



City of Hamilton, Ohio

Schedule of Expenditures of Federal Awards and
Other OMB Circular A-133 Reports

Year Ended December 31, 2011



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Hamilton, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

July 30, 2012

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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 with Requirements That Could Have a Direct and
Material Effect on Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133 5 - 6

Schedule of Findings and Questioned Costs 7 - 8

CITY OF HAMILTON, OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2011

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Community Development Block Grants/Entitlement Grants	n/a	14.218	\$ 2,331,046
HOME Investment Partnerships Program	n/a	14.239	346,375
ARRA - Homelessness Prevention and Rapid Re-Housing Program	n/a	14.257	135,086
Total U.S. Department of Housing and Urban Development			<u>2,812,507</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Bulletproof Vest Partnership Program	n/a	16.607	1,905
ARRA - Public Safety Partnership and Community Policing Grants	n/a	16.710	405,330
<i>(Passed through from Ohio Department of Public Safety):</i>			
Community Prosecution & Project Safe Neighborhoods	2010-PS-PSN-316	16.609	17,257
<i>(Passed through from Butler County):</i>			
Edward Byrne Memorial Justice Assistance Grant Program	2010-DJBX-0072	16.738	50,432
Total U.S. Department of Justice			<u>474,924</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>(Passed through Ohio Department of Public Safety):</i>			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	OVITF-2011-9-00381	20.608	16,776
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	OVITF-2012-9-00394	20.608	4,952
			<u>21,728</u>
<i>(Passed through Ohio Department of Transportation):</i>			
Safe Routes to Schools Grant	PID 86673	20.205	105,000
Total U.S. Department of Transportation			<u>126,728</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
ARRA - Clean Cities Petroleum Reduction	n/a	81.086	40,500
ARRA - Local Energy Assurance Planning (LEAP) Initiative	n/a	81.122	28,435
ARRA - Energy Efficiency and Conservation Block Grant Program	n/a	81.128	263,805
Total U.S. Department of Energy			<u>332,740</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>(Passed through Hamilton County Public Health):</i>			
Public Health Emergency Preparedness (City Readiness Initiative)	03120012PH0211	93.069	7,500
Public Health Emergency Preparedness (City Readiness Initiative)	03120012PH0312	93.069	2,625
<i>(Passed through Butler County Health Department):</i>			
Public Health Emergency Preparedness (Public Health Infrastructure)	00910012PI0211	93.069	13,287
Public Health Emergency Preparedness (Public Health Infrastructure)	00910012PH0312	93.069	11,197
Public Health Emergency Preparedness (H1N1)	00910012PH0110	93.069	23,128
			<u>57,737</u>
<i>(Passed through Ohio Department of Health)</i>			
Immunization Grants	00920022IM0411	93.268	107,414
Total U.S. Department of Health and Human Services			<u>165,151</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Staffing for Adequate Fire and Emergency Response	n/a	97.083	360,790
Assistance to Firefighters Grant	n/a	97.044	98,933
Total U.S. Department of Homeland Security			<u>459,723</u>
Total Federal Awards			\$ <u>4,371,773</u>

CITY OF HAMILTON, OHIO
Schedule of Expenditures of Federal Awards - continued
Year Ended December 31, 2011

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - OUTSTANDING NOTES

The community development loans outstanding at December 31, 2011 totaled \$412,496 under CFDA 14.218 and \$89,451 under CFDA 14.239.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards includes the federal grant activity of the City of Hamilton, Ohio and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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**

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

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 of Hamilton, Ohio ("City") as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 7, 2012, wherein we noted the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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.

Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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*.

We noted certain matters that we reported to management of the City in a separate letter dated June 7, 2012.

This report is intended solely for the information and use of the Mayor and Members of City Council, management, the Ohio Auditor of State, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 7, 2012

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the City of Hamilton, Ohio's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2011. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the 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, 2011.

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Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

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, 2011, and have issued our report thereon dated June 7, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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.

This report is intended solely for the information and use of the Mayor and Members of City Council, management, the Ohio Auditor of State, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 7, 2012

CITY OF HAMILTON, OHIO
Schedule of Findings and Questioned Costs
Year Ended December 31, 2011

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weaknesses?	None noted

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133? None noted

Identification of major programs:

- CFDA 14.257 – ARRA-Homelessness Prevention and Rapid Re-housing Program
- CFDA 16.710 – ARRA-Public Safety Partnership and Community Policing Grants
- CFDA 81.128 – ARRA-Energy Efficiency and Conservation Block Grant Program
- CFDA 97.083 – Staffing for Adequate Fire and Emergency Response Program

Dollar threshold to distinguish between Type A and Type B Programs: \$300,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

Section IV – Summary of Prior Audit Findings and Questioned Costs

None noted.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



HAMILTON, OHIO

FOR YEAR ENDED
DECEMBER 31, 2011



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2011

Prepared by:
Department of Finance

Peg Bradner Hancock
Director of Finance

Ana Ramanathan
Chief Finance Manager



TABLE OF CONTENTS

CITY OF HAMILTON
BUTLER COUNTY, OHIO

I INTRODUCTORY SECTION

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

II FINANCIAL SECTION

A Independent Auditors’ Report..... 1
B Management’s Discussion and Analysis..... 3
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Assets 14
 Statement of Activities 16
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet 18
 Reconciliation of Total Governmental Fund Balances to Net Assets of
 Governmental Activities..... 19
 Statement of Revenues, Expenditures and Changes in Fund Balances 20
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances to the Statement of Activities..... 21
 Statement of Revenues, Expenditures and Changes in Fund Balance
 (Budget and Actual):
 General Fund 23
 Proprietary Funds:
 Statement of Net Assets..... 24
 Statement of Revenues, Expenses and Changes in Fund Net Assets 28
 Statement of Cash Flows 30
 Fiduciary Funds:
 Statement of Assets and Liabilities..... 34
Notes to the Basic Financial Statements..... 35

D Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	89
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	96
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	104
Individual Schedules of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual):	

Major Governmental Funds:

<i>General Fund</i>	107
---------------------------	-----

Nonmajor Governmental Funds:

Special Revenue Funds:

One Renaissance Center Fund.....	114
Federal Emergency Management Grant Fund.....	115
Municipal Court Improvement Fund.....	116
Public Safety / Health Income Tax Fund.....	117
Weed and Seed Grant Fund.....	118
Dispute Resolution Proceeds Fund.....	119
Safety Services Fund.....	120
Police Pension Fund.....	121
Police Levy Fund.....	122
Firemen’s Pension Fund.....	123
Emergency Medical Services Grant Fund.....	124
Fire EMS Levy Fund.....	125
Energy Efficiency Block Grant Fund.....	126
Public Health Care Services Fund.....	127

CITY OF HAMILTON, OHIO

Special Revenue Funds (Continued):

Street and Parks Beautification Fund	128
Stormwater Management Fund	129
Refuse Fund.....	130
Street Maintenance Fund.....	131
Miami Conservancy Fund	132
Home Program Fund	133
Parking Fund	134
Golf Course Fund	135
Local Energy Assurance Planning Fund	136
Community Development Block Grant Fund.....	137

Debt Service Fund:

Debt Service Fund	138
-------------------------	-----

Capital Projects Funds:

Hamilton Capital Improvement Fund.....	139
Capital Projects Fund	140
Special Assessment Fund	141
Municipal Improvement Tax Increment Equivalent (MITIE) Fund.....	142
Central Business District Streetscape Improvements Fund.....	143
Issue II Projects Fund	144
Clean Ohio Grants Program Fund	145
Infrastructure Program Fund	146

Permanent Fund:

Benninghoffen Trust Fund	147
--------------------------------	-----

Internal Service Funds:

Combining Statement of Net Assets.....	149
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets.....	150
Combining Statement of Cash Flows	151

Fiduciary Funds – Agency Funds:

Combining Statement of Changes in Assets and Liabilities	154
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III

STATISTICAL SECTION

Net Assets by Component - Last Ten Years..... S 2

Changes in Net Assets - 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 Valuation 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

Ratio 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 Six 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

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June 8, 2012

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, 2011, 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 its completeness and fairness of presentation rests with the City of Hamilton's Department of Finance.

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

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

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

THE REPORTING ENTITY

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

CITY OF HAMILTON, OHIO

Letter of Transmittal For the Year Ended December 31, 2011

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, parks and recreation, 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 City also elects a Municipal Court 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. The City Manager is the chief executive officer of the City. The Manager is charged with the proper administration of all affairs of the City. The Manager appoints and removes all heads of departments and all subordinate officers and employees of the city and exercises control over all departments created by the City Council.

The City of Hamilton, like many other cities, has been affected by the economic downturn. During 2009, the City Council took steps to balance the City's budget with the goal to create a minimum cash balance of 5% of expenditures in the General Fund (City Council Resolution R2009-8-72). For example, the approved 2009 budget was balanced by implementing 2/3 of the kilowatt hour tax permitted by state law, which generates an estimated \$1.6 to \$1.8 million each year. During 2009, revenue was lower than expected, unemployment increased, and new economic development was difficult. Because of these factors, the City Council decided to update the 2009 General Fund budget and develop the 2010 General Fund budget by July of 2009 that would provide for a year-end minimum fund balance of 5% of the budgeted General Fund expenditures. To achieve this, the City froze non-union salaries, laid off 23 employees, furloughed employees (Police – 2 days in 2009 and 3 days in 2010), demoted 5 employees, eliminated 11 positions, consolidated functions, re-negotiated labor contracts, and cut non-personnel expenditures. In addition, in May 2009, the City Council implemented the remaining 1/3 kilowatt hour tax which was estimated to generate \$810,000 to \$900,000 annually. The legislation implementing the remaining 1/3 of the kilowatt hour tax required that amounts generated from such implementation must be used for road and street projects, except that in 2009, 2010, and 2011, the amounts of \$200,000, \$400,000, and \$400,000, respectively, were to be used for general fund safety operating expenses. These actions contributed to the stabilization of General Fund operations in 2009 and 2010. Additionally for 2010, non-union wages were again frozen and only emergency capital repairs were budgeted. Health insurance was re-bid in an effort to control costs.

***Letter of Transmittal
For the Year Ended December 31, 2011***

In 2011, the City of Hamilton received an unprecedented receipt of inheritance tax in the amount of \$7.01 million, approximately \$5.5 million more than the annual average receipt. In spite of state reductions to the Local Government Fund and the phase-out of tangible personal property tax receipts, the City of Hamilton improved its financial health and grew the General Fund fund balance substantially, due to the inheritance tax windfall and continued controls on expenditures.

RECENT ECONOMIC DEVELOPMENT

Butler County exhibits a diverse economic base accompanied by growth in most sectors since 2003, growing sectors include manufacturing, financial services, education and health services. With approximately 1,850 establishments, the City is a major regional center of business and industry. Manufacturing continues to remain a substantial component of the economic base, primarily in the metalworking, automotive parts and components, machine tools, and other industrial sectors. Metal fabricators and machine tool companies include Hamilton Caster & Manufacturing, Salvagnini USA, Livingston-Tyler, Matandy Steel & Metal Products, General Electric Aircraft, Armor Metal Group, Fabridigm/Thompson Metal Tubing and United Performance Metals. Other Hamilton companies, such as Valeo Climate Control, ThyssenKrupp Bilstein of America, Neturen America (Japanese joint venture) and Dynamic Controls, manufacture original and after-market automotive parts and components and employ approximately 450 in this industry sector. In the paper industry, Smart Papers and Mohawk Fine Paper both announced they would cease to operate mills in the city by early 2012; eliminating approximately 350 jobs. The paper industry has had a long history in Hamilton and city officials are working to assist in keeping at least a portion of the paper coating line in the City.

In 2011, two expansion projects at existing Hamilton businesses were announced. Interstate Warehousing of Ohio expanded their current facility on Distribution Drive by approximately 90,000 square feet and will be adding an additional 20 new jobs to their current staff of 90 employees. ThyssenKrupp Bilstein of America (TKBA) announced in 2011 they would be transferring the real time damper systems (RTD) shock absorbers technology from its main plant in Germany to the Hamilton, Ohio facility. This product expansion will result in 60 new jobs over the next 3 years and the retention of 185 current employees at TKBA in Hamilton.

In the period from 2002 to 2010, the City saw considerable expansion activity across the business sectors. The Economic Development Department tracked and assisted approximately 57 expansion projects during that period. Total investment on the tracked projects over the period is estimated at almost \$223 million, with new jobs projected at between 1,600 and 2,300 and retained jobs of almost 4,275.

Hamilton Enterprise Park, located on the east side of Hamilton, is one of two undeveloped areas the City has available for industrial/commercial office use. Since 1999, the following development projects have been undertaken at the Park: W.S. Properties/VinylMax (150,000 sq. ft. industrial), Neturen America (70,000 sq. ft. industrial), M. A. Folkes (200,000 sq. ft. industrial), Butler County Medical Campus (surgery center and expansion, 15,000 and 60,000 sq. ft., medical office condos, dialysis center, imaging center and sleep center), Sensus, LLC (50,000 sq. ft. industrial), Butler County Alcohol and Chemical Addiction office building, and the Butler County Regional Transit Authority (BCRTA) headquarters (11,000 sq. ft. office/service garage). Sensus, LLC broke ground in 2010 for a 30,000 sq. ft. expansion (\$2.85 million investment, 5 new jobs). These developments represent a capital investment of almost \$78 million and have the potential of creating in excess of 700 jobs at the Park.

*Letter of Transmittal
For the Year Ended December 31, 2011*

Additionally, the City is continuing to work closely with Vora Technology Park (VTP) in bringing new technology to the area. VTP, a 55-acre park containing a 365,000 square foot Class A, state-of-the-art office building, is currently home to over 150 employees and a multi-million dollar Cincinnati Bell Technology Solutions Tier 3 data center.

As a complement to VTP and Miami University Hamilton Campus, the City owns the 60-acre University Commerce Park, which is available for development and adjacent to both entities. At this time, the Lane Public Library Administration, Butler Behavioral Health Services, Sojourner Recovery Services, and Warner-Bailey Professional Center, are located at University Commerce Park. To further spur the growth expected in this area, the City is moving forward with plans for the South Hamilton Crossing Railroad Grade Separation Project. This overpass will eliminate an at-grade railroad crossing that has been seen as an obstacle to redevelopment efforts and will provide direct access to Grand Boulevard, State Route 4 and the eastern suburban areas from the University Commerce Park/VTP/Miami Hamilton area.

Downtown Hamilton has seen major investments in redevelopment of existing buildings and new construction over the last several years. Historic redevelopments include the Robinson-Schwenn Building redevelopment, a \$4 million investment in circa 1866 former opera house for office and retail use and the \$1+ million Ryan's Tavern redevelopment. Concord Hospitality completed the \$11 million renovation of the former Hamiltonian Hotel, reopening as the Courtyard by Marriott/Hamilton. Additionally, Historic Developers, LLC has undertaken the redevelopment of the High Street Mercantile Block. This series of three buildings has been redeveloped into retail and upper-story loft apartments, with an investment of approximately \$6.5 million.

To further enhance prospects for downtown redevelopment, IRG purchased the former Ohio Casualty Group headquarters building in 2008. In partnership with the City, IRG is targeting to bring new businesses into the city to occupy this 428,000 square foot facility.

The facilities update by the Hamilton City School District to build 8 new elementary schools in Hamilton, replacing the existing schools, is complete. The first four elementary schools opened in late 2009 and the final four elementary schools opened in 2010. The renovations at the high school were completed in 2011.

FUTURE ECONOMIC DEVELOPMENT PROJECTS

In 1996, Fairfield Township voters approved a Joint Economic Development District (JEDD) between the City of Hamilton and Fairfield Township. A number of projects and developments have occurred within the JEDD, including several banks and restaurants, as well as retail stores. Menards and Chick-fil-A opened their new stores in early 2011. In 2011, Kettering Health Network purchased approximately 135 acres at the southwest corner of State Route 129 and State Route 4 By-Pass for future development. 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. The State Route 4 By-Pass road improvement project was completed in September 2011. The By-Pass 4 bridge expansion over State Route 129 will be completed in 2012.

***Letter of Transmittal
For the Year Ended December 31, 2011***

In 2003, the City purchased the former Mercy Hospital from Mercy Health Partners. This 7.5+ acre site is currently being marketed as a mixed-use residential and retail development along the banks of the Great Miami River. This redevelopment, known as RiversEdge, was facilitated through the use of a \$3 million grant from the Clean Ohio Revitalization Fund. The investment at the site, including demolition and predevelopment, is expected to be near \$20 million.

Of the 7.5 acre parcel, approximately 1.5 acres are slated for a riverfront amphitheater and open greenspace. The total project cost is estimated at \$4.1 million. Construction of Phase I of the amphitheater is targeted for April 2012. This redevelopment project is a key component of the City's Riverfront Redevelopment efforts.

The City continues to market Hamilton Enterprise Park and University Commerce Park for development of industrial and commercial projects. Combined, both Parks offer the balance of approximately 200 acres for development. Several other redevelopment projects continue to gain momentum. The former Ohio Casualty Building continues to be marketed as one of the premier office opportunities in the downtown. Phase I of the Mercantile Block historic redevelopment project was completed in 2010 and Phase II will be complete in 2012. With the completion of Phase II, a total of 29 downtown residential living options are available at the Mercantile as well as 4 newly renovated commercial spaces.

INTERNAL ACCOUNTING AND BUDGETARY CONTROLS

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

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

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

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

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

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

*Letter of Transmittal
For the Year Ended December 31, 2011*

INDEPENDENT AUDIT

Included in this report is the unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2011, 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

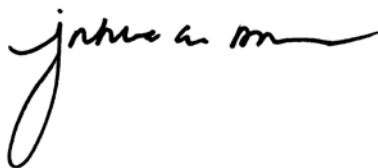
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hamilton for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. In order to be awarded a Certificate 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.

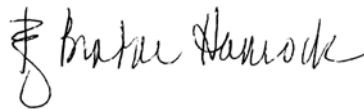
ACKNOWLEDGEMENTS

The City of Hamilton is proud to be submitting this Comprehensive Annual Financial Report, which is the result of continued cooperation and the combined efforts of the City's Finance Department and Clark, Schaefer, Hackett & Co., which was the City's auditor.

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



Joshua A. Smith
City Manager



Peg Bradner Hancock
Director of Finance

CITY OF HAMILTON, OHIO

**List of Principal Officials
For the Year Ended December 31, 2011**

***ELECTED
OFFICIALS***

Pat Moeller
Rob Wile
Robert Brown
Carla Fiehrer
Archie Johnson
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
Charles S. Young

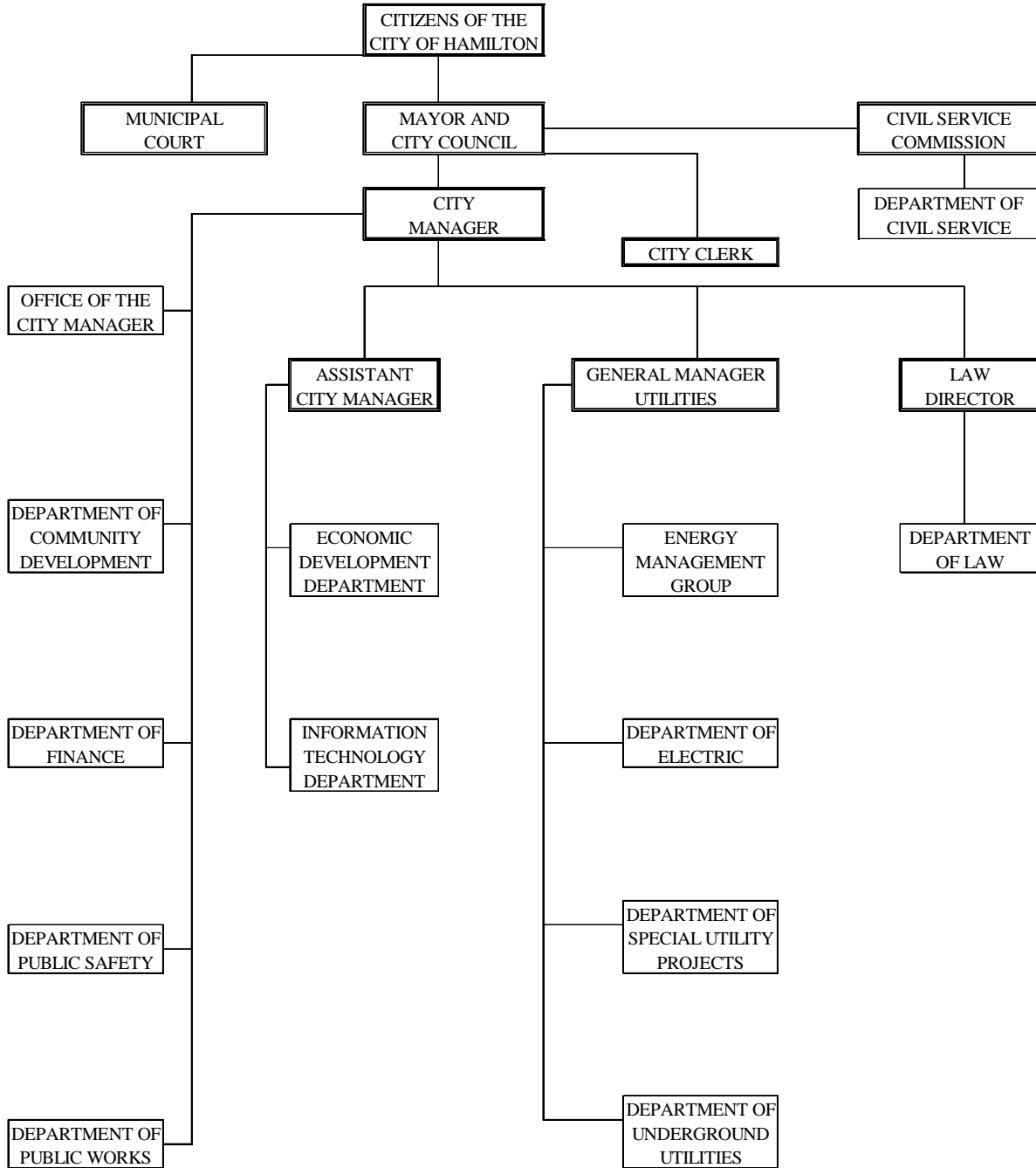
Peg Bradner Hancock
Hillary M. Stevenson
Nadine Hill
Neil R. Ferdelman
Joseph P. Schutte
James G. Collins
Richard Engle
Eugene "Bud" Scharf
Shawn Dempsey
Robert J. Smith
Ana Ramanathan
Deborah J. Hymer
Adam Helms

TITLE

City Manager
Deputy City Manager/
Managing Director of Operations
Director of Finance
Law Director
Director of Civil Service and Personnel
Police Chief
Fire Chief
Director of Underground Utilities
Public Works Director
Director of Community Development
Director of Health
Director of Information Technology
Chief Finance Manager
Treasurer
City Clerk

CITY OF HAMILTON, OHIO

City Organizational Chart
For the Year Ended December 31, 2011



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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director



FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

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

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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously 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 as of December 31, 2011, and the respective changes in financial position, and where applicable, cash flows, and the budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 20, during the year ended December 31, 2011, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2012, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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p. 513.241.3111
f. 513.241.1212

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 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.

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 are presented for purposes of additional analysis and are 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 financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 7, 2012

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, 2011. 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 2011 are as follows:

- ❑ In total, net assets increased \$9,704,317. Net assets of governmental activities increased \$6,323,292, which represents an 8% increase from 2010. Net assets of business-type activities increased \$3,381,025, or 2%, from 2010.
- ❑ General revenues accounted for \$42,633,482 in revenue or 24% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$135,846,178, or 76%, of total revenues of \$178,479,660.
- ❑ The City had \$59,329,961 in expenses related to governmental activities; \$23,297,028 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$42,356,225 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$39,345,567 in revenues and \$31,078,591 in expenditures. The general fund's fund balance increased from \$5,655,590 to \$11,907,012.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, 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.

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 assets includes all of the government's assets and liabilities. 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 assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets 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 Assets 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, which were identified earlier. 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, 2011**

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 fund statement of net assets and statement of activities.

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, costs of certain goods or services, and costs associated with health care benefits, pension, and workers compensation 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.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net assets for 2011 compared to 2010.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$248,984,614 (\$84,461,090 in governmental activities and \$164,523,524 in business type activities) as of December 31, 2011. By far, the largest portion of the City's net assets (61.8%) 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 assets for 2011 compared to 2010.

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$42,838,208	\$37,308,911	\$130,511,116	\$109,066,988	\$173,349,324	\$146,375,899
Capital assets, Net	89,747,553	90,107,526	307,159,208	302,676,248	396,906,761	392,783,774
Total assets	132,585,761	127,416,437	437,670,324	411,743,236	570,256,085	539,159,673
Long-term debt outstanding	38,359,666	38,537,492	255,205,119	235,679,563	293,564,785	274,217,055
Other liabilities	9,765,005	10,741,147	17,941,681	14,921,174	27,706,686	25,662,321
Total liabilities	48,124,671	49,278,639	273,146,800	250,600,737	321,271,471	299,879,376
Net assets						
Invested in capital assets, net of related debt	61,265,974	62,373,720	92,584,709	96,155,478	153,850,683	158,529,198
Restricted	12,456,507	14,372,832	21,542,104	19,220,759	33,998,611	33,593,591
Unrestricted	10,738,609	1,391,246	50,396,711	45,766,262	61,135,320	47,157,508
Total net assets	\$84,461,090	\$78,137,798	\$164,523,524	\$161,142,499	\$248,984,614	\$239,280,297

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Unaudited

An additional portion of the City's net assets represents resources that are subject to external restrictions on how they may be used. In the current fiscal year, this represented \$33,998,611, or 13.7%, of net assets. The remaining unrestricted \$61,135,320, or 24.5%, of net assets may be used to meet the City's ongoing obligations to its citizens and creditors and for business-type activities.

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2011 compared with 2010:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for Services and Sales	\$14,373,968	\$14,769,095	\$112,508,650	\$117,365,240	\$126,882,618	\$132,134,335
Operating Grants and Contributions	6,122,577	7,464,150	0	0	6,122,577	7,464,150
Capital Grants and Contributions	2,800,483	2,204,021	40,500	652,642	2,840,983	2,856,663
Total Program Revenues	23,297,028	24,437,266	112,549,150	118,017,882	135,846,178	142,455,148
General Revenues:						
Property Taxes	5,788,190	5,821,884	0	0	5,788,190	5,821,884
Income Taxes	21,912,270	22,230,625	0	0	21,912,270	22,230,625
Other Local Taxes	3,236,064	3,320,379	2,086	25,222	3,238,150	3,345,601
Intergovernmental, Unrestricted	10,357,132	5,674,578	0	0	10,357,132	5,674,578
Investment Earnings	98,396	100,931	275,171	392,067	373,567	492,998
Miscellaneous	964,173	1,184,131	0	0	964,173	1,184,131
Total General Revenues	42,356,225	38,332,528	277,257	417,289	42,633,482	38,749,817
Total Revenues	65,653,253	62,769,794	112,826,407	118,435,171	178,479,660	181,204,965
Program Expenses						
General Government	5,991,786	5,096,822	0	0	5,991,786	5,096,822
Security of Persons and Property	32,949,502	33,222,968	0	0	32,949,502	33,222,968
Leisure Time Activities	1,970,218	2,457,896	0	0	1,970,218	2,457,896
Community Environment	2,902,576	5,147,583	0	0	2,902,576	5,147,583
Basic Utility Services	6,150,598	6,106,116	0	0	6,150,598	6,106,116
Transportation	6,605,053	5,543,369	0	0	6,605,053	5,543,369
Public Health and Welfare Services	1,163,297	1,187,775	0	0	1,163,297	1,187,775
Interest and Fiscal Charges	1,596,931	1,604,305	0	0	1,596,931	1,604,305
Gas Utility	0	0	21,777,870	25,598,234	21,777,870	25,598,234
Electric Utility	0	0	61,257,197	65,413,730	61,257,197	65,413,730
Water Utility	0	0	14,968,676	16,425,257	14,968,676	16,425,257
Wastewater Utility	0	0	11,441,639	11,546,069	11,441,639	11,546,069
Total Expenses	59,329,961	60,366,834	109,445,382	118,983,290	168,775,343	179,350,124
Change in Net Assets before transfers and special items	6,323,292	2,402,960	3,381,025	(548,119)	9,704,317	1,854,841
Special Item - Meldahl License Sharing Agreement	0	0	0	3,888,044	0	3,888,044
Total Change in Net Assets	6,323,292	2,402,960	3,381,025	3,339,925	9,704,317	5,742,885
Beginning Net Assets	78,137,798	75,734,838	161,142,499	157,802,574	239,280,297	233,537,412
Ending Net Assets	\$84,461,090	\$78,137,798	\$164,523,524	\$161,142,499	\$248,984,614	\$239,280,297

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Unaudited

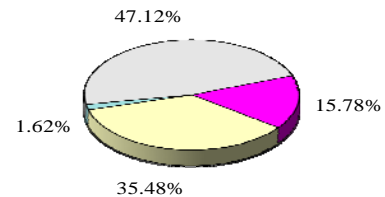
Governmental Activities

Net assets of the City's governmental activities increased \$6,323,292. This represents an 8% change from 2010. Community development block and home program federal grants received in the prior year resulted in the subsequent decrease in operating grants and community environment expenses in the current year. Unrestricted Intergovernmental revenues increased 83% from the previous year due to an unusually large receipt of estate taxes.

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 33% and 9%, respectively, of revenues for governmental activities for the City in fiscal year 2011. The City's reliance upon tax revenues is demonstrated by the following graph indicating 47% of total revenues from general tax revenues:

Revenue Sources	2011	Percent of Total
General Tax Revenues	\$30,936,524	47.12%
Intergovernmental, Unrestricted	10,357,132	15.78%
Program Revenues	23,297,028	35.48%
General Other	1,062,569	1.62%
Total Revenue	<u>\$65,653,253</u>	<u>100.00%</u>



Business-Type Activities

Net assets of the business-type activities increased \$3,381,025. This represents a 2% change from the previous year. The increased operating revenue of \$1.1 million in Wastewater was due to rate increases and implementation of Rider A. The higher repair and maintenance expense for the garage renovation project in 2010 compared to 2011 also resulted in increased Wastewater operating income. In Electric, although the system sales were down by 3% in 2011 compared to 2010, (warmer summer in 2010) the operating expenses were considerably reduced in 2011 which contributed to increased operating income. In 2010, EPA mandated repairs and cleanup at the horse shoe dam, the renovation garage project etc. contributed to higher expenses in Electric utility. Also, net non-operating expenses in Electric decreased by \$582,000, primarily due to disposing of less assets in 2011 (the City sold a portion of Meldahl license in 2010) and paying less interest as the City continued to make its scheduled annual debt service payments. The net income increase of \$1,415,413 in the Water utility was the direct result of reduced cleanup costs of lime lagoon and other repair expenses in 2011 compared to 2010.

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CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$27,529,778, which is an increase from last year's balance of \$20,850,778. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2011 and 2010:

	Fund Balance December 31, 2011	Restated Fund Balance December 31, 2010	Increase (Decrease)
General	\$11,907,012	\$5,655,590	\$6,251,422
Other Governmental	15,622,766	15,195,188	427,578
Total	\$27,529,778	\$20,850,778	\$6,679,000

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:

	2011 Revenues	Restated 2010 Revenues	Increase (Decrease)
Income Taxes	\$16,772,317	\$17,060,639	(\$288,322)
Property and Other Local Taxes	5,725,965	6,298,695	(572,730)
Intergovernmental Revenues	10,041,539	5,343,321	4,698,218
Charges for Services	5,209,411	5,134,998	74,413
Licenses and Permits	492,458	658,022	(165,564)
Investment Earnings	68,784	80,368	(11,584)
Fines and Forfeitures	698,485	765,615	(67,130)
All Other Revenue	336,608	393,313	(56,705)
Total	\$39,345,567	\$35,734,971	\$3,610,596

General Fund revenues in 2011 increased \$3,610,596, or approximately 10%, when compared with the previous year. Intergovernmental revenues increased 88% due to an unusually large receipt of estate taxes.

	2011 Expenditures	Restated 2010 Expenditures	Increase (Decrease)
General Government	\$4,327,853	\$3,705,669	\$622,184
Security of Persons and Property	24,396,829	24,322,908	73,921
Leisure Time Activities	919,319	1,273,858	(354,539)
Community Environment	131,549	730,173	(598,624)
Basic Utility Services	320,927	537,641	(216,714)
Public Health and Welfare Services	982,114	1,088,105	(105,991)
Total	\$31,078,591	\$31,658,354	(\$579,763)

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Unaudited

General Fund expenditures decreased \$579,763, or 2%, from the prior year. General Fund personnel expenditures were reduced through layoffs, furloughs, demotion and consolidation of functions; resulting in the decrease in General Fund expenditures.

Other Governmental Funds – The City's Other Governmental Funds reported an increase in fund balance of \$427,578, or 3%. Revenues decreased approximately 4% due mostly to decreases in community development block and home program federal grants. Capital costs for street infrastructure projects contributed to an increase in expenditures of nearly 4%.

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 fiscal year 2011 the City amended its General Fund budget several times, none significant.

For the General Fund, original budgeted revenues were 15% lower than final budget estimates due to increases in intergovernmental revenues due to estate tax receipts. Budget basis revenue of \$47.8 million was 2% less than final budget estimates. This is due to the reduction in reimbursement revenue from other funds for shared services. The lower reimbursements were a result of reduction in personnel costs. Final budgeted expenditures exceeded actual budget basis expenditures by \$2,228,060.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2011 the City had \$396,906,761 invested in land, construction in progress, buildings, improvements, infrastructure, machinery and equipment net of accumulated depreciation. Of this total, \$89,747,553 was related to governmental activities and \$307,159,208 to the business-type activities. The following table shows fiscal year 2011 and 2010 balances:

	Governmental Activities		Increase (Decrease)
	2011	2010	
Land	\$22,217,479	\$22,217,479	\$0
Construction In Progress	13,753,679	13,172,822	580,857
Buildings and Improvements	40,183,308	39,571,172	612,136
Machinery and Equipment	26,660,828	25,678,590	982,238
Infrastructure	144,383,451	143,542,985	840,466
Less: Accumulated Depreciation	(157,451,192)	(154,075,522)	(3,375,670)
Totals	\$89,747,553	\$90,107,526	(\$359,973)

The increase in Construction in Progress of \$580,857 was mainly due to the storm sewer, sanitary sewer and street improvement projects. The increase in building improvements of \$612,136 was due to the construction of a salt dome (\$398,000), roof replacement at the old city building (\$148,000) and the HVAC replacement for TV Hamilton (\$58,000). The increase in the Machinery and Equipment capital assets was mostly attributed to the purchase of police cruisers, mowers and dump trucks for the Streets department and an ambulance donated to the Fire department. The increased infrastructure improvements were mainly due to the installation of storm mains, catch basins and various street improvement projects (\$840,466).

CITY OF HAMILTON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Unaudited

	Business-Type Activities		Increase (Decrease)
	2011	2010	
Land	\$7,459,638	\$7,459,638	\$0
Construction in Progress	41,557,361	43,182,599	(1,625,238)
Intangible Capital Assets	1,070,786	1,070,786	0
Buildings and Improvements	95,026,532	94,911,320	115,212
Machinery and Equipment	573,991,564	550,998,679	22,992,885
Less: Accumulated Depreciation	(411,946,673)	(394,946,774)	(16,999,899)
Totals	\$307,159,208	\$302,676,248	\$4,482,960

The reduced construction in progress of \$1,625,238 was due to the completion of Gas main replacement (\$590,000) and Water main replacement projects (\$1 million). This also partially contributed to an increase in the Machinery and Equipment capital assets of \$7.8 million. New transmission lines and completion of substation 12 project in Electric contributed to an increase of \$12 million. The remainder increase was due to the sanitary sewer main replacements of \$1.3 million and purchase of vector trucks of \$550,000 in the Wastewater fund.

Additional information on the City's capital assets can be found in Note 9.

Debt

At December 31, 2011, the City had \$30.4 million in General Obligation bonds outstanding, \$2.5 million due within one year. The following table summarizes the City's debt outstanding as of December 31, 2011 and 2010:

	2011	2010
Governmental Activities:		
General Obligation Bonds	\$30,426,579	\$29,828,806
Special Assessment Bonds	1,400,000	1,650,000
Compensated Absences	6,533,087	7,058,686
Total Governmental Activities	38,359,666	38,537,492
Business-Type Activities:		
Mortgage Revenue Bonds	\$251,166,749	\$231,407,966
OWDA Loan	416,213	431,837
Compensated Absences	3,622,157	3,839,760
Total Business-Type Activities	255,205,119	235,679,563
Totals	\$293,564,785	\$274,217,055

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, 2011, the City's outstanding debt was well below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

ECONOMIC FACTORS

The City of Hamilton remains a major regional center of business, industry, and government. The City is a manufacturing hub with over 1,850 commercial establishments and is the county seat. The City weathered the economic downturn of 2000-2002 in which several businesses left the city and over 3,000 jobs were lost. Income Tax receipts, the largest component of General Fund resources and a bellwether of the local economy, have been declining. The Income Tax collections in 2011 were 2.2% below the 2010 collections. With the current economic recovery Income Tax revenue is expected to stabilize.

By 2005 the City had accumulated a General Fund balance of \$7 million which was 15.7% of the General Fund budget. Since 2005 the fund balance has declined as the cost of providing services has outpaced revenue and fund balance was used to balance the budget. Both labor cost and property acquisition for future economic development account for the increase in expenditures.

In 2011, the City proactively addressed the anticipated state budget cuts to the Local Government Fund and the phase-out of tangible personal property tax receipts by implementing expenditure reduction goals of 5%. Most City departments achieved this goal in 2011. In 2011, the General Fund expenditures decreased by 5.2% from 2010. The reductions were accomplished through consolidation of functions, freezing non-union salaries, elimination of positions, furloughs and cutting non-personnel expenditures. In 2011, the City also received \$7.01 million in inheritance tax, which was about \$5.5 million more than the annual average receipt. Although, the overall General Fund revenue with the exception of the inheritance tax, had decreased by 5.9% from 2010, the General Fund balance was \$11.9 million at the end of 2011 on a GAAP basis. This enabled the City to more than achieve the 5% fund balance in the General Fund in accordance with City Council policy.

From 2002-2011 the City has assisted in fifty-seven business expansion projects accounting for nearly \$223 million in investment and the creation of between 1,600 and 2,300 new jobs and the retention of almost 4,275 jobs. In 2011, two expansion projects at existing Hamilton businesses will result in 60 new jobs over the next three years and retain 185 current jobs in Hamilton. In the paper industry, Smart Papers and Mohawk Fine Paper both announced they would cease to operate mills in the City by early 2012; eliminating approximately 350 jobs. The paper industry has had a long history in Hamilton and City officials are working to assist in keeping at least a portion of the paper coating line in the City.

In the long-term, the City's Strategic Plan emphasizes economic development. The Strategic Plan focuses on maximizing the value of the City's utilities, improving targeted infrastructure to transport and connect, take advantage of the riverfront, and expand economic development activities. The City has embarked on a three-year national and international effort, in conjunction with regional partners, to reach out to and recruit businesses interested in expanding or relocating. In addition, the City is well-positioned because of its utilities – electric, gas, water and wastewater. It is the City's objective to have rates that are below those of other utilities in the region and nationally to achieve a competitive cost advantage. The City of Hamilton and its partners, The Greater Hamilton Chamber of Commerce and First Financial Bank, announced a microloan program of \$100,000 aimed at providing small amounts of capital for start-up businesses. The City is partnering with the Hamilton Economic Development Corporation to create an entity that can provide gap financing for urban redevelopment projects, with a goal of raising \$5 million initially.

CITY OF HAMILTON, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2011***

Unaudited

The City is improving the East High Street Corridor from Ohio Route 4 to a key intersection in the City. The East High Corridor Project addresses key Strategic Plan goals of enhancing the appearance of primary corridors in the City in addition to improving infrastructure to grow existing business and facilitate economic development in the City. The Strategic Plan highlights downtown investment as key to creating a sense of place in Hamilton. As such, the renovated Mercantile Block in downtown will consist of 31 market-rate residential units and three street-level storefronts and is expected to be completed in early 2012. In addition, the Rivers Edge Park and Amphitheater Project includes a number of enhancements along the riverfront including an amphitheater, walking and biking trails, and a public plaza.

The City maintains an Aa3 Moody's General Obligation Bond Rating.

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 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 Assets
December 31, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Equity in Pooled Cash and Investments	\$ 28,190,990	\$ 85,113,381	\$ 113,304,371
Restricted Cash and Investments	0	21,542,104	21,542,104
Receivables:			
Taxes	11,671,128	0	11,671,128
Accounts	990,095	12,749,219	13,739,314
Due From Other Governments	2,035,573	0	2,035,573
Interest	8,587	26,956	35,543
Loans	501,947	0	501,947
Internal Balance	(1,225,000)	1,225,000	0
Inventory of Supplies at Cost	124,760	4,287,319	4,412,079
Prepaid Items	187,306	1,049,309	1,236,615
Unamortized Bond Issuance Costs	352,822	4,517,828	4,870,650
Non-Depreciable Capital Assets	35,971,158	49,016,999	84,988,157
Depreciable Capital Assets, Net	<u>53,776,395</u>	<u>258,142,209</u>	<u>311,918,604</u>
Total Assets	<u>132,585,761</u>	<u>437,670,324</u>	<u>570,256,085</u>
Liabilities:			
Accounts Payable	1,447,771	6,588,921	8,036,692
Accrued Wages and Benefits	1,088,176	690,954	1,779,130
Intergovernmental Payable	463,796	337,396	801,192
Accrued Liabilities	387,679	605	388,284
Customer Deposits	9,540	1,632,248	1,641,788
Unearned Revenue	6,094,910	0	6,094,910
Accrued Interest Payable	273,133	2,791,557	3,064,690
General Obligation Notes Payable	0	5,900,000	5,900,000
Long-Term Liabilities:			
Due within one year	4,926,510	13,139,924	18,066,434
Due in more than one year	<u>33,433,156</u>	<u>242,065,195</u>	<u>275,498,351</u>
Total Liabilities	<u>48,124,671</u>	<u>273,146,800</u>	<u>321,271,471</u>

(Continued)

CITY OF HAMILTON, OHIO

Statement of Net Assets
December 31, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	61,265,974	92,584,709	153,850,683
Restricted For:			
Debt Service	0	12,042,104	12,042,104
Capital Projects	5,545,780	0	5,545,780
Community Environment	881,850	0	881,850
General Government	312,523	0	312,523
Public Health and Welfare Services	204,425	0	204,425
Security of Persons and Property	3,015,692	0	3,015,692
Streets	2,420,817	0	2,420,817
Nonexpendable Endowments	75,420	0	75,420
Rate Stabilization	0	9,500,000	9,500,000
Unrestricted	10,738,609	50,396,711	61,135,320
Total Net Assets	<u>\$ 84,461,090</u>	<u>\$ 164,523,524</u>	<u>\$ 248,984,614</u>

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

**Statement of Activities
For the Year Ended December 31, 2011**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 5,991,786	\$ 3,233,683	\$ 277,570	\$ 0
Security of Persons and Property	32,949,502	3,356,743	891,649	174,341
Leisure Time Activities	1,970,218	741,400	0	0
Community Environment	2,902,576	575,603	2,468,525	0
Basic Utility Services	6,150,598	5,480,531	25,793	0
Transportation	6,605,053	737,819	2,289,526	1,991,702
Public Health and Welfare Services	1,163,297	248,189	169,514	634,440
Interest and Fiscal Charges	1,596,931	0	0	0
Total Governmental Activities	59,329,961	14,373,968	6,122,577	2,800,483
Business-Type Activities:				
Gas Utility	21,777,870	21,930,366	0	40,500
Electric Utility	61,257,197	63,327,834	0	0
Water Utility	14,968,676	14,948,140	0	0
Wastewater Utility	11,441,639	12,302,310	0	0
Total Business-Type Activities	109,445,382	112,508,650	0	40,500
Totals	\$ 168,775,343	\$ 126,882,618	\$ 6,122,577	\$ 2,840,983

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 Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

Statement of Activities
For the Year Ended December 31, 2011

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (2,480,533)	\$ 0	\$ (2,480,533)
(28,526,769)	0	(28,526,769)
(1,228,818)	0	(1,228,818)
141,552	0	141,552
(644,274)	0	(644,274)
(1,586,006)	0	(1,586,006)
(111,154)	0	(111,154)
(1,596,931)	0	(1,596,931)
(36,032,933)	0	(36,032,933)
0	192,996	192,996
0	2,070,637	2,070,637
0	(20,536)	(20,536)
0	860,671	860,671
0	3,103,768	3,103,768
(36,032,933)	3,103,768	(32,929,165)
2,537,199	0	2,537,199
2,645,849	0	2,645,849
605,142	0	605,142
21,912,270	0	21,912,270
3,236,064	2,086	3,238,150
10,357,132	0	10,357,132
98,396	275,171	373,567
964,173	0	964,173
42,356,225	277,257	42,633,482
6,323,292	3,381,025	9,704,317
78,137,798	161,142,499	239,280,297
\$ 84,461,090	\$ 164,523,524	\$ 248,984,614

CITY OF HAMILTON, OHIO

Balance Sheet
Governmental Funds
December 31, 2011

	General	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in Pooled Cash and Investments	\$ 11,207,325	\$ 16,650,098	\$ 27,857,423
Receivables:			
Taxes	6,395,175	5,275,953	11,671,128
Accounts	262,273	727,822	990,095
Intergovernmental	950,513	1,085,060	2,035,573
Interest	7,012	1,575	8,587
Loans	0	501,947	501,947
Due from Other Funds	17,872	0	17,872
Interfund Receivable	579,031	0	579,031
Inventory of Supplies, at Cost	44,964	39,593	84,557
Prepaid Items	167,041	20,265	187,306
Total Assets	<u>\$ 19,631,206</u>	<u>\$ 24,302,313</u>	<u>\$ 43,933,519</u>
Liabilities:			
Accounts Payable	\$ 647,421	\$ 646,668	\$ 1,294,089
Accrued Wages and Benefits Payable	949,625	117,594	1,067,219
Intergovernmental Payable	420,637	35,135	455,772
Accrued Liabilities	300,451	87,228	387,679
Customer Deposits	0	9,540	9,540
Due to Other Funds	0	17,872	17,872
Interfund Payable	0	1,804,031	1,804,031
Deferred Revenue	5,406,060	5,961,479	11,367,539
Total Liabilities	<u>7,724,194</u>	<u>8,679,547</u>	<u>16,403,741</u>
Fund Balance:			
Nonspendable	212,005	134,858	346,863
Restricted	0	10,764,914	10,764,914
Committed	0	3,035,715	3,035,715
Assigned	1,586,391	2,659,700	4,246,091
Unassigned	10,108,616	(972,421)	9,136,195
Total Fund Balance	<u>11,907,012</u>	<u>15,622,766</u>	<u>27,529,778</u>
Total Liabilities and Fund Balance	<u>\$ 19,631,206</u>	<u>\$ 24,302,313</u>	<u>\$ 43,933,519</u>

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2011***

Total Governmental Fund Balances	\$ 27,529,778
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	89,684,054
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	5,272,629
Internal service funds are used by management to charge back costs of services to individual funds. The assets and liabilities of the Fleet Maintenance Fund are included in governmental activities in the statement of net assets.	148,913
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.	352,822
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	(29,030,000)
Special Assessment Bonds Payable	(1,400,000)
Bond Premium	(1,778,704)
Deferred Loss on Refunding	382,125
Compensated Absences Payable	(6,427,394)
Accrued Interest Payable	(273,133)
	<u>(38,527,106)</u>
<i>Net Assets of Governmental Activities</i>	<u>\$ 84,461,090</u>

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, 2011**

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Income Taxes	\$ 16,772,317	\$ 5,179,270	\$ 21,951,587
Property and Other Local Taxes	5,725,965	3,170,449	8,896,414
Intergovernmental Revenues	10,041,539	9,439,183	19,480,722
Charges for Services	5,209,411	6,684,110	11,893,521
Licenses and Permits	492,458	364,719	857,177
Investment Earnings	68,784	29,612	98,396
Special Assessments	0	563,674	563,674
Fines and Forfeitures	698,485	368,425	1,066,910
All Other Revenue	336,608	627,565	964,173
Total Revenue	39,345,567	26,427,007	65,772,574
Expenditures:			
Current:			
General Government	4,327,853	762,139	5,089,992
Security of Persons and Property	24,396,829	6,410,984	30,807,813
Leisure Time Activities	919,319	742,866	1,662,185
Community Environment	131,549	2,623,089	2,754,638
Basic Utility Services	320,927	5,500,722	5,821,649
Transportation	0	3,924,752	3,924,752
Public Health and Welfare Services	982,114	133,861	1,115,975
Capital Outlay	0	6,762,309	6,762,309
Debt Service:			
Principal Retirement	0	2,485,000	2,485,000
Interest and Fiscal Charges	0	1,750,626	1,750,626
Total Expenditures	31,078,591	31,096,348	62,174,939
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,266,976	(4,669,341)	3,597,635
Other Financing Sources (Uses):			
Sale of Capital Assets	0	49,451	49,451
General Obligation Bonds Issued	0	2,535,000	2,535,000
Premium on Refunding Bonds Issued	0	1,709,955	1,709,955
Refunding Bonds Issued	0	18,360,000	18,360,000
Refunded Bonds Redeemed	0	(19,621,590)	(19,621,590)
Transfers In	85,914	4,129,050	4,214,964
Transfers Out	(2,145,251)	(2,069,713)	(4,214,964)
Total Other Financing Sources (Uses)	(2,059,337)	5,092,153	3,032,816
Net Change in Fund Balance	6,207,639	422,812	6,630,451
Fund Balance at Beginning of Year - Restated	5,655,590	15,195,188	20,850,778
Increase in Inventory	43,783	4,766	48,549
Fund Balance End of Year	\$ 11,907,012	\$ 15,622,766	\$ 27,529,778

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, 2011***

Net Change in Fund Balances - Total Governmental Funds \$ 6,630,451

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 depreciation exceeded capital outlays in the current period.

Capital Outlay	3,513,347	
Depreciation Expense	(3,836,537)	(323,190)

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 gain on disposal of capital assets, net of proceeds. (40,282)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (119,321)

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

General Obligation Bonds Issued	(2,535,000)	
Premium on Bonds Issued	(1,709,955)	
Refunding Bonds Issued	(18,360,000)	(22,604,955)

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

General Obligation Bond Principal Payment	2,235,000	
Special Assessment Bond Principal Payment	250,000	
Refunded Bonds Redeemed	19,450,000	
New Deferred Bond Issuance Cost	255,262	
New Deferred Loss on Refunding	382,125	
Amortization of Bond Issuance Cost	(217,702)	
Amortization of Bond Discount	(59,943)	22,294,742

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (34,460)

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	525,801	
Change in Inventory	48,549	574,350

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. (54,043)

Change in Net Assets of Governmental Activities **\$ 6,323,292**

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, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Income Taxes	\$ 17,024,000	\$ 16,788,040	\$ 16,740,328	\$ (47,712)
Property and Other Local Taxes	5,861,000	5,903,500	5,722,674	(180,826)
Intergovernmental Revenues	3,575,198	9,954,736	10,118,102	163,366
Charges for Services	14,474,522	14,432,881	13,496,220	(936,661)
Licenses and Permits	489,775	492,175	492,458	283
Investment Earnings	70,000	80,500	61,554	(18,946)
Fines and Forfeitures	742,450	742,450	698,485	(43,965)
All Other Revenue	177,261	328,261	428,657	100,396
Total Revenues	<u>42,414,206</u>	<u>48,722,543</u>	<u>47,758,478</u>	<u>(964,065)</u>
Expenditures:				
Current:				
Security of Persons and Property	30,387,073	30,642,308	30,239,425	402,883
Public Health and Welfare Services	1,090,221	1,210,513	1,072,273	138,240
Leisure Time Activities	926,799	1,125,138	1,096,884	28,254
Community Environment	1,191,719	1,148,332	958,447	189,885
Basic Utility Services	1,790,656	1,825,035	1,475,425	349,610
General Government	7,688,655	8,114,591	6,995,403	1,119,188
Total Expenditures	<u>43,075,123</u>	<u>44,065,917</u>	<u>41,837,857</u>	<u>2,228,060</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(660,917)	4,656,626	5,920,621	1,263,995
Other Financing Sources (Uses):				
Sale of Capital Assets	1,000	1,000	0	(1,000)
Transfers In	85,000	88,005	85,919	(2,086)
Transfers Out	(656,500)	(835,651)	(585,651)	250,000
Advances In	493,213	447,007	262,005	(185,002)
Advances Out	(150,000)	(490,000)	(143,193)	346,807
Total Other Financing Sources (Uses):	<u>(227,287)</u>	<u>(789,639)</u>	<u>(380,920)</u>	<u>408,719</u>
Net Change in Fund Balance	(888,204)	3,866,987	5,539,701	1,672,714
Fund Balance at Beginning of Year	3,549,207	3,549,207	3,549,207	0
Prior Year Encumbrances	701,252	701,252	701,252	0
Fund Balance at End of Year	<u>\$ 3,362,255</u>	<u>\$ 8,117,446</u>	<u>\$ 9,790,160</u>	<u>\$ 1,672,714</u>

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

Statement of Net Assets
Proprietary Funds
December 31, 2011

	Business-Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
ASSETS:			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 11,008,546	\$ 22,079,658	\$ 11,462,310
Restricted Cash and Investments	3,357,178	10,338,953	1,663,646
Receivables:			
Accounts	2,752,063	6,647,105	1,504,275
Interest	3,575	7,637	4,482
Interfund Receivable	0	425,000	800,000
Inventory of Supplies at Cost	152,109	3,937,543	196,039
Prepaid Items	148,680	666,034	109,932
Total Current Assets	<u>17,422,151</u>	<u>44,101,930</u>	<u>15,740,684</u>
Noncurrent Assets:			
Deferred Charges	151,970	2,859,991	482,354
Non Depreciable Capital Assets	3,492,144	26,142,819	12,244,042
Depreciable Capital Assets, Net	31,341,065	105,340,382	86,064,565
Total Noncurrent Assets	<u>34,985,179</u>	<u>134,343,192</u>	<u>98,790,961</u>
Total Assets	<u>52,407,330</u>	<u>178,445,122</u>	<u>114,531,645</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	2,076,039	3,338,518	428,800
Accrued Wages and Benefits	62,365	336,653	119,996
Intergovernmental Payable	46,511	137,300	68,933
Accrued Liabilities	0	605	0
Customer Deposits Payable	568,649	789,806	138,861
Compensated Absences Payable - Current	134,290	684,544	245,952
Accrued Interest Payable	94,269	1,658,453	314,842
General Obligation Notes Payable	0	0	5,900,000
Revenue Bonds Payable - Current	1,230,000	7,450,000	1,035,000
OWDA Loans Payable - Current	0	0	0
Total Current Liabilities	<u>4,212,123</u>	<u>14,395,879</u>	<u>8,252,384</u>

CITY OF HAMILTON, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2011**

	Wastewater	Total	Governmental Activities Internal Service Funds
ASSETS:			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 40,548,344	\$ 85,098,858	\$ 348,090
Restricted Cash and Investments	6,182,327	21,542,104	0
Receivables:			
Accounts	1,845,776	12,749,219	0
Interest	11,262	26,956	0
Interfund Receivable	0	1,225,000	0
Inventory of Supplies at Cost	1,628	4,287,319	40,203
Prepaid Items	124,663	1,049,309	0
Total Current Assets	48,714,000	125,978,765	388,293
Noncurrent Assets:			
Deferred Charges	1,023,513	4,517,828	0
Non Depreciable Capital Assets	7,137,994	49,016,999	0
Depreciable Capital Assets, Net	35,396,197	258,142,209	63,499
Total Noncurrent Assets	43,557,704	311,677,036	63,499
Total Assets	92,271,704	437,655,801	451,792
LIABILITIES			
Current Liabilities:			
Accounts Payable	708,010	6,551,367	191,236
Accrued Wages and Benefits	81,481	600,495	111,416
Intergovernmental Payable	53,458	306,202	39,218
Accrued Liabilities	0	605	0
Customer Deposits Payable	134,932	1,632,248	0
Compensated Absences Payable - Current	178,992	1,243,778	217,456
Accrued Interest Payable	723,993	2,791,557	0
General Obligation Notes Payable	0	5,900,000	0
Revenue Bonds Payable - Current	1,995,000	11,710,000	0
OWDA Loans Payable - Current	16,136	16,136	0
Total Current Liabilities	3,892,002	30,752,388	559,326

(Continued)

CITY OF HAMILTON, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2011**

	Business-Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
Noncurrent Liabilities:			
Revenue Bonds Payable	8,425,749	149,385,006	23,775,415
OWDA Loans Payable	0	0	0
Compensated Absences Payable	206,485	1,019,296	445,804
Total Noncurrent Liabilities	8,632,234	150,404,302	24,221,219
Total Liabilities	12,844,357	164,800,181	32,473,603
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	25,873,780	(23,739,636)	75,147,364
Restricted for Debt Service	857,178	6,338,953	663,646
Restricted for Rate Stabilization	2,500,000	4,000,000	1,000,000
Unrestricted	10,332,015	27,045,624	5,247,032
Total Net Assets	\$ 39,562,973	\$ 13,644,941	\$ 82,058,042

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.

Net Assets of Business-type Activities

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

Statement of Net Assets
Proprietary Funds
December 31, 2011

	<u>Wastewater</u>	<u>Total</u>	Governmental Activities Internal Service Funds
Noncurrent Liabilities:			
Revenue Bonds Payable	57,870,579	239,456,749	0
OWDA Loans Payable	400,077	400,077	0
Compensated Absences Payable	246,557	1,918,142	348,474
Total Noncurrent Liabilities	<u>58,517,213</u>	<u>241,774,968</u>	<u>348,474</u>
Total Liabilities	<u>62,409,215</u>	<u>272,527,356</u>	<u>907,800</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	15,303,201	92,584,709	63,499
Restricted for Debt Service	4,182,327	12,042,104	0
Restricted for Rate Stabilization	2,000,000	9,500,000	0
Unrestricted	8,376,961	51,001,632	(519,507)
Total Net Assets	<u>\$ 29,862,489</u>	<u>\$ 165,128,445</u>	<u>\$ (456,008)</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.		<u>(604,921)</u>	
Net Assets of Business-type Activities		<u>\$ 164,523,524</u>	

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011**

	Business-Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
Operating Revenues:			
Charges for Services	\$ 21,898,395	\$ 62,749,229	\$ 14,791,954
Other Operating Revenues	31,971	578,605	156,186
Total Operating Revenues	21,930,366	63,327,834	14,948,140
Operating Expenses:			
Personal Services	1,809,149	10,018,108	3,908,865
Contractual Services	1,522,263	6,306,254	3,894,787
Materials and Supplies	244,220	1,181,048	1,140,577
Purchase of Gas and Electric	13,744,349	21,810,942	0
Depreciation	1,887,279	10,751,205	2,733,227
Other Operating Expenses	1,910,197	3,090,161	1,851,408
Total Operating Expenses	21,117,457	53,157,718	13,528,864
Operating Income	812,909	10,170,116	1,419,276
Non-Operating Revenue (Expenses):			
Interest Income	44,096	112,025	52,574
Interest and Fiscal Charges	(572,569)	(8,244,749)	(1,319,416)
Loss on Disposal of Capital Assets	(87,844)	(40,631)	(120,396)
Other Local Taxes (kWh Tax)	0	2,086	0
Total Non-Operating Revenues (Expenses)	(616,317)	(8,171,269)	(1,387,238)
Income Before Contributions	196,592	1,998,847	32,038
Contributions:			
Capital Contributions	40,500	0	0
Total Contributions	40,500	0	0
Change in Net Assets	237,092	1,998,847	32,038
Net Assets Beginning of Year	39,325,881	11,646,094	82,026,004
Net Assets End of Year	\$ 39,562,973	\$ 13,644,941	\$ 82,058,042

Change in Net Assets - Total Enterprise Funds

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.

Change in Net Assets - Business-type Activities

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011

	Wastewater	Total	Governmental Activities Internal Service Funds
Operating Revenues:			
Charges for Services	\$ 12,167,087	\$ 111,606,665	\$ 7,939,168
Other Operating Revenues	135,223	901,985	14,259
Total Operating Revenues	12,302,310	112,508,650	7,953,427
Operating Expenses:			
Personal Services	2,429,076	18,165,198	4,000,918
Contractual Services	2,513,246	14,236,550	2,013,111
Materials and Supplies	494,190	3,060,035	1,640,283
Purchase of Gas and Electric	0	35,555,291	0
Depreciation	2,272,079	17,643,790	12,390
Other Operating Expenses	1,919,082	8,770,848	155,387
Total Operating Expenses	9,627,673	97,431,712	7,822,089
Operating Income	2,674,637	15,076,938	131,338
Non-Operating Revenue (Expenses):			
Interest Income	66,476	275,171	520
Interest and Fiscal Charges	(1,802,839)	(11,939,573)	0
Loss on Disposal of Capital Assets	(11,127)	(259,998)	0
Other Local Taxes (kWh Tax)	0	2,086	0
Total Non-Operating Revenues (Expenses)	(1,747,490)	(11,922,314)	520
Income Before Contributions	927,147	3,154,624	131,858
Contributions:			
Capital Contributions	0	40,500	0
Total Contributions	0	40,500	0
Change in Net Assets	927,147	3,195,124	131,858
Net Assets Beginning of Year	28,935,342	161,933,321	(587,866)
Net Assets End of Year	\$ 29,862,489	\$ 165,128,445	\$ (456,008)
Change in Net Assets - Total Enterprise Funds		\$ 3,195,124	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.		185,901	
Change in Net Assets - Business-type Activities		\$ 3,381,025	

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Business Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$23,433,835	\$63,327,595	\$14,874,146
Cash Payments for Goods and Services	(18,419,857)	(32,758,568)	(6,965,450)
Cash Payments to Employees	(1,759,882)	(10,566,699)	(3,936,273)
Net Cash Provided (Used) by Operating Activities	<u>3,254,096</u>	<u>20,002,328</u>	<u>3,972,423</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Kilowatt Hour Tax Received	0	2,086	0
Advances In from Other Funds	0	0	200,000
Advances Out to Other Funds	0	(425,000)	0
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>(422,914)</u>	<u>200,000</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from the Sale of Notes	0	0	5,900,000
Premium on Note Issuance	0	0	37,996
Proceeds from Revenue Bond Issuance	0	0	0
Capital Grants	40,500	0	0
Revenue Bond Payable Principal Retirement	(1,175,000)	(7,025,000)	(995,000)
OWDA Loan Principal Retirement	0	0	0
Interest and Fiscal Charges	(499,488)	(7,354,690)	(1,119,506)
Acquisition and Construction of Assets	(2,027,242)	(12,078,244)	(6,683,212)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,661,230)</u>	<u>(26,457,934)</u>	<u>(2,859,722)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	45,417	120,595	61,285
Net Cash Provided by Investing Activities	<u>45,417</u>	<u>120,595</u>	<u>61,285</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(361,717)	(6,757,925)	1,373,986
Cash and Cash Equivalents at Beginning of Year	14,727,441	39,176,536	11,751,970
Cash and Cash Equivalents at End of Year	<u>\$14,365,724</u>	<u>\$32,418,611</u>	<u>\$13,125,956</u>
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Assets:</u>			
Cash and Cash Equivalents	\$11,008,546	\$22,079,658	\$11,462,310
Restricted Cash and Cash Equivalents	3,357,178	10,338,953	1,663,646
Cash and Cash Equivalents at End of Year	<u>\$14,365,724</u>	<u>\$32,418,611</u>	<u>\$13,125,956</u>

CITY OF HAMILTON, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Wastewater	Totals	Governmental- Activities Internal Service Fund
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$12,040,589	\$113,676,165	\$7,953,427
Cash Payments for Goods and Services	(4,997,430)	(63,141,305)	(4,049,779)
Cash Payments to Employees	(2,443,548)	(18,706,402)	(4,116,308)
Net Cash Provided (Used) by Operating Activities	4,599,611	31,828,458	(212,660)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Kilowatt Hour Tax Received	0	2,086	0
Advances In from Other Funds	0	200,000	0
Advances Out to Other Funds	0	(425,000)	0
Net Cash Provided (Used) by Noncapital Financing Activities	0	(222,914)	0
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from the Sale of Notes	0	5,900,000	0
Premium on Note Issuance	0	37,996	0
Proceeds from Revenue Bond Issuance	29,620,000	29,620,000	0
Capital Grants	0	40,500	0
Revenue Bond Payable Principal Retirement	(1,385,000)	(10,580,000)	0
OWDA Loan Principal Retirement	(15,624)	(15,624)	0
Interest and Fiscal Charges	(2,163,885)	(11,137,569)	0
Acquisition and Construction of Assets	(3,047,707)	(23,836,405)	(15,889)
Net Cash Provided (Used) by Capital and Related Financing Activities	23,007,784	(9,971,102)	(15,889)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	65,857	293,154	0
Net Cash Provided by Investing Activities	65,857	293,154	0
Net Increase (Decrease) in Cash and Cash Equivalents	27,673,252	21,927,596	(228,549)
Cash and Cash Equivalents at Beginning of Year	19,057,419	84,713,366	576,639
Cash and Cash Equivalents at End of Year	\$46,730,671	\$106,640,962	\$348,090
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Assets:</u>			
Cash and Cash Equivalents	\$40,548,344	\$85,098,858	\$348,090
Restricted Cash and Cash Equivalents	6,182,327	21,542,104	0
Cash and Cash Equivalents at End of Year	\$46,730,671	\$106,640,962	\$348,090

(Continued)

CITY OF HAMILTON, OHIO

***Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011***

	Business Type Activities		
	Enterprise Funds		
	Gas	Electric	Water
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income	\$812,909	\$10,170,116	\$1,419,276
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	1,887,279	10,751,205	2,733,227
Non-Operating Revenue	0	0	0
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	1,500,833	(11,186)	(77,436)
(Increase) Decrease in Inventory	(3,284)	(1,110,551)	(36,575)
Decrease in Prepaids	18,182	699,731	19,271
Increase (Decrease) in Accounts Payable	(919,832)	(304,251)	33,372
Increase (Decrease) in Accrued Wages and Benefits	11,694	(14,748)	(2,190)
Increase in Customer Deposits Payable	2,636	10,697	3,442
Increase in Accrued Liabilities	0	250	0
Decrease in Intergovernmental Payable	(71,669)	(128,625)	(84,521)
Increase (Decrease) in Compensated Absences	15,348	(60,310)	(35,443)
Total Adjustments	2,441,187	9,832,212	2,553,147
Net Cash Provided (Used) by Operating Activities	\$3,254,096	\$20,002,328	\$3,972,423

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2011 the Gas, Electric, Water and Wastewater Funds had outstanding liabilities of \$184,221, \$812,772, \$131,598 and \$494,799, respectively for the purchase of certain capital assets.

At December 31, 2011 the Gas, Electric, Water, Wastewater, Fleet Maintenance, and Central Services Funds reported a change in the fair value of investments of \$3,635, \$8,171, \$1,568, \$2,996, \$134 and \$6, respectively.

See accompanying notes to the basic financial statements

CITY OF HAMILTON, OHIO

***Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011***

	<u>Wastewater</u>	<u>Totals</u>	<u>Governmental- Activities Internal Service Fund</u>
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income	\$2,674,637	\$15,076,938	\$131,338
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	2,272,079	17,643,790	12,390
Non-Operating Revenue	0	0	520
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(265,980)	1,146,231	0
(Increase) Decrease in Inventory	(420)	(1,150,830)	25,959
Decrease in Prepays	19,624	756,808	0
Increase (Decrease) in Accounts Payable	2,838	(1,187,873)	(272,944)
Increase (Decrease) in Accrued Wages and Benefits	18,507	13,263	5,106
Increase in Customer Deposits Payable	4,259	21,034	0
Increase in Accrued Liabilities	0	250	0
Decrease in Intergovernmental Payable	(78,391)	(363,206)	(25,575)
Increase (Decrease) in Compensated Absences	(47,542)	(127,947)	(89,454)
Total Adjustments	<u>1,924,974</u>	<u>16,751,520</u>	<u>(343,998)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$4,599,611</u>	<u>\$31,828,458</u>	<u>(\$212,660)</u>

CITY OF HAMILTON, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2011***

	<u>Agency Funds</u>
Assets:	
Equity in Pooled Cash and Investments	\$ 826,266
Receivables:	
Taxes	48,450
Total Assets	<u>874,716</u>
Liabilities:	
Accounts Payable	23,040
Intergovernmental Payable	468,047
Due to Others	383,629
Total Liabilities	<u>\$ 874,716</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are presented as of December 31, 2011 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, 2011***

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 three governmental joint ventures, two Hamilton-Indian Springs Joint Economic Development Districts (JEDD) and the Ohio Municipal Electric Generation Agency (OMEGA) JV2. The City also participates in the following jointly governed organizations: American Municipal Power (AMP) Inc., the Economic Development Association of Butler County (EDABC), 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 17 and Note 18 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, 2011***

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 17 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, fund equity, revenues and expenditures (expenses). The following fund types are used by the City:

Governmental Funds

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

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 and liabilities 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 total assets.

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, cost of certain goods or services, and costs associated with health care benefits, pension, worker's compensation provided to other departments or agencies of the City.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. 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 thirteen 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, a Miscellaneous Collections for Others Agency Fund to account for monies received and held for others, an Unclaimed Monies Agency Fund to account for the receipt

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds (Continued)

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 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 assets 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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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 and current liabilities, 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 and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. 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, 2011***

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 service 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 2011, are recorded as deferred revenue. Property taxes, which are measurable at December 31, 2011 but are not intended to finance 2011 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

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.

Pursuant to GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,"* the City follows GASB guidance as applicable to proprietary funds and FASB guidance issued on or before November 30, 1989 that does not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB guidance issued after November 30, 1989 to its business-type activities and enterprise funds.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

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 2011.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

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 are 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 the formal budgetary control, 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, 2011***

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 statements to the budgetary cash basis statements for the General Fund:

Net Change in Fund Balances	General Fund
GAAP Basis (as reported)	\$6,207,639
Increase (Decrease):	
Accrued Revenues at December 31, 2011 received during 2012	(2,810,306)
Accrued Revenues at December 31, 2010 received during 2011	3,157,006
Accrued Expenditures at December 31, 2011 paid during 2012	2,318,134
Accrued Expenditures at December 31, 2010 paid during 2011	(2,751,190)
2010 Prepays for 2011	208,895
2011 Prepays for 2012	(167,041)
Outstanding Encumbrances	(581,607)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	(41,829)
Budget Basis	<u>\$5,539,701</u>

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is considered a cash equivalent because it is a highly liquid investment. See Note 4, "Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

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", 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. Fair value is determined by quoted market prices. See Note 4, "Cash, Cash Equivalents and Investments".

The City invested funds in the STAR Ohio during 2011. 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, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2011.

H. Inventory

Inventories are stated at moving average cost. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. The costs of proprietary fund-type 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, 2011, 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.

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

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 Assets, but they are not reported in the Fund Financial Statements.

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

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets 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	25
Improvements other than Buildings	10 – 50
Machinery, Equipment, Furniture and Fixtures	3 – 25
Infrastructure	25 – 75
Intangible Assets – FERC License	50

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Debt Service Fund Parking Fund Golf Course Fund
OWDA Loan	Wastewater Fund
Special Assessment Bonds	Debt Service Fund
Revenue Bonds	Gas Fund, Electric Fund, Water Fund Wastewater 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. Employees are eligible for retirement at age 60 with 5 years of service, age 55 with 25 years of service, and any age with at least 30 years of service. 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, 2011***

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, the current portion of unpaid compensated absences is the amount normally due for payment during the current year. Matured leave payable in the fund financial statements represents the entire current portion. These amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. The City had no such fund liability at year end. The entire liability is reported on the government-wide statement of net assets.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their 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 assets are available.

N. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

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, 2011***

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 and resolutions 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, resolution) 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.

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.

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 combined statement of net assets because their use is limited for debt service payments and rate stabilization.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2011*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 2 – 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	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Supplies Inventory	\$44,964	\$39,593	\$84,557
Prepaid Items	167,041	20,265	187,306
Permanent Fund Corpus	0	75,000	75,000
Total Nonspendable	<u>212,005</u>	<u>134,858</u>	<u>346,863</u>
Restricted:			
Public Health and Safety	0	1,333,226	1,333,226
County Court Computer Improvements	0	210,935	210,935
Dispute Resolution	0	68,246	68,246
Law Enforcement	0	1,277,070	1,277,070
Energy Conservation	0	46,789	46,789
Street Maintenance	0	1,957,429	1,957,429
Community Environment	0	426,233	426,233
Capital Improvements	0	5,444,986	5,444,986
Total Restricted	<u>0</u>	<u>10,764,914</u>	<u>10,764,914</u>
Committed:			
Storm water Operations	0	1,819,239	1,819,239
Refuse Operations	0	1,114,431	1,114,431
Parking Operations	0	63,079	63,079
Golf Course Operations	0	38,966	38,966
Total Committed	<u>0</u>	<u>3,035,715</u>	<u>3,035,715</u>
Assigned:			
Debt Retirement	0	859,989	859,989
Capital Improvements	0	1,799,711	1,799,711
Other Purposes	1,586,391	0	1,586,391
Total Assigned	<u>1,586,391</u>	<u>2,659,700</u>	<u>4,246,091</u>
Unassigned (Deficits):	<u>10,108,616</u>	<u>(972,421)</u>	<u>9,136,195</u>
Total Fund Balances	<u>\$11,907,012</u>	<u>\$15,622,766</u>	<u>\$27,529,778</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities – The following funds had deficit fund balance/net asset amounts at December 31, 2011:

<u>Fund</u>	<u>Fund Balance/ Net Asset Deficit</u>
<i>Nonmajor Governmental Funds</i>	
Capital Projects Fund:	
Special Assessment	\$972,421
 <i>Internal Service Fund</i>	
Central Services	604,921

The deficit occurring in the Special Assessment Capital Projects Fund arose from the recognition of interfund payables within the individual fund balance sheets.

The deficit occurring in the Central Services Internal Service Fund has risen due to recognition of liabilities at year-end. The Internal Service fund operates as a rotary fund and cash is recognized as revenue operationally only after an actual expenditure is made.

NOTE 4 - 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, 2011***

NOTE 4 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

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

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

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

CITY OF HAMILTON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 4 - 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, 2011, \$31,389,150 of the City's bank balance of \$32,078,975 was exposed to custodial credit risk since it was uninsured and uncollateralized.

B. Investments

The City's investments at December 31, 2011 are summarized below:

Categorized Investments	Fair Value	Weighed Average Maturity (Years)	Concentration of Credit Risk	Credit Rating (S&P)
Federal Home Loan Bank	\$23,008,920	4.77	22.05%	AA+
Federal Farm Credit Bureau	2,501,200	4.00	2.40%	AA+
STAR Ohio	66,791,401	N/A	64.00%	AAAm
Certificates of Deposit	3,970,360	N/A	3.81%	AAA
Money Market Fund	8,071,749	N/A	7.74%	AA+
Total Fair Value	<u>\$104,343,630</u>		<u>100.00%</u>	
Portfolio Weighted Average Maturity		4.70		

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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 4 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments (Continued)

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.

NOTE 5 - 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 2011 were levied after October 1, 2010 on assessed values as of January 1, 2010, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be reevaluated every six years and equalization adjustments made in the third year following the reappraisal. The last revaluation was completed for tax year 2011. Real property taxes are payable annually or semiannually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second 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, 2011 was \$6.81 per \$1,000 of assessed value. The assessed value upon which the 2011 receipts were based was \$895,754,320. This amount constitutes \$889,863,130 in real property assessed value and \$5,891,190 in public utility assessed value.

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.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 5 - 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.

NOTE 6 – RECEIVABLES

Receivables at December 31, 2011 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, 2011, 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, 2011 as follows:

Accounts Receivable

As of December 31, 2011

	<u>Gas</u>	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Business-Type Activities</u>
Earned and unbilled consumer accounts	\$2,043,051	\$3,972,593	\$1,087,642	\$932,625	\$8,035,911
Earned and billed consumer accounts	3,888,289	6,918,921	1,116,258	2,123,474	14,046,942
Other	0	133,975	41,333	3,865	179,173
Less allowance for uncollectible accounts	<u>(3,179,277)</u>	<u>(4,378,384)</u>	<u>(740,958)</u>	<u>(1,214,188)</u>	<u>(9,512,807)</u>
Accounts Receivable	<u>2,752,063</u>	<u>6,647,105</u>	<u>1,504,275</u>	<u>1,845,776</u>	<u>12,749,219</u>
Accrued Interest Receivable	<u>3,575</u>	<u>7,637</u>	<u>4,482</u>	<u>11,262</u>	<u>26,956</u>
Total Receivables :	<u><u>\$2,755,638</u></u>	<u><u>\$6,654,742</u></u>	<u><u>\$1,508,757</u></u>	<u><u>\$1,857,038</u></u>	<u><u>\$12,776,175</u></u>

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 7 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2011:

Fund	Transfer In	Transfer Out
General Fund	\$85,914	\$2,145,251
Other Governmental Funds	4,129,050	2,069,713
Totals	<u>\$4,214,964</u>	<u>\$4,214,964</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 Sinking Fund for payment of the obligations. The remaining transfers relate to payments due from the special assessment capital projects fund for debt service payment and some transfers made from the general fund at year-end to eliminate deficit balances.

NOTE 8 – INTERFUND TRANSACTIONS

The composition of inter-fund balances as of December 31, 2011, is as follows:

	Interfund Receivable	Interfund Payable	Due from Other Funds	Due to Other Funds
General Fund	\$579,031	\$0	\$17,872	\$0
Other Governmental Funds	0	1,804,031	0	17,872
Electric Fund	425,000	0	0	0
Water Fund	800,000	0	0	0
	<u>\$1,804,031</u>	<u>\$1,804,031</u>	<u>\$17,872</u>	<u>\$17,872</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.

\$143,193 of the interfund activity relates to cash advances the general fund made to various grant funds during the year. The advances are expected to be returned within the next fiscal year.

The Golf Course Fund issued a note of \$100,000 purchased by the General Fund for the purchase of golf equipment. At year end this note had an outstanding balance of \$80,000. The Special Assessment Fund issued notes that were purchased by the General Fund, Electric Fund and Water Fund for \$575,000, \$425,000 and \$1,000,000, respectively, for street improvement projects. At year end these notes had outstanding balances of \$355,838, \$425,000 and \$800,000, respectively.

An internal balance of \$1,225,000 is reported between the Governmental Activities and Business-Type Activities as a result of these interfund balances.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2011:

Historical Cost:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
<i>Capital assets not being depreciated:</i>				
Land	\$22,217,479	\$0	\$0	\$22,217,479
Construction in Progress	13,172,822	1,957,660	(1,376,803)	13,753,679
Sub-Total	35,390,301	1,957,660	(1,376,803)	35,971,158
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	39,571,172	612,136	0	40,183,308
Machinery and Equipment	25,678,590	1,495,777	(513,539)	26,660,828
Infrastructure	143,542,985	840,466	0	144,383,451
Total Cost	<u>\$244,183,048</u>	<u>\$4,906,039</u>	<u>(\$1,890,342)</u>	<u>\$247,198,745</u>
<i>Accumulated Depreciation:</i>				
Class	December 31, 2010	Additions	Deletions	December 31, 2011
Buildings and Improvements	(\$13,516,558)	(\$657,895)	\$0	(\$14,174,453)
Machinery and Equipment	(17,962,850)	(1,380,951)	473,257	(18,870,544)
Infrastructure	(122,596,114)	(1,810,081)	0	(124,406,195)
Total Depreciation	<u>(\$154,075,522)</u>	<u>(\$3,848,927) *</u>	<u>\$473,257</u>	<u>(\$157,451,192)</u>
<i>Net Value:</i>	<u>\$90,107,526</u>			<u>\$89,747,553</u>

*Depreciation expenses were charged to governmental functions as follows:

General Government	\$677,225
Security of Persons and Property	656,722
Leisure Time Activities	202,776
Community Environment	2,835
Transportation	2,307,300
Public Health and Welfare Services	2,069
Total Depreciation Expense	<u>\$3,848,927</u>

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2011:

Historical Cost:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
<i>Capital assets not being depreciated:</i>				
Land	\$7,459,638	\$0	\$0	\$7,459,638
Construction in Progress	43,182,599	13,820,391	(15,445,629)	41,557,361
Sub-Total	<u>50,642,237</u>	<u>13,820,391</u>	<u>(15,445,629)</u>	<u>49,016,999</u>
<i>Capital assets being depreciated:</i>				
Intangible Capital Assets	1,070,786	0	0	1,070,786
Buildings and Improvements	94,911,320	115,212	0	95,026,532
Machinery and Equipment	550,998,679	23,896,774	(903,889)	573,991,564
Total Cost	<u>\$697,623,022</u>	<u>\$37,832,377</u>	<u>(\$16,349,518)</u>	<u>\$719,105,881</u>

Accumulated Depreciation:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
Intangible Capital Assets	(\$64,248)	(\$21,416)	\$0	(\$85,664)
Buildings and Improvements	(55,986,764)	(1,541,451)	0	(57,528,215)
Machinery and Equipment	(338,895,762)	(16,080,923)	643,891	(354,332,794)
Total Depreciation	<u>(\$394,946,774)</u>	<u>(\$17,643,790)</u>	<u>\$643,891</u>	<u>(\$411,946,673)</u>
<i>Net Value:</i>	<u>\$302,676,248</u>			<u>\$307,159,208</u>

NOTE 10 – DEFINED BENEFIT PENSION PLANS

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

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

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml> making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2011, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2011 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional Plan was 10.0% for calendar year 2011. The portion of employer contributions allocated to pension obligations for members in the Combined Plan was 7.95% for calendar year 2011. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City’s required contributions for pension obligations to OPERS for the years ending December 31, 2011, 2010, and 2009 were \$2,687,933, \$2,346,407 and \$2,269,456, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers and full-time firefighters participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements 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 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2011, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City’s contributions for pension obligations to the OP&F Fund for the years ending December 31, 2011, 2010, and 2009 were \$1,044,443, \$1,116,411 and \$1,056,001 for police and \$1,580,176, \$1,627,800 and \$1,466,511 for firefighters, respectively, which were equal to the required contributions for each year.

C. Metropolitan Pension Plan

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

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

For fiscal year 2011, annual pension cost was \$223,126. The City contributed 89.8%, or \$200,466, resulting in a net pension obligation of \$22,660. For the preceding two years, the City determined the net pension obligation to be immaterial, as annual pension cost approximated City contributions. The total unfunded accrued liability at year end was \$1,532,004.

The actuarial valuation date was December 31, 2011 and the accrued liability was calculated using the entry age normal cost method. The Metropolitan Pension Plan currently has no assets. The amortization method used was level dollar and the amortization period was 8 years.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 11 - 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 plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 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.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, 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 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% for calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% for calendar year 2011.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree 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 OPERS for the years ending December 31, 2011, 2010, and 2009 were \$1,075,173, \$1,401,178 and \$1,657,047, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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

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.

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 2011, the employer contribution allocated to the health care plan was 6.75% of covered payroll. 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, 2011, 2010, and 2009 were \$552,940, \$591,041 and \$559,060 for police and \$618,330, \$636,965 and \$573,852 for firefighters, respectively, which were equal to the required contributions for each year.

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 2011, annual OPEB cost was \$56,730. The City contributed 85.8%, or \$48,646, resulting in a net OPEB obligation of \$8,084. For the preceding two years, the City determined the net OPEB obligation to be immaterial, as annual OPEB cost approximated City contributions. The total unfunded accrued liability at year end was \$815,932.

The actuarial valuation date was December 31, 2011 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.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 12 - NOTES PAYABLE

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

	Balance December 31, 2010	Issued	(Retired)	Balance December 31, 2011
Business Type Activities :				
Enterprise Notes Payable:				
1.25% Water System Improvement	\$0	\$5,900,000	\$0	\$5,900,000
Total Notes Payable	<u>\$0</u>	<u>\$5,900,000</u>	<u>\$0</u>	<u>\$5,900,000</u>

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CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2011 were as follows:

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2010	Additions	Reductions	Balance December 31, 2011	Due Within One Year
Governmental activities:								
Bonds payable:								
General Obligation Bonds:								
2003	2% - 3.75%	Road Improvement	2016	\$ 1,790,000	\$0	\$ (270,000)	\$ 1,520,000	\$ 300,000
2002	2.25% - 4.70%	Various Purpose Series A	2017	3,545,000	0	(3,545,000)	0	0
2002	2.25% - 4.70%	Various Purpose Series B	2012	285,000	0	(140,000)	145,000	145,000
2009	2% - 4.50%	Various Purpose 2009 G O Bonds	2028	6,725,000	0	(465,000)	6,260,000	485,000
1997	4.99%	Golf	2012	405,000	0	(195,000)	210,000	210,000
2001	5.00%	One Renaissance Center	2026	17,070,000	0	(17,070,000)	0	0
2011	2% - 5.00%	Various Purpose Refunding	2026	0	18,360,000	0	18,360,000	1,225,000
2011	2% - 5.00%	Various Purpose	2026	0	2,535,000	0	2,535,000	125,000
Total General Obligation Bonds				29,820,000	20,895,000	(21,685,000)	29,030,000	2,490,000
Special Assessment Bonds:								
2007	4.75%	Various Purpose 2005 Resurfacing	2012	155,000	0	(75,000)	80,000	80,000
2006	4.75%	Various Purpose 2004 Resurfacing	2011	50,000	0	(50,000)	0	0
2005	3.96%	Main Street Area Streetscape	2015	25,000	0	(5,000)	20,000	5,000
2003	3.15% - 5.25%	Shaffer's Creek Sanitary Sewer	2023	140,000	0	(10,000)	130,000	10,000
1998	4.67%	Various Purpose Series 1998	2018	505,000	0	(55,000)	450,000	55,000
2000	5.34%	Various Purpose Series 2000	2020	200,000	0	(15,000)	185,000	15,000
2001	4.95%	Various Purpose Series 2001	2021	575,000	0	(40,000)	535,000	40,000
Total Special Assessment Bonds (with Governmental Commitment)				1,650,000	0	(250,000)	1,400,000	205,000
Less deferred amounts:								
				0	(382,125)	0	(382,125)	0
For deferred charge - refunding								
For issuance discounts/premiums				8,806	1,709,955	59,943	1,778,704	0
Total Bonds Payable				31,478,806	22,222,830	(21,875,057)	31,826,579	2,695,000
Compensated absences				7,058,686	1,877,991	(2,403,590)	6,533,087	2,231,510
Governmental Activities Long-term liabilities				\$38,537,492	\$24,100,821	(\$24,278,647)	\$38,359,666	\$4,926,510

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CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 13 - 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 \$257,525,000 at December 31, 2011.

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2010	Additions	Reductions	Balance December 31, 2011	Due Within One Year
Business-type activities:								
Mortgage Revenue Bonds:								
2003	2.0% - 5.00%	Gas Refunding	2015	\$6,470,000	\$0	(\$1,175,000)	\$5,295,000	\$1,230,000
2009	2.75% - 5.00%	Gas series A	2029	4,500,000	0	0	4,500,000	0
2005	2.50% - 4.700%	Electric series	2025	135,635,000	0	(7,025,000)	128,610,000	7,255,000
2009	2.0% - 5.00%	Electric series A	2030	18,620,000	0	0	18,620,000	195,000
2009	6.5% - 6.6%	Electric series B	2039	14,520,000	0	0	14,520,000	0
2002	4.39%	Water Revenue Refunding	2021	8,595,000	0	(620,000)	7,975,000	650,000
2009	2.0% - 4.63%	Water series A	2029	9,385,000	0	(375,000)	9,010,000	385,000
2009	6.62%	Water series B	2039	8,915,000	0	0	8,915,000	0
2005	3.00% - 5.250%	Wastewater Refunding	2023	18,470,000	0	(1,130,000)	17,340,000	1,185,000
2009	2.0% - 3.38%	Wastewater series A	2017	1,910,000	0	(255,000)	1,655,000	265,000
2011	2.0% - 5.00%	Wastewater	2041	0	29,620,000	0	29,620,000	545,000
2009	6.11% - 6.62%	Wastewater series B	2039	11,465,000	0	0	11,465,000	0
Total Mortgage Revenue Bonds				238,485,000	29,620,000	(10,580,000)	257,525,000	11,710,000
Less deferred amounts:								
For deferred charge - refunding				(6,966,742)	0	919,211	(6,047,531)	0
For issuance discounts/premium				(110,292)	(137,799)	(62,629)	(310,720)	0
Total Bonds Payable				231,407,966	29,482,201	(9,723,418)	251,166,749	11,710,000
Ohio Water Development Authority Loan:								
Sanitary Sewer Improvements			2030	431,837	0	(15,624)	416,213	16,136
Compensated absences				3,839,760	1,245,207	(1,462,810)	3,622,157	1,413,788
Business-type activity Long-term liabilities				<u>\$235,679,563</u>	<u>\$30,727,408</u>	<u>(\$11,201,852)</u>	<u>\$255,205,119</u>	<u>\$13,139,924</u>

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

The principal amount of the City's special assessment bonds outstanding was \$1,400,000. 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. The fund balance of \$859,989 in the Debt Service Fund at December 31, 2011 is assigned for the retirement of outstanding special assessment bonds.

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. Defeasance of General Obligation 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 \$1,945,000 at December 31, 2011 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In October 2011, the City defeased \$16,350,000 of Building Improvement General Obligation Bonds dated 2001 through the issuance of \$15,385,000 of Building Refunding General Obligation Bonds. The net proceeds of the 2011 bonds were used to currently refund the old bonds. This refunding decreased total debt service payments over the life of the bonds by \$2,146,205, resulting in an economic gain of \$1,642,685.

In October 2011, the City defeased \$3,100,000 of Various Purpose General Obligation Bonds dated 2002 through the issuance of \$2,975,000 of Various Purpose Refunding General Obligation Bonds. The net proceeds of the 2011 bonds were used to currently refund the old bonds. This refunding decreased total debt service payments over the life of the bonds by \$299,203, resulting in an economic gain of \$281,299.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

B. 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, 2011 follows:

GOVERNMENTAL ACTIVITIES						
Years	General Obligation Bonds			Special Assessment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
	2012	\$2,490,000	\$1,162,743	\$3,652,743	\$205,000	\$75,698
2013	2,230,000	1,040,474	3,270,474	135,000	65,498	200,498
2014	2,265,000	990,449	3,255,449	140,000	58,523	198,523
2015	2,325,000	938,224	3,263,224	150,000	51,078	201,078
2016	2,380,000	882,944	3,262,944	145,000	43,020	188,020
2017-2021	8,835,000	3,227,244	12,062,244	595,000	98,103	693,103
2022-2026	8,305,000	1,279,331	9,584,331	30,000	2,363	32,363
2027-2031	200,000	13,500	213,500	0	0	0
Totals	<u>\$29,030,000</u>	<u>\$9,534,909</u>	<u>\$38,564,909</u>	<u>\$1,400,000</u>	<u>\$394,283</u>	<u>\$1,794,283</u>

BUSINESS-TYPE ACTIVITIES						
Years	Revenue Bonds			OWDA Loan		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$11,710,000	\$12,011,720	\$23,721,720	\$16,136	\$13,397	\$29,533
2013	12,100,000	11,578,233	23,678,233	16,665	12,868	29,533
2014	13,115,000	11,095,020	24,210,020	17,211	12,322	29,533
2015	13,560,000	10,572,798	24,132,798	17,775	11,758	29,533
2016	12,815,000	10,007,701	22,822,701	18,357	11,176	29,533
2017-2021	71,585,000	41,342,637	112,927,637	101,211	46,453	147,664
2022-2026	62,910,000	24,607,863	87,517,863	118,916	28,750	147,666
2027-2031	18,935,000	15,145,178	34,080,178	109,942	8,190	118,132
2032-2036	21,710,000	9,639,918	31,349,918	0	0	0
2037-2041	19,085,000	2,629,504	21,714,504	0	0	0
Totals	<u>\$257,525,000</u>	<u>\$148,630,572</u>	<u>\$406,155,572</u>	<u>\$416,213</u>	<u>\$144,914</u>	<u>\$561,127</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

C. 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, 2011, there were seven series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$21,879,325.

D. Ohio Water Development Authority Loan

Sanitary Sewer Improvements - In 2010 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for sanitary sewer improvements in the amount of \$431,837. The interest rate on the loan is 3.25%, per annum. This loan is payable from wastewater utility charges. As of December 31, 2011 the outstanding balance of the loan is \$416,213.

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CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 14 - 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	\$166,879,580	Limit
Earthquake	75,000,000	
Flood	25,000,000	
Ordinance or Law Coverage	2,500,000	
Extra Expense Designated Locations	500,000	
Valuable Papers Restoration	1,250,000	
 Electric Property Insurance	 \$553,000,000	 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
Physical Damage		
Garage Keepers Liability	500,000	Limit
	\$15,000,000	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 Other		
Various Limits to Named Positions	\$2,500	Limit
Blanket Limit (for police officers)	\$1,000	Limit
Blanket minimum for all other employees	\$2,500	Limit
 Underground Petroleum Storage Tank	 \$1,000,000	 Limit
 Police Professional Liability (per occurrence)	 \$1,000,000	 Limit
	\$15,000,000	Umbrella

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 14 - INSURANCE AND RISK MANAGEMENT (Continued)

Public Officials Liability	\$5,000,000	Limit
Employment Practices		
Claims Made – Full Prior Acts	\$15,000,000	Umbrella
Public Utilities Excess Liability	\$100,000,000	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)	\$5,000,000	Limit
Products, Personal Injury, Stop Gap Liability	\$15,000,000	Umbrella
Ambulance Attendants Errors & Omissions (included in G.L.)	\$5,000,000	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 10 Year Term	\$5,000,000	Limit
Umbrella	\$15,000,000	Limit
Does not apply separately over the underlying/primary coverages		

Third party liability coverages are to be subject to \$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, Public Entity Management Liability. This will act as an aggregate stop loss maximum. Third party claims adjustment services are provided by GAB Robins as per the Terms of the City of Hamilton's contract with GAB Robins that is in compliance with Travelers TPA requirements.

The City had no reduction in coverage in 2011. Settled claims did not exceed this commercial coverage in any of the past three years.

The City has a group health insurance program for employees. The City maintained a contract to provide a premium based health insurance plan to covered employees through United Health Care during 2011. The City also maintains premium based insurance coverage through the Ohio Bureau of Worker's Compensation to mitigate job related illness and injury.

CITY OF HAMILTON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 15 – CONTRACTUAL COMMITMENTS

As of December 31, 2011, 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, 2011:

Vendor	Contractual Commitment
Dugan & Meyers Construction	\$4,702,000
Barrett Paving Materials Inc.	1,146,120
Caldwell Tanks	774,064
CH2M Hill Inc.	537,191
Structural Systems Repair Group	474,368
Rumpke	390,462
Langenheim & Thomson Co	374,460
Jordan Jones & Goulding	355,955
DUECO Inc	268,000
Thayer Power & Communication Line Construction	247,151
Walter Martin Excavating Inc	220,068
Ford Development Corp	206,083
Boykin Construction Larry Boykin dba	170,049
Woolpert Inc	152,061
Mi De Con Inc	135,395
Winelco Inc	131,403
Walter Martin Excavating Inc	127,675
Milsoft Utility Solutions Inc	115,245
CMS Utility Services Inc	106,180
DUECO Inc	104,500
	<u>\$10,738,430</u>

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*Notes to the Basic Financial Statements
For the Year Ended December 31, 2011*

NOTE 16 – CONTINGENCIES

A. Litigation

Various claims and lawsuits are pending against the City. With the possible exception described in the following paragraph, 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.

The Ohio Environmental Protection Agency (EPA) alleged, in previous years, that sanitary sewer overflows from the City's sanitary sewer collection system were violations of the Federal Clean Water Act and analogous State law. Federal agencies have pursued similar enforcement actions nationally against public wastewater treatment systems. The City contested this action and the initial remedial measures proposed by the State. Negotiations to resolve the enforcement action through the entry of a mutually agreeable Consent Decree began in 1997. In January 2007 a proposed Consent Decree was executed with the Ohio EPA in which the City agreed to undertake certain remedial measures to eliminate and/or reduce sanitary sewer overflow occurrences. On July 11, 2009 the Ohio EPA approved a System Evaluation and Capacity Assurance Plan (SECAP) which is the master plan of capital improvements for the Consent Decree. In 2010 and 2011, three sanitary sewer projects were constructed which eliminated the sanitary sewer overflows at three locations in the sanitary sewer collection system. Since then, detailed engineering design and preparation of construction drawings for an interceptor project have been in progress by an engineering firm which will mitigate sanitary sewer overflows from the last two known sanitary sewer overflow locations in the sanitary sewer collection system. In addition, construction of improvements is underway at the Water Reclamation Facility to enhance its ability to provide secondary treatment of wastewater prior to discharging into the Great Miami River. Finally, detailed engineering design and preparation of construction drawings by an engineering firm have just been initiated for increasing the capacity of the Water Reclamation Facility for compliance with the SECAP. It is anticipated that all of the improvements associated with the SECAP will be completed and operational by October 2015.

B. Federal and State Grants

For the period January 1, 2011 to December 31, 2011, 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 17 – JOINT VENTURES

The City of Hamilton is a member of a number of Governmental Joint Ventures as described in GASB Statement No. 14, The Financial Reporting Entity. The following is a list of organizations and a brief description of each Joint Venture.

A. Hamilton-Indian Springs Joint Economic Development Districts

In 1996, a Joint Economic Development District (JEDD) between the City of Hamilton and Fairfield Township was approved by Fairfield Township voters. It set aside over 200 acres of prime land, zoned for business and industrial, to be serviced jointly as specified in the contract and marketed for commercial/industrial development. The original JEDD (I) authorized a 2% earnings tax on all business within its boundaries, of which 75% flows to the City and 25% flows to the Township. One stipulation of the JEDD agreement is that the City of Hamilton will not annex any township land for the 30-year term of the contract. In exchange, 12 acres of county-owned land on the boundary between Hamilton and the Township was transferred to the City. Construction work that began on a new Menards in 2010 was completed in early 2011. Menards opened for business in 2011 thereby adding many jobs to the community. Menards is a chain of home improvement stores in the Midwestern United States.

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

The distribution of income tax revenues exceeds \$20,000 per month for each entity. During 2011, the City's distribution of tax collections for JEDD I and JEDD II were \$342,490 and \$125,222, respectively, with a total JEDD distribution of \$467,712.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 17 – JOINT VENTURES (Continued)

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. 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 2011 by the Electric Fund and recorded within the Purchase of Electric expense account to the OMEGA JV2:

Payments – OMEGA JV2	<u>\$507,748</u>
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The continued existence of OMEGA JV2 is dependent upon the City's continued participation but the City, as a financing purchasing participant, does not have an equity interest in OMEGA JV2. Complete financial statements may be obtained from AMP, Inc., 1111 Schrock Road, Columbus, Ohio 43219.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS

The City of Hamilton is a member of a number of Jointly Governed Organizations as described in GASB Statement No. 14, The Financial Reporting Entity. 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 43219.

B. Butler County Alliance (aka Economic Development Association of Butler County, Inc.)

The Butler County Alliance (BCA) was created by resolution of the County Commissioners and organized as a non-profit corporation under Internal Revenue Code Section 501(c)(6). The BCA is a jointly governed organization and was created to promote economic development in the County. Membership on the Board of Trustees is made up of private and public sector investors in the BCA, the County and a representative of the public economic development organizations in the County. Membership on the Advisory Board of the BCA consists of Butler County, five cities including the City of Hamilton, two townships and all five chambers of commerce in Butler County. The Board of Trustees oversees the operation of the Association. The continued existence of the BCA is not dependent upon the City's continued participation and the City of Hamilton has no equity interest in the BCA. Complete financial statements can be obtained from the BCA, 315 High Street, 6th Floor, Hamilton, Ohio 45011.

C. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

D. 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.

E. 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.

F. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

G. 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. OKI members include Butler, Clermont, Hamilton, and Warren Counties in Ohio, Boone, Campbell and Kenton Counties in Kentucky, and Dearborn and Ohio Counties in Indiana. OKI also serves as an area wide review agency in conjunction with in the OKI Region.

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 19 – ENTERPRISE INTERFUND REVENUES AND ADMINISTRATIVE CHARGES

The City's Utility Enterprise activities (Gas, Electric, Water & 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 2011, the Electric Fund purchased \$675,783 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 \$856,636 and \$607,596, respectively, during 2011. These amounts are recorded in the Water and Wastewater Funds as contractual services and as Charges for Services in the Electric Fund.

CITY OF HAMILTON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 19 – ENTERPRISE INTERFUND REVENUES AND ADMINISTRATIVE CHARGES
(Continued)

Historically and by ordinance, the City’s Electric System provides street lighting and traffic light services to the City without charge. Street and traffic light facilities used approximately 5,717,396 kilowatt-hours of electrical energy in 2011, and the estimated operating cost of supplying these free services was \$343,044 for the year ending December 31, 2011. 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 government facilities was \$195,007 for the year ending December 31, 2011.

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 for each Utility Fund by type of charge or activity for 2011.

	Gas	Electric	Water	Wastewater
Administrative cost (General Fund)	\$ 943,000	\$1,064,000	\$ 943,000	\$1,141,000
Central Service Charges Fund	1,237,000	1,505,000	1,148,000	944,000
Fleet Maintenance Chargebacks Fund	172,168	172,168	172,168	0
Total	<u>\$2,352,168</u>	<u>\$2,741,168</u>	<u>\$2,263,168</u>	<u>\$2,085,000</u>

NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLE – RESTATEMENT OF FUND BALANCE/NET ASSETS

For 2011 the City implemented GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”. Statement No. 54 provides more clearly defined categories to make the nature and extent of the constraints placed on a governments fund balances more transparent. It also clarifies the existing governmental fund type definitions.

The application of GASB 54 resulted in the reclassification of fund balances as detailed below:

	General Fund	Other Governmental Funds
Fund Balance		
at December 31, 2010	\$5,251,796	\$15,598,982
GASB 54 Fund Reclassification	403,794	(403,794)
Fund Balance, as restated	<u>\$5,655,590</u>	<u>\$15,195,188</u>

*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 expendable trusts or major capital projects) that are legally restricted 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.)

Federal Emergency Management Grant Fund

To account for revenues and expenditures related to grants from the Federal Emergency Management Agency (FEMA).

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 used for computerization projects within the municipal court.

Public Safety/Health Income Tax Fund

To account for revenue from 0.5% of the City's income tax and designated expenditures for health and public safety.

Weed and Seed Grant Fund

To account for federal grant monies to be used for comprehensive restoration of neighborhoods and to reduce crimes involving drugs, guns, drug trafficking and prostitution. (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.)

Dispute Resolution Proceeds Fund

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

Safety Services Fund

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

(Continued)

Special Revenue Funds

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 designated for the purchase of paramedic supplies.

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.

Energy Efficiency Block Grant Fund

To account for federal grants to be used for energy efficiency and conservation programs and projects communitywide, as well as renewable energy installations on government buildings.

Public Health Care Services Fund

To account for funds designated for public health care services.

Street and Parks Beautification Fund

To account for monies designated for the beautification of the City's parks and streetscapes. (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.)

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 designated to defray the cost of refuse collection.

(Continued)

Special Revenue Funds

Street Maintenance Fund

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

Miami Conservancy Fund

To account for property tax receipts designated for conservancy district expenditures. (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.)

Home Program Fund

To account for federal grants designated 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.

Local Energy Assurance Planning Fund

To account for federal grants to allow local governments to hire and train staff and expand their capabilities to respond to a variety of energy emergencies such as blackouts, hurricanes, floods, ice storms, or possible terrorist attacks.

Community Development Block Grant Fund

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

Debt Service Fund

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

Debt Service Fund

To account for resources that are used for payment of principal, interest and fiscal charges on general obligation debt.

Capital Projects Fund

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.

Capital Projects Fund

To account for revenues and expenditures on large capital projects which are funded by the General Fund.

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.

Central Business District Streetscape Improvements Fund

To account for revenues and expenditures associated with a major Streetscape project in the Central Business District.

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.)

(Continued)

Capital Projects Fund

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 from 2003 to 2005 with proceeds from the issuance of gasoline tax revenue general obligation bonds.

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.

Benninghoffen 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 Benninghoffen 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, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$ 7,933,456	\$ 859,761	\$ 7,781,848	\$ 75,033	\$ 16,650,098
Receivables:					
Taxes	3,513,329	510,560	1,252,064	0	5,275,953
Accounts	727,822	0	0	0	727,822
Intergovernmental	1,085,060	0	0	0	1,085,060
Interest	960	228	0	387	1,575
Loans	501,947	0	0	0	501,947
Inventory of Supplies, at Cost	39,593	0	0	0	39,593
Prepaid Items	20,265	0	0	0	20,265
Total Assets	<u>\$ 13,822,432</u>	<u>\$ 1,370,549</u>	<u>\$ 9,033,912</u>	<u>\$ 75,420</u>	<u>\$ 24,302,313</u>
Liabilities:					
Accounts Payable	\$ 551,550	\$ 0	\$ 95,118	\$ 0	\$ 646,668
Accrued Wages and Benefits Payable	117,594	0	0	0	117,594
Intergovernmental Payable	35,135	0	0	0	35,135
Accrued Liabilities	48,460	0	38,768	0	87,228
Customer Deposits	9,540	0	0	0	9,540
Due to Other Funds	17,872	0	0	0	17,872
Interfund Payable	223,193	0	1,580,838	0	1,804,031
Deferred Revenue	4,404,007	510,560	1,046,912	0	5,961,479
Total Liabilities	<u>5,407,351</u>	<u>510,560</u>	<u>2,761,636</u>	<u>0</u>	<u>8,679,547</u>
Fund Balance:					
Nonspendable	59,858	0	0	75,000	134,858
Restricted	5,319,508	0	5,444,986	420	10,764,914
Committed	3,035,715	0	0	0	3,035,715
Assigned	0	859,989	1,799,711	0	2,659,700
Unassigned	0	0	(972,421)	0	(972,421)
Total Fund Balance	<u>8,415,081</u>	<u>859,989</u>	<u>6,272,276</u>	<u>75,420</u>	<u>15,622,766</u>
Total Liabilities and Fund Balance	<u>\$ 13,822,432</u>	<u>\$ 1,370,549</u>	<u>\$ 9,033,912</u>	<u>\$ 75,420</u>	<u>\$ 24,302,313</u>

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2011***

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Income Taxes	\$ 2,781,912	\$ 0	\$ 2,397,358	\$ 0	\$ 5,179,270
Property and Other Local Taxes	2,579,674	0	590,775	0	3,170,449
Intergovernmental Revenues	6,777,336	0	2,661,847	0	9,439,183
Charges for Services	6,684,110	0	0	0	6,684,110
Licenses and Permits	364,719	0	0	0	364,719
Investment Earnings	17,055	3,960	8,073	524	29,612
Special Assessments	0	512,509	51,165	0	563,674
Fines and Forfeitures	368,425	0	0	0	368,425
All Other Revenue	366,626	0	260,939	0	627,565
Total Revenue	19,939,857	516,469	5,970,157	524	26,427,007
Expenditures:					
Current:					
General Government	761,840	0	0	299	762,139
Security of Persons and Property	6,410,984	0	0	0	6,410,984
Leisure Time Activities	742,866	0	0	0	742,866
Community Environment	2,623,089	0	0	0	2,623,089
Basic Utility Services	5,500,722	0	0	0	5,500,722
Transportation	3,924,752	0	0	0	3,924,752
Public Health and Welfare Services	133,861	0	0	0	133,861
Capital Outlay	0	0	6,762,309	0	6,762,309
Debt Service:					
Principal Retirement	365,000	2,120,000	0	0	2,485,000
Interest and Fiscal Charges	60,361	1,661,008	29,257	0	1,750,626
Total Expenditures	20,523,475	3,781,008	6,791,566	299	31,096,348
Excess (Deficiency) of Revenues Over (Under) Expenditures	(583,618)	(3,264,539)	(821,409)	225	(4,669,341)
Other Financing Sources (Uses):					
Sale of Capital Assets	0	0	49,451	0	49,451
General Obligation Bonds Issued	0	35,000	2,500,000	0	2,535,000
Premium on Refunding Bonds Issued	0	1,709,955	0	0	1,709,955
Refunding Bonds Issued	0	18,360,000	0	0	18,360,000
Refunded Bonds Redeemed	0	(19,621,590)	0	0	(19,621,590)
Transfers In	432,029	3,112,558	584,463	0	4,129,050
Transfers Out	0	(111,312)	(1,958,401)	0	(2,069,713)
Total Other Financing Sources (Uses)	432,029	3,484,611	1,175,513	0	5,092,153
Net Change in Fund Balance	(151,589)	220,072	354,104	225	422,812
Fund Balance at Beginning of Year - Restated	8,561,904	639,917	5,918,172	75,195	15,195,188
Increase in Inventory	4,766	0	0	0	4,766
Fund Balance End of Year	\$ 8,415,081	\$ 859,989	\$ 6,272,276	\$ 75,420	\$ 15,622,766

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011**

	Federal Emergency Management Grant	Municipal Court Improvement	Public Safety/Health Income Tax	Dispute Resolution Proceeds
Assets:				
Equity in Pooled Cash and Investments	\$ 6,134	\$ 245,743	\$ 515,887	\$ 68,290
Receivables:				
Taxes	0	0	614,949	0
Accounts	0	0	0	0
Intergovernmental	43,559	0	0	0
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>\$ 49,693</u>	<u>\$ 245,743</u>	<u>\$ 1,130,836</u>	<u>\$ 68,290</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 32,337	\$ 0	\$ 0
Accrued Wages and Benefits Payable	17,614	1,816	0	0
Intergovernmental Payable	0	655	0	44
Accrued Liabilities	0	0	48,460	0
Customer Deposits	0	0	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	20,963	0	0	0
Deferred Revenue	0	0	358,509	0
Total Liabilities	<u>38,577</u>	<u>34,808</u>	<u>406,969</u>	<u>44</u>
Fund Balance:				
Nonspendable	0	0	0	0
Restricted	11,116	210,935	723,867	68,246
Committed	0	0	0	0
Total Fund Balance	<u>11,116</u>	<u>210,935</u>	<u>723,867</u>	<u>68,246</u>
Total Liabilities and Fund Balance	<u>\$ 49,693</u>	<u>\$ 245,743</u>	<u>\$ 1,130,836</u>	<u>\$ 68,290</u>

(Continued)

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011**

	<u>Safety Services</u>	<u>Police Pension</u>	<u>Police Levy</u>	<u>Firemen's Pension</u>
Assets:				
Equity in Pooled Cash and Investments	\$ 915,428	\$ 122,480	\$ 249,488	\$ 120,931
Receivables:				
Taxes	855,010	256,501	765,184	256,501
Accounts	0	0	0	0
Intergovernmental	32,229	0	0	0
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>\$ 1,802,667</u>	<u>\$ 378,981</u>	<u>\$ 1,014,672</u>	<u>\$ 377,432</u>
Liabilities:				
Accounts Payable	\$ 3,802	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	4,883	0	0	0
Intergovernmental Payable	1,640	0	0	0
Accrued Liabilities	0	0	0	0
Customer Deposits	0	0	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	32,230	0	0	0
Deferred Revenue	855,010	256,501	765,184	256,501
Total Liabilities	<u>897,565</u>	<u>256,501</u>	<u>765,184</u>	<u>256,501</u>
Fund Balance:				
Nonspendable	0	0	0	0
Restricted	905,102	122,480	249,488	120,931
Committed	0	0	0	0
Total Fund Balance	<u>905,102</u>	<u>122,480</u>	<u>249,488</u>	<u>120,931</u>
Total Liabilities and Fund Balance	<u>\$ 1,802,667</u>	<u>\$ 378,981</u>	<u>\$ 1,014,672</u>	<u>\$ 377,432</u>

(Continued)

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011**

	Emergency Medical Services Grant	Fire EMS Levy	Energy Efficiency Block Grant	Public Health Care Services
Assets:				
Equity in Pooled Cash and Investments	\$ 6,276	\$ 266,191	\$ 48,871	\$ 217,588
Receivables:				
Taxes	0	765,184	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
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>\$ 6,276</u>	<u>\$ 1,031,375</u>	<u>\$ 48,871</u>	<u>\$ 217,588</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 2,000	\$ 11,906
Accrued Wages and Benefits Payable	0	0	82	1,257
Intergovernmental Payable	0	0	0	0
Accrued Liabilities	0	0	0	0
Customer Deposits	0	0	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	765,184	0	0
Total Liabilities	<u>0</u>	<u>765,184</u>	<u>2,082</u>	<u>13,163</u>
Fund Balance:				
Nonspendable	0	0	0	0
Restricted	6,276	266,191	46,789	204,425
Committed	0	0	0	0
Total Fund Balance	<u>6,276</u>	<u>266,191</u>	<u>46,789</u>	<u>204,425</u>
Total Liabilities and Fund Balance	<u>\$ 6,276</u>	<u>\$ 1,031,375</u>	<u>\$ 48,871</u>	<u>\$ 217,588</u>

(Continued)

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011**

	Stormwater Management	Refuse	Street Maintenance	Home Program
Assets:				
Equity in Pooled Cash and Investments	\$ 1,709,082	\$ 968,768	\$ 1,702,347	\$ 118,152
Receivables:				
Taxes	0	0	0	0
Accounts	278,031	394,478	100	0
Intergovernmental	0	0	948,506	25,414
Interest	453	0	450	0
Loans	0	0	0	89,451
Inventory of Supplies, at Cost	0	0	33,426	0
Prepaid Items	0	1,070	4,733	0
Total Assets	<u>\$ 1,987,566</u>	<u>\$ 1,364,316</u>	<u>\$ 2,689,562</u>	<u>\$ 233,017</u>
Liabilities:				
Accounts Payable	\$ 136,084	\$ 246,239	\$ 47,704	\$ 25,415
Accrued Wages and Benefits Payable	25,439	1,889	41,631	764
Intergovernmental Payable	6,804	687	14,681	362
Accrued Liabilities	0	0	0	0
Customer Deposits	0	0	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	589,958	89,451
Total Liabilities	<u>168,327</u>	<u>248,815</u>	<u>693,974</u>	<u>115,992</u>
Fund Balance:				
Nonspendable	0	1,070	38,159	0
Restricted	0	0	1,957,429	117,025
Committed	1,819,239	1,114,431	0	0
Total Fund Balance	<u>1,819,239</u>	<u>1,115,501</u>	<u>1,995,588</u>	<u>117,025</u>
Total Liabilities and Fund Balance	<u>\$ 1,987,566</u>	<u>\$ 1,364,316</u>	<u>\$ 2,689,562</u>	<u>\$ 233,017</u>

(Continued)

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011**

	Parking	Golf Course	Local Energy Assurance Planning	Community Development Block Grant
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Equity in Pooled Cash and Investments	\$ 83,688	\$ 135,529	\$ 90,000	\$ 342,583
Receivables:				
Taxes	0	0	0	0
Accounts	55,213	0	0	0
Intergovernmental	0	0	10,251	25,101
Interest	22	35	0	0
Loans	0	0	0	412,496
Inventory of Supplies, at Cost	0	6,167	0	0
Prepaid Items	3,095	2,179	0	9,188
Total Assets	<u>\$ 142,018</u>	<u>\$ 143,910</u>	<u>\$ 100,251</u>	<u>\$ 789,368</u>
Liabilities:				
Accounts Payable	\$ 2,837	\$ 7,873	\$ 10,251	\$ 25,102
Accrued Wages and Benefits Payable	5,878	5,301	0	11,040
Intergovernmental Payable	2,376	3,424	0	4,462
Accrued Liabilities	0	0	0	0
Customer Deposits	9,540	0	0	0
Due to Other Funds	0	0	0	17,872
Interfund Payable	0	80,000	90,000	0
Deferred Revenue	55,213	0	0	412,496
Total Liabilities	<u>75,844</u>	<u>96,598</u>	<u>100,251</u>	<u>470,972</u>
Fund Balance:				
Nonspendable	3,095	8,346	0	9,188
Restricted	0	0	0	309,208
Committed	63,079	38,966	0	0
Total Fund Balance	<u>66,174</u>	<u>47,312</u>	<u>0</u>	<u>318,396</u>
Total Liabilities and Fund Balance	<u>\$ 142,018</u>	<u>\$ 143,910</u>	<u>\$ 100,251</u>	<u>\$ 789,368</u>

(Continued)

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011**

	Total Nonmajor Special Revenue Funds
Assets:	
Equity in Pooled Cash and Investments	\$ 7,933,456
Receivables:	
Taxes	3,513,329
Accounts	727,822
Intergovernmental	1,085,060
Interest	960
Loans	501,947
Inventory of Supplies, at Cost	39,593
Prepaid Items	20,265
Total Assets	\$ 13,822,432
Liabilities:	
Accounts Payable	\$ 551,550
Accrued Wages and Benefits Payable	117,594
Intergovernmental Payable	35,135
Accrued Liabilities	48,460
Customer Deposits	9,540
Due to Other Funds	17,872
Interfund Payable	223,193
Deferred Revenue	4,404,007
Total Liabilities	5,407,351
Fund Balance:	
Nonspendable	59,858
Restricted	5,319,508
Committed	3,035,715
Total Fund Balance	8,415,081
Total Liabilities and Fund Balance	\$ 13,822,432

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Federal Emergency Management Grant	Municipal Court Improvement	Public Safety/Health Income Tax	Dispute Resolution Proceeds
Revenues:				
Income Taxes	\$ 0	\$ 0	\$ 2,781,912	\$ 0
Property and Other Local Taxes	0	0	0	0
Intergovernmental Revenues	512,264	0	0	0
Charges for Services	0	112,619	0	8,871
Licenses and Permits	0	0	0	0
Investment Earnings	0	252	505	69
Fines and Forfeitures	0	89,180	0	0
All Other Revenue	0	0	0	0
Total Revenue	<u>512,264</u>	<u>202,051</u>	<u>2,782,417</u>	<u>8,940</u>
Expenditures:				
Current:				
General Government	502,482	0	0	3,738
Security of Persons and Property	0	221,642	2,714,807	0
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>502,482</u>	<u>221,642</u>	<u>2,714,807</u>	<u>3,738</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,782	(19,591)	67,610	5,202
Other Financing Sources (Uses):				
Transfers In	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	9,782	(19,591)	67,610	5,202
Fund Balance at Beginning of Year - Restated	1,334	230,526	656,257	63,044
Increase (Decrease) in Inventory	0	0	0	0
Fund Balance End of Year	<u>\$ 11,116</u>	<u>\$ 210,935</u>	<u>\$ 723,867</u>	<u>\$ 68,246</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	<u>Safety Services</u>	<u>Police Pension</u>	<u>Police Levy</u>	<u>Firemen's Pension</u>
Revenues:				
Income Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Property and Other Local Taxes	776,310	246,356	655,326	246,356
Intergovernmental Revenues	624,012	33,530	88,596	33,530
Charges for Services	72,803	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	770	111	202	109
Fines and Forfeitures	279,245	0	0	0
All Other Revenue	28,589	0	0	0
Total Revenue	<u>1,781,729</u>	<u>279,997</u>	<u>744,124</u>	<u>279,995</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	1,668,273	252,065	648,841	252,065
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>1,668,273</u>	<u>252,065</u>	<u>648,841</u>	<u>252,065</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	113,456	27,932	95,283	27,930
Other Financing Sources (Uses):				
Transfers In	112,500	0	0	0
Total Other Financing Sources (Uses)	<u>112,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	225,956	27,932	95,283	27,930
Fund Balance at Beginning of Year - Restated	679,146	94,548	154,205	93,001
Increase (Decrease) in Inventory	0	0	0	0
Fund Balance End of Year	<u>\$ 905,102</u>	<u>\$ 122,480</u>	<u>\$ 249,488</u>	<u>\$ 120,931</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Emergency Medical Services Grant	Fire EMS Levy	Energy Efficiency Block Grant	Public Health Care Services
Revenues:				
Income Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Property and Other Local Taxes	0	655,326	0	0
Intergovernmental Revenues	4,450	88,596	238,884	132,502
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	7	220	0	237
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	0	431
Total Revenue	<u>4,457</u>	<u>744,142</u>	<u>238,884</u>	<u>133,170</u>
Expenditures:				
Current:				
General Government	0	0	216,934	0
Security of Persons and Property	4,450	648,841	0	0
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	133,861
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>4,450</u>	<u>648,841</u>	<u>216,934</u>	<u>133,861</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7	95,301	21,950	(691)
Other Financing Sources (Uses):				
Transfers In	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	7	95,301	21,950	(691)
Fund Balance at Beginning of Year - Restated	6,269	170,890	24,839	205,116
Increase (Decrease) in Inventory	0	0	0	0
Fund Balance End of Year	<u>\$ 6,276</u>	<u>\$ 266,191</u>	<u>\$ 46,789</u>	<u>\$ 204,425</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Stormwater Management	Refuse	Street Maintenance	Home Program
Revenues:				
Income Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Property and Other Local Taxes	0	0	0	0
Intergovernmental Revenues	0	25,793	2,427,406	425,589
Charges for Services	2,163,687	3,316,844	0	0
Licenses and Permits	0	0	364,719	0
Investment Earnings	5,413	847	6,481	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	22,134	17,881	173,897	13,169
Total Revenue	<u>2,191,234</u>	<u>3,361,365</u>	<u>2,972,503</u>	<u>438,758</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	393,944
Basic Utility Services	2,390,688	3,110,034	0	0
Transportation	0	0	3,490,880	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>2,390,688</u>	<u>3,110,034</u>	<u>3,490,880</u>	<u>393,944</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(199,454)	251,331	(518,377)	44,814
Other Financing Sources (Uses):				
Transfers In	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	(199,454)	251,331	(518,377)	44,814
Fund Balance at Beginning of Year - Restated	2,018,693	864,170	2,507,798	72,211
Increase (Decrease) in Inventory	0	0	6,167	0
Fund Balance End of Year	<u>\$ 1,819,239</u>	<u>\$ 1,115,501</u>	<u>\$ 1,995,588</u>	<u>\$ 117,025</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Parking	Golf Course	Local Energy Assurance Planning	Community Development Block Grant
Revenues:				
Income Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Property and Other Local Taxes	0	0	0	0
Intergovernmental Revenues	0	0	38,686	2,103,498
Charges for Services	392,343	616,943	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	603	584	0	645
Fines and Forfeitures	0	0	0	0
All Other Revenue	10,430	20,181	0	79,914
Total Revenue	<u>403,376</u>	<u>637,708</u>	<u>38,686</u>	<u>2,184,057</u>
Expenditures:				
Current:				
General Government	0	0	38,686	0
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	742,866	0	0
Community Environment	0	0	0	2,229,145
Basic Utility Services	0	0	0	0
Transportation	433,872	0	0	0
Public Health and Welfare Services	0	0	0	0
Debt Service:				
Principal Retirement	170,000	195,000	0	0
Interest and Fiscal Charges	36,526	23,835	0	0
Total Expenditures	<u>640,398</u>	<u>961,701</u>	<u>38,686</u>	<u>2,229,145</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(237,022)	(323,993)	0	(45,088)
Other Financing Sources (Uses):				
Transfers In	80,694	238,835	0	0
Total Other Financing Sources (Uses)	<u>80,694</u>	<u>238,835</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(156,328)	(85,158)	0	(45,088)
Fund Balance at Beginning of Year - Restated	222,502	133,871	0	363,484
Increase (Decrease) in Inventory	0	(1,401)	0	0
Fund Balance End of Year	<u>\$ 66,174</u>	<u>\$ 47,312</u>	<u>\$ 0</u>	<u>\$ 318,396</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Total Nonmajor Special Revenue Funds
Revenues:	
Income Taxes	\$ 2,781,912
Property and Other Local Taxes	2,579,674
Intergovernmental Revenues	6,777,336
Charges for Services	6,684,110
Licenses and Permits	364,719
Investment Earnings	17,055
Fines and Forfeitures	368,425
All Other Revenue	366,626
Total Revenue	<u>19,939,857</u>
Expenditures:	
Current:	
General Government	761,840
Security of Persons and Property	6,410,984
Leisure Time Activities	742,866
Community Environment	2,623,089
Basic Utility Services	5,500,722
Transportation	3,924,752
Public Health and Welfare Services	133,861
Debt Service:	
Principal Retirement	365,000
Interest and Fiscal Charges	60,361
Total Expenditures	<u>20,523,475</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(583,618)
Other Financing Sources (Uses):	
Transfers In	432,029
Total Other Financing Sources (Uses)	<u>432,029</u>
Net Change in Fund Balance	(151,589)
Fund Balance at Beginning of Year - Restated	8,561,904
Increase (Decrease) in Inventory	4,766
Fund Balance End of Year	<u>\$ 8,415,081</u>

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011**

	Hamilton Capital Improvement	Capital Projects	Special Assessment	MITIE
Assets:				
Equity in Pooled Cash and Investments	\$ 1,867,496	\$ 358,323	\$ 677,800	\$ 3,392,765
Receivables:				
Taxes	491,959	0	0	760,105
Total Assets	<u>\$ 2,359,455</u>	<u>\$ 358,323</u>	<u>\$ 677,800</u>	<u>\$ 4,152,870</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 69,383	\$ 0
Accrued Liabilities	38,768	0	0	0
Interfund Payable	0	0	1,580,838	0
Deferred Revenue	286,807	0	0	760,105
Total Liabilities	<u>325,575</u>	<u>0</u>	<u>1,650,221</u>	<u>760,105</u>
Fund Balance:				
Restricted	2,033,880	0	0	3,392,765
Assigned	0	358,323	0	0
Unassigned	0	0	(972,421)	0
Total Fund Balance	<u>2,033,880</u>	<u>358,323</u>	<u>(972,421)</u>	<u>3,392,765</u>
Total Liabilities and Fund Balance	<u>\$ 2,359,455</u>	<u>\$ 358,323</u>	<u>\$ 677,800</u>	<u>\$ 4,152,870</u>

(Continued)

CITY OF HAMILTON, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011**

	Central Business District Streetscape Improvements	Clean Ohio Grants Program	Infrastructure Program	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 275,606	\$ 30,324	\$ 1,179,534	\$ 7,781,848
Receivables:				
Taxes	0	0	0	1,252,064
Total Assets	<u>\$ 275,606</u>	<u>\$ 30,324</u>	<u>\$ 1,179,534</u>	<u>\$ 9,033,912</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 11,983	\$ 13,752	\$ 95,118
Accrued Liabilities	0	0	0	38,768
Interfund Payable	0	0	0	1,580,838
Deferred Revenue	0	0	0	1,046,912
Total Liabilities	<u>0</u>	<u>11,983</u>	<u>13,752</u>	<u>2,761,636</u>
Fund Balance:				
Restricted	0	18,341	0	5,444,986
Assigned	275,606	0	1,165,782	1,799,711
Unassigned	0	0	0	(972,421)
Total Fund Balance	<u>275,606</u>	<u>18,341</u>	<u>1,165,782</u>	<u>6,272,276</u>
Total Liabilities and Fund Balance	<u>\$ 275,606</u>	<u>\$ 30,324</u>	<u>\$ 1,179,534</u>	<u>\$ 9,033,912</u>

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011***

	Hamilton Capital Improvement	Capital Projects	Special Assessment	MITIE
Revenues:				
Income Taxes	\$ 2,225,529	\$ 0	\$ 0	\$ 171,829
Property and Other Local Taxes	0	0	0	590,775
Intergovernmental Revenues	8,644	0	0	140,705
Investment Earnings	1,949	380	1,010	3,136
Special Assessments	0	0	51,165	0
All Other Revenue	110,000	0	0	0
Total Revenue	<u>2,346,122</u>	<u>380</u>	<u>52,175</u>	<u>906,445</u>
Expenditures:				
Capital Outlay	503,978	0	735,994	96,623
Debt Service:				
Interest and Fiscal Charges	0	0	29,257	0
Total Expenditures	<u>503,978</u>	<u>0</u>	<u>765,251</u>	<u>96,623</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,842,144	380	(713,076)	809,822
Other Financing Sources (Uses):				
Sale of Capital Assets	49,451	0	0	0
General Obligation Bonds Issued	0	0	0	0
Transfers In	0	0	111,312	0
Transfers Out	(1,844,025)	0	0	(85,914)
Total Other Financing Sources (Uses)	<u>(1,794,574)</u>	<u>0</u>	<u>111,312</u>	<u>(85,914)</u>
Net Change in Fund Balance	47,570	380	(601,764)	723,908
Fund Balance at Beginning of Year - Restated	<u>1,986,310</u>	<u>357,943</u>	<u>(370,657)</u>	<u>2,668,857</u>
Fund Balance End of Year	<u>\$ 2,033,880</u>	<u>\$ 358,323</u>	<u>\$ (972,421)</u>	<u>\$ 3,392,765</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011***

	Central Business District			
	Streetscape Improvements	Issue II Projects	Clean Ohio Grants Program	Infrastructure Program
Revenues:				
Income Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Property and Other Local Taxes	0	0	0	0
Intergovernmental Revenues	0	1,878,058	634,440	0
Investment Earnings	291	0	0	1,307
Special Assessments	0	0	0	0
All Other Revenue	0	0	0	150,939
Total Revenue	<u>291</u>	<u>1,878,058</u>	<u>634,440</u>	<u>152,246</u>
Expenditures:				
Capital Outlay	0	1,878,058	353,977	3,193,679
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>0</u>	<u>1,878,058</u>	<u>353,977</u>	<u>3,193,679</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	291	0	280,463	(3,041,433)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
General Obligation Bonds Issued	0	0	0	2,500,000
Transfers In	0	0	0	473,151
Transfers Out	0	0	0	(28,462)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,944,689</u>
Net Change in Fund Balance	291	0	280,463	(96,744)
Fund Balance at Beginning of Year - Restated	<u>275,315</u>	<u>0</u>	<u>(262,122)</u>	<u>1,262,526</u>
Fund Balance End of Year	<u>\$ 275,606</u>	<u>\$ 0</u>	<u>\$ 18,341</u>	<u>\$ 1,165,782</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011***

	Total Nonmajor Capital Project Funds
Revenues:	
Income Taxes	\$ 2,397,358
Property and Other Local Taxes	590,775
Intergovernmental Revenues	2,661,847
Investment Earnings	8,073
Special Assessments	51,165
All Other Revenue	260,939
Total Revenue	<u>5,970,157</u>
Expenditures:	
Capital Outlay	6,762,309
Debt Service:	
Interest and Fiscal Charges	29,257
Total Expenditures	<u>6,791,566</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(821,409)
Other Financing Sources (Uses):	
Sale of Capital Assets	49,451
General Obligation Bonds Issued	2,500,000
Transfers In	584,463
Transfers Out	(1,958,401)
Total Other Financing Sources (Uses)	<u>1,175,513</u>
Net Change in Fund Balance	354,104
Fund Balance at Beginning of Year - Restated	<u>5,918,172</u>
Fund Balance End of Year	<u>\$ 6,272,276</u>

CITY OF HAMILTON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Income Taxes	\$ 17,024,000	\$ 16,788,040	\$ 16,740,328	\$ (47,712)
Property and Other Local Taxes	5,861,000	5,903,500	5,722,674	(180,826)
Intergovernmental Revenues	3,575,198	9,954,736	10,118,102	163,366
Charges for Services	14,474,522	14,432,881	13,496,220	(936,661)
Licenses and Permits	489,775	492,175	492,458	283
Investment Earnings	70,000	80,500	61,554	(18,946)
Fines and Forfeitures	742,450	742,450	698,485	(43,965)
All Other Revenue	177,261	328,261	428,657	100,396
Total Revenues	<u>42,414,206</u>	<u>48,722,543</u>	<u>47,758,478</u>	<u>(964,065)</u>
Expenditures:				
Security of Persons and Property:				
Municipal Court:				
Personal Services	1,313,066	1,343,066	1,334,468	8,598
Other Expenditures	329,200	300,933	278,740	22,193
Total Municipal Court	<u>1,642,266</u>	<u>1,643,999</u>	<u>1,613,208</u>	<u>30,791</u>
Police:				
Personal Services	12,129,767	12,373,119	12,327,110	46,009
Other Expenditures	1,023,545	1,051,795	1,023,988	27,807
Total Police	<u>13,153,312</u>	<u>13,424,914</u>	<u>13,351,098</u>	<u>73,816</u>
Civilian Dispatch:				
Personal Services	1,122,328	1,147,328	1,141,512	5,816
Other Expenditures	84,634	88,050	79,513	8,537
Total Civilian Dispatch	<u>1,206,962</u>	<u>1,235,378</u>	<u>1,221,025</u>	<u>14,353</u>
Building Maintenance - Criminal Justice:				
Other Expenditures	189,215	177,010	170,053	6,957
Total Building Maintenance - Criminal Justice	<u>189,215</u>	<u>177,010</u>	<u>170,053</u>	<u>6,957</u>
Corrections:				
Personal Services	435,431	435,496	418,155	17,341
Other Expenditures	90,000	25,000	11,141	13,859
Total Corrections	<u>525,431</u>	<u>460,496</u>	<u>429,296</u>	<u>31,200</u>

(Continued)

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Police - Safe Neighborhood:				
Personal Services	16,236	16,236	15,955	281
Other Expenditures	1,455	1,705	1,303	402
Total Police - Safe Neighborhood	17,691	17,941	17,258	683
Fire:				
Personal Services	10,695,987	10,311,901	10,147,196	164,705
Other Expenditures	404,145	480,526	444,942	35,584
Total Fire	11,100,132	10,792,427	10,592,138	200,289
Fire - Building:				
Other Expenditures	158,723	162,972	159,198	3,774
Total Fire - Building	158,723	162,972	159,198	3,774
Fire - Paramedics:				
Personal Services	2,187,416	2,507,416	2,474,272	33,144
Other Expenditures	205,925	219,755	211,879	7,876
Total Fire - Paramedics	2,393,341	2,727,171	2,686,151	41,020
Total Security of Persons and Property	30,387,073	30,642,308	30,239,425	402,883
Public Health and Welfare Services:				
Health:				
Personal Services	770,151	858,692	755,943	102,749
Other Expenditures	320,070	351,821	316,330	35,491
Total Health	1,090,221	1,210,513	1,072,273	138,240
Total Public Health and Welfare Services	1,090,221	1,210,513	1,072,273	138,240
Leisure Time Activities:				
Parks and Recreation - Administration:				
Personal Services	0	12,869	9,868	3,001
Other Expenditures	0	9,014	7,483	1,531
Total Parks and Recreation - Administration	0	21,883	17,351	4,532

(Continued)

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Playground Programs:				
Other Expenditures	0	5,715	5,347	368
Total Playground Programs	0	5,715	5,347	368
Outdoor Athletic Program:				
Personal Services	0	28,100	25,027	3,073
Other Expenditures	0	45,324	45,148	176
Total Outdoor Athletic Program	0	73,424	70,175	3,249
Parks and Playgrounds Maintenance:				
Personal Services	432,667	455,667	446,747	8,920
Other Expenditures	350,447	420,714	417,941	2,773
Total Parks and Playgrounds Maintenance	783,114	876,381	864,688	11,693
Community Center:				
Other Expenditures	93,280	95,677	89,276	6,401
Total Community Center	93,280	95,677	89,276	6,401
Colligan:				
Personal Services	31,723	31,723	31,692	31
Other Expenditures	18,682	20,335	18,355	1,980
Total Colligan	50,405	52,058	50,047	2,011
Total Leisure Time Activities	926,799	1,125,138	1,096,884	28,254
Community Environment:				
Construction Services:				
Personal Services	441,896	438,896	427,997	10,899
Other Expenditures	22,894	26,513	25,954	559
Total Construction Services	464,790	465,409	453,951	11,458

(Continued)

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Department of Planning:				
Personal Services	482,520	482,520	427,269	55,251
Other Expenditures	40,700	41,680	17,319	24,361
Total Department of Planning	523,220	524,200	444,588	79,612
CDBG:				
Other Expenditures	100,000	100,000	50,885	49,115
Total CDBG	100,000	100,000	50,885	49,115
Fair Housing:				
Personal Services	103,709	58,709	8,978	49,731
Other Expenditures	0	14	45	(31)
Total Fair Housing	103,709	58,723	9,023	49,700
Total Community Environment	1,191,719	1,148,332	958,447	189,885
Basic Utility Services:				
Public Works - Administration:				
Personal Services	218,406	218,406	107,042	111,364
Other Expenditures	9,500	9,563	8,772	791
Total Public Works - Administration	227,906	227,969	115,814	112,155
Engineering:				
Personal Services	875,723	875,723	656,496	219,227
Other Expenditures	69,560	81,179	72,833	8,346
Total Engineering	945,283	956,902	729,329	227,573
Public Works - Maintenance:				
Personal Services	490,717	490,717	489,082	1,635
Other Expenditures	126,750	149,447	141,200	8,247
Total Public Works - Maintenance	617,467	640,164	630,282	9,882
Total Basic Utility Services	1,790,656	1,825,035	1,475,425	349,610

(Continued)

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
General Government:				
City Council:				
Personal Services	96,521	96,521	89,150	7,371
Other Expenditures	13,565	14,059	11,414	2,645
Total City Council	<u>110,086</u>	<u>110,580</u>	<u>100,564</u>	10,016
City Clerk:				
Personal Services	86,447	136,003	123,245	12,758
Other Expenditures	13,100	14,340	13,339	1,001
Total City Clerk	<u>99,547</u>	<u>150,343</u>	<u>136,584</u>	13,759
City Manager:				
Personal Services	358,920	333,920	272,357	61,563
Other Expenditures	11,850	22,711	12,648	10,063
Total City Manager	<u>370,770</u>	<u>356,631</u>	<u>285,005</u>	71,626
Finance - Cashiers:				
Personal Services	174,973	176,973	170,890	6,083
Other Expenditures	5,050	16,098	14,578	1,520
Total Finance - Cashiers	<u>180,023</u>	<u>193,071</u>	<u>185,468</u>	7,603
Department of Law:				
Personal Services	565,727	565,727	538,073	27,654
Other Expenditures	56,178	58,582	37,081	21,501
Total Department of Law	<u>621,905</u>	<u>624,309</u>	<u>575,154</u>	49,155
Department of Civil Service:				
Personal Services	304,471	304,471	269,776	34,695
Other Expenditures	23,050	23,097	9,133	13,964
Total Department of Civil Service	<u>327,521</u>	<u>327,568</u>	<u>278,909</u>	48,659

(Continued)

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance - Administration:				
Personal Services	1,219,890	1,209,390	1,131,792	77,598
Other Expenditures	43,300	52,729	48,055	4,674
Total Finance - Administration	<u>1,263,190</u>	<u>1,262,119</u>	<u>1,179,847</u>	<u>82,272</u>
Finance - Purchasing:				
Personal Services	248,571	248,571	239,151	9,420
Other Expenditures	5,210	5,257	3,758	1,499
Total Finance - Purchasing	<u>253,781</u>	<u>253,828</u>	<u>242,909</u>	<u>10,919</u>
Finance - Building Services:				
Personal Services	128,132	133,132	130,803	2,329
Other Expenditures	317,420	322,521	225,725	96,796
Total Finance - Building Services	<u>445,552</u>	<u>455,653</u>	<u>356,528</u>	<u>99,125</u>
Finance - Income Tax:				
Personal Services	850,914	825,914	690,773	135,141
Other Expenditures	180,304	228,548	224,050	4,498
Total Finance - Income Tax	<u>1,031,218</u>	<u>1,054,462</u>	<u>914,823</u>	<u>139,639</u>
Special Appropriations - General:				
Personal Services	300,000	300,000	73,515	226,485
Other Expenditures	1,781,562	2,289,148	2,076,680	212,468
Total Special Appropriations - General	<u>2,081,562</u>	<u>2,589,148</u>	<u>2,150,195</u>	<u>438,953</u>
Special Appropriations:				
Personal Services	350,600	150,600	128,898	21,702
Other Expenditures	552,900	586,279	460,519	125,760
Total Special Appropriations	<u>903,500</u>	<u>736,879</u>	<u>589,417</u>	<u>147,462</u>
Total General Government	<u>7,688,655</u>	<u>8,114,591</u>	<u>6,995,403</u>	<u>1,119,188</u>
Total Expenditures	<u>43,075,123</u>	<u>44,065,917</u>	<u>41,837,857</u>	<u>2,228,060</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(660,917)	4,656,626	5,920,621	1,263,995

(Continued)

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	1,000	1,000	0	(1,000)
Transfers In	85,000	88,005	85,919	(2,086)
Transfers Out	(656,500)	(835,651)	(585,651)	250,000
Advances In	493,213	447,007	262,005	(185,002)
Advances Out	(150,000)	(490,000)	(143,193)	346,807
Total Other Financing Sources (Uses)	<u>(227,287)</u>	<u>(789,639)</u>	<u>(380,920)</u>	<u>408,719</u>
Net Change in Fund Balance	(888,204)	3,866,987	5,539,701	1,672,714
Fund Balance at Beginning of Year	3,549,207	3,549,207	3,549,207	0
Prior Year Encumbrances	701,252	701,252	701,252	0
Fund Balance at End of Year	<u>\$ 3,362,255</u>	<u>\$ 8,117,446</u>	<u>\$ 9,790,160</u>	<u>\$ 1,672,714</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, 2011***

ONE RENAISSANCE CENTER FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 2,141,405	\$ 2,140,320	\$ (1,085)
All Other Revenue	33,740	33,921	181
Total Revenues	2,175,145	2,174,241	(904)
Expenditures:			
General Government:			
Other Expenditures	665,524	616,347	49,177
Total Expenditures	665,524	616,347	49,177
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,509,621	1,557,894	48,273
Other Financing Sources (Uses):			
Transfers Out	(1,583,810)	(1,559,600)	24,210
Total Other Financing Sources (Uses)	(1,583,810)	(1,559,600)	24,210
Net Change in Fund Balance	(74,189)	(1,706)	72,483
Fund Balance at Beginning of Year	632,566	632,566	0
Prior Year Encumbrances	97,648	97,648	0
Fund Balance at End of Year	\$ 656,025	\$ 728,508	\$ 72,483

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, 2011***

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
FEDERAL EMERGENCY MANAGEMENT GRANT FUND			
Revenues:			
Intergovernmental Revenues	\$ 683,614	\$ 468,705	\$ (214,909)
Total Revenues	<u>683,614</u>	<u>468,705</u>	<u>(214,909)</u>
Expenditures:			
General Government:			
Personal Services	533,894	360,790	173,104
Other Expenditures	<u>149,720</u>	<u>129,078</u>	<u>20,642</u>
Total Expenditures	<u>683,614</u>	<u>489,868</u>	<u>193,746</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	0	(21,163)	(21,163)
Other Financing Sources (Uses):			
Advances In	<u>150,000</u>	<u>20,963</u>	<u>(129,037)</u>
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>20,963</u>	<u>(129,037)</u>
Net Change in Fund Balance	150,000	(200)	(150,200)
Fund Balance at Beginning of Year	<u>1,334</u>	<u>1,334</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 151,334</u>	<u>\$ 1,134</u>	<u>\$ (150,200)</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, 2011***

MUNICIPAL COURT IMPROVEMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 123,400	\$ 112,619	\$ (10,781)
Fines and Forfeitures	<u>100,400</u>	<u>89,180</u>	<u>(11,220)</u>
Total Revenues	<u>223,800</u>	<u>201,799</u>	<u>(22,001)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	72,672	66,900	5,772
Other Expenditures	<u>137,737</u>	<u>123,767</u>	<u>13,970</u>
Total Expenditures	<u>210,409</u>	<u>190,667</u>	<u>19,742</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,391	11,132	(2,259)
Fund Balance at Beginning of Year	<u>233,526</u>	<u>233,526</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 246,917</u>	<u>\$ 244,658</u>	<u>\$ (2,259)</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, 2011***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Income Taxes	\$ 2,742,200	\$ 2,777,128	\$ 34,928
Total Revenues	<u>2,742,200</u>	<u>2,777,128</u>	<u>34,928</u>
Expenditures:			
Security of Persons and Property:			
Other Expenditures	<u>2,743,450</u>	<u>2,714,807</u>	<u>28,643</u>
Total Expenditures	<u>2,743,450</u>	<u>2,714,807</u>	<u>28,643</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,250)	62,321	63,571
Fund Balance at Beginning of Year	<u>453,359</u>	<u>453,359</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 452,109</u>	<u>\$ 515,680</u>	<u>\$ 63,571</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, 2011***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 55,108	\$ 55,108	\$ 0
Total Revenues	<u>55,108</u>	<u>55,108</u>	<u>0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,108	55,108	0
Other Financing Sources (Uses):			
Advances Out	<u>(55,108)</u>	<u>(55,108)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(55,108)</u>	<u>(55,108)</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></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, 2011***

DISPUTE RESOLUTION PROCEEDS FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 10,400	\$ 8,871	\$ (1,529)
Total Revenues	10,400	8,871	(1,529)
Expenditures:			
General Government:			
Personal Services	54,386	3,750	50,636
Other Expenditures	2,000	0	2,000
Total Expenditures	56,386	3,750	52,636
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,986)	5,121	51,107
Fund Balance at Beginning of Year	59,442	59,442	0
Prior Year Encumbrances	3,700	3,700	0
Fund Balance at End of Year	\$ 17,156	\$ 68,263	\$ 51,107

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, 2011***

SAFETY SERVICES FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and Other Local Taxes	\$ 780,722	\$ 776,310	\$ (4,412)
Intergovernmental Revenues	656,773	620,539	(36,234)
Charges for Services	85,550	72,803	(12,747)
Fines and Forfeitures	218,430	279,245	60,815
All Other Revenue	28,749	28,589	(160)
Total Revenues	1,770,224	1,777,486	7,262
Expenditures:			
Security of Persons and Property:			
Personal Services	628,033	591,570	36,463
Other Expenditures	1,176,910	1,091,919	84,991
Total Expenditures	1,804,943	1,683,489	121,454
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(34,719)	93,997	128,716
Other Financing Sources (Uses):			
Transfers In	112,500	112,500	0
Advances In	35,000	32,230	(2,770)
Advances Out	(28,756)	(28,756)	0
Total Other Financing Sources (Uses)	118,744	115,974	(2,770)
Net Change in Fund Balance	84,025	209,971	125,946
Fund Balance at Beginning of Year	692,085	692,085	0
Prior Year Encumbrances	3,366	3,366	0
Fund Balance at End of Year	\$ 779,476	\$ 905,422	\$ 125,946

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, 2011***

POLICE PENSION FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and Other Local Taxes	\$ 234,999	\$ 246,356	\$ 11,357
Intergovernmental Revenues	33,066	33,530	464
Total Revenues	268,065	279,886	11,821
Expenditures:			
Security of Persons and Property:			
Other Expenditures	252,065	252,065	0
Total Expenditures	252,065	252,065	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,000	27,821	11,821
Fund Balance at Beginning of Year	94,610	94,610	0
Fund Balance at End of Year	\$ 110,610	\$ 122,431	\$ 11,821

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, 2011***

POLICE LEVY FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and Other Local Taxes	\$ 667,105	\$ 655,326	\$ (11,779)
Intergovernmental Revenues	81,736	88,596	6,860
Total Revenues	748,841	743,922	(4,919)
Expenditures:			
Security of Persons and Property:			
Other Expenditures	648,841	648,841	0
Total Expenditures	648,841	648,841	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,000	95,081	(4,919)
Fund Balance at Beginning of Year	154,307	154,307	0
Fund Balance at End of Year	\$ 254,307	\$ 249,388	\$ (4,919)

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, 2011***

FIREMEN'S PENSION FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and Other Local Taxes	\$ 234,999	\$ 246,356	\$ 11,357
Intergovernmental Revenues	33,066	33,530	464
Total Revenues	268,065	279,886	11,821
Expenditures:			
Security of Persons and Property:			
Other Expenditures	252,065	252,065	0
Total Expenditures	252,065	252,065	0
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	16,000	27,821	11,821
Fund Balance at Beginning of Year	93,062	93,062	0
Fund Balance at End of Year	\$ 109,062	\$ 120,883	\$ 11,821

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, 2011***

EMERGENCY MEDICAL SERVICES GRANT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 4,450	\$ 4,450	\$ 0
Total Revenues	4,450	4,450	0
Expenditures:			
Security of Persons and Property:			
Personal Services	4,450	4,450	0
Total Expenditures	4,450	4,450	0
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	6,273	6,273	0
Fund Balance at End of Year	\$ 6,273	\$ 6,273	\$ 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, 2011***

FIRE EMS LEVY FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and Other Local Taxes	\$ 667,105	\$ 655,326	\$ (11,779)
Intergovernmental Revenues	81,736	88,596	6,860
Total Revenues	748,841	743,922	(4,919)
Expenditures:			
Security of Persons and Property:			
Other Expenditures	648,841	648,841	0
Total Expenditures	648,841	648,841	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,000	95,081	(4,919)
Fund Balance at Beginning of Year	171,003	171,003	0
Fund Balance at End of Year	\$ 271,003	\$ 266,084	\$ (4,919)

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, 2011***

ENERGY EFFICIENCY BLOCK GRANT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 310,008	\$ 238,884	\$ (71,124)
Total Revenues	310,008	238,884	(71,124)
Expenditures:			
General Government:			
Personal Services	30,065	5,710	24,355
Other Expenditures	304,817	244,424	60,393
Total Expenditures	334,882	250,134	84,748
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,874)	(11,250)	13,624
Other Financing Sources (Uses):			
Advances In	65,000	0	(65,000)
Advances Out	(59,929)	(59,928)	1
Total Other Financing Sources (Uses)	5,071	(59,928)	(64,999)
Net Change in Fund Balance	(19,803)	(71,178)	(51,375)
Fund Balance at Beginning of Year	1,901	1,901	0
Prior Year Encumbrances	82,948	82,948	0
Fund Balance at End of Year	\$ 65,046	\$ 13,671	\$ (51,375)

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, 2011***

PUBLIC HEALTH CARE SERVICES FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 150,124	\$ 132,502	\$ (17,622)
Investment Earnings	10	4	(6)
All Other Revenue	435	431	(4)
Total Revenues	<u>150,569</u>	<u>132,937</u>	<u>(17,632)</u>
Expenditures:			
Public Health and Welfare Services:			
Personal Services	71,726	70,420	1,306
Other Expenditures	90,747	90,222	525
Total Expenditures	<u>162,473</u>	<u>160,642</u>	<u>1,831</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,904)	(27,705)	(15,801)
Fund Balance at Beginning of Year	207,234	207,234	0
Prior Year Encumbrances	15,110	15,110	0
Fund Balance at End of Year	<u>\$ 210,440</u>	<u>\$ 194,639</u>	<u>\$ (15,801)</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, 2011***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 300	\$ 125	\$ (175)
Total Revenues	<u>300</u>	<u>125</u>	<u>(175)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	300	125	(175)
Fund Balance at Beginning of Year	<u>56,965</u>	<u>56,965</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 57,265</u>	<u>\$ 57,090</u>	<u>\$ (175)</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, 2011***

STORMWATER MANAGEMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 2,175,000	\$ 2,156,121	\$ (18,879)
Investment Earnings	11,000	3,691	(7,309)
All Other Revenue	17,000	22,134	5,134
Total Revenues	<u>2,203,000</u>	<u>2,181,946</u>	<u>(21,054)</u>
Expenditures:			
Basic Utility Services:			
Personal Services	710,989	704,632	6,357
Other Expenditures	3,060,935	2,338,051	722,884
Total Expenditures	<u>3,771,924</u>	<u>3,042,683</u>	<u>729,241</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,568,924)	(860,737)	708,187
Fund Balance at Beginning of Year	889,021	889,021	0
Prior Year Encumbrances	1,028,926	1,028,926	0
Fund Balance at End of Year	<u>\$ 349,023</u>	<u>\$ 1,057,210</u>	<u>\$ 708,187</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, 2011***

REFUSE FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 25,800	\$ 25,793	\$ (7)
Charges for Services	3,350,372	3,333,700	(16,672)
All Other Revenue	18,000	17,881	(119)
Total Revenues	<u>3,394,172</u>	<u>3,377,374</u>	<u>(16,798)</u>
Expenditures:			
Basic Utility Services:			
Personal Services	75,386	73,566	1,820
Other Expenditures	3,490,783	3,432,331	58,452
Total Expenditures	<u>3,566,169</u>	<u>3,505,897</u>	<u>60,272</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(171,997)	(128,523)	43,474
Fund Balance at Beginning of Year	697,089	697,089	0
Prior Year Encumbrances	195	195	0
Fund Balance at End of Year	<u>\$ 525,287</u>	<u>\$ 568,761</u>	<u>\$ 43,474</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, 2011***

STREET MAINTENANCE FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 2,860,000	\$ 2,435,882	\$ (424,118)
Licenses and Permits	360,000	364,719	4,719
Investment Earnings	45,500	4,625	(40,875)
All Other Revenue	143,900	173,797	29,897
Total Revenues	3,409,400	2,979,023	(430,377)
Expenditures:			
Transportation:			
Personal Services	1,640,058	1,448,313	191,745
Other Expenditures	2,822,913	2,328,198	494,715
Total Expenditures	4,462,971	3,776,511	686,460
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,053,571)	(797,488)	256,083
Other Financing Sources (Uses):			
Transfers Out	(919,615)	0	919,615
Total Other Financing Sources (Uses)	(919,615)	0	919,615
Net Change in Fund Balance	(1,973,186)	(797,488)	1,175,698
Fund Balance at Beginning of Year	2,034,816	2,034,816	0
Prior Year Encumbrances	346,412	346,412	0
Fund Balance at End of Year	\$ 408,042	\$ 1,583,740	\$ 1,175,698

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, 2011***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Transfers Out	(5)	(5)	0
Total Other Financing Sources (Uses)	(5)	(5)	0
Net Change in Fund Balance	(5)	(5)	0
Fund Balance at Beginning of Year	5	5	0
Fund Balance at End of Year	<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 Special Revenue Funds
For the Year Ended December 31, 2011***

HOME PROGRAM FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 2,540,662	\$ 422,731	\$ (2,117,931)
All Other Revenue	50,000	13,169	(36,831)
Total Revenues	<u>2,590,662</u>	<u>435,900</u>	<u>(2,154,762)</u>
Expenditures:			
Community Environment:			
Personal Services	76,187	34,063	42,124
Other Expenditures	<u>2,355,309</u>	<u>358,921</u>	<u>1,996,388</u>
Total Expenditures	<u>2,431,496</u>	<u>392,984</u>	<u>2,038,512</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	159,166	42,916	(116,250)
Other Financing Sources (Uses):			
Transfers In	23,870	23,869	(1)
Transfers Out	<u>(23,870)</u>	<u>(23,869)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	159,166	42,916	(116,250)
Fund Balance at Beginning of Year	49,403	49,403	0
Prior Year Encumbrances	<u>24,860</u>	<u>24,860</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 233,429</u>	<u>\$ 117,179</u>	<u>\$ (116,250)</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, 2011***

PARKING FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 455,310	\$ 405,303	\$ (50,007)
Investment Earnings	2,000	480	(1,520)
All Other Revenue	10,600	10,501	(99)
Total Revenues	467,910	416,284	(51,626)
Expenditures:			
Transportation:			
Personal Services	287,350	278,839	8,511
Other Expenditures	235,717	152,108	83,609
Debt Service:			
Principal Retirement	170,000	170,000	0
Interest and Fiscal Charges	36,530	36,526	4
Total Expenditures	729,597	637,473	92,124
Excess (Deficiency) of Revenues Over (Under) Expenditures			
	(261,687)	(221,189)	40,498
Other Financing Sources (Uses):			
Transfers In	94,094	80,694	(13,400)
Transfers Out	(13,400)	0	13,400
Total Other Financing Sources (Uses)	80,694	80,694	0
Net Change in Fund Balance	(180,993)	(140,495)	40,498
Fund Balance at Beginning of Year	219,993	219,993	0
Prior Year Encumbrances	3,183	3,183	0
Fund Balance at End of Year	\$ 42,183	\$ 82,681	\$ 40,498

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, 2011***

GOLF COURSE FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 822,375	\$ 617,253	\$ (205,122)
Investment Earnings	880	425	(455)
All Other Revenue	20,000	20,181	181
Total Revenues	843,255	637,859	(205,396)
Expenditures:			
Leisure Time Activities:			
Personal Services	362,199	343,560	18,639
Other Expenditures	496,727	420,351	76,376
Debt Service:			
Principal Retirement	215,000	215,000	0
Interest and Fiscal Charges	23,835	23,835	0
Total Expenditures	1,097,761	1,002,746	95,015
Excess (Deficiency) of Revenues Over (Under) Expenditures	(254,506)	(364,887)	(110,381)
Other Financing Sources (Uses):			
Transfers In	238,835	238,835	0
Total Other Financing Sources (Uses)	238,835	238,835	0
Net Change in Fund Balance	(15,671)	(126,052)	(110,381)
Fund Balance at Beginning of Year	211,665	211,665	0
Prior Year Encumbrances	26,121	26,121	0
Fund Balance at End of Year	\$ 222,115	\$ 111,734	\$ (110,381)

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, 2011***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LOCAL ENERGY ASSURANCE PLANNING FUND			
Revenues:			
Intergovernmental Revenues	\$ 130,000	\$ 28,435	\$ (101,565)
Total Revenues	<u>130,000</u>	<u>28,435</u>	<u>(101,565)</u>
Expenditures:			
General Government:			
Personal Services	8,494	0	8,494
Other Expenditures	<u>121,506</u>	<u>118,213</u>	<u>3,293</u>
Total Expenditures	<u>130,000</u>	<u>118,213</u>	<u>11,787</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	0	(89,778)	(89,778)
Other Financing Sources (Uses):			
Advances In	90,000	90,000	0
Advances Out	<u>(118,213)</u>	<u>(118,213)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(28,213)</u>	<u>(28,213)</u>	<u>0</u>
Net Change in Fund Balance	(28,213)	(117,991)	(89,778)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	<u>118,213</u>	<u>118,213</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 90,000</u>	<u>\$ 222</u>	<u>\$ (89,778)</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, 2011***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COMMUNITY DEVELOPMENT BLOCK GRANT FUND			
Revenues:			
Intergovernmental Revenues	\$ 4,830,317	\$ 2,191,990	\$ (2,638,327)
Investment Earnings	5,000	645	(4,355)
All Other Revenue	180,000	79,914	(100,086)
Total Revenues	<u>5,015,317</u>	<u>2,272,549</u>	<u>(2,742,768)</u>
Expenditures:			
Community Environment:			
Personal Services	685,550	430,421	255,129
Other Expenditures	4,349,259	1,946,874	2,402,385
Total Expenditures	<u>5,034,809</u>	<u>2,377,295</u>	<u>2,657,514</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,492)	(104,746)	(85,254)
Other Financing Sources (Uses):			
Transfers In	195,233	195,233	0
Transfers Out	(195,233)	(195,233)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(19,492)	(104,746)	(85,254)
Fund Balance at Beginning of Year	352,045	352,045	0
Prior Year Encumbrances	29,842	29,842	0
Fund Balance at End of Year	<u>\$ 362,395</u>	<u>\$ 277,141</u>	<u>\$ (85,254)</u>

CITY OF HAMILTON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2011***

DEBT SERVICE FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 4,500	\$ 3,192	\$ (1,308)
Special Assessments	514,000	512,509	(1,491)
Total Revenues	518,500	515,701	(2,799)
Expenditures:			
Debt Service:			
Principal Retirement	4,756,312	4,731,312	25,000
Interest and Fiscal Charges	1,694,883	1,661,008	33,875
Total Expenditures	6,451,195	6,392,320	58,875
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,932,695)	(5,876,619)	56,076
Other Financing Sources (Uses):			
Refunding Bonds Issued	18,360,852	18,360,000	(852)
Refunded Bonds Redeemed	(19,621,590)	(19,621,590)	0
Premium on Refunding Bond Issuance	1,709,955	1,709,955	0
General Obligation Bond Issuance	35,000	35,000	0
Transfers In	6,195,622	5,612,558	(583,064)
Total Other Financing Sources (Uses)	6,679,839	6,095,923	(583,916)
Net Change in Fund Balance	747,144	219,304	(527,840)
Fund Balance at Beginning of Year	640,112	640,112	0
Fund Balance at End of Year	\$ 1,387,256	\$ 859,416	\$ (527,840)

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, 2011***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Income Taxes	\$ 2,240,760	\$ 2,221,702	\$ (19,058)
Intergovernmental Revenues	8,645	8,644	(1)
All Other Revenue	220,000	110,000	(110,000)
Total Revenues	2,469,405	2,340,346	(129,059)
Expenditures:			
Capital Outlay	1,123,645	582,885	540,760
Total Expenditures	1,123,645	582,885	540,760
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,345,760	1,757,461	411,701
Other Financing Sources (Uses):			
Sale of Capital Assets	10,000	49,451	39,451
Transfers In	250,000	0	(250,000)
Transfers Out	(2,387,206)	(1,844,025)	543,181
Total Other Financing Sources (Uses)	(2,127,206)	(1,794,574)	332,632
Net Change in Fund Balance	(781,446)	(37,113)	744,333
Fund Balance at Beginning of Year	1,824,954	1,824,954	0
Fund Balance at End of Year	\$ 1,043,508	\$ 1,787,841	\$ 744,333

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, 2011***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>358,179</u>	<u>358,179</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 358,179</u>	<u>\$ 358,179</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, 2011***

SPECIAL ASSESSMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 125,000	\$ 51,165	\$ (73,835)
Total Revenues	125,000	51,165	(73,835)
Expenditures:			
Capital Outlay	1,111,484	1,080,611	30,873
Debt Service:			
Principal Retirement	200,000	200,000	0
Interest and Fiscal Charges	29,260	29,257	3
Total Expenditures	1,340,744	1,309,868	30,876
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,215,744)	(1,258,703)	(42,959)
Other Financing Sources (Uses):			
General Obligation Notes Issued	425,000	425,000	0
Total Other Financing Sources (Uses)	425,000	425,000	0
Net Change in Fund Balance	(790,744)	(833,703)	(42,959)
Fund Balance at Beginning of Year	310,172	310,172	0
Prior Year Encumbrances	811,347	811,347	0
Fund Balance at End of Year	\$ 330,775	\$ 287,816	\$ (42,959)

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, 2011***

MUNICIPAL IMPROVEMENT TAX INCREMENT EQUIVALENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Income Taxes	\$ 185,000	\$ 171,829	\$ (13,171)
Property and Other Local Taxes	535,000	590,775	55,775
Intergovernmental Revenues	260,000	140,705	(119,295)
Total Revenues	980,000	903,309	(76,691)
Expenditures:			
Capital Outlay	126,828	126,821	7
Total Expenditures	126,828	126,821	7
Excess (Deficiency) of Revenues Over (Under) Expenditures	853,172	776,488	(76,684)
Other Financing Sources (Uses):			
Transfers In	2,250,597	2,250,591	(6)
Transfers Out	(2,338,597)	(2,336,505)	2,092
Total Other Financing Sources (Uses)	(88,000)	(85,914)	2,086
Net Change in Fund Balance	765,172	690,574	(74,598)
Fund Balance at Beginning of Year, Restated	2,700,832	2,700,832	0
Fund Balance at End of Year	\$ 3,466,004	\$ 3,391,406	\$ (74,598)

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, 2011***

CENTRAL BUSINESS DISTRICT STREETScape IMPROVEMENTS FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>275,496</u>	<u>275,496</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 275,496</u>	<u>\$ 275,496</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, 2011***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 2,704,305	\$ 1,878,058	\$ (826,247)
Total Revenues	<u>2,704,305</u>	<u>1,878,058</u>	<u>(826,247)</u>
Expenditures:			
Capital Outlay	2,704,305	1,878,058	826,247
Total Expenditures	<u>2,704,305</u>	<u>1,878,058</u>	<u>826,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<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, 2011***

CLEAN OHIO GRANTS PROGRAM FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 4,643,864	\$ 634,440	\$ (4,009,424)
Total Revenues	<u>4,643,864</u>	<u>634,440</u>	<u>(4,009,424)</u>
Expenditures:			
Capital Outlay	4,194,255	634,440	3,559,815
Total Expenditures	<u>4,194,255</u>	<u>634,440</u>	<u>3,559,815</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	449,609	0	(449,609)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 449,609</u>	<u>\$ 0</u>	<u>\$ (449,609)</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, 2011***

INFRASTRUCTURE PROGRAM FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenue	\$ 162,187	\$ 150,939	\$ (11,248)
Total Revenues	<u>162,187</u>	<u>150,939</u>	<u>(11,248)</u>
Expenditures:			
Capital Outlay	5,286,365	3,709,444	1,576,921
Total Expenditures	<u>5,286,365</u>	<u>3,709,444</u>	<u>1,576,921</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,124,178)	(3,558,505)	1,565,673
Other Financing Sources (Uses):			
General Obligation Bonds Issued	2,500,000	2,500,000	0
General Obligation Notes Issued	2,500,000	2,500,000	0
Transfers In	1,392,766	473,151	(919,615)
Transfers Out	<u>(2,544,135)</u>	<u>(2,528,462)</u>	<u>15,673</u>
Total Other Financing Sources (Uses)	<u>3,848,631</u>	<u>2,944,689</u>	<u>(903,942)</u>
Net Change in Fund Balance	(1,275,547)	(613,816)	661,731
Fund Balance at Beginning of Year	935,037	935,037	0
Prior Year Encumbrances	<u>332,043</u>	<u>332,043</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (8,467)</u>	<u>\$ 653,264</u>	<u>\$ 661,731</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, 2011***

BENNINGHOFFEN TRUST FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 1,750	\$ 164	\$ (1,586)
Total Revenues	<u>1,750</u>	<u>164</u>	<u>(1,586)</u>
Expenditures:			
General Government:			
Other Expenditures	1,750	299	1,451
Total Expenditures	<u>1,750</u>	<u>299</u>	<u>1,451</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(135)	(135)
Fund Balance at Beginning of Year	<u>75,168</u>	<u>75,168</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 75,168</u>	<u>\$ 75,033</u>	<u>\$ (135)</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 Assets
Internal Service Funds
December 31, 2011***

	Fleet Maintenance	Central Services	Total
ASSETS:			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 333,567	\$ 14,523	\$ 348,090
Inventory of Supplies at Cost	40,203	0	40,203
Total Current Assets	<u>373,770</u>	<u>14,523</u>	<u>388,293</u>
Noncurrent Assets:			
Capital Assets, Net	63,499	0	63,499
Total Noncurrent Assets	<u>63,499</u>	<u>0</u>	<u>63,499</u>
Total Assets	<u>437,269</u>	<u>14,523</u>	<u>451,792</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	153,682	37,554	191,236
Accrued Wages and Benefits	20,957	90,459	111,416
Intergovernmental Payable	8,024	31,194	39,218
Compensated Absences Payable - Current	47,446	170,010	217,456
Total Current Liabilities	<u>230,109</u>	<u>329,217</u>	<u>559,326</u>
Noncurrent Liabilities:			
Compensated Absences Payable	58,247	290,227	348,474
Total Noncurrent Liabilities	<u>58,247</u>	<u>290,227</u>	<u>348,474</u>
Total Liabilities	<u>288,356</u>	<u>619,444</u>	<u>907,800</u>
NET ASSETS			
Invested in Capital Assets	63,499	0	63,499
Unrestricted	85,414	(604,921)	(519,507)
Total Net Assets	<u>\$ 148,913</u>	<u>\$ (604,921)</u>	<u>\$ (456,008)</u>

CITY OF HAMILTON, OHIO

***Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2011***

	Fleet Maintenance	Central Services	Total
Operating Revenues:			
Charges for Services	\$ 2,520,562	\$ 5,418,606	\$ 7,939,168
Other Operating Revenue	14,259	0	14,259
Total Operating Revenues	<u>2,534,821</u>	<u>5,418,606</u>	<u>7,953,427</u>
Operating Expenses:			
Personal Services	782,377	3,218,541	4,000,918
Contractual Services	587,526	1,425,585	2,013,111
Materials and Supplies	1,192,591	447,692	1,640,283
Other Operating Expenses	14,487	140,900	155,387
Depreciation	12,390	0	12,390
Total Operating Expenses	<u>2,589,371</u>	<u>5,232,718</u>	<u>7,822,089</u>
Operating Income (Loss)	(54,550)	185,888	131,338
Nonoperating Revenue (Expenses):			
Investment Earnings	507	13	520
Total Nonoperating Revenues (Expenses)	<u>507</u>	<u>13</u>	<u>520</u>
Change in Net Assets	(54,043)	185,901	131,858
Net Assets Beginning of Year	202,956	(790,822)	(587,866)
Net Assets End of Year	<u>\$ 148,913</u>	<u>\$ (604,921)</u>	<u>\$ (456,008)</u>

CITY OF HAMILTON, OHIO

***Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2011***

	<u>Fleet Maintenance</u>	<u>Central Services</u>	<u>Totals</u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,534,821	\$5,418,606	\$7,953,427
Cash Payments for Goods and Services	(1,961,933)	(2,087,846)	(4,049,779)
Cash Payments for Employees	(789,800)	(3,326,508)	(4,116,308)
Net Cash Provided (Used) by Operating Activities	<u>(216,912)</u>	<u>4,252</u>	<u>(212,660)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(15,889)	0	(15,889)
Net Cash Used for Capital and Related Financing Activities	<u>(15,889)</u>	<u>0</u>	<u>(15,889)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(232,801)	4,252	(228,549)
Cash and Cash Equivalents at Beginning of Year	566,368	10,271	576,639
Cash and Cash Equivalents at End of Year	<u>\$333,567</u>	<u>\$14,523</u>	<u>\$348,090</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$54,550)	\$185,888	\$131,338
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation Expense	12,390	0	12,390
Non-Operating Revenue	507	13	520
Changes in Assets and Liabilities:			
(Increase) Decrease in Inventory	(16,605)	42,564	25,959
Decrease in Accounts Payable	(154,731)	(118,213)	(272,944)
Increase in Accrued Wages and Benefits	299	4,807	5,106
Decrease in Intergovernmental Payable	(4,424)	(21,151)	(25,575)
Increase (Decrease) in Compensated Absences	202	(89,656)	(89,454)
Total Adjustments	<u>(162,362)</u>	<u>(181,636)</u>	<u>(343,998)</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$216,912)</u>	<u>\$4,252</u>	<u>(\$212,660)</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2011 the Fleet Maintenance Fund and Central Services Fund reported a change in the fair value of investments of \$134 and \$6, respectively.

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 all such tax monies are distributed to the Convention and Visitor's Bureau and for which the City receives no remuneration.

Employee Taxes and Benefits Fund

To account for special taxes and benefits of City employees.

Miscellaneous Collections for Others Fund

To account for monies received and held for others.

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, 2011***

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
<u>Rounding Up Utility Account</u>				
Assets:				
Equity in Pooled Cash and Investments	\$1,632	\$3,900	(\$4,299)	\$1,233
Total Assets	<u>\$1,632</u>	<u>\$3,900</u>	<u>(\$4,299)</u>	<u>\$1,233</u>
Liabilities:				
Accounts Payable	\$1,632	\$2,667	(\$4,299)	\$0
Due to Others	0	1,233	0	1,233
Total Liabilities	<u>\$1,632</u>	<u>\$3,900</u>	<u>(\$4,299)</u>	<u>\$1,233</u>
<u>Convention and Visitor's Bureau</u>				
Assets:				
Equity in Pooled Cash and Investments	\$17,323	\$68,873	(\$63,156)	\$23,040
Total Assets	<u>\$17,323</u>	<u>\$68,873</u>	<u>(\$63,156)</u>	<u>\$23,040</u>
Liabilities:				
Accounts Payable	\$17,323	\$68,873	(\$63,156)	\$23,040
Total Liabilities	<u>\$17,323</u>	<u>\$68,873</u>	<u>(\$63,156)</u>	<u>\$23,040</u>
<u>Employee Taxes and Benefits</u>				
Assets:				
Equity in Pooled Cash and Investments	\$1,284,325	\$75,075,633	(\$76,338,382)	\$21,576
Total Assets	<u>\$1,284,325</u>	<u>\$75,075,633</u>	<u>(\$76,338,382)</u>	<u>\$21,576</u>
Liabilities:				
Due to Others	\$1,085,967	\$75,069,155	(\$76,140,024)	\$15,098
Intergovernmental Payable	198,358	6,478	(198,358)	6,478
Total Liabilities	<u>\$1,284,325</u>	<u>\$75,075,633</u>	<u>(\$76,338,382)</u>	<u>\$21,576</u>
<u>Miscellaneous Collections for Others</u>				
Assets:				
Equity in Pooled Cash and Investments	\$7,548	\$0	\$0	\$7,548
Total Assets	<u>\$7,548</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,548</u>
Liabilities:				
Due to Others	\$7,548	\$0	\$0	\$7,548
Total Liabilities	<u>\$7,548</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,548</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement Of Changes In Assets And Liabilities
Agency Funds
For the Year Ended December 31, 2011***

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
<u>Unclaimed Monies</u>				
Assets:				
Equity in Pooled Cash and Investments	\$110,101	\$0	(\$1,453)	\$108,648
Total Assets	<u>\$110,101</u>	<u>\$0</u>	<u>(\$1,453)</u>	<u>\$108,648</u>
Liabilities:				
Due to Others	\$110,101	\$0	(\$1,453)	\$108,648
Total Liabilities	<u>\$110,101</u>	<u>\$0</u>	<u>(\$1,453)</u>	<u>\$108,648</u>
<u>Tax Collections</u>				
Assets:				
Equity in Pooled Cash and Investments	\$179,979	\$4,396,602	(\$4,424,891)	\$151,690
Total Assets	<u>\$179,979</u>	<u>\$4,396,602</u>	<u>(\$4,424,891)</u>	<u>\$151,690</u>
Liabilities:				
Intergovernmental Payable	\$179,979	\$4,396,602	(\$4,424,891)	\$151,690
Total Liabilities	<u>\$179,979</u>	<u>\$4,396,602</u>	<u>(\$4,424,891)</u>	<u>\$151,690</u>
<u>Butler County Annexation Tax</u>				
Assets:				
Equity in Pooled Cash and Investments	\$73,749	\$83,472	(\$88,379)	\$68,842
Total Assets	<u>\$73,749</u>	<u>\$83,472</u>	<u>(\$88,379)</u>	<u>\$68,842</u>
Liabilities:				
Intergovernmental Payable	\$73,749	\$83,472	(\$88,379)	\$68,842
Total Liabilities	<u>\$73,749</u>	<u>\$83,472</u>	<u>(\$88,379)</u>	<u>\$68,842</u>
<u>Central Business Special Improvement District</u>				
Receivables:				
Taxes	\$35,910	\$190,553	(\$178,013)	\$48,450
Total Assets	<u>\$35,910</u>	<u>\$190,553</u>	<u>(\$178,013)</u>	<u>\$48,450</u>
Liabilities:				
Intergovernmental Payable	\$35,910	\$190,553	(\$178,013)	\$48,450
Total Liabilities	<u>\$35,910</u>	<u>\$190,553</u>	<u>(\$178,013)</u>	<u>\$48,450</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement Of Changes In Assets And Liabilities
Agency Funds
For the Year Ended December 31, 2011***

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
<u>Joint Economic Development District I</u>				
Assets:				
Equity in Pooled Cash and Investments	\$13,490	\$486,420	(\$486,260)	\$13,650
Total Assets	<u>\$13,490</u>	<u>\$486,420</u>	<u>(\$486,260)</u>	<u>\$13,650</u>
Liabilities:				
Intergovernmental Payable	\$13,490	\$486,420	(\$486,260)	\$13,650
Total Liabilities	<u>\$13,490</u>	<u>\$486,420</u>	<u>(\$486,260)</u>	<u>\$13,650</u>
<u>Joint Economic Development District II</u>				
Assets:				
Equity in Pooled Cash and Investments	\$41,734	\$511,877	(\$525,275)	\$28,336
Total Assets	<u>\$41,734</u>	<u>\$511,877</u>	<u>(\$525,275)</u>	<u>\$28,336</u>
Liabilities:				
Intergovernmental Payable	\$41,734	\$511,877	(\$525,275)	\$28,336
Total Liabilities	<u>\$41,734</u>	<u>\$511,877</u>	<u>(\$525,275)</u>	<u>\$28,336</u>
<u>Fire Damage Deposit Escrow</u>				
Assets:				
Equity in Pooled Cash and Investments	\$103,229	\$97,872	(\$109,549)	\$91,552
Total Assets	<u>\$103,229</u>	<u>\$97,872</u>	<u>(\$109,549)</u>	<u>\$91,552</u>
Liabilities:				
Due to Others	\$103,229	\$97,872	(\$109,549)	\$91,552
Total Liabilities	<u>\$103,229</u>	<u>\$97,872</u>	<u>(\$109,549)</u>	<u>\$91,552</u>
<u>Police Property Room Forfeiture</u>				
Assets:				
Equity in Pooled Cash and Investments	\$145,663	\$36,212	(\$122,076)	\$59,799
Total Assets	<u>\$145,663</u>	<u>\$36,212</u>	<u>(\$122,076)</u>	<u>\$59,799</u>
Liabilities:				
Due to Others	\$145,663	\$36,212	(\$122,076)	\$59,799
Total Liabilities	<u>\$145,663</u>	<u>\$36,212</u>	<u>(\$122,076)</u>	<u>\$59,799</u>

(Continued)

CITY OF HAMILTON, OHIO

***Combining Statement Of Changes In Assets And Liabilities
Agency Funds
For the Year Ended December 31, 2011***

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
<u>Municipal Court</u>				
Assets:				
Equity in Pooled Cash and Investments	\$222,216	\$250,352	(\$222,216)	\$250,352
Total Assets	<u>\$222,216</u>	<u>\$250,352</u>	<u>(\$222,216)</u>	<u>\$250,352</u>
Liabilities:				
Intergovernmental Payable	\$115,182	\$150,601	(\$115,182)	\$150,601
Due to Others	107,034	99,751	(107,034)	99,751
Total Liabilities	<u>\$222,216</u>	<u>\$250,352</u>	<u>(\$222,216)</u>	<u>\$250,352</u>
 <u>Total - All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Investments	\$2,200,989	\$81,011,213	(\$82,385,936)	\$826,266
Receivables:				
Taxes	35,910	190,553	(178,013)	48,450
Total Assets	<u>\$2,236,899</u>	<u>\$81,201,766</u>	<u>(\$82,563,949)</u>	<u>\$874,716</u>
Liabilities:				
Accounts Payable	\$18,955	\$71,540	(\$67,455)	\$23,040
Intergovernmental Payable	658,402	5,775,153	(6,008,210)	468,047
Due to Others	1,559,542	75,355,073	(76,488,284)	383,629
Total Liabilities	<u>\$2,236,899</u>	<u>\$81,201,766</u>	<u>(\$82,563,949)</u>	<u>\$874,716</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 Assets by Component
Last Ten Years
(accrual basis of accounting)*

	2002	2003	2004	2005
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$55,869,994	\$56,158,847	\$46,914,025	\$55,850,463
Restricted	764,635	1,065,776	1,346,714	1,096,622
Unrestricted (Deficit)	5,230,190	8,553,473	19,363,783	11,399,609
Total Governmental Activities Net Assets	<u>\$61,864,819</u>	<u>\$65,778,096</u>	<u>\$67,624,522</u>	<u>\$68,346,694</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$78,331,261	\$74,353,822	\$95,310,393	\$86,341,113
Restricted	0	0	6,081,729	14,015,713
Unrestricted (Deficit)	60,061,123	65,677,140	41,157,570	45,626,967
Total Business-type Activities Net Assets	<u>\$138,392,384</u>	<u>\$140,030,962</u>	<u>\$142,549,692</u>	<u>\$145,983,793</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$134,201,255	\$130,512,669	\$142,224,418	\$142,191,576
Restricted	764,635	1,065,776	7,428,443	15,112,335
Unrestricted	65,291,313	74,230,613	60,521,353	57,026,576
Total Primary Government Net Assets	<u>\$200,257,203</u>	<u>\$205,809,058</u>	<u>\$210,174,214</u>	<u>\$214,330,487</u>

Source: City Records

(continued)

CITY OF HAMILTON, OHIO

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

	2006	2007	2008	2009
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$56,285,912	\$59,732,393	\$59,645,749	\$61,258,050
Restricted	8,292,468	7,367,202	15,051,564	14,612,944
Unrestricted (Deficit)	7,818,532	4,929,462	(1,647,332)	(711,156)
Total Governmental Activities Net Assets	<u>\$72,396,912</u>	<u>\$72,029,057</u>	<u>\$73,049,981</u>	<u>\$75,159,838</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$94,984,687	\$94,444,136	\$99,710,125	\$95,260,611
Restricted	14,417,833	14,386,221	17,030,271	18,966,340
Unrestricted (Deficit)	38,128,750	44,247,462	36,050,164	43,575,623
Total Business-type Activities Net Assets	<u>\$147,531,270</u>	<u>\$153,077,819</u>	<u>\$152,790,560</u>	<u>\$157,802,574</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$151,270,599	\$154,176,529	\$159,355,874	\$156,518,661
Restricted	22,710,301	21,753,423	32,081,835	33,579,284
Unrestricted	45,947,282	49,176,924	34,402,832	42,864,467
Total Primary Government Net Assets	<u>\$219,928,182</u>	<u>\$225,106,876</u>	<u>\$225,840,541</u>	<u>\$232,962,412</u>

(continued)

CITY OF HAMILTON, OHIO

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

	<u>2010</u>	<u>2011</u>
Governmental Activities:		
Invested in Capital Assets, Net of Related Debt	\$62,373,720	\$61,265,974
Restricted	14,372,832	12,456,507
Unrestricted (Deficit)	1,391,246	10,738,609
Total Governmental Activities Net Assets	<u>\$78,137,798</u>	<u>\$84,461,090</u>
Business-type Activities:		
Invested in Capital Assets, Net of Related Debt	\$96,155,478	\$92,584,709
Restricted	19,220,759	21,542,104
Unrestricted (Deficit)	45,766,262	50,396,711
Total Business-type Activities Net Assets	<u>\$161,142,499</u>	<u>\$164,523,524</u>
Primary Government:		
Invested in Capital Assets, Net of Related Debt	\$158,529,198	\$153,850,683
Restricted	33,593,591	33,998,611
Unrestricted	47,157,508	61,135,320
Total Primary Government Net Assets	<u>\$239,280,297</u>	<u>\$248,984,614</u>

CITY OF HAMILTON, OHIO

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

	2002	2003	2004
Expenses			
Governmental Activities:			
General Government	\$11,106,128	\$8,644,661	\$8,198,520
Security of Persons and Property	24,124,731	23,509,934	28,125,387
Leisure Time Activities	2,220,239	3,357,315	2,334,059
Community Environment	4,231,050	4,711,002	7,636,375
Basic Utility Services	3,560,329	3,239,070	3,479,397
Transportation	3,914,488	3,615,021	3,725,413
Public Health and Welfare Services	3,741,462	1,151,216	2,471,205
Interest and Fiscal Charges	2,259,769	1,842,601	1,911,359
<i>Total Governmental Activities Expenses</i>	<u>55,158,196</u>	<u>50,070,820</u>	<u>57,881,715</u>
Business-type Activities:			
Gas Utility	21,874,839	25,705,272	24,756,742
Electric Utility	55,703,426	50,839,938	51,735,827
Water Utility	11,368,125	10,102,024	10,580,588
Wastewater Utility	10,524,441	12,643,903	10,623,965
<i>Total Business-type Activities Expenses</i>	<u>99,470,831</u>	<u>99,291,137</u>	<u>97,697,122</u>
<i>Total Primary Government Expenses</i>	<u>\$154,629,027</u>	<u>\$149,361,957</u>	<u>\$155,578,837</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
General Government	\$2,397,297	\$2,589,331	\$2,972,044
Security of Persons and Property	2,762,651	2,998,981	3,607,548
Leisure Time Activities	1,042,299	1,038,982	1,136,289
Community Environment	712,434	749,910	752,647
Basic Utility Services	2,250,347	2,298,084	2,754,648
Transportation	1,374,423	1,213,364	1,511,184
Public Health and Welfare Services	508,483	477,485	514,250
Interest and Fiscal Charges	0	408,648	0
Operating Grants and Contributions	9,574,092	9,168,937	9,422,109
Capital Grants and Contributions	251,110	808,510	2,689,249
<i>Total Governmental Activities Program Revenues</i>	<u>20,873,136</u>	<u>21,752,232</u>	<u>25,359,968</u>

(continued)

CITY OF HAMILTON, OHIO

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

	2005	2006	2007
Expenses			
Governmental Activities:			
General Government	\$8,820,530	\$9,080,789	\$8,082,518
Security of Persons and Property	28,683,794	29,539,127	31,189,244
Leisure Time Activities	2,725,304	2,640,996	3,011,837
Community Environment	4,099,421	4,341,592	5,088,227
Basic Utility Services	4,549,461	5,242,138	6,444,432
Transportation	8,044,762	5,382,724	5,382,362
Public Health and Welfare Services	2,320,928	1,803,562	2,011,188
Interest and Fiscal Charges	2,052,654	2,036,100	1,731,279
<i>Total Governmental Activities Expenses</i>	<u>61,296,854</u>	<u>60,067,028</u>	<u>62,941,087</u>
Business-type Activities:			
Gas Utility	35,317,274	35,421,943	35,483,116
Electric Utility	60,371,316	56,941,632	62,949,988
Water Utility	14,290,977	14,681,886	15,708,740
Wastewater Utility	13,290,251	10,907,317	11,573,839
<i>Total Business-type Activities Expenses</i>	<u>123,269,818</u>	<u>117,952,778</u>	<u>125,715,683</u>
<i>Total Primary Government Expenses</i>	<u>\$184,566,672</u>	<u>\$178,019,806</u>	<u>\$188,656,770</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
General Government	\$4,087,855	\$4,055,289	\$3,972,931
Security of Persons and Property	3,257,631	3,461,051	3,390,761
Leisure Time Activities	1,198,995	926,474	907,533
Community Environment	703,926	1,109,876	1,087,336
Basic Utility Services	3,850,748	2,431,163	2,381,789
Transportation	1,383,310	972,465	952,715
Public Health and Welfare Services	568,897	905,584	887,193
Interest and Fiscal Charges	479,153	291,740	285,815
Operating Grants and Contributions	6,563,223	7,719,161	6,684,403
Capital Grants and Contributions	1,962,756	918,278	2,492,177
<i>Total Governmental Activities Program Revenues</i>	<u>24,056,494</u>	<u>22,791,081</u>	<u>23,042,653</u>

(continued)

CITY OF HAMILTON, OHIO

*Changes in Net Assets
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
Interest and Fiscal Charges	0	0	0
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>

(continued)

CITY OF HAMILTON, OHIO

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

	<u>2011</u>
Expenses	
Governmental Activities:	
General Government	\$5,991,786
Security of Persons and Property	32,949,502
Leisure Time Activities	1,970,218
Community Environment	2,902,576
Basic Utility Services	6,150,598
Transportation	6,605,053
Public Health and Welfare Services	1,163,297
Interest and Fiscal Charges	1,596,931
<i>Total Governmental Activities Expenses</i>	<u>59,329,961</u>
Business-type Activities:	
Gas Utility	21,777,870
Electric Utility	61,257,197
Water Utility	14,968,676
Wastewater Utility	11,441,639
<i>Total Business-type Activities Expenses</i>	<u>109,445,382</u>
<i>Total Primary Government Expenses</i>	<u>\$168,775,343</u>
Program Revenues	
Governmental Activities:	
Charges for Services	
General Government	\$3,233,683
Security of Persons and Property	3,356,743
Leisure Time Activities	741,400
Community Environment	575,603
Basic Utility Services	5,480,531
Transportation	737,819
Public Health and Welfare Services	248,189
Interest and Fiscal Charges	0
Operating Grants and Contributions	6,122,577
Capital Grants and Contributions	2,800,483
<i>Total Governmental Activities Program Revenues</i>	<u>23,297,028</u>

CITY OF HAMILTON, OHIO

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

	2002	2003	2004
Business-type Activities:			
Charges for Services			
Gas Utility	21,456,192	25,722,341	24,322,105
Electric Utility	53,129,459	49,056,403	49,612,998
Water Utility	17,200,708	13,547,648	14,118,507
Wastewater Utility	12,057,899	11,282,116	11,084,644
Operating Grants and Contributions	17,149	102,851	57,739
Capital Grants and Contributions	0	456,976	199,152
<i>Total Business-type Activities Program Revenues</i>	<u>103,861,407</u>	<u>100,168,335</u>	<u>99,395,145</u>
<i>Total Primary Government Program Revenues</i>	<u>124,734,543</u>	<u>121,920,567</u>	<u>124,755,113</u>
Net (Expense)/Revenue			
Governmental Activities	(34,285,060)	(28,318,588)	(32,521,747)
Business-type Activities	4,390,576	877,198	1,698,023
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$29,894,484)</u>	<u>(\$27,441,390)</u>	<u>(\$30,823,724)</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Income Taxes	\$19,156,557	\$20,449,696	\$22,166,068
Property and Other Local Taxes	5,135,368	6,555,179	7,209,615
Intergovernmental, Unrestricted	8,568,114	4,871,892	3,249,105
Investment Earnings	632,898	329,082	332,995
Loss on Disposal of Capital Assets	(1,070,847)	(1,143,604)	0
Miscellaneous	3,927,300	1,169,620	1,410,390
Transfers-Internal Activities	0	0	0
<i>Total Governmental Activities</i>	<u>36,349,390</u>	<u>32,231,865</u>	<u>34,368,173</u>
Business-type Activities:			
Other Local Taxes (kWh Tax)	0	0	0
Investment Earnings	1,423,837	769,239	820,707
All Other Revenues	246,870	359,280	0
Loss on Disposal of Capital Assets	(213,706)	(367,139)	0
Extraordinary Item	34,437,550	0	0
Transfers-Internal Activities	0	0	0
Special Item - Meldahl License Sharing Agreement	0	0	0
<i>Total Business-type Activities</i>	<u>35,894,551</u>	<u>761,380</u>	<u>820,707</u>
<i>Total Primary Government</i>	<u>\$72,243,941</u>	<u>\$32,993,245</u>	<u>\$35,188,880</u>
Change in Net Assets			
Governmental Activities	\$2,064,330	\$3,913,277	\$1,846,426
Business-type Activities	40,285,127	1,638,578	2,518,730
<i>Total Primary Government Change in Net Assets</i>	<u>\$42,349,457</u>	<u>\$5,551,855</u>	<u>\$4,365,156</u>

Source: City Records

(continued)

CITY OF HAMILTON, OHIO

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

	2005	2006	2007
Business-type Activities:			
Charges for Services			
Gas Utility	34,869,893	33,577,717	37,972,254
Electric Utility	61,111,870	58,694,775	62,927,311
Water Utility	15,891,265	13,735,240	15,828,437
Wastewater Utility	12,956,156	10,602,668	11,019,239
Operating Grants and Contributions	39,110	23,547	117,344
Capital Grants and Contributions	0	1,983,855	124,275
<i>Total Business-type Activities Program Revenues</i>	<u>124,868,294</u>	<u>118,617,802</u>	<u>127,988,860</u>
<i>Total Primary Government Program Revenues</i>	<u>148,924,788</u>	<u>141,408,883</u>	<u>151,031,513</u>
Net (Expense)/Revenue			
Governmental Activities	(37,240,360)	(37,275,947)	(39,898,434)
Business-type Activities	1,598,476	665,024	2,273,177
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$35,641,884)</u>	<u>(\$36,610,923)</u>	<u>(\$37,625,257)</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Income Taxes	\$22,697,147	\$23,203,869	\$23,297,050
Property and Other Local Taxes	9,006,024	8,121,738	9,732,886
Intergovernmental, Unrestricted	4,039,317	4,359,527	3,999,620
Investment Earnings	592,057	659,587	783,876
Loss on Disposal of Capital Assets	0	0	0
Miscellaneous	1,591,410	3,208,403	1,717,147
Transfers-Internal Activities	36,577	1,773,041	0
<i>Total Governmental Activities</i>	<u>37,962,532</u>	<u>41,326,165</u>	<u>39,530,579</u>
Business-type Activities:			
Other Local Taxes (kWh Tax)	0	0	0
Investment Earnings	1,872,202	2,655,494	3,273,372
All Other Revenues	0	0	0
Loss on Disposal of Capital Assets	0	0	0
Extraordinary Item	0	0	0
Transfers-Internal Activities	(36,577)	(1,773,041)	0
Special Item - Meldahl License Sharing Agreement	0	0	0
<i>Total Business-type Activities</i>	<u>1,835,625</u>	<u>882,453</u>	<u>3,273,372</u>
<i>Total Primary Government</i>	<u>\$39,798,157</u>	<u>\$42,208,618</u>	<u>\$42,803,951</u>
Change in Net Assets			
Governmental Activities	\$722,172	\$4,050,218	(\$367,855)
Business-type Activities	3,434,101	1,547,477	5,546,549
<i>Total Primary Government Change in Net Assets</i>	<u>\$4,156,273</u>	<u>\$5,597,695</u>	<u>\$5,178,694</u>

(continued)

CITY OF HAMILTON, OHIO

*Changes in Net Assets
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	(2,422,796)	2,861,152	(965,408)
<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 Assets			
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
Loss on Disposal of Capital Assets	0	0	0
Miscellaneous	1,382,720	1,846,956	1,184,131
Transfers-Internal Activities	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
All Other Revenues	0	0	0
Loss on Disposal of Capital Assets	0	0	0
Extraordinary Item	0	0	0
Transfers-Internal Activities	(170,000)	(492,500)	0
Special Item - Meldahl License Sharing Agreement	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><u>\$43,254,179</u></u>	<u><u>\$39,705,179</u></u>	<u><u>\$42,637,861</u></u>
Change in Net Assets			
Governmental Activities	\$1,020,924	\$2,684,857	\$2,402,960
Business-type Activities	(287,259)	3,012,104	3,339,925
<i>Total Primary Government Change in Net Assets</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 Assets
Last Ten Years
(accrual basis of accounting)*

	2011
Business-type Activities:	
Charges for Services	
Gas Utility	21,930,366
Electric Utility	63,327,834
Water Utility	14,948,140
Wastewater Utility	12,302,310
Operating Grants and Contributions	0
Capital Grants and Contributions	40,500
<i>Total Business-type Activities Program Revenues</i>	112,549,150
<i>Total Primary Government Program Revenues</i>	135,846,178
Net (Expense)/Revenue	
Governmental Activities	(36,032,933)
Business-type Activities	3,103,768
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$32,929,165)
General Revenues and Other Changes in Net Assets	
Governmental Activities:	
Income Taxes	\$21,912,270
Property and Other Local Taxes	9,024,254
Intergovernmental, Unrestricted	10,357,132
Investment Earnings	98,396
Loss on Disposal of Capital Assets	0
Miscellaneous	964,173
Transfers-Internal Activities	0
<i>Total Governmental Activities</i>	42,356,225
Business-type Activities:	
Other Local Taxes (kWh Tax)	2,086
Investment Earnings	275,171
All Other Revenues	0
Loss on Disposal of Capital Assets	0
Extraordinary Item	0
Transfers-Internal Activities	0
Special Item - Meldahl License Sharing Agreement	0
<i>Total Business-type Activities</i>	277,257
<i>Total Primary Government</i>	\$42,633,482
Change in Net Assets	
Governmental Activities	\$6,323,292
Business-type Activities	3,381,025
<i>Total Primary Government Change in Net Assets</i>	\$9,704,317

CITY OF HAMILTON, OHIO

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

	2002	2003	2004	2005
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	875,275	531,779	567,672	584,110
Unreserved	5,815,348	6,657,098	7,293,591	7,463,154
<i>Total General Fund</i>	<u>6,690,623</u>	<u>7,188,877</u>	<u>7,861,263</u>	<u>8,047,264</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	3,086,912	6,884,996	5,249,433	4,560,962
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	3,025,532	2,511,970	2,937,386	1,402,305
Debt Service Funds	0	0	0	0
Capital Projects Funds	(1,713,475)	836,008	64,988	(387,213)
<i>Total All Other Governmental Funds</i>	<u>4,398,969</u>	<u>10,232,974</u>	<u>8,251,807</u>	<u>5,576,054</u>
<i>Total Governmental Funds</i>	<u>\$11,089,592</u>	<u>\$17,421,851</u>	<u>\$16,113,070</u>	<u>\$13,623,318</u>

(continued)

Source: City Records

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)*

	2006	2007	2008	2009
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	512,104	949,595	358,802	320,800
Unreserved	5,821,858	3,650,400	2,393,672	2,234,918
<i>Total General Fund</i>	<u>6,333,962</u>	<u>4,599,995</u>	<u>2,752,474</u>	<u>2,555,718</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	5,805,929	4,063,502	1,832,382	1,251,859
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	3,699,611	3,441,448	6,052,023	9,652,045
Debt Service Funds	462,379	413,719	545,256	519,843
Capital Projects Funds	(760,126)	(985,852)	(1,962,315)	4,592,911
<i>Total All Other Governmental Funds</i>	<u>9,207,793</u>	<u>6,932,817</u>	<u>6,467,346</u>	<u>16,016,658</u>
<i>Total Governmental Funds</i>	<u>\$15,541,755</u>	<u>\$11,532,812</u>	<u>\$9,219,820</u>	<u>\$18,572,376</u>

(continued)

CITY OF HAMILTON, OHIO

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

	<u>2010</u>	<u>2011</u>
General Fund		
Nonspendable	\$0	\$212,005
Restricted	0	0
Committed	0	0
Assigned	0	1,586,391
Unassigned	0	10,108,616
Reserved	647,346	0
Unreserved	4,604,450	0
<i>Total General Fund</i>	<u>5,251,796</u>	<u>11,907,012</u>
All Other Governmental Funds		
Nonspendable	\$0	\$134,858
Restricted	0	10,764,914
Committed	0	3,035,715
Assigned	0	2,659,700
Unassigned	0	(972,421)
Reserved	2,588,395	0
Unreserved, Undesignated, Reported in:		
Special Revenue Funds	7,632,072	0
Debt Service Funds	639,917	0
Capital Projects Funds	4,738,598	0
<i>Total All Other Governmental Funds</i>	<u>15,598,982</u>	<u>15,622,766</u>
<i>Total Governmental Funds</i>	<u>\$20,850,778</u>	<u>\$27,529,778</u>

CITY OF HAMILTON, OHIO

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

	2002	2003	2004	2005
Revenues:				
Taxes	\$24,358,609	\$26,880,596	\$28,202,670	\$30,698,503
Intergovernmental Revenues	12,638,337	14,232,422	14,657,215	12,670,971
Charges for Services	16,022,994	8,764,142	9,284,129	10,493,927
Licenses and Permits	1,371,041	1,644,438	1,692,128	1,669,710
Investment Earnings	628,542	331,305	331,725	592,606
Special Assessments	765,075	582,506	524,335	551,213
Fines and Forfeitures	1,209,648	1,462,186	1,320,913	1,309,135
All Other Revenue	1,270,750	1,322,329	2,461,100	1,917,975
Total Revenue	<u>58,264,996</u>	<u>55,219,924</u>	<u>58,474,215</u>	<u>59,904,040</u>
Expenditures:				
Current:				
General Government	9,763,073	6,849,565	6,771,561	7,858,380
Security of Persons and Property	26,944,009	25,020,605	26,005,766	28,348,718
Leisure Time Activities	2,278,148	2,287,623	2,212,104	2,492,608
Community Environment	4,204,163	4,726,538	7,003,217	4,186,858
Basic Utility Services	3,534,252	3,311,482	3,237,936	4,533,336
Transportation	3,939,065	3,385,373	3,288,729	4,038,465
Public Health and Welfare Services	3,691,879	1,187,802	2,225,705	2,366,475
Capital Outlay	2,263,607	2,618,713	5,757,861	5,900,827
Debt Service:				
Principal Retirement	1,155,000	1,550,000	1,798,770	1,857,000
Interest and Fiscal Charges	2,176,035	1,849,261	1,852,238	1,991,616
Total Expenditures	<u>59,949,231</u>	<u>52,786,962</u>	<u>60,153,887</u>	<u>63,574,283</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,684,235)	2,432,962	(1,679,672)	(3,670,243)

(continued)

CITY OF HAMILTON, OHIO

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

	2006	2007	2008	2009
Revenues:				
Taxes	\$31,875,087	\$32,477,358	\$33,726,071	\$32,187,244
Intergovernmental Revenues	10,862,027	12,114,525	13,577,781	13,171,624
Charges for Services	11,198,175	11,663,269	12,113,048	11,940,972
Licenses and Permits	1,616,785	1,617,944	928,440	900,996
Investment Earnings	1,029,667	1,207,785	678,248	143,617
Special Assessments	541,788	579,531	646,254	515,488
Fines and Forfeitures	1,308,179	1,169,628	1,101,672	1,080,015
All Other Revenue	2,942,798	1,417,602	1,336,575	2,041,280
Total Revenue	61,374,506	62,247,642	64,108,089	61,981,236
Expenditures:				
Current:				
General Government	8,675,905	7,374,610	7,448,102	5,628,443
Security of Persons and Property	29,379,866	30,438,704	32,092,050	31,100,200
Leisure Time Activities	2,414,964	2,792,748	2,369,005	2,059,769
Community Environment	4,343,714	5,089,993	4,185,051	4,114,757
Basic Utility Services	5,248,571	6,465,442	5,761,957	4,879,843
Transportation	3,527,957	3,443,964	2,900,974	2,650,327
Public Health and Welfare Services	1,796,070	2,020,528	1,755,859	1,356,162
Capital Outlay	2,965,518	6,522,370	6,392,174	2,084,004
Debt Service:				
Principal Retirement	1,862,000	1,885,000	1,997,000	2,045,000
Interest and Fiscal Charges	1,982,479	1,674,562	1,791,973	1,679,943
Total Expenditures	62,197,044	67,707,921	66,694,145	57,598,448
Excess (Deficiency) of Revenues Over Expenditures	(822,538)	(5,460,279)	(2,586,056)	4,382,788

(continued)

CITY OF HAMILTON, OHIO

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

	<u>2010</u>	<u>2011</u>
Revenues:		
Taxes	\$31,926,401	\$30,848,001
Intergovernmental Revenues	15,353,253	19,480,722
Charges for Services	12,018,069	11,893,521
Licenses and Permits	1,026,594	857,177
Investment Earnings	100,931	98,396
Special Assessments	686,661	563,674
Fines and Forfeitures	1,017,725	1,066,910
All Other Revenue	1,226,936	964,173
Total Revenue	<u>63,356,570</u>	<u>65,772,574</u>
Expenditures:		
Current:		
General Government	3,965,793	5,089,992
Security of Persons and Property	31,574,695	30,807,813
Leisure Time Activities	2,202,403	1,662,185
Community Environment	5,013,534	2,754,638
Basic Utility Services	5,945,443	5,821,649
Transportation	3,336,713	3,924,752
Public Health and Welfare Services	1,219,842	1,115,975
Capital Outlay	4,383,743	6,762,309
Debt Service:		
Principal Retirement	2,425,000	2,485,000
Interest and Fiscal Charges	1,573,877	1,750,626
Total Expenditures	<u>61,641,043</u>	<u>62,174,939</u>
Excess (Deficiency) of Revenues Over Expenditures	1,715,527	3,597,635

(Continued)

CITY OF HAMILTON, OHIO

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

	2002	2003	2004	2005
Other Financing Sources (Uses):				
Long-Term Capital Related Debt Issued	0	3,806,770	0	0
Sale of Capital Assets	294,906	130,496	357,043	898,387
Other Financing Uses	0	(34,800)	0	0
General Obligation Bonds and Notes Issued	7,935,000	0	0	245,000
Premium on General Obligation Bonds	0	0	0	0
Discount on General Obligation Bonds	0	0	0	0
Refunding General Obligation Bonds	0	0	0	0
Payment to Refunded Bond Escrow Agent	(767,700)	0	0	0
Transfers In	15,188,910	9,899,079	4,397,327	4,847,172
Transfers Out	(15,188,910)	(9,899,079)	(4,397,327)	(4,810,595)
Total Other Financing Sources (Uses)	<u>7,462,206</u>	<u>3,902,466</u>	<u>357,043</u>	<u>1,179,964</u>
Net Change in Fund Balance	<u>\$5,777,971</u>	<u>\$6,335,428</u>	<u>(\$1,322,629)</u>	<u>(\$2,490,279)</u>
Debt Service as a Percentage of Noncapital Expenditures	5.74%	6.46%	6.11%	6.19%

Source: City Records

(continued)

CITY OF HAMILTON, OHIO

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

	2006	2007	2008	2009
Other Financing Sources (Uses):				
Long-Term Capital Related Debt Issued	218,000	365,000	0	0
Sale of Capital Assets	756,038	1,087,495	86,580	61,196
Other Financing Uses	0	0	0	0
General Obligation Bonds and Notes Issued	0	0	0	4,920,000
Premium on General Obligation Bonds	0	0	0	142,501
Discount on General Obligation Bonds	0	0	0	(42,930)
Refunding General Obligation Bonds	0	0	0	2,235,000
Payment to Refunded Bond Escrow Agent	0	0	0	(2,257,022)
Transfers In	13,537,743	6,447,505	7,003,332	11,407,779
Transfers Out	(11,764,702)	(6,447,505)	(6,833,332)	(10,915,279)
Total Other Financing Sources (Uses)	<u>2,747,079</u>	<u>1,452,495</u>	<u>256,580</u>	<u>5,551,245</u>
Net Change in Fund Balance	<u>\$1,924,541</u>	<u>(\$4,007,784)</u>	<u>(\$2,329,476)</u>	<u>\$9,934,033</u>
Debt Service as a Percentage of Noncapital Expenditures	6.53%	5.83%	6.04%	6.65%

(continued)

CITY OF HAMILTON, OHIO

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

	<u>2010</u>	<u>2011</u>
Other Financing Sources (Uses):		
Long-Term Capital Related Debt Issued	0	0
Sale of Capital Assets	0	49,451
Other Financing Uses	0	0
General Obligation Bonds and Notes Issued	0	2,535,000
Premium on General Obligation Bonds	0	1,709,955
Discount on General Obligation Bonds	0	0
Refunding General Obligation Bonds	0	18,360,000
Payment to Refunded Bond Escrow Agent	0	(19,621,590)
Transfers In	5,119,036	4,214,964
Transfers Out	(5,119,036)	(4,214,964)
Total Other Financing Sources (Uses)	<u>0</u>	<u>3,032,816</u>
Net Change in Fund Balance	<u>\$1,715,527</u>	<u>\$6,630,451</u>
Debt Service as a Percentage of Noncapital Expenditures	6.81%	7.22%

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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Real Property				
Assessed	\$690,521,670	\$812,598,300	\$807,683,940	\$807,728,570
Actual	1,972,919,057	2,321,709,429	2,307,668,400	2,307,795,914
Public Utility				
Assessed	16,165,160	13,814,790	13,358,440	12,942,330
Actual	16,165,160	13,814,790	13,358,440	12,942,330
Tangible Personal Property				
Assessed	112,737,677	80,444,805	77,433,709	73,731,244
Actual	450,950,708	321,779,220	309,734,836	294,924,976
Total				
Assessed	819,424,507	906,857,895	898,476,089	894,402,144
Actual	2,440,034,925	2,657,303,439	2,630,761,676	2,615,663,220
Assessed Value as a Percentage of Actual Value	33.58%	34.13%	34.15%	34.19%
Total Direct Tax Rate	\$5.12	\$6.80	\$7.16	\$7.16

Source: Butler County Auditor

(continued)

CITY OF HAMILTON, OHIO

*Assessed Valuations and Estimated
True Values of Taxable Property
(per \$1,000 of assessed value)
Last Ten Years*

Collection Year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Real Property				
Assessed	\$880,671,170	\$894,319,760	\$903,465,830	\$950,209,310
Actual	2,516,203,343	2,555,199,314	2,581,330,943	2,714,883,743
Public Utility				
Assessed	11,724,950	7,410,550	3,167,600	2,719,800
Actual	11,724,950	7,410,550	3,167,600	2,719,800
Tangible Personal Property				
Assessed	72,654,723	50,884,160	38,617,646	0
Actual	387,491,856	407,073,280	617,882,336	0
Total				
Assessed	965,050,843	952,614,470	945,251,076	952,929,110
Actual	2,915,420,149	2,969,683,144	3,202,380,879	2,717,603,543
Assessed Value as a Percentage of Actual Value	33.10%	32.08%	29.52%	35.07%
Total Direct Tax Rate	\$7.16	\$7.16	\$7.16	\$7.16

(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>2010</u>	<u>2011</u>
Real Property		
Assessed	\$900,434,690	\$889,863,130
Actual	2,572,670,543	2,542,466,086
Public Utility		
Assessed	2,461,240	5,891,190
Actual	2,461,240	5,891,190
Tangible Personal Property		
Assessed	0	0
Actual	0	0
Total		
Assessed	902,895,930	895,754,320
Actual	2,575,131,783	2,548,357,276
Assessed Value as a Percentage of Actual Value	35.06%	35.15%
Total Direct Tax Rate	\$7.16	\$6.81

CITY OF HAMILTON, OHIO

*Property Tax Levies and Collections
Last Ten Calendar Years*

Calendar Year	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Taxes Levied for the Calendar Year	\$3,729,881	\$6,248,495	\$6,198,400	\$6,200,701
Collected within the Calendar Year of the Levy				
Amount	3,489,708	5,958,212	5,657,850	5,737,754
Percent of Levy	93.56%	95.35%	91.28%	92.53%
Collections in Subsequent Years (1)	140,192	288,505	336,686	313,885
Total Collections to Date				
Amount	3,629,900	6,246,717	5,994,536	6,051,639
Percent of Levy	97.32%	99.97%	96.71%	97.60%

Source: County Auditor

(1) The County does not identify delinquent tax collections by tax year.

(continued)

CITY OF HAMILTON, OHIO

*Property Tax Levies and Collections
Last Ten Calendar Years*

Calendar Year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Taxes Levied for the Calendar Year	\$6,590,009	\$6,498,408	\$6,446,810	\$6,582,443
Collected within the Calendar Year of the Levy				
Amount	5,877,718	5,885,931	5,964,533	6,341,037
Percent of Levy	89.19%	90.57%	92.52%	96.33%
Collections in Subsequent Years (1)	344,982	232,809	260,500	371,397
Total Collections to Date				
Amount	6,222,700	6,118,740	6,225,033	6,712,434
Percent of Levy	94.43%	94.16%	96.56%	101.97%

(continued)

CITY OF HAMILTON, OHIO

*Property Tax Levies and Collections
Last Ten Calendar Years*

Calendar Year	<u>2010</u>	<u>2011</u>
Taxes Levied for the Calendar Year	\$6,159,369	\$5,808,362
Collected within the Calendar Year of the Levy		
Amount	5,755,139	5,449,604
Percent of Levy	93.44%	93.82%
Collections in Subsequent Years (1)	211,476	236,932
Total Collections to Date		
Amount	5,966,615	5,686,536
Percent of Levy	96.87%	97.90%

CITY OF HAMILTON, OHIO

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</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)	0.31	0.31	0.35	0.35	0.35
Police / Fire-EMS Levies	0.00	1.68	2.00	2.00	2.00
Total Direct Rate	<u>5.12</u>	<u>6.80</u>	<u>7.16</u>	<u>7.16</u>	<u>7.16</u>
Overlapping Rates					
Hamilton City School District	48.21	48.21	48.21	48.21	48.01
Butler County	8.75	8.75	8.74	8.74	9.44

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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Direct Rates					
General Fund	4.21	4.21	4.21	4.21	4.21
Police Pension Fund	0.30	0.30	0.30	0.30	0.30
Fire Pension Fund	0.30	0.30	0.30	0.30	0.30
Miami Conservancy Fund (1)	0.35	0.35	0.35	0.35	0.00
Police / Fire-EMS Levies	2.00	2.00	2.00	2.00	2.00
Total Direct Rate	<u>7.16</u>	<u>7.16</u>	<u>7.16</u>	<u>7.16</u>	<u>6.81</u>
Overlapping Rates					
Hamilton City School District	53.42	53.42	53.42	53.42	53.42
Butler County	10.95	10.45	10.45	9.75	9.75

CITY OF HAMILTON, OHIO

*Principal Property Tax Payers
Current Year and Nine Years Ago*

Tax Payer	Nature of Business	2011	
		Assessed Value	Percentage of Total Assessed Value
Tippman Realty Partner LLC	Real Estate	\$6,321,070	0.71%
Shadow Creek Apartments LLC	Real Estate	5,126,050	0.57%
Colonial Senior Services Inc.	Healthcare	4,652,250	0.52%
AHP - Knollwood Crossings I LLC	Real Estate	4,403,310	0.49%
Pedcor Investments 2001 LXXII	Investments	4,006,940	0.45%
Hamilton Plaza LLC ETAL	Real Estate	3,444,120	0.38%
Hatteras Properties LTD	Real Estate	3,307,570	0.37%
Meijer Stores LTD PRT	Retail	3,272,510	0.37%
VCG Hamilton Crossings LLC	Real Estate	3,079,320	0.34%
Champion Crossings LLC	Real Estate	2,832,100	0.32%
	Sub-Total	40,445,240	4.52%
	All Others	855,309,080	95.48%
	Total	<u>\$895,754,320</u>	<u>100.00%</u>

Tax Payer	Nature of Business	2002	
		Assessed Value	Percentage of Total Assessed Value
Smart Paper, LLC	Manufacturing	\$12,774,150	1.56%
Mercy Health Partners	Healthcare	11,858,280	1.45%
Cincinnati Bell	Utility	9,522,380	1.16%
Champion International	Manufacturing	9,417,860	1.15%
Fort Hamilton Hospital	Healthcare	8,185,300	1.00%
Miami University	Education	7,731,970	0.94%
First National Bank	Financial	7,588,850	0.93%
Meijer	Retail	6,749,890	0.82%
International Paper	Manufacturing	6,056,880	0.74%
GE Engine Services	Manufacturing	5,663,150	0.69%
	Sub-Total	85,548,710	10.44%
	All Others	733,875,797	89.56%
	Total	<u>\$819,424,507</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund (1)	\$17,702,447	\$18,240,349	\$18,623,279	\$17,656,771
Public Safety / Health Income Tax Fund (2)	2,882,087	2,971,408	3,034,120	2,877,197
Hamilton Capital Improvement Fund (3)	2,305,669	2,377,126	2,427,386	2,301,757
Total	<u>\$22,890,203</u>	<u>\$23,588,883</u>	<u>\$24,084,785</u>	<u>\$22,835,725</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>2010</u>	<u>2011</u>
General Fund (1)	\$17,442,410	\$17,046,349
Public Safety / Health Income Tax Fund (2)	2,841,970	2,777,128
Hamilton Capital Improvement Fund (3)	<u>2,273,576</u>	<u>2,221,702</u>
Total	<u>\$22,557,956</u>	<u>\$22,045,179</u>
Income Tax Rate (4)	2.00	2.00

CITY OF HAMILTON, OHIO

*Principal Income Taxpayers
(Cash Basis of Accounting)
Current Year and Nine Years Ago*

Employer	Nature of Business	2011 Rank
Butler County	Government	1
Hamilton City School District	Education	2
Kettering Medical Center Network	Healthcare	3
Miami University	Education	4
GE Engine Services, Inc.	Manufacturing	5
Smart Papers Holdings, LLC	Manufacturing	6
Valeo Climate Control Corp.	Manufacturing	7
Krupp Bilstein of America, Inc.	Manufacturing	8
Colonial Senior Services	Healthcare	9
Kroger Ltd. Partnership	Retail	10

Employer	Nature of Business	2002 Rank
International Paper	Manufacturing	1
Butler County	Government	2
Hamilton City School District	Education	3
City of Hamilton	Government	4
Fort Hamilton Hospital	Healthcare	5
Smart Paper, LLC	Manufacturing	6
General Electric Engine	Manufacturing	7
Mercy Health Systems	Healthcare	8
Valeo Climate Control	Manufacturing	9
Ohio Casualty Company	Insurance	10

Source: City Records

Note: Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer.

CITY OF HAMILTON, OHIO

*Ratio of Outstanding Debt By Type
Last Ten Years*

	2002	2003	2004	2005
Governmental Activities (1)				
General Obligation Bonds Payable	\$34,165,000	\$36,490,000	\$35,070,000	\$33,605,000
Special Revenue Notes Payable	0	3,300,000	3,600,000	4,650,000
Capital Projects Notes Payable	2,925,000	2,700,000	2,990,000	3,525,000
Special Assessments Notes Payable	475,000	0	0	500,000
Special Assessment Bonds Payable	3,170,000	3,101,770	2,723,000	2,576,000
Business-type Activities (1)				
Water Revenue Bonds Payable	\$12,940,000	\$12,440,000	\$11,930,000	\$11,410,000
General Obligation Bonds Payable	0	0	0	0
OWDA Loans	7,712,448	0	0	0
Line of Credit Payable	0	0	0	0
Gas Bonds Payable	16,275,000	13,680,000	12,725,000	11,755,000
Enterprise Notes Payable	0	2,750,000	5,550,000	19,650,000
Electric Revenue Bonds Payable	184,360,000	178,935,000	173,330,000	167,545,000
Wastewater Bonds Payable	28,180,000	27,350,000	26,485,000	23,630,000
Total Primary Government	\$290,202,448	\$280,746,770	\$274,403,000	\$278,846,000
Population (2)				
City of Hamilton	60,690	60,690	60,690	60,690
Outstanding Debt Per Capita	\$4,782	\$4,626	\$4,521	\$4,595
Income (3)				
Personal (in thousands) (a)	9,754,906	9,999,852	10,309,695	10,695,751
Percentage of Personal Income	2.97%	2.81%	2.66%	2.61%

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

*Ratio of Outstanding Debt By Type
Last Ten Years*

	2006	2007	2008	2009
Governmental Activities (1)				
General Obligation Bonds Payable	\$32,090,000	\$30,525,000	\$28,815,000	\$31,960,000
Special Revenue Notes Payable	3,075,000	2,540,000	1,930,000	0
Capital Projects Notes Payable	3,255,000	3,495,000	5,565,000	0
Special Assessments Notes Payable	525,000	400,000	103,000	0
Special Assessment Bonds Payable	2,447,000	2,492,000	2,205,000	1,935,000
Business-type Activities (1)				
Water Revenue Bonds Payable	\$10,880,000	\$10,335,000	\$9,775,000	\$27,785,000
General Obligation Bonds Payable	0	0	0	0
OWDA Loans	0	0	0	0
Line of Credit Payable	0	0	8,000,000	0
Gas Bonds Payable	10,755,000	9,730,000	8,675,000	12,090,000
Enterprise Notes Payable	17,910,000	21,720,000	33,075,000	0
Electric Revenue Bonds Payable	161,570,000	155,395,000	149,020,000	175,575,000
Wastewater Bonds Payable	22,660,000	21,660,000	20,630,000	33,160,000
Total Primary Government	<u>\$265,167,000</u>	<u>\$258,292,000</u>	<u>\$267,793,000</u>	<u>\$282,505,000</u>
Population (2)				
City of Hamilton	60,690	60,690	60,690	60,690
Outstanding Debt Per Capita	\$4,369	\$4,256	\$4,412	\$4,655
Income (3)				
Personal (in thousands) (a)	11,025,896	11,264,851	11,954,760	11,533,094
Percentage of Personal Income	2.40%	2.29%	2.24%	2.45%

(continued)

CITY OF HAMILTON, OHIO

*Ratio of Outstanding Debt By Type
Last Ten Years*

	2010	2011
Governmental Activities (1)		
General Obligation Bonds Payable	\$29,820,000	\$29,030,000
Special Revenue Notes Payable	0	0
Capital Projects Notes Payable	0	0
Special Assessments Notes Payable	0	0
Special Assessment Bonds Payable	1,650,000	1,400,000
Business-type Activities (1)		
Water Revenue Bonds Payable	\$26,895,000	\$25,900,000
General Obligation Bonds Payable	0	0
OWDA Loans	431,837	416,213
Line of Credit Payable	0	0
Gas Bonds Payable	10,970,000	9,795,000
Enterprise Notes Payable	0	0
Electric Revenue Bonds Payable	168,775,000	161,750,000
Wastewater Bonds Payable	31,845,000	60,080,000
	<u>\$270,386,837</u>	<u>\$288,371,213</u>
Total Primary Government		
Population (2)		
City of Hamilton	62,477	62,225
Outstanding Debt Per Capita	\$4,328	\$4,634
Income (3)		
Personal (in thousands) (a)	12,975,478	13,151,184
Percentage of Personal Income	2.08%	2.19%

CITY OF HAMILTON, OHIO

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2002	2003	2004	2005
Population (1)	60,690	60,690	60,690	60,690
Assessed Value (2)	\$819,424,507	\$906,857,895	\$898,476,089	\$894,402,144
General Bonded Debt (3)				
General Obligation Bonds	\$34,165,000	\$36,490,000	\$35,070,000	\$33,605,000
Resources Available to Pay Principal	\$474,699	\$321,537	\$551,344	\$531,765
Net General Bonded Debt	\$33,690,301	\$36,168,463	\$34,518,656	\$33,073,235
Ratio of Net Bonded Debt to Estimated Actual Value	4.11%	3.99%	3.84%	3.70%
Net Bonded Debt per Capita	\$555.12	\$595.95	\$568.77	\$544.95

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	2006	2007	2008	2009
Population (1)	60,690	60,690	60,690	60,690
Assessed Value (2)	\$965,050,843	\$952,614,470	\$945,251,076	\$952,929,110
General Bonded Debt (3)				
General Obligation Bonds	\$32,090,000	\$30,525,000	\$28,815,000	\$31,960,000
Resources Available to Pay Principal	\$462,379	\$413,719	\$545,256	\$519,843
Net General Bonded Debt	\$31,627,621	\$30,111,281	\$28,269,744	\$31,440,157
Ratio of Net Bonded Debt to Estimated Actual Value	3.28%	3.16%	2.99%	3.30%
Net Bonded Debt per Capita	\$521.13	\$496.15	\$465.81	\$518.05

(continued)

CITY OF HAMILTON, OHIO

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2010	2011
Population (1)	62,477	62,225
Assessed Value (2)	\$902,895,930	\$895,754,320
General Bonded Debt (3)		
General Obligation Bonds	\$29,820,000	\$29,030,000
Resources Available to Pay Principal	\$639,917	\$859,989
Net General Bonded Debt	\$29,180,083	\$28,170,011
Ratio of Net Bonded Debt to Estimated Actual Value	3.23%	3.14%
Net Bonded Debt per Capita	\$467.05	\$452.71

CITY OF HAMILTON, OHIO

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2011*

<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	\$29,030,000	100.00%	\$29,030,000
Overlapping:			
Butler County	92,871,240	11.95%	11,098,113
Hamilton City School District	99,335,000	97.32%	96,672,822
Talawanda School District	50,075,000	5.58%	2,794,185
New Miami Local School District	1,342,997	0.40%	5,372
Ross Local School District	19,190,000	0.50%	95,950
		Subtotal	<u>110,666,442</u>
		Total	<u><u>\$139,696,442</u></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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Total Debt				
Net Assessed Valuation	\$819,424,507	\$906,857,895	\$898,476,089	\$894,402,144
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	86,039,573	95,220,079	94,339,989	93,912,225
City Debt Outstanding (2)	9,540,000	12,565,000	9,789,000	41,248,235
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>9,540,000</u>	<u>12,565,000</u>	<u>9,789,000</u>	<u>41,248,235</u>
Overall Legal Debt Margin	<u><u>\$76,499,573</u></u>	<u><u>\$82,655,079</u></u>	<u><u>\$84,550,989</u></u>	<u><u>\$52,663,990</u></u>
Unvoted Debt				
Net Assessed Valuation	\$819,424,507	\$906,857,895	\$898,476,089	\$894,402,144
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	45,068,348	49,877,184	49,416,185	49,192,118
City Debt Outstanding (2)	9,540,000	12,565,000	9,789,000	41,248,235
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>9,540,000</u>	<u>12,565,000</u>	<u>9,789,000</u>	<u>41,248,235</u>
Overall Legal Debt Margin	<u><u>\$35,528,348</u></u>	<u><u>\$37,312,184</u></u>	<u><u>\$39,627,185</u></u>	<u><u>\$7,943,883</u></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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$965,050,843	\$952,614,470	\$945,251,076	\$952,929,110
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	101,330,339	100,024,519	99,251,363	100,057,557
City Debt Outstanding (2)	37,957,621	36,146,281	35,764,744	31,440,157
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>37,957,621</u>	<u>36,146,281</u>	<u>35,764,744</u>	<u>31,440,157</u>
Overall Legal Debt Margin	<u><u>\$63,372,718</u></u>	<u><u>\$63,878,238</u></u>	<u><u>\$63,486,619</u></u>	<u><u>\$68,617,400</u></u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$965,050,843	\$952,614,470	\$945,251,076	\$952,929,110
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	53,077,796	52,393,796	51,988,809	52,411,101
City Debt Outstanding (2)	37,957,621	36,146,281	35,764,744	31,440,157
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>37,957,621</u>	<u>36,146,281</u>	<u>35,764,744</u>	<u>31,440,157</u>
Overall Legal Debt Margin	<u><u>\$15,120,175</u></u>	<u><u>\$16,247,515</u></u>	<u><u>\$16,224,065</u></u>	<u><u>\$20,970,944</u></u>

(continued)

CITY OF HAMILTON, OHIO

*Debt Limitations
Last Ten Years*

Collection Year	<u>2010</u>	<u>2011</u>
<u>Total Debt</u>		
Net Assessed Valuation	\$902,895,930	\$895,754,320
Legal Debt Limitation (%) (1)	10.50%	10.50%
Legal Debt Limitation (\$) (1)	94,804,073	94,054,204
City Debt Outstanding (2)	29,180,083	28,170,011
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation (2)	<u>29,180,083</u>	<u>28,170,011</u>
Overall Legal Debt Margin	<u><u>\$65,623,990</u></u>	<u><u>\$65,884,193</u></u>
<u>Unvoted Debt</u>		
Net Assessed Valuation	\$902,895,930	\$895,754,320
Legal Debt Limitation (%) (1)	5.50%	5.50%
Legal Debt Limitation (\$) (1)	49,659,276	49,266,488
City Debt Outstanding (2)	29,180,083	28,170,011
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation (2)	<u>29,180,083</u>	<u>28,170,011</u>
Overall Legal Debt Margin	<u><u>\$20,479,193</u></u>	<u><u>\$21,096,477</u></u>

CITY OF HAMILTON, OHIO

*Pledged Revenue Coverage
Last Ten Years*

	2002	2003	2004	2005
Water System Revenue Bonds				
Gross Revenues (1)	\$17,805,870	\$14,464,401	\$14,194,267	\$14,477,037
Direct Operating Expenses (2)	9,077,809	8,880,858	9,615,956	9,942,278
Net Revenue Available for Debt Service	8,728,061	5,583,543	4,578,311	4,534,759
Annual Debt Service Requirement	3,103,139	1,007,114	1,007,114	1,006,914
Coverage	2.81	5.54	4.55	4.50
Wastewater System Revenue Bonds				
Gross Revenues (1)	\$12,599,192	\$11,884,710	\$10,666,399	\$12,943,233
Direct Operating Expenses (2)	7,836,155	7,809,274	7,434,951	7,372,609
Net Revenue Available for Debt Service	4,763,037	4,075,436	3,231,448	5,570,624
Annual Debt Service Requirement	2,219,758	2,276,583	2,275,153	2,056,197
Coverage	2.15	1.79	1.42	2.71
Gas System Revenue Bonds				
Gross Revenues (1)	\$22,627,373	\$27,950,700	\$28,782,604	\$33,967,409
Direct Operating Expenses (2)	19,456,357	23,338,504	24,856,014	32,111,986
Net Revenue Available for Debt Service	3,171,016	4,612,196	3,926,590	1,855,423
Annual Debt Service Requirement	1,472,941	1,113,021	1,493,213	1,489,113
Coverage	2.15	4.14	2.63	1.25
Electric System Revenue Bonds				
Gross Revenues (1)	\$54,261,126	\$49,407,634	\$52,327,108	\$59,628,880
Direct Operating Expenses (2)	34,813,408	33,542,273	37,116,049	41,916,192
Net Revenue Available for Debt Service	19,447,718	15,865,361	15,211,059	17,712,688
Annual Debt Service Requirement	12,830,152	13,610,043	11,721,429	9,034,766
Coverage	1.52	1.17	1.30	1.96
Special Assessment Bonds				
Special Assessment Collections	\$519,757	\$519,929	\$519,068	\$529,781
Debt Service				
Principal	275,000	395,000	378,770	392,000
Interest	150,476	137,680	142,085	124,994
Coverage	1.22	0.98	1.00	1.02

(1) Gross revenues include operating revenues plus interest income.

(2) Direct operating expenses include operating expenses less depreciation.

Source: City Records

(continued)

CITY OF HAMILTON, OHIO

*Pledged Revenue Coverage
Last Ten Years*

	2006	2007	2008	2009
Water System Revenue Bonds				
Gross Revenues (1)	\$14,980,733	\$15,618,225	\$14,753,151	\$14,365,405
Direct Operating Expenses (2)	11,035,787	11,278,031	11,625,041	11,794,753
Net Revenue Available for Debt Service	3,944,946	4,340,194	3,128,110	2,570,652
Annual Debt Service Requirement	1,005,474	1,007,224	1,006,964	1,009,324
Coverage	3.92	4.31	3.11	2.55
Wastewater System Revenue Bonds				
Gross Revenues (1)	\$10,784,184	\$11,086,222	\$11,151,093	\$10,835,332
Direct Operating Expenses (2)	7,373,360	7,838,546	8,252,037	8,150,313
Net Revenue Available for Debt Service	3,410,824	3,247,676	2,899,056	2,685,019
Annual Debt Service Requirement	2,058,590	2,059,490	2,059,490	2,056,015
Coverage	1.66	1.58	1.41	1.31
Gas System Revenue Bonds				
Gross Revenues (1)	\$40,216,803	\$38,699,384	\$39,980,359	\$31,795,459
Direct Operating Expenses (2)	32,442,221	32,703,906	35,686,059	27,095,082
Net Revenue Available for Debt Service	7,774,582	5,995,478	4,294,300	4,700,377
Annual Debt Service Requirement	1,490,012	1,492,513	1,491,762	1,490,112
Coverage	5.22	4.02	2.88	3.15
Electric System Revenue Bonds				
Gross Revenues (1)	\$59,863,468	\$63,779,353	\$66,029,226	\$61,400,264
Direct Operating Expenses (2)	39,719,528	46,588,939	48,905,823	39,290,578
Net Revenue Available for Debt Service	20,143,940	17,190,414	17,123,403	22,109,686
Annual Debt Service Requirement	13,007,773	13,037,485	13,046,060	13,052,060
Coverage	1.55	1.32	1.31	1.69
Special Assessment Bonds				
Special Assessment Collections	\$378,938	\$434,437	\$562,053	\$343,711
Debt Service				
Principal	347,000	320,000	287,000	270,000
Interest	121,859	121,101	127,757	111,863
Coverage	0.81	0.98	1.36	0.90

(continued)

CITY OF HAMILTON, OHIO

*Pledged Revenue Coverage
Last Ten Years*

	2010	2011
Water System Revenue Bonds		
Gross Revenues (1)	\$14,930,142	\$15,000,714
Direct Operating Expenses (2)	12,158,069	10,795,637
Net Revenue Available for Debt Service	2,772,073	4,205,077
Annual Debt Service Requirement	2,337,494	2,321,067
Coverage	1.19	1.81
Wastewater System Revenue Bonds		
Gross Revenues (1)	\$11,272,546	\$12,368,786
Direct Operating Expenses (2)	7,792,762	7,355,594
Net Revenue Available for Debt Service	3,479,784	5,013,192
Annual Debt Service Requirement	3,114,006	3,092,977
Coverage	1.12	1.62
Gas System Revenue Bonds		
Gross Revenues (1)	\$26,867,128	\$21,974,462
Direct Operating Expenses (2)	23,092,861	19,230,178
Net Revenue Available for Debt Service	3,774,267	2,744,284
Annual Debt Service Requirement	1,693,780	1,674,487
Coverage	2.23	1.64
Electric System Revenue Bonds		
Gross Revenues (1)	\$66,365,469	\$63,439,859
Direct Operating Expenses (2)	47,654,945	42,406,513
Net Revenue Available for Debt Service	18,710,524	21,033,346
Annual Debt Service Requirement	14,836,139	14,713,079
Coverage	1.26	1.43
Special Assessment Bonds		
Special Assessment Collections	\$511,216	\$512,509
Debt Service		
Principal	285,000	250,000
Interest	99,996	87,383
Coverage	1.33	1.52

CITY OF HAMILTON, OHIO

Demographic and Economic Statistics Last Ten Years

Calendar Year	2002	2003	2004	2005
Population (1)				
City of Hamilton	60,690	60,690	60,690	60,690
Butler County	332,807	332,807	332,807	332,807
Income (2) (a)				
Total Personal (in thousands)	9,754,906	9,999,852	10,309,695	10,695,751
Per Capita	29,311	30,047	30,978	32,138
Unemployment Rate (3)				
Federal	4.2%	3.8%	4.8%	5.8%
State	4.3%	3.7%	4.3%	5.7%
Butler County	4.3%	4.0%	4.3%	5.4%
Civilian Work Force Estimates (3)				
State	5,900,400	5,857,000	5,828,000	5,915,000
Butler County	197,800	203,700	183,300	185,300

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 2010, for the presentation of 2010 and 2011 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	2006	2007	2008	2009
Population (1)				
City of Hamilton	60,690	60,690	60,690	60,690
Butler County	332,807	332,807	332,807	332,807
Income (2) (a)				
Total Personal (in thousands)	11,025,896	11,264,851	11,954,760	11,533,094
Per Capita	33,130	33,848	35,921	34,654
Unemployment Rate (3)				
Federal	6.0%	5.5%	5.8%	10.0%
State	6.1%	6.0%	6.6%	10.8%
Butler County	5.6%	5.1%	5.9%	9.9%
Civilian Work Force Estimates (3)				
State	5,875,300	5,900,400	5,986,400	5,970,200
Butler County	189,700	190,800	191,700	191,700

(continued)

CITY OF HAMILTON, OHIO

*Demographic and Economic Statistics
Last Ten Years*

Calendar Year	2010	2011
Population (1)		
City of Hamilton	62,477	62,225
Butler County	368,130	373,115
Income (2) (a)		
Total Personal (in thousands)	12,975,478	13,151,184
Per Capita	35,247	35,247
Unemployment Rate (3)		
Federal	9.6%	8.9%
State	10.1%	8.6%
Butler County	9.6%	8.6%
Civilian Work Force Estimates (3)		
State	5,897,600	5,806,000
Butler County	188,200	191,300

CITY OF HAMILTON, OHIO

*Principal Employers
Current Year and Nine Years Ago*

		2011	
Employer	Nature of Business	Number of Employees	Rank
Butler County	Government	1,750	1
Hamilton City School District	Education	1,095	2
Fort Hamilton Hospital	Health Care	1,020	3
City of Hamilton	Government	680	4
Community First	Health Care	600	5
Miami University - Hamilton	Education	500	6
Meijer	Retail	325	7
The Kroger Company	Retail	250	8
First Financial Bank	Financial	230	9
ThyssenKrupp Bilstein Corp of America	Manufacturing	200	10
Total		<u>6,650</u>	
Total Employment within the City (1)		<u>N/A</u>	

		2002	
Employer	Nature of Business	Number of Employees	Rank
Fort Hamilton Hospital	Healthcare	1,250	1
Smart Paper, LLC	Manufacturing	650	2
Ohio Casualty Group	Insurance	450	3
Valeo Climate Control	Manufacturing	400	4
Meijer, Inc.	Retail	325	5
International Paper	Manufacturing	270	6
The Kroger Co.	Groceries	250	7
General Electric	Manufacturing	240	8
First National Bank of SW Ohio	Financial	230	9
Hamilton Fixture	Manufacturing	230	10
Total		<u>4,295</u>	
Total Employment within the City (1)		<u>N/A</u>	

(1) - Total employment within the City is not available.

Source: City Records

CITY OF HAMILTON, OHIO

Full Time Equivalent Employees by Function Last Six Years

	2006	2007	2008	2009
Governmental Activities				
General Government				
City Administration	25.00	34.00	28.00	21.00
Engineering	24.00	20.00	18.00	17.00
Municipal Court	30.00	28.00	27.00	28.00
Information Technology	17.00	18.00	15.00	10.00
Finance	39.00	43.00	37.00	35.00
Security of Persons and Property				
Police	159.00	174.00	167.00	147.00
Fire	113.00	116.00	108.00	107.00
Public Health and Welfare Services				
Health	20.00	21.00	16.00	15.00
Leisure Time Activities				
Parks and Recreation	27.00	27.00	27.00	22.00
Community Environment				
Planning and Zoning	22.00	23.00	23.00	25.00
Transportation				
Street	49.00	47.00	48.00	52.00
Business-Type Activities				
Utilities				
Gas	17.00	17.00	22.00	24.00
Electric	113.00	111.00	118.00	110.00
Water	35.00	32.00	32.00	34.00
Wastewater	26.00	28.00	24.00	23.00
Utility Customer Service	30.00	30.00	28.00	29.00
<i>Total Employees</i>	<u>746.00</u>	<u>769.00</u>	<u>738.00</u>	<u>699.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and
0.25 for each seasonal employee

Source: City Records

Information is not available in this format for years prior to 2006

(continued)

CITY OF HAMILTON, OHIO

*Full Time Equivalent Employees by Function
Last Six Years*

	<u>2010</u>	<u>2011</u>
Governmental Activities		
General Government		
City Administration	21.00	22.00
Engineering	17.00	12.50
Municipal Court	28.00	32.00
Information Technology	10.00	9.00
Finance	32.00	36.00
Security of Persons and Property		
Police	147.00	141.00
Fire	105.00	110.00
Public Health and Welfare Services		
Health	14.00	11.25
Leisure Time Activities		
Parks and Recreation	13.00	17.50
Community Environment		
Planning and Zoning	23.00	16.00
Transportation		
Street	50.00	55.00
Business-Type Activities		
Utilities		
Gas	24.00	31.00
Electric	109.00	114.00
Water	33.00	32.00
Wastewater	23.00	16.00
Utility Customer Service	28.00	23.00
<i>Total Employees</i>	<u>677.00</u>	<u>678.25</u>

CITY OF HAMILTON, OHIO

Operating Indicators by Function Last Ten Years

	2002	2003	2004	2005
Governmental Activities				
General Government				
Licenses and Permits				
Building Permits Issued - Residential	392	492	438	306
Building Permits Issued - Commercial	329	399	479	341
Security of Persons and Property				
Police				
Misdemeanor Arrests	5,053	4,719	6,399	7,831
Felony Arrests	2,623	2,501	1,317	1,474
Traffic Citations Issued	14,711	14,188	14,208	15,232
Parking Tickets Written	1,914	1,949	1,989	1,766
Fire / Emergency Medical Services				
Number of Calls Answered	9,370	9,824	10,637	10,347
Number of Inspections	1,916	1,983	2,072	2,132
Number of Emergency Medical Calls	N/A	N/A	8,293	8,299
Transportation				
Street				
Street Resurfacing (Center Line miles)	0.70	6.70	5.20	1.20
Parking				
Parking Levels	6.50	6.50	6.50	6.50
Parking Spaces	758	752	752	752
Average Daily Cars Parked	376	604	589	604
Parking / Meters - On Street and Lots	963	977	977	972
Public Works				
Refuse Collection				
Refuse Collected (tons)	N/A	24,317	23,761	26,779
Recyclables Collected (tons)	N/A	1,521	1,529	1,815
Leisure Time Activities				
Parks and Recreation				
Athletic Field Permits Issued	N/A	N/A	N/A	N/A
Public Health and Welfare Services				
Health Care				
Number of Patient Beds	307	307	307	157

(Continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	2006	2007	2008	2009
Governmental Activities				
General Government				
Licenses and Permits				
Building Permits Issued - Residential	387	239	234	434
Building Permits Issued - Commercial	355	251	427	371
Security of Persons and Property				
Police				
Misdemeanor Arrests	8,400	7,534	6,778	8,774
Felony Arrests	1,621	2,302	942	2,041
Traffic Citations Issued	14,335	6,418	7,050	6,273
Parking Tickets Written	1,231	767	1,157	766
Fire / Emergency Medical Services				
Number of Calls Answered	10,523	10,687	11,870	11,326
Number of Inspections	2,157	2,203	596	2,156
Number of Emergency Medical Calls	8,292	8,536	8,836	8,691
Transportation				
Street				
Street Resurfacing (Center Line miles)	4.60	2.14	4.68	3.57
Parking				
Parking Levels	6.50	6.50	6.50	6.50
Parking Spaces	752	752	752	751
Average Daily Cars Parked	575	560	550	412
Parking / Meters - On Street and Lots	892	836	836	836
Public Works				
Refuse Collection				
Refuse Collected (tons)	27,638	25,387	25,807	26,493
Recyclables Collected (tons)	1,683	1,547	1,587	1,842
Leisure Time Activities				
Parks and Recreation				
Athletic Field Permits Issued	55	61	128	94
Public Health and Welfare Services				
Health Care				
Number of Patient Beds	282	318	288	320

(Continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	2010	2011
Governmental Activities		
General Government		
Licenses and Permits		
Building Permits Issued - Residential	270	189
Building Permits Issued - Commercial	355	300
Security of Persons and Property		
Police		
Misdemeanor Arrests	7,740	6,589
Felony Arrests	1,516	1,587
Traffic Citations Issued	6,208	6,418
Parking Tickets Written	873	3,721
Fire / Emergency Medical Services		
Number of Calls Answered	11,386	11,733
Number of Inspections	1,145	2,159
Number of Emergency Medical Calls	9,008	9,121
Transportation		
Street		
Street Resurfacing (Center Line miles)	11.86	17.97
Parking		
Parking Levels	6.50	6.50
Parking Spaces	754	754
Average Daily Cars Parked	646	457
Parking / Meters - On Street and Lots	836	836
Public Works		
Refuse Collection		
Refuse Collected (tons)	25,988	25,823
Recyclables Collected (tons)	2,149	2,023
Leisure Time Activities		
Parks and Recreation		
Athletic Field Permits Issued	92	60
Public Health and Welfare Services		
Health Care		
Number of Patient Beds	274	320

(Continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	2002	2003	2004	2005
Business-Type Activities				
Gas				
Average Daily Consumption (100 cubic feet)	10,389	10,807	9,950	9,854
Peak Daily Consumption (100 cubic feet)	25,600	30,654	29,582	26,114
Electric				
Peak Demand (MW)	147.3	143.0	144.1	166.0
Energy Requirement (MWh)	669,608	663,338	645,131	706,381
Total System Sales (MWh)	636,127	622,655	611,560	613,772
Total Residential Customers	24,944	25,341	25,578	25,253
Total Commercial Customers	3,036	3,068	3,033	3,025
Water				
New Service Connections	N/A	N/A	N/A	N/A
Water Main Breaks	N/A	N/A	N/A	N/A
Average Daily Consumption (thousands of gallons)	18,620	17,593	17,254	19,159
Peak Daily Consumption (thousands of gallons)	35,675	28,344	28,666	28,653
Wastewater				
Average Daily Sewage Treatment (millions of gallons)	20.3	20.5	17.2	15.3

Source: City Records

N/A = Information Not Available

(Continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	2006	2007	2008	2009
Business-Type Activities				
Gas				
Average Daily Consumption (100 cubic feet)	9,237	9,114	9,176	8,694
Peak Daily Consumption (100 cubic feet)	24,325	29,992	29,415	33,457
Electric				
Peak Demand (MW)	157.0	165.0	148.0	146.0
Energy Requirement (MWh)	638,652	664,687	658,776	626,161
Total System Sales (MWh)	585,791	630,596	623,351	592,956
Total Residential Customers	25,974	26,398	26,481	26,345
Total Commercial Customers	3,060	3,019	3,000	2,905
Water				
New Service Connections	9	122	52	8
Water Main Breaks	57	88	94	71
Average Daily Consumption (thousands of gallons)	19,757	21,256	18,053	16,957
Peak Daily Consumption (thousands of gallons)	32,266	35,197	22,723	22,755
Wastewater				
Average Daily Sewage Treatment (millions of gallons)	16.4	16.2	16.2	12.5

(Continued)

CITY OF HAMILTON, OHIO

*Operating Indicators by Function
Last Ten Years*

	<u>2010</u>	<u>2011</u>
Business-Type Activities		
Gas		
Average Daily Consumption (100 cubic feet)	9,088	8,808
Peak Daily Consumption (100 cubic feet)	26,487	27,425
Electric		
Peak Demand (MW)	159.0	159.0
Energy Requirement (MWh)	663,099	651,892
Total System Sales (MWh)	636,557	618,083
Total Residential Customers	26,177	26,085
Total Commercial Customers	2,954	2,952
Water		
New Service Connections	10	4
Water Main Breaks	93	87
Average Daily Consumption (thousands of gallons)	17,853	17,644
Peak Daily Consumption (thousands of gallons)	22,537	25,545
Wastewater		
Average Daily Sewage Treatment (millions of gallons)	13.4	14.2

CITY OF HAMILTON, OHIO

*Capital Asset Statistics by Function
Last Ten Years*

	2002	2003	2004	2005
Governmental Activities				
General Government				
Public Land and Buildings				
Land (Square Miles)	21.55	21.56	21.56	21.56
Security of Persons and Property				
Police				
Stations	1	1	1	1
Patrol Cruisers	38	40	40	40
Fire / Emergency Medical Services				
Stations	6	6	6	6
Transportation				
Street				
Streets (lane miles)	204.80	206.80	209.90	213.40
Street Lights	9,015	9,015	12,000	9,000
Traffic Signals	97	97	97	97
Parking				
Off street Parking Garages	2	2	2	2
Leisure Time Activities				
Parks and Recreation				
Parks	56	56	56	56
Park Area (acres)	1,320	1,320	1,320	1,320
Playgrounds	N/A	N/A	N/A	N/A
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	5	5	5	5
Golf Courses	2	2	2	2
Skateboard Park	N/A	N/A	1	1
Community Environment				
Libraries	1	1	1	1
Public Health and Welfare				
Hospitals	1	1	1	1

(Continued)

CITY OF HAMILTON, OHIO

*Capital Asset Statistics by Function
Last Ten Years*

	2006	2007	2008	2009
Governmental Activities				
General Government				
Public Land and Buildings				
Land (Square Miles)	21.56	21.56	21.57	21.62
Security of Persons and Property				
Police				
Stations	1	1	1	1
Patrol Cruisers	40	39	44	44
Fire / Emergency Medical Services				
Stations	6	6	6	6
Transportation				
Street				
Streets (lane miles)	215.90	216.00	216.20	216.20
Street Lights	9,000	6,966	6,978	6,963
Traffic Signals	97	98	98	98
Parking				
Off street Parking Garages	2	2	2	2
Leisure Time Activities				
Parks and Recreation				
Parks	55	55	52	52
Park Area (acres)	1,300	1,300	1,300	1,300
Playgrounds	25	25	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	5	3	1	1
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

	2010	2011
Governmental Activities		
General Government		
Public Land and Buildings		
Land (Square Miles)	21.62	21.68
Security of Persons and Property		
Police		
Stations	1	1
Patrol Cruisers	44	44
Fire / Emergency Medical Services		
Stations	6	6
Transportation		
Street		
Streets (lane miles)	254.21	254.21
Street Lights	6,986	6,996
Traffic Signals	98	98
Parking		
Off street Parking Garages	2	2
Leisure Time Activities		
Parks and Recreation		
Parks	52	52
Park Area (acres)	1,300	1,300
Playgrounds	24	24
Ball Fields		
Lighted	9	9
Unlighted	34	34
Tennis Courts		
Lighted	2	2
Unlighted	6	6
Swimming Pools	1	1
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*

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Business-Type Activities				
Utilities				
Water				
Purification Plants	2	2	2	2
Maximum Capacity (millions of gallons)	46	46	46	46
Waterlines (Miles)	251.7	254.0	261.3	264.3
Wastewater				
Treatment Plants	1	1	1	1
Maximum Capacity (millions of gallons)	320	320	320	320
Sanitary Sewerlines (Miles)	221.6	223.5	227.5	233.0
Storm Drains (Miles)	145.7	147.5	151.8	155.2

Source: City Records

(Continued)

CITY OF HAMILTON, OHIO

*Capital Asset Statistics by Function
Last Ten Years*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Business-Type Activities				
Utilities				
Water				
Purification Plants	2	2	2	2
Maximum Capacity (millions of gallons)	46	46	46	46
Waterlines (Miles)	267.3	267.4	267.4	267.4
Wastewater				
Treatment Plants	1	1	1	1
Maximum Capacity (millions of gallons)	320	320	320	320
Sanitary Sewerlines (Miles)	236.3	236.4	236.8	236.8
Storm Drains (Miles)	157.1	158.3	158.5	158.5

(Continued)

CITY OF HAMILTON, OHIO

*Capital Asset Statistics by Function
Last Ten Years*

	<u>2010</u>	<u>2011</u>
Business-Type Activities		
Utilities		
Water		
Purification Plants	2	2
Maximum Capacity (millions of gallons)	46	46
Waterlines (Miles)	340.0	340.0
Wastewater		
Treatment Plants	1	1
Maximum Capacity (millions of gallons)	320	320
Sanitary Sewerlines (Miles)	253.0	253.0
Storm Drains (Miles)	188.2	188.2





Dave Yost • Auditor of State

CITY OF HAMILTON

BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 14, 2012