District. Complete financial statements can be obtained from the Transportation Improvement District, 1921 Fairgrove Ave., Hamilton, Ohio 45011.

C. Butler County Emergency Management Agency

The Butler County Emergency Management Agency (EMA) is a jointly governed organization whose membership consists of Butler County, five cities including the City of Hamilton, and seven villages. The EMA was created by a countywide agreement with the Butler County Commissioners and is intended to provide cooperative effort between all local governments to manage disaster relief and coordinate with the Federal Emergency Management Agency (FEMA) in times of crisis. The twenty-six members of the advisory council comprise one County Commissioner and the chief official of each of the local government members. The continued existence of the Butler County Emergency Management Agency is not dependent upon the City's continued participation and the City of Hamilton has no equity interest in the Butler County EMA. Complete financial statements can be obtained from the Butler County Emergency Management Agency, 315 High Street, Hamilton, Ohio 45011.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 20 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

D. Hamilton Community Improvement Corporation

The Hamilton Community Improvement Corporation (CIC) was incorporated under Internal Revenue Code Section 501(c)(6) in 1966 to advance, encourage, and promote the industrial, economic, commercial, and civil development of the City of Hamilton and the area surrounding it. The CIC is a jointly governed organization. The Board of Trustees of the CIC provides oversight to the CIC's operations and is comprised of members representing the City of Hamilton, the Greater Hamilton Chamber of Commerce and local business officials. The City does not maintain a voting majority on the Board and the CIC is not dependent on the City's continued participation for its continued existence. Complete financial statements can be obtained from the Hamilton Community Improvement Corporation, 345 High Street, Hamilton, Ohio 45011.

E. Hamilton Economic Development Corporation

The Hamilton Economic Development Corporation (HEDC) was organized to provide increased awareness to Downtown Hamilton businesses and to foster economic growth within the City. The corporation was formed under Internal Revenue Code Section 501(c)(6) and is a jointly governed organization. The HEDC's Board provides oversight to the activities of the organization. The Board consists of the City Manager of Hamilton, the Mayor and Vice-Mayor of Hamilton, one County Commissioner, the Superintendent of the Hamilton City School District, and the thirty-three members of the Hamilton Chamber of Commerce. The City does not maintain a voting majority on the Board and the HEDC is not dependent on the City's continued participation for its continued existence. Complete financial statements can be obtained from the HEDC, 201 Dayton Street, Hamilton, Ohio 45011.

F. Ohio-Kentucky-Indiana Regional Council of Governments

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI), a jointly governed organization, was established to provide coordinated planning services to the appropriate federal, state and local governments, their political subdivisions, agencies, departments, instrumentalities, and special districts, in connection with the preparation and development of comprehensive and continuing regional transportation and development plans within the OKI Region. The OKI region includes Butler, Clermont, Hamilton, and Warren Counties in Ohio, Boone, Campbell and Kenton Counties in Kentucky, and Dearborn and Ohio Counties in Indiana.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 20 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

F. Ohio-Kentucky-Indiana Regional Council of Governments (Continued)

OKI contracts for local funds and other support with the governing board of each of the governments who are members of OKI or with such other persons as may be appropriate to provide such funds and support. The support is based on the population of the area represented.

A Board of Trustees was created for conducting the activities of the OKI. This Board consists of one elected official of each City and municipal corporation, one individual selected by each City planning agency or commission and one person selected by each planning agency or commission of each municipal corporation located in each member City. This Board of Trustees then selects not more than ten residents of the OKI Region. The total membership of the Board of Trustees shall not exceed 100. Any member of OKI may withdraw its membership upon written notice to OKI effective two years after receipt of the notice by OKI. To obtain financial statements of the Ohio-Kentucky-Indiana Regional Council of governments, write to OKI at 720 E. Pete Rose Way, Suite 420, Cincinnati, OH 45202.

NOTE 21 – ENTERPRISE INTERFUND REVENUES AND ADMINISTRATIVE CHARGES

The City's Utility Enterprise activities (Gas, Electric, Water and Wastewater) make sales to one another on both a daily basis and a non-routine basis, at standard utility rates defined by municipal ordinance.

During 2016, the Electric Fund purchased \$137,009 of natural gas from the Gas Fund. This amount is reflected in the purchased electric expense account in the Electric Fund and as charges for services in the Gas Fund.

The Water and Wastewater Funds purchased electric services from the Electric Fund in the amount of \$1,217,154 and \$588,601 respectively, during 2016. These amounts are recorded in the Water and Wastewater Funds as contractual services and as charges for services in the Electric Fund.

Historically and by ordinance, the City's Electric System provides street lighting and traffic light services to the City without charge and the estimated operating cost of supplying these free services was \$287,690 for the year ending December 31, 2016. Beginning in 2009, Council approved a policy to provide certain utility costs to general government facilities at no cost. The estimated operating cost of supplying gas, water, and wastewater utilities at no cost to general governmental facilities was \$189,317 for the year ending December 31, 2016.

CITY OF HAMILTON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 21 – ENTERPRISE INTERFUND REVENUES AND ADMINISTRATIVE CHARGES
(Continued)

The Utility Systems are allocated a portion of the City’s administrative cost from the General Fund. In addition, each Utility is charged expenses by the City’s Internal Service Funds. Represented below is the amount charged to each Utility Fund by type of charge or activity for 2016.

	<u>Gas</u>	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>
Administrative cost (General Fund)	\$1,251,516	\$1,439,035	\$1,251,516	\$1,055,032
Central Services Fund	1,878,588	1,933,025	1,304,872	1,236,098
Fleet Maintenance Fund	193,092	193,092	193,092	0
Total	<u><u>\$3,323,196</u></u>	<u><u>\$3,565,152</u></u>	<u><u>\$2,749,480</u></u>	<u><u>\$2,291,130</u></u>

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF HAMILTON, OHIO

***Schedule of City's Proportionate Share of the Net Pension Liability
Last Three Years***

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability	0.195707%	0.195707%	0.180651%
City's proportionate share of the net pension liability	\$23,071,305	\$23,604,447	\$31,291,101
City's covered-employee payroll	\$24,119,685	\$24,075,983	\$22,863,367
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	95.65%	98.04%	136.86%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability	0.738902%	0.738902%	0.702774%
City's proportionate share of the net pension liability	\$35,986,826	\$38,278,184	\$45,209,938
City's covered-employee payroll	\$14,795,978	\$14,571,091	\$14,408,748
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	243.22%	262.70%	313.77%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

CITY OF HAMILTON, OHIO

***Schedule of City Contributions
Last Four Years***

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$3,135,559	\$2,889,118	\$2,743,604	\$2,829,496
Contributions in relation to the contractually required contribution	<u>3,135,559</u>	<u>2,889,118</u>	<u>2,743,604</u>	<u>2,829,496</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$24,119,685	\$24,075,983	\$22,863,367	\$23,579,133
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$2,673,790	\$3,091,205	\$3,060,364	\$3,127,255
Contributions in relation to the contractually required contribution	<u>2,673,790</u>	<u>3,091,205</u>	<u>3,060,364</u>	<u>3,127,255</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$14,795,978	\$14,571,091	\$14,408,748	\$14,718,583
Contributions as a percentage of covered-employee payroll	18.07%	21.21%	21.24%	21.25%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, INTERNAL
SERVICE FUNDS AND FIDUCIARY FUNDS.*

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to trusts or major capital projects) that are legally restricted or committed to expenditures for specified purposes.

One Renaissance Center Fund

To account for revenues and expenditures related to the City-owned office tower known as One Renaissance Center. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Municipal Court Improvement Fund

To account for an extra five dollar fee charged by the municipal court on all cases. The money received from this fee is restricted for computerization projects within the municipal court.

Public Safety/Health Income Tax Fund

To account for revenue from 0.25% of the City's income tax restricted to expenditures for health and public safety.

Dispute Resolution Proceeds Fund

To account for the collection of certain fees imposed by Municipal Court. These are restricted to dispute resolution.

Safety Services Fund

To account for all monies restricted for public safety services including crime prevention, youth intervention, drug education and helmet and seatbelt safety.

Police Pension Fund

To accumulate property taxes levied for the partial payment of the current and accrued liability for police disability and pension.

Police Levy Fund

To account for monies from the one-mill levy to provide additional police personnel, motor vehicles and equipment of the police division.

Firemen's Pension Fund

To accumulate property taxes levied for the partial payment of the current and accrued liability for fire disability and pension.

(Continued)

Special Revenue Funds

Emergency Medical Services Grant Fund

To account for grant funds restricted for the purchase of paramedic supplies. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because there are no assets or liabilities and there was no activity during the year.)

Fire EMS Levy Fund

To account for monies from the one-mill levy to provide and maintain an additional front line paramedic unit with the fire division.

Public Health Care Services Fund

To account for funds restricted for public health care services.

Stormwater Management Fund

To account for the planning, construction, operation and maintenance of storm water devices.

Refuse Fund

To account for revenues collected to help fund the refuse collection activity of the City. Revenue collected is committed to defray the cost of refuse collection.

Street Maintenance Fund

To account for state levied and controlled gasoline tax and motor vehicle license fees restricted for local street construction, maintenance and repair.

Land Reutilization Fund

To account for State grants from the Moving Ohio Forward program to be used for demolition of vacant, abandoned and blighted properties in the City.

Home Program Fund

To account for federal grants restricted for improvement of the community's housing stock.

(Continued)

Special Revenue Funds

Parking Fund

To account for revenues and expenditures associated with the operation of City-owned parking facilities.

Golf Course Fund

To account for revenues and expenditures associated with the operation of two City-owned golf courses.

Community Development Block Grant Fund

To account for federal grants restricted for community and environmental improvements.

Debt Service Fund

The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for payment.

Debt Service Fund

To account for resources that are used for payment of principal, interest and fiscal charges on general obligation debt. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

(Continued)

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Hamilton Capital Improvement Fund

To account for revenue from one-fourth of one percent (.25%) of the City income tax receipts. Funds are to be used for capital acquisition for Police, Fire, Public Works, Parks and Recreation and Public Health. Funds may also be used to retire outstanding General Obligation Bonds and Notes issued for capital acquisition.

Special Assessment Fund

To account for revenues and expenditures associated with the levy of special assessments on citizen's property.

Municipal Improvement Tax Increment Equivalent (MITIE) Fund

To account for monies deposited as service payments in lieu of taxes distributed by the County Treasurer for improvements exempt from taxation and for their related costs. To account for the deposit of any income tax revenue that has been dedicated to finance the aforementioned improvements.

Issue II Projects Fund

To account for road and bridge construction projects, partially funded by state grants from the Ohio Public Works Commission, pursuant to Auditor of State specifications. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Clean Ohio Grants Program Fund

To account for monies received from the Ohio Department of Development for the clean up and remediation of the site of the former Mosler Company at 1400 South Erie Highway.

Infrastructure Program Fund

To account for the purpose of improving the City's infrastructure with proceeds from the issuance of gasoline tax revenue general obligation bonds and transfers from other funds.

(Continued)

Permanent Fund

The Permanent Fund is used to account for the financial resources that are legally restricted in that only the earnings, not *the* principal, may be used to support the City's programs.

Benninghofen Trust Fund

To account for the investment revenues received and uses of the monies from a charitable bequest made to the City for use with the poor by the Benninghofen Family. The bequest cannot be used for any purpose other than generating investment income.

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 6,158,874	\$ 4,352,645	\$ 75,049	\$ 10,586,568
Receivables:				
Taxes	3,640,634	1,897,300	0	5,537,934
Accounts	870,651	0	0	870,651
Intergovernmental	1,719,605	0	0	1,719,605
Interest	7,776	0	0	7,776
Special Assessments	0	442,505	0	442,505
Loans	254,727	0	0	254,727
Inventory of Supplies, at Cost	52,875	0	0	52,875
Prepaid Items	48,528	0	0	48,528
Total Assets	\$ 12,753,670	\$ 6,692,450	\$ 75,049	\$ 19,521,169
Liabilities:				
Accounts Payable	\$ 714,589	\$ 888,728	\$ 0	\$ 1,603,317
Accrued Wages and Benefits Payable	47,260	0	0	47,260
Intergovernmental Payable	6,524	0	0	6,524
Accrued Liabilities	64,060	51,248	0	115,308
Customer Deposits	6,335	0	0	6,335
Due to Other Funds	411	0	0	411
Interfund Payable	95,150	3,651,848	0	3,746,998
Unearned Revenue	6,200	0	0	6,200
Total Liabilities	940,529	4,591,824	0	5,532,353
Deferred Inflows of Resources:				
Unavailable Amounts	2,500,813	1,065,792	0	3,566,605
Property Tax Levy for Next Fiscal Year	2,308,039	1,039,138	0	3,347,177
Total Deferred Inflows of Resources	4,808,852	2,104,930	0	6,913,782
Fund Balance:				
Nonspendable	101,403	0	75,000	176,403
Restricted	2,464,041	284,334	49	2,748,424
Committed	4,438,845	0	0	4,438,845
Assigned	0	103,101	0	103,101
Unassigned	0	(391,739)	0	(391,739)
Total Fund Balance	7,004,289	(4,304)	75,049	7,075,034
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 12,753,670	\$ 6,692,450	\$ 75,049	\$ 19,521,169

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2016***

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Income Taxes	\$ 3,225,821	\$ 0	\$ 2,580,656	\$ 0	\$ 5,806,477
Property and Other Local Taxes	2,308,039	0	1,039,145	0	3,347,184
Intergovernmental Revenues	4,879,294	0	3,045,614	0	7,924,908
Charges for Services	7,513,259	0	0	0	7,513,259
Licenses and Permits	387,658	0	0	0	387,658
Investment Earnings	(7,196)	0	(27,640)	615	(34,221)
Special Assessments	0	0	452,533	0	452,533
Fines and Forfeitures	401,161	0	0	0	401,161
All Other Revenue	264,525	0	1,006,929	0	1,271,454
Total Revenues	18,972,561	0	8,097,237	615	27,070,413
Expenditures:					
Current:					
General Government	4,641	0	0	566	5,207
Security of Persons and Property	6,540,035	0	0	0	6,540,035
Leisure Time Activities	1,075,916	0	0	0	1,075,916
Community Environment	1,515,491	0	0	0	1,515,491
Basic Utility Services	8,037,309	0	0	0	8,037,309
Transportation	4,109,609	0	0	0	4,109,609
Public Health and Welfare Services	63,353	0	0	0	63,353
Capital Outlay	0	0	11,282,845	0	11,282,845
Debt Service:					
Principal Retirement	30,000	3,178,002	0	0	3,208,002
Interest and Fiscal Charges	24,052	1,244,214	15,000	0	1,283,266
Total Expenditures	21,400,406	4,422,216	11,297,845	566	37,121,033
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,427,845)	(4,422,216)	(3,200,608)	49	(10,050,620)
Other Financing Sources (Uses):					
Sale of Capital Assets	12,251	0	1,369	0	13,620
OWDA Loans Issued	1,592,766	0	0	0	1,592,766
Transfers In	1,784,202	4,507,216	4,028,189	0	10,319,607
Transfers Out	(1,012,723)	(85,000)	(4,374,098)	0	(5,471,821)
Total Other Financing Sources (Uses)	2,376,496	4,422,216	(344,540)	0	6,454,172
Net Change in Fund Balance	(51,349)	0	(3,545,148)	49	(3,596,448)
Fund Balance at Beginning of Year	7,041,917	0	3,540,844	75,000	10,657,761
Increase in Inventory	13,721	0	0	0	13,721
Fund Balance End of Year	\$ 7,004,289	\$ 0	\$ (4,304)	\$ 75,049	\$ 7,075,034

CITY OF HAMILTON, OHIO

***Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016***

	Municipal Court Improvement	Public Safety/Health Income Tax	Dispute Resolution Proceeds	Safety Services
Assets:				
Equity in Pooled Cash and Investments	\$ 296,758	\$ 150,327	\$ 19,944	\$ 619,617
Receivables:				
Taxes	0	738,176	0	824,270
Accounts	0	0	0	0
Intergovernmental	0	0	0	48,743
Interest	0	0	0	0
Loans	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 296,758</u>	<u>\$ 888,503</u>	<u>\$ 19,944</u>	<u>\$ 1,492,630</u>
Liabilities:				
Accounts Payable	\$ 8,200	\$ 0	\$ 0	\$ 2,247
Accrued Wages and Benefits Payable	0	0	0	3,328
Intergovernmental Payable	0	0	0	459
Accrued Liabilities	0	64,060	0	0
Customer Deposits	0	0	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	<u>8,200</u>	<u>64,060</u>	<u>0</u>	<u>6,034</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	444,582	0	217,552
Property Tax Levy for Next Fiscal Year	0	0	0	655,461
Total Deferred Inflows of Resources	<u>0</u>	<u>444,582</u>	<u>0</u>	<u>873,013</u>
Fund Balance:				
Nonspendable	0	0	0	0
Restricted	288,558	379,861	19,944	613,583
Committed	0	0	0	0
Total Fund Balance	<u>288,558</u>	<u>379,861</u>	<u>19,944</u>	<u>613,583</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 296,758</u>	<u>\$ 888,503</u>	<u>\$ 19,944</u>	<u>\$ 1,492,630</u>

(Continued)

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016**

	<u>Police Pension</u>	<u>Police Levy</u>	<u>Firemen's Pension</u>	<u>Fire EMS Levy</u>
Assets:				
Equity in Pooled Cash and Investments	\$ 57	\$ 1,878	\$ 980	\$ 8,035
Receivables:				
Taxes	247,281	791,813	247,281	791,813
Accounts	0	0	0	0
Intergovernmental	17,731	45,998	14,623	45,998
Interest	0	0	0	0
Loans	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 265,069</u>	<u>\$ 839,689</u>	<u>\$ 262,884</u>	<u>\$ 845,846</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Accrued Liabilities	0	0	0	0
Customer Deposits	0	0	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	68,374	208,160	65,266	208,160
Property Tax Levy for Next Fiscal Year	196,638	629,651	196,638	629,651
Total Deferred Inflows of Resources	<u>265,012</u>	<u>837,811</u>	<u>261,904</u>	<u>837,811</u>
Fund Balance:				
Nonspendable	0	0	0	0
Restricted	57	1,878	980	8,035
Committed	0	0	0	0
Total Fund Balance	<u>57</u>	<u>1,878</u>	<u>980</u>	<u>8,035</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 265,069</u>	<u>\$ 839,689</u>	<u>\$ 262,884</u>	<u>\$ 845,846</u>

(Continued)

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016**

	Public Health Care Services	Stormwater Management	Refuse	Street Maintenance
Assets:				
Equity in Pooled Cash and Investments	\$ 206,274	\$ 1,894,309	\$ 1,397,598	\$ 298,551
Receivables:				
Taxes	0	0	0	0
Accounts	0	259,392	576,181	4,953
Intergovernmental	0	0	0	928,976
Interest	0	5,742	0	905
Loans	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	50,112
Prepaid Items	0	0	3,459	18,256
Total Assets	<u>\$ 206,274</u>	<u>\$ 2,159,443</u>	<u>\$ 1,977,238</u>	<u>\$ 1,301,753</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 21,748	\$ 279,543	\$ 33,421
Accrued Wages and Benefits Payable	785	11,294	7,600	17,340
Intergovernmental Payable	108	1,559	1,049	2,395
Accrued Liabilities	0	0	0	0
Customer Deposits	0	0	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	<u>893</u>	<u>34,601</u>	<u>288,192</u>	<u>53,156</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	579,781
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>579,781</u>
Fund Balance:				
Nonspendable	0	0	3,459	68,368
Restricted	205,381	0	0	600,448
Committed	0	2,124,842	1,685,587	0
Total Fund Balance	<u>205,381</u>	<u>2,124,842</u>	<u>1,689,046</u>	<u>668,816</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 206,274</u>	<u>\$ 2,159,443</u>	<u>\$ 1,977,238</u>	<u>\$ 1,301,753</u>

(Continued)

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016**

	Land Reutilization	Home Program	Parking	Golf Course
Assets:				
Equity in Pooled Cash and Investments	\$ 25,822	\$ 103,044	\$ 624,447	\$ 290,208
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	30,125	0
Intergovernmental	424,086	5,993	0	0
Interest	0	0	254	875
Loans	0	61,820	0	0
Inventory of Supplies, at Cost	0	0	0	2,763
Prepaid Items	0	0	9,978	7,089
Total Assets	<u>\$ 449,908</u>	<u>\$ 170,857</u>	<u>\$ 664,804</u>	<u>\$ 300,935</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 5,993	\$ 167,139	\$ 8,842
Accrued Wages and Benefits Payable	0	364	1,861	1,392
Intergovernmental Payable	0	50	257	192
Accrued Liabilities	0	0	0	0
Customer Deposits	0	0	6,335	0
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	0	95,150
Unearned Revenue	0	0	0	6,200
Total Liabilities	<u>0</u>	<u>6,407</u>	<u>175,592</u>	<u>111,776</u>
Deferred Inflows of Resources:				
Unavailable Amounts	424,086	61,820	30,125	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	<u>424,086</u>	<u>61,820</u>	<u>30,125</u>	<u>0</u>
Fund Balance:				
Nonspendable	0	0	9,978	9,852
Restricted	25,822	102,630	0	0
Committed	0	0	449,109	179,307
Total Fund Balance	<u>25,822</u>	<u>102,630</u>	<u>459,087</u>	<u>189,159</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 449,908</u>	<u>\$ 170,857</u>	<u>\$ 664,804</u>	<u>\$ 300,935</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016***

	Community Development Block Grant	Total Nonmajor Special Revenue Funds
Assets:		
Equity in Pooled Cash and Investments	\$ 221,025	\$ 6,158,874
Receivables:		
Taxes	0	3,640,634
Accounts	0	870,651
Intergovernmental	187,457	1,719,605
Interest	0	7,776
Loans	192,907	254,727
Inventory of Supplies, at Cost	0	52,875
Prepaid Items	9,746	48,528
Total Assets	\$ 611,135	\$ 12,753,670
Liabilities:		
Accounts Payable	\$ 187,456	\$ 714,589
Accrued Wages and Benefits Payable	3,296	47,260
Intergovernmental Payable	455	6,524
Accrued Liabilities	0	64,060
Customer Deposits	0	6,335
Due to Other Funds	411	411
Interfund Payable	0	95,150
Unearned Revenue	0	6,200
Total Liabilities	191,618	940,529
Deferred Inflows of Resources:		
Unavailable Amounts	192,907	2,500,813
Property Tax Levy for Next Fiscal Year	0	2,308,039
Total Deferred Inflows of Resources	192,907	4,808,852
Fund Balance:		
Nonspendable	9,746	101,403
Restricted	216,864	2,464,041
Committed	0	4,438,845
Total Fund Balance	226,610	7,004,289
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 611,135	\$ 12,753,670

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	Municipal Court Improvement	Public Safety/Health Income Tax	Dispute Resolution Proceeds	Safety Services
Revenues:				
Income Taxes	\$ 0	\$ 3,225,821	\$ 0	\$ 0
Property and Other Local Taxes	0	0	0	655,461
Intergovernmental Revenues	0	0	0	132,404
Charges for Services	114,455	0	8,490	16,572
Licenses and Permits	0	0	0	0
Investment Earnings	(1,884)	(955)	(127)	(3,935)
Fines and Forfeitures	86,324	0	0	314,837
All Other Revenue	0	0	0	29,246
Total Revenues	<u>198,895</u>	<u>3,224,866</u>	<u>8,363</u>	<u>1,144,585</u>
Expenditures:				
Current:				
General Government	0	0	4,641	0
Security of Persons and Property	90,037	3,433,333	0	1,109,610
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Transportation	0	0	0	0
Public Health and Welfare Services	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>90,037</u>	<u>3,433,333</u>	<u>4,641</u>	<u>1,109,610</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	108,858	(208,467)	3,722	34,975
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	11,833
OWDA Loans Issued	0	0	0	0
Transfers In	0	0	0	65,000
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>76,833</u>
Net Change in Fund Balance	108,858	(208,467)	3,722	111,808
Fund Balance at Beginning of Year	179,700	588,328	16,222	501,775
Increase (Decrease) in Inventory	0	0	0	0
Fund Balance End of Year	<u>\$ 288,558</u>	<u>\$ 379,861</u>	<u>\$ 19,944</u>	<u>\$ 613,583</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	Police Pension	Police Levy	Firemen's Pension	Fire EMS Levy
Revenues:				
Income Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Property and Other Local Taxes	196,638	629,651	196,638	629,651
Intergovernmental Revenues	35,463	91,999	29,246	91,999
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	(12)	(6)	(51)
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	0	0
Total Revenues	<u>232,101</u>	<u>721,638</u>	<u>225,878</u>	<u>721,599</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	232,057	729,999	224,999	720,000
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Transportation	0	0	0	0
Public Health and Welfare Services	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>232,057</u>	<u>729,999</u>	<u>224,999</u>	<u>720,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	44	(8,361)	879	1,599
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
OWDA Loans Issued	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	44	(8,361)	879	1,599
Fund Balance at Beginning of Year	13	10,239	101	6,436
Increase (Decrease) in Inventory	0	0	0	0
Fund Balance End of Year	<u>\$ 57</u>	<u>\$ 1,878</u>	<u>\$ 980</u>	<u>\$ 8,035</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	Public Health Care Services	Stormwater Management	Refuse	Street Maintenance
Revenues:				
Income Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Property and Other Local Taxes	0	0	0	0
Intergovernmental Revenues	64,046	0	0	3,132,218
Charges for Services	0	2,119,081	3,912,324	0
Licenses and Permits	0	0	0	387,658
Investment Earnings	(1,277)	6,092	(8,875)	1,204
Fines and Forfeitures	0	0	0	0
All Other Revenue	1,431	26,133	76,299	49,124
Total Revenues	<u>64,200</u>	<u>2,151,306</u>	<u>3,979,748</u>	<u>3,570,204</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	3,709,762	4,327,547	0
Transportation	0	0	0	2,592,403
Public Health and Welfare Services	63,353	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>63,353</u>	<u>3,709,762</u>	<u>4,327,547</u>	<u>2,592,403</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	847	(1,558,456)	(347,799)	977,801
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
OWDA Loans Issued	0	1,592,766	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	(1,012,723)
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,592,766</u>	<u>0</u>	<u>(1,012,723)</u>
Net Change in Fund Balance	847	34,310	(347,799)	(34,922)
Fund Balance at Beginning of Year	204,534	2,090,532	2,036,845	689,907
Increase (Decrease) in Inventory	0	0	0	13,831
Fund Balance End of Year	<u>\$ 205,381</u>	<u>\$ 2,124,842</u>	<u>\$ 1,689,046</u>	<u>\$ 668,816</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	Land Reutilization	Home Program	Parking	Golf Course
Revenues:				
Income Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Property and Other Local Taxes	0	0	0	0
Intergovernmental Revenues	85,000	130,891	0	0
Charges for Services	0	0	293,146	1,049,191
Licenses and Permits	0	0	0	0
Investment Earnings	(164)	(655)	3,819	736
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	25,811	6,332	3,654
Total Revenues	<u>84,836</u>	<u>156,047</u>	<u>303,297</u>	<u>1,053,581</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	1,075,916
Community Environment	190,430	130,689	0	0
Basic Utility Services	0	0	0	0
Transportation	0	0	1,517,206	0
Public Health and Welfare Services	0	0	0	0
Debt Service:				
Principal Retirement	0	0	30,000	0
Interest and Fiscal Charges	0	0	22,244	1,808
Total Expenditures	<u>190,430</u>	<u>130,689</u>	<u>1,569,450</u>	<u>1,077,724</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105,594)	25,358	(1,266,153)	(24,143)
Other Financing Sources (Uses):				
Sale of Capital Assets	418	0	0	0
OWDA Loans Issued	0	0	0	0
Transfers In	70,000	0	1,552,244	96,958
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>70,418</u>	<u>0</u>	<u>1,552,244</u>	<u>96,958</u>
Net Change in Fund Balance	(35,176)	25,358	286,091	72,815
Fund Balance at Beginning of Year	60,998	77,272	172,996	116,454
Increase (Decrease) in Inventory	0	0	0	(110)
Fund Balance End of Year	<u>\$ 25,822</u>	<u>\$ 102,630</u>	<u>\$ 459,087</u>	<u>\$ 189,159</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	Community Development Block Grant	Total Nonmajor Special Revenue Funds
Revenues:		
Income Taxes	\$ 0	\$ 3,225,821
Property and Other Local Taxes	0	2,308,039
Intergovernmental Revenues	1,086,028	4,879,294
Charges for Services	0	7,513,259
Licenses and Permits	0	387,658
Investment Earnings	(1,106)	(7,196)
Fines and Forfeitures	0	401,161
All Other Revenue	46,495	264,525
Total Revenues	1,131,417	18,972,561
Expenditures:		
Current:		
General Government	0	4,641
Security of Persons and Property	0	6,540,035
Leisure Time Activities	0	1,075,916
Community Environment	1,194,372	1,515,491
Basic Utility Services	0	8,037,309
Transportation	0	4,109,609
Public Health and Welfare Services	0	63,353
Debt Service:		
Principal Retirement	0	30,000
Interest and Fiscal Charges	0	24,052
Total Expenditures	1,194,372	21,400,406
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,955)	(2,427,845)
Other Financing Sources (Uses):		
Sale of Capital Assets	0	12,251
OWDA Loans Issued	0	1,592,766
Transfers In	0	1,784,202
Transfers Out	0	(1,012,723)
Total Other Financing Sources (Uses)	0	2,376,496
Net Change in Fund Balance	(62,955)	(51,349)
Fund Balance at Beginning of Year	289,565	7,041,917
Increase (Decrease) in Inventory	0	13,721
Fund Balance End of Year	\$ 226,610	\$ 7,004,289

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2016**

	Hamilton Capital Improvement	Special Assessment	MITIE	Clean Ohio Grants Program
Assets:				
Equity in Pooled Cash and Investments	\$ 1,444,140	\$ 586,148	\$ 627,761	\$ 7,304
Receivables:				
Taxes	590,540	0	1,306,760	0
Special Assessments	0	442,505	0	0
Total Assets	<u>\$ 2,034,680</u>	<u>\$ 1,028,653</u>	<u>\$ 1,934,521</u>	<u>\$ 7,304</u>
Liabilities:				
Accounts Payable	\$ 280,425	\$ 4,612	\$ 19,500	\$ 0
Accrued Liabilities	51,248	0	0	0
Interfund Payable	1,100,000	551,848	1,000,000	0
Total Liabilities	<u>1,431,673</u>	<u>556,460</u>	<u>1,019,500</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	355,665	442,505	267,622	0
Property Tax Levy for Next Fiscal Year	0	0	1,039,138	0
Total Deferred Inflows of Resources	<u>355,665</u>	<u>442,505</u>	<u>1,306,760</u>	<u>0</u>
Fund Balance:				
Restricted	247,342	29,688	0	7,304
Assigned	0	0	0	0
Unassigned	0	0	(391,739)	0
Total Fund Balance	<u>247,342</u>	<u>29,688</u>	<u>(391,739)</u>	<u>7,304</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,034,680</u>	<u>\$ 1,028,653</u>	<u>\$ 1,934,521</u>	<u>\$ 7,304</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2016***

	Infrastructure Program	Total Nonmajor Capital Projects Funds
Assets:		
Equity in Pooled Cash and Investments	\$ 1,687,292	\$ 4,352,645
Receivables:		
Taxes	0	1,897,300
Special Assessments	0	442,505
Total Assets	<u>\$ 1,687,292</u>	<u>\$ 6,692,450</u>
Liabilities:		
Accounts Payable	\$ 584,191	\$ 888,728
Accrued Liabilities	0	51,248
Interfund Payable	1,000,000	3,651,848
Total Liabilities	<u>1,584,191</u>	<u>4,591,824</u>
Deferred Inflows of Resources:		
Unavailable Amounts	0	1,065,792
Property Tax Levy for Next Fiscal Year	0	1,039,138
Total Deferred Inflows of Resources	<u>0</u>	<u>2,104,930</u>
Fund Balance:		
Restricted	0	284,334
Assigned	103,101	103,101
Unassigned	0	(391,739)
Total Fund Balance	<u>103,101</u>	<u>(4,304)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,687,292</u>	<u>\$ 6,692,450</u>

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016***

	Hamilton Capital Improvement	Special Assessment	MITIE	Issue II Projects
Revenues:				
Income Taxes	\$ 2,580,656	\$ 0	\$ 0	\$ 0
Property and Other Local Taxes	0	0	1,039,145	0
Intergovernmental Revenues	0	0	0	759,495
Investment Earnings	(9,171)	(3,722)	(3,986)	0
Special Assessments	0	452,533	0	0
All Other Revenue	39,806	0	0	0
Total Revenues	<u>2,611,291</u>	<u>448,811</u>	<u>1,035,159</u>	<u>759,495</u>
Expenditures:				
Capital Outlay	2,188,125	504,449	1,170,728	759,495
Debt Service:				
Interest and Fiscal Charges	15,000	0	0	0
Total Expenditures	<u>2,203,125</u>	<u>504,449</u>	<u>1,170,728</u>	<u>759,495</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	408,166	(55,638)	(135,569)	0
Other Financing Sources (Uses):				
Sale of Capital Assets	1,369	0	0	0
Transfers In	884,510	85,000	100,000	0
Transfers Out	(3,468,254)	(274,814)	(392,780)	0
Total Other Financing Sources (Uses)	<u>(2,582,375)</u>	<u>(189,814)</u>	<u>(292,780)</u>	<u>0</u>
Net Change in Fund Balance	(2,174,209)	(245,452)	(428,349)	0
Fund Balance at Beginning of Year	<u>2,421,551</u>	<u>275,140</u>	<u>36,610</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 247,342</u>	<u>\$ 29,688</u>	<u>\$ (391,739)</u>	<u>\$ 0</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016***

	Clean Ohio Grants Program	Infrastructure Program	Total Nonmajor Capital Project Funds
Revenues:			
Income Taxes	\$ 0	\$ 0	\$ 2,580,656
Property and Other Local Taxes	0	0	1,039,145
Intergovernmental Revenues	124,000	2,162,119	3,045,614
Investment Earnings	(46)	(10,715)	(27,640)
Special Assessments	0	0	452,533
All Other Revenue	0	967,123	1,006,929
Total Revenues	<u>123,954</u>	<u>3,118,527</u>	<u>8,097,237</u>
Expenditures:			
Capital Outlay	80,534	6,579,514	11,282,845
Debt Service:			
Interest and Fiscal Charges	0	0	15,000
Total Expenditures	<u>80,534</u>	<u>6,579,514</u>	<u>11,297,845</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,420	(3,460,987)	(3,200,608)
Other Financing Sources (Uses):			
Sale of Capital Assets	0	0	1,369
Transfers In	0	2,958,679	4,028,189
Transfers Out	0	(238,250)	(4,374,098)
Total Other Financing Sources (Uses)	<u>0</u>	<u>2,720,429</u>	<u>(344,540)</u>
Net Change in Fund Balance	43,420	(740,558)	(3,545,148)
Fund Balance at Beginning of Year	<u>(36,116)</u>	<u>843,659</u>	<u>3,540,844</u>
Fund Balance End of Year	<u>\$ 7,304</u>	<u>\$ 103,101</u>	<u>\$ (4,304)</u>

CITY OF HAMILTON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund - General Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Income Taxes	\$ 18,625,875	\$ 19,560,500	\$ 20,003,538	\$ 443,038
Property and Other Local Taxes	5,399,000	5,414,380	5,261,756	(152,624)
Intergovernmental Revenues	2,167,000	2,204,145	2,156,796	(47,349)
Charges for Services	14,715,345	15,154,345	15,174,917	20,572
Licenses and Permits	548,650	673,000	699,295	26,295
Investment Earnings	100,000	100,000	115,556	15,556
Fines and Forfeitures	646,420	646,420	674,802	28,382
All Other Revenue	162,280	934,231	919,063	(15,168)
Total Revenues	<u>42,364,570</u>	<u>44,687,021</u>	<u>45,005,723</u>	<u>318,702</u>
Expenditures:				
Security of Persons and Property:				
Municipal Court:				
Personal Services	1,413,384	1,413,384	1,320,290	93,094
Other Expenditures	271,338	295,275	276,622	18,653
Total Municipal Court	<u>1,684,722</u>	<u>1,708,659</u>	<u>1,596,912</u>	<u>111,747</u>
Police:				
Personal Services	11,894,833	12,183,035	12,304,488	(121,453)
Other Expenditures	1,391,582	1,359,492	1,270,579	88,913
Total Police	<u>13,286,415</u>	<u>13,542,527</u>	<u>13,575,067</u>	<u>(32,540)</u>
Fire:				
Personal Services	10,798,620	11,333,358	11,053,118	280,240
Other Expenditures	1,044,695	1,106,727	1,106,471	256
Total Fire	<u>11,843,315</u>	<u>12,440,085</u>	<u>12,159,589</u>	<u>280,496</u>
Total Security of Persons and Property	<u>26,814,452</u>	<u>27,691,271</u>	<u>27,331,568</u>	<u>359,703</u>
Public Health and Welfare Services:				
Health:				
Personal Services	1,053,301	1,053,301	993,535	59,766
Other Expenditures	438,429	408,255	389,305	18,950
Total Public Health and Welfare Services	<u>1,491,730</u>	<u>1,461,556</u>	<u>1,382,840</u>	<u>78,716</u>

(Continued)

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund - General Fund
For the Year Ended December 31, 2016***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Parks and Recreation:				
Other Expenditures	24,425	6,001	5,843	158
Total Leisure Time Activities	<u>24,425</u>	<u>6,001</u>	<u>5,843</u>	<u>158</u>
Community Environment:				
Department of Planning:				
Personal Services	1,094,715	1,144,715	1,122,691	22,024
Other Expenditures	619,206	365,838	300,643	65,195
Total Department of Planning	<u>1,713,921</u>	<u>1,510,553</u>	<u>1,423,334</u>	<u>87,219</u>
CDBG:				
Other Expenditures	50,000	19,999	17,081	2,918
Total CDBG	<u>50,000</u>	<u>19,999</u>	<u>17,081</u>	<u>2,918</u>
Total Community Environment	<u>1,763,921</u>	<u>1,530,552</u>	<u>1,440,415</u>	<u>90,137</u>
Basic Utility Services:				
Public Works:				
Personal Services	1,099,043	1,159,043	1,154,457	4,586
Other Expenditures	297,044	340,362	312,788	27,574
Total Basic Utility Services	<u>1,396,087</u>	<u>1,499,405</u>	<u>1,467,245</u>	<u>32,160</u>
General Government:				
City Council:				
Personal Services	77,960	77,960	65,552	12,408
Other Expenditures	10,466	9,534	5,164	4,370
Total City Council	<u>88,426</u>	<u>87,494</u>	<u>70,716</u>	<u>16,778</u>
City Clerk:				
Personal Services	96,895	107,730	87,993	19,737
Other Expenditures	14,336	16,119	16,103	16
Total City Clerk	<u>111,231</u>	<u>123,849</u>	<u>104,096</u>	<u>19,753</u>

(Continued)

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund - General Fund
For the Year Ended December 31, 2016***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
City Manager:				
Personal Services	333,094	337,309	332,673	4,636
Other Expenditures	22,152	26,322	26,180	142
Total City Manager	355,246	363,631	358,853	4,778
Department of Law:				
Other Expenditures	214	97	0	97
Total Department of Law	214	97	0	97
Department of Civil Service:				
Personal Services	285,905	285,905	282,524	3,381
Other Expenditures	18,101	16,176	11,680	4,496
Total Department of Civil Service	304,006	302,081	294,204	7,877
Finance:				
Personal Services	2,229,132	2,235,947	2,088,818	147,129
Other Expenditures	584,059	650,238	638,031	12,207
Total Finance	2,813,191	2,886,185	2,726,849	159,336
Human Resources:				
Personal Services	365,035	365,035	336,156	28,879
Other Expenditures	20,220	20,220	16,877	3,343
Total Human Resources	385,255	385,255	353,033	32,222
Special Appropriations - General:				
Personal Services	17,500	17,500	5,072	12,428
Other Expenditures	4,657,702	9,179,497	9,179,472	25
Total Special Appropriations - General	4,675,202	9,196,997	9,184,544	12,453
Special Appropriations:				
Personal Services	50,000	85,000	82,274	2,726
Other Expenditures	1,665,600	1,886,972	1,886,694	278
Total Special Appropriations	1,715,600	1,971,972	1,968,968	3,004
Total General Government	10,448,371	15,317,561	15,061,263	256,298
Total Expenditures	41,938,986	47,506,346	46,689,174	817,172
Excess (Deficiency) of Revenues Over (Under) Expenditures	425,584	(2,819,325)	(1,683,451)	1,135,874

(Continued)

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund - General Fund
For the Year Ended December 31, 2016***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	1,716	1,716
Transfers In	0	622	622	0
Transfers Out	(1,481,023)	(3,785,533)	(3,721,709)	63,824
Advances In	<u>0</u>	<u>3,450,000</u>	<u>3,450,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,481,023)</u>	<u>(334,911)</u>	<u>(269,371)</u>	<u>65,540</u>
Net Change in Fund Balance	(1,055,439)	(3,154,236)	(1,952,822)	1,201,414
Fund Balance at Beginning of Year	6,505,855	6,505,855	6,505,855	0
Prior Year Encumbrances	<u>1,055,439</u>	<u>1,055,439</u>	<u>1,055,439</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,505,855</u>	<u>\$ 4,407,058</u>	<u>\$ 5,608,472</u>	<u>\$ 1,201,414</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

ONE RENAISSANCE CENTER FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 2,125,150	\$ 2,125,150	\$ 2,135,778	\$ 10,628
Total Revenues	<u>2,125,150</u>	<u>2,125,150</u>	<u>2,135,778</u>	<u>10,628</u>
Expenditures:				
General Government:				
Other Expenditures	936,308	909,035	797,711	111,324
Total Expenditures	<u>936,308</u>	<u>909,035</u>	<u>797,711</u>	<u>111,324</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,188,842	1,216,115	1,338,067	121,952
Other Financing Sources (Uses):				
Transfers Out	(1,442,100)	(1,442,100)	(1,442,100)	0
Total Other Financing Sources (Uses)	<u>(1,442,100)</u>	<u>(1,442,100)</u>	<u>(1,442,100)</u>	<u>0</u>
Net Change in Fund Balance	(253,258)	(225,985)	(104,033)	121,952
Fund Balance at Beginning of Year	1,084,481	1,084,481	1,084,481	0
Prior Year Encumbrances	89,808	89,808	89,808	0
Fund Balance at End of Year	<u>\$ 921,031</u>	<u>\$ 948,304</u>	<u>\$ 1,070,256</u>	<u>\$ 121,952</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

MUNICIPAL COURT IMPROVEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 108,788	\$ 108,788	\$ 114,455	\$ 5,667
Fines and Forfeitures	83,860	83,860	86,324	2,464
Total Revenues	192,648	192,648	200,779	8,131
Expenditures:				
Security of Persons and Property:				
Personal Services	29,620	31,620	24,756	6,864
Other Expenditures	187,300	186,175	75,706	110,469
Total Expenditures	216,920	217,795	100,462	117,333
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,272)	(25,147)	100,317	125,464
Fund Balance at Beginning of Year	179,904	179,904	179,904	0
Prior Year Encumbrances	6,125	6,125	6,125	0
Fund Balance at End of Year	\$ 161,757	\$ 160,882	\$ 286,346	\$ 125,464

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

PUBLIC SAFETY/HEALTH INCOME TAX FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Income Taxes	\$ 3,004,375	\$ 3,204,375	\$ 3,226,377	\$ 22,002
Total Revenues	<u>3,004,375</u>	<u>3,204,375</u>	<u>3,226,377</u>	<u>22,002</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	<u>3,200,000</u>	<u>3,550,000</u>	<u>3,433,333</u>	<u>116,667</u>
Total Expenditures	<u>3,200,000</u>	<u>3,550,000</u>	<u>3,433,333</u>	<u>116,667</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(195,625)	(345,625)	(206,956)	138,669
Fund Balance at Beginning of Year	<u>358,238</u>	<u>358,238</u>	<u>358,238</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 162,613</u>	<u>\$ 12,613</u>	<u>\$ 151,282</u>	<u>\$ 138,669</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

DISPUTE RESOLUTION PROCEEDS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 7,740	\$ 7,740	\$ 8,490	\$ 750
Total Revenues	<u>7,740</u>	<u>7,740</u>	<u>8,490</u>	<u>750</u>
Expenditures:				
General Government:				
Personal Services	6,650	6,650	4,894	1,756
Other Expenditures	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>7,650</u>	<u>7,650</u>	<u>4,894</u>	<u>2,756</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	90	90	3,596	3,506
Fund Balance at Beginning of Year	<u>16,469</u>	<u>16,469</u>	<u>16,469</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,559</u>	<u>\$ 16,559</u>	<u>\$ 20,065</u>	<u>\$ 3,506</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

SAFETY SERVICES FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property and Other Local Taxes	\$ 650,000	\$ 650,000	\$ 655,461	\$ 5,461
Intergovernmental Revenues	129,917	129,917	132,404	2,487
Charges for Services	18,000	18,000	16,572	(1,428)
Fines and Forfeitures	200,040	289,890	314,837	24,947
All Other Revenue	29,540	29,540	29,246	(294)
Total Revenues	1,027,497	1,117,347	1,148,520	31,173
Expenditures:				
Security of Persons and Property:				
Personal Services	261,796	286,788	273,543	13,245
Other Expenditures	971,701	1,027,531	904,840	122,691
Total Expenditures	1,233,497	1,314,319	1,178,383	135,936
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(206,000)	(196,972)	(29,863)	167,109
Other Financing Sources (Uses):				
Sale of Capital Assets	8,000	8,000	11,833	3,833
Transfers In	105,000	105,000	65,000	(40,000)
Total Other Financing Sources (Uses)	113,000	113,000	76,833	(36,167)
Net Change in Fund Balance	(93,000)	(83,972)	46,970	130,942
Fund Balance at Beginning of Year	521,906	521,906	521,906	0
Prior Year Encumbrances	21,338	21,338	21,338	0
Fund Balance at End of Year	\$ 450,244	\$ 459,272	\$ 590,214	\$ 130,942

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property and Other Local Taxes	\$ 210,000	\$ 210,000	\$ 196,638	\$ (13,362)
Intergovernmental Revenues	<u>30,000</u>	<u>30,000</u>	<u>35,463</u>	<u>5,463</u>
Total Revenues	<u>240,000</u>	<u>240,000</u>	<u>232,101</u>	<u>(7,899)</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	<u>240,000</u>	<u>240,000</u>	<u>232,057</u>	<u>7,943</u>
Total Expenditures	<u>240,000</u>	<u>240,000</u>	<u>232,057</u>	<u>7,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	44	44
Fund Balance at Beginning of Year	<u>13</u>	<u>13</u>	<u>13</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 57</u>	<u>\$ 44</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

POLICE LEVY FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Property and Other Local Taxes	\$ 630,000	\$ 630,000	\$ 629,651	\$ (349)
Intergovernmental Revenues	90,000	90,000	91,999	1,999
Total Revenues	<u>720,000</u>	<u>720,000</u>	<u>721,650</u>	<u>1,650</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	730,000	730,000	729,999	1
Total Expenditures	<u>730,000</u>	<u>730,000</u>	<u>729,999</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(10,000)	(8,349)	1,651
Fund Balance at Beginning of Year	<u>10,239</u>	<u>10,239</u>	<u>10,239</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 239</u>	<u>\$ 239</u>	<u>\$ 1,890</u>	<u>\$ 1,651</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

FIREMEN'S PENSION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and Other Local Taxes	\$ 205,000	\$ 205,000	\$ 196,638	\$ (8,362)
Intergovernmental Revenues	20,000	20,000	29,246	9,246
Total Revenues	225,000	225,000	225,884	884
Expenditures:				
Security of Persons and Property:				
Other Expenditures	225,000	225,000	224,999	1
Total Expenditures	225,000	225,000	224,999	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	885	885
Fund Balance at Beginning of Year	101	101	101	0
Fund Balance at End of Year	\$ 101	\$ 101	\$ 986	\$ 885

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

EMERGENCY MEDICAL SERVICES GRANT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 2,500	\$ 2,500	\$ 0	\$ (2,500)
Total Revenues	2,500	2,500	0	(2,500)
Expenditures:				
Security of Persons and Property:				
Other Expenditures	2,500	2,500	0	2,500
Total Expenditures	2,500	2,500	0	2,500
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

FIRE EMS LEVY FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property and Other Local Taxes	\$ 640,000	\$ 640,000	\$ 629,651	\$ (10,349)
Intergovernmental Revenues	<u>80,000</u>	<u>80,000</u>	<u>91,999</u>	<u>11,999</u>
Total Revenues	<u>720,000</u>	<u>720,000</u>	<u>721,650</u>	<u>1,650</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	<u>720,000</u>	<u>720,000</u>	<u>720,000</u>	<u>0</u>
Total Expenditures	<u>720,000</u>	<u>720,000</u>	<u>720,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	1,650	1,650
Fund Balance at Beginning of Year	<u>6,436</u>	<u>6,436</u>	<u>6,436</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,436</u>	<u>\$ 6,436</u>	<u>\$ 8,086</u>	<u>\$ 1,650</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

PUBLIC HEALTH CARE SERVICES FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 90,095	\$ 90,095	\$ 64,046	\$ (26,049)
Investment Earnings	10	10	33	23
All Other Revenue	370	1,431	1,431	0
Total Revenues	<u>90,475</u>	<u>91,536</u>	<u>65,510</u>	<u>(26,026)</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	69,451	69,451	51,918	17,533
Other Expenditures	21,024	22,185	21,743	442
Total Expenditures	<u>90,475</u>	<u>91,636</u>	<u>73,661</u>	<u>17,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(100)	(8,151)	(8,051)
Fund Balance at Beginning of Year	<u>205,686</u>	<u>205,686</u>	<u>205,686</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 205,686</u>	<u>\$ 205,586</u>	<u>\$ 197,535</u>	<u>\$ (8,051)</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

STORMWATER MANAGEMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 2,100,000	\$ 2,100,000	\$ 2,117,279	\$ 17,279
Investment Earnings	11,000	11,000	13,260	2,260
All Other Revenue	17,000	17,000	26,133	9,133
Total Revenues	<u>2,128,000</u>	<u>2,128,000</u>	<u>2,156,672</u>	<u>28,672</u>
Expenditures:				
Basic Utility Services:				
Personal Services	910,293	910,211	735,923	174,288
Other Expenditures	2,113,259	6,228,362	3,496,778	2,731,584
Total Expenditures	<u>3,023,552</u>	<u>7,138,573</u>	<u>4,232,701</u>	<u>2,905,872</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(895,552)	(5,010,573)	(2,076,029)	2,934,544
Other Financing Sources (Uses):				
Transfers In	0	6,905	6,905	0
OWDA Loan Issuance	0	3,800,000	1,577,174	(2,222,826)
Total Other Financing Sources (Uses)	<u>0</u>	<u>3,806,905</u>	<u>1,584,079</u>	<u>(2,222,826)</u>
Net Change in Fund Balance	(895,552)	(1,203,668)	(491,950)	711,718
Fund Balance at Beginning of Year	1,475,042	1,475,042	1,475,042	0
Prior Year Encumbrances	423,680	423,680	423,680	0
Fund Balance at End of Year	<u>\$ 1,003,170</u>	<u>\$ 695,054</u>	<u>\$ 1,406,772</u>	<u>\$ 711,718</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

REFUSE FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 3,933,000	\$ 3,933,000	\$ 3,882,445	\$ (50,555)
All Other Revenue	50,000	80,000	76,299	(3,701)
Total Revenues	<u>3,983,000</u>	<u>4,013,000</u>	<u>3,958,744</u>	<u>(54,256)</u>
Expenditures:				
Basic Utility Services:				
Personal Services	704,170	629,170	586,569	42,601
Other Expenditures	3,775,831	3,957,814	3,765,644	192,170
Total Expenditures	<u>4,480,001</u>	<u>4,586,984</u>	<u>4,352,213</u>	<u>234,771</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(497,001)	(573,984)	(393,469)	180,515
Fund Balance at Beginning of Year	1,760,951	1,760,951	1,760,951	0
Prior Year Encumbrances	27,401	27,401	27,401	0
Fund Balance at End of Year	<u>\$ 1,291,351</u>	<u>\$ 1,214,368</u>	<u>\$ 1,394,883</u>	<u>\$ 180,515</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

STREET MAINTENANCE FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 3,181,000	\$ 3,193,724	\$ 3,223,460	\$ 29,736
Licenses and Permits	367,000	367,000	387,658	20,658
Investment Earnings	2,500	2,500	2,305	(195)
All Other Revenue	13,500	28,150	44,171	16,021
Total Revenues	<u>3,564,000</u>	<u>3,591,374</u>	<u>3,657,594</u>	<u>66,220</u>
Expenditures:				
Transportation:				
Personal Services	1,233,513	1,358,303	1,324,759	33,544
Other Expenditures	1,342,384	1,361,631	1,325,493	36,138
Total Expenditures	<u>2,575,897</u>	<u>2,719,934</u>	<u>2,650,252</u>	<u>69,682</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	988,103	871,440	1,007,342	135,902
Other Financing Sources (Uses):				
Transfers In	0	27,226	27,226	0
Transfers Out	(1,000,000)	(1,012,724)	(1,012,723)	1
Total Other Financing Sources (Uses)	<u>(1,000,000)</u>	<u>(985,498)</u>	<u>(985,497)</u>	<u>1</u>
Net Change in Fund Balance	(11,897)	(114,058)	21,845	135,903
Fund Balance at Beginning of Year	188,114	188,114	188,114	0
Prior Year Encumbrances	48,036	48,036	48,036	0
Fund Balance at End of Year	<u>\$ 224,253</u>	<u>\$ 122,092</u>	<u>\$ 257,995</u>	<u>\$ 135,903</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

LAND REUTILIZATION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 900,000	\$ 900,000	\$ 85,000	\$ (815,000)
Total Revenues	<u>900,000</u>	<u>900,000</u>	<u>85,000</u>	<u>(815,000)</u>
Expenditures:				
Community Environment:				
Other Expenditures	979,802	936,136	193,254	742,882
Total Expenditures	<u>979,802</u>	<u>936,136</u>	<u>193,254</u>	<u>742,882</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(79,802)	(36,136)	(108,254)	(72,118)
Other Financing Sources (Uses):				
Sale of Capital Assets	35,000	35,000	418	(34,582)
Transfers In	0	70,000	70,000	0
Total Other Financing Sources (Uses)	<u>35,000</u>	<u>105,000</u>	<u>70,418</u>	<u>(34,582)</u>
Net Change in Fund Balance	(44,802)	68,864	(37,836)	(106,700)
Fund Balance at Beginning of Year	18,020	18,020	18,020	0
Prior Year Encumbrances	44,802	44,802	44,802	0
Fund Balance at End of Year	<u>\$ 18,020</u>	<u>\$ 131,686</u>	<u>\$ 24,986</u>	<u>\$ (106,700)</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

HOME PROGRAM FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 380,612	\$ 729,778	\$ 151,841	\$ (577,937)
All Other Revenue	71,119	146,122	25,811	(120,311)
Total Revenues	<u>451,731</u>	<u>875,900</u>	<u>177,652</u>	<u>(698,248)</u>
Expenditures:				
Community Environment:				
Personal Services	18,257	43,717	24,277	19,440
Other Expenditures	484,206	882,915	100,408	782,507
Total Expenditures	<u>502,463</u>	<u>926,632</u>	<u>124,685</u>	<u>801,947</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,732)	(50,732)	52,967	103,699
Fund Balance at Beginning of Year	<u>50,732</u>	<u>50,732</u>	<u>50,732</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 103,699</u>	<u>\$ 103,699</u>

CITY OF HAMILTON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016**

	PARKING FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 207,500	\$ 287,500	\$ 321,814	\$ 34,314
Investment Earnings	1,000	1,000	7,600	6,600
All Other Revenue	19,000	19,000	6,332	(12,668)
Total Revenues	<u>227,500</u>	<u>307,500</u>	<u>335,746</u>	<u>28,246</u>
Expenditures:				
Transportation:				
Personal Services	134,978	139,978	134,630	5,348
Other Expenditures	1,721,300	1,698,625	1,576,171	122,454
Debt Service:				
Principal Retirement	30,000	30,000	30,000	0
Interest and Fiscal Charges	22,244	22,244	22,244	0
Total Expenditures	<u>1,908,522</u>	<u>1,890,847</u>	<u>1,763,045</u>	<u>127,802</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,681,022)	(1,583,347)	(1,427,299)	156,048
Other Financing Sources (Uses):				
Sale of Notes	1,500,000	0	0	0
Transfers In	52,244	1,672,970	1,672,970	0
Transfers Out	0	(120,000)	(120,000)	0
Total Other Financing Sources (Uses)	<u>1,552,244</u>	<u>1,552,970</u>	<u>1,552,970</u>	<u>0</u>
Net Change in Fund Balance	(128,778)	(30,377)	125,671	156,048
Fund Balance at Beginning of Year	122,972	122,972	122,972	0
Prior Year Encumbrances	35,179	35,179	35,179	0
Fund Balance at End of Year	<u>\$ 29,373</u>	<u>\$ 127,774</u>	<u>\$ 283,822</u>	<u>\$ 156,048</u>

CITY OF HAMILTON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016**

	GOLF COURSE FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 1,244,013	\$ 1,244,013	\$ 1,055,391	\$ (188,622)
Investment Earnings	600	600	1,844	1,244
All Other Revenue	740	740	3,654	2,914
Total Revenues	<u>1,245,353</u>	<u>1,245,353</u>	<u>1,060,889</u>	<u>(184,464)</u>
Expenditures:				
Leisure Time Activities:				
Personal Services	640,345	640,345	469,353	170,992
Other Expenditures	688,119	705,709	649,775	55,934
Debt Service:				
Principal Retirement	95,150	95,150	95,150	0
Interest and Fiscal Charges	1,808	1,808	1,808	0
Total Expenditures	<u>1,425,422</u>	<u>1,443,012</u>	<u>1,216,086</u>	<u>226,926</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(180,069)	(197,659)	(155,197)	42,462
Other Financing Sources (Uses):				
Transfers In	96,958	98,436	98,436	0
Total Other Financing Sources (Uses)	<u>96,958</u>	<u>98,436</u>	<u>98,436</u>	<u>0</u>
Net Change in Fund Balance	(83,111)	(99,223)	(56,761)	42,462
Fund Balance at Beginning of Year	266,937	266,937	266,937	0
Prior Year Encumbrances	56,319	56,319	56,319	0
Fund Balance at End of Year	<u>\$ 240,145</u>	<u>\$ 224,033</u>	<u>\$ 266,495</u>	<u>\$ 42,462</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,040,418	\$ 2,705,449	\$ 972,772	\$ (1,732,677)
Investment Earnings	500	1,000	298	(702)
All Other Revenue	289,193	171,656	46,495	(125,161)
Total Revenues	1,330,111	2,878,105	1,019,565	(1,858,540)
Expenditures:				
Community Environment:				
Personal Services	95,172	338,976	226,727	112,249
Other Expenditures	1,376,774	2,680,964	781,290	1,899,674
Total Expenditures	1,471,946	3,019,940	1,008,017	2,011,923
Excess (Deficiency) of Revenues Over (Under) Expenditures	(141,835)	(141,835)	11,548	153,383
Other Financing Sources (Uses):				
Transfers Out	0	(2)	0	2
Total Other Financing Sources (Uses)	0	(2)	0	2
Net Change in Fund Balance	(141,835)	(141,837)	11,548	153,385
Fund Balance at Beginning of Year	210,881	210,881	210,881	0
Fund Balance at End of Year	\$ 69,046	\$ 69,044	\$ 222,429	\$ 153,385

CITY OF HAMILTON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2016**

DEBT SERVICE FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	3,262,756	3,262,756	3,263,002	(246)
Interest and Fiscal Charges	1,244,461	1,244,461	1,244,214	247
Total Expenditures	<u>4,507,217</u>	<u>4,507,217</u>	<u>4,507,216</u>	<u>1</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(4,507,217)	(4,507,217)	(4,507,216)	1
Other Financing Sources (Uses):				
Transfers In	4,507,217	4,507,217	4,507,216	(1)
Total Other Financing Sources (Uses)	<u>4,507,217</u>	<u>4,507,217</u>	<u>4,507,216</u>	<u>(1)</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016***

HAMILTON CAPITAL IMPROVEMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Income Taxes	\$ 2,403,500	\$ 2,403,500	\$ 2,581,102	\$ 177,602
All Other Revenue	25,000	43,000	39,806	(3,194)
Total Revenues	<u>2,428,500</u>	<u>2,446,500</u>	<u>2,620,908</u>	<u>174,408</u>
Expenditures:				
Capital Outlay	1,730,614	3,934,975	3,605,967	329,008
Debt Service:				
Interest and Fiscal Charges	<u>0</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total Expenditures	<u>1,730,614</u>	<u>3,949,975</u>	<u>3,620,967</u>	<u>329,008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	697,886	(1,503,475)	(1,000,059)	503,416
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	305,000	1,369	(303,631)
Transfers In	250,000	1,165,034	1,165,034	0
Transfers Out	(2,701,255)	(3,468,255)	(3,468,254)	1
Advances In	<u>0</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(2,446,255)</u>	<u>(898,221)</u>	<u>(1,201,851)</u>	<u>(303,630)</u>
Net Change in Fund Balance	(1,748,369)	(2,401,696)	(2,201,910)	199,786
Fund Balance at Beginning of Year	1,949,372	1,949,372	1,949,372	0
Prior Year Encumbrances	<u>880,614</u>	<u>880,614</u>	<u>880,614</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,081,617</u>	<u>\$ 428,290</u>	<u>\$ 628,076</u>	<u>\$ 199,786</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016***

SPECIAL ASSESSMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Special Assessments	\$ 485,000	\$ 485,000	\$ 452,533	\$ (32,467)
Total Revenues	<u>485,000</u>	<u>485,000</u>	<u>452,533</u>	<u>(32,467)</u>
Expenditures:				
Capital Outlay	760,000	920,999	920,487	512
Total Expenditures	<u>760,000</u>	<u>920,999</u>	<u>920,487</u>	<u>512</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(275,000)	(435,999)	(467,954)	(31,955)
Other Financing Sources (Uses):				
Transfers Out	(274,814)	(274,814)	(274,814)	0
Advances In	0	551,848	551,848	0
Total Other Financing Sources (Uses)	<u>(274,814)</u>	<u>277,034</u>	<u>277,034</u>	<u>0</u>
Net Change in Fund Balance	(549,814)	(158,965)	(190,920)	(31,955)
Fund Balance at Beginning of Year	140	140	140	0
Prior Year Encumbrances	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (189,674)</u>	<u>\$ 201,175</u>	<u>\$ 169,220</u>	<u>\$ (31,955)</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and Other Local Taxes	\$ 995,540	\$ 1,051,160	\$ 1,039,145	\$ (12,015)
Total Revenues	995,540	1,051,160	1,039,145	(12,015)
Expenditures:				
Capital Outlay	682,942	1,790,892	1,239,962	550,930
Total Expenditures	682,942	1,790,892	1,239,962	550,930
Excess (Deficiency) of Revenues Over (Under) Expenditures	312,598	(739,732)	(200,817)	538,915
Other Financing Sources (Uses):				
Transfers In	0	100,000	100,000	0
Transfers Out	(311,748)	(394,576)	(392,780)	1,796
Advances In	0	1,000,000	1,000,000	0
Total Other Financing Sources (Uses)	(311,748)	705,424	707,220	1,796
Net Change in Fund Balance	850	(34,308)	506,403	540,711
Fund Balance at Beginning of Year	37,491	37,491	37,491	0
Fund Balance at End of Year	\$ 38,341	\$ 3,183	\$ 543,894	\$ 540,711

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,000,000	\$ 1,000,000	\$ 666,749	\$ (333,251)
Total Revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>666,749</u>	<u>(333,251)</u>
Expenditures:				
Capital Outlay	<u>1,000,000</u>	<u>1,000,000</u>	<u>666,749</u>	<u>333,251</u>
Total Expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>666,749</u>	<u>333,251</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016***

CLEAN OHIO GRANTS PROGRAM FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 126,051	\$ 124,000	\$ (2,051)
Total Revenues	<u>0</u>	<u>126,051</u>	<u>124,000</u>	<u>(2,051)</u>
Expenditures:				
Capital Outlay	0	126,051	116,650	9,401
Total Expenditures	<u>0</u>	<u>126,051</u>	<u>116,650</u>	<u>9,401</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	7,350	7,350
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,350</u>	<u>\$ 7,350</u>

CITY OF HAMILTON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016**

INFRASTRUCTURE PROGRAM FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 3,769,500	\$ 4,327,500	\$ 2,162,119	\$ (2,165,381)
All Other Revenue	0	967,560	967,123	(437)
Total Revenues	<u>3,769,500</u>	<u>5,295,060</u>	<u>3,129,242</u>	<u>(2,165,818)</u>
Expenditures:				
Capital Outlay	<u>7,047,180</u>	<u>7,674,460</u>	<u>7,637,203</u>	<u>37,257</u>
Total Expenditures	<u>7,047,180</u>	<u>7,674,460</u>	<u>7,637,203</u>	<u>37,257</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,277,680)	(2,379,400)	(4,507,961)	(2,128,561)
Other Financing Sources (Uses):				
Transfers In	2,121,748	2,984,300	2,958,679	(25,621)
Transfers Out	(238,250)	(238,250)	(238,250)	0
Advances In	<u>925,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>2,808,498</u>	<u>3,746,050</u>	<u>3,720,429</u>	<u>(25,621)</u>
Net Change in Fund Balance	(469,182)	1,366,650	(787,532)	(2,154,182)
Fund Balance at Beginning of Year	54,533	54,533	54,533	0
Prior Year Encumbrances	<u>897,352</u>	<u>897,352</u>	<u>897,352</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 482,703</u>	<u>\$ 2,318,535</u>	<u>\$ 164,353</u>	<u>\$ (2,154,182)</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Year Ended December 31, 2016***

BENNINGHOFEN TRUST FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Investment Earnings	\$ 250	\$ 566	\$ 615	\$ 49
Total Revenues	<u>250</u>	<u>566</u>	<u>615</u>	<u>49</u>
Expenditures:				
General Government:				
Other Expenditures	250	566	566	0
Total Expenditures	<u>250</u>	<u>566</u>	<u>566</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	49	49
Fund Balance at Beginning of Year	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 75,049</u>	<u>\$ 49</u>

Internal Service Funds

Internal Service Funds are used to account for financing goods or services provided by one activity to other activities of the City on a cost-reimbursement basis.

Fleet Maintenance Fund

To account for revenues and expenses associated with the maintenance of the City's motor transport equipment.

Central Services Fund

To account for revenues and expenses associated with interdepartmental charges for the costs of certain goods or services.

CITY OF HAMILTON, OHIO

**Combining Statement of Net Position
Internal Service Funds
December 31, 2016**

	<u>Fleet</u>	<u>Central Services</u>	<u>Total</u>
	<u>Maintenance</u>		
ASSETS:			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 342,548	\$ 5,169	\$ 347,717
Inventory of Supplies at Cost	23,528	0	23,528
Total Current Assets	366,076	5,169	371,245
Noncurrent Assets:			
Capital Assets, Net	37,092	0	37,092
Total Assets	403,168	5,169	408,337
Deferred Outflows of Resources:			
Pension:			
OPERS	251,330	1,579,565	1,830,895
Total Deferred Outflows of Resources	251,330	1,579,565	1,830,895
LIABILITIES:			
Current Liabilities:			
Accounts Payable	71,348	245,638	316,986
Accrued Wages and Benefits	10,787	69,561	80,348
Intergovernmental Payable	1,493	9,990	11,483
Compensated Absences Payable - Current	52,062	214,659	266,721
Total Current Liabilities	135,690	539,848	675,538
Noncurrent Liabilities:			
Compensated Absences Payable	56,723	217,894	274,617
Net Pension Liability	653,888	4,109,570	4,763,458
Total Noncurrent Liabilities	710,611	4,327,464	5,038,075
Total Liabilities	846,301	4,867,312	5,713,613
Deferred Inflows of Resources:			
Pension:			
OPERS	37,670	236,753	274,423
Total Deferred Inflows of Resources	37,670	236,753	274,423
NET POSITION			
Investment in Capital Assets	37,092	0	37,092
Unrestricted	(266,565)	(3,519,331)	(3,785,896)
Total Net Position	\$ (229,473)	\$ (3,519,331)	\$ (3,748,804)

CITY OF HAMILTON, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2016**

	Fleet Maintenance	Central Services	Total
Operating Revenues:			
Charges for Services	\$ 2,420,978	\$ 7,236,197	\$ 9,657,175
Other Operating Revenues	1,023	0	1,023
Total Operating Revenues	<u>2,422,001</u>	<u>7,236,197</u>	<u>9,658,198</u>
Operating Expenses:			
Personal Services	717,251	5,352,382	6,069,633
Contractual Services	452,732	1,864,540	2,317,272
Materials and Supplies	811,307	612,060	1,423,367
Depreciation	11,615	0	11,615
Other Operating Expenses	422,116	139,357	561,473
Total Operating Expenses	<u>2,415,021</u>	<u>7,968,339</u>	<u>10,383,360</u>
Operating Income (Loss)	6,980	(732,142)	(725,162)
Nonoperating Revenues (Expenses):			
Investment Earnings	(2,175)	(33)	(2,208)
Grants	0	11,600	11,600
Total Nonoperating Revenues (Expenses)	<u>(2,175)</u>	<u>11,567</u>	<u>9,392</u>
Change in Net Position	4,805	(720,575)	(715,770)
Net Position Beginning of Year - Restated	<u>(234,278)</u>	<u>(2,798,756)</u>	<u>(3,033,034)</u>
Net Position End of Year	<u>\$ (229,473)</u>	<u>\$ (3,519,331)</u>	<u>\$ (3,748,804)</u>

CITY OF HAMILTON, OHIO

***Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2016***

	Fleet Maintenance	Central Services	Total
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,422,001	\$7,236,197	\$9,658,198
Cash Payments for Goods and Services	(1,696,589)	(2,633,969)	(4,330,558)
Cash Payments for Employees	(755,243)	(4,616,509)	(5,371,752)
Net Cash Used by Operating Activities	<u>(29,831)</u>	<u>(14,281)</u>	<u>(44,112)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Intergovernmental Grants	0	11,600	11,600
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>11,600</u>	<u>11,600</u>
<u>Cash Flows from Investing Activities:</u>			
Change in Fair Value of Investments	(2,175)	(33)	(2,208)
Net Cash Used by Investing Activities	<u>(2,175)</u>	<u>(33)</u>	<u>(2,208)</u>
Net Decrease in Cash and Cash Equivalents	(32,006)	(2,714)	(34,720)
Cash and Cash Equivalents at Beginning of Year	374,554	7,883	382,437
Cash and Cash Equivalents at End of Year	<u>\$342,548</u>	<u>\$5,169</u>	<u>\$347,717</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:</u>			
Operating Income (Loss)	\$6,980	(\$732,142)	(\$725,162)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities			
Depreciation Expense	11,615	0	11,615
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Increase in Inventory	(4,657)	0	(4,657)
Increase in Deferred Outflows of Resources	(157,868)	(1,136,177)	(1,294,045)
Decrease in Accounts Payable	(6,203)	(18,012)	(24,215)
Increase in Accrued Wages and Benefits	2,542	20,309	22,851
Decrease in Intergovernmental Payable	(5,197)	(23,886)	(29,083)
Increase in Compensated Absences	2,886	23,775	26,661
Increase in Net Pension Liability	92,302	1,657,634	1,749,936
Increase in Deferred Inflows of Resources	27,769	194,218	221,987
Total Adjustments	<u>(36,811)</u>	<u>717,861</u>	<u>681,050</u>
Net Cash Used by Operating Activities	<u>(\$29,831)</u>	<u>(\$14,281)</u>	<u>(\$44,112)</u>

Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Funds

Rounding Up Utility Account Fund

To account for voluntary contributions from citizens and/or organizations within the City to assist elderly, needy and disabled utility customers with utility charges incurred.

Convention and Visitor's Bureau Fund

To account for the Hotel/Motel tax levied on guests of the City where 50% of such tax monies are distributed to the Convention and Visitor's Bureau and 50% is distributed to the City.

Employee Taxes and Benefits Fund

To account for special taxes and benefits of City employees.

Unclaimed Monies Fund

To account for the receipt of monies unable to be returned or distributed. The City will hold the receipts for the statutory period and then the monies will be disbursed to the State of Ohio.

Tax Collections Fund

To account for taxes obtained on behalf of other municipalities.

Butler County Annexation Tax Fund

To account for income taxes obtained from a special annexation of property contiguous to Hamilton.

Central Business Special Improvement District Fund

To account for the receiving and disbursing of special assessments levied upon real property within the Hamilton Central Business Special Improvement District.

Agency Funds

Joint Economic Development District I Fund

To account for the receipt and disbursement of income tax revenue pursuant to Section 11 of The Joint Economic Development District Agreement with Indian Springs/ Fairfield Township.

Joint Economic Development District II Fund

To account for the receipt and disbursement of income tax revenue pursuant to Section 11 of The 2004 Joint Economic Development District Agreement with Indian Springs/ Fairfield Township.

Fire Damage Deposit Escrow Fund

To account for deposits and reimbursements held for fire damage as prescribed by Ohio Revised Code.

Police Property Room Forfeiture Fund

To account for the receipt of items remaining in the custody of the Police Department. The City will hold the items for a certain period of time at which they will be auctioned or disposed.

Municipal Court Fund

To account for funds that flow through the Municipal Court office.

CITY OF HAMILTON, OHIO

***Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2016***

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<u>Rounding Up Utility Account</u>				
Assets:				
Equity in Pooled Cash and Investments	\$379	\$1,812	(\$1,698)	\$493
Total Assets	<u>\$379</u>	<u>\$1,812</u>	<u>(\$1,698)</u>	<u>\$493</u>
Liabilities:				
Accounts Payable	\$0	\$493	\$0	\$493
Due to Others	379	1,319	(1,698)	0
Total Liabilities	<u>\$379</u>	<u>\$1,812</u>	<u>(\$1,698)</u>	<u>\$493</u>
<u>Convention and Visitor's Bureau</u>				
Assets:				
Equity in Pooled Cash and Investments	\$27,153	\$100,042	(\$99,383)	\$27,812
Total Assets	<u>\$27,153</u>	<u>\$100,042</u>	<u>(\$99,383)</u>	<u>\$27,812</u>
Liabilities:				
Accounts Payable	\$0	\$27,812	\$0	\$27,812
Due to Others	27,153	72,230	(99,383)	0
Total Liabilities	<u>\$27,153</u>	<u>\$100,042</u>	<u>(\$99,383)</u>	<u>\$27,812</u>
<u>Employee Taxes and Benefits</u>				
Assets:				
Equity in Pooled Cash and Investments	\$897,555	\$55,919,120	(\$55,369,692)	\$1,446,983
Total Assets	<u>\$897,555</u>	<u>\$55,919,120</u>	<u>(\$55,369,692)</u>	<u>\$1,446,983</u>
Liabilities:				
Due to Others	\$23,821	\$54,998,391	(\$54,495,958)	\$526,254
Intergovernmental Payable	873,734	920,729	(873,734)	920,729
Total Liabilities	<u>\$897,555</u>	<u>\$55,919,120</u>	<u>(\$55,369,692)</u>	<u>\$1,446,983</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2016***

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<u>Unclaimed Monies</u>				
Assets:				
Equity in Pooled Cash and Investments	\$100,609	\$0	(\$494)	\$100,115
Total Assets	<u>\$100,609</u>	<u>\$0</u>	<u>(\$494)</u>	<u>\$100,115</u>
Liabilities:				
Due to Others	\$100,609	\$0	(\$494)	\$100,115
Total Liabilities	<u>\$100,609</u>	<u>\$0</u>	<u>(\$494)</u>	<u>\$100,115</u>
<u>Tax Collections</u>				
Assets:				
Equity in Pooled Cash and Investments	\$35,581	\$351,980	(\$345,197)	\$42,364
Total Assets	<u>\$35,581</u>	<u>\$351,980</u>	<u>(\$345,197)</u>	<u>\$42,364</u>
Liabilities:				
Intergovernmental Payable	\$35,581	\$351,980	(\$345,197)	\$42,364
Total Liabilities	<u>\$35,581</u>	<u>\$351,980</u>	<u>(\$345,197)</u>	<u>\$42,364</u>
<u>Butler County Annexation Tax</u>				
Assets:				
Equity in Pooled Cash and Investments	\$53,474	\$117,470	(\$106,985)	\$63,959
Total Assets	<u>\$53,474</u>	<u>\$117,470</u>	<u>(\$106,985)</u>	<u>\$63,959</u>
Liabilities:				
Intergovernmental Payable	\$53,474	\$117,470	(\$106,985)	\$63,959
Total Liabilities	<u>\$53,474</u>	<u>\$117,470</u>	<u>(\$106,985)</u>	<u>\$63,959</u>
<u>Central Business Special Improvement District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$359	\$143,024	(\$142,072)	\$1,311
Receivables:				
Taxes	29,388	1,114	(29,388)	1,114
Total Assets	<u>\$29,747</u>	<u>\$144,138</u>	<u>(\$171,460)</u>	<u>\$2,425</u>
Liabilities:				
Intergovernmental Payable	\$29,747	\$144,138	(\$171,460)	\$2,425
Total Liabilities	<u>\$29,747</u>	<u>\$144,138</u>	<u>(\$171,460)</u>	<u>\$2,425</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2016***

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<u>Joint Economic Development District I</u>				
Assets:				
Equity in Pooled Cash and Investments	\$22,379	\$611,088	(\$608,025)	\$25,442
Total Assets	<u>\$22,379</u>	<u>\$611,088</u>	<u>(\$608,025)</u>	<u>\$25,442</u>
Liabilities:				
Intergovernmental Payable	\$22,379	\$611,088	(\$608,025)	\$25,442
Total Liabilities	<u>\$22,379</u>	<u>\$611,088</u>	<u>(\$608,025)</u>	<u>\$25,442</u>
<u>Joint Economic Development District II</u>				
Assets:				
Equity in Pooled Cash and Investments	\$46,869	\$693,841	(\$678,854)	\$61,856
Total Assets	<u>\$46,869</u>	<u>\$693,841</u>	<u>(\$678,854)</u>	<u>\$61,856</u>
Liabilities:				
Intergovernmental Payable	\$46,869	\$693,841	(\$678,854)	\$61,856
Total Liabilities	<u>\$46,869</u>	<u>\$693,841</u>	<u>(\$678,854)</u>	<u>\$61,856</u>
<u>Fire Damage Deposit Escrow</u>				
Assets:				
Equity in Pooled Cash and Investments	\$88,786	\$24,800	(\$10,800)	\$102,786
Total Assets	<u>\$88,786</u>	<u>\$24,800</u>	<u>(\$10,800)</u>	<u>\$102,786</u>
Liabilities:				
Due to Others	\$88,786	\$24,800	(\$10,800)	\$102,786
Total Liabilities	<u>\$88,786</u>	<u>\$24,800</u>	<u>(\$10,800)</u>	<u>\$102,786</u>
<u>Police Property Room Forfeiture</u>				
Assets:				
Equity in Pooled Cash and Investments	\$419,583	\$45,774	(\$229,327)	\$236,030
Total Assets	<u>\$419,583</u>	<u>\$45,774</u>	<u>(\$229,327)</u>	<u>\$236,030</u>
Liabilities:				
Due to Others	\$419,583	\$45,774	(\$229,327)	\$236,030
Total Liabilities	<u>\$419,583</u>	<u>\$45,774</u>	<u>(\$229,327)</u>	<u>\$236,030</u>

(Continued)

CITY OF HAMILTON, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2016**

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<u>Municipal Court</u>				
Assets:				
Equity in Pooled Cash and Investments	\$259,710	\$3,355,583	(\$3,391,885)	\$223,408
Total Assets	<u>\$259,710</u>	<u>\$3,355,583</u>	<u>(\$3,391,885)</u>	<u>\$223,408</u>
Liabilities:				
Intergovernmental Payable	\$150,005	\$125,691	(\$150,005)	\$125,691
Due to Others	109,705	3,229,892	(3,241,880)	97,717
Total Liabilities	<u>\$259,710</u>	<u>\$3,355,583</u>	<u>(\$3,391,885)</u>	<u>\$223,408</u>
 <u>Total - All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Investments	\$1,952,437	\$61,364,534	(\$60,984,412)	\$2,332,559
Receivables:				
Taxes	29,388	1,114	(29,388)	1,114
Total Assets	<u>\$1,981,825</u>	<u>\$61,365,648</u>	<u>(\$61,013,800)</u>	<u>\$2,333,673</u>
Liabilities:				
Accounts Payable	\$0	\$28,305	\$0	\$28,305
Intergovernmental Payable	1,211,789	6,069,138	(6,026,135)	1,242,466
Due to Others	770,036	55,268,205	(54,987,665)	1,062,902
Total Liabilities	<u>\$1,981,825</u>	<u>\$61,365,648</u>	<u>(\$61,013,800)</u>	<u>\$2,333,673</u>



STATISTICAL SECTION





STATISTICAL TABLES

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents

Financial Trends	S 2 – S 21
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 22 – S 34
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, the income tax and property tax.	
Debt Capacity	S 35 – S 47
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 48 – S 51
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 52 – S 65
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

CITY OF HAMILTON, OHIO

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	2007	2008	2009	2010
Governmental Activities:				
Net Investment in Capital Assets	\$59,732,393	\$59,645,749	\$61,258,050	\$62,373,720
Restricted	7,367,202	15,051,564	14,612,944	14,372,832
Unrestricted (Deficit)	4,929,462	(1,647,332)	(711,156)	1,391,246
Total Governmental Activities Net Position	<u>\$72,029,057</u>	<u>\$73,049,981</u>	<u>\$75,159,838</u>	<u>\$78,137,798</u>
Business-type Activities:				
Net Investment in Capital Assets	\$94,444,136	\$99,710,125	\$95,260,611	\$96,155,478
Restricted	14,386,221	17,030,271	18,966,340	19,220,759
Unrestricted	40,123,385	32,349,314	38,675,708	41,348,470
Total Business-type Activities Net Position	<u>\$148,953,742</u>	<u>\$149,089,710</u>	<u>\$152,902,659</u>	<u>\$156,724,707</u>
Primary Government:				
Net Investment in Capital Assets	\$154,176,529	\$159,355,874	\$156,518,661	\$158,529,198
Restricted	21,753,423	32,081,835	33,579,284	33,593,591
Unrestricted	45,052,847	30,701,982	37,964,552	42,739,716
Total Primary Government Net Position	<u>\$220,982,799</u>	<u>\$222,139,691</u>	<u>\$228,062,497</u>	<u>\$234,862,505</u>

* Restated
Source: City Records

(continued)

CITY OF HAMILTON, OHIO

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	*		*	*
	2011	2012	2013	2014
Governmental Activities:				
Net Investment in Capital Assets	\$61,265,974	\$60,330,073	\$64,612,820	\$68,592,556
Restricted	12,456,507	9,033,196	9,974,060	6,720,442
Unrestricted (Deficit)	10,738,609	13,796,160	12,148,592	(25,249,747)
Total Governmental Activities Net Position	<u>\$84,461,090</u>	<u>\$83,159,429</u>	<u>\$86,735,472</u>	<u>\$50,063,251</u>
Business-type Activities:				
Net Investment in Capital Assets	\$92,584,709	\$88,211,121	\$101,543,663	\$107,423,550
Restricted	21,542,104	20,539,704	20,759,192	21,622,744
Unrestricted	45,878,883	53,287,953	44,971,490	24,981,821
Total Business-type Activities Net Position	<u>\$160,005,696</u>	<u>\$162,038,778</u>	<u>\$167,274,345</u>	<u>\$154,028,115</u>
Primary Government:				
Net Investment in Capital Assets	\$153,850,683	\$148,541,194	\$166,156,483	\$176,016,106
Restricted	33,998,611	29,572,900	30,733,252	28,343,186
Unrestricted	56,617,492	67,084,113	57,120,082	(267,926)
Total Primary Government Net Position	<u>\$244,466,786</u>	<u>\$245,198,207</u>	<u>\$254,009,817</u>	<u>\$204,091,366</u>

(continued)

CITY OF HAMILTON, OHIO

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	*	
	2015	2016
Governmental Activities:		
Net Investment in Capital Assets	\$66,544,600	\$74,591,613
Restricted	8,178,159	6,212,366
Unrestricted (Deficit)	(28,081,791)	(34,082,733)
Total Governmental Activities Net Position	<u>\$46,640,968</u>	<u>\$46,721,246</u>
Business-type Activities:		
Net Investment in Capital Assets	\$100,463,100	\$196,783,938
Restricted	18,235,929	18,131,101
Unrestricted	29,658,800	62,635,431
Total Business-type Activities Net Position	<u>\$148,357,829</u>	<u>\$277,550,470</u>
Primary Government:		
Net Investment in Capital Assets	\$167,007,700	\$271,375,551
Restricted	26,414,088	24,343,467
Unrestricted	1,577,009	28,552,698
Total Primary Government Net Position	<u>\$194,998,797</u>	<u>\$324,271,716</u>

CITY OF HAMILTON, OHIO

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2007	2008	2009
Expenses			
Governmental Activities:			
General Government	\$8,082,518	\$8,683,408	\$6,352,352
Security of Persons and Property	31,189,244	34,302,781	32,717,128
Leisure Time Activities	3,011,837	2,635,833	2,319,113
Community Environment	5,088,227	4,416,618	4,088,119
Basic Utility Services	6,444,432	5,986,163	4,988,742
Transportation	5,382,362	5,175,752	4,937,607
Public Health and Welfare Services	2,011,188	1,797,223	1,391,995
Interest and Fiscal Charges	1,731,279	1,841,454	1,691,303
<i>Total Governmental Activities Expenses</i>	<u>62,941,087</u>	<u>64,839,232</u>	<u>58,486,359</u>
Business-type Activities:			
Gas Utility	35,483,116	38,277,473	29,632,664
Electric Utility	62,949,988	66,837,931	57,846,530
Water Utility	15,708,740	15,364,817	15,812,619
Wastewater Utility	11,573,839	11,550,867	11,640,859
<i>Total Business-type Activities Expenses</i>	<u>125,715,683</u>	<u>132,031,088</u>	<u>114,932,672</u>
<i>Total Primary Government Expenses</i>	<u>\$188,656,770</u>	<u>\$196,870,320</u>	<u>\$173,419,031</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
General Government	\$3,972,931	\$3,768,171	\$3,582,518
Security of Persons and Property	3,390,761	2,854,823	2,989,428
Leisure Time Activities	907,533	1,172,884	1,010,294
Community Environment	1,087,336	696,461	520,120
Basic Utility Services	2,381,789	5,072,561	5,193,803
Transportation	952,715	974,008	929,203
Public Health and Welfare Services	887,193	250,713	260,472
Interest and Fiscal Charges	285,815	0	0
Operating Grants and Contributions	6,684,403	7,182,857	6,094,561
Capital Grants and Contributions	2,492,177	2,769,036	1,036,590
<i>Total Governmental Activities Program Revenues</i>	<u>23,042,653</u>	<u>24,741,514</u>	<u>21,616,989</u>

(continued)

CITY OF HAMILTON, OHIO

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2010	2011	2012
Expenses			
Governmental Activities:			
General Government	\$5,096,822	\$5,991,786	\$7,057,730
Security of Persons and Property	33,222,968	32,949,502	31,282,855
Leisure Time Activities	2,457,896	1,970,218	2,247,173
Community Environment	5,147,583	2,902,576	3,397,734
Basic Utility Services	6,106,116	6,150,598	5,809,490
Transportation	5,543,369	6,605,053	6,157,603
Public Health and Welfare Services	1,187,775	1,163,297	1,061,241
Interest and Fiscal Charges	1,604,305	1,596,931	1,439,838
<i>Total Governmental Activities Expenses</i>	<u>60,366,834</u>	<u>59,329,961</u>	<u>58,453,664</u>
Business-type Activities:			
Gas Utility	25,598,234	21,777,870	16,850,289
Electric Utility	65,413,730	61,257,197	60,661,556
Water Utility	16,425,257	14,968,676	14,909,166
Wastewater Utility	11,546,069	11,441,639	11,872,627
<i>Total Business-type Activities Expenses</i>	<u>118,983,290</u>	<u>109,445,382</u>	<u>104,293,638</u>
<i>Total Primary Government Expenses</i>	<u>\$179,350,124</u>	<u>\$168,775,343</u>	<u>\$162,747,302</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
General Government	\$3,596,250	\$3,233,683	\$3,345,900
Security of Persons and Property	3,032,170	3,356,743	3,678,374
Leisure Time Activities	924,335	741,400	1,122,766
Community Environment	675,986	575,603	806,118
Basic Utility Services	5,472,370	5,480,531	5,666,718
Transportation	802,245	737,819	698,865
Public Health and Welfare Services	265,739	248,189	237,768
Interest and Fiscal Charges	0	0	0
Operating Grants and Contributions	7,464,150	6,122,577	6,402,940
Capital Grants and Contributions	2,204,021	2,800,483	1,138,969
<i>Total Governmental Activities Program Revenues</i>	<u>24,437,266</u>	<u>23,297,028</u>	<u>23,098,418</u>

(continued)

CITY OF HAMILTON, OHIO

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2013	2014	2015
Expenses			
Governmental Activities:			
General Government	\$6,846,691	\$5,495,659	\$11,972,665
Security of Persons and Property	29,179,575	27,645,337	29,109,984
Leisure Time Activities	2,552,980	2,828,054	2,788,945
Community Environment	4,757,333	4,341,261	3,213,932
Basic Utility Services	5,696,920	6,088,052	6,779,008
Transportation	5,644,999	5,878,181	5,496,120
Public Health and Welfare Services	1,081,832	1,206,052	1,542,573
Interest and Fiscal Charges	973,805	992,213	1,075,144
<i>Total Governmental Activities Expenses</i>	<u>56,734,135</u>	<u>54,474,809</u>	<u>61,978,371</u>
Business-type Activities:			
Gas Utility	24,873,444	31,175,555	22,071,290
Electric Utility	57,515,509	64,245,951	65,637,974
Water Utility	14,605,296	13,741,329	14,563,899
Wastewater Utility	12,256,376	11,602,824	12,065,377
<i>Total Business-type Activities Expenses</i>	<u>109,250,625</u>	<u>120,765,659</u>	<u>114,338,540</u>
<i>Total Primary Government Expenses</i>	<u>\$165,984,760</u>	<u>\$175,240,468</u>	<u>\$176,316,911</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
General Government	\$3,315,895	\$3,252,331	\$3,183,357
Security of Persons and Property	2,804,466	2,963,747	3,055,722
Leisure Time Activities	1,200,984	1,284,944	1,209,724
Community Environment	746,272	611,630	456,883
Basic Utility Services	5,903,259	5,933,181	5,839,079
Transportation	645,653	591,655	659,797
Public Health and Welfare Services	253,046	232,987	222,113
Interest and Fiscal Charges	0	0	0
Operating Grants and Contributions	8,740,661	5,925,099	5,584,899
Capital Grants and Contributions	1,573,747	1,973,789	2,880,774
<i>Total Governmental Activities Program Revenues</i>	<u>25,183,983</u>	<u>22,769,363</u>	<u>23,092,348</u>

(continued)

CITY OF HAMILTON, OHIO

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	<u>2016</u>
Expenses	
Governmental Activities:	
General Government	\$13,748,213
Security of Persons and Property	29,364,275
Leisure Time Activities	2,655,781
Community Environment	2,156,324
Basic Utility Services	5,986,601
Transportation	5,398,871
Public Health and Welfare Services	1,392,658
Interest and Fiscal Charges	1,136,751
<i>Total Governmental Activities Expenses</i>	<u>61,839,474</u>
Business-type Activities:	
Gas Utility	20,059,695
Electric Utility	73,482,880
Water Utility	14,948,562
Wastewater Utility	13,232,904
<i>Total Business-type Activities Expenses</i>	<u>121,724,041</u>
<i>Total Primary Government Expenses</i>	<u>\$183,563,515</u>

Program Revenues

Governmental Activities:	
Charges for Services	
General Government	\$3,666,535
Security of Persons and Property	3,195,876
Leisure Time Activities	1,098,407
Community Environment	789,256
Basic Utility Services	6,031,405
Transportation	683,059
Public Health and Welfare Services	224,444
Interest and Fiscal Charges	0
Operating Grants and Contributions	4,469,691
Capital Grants and Contributions	3,186,797
<i>Total Governmental Activities Program Revenues</i>	<u>23,345,470</u>

(continued)

CITY OF HAMILTON, OHIO

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2007	2008	2009
Business-type Activities:			
Charges for Services			
Gas Utility	37,972,254	39,522,340	31,662,109
Electric Utility	62,927,311	65,136,558	61,177,918
Water Utility	15,828,437	14,266,483	14,231,316
Wastewater Utility	11,019,239	10,682,911	10,722,481
Operating Grants and Contributions	117,344	0	0
Capital Grants and Contributions	124,275	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>127,988,860</u>	<u>129,608,292</u>	<u>117,793,824</u>
<i>Total Primary Government Program Revenues</i>	<u>151,031,513</u>	<u>154,349,806</u>	<u>139,410,813</u>
Net (Expense)/Revenue			
Governmental Activities	(39,898,434)	(40,097,718)	(36,869,370)
Business-type Activities	2,273,177	(2,422,796)	2,861,152
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$37,625,257)</u></u>	<u><u>(\$42,520,514)</u></u>	<u><u>(\$34,008,218)</u></u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Income Taxes	\$23,297,050	\$24,521,745	\$22,555,364
Property and Other Local Taxes	9,732,886	9,601,028	9,688,166
Intergovernmental, Unrestricted	3,999,620	4,764,901	4,827,624
Investment Earnings	783,876	678,248	143,617
Miscellaneous	1,717,147	1,382,720	1,846,956
Transfers	0	170,000	492,500
<i>Total Governmental Activities</i>	<u>39,530,579</u>	<u>41,118,642</u>	<u>39,554,227</u>
Business-type Activities:			
Other Local Taxes (kWh Tax)	0	0	40,816
Investment Earnings	3,273,372	2,305,537	602,636
Transfers	0	(170,000)	(492,500)
Special Items	0	0	0
<i>Total Business-type Activities</i>	<u>3,273,372</u>	<u>2,135,537</u>	<u>150,952</u>
<i>Total Primary Government</i>	<u><u>\$42,803,951</u></u>	<u><u>\$43,254,179</u></u>	<u><u>\$39,705,179</u></u>
Change in Net Position			
Governmental Activities	(\$367,855)	\$1,020,924	\$2,684,857
Business-type Activities	5,546,549	(287,259)	3,012,104
<i>Total Primary Government Change in Net Position</i>	<u><u>\$5,178,694</u></u>	<u><u>\$733,665</u></u>	<u><u>\$5,696,961</u></u>

(continued)

CITY OF HAMILTON, OHIO

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2010	2011	2012
Business-type Activities:			
Charges for Services			
Gas Utility	26,793,820	21,930,366	16,574,138
Electric Utility	64,552,173	63,327,834	62,172,965
Water Utility	14,815,360	14,948,140	14,749,579
Wastewater Utility	11,203,887	12,302,310	12,068,156
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	652,642	40,500	200,000
<i>Total Business-type Activities Program Revenues</i>	<u>118,017,882</u>	<u>112,549,150</u>	<u>105,764,838</u>
<i>Total Primary Government Program Revenues</i>	<u>142,455,148</u>	<u>135,846,178</u>	<u>128,863,256</u>
Net (Expense)/Revenue			
Governmental Activities	(35,929,568)	(36,032,933)	(35,355,246)
Business-type Activities	(965,408)	3,103,768	1,471,200
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$36,894,976)</u></u>	<u><u>(\$32,929,165)</u></u>	<u><u>(\$33,884,046)</u></u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Income Taxes	\$22,230,625	\$21,912,270	\$21,259,474
Property and Other Local Taxes	9,142,263	9,024,254	8,969,655
Intergovernmental, Unrestricted	5,674,578	10,357,132	3,112,982
Investment Earnings	100,931	98,396	76,967
Miscellaneous	1,184,131	964,173	913,202
Transfers	0	0	(278,695)
<i>Total Governmental Activities</i>	<u>38,332,528</u>	<u>42,356,225</u>	<u>34,053,585</u>
Business-type Activities:			
Other Local Taxes (kWh Tax)	25,222	2,086	0
Investment Earnings	392,067	275,171	283,187
Transfers	0	0	278,695
Special Items	3,888,044	0	0
<i>Total Business-type Activities</i>	<u>4,305,333</u>	<u>277,257</u>	<u>561,882</u>
<i>Total Primary Government</i>	<u><u>\$42,637,861</u></u>	<u><u>\$42,633,482</u></u>	<u><u>\$34,615,467</u></u>
Change in Net Position			
Governmental Activities	\$2,402,960	\$6,323,292	(\$1,301,661)
Business-type Activities	3,339,925	3,381,025	2,033,082
<i>Total Primary Government Change in Net Position</i>	<u><u>\$5,742,885</u></u>	<u><u>\$9,704,317</u></u>	<u><u>\$731,421</u></u>

(continued)

CITY OF HAMILTON, OHIO

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2013	2014	2015
Business-type Activities:			
Charges for Services			
Gas Utility	24,742,117	29,369,479	21,979,425
Electric Utility	60,346,033	61,577,164	64,619,906
Water Utility	14,656,538	14,865,682	12,550,024
Wastewater Utility	11,779,979	12,037,408	11,821,865
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	0	713,516	0
<i>Total Business-type Activities Program Revenues</i>	<u>111,524,667</u>	<u>118,563,249</u>	<u>110,971,220</u>
<i>Total Primary Government Program Revenues</i>	<u>136,708,650</u>	<u>141,332,612</u>	<u>134,063,568</u>
Net (Expense)/Revenue			
Governmental Activities	(31,550,152)	(31,705,446)	(38,886,023)
Business-type Activities	2,274,042	(2,202,410)	(3,367,320)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$29,276,110)</u>	<u>(\$33,907,856)</u>	<u>(\$42,253,343)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Income Taxes	\$22,310,512	\$23,354,264	\$24,852,412
Property and Other Local Taxes	8,961,444	8,709,596	8,959,287
Intergovernmental, Unrestricted	3,210,419	2,674,829	2,691,164
Investment Earnings	(69,511)	253,825	114,686
Miscellaneous	751,688	1,021,094	1,635,091
Transfers	0	0	(46,727)
<i>Total Governmental Activities</i>	<u>35,164,552</u>	<u>36,013,608</u>	<u>38,205,913</u>
Business-type Activities:			
Other Local Taxes (kWh Tax)	0	0	0
Investment Earnings	73,168	1,053,605	317,485
Transfers	0	0	46,727
Special Items	2,850,000	0	0
<i>Total Business-type Activities</i>	<u>2,923,168</u>	<u>1,053,605</u>	<u>364,212</u>
<i>Total Primary Government</i>	<u>\$38,087,720</u>	<u>\$37,067,213</u>	<u>\$38,570,125</u>
Change in Net Position			
Governmental Activities	\$3,614,400	\$4,308,162	(\$680,110)
Business-type Activities	5,197,210	(1,148,805)	(3,003,108)
<i>Total Primary Government Change in Net Position</i>	<u>\$8,811,610</u>	<u>\$3,159,357</u>	<u>(\$3,683,218)</u>

(continued)

CITY OF HAMILTON, OHIO

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2016
Business-type Activities:	
Charges for Services	
Gas Utility	19,086,678
Electric Utility	66,319,492
Water Utility	13,088,389
Wastewater Utility	12,385,219
Operating Grants and Contributions	743,247
Capital Grants and Contributions	0
<i>Total Business-type Activities Program Revenues</i>	111,623,025
<i>Total Primary Government Program Revenues</i>	134,968,495
Net (Expense)/Revenue	
Governmental Activities	(38,494,004)
Business-type Activities	(10,101,016)
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$48,595,020)
General Revenues and Other Changes in Net Position	
Governmental Activities:	
Income Taxes	\$25,970,527
Property and Other Local Taxes	8,627,124
Intergovernmental, Unrestricted	2,342,386
Investment Earnings	28,749
Miscellaneous	1,605,496
Transfers	0
<i>Total Governmental Activities</i>	38,574,282
Business-type Activities:	
Other Local Taxes (kWh Tax)	2,952
Investment Earnings	290,705
Transfers	0
Special Items	139,000,000
<i>Total Business-type Activities</i>	139,293,657
<i>Total Primary Government</i>	\$177,867,939
Change in Net Position	
Governmental Activities	\$80,278
Business-type Activities	129,192,641
<i>Total Primary Government Change in Net Position</i>	\$129,272,919

CITY OF HAMILTON, OHIO

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2007	2008	2009	2010
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	949,595	358,802	320,800	647,346
Unreserved	3,650,400	2,393,672	2,234,918	4,604,450
<i>Total General Fund</i>	<u>4,599,995</u>	<u>2,752,474</u>	<u>2,555,718</u>	<u>5,251,796</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	4,063,502	1,832,382	1,251,859	2,588,395
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	3,441,448	6,052,023	9,652,045	7,632,072
Debt Service Funds	413,719	545,256	519,843	639,917
Capital Projects Funds	(985,852)	(1,962,315)	4,592,911	4,738,598
<i>Total All Other Governmental Funds</i>	<u>6,932,817</u>	<u>6,467,346</u>	<u>16,016,658</u>	<u>15,598,982</u>
<i>Total Governmental Funds</i>	<u><u>\$11,532,812</u></u>	<u><u>\$9,219,820</u></u>	<u><u>\$18,572,376</u></u>	<u><u>\$20,850,778</u></u>

(continued)

Source: City Records

* Restated

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

CITY OF HAMILTON, OHIO

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2011	2012	* 2013	2014
General Fund				
Nonspendable	\$212,005	\$150,276	\$157,427	\$257,910
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	1,586,391	2,797,712	2,591,073	3,513,033
Unassigned	10,108,616	7,014,183	8,272,712	7,986,708
Reserved	0	0	0	0
Unreserved	0	0	0	0
Total General Fund	11,907,012	9,962,171	11,021,212	11,757,651
All Other Governmental Funds				
Nonspendable	\$134,858	\$120,806	\$128,399	\$173,681
Restricted	10,764,914	7,315,026	14,833,337	9,753,522
Committed	3,035,715	3,592,878	4,031,504	4,492,651
Assigned	2,659,700	3,078,130	2,240,056	3,386,345
Unassigned	(972,421)	(498,843)	(473,703)	(98,694)
Reserved	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
Total All Other Governmental Funds	15,622,766	13,607,997	20,759,593	17,707,505
Total Governmental Funds	\$27,529,778	\$23,570,168	\$31,780,805	\$29,465,156

(continued)

CITY OF HAMILTON, OHIO

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2015</u>	<u>2016</u>
General Fund		
Nonspendable	\$273,120	\$270,135
Restricted	0	0
Committed	0	0
Assigned	2,027,119	1,598,710
Unassigned	11,602,256	7,267,975
Reserved	0	0
Unreserved	<u>0</u>	<u>0</u>
<i>Total General Fund</i>	<u>13,902,495</u>	<u>9,136,820</u>
All Other Governmental Funds		
Nonspendable	\$169,184	\$176,403
Restricted	5,294,588	2,748,424
Committed	4,386,446	4,438,845
Assigned	843,659	103,101
Unassigned	(36,116)	(391,739)
Reserved	0	0
Unreserved, Undesignated, Reported in:		
Special Revenue Funds	0	0
Debt Service Funds	0	0
Capital Projects Funds	<u>0</u>	<u>0</u>
<i>Total All Other Governmental Funds</i>	<u>10,657,761</u>	<u>7,075,034</u>
<i>Total Governmental Funds</i>	<u><u>\$24,560,256</u></u>	<u><u>\$16,211,854</u></u>

CITY OF HAMILTON, OHIO

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2007	2008	2009	2010
Revenues:				
Taxes	\$32,477,358	\$33,726,071	\$32,187,244	\$31,926,401
Intergovernmental Revenues	12,114,525	13,577,781	13,171,624	15,353,253
Charges for Services	11,663,269	12,113,048	11,940,972	12,018,069
Licenses and Permits	1,617,944	928,440	900,996	1,026,594
Investment Earnings	1,207,785	678,248	143,617	100,931
Special Assessments	579,531	646,254	515,488	686,661
Fines and Forfeitures	1,169,628	1,101,672	1,080,015	1,017,725
All Other Revenue	1,417,602	1,336,575	2,041,280	1,226,936
Total Revenues	<u>62,247,642</u>	<u>64,108,089</u>	<u>61,981,236</u>	<u>63,356,570</u>
Expenditures:				
Current:				
General Government	7,374,610	7,448,102	5,628,443	3,965,793
Security of Persons and Property	30,438,704	32,092,050	31,100,200	31,574,695
Leisure Time Activities	2,792,748	2,369,005	2,059,769	2,202,403
Community Environment	5,089,993	4,185,051	4,114,757	5,013,534
Basic Utility Services	6,465,442	5,761,957	4,879,843	5,945,443
Transportation	3,443,964	2,900,974	2,650,327	3,336,713
Public Health and Welfare Services	2,020,528	1,755,859	1,356,162	1,219,842
Capital Outlay	6,522,370	6,392,174	2,084,004	4,383,743
Debt Service:				
Principal Retirement	1,885,000	1,997,000	2,045,000	2,425,000
Interest and Fiscal Charges	1,674,562	1,791,973	1,679,943	1,573,877
Total Expenditures	<u>67,707,921</u>	<u>66,694,145</u>	<u>57,598,448</u>	<u>61,641,043</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,460,279)	(2,586,056)	4,382,788	1,715,527

(continued)

CITY OF HAMILTON, OHIO

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2011	2012	2013	2014
Revenues:				
Taxes	\$30,848,001	\$30,240,129	\$30,392,344	\$31,793,857
Intergovernmental Revenues	19,480,722	10,997,434	13,552,982	10,403,668
Charges for Services	11,893,521	12,659,606	12,367,803	12,274,857
Licenses and Permits	857,177	981,700	935,844	1,036,845
Investment Earnings	98,396	76,967	(59,847)	253,825
Special Assessments	563,674	811,933	668,686	626,396
Fines and Forfeitures	1,066,910	1,130,278	821,866	947,713
All Other Revenue	964,173	913,202	751,688	1,021,094
Total Revenues	<u>65,772,574</u>	<u>57,811,249</u>	<u>59,431,366</u>	<u>58,358,255</u>
Expenditures:				
Current:				
General Government	5,089,992	6,121,906	6,456,639	4,599,445
Security of Persons and Property	30,807,813	30,141,708	27,840,266	26,527,614
Leisure Time Activities	1,662,185	1,973,297	2,731,042	2,406,632
Community Environment	2,754,638	3,315,185	4,639,097	4,195,166
Basic Utility Services	5,821,649	5,696,091	5,621,039	5,847,541
Transportation	3,924,752	3,762,769	3,496,658	3,761,881
Public Health and Welfare Services	1,115,975	1,035,886	1,042,523	1,144,033
Capital Outlay	6,762,309	5,461,124	6,069,186	8,688,731
Debt Service:				
Principal Retirement	2,485,000	2,695,000	2,365,000	2,405,000
Interest and Fiscal Charges	1,750,626	1,274,719	1,187,163	1,134,543
Total Expenditures	<u>62,174,939</u>	<u>61,477,685</u>	<u>61,448,613</u>	<u>60,710,586</u>
Excess (Deficiency) of Revenues Over Expenditures	3,597,635	(3,666,436)	(2,017,247)	(2,352,331)

(continued)

CITY OF HAMILTON, OHIO

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2015</u>	<u>2016</u>
Revenues:		
Taxes	\$33,637,684	\$34,425,266
Intergovernmental Revenues	10,354,357	10,075,259
Charges for Services	12,210,156	12,746,544
Licenses and Permits	1,018,831	1,086,953
Investment Earnings	114,686	28,749
Special Assessments	457,761	452,533
Fines and Forfeitures	944,175	1,063,974
All Other Revenue	1,635,091	1,880,496
Total Revenues	<u>60,372,741</u>	<u>61,759,774</u>
Expenditures:		
Current:		
General Government	5,203,607	10,186,194
Security of Persons and Property	26,548,711	27,434,430
Leisure Time Activities	2,427,067	2,318,248
Community Environment	3,004,125	2,162,524
Basic Utility Services	6,354,117	8,344,578
Transportation	3,161,989	4,109,609
Public Health and Welfare Services	1,455,638	1,398,872
Capital Outlay	14,304,429	11,282,845
Debt Service:		
Principal Retirement	2,559,963	3,208,002
Interest and Fiscal Charges	1,217,255	1,283,266
Total Expenditures	<u>66,236,901</u>	<u>71,728,568</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,864,160)	(9,968,794)

(continued)

CITY OF HAMILTON, OHIO

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2007	2008	2009	2010
Other Financing Sources (Uses):				
Long-Term Capital Related Debt Issued	365,000	0	0	0
Sale of Capital Assets	1,087,495	86,580	61,196	0
Ohio Water Development Authority Loans Issued	0	0	0	0
Loan Issuance	0	0	0	0
General Obligation Bonds and Notes Issued	0	0	4,920,000	0
Premium on General Obligation Bonds	0	0	142,501	0
Discount on General Obligation Bonds	0	0	(42,930)	0
Refunding General Obligation Bonds	0	0	2,235,000	0
Payment to Refunded Bond Escrow Agent	0	0	(2,257,022)	0
Transfers In	6,447,505	7,003,332	11,407,779	5,119,036
Transfers Out	(6,447,505)	(6,833,332)	(10,915,279)	(5,119,036)
Total Other Financing Sources (Uses)	<u>1,452,495</u>	<u>256,580</u>	<u>5,551,245</u>	<u>0</u>
Net Change in Fund Balance	<u>(\$4,007,784)</u>	<u>(\$2,329,476)</u>	<u>\$9,934,033</u>	<u>\$1,715,527</u>
 Debt Service as a Percentage of Noncapital Expenditures	 5.83%	 6.04%	 6.65%	 6.81%

(continued)

CITY OF HAMILTON, OHIO

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2011	2012	2013	2014
Other Financing Sources (Uses):				
Long-Term Capital Related Debt Issued	0	0	0	0
Sale of Capital Assets	49,451	418	115,852	29,359
Ohio Water Development Authority Loans Issued	0	0	0	0
Loan Issuance	0	0	9,500,000	0
General Obligation Bonds and Notes Issued	2,535,000	0	0	0
Premium on General Obligation Bonds	1,709,955	0	0	0
Discount on General Obligation Bonds	0	0	0	0
Refunding General Obligation Bonds	18,360,000	0	0	0
Payment to Refunded Bond Escrow Agent	(19,621,590)	0	0	0
Transfers In	4,214,964	8,844,112	7,500,414	11,699,277
Transfers Out	(4,214,964)	(9,122,807)	(7,500,414)	(11,699,277)
Total Other Financing Sources (Uses)	<u>3,032,816</u>	<u>(278,277)</u>	<u>9,615,852</u>	<u>29,359</u>
Net Change in Fund Balance	<u>\$6,630,451</u>	<u>(\$3,944,713)</u>	<u>\$7,598,605</u>	<u>(\$2,322,972)</u>
Debt Service as a Percentage of Noncapital Expenditures	7.22%	6.91%	6.30%	6.59%

(continued)

CITY OF HAMILTON, OHIO

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2015</u>	<u>2016</u>
Other Financing Sources (Uses):		
Long-Term Capital Related Debt Issued	0	0
Sale of Capital Assets	65,721	15,336
Ohio Water Development Authority Loans Issued	0	1,592,766
Loan Issuance	700,000	0
General Obligation Bonds and Notes Issued	0	0
Premium on General Obligation Bonds	0	0
Discount on General Obligation Bonds	0	0
Refunding General Obligation Bonds	0	0
Payment to Refunded Bond Escrow Agent	0	0
Transfers In	10,725,880	10,319,607
Transfers Out	<u>(10,522,975)</u>	<u>(10,319,607)</u>
Total Other Financing Sources (Uses)	<u>968,626</u>	<u>1,608,102</u>
Net Change in Fund Balance	<u><u>(\$4,895,534)</u></u>	<u><u>(\$8,360,692)</u></u>
Debt Service as a Percentage of Noncapital Expenditures	6.78%	7.50%

CITY OF HAMILTON, OHIO

*Assessed Valuations and Estimated
True Values of Taxable Property
(per \$1,000 of assessed value)
Last Ten Years*

Collection Year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Real Property				
Assessed	\$894,319,760	\$903,465,830	\$950,210,110	\$900,434,690
Actual	2,555,199,314	2,581,330,943	2,714,886,029	2,572,670,543
Public Utility				
Assessed	7,410,550	3,167,600	2,719,800	2,461,240
Actual	7,410,550	3,167,600	2,719,800	2,461,240
Tangible Personal Property				
Assessed	50,884,160	38,617,646	0	0
Actual	407,073,280	617,882,336	0	0
Total				
Assessed	952,614,470	945,251,076	952,929,910	902,895,930
Actual	2,969,683,144	3,202,380,879	2,717,605,829	2,575,131,783
Assessed Value as a Percentage of Actual Value	32.08%	29.52%	35.07%	35.06%
Total Direct Tax Rate	\$7.16	\$7.16	\$7.16	\$7.16

Source: Butler County Auditor

(continued)

CITY OF HAMILTON, OHIO

*Assessed Valuations and Estimated
True Values of Taxable Property
(per \$1,000 of assessed value)
Last Ten Years*

Collection Year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Real Property				
Assessed	\$889,863,130	\$822,899,950	\$805,839,810	\$753,521,500
Actual	2,542,466,086	2,351,142,714	2,302,399,457	2,152,918,571
Public Utility				
Assessed	5,891,190	5,798,610	4,726,410	4,763,000
Actual	5,891,190	5,798,610	4,726,410	4,763,000
Tangible Personal Property				
Assessed	0	0	0	0
Actual	0	0	0	0
Total				
Assessed	895,754,320	828,698,560	810,566,220	758,284,500
Actual	2,548,357,276	2,356,941,324	2,307,125,867	2,157,681,571
Assessed Value as a Percentage of Actual Value	35.15%	35.16%	35.13%	35.14%
Total Direct Tax Rate	\$6.81	\$6.81	\$6.81	\$6.81

(continued)

CITY OF HAMILTON, OHIO

*Assessed Valuations and Estimated
True Values of Taxable Property
(per \$1,000 of assessed value)
Last Ten Years*

Collection Year	<u>2015</u>	<u>2016</u>
Real Property		
Assessed	\$747,624,230	\$744,751,530
Actual	2,136,069,229	2,127,861,514
Public Utility		
Assessed	4,937,810	5,062,790
Actual	4,937,810	5,062,790
Tangible Personal Property		
Assessed	0	0
Actual	0	0
Total		
Assessed	752,562,040	749,814,320
Actual	2,141,007,039	2,132,924,304
Assessed Value as a Percentage of Actual Value	35.15%	35.15%
Total Direct Tax Rate	\$6.81	\$6.81

CITY OF HAMILTON, OHIO

*Property Tax Levies and Collections
Last Ten Calendar Years*

Calendar Year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Taxes Levied for the Calendar Year	\$6,498,408	\$6,446,810	\$6,582,443	\$6,159,369
Collected within the Calendar Year of the Levy				
Amount	5,885,931	5,964,533	6,341,037	5,755,139
Percent of Levy	90.57%	92.52%	96.33%	93.44%
Collections in Subsequent Years (1)	232,809	260,500	371,397	211,476
Total Collections to Date				
Amount	6,118,740	6,225,033	6,712,434	5,966,615
Percent of Levy	94.16%	96.56%	101.97%	96.87%

Source: County Auditor

(1) The County does not identify delinquent tax collections by tax year

(continued)

CITY OF HAMILTON, OHIO

*Property Tax Levies and Collections
Last Ten Calendar Years*

Calendar Year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Taxes Levied for the Calendar Year	\$5,808,362	\$5,459,714	\$5,409,302	\$5,349,390
Collected within the Calendar Year of the Levy				
Amount	5,449,604	5,152,127	5,042,759	5,043,851
Percent of Levy	93.82%	94.37%	93.22%	94.29%
Collections in Subsequent Years (1)	236,932	262,971	231,531	258,114
Total Collections to Date				
Amount	5,686,536	5,415,098	5,274,290	5,301,965
Percent of Levy	97.90%	99.18%	97.50%	99.11%

(continued)

CITY OF HAMILTON, OHIO

*Property Tax Levies and Collections
Last Ten Calendar Years*

Calendar Year	<u>2015</u>	<u>2016</u>
Taxes Levied for the Calendar Year	\$5,091,799	\$5,060,320
Collected within the Calendar Year of the Levy		
Amount	4,837,997	4,845,600
Percent of Levy	95.02%	95.76%
Collections in Subsequent Years (1)	262,126	221,457
Total Collections to Date		
Amount	5,100,123	5,067,057
Percent of Levy	100.16%	100.13%

CITY OF HAMILTON, OHIO

*Direct and Overlapping
Property Tax Rates
Last Ten Calendar Years*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Direct Rates					
General Fund	4.21	4.21	4.21	4.21	4.21
Police Pension Fund	0.30	0.30	0.30	0.30	0.30
Fire Pension Fund	0.30	0.30	0.30	0.30	0.30
Miami Conservancy Fund (1)	0.35	0.35	0.35	0.35	0.00
Police / Fire-EMS Levies	2.00	2.00	2.00	2.00	2.00
Total Direct Rate	<u>7.16</u>	<u>7.16</u>	<u>7.16</u>	<u>7.16</u>	<u>6.81</u>
Overlapping Rates					
Hamilton City School District	53.42	53.42	53.42	53.42	53.42
Butler County	10.95	10.45	10.45	9.75	9.75

Source: County Auditor

(1) - Levied by the City for the benefit of the Miami Conservancy District.
Beginning in 2011 this is no longer levied.

Note: Rates may only be raised by obtaining the approval of a majority
of the voters at a public election.

(continued)

CITY OF HAMILTON, OHIO

*Direct and Overlapping
Property Tax Rates
Last Ten Calendar Years*

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Direct Rates					
General Fund	4.21	4.21	4.21	4.21	4.21
Police Pension Fund	0.30	0.30	0.30	0.30	0.30
Fire Pension Fund	0.30	0.30	0.30	0.30	0.30
Miami Conservancy Fund (1)	0.00	0.00	0.00	0.00	0.00
Police / Fire-EMS Levies	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
Total Direct Rate	6.81	6.81	6.81	6.81	6.81
Overlapping Rates					
Hamilton City School District	53.42	53.61	55.61	54.81	54.81
Butler County	9.72	9.72	9.72	9.72	9.72

CITY OF HAMILTON, OHIO

*Principal Property Tax Payers
Current Year and Nine Years Ago*

Tax Payer	Nature of Business	2016	
		Assessed Value	Percentage of Total Assessed Value
Colonial Senior Services	Healthcare	\$5,269,060	0.70%
Duke Realty	Real Estate	5,043,310	0.67%
Shadow Creek Apartments	Real Estate	3,869,070	0.52%
AHP Knollwood Crossing	Real Estate	3,770,670	0.50%
Tippmann Realty	Real Estate	3,610,190	0.48%
Pedcor Investments	Investments	3,031,700	0.40%
Duke Energy	Utility	2,735,910	0.36%
Wish Village Apartments	Real Estate	2,502,860	0.33%
TCG Symmes	Real Estate	2,308,500	0.31%
Ohio Indiana Property	Real Estate	2,143,080	0.29%
	Sub-Total	34,284,350	4.56%
	All Others	715,529,970	95.44%
	Total	<u>\$749,814,320</u>	<u>100.00%</u>

Tax Payer	Nature of Business	2007	
		Assessed Value	Percentage of Total Assessed Value
Tippman Realty	Real Estate	\$5,052,960	0.53%
Shadow Creek Apartments	Real Estate	4,888,780	0.51%
Colonial Senior Services	Healthcare	4,262,690	0.45%
Pedcor Investments	Investments	4,163,870	0.44%
Hatteras Properties LTD	Real Estate	3,871,390	0.41%
Affordable Housing PRT	Real Estate	3,672,820	0.39%
First National Bank	Finance	3,515,570	0.37%
Hamilton Crossings	Real Estate	3,325,000	0.35%
Butler County Surgical	Healthcare	2,469,270	0.26%
Duke Energy	Utility	2,212,940	0.23%
	Sub-Total	37,435,290	3.94%
	All Others	915,179,180	96.06%
	Total	<u>\$952,614,470</u>	<u>100.00%</u>

Source: County Auditor

CITY OF HAMILTON, OHIO

*Income Tax Collection Receipts by Fund
(Cash Basis of Accounting)
Last Ten Calendar Years*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund (1)	\$18,240,349	\$18,623,279	\$17,656,771	\$17,442,410
Public Safety / Health Income Tax Fund (2)	2,971,408	3,034,120	2,877,197	2,841,970
Hamilton Capital Improvement Fund (3)	<u>2,377,126</u>	<u>2,427,386</u>	<u>2,301,757</u>	<u>2,273,576</u>
Total	<u>\$23,588,883</u>	<u>\$24,084,785</u>	<u>\$22,835,725</u>	<u>\$22,557,956</u>
 Income Tax Rate (4)	 2.00	 2.00	 2.00	 2.00

Source: City Records

- (1) - Equates to 1.55% of 2.00% total rate, or 77.50% of total
- (2) - Equates to 0.25% of 2.00% total rate, or 12.50% of total
- (3) - Equates to 0.20% of 2.00% total rate, or 10.00% of total
- (4) January 1, 1960 0.80%
- * - January 1, 1966 0.20%
- June 1, 1970* 0.50%
- June 1, 1984* 0.25%
- June 1, 1990* 0.25%
- Total Rate 2.00%

Note: Increases in the income tax rate requires voter approval.

(continued)

CITY OF HAMILTON, OHIO

*Income Tax Collection Receipts by Fund
(Cash Basis of Accounting)
Last Ten Calendar Years*

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund (1)	\$17,046,349	\$16,874,253	\$17,464,829	\$17,840,205
Public Safety / Health Income Tax Fund (2)	2,777,128	2,749,995	2,844,699	2,897,290
Hamilton Capital Improvement Fund (3)	<u>2,221,702</u>	<u>2,199,995</u>	<u>2,275,758</u>	<u>2,317,831</u>
Total	<u>\$22,045,179</u>	<u>\$21,824,243</u>	<u>\$22,585,286</u>	<u>\$23,055,326</u>
Income Tax Rate (4)	2.00	2.00	2.00	2.00

(continued)

CITY OF HAMILTON, OHIO

*Income Tax Collection Receipts by Fund
(Cash Basis of Accounting)
Last Ten Calendar Years*

	<u>2015</u>	<u>2016</u>
General Fund (1)	\$19,347,853	\$20,442,128
Public Safety / Health Income Tax Fund (2)	3,120,623	3,297,119
Hamilton Capital Improvement Fund (3)	2,496,498	2,637,695
Total	<u>\$24,964,974</u>	<u>\$26,376,942</u>
Income Tax Rate (4)	2.00	2.00

CITY OF HAMILTON, OHIO

*Principal Income Tax Payers
Current Year and Nine Years Ago*

Employer	Nature of Business	2016 Rank
Butler County Auditor	Government	1
Hamilton City School District	Education	2
Kettering Medical Center Network	Healthcare	3
ThyssenKrupp Bilstein of America Inc.	Manufacturing	4
Bethesda Hospital Inc.	Healthcare	5
Valeo Climate Control	Manufacturing	6
Imflux Inc	Manufacturing	7
Miami University	Education	8
Alliance Physicians Inc.	Healthcare	9
Kroger LTD Partnership	Retail	10

Employer	Nature of Business	2007 Rank
Butler County Auditor	Government	1
Board of Education	Education	2
Fort Hamilton Hospital	Healthcare	3
City of Hamilton	Government	4
Smart Papers LLC	Manufacturing	5
Valeo Climate Control	Manufacturing	6
Ohio Casualty Group	Insurance	7
First Financial Bank	Banking	8
GE Engine Service Inc.	Manufacturing	9
Miami University	Education	10

Note: Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer.

CITY OF HAMILTON, OHIO

*Ratios of Outstanding Debt By Type
Last Ten Years*

	2007	2008	2009	2010
Governmental Activities (1)				
General Obligation Bonds Payable	\$30,385,161	\$28,695,738	\$31,964,738	\$29,828,806
Special Revenue Notes Payable	2,540,000	1,930,000	0	0
Capital Projects Notes Payable	3,495,000	5,565,000	0	0
Special Assessments Notes Payable	400,000	103,000	0	0
Special Assessment Bonds Payable	2,492,000	2,205,000	1,935,000	1,650,000
OWDA Loans Payable	0	0	0	0
Loans Payable	0	0	0	0
Business-type Activities (1)				
Water Revenue Bonds Payable	\$10,335,000	\$9,775,000	\$26,321,193	\$25,623,614
OWDA Loans Payable	0	0	0	431,837
OPWC Loans Payable	0	0	0	0
Line of Credit Payable	0	8,000,000	0	0
Gas Bonds Payable	9,730,000	8,675,000	11,845,845	10,782,428
Enterprise Notes Payable	21,720,000	33,075,000	0	0
Electric Revenue Bonds Payable	155,395,000	149,020,000	169,384,333	163,238,287
Wastewater Bonds Payable	21,660,000	20,630,000	33,073,131	31,763,637
Total Primary Government	\$258,152,161	\$267,673,738	\$274,524,240	\$263,318,609
Population (2)				
City of Hamilton	60,690	60,690	60,690	62,477
Outstanding Debt Per Capita	\$4,254	\$4,411	\$4,523	\$4,215
Income (3)				
Personal (in thousands) (a)	11,264,851	11,954,760	11,533,094	12,975,478
Percentage of Personal Income	2.29%	2.24%	2.38%	2.03%

Sources:

- (1) City Records
- (2) U.S. Bureau of Census, Population Division
- (3) U.S. Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available for the County, Total Personal Income is presented for the County.

(continued)

CITY OF HAMILTON, OHIO

*Ratios of Outstanding Debt By Type
Last Ten Years*

	2011	2012	2013	2014
Governmental Activities (1)				
General Obligation Bonds Payable	\$30,426,579	\$28,115,485	\$25,701,350	\$23,258,690
Special Revenue Notes Payable	0	0	0	0
Capital Projects Notes Payable	0	0	0	0
Special Assessments Notes Payable	0	0	0	0
Special Assessment Bonds Payable	1,400,000	1,195,000	1,060,000	920,000
OWDA Loans Payable	0	0	0	0
Loans Payable	0	0	9,500,000	9,500,000
Business-type Activities (1)				
Water Revenue Bonds Payable	\$24,810,415	\$24,706,460	\$23,655,911	\$22,574,819
OWDA Loans Payable	416,213	400,077	383,412	366,201
OPWC Loans Payable	0	0	0	0
Line of Credit Payable	0	0	0	0
Gas Bonds Payable	9,655,749	8,588,256	7,268,857	5,895,337
Enterprise Notes Payable	5,900,000	10,690,000	10,690,000	10,690,000
Electric Revenue Bonds Payable	156,835,006	153,774,110	146,129,261	137,642,002
Wastewater Bonds Payable	59,865,579	58,384,649	56,274,683	54,084,065
Total Primary Government	\$289,309,541	\$285,854,037	\$280,663,474	\$264,931,114
Population (2)				
City of Hamilton	62,795	62,295	62,477	62,258
Outstanding Debt Per Capita	\$4,607	\$4,589	\$4,492	\$4,255
Income (3)				
Personal (in thousands) (a)	13,652,278	14,375,201	14,468,982	14,592,475
Percentage of Personal Income	2.12%	1.99%	1.94%	1.82%

(continued)

CITY OF HAMILTON, OHIO

*Ratios of Outstanding Debt By Type
Last Ten Years*

	2015	2016
Governmental Activities (1)		
General Obligation Bonds Payable	\$20,762,700	\$18,218,564
Special Revenue Notes Payable	0	0
Capital Projects Notes Payable	0	0
Special Assessments Notes Payable	0	0
Special Assessment Bonds Payable	770,000	625,000
OWDA Loans Payable	0	1,592,766
Loans Payable	10,115,037	9,432,035
Business-type Activities (1)		
Water Revenue Bonds Payable	\$28,817,338	\$28,116,322
OWDA Loans Payable	339,322	334,401
OPWC Loans Payable	0	3,869,759
Line of Credit Payable	0	0
Gas Bonds Payable	4,467,672	4,221,385
Enterprise Notes Payable	103,695,000	0
Electric Revenue Bonds Payable	30,924,820	30,111,546
Wastewater Bonds Payable	51,824,871	49,533,503
Total Primary Government	\$251,716,760	\$146,055,281
Population (2)		
City of Hamilton	62,486	62,359
Outstanding Debt Per Capita	\$4,028	\$2,342
Income (3)		
Personal (in thousands) (a)	15,294,831	15,631,343
Percentage of Personal Income	1.65%	0.93%

CITY OF HAMILTON, OHIO

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2007	2008	2009	2010
Population (1)	60,690	60,690	60,690	62,477
Actual Value (in thousands) (2)	\$2,969,683	\$3,202,381	\$2,717,606	\$2,575,132
General Bonded Debt (3)				
General Obligation Bonds	\$30,385,161	\$28,695,738	\$31,964,738	\$29,828,806
Total General Bonded Debt	\$30,385,161	\$28,695,738	\$31,964,738	\$29,828,806
Resources Available to Pay Principal	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$30,385,161	\$28,695,738	\$31,964,738	\$29,828,806
Ratio of Net Bonded Debt to Estimated Actual Value	1.02%	0.90%	1.18%	1.16%
Net Bonded Debt per Capita	\$500.66	\$472.82	\$526.69	\$477.44

Source:

- (1) U.S. Bureau of Census of Population
- (2) Butler County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.

(continued)

CITY OF HAMILTON, OHIO

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2011	2012	2013	2014
Population (1)	62,795	62,295	62,477	62,258
Actual Value (in thousands) (2)	\$2,548,357	\$2,356,941	\$2,307,126	\$2,157,682
General Bonded Debt (3)				
General Obligation Bonds	\$30,426,579	\$28,115,485	\$25,701,350	\$23,258,690
Total General Bonded Debt	\$30,426,579	\$28,115,485	\$25,701,350	\$23,258,690
Resources Available to Pay Principal	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$30,426,579	\$28,115,485	\$25,701,350	\$23,258,690
Ratio of Net Bonded Debt to Estimated Actual Value	1.19%	1.19%	1.11%	1.08%
Net Bonded Debt per Capita	\$484.54	\$451.33	\$411.37	\$373.59

(continued)

CITY OF HAMILTON, OHIO

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2015	2016
Population (1)	62,486	62,359
Actual Value (in thousands) (2)	\$2,141,007	\$2,132,924
General Bonded Debt (3)		
General Obligation Bonds	\$20,762,700	\$18,218,564
Total General Bonded Debt	\$20,762,700	\$18,218,564
Resources Available to Pay Principal	\$0	\$0
Net General Bonded Debt	\$20,762,700	\$18,218,564
Ratio of Net Bonded Debt to Estimated Actual Value	0.97%	0.85%
Net Bonded Debt per Capita	\$332.28	\$292.16

CITY OF HAMILTON, OHIO

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2016*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Hamilton (1)</u>	<u>Amount Applicable to the City of Hamilton</u>
Direct:			
City of Hamilton	\$29,868,365	100.00%	\$29,868,365
Overlapping:			
Butler County	39,332,420	9.97%	3,921,442
Hamilton City School District	72,185,000	96.79%	69,867,862
Talawanda School District	39,620,000	3.55%	1,406,510
New Miami Local School District	985,000	1.37%	13,495
Ross Local School District	15,240,000	0.38%	57,912
Butler Technology and Career Center	8,815,000	0.33%	29,090
		Subtotal	<u>75,296,311</u>
		Total	<u>\$105,164,676</u>

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the political subdivision.

Source: Ohio Auditor of State

CITY OF HAMILTON, OHIO

*Debt Limitations
Last Ten Years*

Collection Year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Debt				
Net Assessed Valuation	\$952,614,470	\$945,251,076	\$952,929,910	\$902,895,930
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	100,024,519	99,251,363	100,057,641	94,804,073
City Debt Outstanding (2)	36,146,281	35,764,744	31,440,157	29,180,083
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation (2)	<u>36,146,281</u>	<u>35,764,744</u>	<u>31,440,157</u>	<u>29,180,083</u>
Overall Legal Debt Margin	<u>\$63,878,238</u>	<u>\$63,486,619</u>	<u>\$68,617,484</u>	<u>\$65,623,990</u>
 Debt Margin as a Percentage of Debt Limit	 63.86%	 63.97%	 68.58%	 69.22%
Unvoted Debt				
Net Assessed Valuation	\$952,614,470	\$945,251,076	\$952,929,910	\$902,895,930
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	52,393,796	51,988,809	52,411,145	49,659,276
City Debt Outstanding (2)	36,146,281	35,764,744	31,440,157	29,180,083
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation (2)	<u>36,146,281</u>	<u>35,764,744</u>	<u>31,440,157</u>	<u>29,180,083</u>
Overall Legal Debt Margin	<u>\$16,247,515</u>	<u>\$16,224,065</u>	<u>\$20,970,988</u>	<u>\$20,479,193</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only. Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Records

(continued)

CITY OF HAMILTON, OHIO

*Debt Limitations
Last Ten Years*

Collection Year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$895,754,320	\$828,698,560	\$810,566,220	\$758,284,500
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	94,054,204	87,013,349	85,109,453	79,619,873
City Debt Outstanding (2)	28,170,011	25,925,097	23,875,438	21,739,256
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation (2)	<u>28,170,011</u>	<u>25,925,097</u>	<u>23,875,438</u>	<u>21,739,256</u>
Overall Legal Debt Margin	<u>\$65,884,193</u>	<u>\$61,088,252</u>	<u>\$61,234,015</u>	<u>\$57,880,617</u>
 Debt Margin as a Percentage of Debt Limit	 70.05%	 70.21%	 71.95%	 72.70%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$895,754,320	\$828,698,560	\$810,566,220	\$758,284,500
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	49,266,488	45,578,421	44,581,142	41,705,648
City Debt Outstanding (2)	28,170,011	25,925,097	23,875,438	21,739,256
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation (2)	<u>28,170,011</u>	<u>25,925,097</u>	<u>23,875,438</u>	<u>21,739,256</u>
Overall Legal Debt Margin	<u>\$21,096,477</u>	<u>\$19,653,324</u>	<u>\$20,705,704</u>	<u>\$19,966,392</u>

(continued)

CITY OF HAMILTON, OHIO

*Debt Limitations
Last Ten Years*

Collection Year	<u>2015</u>	<u>2016</u>
<u>Total Debt</u>		
Net Assessed Valuation	\$752,562,040	\$749,814,320
Legal Debt Limitation (%) (1)	10.50%	10.50%
Legal Debt Limitation (\$) (1)	79,019,014	78,730,504
City Debt Outstanding (2)	19,720,000	17,340,000
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation (2)	<u>19,720,000</u>	<u>17,340,000</u>
Overall Legal Debt Margin	<u>\$59,299,014</u>	<u>\$61,390,504</u>
Debt Margin as a Percentage of Debt Limit	75.04%	77.98%
 <u>Unvoted Debt</u>		
Net Assessed Valuation	\$752,562,040	\$749,814,320
Legal Debt Limitation (%) (1)	5.50%	5.50%
Legal Debt Limitation (\$) (1)	41,390,912	41,239,788
City Debt Outstanding (2)	19,720,000	17,340,000
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation (2)	<u>19,720,000</u>	<u>17,340,000</u>
Overall Legal Debt Margin	<u>\$21,670,912</u>	<u>\$23,899,788</u>

CITY OF HAMILTON, OHIO

*Pledged Revenue Coverage
Last Ten Years*

	2007	2008	2009	2010
Water System Revenue Bonds				
Gross Revenues (1)	\$15,618,225	\$14,753,151	\$14,365,405	\$14,930,142
Direct Operating Expenses (2)	11,278,031	11,625,041	11,794,753	12,158,069
Net Revenue Available for Debt Service	4,340,194	3,128,110	2,570,652	2,772,073
Annual Debt Service Requirement	1,007,224	1,006,964	1,009,324	2,337,494
Coverage (3)	4.31	3.11	2.55	1.19
Wastewater System Revenue Bonds				
Gross Revenues (1)	\$11,086,222	\$11,151,093	\$10,835,332	\$11,272,546
Direct Operating Expenses (2)	7,838,546	8,252,037	8,150,313	7,792,762
Net Revenue Available for Debt Service	3,247,676	2,899,056	2,685,019	3,479,784
Annual Debt Service Requirement	2,059,490	2,059,490	2,056,015	3,114,006
Coverage (3)	1.58	1.41	1.31	1.12
Gas System Revenue Bonds				
Gross Revenues (1)	\$38,699,384	\$39,980,359	\$31,795,459	\$26,867,128
Direct Operating Expenses (2)	32,703,906	35,686,059	27,095,082	23,092,861
Net Revenue Available for Debt Service	5,995,478	4,294,300	4,700,377	3,774,267
Annual Debt Service Requirement	1,492,513	1,491,762	1,490,112	1,693,780
Coverage (3)	4.02	2.88	3.15	2.23
Electric System Revenue Bonds				
Gross Revenues (1)	\$63,779,353	\$66,029,226	\$61,400,264	\$66,365,469
Direct Operating Expenses (2)	46,588,939	48,905,823	39,290,578	47,654,945
Net Revenue Available for Debt Service	17,190,414	17,123,403	22,109,686	18,710,524
Annual Debt Service Requirement	13,037,485	13,046,060	13,052,060	14,836,139
Coverage (3)	1.32	1.31	1.69	1.26
Special Assessment Bonds				
Special Assessment Collections	\$434,437	\$562,053	\$343,711	\$511,216
Debt Service				
Principal	320,000	287,000	270,000	285,000
Interest	121,101	127,757	111,863	99,996
Coverage	0.98	1.36	0.90	1.33

- (1) Gross revenues include operating revenues plus interest income.
(2) Direct operating expenses include operating expenses less depreciation.
(3) Coverage ratios based on GAAP basis figures. Under the terms of the revenue bond indentures, coverage ratios are calculated using Non-GAAP basis figures.

(continued)

Source: City Records

CITY OF HAMILTON, OHIO

*Pledged Revenue Coverage
Last Ten Years*

	2011	2012	2013	2014
Water System Revenue Bonds				
Gross Revenues (1)	\$15,000,714	\$14,798,053	\$14,656,915	\$14,965,626
Direct Operating Expenses (2)	10,795,637	10,868,974	10,505,666	9,477,829
Net Revenue Available for Debt Service	4,205,077	3,929,079	4,151,249	5,487,797
Annual Debt Service Requirement	2,321,067	2,322,567	2,320,492	2,314,717
Coverage (3)	1.81	1.69	1.79	2.37
Wastewater System Revenue Bonds				
Gross Revenues (1)	\$12,368,786	\$12,181,654	\$14,684,679	\$12,375,483
Direct Operating Expenses (2)	7,355,594	6,988,504	7,068,795	6,582,215
Net Revenue Available for Debt Service	5,013,192	5,193,150	7,615,884	5,793,268
Annual Debt Service Requirement	3,092,977	4,853,775	4,901,071	4,852,095
Coverage (3)	1.62	1.07	1.55	1.19
Gas System Revenue Bonds				
Gross Revenues (1)	\$21,974,462	\$16,611,781	\$24,746,065	\$29,488,952
Direct Operating Expenses (2)	19,230,178	14,435,127	22,596,575	28,900,507
Net Revenue Available for Debt Service	2,744,284	2,176,654	2,149,490	588,445
Annual Debt Service Requirement	1,674,487	1,670,737	1,669,237	1,669,738
Coverage (3)	1.64	1.30	1.29	0.35
Electric System Revenue Bonds				
Gross Revenues (1)	\$63,439,859	\$62,256,537	\$60,360,176	\$62,073,277
Direct Operating Expenses (2)	42,406,513	41,468,644	42,282,539	48,620,592
Net Revenue Available for Debt Service	21,033,346	20,787,893	18,077,637	13,452,685
Annual Debt Service Requirement	14,713,079	14,874,641	14,837,797	15,373,471
Coverage (3)	1.43	1.40	1.22	0.88
Special Assessment Bonds				
Special Assessment Collections	\$512,509	\$465,240	\$499,689	\$484,900
Debt Service				
Principal	250,000	205,000	135,000	140,000
Interest	87,383	75,698	65,498	58,523
Coverage	1.52	1.66	2.49	2.44

(continued)

CITY OF HAMILTON, OHIO

*Pledged Revenue Coverage
Last Ten Years*

	2015	2016
Water System Revenue Bonds		
Gross Revenues (1)	\$12,602,429	\$13,130,285
Direct Operating Expenses (2)	9,364,217	10,137,417
Net Revenue Available for Debt Service	3,238,212	2,992,868
Annual Debt Service Requirement	2,316,840	2,064,721
Coverage (3)	1.40	1.45
Wastewater System Revenue Bonds		
Gross Revenues (1)	\$11,950,092	\$12,470,466
Direct Operating Expenses (2)	6,816,788	7,155,147
Net Revenue Available for Debt Service	5,133,304	5,315,319
Annual Debt Service Requirement	4,844,370	4,846,320
Coverage (3)	1.06	1.10
Gas System Revenue Bonds		
Gross Revenues (1)	\$22,013,427	\$19,117,737
Direct Operating Expenses (2)	19,446,910	17,472,300
Net Revenue Available for Debt Service	2,566,517	1,645,437
Annual Debt Service Requirement	1,670,375	432,925
Coverage (3)	1.54	3.80
Electric System Revenue Bonds		
Gross Revenues (1)	\$64,722,757	\$66,451,995
Direct Operating Expenses (2)	46,586,253	62,051,190
Net Revenue Available for Debt Service	18,136,504	4,400,805
Annual Debt Service Requirement	15,301,211	2,470,584
Coverage (3)	1.19	1.78
Special Assessment Bonds		
Special Assessment Collections	\$417,716	\$342,130
Debt Service		
Principal	150,000	145,000
Interest	51,078	43,020
Coverage	2.08	1.82

CITY OF HAMILTON, OHIO

Demographic and Economic Statistics Last Ten Years

Calendar Year	2007	2008	2009	2010
Population (1)				
City of Hamilton	60,690	60,690	60,690	62,477
Butler County	332,807	332,807	332,807	368,130
Income (2) (a)				
Total Personal (in thousands)	11,264,851	11,954,760	11,533,094	12,975,478
Per Capita	33,848	35,921	34,654	35,247
Unemployment Rate (3)				
Federal	5.5%	5.8%	10.0%	9.6%
State	6.0%	6.6%	10.8%	10.1%
Butler County	5.1%	5.9%	9.9%	9.6%
Civilian Work Force Estimates (3)				
State	5,900,400	5,986,400	5,970,200	5,897,600
Butler County	190,800	191,700	191,700	188,200

Sources:

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available for the County. Total Personal Income is presented for the County. US Department of Commerce, Bureau of Economic Analysis information is only available through 2015, for the presentation of 2015 and 2016 statistics, the City is using the latest information available.
- (3) State Department of Labor Statistics

(continued)

CITY OF HAMILTON, OHIO

Demographic and Economic Statistics Last Ten Years

Calendar Year	2011	2012	2013	2014
Population (1)				
City of Hamilton	62,795	62,295	62,477	62,258
Butler County	373,115	369,999	368,130	371,272
Income (2) (a)				
Total Personal (in thousands)	13,652,278	14,375,201	14,468,982	14,592,475
Per Capita	36,590	38,852	39,304	39,304
Unemployment Rate (3)				
Federal	8.9%	8.1%	7.4%	6.2%
State	8.6%	7.2%	7.4%	5.6%
Butler County	8.6%	7.1%	6.9%	4.9%
Civilian Work Force Estimates (3)				
State	5,806,000	5,748,000	5,766,000	5,737,000
Butler County	191,300	189,600	190,500	191,100

(continued)

CITY OF HAMILTON, OHIO

*Demographic and Economic Statistics
Last Ten Years*

Calendar Year	2015	2016
Population (1)		
City of Hamilton	62,486	62,359
Butler County	374,158	372,538
Income (2) (a)		
Total Personal (in thousands)	15,294,831	15,631,343
Per Capita	40,878	41,534
Unemployment Rate (3)		
Federal	5.3%	4.9%
State	4.6%	4.7%
Butler County	4.2%	4.1%
Civilian Work Force Estimates (3)		
State	5,703,400	5,673,900
Butler County	186,900	187,900

CITY OF HAMILTON, OHIO

*Principal Employers
Current Year and Nine Years Ago*

Employer	Nature of Business	2016		
		Number of Employees	Rank	Percentage of Total Employment
Butler County	Government	1,500	1	N/A
Fort Hamilton Hospital	Health Care	1,000	2	N/A
Hamilton City School District	Education	1,000	3	N/A
Community First Solutions (HQ)	Health Care	700	4	N/A
ThyssenKrupp Bilstein of America (HQ)	Manufacturing	675	5	N/A
City of Hamilton	Government	630	6	N/A
Miami University - Hamilton	Education	400	7	N/A
STARTEK	Communication Technology	350	8	N/A
Barcalycard	Communication Technology	300	9	N/A
Bethesda Butler Hospital	Health Care	245	10	N/A
Total		<u>6,800</u>		
Total Employment within the City (1)		<u>N/A</u>		

Employer	Nature of Business	2007		
		Number of Employees	Rank	Percentage of Total Employment
Fort Hamilton Hospital	Healthcare	1,250	1	13.89%
Hamilton City School District	Education	1,250	2	13.89%
Butler County	Government	900	3	10.00%
Smart Papers, LLC	Manufacturing	525	4	5.83%
Valeo Climate Control	Manufacturing	450	5	5.00%
OHIO Casualty Company	Insurance	400	6	4.44%
First Financial Bank (HQ)	Financial	400	7	4.44%
Meijer, Inc.	Retail/Service	325	8	3.61%
Thyssen Krupp Bilstein of America	Manufacturing	300	9	3.33%
The Kroger Company	Retail	300	10	3.33%
Total		<u>6,100</u>		
Total Employment within the City		<u>9,000</u>		

(1) - Total employment within the City is not available.

Source: City Records

CITY OF HAMILTON, OHIO

*Full Time Equivalent Employees by Function
Last Ten Years*

	2007	2008	2009	2010	2011
Governmental Activities					
General Government					
City Administration	34.00	28.00	21.00	21.00	22.00
Engineering	20.00	18.00	17.00	17.00	12.50
Municipal Court	28.00	27.00	28.00	28.00	32.00
Information Technology	18.00	15.00	10.00	10.00	9.00
Finance	43.00	37.00	35.00	32.00	36.00
Security of Persons and Property					
Police	174.00	167.00	147.00	147.00	141.00
Fire	116.00	108.00	107.00	105.00	110.00
Public Health and Welfare Services					
Health	21.00	16.00	15.00	14.00	11.25
Leisure Time Activities					
Parks and Recreation	27.00	27.00	22.00	13.00	17.50
Community Environment					
Planning and Zoning	23.00	23.00	25.00	23.00	16.00
Transportation					
Street	47.00	48.00	52.00	50.00	55.00
Business-Type Activities					
Utilities					
Gas	17.00	22.00	24.00	24.00	31.00
Electric	111.00	118.00	110.00	109.00	114.00
Water	32.00	32.00	34.00	33.00	32.00
Wastewater	28.00	24.00	23.00	23.00	16.00
Utility Customer Service	30.00	28.00	29.00	28.00	23.00
<i>Total Employees</i>	<u>769.00</u>	<u>738.00</u>	<u>699.00</u>	<u>677.00</u>	<u>678.25</u>

Method: 1.00 for each full-time, 0.50 for each part-time and
0.25 for each seasonal employee

Source: City Records

(continued)

CITY OF HAMILTON, OHIO

*Full Time Equivalent Employees by Function
Last Ten Years*

	2012	2013	2014	2015	2016
Governmental Activities					
General Government					
City Administration	21.50	23.00	23.75	16.50	19.00
Engineering	9.00	6.00	7.00	4.00	5.00
Municipal Court	31.50	30.75	27.50	27.00	27.50
Information Technology	7.00	6.00	6.00	5.00	14.00
Finance	36.00	34.50	33.25	29.00	28.50
Security of Persons and Property					
Police	136.00	121.75	118.00	121.25	124.00
Fire	107.00	95.00	97.00	96.25	98.50
Public Health and Welfare Services					
Health	10.50	11.50	13.25	15.50	15.75
Leisure Time Activities					
Parks and Recreation	18.00	17.50	17.75	15.00	14.50
Community Environment					
Planning and Zoning	15.00	15.00	15.00	16.50	16.75
Transportation					
Street	57.00	60.00	60.00	56.25	57.25
Business-Type Activities					
Utilities					
Gas	29.00	30.00	28.00	26.00	27.00
Electric	105.00	105.00	111.50	96.75	103.00
Water	32.00	30.00	25.00	30.25	31.75
Wastewater	19.00	16.00	14.00	26.00	25.75
Utility Customer Service	26.00	25.00	17.00	19.00	18.00
<i>Total Employees</i>	<u>659.50</u>	<u>627.00</u>	<u>614.00</u>	<u>600.25</u>	<u>626.25</u>

CITY OF HAMILTON, OHIO

Operating Indicators by Function Last Ten Years

	2007	2008	2009	2010
Governmental Activities				
General Government				
Licenses and Permits				
Building Permits Issued - Residential	239	234	434	270
Building Permits Issued - Commercial	251	427	371	355
Security of Persons and Property				
Police				
Misdemeanor Arrests	7,534	6,778	8,774	7,740
Felony Arrests	2,302	942	2,041	1,516
Traffic Citations Issued	6,418	7,050	6,273	6,208
Parking Tickets Written	767	1,157	766	873
Fire / Emergency Medical Services				
Number of Calls Answered	10,687	11,870	11,326	11,386
Number of Inspections	2,203	596	2,156	1,145
Number of Emergency Medical Calls	8,536	8,836	8,691	9,008
Transportation				
Street				
Street Resurfacing (Center Line miles)	2.14	4.68	3.57	11.86
Parking				
Parking Levels	6.50	6.50	6.50	6.50
Parking Spaces	752	752	751	754
Average Daily Cars Parked	560	550	412	646
Parking / Meters - On Street and Lots	836	836	836	836
Public Works				
Refuse Collection				
Refuse Collected (tons)	25,387	25,807	26,493	25,988
Recyclables Collected (tons)	1,547	1,587	1,842	2,149
Leisure Time Activities				
Parks and Recreation				
Athletic Field Permits Issued*	61	128	94	92
Public Health and Welfare Services				
Health Care				
Number of Patient Beds	318	288	320	274

*Beginning in 2015, athletic field permits are issued by the Hamilton Parks Conservancy.

(continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	2011	2012	2013	2014
Governmental Activities				
General Government				
Licenses and Permits				
Building Permits Issued - Residential	189	292	299	354
Building Permits Issued - Commercial	300	331	340	282
Security of Persons and Property				
Police				
Misdemeanor Arrests	6,589	3,832	3,159	6,237
Felony Arrests	1,587	1,371	1,519	773
Traffic Citations Issued	6,418	4,903	4,315	4,253
Parking Tickets Written	3,721	2,923	2,710	2,437
Fire / Emergency Medical Services				
Number of Calls Answered	11,733	12,091	11,657	12,157
Number of Inspections	2,159	637	295	520
Number of Emergency Medical Calls	9,121	9,471	9,239	9,700
Transportation				
Street				
Street Resurfacing (Center Line miles)	17.97	3.20	3.49	1.82
Parking				
Parking Levels	6.50	6.50	5.00	5.00
Parking Spaces	754	754	550	550
Average Daily Cars Parked	457	423	N/A	N/A
Parking / Meters - On Street and Lots	836	818	753	656
Public Works				
Refuse Collection				
Refuse Collected (tons)	25,823	23,149	23,227	23,232
Recyclables Collected (tons)	2,023	2,534	2,728	2,697
Leisure Time Activities				
Parks and Recreation				
Athletic Field Permits Issued*	60	65	75	132
Public Health and Welfare Services				
Health Care				
Number of Patient Beds	320	320	274	209

(continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	2015	2016
Governmental Activities		
General Government		
Licenses and Permits		
Building Permits Issued - Residential	318	400
Building Permits Issued - Commercial	325	368
Security of Persons and Property		
Police		
Misdemeanor Arrests	6,025	5,488
Felony Arrests	637	754
Traffic Citations Issued	4,698	5,058
Parking Tickets Written	2,107	2,195
Fire / Emergency Medical Services		
Number of Calls Answered	12,724	12,967
Number of Inspections	980	96
Number of Emergency Medical Calls	10,208	10,337
Transportation		
Street		
Street Resurfacing (Center Line miles)	3.56	1.12
Parking		
Parking Levels	5.00	5.00
Parking Spaces	550	550
Average Daily Cars Parked	N/A	N/A
Parking / Meters - On Street and Lots	524	524
Public Works		
Refuse Collection		
Refuse Collected (tons)	23,190	23,282
Recyclables Collected (tons)	2,644	2,660
Leisure Time Activities		
Parks and Recreation		
Athletic Field Permits Issued*	N/A	N/A
Public Health and Welfare Services		
Health Care		
Number of Patient Beds	296	320

(continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	2007	2008	2009	2010
Business-Type Activities				
Gas				
Average Daily Consumption (100 cubic feet)	9,114	9,176	8,694	9,088
Peak Daily Consumption (100 cubic feet)	29,992	29,415	33,457	26,487
Electric				
Peak Demand (MW)	165	148	146	159
Energy Requirement (MWh)	664,687	658,776	626,161	663,099
Total System Sales (MWh)	630,596	623,351	592,956	636,557
Total Residential Customers	26,398	26,481	26,345	26,177
Total Commercial Customers	3,019	3,000	2,905	2,954
Water				
New Service Connections	122	52	8	10
Water Main Breaks	88	94	71	93
Average Daily Consumption (thousands of gallons)	21,256	18,053	16,957	17,853
Peak Daily Consumption (thousands of gallons)	35,197	22,723	22,755	22,537
Wastewater				
Average Daily Sewage Treatment (millions of gallons)	16.2	16.2	12.5	13.4

Source: City Records

N/A = Information Not Available

(continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	2011	2012	2013	2014
Business-Type Activities				
Gas				
Average Daily Consumption (100 cubic feet)	8,808	6,823	9,969	10,243
Peak Daily Consumption (100 cubic feet)	27,425	23,042	27,136	33,759
Electric				
Peak Demand (MW)	159	152	140	133
Energy Requirement (MWh)	651,892	613,645	619,273	613,779
Total System Sales (MWh)	618,083	583,773	566,426	594,699
Total Residential Customers	26,085	26,052	26,099	26,127
Total Commercial Customers	2,952	2,926	2,922	2,915
Water				
New Service Connections	4	18	25	23
Water Main Breaks	87	77	117	83
Average Daily Consumption (thousands of gallons)	17,644	16,322	15,458	14,490
Peak Daily Consumption (thousands of gallons)	25,545	21,495	20,323	18,204
Wastewater				
Average Daily Sewage Treatment (millions of gallons)	14.2	8.6	8.4	8.9

(continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	<u>2015</u>	<u>2016</u>
Business-Type Activities		
Gas		
Average Daily Consumption (100 cubic feet)	6,794	6,505
Peak Daily Consumption (100 cubic feet)	32,152	25,089
Electric		
Peak Demand (MW)	143	145
Energy Requirement (MWh)	614,023	604,727
Total System Sales (MWh)	561,624	571,211
Total Residential Customers	26,347	26,379
Total Commercial Customers	2,908	2,895
Water		
New Service Connections	23	30
Water Main Breaks	83	72
Average Daily Consumption (thousands of gallons)	14,490	15,222
Peak Daily Consumption (thousands of gallons)	18,204	22,215
Wastewater		
Average Daily Sewage Treatment (millions of gallons)	8.9	8.5

CITY OF HAMILTON, OHIO

*Capital Asset Statistics by Function
Last Ten Years*

	2007	2008	2009	2010
Governmental Activities				
General Government				
Public Land and Buildings				
Land (Square Miles)	21.56	21.57	21.62	21.62
Security of Persons and Property				
Police				
Stations	1	1	1	1
Patrol Cruisers	39	44	44	44
Fire / Emergency Medical Services				
Stations	6	6	6	6
Transportation				
Street				
Streets (lane miles)	216.00	216.20	216.20	254.21
Street Lights	6,966	6,978	6,963	6,986
Traffic Signals	98	98	98	98
Parking				
Off street Parking Garages	2	2	2	2
Leisure Time Activities				
Parks and Recreation				
Parks	55	52	52	52
Park Area (acres)	1,300	1,300	1,300	1,300
Playgrounds	25	24	24	24
Ball Fields				
Lighted	9	9	9	9
Unlighted	34	34	34	34
Tennis Courts				
Lighted	2	2	2	2
Unlighted	6	6	6	6
Swimming Pools	3	1	1	1
Splash Pads				
Golf Courses	2	2	2	2
Skateboard Park	1	1	1	1
Community Environment				
Libraries	1	1	1	1
Public Health and Welfare				
Hospitals	2	2	2	2

(continued)

CITY OF HAMILTON, OHIO

*Capital Asset Statistics by Function
Last Ten Years*

	2011	2012	2013	2014
Governmental Activities				
General Government				
Public Land and Buildings				
Land (Square Miles)	21.68	21.68	21.68	21.68
Security of Persons and Property				
Police				
Stations	1	1	1	1
Patrol Cruisers	44	40	40	40
Fire / Emergency Medical Services				
Stations	6	6	5	5
Transportation				
Street				
Streets (lane miles)	254.21	254.21	254.21	254.21
Street Lights	6,996	7,011	7,028	7,029
Traffic Signals	98	96	96	95
Parking				
Off street Parking Garages	2	2	1	1
Leisure Time Activities				
Parks and Recreation				
Parks	52	52	54	54
Park Area (acres)	1,300	1,300	1,308	1,308
Playgrounds	24	24	24	24
Ball Fields				
Lighted	9	9	9	9
Unlighted	34	34	34	34
Tennis Courts				
Lighted	2	2	2	2
Unlighted	6	6	6	6
Swimming Pools	1	1	1	1
Splash Pads				3
Golf Courses	2	2	2	2
Skateboard Park	1	1	1	1
Community Environment				
Libraries	1	1	1	1
Public Health and Welfare				
Hospitals	2	2	2	2

(continued)

CITY OF HAMILTON, OHIO

*Capital Asset Statistics by Function
Last Ten Years*

	2015	2016
Governmental Activities		
General Government		
Public Land and Buildings		
Land (Square Miles)	21.68	21.68
Security of Persons and Property		
Police		
Stations	1	1
Patrol Cruisers	40	49
Fire / Emergency Medical Services		
Stations	5	5
Transportation		
Street		
Streets (lane miles)	254.21	254.21
Street Lights	9,043	9,043
Traffic Signals	95	95
Parking		
Off street Parking Garages	1	1
Leisure Time Activities		
Parks and Recreation		
Parks	54	36
Park Area (acres)	1,308	1,308
Playgrounds	24	24
Ball Fields		
Lighted	9	10
Unlighted	34	34
Tennis Courts		
Lighted	2	1
Unlighted	6	3
Swimming Pools	1	1
Splash Pads	3	5
Golf Courses	2	2
Skateboard Park	1	1
Community Environment		
Libraries	1	1
Public Health and Welfare		
Hospitals	2	2

(continued)

CITY OF HAMILTON, OHIO

*Capital Asset Statistics by Function
Last Ten Years*

	2007	2008	2009	2010
Business-Type Activities				
Utilities				
Water				
Purification Plants	2	2	2	2
Maximum Capacity (millions of gallons)	46	46	46	46
Waterlines (Miles)	267.4	267.4	267.4	340.0
Wastewater				
Treatment Plants	1	1	1	1
Maximum Capacity (millions of gallons)	32	32	32	32
Sanitary Sewerlines (Miles)	236.4	236.8	236.8	253.0
Storm Drains (Miles)	158.3	158.5	158.5	188.2

Source: City Records

(continued)

CITY OF HAMILTON, OHIO

*Capital Asset Statistics by Function
Last Ten Years*

	2011	2012	2013	2014
Business-Type Activities				
Utilities				
Water				
Purification Plants	2	2	2	2
Maximum Capacity (millions of gallons)	46	46	46	46
Waterlines (Miles)	340.0	340.0	345.0	340.1
Wastewater				
Treatment Plants	1	1	1	1
Maximum Capacity (millions of gallons)	32	32	32	32
Sanitary Sewerlines (Miles)	253.0	253.0	253.0	253.0
Storm Drains (Miles)	188.2	188.2	188.2	188.2

(continued)

CITY OF HAMILTON, OHIO

*Capital Asset Statistics by Function
Last Ten Years*

	<u>2015</u>	<u>2016</u>
Business-Type Activities		
Utilities		
Water		
Purification Plants	2	2
Maximum Capacity (millions of gallons)	46	46
Waterlines (Miles)	340.1	340.1
Wastewater		
Treatment Plants	1	1
Maximum Capacity (millions of gallons)	32	32
Sanitary Sewerlines (Miles)	253.0	253.0
Storm Drains (Miles)	188.2	188.2





Dave Yost • Auditor of State

CITY OF HAMILTON

BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 22, 2017