

CITY OF HAMILTON! OHIO

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

Year Ended December 31, 2005



**Auditor of State
Betty Montgomery**

City 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, 2005 through December 31, 2005. 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 "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

August 1, 2006

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CITY OF HAMILTON! OHIO

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CITY OF HAMILTON! OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2005

<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	\$ 2,222,192
HOME Investment Partnerships Program	n/a	14.239	196,825
Total U.S. Department of Housing and Urban Development			<u>2,419,017</u>
<u>U.S. Department of Justice:</u>			
Local Law Enforcement Block Grants Program	n/a	16.592	123,600
Community Capacity Development Office	n/a	16.595	339,910
Bulletproof Vest Partnership Program	n/a	16.607	8,492
Community Prosecution and Project Safe Neighborhoods	n/a	16.609	56,605
Gang Resistance Education & Training	n/a	16.737	109,230
Total U.S. Department of Justice			<u>637,837</u>
<u>U.S. Department of Health and Human Services</u> <i>(Passed through Ohio Department of Health)</i>			
Immunization Grants	AZ-05/AZ-06	93.268	126,865
Total U.S. Department of Health and Human Services			<u>126,865</u>
<u>U.S. Department of Homeland Security:</u> <i>(Passed through Kentucky Emergency Management Agency)</i>			
Public Assistance Grants	FEMA 1454	97.036	17,336
<i>(Passed through Ohio Emergency Management Agency)</i>			
Public Assistance Grants	FEMA-3198	97.036	62,014
			79,350
Assistance to Firefighters Grant	n/a	97.044	123,834
Total U.S. Department of Homeland Security			<u>203,184</u>
Total Federal Awards			<u>\$ 3,386,903</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - OUTSTANDING NOTES

The community development loans outstanding at December 31, 2005 totaled \$304,924 under CFDA 14.218 and \$159,403 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.



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

**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 the 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, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2006. 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

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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 19, 2006.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 19, 2006



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of City of Hamilton! Ohio ("City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. 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 on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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, 2005, and have issued our report thereon dated June 19, 2006. Our audit was performed for the purpose of forming 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, 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 finance advisory committee, 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, Hachett & Co.

Cincinnati, Ohio
June 19, 2006

CITY OF HAMILTON! OHIO

Schedule of Findings and Questioned Costs

Year Ended December 31, 2005

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued :	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Reportable condition(s) identified not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	none

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	none
• Reportable condition(s) identified not considered to be material weaknesses?	none
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
Identification of major programs:	
<i>CFDA 14.218 - Community Development Block Grants/Entitlement Grants</i>	
<i>CFDA 16.595 - Community Capacity Development Office</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$500,000
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

CITY OF HAMILTON! OHIO

Schedule of Prior Audit Findings

Year Ended December 31, 2005

The prior audit disclosed no instances of noncompliance that were required to be reported in accordance with *Government Auditing Standards* or noncompliance with requirements of major federal programs. In addition, no reportable conditions or material weaknesses with respect to internal controls over financial reporting or internal controls over compliance were reported in the prior year.

THE CITY OF HAMILTON! OHIO

BUTLER COUNTY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2005

Prepared by:

Department of Finance

Ana Ramanathan, MBA, CPA
Director of Finance

Deborah, Hymer, CPA
Treasurer

David Jones, CPA
Comptroller

**THE CITY OF HAMILTON! OHIO
BUTLER COUNTY**

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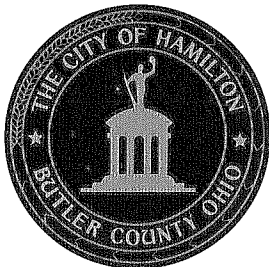
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INTRODUCTORY

SECTION



Founded 1791

Department of Finance

City of Hamilton, Ohio
One Renaissance Center
345 High Street, Hamilton, Ohio 45011
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June 19, 2006

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, 2005, 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 CAFR is organized in three sections: the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section contains a table of contents, letter of transmittal, organization chart, list of elected officials and a Certificate of Achievement for Excellence in Financial Reporting for the 2004 CAFR. The Financial Section includes the Independent Auditors' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements. The Statistical Section provides selected financial, economic and demographic information which may be used to indicate trends for comparative fiscal periods.

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.

While this report accurately presents the financial statements and statistics of Hamilton, Ohio, it only reflects a small segment of the entire community – a community that includes many businesses, a quality school system, an excellent park system, a library system, Miami University (a branch campus) and several industrial parks.

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 compliment the MD&A and should be read in conjunction with it. Hamilton's MD&A can be found immediately following the independent auditors' report.

Early History

In 1791, General St. Clair established an army post on the east bank of the Great Miami River from which he could carry on his campaign against hostile Indian tribes in the area. The stockade fort was maintained until 1796. Shortly after the abandonment of the fort, Israel Ludlow laid out a village which he called Fairfield on land adjoining the fort. A few years later, Fairfield was renamed in honor of Alexander Hamilton. In 1803, Butler County was officially created by an act of the state legislature and in 1810, Hamilton became the county seat. In 1829, the first boat passed through Hamilton on the Miami and Erie Canal bringing new prosperity and prominence to the City of Hamilton as an industrial center as well as a regional center for retail and business services.

In 1854, the City of Hamilton, on the east bank of the Great Miami River, united with its sister village, Rossville, on the west bank of the Great Miami River, under the name of Hamilton. The City maintained its reputation as an industrial community of renown, and its products were known the world over and the diversity of transportation systems provided ready access to all of the world's markets.

Location

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. In addition, the Transportation Improvement District of Butler County has completed construction of the new Union Center Interchange on Interstate 75 and the State Route 129 Extension (formerly known as the Butler County Regional Highway), connecting Hamilton to Interstate 75.

The nearby Cincinnati Metropolitan Area is an important rail freight center served by CSX Transportation, Norfolk Southern and Conrail. It is also on the 15,000 mile Great Mississippi River inland waterway and intra-coastal canal system. There are four airports within 50 minutes drive time of Hamilton. The Cincinnati-Northern Kentucky International Airport is located approximately one hour from Hamilton via two interstate routes. The Butler County Regional Airport, a general aviation facility, is located in the cities of Hamilton and Fairfield.

Distance from Hamilton to Major Urban Markets

<u>City</u>	<u>Highway Miles</u>
Cincinnati, Ohio	30
Dayton, Ohio	40
Indianapolis, Indiana	110
Columbus, Ohio	110
Detroit, Michigan	247
Cleveland, Ohio	248
Chicago, Illinois	274
Pittsburgh, Pennsylvania	284
Atlanta, Georgia	521

Form of Government

The City of Hamilton is a home rule municipal corporation created under the laws of the State of Ohio. The City has operated under its charter since 1928, with the most recent charter enacted in 2001. The City is considered a strong city manager form of municipal government.

The Mayor of Hamilton is elected to a four-year term by popular vote, separate from the remaining six council members. The Council candidate receiving the highest number of votes becomes Vice-Mayor. Members of Council are elected to four year staggered terms, three in each election. In addition, the City also elects a municipal court judge once every six years.

The City Manager is charged with the proper administration of all affairs of the City. He appoints and removes all heads of departments, subordinate officers and employees of the City. In addition, he also serves as Chief Public Safety Officer.

Michael J. Samoviski, P. E., currently serves as City Manager and was appointed by City Council on July 1, 2002. He has nearly thirty-nine years of public employment, which includes thirty years at the City of Hamilton. From February 2001 until June 30, 2002, he was Director of the Butler County Transportation Improvement District. From 1979 to 2001, he served as Public Works Director with the responsibility of directing the operation and management of the department's diverse activities. From 1974 to 1979, he served as the City Traffic Engineer, a managerial position in the Public Works Department. Mr. Samoviski received his bachelor's degree in 1967 from Ohio University. He is a licensed professional engineer in Ohio and California.

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. In addition, the GASB has also issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which further defines the practical rules that an evaluating government must employ, presuming that inclusion of any such entity is material to financial statement presentation, for an organization to qualify as a component unit.

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.

The City serves as a fiscal agent but is not financially accountable for the Hamilton-Indian Springs (Fairfield Township) Joint Economic Development Districts (JEDDI/JEDDII). Therefore, they are reported as agency funds within the City's financial section.

Excluded from the reporting entity because they are legally separate and fiscally independent of the City are Butler County, the Butler Technology and Career Development Center, the Hamilton City School District, the Lane Public Library, the Greater Hamilton Convention and Visitor's Bureau, the Hamilton Chamber of Commerce and the Hamilton Central Business Special Improvement District.

AMP-Ohio, Inc., Butler County Alliance (fka the Economic Development Association of Butler County) the Transportation Improvement District of Butler County (TID), the Butler County Emergency Management Agency (EMA), the Hamilton Community Improvement Corporation (CIC), the Hamilton Economic Development Corporation (HEDC), the Center for Local Government and the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) are reported as jointly governed organizations. The AMP-Ohio OMEGA JV2 and the Hamilton-Indian Springs (Fairfield Township) Joint Economic Development Districts (JEDD) are reported as governmental joint ventures.

ECONOMIC OUTLOOK

Butler County exhibits a diverse economic base accompanied by growth in all sectors, including industrial, retail, service and residential. The County is strategically located midway between the major metropolitan areas of Cincinnati and Dayton. This central location combined with population growth provides the area with a large concentration of consumers and an excellent pool of prospective employees for new and expanding businesses.

With approximately 1,700 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 paper and paper products, metalworking, automotive parts and components, machine tools, and other industrial sectors. In the paper industry, Smart Papers and Mohawk Fine Paper (acquired Beckett Mill from International Paper in 2005) operate mills in the city, with employment totaling over 650. Metal fabricators and machine tool companies include Hamilton Caster & Manufacturing, Salvagnini USA, Livingston-Tyler, Matandy Steel & Metal Products, General Electric Aircraft, Armor Metal Group, Thompson Metal Tubing and Ferguson Metals. Automotive parts and components, for original equipment and after-market use, are manufactured by such Hamilton companies as Valeo Climate Control, ThyssenKrupp Bilstein Corporation of America, Nifty Products and Dynamic Controls, employing approximately 900 in this industry sector.

In the four year period, from 2002 through 2005, the City has seen considerable expansion activity across the business sectors. The Department of Economic Development has tracked and assisted approximately 40 expansion projects during that period. These projects have accounted for an investment or anticipated investment of almost \$122 million in new capital in the City. Additionally, these projects have or are expected to create between 1,200-1,600 new jobs in the City, while retaining almost 2,900 existing jobs. These projects include Fort Hamilton Hospital (\$28.5 million investment, 170 new jobs, 1,250 jobs retained), Valeo Climate Control (\$8.8 million investment, 21 new jobs, 430 jobs retained), Sensus (\$5 million investment, 31 new jobs) YAC Robot (\$1 million investment, 14 new jobs), Dawes Transport (\$1.8 million investment, 34 new jobs), and Butler County Surgical Properties/Prexus-Office Building, Imaging Center and Sleep Center (\$18+ million investment, 100+ new jobs, 60 retained jobs).

The City continues to attempt to diversify its business base, focusing a great deal of attention on the technology industries. The addition of YAC Robots and Sensus to the business complement in the City attests to this focus. Additionally, the City is continuing to work closely with Vora Technology Park (VTP) in bringing new technology to the area. VTP, a 58 acre park containing a 365,000 Class A, state-of-the-art office building, is currently home to over 180 employees. The City is assisting in the recruitment efforts ongoing at VTP and expects to make additional expansion announcements for VTP in 2006.

As a complement to VTP and Miami University Hamilton Campus, the City owns the 65-acre, University Commerce Park, a business park under development and adjacent to both entities. To further spur the growth expected in this area, the City is moving forward with plans for a new South Hamilton Railroad Crossing/Overpass 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, SR 4 and the eastern suburban areas from the University Commerce Park/VTP/Miami Hamilton area.

In 1997, the City purchased a 263-acre tract of farm land, along Hamilton-Mason Road, just north of the Butler County Airport. This site is situated approximately one-half mile south of an interchange with the four-lane, limited access State Route 129 and

approximately 8 miles from I-75. Since its acquisition, the City has developed and marketed this property for industrial/commercial office uses and is known as Hamilton Enterprise Park. Since its inception, 10 projects have been undertaken or will soon be underway at the site, including M.A. Folkes (two projects), Butler County Surgical Properties (surgery center, 15,000 sq. ft. medical office building, dialysis center, imaging center and sleep center), Sensus, LLC (two projects), Butler County Alcohol and Chemical Addiction office building, and the BCRTA headquarters. These developments represent a capital investment of almost \$40 million and have the potential of creating in excess of 400 jobs at the Park. A number of other commercial office/industrial projects are continuing to consider locations at the Park.

Downtown Hamilton has and will see major investments in redevelopment of existing buildings and new construction. Historic redevelopments include the Robinson-Schwenn Building redevelopment, a \$4+ million investment in circa 1866 former opera house for office and retail use. Additionally, Historic Developers, LLC has undertaken the redevelopment of the Mercantile Block, on High Street. This series of three buildings is being redeveloped into retail and upper-story loft apartments, with an investment of approximately \$5 million and a completion date in 2007.

In 2003, the City purchased the former Mercy Hospital from Mercy Health Partners. The City has since been working with a potential redeveloper to convert this 7.5+ acre site from a former hospital to a market-rate residential and retail development along the banks of the Great Miami River. This redevelopment, known as RiversEdge, is being 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 or exceed \$20 million. This redevelopment project is a key component of the City's Riverfront Redevelopment efforts.

With over 650,000 square feet of existing retail space, the City of Hamilton's retail sector continues to grow. With an anticipated new construction of approximately 200,000 square feet over the next few years, the retail and restaurant sector is expecting several new additions including a super Wal-Mart and new Kroger-anchored retail destination center. Other projects include pending redevelopments of several mature shopping strip centers. The Department of Economic Development continues efforts to attract new retailers and dining establishments through a focused retail/restaurant attraction program. This initiative is intended to identify services that either do not currently exist or would support present retail operations in our community.

The Kroger-anchored retail development mentioned above is located on the site of the former Mosler Safe Company. The City, with the assistance of a \$2.3 million grant from Clean Ohio Revitalization Fund, managed the remediation and demolition of this site and facilitated the redevelopment into the Shoppes at Hamilton by Oberer Developers. The total new investment on this former industrial brownfield is expected to be almost \$9 million.

Current retail anchors throughout the City include Meijer, Kroger, WalMart, Staples, Hobby Lobby, Lowe's Home Improvement, Tractor Supply, SuperPetz and other established retailers.

In the future, as in the recent past, the City economy is expected to be augmented by large construction projects, including the ongoing campaign by the Hamilton City School District to renovate their existing high and junior high schools. The ninth grade school was recently completed; however, work is expected to begin over the next several years on the construction of 8-9 new elementary schools in Hamilton, replacing the existing schools.

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. Recently, the JEDD was expanded (Phase II) to include the Bridgewater Falls development along Princeton Road.

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. 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 WalMart, 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 distribution of income tax revenues exceeds \$20,000 per month for each entity. Discussion is underway with Fairfield Township for further expansion of the JEDD.

CITY SERVICES/INITIATIVES

Present

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.

The City of Hamilton has owned and operated a gas utility system since 1890. It is currently the largest municipal gas distribution operation in Ohio. The Gas system has approximately 220 miles of looped steel, cast iron and plastic mains.

The City has owned and operated an electric utility since 1893. The Electric System is a fully integrated electric generation, transmission and distribution system. It is currently the second largest municipally owned electric system in Ohio. It owns and operates both thermal and hydroelectric generation facilities and purchases and sells power and energy from and to other utilities and others.

The Wastewater System consists of the treatment plant and sanitary sewer facilities. The initial sludge plant was placed in service in 1959. In 1978, the Wastewater System was expanded to provide complete treatment services.

The City's water supply operations began in 1884. The Water System is a fully integrated water supply, treatment, transmission and distribution system. The City has two water treatment facilities. The City's two well fields draw from the Great Miami Buried Valley Aquifer. The transmission and distribution system consists of more than 275 miles of various size piping, storage facilities and pumping stations. Currently, surplus water is sold to Butler County under a settlement agreed to in 2002.

Future

The completion of projects funded through Hamilton's infrastructure renewal bonds will proceed, as well as the completion of the High-Main Bridge construction in the Fall, 2006. The City's utility systems will continue to upgrade existing equipment and infrastructure in 2006, including projects such as the Highland Park Gas Main Replacement Program and Rebuild of Electric Turbine #9.

Technology initiatives will continue to be deployed as a way of maximizing resources. The GIST (or Geographic Information System Transition) Project Phase I was completed in 2005. The City will complete implementation of the AMR (Automated Meter Reading) System during 2006.

Property Taxes

Property taxes are collected by the Butler County Treasurer and remitted periodically to the City by the County Auditor. Property values are assessed by the County Auditor every three years in either a triennial update of values or in the required six-year full reappraisal of property within the County. The County concluded a triennial property update in the year 2005.

Property tax rates are developed through statute and by voter approved levies. The property tax rate for the City of Hamilton is 7.16 mills, or \$7.16 per \$1000 of taxable valuation. The tax rate is applied to the assessed value of all property located within the City. Real Property is valued at approximately 35%. Public Utility Property is valued at

approximately 88% while Tangible Personal Property is valued at 25% of its actual value. Increases in the City's property tax rate can only occur with the approval of the City's voters at this time. Revenues from property taxes are primarily used for general fund operations. Total assessed values in the City over the past six years are shown below:

Levy Year	Collection Year	Assessed Value (in thousands)
2000	2001	\$ 804,136
2001	2002	819,425
2002	2003	906,858
2003	2004	898,476
2004	2005	894,402
2005	2006	965,051

Building Permit Values

Building activity is evidenced by the following data relating to the issuance of building permits by the City from 2000 to 2005:

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>		<u>Total Value</u>
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	
2000	385	\$20,498,066	366	\$52,709,312	\$73,207,378
2001	339	9,379,336	326	19,759,001	29,138,337
2002	392	13,703,202	329	16,472,320	30,175,522
2003	492	22,329,633	399	34,979,102	57,308,735
2004	438	21,037,770	479	48,338,747	69,376,517
2005	306	24,233,287	341	31,785,945	56,019,232

Employee Relations

The City currently employs approximately 709 permanent full-time employees and had a 2005 payroll of \$42,703,897, which includes part-time and seasonal personnel.

Under the "Collective Bargaining Law" public employees of the State and many local subdivisions have the right to organize, bargain collectively, and have union representation. The employer must recognize and grant exclusive representation rights to a representative approved by the State Employment Relations Board ("SERB"). SERB approval may be granted either after fulfillment of its regulatory requirements or approval by a majority of the employees at a SERB supervised election. The employer has the right to insist on an election. Any agreements under the Collective Bargaining Law must be in writing, must specify a grievance procedure and cannot exceed three years in duration.

The Collective Bargaining Law also designates those actions which constitute unfair labor practices and prescribes remedial procedures. In addition, it sets forth dispute resolution

procedures for a contract negotiation impasse, including arbitration or other mutually agreeable methods. If, during negotiations for a new contract, the impasse persists after fact-finding procedures, then police and firefighters, dispatchers in a 9-1-1 communication center, and other public safety employees must take the dispute to binding arbitration and do not have the right to strike. All other employees have the right to strike ten days after written notice, provided there is no contract in place. No public employee has the right to strike within the contract period.

All members of the Hamilton Police Division may retain fraternal membership in Lodge 38, Fraternal Order of Police. Persons holding the rank of Police Detective and lower are covered by a collective bargaining agreement which extends through August 31, 2007. Police officers of the rank of Lieutenant and Sergeant are in a separate unit, also represented by Lodge 38 Fraternal Order of Police. That contract also runs through August 31, 2007. The ranks Captain and Chief are non-union but receive many of the same benefits by codified ordinance sections as do the employees covered by that contract. All eligible persons are included in these groups.

All members of the Hamilton Fire Division may retain fraternal membership in Local 20, International Association of Firefighters. Persons holding the rank of Fire Captain and lower are covered by the collective bargaining agreement which covers the period from 2005 through 2007. Members of the Fire Command, which includes the ranks of Deputy Chief and Chief, are generally extended the same benefits as those employees covered by the contract through codified ordinances. All eligible persons are included in these groups.

All of the eligible Sewer, Streets and Fleet Maintenance employees of the Public Works Department and all eligible employees of the Parks Division are represented by the American Federation of State, County and Municipal Employees (AFSCME Local 475). These employees and the City have a three year collective bargaining agreement which covers the period January 15, 2006 through January 14, 2009.

All of the 105 eligible operating and maintenance employees of the Gas & Water, Public Works, and Electric Departments are represented by the International Union of Operating Engineers, Local 20. The City and the Local 20 have negotiated a contract which covers the period September 1, 2004 through August 31, 2007.

Forty-seven employees of the Electric, Gas & Water and Public Works Departments are members of the International Brotherhood of Electrical Workers (IBEW). The City and IBEW have negotiated a contract which covers the period November 1, 2003 through October 31, 2006, with an extension through October 31, 2007.

Five of the Public Health Nurses are members of the Office and Professional Employees International Union, Local 98. The City and these employees have agreed on a collective bargaining agreement which will expire on June 30, 2007.

AFSCME, Ohio Council 8 Local 3785 represents 13 persons employed in the 911 Communications Center as Public Safety Communications Operators. The current contract is in effect until July 31, 2007.

AFSCME, Ohio Council 8, Local 3169 represents approximately 65 clerical and technical employees. The three-year contract covers the period from July 10, 2005 through July 9, 2008.

The City of Hamilton has implemented a cooperative plan between labor and management which has been designated Team Hamilton. One example of that program, and its interaction with the labor contracts is the joint Health/Benefits Committee. That group, with members from both labor and management, makes significant recommendations to the City Manager. The role is important enough that the Committee is mentioned by specific contract language, in all of the collective bargaining agreements.

Pension Plans

Current and retired employees of the City are covered under two statewide public pension and retirement systems. The Ohio Police and Fire Pension Fund (OP&F) applies to sworn members of the police and fire departments. Other City employees are covered by the Ohio Public Employees Retirement Systems (PERS).

FINANCIAL INFORMATION

Accounting 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.

All internal control evaluations occur within this framework. 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 Controls

Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. The City Manager, with the assistance of the Finance Director, is required to submit to Council a tax budget of estimated revenues and expenditures for all funds, except agency funds for the succeeding fiscal year by the first council meeting in July. The budget is required to be adopted by the legislative body by July 15 and to be submitted to the County Budget Commission by July 20 of each year. City Council is required by Charter to adopt a permanent appropriation measure for the ensuing fiscal year no later than January 1st. On December 29, 2004, City Council adopted the 2005 fiscal year permanent appropriation measure.

The City maintains budgetary control on a non-GAAP budgetary basis by fund (the legal level of control). Management further monitors budgetary performance by establishing lower levels of budgetary control within each fund by department at major object levels, which include personal services, contractual services, supplies and materials, other expenditures, capital outlay, debt service and operating transfers.

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

The City's Accounting Division monitors year-to-date expenditures plus encumbrances versus the original appropriations plus any additional appropriations made to date. This permits the Finance Director and other City officials to ascertain the status of each department's appropriations at any time during the year. A description of the various funds and the basis of accounting are included in Note 1 to the basic financial statements.

OTHER INFORMATION

Independent Audit

Included in this report is the unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2005, 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.

Awards

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, 2004. 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.

Acknowledgments

The City of Hamilton is proud to be submitting this Comprehensive Annual Financial Report, which is the result of continued cooperation and the combined services of our elected officials, appointed administrators and employees. Its issuance is symbolic not only of our commitment to sound financial reporting, but also of the spirit of Team Hamilton. Your continuing support of this project is critical to its success as we strive to best serve the citizens of Hamilton, Ohio.

We would like to express our sincere appreciation to Mayor Donald V. Ryan, Vice-Mayor Patrick Moeller, James R. Noonan, Edward Shelton, Katherine A. Becker, Christopher D. Flaig, CPA, and George V. McNally, known collectively as the City Council of Hamilton, for their support and encouragement.

A special word of thanks is extended to Michael J. Samoviski, Mark Brandenburger, Hillary Stevenson, John W. "Jay" Liver, Mike Perry, Ralph Riegelsperger, Tim Biggler, Rob Smith, Charles Young, and all other Directors and employees of the City of Hamilton.


The basic financial statements of the City of Hamilton have been prepared in conformity with statements issued by the Governmental Accounting Standards Board (GASB), and more specifically GASB Statement No. 34. The statements are presented based upon accounting measurements and prescribed formats that have come to be known as the New Reporting Model. The adoption of these GASB statements requires a great deal of time and resources, a majority of which have come from in-house personnel


The abilities of the staff of the Department of Finance are never more evident than in the preparation of this report. Whether directly involved in financial statement creation and the audit of those statements, or in the day to day tasks of protecting public funds, our sincere thanks are extended to the entire Finance staff.

We would also like to take this opportunity to acknowledge the assistance of the Hamilton City School District as well as the Butler County Auditor's Office.

To Fraunfelter Accounting Services, we extend our deepest gratitude for your professional and expert advice in preparing this document.

Respectfully Submitted,
THE CITY OF HAMILTON, OHIO


Michael J. Samoviski
City Manager


Ana Ramanathan
Interim Director of Finance

City of Hamilton, Ohio
List of Elected and Principal Officials
As of December 31, 2005

Mayor

Donald V. Ryan

Vice Mayor

Pat Moeller

Council Members

Katherine A. Becker

Christopher D. Flaig

George V. McNally

James R. Noonan

Edward Shelton

Municipal Court

John G. Rosmarin, Judge

City Management

City Manager

Michael J. Samoviski, P. E.

**Managing Director of Operations/
Deputy City Manager**

Mark Brandenburger, Esq.

Economic Development Department

Planning Department

Information Technology Department

Police Division

Finance Department

Civil Service & Personnel Department

Health Department

Human Relations Department

Gas & Water Department

Law Department

Fire Division

Electric Department

Parks & Recreation Department

Public Works Department

City Clerk

Treasurer

Comptroller

Tim Bigler

Teri Whitmore

Rob Smith

Chief Neil R. Ferdelman

Ana Ramanathan, MBA, CPA

Nadine Hill

Dr. William Karwisch

Vaughn Lewis

John Liver

Hillary Miller, Esq.

Chief Joseph Schutte

Michael Perry

Bob Harris

R. Reigelsperger, P. E., P. S.

Ina Allen

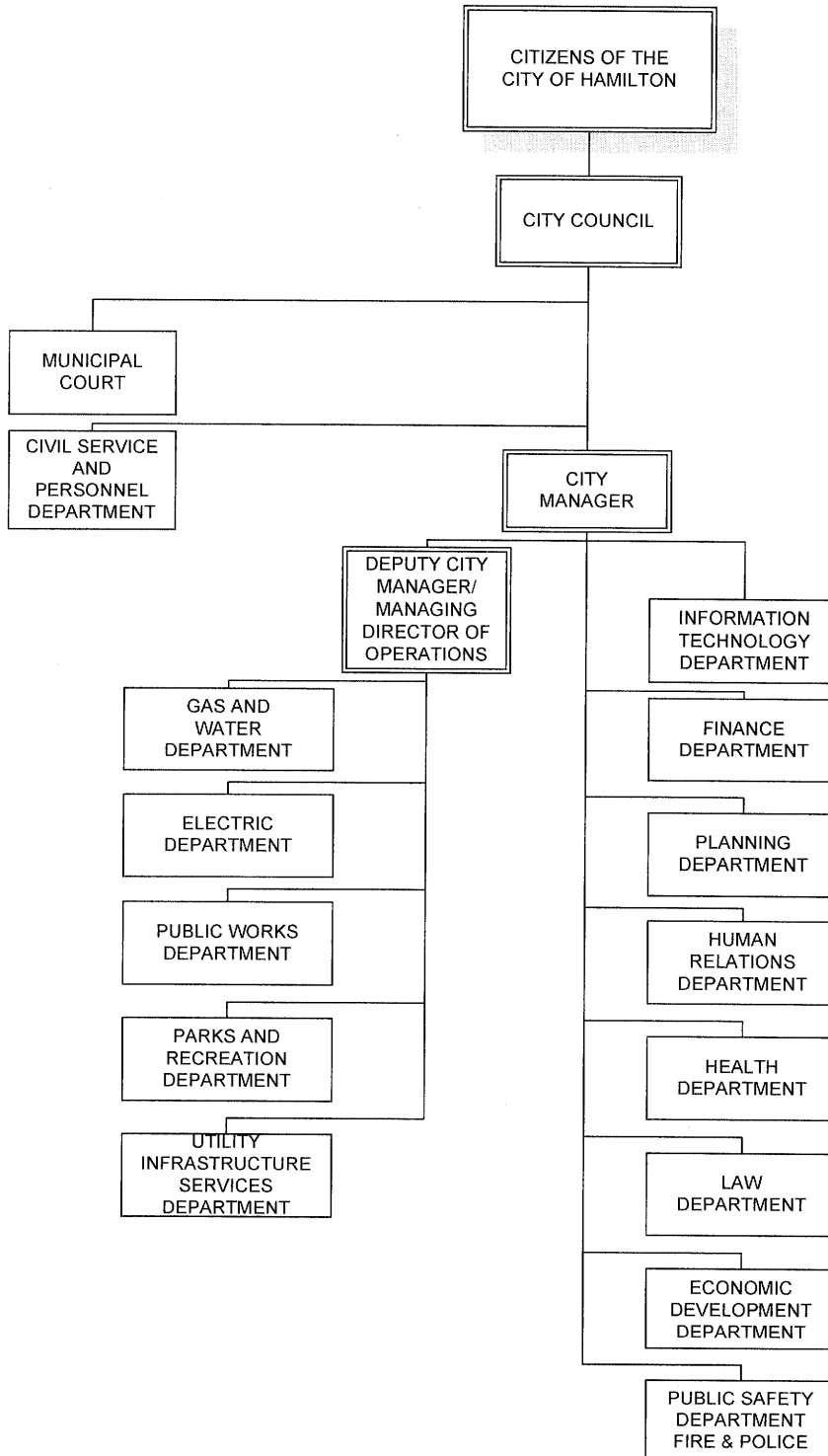
Deborah Hymer, CPA

David Jones, CPA

City of Hamilton

Organizational Chart

Rev. 6/06

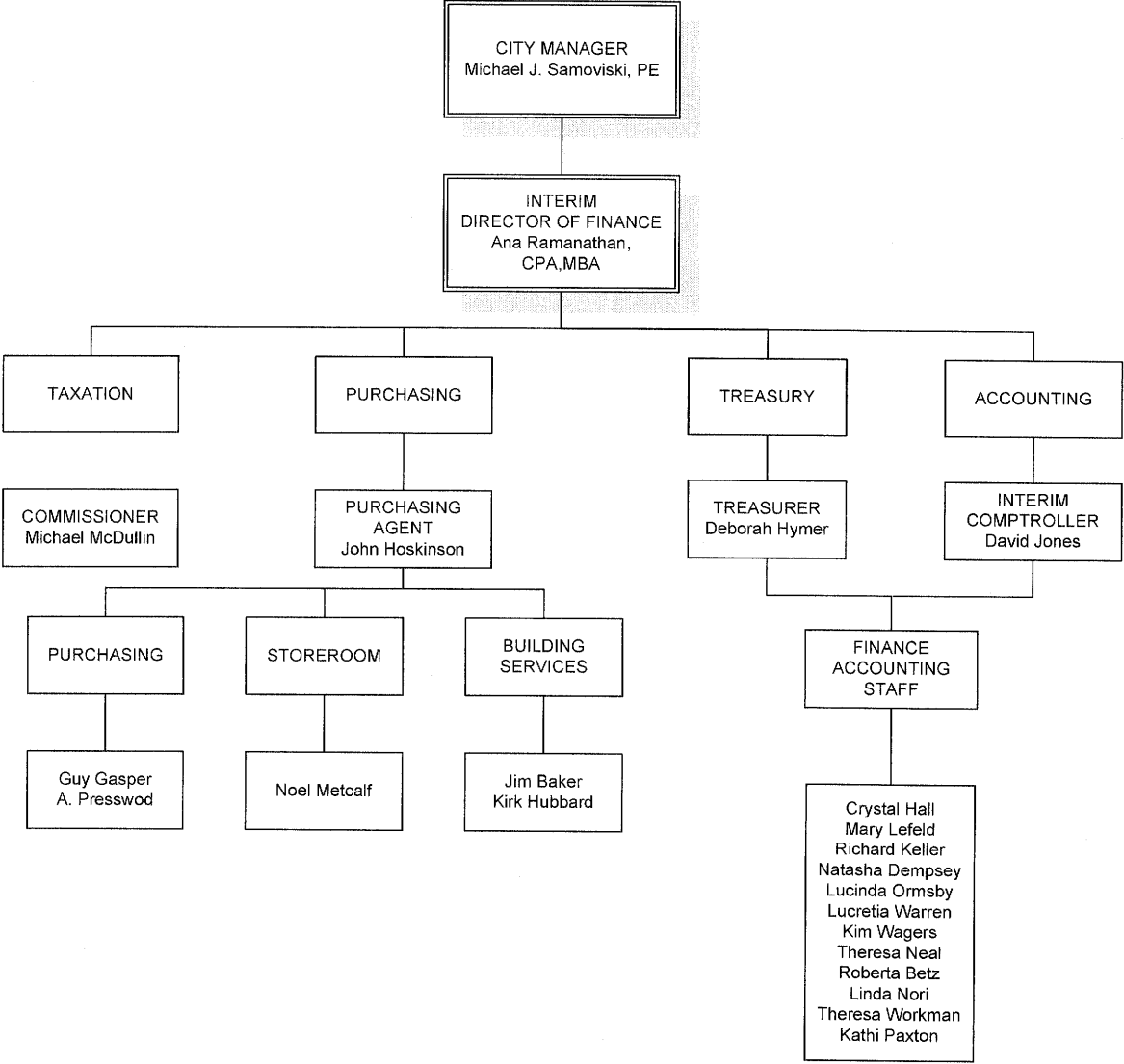


City of Hamilton

Department of Finance

Organization, Department and Representative Duties

As of December 31, 2005



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, 2004

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.



Carla E. Perry

President

Jeffrey R. Emer

Executive Director

FINANCIAL

SECTION



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the 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 as of and for the year ended December 31, 2005, which collectively comprise the City of Hamilton!, Ohio's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Hamilton!, Ohio'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 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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hamilton!, Ohio as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2006, on our consideration of the City of Hamilton!, Ohio's internal control over financial reporting and 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 the 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.

The management's discussion and analysis on pages 3-12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hamilton!, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 19, 2006

City of Hamilton! Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

The discussion and analysis of the City of Hamilton's financial performance provide an overall review of the City's financial activities for the year ended December 31, 2005. While 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 and the basic financial statements to enhance their understanding of the City's fiscal performance.

Financial Highlights

Key highlights for 2005 are as follows:

- The assets of the City exceeded its liabilities at the close of the year ended December 31, 2005, by \$214,330,487 (net assets). Of this amount, \$11,399,609 (governmental unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors, and \$45,626,967 is classified as unrestricted in the Gas, Electric, Water and Wastewater activities.
- The City's total net assets increased by \$4,156,273, which represents a 1.98% increase from 2004.
- At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$13,623,318. Of this amount \$8,478,246 is available for spending (unreserved fund balance) on behalf of its citizens.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$7,463,154 or a little more than 21.81% of total general fund expenditures and other financing uses.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Hamilton as a complete operating entity.

The Statement of Net Assets and Statement of Activities present both an aggregate view of the City's finances and longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

City of Hamilton! Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Reporting City of Hamilton as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2005?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and the change in those assets. This change in net assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, nonfinancial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two kinds of activities:

- Government Activities – Most of the City's services are reported here including police, social services programs, administration, and all departments with the exception of our Gas, Electric, Water and Wastewater funds.
- Business-Type Activities – These services have a charge based upon the amount of usage. The City charges fees to recoup the cost of the entire operation of our Gas, Electric, Water and Wastewater Systems as well as all capital expenses associated with these facilities.
- Component units are legally separate entities that the City has voting control over or fiscal responsibility for the entity. The City has no component units.

Reporting City of Hamilton's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established many funds which account for the

City of Hamilton! Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2005

Unaudited

multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of Hamilton, our major funds are the General, Gas, Electric, Water and Wastewater funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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.

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. 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, Worker's 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 statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds.

City of Hamilton! Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

Government-wide Financial Analysis

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 \$214,159,926 (\$68,176,133 in governmental activities and \$145,983,793 in business type activities) as of December 31, 2005. By far, the largest portion of the City's net assets (66.34%) 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 2005 compared to 2004.

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and Other Assets	\$41,668,212	\$39,077,949	\$82,413,874	\$74,087,160	\$124,082,086	\$113,165,109
Capital Assets	92,031,463	90,590,903	309,029,339	301,377,031	401,060,802	391,967,934
Total Assets	<u>133,699,675</u>	<u>129,668,852</u>	<u>391,443,213</u>	<u>375,464,191</u>	<u>525,142,888</u>	<u>505,133,043</u>
Long-term liabilities	42,653,990	44,090,196	207,727,972	216,856,832	250,681,962	260,947,028
Other liabilities	22,698,991	17,954,134	37,731,448	16,057,667	60,430,439	34,011,751
Total Liabilities	<u>65,352,981</u>	<u>62,044,330</u>	<u>245,459,420</u>	<u>232,914,499</u>	<u>310,812,401</u>	<u>294,958,829</u>
Nets Assets:						
Invested in capital assets, net of related debt	55,850,463	46,914,025	86,341,113	95,310,393	142,191,576	142,224,418
Restricted	1,096,622	1,346,714	14,015,713	6,081,729	15,112,335	7,428,443
Unrestricted	11,399,609	19,363,783	45,626,967	41,157,570	57,026,576	60,521,353
Total Net Assets	<u>\$68,346,694</u>	<u>\$67,624,522</u>	<u>\$145,983,793</u>	<u>\$142,549,692</u>	<u>\$214,330,487</u>	<u>\$210,174,214</u>

City of Hamilton! Ohio
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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 \$15,112,335 or 7.05% of net assets. The remaining unrestricted \$57,026,576 or 26.61% of net assets may be used to meet the City's ongoing obligations to its citizens and creditors and for business-type activities.

As of December 31, 2005, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for past three years. Total net assets increased \$4,156,273 due to the City controlling expenses during the fiscal year as well as increases in income tax revenue and the stormwater collection fees.

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program Revenues:						
Charges for Services	\$15,530,515	\$13,248,610	\$124,829,184	\$99,138,254	\$140,359,699	\$112,386,864
Operating Grants	6,563,223	9,422,109	39,110	57,739	6,602,333	9,479,848
Capital Grants	1,962,756	2,689,249	0	199,152	1,962,756	2,888,401
General Revenues						
Income Tax	22,697,147	22,166,068	0	0	22,697,147	22,166,068
Property Tax	8,431,924	7,209,615	0	0	8,431,924	7,209,615
Other	6,796,884	4,992,490	1,872,202	820,707	8,669,086	5,813,197
Total Revenues	61,982,449	59,728,141	126,740,496	100,215,852	188,722,945	159,943,993
Expenses:						
Security of Persons and Property	28,683,794	28,125,387	0	0	28,683,794	28,125,387
General Government	2,661,367	2,118,100	0	0	2,661,367	2,118,100
Public Health/Welfare	2,320,928	2,471,205	0	0	2,320,928	2,471,205
Leisure Time Activities	2,725,304	2,334,059	0	0	2,725,304	2,334,059
Community Environment	4,099,421	7,636,375	0	0	4,099,421	7,636,375
Basic Utility Services	4,549,461	3,479,397	0	0	4,549,461	3,479,397
Transportation	8,044,762	3,725,413	0	0	8,044,762	3,725,413
Gas	0	0	35,317,274	24,756,742	35,317,274	24,756,742
Electric	0	0	60,371,316	51,735,827	60,371,316	51,735,827
Water	0	0	14,290,977	10,580,588	14,290,977	10,580,588
Wastewater	0	0	13,290,251	10,623,965	13,290,251	10,623,965
Other	8,211,817	7,991,779	0	0	8,211,817	7,991,779
Total Expenses	61,296,854	57,881,715	123,269,818	97,697,122	184,566,672	155,578,837
Change in Net Assets before Transfers	686,595	1,846,426	3,470,678	2,518,730	4,156,273	4,365,156
Transfers	36,577	0	(36,577)	0	0	0
Change in Net Assets	722,172	1,846,426	3,434,101	2,518,730	4,156,273	4,365,156
Beginning Net Assets	67,624,522	65,778,096	142,549,692	140,030,962	210,174,214	205,809,508
Ending Net Assets	\$68,346,694	\$67,624,522	\$145,983,793	\$142,549,692	\$214,330,487	\$210,174,214

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Governmental Activities

The primary focus of governmental activities is in the area of security of persons and property, which represents the police, fire and dispatch centers of the City. For 2005, total expenses were \$28.68 Million representing 46.79% of governmental activity spending yielding a reliance on general revenues to fund the program of approximately \$23.46 Million after direct support to their programs.

Continuing escalation in health insurance costs have affected all programs of the government. A primary goal of all programs is to continually review and monitor methods to seek self-sufficiency as public safety continues to increase expenditures. The community environment program was the most successful of all programs, yielding no reliance on general revenues and generating over \$0.94 Million in net revenues during 2005.

Business-Type Activities

The City's business-type activities include the Gas, Water, Electric and Wastewater systems. All four utilities were able to boast positive operating income figures which totaled \$13.59 Million. Combined change in net assets figured to \$3.51 Million with only the wastewater system posting a net loss due to the advance refunding of the revenue bonds. Over \$214 Million of revenue bonds exist in the four utilities and each is adequately meeting its covenant required debt service coverage ratio.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of these City funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements as well as its ability to meet the needs of its citizens. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of 2005, the City's governmental funds reported combined ending fund balances of \$13.62 Million. Approximately \$8.50 Million constitutes positive unreserved fund balance available for spending for citizens. The remainder of the balance is reserved encumbrances, supplies inventory, prepaid items, debt service and endowments (\$5.12 Million).

City of Hamilton! Ohio
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The General Fund is the chief operating fund of the City. As of December 31, 2005, the unreserved general fund balance was \$7.49 Million with a total fund balance of \$8.04 Million. As a measure of liquidity, it is often useful to compare these numbers to total general fund expenditures and other financing uses. Unreserved fund balance represents approximately 21.88% of the total expenditures and other financing uses, while total fund balance represents 23.50% of that same amount.

During 2005, the City's general fund increased by \$0.19 Million with revenues exceeding expenditures by \$0.51 Million. This is primarily due to controlling expenditures of during the fiscal year.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and the Charter of the City. The Budget is based on accounting for certain transaction on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The following table summarizes the major revenue sources and expenditures from original to final budget for 2005:

Description	Original Budget	Final Budget	Change
Revenues:			
Property and Other Taxes	\$5,800,000	\$5,925,000	\$125,000
Income Taxes	16,647,438	16,782,438	135,000
Intergovernmental Revenue	3,967,404	5,712,886	1,745,482
Other Revenues	5,527,222	6,062,693	535,471
Total Revenues	<u>31,942,064</u>	<u>34,483,017</u>	<u>2,540,953</u>
Expenditures:			
Security of Persons/Property	20,816,972	22,226,076	1,409,104
General Government	2,356,671	2,276,567	(80,104)
Other Expenditures	10,882,235	12,857,361	1,975,126
Total Expenditures	<u>34,055,878</u>	<u>37,360,004</u>	<u>3,304,126</u>

The largest change in the City's original and final revenue budgets was in the intergovernmental revenue line item. The City's original budget was conservative with the state of local government funding and the unknown status of various grants. The City was able to increase budgeted expenditures as the projected revenue forecast was increased.

City of Hamilton! Ohio
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The following table summarizes the major revenue sources and expenditures from final budget to actual results for 2005:

Description	Final Budget	Actual	Change
Revenues:			
Property and Other Taxes	\$5,925,000	\$5,133,783	(\$791,217)
Income Taxes	16,782,438	17,125,671	343,233
Intergovernmental Revenue	5,712,886	5,560,652	(152,234)
Other Revenues	6,062,693	5,928,060	(134,633)
Total Revenues	<u>34,483,017</u>	<u>33,748,166</u>	<u>(734,851)</u>
Expenditures:			
Security of Persons/Property	22,226,076	21,522,712	703,364
General Government	2,276,567	1,639,257	637,310
Other Expenditures	12,857,361	10,973,900	1,883,461
Total Expenditures	<u>37,360,004</u>	<u>34,135,869</u>	<u>3,224,135</u>

With an operating budget over \$34 Million for the general fund, the City was able to predict the final revenue budget within 2.2% of actual results. The small variances between budgeted revenues to actual revenues were due to increase investment earnings from rising interest rates.

The largest variance in the final expenditure budget to actual expenditures was in the other expenditures function as the City controlled expenditures in the general special appropriations line item throughout the year.

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Capital Assets and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental and business type activities as of December 31, 2005, amounts to \$142 Million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, systems improvements, equipment, machinery, roads, highways and bridges.

- ❖ Note 10 (Capital Assets) provides capital asset activity during 2005. The City has had extremely limited funding to provide for capital asset acquisition and construction.
- ❖ The City added \$7.81 Million in governmental capital assets during the year.
- ❖ The business type activities recognized over \$25 Million in additions as the City added over \$16 Million in construction in progress for the four enterprise funds.

Long-term Debt: At the end of 2005, the City had general obligation bonds outstanding of \$33,605,000. Total outstanding long-term bonds totaled \$250,521,000 and with a decrease of 4.5% against prior year outstanding bond balances. See Note 14 for further information on the City's long-term debt.

Economic Factors and Next Year's Budgets and Rates

The City of Hamilton has experienced declining population in the last two decades as a result of urban sprawl to townships and the loss of several large employers within the City due to difficult economic times. The City has weathered these financial storms admirably and has moderately increased General Fund balances. The City has reasonably priced, affordable undeveloped land for business expansion and has become a leader in the area of brownfield remediation of existing plant and business sites.

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The 2003 calendar year was the first tax year under which the City of Hamilton required all residents to file a return (mandatory filing). The City was able to project a 2.5% increase over 2005 estimated collection levels for the 2006 budget. Even with this increase, constancy in other General Fund revenue streams, especially the Undivided Local Government Fund, coupled with contractually required salary and benefit increases, yields a 2006 budget with expenditures exceeding revenues by over \$2,500,000. Continuing State of Ohio budget problems as well as changes in personal property tax, inheritance tax, and real tax delinquencies have prompted the City to appropriate from the carry-over balance, or surplus, in the General Fund. Although budgeted, the City continues to monitor expenditures and report budgetary results on a monthly basis. Uncertainties regarding 2006 and future year revenue streams have prompted City Council to take a wait-and-see approach regarding the accuracy of such projections.

These factors were all considered in preparing, and then adopting, the 2006 budget for the City of Hamilton. Anticipated increases in spending are strictly monitored beyond standard cost of living adjustments. Health insurance costs continue to be of major concern. Infrastructure and electric system renewal continues to be a focus for the City.

The City is prospering even in light of these fiscal pressures and maintains an A2 Moody's General Obligation Bond Rating at the end of 2005. All bond anticipation notes issued by the City received a Moody's Investor Service MIG-1 rating, the highest possible rating. The City issued a number of new bond anticipation notes designed to match future revenues with anticipated costs and mitigate both tax and rate increases in future years.

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.

THE CITY OF HAMILTON! OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	Governmental Type	Business Type	Total
Assets:			
Equity in Pooled Cash and Investments	\$ 24,285,701	\$ 41,621,569	\$ 65,907,270
Receivables (net of allowance for doubtful accounts):			
Taxes-Real & Personal Property	7,375,864	-	7,375,864
Taxes-Municipal Income	4,966,264	-	4,966,264
Accounts	1,220,301	17,654,811	18,875,112
Loans	464,327	-	464,327
Interest	51,966	153,785	205,751
Due from Other Governments	2,437,362	-	2,437,362
Inventory of Supplies at Cost	79,985	2,315,860	2,395,845
Prepaid Items	340,763	1,631,827	1,972,590
Restricted Assets:			
Cash and Investments	-	14,015,713	14,015,713
Bond Issuance Costs	445,679	5,020,310	5,465,989
Nondepreciable Assets:			
Land	21,867,474	7,071,998	28,939,472
Construction In Progress	9,127,047	24,463,884	33,590,931
Depreciable Assets:			
Buildings and Improvements	38,339,960	91,360,703	129,700,663
Machinery And equipment	19,592,892	503,244,673	522,837,565
Infrastructure : streets	127,382,252	-	127,382,252
bridges	3,658,227	-	3,658,227
culverts	183,401	-	183,401
storm sewer	9,331,255	-	9,331,255
Less: Accumulated Depreciation			
Buildings and Improvements	(10,410,663)	(47,439,632)	(57,850,295)
Machinery And equipment	(12,861,381)	(269,672,288)	(282,533,669)
Infrastructure : streets	(105,276,978)	-	(105,276,978)
bridges	(2,029,118)	-	(2,029,118)
culverts	(183,401)	-	(183,401)
storm sewer	(6,689,504)	-	(6,689,504)
TOTAL ASSETS	133,699,675	391,443,213	525,142,888
Liabilities:			
Accounts Payable	3,900,256	13,350,403	17,250,659
Accrued Wages and Benefits	556,894	313,393	870,287
Accrued Liabilities	451,925	250	452,175
Intergovernmental Payable	1,793,441	564,795	2,358,236
Accrued Interest Payable	495,650	2,500,770	2,996,420
Customer Deposits Payable	7,825	1,351,837	1,359,662
Unearned Revenue	6,818,000	-	6,818,000
General Obligation Notes Payable	8,175,000	19,650,000	27,825,000
Special Assessment Notes Payable	500,000	-	500,000
Long Term Liabilities due within 1 year	3,659,319	9,779,749	13,439,068
Long Term Liabilities due over 1 year	38,994,671	197,948,223	236,942,894
Total Liabilities	65,352,981	245,459,420	310,812,401
NET ASSETS			
Investment in Capital Assets, net related debt	55,850,463	86,341,113	142,191,576
Restricted:			
Debt Service	246,865	4,515,713	4,762,578
Rate Stabilization	-	9,500,000	9,500,000
Grants	5,054	-	5,054
Levy Purposes	769,739	-	769,739
Nonexpendable Endowments	74,964	-	74,964
Unrestricted	11,399,609	45,020,907	57,020,576
Total Net Assets	68,346,694	145,983,793	214,330,487
Total Net Assets and Liabilities	\$ 133,699,675	\$ 391,443,213	\$ 525,142,888

See accompanying notes to the basic financial statements

**THE CITY OF HAMILTON, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Business-Type Activities		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Security of Persons and Property	\$ (28,683,794)	\$ 3,257,631	\$ 1,970,163	\$ -	\$ (23,456,000)	\$ -	\$ (23,456,000)
Public Health and Welfare	(2,320,928)	568,897	334,927	-	(1,417,104)	-	(1,417,104)
Leisure Time Activities	(2,725,304)	1,198,995	-	-	(1,526,309)	-	(1,526,309)
Community Environment	(4,099,421)	703,926	2,374,926	1,962,756	942,187	-	942,187
Basic Utility Services	(4,549,461)	3,850,748	-	-	(698,713)	-	(698,713)
Transportation	(8,044,762)	1,383,310	1,883,207	-	(4,778,245)	-	(4,778,245)
General Government	(2,661,367)	1,926,055	-	-	(735,312)	-	(735,312)
Special Appropriations	(6,159,163)	2,161,800	-	-	(3,997,363)	-	(3,997,363)
Interest and Fiscal Charges	(2,052,654)	479,153	-	-	(1,573,501)	-	(1,573,501)
Total Governmental Activities	<u>(61,296,854)</u>	<u>15,530,515</u>	<u>6,563,223</u>	<u>1,962,756</u>	<u>(37,240,360)</u>	<u>-</u>	<u>(37,240,360)</u>
Business-Type Activities:							
Gas	(35,317,274)	34,869,893	-	-	-	(447,381)	(447,381)
Electric	(60,371,316)	61,111,870	-	-	-	740,554	740,554
Water	(14,290,977)	15,891,265	39,110	-	-	1,639,398	1,639,398
Sewer	(13,290,251)	12,956,156	-	-	-	(334,095)	(334,095)
Total Business-Type Activities	<u>(123,269,818)</u>	<u>124,829,184</u>	<u>39,110</u>	<u>-</u>	<u>-</u>	<u>1,598,476</u>	<u>1,598,476</u>
Total	<u>\$ (184,566,672)</u>	<u>\$ 140,359,699</u>	<u>\$ 6,602,333</u>	<u>\$ 1,962,756</u>	<u>(37,240,360)</u>	<u>1,598,476</u>	<u>(35,641,884)</u>
General Revenues:							
Income Taxes					22,697,147	-	22,697,147
Property Taxes					8,431,924	-	8,431,924
Franchise Fee Taxes					574,100	-	574,100
Grants and Contributions not restricted to specific programs					4,039,317	-	4,039,317
Unrestricted investment earnings					592,057	1,872,202	2,464,259
Miscellaneous					1,591,410	-	1,591,410
Net Transfers					36,577	(36,577)	-
Total General Revenues					<u>37,962,532</u>	<u>1,835,625</u>	<u>39,798,157</u>
Changes in Net Assets					722,172	3,434,101	4,156,273
Net Assets-Beginning					67,624,522	142,549,692	210,174,214
Net Assets-Ending					<u>\$ 68,346,694</u>	<u>\$ 145,983,793</u>	<u>\$ 214,330,487</u>

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON! OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 7,029,164	\$ 16,897,573	\$ 23,926,737
Receivables (net of allowance for doubtful accounts):			
Taxes-Real & Personal Property	3,137,284	4,238,580	7,375,864
Taxes-Municipal Income	3,848,855	1,117,409	4,966,264
Loans	-	464,327	464,327
Accounts	684,701	535,600	1,220,301
Interest	40,106	11,860	51,966
Due from Other Funds	407,085	-	407,085
Interfund Receivable	362,000	-	362,000
Due from Other Governments	1,382,673	1,054,689	2,437,362
Inventory of Supplies at Cost	1,532	43,857	45,389
Prepaid Items	298,476	42,287	340,763
	<u>\$ 17,191,876</u>	<u>\$ 24,406,182</u>	<u>\$ 41,598,058</u>
Total Assets			
	<u>\$ 17,191,876</u>	<u>\$ 24,406,182</u>	<u>\$ 41,598,058</u>
Liabilities:			
Accounts Payable	665,954	3,124,586	3,790,540
Accrued Wages and Benefits	503,097	45,378	548,475
Accrued Liabilities	350,242	101,683	451,925
Due to Other Funds	-	407,085	407,085
Intergovernmental Payable	1,683,204	93,024	1,776,228
Interfund Payable	-	362,000	362,000
Accrued Interest Payable	-	210,750	210,750
Customer Deposits Payable	-	7,825	7,825
Deferred Revenue	5,942,115	5,802,797	11,744,912
General Obligation Notes Payable	-	8,175,000	8,175,000
Special Assessment Notes Payable	-	500,000	500,000
	<u>9,144,612</u>	<u>18,830,128</u>	<u>27,974,740</u>
Total Liabilities			
	<u>9,144,612</u>	<u>18,830,128</u>	<u>27,974,740</u>
Fund Balances:			
Reserved for Encumbrances	284,102	3,868,089	4,152,191
Reserved for Supplies Inventory	1,532	43,857	45,389
Reserved for Prepaid Items	298,476	42,287	340,763
Reserved for Debt Service	-	531,765	531,765
Reserved for Endowments	-	74,964	74,964
Unreserved, reported in:			
General	7,463,154	-	7,463,154
Special Revenue	-	1,402,305	1,402,305
Capital Projects	-	(387,213)	(387,213)
	<u>8,047,264</u>	<u>5,576,054</u>	<u>13,623,318</u>
Total Fund Balances			
	<u>8,047,264</u>	<u>5,576,054</u>	<u>13,623,318</u>
Total Liabilities and fund balances			
	<u>\$ 17,191,876</u>	<u>\$ 24,406,182</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	92,031,463
Issuance Costs associated with governmental debt are not financial resources and, therefore, are not reported in the funds	445,679
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	4,926,912
Internal service funds are used by management to charge the costs of fleet management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets:	134,517
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(42,815,195)</u>

Net Assets of governmental activities \$ 68,346,694

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Income Taxes	\$ 17,218,609	\$ 5,197,031	\$ 22,415,640
Property and Other Taxes	5,133,783	3,149,080	8,282,863
Intergovernmental	5,556,285	7,114,686	12,670,971
Charges for Services	2,694,965	7,798,962	10,493,927
Licenses and Permits	1,348,505	321,205	1,669,710
Investment Earnings	379,375	213,231	592,606
Fines and Forfeitures	986,022	323,113	1,309,135
Special Assessments	-	551,213	551,213
All Other Revenues	915,422	1,002,553	1,917,975
Total Revenues	34,232,966	25,671,074	59,904,040
Expenditures:			
Current:			
Security of Persons and Property	21,605,184	6,743,534	28,348,718
Public Health and Welfare	1,717,705	648,770	2,366,475
Leisure Time Activities	1,474,869	1,017,739	2,492,608
Community Environment	855,619	3,331,239	4,186,858
Basic Utility Services	866,264	3,667,072	4,533,336
Transportation	-	4,038,465	4,038,465
General Government	1,656,094	43,123	1,699,217
Other Expenditures	5,547,840	611,323	6,159,163
Capital Outlay	-	5,900,827	5,900,827
Debt Service:			
Principal Retirement	-	1,857,000	1,857,000
Interest and Fiscal Charges	-	1,991,616	1,991,616
Total Expenditures	33,723,575	29,850,708	63,574,283
Excess (Deficiency) of Revenues Over (Under) Expenditures	509,391	(4,179,634)	(3,670,243)
Other Financing Sources (Uses):			
Face Value from Sale of Bonds	-	245,000	245,000
Sale of Capital Assets	127,932	770,455	898,387
Transfers - In	43,141	4,804,031	4,847,172
Transfers - Out	(494,919)	(4,315,676)	(4,810,595)
Total Other Financing Sources (Uses)	(323,846)	1,503,810	1,179,964
Net Change in Funds Balances	185,545	(2,675,824)	(2,490,279)
Fund Balances at Beginning of Year	7,861,263	8,251,807	
Increase (Decrease) in Inventory	456	71	
Fund Balances at End of Year	\$ 8,047,264	\$ 5,576,054	

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

Net Change in Fund Balances - total governmental funds

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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 1,440,560

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 383,821

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,550,962

Adjustment to reflect the consolidation of internal service fund activities related to governmental funds (26,143)

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (136,749)

Change in net assets of governmental activities \$ 722,172

See accompanying notes to the basic financial statements

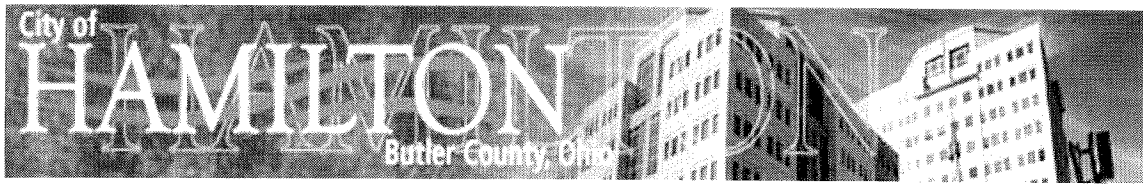
THE CITY OF HAMILTON, OHIO
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Initial Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Property and Other Local Taxes	\$ 5,800,000	\$ 5,925,000	\$ 5,133,783	\$ (791,217)
Income Taxes	16,647,438	16,782,438	17,125,671	343,233
Intergovernmental	3,967,404	5,712,886	5,560,652	(152,234)
Charges for Services	2,582,501	2,823,001	2,694,965	(128,036)
Licenses and Permits	1,284,410	1,373,515	1,348,505	(25,010)
Investment Earnings	450,000	335,000	379,754	44,754
Fines and Forfeitures	1,071,800	1,141,800	1,110,844	(30,956)
Other All Revenue	138,511	389,377	393,992	4,615
Total Revenues	<u>31,942,064</u>	<u>34,483,017</u>	<u>33,748,166</u>	<u>(734,851)</u>
<u>Expenditures:</u>				
Current				
Security of Persons and Property	20,816,972	22,226,076	21,522,712	703,364
Public Health and Welfare	1,708,947	1,916,189	1,758,739	157,450
Leisure Time Activities	1,573,446	1,630,589	1,482,533	148,056
Community Environment	850,700	988,695	866,110	122,585
Basic Utility Services	1,278,138	1,201,379	900,879	300,500
General Government	2,356,671	2,276,567	1,639,257	637,310
Other Expenditures	5,471,004	7,120,509	5,965,639	1,154,870
Total Expenditures	<u>34,055,878</u>	<u>37,360,004</u>	<u>34,135,869</u>	<u>3,224,135</u>
Deficiency of Revenues Under Expenditures	(2,113,814)	(2,876,987)	(387,703)	2,489,284
<u>Other Financing Sources (Uses):</u>				
Sale of Capital Assets	17,000	135,800	127,932	(7,868)
Advances - In	-	14,000	14,000	-
Advances - Out	(376,000)	(376,000)	(376,000)	-
Transfers - In	435,799	616,329	43,141	(573,188)
Transfers - Out	(110,515)	(472,915)	(115,515)	357,400
Total Other Financing Sources (Uses)	<u>(33,716)</u>	<u>(82,786)</u>	<u>(306,442)</u>	<u>(223,656)</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(2,147,530)	(2,959,773)	(694,145)	2,265,628
Fund Balances at Beginning of Year	6,096,927	6,096,927	6,096,927	-
Prior Year Encumbrances Appropriated	700,650	700,650	700,650	-
Fund Balances at End of Year	<u>\$ 4,650,047</u>	<u>\$ 3,837,804</u>	<u>\$ 6,103,432</u>	<u>\$ 2,265,628</u>

See accompanying notes to the basic financial statements

**THE CITY OF HAMILTON/ OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2005**

	BUSINESS-TYPE ACTIVITIES -- ENTERPRISE FUNDS					Governmental Activities Internal Service Funds
	Gas	Electric	Water	Wastewater	Total	
Assets:						
<u>Current Assets:</u>						
Cash and Investments	\$ 6,109,594	\$ 12,868,881	\$ 15,127,190	\$ 7,515,904	\$ 41,621,569	\$ 358,964
Receivables (net of allowances for doubtful accounts)						
Accounts	8,572,043	6,669,608	1,117,336	1,295,824	17,654,811	-
Accrued Interest	15,427	34,408	66,707	37,243	153,785	-
Inventory of Supplies at Cost	133,116	2,046,747	134,448	1,549	2,315,860	34,596
Prepaid Items	99,460	1,337,941	90,955	103,471	1,631,827	-
<u>Restricted Assets:</u>						
Cash and Cash Equivalents	2,880,840	7,348,660	1,256,456	2,529,757	14,015,713	-
Total Current Assets	<u>17,810,480</u>	<u>30,306,245</u>	<u>17,793,092</u>	<u>11,483,748</u>	<u>77,393,565</u>	<u>393,560</u>
<u>Noncurrent Assets:</u>						
Bond Issuance Costs	300,597	4,146,167	261,554	311,992	5,020,310	-
<u>Capital Assets:</u>						
Property, Plant and Equipment	60,470,140	345,409,250	107,481,123	88,316,861	601,677,374	349,549
Construction in Progress	3,897,011	10,647,706	8,760,482	1,158,685	24,463,884	-
Less: Accumulated Depreciation	(24,997,923)	(214,611,768)	(33,827,727)	(43,674,502)	(317,111,920)	(282,236)
Total Capital Assets (net of accumulated depreciation)	<u>39,369,228</u>	<u>141,445,188</u>	<u>82,413,878</u>	<u>45,801,044</u>	<u>309,029,338</u>	<u>67,313</u>
Total Noncurrent Assets	<u>39,669,825</u>	<u>145,591,355</u>	<u>82,675,432</u>	<u>46,113,036</u>	<u>314,049,648</u>	<u>67,313</u>
Total Assets	<u>\$ 57,480,305</u>	<u>\$ 175,897,600</u>	<u>\$ 100,468,524</u>	<u>\$ 57,596,784</u>	<u>\$ 391,443,213</u>	<u>\$ 460,873</u>



THE CITY OF HAMILTON! OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS					Governmental Activities Internal Service Funds
	Gas	Electric	Water	Wastewater	Totals	
Increase (Decrease) in Cash and Investments						
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ 29,377,490	\$ 56,891,767	\$ 14,304,848	\$ 11,306,989	\$ 111,881,094	\$ 7,931,180
Cash Paid for Employee Services and Benefits	(1,370,356)	(9,417,182)	(2,972,475)	(2,385,600)	(16,145,613)	(4,728,309)
Cash Paid to Suppliers for Goods and Services	(23,659,977)	(25,936,698)	(3,397,177)	(2,420,539)	(55,614,391)	(3,015,892)
Other Operating Revenues	66,323	843,310	139,513	290,715	1,339,861	-
Other Operating Expenses	(2,718,914)	(3,674,458)	(2,656,508)	(2,658,399)	(11,708,273)	(162,221)
Net Cash Provided by Operating Activities	1,494,566	18,706,739	5,418,201	4,133,172	29,752,678	24,758
Cash Flows from Noncapital Financing Activities:						
Transfers-out to Other Funds	(9,144)	(12,501)	(9,145)	(5,787)	(36,577)	-
Net Cash Used for Noncapital Financing Activities	(9,144)	(12,501)	(9,145)	(5,787)	(36,577)	-
Cash Flows from Capital and Related Financing Activities:						
Capital Grant Contributions	-	-	39,110	-	39,110	-
Fair Value from the Sale of Debt	5,199,740	7,799,860	3,900,400	27,820,000	44,720,000	-
Premium from the Sale of Debt	-	-	-	1,441,303	1,441,303	-
Proceeds from Sale of Assets	-	24,109	(1,248)	363	23,224	-
Acquisition and Construction of Assets	(4,527,322)	(11,640,511)	(7,582,688)	(702,650)	(24,453,171)	-
Principal Paid on General Obligation Notes	(800,000)	(2,000,000)	-	(2,750,000)	(5,550,000)	-
Payment to Escrow Agent for Refunding Debt	-	-	-	(28,277,179)	(28,277,179)	-
Principal Paid on Mortgage Revenue Bonds	(970,000)	(5,785,000)	(520,000)	(1,440,000)	(8,715,000)	-
Interest Paid on All Debt	(547,975)	(7,198,212)	(496,775)	(1,429,226)	(9,672,188)	-
Net Cash Used for Capital and Related Financing Activities	(1,645,557)	(18,799,754)	(4,661,201)	(5,337,389)	(30,443,901)	-
Cash Flows from Investing Activities:						
Interest and Dividends	455,547	661,274	424,805	313,304	1,854,930	(549)
Net Cash Provided By Investing Activities	455,547	661,274	424,805	313,304	1,854,930	(549)
Net Increase (Decrease) in Cash and Investments	295,412	555,758	1,172,660	(896,700)	1,127,130	24,209
Cash and Investments at Beginning of Year	8,695,022	19,661,783	15,210,986	10,942,361	54,510,152	334,755
Cash and Investments at End of Year	\$ 8,990,434	\$ 20,217,541	\$ 16,383,646	\$ 10,045,661	\$ 55,637,282	\$ 358,964

**THE CITY OF HAMILTON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS				Business-Type Activities Internal Service Fund
	Gas	Electric	Water	Wastewater	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$ 502,758	\$ 9,064,912	\$ 2,496,712	\$ 1,531,056	\$ 13,595,438
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation Expense	1,830,304	9,816,387	2,268,021	2,358,148	27,369
Other Non-Operating Revenues					
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(3,957,674)	(1,725,963)	104,653	199,223	(5,379,761)
(Increase) Decrease in Materials and Supplies Inventories	8,260	96,528	(15,139)	(157)	89,492
(Increase) in Prepaid Items	(1,484)	(887,720)	(621)	(1,364)	(891,189)
Increase in Intergovernmental Payables	13,185	100,290	27,095	23,907	164,477
Increase in Accounts Payables	3,067,627	2,114,514	586,901	98,883	5,867,925
(Decrease) in Accrued Wages and Benefits	874	(3,258)	(4,663)	475	(6,572)
Increase (Decrease) in Compensated Absences Payable	(13,217)	47,065	(59,485)	(30,563)	(56,200)
Increase in Customer Deposits	43,783	83,984	14,727	13,595	156,089
Increase in Accrued Liabilities	150	-	-	-	150
Total Adjustments	991,808	9,641,827	2,921,489	2,662,147	16,217,271
Net Cash Provided by Operating Activities	\$ 1,494,566	\$ 18,706,739	\$ 5,418,201	\$ 4,193,203	\$ 29,812,709

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2005, the Gas, Electric, Water and Wastewater Funds had change in fair value of investments of (\$8,458), (\$36,385), (\$78,045) and (\$55,527), respectively.

At December 31, 2005, the Governmental Activities Internal Service funds had a change in fair value of investments of (\$1,811).

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON! OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2005

	Agency Funds
Assets:	
Cash and Cash Equivalents	\$ 1,865,437
Receivables (net of allowances for doubtful accounts)	
Accounts	85,000
Total Assets	1,950,437
Liabilities:	
Accounts Payable	759
Intergovernmental Payable	1,585,240
Due to Others	364,438
Total Liabilities	\$ 1,950,437

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON! OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION

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 including the Managing Director of Operations/Deputy City Manager, to whom the Director of Parks and Recreation and 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, Human Relations, Information Technology, and the Chief of Police and Fire. 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).

NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION (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) Ohio, 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), the Center for Local Governments, and the Ohio-Kentucky-Indiana Regional Council of Governments (OKI). These organizations are presented in Note 19 to the basic financial statements and are excluded from the accompanying financial statements except as noted.

NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)

A. Reporting Entity (Continued)

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

B. Basis of Presentation – Fund Accounting

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The effect of inter-fund activity has been removed from these statements. Taxes and intergovernmental revenues normally support governmental activities. *Business type activities* are supported by charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Hamilton have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Certain of the City's accounting policies are described as follows.

A. Measurement Focus Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is expected to be liquidated with expendable, available resources. However, debt service expenditures, as well as compensated absences, are recorded only when payment is due.

Property taxes, income taxes, licenses, state shared revenues, judgments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the City receives cash.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The City employs the use of three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose of which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major governmental fund:

General Fund

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

Gas Fund

To account for activities of the City's gas system.

Electric Fund

To account for activities of the City's electric system.

Water Fund

To account for activities of the City's water system.

Wastewater Fund

To account for activities of the City's wastewater system.

Additionally, the City reports the following fund types:

Internal Service Funds 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: private purpose trust funds, pension trust funds, investment trust funds and agency funds. The City maintains fourteen fiduciary agency funds. The City's agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary and Other Governmental Entities that Use Proprietary Fund Accounting*, the City has elected to follow FASB Statements and Interpretations issued prior to December 1, 1989 to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The City also has the option of following subsequent FASB guidance for their business-type and enterprises funds, subject to this same limitation. The City has elected not to apply those FASB Statements and Interpretations issued after November 30, 1989 to its enterprise funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When both restricted and unrestricted resources are available for use, it is the City's policy to use the restricted resources first, then unrestricted resources, as they are needed.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

B. Budgetary Process

The budgetary process is prescribed by provisions of the City Charter 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 the general fund is required to be reported. The primary level of budgetary control is at the fund level. Budgetary modifications that amend the appropriations of any fund 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 to 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 statement reflect the amounts in the final amended official certificate of estimated resources issued during 2005, while the original budget column reflects the amounts in the original official certificate of estimated resources.

3. Appropriations

As required by charter, an annual appropriation ordinance must be adopted prior to the beginning of fiscal year. The appropriation ordinance establishes spending controls at the fund level, the legal level of control. The appropriation ordinance may be amended by ordinance of Council 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. The allocation of appropriations among departments and objects within a fund may be modified during the year by management. During 2005, several supplemental appropriations were necessary to budget the use of contingency funds, debt and debt related proceeds, intergovernmental grant proceeds and capital improvement projects. None of these were considered material.

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 (Non-GAAP Budgetary Basis) – General Fund" are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications. Budget figures appearing in the statement of budgetary comparisons are based upon the following:

Initial Budget is the legally adopted amount of appropriation originally passed by City Council through the original appropriation ordinance.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Final Budget represents the final appropriation amounts, including all amendments and modifications.

4. Encumbrances

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 and are reported as reservations of fund balances for governmental funds on the basic financial statements.

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 re-appropriated.

6. Budgetary Basis of Accounting

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures, and changes in fund balances, budget and actual (budget basis) - General Fund is presented on the budgetary basis to provide a comparison of actual results with the final, adopted budget. Differences between the budget basis and the GAAP basis are that:

- a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- c) Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	General Fund
GAAP Basis	\$185,545
Adjustments:	
Revenue Accruals	(484,800)
Expenditure Accruals	546,860
Transfers	379,404
Advances	(362,000)
Encumbrances	(959,154)
	<hr/>
Budget Basis	(\$694,145)
	<hr/> <hr/>

C. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). The STAR Ohio is considered an investment for purposes of GASB Statement No. 3, but it is reported as a cash equivalent in the basic financial statements because it is a highly liquid instrument, which is readily convertible to cash.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own pooled cash and investments account. For purposes of the statement of cash flows, the proprietary funds' share of equity in investments with original maturities of three months or less is considered to be cash equivalents. (See Note 4, "Cash, Cash Equivalents and Investments")

D. Investments

Provisions of the Ohio Constitution, the City Charter and ordinances and revenue bond indentures, restrict investment procedures and interest allocations. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. (See Note 4, "Cash, Cash Equivalents and Investments")

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City has invested funds in the STAR Ohio during 2005. 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, 2005.

E. 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 and recorded on the financial statements as a fund balance reserve. The costs of proprietary fund-type inventories are recorded as expenses when consumed rather than when purchased.

F. Capital Assets and Depreciation

The accounting and reporting treatment applied to capital assets is determined by the ultimate use:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (Years)</u>
Buildings	25
Infrastructure	25 – 75
Improvements other than Buildings	10 – 50
Machinery, Equipment, Furniture and Fixtures	3 – 25

G. Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of capital leases (although none exist in the current fiscal year), contractually required pension contributions and general obligation bonds payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be expected to be liquidated with expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources.

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

Obligation	Fund
General Obligation Bonds	Debt Service Fund, Parking Fund, Golf Fund,
Special Assessment Bonds With Governmental Commitment	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

H. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 1200 hours for employees whose normal work schedule is 40 hours per week, and up to 1680 hours for those working a 53 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.

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.

I. Pensions

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

J. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Transfers In" by the recipient fund and "Transfers Out" by the disbursing fund on the fund financial statements. These transfers are consolidated within the governmental and business-type activities columns, and also from the "total" column on the statement of activities.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for encumbrances, supplies inventories, prepaid items, debt service, and endowments.

L. 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, rate stabilization and capital improvements. Other restricted assets consist of resources whose use is restricted by City Council for capital improvements.

M. Net Assets

Net assets represent the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are calculated, net of accumulated depreciation and reduced by the outstanding balances of any borrowing 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.

N. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchase funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Due from other funds" or "Due to other funds" on the fund balance sheet. Short-term interfund loans for cash advances between funds are classified as "Interfund receivables" and "Interfund payables." These amounts are removed from the consolidated columns on the statement of net assets

O. Unearned/Deferred Revenues

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as unearned revenues. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenues.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

P. Exchange/Non-Exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

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

Q. 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.

R. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$42,815,195) difference are as follows:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long Term Debt	(\$36,181,000)
Long Term Debt – Discount	186,157
Accrued Interest Payable	(284,900)
Compensated Absences	(6,535,452)
Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>(\$42,815,195)</u></u>

Another element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.” The details of \$92,031,463 difference are as follows:

Capital Assets	\$229,482,508
Accumulated Depreciation	(137,451,045)
Net Adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$92,013,463</u></u>

Another element of that reconciliation states that “Capital additions are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.” The details of this \$1,440,560 are as follows:

Current capital additions	\$5,646,656
Loss on sale/disposal of capital assets	(699,250)
Depreciation Expense	(3,506,846)
Net Adjustment - capital assets to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$1,440,560</u></u>

An element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any affect of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$1,550,962 are as follows:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principal paid on Long Term Debt	\$1,857,000
Proceeds from Sale of Long Term Debt	(245,000)
Current Year Amortization of Issuance Costs	(48,907)
Current Year Amortization of Long Term Debt Discount	(25,380)
Change in Interest Payable	13,249
Net Adjustment - current financial resources focus to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	\$1,550,962

NOTE 3 –ACCOUNTABILITY

Fund Balance Deficits

The following funds had deficit fund balance/net assets amounts as of December 31, 2005:

Fund Name	Net Assets/Fund Balances Deficit
<i>Nonmajor Governmental Funds</i>	
Special Revenue Funds:	
One Renaissance Center	\$13,197
Federal Emergency Management Grant	235,291
Technology Initiative	3,090,288
Miami Conservancy	304,044
Golf Course	102,797
Total Special Revenue Funds	3,745,617
Capital Projects Funds:	
Capital Projects	75,653
Hamilton Enterprise Park	1,262,838
Infrastructure Program	550,249
Total Capital Projects	1,888,740
<i>Internal Service Funds</i>	
Central Services	1,227,903

NOTE 3 – ACCOUNTABILITY (Continued)

The deficits occurring in the One Renaissance Center, Federal Emergency Management Grant, Miami Conservancy and Golf Course Special Revenue Funds arose from the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recognized on the budgetary basis. As cash is received and the payables liquidated, the deficits will be eliminated.

Deficits occurring in the Technology Initiative Special Revenue Fund and Capital Projects, Hamilton Enterprise Park and Infrastructure Program Capital Projects Funds arose from the recognition of bond anticipation notes within the individual fund balance sheets. When bonds are issued which retire the anticipation notes, the related liability will be removed and the deficit eliminated.

The deficit occurring in the Central Services Internal Service Fund has risen due to recognition of encumbrances 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. When expenditures are made reducing the encumbrance or the encumbrance is released, then the related deficit will be removed.

Other than the deficit in the Central Services fund, none of the deficits in any of these funds exist under the budgetary basis of accounting.

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. The following is a list of the allowable investments for the City:

- 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;

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

- 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;
- The State Treasury Asset Reserve of Ohio (STAR Ohio); and
- Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

The City may also invest any moneys not required to be used for period of time of six months or more in the following:

- Bonds of the State of Ohio;
- Bonds of any municipal corporation, village, City, township or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
- Obligations of the City.

Investments in stripped principal and interest obligations, reverse repurchase agreements and derivative investments are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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.

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, 2005, \$10,404,226 of the City’s bank balance of \$10,804,426 was exposed to custodial credit risk as follows since it was uninsured and uncollateralized.

B. Investments

The City’s investments at December 31, 2005 are summarized below:

<u>Categorized Investments</u>	<u>Fair Value</u>	<u>Average Max. Maturity (years)</u>	<u>Concentration of Credit Risk</u>	<u>Credit Rating (S&P)</u>
Federal Home Loan Bank Federal Home Loan Mortgage Corporation	\$24,320,490 13,595,512	1.94 1.48	36.06% 20.16%	AAA AAA
Federal National Mortgage Association	8,136,162	0.82	12.06%	AAA
Money Market Mutual Funds	52,269	N/A	0.09%	AAA
STAR Ohio	21,331,895	N/A	31.63%	AAAm
Total Investments	<u>\$67,436,328</u>			

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.

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 all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2005 were levied after October 1, 2005 on assessed values as of January 1, 2005, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed for tax year 2002. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semi-annually, the first payment is due by February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; the remainder payable by September 20.

Public utility real and tangible personal 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 88% 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, 2005 was \$7.16 per \$1,000 of assessed value. The assessed value upon which the 2005 receipts were based was \$965,050,843. This amount constitutes \$880,671,170 in real property assessed value, \$11,742,950 in public utility assessed value and \$72,654,723 in tangible personal property 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 .716% (7.16 mills) of assessed value.

NOTE 5 – TAXES (Continued)

B. Income Tax

The City levies a tax of 2.0% on all salaries, wages, commissions and other earned 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 2.0% of taxable salaries, wages, commissions and other compensation.

Employers within the City are required to withhold income tax on employee’s 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 effective with the 2005 income tax billing season, collected in 2006.

NOTE 6 – RECEIVABLES

Receivables at December 31, 2005 consisted of taxes, accounts receivable, accrued interest, inter-fund receivables, notes receivable (see Note 7) and intergovernmental receivables arising from shared revenues. These receivables result from both exchange and non-exchange transactions.

Business-type receivables at December 31, 2005, 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, 2005 as follows:

	Gas	Electric	Water	Wastewater	Business-Type Activities
Earned and unbilled consumer accounts	\$4,694,627	\$3,509,384	\$379,598	\$429,447	\$9,013,056
Earned and billed consumer accounts	7,888,856	8,407,768	1,674,508	2,346,383	20,317,516
Other	6,627	218,258	68,249	3,630	296,765
Less allowance for uncollectible accounts	(4,018,067)	(5,465,802)	(1,005,019)	(1,483,636)	(11,972,525)
Accounts Receivable	8,572,043	6,669,608	1,117,336	1,295,824	17,654,811
Accrued Interest Receivable	15,427	34,408	66,707	37,243	153,785
Total Receivables :	\$8,587,470	\$6,704,016	\$1,184,043	\$1,333,067	\$17,808,596

NOTE 7 – NOTES RECEIVABLE

In 1985, the City and the Hamiltonian, LTD, (the “Hamiltonian”), a hotel development limited partnership, entered into an agreement whereby the City loaned the Hamiltonian \$650,000 under the Community Development Block Grant Loan Program (the loan) and a \$375,000 Ground Mortgage Note (the mortgage). The loan and the mortgage were granted to stimulate the development of a downtown hotel project.

NOTE 7 – NOTES RECEIVABLE (Continued)

The loan and the mortgage notes bear an interest rate of 5%. The payments by the Hamiltonian on the loan and the mortgage were deferred for the first five years of the repayment period. Interest was accrued at the 5% rate since the inception of the loan and mortgage. The principal balance remaining to be paid on the loan was \$409,886 at December 31, 2005. The monthly payment required from the Hamiltonian is \$4,849 including interest. Additional payments of up to \$20,000 a year are required based upon earnings levels, as defined in the agreement, of the Hamiltonian. The loan is secured by an open ended second mortgage and security agreement on the property and the hotel project.

The mortgage has been amortized in equal monthly installments over a 25-year term beginning in 1990 and maturing in 2015. The monthly mortgage payment due is \$2,798. Additional interest payments are due when the hotel achieves a level of operating cash flow which affords a return of greater than 15% return on the limited partners original capital. The payment is 50% of the “excess cash flow” over the 15% return for the limited partners. Payment of the additional interest based upon operating cash flow is due on April 30 for each year ending December 31st. The mortgage had a remaining balance to be paid of \$330,538 at December 31, 2005 and was collateralized by a third mortgage on the property. No additional interest payment was received for the year ended December 31, 2005.

The loss of major employers in Hamilton in 2000 and 2001, the state of the economy and the travel business in general including increased competition, coupled with the ramifications of terrorist attacks on September 11, 2001 had a negative impact on the fiscal operations of the Hamiltonian. Since September 2001, the Hamiltonian has made no any regularly scheduled debt payment on either the mortgage or note owed to the City. The City attempted to renegotiate the existing debts and ongoing discussions are occurring; the Hamiltonian requested that the City consider forgiveness of the entire debt owed to it. A forbearance of debt service due on outstanding primary revenue bonds in December 2005 (for which the City is not a part) was provided by existing bondholders. The entire note receivable balance has had an allowance for doubtful accounts accrued against it in a prior fiscal year and the City has chosen not to accrue interest receivable on the remaining balance. Regardless, the City continued negotiations with the Hamiltonian to seek a mutually satisfactory conclusion. In 2005, the Hotel was placed into receivership. The account balances, with valuation, were as follows:

Hamiltonian Loan	\$409,886
Hamiltonian Note	<u>330,538</u>
Total Note Receivable	740,424
Allowance for	
Doubtful Accounts	<u>(740,424)</u>
Net Note Receivable	<u>\$ 0</u>

NOTE 8 – TRANSFERS

Following is a summary of transfers in and out for all funds for 2005:

Fund	Transfers In	Transfers Out
MAJOR FUNDS		
General	\$43,141	\$494,919
Gas	0	9,144
Electric	0	12,501
Water	0	9,145
Wastewater	0	5,787
Non-Major Governmental Funds	4,804,031	4,315,676
Total All Funds	\$4,847,172	\$4,847,172

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 9 – INTERFUND TRANSACTIONS

The composition of inter-fund balances as of December 31, 2005, is as follows:

Fund	Interfund Receivable	Interfund Payable	Due from Other Funds	Due to Other Funds
Major Funds				
General Fund	\$362,000	\$0	\$407,085	\$0
Nonmajor Governmental Funds	0	362,000	0	407,085
Total All Funds	\$362,000	\$362,000	\$407,085	\$407,805

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

The interfund activity relates to cash advances the general fund made to various grants funds during the year. The advances are expected to be returned within the next fiscal year.

NOTE 10 – CAPITAL ASSETS

	Balance 12/31/04	Increases	Decreases	Balance 12/31/05
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$21,976,812	\$75,150	\$184,488	\$21,867,474
Construction in Progress	8,214,630	3,075,204	2,162,787	9,127,047
Total capital assets, not being depreciated	30,191,442	3,150,354	2,347,275	30,994,521
Capital Assets, being depreciated:				
Buildings and Improvements	38,537,435	426,729	624,204	38,339,960
Machinery and Equipment	18,524,786	2,543,837	1,475,731	19,592,892
Infrastructure	139,032,749	1,688,523	166,135	140,555,135
Total capital assets being depreciated	196,094,970	4,659,089	2,266,070	198,487,987
Less Accumulated Depreciation For:				
Buildings and Improvements	10,484,053	547,942	621,332	10,410,663
Machinery and Equipment	12,806,114	1,185,245	1,129,978	12,861,381
Infrastructure	112,405,342	1,773,659	0	114,179,001
Total Accumulated Depreciation	135,695,509	3,506,846	1,751,310	137,451,045
Total capital assets, being depreciated, net	60,399,461	1,152,243	514,760	61,036,942
Governmental Activities Capital Assets, Net	90,590,903	4,302,597	2,862,035	92,031,463
Business Type Activities				
Capital Assets, not being depreciated				
Land	6,332,325	739,673	0	7,071,998
Construction in Progress	9,444,759	16,150,552	1,131,426	24,463,884
Total capital assets, not being depreciated	15,777,084	16,890,225	1,131,426	31,535,882
Capital Assets, being depreciated				
Buildings and Improvements	91,360,703	0	0	91,360,703
Machinery and Equipment	495,560,430	8,694,374	1,010,131	503,244,673
Total capital assets, being depreciated	586,921,133	8,694,374	1,010,131	594,605,376
Less Accumulated Depreciation For:				
Buildings and Improvements	45,703,125	1,736,507	0	47,439,632
Machinery and Equipment	255,618,061	14,536,353	482,126	269,672,288
Total Accumulated Depreciation	301,321,186	16,272,860	482,126	317,111,920
Total capital assets, being depreciated, net	285,599,947	(7,587,486)	528,005	277,493,456
Business Type Activities Capital Assets, Net	\$301,377,031	\$9,311,739	\$1,659,431	\$309,029,338

NOTE 10 – CAPITAL ASSETS (Continued)

Governmental Activities	
Security of Persons and Property	\$734,314
Public Health and Welfare	15,273
Leisure Time Activities	245,856
Community Environment	4,548
Basic Utility Services	3,349
Transportation, including depreciation of general infrastructure assets	1,905,825
General Government	597,680
	<hr/>
Total Depreciation Expense - governmental activities	<u>3,506,846</u>
 Business Type Activities:	
Gas	1,830,304
Electric	9,816,387
Water	2,268,021
Wastewater	2,358,148
	<hr/>
Total Depreciation Expense - business-type activities	<u>\$16,272,860</u>

NOTE 11 – 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. Public Employees Retirement System (the “PERS of Ohio”)

The following information was provided by the PERS of Ohio 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 the PERS of Ohio, a cost sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377 (PERS).

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
2. The Member-Directed Plan (MD) – 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 Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.
3. The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The 2005 employee contribution rate was 8.5% for employees other than law enforcement and public safety. The 2005 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.55% to fund the pension and 4.00% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2005, 2004 and 2003 were \$3,578,911, \$3,329,941, and \$3,466,738, respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides post-employment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund post-employment health care through their contributions to the PERS of Ohio. The portion of the 2005 employer contribution rate (identified above) that was used to fund health care for the year 2005 was 4.00% of covered payroll, which amounted to \$1,056,505.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The significant actuarial assumptions and calculations relating to post-employment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 2004. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets annually. The investment assumption rate for 2004 was 8.00%. An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants in the traditional and combined plans were 376,109. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 2004 is \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund 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 Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial information and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to OP& F Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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. The City’s contributions to the OP&F Fund for the years ending December 31, 2005, 2004, and 2003 and were \$1,506,130, \$1,281,447, and \$1,371,060, for police and \$1,729,387, \$1,554,804 and \$1,620,257, for firefighters, respectively, which were equal to the required contributions for each year. Of the contribution amount, 88% and 79% have been contributed for police and fire; respectively, in 2004 and 2003, respectively.

The OP&F Fund provides post-employment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer’s contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund’s Board of Trustees to provide post-employment health care coverage to all eligible individuals from the employer’s contributions to the OP&F Fund.

The total police employer contribution rate is 19.5 percent of covered payroll, of which 7.75 percent of covered payroll is applied to the postemployment health care program. The total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll is applied to the postemployment health care program. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2004, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,812 for police and 10,528 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of post-employment health care benefits. The Fund’s total health care expenses for the year ended December 31, 2004 were \$102,173,796, which was net of member contributions of \$55,665,341. The portion of the City’s contributions that were used to pay post-employment benefits were \$626,851 for police and \$561,947 for firefighters.

NOTE 12 – OTHER EMPLOYEE BENEFITS

In accordance with GASB Statement No. 16, “*Accounting for Compensated Absences*,” vacation and compensatory time are accrued as liabilities when an employee’s right to receive compensation is attributable to services already rendered and it is probable the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the end of the fiscal year, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

NOTE 13 – 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 required if the bonds had been issued at the expiration of the initial five year period.

NOTE 13 – NOTES PAYABLE (Continued)

	Balance December 31, 2004	Issued	(Retired)	Balance December 31, 2005
Governmental Activities :				
Special Revenue Notes Payable:				
4.00% Various Purpose Technology Improv.	\$ 3,350,000	\$ 3,350,000	\$ (3,350,000)	\$ 3,350,000
4.00% South Hamilton Crossing	450,000	450,000	(450,000)	450,000
4.00% McDulin Parking Garage Improv.	-	600,000	-	600,000
4.00% Vehicle Acquisition Notes	250,000	250,000	(250,000)	250,000
Total Special Revenue Notes Payable	<u>4,050,000</u>	<u>4,650,000</u>	<u>(4,050,000)</u>	<u>4,650,000</u>
Capital Projects Notes Payable:				
3.75% Roadway Improvement T.I.F. II	110,000	75,000	(110,000)	75,000
3.20% Hamilton Enterprise Park R.E.Acq.	2,130,000	1,650,000	(2,130,000)	1,650,000
3.75% Road Projects	-	1,100,000	-	1,100,000
4.00% Criminal Justice Facility Phase I	300,000	300,000	(300,000)	300,000
4.00% Criminal Justice Facility Phase II	-	400,000	-	400,000
Total Capital Projects Notes Payable	<u>2,540,000</u>	<u>3,525,000</u>	<u>(2,540,000)</u>	<u>3,525,000</u>
Special Assessments Notes Payable:				
3.75% 2004 Resurfacing & sidewalk program	-	500,000	-	500,000
Total Special Assessments Notes Payable	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Business Type Activities :				
Enterprise Notes Payable:				
3.75% Gas System Improvement 2004	800,000	800,000	(800,000)	800,000
3.75% Gas System Improvement 2005	-	1,300,000	-	1,300,000
3.50% AMR System 2005 B.A.N.'s (Gas)	-	3,099,740	-	3,099,740
3.50% AMR System 2005 B.A.N.'s (Electric)	-	2,799,860	-	2,799,860
4.00% Electric System Improvement 2004	2,000,000	2,000,000	(2,000,000)	2,000,000
3.75% Electric System Improvement 2005	-	3,000,000	-	3,000,000
3.50% AMR System 2005 B.A.N.'s (Water)	-	3,900,400	-	3,900,400
3.00% Wastewater Series A 2003	1,550,000	1,550,000	(1,550,000)	1,550,000
3.00% Wastewater Series B 2003	1,200,000	1,200,000	(1,200,000)	1,200,000
Total Enterprise Notes Payable	<u>5,550,000</u>	<u>19,650,000</u>	<u>(5,550,000)</u>	<u>19,650,000</u>
Total Notes Payable	<u>\$12,140,000</u>	<u>\$28,325,000</u>	<u>(\$12,140,000)</u>	<u>\$28,325,000</u>

NOTE 14 – LONG-TERM DEBT AND CHANGES IN LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2005 were as follows:

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005	Due Within One Year
Governmental activities:								
Bonds payable:								
General Obligation Bonds:								
2003	2% - 3.75%	Road Improvement	2016	\$3,255,000	\$ -	(\$230,000)	\$3,025,000	\$ 235,000
2002	2.25% - 4.70%	Various Purpose Series A	2017	5,910,000	-	(365,000)	5,545,000	375,000
2002	2.25% - 4.70%	Various Purpose Series B	2012	760,000	-	(25,000)	735,000	30,000
1997	4.99%	Golf	2012	1,415,000	-	(150,000)	1,265,000	155,000
2001	5.00%	One Renaissance Center	2026	20,870,000	-	(580,000)	20,290,000	600,000
1999	4.96%	Police & Fire Pension Refunding	2021	<u>2,860,000</u>	<u>-</u>	<u>(115,000)</u>	<u>2,745,000</u>	<u>120,000</u>
Total General Obligation Bonds				35,070,000	-	(1,465,000)	33,605,000	1,515,000
Special Assessment Bonds:								
2005	3.96%	Main Street Area Streetscape	2010	-	45,000	-	45,000	-
2005	3.43%	Various Purpose 2001 Resurfacing	2010	-	200,000	-	200,000	35,000
2002	2.25% - 4.70%	Various Purpose Series B	2012	320,000	-	(105,000)	215,000	105,000
2003	3.15% - 3.50%	Various Purpose 2000/2001 Sidewalk	2008	60,000	-	(15,000)	45,000	15,000
2003	3.15% - 3.50%	Various Purpose 2001 Resurfacing	2008	40,000	-	(10,000)	30,000	10,000
2003	3.15% - 3.50%	Various Purpose 2002 Resurfacing	2008	8,000	-	(2,000)	6,000	2,000
2003	3.15% - 5.25%	Shaffer's Creek Sanitary Sewer	2023	190,000	-	(5,000)	185,000	5,000
1998	4.67%	Various Purpose Series 1998	2018	785,000	-	(40,000)	745,000	40,000
2000	5.34%	Various Purpose Series 2000	2020	365,000	-	(95,000)	270,000	10,000
2001	4.95%	Various Purpose Series 2001	2021	<u>955,000</u>	<u>-</u>	<u>(120,000)</u>	<u>835,000</u>	<u>125,000</u>
Total Special Assessment Bonds (with Governmental Commitment)				2,723,000	245,000	(392,000)	2,576,000	347,000
Less deferred amounts: For issuance discounts				<u>(211,537)</u>	<u>-</u>	<u>25,380</u>	<u>(186,157)</u>	<u>-</u>
Total Bonds Payable				37,581,463	245,000	(1,831,620)	35,994,843	1,862,000
Compensated absences				<u>6,508,734</u>	<u>1,810,895</u>	<u>(1,660,482)</u>	<u>6,659,147</u>	<u>1,797,319</u>
Governmental Activities Long-term liabilities				<u>\$44,090,197</u>	<u>\$2,055,895</u>	<u>(\$3,492,102)</u>	<u>\$42,653,990</u>	<u>\$3,659,319</u>

NOTE 14 – LONG-TERM DEBT AND CHANGES IN LONG-TERM OBLIGATIONS (Continued)

The principal amount of the City’s special assessment bonds outstanding was \$2,576,000. 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 \$531,765 in the Debt Service Fund at December 31, 2005 is reserved for the retirement of outstanding special assessment bonds.

Outstanding general obligation bonds are direct obligations of the City for which the full faith and credit of the city resources are pledged. Outstanding revenue bonds totaled \$214,340,000 at December 31, 2005.

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005	Due Within One Year
Mortgage Revenue Bonds:								
2003	2.0% - 5.00%	Gas Refunding	2015	\$12,725,000	\$-	(\$970,000)	\$11,755,000	\$1,000,000
2005	2.50% - 4.700%	Electric series	2025	173,330,000	-	(5,785,000)	167,545,000	5,975,000
2002	4.39%	Water Revenue Refunding	2021	11,930,000	-	(520,000)	11,410,000	530,000
2005	3.00% - 5.250%	Wastewater Refunding	2023	<u>26,485,000</u>	<u>25,070,000</u>	<u>(27,925,000)</u>	<u>23,630,000</u>	<u>970,000</u>
Total Mortgage Revenue Bonds				224,470,000	25,070,000	(35,200,000)	214,340,000	8,475,000
For deferred charge - refunding				(12,205,239)	(1,268,800)	1,134,854	(12,339,185)	
For issuance discounts/premium				<u>(251,947)</u>	<u>1,229,191</u>	<u>60,163</u>	<u>1,037,407</u>	<u>-</u>
Total Bonds Payable				212,012,814	25,030,391	(34,004,983)	203,038,222	8,475,000
Compensated absences				<u>4,844,018</u>	<u>1,092,689</u>	<u>(1,246,957)</u>	<u>4,689,750</u>	<u>1,304,749</u>
Business-type activity Long-term liabilities				<u>\$216,856,832</u>	<u>\$26,123,080</u>	<u>(\$35,251,940)</u>	<u>\$207,727,972</u>	<u>\$9,779,749</u>

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.

As of December 31, 2005, the City had a total and unvoted debt margin of \$60,082,104 and \$11,849,140 respectively.

NOTE 14 – LONG-TERM DEBT AND CHANGES IN LONG-TERM OBLIGATIONS (Continued)

A. Future Long-Term Financing Requirements

A summary of the City's long-term debt funding requirements as of December 31, 2005 is represented in the following schedules. Principal, interest and total debt service is provided for General Obligation Bonds, Special Assessment Bonds, and Revenue Bonds.

Annual debt service requirements to maturity for general obligation bonds are as follows:

GOVERNMENTAL ACTIVITIES			
General			
Obligation Bonds			
Years	Principal	Interest	Total
2006	\$1,515,000	\$1,524,976	\$3,039,976
2007	1,565,000	1,476,001	3,041,001
2008	1,710,000	1,420,869	3,130,869
2009	1,775,000	1,358,112	3,133,112
2010	1,850,000	1,289,926	3,139,926
2011-2015	9,325,000	5,283,538	14,608,538
2016-2020	7,590,000	3,172,038	10,762,038
2021-2025	6,765,000	1,403,320	8,168,320
2026-2029	1,510,000	75,500	1,585,500
Totals	<u>\$33,605,000</u>	<u>\$17,004,280</u>	<u>\$50,609,280</u>

Annual debt service requirements to maturity for special assessment bonds are as follows:

GOVERNMENTAL ACTIVITIES			
Special			
Assessment Bonds			
Years	Principal	Interest	Total
2006	\$347,000	\$121,859	\$468,859
2007	282,000	107,726	389,726
2008	182,000	98,065	280,065
2009	155,000	90,963	245,963
2010	165,000	84,558	249,558
2011-2015	675,000	324,640	999,640
2016-2020	660,000	134,823	794,823
2021-2025	110,000	8,663	118,663
Totals	<u>\$2,576,000</u>	<u>\$971,295</u>	<u>\$3,547,295</u>

NOTE 14 – LONG-TERM DEBT AND CHANGES IN LONG-TERM OBLIGATIONS (Continued)

Annual debt service requirements to maturity for revenue bonds are as follows:

BUSINESS-TYPE ACTIVITIES			
Revenue Bonds			
Years	Principal	Interest	Total
2006	\$8,475,000	\$9,086,848	\$17,561,848
2007	8,745,000	8,851,711	17,596,711
2008	9,020,000	8,584,276	17,604,276
2009	9,310,000	8,297,511	17,607,511
2010	9,620,000	7,987,191	17,607,191
2011-2015	53,540,000	33,901,909	87,441,909
2016-2020	56,200,000	21,969,404	78,169,404
2021-2025	59,430,000	8,366,985	67,796,985
Totals	<u>\$214,340,000</u>	<u>\$107,045,835</u>	<u>\$321,385,835</u>

The City legally broke their swap agreement with Morgan Stanley and re-marketed the Electric System Variable Rate Refunding bonds converting from a variable rate to a fixed rate of interest for the remaining term of the bonds in May 2005.

B. 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, 2005, there were seven series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$5,539,262.

NOTE 14 – LONG-TERM DEBT AND CHANGES IN LONG-TERM OBLIGATIONS (Continued)

C. Issuance of Wastewater System Revenue Refunding Bonds

Dated March 29, 2005, the City issued \$25,070,000 of wastewater system revenue refunding bonds to provide resources to purchase United States Government Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$26,485,000 of mortgage revenue bonds. The City used the new bonds, previously funded debt service payments, plus \$2,306,000 in the mortgage revenue bond debt service reserve account to defease the outstanding liability. The 1996 bonds will be called at the first call date of December 1, 2006 and the 1998 bonds will be called at the first date of October 15, 2008. As a result, the in-substance defeasance is considered to be defeased and the liability has been removed from the business type activities column of the statement of net assets and enterprise fund financial statements. Until the bonds are called the information will presented as a note to the financial statements (See Note 15.)

The re-acquisition price of the existing liability (remaining outstanding mortgage revenue bonds) exceeded the net carrying amount of the old debt by \$1,268,800. This amount is being reported as a deferred charge on the statement of net assets and amortized over the remaining life of the new debt, which was issued with a final maturity in October 2023. This advance refunding was undertaken to reduce total debt service payments by \$3,208,900 and resulted in an economic gain of \$351,634.

As follows are the sources and uses of funds related to the issuance of the new debt:

SOURCES:

Bond Face Value	\$25,070,000
Debt Service Reserve Liquidation	2,306,000
Premium	1,441,303
Accrued Interest	44,014
TOTAL SOURCES	<u>\$28,861,317</u>

USES:

Deposit for Defeasance	\$28,277,179
Issuance Cost	540,124
Accrued Interest	44,014
TOTAL USES	<u>\$28,861,317</u>

NOTE 15 – IN-SUBSTANCE DEFEASANCE OF WASTEWATER SYSTEM REVENUE BONDS

In March 2005, the City entered into an Escrow Trust Agreement with US Bank. The agreement required that the City deposit \$28,277,179 into an irrevocable trust with the bank for the payment to final maturity of \$7,595,000 from the 1996 Wastewater System Revenue Bonds and \$18,890,000 from the 1998 Wastewater System Revenue Bonds. The funds deposited, per the agreement, purchased U.S. Government Securities in substitution of the revenue of the system. The funds deposited, together with interest earned thereon, shall be sufficient to pay semi-annual principal and interest payments, thus providing in-substance defeasance. The (in-substance) defeasance has occurred for the following Wastewater System Revenue Bonds:

Name of Issue	Original Issue	Portion of Original Issue Defeased	Unmatured & Unpaid at 12/31/05
1996 Wastewater System Revenue Bonds	\$ 9,225,000	\$ 7,595,000	\$ 7,320,000
1998 Wastewater System Revenue Bonds	22,665,000	18,890,000	18,260,000

NOTE 16 – 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	\$134,413,890	Limit
Earthquake	75,000,000	
Flood	25,000,000	
Ordinance or Law Coverage	2,500,000	
Extra Expense	1,500,000	
Valuable Papers Restoration	1,250,000	
Electric Property Insurance	\$367,000,000	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	\$15,000,000	Limit

NOTE 16 – RISK MANAGEMENT (Continued)

Auto	\$ 1,000,000	Limit
Comprehensive & Collision Physical Damage Garage Keepers Liability		
	\$10,000,000	Umbrella
Crime – Burglary & Robbery	\$ 100,000	Limit
Forgery & Alteration Coverage	\$100,000	Limit
Public Officials Bond		
Various Limits to Named Positions	\$2,500	
Blanket Limit (for police officers)	\$1,000	
Blanket minimum for all other employees	\$ 2,500	
Underground Petroleum Storage Tank	\$1,000,000	Limit
Police Professional Liability (per occurrence)	\$1,000,000	Limit
	\$10,000,000	Umbrella
Public Officials Liability	\$1,000,000	Limit
Employment Practices		
Claims Made – Full Prior Acts	\$10,000,000	Umbrella
Public Utilities Excess Liability	\$75,000,000	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	\$10,000,000	Umbrella
Ambulance Attendants Errors & Omissions (included in G.L.)	\$5,000,000	Limit
Pollution Legal Liability	\$5,000,000	Limit
Named Brownsfield Location – Leshner 10 Year Term		

NOTE 16 – RISK MANAGEMENT (Continued)

Pollution Legal Liability	\$3,000,000	Limit
Named Brownsfield Location – Mercy Hospital		
5 Year Term		

Settled claims have not exceeded coverage in any of the last three years. The City had no reduction in coverage in 2005.

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 2005. The City also maintains premium based insurance coverage through the Ohio Bureau of Worker's Compensation to mitigate job related illness and injury.

NOTE 17 – CONTRACTUAL COMMITMENTS

As of December 31, 2005, 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, 2005:

Vendor	Remaining Contractual Commitment
Municipal Energy Services Agency	\$4,416,902
Black Hills Coal Network Inc	2,374,039
Atmos Energy Marketing LLC	2,299,875
Industrial Power Systems Inc	1,244,970
Miller R A Construction Company	741,928
Cincinnati Bulk Terminals	613,479
Ametitcon Inc	502,320
Treasurer State of Ohio	500,000
Carmeuse Lime & Stone Inc	458,989
Curry Plumbing Inc	410,280
Treasurer State of Ohio	400,000
Metropolitan Environmental	400,000
City of Hamilton	400,000
Western Waterproofing Company	337,783
Burgess & Niple Inc	290,817
Public Employee Retirement System	280,000
Total	<u><u>\$15,671,383</u></u>

NOTE 18 – CONTINGENCIES

A. Litigation

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

In October 1988, the State of Ohio commenced litigation in the Butler County Court of Common Pleas against the City alleging violations of the State's environmental laws and regulations in connection with, inter alia, the City's wastewater treatment and collection system. The City and the State settled the litigation by entering into the Consent Order which was filed with the Court on May 13, 1990. The City believes it is in compliance with the provisions of the Consent Order except those relating to the elimination of discharges from overflows from its collection system. The City has proposed to the State at the Consent Order be modified to, inter alia, extend the schedule for mitigating the remaining discharges and to revise the monitoring and reporting requirements accordingly. The parties are currently in negotiations with the State relative to modification to the Consent Order. The City disagrees with certain demands made by the State and certain positions taken by the State in connection with the negotiations as to modification of the Consent Order. As of this date, the City cannot effectively predict the outcome of these negotiations; however in the event that no modification of the Consent Order is agreed upon by the parties, litigation is possible.

B. Federal and State Grants

For the period January 1, 2005 to December 31, 2005, 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.

NOTE 19 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS

The City of Hamilton is a member of a number of Governmental Joint Ventures and 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 Joint Venture or Jointly Governed Organization.

A. Amp Ohio, Inc.

The City of Hamilton is a member of American Municipal Power Ohio, Inc (AMP-OHIO). AMP-OHIO 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.

NOTE 19 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS (Continued)

The controlling board of AMP-OHIO, 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-OHIO, Inc., 2600 Airport Drive, Columbus, Ohio 43219.

B. Amp Ohio, Inc. – 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-OHIO, 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 amounts were expended by the Electric Fund and recorded within the Purchase of Electric expense account to the OMEGA JV2 and Amp-Ohio in 2005:

	<u>2005</u>
Annual Capacity	\$1,196,519
Power Purchases	<u>6,200,000</u>
Total Payments – OMEGA JV2	<u>\$7,396,519</u>

The continued existence of OMEGA JV2 is dependent upon the City's continued participation but the City, as a financing purchasing participant, does not have an equity interest in OMEGA JV2. Complete financial statements may be obtained from AMP-OHIO, Inc., 2600 Airport Drive, Columbus, Ohio 43219.

NOTE 19 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS (Continued)

C. 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.

D. 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, 315 High Street, Hamilton, Ohio 45011.

E. 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.

NOTE 19 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS (Continued)

F. 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. Recently, the JEDD was expanded (Phase II) to include the Bridgewater Falls development along Princeton Road. 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.

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 WalMart, 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 distribution of income tax revenues exceeds \$20,000 per month for each entity. Discussion is underway with Fairfield Township for further expansion of the JEDD. During 2005, distribution of tax collections for JEDD I and JEDD II were \$205,059 and \$56,104, respectively, with a total JEDD distribution of \$261,163.

G. 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.

NOTE 19 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS (Continued)

H. 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.

I. The Center for Local Governments

The Center for Local Governments, a jointly governed organization, was established to improve public service delivery by the cities, townships and villages in the Greater Cincinnati metropolitan area, especially among its member jurisdictions, through improved information exchange, cost reductions, shared resources, interjurisdictional collaboration, and new approaches to capital equipment and skills acquisition. The Board of Trustees consists of eight members made up of elected representatives from the participating governments. The City does not have any financial interest in or responsibility for the Center. Information can be obtained from the Center by writing to Director of the Center for Local Governments, 9600 Colerain Avenue, Cincinnati, OH 45251.

J. 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.

NOTE 19 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS (Continued)

OKI contracts for local funds and other support with the governing board of each of the governments who are members of OKI or with such other persons as may be appropriate to provide such funds and support. The support is based on the population of the area represented. A Board of Trustees was created for conducting the activities of the OKI. This Board consists of one elected official of each City and municipal corporation, one individual selected by each City planning agency or commission and one person selected by each planning agency or commission of each municipal corporation located in each member City. This Board of Trustees then selects not more than ten residents of the OKI Region. The total membership of the Board of Trustees shall not exceed 100. Any member of OKI may withdraw its membership upon written notice to OKI effective two years after receipt of the notice by OKI. To obtain financial statements of the Ohio-Kentucky-Indiana Regional Council of governments, write to OKI at 720 E. Pete Rose Way, Suite 420, Cincinnati, OH 45202.

NOTE 20 – ENTERPRISE INTER-FUND REVENUES & 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 2005, the Electric Fund purchased \$835,000 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 and eliminated on government wide statements.

The Water and Wastewater Funds purchased electric services from the Electric Fund in the amount of \$847,000 and \$548,000 respectively during 2005. These amounts are recorded in the Water and Wastewater Fund as contractual services and as Charges for Services in the Electric Fund and eliminated on government wide statements.

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 10,132,000 kilowatt-hours of electrical energy in 2005, and the estimated operating cost of supplying these free services was \$1,064,000 for the year ending December 31, 2005.

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 2005.

**NOTE 20 – ENTERPRISE INTER-FUND REVENUES & ADMINISTRATIVE CHARGES
 (Continued)**

	Gas	Electric	Water	Wastewater
Administrative cost (Gen. Fund)	\$857,000	\$958,000	\$859,000	\$893,000
Central Service charges	1,176,000	1,394,000	1,427,000	1,276,000
Fleet Maintenance Chargebacks	145,000	145,000	141,000	-0-
Total	<u>\$2,178,000</u>	<u>\$2,497,000</u>	<u>\$2,427,000</u>	<u>\$2,169,000</u>

NOTE 21 – CHANGE IN ACCOUNTING PRINCIPLE

During fiscal year 2005, the City was required to implement GASB 42, “Accounting for Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.” The City realized no impact from the implementation.

The City also implemented GASB Technical Bulletin No. 2004-02 “Recognition of Pension and Other Postemployment Benefit Expenditure/Expense and Liabilities by Cost-Sharing Employers.” The implementation of this bulletin had no impact on beginning fund balance or net assets.

NOTE 22 – SUBSEQUENT EVENTS

A. Bond Anticipation Note Activity

In January 2006, the City issued a combined \$2,700,000 in bond anticipation notes that provided funding to rollover a \$2,750,000 bond anticipation issued in January 2004. Interest expense on the rollover of the notes was funded by the City and not capitalized into the financing. The purpose of the original proceeds was to provide funding for construction, acquisition and improvements to the Wastewater System in accordance with the Council authorized 2002 Wastewater Rate Mitigation Program.

In March 2006, the City issued \$9,800,000 in bond anticipation notes that provided funding to rollover a \$9,800,000 bond anticipation issued in March 2005. The purpose of the original note issue was to provide funding for acquiring, installing and paying all related costs for a new automated meter reading (AMR) system. The installation of meters began in March 2005 and is expected to be completed and functioning by September 2006.

In May 2006, the City issued \$13,065,000 in bond anticipation notes provided funding to rollover fourteen bond anticipation notes. The original purpose of the various notes issues were for capital purposes in multiple funds. The City also issued \$1,370,000 in bond anticipation notes for the purpose of acquiring additional land in the Hamilton Enterprise Park.

NOTE 22 – SUBSEQUENT EVENTS (Continued)

B. Notes Receivable

On February 22, 2006, HCF Properties, LLC, purchased the property (all real estate and personal property) through a sheriff sale proceeding. At that time, all mortgages and security positions of the creditors were released, including those associated with the City loan and note, which is described in more detail in Note 7. Therefore, as of that date, the City no longer holds any security position in or right to collect from the Hamiltonian Hotel.

*COMBINING AND INDIVIDUAL
STATEMENTS AND SCHEDULES*

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2005

GENERAL FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Revenues:				
Property and Other Local Taxes	\$ 5,800,000	\$ 5,925,000	\$ 5,133,783	\$ (791,217)
Income Taxes	16,647,438	16,782,438	17,125,671	343,233
Intergovernmental	3,967,404	5,712,886	5,560,652	(152,234)
Charges for Services	2,582,501	2,823,001	2,694,965	(128,036)
Licenses and Permits	1,284,410	1,373,515	1,348,505	(25,010)
Investment Earnings	450,000	335,000	379,754	44,754
Fines and Forfeitures	1,071,800	1,141,800	1,110,844	(30,956)
Other All Revenue	138,511	389,377	393,992	4,615
Total Revenue	31,942,064	34,483,017	33,748,166	(734,851)
Expenditures:				
Current:				
Security of Persons and Property:				
Municipal Court				
Personal Services	1,084,379	1,084,597	1,010,466	74,131
Other	311,353	518,679	434,785	83,894
Total Municipal Court	1,395,732	1,603,276	1,445,251	158,025
Police				
Personal Services	7,637,825	8,217,120	8,196,963	20,157
Other	377,606	524,202	476,025	48,177
Total Police	8,015,431	8,741,322	8,672,988	68,334
Civilian Dispatch				
Personal Services	1,024,873	1,030,096	953,613	76,483
Other	56,078	60,287	43,465	16,822
Total Civilian Dispatch	1,080,951	1,090,383	997,078	93,305
School Crossing Guards				
Other	500	500	490	10
Total School Crossing Guards	500	500	490	10
Building Maintenance - Criminal Justice				
Other	197,697	206,114	195,724	10,390
Total Building Maintenance - Criminal Justice	197,697	206,114	195,724	10,390
Corrections				
Personal Services	295,824	295,872	379,284	(83,412)
Other	753,855	400,855	160,734	240,121
Total Corrections	1,049,679	696,727	540,018	156,709
Police - Citizens				
Other	3,250	4,837	3,203	1,634
Total Police - Citizens	3,250	4,837	3,203	1,634
Police - Safe Neighborhood				
Personal Services	-	56,606	56,605	1
Total Police - Safe Neighborhood	-	56,606	56,605	1
Fire				
Personal Services	6,544,713	7,094,777	7,061,814	32,963
Other	278,910	397,034	338,651	58,383
Total Fire	6,823,623	7,491,811	7,400,465	91,346

(Continued)

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2005

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Fire - Building				
Other	\$ 249,700	\$ 265,480	\$ 200,445	\$ 65,035
Total Fire - Building	249,700	265,480	200,445	65,035
Fire - Paramedics				
Personal Services	1,767,594	1,812,851	1,773,943	38,908
Other	232,815	256,169	236,502	19,667
Total Fire - Paramedics	2,000,409	2,069,020	2,010,445	58,575
Total Security of Persons and Property	20,816,972	22,226,076	21,522,712	703,364
Public Health and Welfare Services:				
Health				
Personal Services	1,311,662	1,321,339	1,270,579	50,760
Other	397,285	587,372	479,562	107,810
Capital Outlay	-	7,478	8,598	(1,120)
Total Public Health and Welfare	1,708,947	1,916,189	1,758,739	157,450
Leisure Time Activities				
Parks and Recreation - Administration				
Personal Services	175,983	176,019	182,140	(6,121)
Other	19,825	20,155	15,802	4,353
Total Parks and Recreation - Administration	195,808	196,174	197,942	(1,768)
Playground Programs				
Personal Services	5,180	5,180	4,929	251
Other	5,765	12,351	10,902	1,449
Total Playground Programs	10,945	17,531	15,831	1,700
Outdoor Athletic Program				
Personal Services	288,507	288,541	199,895	88,646
Other	36,658	38,063	51,116	(13,053)
Total Outdoor Athletic Program	325,165	326,604	251,011	75,593
Swimming Pools				
Personal Services	5,189	5,189	-	5,189
Other	97,098	82,975	83,985	(1,010)
Total Swimming Pools	102,287	88,164	83,985	4,179
Parks and Playgrounds Maintenance				
Personal Services	551,217	551,285	546,605	4,680
Other	256,150	308,899	257,483	51,416
Total Parks and Playgrounds Maintenance	807,367	860,184	804,088	56,096
Community Center				
Other	104,662	110,425	97,955	12,470
Total Community Center	104,662	110,425	97,955	12,470
Colligan				
Personal Services	8,712	12,712	14,990	(2,278)
Other	18,500	18,795	16,731	2,064
Total Colligan	27,212	31,507	31,721	(214)
Total Leisure Time Activities	1,573,446	1,630,589	1,482,533	148,056

(Continued)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2005

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Community Environment				
Construction Services				
Personal Services	\$ 458,809	\$ 408,921	\$ 338,686	\$ 70,235
Other	75,720	112,048	106,483	5,565
Total Construction Services	534,529	520,969	445,169	75,800
Department of Planning				
Personal Services	122,222	124,764	88,871	35,893
Other	20,317	19,182	17,318	1,864
Total Department of Planning	142,539	143,946	106,189	37,757
Department of Human Relations				
Personal Services	168,782	168,813	165,766	3,047
Other	4,850	154,967	148,986	5,981
Total Department of Human Relations	173,632	323,780	314,752	9,028
Total Community Environment	850,700	988,695	866,110	122,585
Basic Utility Services				
Public Works - Administration				
Personal Services	74,341	74,363	62,299	12,064
Other	7,900	7,903	7,287	616
Total Public Works - Administration	82,241	82,266	69,586	12,680
Engineering				
Personal Services	569,331	569,442	391,333	178,109
Other	58,900	63,457	52,908	10,549
Total Engineering	628,231	632,899	444,241	188,658
Maintenance of Storm Sewers				
Other	176,929	176,929	176,929	-
Capital Outlay	73,471	-	-	-
Total Maintenance of Storm Sewers	250,400	176,929	176,929	-
Public Works - Maintenance				
Personal Services	178,996	154,062	98,183	55,879
Other	138,270	155,223	111,940	43,283
Total Public Works - Maintenance	317,266	309,285	210,123	99,162
Total Basic Utility Services	1,278,138	1,201,379	900,879	300,500

(Continued)

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2005

GENERAL FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
General Government				
City Council				
Personal Services	\$ 23,189	\$ 26,450	\$ 11,503	\$ 14,947
Other	18,568	18,969	9,612	9,357
Total City Council	41,757	45,419	21,115	24,304
City Clerk				
Personal Services	23,818	25,035	24,659	376
Other	3,019	3,168	149	3,019
Total City Clerk	26,837	28,203	24,808	3,395
Team Hamilton				
Other	4,952	4,952	13	4,939
Total Team Hamilton	4,952	4,952	13	4,939
City Manager				
Personal Services	111,437	111,477	51,095	60,382
Other	14,904	14,944	5,470	9,474
Total City Manager	126,341	126,421	56,565	69,856
Finance - Cashiers				
Personal Services	150,640	-	-	-
Other	4,000	-	-	-
Total Finance - Cashiers	154,640	-	-	-
NDD				
Personal Services	-	32,277	20,609	11,668
Other	-	64,961	47,370	17,591
Total Deputy City Manager - Administration	-	97,238	67,979	29,259
Department of Law				
Personal Services	148,389	148,482	93,972	54,510
Other	53,309	53,965	20,648	33,317
Total Department of Law	201,698	202,447	114,620	87,827
Department of Civil Service				
Personal Services	62,092	62,151	44,470	17,681
Other	28,111	28,329	16,013	12,316
Total Department of Civil Service	90,203	90,480	60,483	29,997
Finance - Administration				
Personal Services	193,166	193,845	169,657	24,188
Other	43,593	52,182	34,939	17,243
Total Finance - Administration	236,759	246,027	204,596	41,431
Finance - Purchasing				
Personal Services	83,933	83,985	41,898	42,087
Other	13,719	14,808	4,766	10,042
Total Finance - Purchasing	97,652	98,793	46,664	52,129
Finance - Building Services				
Personal Services	-	31	31	-
Other	65,791	73,944	28,303	45,641
Total Finance - Building Services	65,791	73,975	28,334	45,641

(Continued)

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2005

GENERAL FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Finance - Income Tax				
Personal Services	\$ 1,055,396	\$ 955,559	\$ 802,215	\$ 153,344
Other	249,645	302,053	211,865	90,188
Capital Outlay	5,000	5,000	-	5,000
Total Finance - Income Tax	<u>1,310,041</u>	<u>1,262,612</u>	<u>1,014,080</u>	<u>248,532</u>
Total General Government	<u>2,356,671</u>	<u>2,276,567</u>	<u>1,639,257</u>	<u>637,310</u>
Other Expenditures				
Special Appropriations - Kilowatts				
Capital Outlay	2,626,418	2,775,047	2,635,766	139,281
Total Special Appropriations - Kilowatts	<u>2,626,418</u>	<u>2,775,047</u>	<u>2,635,766</u>	<u>139,281</u>
Special Appropriations - General				
Personal Services	121,500	162,375	229,735	(67,360)
Other	2,562,182	3,873,875	2,889,405	984,470
Total Special Appropriations - General	<u>2,683,682</u>	<u>4,036,250</u>	<u>3,119,140</u>	<u>917,110</u>
Special Appropriations				
Personal Services	78,750	78,750	75,380	3,370
Other	82,154	230,462	135,353	95,109
Total Special Appropriations	<u>160,904</u>	<u>309,212</u>	<u>210,733</u>	<u>98,479</u>
Total Other Expenditures	<u>5,471,004</u>	<u>7,120,509</u>	<u>5,965,639</u>	<u>1,154,870</u>
Total Expenditures	<u>34,055,878</u>	<u>37,360,004</u>	<u>34,135,869</u>	<u>3,224,135</u>
Excess of Revenues (Under) Expenditures	(2,113,814)	(2,876,987)	(387,703)	2,489,284
<u>Other Financing Sources (Uses):</u>				
Sale of Capital Assets	17,000	135,800	127,932	(7,868)
Advances - In	-	14,000	14,000	-
Advances - Out	(376,000)	(376,000)	(376,000)	-
Transfers - In	435,799	616,329	43,141	(573,188)
Transfers - Out	(110,515)	(472,915)	(115,515)	357,400
Total Other Financing Sources (Uses)	<u>(33,716)</u>	<u>(82,786)</u>	<u>(306,442)</u>	<u>(223,656)</u>
Deficiency of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(2,147,530)	(2,959,773)	(694,145)	2,265,628
Fund Balances at Beginning of Year	6,096,927	6,096,927	6,096,927	-
Prior Year Encumbrances	700,650	700,650	700,650	-
Fund Balances at End of Year	<u>\$ 4,650,047</u>	<u>\$ 3,837,804</u>	<u>\$ 6,103,432</u>	<u>\$ 2,265,628</u>

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

One Renaissance Center Fund

To account for revenues and expenditures related to the city-owned office tower known as One Renaissance Center.

Federal Emergency Management Grant Fund

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

Youth Build Grant Fund

To account for federal monies to aid fifteen disadvantaged youth adults to complete their high school education and further opportunities for placement in programs and employment in living wage jobs.

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.

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.

Municipal Income Tax TIF Aggregation/Verification Fund

To account for revenue from income tax collected within a Tax Increment Financing (TIF) project area.

Brownfield Improvement Fund

To account for receipts and disbursements associated with the administration of a grant from the Federal government which is to be used for Brownfield redevelopment within the City of Hamilton.

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.

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.

SPECIAL REVENUE FUNDS (continued)

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

Technology Initiative Fund

To properly account for a series of technology related improvements and projects.

Public Health Care Services Fund

To account for funds designated for public health care services.

Street and Parks Beautification Fund

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

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.

Stormwater Management Fund

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

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.

Transit System Fund

To account for revenues collected to help fund the transit system of the City. The transit system is not intended to be self-supporting but the revenue collected is designated to defray the cost of providing transit services.

Miami Conservancy Fund

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

SPECIAL REVENUE FUNDS (continued)

Parking Fund

To account for revenues and expenses associated with the operation of city-owned parking facilities.

Golf Course Fund

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

Central Park Sports Arena Fund

To account for revenues and expenses associated with the operation of a city-owned ice skating arena.

Community Development Block Grant Fund

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

Home Program Fund

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

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUNDS

Hamilton Capital Improvement Fund

To account for revenue from one-fourth of one percent (.25%) of the City income tax receipts. Funds 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 expenses on large capital projects which are funded by the General fund.

Special Assessment Fund

To account for revenues and expenses associated with the levy of special assessment 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 & for their related costs. To account for the deposit of any income tax revenue that has been dedicated to finance the aforementioned improvements.

CAPITAL PROJECTS FUNDS (continued)

Hamilton Enterprise Park Fund

To account for the receiving and disbursing of monies for the development of the Hamilton Enterprise Park.

Central Business District Streetscape Improvements Fund

To account for revenues and expenses 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.

Clean Ohio Grants 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 Renewal 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

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.

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Permanent Fund	Totals Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 9,633,885	\$ 530,500	\$ 6,658,834	\$ 74,354	\$ 16,897,573
Receivables (net of allowance for doubtful accounts):					
Taxes-Real & Personal Property	3,546,215	454,365	238,000	-	4,238,580
Taxes-Municipal Income	620,783	-	496,626	-	1,117,409
Accounts	535,600	-	-	-	535,600
Accrued Interest	9,985	1,265	-	610	11,860
Loans	464,327	-	-	-	464,327
Due from Other Governments	1,054,689	-	-	-	1,054,689
Inventory of Supplies at Cost	43,857	-	-	-	43,857
Prepaid Items	42,287	-	-	-	42,287
	<u>15,951,628</u>	<u>986,130</u>	<u>7,393,460</u>	<u>74,964</u>	<u>24,406,182</u>
Total Assets and Other Debits					
Liabilities:					
Accounts Payable	1,813,290	-	1,311,296	-	3,124,586
Accrued Wages and Benefits	45,378	-	-	-	45,378
Accrued Liabilities	56,491	-	45,192	-	101,683
Due to Other Funds	407,085	-	-	-	407,085
Intergovernmental Payable	93,024	-	-	-	93,024
Interfund Payable	362,000	-	-	-	362,000
Accrued Interest Payable	112,000	-	98,750	-	210,750
Customer Deposits Payable	7,825	-	-	-	7,825
Deferred Revenue	4,851,826	454,365	496,606	-	5,802,797
General Obligation Notes Payable	4,200,000	-	3,975,000	-	8,175,000
Special Assessment Notes Payable	-	-	500,000	-	500,000
	<u>11,948,919</u>	<u>454,365</u>	<u>6,426,844</u>	<u>-</u>	<u>18,830,128</u>
Total Liabilities					
Equity and Other Credits:					
Fund Balance:					
Reserved for Encumbrances	2,514,260	-	1,353,829	-	3,868,089
Reserved for Supplies Inventory	43,857	-	-	-	43,857
Reserved for Prepaid Items	42,287	-	-	-	42,287
Reserved for Debt Service	-	531,765	-	-	531,765
Reserved for Endowments	-	-	-	74,964	74,964
Unreserved, reported in:					
Special Revenue Funds	1,402,305	-	-	-	1,402,305
Capital Projects Funds	-	-	(387,213)	-	(387,213)
	<u>4,002,709</u>	<u>531,765</u>	<u>966,616</u>	<u>74,964</u>	<u>5,576,054</u>
Total Fund Balances					
Total Liabilities and Fund Balances	<u>\$ 15,951,628</u>	<u>\$ 986,130</u>	<u>\$ 7,393,460</u>	<u>\$ 74,964</u>	<u>\$ 24,406,182</u>

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Permanent Fund	Totals Nonmajor Governmental Funds
Revenues:					
Income Taxes	\$ 2,946,241	\$ -	\$ 2,250,790	\$ -	\$ 5,197,031
Property and Other Taxes	2,953,106	-	195,974	-	3,149,080
Intergovernmental	5,028,653	-	2,086,033	-	7,114,686
Charges for Services	7,798,962	-	-	-	7,798,962
Licenses and Permits	321,205	-	-	-	321,205
Investment Earnings	139,489	17,732	55,142	868	213,231
Fines and Forfeitures	323,113	-	-	-	323,113
Special Assessments	-	479,153	72,060	-	551,213
All Other Revenues	731,592	49,560	221,401	-	1,002,553
Total Revenues	20,242,361	546,445	4,881,400	868	25,671,074
Expenditures:					
Current:					
Security of Persons and Property	6,743,534	-	-	-	6,743,534
Public Health and Welfare	648,770	-	-	-	648,770
Leisure Time Activities	1,017,739	-	-	-	1,017,739
Community Environment	3,331,239	-	-	-	3,331,239
Basic Utility Services	3,667,072	-	-	-	3,667,072
Transportation	4,038,465	-	-	-	4,038,465
General Government	43,123	-	-	-	43,123
Other Expenditures	609,436	-	-	1,887	611,323
Capital Outlay	-	-	5,900,827	-	5,900,827
Debt Service:					
Principal Retirement	175,000	1,682,000	-	-	1,857,000
Interest and Fiscal Charges	245,217	1,605,739	140,660	-	1,991,616
Total Expenditures	20,519,595	3,287,739	6,041,487	1,887	29,850,708
Excess (Deficiency) of Revenues Over (Under) Expenditures	(277,234)	(2,741,294)	(1,160,087)	(1,019)	(4,179,634)
Other Financing Sources (Uses):					
Face Value from the Sale of Bonds	-	-	245,000	-	245,000
Sale of Capital Assets	-	-	770,455	-	770,455
Transfers - In	656,916	3,351,643	795,472	-	4,804,031
Transfers - Out	(1,925,578)	(629,928)	(1,760,170)	-	(4,315,676)
Total Other Financing Sources (Uses)	(1,268,662)	2,721,715	50,757	-	1,503,810
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,545,896)	(19,579)	(1,109,330)	(1,019)	(2,675,824)
Fund Balances at Beginning of Year	5,548,534	551,344	2,075,946	75,983	8,251,807
Increase in Inventory	71	-	-	-	71
Fund Balances at End of Year	\$ 4,002,709	\$ 531,765	\$ 966,616	\$ 74,964	\$ 5,576,054

**THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2005**

	One Renaissance Center	Federal Emergency Management Grant	Youth Build Grant	Public Safety/Health Income Tax	Municipal Court Improvement	Municipal Income Tax TIF Aggregation/ Verification	Brownfield Improvement
Assets:							
Cash and Cash Equivalents	\$ 25,915	\$ 260,835	\$ 937	\$ 466,024	\$ 248,717	\$ 224,611	\$ 1,974
Investments	-	-	-	-	-	-	-
Receivables (net of allowances for doubtful accounts)	-	-	-	-	-	-	-
Taxes-Real & Personal Property	-	-	-	-	-	-	-
Taxes-Municipal Income	-	-	-	620,783	-	-	-
Accounts	-	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Intergovernmental	-	38,438	-	-	-	-	-
Inventory of Supplies at Cost	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Total Assets	25,915	299,273	937	1,086,807	248,717	224,611	1,974
Liabilities and Fund Equity:							
Liabilities:							
Accounts Payable	39,112	-	-	-	4,007	-	-
Accrued Wages and Benefits	-	-	-	-	773	-	-
Accrued Liabilities	-	-	-	56,491	-	-	-
Due to Other Funds	-	265,000	-	-	-	-	-
Intergovernmental Payable	-	-	-	3,789	1,522	-	-
Interfund Payable	-	265,000	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-	-	-
Customer Deposits Payable	-	-	-	-	-	-	-
Deferred Revenue	-	4,564	-	323,257	-	-	-
General Obligation Notes Payable	-	-	-	-	-	-	-
Total Liabilities	39,112	534,564	-	383,537	6,302	-	-
Fund Equity:							
Fund Balance:							
Reserved for Encumbrances	-	258,054	-	7,500	-	-	-
Reserved for Supplies Inventory	-	-	-	-	-	-	-
Reserved for Prepaid Items	-	-	-	-	-	-	-
Unreserved:							
Undesignated (Deficit)	(13,197)	(493,345)	937	695,770	242,415	224,611	1,974
Total Fund Equity (Deficit)	(13,197)	(235,291)	937	703,270	242,415	224,611	1,974
Total Liabilities and Fund Equity	\$ 25,915	\$ 299,273	\$ 937	\$ 1,086,807	\$ 248,717	\$ 224,611	\$ 1,974

THE CITY OF HAMILTON, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2005

Weed and Seed Grant	Dispute Resolution Proceeds	Safety Services	Police Pension	Police Levy	Firemen's Pension	Emergency Medical Services Grant
\$ 28,238	\$ 36,284	\$ 449,026	\$ 48,761	\$ 616,514	\$ 47,221	\$ 15,079
-	-	979,049	294,256	817,858	294,256	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,066	-	34,396	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>41,294</u>	<u>36,284</u>	<u>1,462,471</u>	<u>343,017</u>	<u>1,434,372</u>	<u>341,477</u>	<u>15,079</u>
7,214	-	18,476	-	-	-	-
-	-	1,990	-	-	-	-
-	-	-	-	-	-	-
5,000	-	50,000	-	-	-	-
-	-	-	-	-	-	-
26,000	-	15,000	-	-	-	-
-	-	-	-	-	-	-
-	-	979,049	294,256	817,858	294,256	-
-	-	-	-	-	-	-
<u>38,214</u>	<u>-</u>	<u>1,064,515</u>	<u>294,256</u>	<u>817,858</u>	<u>294,256</u>	<u>-</u>
12,205	-	10,658	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(9,125)</u>	<u>36,284</u>	<u>387,298</u>	<u>48,761</u>	<u>616,514</u>	<u>47,221</u>	<u>15,079</u>
<u>3,080</u>	<u>36,284</u>	<u>397,956</u>	<u>48,761</u>	<u>616,514</u>	<u>47,221</u>	<u>15,079</u>
<u>\$ 41,294</u>	<u>\$ 36,284</u>	<u>\$ 1,462,471</u>	<u>\$ 343,017</u>	<u>\$ 1,434,372</u>	<u>\$ 341,477</u>	<u>\$ 15,079</u>

(continued)

THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2005
(Continued)

	Fire EMS Levy	Technology Initiative	Public Health Care Services	Street And Parks Beautification	Refuse	Stormwater Management	Street Maintenance
Assets:							
Cash and Cash Equivalents	\$ 138,146	\$ 373,444	\$ 134,377	\$ 59,563	\$ 385,530	\$ 1,551,151	\$ 1,775,350
Investments							
Receivables (net of allowances for doubtful accounts)							
Taxes-Real & Personal Property	817,858	-	-	-	-	-	-
Taxes-Municipal Income	-	-	-	-	-	-	-
Accounts	-	-	-	-	272,576	260,204	-
Accrued Interest	-	-	-	-	-	3,700	4,231
Loans	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	882,081
Inventory of Supplies at Cost	-	-	-	-	-	-	39,778
Prepaid Items	-	-	-	-	4,931	-	19,423
Total Assets	956,004	373,444	134,377	59,563	663,037	1,815,055	2,720,863
Liabilities and Fund Equity:							
Liabilities:							
Accounts Payable	-	24,399	23,459	-	378,204	194,821	615,352
Accrued Wages and Benefits	-	-	202	-	1,467	10,780	14,748
Accrued Liabilities	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Intergovernmental Payable	-	-	279	-	3,082	5,634	39,372
Interfund Payable	-	-	-	-	-	-	-
Accrued Interest Payable	-	89,333	-	-	-	6,667	-
Customer Deposits Payable	-	-	-	-	-	-	-
Deferred Revenue	817,858	-	-	-	-	-	513,338
General Obligation Notes Payable	-	3,350,000	-	-	-	250,000	-
Total Liabilities	817,858	3,463,732	23,940	-	382,753	467,902	1,182,810
Fund Equity:							
Fund Balance:							
Reserved for Encumbrances	-	204,119	-	-	-	211,897	-
Reserved for Supplies Inventory	-	-	-	-	-	-	39,778
Reserved for Prepaid Items	-	-	-	-	4,931	-	19,423
Unreserved:							
Undesignated (Deficit)	138,146	(3,294,407)	110,437	59,563	275,353	1,135,256	1,478,852
Total Fund Equity (Deficit)	138,146	(3,090,288)	110,437	59,563	280,284	1,347,153	1,538,053
Total Liabilities and Fund Equity	\$ 956,004	\$ 373,444	\$ 134,377	\$ 59,563	\$ 663,037	\$ 1,815,055	\$ 2,720,863

THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2005
(Continued)

Transit Authority	Miami Conservancy	Parking	Golf Course	Central Park Sports Arena	Community Development Block Grant	Home Program	Totals
\$ -	\$ 37,780	\$ 862,170	\$ 27,577	\$ 78,605	\$ 895,352	\$ 844,704	\$ 9,633,885
-	342,938	-	-	-	-	-	3,546,215
-	-	-	-	-	-	-	620,783
-	-	569	2,251	-	-	-	535,600
-	-	2,054	-	-	-	-	9,985
-	-	-	-	-	304,924	159,403	464,327
-	-	-	-	-	86,718	-	1,054,689
-	-	-	4,079	-	-	-	43,857
-	-	10,259	7,674	-	-	-	42,287
-	380,718	875,052	41,581	78,605	1,286,994	1,004,107	15,951,628
-	341,824	62,772	15,997	90	70,263	17,300	1,813,290
-	-	5,453	3,241	-	6,430	294	45,378
-	-	-	-	-	-	-	56,491
-	-	-	56,000	-	31,085	-	407,085
-	-	10,954	13,015	-	15,092	285	93,024
-	-	-	56,000	-	-	-	362,000
-	-	16,000	-	-	-	-	112,000
-	-	7,825	-	-	-	-	7,825
-	342,938	-	125	-	304,924	159,403	4,851,826
-	-	600,000	-	-	-	-	4,200,000
-	684,762	703,004	144,378	90	427,794	177,282	11,948,919
-	-	514,515	11,145	10	683,773	600,384	2,514,260
-	-	-	4,079	-	-	-	43,857
-	-	10,259	7,674	-	-	-	42,287
-	(304,044)	(352,726)	(125,695)	78,505	175,427	226,441	1,402,305
-	(304,044)	172,048	(102,797)	78,515	859,200	826,825	4,002,709
\$ -	\$ 380,718	\$ 875,052	\$ 41,581	\$ 78,605	\$ 1,286,994	\$ 1,004,107	\$ 15,951,628

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	One Renaissance Center	Federal Emergency Management Grant	Youth Build Grant	Public Safety/Health Income Tax	Municipal Court Improvement	Municipal Income Tax TIF Aggregation/ Verification	Brownfield Improvement
<u>Revenues:</u>							
Municipal Income Tax	\$ -	\$ -	\$ -	\$ 2,813,493	\$ -	\$ 132,748	\$ -
Property and Other Taxes	-	-	-	-	-	-	-
Intergovernmental	-	231,374	-	-	-	-	-
Charges for Services	2,161,800	-	-	-	127,543	-	-
Licenses and Permits	-	-	-	-	-	-	-
Investment Income	(39)	253	(1)	(981)	(488)	(457)	(3)
Fines and Forfeitures	-	-	-	-	85,817	-	-
Other	130	9,938	-	-	-	-	-
Total Revenue	2,161,891	241,565	(1)	2,812,512	212,872	132,291	(3)
<u>Expenditures:</u>							
Current							
Security of Persons and Property	-	-	-	2,687,074	170,667	-	-
Public Health and Welfare	-	508,599	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-	-	-
Community Environment	-	-	-	-	-	43,854	-
Basic Utility Services	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
General Government	28,783	-	-	-	-	-	-
Other Expenditures	609,436	-	-	-	-	-	-
Debt Service							
Principal Retirement	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	638,219	508,599	-	2,687,074	170,667	43,854	-
Excess of Revenues Over (Under) Expenditures	1,523,672	(267,034)	(1)	125,438	42,205	88,437	(3)
<u>Other Financing Sources (Uses):</u>							
Transfers - In	33,515	-	-	-	-	-	-
Transfers - Out	(1,584,552)	-	-	(11,379)	-	(43,143)	-
Total Other Sources (Uses)	(1,551,037)	-	-	(11,379)	-	(43,143)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(27,365)	(267,034)	(1)	114,059	42,205	45,294	(3)
Fund Balances (Deficit) at Beginning of Year	14,168	31,743	938	589,211	200,210	179,317	1,977
Change in Inventory	-	-	-	-	-	-	-
Fund Balance (Deficit) at End of the Year	\$ (13,197)	\$ (235,291)	\$ 937	\$ 703,270	\$ 242,415	\$ 224,611	\$ 1,974

THE CITY OF HAMILTON, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2005

Weed and Seed Grant	Dispute Resolution Proceeds	Safety Services	Police Pension	Police Levy	Firemen's Pension	Emergency Medical Services Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	795,414	238,623	701,350	238,623	-
314,398	-	411,912	29,859	86,697	29,859	3,000
-	13,278	27,891	-	-	-	-
-	-	-	-	-	-	-
101	(42)	869	(93)	(926)	(92)	(30)
-	-	237,296	-	-	-	-
-	-	-	-	-	-	-
<u>314,499</u>	<u>13,236</u>	<u>1,473,382</u>	<u>268,389</u>	<u>787,121</u>	<u>268,390</u>	<u>2,970</u>
336,911	-	1,528,882	260,000	750,000	260,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	14,340	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>336,911</u>	<u>14,340</u>	<u>1,528,882</u>	<u>260,000</u>	<u>750,000</u>	<u>260,000</u>	<u>-</u>
(22,412)	(1,104)	(55,500)	8,389	37,121	8,390	2,970
-	-	256,819	-	-	-	-
-	-	(185,440)	-	-	-	-
-	-	71,379	-	-	-	-
(22,412)	(1,104)	15,879	8,389	37,121	8,390	2,970
25,492	37,388	382,077	40,372	579,393	38,831	12,109
-	-	-	-	-	-	-
<u>\$ 3,080</u>	<u>\$ 36,284</u>	<u>\$ 397,956</u>	<u>\$ 48,761</u>	<u>\$ 616,514</u>	<u>\$ 47,221</u>	<u>\$ 15,079</u>

(continued)

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)

	Fire EMS Levy	Technology Initiative	Public Health Care Services	Street And Parks Beautification	Refuse	Stormwater Management	Street Maintenance
Revenues:							
Municipal Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property and Other Taxes	701,351	-	-	-	-	-	-
Intergovernmental	86,697	-	158,875	-	-	-	1,958,177
Charges for Services	-	-	-	-	1,930,238	1,920,509	-
Licenses and Permits	-	-	-	-	-	-	321,205
Investment Income	(318)	16,859	(285)	1,375	(669)	25,590	38,553
Fines and Forfeitures	-	-	-	-	-	-	-
Other	-	-	-	89	-	252,227	76,440
Total Revenue	787,730	16,859	158,590	1,464	1,929,569	2,198,326	2,394,375
Expenditures:							
Current:							
Security of Persons and Property	750,000	-	-	-	-	-	-
Public Health and Welfare	-	-	140,171	-	-	-	-
Leisure Time Activities	-	-	-	-	-	-	-
Community Environment	-	399,305	-	15,020	-	-	-
Basic Utility Services	-	-	-	-	2,426,082	1,240,990	-
Transportation	-	-	-	-	-	-	3,137,942
General Government	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	123,670	-	-	-	9,229	-
Total Expenditures	750,000	522,975	140,171	15,020	2,426,082	1,250,219	3,137,942
Excess of Revenues Over (Under) Expenditures	37,730	(506,116)	18,419	(13,556)	(496,513)	948,107	(743,567)
Other Financing Sources (Uses):							
Transfers - In	-	49,080	-	-	-	3,704	99,137
Transfers - Out	-	(505)	-	-	-	(79)	(99,137)
Total Other Sources (Uses)	-	48,575	-	-	-	3,625	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	37,730	(457,541)	18,419	(13,556)	(496,513)	951,732	(743,567)
Fund Balances (Deficit) at Beginning of Year	100,416	(2,632,747)	92,018	73,119	776,797	395,421	2,278,989
Change in Inventory	-	-	-	-	-	-	2,631
Fund Balance (Deficit) at End of the Year	\$ 138,146	\$ (3,090,288)	\$ 110,437	\$ 59,563	\$ 280,284	\$ 1,347,153	\$ 1,538,053

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)

Transit Authority	Miami Conservancy	Parking	Golf Course	Central Park Sports Arena	Community Development Block Grant	Home Program	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,946,241
-	277,745	-	-	-	-	-	2,953,106
-	34,835	-	-	-	1,682,970	-	5,028,653
-	-	739,171	878,532	-	-	-	7,798,962
-	-	-	-	-	-	-	321,205
282	(17)	9,571	1,356	73	49,048	-	139,489
-	-	-	-	-	-	-	323,113
-	-	16,340	20,851	-	314,196	41,381	731,592
<u>282</u>	<u>312,563</u>	<u>765,082</u>	<u>900,739</u>	<u>73</u>	<u>2,046,214</u>	<u>41,381</u>	<u>20,242,361</u>
-	-	-	-	-	-	-	6,743,534
-	-	-	-	-	-	-	648,770
-	-	-	969,295	48,444	-	-	1,017,739
-	330,428	-	-	-	2,257,282	285,350	3,331,239
-	-	-	-	-	-	-	3,667,072
97,000	-	803,523	-	-	-	-	4,038,465
-	-	-	-	-	-	-	43,123
-	-	-	-	-	-	-	609,436
-	-	25,000	150,000	-	-	-	175,000
-	-	42,513	69,805	-	-	-	245,217
<u>97,000</u>	<u>330,428</u>	<u>871,036</u>	<u>1,189,100</u>	<u>48,444</u>	<u>2,257,282</u>	<u>285,350</u>	<u>20,519,595</u>
(96,718)	(17,865)	(105,954)	(288,361)	(48,371)	(211,068)	(243,969)	(277,234)
22,000	-	51,513	139,805	-	-	1,343	656,916
-	-	-	-	-	(12,000)	10,657	(1,925,578)
<u>22,000</u>	<u>-</u>	<u>51,513</u>	<u>139,805</u>	<u>-</u>	<u>(12,000)</u>	<u>12,000</u>	<u>(1,268,662)</u>
(74,718)	(17,865)	(54,441)	(148,556)	(48,371)	(223,068)	(231,969)	(1,545,896)
74,718	(286,179)	226,489	48,319	126,886	1,082,268	1,058,794	5,548,534
-	-	-	(2,580)	-	-	-	71
<u>\$ -</u>	<u>\$ (304,044)</u>	<u>\$ 172,048</u>	<u>\$ (102,797)</u>	<u>\$ 78,515</u>	<u>\$ 859,200</u>	<u>\$ 826,825</u>	<u>\$ 4,002,709</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

ONE RENAISSANCE CENTER FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Charges for Services	\$ 2,156,485	\$ 2,171,485	\$ 2,161,800	\$ (9,685)
Investment Earnings	100	100	-	(100)
Other All Revenue	-	-	130	130
Total Revenue	<u>2,156,585</u>	<u>2,171,585</u>	<u>2,161,930</u>	<u>(9,655)</u>
<u>Expenditures:</u>				
Current:				
Other Expenditures				
Special Appropriations - General				
Other	607,997	663,630	630,069	33,561
Total Expenditures	<u>607,997</u>	<u>663,630</u>	<u>630,069</u>	<u>33,561</u>
Excess of Revenues Over Expenditures	1,548,588	1,507,955	1,531,861	23,906
<u>Other Financing Sources (Uses):</u>				
Transfers - In	67,030	33,515	33,515	-
Transfers - Out	(1,584,265)	(1,584,265)	(1,584,552)	(287)
Total Other Financing Sources (Uses)	<u>(1,517,235)</u>	<u>(1,550,750)</u>	<u>(1,551,037)</u>	<u>(287)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	31,353	(42,795)	(19,176)	23,619
Fund Balances at Beginning of Year	22,427	22,427	22,427	-
Prior Year Encumbrances Appropriated	2,162	2,162	2,162	-
Fund Balances (Deficit) at End of Year	<u>\$ 55,942</u>	<u>\$ (18,206)</u>	<u>\$ 5,413</u>	<u>\$ 23,619</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

FEDERAL EMERGENCY MANAGEMENT GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 413,462	\$ 197,500	\$ (215,962)
Other All Revenue	-	63,830	9,938	(53,892)
Total Revenue	-	477,292	207,438	(269,854)
<u>Expenditures:</u>				
Current:				
Public Health and Welfare Services:				
Health				
Other	-	734,131	472,385	261,746
Capital Outlay	60,885	62,063	64,575	(2,512)
Total Expenditures	60,885	796,194	536,960	259,234
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,885)	(318,902)	(329,522)	(10,620)
<u>Other Financing Sources:</u>				
Advances - In	265,000	265,000	265,000	-
Total Other Financing Sources	265,000	265,000	265,000	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	204,115	(53,902)	(64,522)	(10,620)
Fund Balances at Beginning of Year	6,418	6,418	6,418	-
Prior Year Encumbrances Appropriated	60,885	60,885	60,885	-
Fund Balances at End of Year	\$ 271,418	\$ 13,401	\$ 2,781	\$ (10,620)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

YOUTH BUILD GRANT

	Initial	Budget Final	Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Total Revenue	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Total Expenditures	-	-	-	-
Excess of Revenues Under Expenditures	-	-	-	-
Fund Balances at Beginning of Year	942	942	942	-
Fund Balances at End of Year	<u>\$ 942</u>	<u>\$ 942</u>	<u>\$ 942</u>	<u>\$ -</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

PUBLIC SAFETY/HEALTH INCOME TAX FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Income Taxes	\$ 2,727,813	\$ 2,727,813	\$ 2,798,598	\$ 70,785
Total Revenue	<u>2,727,813</u>	<u>2,727,813</u>	<u>2,798,598</u>	<u>70,785</u>
<u>Expenditures:</u>				
Current:				
Security of Persons and Property:				
Police				
Other	2,664,677	2,664,677	2,632,042	32,635
Capital Outlay	<u>74,129</u>	<u>81,629</u>	<u>58,791</u>	<u>22,838</u>
Total Expenditures	<u>2,738,806</u>	<u>2,746,306</u>	<u>2,690,833</u>	<u>55,473</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,993)	(18,493)	107,765	126,258
<u>Other Financing Uses:</u>				
Transfers - Out	<u>(11,379)</u>	<u>(11,379)</u>	<u>(11,379)</u>	<u>-</u>
Total Other Financing Sources	<u>(11,379)</u>	<u>(11,379)</u>	<u>(11,379)</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	(22,372)	(29,872)	96,386	126,258
Fund Balances at Beginning of Year	340,382	340,382	340,382	-
Prior Year Encumbrances	<u>24,106</u>	<u>24,106</u>	<u>24,106</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 342,116</u>	<u>\$ 334,616</u>	<u>\$ 460,874</u>	<u>\$ 126,258</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

MUNICIPAL COURT IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Charges for Services	\$ 120,159	\$ 130,159	\$ 127,543	\$ (2,616)
Fines and Forfeitures	76,000	83,000	85,817	2,817
Total Revenue	<u>196,159</u>	<u>213,159</u>	<u>213,360</u>	<u>201</u>
<u>Expenditures:</u>				
Current:				
Security of Persons and Property:				
Police				
Personal Services	53,983	56,072	56,592	(520)
Other	98,800	100,043	99,904	139
Capital Outlay	-	16,062	10,992	5,070
Total Expenditures	<u>152,783</u>	<u>172,177</u>	<u>167,488</u>	<u>4,689</u>
Excess of Revenues Over Expenditures	43,376	40,982	45,872	4,890
Fund Balances at Beginning of Year	<u>204,086</u>	<u>204,086</u>	<u>204,086</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 247,462</u>	<u>\$ 245,068</u>	<u>\$ 249,958</u>	<u>\$ 4,890</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

MUNICIPAL INCOME TAX TIF AGGREGATION/VERIFICATION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Income Taxes	\$ 103,000	\$ 133,000	\$ 132,748	\$ (252)
Total Revenue	103,000	133,000	132,748	(252)
<u>Expenditures:</u>				
Current:				
Community Environment				
Construction Services				
Other	69,940	78,795	43,854	34,941
Total Expenditures	69,940	78,795	43,854	34,941
Excess of Revenues Over Expenditures	33,060	54,205	88,894	34,689
<u>Other Financing Uses:</u>				
Transfers - Out	(33,060)	(33,060)	(43,143)	(10,083)
Total Other Financing Uses	(33,060)	(33,060)	(43,143)	(10,083)
Excess of Revenues Over Expenditures and Other Financing Uses	-	21,145	45,751	24,606
Fund Balances at Beginning of Year	179,993	179,993	179,993	-
Fund Balances at End of Year	\$ 179,993	\$ 201,138	\$ 225,744	\$ 24,606

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

BROWNFIELD IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Total Revenue	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Total Expenditures	-	-	-	-
Excess of Revenues Under Expenditures	-	-	-	-
Fund Balances at Beginning of Year	1,984	1,984	1,984	-
Fund Balances at End of Year	<u>\$ 1,984</u>	<u>\$ 1,984</u>	<u>\$ 1,984</u>	<u>\$ -</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

WEED AND SEED GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 225,000	\$ 394,206	\$ 301,342	\$ (92,864)
Total Revenue	225,000	394,206	301,342	(92,864)
<u>Expenditures:</u>				
Current:				
Security of Persons and Property:				
Police				
Other	234,650	418,099	339,994	78,105
Capital Outlay	-	37,787	6,591	31,196
Total Expenditures	234,650	455,886	346,585	109,301
Excess of Revenues Over (Under) Expenditures	(9,650)	(61,680)	(45,243)	16,437
<u>Other Financing Sources (Uses):</u>				
Advances - In	40,000	50,000	40,000	(10,000)
Advances - Out	(14,000)	(14,000)	(14,000)	-
Transfers - Out	-	(96,937)	-	(96,937)
Total Other Financing Sources (Uses)	26,000	(60,937)	26,000	(106,937)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	16,350	(122,617)	(19,243)	(90,500)
Fund Balances at Beginning of Year	20,156	20,156	20,156	-
Prior Year Encumbrances Appropriated	6,650	6,650	6,650	-
Fund Balances (Deficit) at End of Year	<u>\$ 43,156</u>	<u>\$ (95,811)</u>	<u>\$ 7,563</u>	<u>\$ (90,500)</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

DISPUTE RESOLUTION PROCEEDS FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Charges for Services	\$ 13,098	\$ 13,098	\$ 13,278	\$ 180
Total Revenue	13,098	13,098	13,278	180
<u>Expenditures:</u>				
Current:				
General Government				
City Council				
Other	3,000	3,000	1,520	1,480
Capital Outlay	-	12,000	12,820	(820)
Total Expenditures	3,000	15,000	14,340	660
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,098	(1,902)	(1,062)	840
Fund Balances at Beginning of Year	37,529	37,529	37,529	-
Fund Balances at End of Year	<u>\$ 47,627</u>	<u>\$ 35,627</u>	<u>\$ 36,467</u>	<u>\$ 840</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

SAFETY SERVICES FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 1,055,505	\$ 1,079,126	\$ 1,065,344	\$ (13,782)
Charges for Services	19,480	30,480	27,891	(2,589)
Investment Earnings	-	2,000	1,672	(328)
Fines and Forfeitures	119,300	236,251	237,296	1,045
Other All Revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	1,194,285	1,347,857	1,332,203	(15,654)
<u>Expenditures:</u>				
Current:				
Security of Persons and Property:				
Police				
Personal Services	133,784	142,310	144,670	(2,360)
Other	1,138,758	1,311,080	1,246,251	64,829
Capital Outlay	77,007	98,625	99,861	(1,236)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,349,549	1,552,015	1,490,782	61,233
Excess of Revenues (Under) Expenditures	(155,264)	(204,158)	(158,579)	45,579
<u>Other Financing Sources (Uses):</u>				
Advances - In	15,000	15,000	15,000	-
Transfers - In	256,819	266,819	256,819	(10,000)
Transfers - Out	(185,440)	(185,440)	(185,440)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Source (Uses)	86,379	96,379	86,379	(10,000)
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(68,885)	(107,779)	(72,200)	35,579
Fund Balances at Beginning of Year	414,953	414,953	414,953	-
Prior Year Encumbrances	86,712	86,712	86,712	-
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Fund Balances at End of Year	<u>\$ 432,780</u>	<u>\$ 393,886</u>	<u>\$ 429,465</u>	<u>\$ 35,579</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

POLICE PENSION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 260,000	\$ 260,000	\$ 268,482	\$ 8,482
Total Revenue	260,000	260,000	268,482	8,482
<u>Expenditures:</u>				
Current:				
Security of Persons and Property:				
Police				
Other	260,000	260,000	260,000	-
Total Expenditures	260,000	260,000	260,000	-
Excess of Revenues over Expenditures	-	-	8,482	8,482
Fund Balances at Beginning of Year	40,523	40,523	40,523	-
Fund Balances at End of Year	\$ 40,523	\$ 40,523	\$ 49,005	\$ 8,482

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

POLICE LEVY FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$ 750,000	\$ 750,000	\$ 788,047	\$ 38,047
Total Revenue	750,000	750,000	788,047	38,047
<u>Expenditures:</u>				
Current:				
Security of Persons and Property:				
Police				
Other	750,000	750,000	750,000	-
Total Expenditures	750,000	750,000	750,000	-
Excess of Revenues Over Expenditures	-	-	38,047	38,047
Fund Balances at Beginning of Year	581,578	581,578	581,578	-
Fund Balances at End of Year	<u>\$ 581,578</u>	<u>\$ 581,578</u>	<u>\$ 619,625</u>	<u>\$ 38,047</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

FIREMEN'S PENSION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 260,000	\$ 260,000	\$ 268,482	\$ 8,482
Total Revenue	<u>260,000</u>	<u>260,000</u>	<u>268,482</u>	<u>8,482</u>
<u>Expenditures:</u>				
Current:				
Security of Persons and Property:				
Fire				
Other	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>-</u>
Total Expenditures	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	8,482	8,482
Fund Balances at Beginning of Year	<u>38,977</u>	<u>38,977</u>	<u>38,977</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 38,977</u>	<u>\$ 38,977</u>	<u>\$ 47,459</u>	<u>\$ 8,482</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

EMERGENCY MEDICAL SERVICES GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 3,000	\$ (12,000)
Total Revenue	15,000	15,000	3,000	(12,000)
<u>Expenditures:</u>				
Current:				
Security of Persons and Property:				
Fire - Paramedics				
Other	15,000	15,000	-	15,000
Total Expenditures	15,000	15,000	-	15,000
Excess of Revenues Over Expenditures	-	-	3,000	3,000
Fund Balances at Beginning of Year	12,155	12,155	12,155	-
Fund Balances at End of Year	\$ 12,155	\$ 12,155	\$ 15,155	\$ 3,000

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

FIRE EMS LEVY FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$ 750,000	\$ 750,000	\$ 788,048	\$ 38,048
Total Revenue	750,000	750,000	788,048	38,048
<u>Expenditures:</u>				
Current:				
Security of Persons and Property:				
Fire				
Other	750,000	750,000	750,000	-
Total Expenditures	750,000	750,000	750,000	-
Excess of Revenues Over Expenditures	-	-	38,048	38,048
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ 38,048	\$ 38,048

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

TECHNOLOGY INITIATIVE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Investment Earnings	\$ -	\$ 17,000	\$ 16,859	\$ (141)
Total Revenue	-	17,000	16,859	(141)
<u>Expenditures:</u>				
Current:				
Community Environment				
Construction Services				
Personal Services	-	54,100	-	54,100
Other	308,336	330,411	310,336	20,075
Capital Outlay	1,843,865	874,808	615,722	259,086
Total Expenditures	2,152,201	1,259,319	926,058	333,261
Excess of Revenues (Under) Expenditures	(2,152,201)	(1,242,319)	(909,199)	333,120
<u>Other Financing Sources (Uses):</u>				
Face Value from the Sale of Notes	1,200,000	-	-	-
Transfers - In	-	49,580	49,080	(500)
Transfers - Out	-	-	(49,080)	49,080
Total Other Financing Sources (Uses)	1,200,000	49,580	-	48,580
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(952,201)	(1,192,739)	(909,199)	381,700
Fund Balances at Beginning of Year	101,924	101,924	101,924	-
Prior Year Encumbrances	952,201	952,201	952,201	-
Fund Balances (Deficit) at End of Year	<u>\$ 101,924</u>	<u>\$ (138,614)</u>	<u>\$ 144,926</u>	<u>\$ 381,700</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

PUBLIC HEALTH CARE SERVICES FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 155,543	\$ 158,943	\$ 158,875	\$ (68)
Investment Earnings	-	15	15	-
Total Revenue	<u>155,543</u>	<u>158,958</u>	<u>158,890</u>	<u>(68)</u>
<u>Expenditures:</u>				
Current:				
Public Health and Welfare Services:				
Health				
Personal Services	12,700	12,700	8,826	3,874
Other	<u>166,447</u>	<u>188,119</u>	<u>134,746</u>	<u>53,373</u>
Total Expenditures	<u>179,147</u>	<u>200,819</u>	<u>143,572</u>	<u>57,247</u>
Excess of Revenues Over (Under) Expenditures	(23,604)	(41,861)	15,318	57,179
Fund Balances at Beginning of Year	77,088	77,088	77,088	-
Prior Year Encumbrances	<u>23,604</u>	<u>23,604</u>	<u>23,604</u>	-
Fund Balances at End of Year	<u>\$ 77,088</u>	<u>\$ 58,831</u>	<u>\$ 116,010</u>	<u>\$ 57,179</u>

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

STREET AND PARKS BEAUTIFICATION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Investment Earnings	\$ -	\$ -	\$ 1,400	\$ 1,400
Other All Revenue	8,000	8,000	89	(7,911)
Total Revenue	<u>8,000</u>	<u>8,000</u>	<u>1,489</u>	<u>(6,511)</u>
<u>Expenditures:</u>				
Current:				
Community Environment				
Construction Services				
Other	33,000	38,175	11,525	26,650
Capital Outlay	<u>3,750</u>	<u>7,500</u>	<u>3,495</u>	<u>4,005</u>
Total Expenditures	<u>36,750</u>	<u>45,675</u>	<u>15,020</u>	<u>30,655</u>
Excess of Revenues (Under) Expenditures	(28,750)	(37,675)	(13,531)	24,144
Fund Balances at Beginning of Year	69,645	69,645	69,645	-
Prior Year Encumbrances	<u>3,750</u>	<u>3,750</u>	<u>3,750</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 44,645</u>	<u>\$ 35,720</u>	<u>\$ 59,864</u>	<u>\$ 24,144</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

REFUSE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Charges for Services	\$ 2,418,500	\$ 2,418,500	\$ 2,274,930	\$ (143,570)
Total Revenue	<u>2,418,500</u>	<u>2,418,500</u>	<u>2,274,930</u>	<u>(143,570)</u>
<u>Expenditures:</u>				
Current:				
Basic Utility Services				
Public Works - Administration				
Personal Services	114,040	114,040	101,462	12,578
Other	2,299,755	2,469,772	2,295,547	174,225
Total Expenditures	<u>2,413,795</u>	<u>2,583,812</u>	<u>2,397,009</u>	<u>186,803</u>
Excess of Revenues Over (Under) Expenditures	4,705	(165,312)	(122,079)	43,233
Fund Balances at Beginning of Year	339,156	339,156	339,156	-
Prior Year Encumbrances	<u>381</u>	<u>381</u>	<u>381</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 344,242</u>	<u>\$ 174,225</u>	<u>\$ 217,458</u>	<u>\$ 43,233</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

STORMWATER MANAGEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Charges for Services	\$ 1,616,976	\$ 1,940,976	\$ 1,896,127	\$ (44,849)
Investment Earnings	5,150	22,150	28,158	6,008
Other All Revenue	252,000	257,000	252,227	(4,773)
Total Revenue	1,874,126	2,220,126	2,176,512	(43,614)
<u>Expenditures:</u>				
Current:				
Basic Utility Services				
Maintenance of Storm Sewers				
Personal Services	216,288	216,288	155,306	60,982
Other	1,054,500	1,299,406	453,445	845,961
Capital Outlay	1,951,510	851,251	778,286	72,965
Total Expenditures	3,222,298	2,366,945	1,387,037	979,908
Excess of Revenues Over (Under) Expenditures	(1,348,172)	(146,819)	789,475	936,294
<u>Other Financing Sources (Uses):</u>				
Face Value from the Sale of Notes	1,300,000	-	-	-
Operating Transfers - In	-	3,705	3,704	(1)
Operating Transfers - Out	-	(3,705)	(3,704)	(1)
Total Other Financing Sources (Uses)	1,300,000	-	-	(2)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(48,172)	(146,819)	789,475	936,292
Fund Balances at Beginning of Year	362,864	362,864	362,864	-
Prior Year Encumbrances	51,510	51,510	51,510	-
Fund Balances at End of Year	\$ 366,202	\$ 267,555	\$ 1,203,849	\$ 936,292

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

STREET MAINTENANCE FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 2,168,000	\$ 2,168,000	\$ 1,993,400	\$ (174,600)
Licenses and Permits	692,500	692,500	321,205	(371,295)
Investment Earnings	50,000	50,000	39,367	(10,633)
Other All Revenue	12,500	52,000	76,440	24,440
Total Revenue	2,923,000	2,962,500	2,430,412	(532,088)
<u>Expenditures:</u>				
Current:				
Transportation				
Traffic Engineering				
Personal Services	1,833,907	1,834,148	1,388,015	446,133
Other	809,726	891,270	885,214	6,056
Capital Outlay	541,476	641,989	683,560	(41,571)
Total Expenditures	3,185,109	3,367,407	2,956,789	410,618
Excess of Revenues (Under) Expenditures	(262,109)	(404,907)	(526,377)	(121,470)
<u>Other Financing Sources (Uses):</u>				
Transfers - In	339,801	421,224	99,137	(322,087)
Transfers - Out	(421,223)	(421,223)	(99,137)	322,086
Total Other Financing Sources (Uses)	(81,422)	1	-	(1)
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(343,531)	(404,906)	(526,377)	(121,471)
Fund Balances at Beginning of Year	1,482,048	1,482,048	1,482,048	-
Prior Year Encumbrances	646,317	646,317	646,317	-
Fund Balances at End of Year	\$ 1,784,834	\$ 1,723,459	\$ 1,601,988	\$ (121,471)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

TRANSIT SYSTEM FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Total Revenue	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Current:				
Transportation				
Traffic Engineering				
Other	92,000	92,000	97,000	(5,000)
Total Expenditures	92,000	92,000	97,000	(5,000)
Excess of Revenues (Under) Expenditures	(92,000)	(92,000)	(97,000)	(5,000)
<u>Other Financing Sources:</u>				
Transfers - In	17,000	22,000	22,000	-
Total Other Financing Sources	17,000	22,000	22,000	-
Excess of Revenues and Other Financing Sources (Under) Expenditures	(75,000)	(70,000)	(75,000)	(5,000)
Fund Balances at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	75,000	75,000	75,000	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ (5,000)</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

MIAMI CONSERVANCY FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 309,000	\$ 309,000	\$ 312,580	\$ 3,580
Total Revenue	<u>309,000</u>	<u>309,000</u>	<u>312,580</u>	<u>3,580</u>
<u>Expenditures:</u>				
Current:				
Community Environment				
Construction Services				
Other	<u>309,000</u>	<u>321,000</u>	<u>320,976</u>	<u>24</u>
Total Expenditures	<u>309,000</u>	<u>321,000</u>	<u>320,976</u>	<u>24</u>
Excess of Revenues (Under) Expenditures	-	(12,000)	(8,396)	3,604
Fund Balances at Beginning of Year	<u>46,367</u>	<u>46,367</u>	<u>46,367</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 46,367</u>	<u>\$ 34,367</u>	<u>\$ 37,971</u>	<u>\$ 3,604</u>

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

PARKING FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Charges for Services	\$ 657,890	\$ 773,513	\$ 739,171	\$ (34,342)
Investment Earnings	3,500	3,500	10,924	7,424
Other All Revenue	6,200	9,200	16,253	7,053
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	667,590	786,213	766,348	(19,865)
<u>Expenditures:</u>				
Current:				
Transportation				
Traffic Engineering				
Personal Services	337,983	338,076	391,848	(53,772)
Other	192,881	197,089	152,198	44,891
Capital Outlay	55,000	1,322,658	765,185	557,473
Debt Service:				
Principal	25,000	25,000	25,000	-
Interest and Fiscal Charges	26,513	26,513	26,513	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	637,377	1,909,336	1,360,744	548,592
Excess of Revenues Over (Under) Expenditures	30,213	(1,123,123)	(594,396)	528,727
<u>Other Financing Sources (Uses):</u>				
Face Value from the Sale of Notes	600,000	600,000	600,000	-
Transfers - In	147,161	159,161	51,513	(107,648)
Transfers - Out	(95,648)	(107,648)	-	107,648
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	651,513	651,513	651,513	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	681,726	(471,610)	57,117	528,727
Fund Balances at Beginning of Year	193,194	193,194	193,194	-
Prior Year Encumbrances Appropriated	56,981	56,981	56,981	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances (Deficit) at End of Year	\$ 931,901	\$ (221,435)	\$ 307,292	\$ 528,727

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

GOLF COURSE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 978,700	\$ 978,700	\$ 872,126	\$ (106,574)
Licenses and Permits	6,000	6,000	1,293	(4,707)
Fines and Forfeitures	12,000	12,000	20,265	8,265
Total Revenue	996,700	996,700	893,684	(103,016)
<u>Expenditures:</u>				
Current:				
Leisure Time Activities				
Parks and Recreation - Administration				
Personal Services	477,542	493,568	451,103	42,465
Other	445,293	472,832	471,819	1,013
Debt Service:				
Principal	150,000	150,000	150,000	-
Interest and Fiscal Charges	69,805	69,805	69,805	-
Total Expenditures	1,142,640	1,186,205	1,142,727	43,478
Excess of Revenues (Under) Expenditures	(145,940)	(189,505)	(249,043)	(59,538)
<u>Other Financing Sources:</u>				
Advances - In	56,000	56,000	56,000	-
Transfers - In	139,805	133,805	139,805	6,000
Total Other Financing Sources	195,805	189,805	195,805	6,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	49,865	300	(53,238)	(53,538)
Fund Balances at Beginning of Year	47,855	47,855	47,855	-
Prior Year Encumbrances Appropriated	6,135	6,135	6,135	-
Fund Balances at End of Year	\$ 103,855	\$ 54,290	\$ 752	\$ (53,538)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

CENTRAL PARK SPORTS ARENA FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Total Revenue	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Current:				
Leisure Time Activities				
Parks and Recreation - Administration				
Other	-	472,442	46,048	426,394
Total Expenditures	-	472,442	46,048	426,394
Excess of Revenues Over (Under) Expenditures	-	(472,442)	(46,048)	426,394
Fund Balances at Beginning of Year	125,050	125,050	125,050	-
Fund Balances (Deficit) at End of Year	<u>\$ 125,050</u>	<u>\$ (347,392)</u>	<u>\$ 79,002</u>	<u>\$ 426,394</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 3,270,839	\$ 4,603,318	\$ 1,898,821	\$ (2,704,497)
Investment Earnings	-	46,464	49,048	2,584
Other All Revenue	-	324,831	314,196	(10,635)
Total Revenue	3,270,839	4,974,613	2,262,065	(2,712,548)
<u>Expenditures:</u>				
Current:				
Community Environment				
Construction Services				
Personal Services	511,360	906,449	620,045	286,404
Other	3,623,615	5,170,210	2,357,053	2,813,157
Capital Outlay	-	14,288	1,873	12,415
Total Expenditures	4,134,975	6,090,947	2,978,971	3,111,976
Excess of Revenues (Under) Expenditures	(864,136)	(1,116,334)	(716,906)	399,428
<u>Other Financing Sources:</u>				
Transfers - In	-	106,182	(12,000)	(118,182)
Total Other Financing Sources	-	106,182	(12,000)	(118,182)
Excess of Revenues and Other Financing Sources Under Expenditures	(864,136)	(1,010,152)	(728,906)	281,246
Fund Balances (Deficit) at Beginning of Year	976	976	976	-
Prior Year Encumbrances	866,503	866,503	866,503	-
Fund Balances at End of Year	\$ 3,343	\$ (142,673)	\$ 138,573	\$ 281,246

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

HOME PROGRAM FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 1,729,717	\$ 2,006,392	\$ 187,547	\$ (1,818,845)
Other All Revenue	55,243	176,003	41,381	(134,622)
Total Revenue	<u>1,784,960</u>	<u>2,182,395</u>	<u>228,928</u>	<u>(1,953,467)</u>
<u>Expenditures:</u>				
Current:				
Community Environment				
Construction Services				
Personal Services	-	20,430	9,829	10,601
Other	2,210,746	3,157,481	816,678	2,340,803
Total Expenditures	<u>2,210,746</u>	<u>3,177,911</u>	<u>826,507</u>	<u>2,351,404</u>
Excess of Revenues (Under) Expenditures	(425,786)	(995,516)	(597,579)	397,937
<u>Other Financing Sources (Uses):</u>				
Transfers - In	-	169,660	1,343	(168,317)
Transfers - Out	(1,527)	(171,187)	10,657	181,844
Total Other Financing Sources (Uses)	<u>(1,527)</u>	<u>(1,527)</u>	<u>12,000</u>	<u>13,527</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(427,313)	(997,043)	(585,579)	411,464
Fund Balances at Beginning of Year	483,382	483,382	483,382	-
Prior Year Encumbrances	329,218	329,218	329,218	-
Fund Balances (Deficit) at End of Year	<u>\$ 385,287</u>	<u>\$ (184,443)</u>	<u>\$ 227,021</u>	<u>\$ 411,464</u>

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2005

ALL SPECIAL REVENUE FUNDS

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Revenues:				
Property and Other Local Taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,576,095	\$ 76,095
Income Taxes	2,830,813	2,860,813	2,931,346	70,533
Intergovernmental	9,448,604	11,667,447	6,655,373	(5,012,074)
Charges for Services	7,981,288	8,456,911	8,112,866	(344,045)
Licenses and Permits	692,500	692,500	321,205	(371,295)
Investment Earnings	64,750	147,229	148,736	1,507
Fines and Forfeitures	195,300	319,251	323,113	3,862
Other All Revenue	345,943	902,864	730,919	(171,945)
Total Revenue	23,059,198	26,547,015	20,799,653	(5,747,362)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	187,767	198,382	201,262	(2,880)
Other	5,146,885	5,503,899	5,328,191	175,708
Capital Outlay	151,136	234,103	176,235	57,868
Total Police	5,485,788	5,936,384	5,705,688	230,696
Fire				
Other	1,025,000	1,025,000	1,010,000	15,000
Total Fire	1,025,000	1,025,000	1,010,000	15,000
Total Security of Persons and Property	6,510,788	6,961,384	6,715,688	245,696
Public Health and Welfare Services:				
Health				
Personal Services	12,700	746,831	481,211	265,620
Other	227,332	250,182	199,321	50,861
Total Public Health and Welfare	240,032	997,013	680,532	316,481
Leisure Time Activities				
Parks and Recreation - Administration				
Personal Services	477,542	493,542	451,103	42,439
Other	445,293	945,274	517,867	427,407
Total Leisure Time Activities	922,835	1,438,816	968,970	469,846
Community Environment				
Construction Services				
Personal Services	511,360	926,879	629,874	297,005
Other	6,554,637	9,096,072	3,860,422	5,235,650
Capital Outlay	1,847,615	896,596	621,090	275,506
Total Construction Services	8,913,612	10,919,547	5,111,386	5,808,161
Total Community Environment	8,913,612	10,919,547	5,111,386	5,808,161

(continued)

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2005

(continued)

ALL SPECIAL REVENUE FUNDS

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Basic Utility Services				
Public Works - Administration				
Other	\$ 114,040	\$ 114,040	\$ 101,462	\$ 12,578
Capital Outlay	2,299,755	2,469,772	2,295,547	174,225
Total Public Works - Administration	<u>2,413,795</u>	<u>2,583,812</u>	<u>2,397,009</u>	<u>186,803</u>
Maintenance of Storm Sewers				
Personal Services	216,288	216,288	155,306	60,982
Other	1,054,500	1,299,406	453,445	845,961
Capital Outlay	1,951,510	851,251	778,286	72,965
Total Maintenance of Storm Sewers	<u>3,222,298</u>	<u>2,366,945</u>	<u>1,387,037</u>	<u>979,908</u>
Total Basic Utility Services	<u>5,636,093</u>	<u>4,950,757</u>	<u>3,784,046</u>	<u>1,166,711</u>
Transportation				
Traffic Engineering				
Personal Services	2,171,890	2,172,224	1,779,863	392,361
Other	1,094,607	1,180,359	1,134,412	45,947
Capital Outlay	541,476	1,964,647	1,448,745	515,902
Total Transportation	<u>3,807,973</u>	<u>5,317,230</u>	<u>4,363,020</u>	<u>954,210</u>
General Government				
City Council				
Other	3,000	3,000	1,520	1,480
Capital Outlay	-	12,000	12,820	(820)
Total City Council	<u>3,000</u>	<u>15,000</u>	<u>14,340</u>	<u>660</u>
Total General Government	<u>3,000</u>	<u>15,000</u>	<u>14,340</u>	<u>660</u>
Other Expenditures				
Special Appropriations - General				
Other	607,997	663,630	630,069	33,561
Total Special Appropriations - General	<u>607,997</u>	<u>663,630</u>	<u>630,069</u>	<u>33,561</u>
Total Other Expenditures	<u>607,997</u>	<u>663,630</u>	<u>630,069</u>	<u>33,561</u>
Debt Service:				
Principal	175,000	175,000	175,000	-
Interest and Fiscal Charges	96,318	96,318	96,318	-
Total Debt Service	<u>271,318</u>	<u>271,318</u>	<u>271,318</u>	<u>-</u>
Total Expenditures	<u>26,913,648</u>	<u>31,534,695</u>	<u>22,539,369</u>	<u>8,995,326</u>
Deficiency of Revenues Under Expenditures	(3,854,450)	(4,987,680)	(1,739,716)	3,247,964
Other Financing Sources (Uses):				
Face Value from Sale of Notes	2,500,000	600,000	600,000	-
Advances - In	376,000	386,000	376,000	(10,000)
Advances - Out	(14,000)	(14,000)	(14,000)	-
Transfers - In	934,101	1,365,651	644,916	(720,735)
Transfers - Out	(2,332,542)	(2,614,844)	(1,965,778)	649,066
Total Other Financing Source (Uses)	<u>1,463,559</u>	<u>(277,193)</u>	<u>(358,862)</u>	<u>(81,669)</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(2,390,891)	(5,264,873)	(2,098,578)	3,166,295
Fund Balances at Beginning of Year	5,286,652	5,286,652	5,286,652	-
Prior Year Encumbrances	<u>3,137,115</u>	<u>3,137,115</u>	<u>3,137,115</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 6,032,876</u>	<u>\$ 3,158,894</u>	<u>\$ 6,325,189</u>	<u>\$ 3,166,295</u>



THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Investment Earnings	\$ 10,000	\$ 10,000	\$ 18,127	\$ 8,127
Special Assessment	516,995	516,995	479,153	(37,842)
Other All Revenue	5,000	54,161	49,560	(4,601)
Total Revenues	<u>531,995</u>	<u>581,156</u>	<u>546,840</u>	<u>(34,316)</u>
<u>Expenditures:</u>				
Debt Service:				
Principal Retirement	8,272,000	8,482,000	8,272,000	210,000
Interest and Fiscal Charges	<u>1,663,859</u>	<u>1,808,955</u>	<u>1,720,667</u>	<u>88,288</u>
Total Expenditures	<u>9,935,859</u>	<u>10,290,955</u>	<u>9,992,667</u>	<u>298,288</u>
Deficiency of Revenues Under Expenditures	(9,403,864)	(9,709,799)	(9,445,827)	263,972
<u>Other Financing Sources:</u>				
Face Value From Sale of Notes	6,385,750	7,160,750	6,075,000	(1,085,750)
Transfers - In	<u>3,268,864</u>	<u>3,598,473</u>	<u>3,351,643</u>	<u>(246,830)</u>
Total Other Financing Sources	<u>9,654,614</u>	<u>10,759,223</u>	<u>9,426,643</u>	<u>(1,332,580)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	250,750	1,049,424	(19,184)	(1,068,608)
Fund Balances at Beginning of Year	<u>552,359</u>	<u>552,359</u>	<u>552,359</u>	-
Fund Balances at End of Year	<u>\$ 803,109</u>	<u>\$ 1,601,783</u>	<u>\$ 533,175</u>	<u>\$ (1,068,608)</u>

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2005**

	Hamilton Capital Improvement	Capital Projects	Special Assessment	MITIE
<u>Assets:</u>				
Cash and Cash Equivalents	\$ 1,951,224	\$ 581,926	\$ 723,891	\$ 511,094
Receivables (net of allowances for doubtful accounts)				
Taxes-Real & Personal Property	-	-	-	238,000
Taxes-Municipal Income	496,626	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>2,447,850</u>	<u>581,926</u>	<u>723,891</u>	<u>749,094</u>
 <u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	64,609	118,923	512	-
Accrued Liabilities	45,192	-	-	-
Accrued Interest Payable	18,667	13,656	11,042	-
Deferred Revenue	258,606	-	-	238,000
General Obligation Notes Payable	700,000	525,000	-	-
Special Assessment Notes Payable	-	-	500,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>1,087,074</u>	<u>657,579</u>	<u>511,554</u>	<u>238,000</u>
 Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	571,630	161,767	337,655	-
Unreserved:				
Undesignated (Deficit)	789,146	(237,420)	(125,318)	511,094
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity (Deficit)	<u>1,360,776</u>	<u>(75,653)</u>	<u>212,337</u>	<u>511,094</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$ 2,447,850</u>	<u>\$ 581,926</u>	<u>\$ 723,891</u>	<u>\$ 749,094</u>

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2005**

Hamilton Enterprise Park	Central Business District Streetscape Improvements	Issue II Projects	Clean Ohio Grants Program	Infrastructure Program	Totals
\$ 418,255	\$ 244,264	\$ 331,769	\$ 195,116	\$ 1,701,295	\$ 6,658,834
-	-	-	-	-	238,000
-	-	-	-	-	496,626
<u>418,255</u>	<u>244,264</u>	<u>331,769</u>	<u>195,116</u>	<u>1,701,295</u>	<u>7,393,460</u>
-	-	-	-	1,127,252	1,311,296
-	-	-	-	-	45,192
31,093	-	-	-	24,292	98,750
-	-	-	-	-	496,606
1,650,000	-	-	-	1,100,000	3,975,000
-	-	-	-	-	500,000
<u>1,681,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,251,544</u>	<u>6,426,844</u>
-	-	-	-	282,777	1,353,829
<u>(1,262,838)</u>	<u>244,264</u>	<u>331,769</u>	<u>195,116</u>	<u>(833,026)</u>	<u>(387,213)</u>
<u>(1,262,838)</u>	<u>244,264</u>	<u>331,769</u>	<u>195,116</u>	<u>(550,249)</u>	<u>966,616</u>
<u>\$ 418,255</u>	<u>\$ 244,264</u>	<u>\$ 331,769</u>	<u>\$ 195,116</u>	<u>\$ 1,701,295</u>	<u>\$ 7,393,460</u>

**THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2005**

	Hamilton Capital Improvement	Capital Projects	Special Assessment	MITIE
<u>Revenues:</u>				
Municipal Income Tax	\$ 2,250,790	\$ -	\$ -	\$ -
Property and Other Taxes	-	-	-	195,974
Intergovernmental	-	179,107	-	-
Investment Income	(2,168)	(670)	(2,089)	(1,216)
Special Assessments	-	-	72,060	-
Other	1,408	-	4,162	-
Total Revenue	2,250,030	178,437	74,133	194,758
<u>Expenditures:</u>				
Current:				
Capital Outlay	1,055,436	316,729	509,997	7,732
Debt Service:				
Interest and Fiscal Charges	22,788	30,591	11,042	-
Total Expenditures	1,078,224	347,320	521,039	7,732
Excess of Revenues Over (Under) Expenditures	1,171,806	(168,883)	(446,906)	187,026
<u>Other Financing Sources (Uses):</u>				
Face Value from Sale of Debt	-	-	245,000	-
Sale of Capital Assets	70,179	-	-	-
Transfers - In	-	55,144	-	-
Transfers - Out	(1,575,286)	-	-	(37,194)
Total Other Sources (Uses)	(1,505,107)	55,144	245,000	(37,194)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(333,301)	(113,739)	(201,906)	149,832
Fund Balances (Deficit) at Beginning of Year	1,694,077	38,086	414,243	361,262
Fund Balance (Deficit) at End of the Year	\$ 1,360,776	\$ (75,653)	\$ 212,337	\$ 511,094

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2005**

Hamilton Enterprise Park	Central Business District Streetscape Improvements	Issue II Projects	Clean Ohio Grants Program	Infrastructure Program	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,250,790
-	-	-	-	-	195,974
-	30,000	1,542,473	334,453	-	2,086,033
7,905	(422)	(421)	(456)	54,679	55,142
-	-	-	-	-	72,060
-	-	-	55,830	160,001	221,401
<u>7,905</u>	<u>29,578</u>	<u>1,542,052</u>	<u>389,827</u>	<u>214,680</u>	<u>4,881,400</u>
12,939	-	1,542,473	334,453	2,121,068	5,900,827
46,855	-	-	-	29,384	140,660
<u>59,794</u>	<u>-</u>	<u>1,542,473</u>	<u>334,453</u>	<u>2,150,452</u>	<u>6,041,487</u>
(51,889)	29,578	(421)	55,374	(1,935,772)	(1,160,087)
-	-	-	-	-	245,000
700,276	-	-	-	-	770,455
337,914	23,010	379,404	-	-	795,472
(124,680)	(23,010)	-	-	-	(1,760,170)
<u>913,510</u>	<u>-</u>	<u>379,404</u>	<u>-</u>	<u>-</u>	<u>50,757</u>
861,621	29,578	378,983	55,374	(1,935,772)	(1,109,330)
(2,124,459)	214,686	(47,214)	139,742	1,385,523	2,075,946
<u>\$ (1,262,838)</u>	<u>\$ 244,264</u>	<u>\$ 331,769</u>	<u>\$ 195,116</u>	<u>\$ (550,249)</u>	<u>\$ 966,616</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

HAMILTON CAPITAL IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Income Taxes	\$ 2,182,229	\$ 2,182,229	\$ 2,238,874	\$ 56,645
Other All Revenue	-	1,408	1,408	-
Total Revenue	2,182,229	2,183,637	2,240,282	56,645
<u>Expenditures:</u>				
Capital Outlay	1,104,979	2,742,679	1,850,970	891,709
Debt Service:				
Interest	-	1,046	1,046	-
Total Expenditures	1,104,979	2,743,725	1,852,016	891,709
Excess of Revenue Over (Under) Expenditures	1,077,250	(560,088)	388,266	(835,064)
<u>Other Financing Sources (Uses):</u>				
Face Value from Sale of Notes	-	400,000	400,000	-
Sale of Capital Assets	120,000	180,179	70,179	(110,000)
Transfers - Out	(1,698,723)	(1,791,063)	(1,579,636)	211,427
Total Other Financing Sources (Uses)	(1,578,723)	(1,210,884)	(1,109,457)	101,427
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(501,473)	(1,770,972)	(721,191)	1,049,781
Fund Balances at Beginning of Year	1,541,321	1,541,321	1,541,321	-
Prior Year Encumbrances	501,473	501,473	501,473	-
Fund Balances at End of Year	\$ 1,541,321	\$ 271,822	\$ 1,321,603	\$ 1,049,781

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

CAPITAL PROJECTS FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 179,107	\$ 179,107	\$ -
Total Revenue	-	179,107	179,107	-
<u>Expenditures:</u>				
Capital Outlay	1,055,458	1,055,730	478,078	577,652
Total Expenditures	1,055,458	1,055,730	478,078	577,652
Excess of Revenues Under Expenditures	(1,055,458)	(876,623)	(298,971)	577,652
<u>Other Financing Sources:</u>				
Face Value from Sale of Notes	1,000,000	-	-	-
Total Other Financing Sources	1,000,000	-	-	-
Excess of Revenues and Other Financing Sources (Under) Expenditures	(55,458)	(876,623)	(298,971)	577,652
Fund Balances at Beginning of Year	548,103	548,103	548,103	-
Prior Year Encumbrances	55,458	55,458	55,458	-
Fund Balances (Deficit) at End of Year	<u>\$ 548,103</u>	<u>\$ (273,062)</u>	<u>\$ 304,590</u>	<u>\$ 577,652</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

SPECIAL ASSESSMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Special Assessments	\$ 150,000	\$ 150,000	\$ 72,060	\$ (77,940)
Other All Revenue	-	3,935	4,162	227
Total Revenue	<u>150,000</u>	<u>153,935</u>	<u>76,222</u>	<u>(77,713)</u>
<u>Expenditures:</u>				
Capital Outlay	336,589	927,580	720,755	206,825
Debt Service:				
Interest and Fiscal Charges	-	17,245	17,230	15
Total Expenditures	<u>336,589</u>	<u>944,825</u>	<u>737,985</u>	<u>206,840</u>
Excess of Revenues Under Expenditures	(186,589)	(790,890)	(661,763)	129,127
<u>Other Financing Sources (Uses):</u>				
Face Value from Sale of Bonds	245,000	245,000	245,000	-
Face Value from Sale of Notes	-	500,000	500,000	-
Transfers - Out	(150,000)	-	-	-
Total Other Financing Sources (Uses)	<u>95,000</u>	<u>745,000</u>	<u>745,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(91,589)	(45,890)	83,237	129,127
Fund Balances at Beginning of Year	79,727	79,727	79,727	-
Prior Year Encumbrances	336,589	336,589	336,589	-
Fund Balances at End of Year	<u>\$ 324,727</u>	<u>\$ 370,426</u>	<u>\$ 499,553</u>	<u>\$ 129,127</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

MITIE FUND

	Initial	Budget Final	Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Property and Other Local Taxes	\$ 175,000	\$ 195,975	\$ 195,974	\$ (1)
Total Revenue	175,000	195,975	195,974	(1)
<u>Expenditures:</u>				
Capital Outlay	-	7,732	7,732	-
Total Expenditures	-	7,732	7,732	-
Excess of Revenues Over Expenditures	175,000	188,243	188,242	(1)
<u>Other Financing Uses:</u>				
Transfers - Out	(112,194)	(104,462)	(37,194)	(67,268)
Total Other Financing Uses	(112,194)	(104,462)	(37,194)	(67,268)
Excess of Revenues Over Expenditures and Other Financing Uses	62,806	83,781	151,048	(67,269)
Fund Balances at Beginning of Year	362,624	362,624	362,624	-
Fund Balances at End of Year	<u>\$ 425,430</u>	<u>\$ 446,405</u>	<u>\$ 513,672</u>	<u>\$ (67,269)</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

HAMILTON ENTERPRISE PARK FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Total Revenue	\$ -	\$ 8,842	\$ 7,860	\$ (982)
<u>Expenditures:</u>				
Capital Outlay	32,029	44,868	30,024	14,844
Total Expenditures	32,029	44,868	30,024	14,844
Excess of Revenues Under Expenditures	(32,029)	(36,026)	(22,164)	(15,826)
<u>Other Financing Sources (Uses):</u>				
Sale of Capital Assets	-	700,276	700,276	-
Transfers - In	218,234	338,574	337,914	(660)
Transfers - Out	(218,234)	(642,914)	(642,914)	-
Total Other Financing Sources (Uses)	-	395,936	395,276	(660)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(32,029)	359,910	373,112	(16,486)
Fund Balances at Beginning of Year	352	352	352	-
Prior Year Encumbrances	32,029	32,029	32,029	-
Fund Balances at End of Year	<u>\$ 352</u>	<u>\$ 392,291</u>	<u>\$ 405,493</u>	<u>\$ (16,486)</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

CENTRAL BUSINESS DISTRICT STREETScape IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 30,000	\$ 30,000	\$ -
Total Revenue	-	30,000	30,000	-
<u>Expenditures:</u>				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	30,000	30,000	-
<u>Other Financing Sources (Uses):</u>				
Transfers - In	23,010	23,010	23,010	-
Transfers - Out	(23,010)	(23,010)	(23,010)	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	30,000	30,000	-
Fund Balances at Beginning of Year	215,496	215,496	215,496	-
Fund Balances at End of Year	\$ 215,496	\$ 245,496	\$ 245,496	\$ -

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

ISSUE II PROJECT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 987,500	\$ 1,557,500	\$ 1,542,473	\$ (15,027)
Total Revenue	<u>987,500</u>	<u>1,557,500</u>	<u>1,542,473</u>	<u>(15,027)</u>
<u>Expenditures:</u>				
Capital Outlay	<u>987,500</u>	<u>1,557,500</u>	<u>1,542,473</u>	<u>15,027</u>
Total Expenditures	<u>987,500</u>	<u>1,557,500</u>	<u>1,542,473</u>	<u>15,027</u>
Excess of Revenues (Under) Expenditures	-	-	-	30,054
Fund Balances at Beginning of Year	<u>333,443</u>	<u>333,443</u>	<u>333,443</u>	-
Fund Balances at End of Year	<u>\$ 333,443</u>	<u>\$ 333,443</u>	<u>\$ 333,443</u>	<u>\$ -</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

CLEAN OHIO GRANTS PROGRAM FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 335,000	\$ 334,453	\$ (547)
Other All Revenue	-	55,830	55,830	-
Total Revenue	-	390,830	390,283	(547)
<u>Expenditures:</u>				
Capital Outlay	85,269	334,459	334,453	6
Total Expenditures	85,269	334,459	334,453	6
Excess of Revenues Over (Under) Expenditures	(85,269)	56,371	55,830	541
Fund Balances at Beginning of Year	55,000	55,000	55,000	-
Prior Year Encumbrances	85,269	85,269	85,269	-
Fund Balances at End of Year	<u>\$ 55,000</u>	<u>\$ 196,640</u>	<u>\$ 196,099</u>	<u>\$ (541)</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

INFRASTRUCTURE RENEWAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Investment Earnings	\$ -	\$ 54,314	\$ 54,679	\$ 365
Other All Revenue	-	160,046	160,001	(45)
Total Revenue	-	214,360	214,680	320
<u>Expenditures:</u>				
Capital Outlay	1,787,308	4,171,003	2,539,244	1,631,759
Debt Service:				
Interest	-	-	5,092	(5,092)
Total Expenditures	1,787,308	4,171,003	2,544,336	1,626,667
Excess of Revenues (Under) Expenditures	(1,787,308)	(3,956,643)	(2,329,656)	1,626,347
<u>Other Financing Sources:</u>				
Face Value from Sale of Notes	-	1,100,000	1,100,000	-
Total Other Financing Sources	-	1,100,000	1,100,000	-
Excess of Revenues and Other Financing Sources Under Expenditures	(1,787,308)	(2,856,643)	(1,229,656)	1,626,987
Fund Balances at Beginning of Year	159,948	159,948	159,948	-
Prior Year Encumbrances	1,287,308	1,287,308	1,287,308	-
Fund Balances (Deficit) at End of Year	\$ (340,052)	\$ (1,409,387)	\$ 217,600	\$ 1,626,987

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

ALL CAPITAL PROJECT FUNDS

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$ 175,000	\$ 195,975	\$ 195,974	\$ (1)
Income Taxes	2,182,229	2,182,229	2,238,874	56,645
Intergovernmental	987,500	2,101,607	2,086,033	(15,574)
Investment Earnings	-	63,156	62,539	(617)
Fines and Forfeitures	150,000	150,000	72,060	(77,940)
Other All Revenue	-	221,219	221,401	182
Total Revenue	3,494,729	4,914,186	4,876,881	(37,305)
<u>Expenditures:</u>				
Capital Outlay	5,389,132	10,841,551	7,503,729	3,337,822
Debt Service:				
Interest	-	18,291	23,368	(5,077)
Total Other Expenditures	2,694,566	5,439,067	3,775,233	1,663,834
Total Expenditures	5,389,132	10,859,842	7,527,097	3,332,745
Excess of Revenues (Under) Expenditures	(1,894,403)	(5,945,656)	(2,650,216)	3,295,440
<u>Other Financing Sources (Uses):</u>				
Face Value from Sale of Bonds	-	245,000	245,000	-
Face Value from Sale of Notes	1,000,000	2,000,000	2,000,000	-
Sale of Capital Assets	120,000	880,455	770,455	(110,000)
Transfers - In	241,244	361,584	360,924	(660)
Transfers - Out	(2,202,161)	(2,561,449)	(2,282,754)	278,695
Total Other Financing Sources (Uses)	(840,917)	925,590	1,093,625	168,035
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(2,735,320)	(5,020,066)	(1,556,591)	3,463,475
Fund Balances at Beginning of Year	3,296,014	3,296,014	3,296,014	-
Prior Year Encumbrances	2,298,126	2,298,126	2,298,126	-
Fund Balances at End of Year	\$ 2,858,820	\$ 574,074	\$ 4,037,549	\$ 3,463,475

INTERNAL SERVICE FUND

The Internal Service Funds account for the financing for the services provided by one department of agency to other departments or agencies 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.

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2005

<u>Assets:</u>	Fleet Maintenance	Central Services	Totals
Current Assets:			
Equity in Pooled Cash and Investments	\$ 358,964	\$ -	\$ 358,964
Inventory of Supplies at Cost	34,596	-	34,596
Total Current Assets	<u>393,560</u>	<u>-</u>	<u>393,560</u>
Noncurrent Assets:			
Capital Assets:			
Property, Plant and Equipment	349,549	-	349,549
Less: Accumulated Depreciation	(282,236)	-	(282,236)
Total Noncurrent Assets:	<u>67,313</u>	<u>-</u>	<u>67,313</u>
Total Assets	<u><u>460,873</u></u>	<u><u>-</u></u>	<u><u>460,873</u></u>
Liabilities:			
Accounts Payable	109,716	315,237	424,953
Accrued Wages and Benefits	8,419	56,354	64,773
Intergovernmental Payable	17,213	110,525	127,738
Compensated Absences Payable	123,695	745,787	869,482
Total Liabilities	<u>259,043</u>	<u>1,227,903</u>	<u>1,486,946</u>
Net Assets			
Invested in Capital Assets	94,682	-	94,682
Unrestricted (Deficit)	107,148	(1,227,903)	(1,120,755)
Total Net Assets	<u><u>\$ 201,830</u></u>	<u><u>\$ (1,227,903)</u></u>	<u><u>\$ (1,026,073)</u></u>

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Fleet Maintenance	Central Services	Totals
<u>Operating Revenues:</u>			
Charges for Services	\$ 1,761,968	\$ 6,169,212	\$ 7,931,180
Total Operating Revenues	<u>1,761,968</u>	<u>6,169,212</u>	<u>7,931,180</u>
<u>Operating Expenses:</u>			
Personal Services	584,122	4,094,807	4,678,929
Materials and Supplies	775,629	281,064	1,056,693
Contractual Services	425,212	1,713,862	2,139,074
Depreciation	27,369	-	27,369
Other Operating Expenses	2,599	160,105	162,704
Total Operating Expenses	<u>1,814,931</u>	<u>6,249,838</u>	<u>8,064,769</u>
Operating Income	(52,963)	(80,626)	(133,589)
<u>Non-Operating Revenues:</u>			
Investment Earnings	(549)	-	(549)
Total Non-Operating Revenues	<u>(549)</u>	<u>-</u>	<u>(549)</u>
Change in Net Assets	(53,512)	(80,626)	(134,138)
Net Assets (Deficit) Beginning of Year	<u>255,342</u>	<u>(1,147,277)</u>	<u>(891,935)</u>
Net Assets (Deficit) End of Year	<u>\$ 201,830</u>	<u>\$ (1,227,903)</u>	<u>\$ (1,026,073)</u>

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Fleet Maintenance	Central Service	Totals
Increase (Decrease) in Cash and Investments			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$ 1,761,968	\$ 6,169,212	\$ 7,931,180
Cash Paid for Employee Services and Benefits	(562,968)	(4,165,341)	(4,728,309)
Cash Paid to Suppliers for Goods and Services	(1,171,643)	(1,844,249)	(3,015,892)
Other Operating Expenses	(2,599)	(159,622)	(162,221)
Net Cash Provided by Operating Activities	<u>24,758</u>	<u>-</u>	<u>24,758</u>
<u>Cash Flows from Investing Activities:</u>			
Interest and Dividends	(549)	-	(549)
Net Cash (Used for) Investing Activities	<u>(549)</u>	<u>-</u>	<u>(549)</u>
Net Increase (Decrease) in Cash and Investments	24,209	-	24,209
Cash and Investments at Beginning of Year	<u>334,755</u>	<u>-</u>	<u>334,755</u>
Cash and Investments at End of Year	<u>\$ 358,964</u>	<u>\$ -</u>	<u>\$ 358,964</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:			
Operating Loss	\$ (52,963)	\$ (80,626)	\$ (133,589)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:			
Depreciation Expense	27,369	-	27,369
Change in Assets and Liabilities:			
Increase in Materials and Supplies Inventories	(10,383)	-	(10,383)
Increase in Intergovernmental Payables	6,746	32,733	39,479
Increase in Accounts Payables	39,830	148,134	187,964
Increase (Decrease) in Accrued Wages and Benefits	494	(2,173)	(1,679)
Increase (Decrease) in Compensated Absences Payable	13,665	(98,068)	(84,403)
Total Adjustments	<u>77,721</u>	<u>80,626</u>	<u>158,347</u>
Net Cash Provided by Operating Activities	<u>\$ 24,758</u>	<u>\$ -</u>	<u>\$ 24,758</u>

At December 31, 2005, the Fleet Maintenance Internal Service funds had a change in fair value of investments of (\$1,811).

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

BENNINGHOFFEN TRUST FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Interest	\$ 3,000	\$ 3,000	\$ 2,079	\$ (921)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>2,079</u>	<u>(921)</u>
<u>Expenses:</u>				
Other Non-Operating Expenses	<u>4,939</u>	<u>3,939</u>	<u>1,887</u>	<u>2,052</u>
Total Expenses	<u>4,939</u>	<u>3,939</u>	<u>1,887</u>	<u>2,052</u>
Excess of Revenues Over (Under) Expenses	(1,939)	(939)	192	1,131
Fund Equity at Beginning of Year	74,004	74,004	74,004	-
Prior Year Encumbrances	<u>1,939</u>	<u>1,939</u>	<u>1,939</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 74,004</u>	<u>\$ 75,004</u>	<u>\$ 76,135</u>	<u>\$ 1,131</u>

AGENCY FUNDS

Travel Advance Fund

To account for certain costs advanced to employees of the City who travel.

Employee Taxes and Benefits Fund

To account for special taxes and benefits of Hamilton employees.

Ohio Board of Building Standards Assessments

To account for monies collected and remitted on behalf of the Ohio Board of Building Standards from the Department of Planning.

Miscellaneous Collections for Others Fund

To account for monies received and held for others.

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 contiguous property to Hamilton.

Fire Damage Deposit Escrow Fund

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

Municipal Court Fund

To account for funds that flow through the municipal court office.

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 & Visitors Bureau and for which the City receives no remuneration.

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. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Joint Economic Development District 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.

Police Property Forfeiture Room

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.

Unclaimed Monies Fund

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



THE CITY OF HAMILTON! OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2005

	Travel Advance	Employee Taxes and Benefits	Ohio Board of Building Standards Assessments	Miscellaneous Collections for Others	Tax Collections	Butler County Annexation Tax	Fire Damage Deposit Escrow	Municipal Court
<u>Assets:</u>								
Cash and Cash Equivalents	\$ -	\$ 626,031	\$ 1,503	\$ 7,548	\$ 535,982	\$ 41,219	\$ 68,346	\$ 374,775
Receivables (net of allowances for doubtful accounts)	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ 626,031	\$ 1,503	\$ 7,548	\$ 535,982	\$ 41,219	\$ 68,346	\$ 374,775
<u>Liabilities and Fund Equity:</u>								
Liabilities:								
Accounts Payable	-	-	-	-	-	-	-	-
Intergovernmental Payable	-	616,795	-	-	535,982	41,219	-	262,902
Due to Others	-	9,236	1,503	7,548	-	-	68,346	111,873
Total Liabilities	\$ -	\$ 626,031	\$ 1,503	\$ 7,548	\$ 535,982	\$ 41,219	\$ 68,346	\$ 374,775

THE CITY OF HAMILTON! OHIO
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 DECEMBER 31, 2005

	Rounding Up Utility Account	Convention and Visitor's Bureau	Hamilton Central Business Special Improvement District	Joint Economic Development District	Joint Economic Development District II	Police Property Room Forfeiture	Unclaimed Monies	Totals
\$	1,293	\$ 8,680	-	\$ 22,525	\$ 20,817	\$ 61,508	\$ 95,210	\$ 1,865,437
	-	-	85,000	-	-	-	-	85,000
\$	1,293	\$ 8,680	\$ 85,000	\$ 22,525	\$ 20,817	\$ 61,508	\$ 95,210	\$ 1,950,437
	-	-	-	-	-	-	759	759
	1,293	8,680	85,000	22,525	20,817	-	-	1,585,240
						61,508	94,451	364,438
\$	1,293	\$ 8,680	\$ 85,000	\$ 22,525	\$ 20,817	\$ 61,508	\$ 95,210	\$ 1,950,437

THE CITY OF HAMILTON! OHIO
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Balance December 31, 2004	Additions	Deductions	Balance December 31, 2005
Travel Advance Fund				
Assets:				
Cash and Cash Equivalents	\$ 22,409	\$ -	\$ 22,409	\$ -
Accounts Receivable	631	-	631	-
Total Assets	<u>\$ 23,040</u>	<u>\$ -</u>	<u>\$ 23,040</u>	<u>\$ -</u>
Liabilities:				
Due to Others	\$ 23,040	\$ -	\$ 23,040	\$ -
Total Liabilities	<u>\$ 23,040</u>	<u>\$ -</u>	<u>\$ 23,040</u>	<u>\$ -</u>
Employee Taxes and Benefits Fund				
Assets:				
Cash and Cash Equivalents	\$ 714,096	\$ -	\$ 88,065	\$ 626,031
Prepaid Items	32,066	-	32,066	-
Total Assets	<u>\$ 746,162</u>	<u>\$ -</u>	<u>\$ 120,131</u>	<u>\$ 626,031</u>
Liabilities:				
Due to Others	\$ 45,301	\$ -	\$ 36,065	\$ 9,236
Intergovernmental Payable	700,861	-	84,066	616,795
Total Liabilities	<u>\$ 746,162</u>	<u>\$ -</u>	<u>\$ 120,131</u>	<u>\$ 626,031</u>
Ohio Board of Building Standards Assessment Fund				
Assets:				
Cash and Cash Equivalents	\$ 601	\$ 7,290	\$ 6,388	\$ 1,503
Total Assets	<u>\$ 601</u>	<u>\$ 7,290</u>	<u>\$ 6,388</u>	<u>\$ 1,503</u>
Liabilities:				
Due to Others	\$ 601	\$ 7,290	\$ 6,388	\$ 1,503
Total Liabilities	<u>\$ 601</u>	<u>\$ 7,290</u>	<u>\$ 6,388</u>	<u>\$ 1,503</u>
Miscellaneous Collections for Others Fund				
Assets:				
Cash and Cash Equivalents	\$ 7,548	\$ -	\$ -	\$ 7,548
Total Assets	<u>\$ 7,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,548</u>
Liabilities:				
Due to Others	\$ 7,548	\$ -	\$ -	\$ 7,548
Total Liabilities	<u>\$ 7,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,548</u>
Tax Collection Fund				
Assets:				
Cash and Cash Equivalents	\$ 396,932	\$ 10,851,060	\$ 10,712,010	\$ 535,982
Total Assets	<u>\$ 396,932</u>	<u>\$ 10,851,060</u>	<u>\$ 10,712,010</u>	<u>\$ 535,982</u>
Liabilities:				
Intergovernmental Payable	\$ 396,932	\$ 10,851,060	\$ 10,712,010	\$ 535,982
Total Liabilities	<u>\$ 396,932</u>	<u>\$ 10,851,060</u>	<u>\$ 10,712,010</u>	<u>\$ 535,982</u>
Butler County Annexation Fund				
Assets:				
Cash and Cash Equivalents	\$ 34,439	\$ 69,682	\$ 62,902	\$ 41,219
Total Assets	<u>\$ 34,439</u>	<u>\$ 69,682</u>	<u>\$ 62,902</u>	<u>\$ 41,219</u>
Liabilities:				
Intergovernmental Payable	\$ 34,439	\$ 69,682	\$ 62,902	\$ 41,219
Total Liabilities	<u>\$ 34,439</u>	<u>\$ 69,682</u>	<u>\$ 62,902</u>	<u>\$ 41,219</u>

THE CITY OF HAMILTON, OHIO
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Balance December 31, 2004	Additions	Deductions	Balance December 31, 2005
<u>Fire Damage Deposit Escrow Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 73,854	\$ 97,300	\$ 102,808	\$ 68,346
Total Assets	<u>\$ 73,854</u>	<u>\$ 97,300</u>	<u>\$ 102,808</u>	<u>\$ 68,346</u>
Liabilities:				
Due to Others	\$ 73,854	\$ 97,300	\$ 102,808	\$ 68,346
Total Liabilities	<u>\$ 73,854</u>	<u>\$ 97,300</u>	<u>\$ 102,808</u>	<u>\$ 68,346</u>
<u>Municipal Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 376,374	\$ 6,436	\$ 8,035	\$ 374,775
Total Assets	<u>\$ 376,374</u>	<u>\$ 6,436</u>	<u>\$ 8,035</u>	<u>\$ 374,775</u>
Liabilities:				
Intergovernmental Payable	\$ 256,466	\$ 6,436	\$ -	\$ 262,902
Due to Others	\$ 119,908	\$ -	\$ 8,035	\$ 111,873
Total Liabilities	<u>\$ 376,374</u>	<u>\$ -</u>	<u>\$ 8,035</u>	<u>\$ 374,775</u>
<u>Unclaimed Monies</u>				
Assets:				
Cash and Cash Equivalents	\$ 80,051	\$ 17,203	\$ 2,044	\$ 95,210
Total Assets	<u>\$ 80,051</u>	<u>\$ 17,203</u>	<u>\$ 2,044</u>	<u>\$ 95,210</u>
Liabilities:				
Accounts Payable	\$ 1,285	\$ 759	\$ 1,285	\$ 759
Due to Others	78,766	16,444	759	94,451
Total Liabilities	<u>\$ 80,051</u>	<u>\$ 17,203</u>	<u>\$ 2,044</u>	<u>\$ 95,210</u>
<u>Convention and Visitor's Bureau</u>				
Assets:				
Cash and Cash Equivalents	\$ -	\$ 60,601	\$ 51,921	\$ 8,680
Total Assets	<u>\$ -</u>	<u>\$ 60,601</u>	<u>\$ 51,921</u>	<u>\$ 8,680</u>
Liabilities:				
Due to Others	\$ -	\$ 60,601	\$ 51,921	\$ 8,680
Total Liabilities	<u>\$ -</u>	<u>\$ 60,601</u>	<u>\$ 51,921</u>	<u>\$ 8,680</u>
<u>Hamilton Central Business Special Improvement District</u>				
Assets:				
Taxes Receivable	\$ 121,200	\$ 85,000	\$ 121,200	\$ 85,000
Total Assets	<u>\$ 121,200</u>	<u>\$ 85,000</u>	<u>\$ 121,200</u>	<u>\$ 85,000</u>
Liabilities:				
Intergovernmental Payable	\$ 121,200	\$ 85,000	\$ 121,200	\$ 85,000
Total Liabilities	<u>\$ 121,200</u>	<u>\$ 85,000</u>	<u>\$ 121,200</u>	<u>\$ 85,000</u>

THE CITY OF HAMILTON, OHIO
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Balance December 31, 2004	Additions	Deductions	Balance December 31, 2005
Joint Economic Development District Fund				
Assets:				
Cash and Cash Equivalents	\$ 83,836	\$ 196,087	\$ 257,398	\$ 22,525
Total Assets	<u>\$ 83,836</u>	<u>\$ 196,087</u>	<u>\$ 257,398</u>	<u>\$ 22,525</u>
Liabilities:				
Intergovernmental Payable	\$ 83,836	\$ 196,087	\$ 257,398	\$ 22,525
Total Liabilities	<u>\$ 83,836</u>	<u>\$ 196,087</u>	<u>\$ 257,398</u>	<u>\$ 22,525</u>
Round Up Utility				
Assets:				
Cash and Cash Equivalents	\$ 2,003	\$ 3,832	\$ 4,542	\$ 1,293
Total Assets	<u>\$ 2,003</u>	<u>\$ 3,832</u>	<u>\$ 4,542</u>	<u>\$ 1,293</u>
Liabilities:				
Due to Others	\$ 2,003	\$ 3,832	\$ 4,542	\$ 1,293
Total Liabilities	<u>\$ 2,003</u>	<u>\$ 3,832</u>	<u>\$ 4,542</u>	<u>\$ 1,293</u>
Joint Economic Development District II Fund				
Assets:				
Cash and Cash Equivalents	\$ 11,746	\$ 246,541	\$ 237,470	\$ 20,817
Total Assets	<u>\$ 11,746</u>	<u>\$ 246,541</u>	<u>\$ 237,470</u>	<u>\$ 20,817</u>
Liabilities:				
Intergovernmental Payable	\$ 11,746	\$ 246,541	\$ 237,470	\$ 20,817
Total Liabilities	<u>\$ 11,746</u>	<u>\$ 246,541</u>	<u>\$ 237,470</u>	<u>\$ 20,817</u>
Police Property Forfeiture Room				
Assets:				
Cash and Cash Equivalents	\$ -	\$ 97,704	\$ 36,196	\$ 61,508
Total Assets	<u>\$ -</u>	<u>\$ 97,704</u>	<u>\$ 36,196</u>	<u>\$ 61,508</u>
Liabilities:				
Due to Others	\$ -	\$ 97,704	\$ 36,196	\$ 61,508
Total Liabilities	<u>\$ -</u>	<u>\$ 97,704</u>	<u>\$ 36,196</u>	<u>\$ 61,508</u>
Totals - All Agency Funds				
Assets:				
Cash and Cash Equivalents	\$ 1,803,889	\$ 11,653,736	\$ 11,592,188	\$ 1,865,437
Taxes Receivable	121,200	85,000	121,200	85,000
Accounts Receivable	631	-	631	-
Prepaid Items	32,066	-	32,066	-
Total Assets	<u>\$ 1,957,786</u>	<u>\$ 11,738,736</u>	<u>\$ 11,746,085</u>	<u>\$ 1,950,437</u>
Liabilities:				
Accounts Payable	\$ 1,285	\$ 759	\$ 1,285	\$ 759
Intergovernmental Payable	1,605,480	11,454,806	11,475,046	1,585,240
Due to Others	351,021	283,171	269,754	364,438
Total Liabilities	<u>\$ 1,957,786</u>	<u>\$ 11,738,736</u>	<u>\$ 11,746,085</u>	<u>\$ 1,950,437</u>

THE CITY OF HAMILTON! OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS

Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Community Environment	Basic Utility Services	Trans- portation	General Government	Other (2)	Debt Service	Total
1996	\$15,716,657	\$3,017,153	\$1,468,547	\$61,924	\$6,784,559	\$342,109	\$8,779,209	\$1,696,716	\$3,061,114	\$40,927,988
1997	18,885,473	1,038,463	1,386,498	3,273,987	3,264,559	5,399,901	3,541,693	1,956,916	585,447	39,332,937
1998	20,917,547	929,468	1,450,428	3,857,752	3,417,779	3,798,017	3,492,456	2,516,661	629,772	41,009,880
1999	22,079,479	1,154,362	1,500,132	3,879,197	3,158,679	3,918,044	3,533,137	3,614,661	4,508,442	47,346,133
2000	22,349,299	1,215,849	1,599,615	3,640,741	2,796,244	3,350,283	3,841,536	2,866,976	832,265	42,492,808
2001	22,798,051	2,161,815	1,415,071	3,746,743	3,389,930	2,730,692	3,928,799	23,306,559	1,421,468	64,899,128
2002	26,944,009	3,691,879	2,278,148	4,204,163	3,534,252	3,939,065	3,404,492	6,358,581	3,161,153	57,515,742
2003	25,020,605	1,817,802	2,287,623	4,726,538	3,311,482	3,385,373	1,363,735	5,482,010	3,301,911	50,697,079
2004	26,005,766	2,225,705	2,212,104	7,003,217	3,237,936	3,288,729	1,256,699	5,512,960	3,651,008	54,394,124
2005	28,348,718	2,366,475	2,492,608	4,186,858	4,533,336	4,038,465	1,697,330	6,159,163	3,707,956	57,530,909

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

(2) Year 2001 Other Expenditures includes \$18,854,571 of Capital Outlay expenditures for acquisition costs of One Renaissance Center

THE CITY OF HAMILTON/ OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS

Year	Taxes	Inter-Governmental Revenue	Charges for Services(3)	Licenses and Permits	Investment Earnings	Fines and Forfeitures	All Other (2)	Total
1996	\$16,059,615	\$4,601,477	\$4,426,482	\$606,551	\$552,151	\$615,249	\$245,099	\$27,106,624
1997	18,966,520	11,471,057	6,942,969	1,017,654	899,697	892,594	688,179	40,878,670
1998	19,602,814	12,017,253	7,286,856	1,019,662	1,220,528	916,683	895,279	42,959,075
1999	21,248,690	9,806,368	8,174,945	1,293,759	989,936	1,017,607	1,077,633	43,608,938
2000	20,895,497	10,713,545	8,056,032	960,091	1,056,397	1,171,498	1,037,049	43,890,109
2001	21,886,425	11,599,589	8,849,078	1,312,984	918,035	1,147,797	1,040,689	46,754,597
2002	22,288,897	11,290,512	16,022,994	1,371,041	637,816	1,209,648	1,446,231	54,267,139
2003	24,641,407	13,378,911	8,764,142	1,644,438	307,279	1,462,186	1,175,241	51,373,604
2004	25,853,388	12,516,794	9,284,129	1,692,128	303,165	1,320,913	1,733,721	52,704,238
2005	28,251,739	10,867,734	10,493,927	1,669,710	536,596	1,309,135	2,175,727	55,304,568

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

(2) Includes Special Assessment Revenue

(3) 2002-2005 includes the reclassified parking, golf course and central parks sports arena funds formerly enterprise

**THE CITY OF HAMILTON, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
1996	\$3,049,455	\$2,914,580	\$84,427	\$2,999,007	98.35%	\$136,978	4.49%
1997	2,715,612	2,650,487	92,675	2,743,162	101.01%	109,428	4.03%
1998	2,915,612	2,718,937	110,001	2,828,938	97.03%	196,102	6.73%
1999	2,985,053	2,928,559	122,993	3,051,552	102.23%	129,603	4.34%
2000	3,363,382	3,271,126	130,947	3,402,073	101.15%	90,912	2.70%
2001	3,432,023	3,498,609	127,505	3,626,114	105.66%	103,179	3.01%
2002	3,729,881	3,489,708	140,192	3,629,900	97.32%	203,160	5.45%
2003	6,248,495	5,958,212	288,505	6,246,717	99.97%	204,938	3.28%
2004	6,198,400	5,657,850	336,686	5,994,536	96.71%	408,802	6.60%
2005	6,200,701	5,737,754	313,885	6,051,639	97.60%	557,864	9.00%

Source: Butler County Auditor

**THE CITY OF HAMILTON! OHIO
TANGIBLE TAX COLLECTED
LAST TEN YEARS**

<u>Year Paid</u>	<u>Amount</u>
1996	\$485,725
1997	532,307
1998	409,138
1999	556,065
2000	434,993
2001	633,901
2002	493,773
2003	519,186
2004	541,098
2005	549,243

Source: Butler County Auditor

THE CITY OF HAMILTON! OHIO
ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
OF TAXABLE PROPERTY
LAST TEN YEARS

Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1996	\$542,950,510	\$1,551,287,171	\$24,232,980	\$27,537,477	\$98,464,254	\$393,857,016	\$665,647,744	\$1,972,681,665	33.74%
1997	568,209,450	1,623,455,571	23,056,940	26,201,068	116,728,432	466,913,728	707,994,822	2,116,570,368	33.45%
1998	579,622,630	1,656,064,657	22,567,390	25,644,761	81,266,104	325,064,416	683,456,124	2,006,773,835	34.06%
1999	657,229,440	1,877,798,400	21,454,090	24,379,648	108,159,070	432,636,280	786,842,600	2,334,814,327	33.70%
2000	674,764,310	1,927,898,029	18,059,140	20,521,750	111,312,933	445,251,732	804,136,383	2,393,671,511	33.59%
2001	690,521,670	1,972,919,057	16,165,160	18,369,500	112,737,677	450,950,708	819,424,507	2,442,239,264	33.55%
2002	812,598,300	2,323,466,116	13,814,790	15,974,079	80,444,805	321,779,220	906,857,895	2,661,219,415	34.08%
2003	807,683,940	2,309,414,464	13,358,440	15,446,400	77,433,709	309,734,836	898,476,089	2,634,595,700	34.10%
2004	807,728,570	2,307,795,914	12,942,330	14,707,193	73,731,244	294,924,976	894,402,144	2,617,428,083	34.17%
2005	880,671,170	2,516,203,343	11,724,950	13,323,807	72,654,723	290,618,892	965,050,843	2,820,146,042	34.22%

Source: Butler County Auditor

THE CITY OF HAMILTON! OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATIONS)
LAST TEN YEARS

Collection Year	City of Hamilton						Hamilton City School District		Butler County
	General Fund	Police Pension Fund	Fire Pension Fund	Miami Conservancy Fund	Police/Fire-EMS Levies	Total City			
1996	\$4.21	\$0.30	\$0.30	\$0.30	\$0.00	\$5.11	\$43.81	\$7.44	
1997	4.21	0.30	0.30	0.25	0.00	5.06	43.81	8.44	
1998	4.21	0.30	0.30	0.25	0.00	5.06	43.81	8.45	
1999	4.21	0.30	0.30	0.25	0.00	5.06	43.81	8.44	
2000	4.21	0.30	0.30	0.25	0.00	5.06	48.21	8.45	
2001	4.21	0.30	0.30	0.25	0.00	5.06	48.21	8.44	
2002	4.21	0.30	0.30	0.31	0.00	5.12	48.21	8.75	
2003	4.21	0.30	0.30	0.31	1.68	6.80	48.21	8.75	
2004	4.21	0.30	0.30	0.35	2.00	7.16	48.21	8.74	
2005	4.21	0.30	0.30	0.35	2.00	7.16	48.21	8.74	

* Effective November, 2002, voters accepted two separate tax levys, \$1M each, for Police and Fire services, which became effective January 1, 2003.

Source: Butler County Auditor
Butler County Treasurer

THE CITY OF HAMILTON! OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS

Collection Year	Amount Billed	Amount Collected	Percent Collected
1996	\$257,325	\$213,543	83.0%
1997	337,449	271,821	80.6%
1998	398,531	329,817	82.8%
1999	421,687	397,229	94.2%
2000	515,884	471,352	91.4%
2001	591,153	520,791	88.1%
2002	564,069	519,757	92.1%
2003	669,684	519,929	77.6%
2004	639,002	519,068	81.2%
2005	643,719	529,781	82.3%

Source: Butler County Auditor

THE CITY OF HAMILTON, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2005

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$965,050,843	\$965,050,843
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	101,330,339	53,077,796
Applicable City Debt Outstanding (2)	41,780,000	41,780,000
Less: Applicable Debt Service Fund Amounts	(531,765)	(551,344)
Net Indebtedness Subject to Limitation	41,248,235	41,228,656
Legal Debt Margin	\$60,082,104	\$11,849,140

(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, Special Assessment Debt and Debt Supported by Income Tax or Other Specific Revenues are not considered in the computation of the Legal Debt Margin. Debts subject to limitation per Ohio Revised Code.

THE CITY OF HAMILTON, OHIO
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1996	61,833	\$665,647,744	\$1,410,000	\$367,136	\$1,042,864	0.16%	\$16.87
1997	61,100	707,994,822	1,135,000	414,740	720,260	0.10%	11.79
1998	61,100	683,456,124	845,000	459,894	385,106	0.06%	6.30
1999	61,810	786,842,600	3,905,000	460,275	3,444,725	0.44%	55.73
2000	60,690	804,136,383	3,640,000	501,743	3,138,257	0.39%	51.71
2001	60,690	819,424,507	3,365,000	303,282	3,061,718	0.37%	50.45
2002	60,690	906,857,895	9,690,000	474,679	9,215,321	1.02%	151.84
2003	60,690	898,476,089	9,235,000	321,721	8,913,279	0.99%	146.87
2004	60,690	894,402,144	8,770,000	551,344	8,218,656	0.92%	135.42
2005	60,690	965,050,843	9,305,000	531,765	8,773,235	0.91%	144.56

Source:

(1) US Bureau of Census, Ohio Municipal Advisory Council

(2) Butler County Auditor

(3) Includes all General Obligation Bonded Debt; exempts any General Obligation Bonded Debt supported by Income Tax or Other Revenues

THE CITY OF HAMILTON! OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS

Year	Debt Principal (1)	Debt Interest (1)	Total Debt Service	Total General Governmental Expenditures	Ratio of Tax Debt Service to General Governmental Expenditures
1996	\$265,000	\$75,290	\$340,290	\$40,927,988	0.83%
1997	275,000	64,478	339,478	39,332,937	0.86%
1998	290,000	52,490	342,490	41,009,880	0.84%
1999	440,000	160,077	600,077	47,346,133	1.27%
2000	265,000	179,640	444,640	42,492,808	1.05%
2001	275,000	168,228	443,228	64,899,128	0.68%
2002	290,000	323,959	613,959	57,515,742	1.07%
2003	455,000	395,011	850,011	50,697,079	1.68%
2004	465,000	242,286	707,286	54,394,124	1.30%
2005	735,000	476,076	1,211,076	57,530,909	2.11%

(1) General Obligation Bonds exempts Bonded Debt Supported by Income Tax Revenues

THE CITY OF HAMILTON! OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2005

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Hamilton</u>	<u>Amount Applicable to City of Hamilton</u>
Direct			
City of Hamilton	\$9,236,641	100.00%	\$9,236,641
Overlapping Political Subdivisions			
Hamilton City School District	41,625,000	100.00%	41,625,000
Butler County	47,410,000	12.49%	5,921,509
		Subtotal	47,546,509
		Total	\$56,783,150

Source: Butler County

Note: Percentage of indebtedness of the City's overlapping political subdivisions was determined by dividing the City's assessed valuation by the total assessed valuation of other entities.

THE CITY OF HAMILTON, OHIO
REVENUE BOND COVERAGE* - GAS SYSTEM REVENUE BONDS
LAST TEN YEARS

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement (3)	Coverage (4)
1996	\$25,905,396	\$22,452,558	\$3,452,838	\$1,755,044	1.97%
1997	25,125,121	22,386,943	2,738,178	1,771,384	1.55%
1998	20,689,395	17,784,751	2,904,644	1,757,241	1.65%
1999	19,044,722	15,301,145	3,743,577	1,771,241	2.11%
2000	23,638,431	20,683,361	2,955,070	1,751,866	1.69%
2001	31,784,477	25,467,356	6,317,121	1,403,844	4.50%
2002	22,627,373	19,456,357	3,171,016	1,472,941	2.15%
2003	27,950,700	23,338,504	4,612,196	1,113,021	4.14%
2004	28,782,604	24,856,014	3,926,590	1,493,213	2.63%
2005	33,967,409	32,111,986	1,855,423	1,489,113	1.25%

- (1) Gross revenues include total revenues plus transfers in from rate stabilization - Non-Gaap
- (2) Direct operating expenses include total operating expenses less depreciation - Non-Gaap
- (3) Annual debt service requirements include principal and interest on revenue bonds only
- (4) Required debt service coverage calculated per the revenue bond indenture is 1.2

* Reported employing historical presentation

THE CITY OF HAMILTON, OHIO
REVENUE BOND COVERAGE* - ELECTRIC SYSTEM REVENUE BONDS
LAST TEN YEARS

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement (3)	Coverage (4)
1996	\$42,508,123	\$25,902,788	\$16,605,335	\$13,474,296	1.23%
1997	41,872,341	25,137,850	16,734,491	13,437,022	1.25%
1998	46,193,083	28,323,561	17,869,522	14,708,761	1.21%
1999	45,550,193	28,847,567	16,702,626	14,714,560	1.14%
2000	49,147,330	27,817,326	21,330,004	14,536,132	1.47%
2001	52,584,410	34,295,218	18,289,192	14,813,659	1.23%
2002	54,261,126	34,813,408	19,447,718	12,830,152	1.52%
2003	49,407,634	33,542,273	15,865,361	13,610,043	1.17%
2004	52,327,108	37,116,049	15,211,059	11,721,429	1.30%
2005	59,628,880	41,916,192	17,712,688	9,034,766	1.96%

(1) Gross revenues include total revenues plus transfers in from rate stabilization - Non-Gaap

(2) Direct operating expenses include total operating expenses less depreciation - Non-Gaap

(3) Annual debt service requirements include principal and interest on revenue bonds only

(4) Required debt service coverage calculated per the revenue bond indenture is 1.1

* Reported employing historical presentation

THE CITY OF HAMILTON, OHIO
REVENUE BOND COVERAGE* - WATER SYSTEM REVENUE BONDS
LAST TEN YEARS

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement (3)	Coverage (4)
1996	\$12,693,385	\$7,446,434	\$5,246,951	\$4,336,510	1.21%
1997	13,697,927	8,387,526	5,310,401	4,198,946	1.26%
1998	13,791,322	9,041,396	4,749,926	4,226,462	1.12%
1999	15,887,109	9,770,557	6,116,552	4,295,970	1.42%
2000	16,850,978	8,836,068	8,014,910	4,270,489	1.88%
2001	17,415,954	9,073,991	8,341,963	4,375,033	1.91%
2002	17,805,870	9,077,809	8,728,061	3,103,139	2.81%
2003	14,464,401	8,880,858	5,583,543	1,007,114	5.54%
2004	14,194,267	9,615,956	4,578,311	1,007,114	4.55%
2005	14,477,037	9,942,278	4,534,759	1,006,914	4.50%

(1) Gross revenues include total revenues plus transfers in from rate stabilization - Non-GAAP

(2) Direct operating expenses include total operating expenses less depreciation - Non-GAAP

(3) Annual debt service requirements include principal and interest on revenue bonds only

(4) Required debt service coverage calculated per the revenue bond indenture is 1.05

* Reported employing historical presentation

THE CITY OF HAMILTON, OHIO
REVENUE BOND COVERAGE* - WASTEWATER SYSTEM REVENUE BONDS
LAST TEN YEARS

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement (3)	Coverage (4)
1996	\$11,051,432	\$7,725,555	\$3,325,877	\$0	0.00%
1997	11,823,735	8,129,627	3,694,108	542,489	6.81%
1998	12,266,144	7,596,718	4,669,426	2,101,185	2.22%
1999	12,955,842	4,828,167	8,127,675	2,133,672	3.81%
2000	12,676,574	7,891,123	4,785,451	2,101,003	2.28%
2001	12,410,728	7,815,190	4,595,538	2,139,291	2.15%
2002	12,599,192	7,836,155	4,763,037	2,219,758	2.15%
2003	11,884,710	7,809,274	4,075,436	2,276,583	1.79%
2004	10,666,399	7,434,951	3,231,448	2,275,153	1.42%
2005	12,943,233	7,372,609	5,570,624	2,056,197	2.71%

- (1) Gross revenues include total revenues plus transfers in from rate stabilization - Non-GAAP
 - (2) Direct operating expenses include total operating expenses less depreciation - Non-GAAP
 - (3) Annual debt service requirements include principal and interest on revenue bonds only
 - (4) Required debt service coverage calculated per the revenue bond indenture is 1.15
- * Reported employing historical presentation

**THE CITY OF HAMILTON! OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

Year	City of Hamilton Population (1)	Butler County Population (1)	Unemployment Rate County Area (2)	Per Capita Income County Area (2)	School Enrollment (3)
1996	61,833	323,579	4.1%	\$16,115	10,344
1997	61,100	328,263	3.5%	18,051	10,152
1998	61,100	331,065	3.3%	21,995	10,103
1999	61,810	334,011	3.2%	21,144	10,029
2000	60,690	332,807	3.5%	21,144	9,381
2001	60,690	332,807	3.3%	21,144	9,244
2002	60,690	340,543	4.4%	28,718	9,192
2003	60,690	343,207	4.0%	29,944	9,426
2004	59,600	345,400	3.8%	29,944	9,196
2005	60,670	350,412	4.4%	29,415	9,607

Source: (1) Butler County

(2) Ohio Bureau of Employment Services, Best Information Available

(3) Hamilton City School District

**THE CITY OF HAMILTON, OHIO
PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST TEN YEARS**

Year	Residential		Commercial	
	Number of Permits	Property Value	Number of Permits	Property Value
1996	458	\$12,550,042	343	\$30,334,552
1997	472	11,778,788	248	20,279,706
1998	498	15,934,533	311	35,895,828
1999	298	13,618,767	297	55,584,172
2000	385	20,498,066	366	52,709,312
2001	339	9,379,336	326	19,759,001
2002	392	13,703,202	329	16,472,320
2003	492	22,329,633	399	34,979,102
2004	438	21,037,770	479	48,338,747
2005	306	24,233,287	341	31,785,945

Source: City of Hamilton Building Department

**THE CITY OF HAMILTON! OHIO
PRINCIPAL TAXPAYERS (PROPERTY TAX)
DECEMBER 31, 2005**

	Taxpayer	Type of Business	2005 Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1	Cincinnati Gas & Electric	Utility	\$9,556,520	0.99%
2	Tippman Realty PRT	Education	5,052,960	0.52%
3	Colonial Senior Services Inc	Healthcare	4,869,130	0.50%
4	Hamilton Crossing LLC	Retail	3,996,560	0.41%
5	Meijer Stores LTD PRT	Retail	3,850,000	0.40%
6	First National Bank	Finance	3,767,500	0.39%
7	Affordable Housing PRT Inc	Real Estate	3,452,880	0.36%
8	Pinecrest Holdings LLC	Real Estate	2,601,340	0.27%
9	Champion Crossings LLC	Real Estate	2,529,220	0.26%
10	Ohio Casualty	Insurance	2,425,810	0.25%
	Sub - total		42,101,920	4.36%
	All Others		922,948,923	95.64%
	Total		\$965,050,843	100.00%

Based on valuation of property taxes levied in 2003
Source: Butler County Auditor - Land and Buildings

**THE CITY OF HAMILTON! OHIO
PRINCIPAL TAXPAYERS (INCOME TAX)
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Taxpayer</u>	<u>Type of Business</u>
1	Butler County	Government
2	Hamilton City School District	Education
3	City of Hamilton	Government
4	Fort Hamilton Hospital	Healthcare
5	Smart Papers, LLC	Manufacturing
6	Valeo Climate Control	Manufacturing
7	OHIO Casualty Company	Insurance
8	General Electric Engine Service Inc.	Manufacturing
9	First Financial Bank	Banking
10	Miami University	Education

Source: Hamilton City Finance Department

**THE CITY OF HAMILTON! OHIO
INCOME TAXES COLLECTED
RECEIPTS BY FUND AND IN TOTAL
LAST TEN YEARS**

Year	General Fund (1)	Public Safety/ Health Income Tax Fund (2)	Hamilton Capital Improvement Fund (3)	Total
1996	\$14,028,222	\$2,262,616	\$1,810,093	\$18,100,931
1997	14,365,434	2,317,006	1,853,604	18,536,044
1998	15,276,222	2,463,907	1,971,125	19,711,254
1999	16,154,694	2,605,596	2,084,477	20,844,767
2000	15,999,528	2,580,569	2,064,455	20,644,552
2001	15,978,811	2,577,228	2,061,782	20,617,821
2002	15,322,785	2,471,417	1,977,134	19,771,336
2003	15,652,544	2,524,604	2,019,683	20,196,831
2004	16,599,420	2,677,326	2,141,861	21,418,607
2005	17,218,512	2,798,598	2,239,406	22,256,516

Source: Hamilton Finance Department

- (1) - Equates to 1.55% of 2.00% total rate, or 77.50% of total collections
- (2) - Equates to 0.25% of 2.00% total rate, or 12.50% of total collections
- (3) - Equates to 0.20% of 2.00% total rate, or 10.00% of total collections
- (4) - Effective Dates of Levy: January 1, 1960 0.80%

* - Voter Approved	January 1, 1966	0.20%
	June 1, 1970*	0.50%
	June 1, 1984*	0.25%
	June 1, 1990*	0.25%
	Total Rate	2.00%

**THE CITY OF HAMILTON! OHIO
 PRINCIPAL EMPLOYERS
 DECEMBER 31, 2005**

	<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
1	Fort Hamilton Hospital	Healthcare	1,250
2	Hamilton City School District	Education	1,250
3	Butler County	Government	900
4	City of Hamilton	Government	709
5	Smart Papers, LLC	Manufacturing	500
6	Valeo Climate Control	Manufacturing	451
7	Ohio Casualty Group	Insurance	400
8	Meijer, Inc.	Retail	325
9	The Kroger Co.	Groceries	250
10	General Electric	Distribution/Repair	240

**THE CITY OF HAMILTON, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2005**

Date of Incorporation 1810
 Latest Charter Effective January 1, 2001
 Form of Government Council/Mayor

Area (square miles)	21.6		
<u>Facilities and Services:</u>			
Miles of Streets	213.4	Number of Hospitals	1
Number of Street Lights	9,000	Number of Patient Beds	157
<u>Police Services:</u>			
Number of Stations	1	Elementary Schools	14
Number of Sworn Police Officers	126	Students	5,167
Number of Police Cruisers	40	Instructors	398
Number of Calls Answered	74,413	Secondary Schools	5
Number of Law Violations:		Students	4,029
Misdemeanor Arrests	7,831	Instructors	291
Felony Arrests	1,474	Colleges	1
Traffic Citations Issued	15,232	Students	3,223
Parking Tickets Written	1,766		
<u>Fire/Emergency Medical Services:</u>			
Number of Stations	6		
Number of Officers, Firefighters/Paramedics	113		
Number of Calls Answered	10,347		
Number of Inspections	2,132		
Number of Emergency Medical Calls	8,299		
<u>Recreation and Culture:</u>			
		Number of Parks	56
		Park Area (acres)	1,320
<u>Number of Ball Fields:</u>			
		Lighted	9
		Unlighted	34
<u>Number of Tennis Courts:</u>			
		Lighted	2
		Unlighted	6
		Number of Swimming Pools	5
		Number of Golf Courses	2
		Skateboard Park	1
		Libraries	1
<u>Parking:</u>			
		Off Street Parking Garages	2
		Parking Levels	6.5
		Parking Spaces	752
		Average Daily Cars Parked	589
		Parking/Meters - On Street and Lots	972

Source: Hamilton City Department Heads



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

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 15, 2006**