

CITY OF HAMILTON, OHIO

Schedule of Expenditures of Federal Awards and
Other Single Audit Reports
Year Ended December 31, 2017

TABLE OF CONTENTS

Schedule of Expenditures of Federal Awards 1 – 2

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* 3 – 4

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 5 – 7

Schedule of Findings and Questioned Costs 8 – 9

Corrective Action Plan 10

CITY OF HAMILTON, OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

<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 Cluster: Community Development Block Grants/Entitlement Grants	n/a	14.218	\$ 442,469	1,232,710
HOME Investment Partnerships Program	n/a	14.239	<u>133,150</u>	<u>238,237</u>
Total U.S. Department of Housing and Urban Development			<u>575,619</u>	<u>1,470,947</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Bulletproof Vest Partnership Program	n/a	16.607		9,807
<i>(Passed through from Butler County):</i>				
Edward Byrne Memorial Justice Assistance Grant Program	2016-DJ-BX-0208	16.738		<u>29,334</u>
Total U.S. Department of Justice				<u>39,141</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 I	OVITF-2017-9-00447	20.601		20,884
Alcohol Impaired Driving Countermeasures Incentive Grants I	OVI-2018-00007	20.601		<u>5,882</u>
				26,766
State and Community Highway Safety (STEP Grant)	STEP-2017-9-00494	20.600		11,508
State and Community Highway Safety (STEP Grant)	STEP-2018-00007	20.600		<u>3,390</u>
				14,898
National Priority Safety Programs	IDEP-2017-9-00368	20.616		16,586
National Priority Safety Programs	IDEP-2018-00007	20.616		<u>4,797</u>
				21,383
Total Highway Safety Cluster				<u>63,047</u>
<i>(Passed through Ohio Department of Transportation):</i>				
Highway Planning & Construction Cluster:				
Highway Planning and Construction - US 127	PID93595	20.205		834,386
Highway Planning and Construction - US 129	PID93593	20.205		482,841
Highway Planning and Construction - BUT Hamilton Bridge Replacement	PID99904	20.205		<u>20,988</u>
Total Highway Planning & Construction Cluster				<u>1,338,215</u>
Total U.S. Department of Transportation				<u>1,401,262</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		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>25,716</u>
				31,216
<i>(Passed through Ohio Department of Health)</i>				
Immunization Cooperative Agreements	00920022IM0613	93.268		<u>63,804</u>
Total U.S. Department of Health and Human Services				<u>95,020</u>
Total Passed Through to Subrecipients and Federal Expenditures			\$ <u>575,619</u>	<u>3,006,370</u>

CITY OF HAMILTON, OHIO
Schedule of Expenditures of Federal Awards - continued
Year Ended December 31, 2017

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, 2017. 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, 2017, 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 25, 2018.

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 have not been 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 results 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 25, 2018

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, 2017. 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, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's response was not subjected to the audit procedures applied in the audit of compliance and, accordingly, we express not opinion on the response.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 25, 2018, which contained unmodified opinions on those financials 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 25, 2018

CITY OF HAMILTON, OHIO
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017

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?	Yes
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)?	Yes
Identification of major programs:	
• CFDA 20.205 – Highway Planning and Construction Cluster	
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.

CITY OF HAMILTON, OHIO
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2017

Section III – Federal Award Findings and Questioned Costs

U.S. DEPARTMENT OF TRANSPORTATION

2017-001 CFDA 20.205—*Highway Planning and Construction Cluster*

Condition: During 2017, program management failed to file the required monthly LPA Prevailing Wage / EEO Report except for the month of January 2017.

Criteria: Ohio Department of Transportation (“ODOT”) Administered Transportation Projects Manual of Procedures – LPA Construction Contract Administration Chapter states the LPA will be required to submit the LPA Prevailing Wage / EEO Report monthly to the ODOT District Prevailing Wage / EEO Coordinator detailing prevailing wage and EEO monitoring efforts for the previous month.

Cause: Oversight by program management.

Effect: Failing to comply with report submission deadlines could result in noncompliance with the requirements of Federal awards.

Recommendation: We recommend the City implement procedures to ensure the City is compliant with reporting requirements of federal awards.

Views of Responsible Officials and Planned Corrective Actions: *The City will implement policies and procedures, including additional employee training, to ensure monthly submission of LPA Prevailing Wage / EEO Report to the ODOT District Prevailing Wage / EEO Coordinator.*



CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2017

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2017-001	The City will implement policies and procedures, including additional employee training, to ensure monthly submission of LPA Prevailing Wage / EEO Report to the ODOT District Prevailing Wage / EEO Coordinator.	12/31/18	David Jones, Finance Director





2017 CAFR

The Comprehensive Annual Financial Report
for Hamilton, Ohio - Year Ended 12/31/17



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2017

Prepared by:
Department of Finance

David Jones
Finance Director



TABLE OF CONTENTS

CITY OF HAMILTON
BUTLER COUNTY, OHIO

I INTRODUCTORY SECTION

A Letter of Transmittal v
B List of Principal Officials xii
C City Organizational Chart xiii
D Certificate of Achievement for Excellence in Financial Reporting..... xiv

II FINANCIAL SECTION

A Independent Auditor’s Report..... 1
B Management’s Discussion and Analysis.....5
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Position 18
 Statement of Activities 20
 Fund Financial Statement
 Governmental Funds:
 Balance Sheet 22
 Reconciliation of Total Governmental Fund Balances to Net Position of
 Governmental Activities..... 23
 Statement of Revenues, Expenditures and Changes in Fund Balances 25
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances to the Statement of Activities..... 26
 Statement of Revenues, Expenditures and Changes in Fund Balance
 (Budget and Actual):
 General Fund 29
 Proprietary Funds:
 Statement of Net Position 30
 Statement of Revenues, Expenses and Changes in Fund Net Position..... 34
 Statement of Cash Flows 36
 Fiduciary Funds:
 Statement of Assets and Liabilities..... 40
Notes to the Basic Financial Statements..... 41

D	Required Supplemental Information:	
	Schedule of the City’s Proportionate Share of the Net Pension Liability.....	104
	Schedule of City Contributions	105
	Notes to the Required Supplemental Information	106
E	Combining and Individual Fund Statements and Schedules:	
	Nonmajor Governmental Financial Statements:	
	Combining Balance Sheet.....	111
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	112
	Combining Balance Sheet – Nonmajor Special Revenue Funds.....	113
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	118
	Combining Balance Sheet – Nonmajor Capital Projects Funds	123
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	125
	Individual Schedules of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual):	
	Major Governmental Funds:	
	<i>General Fund</i>	127
	<i>Debt Service Fund</i> :	
	Debt Service Fund.....	130
	Nonmajor Governmental Funds:	
	<i>Special Revenue Funds</i> :	
	One Renaissance Center Fund.....	131
	Municipal Court Improvement Fund.....	132
	Public Safety / Health Income Tax Fund	133
	Dispute Resolution Proceeds Fund.....	134
	Safety Services Fund	135
	Police Pension Fund	136
	Police Levy Fund.....	137
	Firemen’s Pension Fund.....	138
	Emergency Medical Services Grant Fund.....	139
	Fire EMS Levy Fund.....	140
	Public Health Care Services Fund.....	141

CITY OF HAMILTON, OHIO

Special Revenue Funds (Continued):

Stormwater Management Fund	142
Refuse Fund.....	143
Street Maintenance Fund.....	144
Land Reutilization Fund.....	145
Home Program Fund	146
Parking Fund	147
Golf Course Fund	148
Community Development Block Grant Fund.....	149

Capital Projects Funds:

Hamilton Capital Improvement Fund.....	150
Special Assessment Fund	151
Municipal Improvement Tax Increment Equivalent (MITIE) Fund.....	152
Issue II Projects Fund	153
Clean Ohio Grants Program Fund	154
Infrastructure Program Fund	155

Permanent Fund:

Benninghofen Trust Fund.....	156
------------------------------	-----

Internal Service Funds:

Combining Statement of Net Position	158
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	159
Combining Statement of Cash Flows	160

Fiduciary Funds – Agency Funds:

Combining Statement of Changes in Assets and Liabilities	163
--	-----

III

STATISTICAL SECTION

Net Position by Component - Last Ten Years S 2

Changes in Net Position - Last Ten Years..... S 5

Fund Balances, Governmental Funds - Last Ten Years S 13

Changes in Fund Balances, Governmental Funds - Last Ten Years S 16

Assessed Valuations and Estimated True Values of Taxable Property - Last Ten Years S 22

Property Tax Levies and Collections - Last Ten Calendar Years S 25

Direct and Overlapping Property Tax Rates - Last Ten Calendar Years S 28

Principal Property Tax Payers - Current Year and Nine Years Ago S 30

Income Tax Collection Receipts by Fund - Last Ten Calendar Years S 31

Principal Income Tax Payers - Current Year and Nine Years Ago S 34

Ratios of Outstanding Debt by Type - Last Ten Years S 35

Ratios of General Bonded Debt Outstanding - Last Ten Years..... S 38

Computation of Direct and Overlapping Debt Attributable to
Governmental Activities - Current Year S 41

Debt Limitations - Last Ten Years S 42

Pledged Revenue Coverage - Last Ten Years S 45

Demographic and Economic Statistics - Last Ten Years S 48

Principal Employers - Current Year and Nine Years Ago S 51

Full Time Equivalent Employees by Function - Last Ten Years S 52

Operating Indicators by Function - Last Ten Years S 54

Capital Asset Statistics by Function - Last Ten Years S 60

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 25, 2018

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, 2017, 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 Super Circular. 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.

***Letter of Transmittal
For the Year Ended December 31, 2017***

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.

RECENT ECONOMIC DEVELOPMENT

In 2017, a significant amount of economic development activity occurred throughout Hamilton. Private investment totaling \$75 million was undertaken or completed during the year, and 630 new jobs were created in hopes of being filled as a direct result of these projects.

In January 2017, Darana Hybrid, a Tennessee-based electromechanical services provider announced the move of their headquarters to Hamilton. The company plans to invest \$46 million and create approximately 200 jobs in Hamilton Enterprise Park over the next several years.

Groundbreaking took place in April on Marcum Apartments, a new luxury apartment complex that will add more than 100 apartment units and four retail spaces. Two restaurants have already been announced to go into the Marcum: Loveland-based Tano's Bistro & Catering, which focuses on wholesome food and seasonal menus, and The Casual Pint, a craft beer market with a limited food menu. The apartment complex will be located next to Marcum Park which was completed in May 2017. This park expands and completes RiversEdge Amphitheater. Marcum Park was made possible through a nearly \$4 million donation by the Marcum family and includes a water feature and children's playscape, sidewalks accessible to food trucks, and a great lawn.

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.

*Letter of Transmittal
For the Year Ended December 31, 2017*

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. The company renovated the third floor during 2017 adding an additional capacity of 375 seats, bringing their current total capacity up to 750 employees. The company now employs more than 500 people in Hamilton and plan on adding more in the coming years.

In August 2017, Kirsch CPA Group, LLC, an Ohio-based accounting firm announced it is opening its new main office in the former Fifth Third building in downtown Hamilton. The accounting firm has experienced significant growth in recent years and will bring over 40 professional accounting jobs to the downtown area.

Kaivac Cleaning Systems, the company that developed the No-Touch Cleaning and OmniFlex cleaning systems, moved to a new corporate campus in Hamilton consisting of four buildings. The facilities total more than 230,000 square feet, doubling the company's previous space which will allow for expansion up to three times the number of staff. The new campus was needed due to the company's significant growth recently in the U.S., Canada, and overseas.

In 2017, The Hamilton Mill ("The Mill") received a \$500,000 grant from the U.S. Department of Commerce to create and expand proof-of-concept and commercialization programs. 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. In March 2017, the SBDC was selected by the U.S. Small Business Administration as the 2017 Center of the Year. They are the first Center in Ohio to receive this national recognition.

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. Fifteen 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 2017:

- Aurora Distribution
- Edward Jones (Ashlee Willis office)
- Fleurish Home
- Henry's Candy
- Hip Boutique
- Main St. Vinyl
- North 2nd Tap and Bottle Shop
- One Love Yoga and Healing Center
- Pedal Green Pedicab
- Pet Wants
- R.I.S.E. Fit
- Rustic Home
- Steel Magnolia Salon
- The Little Nail Shop
- Unsung Salvage

*Letter of Transmittal
For the Year Ended December 31, 2017*

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.

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 continued its strong momentum in 2017 with eight new businesses opening in the historic Main Street business district.

Plans for the redevelopment of the former Champion Paper Mill continued to progress in a positive manner during 2017. The project, led by Manheim, PA-based Spooky Nook Sports LLC, is slated to include a sports complex, fitness center, hotel, restaurants, brewery, meeting and event space, and other entertainment venues. The facility will also house tenants in various medical fields including orthopedics, pediatric dentistry, and other services that support athletics and active lifestyles. The development team is in the final stages of securing financing for this estimated \$150 million project and expects to break ground in 2018.

The CORE Fund sold their first Main Street building to Fleurish Home, a home décor and gift shop in May 2016. 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. The building was the former home of Tom's Cigar store but required significant improvements that the former owner was unable to make. Fleurish Home had their grand opening in September 2017.

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.

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

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 2017 were up 0.7% over 2016, but came in 1.4% below budget. Overall revenue in the General Fund during 2017 came in at only 96.2% of budget. The City was successful in limiting General Fund expenditures at 98.9% of the adopted budget. However, due to lower than expected revenue no transfer was made into the Economic Budget Stabilization fund in 2017. As of December 31, 2017, the balance in the City's Economic Budget Stabilization fund was \$493,978.

***Letter of Transmittal
For the Year Ended December 31, 2017***

INDEPENDENT AUDIT

Included in this report is the unmodified audit opinion rendered on the City's financial statements for the year ended December 31, 2017, 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

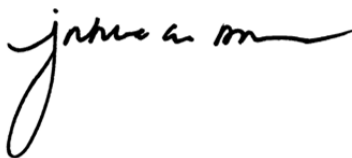
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hamilton for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. In order to be awarded a Certificate 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.

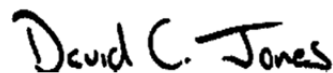
ACKNOWLEDGEMENTS

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. Special thanks to Assistant Finance Director 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



David C. Jones, CPA
Director of Finance



CITY OF HAMILTON, OHIO

**List of Principal Officials
For the Year Ended December 31, 2017**

***ELECTED
OFFICIALS***

Pat Moeller
Michael Ryan
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***

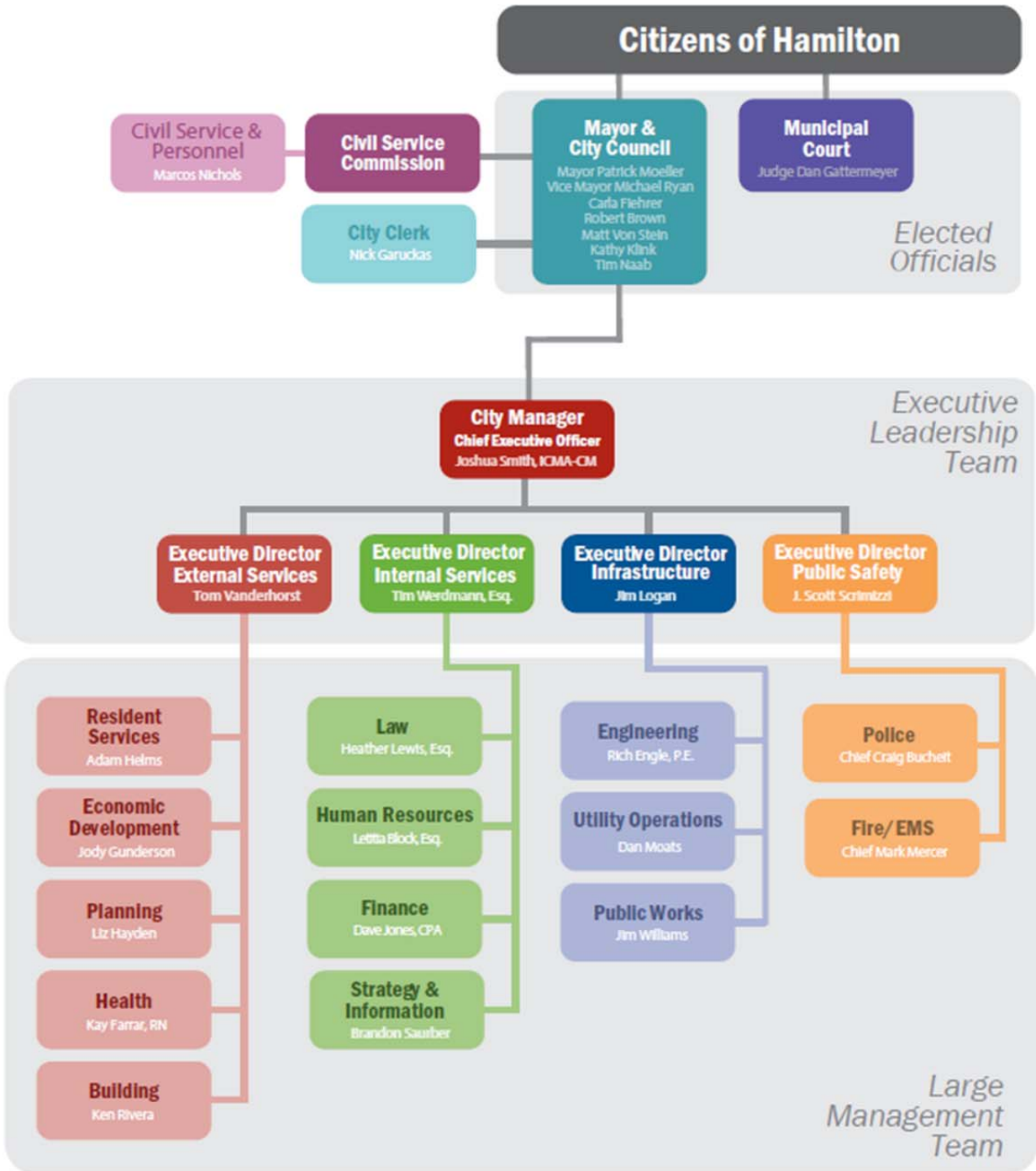
Joshua A. Smith
Timothy Werdmann
Thomas Vanderhorst
James Logan
J. Scott Scrimizzi
David Jones, CPA
Letitia Block
Brandon Saurber
Marcos Nichols
Craig Bucheit
Mark Mercer
Jody Gunderson
Adam Helms
Kenneth Rivera
Kay Farrar
Elizabeth Hayden
Dan Moats
Richard Engle, P.E.
Jim Williams
Nick Garuckas
Heather Lewis, Esq.

TITLE

City Manager
Executive Director of Internal Services
Executive Director of External Services
Executive Director of Infrastructure Services
Executive Director of Public Safety
Director of Finance
Director of Human Resources
Director of Strategy & Information
Director of Civil Service and Personnel
Police Chief
Fire Chief
Director of Economic Development
Director of Resident Services
Director of Building
Director of Health
Director of Planning
Director of Utility Operations
Director of Engineering
Director of Public Works
City Clerk
Director of Law – Millikin&Fitton

CITY OF HAMILTON, OHIO

*City Organizational Chart
For the Year Ended December 31, 2017*





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, 2016

Christopher P. Morill

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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, 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 25, 2018 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 25, 2018



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, 2017. 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 2017 are as follows:

- ❑ In total, net position decreased \$19,945,717. Net position of governmental activities decreased \$999,216, which represents a 2% decrease from 2016. Net position of business-type activities decreased \$18,946,501, or 7%.
- ❑ General revenues accounted for \$38,940,016 in revenue or 22% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$140,078,786, or 78%, of total revenues of \$179,018,802.
- ❑ The City had \$63,682,603 in expenses related to governmental activities; \$24,525,163 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$38,158,224 were not adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$35,955,910 in revenues and \$33,740,646 in expenditures. The general fund's fund balance decreased from \$9,136,820 to \$7,887,121.

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, 2017***

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.

This space intentionally left blank.

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

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 \$304,325,999 (\$45,722,030 in governmental activities and \$258,603,969 in business type activities) as of December 31, 2017. By far, the largest portion of the City's net position (91.6%) 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 2017 compared to 2016.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$27,732,172	\$37,142,929	\$94,603,902	\$109,820,625	\$122,336,074	\$146,963,554
Capital assets, Net	109,934,038	102,262,644	308,162,678	311,846,996	418,096,716	414,109,640
Total Assets	<u>137,666,210</u>	<u>139,405,573</u>	<u>402,766,580</u>	<u>421,667,621</u>	<u>540,432,790</u>	<u>561,073,194</u>
Deferred Outflows of Resources	13,868,251	15,353,078	13,661,887	8,073,087	27,530,138	23,426,165
Net Pension Liability	58,820,005	57,382,069	25,673,951	19,118,970	84,493,956	76,501,039
Other Long-term Liabilities	34,400,900	34,945,959	119,297,870	118,801,388	153,698,770	153,747,347
Other Liabilities	4,601,214	7,930,394	12,312,930	13,168,431	16,914,144	21,098,825
Total Liabilities	<u>97,822,119</u>	<u>100,258,422</u>	<u>157,284,751</u>	<u>151,088,789</u>	<u>255,106,870</u>	<u>251,347,211</u>
Deferred Inflows of Resources	7,990,312	7,778,983	539,747	1,101,449	8,530,059	8,880,432
Net Position						
Net Investment in Capital Assets	82,073,889	74,591,613	196,590,931	196,783,938	278,664,820	271,375,551
Restricted	7,132,718	6,212,366	15,582,840	18,131,101	22,715,558	24,343,467
Unrestricted (Deficit)	(43,484,577)	(34,082,733)	46,430,198	62,635,431	2,945,621	28,552,698
Total Net Position	<u>\$45,722,030</u>	<u>\$46,721,246</u>	<u>\$258,603,969</u>	<u>\$277,550,470</u>	<u>\$304,325,999</u>	<u>\$324,271,716</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 \$22,715,558, or 7.5%, of net position. The remaining unrestricted \$2,945,621, or 0.9%, 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, 2017**

Unaudited

Change in Net Position – The following table shows the change in net position for 2017 compared with 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services and Sales	\$16,463,705	\$15,688,982	\$114,810,046	\$110,879,778	\$131,273,751	\$126,568,760
Operating Grants and Contributions	4,556,837	4,469,691	743,577	743,247	5,300,414	5,212,938
Capital Grants and Contributions	3,504,621	3,186,797	0	0	3,504,621	3,186,797
Total Program Revenues	24,525,163	23,345,470	115,553,623	111,623,025	140,078,786	134,968,495
General Revenues:						
Property Taxes	5,468,318	5,457,646	0	0	5,468,318	5,457,646
Income Taxes	25,664,959	25,970,527	0	0	25,664,959	25,970,527
Other Local Taxes	3,112,726	3,169,478	0	2,952	3,112,726	3,172,430
Intergovernmental, Unrestricted	2,206,014	2,342,386	0	0	2,206,014	2,342,386
Investment Earnings	196,209	28,749	781,792	290,705	978,001	319,454
Miscellaneous	1,509,998	1,605,496	0	0	1,509,998	1,605,496
Total General Revenues	38,158,224	38,574,282	781,792	293,657	38,940,016	38,867,939
Total Revenues	62,683,387	61,919,752	116,335,415	111,916,682	179,018,802	173,836,434
Program Expenses						
General Government	10,793,974	13,748,213	0	0	10,793,974	13,748,213
Security of Persons and Property	32,248,544	29,364,275	0	0	32,248,544	29,364,275
Leisure Time Activities	2,872,495	2,655,781	0	0	2,872,495	2,655,781
Community Environment	2,638,446	2,156,324	0	0	2,638,446	2,156,324
Basic Utility Services	6,692,126	5,986,601	0	0	6,692,126	5,986,601
Transportation	5,418,564	5,398,871	0	0	5,418,564	5,398,871
Public Health and Welfare Services	1,876,111	1,392,658	0	0	1,876,111	1,392,658
Interest and Fiscal Charges	1,142,343	1,136,751	0	0	1,142,343	1,136,751
Gas Utility	0	0	20,169,139	20,059,695	20,169,139	20,059,695
Electric Utility	0	0	85,518,469	73,482,880	85,518,469	73,482,880
Water Utility	0	0	16,234,311	14,948,562	16,234,311	14,948,562
Wastewater Utility	0	0	13,359,997	13,232,904	13,359,997	13,232,904
Total Expenses	63,682,603	61,839,474	135,281,916	121,724,041	198,964,519	183,563,515
Change in Net Position Before Special Items	(999,216)	80,278	(18,946,501)	(9,807,359)	(19,945,717)	(9,727,081)
Special Item-Sale of Ownership Interest in Electric Plant	0	0	0	139,000,000	0	139,000,000
Total Change in Net Position	(999,216)	80,278	(18,946,501)	129,192,641	(19,945,717)	129,272,919
Beginning Net Position	46,721,246	46,640,968	277,550,470	148,357,829	324,271,716	194,998,797
Ending Net Position	\$45,722,030	\$46,721,246	\$258,603,969	\$277,550,470	\$304,325,999	\$324,271,716

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

Governmental Activities

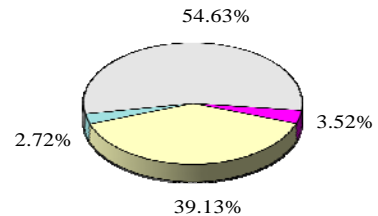
Net position of the City's governmental activities decreased \$999,216. This represents a 2% change from 2016. An increase in charges for services can be attributed to fees received from AMP, Inc. for administrative services provided at the Meldahl and Greenup Hydroelectric Plants, as well as court fines and refuse service charges.

A decrease in general government expense can be attributed to contributions to the Hamilton Community Improvement Corporation made in the prior fiscal year. An increase in security of persons and property was the result of changes in the net pension liability, wage increases, and the hiring of twenty additional public safety employees. Basic utility service expenses increased due to changes in the net pension liability. An increase in Land Reutilization and HOME Program rehabilitation costs resulted in the increase in community environment expense. An increase in public health and welfare can be attributed to changes in the net pension liability as well as organizational restructuring which resulted in additional public health salaries and benefits.

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 41% and 9%, respectively, of revenues for governmental activities in 2017. The City's reliance upon tax revenues is demonstrated by the following graph indicating 55% of total revenues from general tax revenues:

Revenue Sources	2017	Percent of Total
General Tax Revenues	\$34,246,003	54.63%
Intergovernmental, Unrestricted	2,206,014	3.52%
Program Revenues	24,525,163	39.13%
General Other	1,706,207	2.72%
Total Revenue	\$62,683,387	100.00%



Business-Type Activities

Net position of the business-type activities decreased \$18,946,501. This represented a 7% change from the prior year.

The Gas Utility reported a decrease in charges to customers due to a more mild winter resulting in less customer usage and less expensive unit cost. An overall increase in revenues can mostly be attributed to reimbursements received from AMP for their share of operating costs at the Meldahl and Greenup hydroelectric facilities.

The Electric Utility reported a significant increase in expense for purchased power that 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.

All four utilities reported increases in wage expense due to new employment agreements. In addition, the Water Utility reported increases in various contractual service costs and expenses for supplies.

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$10,412,821, which is a decrease from last year's balance of \$16,211,854. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2017 and 2016:

	Fund Balance December 31, 2017	Fund Balance December 31, 2016	Increase (Decrease)
General	\$7,887,121	\$9,136,820	(\$1,249,699)
Debt Service	5,255	0	5,255
Other Governmental	2,520,445	7,075,034	(4,554,589)
Total	\$10,412,821	\$16,211,854	(\$5,799,033)

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:

	2017 Revenues	2016 Revenues	Increase (Decrease)
Income Taxes	\$20,035,660	\$20,000,090	\$35,570
Property and Other Local Taxes	5,230,986	5,271,515	(40,529)
Intergovernmental Revenues	2,039,140	2,150,351	(111,211)
Charges for Services	5,931,106	5,233,285	697,821
Licenses and Permits	721,268	699,295	21,973
Investment Earnings	172,653	62,970	109,683
Fines and Forfeitures	636,768	662,813	(26,045)
All Other Revenue	1,188,329	609,042	579,287
Total	\$35,955,910	\$34,689,361	\$1,266,549

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

	2017 Expenditures	2016 Expenditures	Increase (Decrease)
General Government	\$7,062,128	\$10,180,987	(\$3,118,859)
Security of Persons and Property	22,889,837	20,894,395	1,995,442
Leisure Time Activities	1,303,817	1,242,332	61,485
Community Environment	765,575	647,033	118,542
Basic Utility Services	303,850	307,269	(3,419)
Public Health and Welfare Services	1,415,439	1,335,519	79,920
Total	\$33,740,646	\$34,607,535	(\$866,889)

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

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

Debt Service Fund – The City's Debt Service Fund reported the issuance of \$23 million of various purpose income tax revenue refunding bonds. The bonds were used to refund approximately \$13.1 million of various purpose general obligation bonds and approximately \$8.7 million of various purpose loans.

Other Governmental Funds – The City's Other Governmental Funds reported a decrease in fund balance of \$4,554,589, or 64%. Revenues were consistent with the prior year. 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 transportation can be attributed to outlays in the prior year for capital projects. An increase in costs for infrastructure improvements, building improvements, and machinery and equipment purchases resulted in an increase in capital outlay.

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 2017 the City amended its General Fund budget several times.

For the General Fund, original budgeted revenues were increased approximately 4% to account for increases in charges for services and all other revenues. Actual budget basis charges for services and all other revenues were less than the original and final budgeted amounts due to reimbursements from other funds as well as other miscellaneous reimbursements being less than expected. Final budgeted expenditures were 3% more than original estimates due to various, modest budget amendments across several general government departments and transfers out to other funds. Final budgeted expenditures and transfers out exceeded actual budget basis expenditures and transfers out by \$553,824.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the City had \$418,096,716 invested in land, construction in progress, buildings, improvements, infrastructure, and machinery and equipment, net of accumulated depreciation. Of this total, \$109,934,038 was related to governmental activities and \$308,162,678 to the business-type activities. The following tables show 2017 and 2016 balances:

	Governmental Activities		Increase (Decrease)
	2017	2016	
Land	\$20,309,897	\$20,309,897	\$0
Construction In Progress	30,928,415	31,066,107	(137,692)
Buildings and Improvements	44,100,105	42,119,944	1,980,161
Machinery and Equipment	29,172,430	26,864,655	2,307,775
Infrastructure	161,354,915	154,042,721	7,312,194
Less: Accumulated Depreciation	(175,931,724)	(172,140,680)	(3,791,044)
Totals	<u>\$109,934,038</u>	<u>\$102,262,644</u>	<u>\$7,671,394</u>

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

Construction in progress decreased due to the net of the completion of the parking garage renovation and the High Street and Martin Luther King Boulevard intersection improvement project.

Buildings and improvements increased as a direct result of the completion of the parking garage renovation project.

Machinery and equipment increased due to the purchase of several police vehicles, two ambulances, two street sweepers, a dump truck with snowplow and miscellaneous maintenance equipment.

The increase in infrastructure was a direct result of the completion of the Cleveland Avenue Bridge reconstruction, two street resurfacing projects and the East High Street gateway project.

	Business-Type Activities		Increase (Decrease)
	2017	2016	
Land	\$7,883,794	\$7,789,074	\$94,720
Construction in Progress	29,571,842	32,007,088	(2,435,246)
Intangible Capital Assets	1,070,786	1,070,786	0
Buildings and Improvements	129,109,829	128,133,656	976,173
Machinery and Equipment	648,469,980	634,402,496	14,067,484
Less: Accumulated Depreciation	(507,943,553)	(491,556,104)	(16,387,449)
Totals	\$308,162,678	\$311,846,996	(\$3,684,318)

The decrease in Construction in progress was due to the completion of the 2016 gas and water main replacement programs, Pershing Avenue water main replacement and the sanitary sewer lining project.

Land and buildings and improvements increased with the purchase of a property for electric utility distribution personnel and equipment. Additional increases to buildings and improvements included the modification of a CNG storage building and the construction of a dry gravel storage structure for gas and water maintenance.

Machinery and equipment increased as a direct result of the completion of gas and water main replacements, the continuous led streetlight replacement program, sanitary sewer replacement and sanitary sewer lining. Several utility vehicles were purchased including an electric line bucket truck, and a CNG powered vacuum truck for water reclamation as well as other miscellaneous power operated equipment.

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, 2017**

Unaudited

Debt

The following table summarizes the City's debt outstanding as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Governmental Activities:		
General Obligation Bonds	\$3,211,639	\$18,218,564
Income Tax Revenue Bonds	22,789,549	0
Special Assessment Bonds	470,000	625,000
OWDA Loan	3,019,894	1,592,766
Loans Payable	0	9,432,035
Net Pension Liability	58,820,005	57,382,069
Worker's Compensation Retrospective Liability	17,303	106,195
Compensated Absences	4,892,515	4,971,399
Total Governmental Activities	<u>93,220,905</u>	<u>92,328,028</u>
Business-Type Activities:		
Mortgage Revenue Bonds	65,263,274	111,982,756
Long Term Notes	45,220,000	0
OWDA Loans	1,243,921	334,401
OPWC Loans	4,967,531	3,869,759
Net Pension Liability	25,673,951	19,118,970
Compensated Absences	2,603,144	2,614,472
Total Business-Type Activities	<u>144,971,821</u>	<u>137,920,358</u>
Totals	<u>\$238,192,726</u>	<u>\$230,248,386</u>

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, 2017, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

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 2017 unencumbered General Fund cash was \$4,906,377 (non-GAAP).

The GFOA recommends governments adopt rigorous policies for all operating funds in order to achieve and maintain a structurally balanced budget. The policy should include parameters for achieving and maintaining structural balance where recurring revenues are equal to or greater than recurring expenditures in the adopted budget. City Council Resolution 2012-6-25 sets forth these policies; however, for a variety of reasons, true structural balance may not be possible for a government at a given time. In such a case, using reserves to balance the budget may be considered. However, this should only occur in the context of implementing a plan to return to structural balance, replenish fund balance, and ultimately remediate the negative impacts of any other short-term balancing actions that may be taken. Further, the plan should be clear about the time period over which returning to structural balance, replenishing reserves, and remediating the negative impacts of balancing actions are to occur.

CITY OF HAMILTON, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2017***

Unaudited

Although the budget is not structurally balanced, prudent fiscal policies will allow the City to remain at the same service levels in 2018 that have been provided in 2017. A cautious, optimistic eye will focus on the 2018 General Fund budget comparing it to actual expenditures and revenues, and recommendations will be made to City Council throughout 2018.

Many positive economic development efforts have come to fruition. In August 2017, Kirsch CPA Group, LLC, an Ohio-based accounting firm announced it is opening its new main office in the former Fifth Third building in downtown Hamilton. The accounting firm has experienced significant growth in recent years and will bring over 40 professional accounting jobs to the downtown area. Plans for the redevelopment of the former Champion Paper Mill continued to progress in a positive manner during 2017. The project, led by Manheim, PA-based Spooky Nook Sports LLC, is slated to include a sports complex, fitness center, hotel, restaurants, brewery, meeting and event space, and other entertainment venues. The facility will also house tenants in various medical fields including orthopedics, pediatric dentistry, and other services that support athletics and active lifestyles. The development team is in the final stages of securing financing for this estimated \$150 million project and expects to break ground in 2018.

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, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Equity in Pooled Cash and Investments	\$ 18,864,121	\$ 49,203,497	\$ 68,067,618
Receivables:			
Taxes	12,386,871	0	12,386,871
Accounts	1,210,483	15,220,862	16,431,345
Due From Other Governments	3,147,005	0	3,147,005
Interest	24,284	195,578	219,862
Special Assessments	430,656	0	430,656
Loans	1,486,288	0	1,486,288
Internal Balance	(11,230,000)	11,230,000	0
Inventory of Supplies at Cost	135,004	2,337,486	2,472,490
Prepaid Items	228,286	833,639	1,061,925
Restricted Assets:			
Cash and Investments	0	15,582,840	15,582,840
Cash with Fiscal Agent	1,049,174	0	1,049,174
Non-Depreciable Capital Assets	51,238,312	37,455,636	88,693,948
Depreciable Capital Assets, Net	58,695,726	270,707,042	329,402,768
Total Assets	<u>137,666,210</u>	<u>402,766,580</u>	<u>540,432,790</u>
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	320,933	3,649,069	3,970,002
Pension:			
OPERS	6,026,807	10,012,818	16,039,625
OP&F	7,520,511	0	7,520,511
Total Deferred Outflows of Resources	<u>13,868,251</u>	<u>13,661,887</u>	<u>27,530,138</u>
Liabilities:			
Accounts Payable	2,832,145	8,279,646	11,111,791
Accrued Wages and Benefits	568,682	378,882	947,564
Intergovernmental Payable	117,261	54,815	172,076
Claims Payable	482,323	0	482,323
Accrued Liabilities	513,630	802	514,432
Customer Deposits	7,125	2,767,152	2,774,277
Unearned Revenue	2,575	0	2,575
Accrued Interest Payable	77,473	831,633	909,106
Long-Term Liabilities:			
Due Within One Year	4,647,567	4,648,938	9,296,505
Due in More Than One Year:			
Net Pension Liability	58,820,005	25,673,951	84,493,956
Other Amounts Due in More Than One Year	29,753,333	114,648,932	144,402,265
Total Liabilities	<u>97,822,119</u>	<u>157,284,751</u>	<u>255,106,870</u>

CITY OF HAMILTON, OHIO

Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	5,510,137	0	5,510,137
Pension:			
OPERS	350,309	539,747	890,056
OP&F	2,129,866	0	2,129,866
Total Deferred Inflows of Resources	7,990,312	539,747	8,530,059
Net Position:			
Net Investment in Capital Assets	82,073,889	196,590,931	278,664,820
Restricted For:			
Debt Service	0	6,082,840	6,082,840
Capital Projects	1,420,915	0	1,420,915
Community Environment	496,942	0	496,942
General Government	800,270	0	800,270
Public Health and Welfare Services	7,145	0	7,145
Security of Persons and Property	2,629,172	0	2,629,172
Streets	1,702,855	0	1,702,855
Nonexpendable Endowments	75,419	0	75,419
Rate Stabilization	0	9,500,000	9,500,000
Unrestricted (Deficit)	(43,484,577)	46,430,198	2,945,621
Total Net Position	\$ 45,722,030	\$ 258,603,969	\$ 304,325,999

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

**Statement of Activities
For the Year Ended December 31, 2017**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 10,793,974	\$ 4,154,625	\$ 0	\$ 0
Security of Persons and Property	32,248,544	3,323,603	113,429	51,355
Leisure Time Activities	2,872,495	1,128,081	0	0
Community Environment	2,638,446	333,476	1,466,610	0
Basic Utility Services	6,692,126	6,451,263	0	0
Transportation	5,418,564	859,246	2,829,092	3,453,266
Public Health and Welfare Services	1,876,111	213,411	99,112	0
Interest and Fiscal Charges	1,142,343	0	48,594	0
Total Governmental Activities	63,682,603	16,463,705	4,556,837	3,504,621
Business-Type Activities:				
Gas Utility	20,169,139	18,482,683	0	0
Electric Utility	85,518,469	70,567,830	310,875	0
Water Utility	16,234,311	13,390,954	192,561	0
Wastewater Utility	13,359,997	12,368,579	240,141	0
Total Business-Type Activities	135,281,916	114,810,046	743,577	0
Totals	\$ 198,964,519	\$ 131,273,751	\$ 5,300,414	\$ 3,504,621

General Revenues

Property Taxes Levied for:

- General Purposes
- Special Purposes
- Capital Purposes
- Income Tax
- Other Local Taxes
- Intergovernmental, Unrestricted
- Investment Earnings
- Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

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
\$ (6,639,349)	\$ 0	\$ (6,639,349)
(28,760,157)	0	(28,760,157)
(1,744,414)	0	(1,744,414)
(838,360)	0	(838,360)
(240,863)	0	(240,863)
1,723,040	0	1,723,040
(1,563,588)	0	(1,563,588)
(1,093,749)	0	(1,093,749)
<u>(39,157,440)</u>	<u>0</u>	<u>(39,157,440)</u>
0	(1,686,456)	(1,686,456)
0	(14,639,764)	(14,639,764)
0	(2,650,796)	(2,650,796)
0	(751,277)	(751,277)
0	(19,728,293)	(19,728,293)
<u>\$ (39,157,440)</u>	<u>\$ (19,728,293)</u>	<u>\$ (58,885,733)</u>
2,100,327	0	2,100,327
2,310,952	0	2,310,952
1,057,039	0	1,057,039
25,664,959	0	25,664,959
3,112,726	0	3,112,726
2,206,014	0	2,206,014
196,209	781,792	978,001
<u>1,509,998</u>	<u>0</u>	<u>1,509,998</u>
<u>38,158,224</u>	<u>781,792</u>	<u>38,940,016</u>
(999,216)	(18,946,501)	(19,945,717)
<u>46,721,246</u>	<u>277,550,470</u>	<u>324,271,716</u>
<u>\$ 45,722,030</u>	<u>\$ 258,603,969</u>	<u>\$ 304,325,999</u>

CITY OF HAMILTON, OHIO

**Balance Sheet
Governmental Funds
December 31, 2017**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 9,167,364	\$ 5,255	\$ 9,506,068	\$ 18,678,687
Receivables:				
Taxes	6,915,927	0	5,470,944	12,386,871
Accounts	298,274	0	912,209	1,210,483
Intergovernmental	745,365	0	2,401,640	3,147,005
Interest	17,050	0	7,234	24,284
Special Assessments	0	0	430,656	430,656
Loans	1,280,000	0	206,288	1,486,288
Due from Other Funds	10,914	0	0	10,914
Inventory of Supplies, at Cost	53,713	0	51,630	105,343
Prepaid Items	187,842	0	40,444	228,286
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	1,049,174	0	0	1,049,174
Total Assets	\$ 19,725,623	\$ 5,255	\$ 19,027,113	\$ 38,757,991
Liabilities:				
Accounts Payable	\$ 957,548	\$ 0	\$ 1,713,805	\$ 2,671,353
Accrued Wages and Benefits Payable	499,849	0	54,833	554,682
Intergovernmental Payable	106,070	0	8,939	115,009
Claims Payable	482,323	0	0	482,323
Accrued Liabilities	398,063	0	115,567	513,630
Customer Deposits	0	0	7,125	7,125
Due to Other Funds	0	0	10,914	10,914
Interfund Payable	3,630,000	0	7,600,000	11,230,000
Unearned Revenue	0	0	2,575	2,575
Total Liabilities	6,073,853	0	9,513,758	15,587,611
Deferred Inflows of Resources:				
Unavailable Amounts	3,646,395	0	3,601,027	7,247,422
Property Tax Levy for Next Fiscal Year	2,118,254	0	3,391,883	5,510,137
Total Deferred Inflows of Resources	5,764,649	0	6,992,910	12,757,559
Fund Balance:				
Nonspendable	241,555	0	167,074	408,629
Restricted	0	0	3,607,737	3,607,737
Committed	0	0	3,901,117	3,901,117
Assigned	2,141,318	5,255	0	2,146,573
Unassigned	5,504,248	0	(5,155,483)	348,765
Total Fund Balance	7,887,121	5,255	2,520,445	10,412,821
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 19,725,623	\$ 5,255	\$ 19,027,113	\$ 38,757,991

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, 2017***

Total Governmental Fund Balances		\$ 10,412,821
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		109,907,900
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		7,247,422
 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	13,213,775	
Deferred Inflows - Pension	(2,461,545)	
Net Pension Liability	(57,964,761)	(47,212,531)
 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.		
		(587,123)
 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	(3,185,000)	
Special Assessment Bonds Payable	(470,000)	
Bond Premium	(26,639)	
Income Tax Revenue Bonds	(22,789,549)	
Ohio Water Development Authority Loans	(3,019,894)	
Deferred Loss on Refunding	320,933	
Worker's Compensation Liability	(17,303)	
Compensated Absences Payable	(4,781,534)	
Accrued Interest Payable	(77,473)	(34,046,459)
 <i>Net Position of Governmental Activities</i>		 \$ 45,722,030

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, 2017**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Income Taxes	\$ 20,035,660	\$ 0	\$ 5,816,806	\$ 25,852,466
Property and Other Local Taxes	5,230,986	0	3,391,881	8,622,867
Intergovernmental Revenues	2,039,140	0	8,113,004	10,152,144
Charges for Services	5,931,106	0	8,167,872	14,098,978
Licenses and Permits	721,268	0	389,079	1,110,347
Investment Earnings	172,653	0	23,556	196,209
Special Assessments	0	0	345,325	345,325
Fines and Forfeitures	636,768	0	286,715	923,483
All Other Revenue	1,188,329	0	321,669	1,509,998
Total Revenues	35,955,910	0	26,855,907	62,811,817
Expenditures:				
Current:				
General Government	7,062,128	0	4,515	7,066,643
Security of Persons and Property	22,889,837	0	5,904,499	28,794,336
Leisure Time Activities	1,303,817	0	1,233,181	2,536,998
Community Environment	765,575	0	1,640,592	2,406,167
Basic Utility Services	303,850	0	8,341,041	8,644,891
Transportation	0	0	3,226,018	3,226,018
Public Health and Welfare Services	1,415,439	0	263,838	1,679,277
Capital Outlay	0	0	12,560,558	12,560,558
Debt Service:				
Principal Retirement	0	12,176,990	38,126	12,215,116
Interest and Fiscal Charges	0	1,087,864	96,116	1,183,980
Total Expenditures	33,740,646	13,264,854	33,308,484	80,313,984
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,215,264	(13,264,854)	(6,452,577)	(17,502,167)
Other Financing Sources (Uses):				
Sale of Capital Assets	3,874	0	18,537	22,411
Bond Issuance	0	0	1,196,214	1,196,214
OWDA Loans Issued	0	0	1,427,128	1,427,128
Refunding Bonds Issued	0	23,141,416	0	23,141,416
Refunded Bonds Redeemed	0	(14,087,879)	0	(14,087,879)
Transfers In	0	4,216,572	2,757,392	6,973,964
Transfers Out	(3,473,926)	0	(3,500,038)	(6,973,964)
Total Other Financing Sources (Uses)	(3,470,052)	13,270,109	1,899,233	11,699,290
Net Change in Fund Balance	(1,254,788)	5,255	(4,553,344)	(5,802,877)
Fund Balance at Beginning of Year	9,136,820	0	7,075,034	16,211,854
Increase (Decrease) in Inventory	5,089	0	(1,245)	3,844
Fund Balance End of Year	\$ 7,887,121	\$ 5,255	\$ 2,520,445	\$ 10,412,821

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, 2017***

Net Change in Fund Balances - Total Governmental Funds \$ (5,802,877)

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	11,882,898	
Depreciation Expense	<u>(4,025,722)</u>	7,857,176

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. (174,828)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (128,430)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 4,475,064

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (7,580,194)

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

Income Tax Revenue Bonds Issued	(24,337,630)	
Ohio Water Development Authority Loan Issuance	<u>(1,427,128)</u>	(25,764,758)

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	1,080,000	
General Obligation Bonds Refunded	13,075,000	
Special Assessment Bond Principal Payment	155,000	
Income Tax Revenue Bond Principal Payment	1,548,081	
Loan Principal Payment	353,465	
Loan Payable Refunded	9,078,570	
Change in Deferred Loss on Refunding	132,064	
Change in Bond Premium	<u>851,925</u>	26,274,105

(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, 2017***

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 70,527

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	81,080	
Worker's Compensation Liability	47,725	
Change in Inventory	3,844	132,649

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. (357,650)

Change in Net Position of Governmental Activities \$ (999,216)

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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Income Taxes	\$ 20,445,000	\$ 20,489,515	\$ 20,193,683	\$ (295,832)
Property and Other Local Taxes	5,365,000	5,465,000	5,237,282	(227,718)
Intergovernmental Revenues	2,087,800	2,109,837	2,004,597	(105,240)
Charges for Services	15,555,740	16,040,800	15,284,549	(756,251)
Licenses and Permits	680,265	739,741	721,268	(18,473)
Investment Earnings	148,873	151,373	177,781	26,408
Fines and Forfeitures	655,750	655,750	642,481	(13,269)
All Other Revenue	186,000	1,081,355	682,934	(398,421)
Total Revenues	<u>45,124,428</u>	<u>46,733,371</u>	<u>44,944,575</u>	<u>(1,788,796)</u>
Expenditures:				
Current:				
Security of Persons and Property	28,883,273	28,948,646	28,810,154	138,492
Public Health and Welfare Services	1,540,158	1,552,480	1,495,934	56,546
Community Environment	1,663,247	1,567,389	1,492,857	74,532
Basic Utility Services	1,412,002	1,430,217	1,369,526	60,691
General Government	14,342,947	15,299,710	15,137,353	162,357
Total Expenditures	<u>47,841,627</u>	<u>48,798,442</u>	<u>48,305,824</u>	<u>492,618</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,717,199)	(2,065,071)	(3,361,249)	(1,296,178)
Other Financing Sources (Uses):				
Sale of Capital Assets	500	3,339	3,874	535
Transfers Out	(1,690,000)	(1,992,625)	(1,931,419)	61,206
Advances In	0	180,000	180,000	0
Total Other Financing Sources (Uses):	<u>(1,689,500)</u>	<u>(1,809,286)</u>	<u>(1,747,545)</u>	<u>61,741</u>
Net Change in Fund Balance	(4,406,699)	(3,874,357)	(5,108,794)	(1,234,437)
Fund Balance at Beginning of Year	5,608,472	5,608,472	5,608,472	0
Prior Year Encumbrances	4,406,699	4,406,699	4,406,699	0
Fund Balance at End of Year	<u>\$ 5,608,472</u>	<u>\$ 6,140,814</u>	<u>\$ 4,906,377</u>	<u>\$ (1,234,437)</u>

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2017**

	Business-Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
Assets:			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 3,530,594	\$ 25,708,366	\$ 6,922,894
Restricted Cash and Investments	2,500,049	7,405,613	1,691,218
Receivables:			
Accounts	3,757,035	8,067,771	1,797,843
Interest	10,729	124,185	21,038
Interfund Receivable	0	11,230,000	0
Inventory of Supplies at Cost	177,634	1,902,184	256,492
Prepaid Items	120,400	481,439	115,900
Total Current Assets	10,096,441	54,919,558	10,805,385
Noncurrent Assets:			
Non Depreciable Capital Assets	2,989,155	17,808,494	7,597,384
Depreciable Capital Assets, Net	31,298,805	98,259,968	88,486,642
Total Noncurrent Assets	34,287,960	116,068,462	96,084,026
Total Assets	44,384,401	170,988,020	106,889,411
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	297,605	832,053	812,333
Pension:			
OPERS	869,918	4,725,419	1,335,925
Total Deferred Outflows of Resources	1,167,523	5,557,472	2,148,258
Liabilities:			
Current Liabilities:			
Accounts Payable	2,044,512	5,463,040	271,099
Accrued Wages and Benefits	40,759	160,124	60,136
Intergovernmental Payable	4,908	24,261	7,888
Accrued Liabilities - Current	0	802	0
Customer Deposits Payable	757,661	1,483,278	248,561
Compensated Absences Payable - Current	150,622	489,561	208,248
Accrued Interest Payable	27,879	263,731	238,486
Revenue Bonds Payable - Current	525,000	890,000	735,000
OWDA Loans Payable - Current	0	0	45,397
OPWC Loans Payable - Current	0	0	24,998
Total Current Liabilities	3,551,341	8,774,797	1,839,813

CITY OF HAMILTON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2017**

	Wastewater	Total	Governmental Activities - Internal Service Funds
Assets:			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 13,039,470	\$ 49,201,324	\$ 187,607
Restricted Cash and Investments	3,985,960	15,582,840	0
Receivables:			
Accounts	1,598,213	15,220,862	0
Interest	39,626	195,578	0
Interfund Receivable	0	11,230,000	0
Inventory of Supplies at Cost	1,176	2,337,486	29,661
Prepaid Items	115,900	833,639	0
Total Current Assets	18,780,345	94,601,729	217,268
Noncurrent Assets:			
Non Depreciable Capital Assets	9,060,603	37,455,636	0
Depreciable Capital Assets, Net	52,661,627	270,707,042	26,138
Total Noncurrent Assets	61,722,230	308,162,678	26,138
Total Assets	80,502,575	402,764,407	243,406
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	1,707,078	3,649,069	0
Pension:			
OPERS	949,755	7,881,017	2,465,344
Total Deferred Outflows of Resources	2,656,833	11,530,086	2,465,344
Liabilities:			
Current Liabilities:			
Accounts Payable	267,089	8,045,740	394,698
Accrued Wages and Benefits	46,604	307,623	85,259
Intergovernmental Payable	5,710	42,767	14,300
Accrued Liabilities - Current	0	802	0
Customer Deposits Payable	277,652	2,767,152	0
Compensated Absences Payable - Current	199,470	1,047,901	297,721
Accrued Interest Payable	301,537	831,633	0
Revenue Bonds Payable - Current	1,110,000	3,260,000	0
OWDA Loans Payable - Current	19,580	64,977	0
OPWC Loans Payable - Current	0	24,998	0
Total Current Liabilities	2,227,642	16,393,593	791,978

(Continued)

CITY OF HAMILTON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2017**

	Business-Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
Noncurrent Liabilities:			
Revenue Bonds Payable	5,245,000	15,379,523	21,003,885
OWDA Loans Payable	0	0	887,413
OPWC Loans Payable	0	0	1,424,512
Notes Payable	0	13,795,000	5,980,000
Compensated Absences Payable	156,118	513,595	237,028
Net Pension Liability	2,230,562	12,116,488	3,425,456
Total Noncurrent Liabilities	<u>7,631,680</u>	<u>41,804,606</u>	<u>32,958,294</u>
Total Liabilities	<u>11,183,021</u>	<u>50,579,403</u>	<u>34,798,107</u>
Deferred Inflows of Resources:			
Pension:			
OPERS	48,990	251,905	69,697
Total Deferred Inflows of Resources	<u>48,990</u>	<u>251,905</u>	<u>69,697</u>
Net Position:			
Net Investment in Capital Assets	29,910,088	87,082,888	66,920,743
Restricted for Debt Service	49	3,405,613	691,218
Restricted for Rate Stabilization	2,500,000	4,000,000	1,000,000
Unrestricted	1,909,776	31,225,683	5,557,904
Total Net Position	<u>\$ 34,319,913</u>	<u>\$ 125,714,184</u>	<u>\$ 74,169,865</u>

CITY OF HAMILTON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2017**

	Wastewater	Total	Governmental Activities - Internal Service Funds
Noncurrent Liabilities:			
Revenue Bonds Payable	20,374,866	62,003,274	0
OWDA Loans Payable	291,531	1,178,944	0
OPWC Loans Payable	3,518,021	4,942,533	0
Notes Payable	25,445,000	45,220,000	0
Compensated Absences Payable	169,772	1,076,513	291,990
Net Pension Liability	2,435,275	20,207,781	6,321,414
Total Noncurrent Liabilities	52,234,465	134,629,045	6,613,404
Total Liabilities	54,462,107	151,022,638	7,405,382
Deferred Inflows of Resources:			
Pension:			
OPERS	52,746	423,338	135,039
Total Deferred Inflows of Resources	52,746	423,338	135,039
Net Position:			
Net Investment in Capital Assets	12,677,212	196,590,931	26,138
Restricted for Debt Service	1,985,960	6,082,840	0
Restricted for Rate Stabilization	2,000,000	9,500,000	0
Unrestricted	11,981,383	50,674,746	(4,857,809)
Total Net Position	\$ 28,644,555	\$ 262,848,517	\$ (4,831,671)
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.		(4,244,548)	
Net Position of Business-type Activities		\$ 258,603,969	

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, 2017**

	Business-Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
Operating Revenues:			
Charges for Services	\$ 18,462,289	\$ 68,530,260	\$ 13,275,918
Other Operating Revenues	20,394	2,037,570	115,036
Total Operating Revenues	<u>18,482,683</u>	<u>70,567,830</u>	<u>13,390,954</u>
Operating Expenses:			
Personal Services	2,231,431	10,988,488	3,524,386
Contractual Services	1,143,008	8,225,048	3,810,022
Materials and Supplies	268,961	1,624,289	1,111,846
Purchase of Gas and Electric	10,138,730	50,712,401	0
Depreciation	2,370,065	7,805,359	3,524,198
Other Operating Expenses	3,690,857	3,914,410	2,871,422
Total Operating Expenses	<u>19,843,052</u>	<u>83,269,995</u>	<u>14,841,874</u>
Operating Income (Loss)	(1,360,369)	(12,702,165)	(1,450,920)
Non-Operating Revenue (Expenses):			
Interest Income	48,364	467,967	92,139
Interest and Fiscal Charges	(206,091)	(1,453,986)	(1,281,756)
Loss on Disposal of Capital Assets	(119,996)	(69,271)	(110,681)
Grants	0	310,875	192,561
Total Non-Operating Revenues (Expenses)	<u>(277,723)</u>	<u>(744,415)</u>	<u>(1,107,737)</u>
Change in Net Position	(1,638,092)	(13,446,580)	(2,558,657)
Net Position Beginning of Year	35,958,005	139,160,764	76,728,522
Net Position End of Year	<u>\$ 34,319,913</u>	<u>\$ 125,714,184</u>	<u>\$ 74,169,865</u>

Change in Net Position - Total Enterprise Funds

CITY OF HAMILTON, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017**

	Wastewater	Total	Governmental Activities - Internal Service Funds
Operating Revenues:			
Charges for Services	\$ 12,346,330	\$ 112,614,797	\$ 10,551,071
Other Operating Revenues	22,249	2,195,249	0
Total Operating Revenues	12,368,579	114,810,046	10,551,071
Operating Expenses:			
Personal Services	2,557,137	19,301,442	6,680,405
Contractual Services	2,549,669	15,727,747	2,549,413
Materials and Supplies	302,621	3,307,717	1,822,845
Purchase of Gas and Electric	0	60,851,131	0
Depreciation	3,563,726	17,263,348	10,954
Other Operating Expenses	2,644,589	13,121,278	571,050
Total Operating Expenses	11,617,742	129,572,663	11,634,667
Operating Income (Loss)	750,837	(14,762,617)	(1,083,596)
Non-Operating Revenue (Expenses):			
Interest Income	173,322	781,792	729
Interest and Fiscal Charges	(1,720,118)	(4,661,951)	0
Loss on Disposal of Capital Assets	(22,137)	(322,085)	0
Grants	240,141	743,577	0
Total Non-Operating Revenues (Expenses)	(1,328,792)	(3,458,667)	729
Change in Net Position	(577,955)	(18,221,284)	(1,082,867)
Net Position Beginning of Year	29,222,510	281,069,801	(3,748,804)
Net Position End of Year	\$ 28,644,555	\$ 262,848,517	\$ (4,831,671)
Change in Net Position - Total Enterprise Funds		\$ (18,221,284)	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.		(725,217)	
Change in Net Position - Business-type Activities		\$ (18,946,501)	

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$18,037,595	\$70,778,969	\$13,209,292
Cash Payments for Goods and Services	(15,029,341)	(63,505,509)	(7,889,442)
Cash Payments to Employees	(2,097,025)	(10,808,890)	(3,134,833)
Net Cash Provided (Used) by Operating Activities	911,229	(3,535,430)	2,185,017
<u>Cash Flows from Noncapital Financing Activities:</u>			
Intergovernmental Grants	0	310,875	192,561
Kilowatt Hour Tax Received	0	2,320,348	0
Kilowatt Hour Tax Paid to State	0	(2,320,348)	0
Advances In from Other Funds	0	95,150	0
Advances Out to Other Funds	0	(4,680,000)	0
Net Cash Provided (Used) by Noncapital Financing Activities	0	(4,273,975)	192,561
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Note Issuance	0	13,795,000	5,980,000
Revenue Bond Proceeds	5,840,000	0	0
Revenue Bond Principal Retirement	(4,320,000)	(13,955,000)	(6,390,000)
OWDA Loan Proceeds	0	0	919,076
OPWC Loan Proceeds	0	0	822,173
OWDA Loan Principal Retirement	0	0	0
Interest and Fiscal Charges	(485,346)	(2,322,758)	(1,654,373)
Acquisition and Construction of Assets	(1,977,421)	(5,934,110)	(4,174,585)
Net Cash Used by Capital and Related Financing Activities	(942,767)	(8,416,868)	(4,497,709)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	46,542	402,682	96,511
Net Cash Provided by Investing Activities	46,542	402,682	96,511
Net Increase (Decrease) in Cash and Cash Equivalents	15,004	(15,823,591)	(2,023,620)
Cash and Cash Equivalents at Beginning of Year	6,015,639	48,937,570	10,637,732
Cash and Cash Equivalents at End of Year	\$6,030,643	\$33,113,979	\$8,614,112
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$3,530,594	\$25,708,366	\$6,922,894
Restricted Cash and Cash Equivalents	2,500,049	7,405,613	1,691,218
Cash and Cash Equivalents at End of Year	\$6,030,643	\$33,113,979	\$8,614,112

CITY OF HAMILTON, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	<u>Wastewater</u>	<u>Totals</u>	<u>Governmental- Activities Internal Service Funds</u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$12,358,627	\$114,384,483	\$10,551,071
Cash Payments for Goods and Services	(5,582,934)	(92,007,226)	(4,871,867)
Cash Payments to Employees	(2,325,286)	(18,366,034)	(5,840,043)
Net Cash Provided (Used) by Operating Activities	<u>4,450,407</u>	<u>4,011,223</u>	<u>(160,839)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Intergovernmental Grants	240,141	743,577	0
Kilowatt Hour Tax Received	0	2,320,348	0
Kilowatt Hour Tax Paid to State	0	(2,320,348)	0
Advances In from Other Funds	0	95,150	0
Advances Out to Other Funds	0	(4,680,000)	0
Net Cash Provided (Used) by Noncapital Financing Activities	<u>240,141</u>	<u>(3,841,273)</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Note Issuance	25,445,000	45,220,000	0
Revenue Bond Proceeds	0	5,840,000	0
Revenue Bond Principal Retirement	(27,885,000)	(52,550,000)	0
OWDA Loan Proceeds	0	919,076	0
OPWC Loan Proceeds	275,599	1,097,772	0
OWDA Loan Principal Retirement	(9,556)	(9,556)	0
Interest and Fiscal Charges	(3,698,749)	(8,161,226)	0
Acquisition and Construction of Assets	(1,901,311)	(13,987,427)	0
Net Cash Used by Capital and Related Financing Activities	<u>(7,774,017)</u>	<u>(21,631,361)</u>	<u>0</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	175,623	721,358	729
Net Cash Provided by Investing Activities	<u>175,623</u>	<u>721,358</u>	<u>729</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,907,846)	(20,740,053)	(160,110)
Cash and Cash Equivalents at Beginning of Year	19,933,276	85,524,217	347,717
Cash and Cash Equivalents at End of Year	<u>\$17,025,430</u>	<u>\$64,784,164</u>	<u>\$187,607</u>
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$13,039,470	\$49,201,324	\$187,607
Restricted Cash and Cash Equivalents	3,985,960	15,582,840	0
Cash and Cash Equivalents at End of Year	<u>\$17,025,430</u>	<u>\$64,784,164</u>	<u>\$187,607</u>

(Continued)

CITY OF HAMILTON, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$1,360,369)	(\$12,702,165)	(\$1,450,920)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	2,370,065	7,805,359	3,524,198
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Increase in Accounts Receivable	(445,088)	(246,927)	(181,662)
Increase in Inventory	(29,551)	(88,389)	(49,541)
(Increase) Decrease in Prepaids	18,602	132,336	24,329
Increase in Deferred Outflows of Resources	(210,433)	(1,285,651)	(378,726)
Increase (Decrease) in Accounts Payable	214,961	21,161	(98,506)
Increase (Decrease) in Accrued Wages and Benefits	(64,768)	(238,521)	(62,197)
Increase in Customer Deposits Payable	7,935	145,166	28,349
Increase (Decrease) in Intergovernmental Payable	798	(9,375)	1,475
Increase (Decrease) in Compensated Absences	(55,839)	28,034	(33,110)
Increase in Net Pension Liability	514,773	3,167,207	935,102
Decrease in Deferred Inflows of Resources	(49,857)	(263,665)	(73,774)
Total Adjustments	<u>2,271,598</u>	<u>9,166,735</u>	<u>3,635,937</u>
Net Cash Provided (Used) by Operating Activities	<u>\$911,229</u>	<u>(\$3,535,430)</u>	<u>\$2,185,017</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2017 the Gas, Electric, Water, and Wastewater Funds had outstanding liabilities of \$155,575, \$617,492, \$87,441, and \$180,564, 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, 2017***

	<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)	\$750,837	(\$14,762,617)	(\$1,083,596)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	3,563,726	17,263,348	10,954
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Increase in Accounts Receivable	(9,952)	(883,629)	0
Increase in Inventory	(527)	(168,008)	(6,133)
(Increase) Decrease in Prepays	(4,672)	170,595	0
Increase in Deferred Outflows of Resources	(237,156)	(2,111,966)	(634,449)
Increase (Decrease) in Accounts Payable	(103,935)	33,681	77,712
Increase (Decrease) in Accrued Wages and Benefits	(64,832)	(430,318)	4,911
Increase in Customer Deposits Payable	25,462	206,912	0
Increase (Decrease) in Intergovernmental Payable	809	(6,293)	2,817
Increase (Decrease) in Compensated Absences	3,410	(57,505)	48,373
Increase in Net Pension Liability	581,299	5,198,381	1,557,956
Decrease in Deferred Inflows of Resources	(54,062)	(441,358)	(139,384)
Total Adjustments	<u>3,699,570</u>	<u>18,773,840</u>	<u>922,757</u>
Net Cash Provided (Used) by Operating Activities	<u>\$4,450,407</u>	<u>\$4,011,223</u>	<u>(\$160,839)</u>

CITY OF HAMILTON, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2017***

	<u>Agency Funds</u>
Assets:	
Equity in Pooled Cash and Investments	\$ 1,690,763
Receivables:	
Taxes	<u>24,381</u>
Total Assets	<u>1,715,144</u>
Liabilities:	
Accounts Payable	30,974
Intergovernmental Payable	1,140,558
Due to Others	<u>543,612</u>
Total Liabilities	<u>\$ 1,715,144</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are presented as of December 31, 2017 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, 2017***

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 18 and Note 19 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, 2017***

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 18 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 are the City's major governmental funds:

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.

Debt Service Fund - This fund is used to account for resources that are used for payment of principal, interest and fiscal charges on general obligation debt.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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, 2017***

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, 2017***

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, 2017***

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, 2017, are recorded as deferred inflows of resources. Property taxes, which are measurable at December 31, 2017 but are not intended to finance 2017 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, 2017*

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 2017.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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, 2017***

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:

Net Change in Fund Balance	General Fund
GAAP Basis (as reported)	(\$1,254,788)
Increase (Decrease):	
Accrued Revenues at December 31, 2017 received during 2018	(4,482,638)
Accrued Revenues at December 31, 2016 received during 2017	4,399,850
Accrued Expenditures at December 31, 2017 paid during 2018	2,443,853
Accrued Expenditures at December 31, 2016 paid during 2017	(5,348,627)
Change in Interfund Balances	731,848
2016 Prepays for 2017	221,511
2017 Prepays for 2018	(187,842)
Outstanding Encumbrances	(745,371)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	(886,590)
Budget Basis	<u>(\$5,108,794)</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, 2017***

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 2017, 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, 2017, 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, 2017***

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 acquisition 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 acquisition 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, 2017***

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/Income Tax Revenue 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
Long Term Notes	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, 2017***

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, 2017***

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. At December 31, 2017, the balance in the Economic Budget Stabilization Fund was \$493,978, and is reported in unassigned fund balance.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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, 2017***

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.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2017, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,” Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,” Statement No. 80, “Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14,” Statement No. 81, “Irrevocable Split-Interest Agreements,” and Statement No. 82, “Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73.”

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions.

GASB Statement No. 74 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments.

GASB Statement No. 81 addresses irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82 addresses certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68.

These changes were incorporated in the City’s 2017 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, 2017**

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:

Fund Balances	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Supplies Inventory	\$53,713	\$0	\$51,630	\$105,343
Prepaid Items	187,842	0	40,444	228,286
Permanent Fund Corpus	0	0	75,000	75,000
Total Nonspendable	241,555	0	167,074	408,629
Restricted:				
Public Health and Safety	0	0	611,627	611,627
County Court Computer Improvements	0	0	328,486	328,486
Dispute Resolution	0	0	25,030	25,030
Law Enforcement	0	0	871,128	871,128
Street Maintenance	0	0	947,604	947,604
Community Development and Improvement	0	0	355,517	355,517
Capital Improvements	0	0	468,345	468,345
Total Restricted	0	0	3,607,737	3,607,737
Committed:				
Stormwater Operations	0	0	1,532,540	1,532,540
Refuse Operations	0	0	1,933,644	1,933,644
Parking Operations	0	0	118,752	118,752
Golf Course Operations	0	0	316,181	316,181
Total Committed	0	0	3,901,117	3,901,117
Assigned:				
Debt Retirement	0	5,255	0	5,255
Services and Supplies	35,889	0	0	35,889
Worker's Compensation	2,105,429	0	0	2,105,429
Total Assigned	2,141,318	5,255	0	2,146,573
Unassigned (Deficits):	5,504,248	0	(5,155,483)	348,765
Total Fund Balances	\$7,887,121	\$5,255	\$2,520,445	\$10,412,821

CITY OF HAMILTON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities – The following funds had deficit fund balance/net position amounts at December 31, 2017:

<u>Fund</u>	<u>Fund Balance/ Net Position Deficit</u>
<i>Nonmajor Governmental Funds</i>	
Capital Projects Funds:	
Hamilton Capital Improvement Fund	\$392,462
Municipal Improvement Tax Increment Equivalent (MITIE) Fund	3,235,298
Infrastructure Program Fund	1,527,723
 <i>Internal Service Funds</i>	
Fleet Maintenance	\$587,123
Central Services	4,244,548

The deficits occurring in the Hamilton Capital Improvement Fund, Municipal Improvement Tax Increment Equivalent (MITIE) Fund, and the Infrastructure Program Fund are due to interfund payables reported in the funds. As cash is received and the payables liquidated, the deficits 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. These deficits will be eliminated by future charges for services. A portion of these deficits are the result of accounting for the net pension liability for which there is no repayment schedule.

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, 2017***

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 City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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, 2017, \$9,608,846 of the City's bank balance of \$10,368,846 was exposed to custodial credit risk since it was uninsured and collateralized with securities held in the Ohio Pooled Collateral System.

B. Investments

The City's investments at December 31, 2017 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	\$6,161,585	AA+ ¹	NA	8.19%	\$6,161,585	\$0	\$0
Commercial Paper	648,050	A-1+ ¹	Level 2	0.86%	648,050	0	0
STAR Ohio ²	4,715,329	AAAm ¹	NA	6.27%	4,715,329	0	0
FNMA	15,759,445	AA+ ¹	Level 2	20.94%	1,739,673	13,707,421	312,351
FFCB	10,091,444	AA+ ¹	Level 2	13.41%	1,996,280	3,444,830	4,650,334
FHLB	8,562,236	AA+ ¹	Level 2	11.38%	3,232,220	3,973,864	1,356,152
FHLMC	12,614,237	AA+ ¹	Level 2	16.76%	3,618,042	6,242,604	2,753,591
US Treasury Notes	16,692,430	AA+ ¹	Level 1	22.19%	2,985,240	10,658,841	3,048,349
Total Investments	<u>\$75,244,756</u>			<u>100.00%</u>	<u>\$25,096,419</u>	<u>\$38,027,560</u>	<u>\$12,120,777</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, 2017***

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 2017 were levied after October 1, 2016 on assessed values as of January 1, 2016, 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 2017. 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, 2017 was \$6.81 per \$1,000 of assessed value. The assessed value upon which the 2017 receipts were based was \$794,964,840. This amount constitutes \$789,655,500 in real property assessed value and \$5,309,340 in public utility assessed value.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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, 2017.

Tax Abatement Program	Total Amount of Taxes Abated For the year 2017
<i>Enterprise Zone</i>	
Ansari Properties	\$2,838
Concord Hamiltonian Riverfront	47,170
Synergy Flavors OH	22,971
Livingston Tyler Products	4,627
M.A. Folkes Company	49,758
Matandy Steel & Metal Products	17,458
Neturen America Corporation	30,058
Interstate Warehousing	57,734
Bethesda Hospital and Duke Realty	247,136
United Performance Metals	10,470
Vinylmax, LLC	57,653
YAC Robot Systems	1,796
	\$549,669

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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, 2017.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated For the year 2017</u>
<i>Job Creation Income Tax Credit</i>	
Imflux Incorporated	<u>\$87,530</u>
	<u><u>\$87,530</u></u>

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 7 – RECEIVABLES

Receivables at December 31, 2017 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, 2017, 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, 2017 as follows:

Accounts Receivable					Total
As of December 31, 2017	Gas	Electric	Water	Wastewater	Business-Type Activities
Earned and unbilled consumer accounts	\$2,404,859	\$4,157,576	\$1,252,914	\$754,266	\$8,569,615
Earned and billed consumer accounts	3,660,691	7,706,592	1,268,933	1,984,867	14,621,083
Less allowance for uncollectible accounts	(2,308,515)	(4,454,013)	(730,533)	(1,141,492)	(8,634,553)
Other	0	657,616	6,529	572	664,717
Accounts Receivable	<u>3,757,035</u>	<u>8,067,771</u>	<u>1,797,843</u>	<u>1,598,213</u>	<u>15,220,862</u>
Accrued Interest Receivable	10,729	124,185	21,038	39,626	195,578
Total Receivables	<u>\$3,767,764</u>	<u>\$8,191,956</u>	<u>\$1,818,881</u>	<u>\$1,637,839</u>	<u>\$15,416,440</u>

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2017:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$0	\$3,473,926
Debt Service Fund	4,216,572	0
Other Governmental Funds	<u>2,757,392</u>	<u>3,500,038</u>
Totals	<u>\$6,973,964</u>	<u>\$6,973,964</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 Fund for payment of obligations and some transfers are made from the General Fund at year-end to eliminate deficit balances. In 2017 the General Fund, Municipal Improvement Tax Increment Equivalent Fund, and Street Maintenance Fund transferred \$758,794, \$363,575, and \$310,000, respectively, to the Infrastructure Program Fund for various infrastructure improvement projects. In addition, the General Fund transferred \$1,122,625 to the Capital Improvement Fund for various capital projects.

CITY OF HAMILTON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 9 – INTERFUND TRANSACTIONS

The composition of inter-fund balances as of December 31, 2017, 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	\$0	\$3,630,000	\$10,914	\$0
Other Governmental Funds	0	7,600,000	0	10,914
Electric Fund	11,230,000	0	0	0
	<u>\$11,230,000</u>	<u>\$11,230,000</u>	<u>\$10,914</u>	<u>\$10,914</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.

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 \$3,630,000, \$1,100,000, \$2,000,000, and \$4,500,000, respectively. The General Fund notes were issued to provide a grant to the Community Improvement Corporation and for improvements at the Booker T. Washington Community Center. The Capital Improvement Fund and Municipal Improvement Tax Increment Equivalent Fund notes were for property acquisition and development. The Infrastructure Program Fund notes were 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.

This Space Intentionally Left Blank

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2017:

Historical Cost:

Class	December 31, 2016	Additions	Deletions	December 31, 2017
<i>Capital assets not being depreciated:</i>				
Land	\$20,309,897	\$0	\$0	\$20,309,897
Construction in Progress	31,066,107	7,528,087	(7,665,779)	30,928,415
Sub-Total	51,376,004	7,528,087	(7,665,779)	51,238,312
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	42,119,944	1,980,161	0	44,100,105
Machinery and Equipment	26,864,655	2,542,521	(234,746)	29,172,430
Infrastructure	154,042,721	7,497,908	(185,714)	161,354,915
Total Cost	<u>\$274,403,324</u>	<u>\$19,548,677</u>	<u>(\$8,086,239)</u>	<u>\$285,865,762</u>
<i>Accumulated Depreciation:</i>				
Class	December 31, 2016	Additions	Deletions	December 31, 2017
Buildings and Improvements	(\$18,596,055)	(\$1,041,894)	\$0	(\$19,637,949)
Machinery and Equipment	(21,252,076)	(1,164,405)	160,725	(22,255,756)
Infrastructure	(132,292,549)	(1,830,377)	84,907	(134,038,019)
Total Depreciation	<u>(\$172,140,680)</u>	<u>(\$4,036,676) *</u>	<u>\$245,632</u>	<u>(\$175,931,724)</u>
<i>Net Value:</i>	<u>\$102,262,644</u>			<u>\$109,934,038</u>

*Depreciation expenses were charged to governmental functions as follows:

General Government	\$672,076
Security of Persons and Property	582,662
Leisure Time Activities	362,707
Community Environment	3,087
Transportation	2,412,923
Public Health and Welfare Services	3,221
Total Depreciation Expense	<u>\$4,036,676</u>

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 10 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category at December 31, 2017:

Historical Cost:

Class	December 31, 2016	Additions	Deletions	December 31, 2017
<i>Capital assets not being depreciated:</i>				
Land	\$7,789,074	\$94,720	\$0	\$7,883,794
Construction in Progress	32,007,088	6,523,104	(8,958,350)	29,571,842
Sub-Total	<u>39,796,162</u>	<u>6,617,824</u>	<u>(8,958,350)</u>	<u>37,455,636</u>
<i>Capital assets being depreciated:</i>				
Intangible Capital Assets	1,070,786	0	0	1,070,786
Buildings and Improvements	128,133,656	976,173	0	129,109,829
Machinery and Equipment	634,402,496	15,265,468	(1,197,984)	648,469,980
Total Cost	<u>\$803,403,100</u>	<u>\$22,859,465</u>	<u>(\$10,156,334)</u>	<u>\$816,106,231</u>

Accumulated Depreciation:

Class	December 31, 2016	Additions	Deletions	December 31, 2017
Intangible Capital Assets	(\$192,744)	(\$21,416)	\$0	(\$214,160)
Buildings and Improvements	(67,145,610)	(2,203,237)	0	(69,348,847)
Machinery and Equipment	(424,217,750)	(15,038,695)	875,899	(438,380,546)
Total Depreciation	<u>(\$491,556,104)</u>	<u>(\$17,263,348)</u>	<u>\$875,899</u>	<u>(\$507,943,553)</u>
<i>Net Value:</i>	<u>\$311,846,996</u>			<u>\$308,162,678</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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, 2017***

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

This Space Intentionally Left Blank

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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:

	<u>State and Local</u>
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	<u>1.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$3,335,767 for 2017. Of this amount, \$75,269 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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, 2017**

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>
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2017 through December 31, 2017	12.25 %	12.25 %
2017 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, 2017 through December 31, 2017	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$3,291,033 for 2017. Of this amount, \$75,822 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, 2016, 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, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. 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	\$41,127,343	\$43,366,613	\$84,493,956
Proportion of the Net Pension Liability-2017	0.181112%	0.684675%	
Proportion of the Net Pension Liability-2016	<u>0.180651%</u>	<u>0.702774%</u>	
Percentage Change	<u>0.000461%</u>	<u>(0.018099%)</u>	
Pension Expense	\$8,246,878	\$4,914,232	\$13,161,110

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2017, 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	\$6,124,813	\$4,217,210	\$10,342,023
Changes in assumptions	6,523,300	0	6,523,300
Differences between expected and actual experience	55,745	12,268	68,013
City contributions subsequent to the measurement date	<u>3,335,767</u>	<u>3,291,033</u>	<u>6,626,800</u>
Total Deferred Outflows of Resources	<u>\$16,039,625</u>	<u>\$7,520,511</u>	<u>\$23,560,136</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$244,767	\$99,849	\$344,616
Change in proportionate share	<u>645,289</u>	<u>2,030,017</u>	<u>2,675,306</u>
Total Deferred Inflows of Resources	<u>\$890,056</u>	<u>\$2,129,866</u>	<u>\$3,019,922</u>

\$6,626,800 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2018	\$4,586,346	\$1,150,698	\$5,737,044
2019	5,229,747	1,150,698	6,380,445
2020	2,177,242	768,528	2,945,770
2021	(179,533)	(737,078)	(916,611)
2022	0	(233,473)	(233,473)
2023	<u>0</u>	<u>239</u>	<u>239</u>
Total	<u>\$11,813,802</u>	<u>\$2,099,612</u>	<u>\$13,913,414</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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

In 2016, the OPERS’ actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 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. 2.15 percent simple, thereafter
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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 2016 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 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability was 7.5 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 7.5 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 (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
City's proportionate share of the net pension liability	\$62,831,203	\$41,127,343	\$23,041,006

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, 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, 2016, are presented below:

Valuation Date	January 1, 2016
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, 2017***

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, 2016 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected *	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Real Assets	5.00	6.87
Master Limited Partnerships	8.00	7.36
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.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City’s proportionate share of the net pension liability	\$57,759,172	\$43,366,613	\$31,168,699

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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.

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. This trust is also used to fund health care for Member Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for 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 2016 CAFR for details.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible benefit recipients. 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 may be 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 2017, 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, 2017***

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

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

Each year, the OPERS Board 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 1.0% during calendar year 2017. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS 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 for Member-Directed Plan participants for 2017 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2017, 2016, and 2015 were \$269,302, \$488,098 and \$492,314, 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, 2017*

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 2017, 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, 2017, 2016, and 2015 were \$39,401, \$36,909 and \$35,534 for police and \$37,689, \$36,784 and \$35,115 for firefighters, respectively, which were equal to the required contributions for each year.

This Space Intentionally Left Blank

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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 2017, annual OPEB cost was \$93,893. The City contributed 87.7%, or \$82,302, resulting in a total net OPEB obligation of \$57,723. The total unfunded actuarial accrued liability at year end was \$1,386,170.

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.

The actuarial valuation date was December 31, 2017 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.

This space intentionally left blank.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2017*

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.

The Metropolitan Pension Plan currently has no assets and the plan is not administered through a trust. GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions.

The total pension liability was deemed not material to the City’s financial statements. As such, the Metropolitan Pension Plan liability is not reported in the financial statements.

This space intentionally left blank.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2017 were as follows:

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017	Due Within One Year
Governmental activities:								
Bonds payable:								
General Obligation Bonds:								
2009	2.5% - 4.50%	Various Purpose 2009 G O Bonds	2028	\$3,735,000	\$0	(\$550,000)	\$3,185,000	\$565,000
2011	2% - 5.00%	Various Purpose Refunding	2026	11,760,000	0	(11,760,000)	0	0
2011	2% - 5.00%	Various Purpose	2026	1,845,000	0	(1,845,000)	0	0
Total General Obligation Bonds				17,340,000	0	(14,155,000)	3,185,000	565,000
Income Tax Revenue Bonds:								
2017	3.00%	Various Purpose Refunding	2035	0	8,933,574	(190,061)	8,743,513	376,574
2017	3.00%	Various Purpose	2035	0	1,196,214	(3,126)	1,193,088	190,221
2017	2.39%	Various Purpose Refunding	2026	0	14,207,842	(1,354,894)	12,852,948	1,306,459
Total Income Tax Revenue Bonds				0	24,337,630	(1,548,081)	22,789,549	1,873,254
Special Assessment Bonds:								
2003	5.25%	Shaffer's Creek Sanitary Sewer	2023	80,000	0	(10,000)	70,000	10,000
1998	5.00%	Various Purpose Series 1998	2018	145,000	0	(70,000)	75,000	75,000
2000	5.74-5.8%	Various Purpose Series 2000	2020	95,000	0	(20,000)	75,000	25,000
2001	6.00%	Various Purpose Series 2001	2021	305,000	0	(55,000)	250,000	55,000
Total Special Assessment Bonds (with Governmental Commitment)				625,000	0	(155,000)	470,000	165,000
Less Unamortized Amounts:								
For Issuance Discounts/Premiums				878,564	0	(851,925)	26,639	0
Total Bonds Payable				18,843,564	24,337,630	(16,710,006)	26,471,188	2,603,254
Ohio Water Development Authority Loan Payable:								
2016	2.13%	South Hamilton Road Storm Water	2049	1,592,766	1,427,128	0	3,019,894	0
Loans Payable (General Obligation):								
2013	Variable	Various Purpose	2035	9,078,570	0	(9,078,570)	0	0
2015	2.00%	Hamilton Community Foundation	2017	353,465	0	(353,465)	0	0
Total Loans Payable				9,432,035	0	(9,432,035)	0	0
Net Pension Liability:								
Ohio Public Employees Retirement System				12,172,131	3,281,261	0	15,453,392	0
Ohio Police and Fire Pension Fund				45,209,938	0	(1,843,325)	43,366,613	0
Total Net Pension Liability				57,382,069	3,281,261	(1,843,325)	58,820,005	0
Worker's Compensation Retrospective Liability				106,195	17,303	(106,195)	17,303	0
Compensated absences				4,971,399	1,986,427	(2,065,311)	4,892,515	2,044,313
Governmental Activities Long-term liabilities				\$92,328,028	\$31,049,749	(\$30,156,872)	\$93,220,905	\$4,647,567

The principal amount of the City's special assessment bonds outstanding was \$470,000. 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, 2017**

NOTE 14 - 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 \$63,280,000 at December 31, 2017.

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017	Due Within One Year
Business-type activities:								
Mortgage Revenue Bonds:								
2009	2.75% - 5.00%	Gas series A	2029	\$4,250,000	\$0	(\$4,250,000)	\$0	\$0
2017	2.23%	Gas Refunding	2027	0	5,840,000	(70,000)	5,770,000	525,000
2009	2.5% - 5.00%	Electric series A	2019	15,765,000	0	(13,955,000)	1,810,000	890,000
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	7,020,000	0	(6,115,000)	905,000	445,000
2009	6.62%	Water series B	2039	8,915,000	0	0	8,915,000	0
2015	2.0% - 5.0%	Water Refunding	2044	11,455,000	0	(275,000)	11,180,000	290,000
2009	2.5% - 3.38%	Wastewater series A	2017	290,000	0	(290,000)	0	0
2011	2.0% - 5.00%	Wastewater	2041	26,820,000	0	(26,820,000)	0	0
2009	6.11% - 6.62%	Wastewater series B	2039	11,465,000	0	0	11,465,000	295,000
2016	1.75% - 5.0%	Wastewater Refunding	2026	9,490,000	0	(775,000)	8,715,000	815,000
Total Mortgage Revenue Bonds				109,990,000	5,840,000	(52,550,000)	63,280,000	3,260,000
Less Unamortized Amounts:								
For Issuance Discounts/Premiums				1,992,756	0	(9,482)	1,983,274	0
Total Bonds Payable				111,982,756	5,840,000	(52,559,482)	65,263,274	3,260,000
Long Term Notes Payable:								
2017	2.50%	Electric Refunding	2018	0	13,795,000	0	13,795,000	0
2017	2.50%	Water Refunding	2018	0	5,980,000	0	5,980,000	0
2017	2.50%	Wastewater Refunding	2018	0	25,445,000	0	25,445,000	0
Total Long Term Notes Payable				0	45,220,000	0	45,220,000	0
Ohio Water Development Authority Loans:								
2010	3.25%	Sanitary Sewer Improvements	2030	320,667	0	(9,556)	311,111	19,580
2016	1.33%	River Road Water Main	2037	13,734	919,076	0	932,810	45,397
Total Ohio Water Development Authority Loans				334,401	919,076	(9,556)	1,243,921	64,977
Ohio Public Works Commission Loans:								
2016	0.00%	Gilmore Road Pump Station I	2047	3,234,961	0	0	3,234,961	0
2016	0.00%	Pershing Avenue Water Main	2047	627,337	122,604	0	749,941	24,998
2017	0.00%	State Route 4 Water Main	2047	0	304,756	0	304,756	0
2017	0.00%	Arlington Avenue Water Main	2047	0	394,813	0	394,813	0
2017	0.00%	Gilmore Road Pump Station II	2047	7,461	275,599	0	283,060	0
Total Ohio Public Works Commission Loans				3,869,759	1,097,772	0	4,967,531	24,998
Net Pension Liability:								
Ohio Public Employees Retirement System				19,118,970	6,554,981	0	25,673,951	0
Compensated absences				2,614,472	1,232,259	(1,243,587)	2,603,144	1,298,963
Business-type activity Long-term liabilities				\$137,920,358	\$60,864,088	(\$53,812,625)	\$144,971,821	\$4,648,938

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

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.

A. Income Tax Revenue Bond Issuance

In 2017 the City issued \$24.3 million of income tax revenue bonds. \$1.2 million was issued for golf course improvements and property assessment improvements. The remaining \$23.1 million was used to refund previously outstanding debt, as described below.

B. Various Purpose General Obligation Note Issuance

In 2017 the City issued \$45,220,000 of Various Purpose General Obligation Notes to refund bonds previously issued in the Electric, Water, and Wastewater Funds, as described below. In March and April 2018, the City issued \$43,930,000 of Revenue Refunding Bonds. The 2018 bond proceeds, including issuance premium, were used to retire the 2017 Various Purpose General Obligation Notes.

C. 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, 2017 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In August 2017 the City defeased \$4,250,000 of Gas Mortgage Revenue Bonds through the issuance of \$5,840,000 of Revenue Refunding Bonds. A portion of the net proceeds of the 2017 Bonds were used to make current payments on the old bonds and the remaining proceeds 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 \$3,990,000 at December 31, 2017 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding. The City reduced its aggregate debt service payments over the life of the refunded bonds by \$1,191,937 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$988,240.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

C. Defeasance of Debt (Continued)

In December 2017 the City defeased \$13,090,000 of Electric Mortgage Revenue Bonds, \$5,685,000 of Water Mortgage Revenue Bonds, and \$26,220,000 of Wastewater Mortgage Revenue Bonds through the issuance of \$45,220,000 of Various Purpose General Obligation Notes. The net proceeds of the 2017 Notes 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 \$44,995,000 at December 31, 2017 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding. The City reduced its aggregate debt service payments over the life of the refunded bonds by \$4,118,083 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$2,533,270.

In June 2017 the City defeased \$13,075,000 of Various Purpose General Obligation Bonds through the issuance of \$14,207,842 of Various Purpose Income Tax Revenue Bonds. The net proceeds of the 2017 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 \$11,975,000 at December 31, 2017 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding. The City reduced its aggregate debt service payments over the life of the refunded bonds by \$749,178 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$539,762.

In May 2017 the City refunded \$8,729,477 of 2013 Various Purpose Loans through the issuance of \$8,933,574 of Various Purpose Income Tax Revenue Bonds. The net proceeds of the 2017 Bonds have been used to currently refund the 2013 Loans. The City reduced its aggregate debt service payments over the life of the refunded loans by \$431,515 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$339,569.

This space intentionally left blank.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

D. 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, 2017 follows:

GOVERNMENTAL ACTIVITIES									
Years	General Obligation Bonds			Special Assessment Bonds			Income Tax Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	\$565,000	\$135,219	\$700,219	\$165,000	\$26,725	\$191,725	\$1,873,254	\$584,547	\$2,457,801
2019	440,000	115,444	555,444	95,000	17,750	112,750	1,901,346	534,730	2,436,076
2020	460,000	98,944	558,944	100,000	12,175	112,175	1,950,991	485,290	2,436,281
2021	480,000	75,944	555,944	80,000	6,300	86,300	2,001,785	434,543	2,436,328
2022	265,000	51,944	316,944	30,000	2,363	32,363	2,066,675	382,474	2,449,149
2023-2027	875,000	111,138	986,138	0	0	0	8,488,992	1,152,418	9,641,410
2028-2032	100,000	4,500	104,500	0	0	0	2,754,021	477,990	3,232,011
2033-2037	0	0	0	0	0	0	1,752,485	77,644	1,830,129
Totals	<u>\$3,185,000</u>	<u>\$593,133</u>	<u>\$3,778,133</u>	<u>\$470,000</u>	<u>\$65,313</u>	<u>\$535,313</u>	<u>\$22,789,549</u>	<u>\$4,129,636</u>	<u>\$26,919,185</u>

BUSINESS-TYPE ACTIVITIES						
Years	Revenue Bonds			OWDA/OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$3,260,000	\$3,361,821	\$6,621,821	\$89,975	\$23,539	\$113,514
2019	3,355,000	3,251,539	6,606,539	91,223	22,292	113,515
2020	2,040,000	3,132,034	5,172,034	92,499	21,015	113,514
2021	2,110,000	3,050,784	5,160,784	93,805	19,709	113,514
2022	2,185,000	2,965,575	5,150,575	95,142	18,372	113,514
2023-2027	10,950,000	13,475,466	24,425,466	496,903	70,669	567,572
2028-2032	9,615,000	11,455,940	21,070,940	474,932	33,574	508,506
2033-2037	18,285,000	6,996,258	25,281,258	309,403	10,506	319,909
2038-2042	10,245,000	1,364,466	11,609,466	124,990	0	124,990
2043-2047	1,235,000	74,600	1,309,600	124,990	0	124,990
Totals	<u>\$63,280,000</u>	<u>\$49,128,483</u>	<u>\$112,408,483</u>	<u>\$1,993,862</u>	<u>\$219,676</u>	<u>\$2,213,538</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

E. 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, 2017, there were four series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$16,356,008.

F. 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, 2017, the City had received \$3,019,894 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2017 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, 2017, the City had received \$932,810 from OWDA. Subsequent amounts will be received in future years.

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, 2017 the outstanding balance of the loan is \$311,111.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

G. 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, 2017, the City had received \$3,518,021 from OPWC. Subsequent amounts will be received in future years. As of December 31, 2017 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 payable from water utility charges. As of December 31, 2017 the outstanding balance of the loan is \$749,941.

Water Main Replacement - In 2017 the City obtained financing through the Ohio Public Works Commission for a water main replacement at State Route 4 at an interest rate of 0%. This loan is received by the City in increments as the project is completed. As of December 31, 2017, the City had received \$304,756 from OPWC. Subsequent amounts will be received in future years. As of December 31, 2017 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 Arlington 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, 2017, the City had received \$394,813 from OPWC. Subsequent amounts will be received in future years. As of December 31, 2017 the loan has not been finalized and there is no amortization schedule for the loan.

H. 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 2027. In 2017 the Gas Fund reported \$1,058,060 of net pledged revenues for coverage of a principal and interest debt service requirement of \$184,071.

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 2019 and 2039. In 2017 the Electric Fund reported negative \$4,428,839 of net pledged revenues for coverage of a principal and interest debt service requirement of \$2,482,759.

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 2017 the Water Fund reported \$2,165,417 of net pledged revenues for coverage of a principal and interest debt service requirement of \$2,064,373.

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 2026 and 2039. In 2017 the Wastewater Fund reported \$4,487,885 of net pledged revenues for coverage of a principal and interest debt service requirement of \$3,991,788.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 15 - 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	\$203,634,000	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, 2017**

NOTE 15 - 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 2017. 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, 2017***

NOTE 15 - 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 \$482,323 reported in the General Fund at December 31, 2017 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 2017 was as follows:

Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2016	\$457,991	\$5,095,119	(\$5,189,249)	\$363,861
2017	363,861	6,423,349	(6,304,887)	482,323

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, 2017***

NOTE 15 - 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 2017 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 \$17,303 reported in Governmental Activities at December 31, 2017 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. 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
2016	\$1,611,800	\$61,160	(\$1,566,765)	\$106,195
2017	106,195	41,713	(130,605)	17,303

This space intentionally left blank.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 16 – SIGNIFICANT COMMITMENTS

A. Contractual Commitments

As of December 31, 2017, 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, 2017:

Vendor	Contractual Commitment
Ford Development Corp	\$1,566,623
C A Advanced, Incorporated	677,090
Butler Co Transportation District	626,991
Miller R A Construction Co Incorporated	519,949
Ford Development Corp	438,530
Adleta, Incorporated	347,735
FYDA Freightliner Cincinnati	347,247
Ford Development Corp	325,055
Parallel Technologies, Incorporated	262,065
N Harris Computer Corporation	245,536
Altec Industries Incorporated	232,413
Fishbeck Thompson Carr & Huber Incorporated	209,419
Asplundh Tree Expert Company	205,480
Miami Valley Construction Incorporated	193,672
Miller Pipeline Corporation	189,406
Mi De Con, Incorporated	177,683
Amerilect Incorporated	147,772
Louis Perry & Associates Incorporated	142,650
Municipal Energy Service Agency	140,365
Lykins Oil Company, Incorporated	126,944
SSOE, Incorporated	118,830
Sunesis Construction Company	105,594
Reagent Technologies, LLC	100,000
	<u>\$7,447,049</u>

B. Encumbrance Commitments

At December 31, 2017 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$931,165
Other Governmental Funds	4,134,183
Total Governmental Funds	<u>\$5,065,348</u>

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2017*

NOTE 17 – 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, 2017 to December 31, 2017, 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.

This space intentionally left blank.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 18 – 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, the Hamilton-Indian Springs 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 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. An amendment to the JEDD was approved in August 2004 to add over 100 acres of retail development. This amendment reversed the collection percentage of the entities (75% for Fairfield Township and 25% for the City) for this section of land. 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 the JEDD. 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.

In April 2017, a second amendment to the JEDD was approved to add approximately 184 acres. Income tax collections in this area are distributed 50% to the City of Hamilton and 50% to Fairfield Township. The land comprising the JEDD around the intersection of Gilmore Road and Hamilton Mason Road will include an assisted living facility currently under construction by StoryPoint Senior Living on about 15 acres of the land.

During 2017, the City's distribution of tax collections for the Hamilton-Indian Springs Joint Economic Development District totaled \$547,405.

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, 2017***

NOTE 18 – 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 2017 by the Electric Fund and recorded within the Purchase of Electric expense account to the OMEGA JV2:

Payments – OMEGA JV2	<u>\$2,251,749</u>
----------------------	--------------------

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, 2017***

NOTE 19 – 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, 2017***

NOTE 19 – 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, 2017***

NOTE 19 – 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 20 – 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 2017, the Electric Fund purchased \$94,444 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 \$928,612 and \$526,876 respectively, during 2017. 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, 2017. 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 \$208,037 for the year ending December 31, 2017.

CITY OF HAMILTON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 20 – 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 2017.

	<u>Gas</u>	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>
Administrative cost (General Fund)	\$1,331,863	\$1,490,466	\$1,306,936	\$1,096,004
Central Services Fund	2,341,619	2,317,331	1,521,318	1,449,407
Fleet Maintenance Fund	186,183	186,183	186,184	0
Total	<u><u>\$3,859,665</u></u>	<u><u>\$3,993,980</u></u>	<u><u>\$3,014,438</u></u>	<u><u>\$2,545,411</u></u>

NOTE 21 – SUBSEQUENT EVENTS

In March and April 2018, the City issued \$43,930,000 of Revenue Refunding Bonds. The 2018 bond proceeds, including issuance premium, were used to retire the 2017 Various Purpose General Obligation Notes reported in the Electric, Water, and Wastewater Funds.

The Electric Fund refunding bonds were issued in the amount of \$12,980,000, carry an interest rate of 3.00% to 5.00%, and mature in 2030.

The Water Fund refunding bonds were issued in the amount of \$5,625,000, carry an interest rate of 4.00%, and mature in 2029.

The Wastewater Fund refunding bonds were issued in the amount of \$25,325,000, carry an interest rate of 2.00% to 5.00%, and mature in 2041.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF HAMILTON, OHIO

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

Ohio Public Employees Retirement System

Year	2014	2015	2016	2017
City's proportion of the net pension liability	0.195707%	0.195707%	0.180651%	0.181112%
City's proportionate share of the net pension liability	\$23,071,305	\$23,604,447	\$31,291,101	\$41,127,343
City's covered payroll	\$24,119,685	\$24,075,983	\$22,863,367	\$23,579,133
City's proportionate share of the net pension liability as a percentage of its covered payroll	95.65%	98.04%	136.86%	174.42%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
City's proportion of the net pension liability	0.738902%	0.738902%	0.702774%	0.684675%
City's proportionate share of the net pension liability	\$35,986,826	\$38,278,184	\$45,209,938	\$43,366,613
City's covered payroll	\$14,795,978	\$14,571,091	\$14,408,748	\$14,718,583
City's proportionate share of the net pension liability as a percentage of its covered payroll	243.22%	262.70%	313.77%	294.64%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%	68.36%

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 2014 is not available. The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

CITY OF HAMILTON, OHIO

***Schedule of City Contributions
Last Five Years***

Ohio Public Employees Retirement System

Year	2013	2014	2015	2016	2017
Contractually required contribution	\$3,135,559	\$2,889,118	\$2,743,604	\$2,829,496	\$3,335,767
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>	<u>3,335,767</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$24,119,685	\$24,075,983	\$22,863,367	\$23,579,133	\$25,659,746
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%	13.00%

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

Ohio Police and Fire Pension Fund

Year	2013	2014	2015	2016	2017
Contractually required contribution	\$2,673,790	\$3,091,205	\$3,060,364	\$3,127,255	\$3,291,033
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>	<u>3,291,033</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$14,795,978	\$14,571,091	\$14,408,748	\$14,718,583	\$15,525,792
Contributions as a percentage of covered payroll	18.07%	21.21%	21.24%	21.25%	21.20%

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.

*Notes to the Required Supplemental Information
For the Year Ended December 31, 2017*

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

There were no recent significant changes of benefit terms, investment policies, the size or composition of the population covered by the benefit terms impacting the actuarial valuation study for the year ended December 31, 2016.

In 2016, a five-year experience study was completed on the period January 1, 2011 through December 31, 2015. The Board adopted changes to both the demographic and economic assumptions as a result of the study. The most notable change in demographic assumptions is an increased life expectancy of the members and the most notable change in economic assumptions is the reduction in the actuarially assumed rate of return from 8.00% down to 7.50% for the defined benefit investments. The new assumptions are included in the 2016 actuarial valuation.

In 2016, OPERS, in conjunction with the Board's investment consultants, also completed an asset liability study. Periodically, the System engages in a more comprehensive study that examines the nature of the pension liabilities the plan will ultimately pay and the characteristics of the asset allocation projections and the associated level of risk. As a result of this study, OPERS modified the asset allocation slightly, but not substantively.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

There have been no plan amendments adopted or changes in assumptions since the latest actuarial valuation, as of January 1, 2016, with actuarial liability rolled forward to December 31, 2016. The assumed investment rate of return and the discount rate is 8.25 percent.

*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.

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.)

(Continued)

Special Revenue Funds

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.

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.

(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.

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, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 6,022,235	\$ 3,408,414	\$ 75,419	\$ 9,506,068
Receivables:				
Taxes	3,594,765	1,876,179	0	5,470,944
Accounts	912,209	0	0	912,209
Intergovernmental	1,974,651	426,989	0	2,401,640
Interest	7,234	0	0	7,234
Special Assessments	0	430,656	0	430,656
Loans	206,288	0	0	206,288
Inventory of Supplies, at Cost	51,630	0	0	51,630
Prepaid Items	40,444	0	0	40,444
Total Assets	\$ 12,809,456	\$ 6,142,238	\$ 75,419	\$ 19,027,113
Liabilities:				
Accounts Payable	\$ 628,026	\$ 1,085,779	\$ 0	\$ 1,713,805
Accrued Wages and Benefits Payable	54,833	0	0	54,833
Intergovernmental Payable	8,939	0	0	8,939
Accrued Liabilities	64,204	51,363	0	115,567
Customer Deposits	7,125	0	0	7,125
Due to Other Funds	10,914	0	0	10,914
Interfund Payable	0	7,600,000	0	7,600,000
Unearned Revenue	2,575	0	0	2,575
Total Liabilities	776,616	8,737,142	0	9,513,758
Deferred Inflows of Resources:				
Unavailable Amounts	2,570,984	1,030,043	0	3,601,027
Property Tax Levy for Next Fiscal Year	2,329,692	1,062,191	0	3,391,883
Total Deferred Inflows of Resources	4,900,676	2,092,234	0	6,992,910
Fund Balance:				
Nonspendable	92,074	0	75,000	167,074
Restricted	3,138,973	468,345	419	3,607,737
Committed	3,901,117	0	0	3,901,117
Unassigned	0	(5,155,483)	0	(5,155,483)
Total Fund Balance	7,132,164	(4,687,138)	75,419	2,520,445
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 12,809,456	\$ 6,142,238	\$ 75,419	\$ 19,027,113

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017***

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Income Taxes	\$ 3,231,558	\$ 2,585,248	\$ 0	\$ 5,816,806
Property and Other Local Taxes	2,329,692	1,062,189	0	3,391,881
Intergovernmental Revenues	4,611,144	3,501,860	0	8,113,004
Charges for Services	8,167,872	0	0	8,167,872
Licenses and Permits	389,079	0	0	389,079
Investment Earnings	21,963	774	819	23,556
Special Assessments	0	345,325	0	345,325
Fines and Forfeitures	286,715	0	0	286,715
All Other Revenue	265,412	56,257	0	321,669
Total Revenues	19,303,435	7,551,653	819	26,855,907
Expenditures:				
Current:				
General Government	4,066	0	449	4,515
Security of Persons and Property	5,904,499	0	0	5,904,499
Leisure Time Activities	1,233,181	0	0	1,233,181
Community Environment	1,640,592	0	0	1,640,592
Basic Utility Services	8,341,041	0	0	8,341,041
Transportation	3,226,018	0	0	3,226,018
Public Health and Welfare Services	263,838	0	0	263,838
Capital Outlay	0	12,560,558	0	12,560,558
Debt Service:				
Principal Retirement	38,126	0	0	38,126
Interest and Fiscal Charges	27,090	69,026	0	96,116
Total Expenditures	20,678,451	12,629,584	449	33,308,484
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,375,016)	(5,077,931)	370	(6,452,577)
Other Financing Sources (Uses):				
Sale of Capital Assets	6,722	11,815	0	18,537
Bond Issuance	177,888	1,018,326	0	1,196,214
OWDA Loans Issued	1,427,128	0	0	1,427,128
Transfers In	202,398	2,554,994	0	2,757,392
Transfers Out	(310,000)	(3,190,038)	0	(3,500,038)
Total Other Financing Sources (Uses)	1,504,136	395,097	0	1,899,233
Net Change in Fund Balance	129,120	(4,682,834)	370	(4,553,344)
Fund Balance at Beginning of Year	7,004,289	(4,304)	75,049	7,075,034
Decrease in Inventory	(1,245)	0	0	(1,245)
Fund Balance End of Year	\$ 7,132,164	\$ (4,687,138)	\$ 75,419	\$ 2,520,445

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017**

	Municipal Court Improvement	Public Safety/Health Income Tax	Dispute Resolution Proceeds	Safety Services
Assets:				
Equity in Pooled Cash and Investments	\$ 334,611	\$ 118,394	\$ 25,032	\$ 713,833
Receivables:				
Taxes	0	689,394	0	823,693
Accounts	0	0	0	0
Intergovernmental	0	0	0	47,712
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	\$ 334,611	\$ 807,788	\$ 25,032	\$ 1,585,238
Liabilities:				
Accounts Payable	\$ 6,125	\$ 0	\$ 0	\$ 20,614
Accrued Wages and Benefits Payable	0	0	0	2,399
Intergovernmental Payable	0	0	2	415
Accrued Liabilities	0	64,204	0	0
Customer Deposits	0	0	0	0
Due to Other Funds	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	6,125	64,204	2	23,428
Deferred Inflows of Resources:				
Unavailable Amounts	0	421,143	0	210,921
Property Tax Levy for Next Fiscal Year	0	0	0	660,484
Total Deferred Inflows of Resources	0	421,143	0	871,405
Fund Balance:				
Nonspendable	0	0	0	0
Restricted	328,486	322,441	25,030	690,405
Committed	0	0	0	0
Total Fund Balance	328,486	322,441	25,030	690,405
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 334,611	\$ 807,788	\$ 25,032	\$ 1,585,238

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017**

	<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	\$ 42,922	\$ 137,801	\$ 37,505	\$ 243,166
Receivables:				
Taxes	247,108	793,731	247,108	793,731
Accounts	0	0	0	0
Intergovernmental	17,508	45,201	14,313	45,201
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>\$ 307,538</u>	<u>\$ 976,733</u>	<u>\$ 298,926</u>	<u>\$ 1,082,098</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
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	66,471	202,473	63,276	202,473
Property Tax Levy for Next Fiscal Year	198,145	636,459	198,145	636,459
Total Deferred Inflows of Resources	<u>264,616</u>	<u>838,932</u>	<u>261,421</u>	<u>838,932</u>
Fund Balance:				
Nonspendable	0	0	0	0
Restricted	42,922	137,801	37,505	243,166
Committed	0	0	0	0
Total Fund Balance	<u>42,922</u>	<u>137,801</u>	<u>37,505</u>	<u>243,166</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 307,538</u>	<u>\$ 976,733</u>	<u>\$ 298,926</u>	<u>\$ 1,082,098</u>

(Continued)

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017**

	Public Health Care Services	Stormwater Management	Refuse	Street Maintenance
Assets:				
Equity in Pooled Cash and Investments	\$ 9,267	\$ 1,336,885	\$ 1,608,939	\$ 557,010
Receivables:				
Taxes	0	0	0	0
Accounts	0	256,865	620,426	7,372
Intergovernmental	1,140	0	0	1,178,501
Interest	0	4,063	0	1,693
Loans	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	48,259
Prepaid Items	0	0	6,525	20,925
Total Assets	<u>\$ 10,407</u>	<u>\$ 1,597,813</u>	<u>\$ 2,235,890</u>	<u>\$ 1,813,760</u>
Liabilities:				
Accounts Payable	\$ 1,800	\$ 46,113	\$ 288,461	\$ 26,701
Accrued Wages and Benefits Payable	449	16,586	6,208	20,674
Intergovernmental Payable	62	2,574	1,052	3,290
Accrued Liabilities	0	0	0	0
Customer Deposits	0	0	0	0
Due to Other Funds	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	<u>2,311</u>	<u>65,273</u>	<u>295,721</u>	<u>50,665</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	746,307
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>746,307</u>
Fund Balance:				
Nonspendable	0	0	6,525	69,184
Restricted	8,096	0	0	947,604
Committed	0	1,532,540	1,933,644	0
Total Fund Balance	<u>8,096</u>	<u>1,532,540</u>	<u>1,940,169</u>	<u>1,016,788</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 10,407</u>	<u>\$ 1,597,813</u>	<u>\$ 2,235,890</u>	<u>\$ 1,813,760</u>

(Continued)

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017**

	Land Reutilization	Home Program	Parking	Golf Course
Assets:				
Equity in Pooled Cash and Investments	\$ 23,023	\$ 94,818	\$ 126,917	\$ 359,285
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	27,546	0
Intergovernmental	424,086	300	0	0
Interest	0	0	386	1,092
Loans	0	33,149	0	0
Inventory of Supplies, at Cost	0	0	0	3,371
Prepaid Items	0	0	8,787	2,700
Total Assets	<u>\$ 447,109</u>	<u>\$ 128,267</u>	<u>\$ 163,636</u>	<u>\$ 366,448</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 300	\$ 107	\$ 37,116
Accrued Wages and Benefits Payable	286	209	1,118	3,790
Intergovernmental Payable	69	37	201	715
Accrued Liabilities	0	0	0	0
Customer Deposits	0	0	7,125	0
Due to Other Funds	0	0	0	0
Unearned Revenue	0	0	0	2,575
Total Liabilities	<u>355</u>	<u>546</u>	<u>8,551</u>	<u>44,196</u>
Deferred Inflows of Resources:				
Unavailable Amounts	424,086	33,149	27,546	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	<u>424,086</u>	<u>33,149</u>	<u>27,546</u>	<u>0</u>
Fund Balance:				
Nonspendable	0	0	8,787	6,071
Restricted	22,668	94,572	0	0
Committed	0	0	118,752	316,181
Total Fund Balance	<u>22,668</u>	<u>94,572</u>	<u>127,539</u>	<u>322,252</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 447,109</u>	<u>\$ 128,267</u>	<u>\$ 163,636</u>	<u>\$ 366,448</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017***

	Community Development Block Grant	Total Nonmajor Special Revenue Funds
Assets:		
Equity in Pooled Cash and Investments	\$ 252,827	\$ 6,022,235
Receivables:		
Taxes	0	3,594,765
Accounts	0	912,209
Intergovernmental	200,689	1,974,651
Interest	0	7,234
Loans	173,139	206,288
Inventory of Supplies, at Cost	0	51,630
Prepaid Items	1,507	40,444
Total Assets	\$ 628,162	\$ 12,809,456
Liabilities:		
Accounts Payable	\$ 200,689	\$ 628,026
Accrued Wages and Benefits Payable	3,114	54,833
Intergovernmental Payable	522	8,939
Accrued Liabilities	0	64,204
Customer Deposits	0	7,125
Due to Other Funds	10,914	10,914
Unearned Revenue	0	2,575
Total Liabilities	215,239	776,616
Deferred Inflows of Resources:		
Unavailable Amounts	173,139	2,570,984
Property Tax Levy for Next Fiscal Year	0	2,329,692
Total Deferred Inflows of Resources	173,139	4,900,676
Fund Balance:		
Nonspendable	1,507	92,074
Restricted	238,277	3,138,973
Committed	0	3,901,117
Total Fund Balance	239,784	7,132,164
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 628,162	\$ 12,809,456

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	Municipal Court Improvement	Public Safety/Health Income Tax	Dispute Resolution Proceeds	Safety Services
Revenues:				
Income Taxes	\$ 0	\$ 3,231,558	\$ 0	\$ 0
Property and Other Local Taxes	0	0	0	660,484
Intergovernmental Revenues	0	0	0	124,900
Charges for Services	114,147	0	9,222	29,253
Licenses and Permits	0	0	0	0
Investment Earnings	(753)	22	(70)	(1,690)
Fines and Forfeitures	86,389	0	0	200,326
All Other Revenue	0	0	0	52,471
Total Revenues	<u>199,783</u>	<u>3,231,580</u>	<u>9,152</u>	<u>1,065,744</u>
Expenditures:				
Current:				
General Government	0	0	4,066	0
Security of Persons and Property	159,855	3,289,000	0	995,644
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>159,855</u>	<u>3,289,000</u>	<u>4,066</u>	<u>995,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,928	(57,420)	5,086	70,100
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	6,722
Bond Issuance	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>6,722</u>
Net Change in Fund Balance	39,928	(57,420)	5,086	76,822
Fund Balance at Beginning of Year	288,558	379,861	19,944	613,583
Increase (Decrease) in Inventory	0	0	0	0
Fund Balance End of Year	<u>\$ 328,486</u>	<u>\$ 322,441</u>	<u>\$ 25,030</u>	<u>\$ 690,405</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	Police Pension	Police Levy	Firemen's Pension	Fire EMS Levy
Revenues:				
Income Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Property and Other Local Taxes	198,145	636,459	198,145	636,459
Intergovernmental Revenues	35,058	90,538	28,670	90,538
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	(338)	(1,074)	(290)	(1,866)
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	0	0
Total Revenues	<u>232,865</u>	<u>725,923</u>	<u>226,525</u>	<u>725,131</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	190,000	590,000	190,000	490,000
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>190,000</u>	<u>590,000</u>	<u>190,000</u>	<u>490,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	42,865	135,923	36,525	235,131
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Bond Issuance	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	42,865	135,923	36,525	235,131
Fund Balance at Beginning of Year	57	1,878	980	8,035
Increase (Decrease) in Inventory	0	0	0	0
Fund Balance End of Year	<u>\$ 42,922</u>	<u>\$ 137,801</u>	<u>\$ 37,505</u>	<u>\$ 243,166</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	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	63,825	0	0	2,662,566
Charges for Services	0	2,122,520	4,328,743	181,990
Licenses and Permits	0	0	0	389,079
Investment Earnings	1,306	19,005	(3,807)	2,455
Fines and Forfeitures	0	0	0	0
All Other Revenue	1,422	26,067	80,206	15,669
Total Revenues	66,553	2,167,592	4,405,142	3,251,759
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	4,187,022	4,154,019	0
Transportation	0	0	0	2,591,934
Public Health and Welfare Services	263,838	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	263,838	4,187,022	4,154,019	2,591,934
Excess (Deficiency) of Revenues Over (Under) Expenditures	(197,285)	(2,019,430)	251,123	659,825
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Bond Issuance	0	0	0	0
OWDA Loans Issued	0	1,427,128	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	(310,000)
Total Other Financing Sources (Uses)	0	1,427,128	0	(310,000)
Net Change in Fund Balance	(197,285)	(592,302)	251,123	349,825
Fund Balance at Beginning of Year	205,381	2,124,842	1,689,046	668,816
Increase (Decrease) in Inventory	0	0	0	(1,853)
Fund Balance End of Year	\$ 8,096	\$ 1,532,540	\$ 1,940,169	\$ 1,016,788

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	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	0	269,110	0	0
Charges for Services	0	0	290,756	1,091,241
Licenses and Permits	0	0	0	0
Investment Earnings	(17)	(92)	6,206	3,215
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	24,722	5,574	6,140
Total Revenues	(17)	293,740	302,536	1,100,596
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	1,233,181
Community Environment	53,137	301,798	0	0
Basic Utility Services	0	0	0	0
Transportation	0	0	634,084	0
Public Health and Welfare Services	0	0	0	0
Debt Service:				
Principal Retirement	0	0	35,000	3,126
Interest and Fiscal Charges	0	0	21,344	5,746
Total Expenditures	53,137	301,798	690,428	1,242,053
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,154)	(8,058)	(387,892)	(141,457)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Bond Issuance	0	0	0	177,888
OWDA Loans Issued	0	0	0	0
Transfers In	50,000	0	56,344	96,054
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	50,000	0	56,344	273,942
Net Change in Fund Balance	(3,154)	(8,058)	(331,548)	132,485
Fund Balance at Beginning of Year	25,822	102,630	459,087	189,159
Increase (Decrease) in Inventory	0	0	0	608
Fund Balance End of Year	\$ 22,668	\$ 94,572	\$ 127,539	\$ 322,252

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	Community Development Block Grant	Total Nonmajor Special Revenue Funds
Revenues:		
Income Taxes	\$ 0	\$ 3,231,558
Property and Other Local Taxes	0	2,329,692
Intergovernmental Revenues	1,245,939	4,611,144
Charges for Services	0	8,167,872
Licenses and Permits	0	389,079
Investment Earnings	(249)	21,963
Fines and Forfeitures	0	286,715
All Other Revenue	53,141	265,412
Total Revenues	1,298,831	19,303,435
Expenditures:		
Current:		
General Government	0	4,066
Security of Persons and Property	0	5,904,499
Leisure Time Activities	0	1,233,181
Community Environment	1,285,657	1,640,592
Basic Utility Services	0	8,341,041
Transportation	0	3,226,018
Public Health and Welfare Services	0	263,838
Debt Service:		
Principal Retirement	0	38,126
Interest and Fiscal Charges	0	27,090
Total Expenditures	1,285,657	20,678,451
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,174	(1,375,016)
Other Financing Sources (Uses):		
Sale of Capital Assets	0	6,722
Bond Issuance	0	177,888
OWDA Loans Issued	0	1,427,128
Transfers In	0	202,398
Transfers Out	0	(310,000)
Total Other Financing Sources (Uses)	0	1,504,136
Net Change in Fund Balance	13,174	129,120
Fund Balance at Beginning of Year	226,610	7,004,289
Increase (Decrease) in Inventory	0	(1,245)
Fund Balance End of Year	\$ 239,784	\$ 7,132,164

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017**

	Hamilton Capital Improvement	Special Assessment	MITIE	Clean Ohio Grants Program
Assets:				
Equity in Pooled Cash and Investments	\$ 974,076	\$ 461,052	\$ 1,328,413	\$ 7,293
Receivables:				
Taxes	551,516	0	1,324,663	0
Intergovernmental	0	0	0	0
Special Assessments	0	430,656	0	0
Total Assets	<u>\$ 1,525,592</u>	<u>\$ 891,708</u>	<u>\$ 2,653,076</u>	<u>\$ 7,293</u>
Liabilities:				
Accounts Payable	\$ 429,776	\$ 0	\$ 63,711	\$ 0
Accrued Liabilities	51,363	0	0	0
Interfund Payable	1,100,000	0	4,500,000	0
Total Liabilities	<u>1,581,139</u>	<u>0</u>	<u>4,563,711</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	336,915	430,656	262,472	0
Property Tax Levy for Next Fiscal Year	0	0	1,062,191	0
Total Deferred Inflows of Resources	<u>336,915</u>	<u>430,656</u>	<u>1,324,663</u>	<u>0</u>
Fund Balance:				
Restricted	0	461,052	0	7,293
Unassigned	(392,462)	0	(3,235,298)	0
Total Fund Balance	<u>(392,462)</u>	<u>461,052</u>	<u>(3,235,298)</u>	<u>7,293</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,525,592</u>	<u>\$ 891,708</u>	<u>\$ 2,653,076</u>	<u>\$ 7,293</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017***

	Infrastructure Program	Total Nonmajor Capital Projects Funds
Assets:		
Equity in Pooled Cash and Investments	\$ 637,580	\$ 3,408,414
Receivables:		
Taxes	0	1,876,179
Intergovernmental	426,989	426,989
Special Assessments	0	430,656
Total Assets	<u>\$ 1,064,569</u>	<u>\$ 6,142,238</u>
Liabilities:		
Accounts Payable	\$ 592,292	\$ 1,085,779
Accrued Liabilities	0	51,363
Interfund Payable	2,000,000	7,600,000
Total Liabilities	<u>2,592,292</u>	<u>8,737,142</u>
Deferred Inflows of Resources:		
Unavailable Amounts	0	1,030,043
Property Tax Levy for Next Fiscal Year	0	1,062,191
Total Deferred Inflows of Resources	<u>0</u>	<u>2,092,234</u>
Fund Balance:		
Restricted	0	468,345
Unassigned	(1,527,723)	(5,155,483)
Total Fund Balance	<u>(1,527,723)</u>	<u>(4,687,138)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,064,569</u>	<u>\$ 6,142,238</u>

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017***

	Hamilton Capital Improvement	Special Assessment	MITIE	Issue II Projects
Revenues:				
Income Taxes	\$ 2,585,248	\$ 0	\$ 0	\$ 0
Property and Other Local Taxes	0	0	1,062,189	0
Intergovernmental Revenues	56,247	0	0	1,166,988
Investment Earnings	1,493	88	(6,485)	0
Special Assessments	0	345,325	0	0
All Other Revenue	32,708	0	1,000	0
Total Revenues	<u>2,675,696</u>	<u>345,413</u>	<u>1,056,704</u>	<u>1,166,988</u>
Expenditures:				
Capital Outlay	2,020,320	719,232	3,536,688	1,166,988
Debt Service:				
Interest and Fiscal Charges	58,934	10,092	0	0
Total Expenditures	<u>2,079,254</u>	<u>729,324</u>	<u>3,536,688</u>	<u>1,166,988</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	596,442	(383,911)	(2,479,984)	0
Other Financing Sources (Uses):				
Sale of Capital Assets	11,815	0	0	0
Bond Issuance	0	1,018,326	0	0
Transfers In	1,122,625	0	0	0
Transfers Out	(2,370,686)	(203,051)	(363,575)	0
Total Other Financing Sources (Uses)	<u>(1,236,246)</u>	<u>815,275</u>	<u>(363,575)</u>	<u>0</u>
Net Change in Fund Balance	(639,804)	431,364	(2,843,559)	0
Fund Balance at Beginning of Year	<u>247,342</u>	<u>29,688</u>	<u>(391,739)</u>	<u>0</u>
Fund Balance End of Year	<u>\$ (392,462)</u>	<u>\$ 461,052</u>	<u>\$ (3,235,298)</u>	<u>\$ 0</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017***

	Clean Ohio Grants Program	Infrastructure Program	Total Nonmajor Capital Project Funds
Revenues:			
Income Taxes	\$ 0	\$ 0	\$ 2,585,248
Property and Other Local Taxes	0	0	1,062,189
Intergovernmental Revenues	0	2,278,625	3,501,860
Investment Earnings	(11)	5,689	774
Special Assessments	0	0	345,325
All Other Revenue	0	22,549	56,257
Total Revenues	<u>(11)</u>	<u>2,306,863</u>	<u>7,551,653</u>
Expenditures:			
Capital Outlay	0	5,117,330	12,560,558
Debt Service:			
Interest and Fiscal Charges	0	0	69,026
Total Expenditures	<u>0</u>	<u>5,117,330</u>	<u>12,629,584</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11)	(2,810,467)	(5,077,931)
Other Financing Sources (Uses):			
Sale of Capital Assets	0	0	11,815
Bond Issuance	0	0	1,018,326
Transfers In	0	1,432,369	2,554,994
Transfers Out	0	(252,726)	(3,190,038)
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,179,643</u>	<u>395,097</u>
Net Change in Fund Balance	(11)	(1,630,824)	(4,682,834)
Fund Balance at Beginning of Year	<u>7,304</u>	<u>103,101</u>	<u>(4,304)</u>
Fund Balance End of Year	<u>\$ 7,293</u>	<u>\$ (1,527,723)</u>	<u>\$ (4,687,138)</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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Income Taxes	\$ 20,445,000	\$ 20,489,515	\$ 20,193,683	\$ (295,832)
Property and Other Local Taxes	5,365,000	5,465,000	5,237,282	(227,718)
Intergovernmental Revenues	2,087,800	2,109,837	2,004,597	(105,240)
Charges for Services	15,555,740	16,040,800	15,284,549	(756,251)
Licenses and Permits	680,265	739,741	721,268	(18,473)
Investment Earnings	148,873	151,373	177,781	26,408
Fines and Forfeitures	655,750	655,750	642,481	(13,269)
All Other Revenue	186,000	1,081,355	682,934	(398,421)
Total Revenues	<u>45,124,428</u>	<u>46,733,371</u>	<u>44,944,575</u>	<u>(1,788,796)</u>
Expenditures:				
Security of Persons and Property:				
Municipal Court:				
Personal Services	1,492,081	1,490,797	1,465,556	25,241
Other Expenditures	242,067	267,509	233,150	34,359
Total Municipal Court	<u>1,734,148</u>	<u>1,758,306</u>	<u>1,698,706</u>	<u>59,600</u>
Police:				
Personal Services	13,175,369	13,161,278	13,069,462	91,816
Other Expenditures	1,366,275	1,287,290	1,304,794	(17,504)
Total Police	<u>14,541,644</u>	<u>14,448,568</u>	<u>14,374,256</u>	<u>74,312</u>
Fire:				
Personal Services	11,499,416	11,488,087	11,476,763	11,324
Other Expenditures	1,108,065	1,253,685	1,260,429	(6,744)
Total Fire	<u>12,607,481</u>	<u>12,741,772</u>	<u>12,737,192</u>	<u>4,580</u>
Total Security of Persons and Property	<u>28,883,273</u>	<u>28,948,646</u>	<u>28,810,154</u>	<u>138,492</u>
Public Health and Welfare Services:				
Health:				
Personal Services	1,154,736	1,178,656	1,127,425	51,231
Other Expenditures	385,422	373,824	368,509	5,315
Total Public Health and Welfare Services	<u>1,540,158</u>	<u>1,552,480</u>	<u>1,495,934</u>	<u>56,546</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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Community Environment:				
Department of Planning:				
Personal Services	1,197,946	1,196,876	1,134,596	62,280
Other Expenditures	414,956	347,298	337,588	9,710
Total Department of Planning	<u>1,612,902</u>	<u>1,544,174</u>	<u>1,472,184</u>	71,990
CDBG:				
Other Expenditures	50,345	23,215	20,673	2,542
Total CDBG	<u>50,345</u>	<u>23,215</u>	<u>20,673</u>	2,542
Total Community Environment	<u>1,663,247</u>	<u>1,567,389</u>	<u>1,492,857</u>	74,532
Basic Utility Services:				
Public Works:				
Personal Services	1,148,073	1,146,996	1,122,564	24,432
Other Expenditures	263,929	283,221	246,962	36,259
Total Basic Utility Services	<u>1,412,002</u>	<u>1,430,217</u>	<u>1,369,526</u>	60,691
General Government:				
City Council:				
Personal Services	68,392	68,356	68,146	210
Other Expenditures	8,798	8,268	7,438	830
Total City Council	<u>77,190</u>	<u>76,624</u>	<u>75,584</u>	1,040
City Clerk:				
Personal Services	103,985	88,514	64,787	23,727
Other Expenditures	21,363	12,305	10,359	1,946
Total City Clerk	<u>125,348</u>	<u>100,819</u>	<u>75,146</u>	25,673
City Manager:				
Personal Services	365,435	372,024	372,010	14
Other Expenditures	36,754	40,715	40,050	665
Total City Manager	<u>402,189</u>	<u>412,739</u>	<u>412,060</u>	679
Department of Law:				
Other Expenditures	0	582	581	1
Total Department of Law	<u>0</u>	<u>582</u>	<u>581</u>	1
Department of Civil Service:				
Personal Services	361,660	636,349	530,753	105,596
Other Expenditures	20,972	77,283	70,125	7,158
Total Department of Civil Service	<u>382,632</u>	<u>713,632</u>	<u>600,878</u>	112,754

(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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Finance:				
Personal Services	2,135,575	1,911,768	1,908,042	3,726
Other Expenditures	572,817	611,751	601,689	10,062
Total Finance	<u>2,708,392</u>	<u>2,523,519</u>	<u>2,509,731</u>	13,788
Human Resources:				
Personal Services	438,316	430,716	414,349	16,367
Other Expenditures	20,871	33,291	27,037	6,254
Total Human Resources	<u>459,187</u>	<u>464,007</u>	<u>441,386</u>	22,621
Special Appropriations - General:				
Personal Services	17,500	17,500	0	17,500
Other Expenditures	8,266,130	8,906,799	8,929,019	(22,220)
Total Special Appropriations - General	<u>8,283,630</u>	<u>8,924,299</u>	<u>8,929,019</u>	(4,720)
Special Appropriations:				
Personal Services	98,800	98,716	97,177	1,539
Other Expenditures	1,805,579	1,984,773	1,995,791	(11,018)
Total Special Appropriations	<u>1,904,379</u>	<u>2,083,489</u>	<u>2,092,968</u>	(9,479)
Total General Government	<u>14,342,947</u>	<u>15,299,710</u>	<u>15,137,353</u>	162,357
Total Expenditures	<u>47,841,627</u>	<u>48,798,442</u>	<u>48,305,824</u>	492,618
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,717,199)	(2,065,071)	(3,361,249)	(1,296,178)
Other Financing Sources (Uses):				
Sale of Capital Assets	500	3,339	3,874	535
Transfers Out	(1,690,000)	(1,992,625)	(1,931,419)	61,206
Advances In	0	180,000	180,000	0
Total Other Financing Sources (Uses)	<u>(1,689,500)</u>	<u>(1,809,286)</u>	<u>(1,747,545)</u>	61,741
Net Change in Fund Balance	(4,406,699)	(3,874,357)	(5,108,794)	(1,234,437)
Fund Balance at Beginning of Year	5,608,472	5,608,472	5,608,472	0
Prior Year Encumbrances	4,406,699	4,406,699	4,406,699	0
Fund Balance at End of Year	<u>\$ 5,608,472</u>	<u>\$ 6,140,814</u>	<u>\$ 4,906,377</u>	<u>\$ (1,234,437)</u>

CITY OF HAMILTON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – Debt Service Fund
For the Year Ended December 31, 2017**

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	3,002,558	34,801,897	34,801,989	(92)
Interest and Fiscal Charges	1,351,797	2,109,926	2,100,745	9,181
Total Expenditures	<u>4,354,355</u>	<u>36,911,823</u>	<u>36,902,734</u>	<u>9,089</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,354,355)	(36,911,823)	(36,902,734)	9,089
Other Financing Sources (Uses):				
Bond Issuance	0	32,691,418	32,691,417	(1)
Transfers In	4,354,355	4,220,405	4,216,572	(3,833)
Total Other Financing Sources (Uses)	<u>4,354,355</u>	<u>36,911,823</u>	<u>36,907,989</u>	<u>(3,834)</u>
Net Change in Fund Balance	0	0	5,255	5,255
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>\$ 5,255</u>	<u>\$ 5,255</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, 2017**

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	\$ 2,137,685	\$ 2,158,685	\$ 2,160,472	\$ 1,787
Total Revenues	<u>2,137,685</u>	<u>2,158,685</u>	<u>2,160,472</u>	<u>1,787</u>
Expenditures:				
General Government:				
Other Expenditures	1,090,374	1,075,589	966,165	109,424
Debt Service:				
Interest and Fiscal Charges	0	195	195	0
Total Expenditures	<u>1,090,374</u>	<u>1,075,784</u>	<u>966,360</u>	<u>109,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,047,311	1,082,901	1,194,112	111,211
Other Financing Sources (Uses):				
Transfers Out	(1,482,100)	(1,542,508)	(1,542,507)	1
Total Other Financing Sources (Uses)	<u>(1,482,100)</u>	<u>(1,542,508)</u>	<u>(1,542,507)</u>	<u>1</u>
Net Change in Fund Balance	(434,789)	(459,607)	(348,395)	111,212
Fund Balance at Beginning of Year	1,070,256	1,070,256	1,070,256	0
Prior Year Encumbrances	61,374	61,374	61,374	0
Fund Balance at End of Year	<u>\$ 696,841</u>	<u>\$ 672,023</u>	<u>\$ 783,235</u>	<u>\$ 111,212</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, 2017***

MUNICIPAL COURT IMPROVEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 108,788	\$ 108,788	\$ 114,147	\$ 5,359
Fines and Forfeitures	83,860	83,860	86,389	2,529
Total Revenues	192,648	192,648	200,536	7,888
Expenditures:				
Security of Persons and Property:				
Personal Services	24	0	0	0
Other Expenditures	194,947	190,400	174,989	15,411
Total Expenditures	194,971	190,400	174,989	15,411
Net Change in Fund Balance	(2,323)	2,248	25,547	23,299
Fund Balance at Beginning of Year	286,346	286,346	286,346	0
Prior Year Encumbrances	12,296	12,296	12,296	0
Fund Balance at End of Year	\$ 296,319	\$ 300,890	\$ 324,189	\$ 23,299

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, 2017***

	PUBLIC SAFETY/HEALTH INCOME TAX FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Income Taxes	\$ 3,288,550	\$ 3,288,550	\$ 3,257,045	\$ (31,505)
Total Revenues	<u>3,288,550</u>	<u>3,288,550</u>	<u>3,257,045</u>	<u>(31,505)</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	3,289,000	3,389,000	3,289,000	100,000
Total Expenditures	<u>3,289,000</u>	<u>3,389,000</u>	<u>3,289,000</u>	<u>100,000</u>
Net Change in Fund Balance	(450)	(100,450)	(31,955)	68,495
Fund Balance at Beginning of Year	<u>151,282</u>	<u>151,282</u>	<u>151,282</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 150,832</u>	<u>\$ 50,832</u>	<u>\$ 119,327</u>	<u>\$ 68,495</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, 2017***

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	\$ 9,222	\$ 1,482
Total Revenues	<u>7,740</u>	<u>7,740</u>	<u>9,222</u>	<u>1,482</u>
Expenditures:				
General Government:				
Personal Services	6	4,500	4,064	436
Other Expenditures	1,000	1,000	0	1,000
Total Expenditures	<u>1,006</u>	<u>5,500</u>	<u>4,064</u>	<u>1,436</u>
Net Change in Fund Balance	6,734	2,240	5,158	2,918
Fund Balance at Beginning of Year	20,065	20,065	20,065	0
Prior Year Encumbrances	6	6	6	0
Fund Balance at End of Year	<u>\$ 26,805</u>	<u>\$ 22,311</u>	<u>\$ 25,229</u>	<u>\$ 2,918</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, 2017***

SAFETY SERVICES FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property and Other Local Taxes	\$ 660,000	\$ 660,000	\$ 660,484	\$ 484
Intergovernmental Revenues	124,334	124,334	124,900	566
Charges for Services	17,500	18,850	29,253	10,403
Fines and Forfeitures	197,040	197,040	200,326	3,286
All Other Revenue	29,540	52,775	52,471	(304)
Total Revenues	1,028,414	1,052,999	1,067,434	14,435
Expenditures:				
Security of Persons and Property:				
Personal Services	285,540	283,070	247,988	35,082
Other Expenditures	1,032,062	1,027,561	756,184	271,377
Total Expenditures	1,317,602	1,310,631	1,004,172	306,459
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(289,188)	(257,632)	63,262	320,894
Other Financing Sources (Uses):				
Sale of Capital Assets	7,000	7,000	6,722	(278)
Transfers In	5,000	5,000	0	(5,000)
Total Other Financing Sources (Uses)	12,000	12,000	6,722	(5,278)
Net Change in Fund Balance	(277,188)	(245,632)	69,984	315,616
Fund Balance at Beginning of Year	590,214	590,214	590,214	0
Prior Year Encumbrances	33,338	33,338	33,338	0
Fund Balance at End of Year	\$ 346,364	\$ 377,920	\$ 693,536	\$ 315,616

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, 2017***

POLICE PENSION 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	\$ 200,000	\$ 200,000	\$ 198,145	\$ (1,855)
Intergovernmental Revenues	30,000	30,000	35,058	5,058
Total Revenues	<u>230,000</u>	<u>230,000</u>	<u>233,203</u>	<u>3,203</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	230,000	230,000	190,000	40,000
Total Expenditures	<u>230,000</u>	<u>230,000</u>	<u>190,000</u>	<u>40,000</u>
Net Change in Fund Balance	0	0	43,203	43,203
Fund Balance at Beginning of Year	<u>57</u>	<u>57</u>	<u>57</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 57</u>	<u>\$ 57</u>	<u>\$ 43,260</u>	<u>\$ 43,203</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, 2017***

POLICE LEVY FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property and Other Local Taxes	\$ 630,000	\$ 630,000	\$ 636,459	\$ 6,459
Intergovernmental Revenues	90,000	90,000	90,538	538
Total Revenues	720,000	720,000	726,997	6,997
Expenditures:				
Security of Persons and Property:				
Other Expenditures	720,000	720,000	590,000	130,000
Total Expenditures	720,000	720,000	590,000	130,000
Net Change in Fund Balance	0	0	136,997	136,997
Fund Balance at Beginning of Year	1,890	1,890	1,890	0
Fund Balance at End of Year	\$ 1,890	\$ 1,890	\$ 138,887	\$ 136,997

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, 2017***

FIREMEN'S PENSION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property and Other Local Taxes	\$ 200,000	\$ 200,000	\$ 198,145	\$ (1,855)
Intergovernmental Revenues	30,000	30,000	28,670	(1,330)
Total Revenues	<u>230,000</u>	<u>230,000</u>	<u>226,815</u>	<u>(3,185)</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	230,000	230,000	190,000	40,000
Total Expenditures	<u>230,000</u>	<u>230,000</u>	<u>190,000</u>	<u>40,000</u>
Net Change in Fund Balance	0	0	36,815	36,815
Fund Balance at Beginning of Year	986	986	986	0
Fund Balance at End of Year	<u>\$ 986</u>	<u>\$ 986</u>	<u>\$ 37,801</u>	<u>\$ 36,815</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, 2017***

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
Net Change in Fund Balance	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, 2017***

FIRE EMS LEVY FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Property and Other Local Taxes	\$ 630,000	\$ 630,000	\$ 636,459	\$ 6,459
Intergovernmental Revenues	90,000	90,000	90,538	538
Total Revenues	<u>720,000</u>	<u>720,000</u>	<u>726,997</u>	<u>6,997</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	720,000	720,000	490,000	230,000
Total Expenditures	<u>720,000</u>	<u>720,000</u>	<u>490,000</u>	<u>230,000</u>
Net Change in Fund Balance	0	0	236,997	236,997
Fund Balance at Beginning of Year	8,086	8,086	8,086	0
Fund Balance at End of Year	<u>\$ 8,086</u>	<u>\$ 8,086</u>	<u>\$ 245,083</u>	<u>\$ 236,997</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, 2017***

PUBLIC HEALTH CARE SERVICES FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 90,095	\$ 90,095	\$ 62,685	\$ (27,410)
Investment Earnings	10	10	69	59
All Other Revenue	1,400	1,400	1,422	22
Total Revenues	<u>91,505</u>	<u>91,505</u>	<u>64,176</u>	<u>(27,329)</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	60,583	60,583	35,471	25,112
Other Expenditures	39,329	232,219	227,049	5,170
Total Expenditures	<u>99,912</u>	<u>292,802</u>	<u>262,520</u>	<u>30,282</u>
Net Change in Fund Balance	(8,407)	(201,297)	(198,344)	2,953
Fund Balance at Beginning of Year	197,535	197,535	197,535	0
Prior Year Encumbrances	10,049	10,049	10,049	0
Fund Balance at End of Year	<u>\$ 199,177</u>	<u>\$ 6,287</u>	<u>\$ 9,240</u>	<u>\$ 2,953</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, 2017***

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	\$ 2,125,047	\$ 25,047
Investment Earnings	11,000	11,000	19,192	8,192
All Other Revenue	25,000	25,000	26,067	1,067
Total Revenues	<u>2,136,000</u>	<u>2,136,000</u>	<u>2,170,306</u>	<u>34,306</u>
Expenditures:				
Basic Utility Services:				
Personal Services	861,764	860,817	842,668	18,149
Other Expenditures	8,033,242	4,594,760	4,509,907	84,853
Total Expenditures	<u>8,895,006</u>	<u>5,455,577</u>	<u>5,352,575</u>	<u>103,002</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,759,006)	(3,319,577)	(3,182,269)	137,308
Other Financing Sources (Uses):				
Transfers In	0	7,984	7,984	0
OWDA Loan Issuance	6,200,000	2,593,500	1,373,689	(1,219,811)
Total Other Financing Sources (Uses)	<u>6,200,000</u>	<u>2,601,484</u>	<u>1,381,673</u>	<u>(1,219,811)</u>
Net Change in Fund Balance	(559,006)	(718,093)	(1,800,596)	(1,082,503)
Fund Balance at Beginning of Year	1,406,772	1,406,772	1,406,772	0
Prior Year Encumbrances	499,567	499,567	499,567	0
Fund Balance at End of Year	<u>\$ 1,347,333</u>	<u>\$ 1,188,246</u>	<u>\$ 105,743</u>	<u>\$ (1,082,503)</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, 2017***

REFUSE FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 4,323,500	\$ 4,323,500	\$ 4,284,498	\$ (39,002)
All Other Revenue	50,000	80,000	80,206	206
Total Revenues	<u>4,373,500</u>	<u>4,403,500</u>	<u>4,364,704</u>	<u>(38,796)</u>
Expenditures:				
Basic Utility Services:				
Personal Services	615,342	584,784	454,016	130,768
Other Expenditures	3,941,752	3,938,708	3,757,579	181,129
Total Expenditures	<u>4,557,094</u>	<u>4,523,492</u>	<u>4,211,595</u>	<u>311,897</u>
Net Change in Fund Balance	(183,594)	(119,992)	153,109	273,101
Fund Balance at Beginning of Year	1,394,883	1,394,883	1,394,883	0
Prior Year Encumbrances	<u>11,590</u>	<u>11,590</u>	<u>11,590</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,222,879</u>	<u>\$ 1,286,481</u>	<u>\$ 1,559,582</u>	<u>\$ 273,101</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, 2017***

STREET MAINTENANCE FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 2,481,000	\$ 2,491,000	\$ 2,579,567	\$ 88,567
Licenses and Permits	367,000	367,000	389,079	22,079
Investment Earnings	2,500	2,500	4,161	1,661
All Other Revenue	313,500	316,793	195,240	(121,553)
Total Revenues	<u>3,164,000</u>	<u>3,177,293</u>	<u>3,168,047</u>	<u>(9,246)</u>
Expenditures:				
Transportation:				
Personal Services	1,315,080	1,342,508	1,321,573	20,935
Other Expenditures	1,619,168	1,593,596	1,424,933	168,663
Total Expenditures	<u>2,934,248</u>	<u>2,936,104</u>	<u>2,746,506</u>	<u>189,598</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	229,752	241,189	421,541	180,352
Other Financing Sources (Uses):				
Transfers In	0	29,304	29,304	0
Transfers Out	(300,000)	(310,000)	(310,000)	0
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(280,696)</u>	<u>(280,696)</u>	<u>0</u>
Net Change in Fund Balance	(70,248)	(39,507)	140,845	180,352
Fund Balance at Beginning of Year	257,995	257,995	257,995	0
Prior Year Encumbrances	42,452	42,452	42,452	0
Fund Balance at End of Year	<u>\$ 230,199</u>	<u>\$ 260,940</u>	<u>\$ 441,292</u>	<u>\$ 180,352</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, 2017***

LAND REUTILIZATION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 500,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:				
Community Environment:				
Personal Services	50,000	50,000	49,727	273
Other Expenditures	<u>516,000</u>	<u>15,000</u>	<u>3,483</u>	<u>11,517</u>
Total Expenditures	<u>566,000</u>	<u>65,000</u>	<u>53,210</u>	<u>11,790</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,000)	(65,000)	(53,210)	11,790
Other Financing Sources (Uses):				
Transfers In	<u>65,000</u>	<u>65,000</u>	<u>50,000</u>	<u>(15,000)</u>
Total Other Financing Sources (Uses)	<u>65,000</u>	<u>65,000</u>	<u>50,000</u>	<u>(15,000)</u>
Net Change in Fund Balance	(1,000)	0	(3,210)	(3,210)
Fund Balance at Beginning of Year	24,986	24,986	24,986	0
Prior Year Encumbrances	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,986</u>	<u>\$ 25,986</u>	<u>\$ 22,776</u>	<u>\$ (3,210)</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, 2017***

HOME PROGRAM FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 577,932	\$ 907,021	\$ 274,803	\$ (632,218)
All Other Revenue	53,775	128,775	24,722	(104,053)
Total Revenues	<u>631,707</u>	<u>1,035,796</u>	<u>299,525</u>	<u>(736,271)</u>
Expenditures:				
Community Environment:				
Personal Services	19,437	32,168	15,656	16,512
Other Expenditures	715,969	1,107,327	292,003	815,324
Total Expenditures	<u>735,406</u>	<u>1,139,495</u>	<u>307,659</u>	<u>831,836</u>
Net Change in Fund Balance	(103,699)	(103,699)	(8,134)	95,565
Fund Balance at Beginning of Year	<u>103,699</u>	<u>103,699</u>	<u>103,699</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 95,565</u>	<u>\$ 95,565</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, 2017***

PARKING FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 294,600	\$ 296,500	\$ 290,756	\$ (5,744)
Investment Earnings	1,000	3,500	3,108	(392)
All Other Revenue	5,000	5,000	5,574	574
Total Revenues	<u>300,600</u>	<u>305,000</u>	<u>299,438</u>	<u>(5,562)</u>
Expenditures:				
Transportation:				
Personal Services	135,132	138,511	136,873	1,638
Other Expenditures	558,221	744,828	701,575	43,253
Debt Service:				
Principal Retirement	35,000	35,000	35,000	0
Interest and Fiscal Charges	21,344	21,344	21,344	0
Total Expenditures	<u>749,697</u>	<u>939,683</u>	<u>894,792</u>	<u>44,891</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(449,097)	(634,683)	(595,354)	39,329
Other Financing Sources (Uses):				
Transfers In	56,344	90,299	90,298	(1)
Transfers Out	0	(32,984)	(32,983)	1
Total Other Financing Sources (Uses)	<u>56,344</u>	<u>57,315</u>	<u>57,315</u>	<u>0</u>
Net Change in Fund Balance	(392,753)	(577,368)	(538,039)	39,329
Fund Balance at Beginning of Year	283,822	283,822	283,822	0
Prior Year Encumbrances	343,937	343,937	343,937	0
Fund Balance at End of Year	<u>\$ 235,006</u>	<u>\$ 50,391</u>	<u>\$ 89,720</u>	<u>\$ 39,329</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, 2017***

GOLF COURSE FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 1,194,388	\$ 1,194,388	\$ 1,087,616	\$ (106,772)
Investment Earnings	600	600	3,984	3,384
All Other Revenue	740	1,890	6,140	4,250
Total Revenues	<u>1,195,728</u>	<u>1,196,878</u>	<u>1,097,740</u>	<u>(99,138)</u>
Expenditures:				
Leisure Time Activities:				
Personal Services	528,390	527,753	503,155	24,598
Other Expenditures	683,409	836,821	777,609	59,212
Debt Service:				
Principal Retirement	95,150	98,276	98,276	0
Interest and Fiscal Charges	904	6,031	5,746	285
Total Expenditures	<u>1,307,853</u>	<u>1,468,881</u>	<u>1,384,786</u>	<u>84,095</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(112,125)	(272,003)	(287,046)	(15,043)
Other Financing Sources (Uses):				
Transfers In	96,054	97,270	97,270	0
Bond Issuance	0	177,889	177,888	(1)
Total Other Financing Sources (Uses)	<u>96,054</u>	<u>275,159</u>	<u>275,158</u>	<u>(1)</u>
Net Change in Fund Balance	(16,071)	3,156	(11,888)	(15,044)
Fund Balance at Beginning of Year	266,495	266,495	266,495	0
Prior Year Encumbrances	23,946	23,946	23,946	0
Fund Balance at End of Year	<u>\$ 274,370</u>	<u>\$ 293,597</u>	<u>\$ 278,553</u>	<u>\$ (15,044)</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, 2017***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,280,134	\$ 2,561,487	\$ 1,232,707	\$ (1,328,780)
Investment Earnings	702	722	340	(382)
All Other Revenue	486,103	389,252	53,141	(336,111)
Total Revenues	1,766,939	2,951,461	1,286,188	(1,665,273)
Expenditures:				
Community Environment:				
Personal Services	109,666	363,646	234,537	129,109
Other Expenditures	1,810,643	2,726,645	1,019,260	1,707,385
Total Expenditures	1,920,309	3,090,291	1,253,797	1,836,494
Net Change in Fund Balance	(153,370)	(138,830)	32,391	171,221
Fund Balance at Beginning of Year	222,429	222,429	222,429	0
Fund Balance at End of Year	\$ 69,059	\$ 83,599	\$ 254,820	\$ 171,221

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, 2017***

HAMILTON CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Income Taxes	\$ 2,631,000	\$ 2,631,000	\$ 2,605,637	\$ (25,363)
Intergovernmental Revenues	0	56,247	56,247	0
All Other Revenue	25,000	25,000	32,708	7,708
Total Revenues	<u>2,656,000</u>	<u>2,712,247</u>	<u>2,694,592</u>	<u>(17,655)</u>
Expenditures:				
Capital Outlay	2,843,235	3,017,445	2,827,304	190,141
Debt Service:				
Interest and Fiscal Charges	0	58,934	58,934	0
Total Expenditures	<u>2,843,235</u>	<u>3,076,379</u>	<u>2,886,238</u>	<u>190,141</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(187,235)	(364,132)	(191,646)	172,486
Other Financing Sources (Uses):				
Sale of Capital Assets	205,000	12,000	11,815	(185)
Transfers In	820,000	1,443,014	1,443,014	0
Transfers Out	(2,597,050)	(2,374,515)	(2,370,686)	3,829
Total Other Financing Sources (Uses)	<u>(1,572,050)</u>	<u>(919,501)</u>	<u>(915,857)</u>	<u>3,644</u>
Net Change in Fund Balance	(1,759,285)	(1,283,633)	(1,107,503)	176,130
Fund Balance at Beginning of Year	628,076	628,076	628,076	0
Prior Year Encumbrances	825,235	825,235	825,235	0
Fund Balance at End of Year	<u>\$ (305,974)</u>	<u>\$ 169,678</u>	<u>\$ 345,808</u>	<u>\$ 176,130</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, 2017**

SPECIAL ASSESSMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 485,000	\$ 485,000	\$ 345,325	\$ (139,675)
Total Revenues	<u>485,000</u>	<u>485,000</u>	<u>345,325</u>	<u>(139,675)</u>
Expenditures:				
Capital Outlay	720,650	1,041,387	1,041,382	5
Debt Service:				
Interest and Fiscal Charges	<u>0</u>	<u>11,196</u>	<u>10,092</u>	<u>1,104</u>
Total Expenditures	<u>720,650</u>	<u>1,052,583</u>	<u>1,051,474</u>	<u>1,109</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(235,650)	(567,583)	(706,149)	(138,566)
Other Financing Sources (Uses):				
Bond Issuance	0	1,018,327	1,018,326	(1)
Transfers Out	(190,153)	(203,052)	(203,051)	1
Advances In	551,848	0	0	0
Advances Out	<u>(551,848)</u>	<u>(551,848)</u>	<u>(551,848)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(190,153)</u>	<u>263,427</u>	<u>263,427</u>	<u>0</u>
Net Change in Fund Balance	(425,803)	(304,156)	(442,722)	(138,566)
Fund Balance at Beginning of Year	169,220	169,220	169,220	0
Prior Year Encumbrances	<u>420,650</u>	<u>420,650</u>	<u>420,650</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 164,067</u>	<u>\$ 285,714</u>	<u>\$ 147,148</u>	<u>\$ (138,566)</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, 2017***

MUNICIPAL IMPROVEMENT TAX INCREMENT EQUIVALENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property and Other Local Taxes	\$ 1,046,000	\$ 1,064,965	\$ 1,062,189	\$ (2,776)
All Other Revenue	0	0	1,000	1,000
Total Revenues	<u>1,046,000</u>	<u>1,064,965</u>	<u>1,063,189</u>	<u>(1,776)</u>
Expenditures:				
Capital Outlay	<u>5,594,993</u>	<u>4,788,206</u>	<u>4,567,515</u>	<u>220,691</u>
Total Expenditures	<u>5,594,993</u>	<u>4,788,206</u>	<u>4,567,515</u>	<u>220,691</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,548,993)	(3,723,241)	(3,504,326)	218,915
Other Financing Sources (Uses):				
Transfers Out	(338,860)	(363,663)	(363,575)	88
Advances In	<u>3,800,000</u>	<u>4,800,000</u>	<u>3,500,000</u>	<u>(1,300,000)</u>
Total Other Financing Sources (Uses)	<u>3,461,140</u>	<u>4,436,337</u>	<u>3,136,425</u>	<u>(1,299,912)</u>
Net Change in Fund Balance	(1,087,853)	713,096	(367,901)	(1,080,997)
Fund Balance at Beginning of Year	543,894	543,894	543,894	0
Prior Year Encumbrances	<u>87,853</u>	<u>87,853</u>	<u>87,853</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (456,106)</u>	<u>\$ 1,344,843</u>	<u>\$ 263,846</u>	<u>\$ (1,080,997)</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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 2,000,000	\$ 2,000,000	\$ 1,259,734	\$ (740,266)
Total Revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,259,734</u>	<u>(740,266)</u>
Expenditures:				
Capital Outlay	2,000,000	2,000,000	1,259,734	740,266
Total Expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,259,734</u>	<u>740,266</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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	7,350	7,350	7,350	0
Fund Balance at End of Year	<u>\$ 7,350</u>	<u>\$ 7,350</u>	<u>\$ 7,350</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, 2017**

INFRASTRUCTURE PROGRAM FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 1,270,000	\$ 1,870,000	\$ 1,744,780	\$ (125,220)
All Other Revenue	510,179	22,535	22,549	14
Total Revenues	<u>1,780,179</u>	<u>1,892,535</u>	<u>1,767,329</u>	<u>(125,206)</u>
Expenditures:				
Capital Outlay	6,514,464	5,722,155	5,525,208	196,947
Total Expenditures	<u>6,514,464</u>	<u>5,722,155</u>	<u>5,525,208</u>	<u>196,947</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,734,285)	(3,829,620)	(3,757,879)	71,741
Other Financing Sources (Uses):				
Transfers In	1,438,860	1,473,663	1,432,369	(41,294)
Transfers Out	(237,450)	(252,728)	(252,726)	2
Advances In	2,000,000	1,000,000	1,000,000	0
Total Other Financing Sources (Uses)	<u>3,201,410</u>	<u>2,220,935</u>	<u>2,179,643</u>	<u>(41,292)</u>
Net Change in Fund Balance	(1,532,875)	(1,608,685)	(1,578,236)	30,449
Fund Balance at Beginning of Year	164,353	164,353	164,353	0
Prior Year Encumbrances	<u>1,533,654</u>	<u>1,533,654</u>	<u>1,533,654</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 165,132</u>	<u>\$ 89,322</u>	<u>\$ 119,771</u>	<u>\$ 30,449</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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 500	\$ 800	\$ 819	\$ 19
Total Revenues	<u>500</u>	<u>800</u>	<u>819</u>	<u>19</u>
Expenditures:				
General Government:				
Other Expenditures	500	800	449	351
Total Expenditures	<u>500</u>	<u>800</u>	<u>449</u>	<u>351</u>
Net Change in Fund Balance	0	0	370	370
Fund Balance at Beginning of Year	<u>75,049</u>	<u>75,049</u>	<u>75,049</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 75,049</u>	<u>\$ 75,049</u>	<u>\$ 75,419</u>	<u>\$ 370</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, 2017**

	Fleet Maintenance	Central Services	Total
Assets:			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 185,434	\$ 2,173	\$ 187,607
Inventory of Supplies at Cost	29,661	0	29,661
Total Current Assets	<u>215,095</u>	<u>2,173</u>	<u>217,268</u>
Noncurrent Assets:			
Capital Assets, Net	26,138	0	26,138
Total Assets	<u>241,233</u>	<u>2,173</u>	<u>243,406</u>
Deferred Outflows of Resources:			
Pension:			
OPERS	333,543	2,131,801	2,465,344
Total Deferred Outflows of Resources	<u>333,543</u>	<u>2,131,801</u>	<u>2,465,344</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	160,792	233,906	394,698
Accrued Wages and Benefits	14,000	71,259	85,259
Intergovernmental Payable	2,252	12,048	14,300
Compensated Absences Payable - Current	46,659	251,062	297,721
Total Current Liabilities	<u>223,703</u>	<u>568,275</u>	<u>791,978</u>
Noncurrent Liabilities:			
Compensated Absences Payable	64,322	227,668	291,990
Net Pension Liability	855,244	5,466,170	6,321,414
Total Noncurrent Liabilities	<u>919,566</u>	<u>5,693,838</u>	<u>6,613,404</u>
Total Liabilities	<u>1,143,269</u>	<u>6,262,113</u>	<u>7,405,382</u>
Deferred Inflows of Resources:			
Pension:			
OPERS	18,630	116,409	135,039
Total Deferred Inflows of Resources	<u>18,630</u>	<u>116,409</u>	<u>135,039</u>
Net Position:			
Investment in Capital Assets	26,138	0	26,138
Unrestricted	(613,261)	(4,244,548)	(4,857,809)
Total Net Position	<u>\$ (587,123)</u>	<u>\$ (4,244,548)</u>	<u>\$ (4,831,671)</u>

CITY OF HAMILTON, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2017**

	Fleet Maintenance	Central Services	Total
Operating Revenues:			
Charges for Services	\$ 2,357,951	\$ 8,193,120	\$ 10,551,071
Total Operating Revenues	<u>2,357,951</u>	<u>8,193,120</u>	<u>10,551,071</u>
Operating Expenses:			
Personal Services	905,362	5,775,043	6,680,405
Contractual Services	461,303	2,088,110	2,549,413
Materials and Supplies	872,430	950,415	1,822,845
Depreciation	10,954	0	10,954
Other Operating Expenses	466,265	104,785	571,050
Total Operating Expenses	<u>2,716,314</u>	<u>8,918,353</u>	<u>11,634,667</u>
Operating Loss	(358,363)	(725,233)	(1,083,596)
Nonoperating Revenues (Expenses):			
Investment Earnings	713	16	729
Total Nonoperating Revenues (Expenses)	<u>713</u>	<u>16</u>	<u>729</u>
Change in Net Position	(357,650)	(725,217)	(1,082,867)
Net Position Beginning of Year	(229,473)	(3,519,331)	(3,748,804)
Net Position End of Year	<u>\$ (587,123)</u>	<u>\$ (4,244,548)</u>	<u>\$ (4,831,671)</u>

CITY OF HAMILTON, OHIO

***Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2017***

	Fleet Maintenance	Central Services	Total
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,357,951	\$8,193,120	\$10,551,071
Cash Payments for Goods and Services	(1,716,815)	(3,155,052)	(4,871,867)
Cash Payments for Employees	(798,963)	(5,041,080)	(5,840,043)
Net Cash Used by Operating Activities	<u>(157,827)</u>	<u>(3,012)</u>	<u>(160,839)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	713	16	729
Net Cash Provided by Investing Activities	<u>713</u>	<u>16</u>	<u>729</u>
Net Decrease in Cash and Cash Equivalents	(157,114)	(2,996)	(160,110)
Cash and Cash Equivalents at Beginning of Year	342,548	5,169	347,717
Cash and Cash Equivalents at End of Year	<u>\$185,434</u>	<u>\$2,173</u>	<u>\$187,607</u>
<u>Reconciliation of Operating Loss to Net Cash</u>			
<u>Used by Operating Activities:</u>			
Operating Loss	(\$358,363)	(\$725,233)	(\$1,083,596)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities			
Depreciation Expense	10,954	0	10,954
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Increase in Inventory	(6,133)	0	(6,133)
Increase in Deferred Outflows of Resources	(82,213)	(552,236)	(634,449)
Increase (Decrease) in Accounts Payable	89,444	(11,732)	77,712
Increase in Accrued Wages and Benefits	3,213	1,698	4,911
Increase in Intergovernmental Payable	759	2,058	2,817
Increase in Compensated Absences	2,196	46,177	48,373
Increase in Net Pension Liability	201,356	1,356,600	1,557,956
Decrease in Deferred Inflows of Resources	(19,040)	(120,344)	(139,384)
Total Adjustments	<u>200,536</u>	<u>722,221</u>	<u>922,757</u>
Net Cash Used by Operating Activities	<u>(\$157,827)</u>	<u>(\$3,012)</u>	<u>(\$160,839)</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, 2017***

	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
<u>Rounding Up Utility Account</u>				
Assets:				
Equity in Pooled Cash and Investments	\$493	\$5,312	(\$4,303)	\$1,502
Total Assets	<u>\$493</u>	<u>\$5,312</u>	<u>(\$4,303)</u>	<u>\$1,502</u>
Liabilities:				
Accounts Payable	\$493	\$1,502	(\$493)	\$1,502
Due to Others	0	3,810	(3,810)	0
Total Liabilities	<u>\$493</u>	<u>\$5,312</u>	<u>(\$4,303)</u>	<u>\$1,502</u>
<u>Convention and Visitor's Bureau</u>				
Assets:				
Equity in Pooled Cash and Investments	\$27,812	\$96,616	(\$94,956)	\$29,472
Total Assets	<u>\$27,812</u>	<u>\$96,616</u>	<u>(\$94,956)</u>	<u>\$29,472</u>
Liabilities:				
Accounts Payable	\$27,812	\$29,472	(\$27,812)	\$29,472
Due to Others	0	67,144	(67,144)	0
Total Liabilities	<u>\$27,812</u>	<u>\$96,616</u>	<u>(\$94,956)</u>	<u>\$29,472</u>
<u>Employee Taxes and Benefits</u>				
Assets:				
Equity in Pooled Cash and Investments	\$1,446,983	\$60,296,712	(\$60,743,141)	\$1,000,554
Total Assets	<u>\$1,446,983</u>	<u>\$60,296,712</u>	<u>(\$60,743,141)</u>	<u>\$1,000,554</u>
Liabilities:				
Due to Others	\$526,254	\$59,366,006	(\$59,822,412)	\$69,848
Intergovernmental Payable	920,729	930,706	(920,729)	930,706
Total Liabilities	<u>\$1,446,983</u>	<u>\$60,296,712</u>	<u>(\$60,743,141)</u>	<u>\$1,000,554</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017***

	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
<u>Unclaimed Monies</u>				
Assets:				
Equity in Pooled Cash and Investments	\$100,115	\$9,010	(\$109,125)	\$0
Total Assets	\$100,115	\$9,010	(\$109,125)	\$0
Liabilities:				
Due to Others	\$100,115	\$9,010	(\$109,125)	\$0
Total Liabilities	\$100,115	\$9,010	(\$109,125)	\$0
<u>Tax Collections</u>				
Assets:				
Equity in Pooled Cash and Investments	\$42,364	\$269,081	(\$311,445)	\$0
Total Assets	\$42,364	\$269,081	(\$311,445)	\$0
Liabilities:				
Intergovernmental Payable	\$42,364	\$269,081	(\$311,445)	\$0
Total Liabilities	\$42,364	\$269,081	(\$311,445)	\$0
<u>Butler County Annexation Tax</u>				
Assets:				
Equity in Pooled Cash and Investments	\$63,959	\$88,815	(\$99,857)	\$52,917
Total Assets	\$63,959	\$88,815	(\$99,857)	\$52,917
Liabilities:				
Intergovernmental Payable	\$63,959	\$88,815	(\$99,857)	\$52,917
Total Liabilities	\$63,959	\$88,815	(\$99,857)	\$52,917
<u>Central Business Special Improvement District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$1,311	\$163,087	(\$155,446)	\$8,952
Receivables:				
Taxes	1,114	24,381	(1,114)	24,381
Total Assets	\$2,425	\$187,468	(\$156,560)	\$33,333
Liabilities:				
Intergovernmental Payable	\$2,425	\$187,468	(\$156,560)	\$33,333
Total Liabilities	\$2,425	\$187,468	(\$156,560)	\$33,333

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017***

	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
<u>Joint Economic Development District I</u>				
Assets:				
Equity in Pooled Cash and Investments	\$25,442	\$619,318	(\$644,760)	\$0
Total Assets	<u>\$25,442</u>	<u>\$619,318</u>	<u>(\$644,760)</u>	<u>\$0</u>
Liabilities:				
Intergovernmental Payable	\$25,442	\$619,318	(\$644,760)	\$0
Total Liabilities	<u>\$25,442</u>	<u>\$619,318</u>	<u>(\$644,760)</u>	<u>\$0</u>
<u>Joint Economic Development District II</u>				
Assets:				
Equity in Pooled Cash and Investments	\$61,856	\$591,493	(\$653,349)	\$0
Total Assets	<u>\$61,856</u>	<u>\$591,493</u>	<u>(\$653,349)</u>	<u>\$0</u>
Liabilities:				
Intergovernmental Payable	\$61,856	\$591,493	(\$653,349)	\$0
Total Liabilities	<u>\$61,856</u>	<u>\$591,493</u>	<u>(\$653,349)</u>	<u>\$0</u>
<u>Fire Damage Deposit Escrow</u>				
Assets:				
Equity in Pooled Cash and Investments	\$102,786	\$127,765	(\$73,154)	\$157,397
Total Assets	<u>\$102,786</u>	<u>\$127,765</u>	<u>(\$73,154)</u>	<u>\$157,397</u>
Liabilities:				
Due to Others	\$102,786	\$127,765	(\$73,154)	\$157,397
Total Liabilities	<u>\$102,786</u>	<u>\$127,765</u>	<u>(\$73,154)</u>	<u>\$157,397</u>
<u>Police Property Room Forfeiture</u>				
Assets:				
Equity in Pooled Cash and Investments	\$236,030	\$0	(\$11,667)	\$224,363
Total Assets	<u>\$236,030</u>	<u>\$0</u>	<u>(\$11,667)</u>	<u>\$224,363</u>
Liabilities:				
Due to Others	\$236,030	\$0	(\$11,667)	\$224,363
Total Liabilities	<u>\$236,030</u>	<u>\$0</u>	<u>(\$11,667)</u>	<u>\$224,363</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017***

	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
<u>Municipal Court</u>				
Assets:				
Equity in Pooled Cash and Investments	\$223,408	\$3,479,999	(\$3,487,801)	\$215,606
Total Assets	<u>\$223,408</u>	<u>\$3,479,999</u>	<u>(\$3,487,801)</u>	<u>\$215,606</u>
Liabilities:				
Intergovernmental Payable	\$125,691	\$123,602	(\$125,691)	\$123,602
Due to Others	97,717	3,356,397	(3,362,110)	92,004
Total Liabilities	<u>\$223,408</u>	<u>\$3,479,999</u>	<u>(\$3,487,801)</u>	<u>\$215,606</u>
 <u>Total - All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Investments	\$2,332,559	\$65,747,208	(\$66,389,004)	\$1,690,763
Receivables:				
Taxes	1,114	24,381	(1,114)	24,381
Total Assets	<u>\$2,333,673</u>	<u>\$65,771,589</u>	<u>(\$66,390,118)</u>	<u>\$1,715,144</u>
Liabilities:				
Accounts Payable	\$28,305	\$30,974	(\$28,305)	\$30,974
Intergovernmental Payable	1,242,466	6,043,278	(6,148,810)	1,140,558
Due to Others	1,062,902	59,697,337	(60,213,003)	543,612
Total Liabilities	<u>\$2,333,673</u>	<u>\$65,771,589</u>	<u>(\$66,390,118)</u>	<u>\$1,715,144</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)*

	2008	2009	2010	2011 [*]
Governmental Activities:				
Net Investment in Capital Assets	\$59,645,749	\$61,258,050	\$62,373,720	\$61,265,974
Restricted	15,051,564	14,612,944	14,372,832	12,456,507
Unrestricted (Deficit)	(1,647,332)	(711,156)	1,391,246	10,738,609
Total Governmental Activities Net Position	<u>\$73,049,981</u>	<u>\$75,159,838</u>	<u>\$78,137,798</u>	<u>\$84,461,090</u>
Business-type Activities:				
Net Investment in Capital Assets	\$99,710,125	\$95,260,611	\$96,155,478	\$92,584,709
Restricted	17,030,271	18,966,340	19,220,759	21,542,104
Unrestricted	32,349,314	38,675,708	41,348,470	45,878,883
Total Business-type Activities Net Position	<u>\$149,089,710</u>	<u>\$152,902,659</u>	<u>\$156,724,707</u>	<u>\$160,005,696</u>
Primary Government:				
Net Investment in Capital Assets	\$159,355,874	\$156,518,661	\$158,529,198	\$153,850,683
Restricted	32,081,835	33,579,284	33,593,591	33,998,611
Unrestricted	30,701,982	37,964,552	42,739,716	56,617,492
Total Primary Government Net Position	<u>\$222,139,691</u>	<u>\$228,062,497</u>	<u>\$234,862,505</u>	<u>\$244,466,786</u>

* Restated
Source: City Records

(continued)

CITY OF HAMILTON, OHIO

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

	2012	* 2013	* 2014	* 2015
Governmental Activities:				
Net Investment in Capital Assets	\$60,330,073	\$64,612,820	\$68,592,556	\$66,544,600
Restricted	9,033,196	9,974,060	6,720,442	8,178,159
Unrestricted (Deficit)	13,796,160	12,148,592	(25,249,747)	(28,081,791)
Total Governmental Activities Net Position	<u>\$83,159,429</u>	<u>\$86,735,472</u>	<u>\$50,063,251</u>	<u>\$46,640,968</u>
Business-type Activities:				
Net Investment in Capital Assets	\$88,211,121	\$101,543,663	\$107,423,550	\$100,463,100
Restricted	20,539,704	20,759,192	21,622,744	18,235,929
Unrestricted	53,287,953	44,971,490	24,981,821	29,658,800
Total Business-type Activities Net Position	<u>\$162,038,778</u>	<u>\$167,274,345</u>	<u>\$154,028,115</u>	<u>\$148,357,829</u>
Primary Government:				
Net Investment in Capital Assets	\$148,541,194	\$166,156,483	\$176,016,106	\$167,007,700
Restricted	29,572,900	30,733,252	28,343,186	26,414,088
Unrestricted	67,084,113	57,120,082	(267,926)	1,577,009
Total Primary Government Net Position	<u>\$245,198,207</u>	<u>\$254,009,817</u>	<u>\$204,091,366</u>	<u>\$194,998,797</u>

(continued)

CITY OF HAMILTON, OHIO

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

	<u>2016</u>	<u>2017</u>
Governmental Activities:		
Net Investment in Capital Assets	\$74,591,613	\$82,073,889
Restricted	6,212,366	7,132,718
Unrestricted (Deficit)	(34,082,733)	(43,484,577)
Total Governmental Activities Net Position	<u>\$46,721,246</u>	<u>\$45,722,030</u>
Business-type Activities:		
Net Investment in Capital Assets	\$196,783,938	\$196,590,931
Restricted	18,131,101	15,582,840
Unrestricted	62,635,431	46,430,198
Total Business-type Activities Net Position	<u>\$277,550,470</u>	<u>\$258,603,969</u>
Primary Government:		
Net Investment in Capital Assets	\$271,375,551	\$278,664,820
Restricted	24,343,467	22,715,558
Unrestricted	28,552,698	2,945,621
Total Primary Government Net Position	<u>\$324,271,716</u>	<u>\$304,325,999</u>

CITY OF HAMILTON, OHIO

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

	2008	2009	2010
Expenses			
Governmental Activities:			
General Government	\$8,683,408	\$6,352,352	\$5,096,822
Security of Persons and Property	34,302,781	32,717,128	33,222,968
Leisure Time Activities	2,635,833	2,319,113	2,457,896
Community Environment	4,416,618	4,088,119	5,147,583
Basic Utility Services	5,986,163	4,988,742	6,106,116
Transportation	5,175,752	4,937,607	5,543,369
Public Health and Welfare Services	1,797,223	1,391,995	1,187,775
Interest and Fiscal Charges	1,841,454	1,691,303	1,604,305
<i>Total Governmental Activities Expenses</i>	<u>64,839,232</u>	<u>58,486,359</u>	<u>60,366,834</u>
Business-type Activities:			
Gas Utility	38,277,473	29,632,664	25,598,234
Electric Utility	66,837,931	57,846,530	65,413,730
Water Utility	15,364,817	15,812,619	16,425,257
Wastewater Utility	11,550,867	11,640,859	11,546,069
<i>Total Business-type Activities Expenses</i>	<u>132,031,088</u>	<u>114,932,672</u>	<u>118,983,290</u>
<i>Total Primary Government Expenses</i>	<u>\$196,870,320</u>	<u>\$173,419,031</u>	<u>\$179,350,124</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
General Government	\$3,768,171	\$3,582,518	\$3,596,250
Security of Persons and Property	2,854,823	2,989,428	3,032,170
Leisure Time Activities	1,172,884	1,010,294	924,335
Community Environment	696,461	520,120	675,986
Basic Utility Services	5,072,561	5,193,803	5,472,370
Transportation	974,008	929,203	802,245
Public Health and Welfare Services	250,713	260,472	265,739
Operating Grants and Contributions	7,182,857	6,094,561	7,464,150
Capital Grants and Contributions	2,769,036	1,036,590	2,204,021
<i>Total Governmental Activities Program Revenues</i>	<u>24,741,514</u>	<u>21,616,989</u>	<u>24,437,266</u>

Source: City Records

(continued)

CITY OF HAMILTON, OHIO

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

	2011	2012	2013
Expenses			
Governmental Activities:			
General Government	\$5,991,786	\$7,057,730	\$6,846,691
Security of Persons and Property	32,949,502	31,282,855	29,179,575
Leisure Time Activities	1,970,218	2,247,173	2,552,980
Community Environment	2,902,576	3,397,734	4,757,333
Basic Utility Services	6,150,598	5,809,490	5,696,920
Transportation	6,605,053	6,157,603	5,644,999
Public Health and Welfare Services	1,163,297	1,061,241	1,081,832
Interest and Fiscal Charges	1,596,931	1,439,838	973,805
<i>Total Governmental Activities Expenses</i>	<u>59,329,961</u>	<u>58,453,664</u>	<u>56,734,135</u>
Business-type Activities:			
Gas Utility	21,777,870	16,850,289	24,873,444
Electric Utility	61,257,197	60,661,556	57,515,509
Water Utility	14,968,676	14,909,166	14,605,296
Wastewater Utility	11,441,639	11,872,627	12,256,376
<i>Total Business-type Activities Expenses</i>	<u>109,445,382</u>	<u>104,293,638</u>	<u>109,250,625</u>
<i>Total Primary Government Expenses</i>	<u>\$168,775,343</u>	<u>\$162,747,302</u>	<u>\$165,984,760</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
General Government	\$3,233,683	\$3,345,900	\$3,315,895
Security of Persons and Property	3,356,743	3,678,374	2,804,466
Leisure Time Activities	741,400	1,122,766	1,200,984
Community Environment	575,603	806,118	746,272
Basic Utility Services	5,480,531	5,666,718	5,903,259
Transportation	737,819	698,865	645,653
Public Health and Welfare Services	248,189	237,768	253,046
Operating Grants and Contributions	6,122,577	6,402,940	8,740,661
Capital Grants and Contributions	2,800,483	1,138,969	1,573,747
<i>Total Governmental Activities Program Revenues</i>	<u>23,297,028</u>	<u>23,098,418</u>	<u>25,183,983</u>

(continued)

CITY OF HAMILTON, OHIO

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

	2014	2015	2016
Expenses			
Governmental Activities:			
General Government	\$5,495,659	\$11,972,665	\$13,748,213
Security of Persons and Property	27,645,337	29,109,984	29,364,275
Leisure Time Activities	2,828,054	2,788,945	2,655,781
Community Environment	4,341,261	3,213,932	2,156,324
Basic Utility Services	6,088,052	6,779,008	5,986,601
Transportation	5,878,181	5,496,120	5,398,871
Public Health and Welfare Services	1,206,052	1,542,573	1,392,658
Interest and Fiscal Charges	992,213	1,075,144	1,136,751
<i>Total Governmental Activities Expenses</i>	<u>54,474,809</u>	<u>61,978,371</u>	<u>61,839,474</u>
Business-type Activities:			
Gas Utility	31,175,555	22,071,290	20,059,695
Electric Utility	64,245,951	65,637,974	73,482,880
Water Utility	13,741,329	14,563,899	14,948,562
Wastewater Utility	11,602,824	12,065,377	13,232,904
<i>Total Business-type Activities Expenses</i>	<u>120,765,659</u>	<u>114,338,540</u>	<u>121,724,041</u>
<i>Total Primary Government Expenses</i>	<u>\$175,240,468</u>	<u>\$176,316,911</u>	<u>\$183,563,515</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
General Government	\$3,252,331	\$3,183,357	\$3,666,535
Security of Persons and Property	2,963,747	3,055,722	3,195,876
Leisure Time Activities	1,284,944	1,209,724	1,098,407
Community Environment	611,630	456,883	789,256
Basic Utility Services	5,933,181	5,839,079	6,031,405
Transportation	591,655	659,797	683,059
Public Health and Welfare Services	232,987	222,113	224,444
Operating Grants and Contributions	5,925,099	5,584,899	4,469,691
Capital Grants and Contributions	1,973,789	2,880,774	3,186,797
<i>Total Governmental Activities Program Revenues</i>	<u>22,769,363</u>	<u>23,092,348</u>	<u>23,345,470</u>

(continued)

CITY OF HAMILTON, OHIO

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

2017

Expenses

Governmental Activities:

General Government	\$10,793,974
Security of Persons and Property	32,248,544
Leisure Time Activities	2,872,495
Community Environment	2,638,446
Basic Utility Services	6,692,126
Transportation	5,418,564
Public Health and Welfare Services	1,876,111
Interest and Fiscal Charges	1,142,343
<i>Total Governmental Activities Expenses</i>	<u>63,682,603</u>

Business-type Activities:

Gas Utility	20,169,139
Electric Utility	85,518,469
Water Utility	16,234,311
Wastewater Utility	13,359,997
<i>Total Business-type Activities Expenses</i>	<u>135,281,916</u>
<i>Total Primary Government Expenses</i>	<u>\$198,964,519</u>

Program Revenues

Governmental Activities:

Charges for Services

General Government	\$4,154,625
Security of Persons and Property	3,323,603
Leisure Time Activities	1,128,081
Community Environment	333,476
Basic Utility Services	6,451,263
Transportation	859,246
Public Health and Welfare Services	213,411
Operating Grants and Contributions	4,556,837
Capital Grants and Contributions	3,504,621
<i>Total Governmental Activities Program Revenues</i>	<u>24,525,163</u>

CITY OF HAMILTON, OHIO

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

	2008	2009	2010
Business-type Activities:			
Charges for Services			
Gas Utility	39,522,340	31,662,109	26,793,820
Electric Utility	65,136,558	61,177,918	64,552,173
Water Utility	14,266,483	14,231,316	14,815,360
Wastewater Utility	10,682,911	10,722,481	11,203,887
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	0	0	652,642
<i>Total Business-type Activities Program Revenues</i>	<u>129,608,292</u>	<u>117,793,824</u>	<u>118,017,882</u>
<i>Total Primary Government Program Revenues</i>	<u>154,349,806</u>	<u>139,410,813</u>	<u>142,455,148</u>
Net (Expense)/Revenue			
Governmental Activities	(40,097,718)	(36,869,370)	(35,929,568)
Business-type Activities	<u>(2,422,796)</u>	<u>2,861,152</u>	<u>(965,408)</u>
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$42,520,514)</u></u>	<u><u>(\$34,008,218)</u></u>	<u><u>(\$36,894,976)</u></u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Income Taxes	\$24,521,745	\$22,555,364	\$22,230,625
Property and Other Local Taxes	9,601,028	9,688,166	9,142,263
Intergovernmental, Unrestricted	4,764,901	4,827,624	5,674,578
Investment Earnings	678,248	143,617	100,931
Miscellaneous	1,382,720	1,846,956	1,184,131
Transfers	170,000	492,500	0
<i>Total Governmental Activities</i>	<u>41,118,642</u>	<u>39,554,227</u>	<u>38,332,528</u>
Business-type Activities:			
Other Local Taxes (kWh Tax)	0	40,816	25,222
Investment Earnings	2,305,537	602,636	392,067
Transfers	(170,000)	(492,500)	0
Special Items	0	0	3,888,044
<i>Total Business-type Activities</i>	<u>2,135,537</u>	<u>150,952</u>	<u>4,305,333</u>
<i>Total Primary Government</i>	<u>\$43,254,179</u>	<u>\$39,705,179</u>	<u>\$42,637,861</u>
Change in Net Position			
Governmental Activities	\$1,020,924	\$2,684,857	\$2,402,960
Business-type Activities	<u>(287,259)</u>	<u>3,012,104</u>	<u>3,339,925</u>
<i>Total Primary Government Change in Net Position</i>	<u><u>\$733,665</u></u>	<u><u>\$5,696,961</u></u>	<u><u>\$5,742,885</u></u>

(continued)

CITY OF HAMILTON, OHIO

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

	2011	2012	2013
Business-type Activities:			
Charges for Services			
Gas Utility	21,930,366	16,574,138	24,742,117
Electric Utility	63,327,834	62,172,965	60,346,033
Water Utility	14,948,140	14,749,579	14,656,538
Wastewater Utility	12,302,310	12,068,156	11,779,979
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	40,500	200,000	0
<i>Total Business-type Activities Program Revenues</i>	<u>112,549,150</u>	<u>105,764,838</u>	<u>111,524,667</u>
<i>Total Primary Government Program Revenues</i>	<u>135,846,178</u>	<u>128,863,256</u>	<u>136,708,650</u>
Net (Expense)/Revenue			
Governmental Activities	(36,032,933)	(35,355,246)	(31,550,152)
Business-type Activities	3,103,768	1,471,200	2,274,042
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$32,929,165)</u>	<u>(\$33,884,046)</u>	<u>(\$29,276,110)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Income Taxes	\$21,912,270	\$21,259,474	\$22,310,512
Property and Other Local Taxes	9,024,254	8,969,655	8,961,444
Intergovernmental, Unrestricted	10,357,132	3,112,982	3,210,419
Investment Earnings	98,396	76,967	(69,511)
Miscellaneous	964,173	913,202	751,688
Transfers	0	(278,695)	0
<i>Total Governmental Activities</i>	<u>42,356,225</u>	<u>34,053,585</u>	<u>35,164,552</u>
Business-type Activities:			
Other Local Taxes (kWh Tax)	2,086	0	0
Investment Earnings	275,171	283,187	73,168
Transfers	0	278,695	0
Special Items	0	0	2,850,000
<i>Total Business-type Activities</i>	<u>277,257</u>	<u>561,882</u>	<u>2,923,168</u>
<i>Total Primary Government</i>	<u>\$42,633,482</u>	<u>\$34,615,467</u>	<u>\$38,087,720</u>
Change in Net Position			
Governmental Activities	\$6,323,292	(\$1,301,661)	\$3,614,400
Business-type Activities	3,381,025	2,033,082	5,197,210
<i>Total Primary Government Change in Net Position</i>	<u>\$9,704,317</u>	<u>\$731,421</u>	<u>\$8,811,610</u>

(continued)

CITY OF HAMILTON, OHIO

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

	2014	2015	2016
Business-type Activities:			
Charges for Services			
Gas Utility	29,369,479	21,979,425	19,086,678
Electric Utility	61,577,164	64,619,906	66,319,492
Water Utility	14,865,682	12,550,024	13,088,389
Wastewater Utility	12,037,408	11,821,865	12,385,219
Operating Grants and Contributions	0	0	743,247
Capital Grants and Contributions	713,516	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>118,563,249</u>	<u>110,971,220</u>	<u>111,623,025</u>
<i>Total Primary Government Program Revenues</i>	<u>141,332,612</u>	<u>134,063,568</u>	<u>134,968,495</u>
Net (Expense)/Revenue			
Governmental Activities	(31,705,446)	(38,886,023)	(38,494,004)
Business-type Activities	<u>(2,202,410)</u>	<u>(3,367,320)</u>	<u>(10,101,016)</u>
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$33,907,856)</u></u>	<u><u>(\$42,253,343)</u></u>	<u><u>(\$48,595,020)</u></u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Income Taxes	\$23,354,264	\$24,852,412	\$25,970,527
Property and Other Local Taxes	8,709,596	8,959,287	8,627,124
Intergovernmental, Unrestricted	2,674,829	2,691,164	2,342,386
Investment Earnings	253,825	114,686	28,749
Miscellaneous	1,021,094	1,635,091	1,605,496
Transfers	0	(46,727)	0
<i>Total Governmental Activities</i>	<u>36,013,608</u>	<u>38,205,913</u>	<u>38,574,282</u>
Business-type Activities:			
Other Local Taxes (kWh Tax)	0	0	2,952
Investment Earnings	1,053,605	317,485	290,705
Transfers	0	46,727	0
Special Items	0	0	139,000,000
<i>Total Business-type Activities</i>	<u>1,053,605</u>	<u>364,212</u>	<u>139,293,657</u>
<i>Total Primary Government</i>	<u><u>\$37,067,213</u></u>	<u><u>\$38,570,125</u></u>	<u><u>\$177,867,939</u></u>
Change in Net Position			
Governmental Activities	\$4,308,162	(\$680,110)	\$80,278
Business-type Activities	<u>(1,148,805)</u>	<u>(3,003,108)</u>	<u>129,192,641</u>
<i>Total Primary Government Change in Net Position</i>	<u><u>\$3,159,357</u></u>	<u><u>(\$3,683,218)</u></u>	<u><u>\$129,272,919</u></u>

(continued)

CITY OF HAMILTON, OHIO

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

	2017
Business-type Activities:	
Charges for Services	
Gas Utility	18,482,683
Electric Utility	70,567,830
Water Utility	13,390,954
Wastewater Utility	12,368,579
Operating Grants and Contributions	743,577
Capital Grants and Contributions	0
<i>Total Business-type Activities Program Revenues</i>	115,553,623
<i>Total Primary Government Program Revenues</i>	140,078,786
Net (Expense)/Revenue	
Governmental Activities	(39,157,440)
Business-type Activities	(19,728,293)
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$58,885,733)
General Revenues and Other Changes in Net Position	
Governmental Activities:	
Income Taxes	\$25,664,959
Property and Other Local Taxes	8,581,044
Intergovernmental, Unrestricted	2,206,014
Investment Earnings	196,209
Miscellaneous	1,509,998
Transfers	0
<i>Total Governmental Activities</i>	38,158,224
Business-type Activities:	
Other Local Taxes (kWh Tax)	0
Investment Earnings	781,792
Transfers	0
Special Items	0
<i>Total Business-type Activities</i>	781,792
<i>Total Primary Government</i>	\$38,940,016
Change in Net Position	
Governmental Activities	(\$999,216)
Business-type Activities	(18,946,501)
<i>Total Primary Government Change in Net Position</i>	(\$19,945,717)

CITY OF HAMILTON, OHIO

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2008	2009	2010	2011
General Fund				
Nonspendable	\$0	\$0	\$0	\$212,005
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	1,586,391
Unassigned	0	0	0	10,108,616
Reserved	358,802	320,800	647,346	0
Unreserved	2,393,672	2,234,918	4,604,450	0
<i>Total General Fund</i>	<u>2,752,474</u>	<u>2,555,718</u>	<u>5,251,796</u>	<u>11,907,012</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$134,858
Restricted	0	0	0	10,764,914
Committed	0	0	0	3,035,715
Assigned	0	0	0	2,659,700
Unassigned	0	0	0	(972,421)
Reserved	1,832,382	1,251,859	2,588,395	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	6,052,023	9,652,045	7,632,072	0
Debt Service Funds	545,256	519,843	639,917	0
Capital Projects Funds	(1,962,315)	4,592,911	4,738,598	0
<i>Total All Other Governmental Funds</i>	<u>6,467,346</u>	<u>16,016,658</u>	<u>15,598,982</u>	<u>15,622,766</u>
<i>Total Governmental Funds</i>	<u><u>\$9,219,820</u></u>	<u><u>\$18,572,376</u></u>	<u><u>\$20,850,778</u></u>	<u><u>\$27,529,778</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)*

	2012	2013	2014	2015
		*		
General Fund				
Nonspendable	\$150,276	\$157,427	\$257,910	\$273,120
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	2,797,712	2,591,073	3,513,033	2,027,119
Unassigned	7,014,183	8,272,712	7,986,708	11,602,256
Reserved	0	0	0	0
Unreserved	0	0	0	0
Total General Fund	9,962,171	11,021,212	11,757,651	13,902,495
All Other Governmental Funds				
Nonspendable	\$120,806	\$128,399	\$173,681	\$169,184
Restricted	7,315,026	14,833,337	9,753,522	5,294,588
Committed	3,592,878	4,031,504	4,492,651	4,386,446
Assigned	3,078,130	2,240,056	3,386,345	843,659
Unassigned	(498,843)	(473,703)	(98,694)	(36,116)
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	13,607,997	20,759,593	17,707,505	10,657,761
Total Governmental Funds	\$23,570,168	\$31,780,805	\$29,465,156	\$24,560,256

(continued)

CITY OF HAMILTON, OHIO

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2016	2017
General Fund		
Nonspendable	\$270,135	\$241,555
Restricted	0	0
Committed	0	0
Assigned	1,598,710	2,141,318
Unassigned	7,267,975	5,504,248
Reserved	0	0
Unreserved	0	0
<i>Total General Fund</i>	<u>9,136,820</u>	<u>7,887,121</u>
All Other Governmental Funds		
Nonspendable	\$176,403	\$167,074
Restricted	2,748,424	3,607,737
Committed	4,438,845	3,901,117
Assigned	103,101	5,255
Unassigned	(391,739)	(5,155,483)
Reserved	0	0
Unreserved, Undesignated, Reported in:		
Special Revenue Funds	0	0
Debt Service Funds	0	0
Capital Projects Funds	0	0
<i>Total All Other Governmental Funds</i>	<u>7,075,034</u>	<u>2,525,700</u>
<i>Total Governmental Funds</i>	<u><u>\$16,211,854</u></u>	<u><u>\$10,412,821</u></u>

CITY OF HAMILTON, OHIO

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2008	2009	2010	2011
Revenues:				
Taxes	\$33,726,071	\$32,187,244	\$31,926,401	\$30,848,001
Intergovernmental Revenues	13,577,781	13,171,624	15,353,253	19,480,722
Charges for Services	12,113,048	11,940,972	12,018,069	11,893,521
Licenses and Permits	928,440	900,996	1,026,594	857,177
Investment Earnings	678,248	143,617	100,931	98,396
Special Assessments	646,254	515,488	686,661	563,674
Fines and Forfeitures	1,101,672	1,080,015	1,017,725	1,066,910
All Other Revenue	1,336,575	2,041,280	1,226,936	964,173
Total Revenues	<u>64,108,089</u>	<u>61,981,236</u>	<u>63,356,570</u>	<u>65,772,574</u>
Expenditures:				
Current:				
General Government	7,448,102	5,628,443	3,965,793	5,089,992
Security of Persons and Property	32,092,050	31,100,200	31,574,695	30,807,813
Leisure Time Activities	2,369,005	2,059,769	2,202,403	1,662,185
Community Environment	4,185,051	4,114,757	5,013,534	2,754,638
Basic Utility Services	5,761,957	4,879,843	5,945,443	5,821,649
Transportation	2,900,974	2,650,327	3,336,713	3,924,752
Public Health and Welfare Services	1,755,859	1,356,162	1,219,842	1,115,975
Capital Outlay	6,392,174	2,084,004	4,383,743	6,762,309
Debt Service:				
Principal Retirement	1,997,000	2,045,000	2,425,000	2,485,000
Interest and Fiscal Charges	1,791,973	1,679,943	1,573,877	1,750,626
Total Expenditures	<u>66,694,145</u>	<u>57,598,448</u>	<u>61,641,043</u>	<u>62,174,939</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,586,056)	4,382,788	1,715,527	3,597,635

Source: City Records

(continued)

CITY OF HAMILTON, OHIO

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2012	2013	2014	2015
Revenues:				
Taxes	\$30,240,129	\$30,392,344	\$31,793,857	\$33,637,684
Intergovernmental Revenues	10,997,434	13,552,982	10,403,668	10,354,357
Charges for Services	12,659,606	12,367,803	12,274,857	12,210,156
Licenses and Permits	981,700	935,844	1,036,845	1,018,831
Investment Earnings	76,967	(59,847)	253,825	114,686
Special Assessments	811,933	668,686	626,396	457,761
Fines and Forfeitures	1,130,278	821,866	947,713	944,175
All Other Revenue	913,202	751,688	1,021,094	1,635,091
Total Revenues	<u>57,811,249</u>	<u>59,431,366</u>	<u>58,358,255</u>	<u>60,372,741</u>
Expenditures:				
Current:				
General Government	6,121,906	6,456,639	4,599,445	5,203,607
Security of Persons and Property	30,141,708	27,840,266	26,527,614	26,548,711
Leisure Time Activities	1,973,297	2,731,042	2,406,632	2,427,067
Community Environment	3,315,185	4,639,097	4,195,166	3,004,125
Basic Utility Services	5,696,091	5,621,039	5,847,541	6,354,117
Transportation	3,762,769	3,496,658	3,761,881	3,161,989
Public Health and Welfare Services	1,035,886	1,042,523	1,144,033	1,455,638
Capital Outlay	5,461,124	6,069,186	8,688,731	14,304,429
Debt Service:				
Principal Retirement	2,695,000	2,365,000	2,405,000	2,559,963
Interest and Fiscal Charges	1,274,719	1,187,163	1,134,543	1,217,255
Total Expenditures	<u>61,477,685</u>	<u>61,448,613</u>	<u>60,710,586</u>	<u>66,236,901</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,666,436)	(2,017,247)	(2,352,331)	(5,864,160)

(continued)

CITY OF HAMILTON, OHIO

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2016</u>	<u>2017</u>
Revenues:		
Taxes	\$34,425,266	\$34,475,333
Intergovernmental Revenues	10,075,259	10,152,144
Charges for Services	12,746,544	14,098,978
Licenses and Permits	1,086,953	1,110,347
Investment Earnings	28,749	196,209
Special Assessments	452,533	345,325
Fines and Forfeitures	1,063,974	923,483
All Other Revenue	1,880,496	1,509,998
Total Revenues	<u>61,759,774</u>	<u>62,811,817</u>
Expenditures:		
Current:		
General Government	10,186,194	7,066,643
Security of Persons and Property	27,434,430	28,794,336
Leisure Time Activities	2,318,248	2,536,998
Community Environment	2,162,524	2,406,167
Basic Utility Services	8,344,578	8,644,891
Transportation	4,109,609	3,226,018
Public Health and Welfare Services	1,398,872	1,679,277
Capital Outlay	11,282,845	12,560,558
Debt Service:		
Principal Retirement	3,208,002	12,215,116
Interest and Fiscal Charges	1,283,266	1,183,980
Total Expenditures	<u>71,728,568</u>	<u>80,313,984</u>
Excess (Deficiency) of Revenues Over Expenditures	(9,968,794)	(17,502,167)

(continued)

CITY OF HAMILTON, OHIO

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2008	2009	2010	2011
Other Financing Sources (Uses):				
Sale of Capital Assets	86,580	61,196	0	49,451
Ohio Water Development Authority Loans Issued	0	0	0	0
Loan Issuance	0	0	0	0
Bonds and Notes Issued	0	4,920,000	0	2,535,000
Premium on General Obligation Bonds	0	142,501	0	1,709,955
Discount on General Obligation Bonds	0	(42,930)	0	0
Refunding Bonds Issued	0	2,235,000	0	18,360,000
Refunded Bonds Redeemed	0	(2,257,022)	0	(19,621,590)
Transfers In	7,003,332	11,407,779	5,119,036	4,214,964
Transfers Out	(6,833,332)	(10,915,279)	(5,119,036)	(4,214,964)
Total Other Financing Sources (Uses)	<u>256,580</u>	<u>5,551,245</u>	<u>0</u>	<u>3,032,816</u>
Net Change in Fund Balance	<u>(\$2,329,476)</u>	<u>\$9,934,033</u>	<u>\$1,715,527</u>	<u>\$6,630,451</u>
Debt Service as a Percentage of Noncapital Expenditures	6.04%	6.65%	6.81%	7.22%

(continued)

CITY OF HAMILTON, OHIO

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2012	2013	2014	2015
Other Financing Sources (Uses):				
Sale of Capital Assets	418	115,852	29,359	65,721
Ohio Water Development Authority Loans Issued	0	0	0	0
Loan Issuance	0	9,500,000	0	700,000
Bonds and Notes Issued	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0
Discount on General Obligation Bonds	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Refunded Bonds Redeemed	0	0	0	0
Transfers In	8,844,112	7,500,414	11,699,277	10,725,880
Transfers Out	(9,122,807)	(7,500,414)	(11,699,277)	(10,522,975)
Total Other Financing Sources (Uses)	<u>(278,277)</u>	<u>9,615,852</u>	<u>29,359</u>	<u>968,626</u>
Net Change in Fund Balance	<u>(\$3,944,713)</u>	<u>\$7,598,605</u>	<u>(\$2,322,972)</u>	<u>(\$4,895,534)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.91%	6.30%	6.59%	6.78%

(continued)

CITY OF HAMILTON, OHIO

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2016</u>	<u>2017</u>
Other Financing Sources (Uses):		
Sale of Capital Assets	15,336	22,411
Ohio Water Development Authority Loans Issued	1,592,766	0
Loan Issuance	0	1,427,128
Bonds and Notes Issued	0	1,196,214
Premium on General Obligation Bonds	0	0
Discount on General Obligation Bonds	0	0
Refunding Bonds Issued	0	23,141,416
Refunded Bonds Redeemed	0	(14,087,879)
Transfers In	10,319,607	6,973,964
Transfers Out	(10,319,607)	(6,973,964)
Total Other Financing Sources (Uses)	<u>1,608,102</u>	<u>11,699,290</u>
Net Change in Fund Balance	<u>(\$8,360,692)</u>	<u>(\$5,802,877)</u>
Debt Service as a Percentage of Noncapital Expenditures	7.50%	19.58%

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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Real Property				
Assessed	\$903,465,830	\$950,210,110	\$900,434,690	\$889,863,130
Actual	2,581,330,943	2,714,886,029	2,572,670,543	2,542,466,086
Public Utility				
Assessed	3,167,600	2,719,800	2,461,240	5,891,190
Actual	3,167,600	2,719,800	2,461,240	5,891,190
Tangible Personal Property				
Assessed	38,617,646	0	0	0
Actual	617,882,336	0	0	0
Total				
Assessed	945,251,076	952,929,910	902,895,930	895,754,320
Actual	3,202,380,879	2,717,605,829	2,575,131,783	2,548,357,276
Assessed Value as a Percentage of Actual Value	29.52%	35.07%	35.06%	35.15%
Total Direct Tax Rate	\$7.16	\$7.16	\$7.16	\$6.81

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Real Property				
Assessed	\$822,899,950	\$805,839,810	\$753,521,500	\$747,624,230
Actual	2,351,142,714	2,302,399,457	2,152,918,571	2,136,069,229
Public Utility				
Assessed	5,798,610	4,726,410	4,763,000	4,937,810
Actual	5,798,610	4,726,410	4,763,000	4,937,810
Tangible Personal Property				
Assessed	0	0	0	0
Actual	0	0	0	0
Total				
Assessed	828,698,560	810,566,220	758,284,500	752,562,040
Actual	2,356,941,324	2,307,125,867	2,157,681,571	2,141,007,039
Assessed Value as a Percentage of Actual Value	35.16%	35.13%	35.14%	35.15%
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>2016</u>	<u>2017</u>
Real Property		
Assessed	\$744,751,530	\$789,655,500
Actual	2,127,861,514	2,256,158,571
Public Utility		
Assessed	5,062,790	5,309,340
Actual	5,062,790	5,309,340
Tangible Personal Property		
Assessed	0	0
Actual	0	0
Total		
Assessed	749,814,320	794,964,840
Actual	2,132,924,304	2,261,467,911
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	2008	2009	2010	2011
Taxes Levied for the Calendar Year	\$6,446,810	\$6,582,443	\$6,159,369	\$5,808,362
Collected within the Calendar Year of the Levy				
Amount	5,964,533	6,341,037	5,755,139	5,449,604
Percent of Levy	92.52%	96.33%	93.44%	93.82%
Collections in Subsequent Years (1)	260,500	371,397	211,476	236,932
Total Collections to Date				
Amount	6,225,033	6,712,434	5,966,615	5,686,536
Percent of Levy	96.56%	101.97%	96.87%	97.90%

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	2012	2013	2014	2015
Taxes Levied for the Calendar Year	\$5,459,714	\$5,409,302	\$5,349,390	\$5,091,799
Collected within the Calendar Year of the Levy				
Amount	5,152,127	5,042,759	5,043,851	4,837,997
Percent of Levy	94.37%	93.22%	94.29%	95.02%
Collections in Subsequent Years (1)	262,971	231,531	258,114	262,126
Total Collections to Date				
Amount	5,415,098	5,274,290	5,301,965	5,100,123
Percent of Levy	99.18%	97.50%	99.11%	100.16%

(continued)

CITY OF HAMILTON, OHIO

*Property Tax Levies and Collections
Last Ten Calendar Years*

Calendar Year	<u>2016</u>	<u>2017</u>
Taxes Levied for the Calendar Year	\$5,060,320	\$5,046,008
Collected within the Calendar Year of the Levy		
Amount	4,845,600	4,847,791
Percent of Levy	95.76%	96.07%
Collections in Subsequent Years (1)	221,457	245,331
Total Collections to Date		
Amount	5,067,057	5,093,122
Percent of Levy	100.13%	100.93%

CITY OF HAMILTON, OHIO

*Direct and Overlapping
Property Tax Rates
Last Ten Calendar Years*

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</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	0.00	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	7.16	7.16	7.16	6.81	6.81
Overlapping Rates					
Hamilton City School District	53.42	53.42	53.42	53.42	53.42
Butler County	10.45	10.45	9.75	9.75	9.72

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</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	2.00	2.00	2.00	2.00	2.00
Total Direct Rate	<u>6.81</u>	<u>6.81</u>	<u>6.81</u>	<u>6.81</u>	<u>6.81</u>
Overlapping Rates					
Hamilton City School District	53.61	55.61	54.81	54.81	54.31
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*

		2017	
Tax Payer	Nature of Business	Assessed Value	Percentage of Total Assessed Value
Colonial Senior Services	Healthcare	\$5,497,860	0.73%
Duke Realty	Real Estate	5,053,890	0.67%
Pedcor Investments	Investments	4,648,790	0.62%
AHP Knollwood Crossing	Real Estate	3,770,670	0.50%
Shadow Creek Apartments	Real Estate	3,617,920	0.48%
Tippmann Realty	Real Estate	3,610,190	0.48%
Wish Village Apartments	Real Estate	3,161,050	0.42%
Duke Energy	Utility	2,950,890	0.39%
Meijer Stores	Retail	2,502,510	0.33%
DCT Symmes Road	Real Estate	2,449,710	0.33%
	Sub-Total	37,263,480	4.95%
	All Others	757,701,360	95.05%
	Total	<u>\$794,964,840</u>	<u>100.00%</u>
		2008	
Tax Payer	Nature of Business	Assessed Value	Percentage of Total Assessed Value
Tippman Realty PRT	Education	\$5,972,770	0.63%
Shadow Creek Apartments	Real Estate	5,126,050	0.54%
AHP-Knollwood Crossing	Real Estate	4,403,310	0.47%
Colonial Senior Services	Healthcare	4,321,300	0.46%
Pedcor Investments	Investments	4,006,940	0.42%
Hamilton Plaza LLC	Real Estate	3,444,120	0.36%
Hatteras Properties	Real Estate	3,307,570	0.35%
Butler Co. Surgical	Healthcare	3,106,170	0.33%
VCG-Hamilton Crossings	Real Estate	3,079,320	0.33%
SD Country Walk Sub LLC	Real Estate	2,939,120	0.31%
	Sub-Total	39,706,670	4.20%
	All Others	905,544,406	95.80%
	Total	<u>\$945,251,076</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund (1)	\$18,623,279	\$17,656,771	\$17,442,410	\$17,046,349
Public Safety / Health Income Tax Fund (2)	3,034,120	2,877,197	2,841,970	2,777,128
Hamilton Capital Improvement Fund (3)	2,427,386	2,301,757	2,273,576	2,221,702
Total	<u>\$24,084,785</u>	<u>\$22,835,725</u>	<u>\$22,557,956</u>	<u>\$22,045,179</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) 0.80%
 0.20%
 0.50%
 0.25%
 0.25%
 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund (1)	\$16,874,253	\$17,464,829	\$17,840,205	\$19,347,853
Public Safety / Health Income Tax Fund (2)	2,749,995	2,844,699	2,897,290	3,120,623
Hamilton Capital Improvement Fund (3)	2,199,995	2,275,758	2,317,831	2,496,498
Total	<u>\$21,824,243</u>	<u>\$22,585,286</u>	<u>\$23,055,326</u>	<u>\$24,964,974</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>2016</u>	<u>2017</u>
General Fund (1)	\$20,442,128	\$20,597,611
Public Safety / Health Income Tax Fund (2)	3,297,119	3,322,196
Hamilton Capital Improvement Fund (3)	2,637,695	2,657,757
Total	<u>\$26,376,942</u>	<u>\$26,577,564</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	2017 Rank
Butler County Auditor	Government	1
Hamilton City School District	Education	2
ThyssenKrupp Bilstein of America Inc.	Manufacturing	3
Kettering Medical Center Network	Healthcare	4
City of Hamilton	Government	5
Bethesda Hospital Inc.	Healthcare	6
Imflux Inc	Manufacturing	7
Valeo Climate Control	Manufacturing	8
Alliance Physicians Inc.	Healthcare	9
Barclays Services, LLC	Communication Technology	10

Employer	Nature of Business	2008 Rank
Butler County Auditor	Government	1
Hamilton City School District	Education	2
City of Hamilton	Government	3
Fort Hamilton Hospital	Healthcare	4
Smart Papers LLC	Manufacturing	5
Liberty Mutual	Insurance	6
GE Engine Service, Inc.	Manufacturing	7
Valeo Climate Control	Manufacturing	8
Miami University	Education	9
Krupp Bilstein of America, Inc.	Manufacturing	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

	2008	2009	2010	2011
Governmental Activities (1)				
General Obligation Bonds Payable	\$28,695,738	\$31,964,738	\$29,828,806	\$30,426,579
Income Tax Revenue Bonds Payable	0	0	0	0
Special Revenue Notes Payable	1,930,000	0	0	0
Capital Projects Notes Payable	5,565,000	0	0	0
Special Assessments Notes Payable	103,000	0	0	0
Special Assessment Bonds Payable	2,205,000	1,935,000	1,650,000	1,400,000
OWDA Loans Payable	0	0	0	0
Loans Payable	0	0	0	0
Business-type Activities (1)				
Water Revenue Bonds Payable	\$9,775,000	\$26,321,193	\$25,623,614	\$24,810,415
OWDA Loans Payable	0	0	431,837	416,213
OPWC Loans Payable	0	0	0	0
Line of Credit Payable	8,000,000	0	0	0
Gas Bonds Payable	8,675,000	11,845,845	10,782,428	9,655,749
Enterprise Notes Payable	33,075,000	0	0	5,900,000
Electric Revenue Bonds Payable	149,020,000	169,384,333	163,238,287	156,835,006
Wastewater Bonds Payable	20,630,000	33,073,131	31,763,637	59,865,579
Total Primary Government	\$267,673,738	\$274,524,240	\$263,318,609	\$289,309,541
Population (2)				
City of Hamilton	60,690	60,690	62,477	62,795
Outstanding Debt Per Capita	\$4,411	\$4,523	\$4,215	\$4,607
Income (3)				
Personal (in thousands) (a)	11,954,760	11,533,094	12,975,478	13,652,278
Percentage of Personal Income	2.24%	2.38%	2.03%	2.12%

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*

	2012	2013	2014	2015
Governmental Activities (1)				
General Obligation Bonds Payable	\$28,115,485	\$25,701,350	\$23,258,690	\$20,762,700
Income Tax Revenue Bonds Payable	0	0	0	0
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	1,195,000	1,060,000	920,000	770,000
OWDA Loans Payable	0	0	0	0
Loans Payable	0	9,500,000	9,500,000	10,115,037
Business-type Activities (1)				
Water Revenue Bonds Payable	\$24,706,460	\$23,655,911	\$22,574,819	\$28,817,338
OWDA Loans Payable	400,077	383,412	366,201	339,322
OPWC Loans Payable	0	0	0	0
Line of Credit Payable	0	0	0	0
Gas Bonds Payable	8,588,256	7,268,857	5,895,337	4,467,672
Enterprise Notes Payable	10,690,000	10,690,000	10,690,000	103,695,000
Electric Revenue Bonds Payable	153,774,110	146,129,261	137,642,002	30,924,820
Wastewater Bonds Payable	58,384,649	56,274,683	54,084,065	51,824,871
Total Primary Government	\$285,854,037	\$280,663,474	\$264,931,114	\$251,716,760
Population (2)				
City of Hamilton	62,295	62,477	62,258	62,486
Outstanding Debt Per Capita	\$4,589	\$4,492	\$4,255	\$4,028
Income (3)				
Personal (in thousands) (a)	14,375,201	14,468,982	14,592,475	15,294,831
Percentage of Personal Income	1.99%	1.94%	1.82%	1.65%

(continued)

CITY OF HAMILTON, OHIO

Ratios of Outstanding Debt By Type Last Ten Years

	2016	2017
Governmental Activities (1)		
General Obligation Bonds Payable	\$18,218,564	\$3,211,639
Income Tax Revenue Bonds Payable	0	22,789,549
Special Revenue Notes Payable	0	0
Capital Projects Notes Payable	0	0
Special Assessments Notes Payable	0	0
Special Assessment Bonds Payable	625,000	470,000
OWDA Loans Payable	1,592,766	3,019,894
Loans Payable	9,432,035	0
Business-type Activities (1)		
Water Revenue Bonds Payable	\$28,116,322	\$21,738,885
OWDA Loans Payable	334,401	1,243,921
OPWC Loans Payable	3,869,759	4,967,531
Line of Credit Payable	0	0
Gas Bonds Payable	4,221,385	5,770,000
Enterprise Notes Payable	0	45,220,000
Electric Revenue Bonds Payable	30,111,546	16,269,523
Wastewater Bonds Payable	49,533,503	21,484,866
Total Primary Government	\$146,055,281	\$146,185,808
Population (2)		
City of Hamilton	62,359	62,127
Outstanding Debt Per Capita	\$2,342	\$2,353
Income (3)		
Personal (in thousands) (a)	15,631,343	15,680,621
Percentage of Personal Income	0.93%	0.93%

CITY OF HAMILTON, OHIO

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2008	2009	2010	2011
Population (1)	60,690	60,690	62,477	62,795
Actual Value (in thousands) (2)	\$3,202,381	\$2,717,606	\$2,575,132	\$2,548,357
General Bonded Debt (3)				
General Obligation Bonds	\$28,695,738	\$31,964,738	\$29,828,806	\$30,426,579
Total General Bonded Debt	\$28,695,738	\$31,964,738	\$29,828,806	\$30,426,579
Resources Available to Pay Principal	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$28,695,738	\$31,964,738	\$29,828,806	\$30,426,579
Ratio of Net Bonded Debt to Estimated Actual Value	0.90%	1.18%	1.16%	1.19%
Net Bonded Debt per Capita	\$472.82	\$526.69	\$477.44	\$484.54

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	2012	2013	2014	2015
Population (1)	62,295	62,477	62,258	62,486
Actual Value (in thousands) (2)	\$2,356,941	\$2,307,126	\$2,157,682	\$2,141,007
General Bonded Debt (3)				
General Obligation Bonds	\$28,115,485	\$25,701,350	\$23,258,690	\$20,762,700
Total General Bonded Debt	\$28,115,485	\$25,701,350	\$23,258,690	\$20,762,700
Resources Available to Pay Principal	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$28,115,485	\$25,701,350	\$23,258,690	\$20,762,700
Ratio of Net Bonded Debt to Estimated Actual Value	1.19%	1.11%	1.08%	0.97%
Net Bonded Debt per Capita	\$451.33	\$411.37	\$373.59	\$332.28

(continued)

CITY OF HAMILTON, OHIO

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2016	2017
Population (1)	62,359	62,127
Actual Value (in thousands) (2)	\$2,132,924	\$2,261,468
General Bonded Debt (3)		
General Obligation Bonds	\$18,218,564	\$3,211,639
Total General Bonded Debt	\$18,218,564	\$3,211,639
Resources Available to Pay Principal	\$0	\$5,255
Net General Bonded Debt	\$18,218,564	\$3,206,384
Ratio of Net Bonded Debt to Estimated Actual Value	0.85%	0.14%
Net Bonded Debt per Capita	\$292.16	\$51.61

CITY OF HAMILTON, OHIO

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2017*

<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	\$29,491,082	100.00%	\$29,491,082
Overlapping:			
Butler County	40,923,580	9.97%	4,080,081
Hamilton City School District	69,885,000	96.79%	67,641,692
Talawanda School District	37,120,000	3.55%	1,317,760
New Miami Local School District	835,000	1.37%	11,440
Ross Local School District	14,530,000	0.38%	55,214
Butler Technology and Career Center	8,430,000	0.33%	27,819
		Subtotal	<u>73,134,006</u>
		Total	<u>\$102,625,088</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$945,251,076	\$952,929,910	\$902,895,930	\$895,754,320
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	99,251,363	100,057,641	94,804,073	94,054,204
City Debt Outstanding (2)	35,764,744	31,440,157	29,180,083	28,170,011
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>35,764,744</u>	<u>31,440,157</u>	<u>29,180,083</u>	<u>28,170,011</u>
Overall Legal Debt Margin	<u>\$63,486,619</u>	<u>\$68,617,484</u>	<u>\$65,623,990</u>	<u>\$65,884,193</u>
Debt Margin as a Percentage of Debt Limit	63.97%	68.58%	69.22%	70.05%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$945,251,076	\$952,929,910	\$902,895,930	\$895,754,320
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	51,988,809	52,411,145	49,659,276	49,266,488
City Debt Outstanding (2)	35,764,744	31,440,157	29,180,083	28,170,011
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>35,764,744</u>	<u>31,440,157</u>	<u>29,180,083</u>	<u>28,170,011</u>
Overall Legal Debt Margin	<u>\$16,224,065</u>	<u>\$20,970,988</u>	<u>\$20,479,193</u>	<u>\$21,096,477</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$828,698,560	\$810,566,220	\$758,284,500	\$752,562,040
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	87,013,349	85,109,453	79,619,873	79,019,014
City Debt Outstanding (2)	25,925,097	23,875,438	21,739,256	19,720,000
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>25,925,097</u>	<u>23,875,438</u>	<u>21,739,256</u>	<u>19,720,000</u>
Overall Legal Debt Margin	<u>\$61,088,252</u>	<u>\$61,234,015</u>	<u>\$57,880,617</u>	<u>\$59,299,014</u>
 Debt Margin as a Percentage of Debt Limit	 70.21%	 71.95%	 72.70%	 75.04%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$828,698,560	\$810,566,220	\$758,284,500	\$752,562,040
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	45,578,421	44,581,142	41,705,648	41,390,912
City Debt Outstanding (2)	25,925,097	23,875,438	21,739,256	19,720,000
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>25,925,097</u>	<u>23,875,438</u>	<u>21,739,256</u>	<u>19,720,000</u>
Overall Legal Debt Margin	<u>\$19,653,324</u>	<u>\$20,705,704</u>	<u>\$19,966,392</u>	<u>\$21,670,912</u>

(continued)

CITY OF HAMILTON, OHIO

*Debt Limitations
Last Ten Years*

Collection Year	<u>2016</u>	<u>2017</u>
<u>Total Debt</u>		
Net Assessed Valuation	\$749,814,320	\$794,964,840
Legal Debt Limitation (%) (1)	10.50%	10.50%
Legal Debt Limitation (\$) (1)	78,730,504	83,471,308
City Debt Outstanding (2)	17,340,000	3,185,000
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>(5,255)</u>
Net Indebtedness Subject to Limitation (2)	<u>17,340,000</u>	<u>3,179,745</u>
Overall Legal Debt Margin	<u>\$61,390,504</u>	<u>\$80,291,563</u>
Debt Margin as a Percentage of Debt Limit		
	77.98%	96.19%
<u>Unvoted Debt</u>		
Net Assessed Valuation	\$749,814,320	\$794,964,840
Legal Debt Limitation (%) (1)	5.50%	5.50%
Legal Debt Limitation (\$) (1)	41,239,788	43,723,066
City Debt Outstanding (2)	17,340,000	3,185,000
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>(5,255)</u>
Net Indebtedness Subject to Limitation (2)	<u>17,340,000</u>	<u>3,179,745</u>
Overall Legal Debt Margin	<u>\$23,899,788</u>	<u>\$40,543,321</u>

CITY OF HAMILTON, OHIO

*Pledged Revenue Coverage
Last Ten Years*

	2008	2009	2010	2011
Water System Revenue Bonds				
Gross Revenues (1)	\$14,753,151	\$14,365,405	\$14,930,142	\$15,000,714
Direct Operating Expenses (2)	11,625,041	11,794,753	12,158,069	10,795,637
Net Revenue Available for Debt Service	3,128,110	2,570,652	2,772,073	4,205,077
Annual Debt Service Requirement	1,006,964	1,009,324	2,337,494	2,321,067
Coverage (3)	3.11	2.55	1.19	1.81
Wastewater System Revenue Bonds				
Gross Revenues (1)	\$11,151,093	\$10,835,332	\$11,272,546	\$12,368,786
Direct Operating Expenses (2)	8,252,037	8,150,313	7,792,762	7,355,594
Net Revenue Available for Debt Service	2,899,056	2,685,019	3,479,784	5,013,192
Annual Debt Service Requirement	2,059,490	2,056,015	3,114,006	3,092,977
Coverage (3)	1.41	1.31	1.12	1.62
Gas System Revenue Bonds				
Gross Revenues (1)	\$39,980,359	\$31,795,459	\$26,867,128	\$21,974,462
Direct Operating Expenses (2)	35,686,059	27,095,082	23,092,861	19,230,178
Net Revenue Available for Debt Service	4,294,300	4,700,377	3,774,267	2,744,284
Annual Debt Service Requirement	1,491,762	1,490,112	1,693,780	1,674,487
Coverage (3)	2.88	3.15	2.23	1.64
Electric System Revenue Bonds				
Gross Revenues (1)	\$66,029,226	\$61,400,264	\$66,365,469	\$63,439,859
Direct Operating Expenses (2)	48,905,823	39,290,578	47,654,945	42,406,513
Net Revenue Available for Debt Service	17,123,403	22,109,686	18,710,524	21,033,346
Annual Debt Service Requirement	13,046,060	13,052,060	14,836,139	14,713,079
Coverage (3)	1.31	1.69	1.26	1.43
Special Assessment Bonds				
Special Assessment Collections	\$562,053	\$343,711	\$511,216	\$512,509
Debt Service				
Principal	287,000	270,000	285,000	250,000
Interest	127,757	111,863	99,996	87,383
Coverage	1.36	0.90	1.33	1.52

- (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*

	2012	2013	2014	2015
Water System Revenue Bonds				
Gross Revenues (1)	\$14,798,053	\$14,656,915	\$14,965,626	\$12,602,429
Direct Operating Expenses (2)	10,868,974	10,505,666	9,477,829	9,364,217
Net Revenue Available for Debt Service	3,929,079	4,151,249	5,487,797	3,238,212
Annual Debt Service Requirement	2,322,567	2,320,492	2,314,717	2,316,840
Coverage (3)	1.69	1.79	2.37	1.40
Wastewater System Revenue Bonds				
Gross Revenues (1)	\$12,181,654	\$14,684,679	\$12,375,483	\$11,950,092
Direct Operating Expenses (2)	6,988,504	7,068,795	6,582,215	6,816,788
Net Revenue Available for Debt Service	5,193,150	7,615,884	5,793,268	5,133,304
Annual Debt Service Requirement	4,853,775	4,901,071	4,852,095	4,844,370
Coverage (3)	1.07	1.55	1.19	1.06
Gas System Revenue Bonds				
Gross Revenues (1)	\$16,611,781	\$24,746,065	\$29,488,952	\$22,013,427
Direct Operating Expenses (2)	14,435,127	22,596,575	28,900,507	19,446,910
Net Revenue Available for Debt Service	2,176,654	2,149,490	588,445	2,566,517
Annual Debt Service Requirement	1,670,737	1,669,237	1,669,738	1,670,375
Coverage (3)	1.30	1.29	0.35	1.54
Electric System Revenue Bonds				
Gross Revenues (1)	\$62,256,537	\$60,360,176	\$62,073,277	\$64,722,757
Direct Operating Expenses (2)	41,468,644	42,282,539	48,620,592	46,586,253
Net Revenue Available for Debt Service	20,787,893	18,077,637	13,452,685	18,136,504
Annual Debt Service Requirement	14,874,641	14,837,797	15,373,471	15,301,211
Coverage (3)	1.40	1.22	0.88	1.19
Special Assessment Bonds				
Special Assessment Collections	\$465,240	\$499,689	\$484,900	\$417,716
Debt Service				
Principal	205,000	135,000	140,000	150,000
Interest	75,698	65,498	58,523	51,078
Coverage	1.66	2.49	2.44	2.08

(continued)

CITY OF HAMILTON, OHIO

*Pledged Revenue Coverage
Last Ten Years*

	<u>2016</u>	<u>2017</u>
Water System Revenue Bonds		
Gross Revenues (1)	\$13,130,285	\$13,483,093
Direct Operating Expenses (2)	10,137,417	11,317,676
Net Revenue Available for Debt Service	2,992,868	2,165,417
Annual Debt Service Requirement	2,064,721	2,064,373
Coverage (3)	1.45	1.05
Wastewater System Revenue Bonds		
Gross Revenues (1)	\$12,470,466	\$12,541,901
Direct Operating Expenses (2)	7,155,147	8,054,016
Net Revenue Available for Debt Service	5,315,319	4,487,885
Annual Debt Service Requirement	4,846,320	3,991,788
Coverage (3)	1.10	1.12
Gas System Revenue Bonds		
Gross Revenues (1)	\$19,117,737	\$18,531,047
Direct Operating Expenses (2)	17,472,300	17,472,987
Net Revenue Available for Debt Service	1,645,437	1,058,060
Annual Debt Service Requirement	432,925	184,071
Coverage (3)	3.80	5.75
Electric System Revenue Bonds		
Gross Revenues (1)	\$66,451,995	\$71,035,797
Direct Operating Expenses (2)	62,051,190	75,464,636
Net Revenue Available for Debt Service	4,400,805	(4,428,839)
Annual Debt Service Requirement	2,470,584	2,482,759
Coverage (3)	1.78	(1.78)
Special Assessment Bonds		
Special Assessment Collections	\$342,130	\$345,325
Debt Service		
Principal	145,000	155,000
Interest	43,020	35,153
Coverage	1.82	1.82

CITY OF HAMILTON, OHIO

Demographic and Economic Statistics Last Ten Years

Calendar Year	2008	2009	2010	2011
Population (1)				
City of Hamilton	60,690	60,690	62,477	62,795
Butler County	332,807	332,807	368,130	373,115
Income (2) (a)				
Total Personal (in thousands)	11,954,760	11,533,094	12,975,478	13,652,278
Per Capita	35,921	34,654	35,247	36,590
Unemployment Rate (3)				
Federal	5.8%	10.0%	9.6%	8.9%
State	6.6%	10.8%	10.1%	8.6%
Butler County	5.9%	9.9%	9.6%	8.6%
Civilian Work Force Estimates (3)				
State	5,986,400	5,970,200	5,897,600	5,806,000
Butler County	191,700	191,700	188,200	191,300

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 2016, for the presentation of 2016 and 2017 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	2012	2013	2014	2015
Population (1)				
City of Hamilton	62,295	62,477	62,258	62,486
Butler County	369,999	368,130	371,272	374,158
Income (2) (a)				
Total Personal (in thousands)	14,375,201	14,468,982	14,592,475	15,294,831
Per Capita	38,852	39,304	39,304	40,878
Unemployment Rate (3)				
Federal	8.1%	7.4%	6.2%	5.3%
State	7.2%	7.4%	5.6%	4.6%
Butler County	7.1%	6.9%	4.9%	4.2%
Civilian Work Force Estimates (3)				
State	5,748,000	5,766,000	5,737,000	5,703,400
Butler County	189,600	190,500	191,100	186,900

(continued)

CITY OF HAMILTON, OHIO

*Demographic and Economic Statistics
Last Ten Years*

Calendar Year	2016	2017
Population (1)		
City of Hamilton	62,359	62,127
Butler County	372,538	380,604
Income (2) (a)		
Total Personal (in thousands)	15,631,343	15,680,621
Per Capita	41,534	42,620
Unemployment Rate (3)		
Federal	4.9%	4.4%
State	4.7%	5.0%
Butler County	4.1%	4.4%
Civilian Work Force Estimates (3)		
State	5,673,900	5,849,603
Butler County	187,900	190,208

CITY OF HAMILTON, OHIO

*Principal Employers
Current Year and Nine Years Ago*

Employer	Nature of Business	2017		
		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
ThyssenKrupp Bilstein of America (HQ)	Manufacturing	800	4	N/A
Community First Solutions (HQ)	Health Care	650	5	N/A
City of Hamilton	Government	650	6	N/A
Barcalycard	Communication Technology	500	7	N/A
Miami University - Hamilton	Education	400	8	N/A
STARTEK	Communication Technology	350	9	N/A
Bethesda Butler Hospital	Health Care	245	10	N/A
Total		<u>7,095</u>		
Total Employment within the City (1)		<u>N/A</u>		

Employer	Nature of Business	2008		
		Number of Employees	Rank	Percentage of Total Employment
Fort Hamilton Hospital	Healthcare	1,250	1	4.37%
Hamilton City School District	Education	1,250	2	4.37%
Butler County	Government	900	3	3.15%
City of Hamilton	Government	700	4	2.45%
Ohio Casualty Group/Liberty Mutual	Insurance	400	5	1.40%
First Financial Bank	Financial	400	6	1.40%
Meijer, Inc.	Retail/Service	325	7	1.14%
The Kroger Company	Retail	300	8	1.05%
Valeo Climate Control	Manufacturing	280	9	0.98%
Smart Papers, LLC *	Manufacturing	250	10	0.87%
Total		<u>6,055</u>		<u>21.18%</u>
Total Employment within the City		<u>28,600</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*

	2008	2009	2010	2011	2012
Governmental Activities					
General Government					
City Administration	28.00	21.00	21.00	22.00	21.50
Engineering	18.00	17.00	17.00	12.50	9.00
Municipal Court	27.00	28.00	28.00	32.00	31.50
Information Technology	15.00	10.00	10.00	9.00	7.00
Finance	37.00	35.00	32.00	36.00	36.00
Security of Persons and Property					
Police	167.00	147.00	147.00	141.00	136.00
Fire	108.00	107.00	105.00	110.00	107.00
Public Health and Welfare Services					
Health	16.00	15.00	14.00	11.25	10.50
Leisure Time Activities					
Parks and Recreation	27.00	22.00	13.00	17.50	18.00
Community Environment					
Planning and Zoning	23.00	25.00	23.00	16.00	15.00
Transportation					
Street	48.00	52.00	50.00	55.00	57.00
Business-Type Activities					
Utilities					
Gas	22.00	24.00	24.00	31.00	29.00
Electric	118.00	110.00	109.00	114.00	105.00
Water	32.00	34.00	33.00	32.00	32.00
Wastewater	24.00	23.00	23.00	16.00	19.00
Utility Customer Service	28.00	29.00	28.00	23.00	26.00
<i>Total Employees</i>	<u>738.00</u>	<u>699.00</u>	<u>677.00</u>	<u>678.25</u>	<u>659.50</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*

	2013	2014	2015	2016	2017
Governmental Activities					
General Government					
City Administration	23.00	23.75	16.50	19.00	19.00
Engineering	6.00	7.00	4.00	5.00	5.00
Municipal Court	30.75	27.50	27.00	27.50	28.50
Information Technology	6.00	6.00	5.00	14.00	14.00
Finance	34.50	33.25	29.00	28.50	24.75
Security of Persons and Property					
Police	121.75	118.00	121.25	124.00	136.00
Fire	95.00	97.00	96.25	98.50	107.00
Public Health and Welfare Services					
Health	11.50	13.25	15.50	15.75	14.75
Leisure Time Activities					
Parks and Recreation	17.50	17.75	15.00	14.50	14.50
Community Environment					
Planning and Zoning	15.00	15.00	16.50	16.75	13.75
Transportation					
Street	60.00	60.00	56.25	57.25	53.00
Business-Type Activities					
Utilities					
Gas	30.00	28.00	26.00	27.00	22.75
Electric	105.00	111.50	96.75	103.00	99.00
Water	30.00	25.00	30.25	31.75	36.00
Wastewater	16.00	14.00	26.00	25.75	25.50
Utility Customer Service	25.00	17.00	19.00	18.00	16.00
<i>Total Employees</i>	<u>627.00</u>	<u>614.00</u>	<u>600.25</u>	<u>626.25</u>	<u>629.50</u>

CITY OF HAMILTON, OHIO

Operating Indicators by Function Last Ten Years

	2008	2009	2010	2011
Governmental Activities				
General Government				
Licenses and Permits				
Building Permits Issued - Residential	234	434	270	189
Building Permits Issued - Commercial	427	371	355	300
Security of Persons and Property				
Police				
Misdemeanor Arrests	6,778	8,774	7,740	6,589
Felony Arrests	942	2,041	1,516	1,587
Traffic Citations Issued	7,050	6,273	6,208	6,418
Parking Tickets Written	1,157	766	873	3,721
Fire / Emergency Medical Services				
Number of Calls Answered	11,870	11,326	11,386	11,733
Number of Inspections	596	2,156	1,145	2,159
Number of Emergency Medical Calls	8,836	8,691	9,008	9,121
Transportation				
Street				
Street Resurfacing (Center Line miles)	4.68	3.57	11.86	17.97
Parking				
Parking Levels	6.50	6.50	6.50	6.50
Parking Spaces	752	751	754	754
Average Daily Cars Parked	550	412	646	457
Parking / Meters - On Street and Lots	836	836	836	836
Public Works				
Refuse Collection				
Refuse Collected (tons)	25,807	26,493	25,988	25,823
Recyclables Collected (tons)	1,587	1,842	2,149	2,023
Leisure Time Activities				
Parks and Recreation				
Athletic Field Permits Issued*	128	94	92	60
Public Health and Welfare Services				
Health Care				
Number of Patient Beds	288	320	274	320

*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*

	2012	2013	2014	2015
Governmental Activities				
General Government				
Licenses and Permits				
Building Permits Issued - Residential	292	299	354	318
Building Permits Issued - Commercial	331	340	282	325
Security of Persons and Property				
Police				
Misdemeanor Arrests	3,832	3,159	6,237	6,025
Felony Arrests	1,371	1,519	773	637
Traffic Citations Issued	4,903	4,315	4,253	4,698
Parking Tickets Written	2,923	2,710	2,437	2,107
Fire / Emergency Medical Services				
Number of Calls Answered	12,091	11,657	12,157	12,724
Number of Inspections	637	295	520	980
Number of Emergency Medical Calls	9,471	9,239	9,700	10,208
Transportation				
Street				
Street Resurfacing (Center Line miles)	3.20	3.49	1.82	3.56
Parking				
Parking Levels	6.50	5.00	5.00	5.00
Parking Spaces	754	550	550	550
Average Daily Cars Parked	423	N/A	N/A	N/A
Parking / Meters - On Street and Lots	818	753	656	524
Public Works				
Refuse Collection				
Refuse Collected (tons)	23,149	23,227	23,232	23,190
Recyclables Collected (tons)	2,534	2,728	2,697	2,644
Leisure Time Activities				
Parks and Recreation				
Athletic Field Permits Issued*	65	75	132	N/A
Public Health and Welfare Services				
Health Care				
Number of Patient Beds	320	274	209	296

(continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	2016	2017
Governmental Activities		
General Government		
Licenses and Permits		
Building Permits Issued - Residential	400	349
Building Permits Issued - Commercial	368	411
Security of Persons and Property		
Police		
Misdemeanor Arrests	5,488	6,462
Felony Arrests	754	892
Traffic Citations Issued	5,058	4,934
Parking Tickets Written	2,195	900
Fire / Emergency Medical Services		
Number of Calls Answered	12,967	14,482
Number of Inspections	96	478
Number of Emergency Medical Calls	10,337	13,002
Transportation		
Street		
Street Resurfacing (Center Line miles)	1.12	3.54
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	445
Public Works		
Refuse Collection		
Refuse Collected (tons)	23,282	23,907
Recyclables Collected (tons)	2,660	2,645
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	320	358

(continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	2008	2009	2010	2011
Business-Type Activities				
Gas				
Average Daily Consumption (100 cubic feet)	9,176	8,694	9,088	8,808
Peak Daily Consumption (100 cubic feet)	29,415	33,457	26,487	27,425
Electric				
Peak Demand (MW)	148	146	159	159
Energy Requirement (MWh)	658,776	626,161	663,099	651,892
Total System Sales (MWh)	623,351	592,956	636,557	618,083
Total Residential Customers	26,481	26,345	26,177	26,085
Total Commercial Customers	3,000	2,905	2,954	2,952
Water				
New Service Connections	52	8	10	4
Water Main Breaks	94	71	93	87
Average Daily Consumption (thousands of gallons)	18,053	16,957	17,853	17,644
Peak Daily Consumption (thousands of gallons)	22,723	22,755	22,537	25,545
Wastewater				
Average Daily Sewage Treatment (millions of gallons)	16.2	12.5	13.4	14.2

Source: City Records

N/A = Information Not Available

(continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	2012	2013	2014	2015
Business-Type Activities				
Gas				
Average Daily Consumption (100 cubic feet)	6,823	9,969	10,243	6,794
Peak Daily Consumption (100 cubic feet)	23,042	27,136	33,759	32,152
Electric				
Peak Demand (MW)	152	140	133	143
Energy Requirement (MWh)	613,645	619,273	613,779	614,023
Total System Sales (MWh)	583,773	566,426	594,699	561,624
Total Residential Customers	26,052	26,099	26,127	26,347
Total Commercial Customers	2,926	2,922	2,915	2,908
Water				
New Service Connections	18	25	23	23
Water Main Breaks	77	117	83	83
Average Daily Consumption (thousands of gallons)	16,322	15,458	14,490	14,490
Peak Daily Consumption (thousands of gallons)	21,495	20,323	18,204	18,204
Wastewater				
Average Daily Sewage Treatment (millions of gallons)	8.6	8.4	8.9	8.9

(continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	<u>2016</u>	<u>2017</u>
Business-Type Activities		
Gas		
Average Daily Consumption (100 cubic feet)	6,505	6,861
Peak Daily Consumption (100 cubic feet)	25,089	26,769
Electric		
Peak Demand (MW)	145	135
Energy Requirement (MWh)	604,727	585,366
Total System Sales (MWh)	571,211	552,949
Total Residential Customers	26,379	26,783
Total Commercial Customers	2,895	2,886
Water		
New Service Connections	30	84
Water Main Breaks	72	42
Average Daily Consumption (thousands of gallons)	15,222	14,766
Peak Daily Consumption (thousands of gallons)	22,215	19,491
Wastewater		
Average Daily Sewage Treatment (millions of gallons)	8.5	9.0

CITY OF HAMILTON, OHIO

Capital Asset Statistics by Function Last Ten Years

	2008	2009	2010	2011
Governmental Activities				
General Government				
Public Land and Buildings				
Land (Square Miles)	21.57	21.62	21.62	21.68
Security of Persons and Property				
Police				
Stations	1	1	1	1
Patrol Cruisers	44	44	44	44
Fire / Emergency Medical Services				
Stations	6	6	6	6
Transportation				
Street				
Streets (lane miles)	216.20	216.20	254.21	254.21
Street Lights	6,978	6,963	6,986	6,996
Traffic Signals	98	98	98	98
Parking				
Off street Parking Garages	2	2	2	2
Leisure Time Activities				
Parks and Recreation				
Parks	52	52	52	52
Park Area (acres)	1,300	1,300	1,300	1,300
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				
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*

	2012	2013	2014	2015
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	40	40	40	40
Fire / Emergency Medical Services				
Stations	6	5	5	5
Transportation				
Street				
Streets (lane miles)	254.21	254.21	254.21	254.21
Street Lights	7,011	7,028	7,029	9,043
Traffic Signals	96	96	95	95
Parking				
Off street Parking Garages	2	1	1	1
Leisure Time Activities				
Parks and Recreation				
Parks	52	54	54	54
Park Area (acres)	1,300	1,308	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	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*

	2016	2017
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	49	60
Fire / Emergency Medical Services		
Stations	5	5
Transportation		
Street		
Streets (lane miles)	254.21	254.21
Street Lights	9,043	9,050
Traffic Signals	95	92
Parking		
Off street Parking Garages	1	1
Leisure Time Activities		
Parks and Recreation		
Parks	36	44
Park Area (acres)	1,308	1,315
Playgrounds	24	23
Ball Fields		
Lighted	10	9
Unlighted	34	34
Tennis Courts		
Lighted	1	1
Unlighted	3	5
Swimming Pools	1	1
Splash Pads	5	8
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*

	2008	2009	2010	2011
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	340.0	340.0
Wastewater				
Treatment Plants	1	1	1	1
Maximum Capacity (millions of gallons)	32	32	32	32
Sanitary Sewerlines (Miles)	236.8	236.8	253.0	253.0
Storm Drains (Miles)	158.5	158.5	188.2	188.2

Source: City Records

(continued)

CITY OF HAMILTON, OHIO

*Capital Asset Statistics by Function
Last Ten Years*

	2012	2013	2014	2015
Business-Type Activities				
Utilities				
Water				
Purification Plants	2	2	2	2
Maximum Capacity (millions of gallons)	46	46	46	46
Waterlines (Miles)	340.0	345.0	340.1	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>2016</u>	<u>2017</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

CITY OF HAMILTON, OHIO

