COMPREHENSIVE ANNUAL FINANCIAL REPORT

HAMILTON, OHIO

FOR YEAR ENDED DECEMBER 31, 2006

THE CITY OF HAMILTON, OHIO

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2006

Prepared by:
Department of Finance

James A. Hanson, MBA, CPA
Director of Finance

Ana Ramanathan, MBA, CPA
Comptroller

THIS PAGE INTENTIONALLY LEFT BLANK

City of Hamilton! Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	vii
Listing of Elected and Principal Officials	xiv
Organizational Chart	xv
Certificate of Achievement for Excellence in Financial Reporting	xvi
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	21
Statement of Net Assets - Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	26
Statement of Fiduciary Net Assets - Fiduciary Fund	28
Notes to the Basic Financial Statements	29
Combining Statements and Individual Fund Schedules:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	69
Nonmajor Governmental Funds:	
Combining Balance Sheet	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	80
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	88
Nonmajor Capital Projects Funds:	
Combining Balance Sheet	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	96

TABLE OF CONTENTS

	Page
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
One Renaissance Center Fund	98
Federal Emergency Management Grant Fund	99
Youth Build Grant Fund	100
Municipal Court Improvement Fund	101
Public Safety/Health Income Tax Fund	102
Municipal Income Tax TIF Aggregation/Verification Fund	103
Brownfield Improvement Fund	104
Weed and Seed Grant Fund	105
Dispute Resolution Proceeds Fund	106
Safety Services Fund	107
Police Pension Fund	108
Police Levy	109
Firemen's Pension Fund	110
Emergency Medical Services Grant Fund	111
Fire EMS Levy Fund	112
Technology Initative Fund	113
Public Health Care Services Fund	114
Street and Parks Beautification Fund	115
Stormwater Management Fund	116
Refuse Fund	117
Street Maintenance Fund	118
Transit Authority Fund	119
Miami Conservancy Fund	120
Home Program Fund	121
Parking Fund	122
Golf Course Fund	123
Central Park Sports Arena Fund	124
Community Development Block Grant Fund	125
Debt Service Fund	126
Hamilton Capital Improvement Fund	127
Capital Projects Fund	128
Special Assessment Fund	129
Municipal Improvement Tax Increment Equivalent (MITIE) Fund	130
Hamilton Enterprise Park Fund	131
Central Business District Streetscape Improvements Fund	132

TABLE OF CONTENTS

	Page
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis): (Continued)	
Issue II Projects Fund	133
Clean Ohio Grants Program Fund	134
Infrastructure Program Fund	135
Benninghoffen Trust Fund	136
Combining Statements and Individual Fund Schedules:	
Internal Service Funds:	
Statement of Net Assets	138
Statement of Revenues, Expenses and Changes in Fund Net Assets	139
Statement of Cash Flows	140
Agency Funds:	
Statement of Changes in Assets and Liabilities	143

	Schedule	Page
STATISTICAL SECTION		
Net Assets by Component	1	151
Changes in Net Assets	2	152
Fund Balances, Governmental Funds	3	155
Changes in Fund Balances, Governmental Funds	4	156
Assessed Value and Actual Estimated Value of Taxable Property	5	158
Direct and Overlapping Property Tax Rates	6	159
Principal Property Tax Payers	7	160
Property Tax Levies and Collections	8	161
Income Tax Collected Receipts by Fund and in Total	9	162
Principal Income Taxpayers	10	163
Ratios of Outstanding Debt by Type	11	164
Ratios of General Bonded Debt Outstanding	12	165
Direct and Overlapping Governmental Activities Debt	13	166
Legal Debt Margin Information	14	167
Pledged-Revenue Coverage	15	168
Demographic and Economic Statistics	16	169
Principal Employers	17	170
Full-Time Equivalent City Government Employees by Function/Program	18	171
Operating Indicators by Function/Program	19	172
Capital Asset Statistics by Function/Program	20	174

THIS PAGE INTENTIONALLY LEFT BLANK

Introductory Section

Founded 1791

Department of Finance

City of Hamilton! Ohio
One Renaissance Center
345 High Street, Hamilton! Ohio 45011
Telephone 513 785-7150
Fax 513 785-7160

June 29, 2007

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, 2006, 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 2005 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.

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.

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.

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

CITY OVERVIEW

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

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

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. Council makes appointments to various statutory and advisory boards and appoints the City Manager, Law Director and Clerk of Council. The City is considered a strong city manager form of municipal government. As chief executive officer, the City Manager is responsible for enforcement of all laws and ordinances, the efficient delivery of services, and preparation of capital and operating budgets.

ECONOMIC OUTLOOK

Butler County exhibits a diverse economic base accompanied by growth in all sectors, including industrial, retail, service and residential. 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 2006) 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. Such Hamilton companies manufacture automotive parts and components, for original equipment and after-market use, 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 2006, the City has seen considerable expansion activity across the business sectors. The Department of Economic Development has tracked and assisted approximately 50 expansion projects during that period. 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). Total investment on the tracked projects over the period is projected at almost $208 million, with new jobs projected at between 1,500 and 2,000 and retained jobs of almost 3,500.

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 on-going at VTP and expects to make additional expansion announcements for VTP in 2007.

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.

FUTURE PROJECTS

In the future, 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 new elementary schools in Hamilton, replacing the existing schools.

In 1996, Fairfield Township voters approved a Joint Economic Development District (JEDD) between the City of Hamilton and Fairfield Township. 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.

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.

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 $20 million. This redevelopment project is a key component of the City's Riverfront Redevelopment efforts. Adjacent to this site, Concord Hospitality expects to begin the renovation of the former Hamiltonian Hotel into a Courtyard by Marriott in 2007. Completion of this approximate $10 million project is expected by mid-2008.

INTERNAL ACCOUNTING AND BUDGETARY CONTROLS

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

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

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

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

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

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

DEBT ADMINISTRATION

The ratio of net debt to assessed valuation and net debt per capita is useful indications of the City of Hamilton's debt position to all interested parties. The data for the City of Hamilton as of December 31, 2006 was as follows:

2006 Population (Estimated)	**60,690**
Assessed Valuation	**$952,434,470**
Total General Obligation (G.O.) Debt	**$38,420,000**
Less: Amount Available in Debt Service Fund	**462,379**
Net General Obligation Debt	**$37,957,621**
Ratio of Net G.O. Debt to Assessed Valuation	**3.99%**
Debt per Capita	**$625**

The City's total debt at the close of 2006 included the above mentioned $37,957,621 in net General Obligation debt, $2,447,000 in special assessment bonded debt and $195,605,436 in net enterprise debt. The City's General Obligation bonds continue to have an investment grade rating, which they have carried for the past several years.

CITY INCOME TAX

The 2.0% locally levied tax applies to gross salaries, wages and other personal service compensation earned by residents, both in and out of the City and upon earnings of non-residents earned in the City. It also applies to net income of business organizations derived from business activities conducted in the City. The tax rate of 2.0% is subdivided into three components. The allocation credits 1.55% of the tax revenues into the General Fund, .25%% into the Public Safety/Health Fund and .20% into the Capital Improvement Fund.

Receipts from this tax are directly related to employment levels and the general economic conditions in the Southwestern Ohio area. Collections and allocations for the past two years are as follows:

	2006	**2005**
Allocated to **General Fund**	$17,702,447	$17,218,512
Allocated to **Public Safety/Health Fund**	2,882,087	2,798,598
Allocated to **Capital Improvement Fund**	2,305,669	2,239,406
Gross Revenues	$22,890,203	$22,256,516

INDEPENDENT AUDIT

Included in this report is the unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2006, by Clark, Schaefer, Hackett & Co. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. This annual independent audit serves to maintain and strengthen the City's accounting and budgetary controls.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hamilton for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2005. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards.

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

ACKNOWLEDGEMENTS

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

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

Respectfully Submitted,
THE CITY OF HAMILTON, OHIO

Mark Brandenburger
City Manager

James A. Hanson
Director of Finance

City of Hamilton, Ohio
List of Elected and Principal Officials
As of December 31, 2006

Mayor
Donald V. Ryan

Vice Mayor
Katherine A. Becker

Council Members
Christopher D. Flaig
George V. McNally
Pat Moeller
James R. Noonan
Edward Shelton

Municipal Court
John G. Rosmarin, Judge

City Management

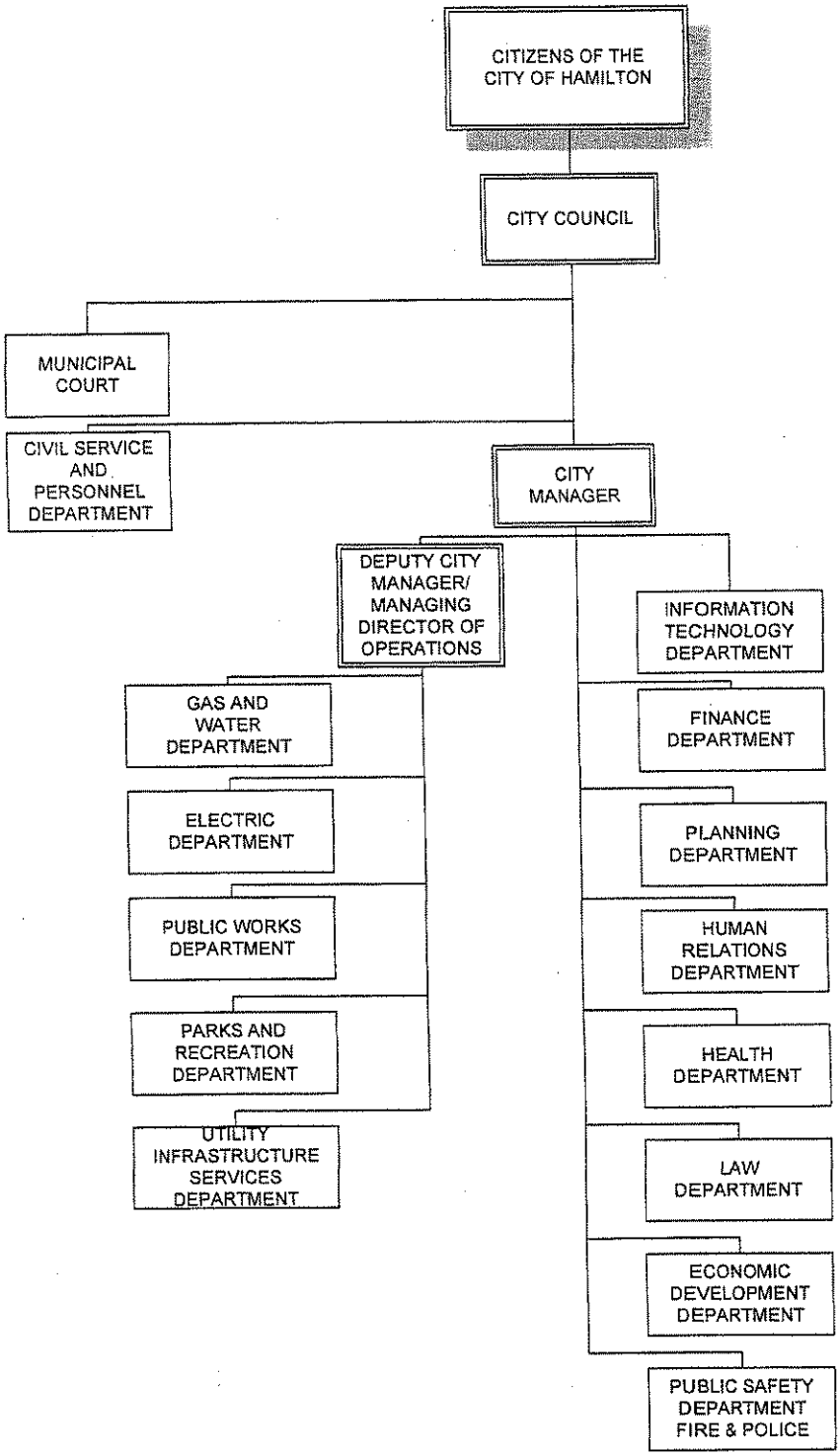
City Manager
Michael J. Samoviski, P. E.

Managing Director of Operations/
Deputy City Manager
Mark Brandenburger, Esq.

Economic Development Department	Tim Bigler
Planning Department	Teri Whitmore
Information Technology Department	Rob Smith
Police Division	Chief Neil R. Ferdelman
Finance Department	James A. Hanson, MBA, CPA
Civil Service & Personnel Department	Nadine Hill
Health Department	Dr. William Karwisch
Human Relations Department	Vaughn Lewis
Gas & Water Department	John Liver
Law Department	Hillary Miller, Esq.
Fire Division	Chief Joseph Schutte
Electric Department	Michael Perry
Parks & Recreation Department	Bob Harris
Public Works Department	R. Reigelsperger, P. E., P. S.
City Clerk	Ina Allen
Comptroller	Ana Ramanathan, MBA, CPA
Treasurer	Deborah Hymer, CPA

City of Hamilton

Organizational Chart



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, 2005

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.

President

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, 2006, 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, 2006, 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.

As described in Note 20 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, and GASB Statement No. 47, *Accounting for Termination Benefits*, as of January 1, 2006.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2007, 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 through 11 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, Hackett & Co.

Cincinnati, Ohio
June 27, 2007

City of Hamilton! Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
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, 2006. 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 2006 are as follows:

- The assets of the City exceeded its liabilities at the close of the year ended December 31, 2006, by $219,928,182 (net assets). Of this amount, $7,818,532 (governmental unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors, and $38,128,750 is classified as unrestricted in the Gas, Electric, Water and Wastewater activities.

- The City's total net assets increased by $5,597,695, which represents a 2.61% increase from 2005.

- At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $15,541,755. Of this amount $9,223,722 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 $5,821,858 or a little more than 16.13% 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.

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 2006?" 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 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 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.

Notes to the Basic 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 $219,928,182 ($72,396,912 in governmental activities and $147,531,270 in business type activities) as of December 31, 2006. By far, the largest portion of the City's net assets (68.78%) 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 2006 compared to 2005.

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets						
Current Assets	$40,153,610	$41,668,212	$73,119,106	$82,413,875	$113,272,716	$124,082,087
Capital Assets, Net	91,457,890	92,031,463	303,936,079	309,029,338	395,393,969	401,060,801
Total Assets	131,611,500	133,699,675	377,055,185	391,443,213	508,666,685	525,142,888
Liabilities						
Long-Term Liabilities	40,700,355	42,653,990	199,512,780	207,727,972	240,213,135	250,381,962
Other Liabilities	18,514,233	22,698,991	30,011,135	37,731,448	48,525,368	60,430,439
Total Liabilities	59,214,588	65,352,981	229,523,915	245,459,420	288,738,503	310,812,401
Net Assets						
Invested in Capital Assets Net of Debt	56,285,912	55,850,463	94,984,687	86,341,113	151,270,599	142,191,576
Restricted	8,292,468	1,096,622	14,417,833	14,015,713	22,710,301	15,112,335
Unrestricted	7,818,532	11,399,609	38,128,750	45,626,967	45,947,282	57,026,576
Total Net Assets	$72,396,912	$68,346,694	$147,531,270	$145,983,793	$219,928,182	$214,330,487

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 $22,710,301 or 10.33% of net assets. The remaining unrestricted $45,947,282 or 20.89% 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, 2006, 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 four years. Total net assets increased $5,597,695 due to the City controlling expenses during the fiscal year as well as increases in income tax revenue.

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Program Revenues:						
Charges for Services	$14,153,642	$15,530,515	$116,610,400	$124,829,184	$130,764,042	$140,359,699
Operating Grants, Contributions	7,719,161	6,563,223	23,547	39,110	7,742,708	6,602,333
Capital Grants and Contributions	918,278	1,962,756	1,983,855	0	2,902,133	1,962,756
Total Program Revenues	22,791,081	24,056,494	118,617,802	124,868,294	141,408,883	148,924,788
General Revenue:						
Income Taxes	23,203,869	22,697,147	0	0	23,203,869	22,697,147
Property Taxes	7,552,241	8,431,924	0	0	7,552,241	8,431,924
Grants and Entitlements	4,359,527	4,039,317	0	0	4,359,527	4,039,317
Investment Earnings	659,587	0	2,655,494	0	3,315,081	0
Other	3,777,900	2,757,567	0	1,872,202	3,777,900	4,629,769
Total General Revenues	39,553,124	37,925,955	2,655,494	1,872,202	42,208,618	39,798,157
Total Revenues	62,344,205	61,982,449	121,273,296	126,740,496	183,617,501	188,722,945
Program Expenses:						
General Government	1,922,123	2,661,367	0	0	1,922,123	2,661,367
Security of Persons and Property	29,539,127	28,683,794	0	0	29,539,127	28,683,794
Leisure Time Activities	2,640,996	2,725,304	0	0	2,640,996	2,725,304
Community Environment	4,341,592	4,099,421	0	0	4,341,592	4,099,421
Basic Utility Services	5,242,138	4,549,461	0	0	5,242,138	4,549,461
Transportation	5,382,724	8,044,762	0	0	5,382,724	8,044,762
Public Health and Welfare Services	1,803,562	2,320,928	0	0	1,803,562	2,320,928
Other Expenditures	7,158,666	6,159,163	0	0	7,158,666	6,159,163
Interest and Fiscal Charges	2,036,100	2,052,654	0	0	2,036,100	2,052,654
Gas Utility	0	0	35,421,943	35,317,274	35,421,943	35,317,274
Electric Utility	0	0	56,941,632	60,371,316	56,941,632	60,371,316
Water Utility	0	0	14,681,886	14,290,977	14,681,886	14,290,977
Wastewater Utility	0	0	10,907,317	13,290,251	10,907,317	13,290,251
Total Program Expenses	60,067,028	61,296,854	117,952,778	123,269,818	178,019,806	184,566,672
Increase (Decrease) in Net Assets before Transfers	2,277,177	685,595	3,320,518	3,470,678	5,597,695	4,156,273
Transfers - Internal Activities	1,773,041	36,577	(1,773,041)	(36,577)	0	0
Change in Net Assets	4,050,218	722,172	1,547,477	3,434,101	5,597,695	4,156,273
Beginning Net Assets	68,346,694	67,624,522	145,983,793	142,549,692	214,330,487	210,174,214
Ending Net Assets	$72,396,912	$68,346,694	$147,531,270	$145,983,793	$219,928,182	$214,330,487

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 2006, total expenses were $29,539,127 representing 49.18% of governmental activity spending yielding a reliance on general revenues to fund the program of $23,837,566 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.

Business-Type Activities

The City's business-type activities include the Gas, Water, Electric and Wastewater systems. Electric, Water and Wastewater utilities were able to boast positive operating income figures of $12,757,537, $517,930 and $895,395, respectively, while the Gas utility had an operating loss of ($36,231) for 2006. The City's combined change in net assets figured to $1,314,952 for 2006. $195,605,436 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 2006, the City's governmental funds reported combined ending fund balances of $15,541,755. $9,223,722 constitutes positive unreserved fund balance available for spending for citizens. The remainder of the balance is reserved for encumbrances, inventory, prepaid items, and endowments ($6,318,033).

The General Fund is the chief operating fund of the City. As of December 31, 2006, the unreserved general fund balance was $5,821,858 with a total fund balance of $6,333,962. 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 16.13% of the total expenditures and other financing uses, while total fund balance represents 17.55% of that same amount.

During 2006, the City's general fund decreased by $1,713,765 with expenditures exceeding revenues by $1,429,934. This is primarily due to an increase in security of persons and property expenditures and a decrease in intergovernmental revenues 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 2006:

Description	Original Budget	Final Budget	Change
Revenues:			
Property and Other Taxes	$5,700,000	$5,700,000	$0
Income Tax	17,194,059	17,167,059	(27,000)
Intergovernmental revenue	3,918,950	4,587,350	668,400
Other Revenues	6,249,779	6,955,849	706,070
Total Revenues	33,062,788	34,410,258	1,347,470
Expenditures:			
Security of Persons/Property	23,462,283	23,922,409	460,126
General Government	2,537,044	2,546,878	9,834
Other Expenditures	11,216,632	12,555,512	1,338,880
Total Expenditures	$37,215,959	$39,024,799	$1,808,840

The largest change in the City's original and final revenue budgets was in the other revenues line item. The City's original budget was conservative with the state of local government funding and the unknown amounts charged for services and investment earnings. The City was able to increase budgeted expenditures as the projected revenue forecast was increased.

The following table summarizes the major revenue sources and expenditures from final budget to actual results for 2006:

Description	Final Budget	Actual	Change
Revenues:			
Property and Other Taxes	$5,700,000	$5,276,159	($423,841)
Income Tax	17,167,059	17,597,369	430,310
Intergovernmental revenue	4,587,350	4,535,509	(51,841)
Other Revenues	6,955,849	6,370,322	(585,527)
Total Revenues	34,410,258	33,779,359	(630,899)
Expenditures:			
Security of Persons/Property	23,922,409	23,268,391	654,018
General Government	2,546,878	1,775,598	771,280
Other Expenditures	12,555,512	11,384,090	1,171,422
Total Expenditures	$39,024,799	$36,428,079	$2,596,720

With an operating budget over $34 Million for the general fund, the City was able to predict the final revenue budget within 1.8% of actual results.

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, 2006, amounts to $151,270,599 (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 2006. The City has had extremely limited funding to provide for capital asset acquisition and construction.
- The City added $3,315,737 in governmental capital assets during the year.
- The business type activities recognized $15,943,171 in additions as the City added $7,193,486 in construction in progress for the four enterprise funds.

Long-term Debt: At the end of 2006, the City had general obligation bonds outstanding of $32,090,000. Total outstanding long-term bonds totaled $240,402,000 with a decrease of 4.0% against prior year outstanding bond balances. See Note 13 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 its General Fund balance. The City has reasonably priced, affordable undeveloped land for business expansion and has become a leader in the area of brownsfield remediation of existing plant and business sites.

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 2006 estimated collection levels for the 2007 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 2007 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 2007 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 2007 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 2006. 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.

THIS PAGE INTENTIONALLY LEFT BLANK

City of Hamilton! Ohio
Statement of Net Assets
December 31, 2006

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	$21,651,185	$35,246,581	$56,897,766
Restricted Cash and Investments	0	14,417,833	14,417,833
Receivables (net of allowance for uncollectibles):			
Taxes	12,839,734	0	12,839,734
Accounts	1,374,323	13,424,578	14,798,901
Interest	88,427	252,407	340,834
Due From Other Governments	2,510,894	0	2,510,894
Loans	639,099	0	639,099
Prepaid Items	588,832	2,120,421	2,709,253
Inventory	62,131	3,093,240	3,155,371
Deferred Bond Issuance Costs	398,985	4,564,046	4,963,031
Nondepreciable Capital Assets	32,058,461	27,594,787	59,653,248
Depreciable Capital Assets, Net	59,399,429	276,341,292	335,740,721
Total Assets	131,611,500	377,055,185	508,666,685
Liabilities:			
Accounts Payable	2,114,105	7,576,784	9,690,889
Accrued Wages and Benefits	565,919	332,136	898,055
Accrued Interest Payable	357,911	2,243,428	2,601,339
Accrued Liabilities	519,905	350	520,255
Unearned Revenue	6,501,321	0	6,501,321
Intergovernmental Payable	1,591,957	448,591	2,040,548
Customer Deposits Payable	8,115	1,499,846	1,507,961
Special Assessment Notes Payable	525,000	0	525,000
General Obligation Notes Payable	6,330,000	17,910,000	24,240,000
Long-Term Liabilities:			
Due Within One Year	3,724,836	10,067,964	13,792,800
Due In More Than One Year	36,975,519	189,444,816	226,420,335
Total Liabilities	59,214,588	229,523,915	288,738,503
Net Assets:			
Invested in Capital Assets, Net of Related Debt	56,285,912	94,984,687	151,270,599
Restricted for:			
Special Revenue	5,109,328	0	5,109,328
Debt Service	499,255	4,917,833	5,417,088
Capital Projects	2,608,275	0	2,608,275
Rate Stabilization	0	9,500,000	9,500,000
Nonexpendable Endowments	75,610	0	75,610
Unrestricted	7,818,532	38,128,750	45,947,282
Total Net Assets	$72,396,912	$147,531,270	$219,928,182

See accompanying notes to the basic financial statements.

City of Hamilton! Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2006

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	$1,922,123	$1,624,126	$13,783	$0
Security of Persons and Property	29,539,127	3,461,051	2,240,510	0
Leisure Time Activities	2,640,996	926,474	0	0
Community Environment	4,341,592	1,109,876	2,777,825	30,000
Basic Utility Services	5,242,138	2,431,163	123,360	0
Transportation	5,382,724	972,465	2,154,585	888,278
Public Health and Welfare Services	1,803,562	905,584	409,098	0
Other Expenditures	7,158,666	2,431,163	0	0
Interest and Fiscal Charges	2,036,100	291,740	0	0
Total Governmental Activities	60,067,028	14,153,642	7,719,161	918,278
Business-Type Activities:				
Gas Utility	35,421,943	33,577,717	0	342,535
Electric Utility	56,941,632	58,694,775	0	1,042,400
Water Utility	14,681,886	13,735,240	23,547	598,920
Wastewater Utility	10,907,317	10,602,668	0	0
Total Business-Type Activities	117,952,778	116,610,400	23,547	1,983,855
Totals	$178,019,806	$130,764,042	$7,742,708	$2,902,133

General Revenues:
Income Taxes
Property Taxes Levied for:
General Purposes
Special Revenue Purposes
Debt Service Purposes
Capital Projects Purposes
Grants and Entitlements not Restricted to Specific Programs
Investments Earnings
Franchise Fee Tax
All Other Revenues
Transfers-Internal Activities

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
($284,214)	$0	($284,214)
(23,837,566)	0	(23,837,566)
(1,714,522)	0	(1,714,522)
(423,891)	0	(423,891)
(2,687,615)	0	(2,687,615)
(1,367,396)	0	(1,367,396)
(488,880)	0	(488,880)
(4,727,503)	0	(4,727,503)
(1,744,360)	0	(1,744,360)
(37,275,947)	0	(37,275,947)
0	(1,501,691)	(1,501,691)
0	2,795,543	2,795,543
0	(324,179)	(324,179)
0	(304,649)	(304,649)
0	665,024	665,024
($37,275,947)	$665,024	($36,610,923)
23,203,869	0	23,203,869
5,485,821	0	5,485,821
1,796,492	0	1,796,492
19,267	0	19,267
250,661	0	250,661
4,359,527	0	4,359,527
659,587	2,655,494	3,315,081
569,497	0	569,497
3,208,403	0	3,208,403
1,773,041	(1,773,041)	0
41,326,165	882,453	42,208,618
4,050,218	1,547,477	5,597,695
68,346,694	145,983,793	214,330,487
$72,396,912	$147,531,270	$219,928,182

City of Hamilton! Ohio
Balance Sheet
Governmental Funds
December 31, 2006

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	$5,506,709	$15,712,981	$21,219,690
Receivables (net of allowance for uncollectibles):			
Taxes	7,306,338	5,533,396	12,839,734
Accounts	699,931	674,392	1,374,323
Interest	65,170	23,257	88,427
Due From Other Governments	1,459,270	1,051,624	2,510,894
Loans	0	639,099	639,099
Interfund	42,640	0	42,640
Due From Other Funds	7,414	0	7,414
Prepaid Items	510,109	71,739	581,848
Inventory	1,995	37,290	39,285
Total Assets	15,599,576	23,743,778	39,343,354
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	807,760	1,205,401	2,013,161
Accrued Wages and Benefits	515,433	41,465	556,898
Accrued Interest Payable	0	90,036	90,036
Accrued Liabilities	402,926	116,979	519,905
Interfund Payable	0	42,640	42,640
Deferred Revenue	6,032,501	6,099,827	12,132,328
Due to Other Funds	0	7,414	7,414
Intergovernmental Payable	1,506,994	69,108	1,576,102
Customer Deposits Payable	0	8,115	8,115
Special Assessment Notes Payable	0	525,000	525,000
General Obligation Notes Payable	0	6,330,000	6,330,000
Total Liabilities	9,265,614	14,535,985	23,801,599
Fund Balances:			
Reserved for Encumbrances	0	5,621,290	5,621,290
Reserved for Inventory	1,995	37,290	39,285
Reserved for Prepaid Items	510,109	71,739	581,848
Reserved for Endowments	0	75,610	75,610
Unreserved, Undesignated, Reported in:			
General Fund	5,821,858	0	5,821,858
Special Revenue Funds	0	3,699,611	3,699,611
Debt Service Funds	0	462,379	462,379
Capital Projects Funds	0	(760,126)	(760,126)
Total Fund Balances	6,333,962	9,207,793	15,541,755
Total Liabilities and Fund Balances	$15,599,576	$23,743,778	$39,343,354

See accompanying notes to the basic financial statements.

City of Hamilton! Ohio
Reconciliation of Total Governmental Fund Balance to
Net Assets of Governmental Activities
December 31, 2006

Total Governmental Fund Balance		$15,541,755
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.		91,457,890
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Income Taxes	2,511,443	
Delinquent Property Taxes	1,051,908	
Intergovernmental	1,428,432	
Other	639,224	
		5,631,007
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		241,105
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(267,875)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences	(6,231,160)	
		(6,231,160)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		398,985
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		(34,374,795)
Net Assets of Governmental Activities		$72,396,912

See accompanying notes to the basic financial statements.

City of Hamilton! Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2006

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Income Taxes	$17,850,699	$5,427,786	$23,278,485
Property and Other Taxes	5,276,159	3,320,443	8,596,602
Intergovernmental	4,535,905	6,326,122	10,862,027
Charges for Services	2,595,756	8,602,419	11,198,175
License and Permits	1,321,809	294,976	1,616,785
Investments Earnings	659,588	370,079	1,029,667
Fines and Forfeitures	1,080,921	227,258	1,308,179
Special Assessments	0	541,788	541,788
All Other Revenues	980,911	1,961,887	2,942,798
Total Revenues	34,301,748	27,072,758	61,374,506
Expenditures:			
Current:			
General Government	1,517,239	0	1,517,239
Security of Persons and Property	22,782,837	6,597,029	29,379,866
Leisure Time Activities	1,525,393	889,571	2,414,964
Community Environment	975,479	3,368,235	4,343,714
Basic Utility Services	779,697	4,468,874	5,248,571
Transportation	0	3,527,957	3,527,957
Public Health and Welfare Services	1,650,830	145,240	1,796,070
Other Expenditures	6,500,207	658,459	7,158,666
Capital Outlay	0	2,965,518	2,965,518
Debt Service:			
Principal Retirement	0	1,862,000	1,862,000
Interest and Fiscal Charges	0	1,982,479	1,982,479
Total Expenditures	35,731,682	26,465,362	62,197,044
Excess of Revenues Over (Under) Expenditures	(1,429,934)	607,396	(822,538)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	14,263	741,775	756,038
Issuance of Long-Term Capital-Related Debt	0	218,000	218,000
Transfers In	54,107	13,483,636	13,537,743
Transfers (Out)	(352,201)	(11,412,501)	(11,764,702)
Total Other Financing Sources (Uses)	(283,831)	3,030,910	2,747,079
Net Change in Fund Balance	(1,713,765)	3,638,306	1,924,541
Fund Balance Beginning of Year	8,047,264	5,576,054	13,623,318
Change in Reserve for Inventory	463	(6,567)	(6,104)
Fund Balance End of Year	$6,333,962	$9,207,793	$15,541,755

See accompanying notes to the basic financial statements.

City of Hamilton! Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2006

Net Change in Fund Balance - Total Governmental Funds			$1,924,541
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.			
Capital assets used in governmental activities		3,315,737	
Depreciation Expense		(3,398,874)	
			(83,137)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss.			(490,434)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Income Taxes	(74,616)		
Delinquent Property Taxes	494,044		
Intergovernmental	109,895		
Other	174,772		
			704,095
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.			1,862,000
In the statement of activites interest expense is accrued when incurred, whereas in governmental funds an interest expenditure is reported when due.			17,025
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Compensated Absences	304,292		
Amortization of Bond Issuance Cost	(46,694)		
Amortization of Bond Discount	(23,952)		
Change in Inventory	(6,104)		
			227,542
Adjustment to reflect the consolidation of internal service fund activities related to governmental funds.			106,586
Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets.			(218,000)
Change in Net Assets of Governmental Activities			$4,050,218

See accompanying notes to the basic financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

The City of Hamilton! Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2006

	General Fund			
	Budget			Variance Postive
	Initial	Final	Actual	(Negative)
Revenues:				
Property and Other Local Taxes	$5,700,000	$5,700,000	$5,276,159	($423,841)
Income Taxes	17,194,059	17,167,059	17,597,369	430,310
Intergovernmental	3,918,950	4,587,350	4,535,509	(51,841)
Charges for Services	3,145,505	3,247,205	2,595,756	(651,449)
Licenses and Permits	1,367,760	1,369,780	1,321,809	(47,971)
Investment Earnings	450,000	520,000	593,884	73,884
Fines and Forfeitures	1,127,039	1,127,039	1,080,921	(46,118)
Other All Revenue	159,475	691,825	777,952	86,127
Total Revenue	33,062,788	34,410,258	33,779,359	(630,899)
Expenditures:				
Current:				
Security of Persons and Property	23,462,283	23,922,409	23,268,391	654,018
Public Health and Welfare	1,965,120	1,973,855	1,728,485	245,370
Leisure Time Activities	1,585,195	1,630,097	1,573,538	56,559
Community Environment	1,040,427	1,045,409	950,023	95,386
Basic Utility Services	1,049,831	1,049,878	814,439	235,439
General Government	2,537,044	2,546,878	1,775,598	771,280
Other Expenditures	5,576,059	6,856,273	6,317,605	538,668
Total Expenditures	37,215,959	39,024,799	36,428,079	2,596,720
Excess of Revenues Over (Under) Expenditures	(4,153,171)	(4,614,541)	(2,648,720)	1,965,821
Other Financing Sources (Uses):				
Sale of Capital Assets	19,000	19,000	14,263	(4,737)
Advances (Out)	(42,640)	(69,000)	(42,640)	26,360
Transfers In	738,306	1,186,866	430,107	(756,759)
Transfers (Out)	(133,196)	(435,196)	(352,201)	82,995
Total Other Financing Sources (Uses)	581,470	701,670	49,529	(652,141)
Net Change in Fund Balance	(3,571,701)	(3,912,871)	(2,599,191)	1,313,680
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	7,062,586	7,062,586	7,062,586	0
Fund Balances at End of Year	$3,490,885	$3,149,715	$4,463,395	$1,313,680

See accompanying notes to the basic financial statements.

City of Hamilton! Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2006

	Business-Type Activities -Enterprise Funds				
	Gas	Electric	Water	Wastewater	Total Business-Type Activities
Assets:					
Equity in Pooled Cash and Investments	$4,330,140	$10,382,089	$12,125,025	$8,409,327	$35,246,581
Restricted Cash and Investments	3,122,927	7,479,597	1,267,590	2,547,719	14,417,833
Receivables (net of allowance for uncollectibles):					
Accounts	5,046,543	6,437,949	799,229	1,140,857	13,424,578
Interest	17,666	85,326	99,976	49,439	252,407
Prepaid Items	106,479	1,762,814	98,189	100,836	2,068,318
Inventory	153,690	2,801,735	135,739	2,076	3,093,240
Total Current Assets	12,777,445	28,949,510	14,525,748	12,250,254	68,502,957
Deferred Bond Issuance Costs	253,716	3,791,250	235,389	283,691	4,564,046
Nondepreciable Capital Assets	1,076,358	15,025,701	7,440,896	4,051,832	27,594,787
Depreciable Capital Assets, Net	36,898,674	122,672,480	76,932,556	39,837,582	276,341,292
Total Noncurrent Assets	38,228,748	141,489,431	84,608,841	44,173,105	308,500,125
Total Assets	51,006,193	170,438,941	99,134,589	56,423,359	377,003,082
Liabilities:					
Current Liabilities:					
Accounts Payable	3,660,369	2,401,535	1,161,416	226,215	7,449,535
Accrued Wages and Benefits	20,026	159,909	46,322	41,429	267,686
Compensated Absences	105,626	524,561	235,772	215,609	1,081,568
Accrued Interest Payable	160,517	1,559,829	146,498	376,584	2,243,428
Accrued Liabilities	0	350	0	0	350
Intergovernmental Payable	26,515	200,325	66,560	53,390	346,790
Customer Deposits Payable	551,385	698,907	126,817	122,737	1,499,846
Revenue Bonds Payable - Current	1,025,000	6,175,000	545,000	1,000,000	8,745,000
General Obligation Notes Payable	4,680,000	7,020,000	3,510,000	2,700,000	17,910,000
Total Current Liabilities	10,229,438	18,740,416	5,838,385	4,735,964	39,544,203
Long-Term Liabilities:					
Compensated Absences	166,807	1,161,623	437,007	306,358	2,071,795
Revenue Bonds Payable	9,356,308	147,424,662	8,453,724	21,625,742	186,860,436
Total Noncurrent Liabilities	9,523,115	148,586,285	8,890,731	21,932,100	188,932,231
Total Liabilities	19,752,553	167,326,701	14,729,116	26,668,064	228,476,434
Net Assets:					
Invested in Capital Assets, Net of Related Debt	23,167,439	(19,130,231)	72,100,116	18,847,363	94,984,687
Restricted for:					
Debt Service	622,927	3,479,597	267,590	547,719	4,917,833
Rate Stabilization	2,500,000	4,000,000	1,000,000	2,000,000	9,500,000
Unrestricted	4,963,274	14,762,874	11,037,767	8,360,213	39,124,128
Total Net Assets	$31,253,640	$3,112,240	$84,405,473	$29,755,295	$148,526,648
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds					($995,378)
Net Assets of Business-Type Activities					$147,531,270

See accompanying notes to the basic financial statements.

Governmental Activities- Internal Service Fund
$431,495
0
0
0
59,087
22,846
513,428
0
0
61,832
61,832
575,260
228,193
73,471
271,911
0
0
117,656
0
0
0
691,231
576,470
0
576,470
1,267,701
61,832
0
0
(754,273)
($692,441)

City of Hamilton! Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2006

	Business-Type Activities -Enterprise Funds				
	Gas	Electric	Water	Wastewater	Total Business-Type Activities
Operating Revenues:					
Charges for Services	$33,233,099	$58,110,970	$13,462,643	$10,350,860	$115,157,572
Other Operating Revenues	344,618	583,805	272,597	251,808	1,452,828
Total Operating Revenues	33,577,717	58,694,775	13,735,240	10,602,668	116,610,400
Operating Expenses:					
Personal Services	1,125,210	9,015,108	3,004,582	2,241,807	15,386,707
Materials and Supplies	121,719	907,171	956,879	463,705	2,449,474
Contractual Services	1,033,101	5,423,110	3,722,708	1,794,540	11,973,459
Purchase of Gas and Electric	26,248,049	17,983,335	0	0	44,231,384
Depreciation	1,878,911	9,792,995	2,395,352	2,385,773	16,453,031
Other Operating Expenses	3,206,958	2,815,519	3,137,789	2,821,448	11,981,714
Total Operating Expenses	33,613,948	45,937,238	13,217,310	9,707,273	102,475,769
Operating Income (Loss)	(36,231)	12,757,537	517,930	895,395	14,134,631
Non-Operating Revenues (Expenses):					
Investments Earnings	478,927	900,039	720,255	556,273	2,655,494
Interest and Fiscal Charges	(783,018)	(8,370,207)	(831,011)	(1,230,442)	(11,214,678)
Gain (Loss) on Disposal of Capital Assets	(1,076,054)	(2,705,925)	(696,368)	(16,509)	(4,494,856)
Operating Grants	0	0	23,547	0	23,547
Total Non-Operating Revenues (Expenses)	(1,380,145)	(10,176,093)	(783,577)	(690,678)	(13,030,493)
Income (Loss) Before Contributions and Transfers	(1,416,376)	2,581,444	(265,647)	204,717	1,104,138
Capital Grants and Contributions	342,535	1,042,400	598,920	0	1,983,855
Transfers In	344,349	0	0	0	344,349
Transfers (Out)	(357,027)	(600,212)	(997,412)	(162,739)	(2,117,390)
Change in Net Assets	(1,086,519)	3,023,632	(664,139)	41,978	1,314,952
Net Assets Beginning of Year	32,340,159	88,608	85,069,612	29,713,317	
Net Assets End of Year	$31,253,640	$3,112,240	$84,405,473	$29,755,295	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds					$232,525
Change in Net Assets of Business-Type Activities					$1,547,477

See accompanying notes to the basic financial statements.

Governmental Activities- Internal Service Fund
$9,155,095
0
9,155,095
5,542,751
1,056,605
1,870,127
0
27,219
327,026
8,823,728
331,367
2,265
0
0
0
2,265
333,632
0
0
0
333,632
(1,026,073)
($692,441)

City of Hamilton! Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2006

	Business-Type Activities -Enterprise Funds				
	Gas	Electric	Water	Wastewater	Total Business-Type Activities
Cash Flows from Operating Activities:					
Cash Received from Customers	$37,102,967	$58,926,784	$14,053,347	$10,757,635	$120,840,733
Cash Payments to Employees	(1,285,335)	(9,565,906)	(3,107,596)	(2,491,254)	(16,450,091)
Cash Payments to Suppliers	(830,261)	(6,124,480)	(4,495,053)	(2,249,781)	(13,699,575)
Purchase of Gas and Electric	(29,993,875)	(18,989,918)	0	0	(48,983,793)
Cash Payments for Other Operating Expenses	(3,515,230)	(4,978,685)	(3,120,665)	(2,813,975)	(14,428,555)
Net Cash Provided (Used) by Operating Activities	1,478,266	19,267,795	3,330,033	3,202,625	27,278,719
Cash Flows from Noncapital Financing Activities:					
Operating Grants Received	0	0	23,547	0	23,547
Payments from Other Funds	8,746,601	19,674,710	3,625,450	2,201,483	34,248,244
Payments to Other Funds	(8,759,279)	(20,274,922)	(4,622,862)	(2,364,222)	(36,021,285)
Net Cash Provided (Used) by Noncapital Financing Activities	(12,678)	(600,212)	(973,865)	(162,739)	(1,749,494)
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	(1,218,234)	(7,781,575)	(4,468,697)	(490,810)	(13,959,316)
Debt Proceeds	9,360,000	14,040,000	7,020,000	2,700,000	33,120,000
Debt Principal Payments	(10,879,740)	(20,794,860)	(7,940,400)	(3,720,000)	(43,335,000)
Debt Interest Payments	(741,669)	(7,408,186)	(661,411)	(1,161,926)	(9,973,192)
Proceeds from Sale of Capital Assets	0	72,062	16,323	158	88,543
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,479,643)	(21,872,559)	(6,034,185)	(2,672,578)	(34,058,965)
Cash Flows from Investing Activities:					
Earnings on Investments	476,688	849,121	686,986	544,077	2,556,872
Net Cash Provided (Used) by Cash Flows from Investing Activities	476,688	849,121	686,986	544,077	2,556,872
Net Increase (Decrease) in Cash and Cash Equivalents	(1,537,367)	(2,355,855)	(2,991,031)	911,385	(5,972,868)
Cash and Cash Equivalents Beginning of Year	8,990,434	20,217,541	16,383,646	10,045,661	55,637,282
Cash and Cash Equivalents End of Year	7,453,067	17,861,686	13,392,615	10,957,046	49,664,414
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	(36,231)	12,757,537	517,930	895,395	14,134,631
Adjustments:					
Depreciation	1,878,911	9,792,995	2,395,352	2,385,773	16,453,031
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	3,525,500	231,659	318,107	154,967	4,230,233
(Increase) Decrease in Inventory	(20,574)	(754,988)	(1,291)	(527)	(777,380)
(Increase) Decrease in Prepaid Items	(7,019)	(424,873)	(7,234)	2,635	(436,491)
Increase (Decrease) in Customer Deposits Payables	49,523	75,158	12,055	11,273	148,009
Increase (Decrease) in Payables	(3,763,728)	(1,961,075)	162,421	(23,249)	(5,585,631)
Increase (Decrease) in Accrued Liabilities	(136,748)	(383,427)	(50,390)	(209,638)	(780,203)
Increase (Decrease) in Intergovernmental Payables	(11,368)	(65,191)	(16,917)	(14,004)	(107,480)
Net Cash Provided (Used) by Operating Activities	$1,478,266	$19,267,795	$3,330,033	$3,202,625	$27,278,719
Schedule of Noncash Activities:					
During the fiscal year, these amounts were received representing noncash contributions of:					
Capital Assets	$342,535	$1,042,400	$598,920	$0	$1,983,855
Change in Fair Value of Investments	(10,221)	(28,760)	12,160	14,906	0

See accompanying notes to the basic financial statements.

Governmental Activities- Internal Service Fund
$9,155,095
(5,624,281)
(3,111,286)
0
(327,524)
92,004
0
0
0
0
(21,738)
0
0
0
0
(21,738)
2,265
2,265
72,531
358,964
431,495
331,367
27,219
0
11,750
(59,087)
0
(196,760)
(12,403)
(10,082)
$92,004
$0
(454)

City of Hamilton! Ohio
Statement of Fiduciary Net Assets
Fiduciary Fund
December 31, 2006

	Agency
Assets:	
Equity in Pooled Cash and Investments	$2,343,979
Receivables (net of allowance for uncollectibles):	
Taxes	93,840
Prepaid Items	48,067
Total Assets	$2,485,886
Liabilities:	
Accounts Payable	28,254
Due to Others	429,670
Intergovernmental Payable	2,027,962
Total Liabilities	$2,485,886

See accompanying notes to the basic financial statements.

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).

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), and the Ohio-Kentucky-Indiana Regional Council of Governments (OKI). These organizations are presented in Note 17 and Note 18 to the basic financial statements and are excluded from the accompanying financial statements except as noted.

As a custodian of public funds, the City invests all public monies held on deposit in the City Treasury. In the case of the Hamilton-Indian Springs Joint Economic Development Districts (the "JEDD"), a legally separate district, the City serves as fiscal agent but the organization is not considered a part of the City. The JEDD has a five-member board of trustees for which the City appoints one member and for which the City is not financially accountable. The JEDD was formed under the auspices of Ohio Revised Code Charter 715 to facilitate commercial and economic development within a specific territory completely located within the boundaries of then Indian Springs, now Fairfield Township. The JEDD has levied an income tax equal to the income tax rate charged within the City of Hamilton (2%) on all compensation earned by employees working in the JEDD. Income tax collections net of collection expenses and refunds are first applied to District operating expenses in accordance with the District's Budget, then to any long-term maintenance set aside, with any surplus to be paid to Hamilton and Fairfield Township according to contractual percentages. The JEDD is a joint venture of the City, which is more fully explained in Note 17 to the basic financial statements. Accordingly, the activity of the JEDD is presented as agency funds (fiduciary) within the City's financial statements.

B. Basis of Presentation – Fund Accounting

The 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.

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

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: agency funds, pension trust funds, investment trust funds and private-purpose trust funds. The City has fourteen Agency funds. The City has a Rounding Up Utility Account Agency fund to account voluntary contributions from citizens and/or organizations within the City to assist elderly, needy and disabled utility customers with utility charges incurred, a Convention and Visitor's Bureau Agency Fund to account for the Hotel/Motel tax levied on guests of the City where all such tax monies are distributed to the Convention & Visitors Bureau and for which the City receives no remuneration, a Employee Taxes and Benefits Agency Fund to account for special taxes and benefits of Hamilton employees, a Ohio Board of Building Standards Assessments Agency Fund to account for monies collected and remitted on behalf of the Ohio Board of Building Standards from the Department of Planning, a Miscellaneous Collections for Others Agency Fund to account for monies received and held for others, a Unclaimed Monies Agency Fund to account for the receipt of monies unable to be returned or disbursed (the City will hold the receipts for the statutory period and then the monies will be disbursed to the State of Ohio), a Tax Collections Agency Fund to account for taxes obtained on

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

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.

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.

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 2006, 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 2006, 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.

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).

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	($1,713,765)
Adjustments:	
Revenue Accruals	(522,389)
Expenditure Accruals	(255,573)
Transfers	376,000
Advances	(42,640)
Encumbrances	(440,824)
Budget Basis	($2,599,191)

C. Equity in Pooled Cash and Investments

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.

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.

The City has invested funds in the STAR Ohio during 2006. 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, 2006.

D. 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.

E. 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:

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

F. Long-Term Obligations

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

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 recognized as a liability in the fund financial statements when they become due.

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

Obligation	Fund
General Obligation Bonds	Debt Service Fund, Parking Fund and Golf Course Fund
Special Assessment Bonds With Governmental Commitment	Debt Service Fund
Revenue Bonds	Gas Fund, Electric Fund, Water Fund and 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 and Central Services Fund

G. Compensated Absences

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

The rate of cash compensation for sick leave payout varies within specified limits under collective bargaining agreements or City ordinance. Employees hired before 1990 are paid 75% of the accumulated sick time upon retirement or death up to a maximum of 1,200 hours for employees whose normal work schedule is 40 hours per week, and up to 1,680 hours for those working a 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.

H. Pensions

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

I. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated through the process of consolidation.

J. 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, and endowments.

K. 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.

L. 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.

Of the City's $22,710,301 in restricted net assets, none were restricted by enabling legislation.

M. Unearned/Deferred Revenues

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

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but which were levied to finance fiscal year 2007 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.

N. 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.

O. 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.

NOTE 3 –ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The following funds had deficit fund balance/net assets amounts as of December 31, 2006:

Fund Name	Net Assets/Fund Balances Deficit
Nonmajor Governmental Funds	
Special Revenue Funds:	
One Renaissance Center	$42,013
Technology Initiative	1,395,455
Miami Conservancy	322,071
Parking	411,086
Golf Course	8,184
Capital Projects Funds:	
Hamilton Enterprise Park	663,437
Infrastructure Program	338,405
Internal Service Fund	
Central Services	995,378

The deficits occurring in the One Renaissance Center, Miami Conservancy, Parking 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.

B. Compliance

Ohio Revised Code Section 5705.39 states that the total appropriation from each fund shall not exceed the total estimated resources. The following funds had appropriations exceeding estimated resources:

Transit Authority Fund	$30,000
Golf Course Fund	24,739

Ohio Revised Code Section 5705.41B states that no subdivision or taxing unit is to expend money unless it has been appropriated. At year end the following funds had disbursements exceeding appropriations at the legal level of control:

One Renaissance Center Fund	$7,822
Stormwater Management Fund	49,347

Ohio Revised Code Section 5705.10 provides that money paid into any fund shall be used only for purposes for which such fund is established. The following funds had negative budgetary fund balances at year end:

One Renaissance Center Fund	$10,504
Golf Course Fund	53,063
Clean Ohio Grants Program Fund	523,198

NOTE 4 – EQUITY IN POOLED CASH 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;

- 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.

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, 2006, $14,431,450 of the City's bank balance of $14,831,450 was exposed to custodial credit risk since it was uninsured and uncollaterized.

B. Investments

The City's investments at December 31, 2006 are summarized below:

Categorized Investments	Fair Value	Average Maturity (years)	Concentration of Credit Risk	Credit Rating (S&P)
Federal Home Loan Bank	$32,017,963	1.39	52.66%	AAA
Federal Home Loan Mortgage Corporation	5,195,040	1.98	8.63%	AAA
Federal Home Loan Mortgage Corporation – Discount Note	3,974,610	0.37	6.35%	AAA
Federal National Mortgage Association	2,569,948	0.32	4.22%	AAA
Federal National Mortgage Association – Discount Note	3,974,610	0.41	7.83%	AAA
Federal Farm Credit	1,139,921	2.68	1.86%	AAA
U.S. Treasury Funds	74,854	N/A	0.12%	AAA
Money Market Mutual Funds	24,678	N/A	0.04%	AAA
STAR Ohio	11,149,238	N/A	18.29%	AAAm
Total Investments	$60,120,862			

Custodial Credit Risk

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

Interest Rate Risk

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

Credit Risk

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

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 2006 were levied after October 1, 2006 on assessed values as of January 1, 2006, 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 tangible personal property tax will phase out over a four-year period starting with tax year 2006 and ending in 2009. This phase-out applies to most businesses and includes furniture and fixtures, machinery and equipment and inventory. New manufacturing machinery and equipment first reported on the 2006 and subsequent year returns is not subject to the personal property tax.

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, 2006 was $7.16 per $1,000 of assessed value. The assessed value upon which the 2006 receipts were based was $952,614,470. This amount constitutes $894,319,760 in real property assessed value, $7,410,550 in public utility assessed value and $50,884,160 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.

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.

NOTE 6 – RECEIVABLES

Receivables at December 31, 2006 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, 2006, 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, 2006 as follows:

ACCOUNTS RECEIVABLE
As of December 31, 2006

	Gas	Electric	Water	Wastewater	Business-Type Activities
Earned and unbilled consumer accounts	$2,372,883	$2,965,988	$295,063	$351,701	$5,985,635
Earned and billed consumer accounts	7,343,363	9,341,258	1,527,916	2,380,032	20,592,569
Other	6,627	205,109	77,694	4,598	294,028
Less allowance for uncollectible accounts	(4,676,330)	(6,074,407)	(1,101,444)	(1,595,474)	(13,447,655)
Accounts Receivable	5,046,543	6,437,948	799,229	1,140,857	13,424,577
Accrued Interest Receivable	17,666	85,326	99,976	49,439	252,407
Total Receivables :	$5,064,209	$6,523,274	$899,205	$1,190,296	$13,676,984

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.

Starting in the late 90's, economic conditions took a downward turn in Hamilton, due to a number of business closures, having a direct negative impact upon the hotel operations. While conditions stabilized and have improved since that time, the hotel continued to struggle. The hotel went through foreclosure proceedings and was subsequently sold at sheriff sale on February 22, 2006 to HCF Properties, LLC, ("HCF"), a venture of the Hamilton Community Foundation. HCF purchased all property of the hotel, including real estate and personal property. At that time, all mortgages and security positions of the creditors were released, including those associated with the City loan and note. Therefore, as of that date, the City no longer holds any security position in or right to collect from the Hamiltonian Hotel.

NOTE 8 – TRANSFERS

Following is a summary of transfers in and out for all funds for 2006:

Fund	Transfers In	Transfers Out
Major Funds:		
General	$54,107	$352,201
Gas	344,349	357,027
Electric	0	600,212
Water	0	997,412
Wastewater	0	162,739
Other Governmental Funds	13,483,636	11,412,501
Total All Funds	$13,882,092	$13,882,092

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, 2006, is as follows:

Fund	Interfund Receivable	Interfund Payable	Due from Other Funds	Due to Other Funds
Major Funds:				
General Fund	$42,640	$0	$7,414	$0
Other Governmental Funds	0	42,640	0	7,414
Total All Funds	$42,640	$42,640	$7,414	$7,414

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 12/31/05	Increases	Decreases	Balance 12/31/06
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	$21,867,474	$245,548	$194,694	$21,918,328
Construction in Progress	9,127,047	1,319,647	306,561	10,140,133
Total capital assets, not being depreciated	30,994,521	1,565,195	501,255	32,058,461
Capital Assets, being depreciated:				
Buildings and Improvements	38,339,960	202,010	0	38,541,970
Machinery and Equipment	19,592,892	1,612,873	529,404	20,676,361
Infrastructure	140,555,135	242,220	0	140,797,355
Total capital assets being depreciated	198,487,987	2,057,103	529,404	200,015,686
Less Accumulated Depreciation For:				
Buildings and Improvements	10,410,663	554,165	0	10,964,828
Machinery and Equipment	12,861,381	1,118,748	232,360	13,747,769
Infrastructure	114,179,001	1,725,961	1,302	115,903,660
Total Accumulated Depreciation	137,451,045	3,398,874	233,662	140,616,257
Total capital assets, being depreciated, net	61,036,942	(1,341,771)	295,742	59,399,429
Governmental Activities Capital Assets, Net	$92,031,463	$223,424	$796,997	$91,457,890

	Balance 12/31/05	Increases	Decreases	Balance 12/31/06
Business Type Activities:				
Capital Assets, not being depreciated				
Land	$7,071,998	$47,492	$0	$7,119,490
Construction in Progress	24,463,884	7,193,486	11,182,073	20,475,297
Total capital assets, not being depreciated	31,535,882	7,240,978	11,182,073	27,594,787
Capital Assets, being depreciated				
Buildings and Improvements	91,360,703	860,137	0	92,220,840
Machinery and Equipment	503,244,673	19,024,129	8,251,607	514,017,195
Total capital assets, being depreciated	594,605,376	19,884,266	8,251,607	606,238,035
Less Accumulated Depreciation For:				
Buildings and Improvements	47,439,632	1,765,237	0	49,204,869
Machinery and Equipment	269,672,288	14,687,794	3,668,208	280,691,874
Total Accumulated Depreciation	317,111,920	16,453,031	3,668,208	329,896,743
Total capital assets, being depreciated, net	277,493,456	3,431,235	4,583,399	276,341,292
Business Type Activities Capital Assets, Net	$309,029,338	$10,672,213	$15,765,472	$303,936,079

Governmental Activities:	
Security of Persons and Property	$748,724
Public Health and Welfare	18,397
Leisure Time Activities	234,843
Community Environment	3,688
Basic Utility Services	980
Transportation, including depreciation of general infrastructure assets	1,863,271
General Government	528,971
Total Depreciation Expense - governmental activities	3,398,874
Business Type Activities:	
Gas	1,878,911
Electric	9,792,995
Water	2,395,352
Wastewater	2,385,773
Total Depreciation Expense - business-type activities	$16,453,031

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. Ohio Public Employees Retirement System (OPERS)

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the OPERS, a cost sharing multiple employer defined benefit pension plan. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan.

2. The Member-Directed Plan – 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.

3. The Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension 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.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not quality for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2006, member and employer contribution rates were consistent across all three plans. The 2006 member contribution rates were 9.0% for members in state, local, and public safety classifications. The 2006 employer contribution rate for local government employer units was 13.70% of covered payroll. The City's contributions to the OPERS for the years ending December 31, 2006, 2005, and 2004 were $3,782,960, $3,578,911, and $3,329,941, respectively, which were equal to the required contributions for each year.

The Ohio Public Employees Retirement System (OPERS) provides retirement, disability, survivor, and postretirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for postretirement health care coverage, age and service retirees must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The current year employer contribution rate was 13.70 percent of covered payroll; 4.50 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rates plus an additional factor ranging from .50 percent to 6 percent for the next 9 years. In subsequent years (10 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

At December 31, 2006, the number of active contributing participants in the Traditional and Combined Plans totaled 369,214. The City's actual contributions for the current year, which were used to fund postemployment benefits were $1,242,702. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were $11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were $31.3 billion and $20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective 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 and January 1, 2007, 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.

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 publicly available 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, 2006, 2005, and 2004, were $1,540,097, $1,506,130, and $1,281,447, for police and $1,789,246, $1,729,387, and $1,554,804, for firefighters, respectively, or 79% of the required contributions for 2006, and 100% of the required contributions for 2005 and 2004.

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, 2005, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,922 for police and 10,537 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, 2005 were $108,039,449, which was net of member contributions of $55,271,881. The portion of the City's contributions for the year 2006, that was used to pay post-employment benefits, was $611,418 for police and $577,927 for firefighters.

NOTE 12 – NOTES PAYABLE

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

THIS SPACE INTENTIONALLY LEFT BLANK

		Balance January 1, 2006	Issued	(Retired)	Balance December 31, 2006
Governmental Activities :					
Special Revenue Notes Payable:					
4.50%	Various Purpose Technology Improv.	$3,350,000	$4,250,000	($6,075,000)	$1,525,000
4.50%	South Hamilton Crossing	450,000	1,150,000	(900,000)	700,000
4.50%	McDulin Parking Garage Improv.	600,000	1,700,000	(1,450,000)	850,000
4.50%	Vehicle Acquisition Notes	250,000	0	(250,000)	0
	Total Special Revenue Notes Payable	4,650,000	7,100,000	(8,675,000)	3,075,000
Capital Projects Notes Payable:					
4.50%	Roadway Improvement T.I.F. II	75,000	100,000	(125,000)	50,000
3.85%	Hamilton Enterprise Park R.E.Acq.	1,650,000	2,225,000	(3,020,000)	855,000
4.50%	Mosler site shoppes T.I.F.	0	850,000	(300,000)	550,000
4.50%	Road Projects	1,100,000	2,200,000	(2,200,000)	1,100,000
4.50%	Criminal Justice Facility Phase I	300,000	600,000	(600,000)	300,000
4.50%	Criminal Justice Facility Phase II	400,000	800,000	(800,000)	400,000
	Total Capital Projects Notes Payable	3,525,000	6,775,000	(7,045,000)	3,255,000
Special Assessments Notes Payable:					
4.50%	2005 Resufacing & sidewalk program	0	525,000	0	525,000
4.50%	2004 Resufacing & sidewalk program	500,000	500,000	(1,000,000)	0
	Total Special Assessments Notes Payable	500,000	1,025,000	(1,000,000)	525,000
Business Type Activities :					
Enterprise Notes Payable:					
4.50%	Gas System Improvement 2004	800,000	1,440,000	(1,520,000)	720,000
4.50%	Gas System Improvement 2005	1,300,000	2,340,000	(2,470,000)	1,170,000
4.25%	AMR System 2005 B.A.N.'s (Gas)	3,099,740	5,580,000	(5,889,740)	2,790,000
4.25%	AMR System 2005 B.A.N.'s (Electric)	2,799,860	5,040,000	(5,319,860)	2,520,000
4.50%	Electric System Improvement 2004	2,000,000	3,600,000	(3,800,000)	1,800,000
4.50%	Electric System Improvement 2005	3,000,000	5,400,000	(5,700,000)	2,700,000
4.25%	AMR System 2005 B.A.N.'s (Water)	3,900,400	7,020,000	(7,410,400)	3,510,000
4.25%	Wastewater Series A 2003	1,550,000	1,500,000	(1,550,000)	1,500,000
4.25%	Wastewater Series B 2003	1,200,000	1,200,000	(1,200,000)	1,200,000
	Total Enterprise Notes Payable	19,650,000	33,120,000	(34,860,000)	17,910,000
	Total Notes Payable	$28,325,000	$48,020,000	($51,580,000)	$24,765,000

NOTE 13 – LONG-TERM DEBT AND CHANGES IN LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2006 were as follows:

Issue Date	Interest Rate	Description	Maturity Date	Balance January 1, 2006	Additions	Reductions	Balance December 31, 2006	Due Within One Year
Governmental activities:								
Bonds payable:								
General Obligation Bonds:								
2003	2% - 3.75%	Road Improvement	2016	$3,025,000	$0	($235,000)	$2,790,000	$240,000
2002	2.25% - 4.70%	Various Purpose Series A	2017	5,545,000	0	(375,000)	5,170,000	385,000
2002	2.25% - 4.70%	Various Purpose Series B	2012	735,000	0	(30,000)	705,000	30,000
1997	4.99%	Golf	2012	1,265,000	0	(155,000)	1,110,000	165,000
2001	5.00%	One Renaissance Center	2026	20,290,000	0	(600,000)	19,690,000	620,000
1999	4.96%	Police & Fire Pension Refunding	2021	2,745,000	0	(120,000)	2,625,000	125,000
	Total General Obligation Bonds			33,605,000	0	(1,515,000)	32,090,000	1,565,000
Special Assessment Bonds:								
2006	4.75%	Various Purpose 2006 Resurfacing	2011	0	218,000	0	218,000	38,000
2005	3.96%	Main Street Area Streetscape	2010	45,000	0	0	45,000	5,000
2005	3.43%	Various Purpose 2005 Resurfacing	2010	200,000	0	(35,000)	165,000	40,000
2002	2.25% - 4.70%	Various Purpose Series B	2012	215,000	0	(105,000)	110,000	110,000
2003	3.15% - 3.50%	Various Purpose 2000/2001 Sidewalk	2008	45,000	0	(15,000)	30,000	15,000
2003	3.15% - 3.50%	Various Purpose 2001 Resurfacing	2008	30,000	0	(10,000)	20,000	10,000
2003	3.15% - 3.50%	Various Purpose 2002 Resurfacing	2008	6,000	0	(2,000)	4,000	2,000
2003	3.15% - 5.25%	Shaffer's Creek Sanitary Sewer	2023	185,000	0	(5,000)	180,000	10,000
1998	4.67%	Various Purpose Series 1998	2018	745,000	0	(40,000)	705,000	45,000
2000	5.34%	Various Purpose Series 2000	2020	270,000	0	(10,000)	260,000	15,000
2001	4.95%	Various Purpose Series 2001	2021	835,000	0	(125,000)	710,000	30,000
	Total Special Assessment Bonds (with Governmental Commitment)			2,576,000	218,000	(347,000)	2,447,000	320,000
Less deferred amounts:								
		For issuance discounts		(186,157)	0	23,952	(162,205)	0
	Total Bonds Payable			35,994,843	218,000	(1,838,048)	34,374,795	1,885,000
Compensated absences				6,659,147	1,463,732	(1,797,319)	6,325,560	1,839,836
	Governmental Activities Long-term liabilities			$42,653,990	$1,681,732	($3,635,367)	$40,700,355	$3,724,836

The principal amount of the City's special assessment bonds outstanding was $2,477,000. 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 $462,379 in the Debt Service Fund at December 31, 2006 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 $205,865,000 at December 31, 2006.

Issue Date	Interest Rate	Description	Maturity Date	Balance January 1, 2006	Additions	Reductions	Balance December 31, 2006	Due Within One Year
Business-type activities:								
Mortgage Revenue Bonds:								
2003	2.0% - 5.00%	Gas Refunding	2015	$11,755,000	$0	($1,000,000)	$10,755,000	$1,025,000
2005	2.50% - 4.700%	Electric series	2025	167,545,000	0	(5,975,000)	161,570,000	6,175,000
2002	4.39%	Water Revenue Refunding	2021	11,410,000	0	(530,000)	10,880,000	545,000
2005	3.00% - 5.250%	Wastewater Refunding	2023	23,630,000	0	(970,000)	22,660,000	1,000,000
		Total Mortgage Revenue Bonds		214,340,000	0	(8,475,000)	205,865,000	8,745,000
Less deferred amounts:								
		For deferred charge – refunding		(12,339,185)	0	1,173,464	(11,165,721)	0
		For issuance discounts/premium		1,037,407	0	(131,250)	906,157	0
	Total Bonds Payable			203,038,222	0	(7,432,786)	195,605,436	8,745,000
Compensated absences				4,689,750	522,342	(1,304,749)	3,907,343	1,322,964
		Business-type activity Long-term liabilities		$207,727,972	$522,342	($8,737,535)	$199,512,779	$10,067,964

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

A. Future Long-Term Financing Requirements

A summary of the City's long-term debt funding requirements as of December 31, 2006 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 and special assessment bonds are as follows:

	Governmental Activities					
	General Obligation Bonds			Special Assessment Bonds		
Years	Principal	Interest	Total	Principal	Interest	Total
2007	$1,565,000	$1,476,001	$3,041,001	$320,000	$121,101	$441,101
2008	1,710,000	1,420,869	3,130,869	222,000	106,615	328,615
2009	1,775,000	1,358,112	3,133,112	200,000	97,613	297,613
2010	1,850,000	1,289,926	3,139,926	210,000	89,070	299,070
2011	1,920,000	1,216,106	3,136,106	175,000	80,020	255,020
2012-2016	9,375,000	4,872,084	14,247,084	695,000	290,015	985,015
2017-2021	7,040,000	2,784,205	9,824,205	595,000	98,103	693,103
2022-2026	6,855,000	1,062,000	7,917,000	30,000	2,363	32,363
Totals	$32,090,000	$15,479,303	$47,569,303	$2,447,000	$884,900	$3,331,900

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

	Business-Type Activities		
		Revenue Bonds	
Years	Principal	Interest	Total
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	9,950,000	7,626,591	17,576,591
2012-2016	54,040,000	31,653,957	85,693,957
2017-2021	58,290,000	19,385,093	77,675,093
2022-2026	46,890,000	5,572,658	52,462,658
Totals	$205,865,000	$97,958,988	$303,823,988

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, 2006, there were five series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of $6,845,667.

NOTE 14 – 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**
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 Claims made Retroactive 4/86 Combined Products Liability Completed Operations Liability Failure to Supply Liability Pollution Liability Medical Malpractice Liability	**$75,000,000**	**Limit**
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 Named Brownsfield Location – Leshner 10 Year Term	**$5,000,000**	**Limit**
Pollution Legal Liability Named Brownsfield Location – Mercy Hospital 5 Year Term	**$3,000,000**	**Limit**

Settled claims have not exceeded coverage in any of the last three years. The City had no reduction in coverage in 2006.

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 2006. The City also maintains premium based insurance coverage through the Ohio Bureau of Worker's Compensation to mitigate job related illness and injury.

NOTE 15 – CONTRACTUAL COMMITMENTS

As of December 31, 2006, 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, 2006:

Vendor	Contractual Commitment
Cincinnati Bulk Terminals LLC	$3,246,776
Atmos Energy Marketing LLC	3,000,000
AMP Ohio Inc	2,039,789
J & L Management Corporation	1,875,445
Welsh Excavation Company Inc	855,951
Miller R A Construction Co	770,308
SK Construction Company	597,646
Okind dba SilverHawke Const	496,298
McCormick Robert dba Shawnee	450,000
Mid Ohio Pipeline Company	433,477
Municipal Energy Services Agc	401,624
Brown Barry L Paving	362,499
Total	$14,529,813

NOTE 16 – CONTINGENCIES

A. Litigation

Various claims and lawsuits are pending against the City. With the possible exception described in the following paragraph, the City believes that the ultimate disposition of such claims and lawsuits will not have a material adverse effect on the City's financial position.

The Ohio Environmental Protection Agency (EPA) alleged, in previous years, that sanitary sewer overflows from the City's sanitary sewer collection system were violations of the Federal Clean Water Act and analogous State law. Federal agencies have pursued similar enforcement actions nationally against public wastewater treatment systems. The City contested this action and the initial remedial measures proposed by the State. Negotiations to resolve the enforcement action through the entry of a mutually agreeable Consent Decree began in 1997. In January 2007 a proposed Consent Decree was executed with the Ohio EPA in which the City agreed to undertake certain remedial measures to eliminate and/or reduce sanitary sewer overflow occurrences. A Consent Decree has been executed by the City and the Ohio EPA. Costs of these remedial measures are estimated at $30 million and are to be completed prior to October 2014. The costs for fiscal 2006 are included in the City's budget and capital improvements program. The City also agreed to pay civil penalties totaling $102,000 and these costs were accrued in 2006.

B. Federal and State Grants

For the period January 1, 2006 to December 31, 2006, 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 17 – JOINT VENTURES

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

A. Hamilton-Indian Springs Joint Economic Development Districts

In 1996, a Joint Economic Development District (JEDD) between the City of Hamilton and Fairfield Township was approved by Fairfield Township voters. It set aside over 200 acres of prime land, zoned for business and industrial, to be serviced jointly as specified in the contract and marketed for commercial/industrial development. 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 2006, 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.

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 2006:

	2006
Annual Capacity	$1,165,798
Power Purchases	4,032,840
Total Payments – OMEGA JV2	$5,198,638

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 18 – JOINTLY GOVERNED ORGANIZATIONS

The City of Hamilton is a member of a number of Jointly Governed Organizations as described in GASB Statement No. 14, The Financial Reporting Entity. The following is a list of organizations and a brief description of each Jointly Governed Organization.

A. Amp 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.

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

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

C. Transportation Improvement District of Butler County

The Transportation Improvement District of Butler County (TID), a jointly governed organization, provides the opportunity to construct roads, bridges, and accompanying improvements within the County. The TID's Board of Trustees, which consists of representatives from Butler County, two cities and three townships, oversees the operation of the District. The continued existence of the TID is not dependent upon the City of Hamilton's continued participation and the City of Hamilton has no equity interest in the Transportation Improvement District. Complete financial statements can be obtained from the Transportation Improvement District, 315 High Street, Hamilton, Ohio 45011.

D. Butler County Emergency Management Agency

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

E. Hamilton Community Improvement Corporation

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

F. Hamilton Economic Development Corporation

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

G. Ohio-Kentucky-Indiana Regional Council of Governments

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

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

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

NOTE 19 – ENTERPRISE 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 2006, the Electric Fund purchased $562,000 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 $942,000 and $524,000 respectively during 2006. 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 2006, and the estimated operating cost of supplying these free services was $1,064,000 for the year ending December 31, 2006.

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 2006.

	Gas	Electric	Water	Wastewater
Administrative cost (Gen. Fund)	$961,000	$1,035,000	$926,000	$949,000
Central Service charges	1,372,000	1,927,000	1,687,000	1,260,000
Fleet Maintenance Chargebacks	177,000	168,000	162,000	-0-
Total	$2,510,000	$3,130,000	$2,775,000	$2,209,000

NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2006, the City has implemented GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section"; GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

Statement No. 44 establishes the objectives of the statistical section and provides guidance on the preparation of the statistical section.

Statement No. 46 establishes that any amount of the primary government's net assets at the end of the reporting period restricted by enabling legislation should be disclosed in the notes to the financial statements.

Statement No. 47 provides guidance to governmental employers for measuring, recognizing, and reporting liabilities and expenses/expenditures related to all termination benefits without limitation as to the period of time during which the benefits are offered.

There was no effect on fund balance/net assets as a result of the implementation of these new standards.

NOTE 21 – SUBSEQUENT EVENTS

A. Bond Anticipation Note Activity

In January 2007, the City issued a combined $2,430,000 in bond anticipation notes that provided funding to rollover a $2,750,000 bond anticipation originally 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.

The City issued $900,000 of Bond Anticipation Notes in anticipation of the issuance of bonds. The proceeds of the notes will be used to finance the construction of road extensions in the Hamilton Enterprise Park. The notes are dated March 21, 2007 with an interest rate of 4.10%, payable at maturity, and maturing on September 14, 2007.

B. Industrial Development Revenue Bonds

On March 28, 2007, City Council approved the issuance of not-to-exceed $4,000,000 variable rate Industrial Development Revenue Bonds to provide financial assistance to Sensus LLC to acquire and install certain manufacturing facilities. The bonds are secured by the pledge of revenues by Sensus LLC. The City is not obligated in any manner for the repayment of the bonds.

Combining Statements And Individual Fund Schedules

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2006

	General Fund			
	Budget			Variance Postive
	Initial	Final	Actual	(Negative)
Revenues:				
Property and Other Local Taxes	$5,700,000	$5,700,000	$5,276,159	($423,841)
Income Taxes	17,194,059	17,167,059	17,597,369	430,310
Intergovernmental	3,918,950	4,587,350	4,535,509	(51,841)
Charges for Services	3,145,505	3,247,205	2,595,756	(651,449)
Licenses and Permits	1,367,760	1,369,780	1,321,809	(47,971)
Investment Earnings	450,000	520,000	593,884	73,884
Fines and Forfeitures	1,127,039	1,127,039	1,080,921	(46,118)
Other All Revenue	159,475	691,825	777,952	86,127
Total Revenue	33,062,788	34,410,258	33,779,359	(630,899)
Expenditures:				
Current:				
Security of Persons and Property:				
Municipal Court				
Personal Services	1,134,937	1,134,922	1,098,968	35,954
Other	437,476	437,476	355,696	81,780
Total Municipal Court	1,572,413	1,572,398	1,454,664	117,734
Police				
Personal Services	8,459,503	8,464,046	8,434,390	29,656
Other	765,971	1,216,979	1,183,166	33,813
Total Police	9,225,474	9,681,025	9,617,556	63,469
Civilian Dispatch				
Personal Services	1,078,932	1,078,939	1,013,343	65,596
Other	57,697	58,364	53,672	4,692
Total Civilian Dispatch	1,136,629	1,137,303	1,067,015	70,288
School Crossing Guards				
Other	1,000	1,000	211	789
Total School Crossing Guards	1,000	1,000	211	789
Building Maintenance - Criminal Justice				
Other	199,266	200,064	187,096	12,968
Total Building Maintenance - Criminal Justice	199,266	200,064	187,096	12,968
Corrections				
Personal Services	529,673	599,787	589,566	10,221
Other	488,500	418,500	179,236	239,264
Total Corrections	1,018,173	1,018,287	768,802	249,485
Police - Citizens				
Other	4,837	4,837	1,672	3,165
Total Police - Citizens	4,837	4,837	1,672	3,165
Fire				
Personal Services	7,474,636	7,477,643	7,445,281	32,362
Other	361,890	361,895	404,757	(42,862)
Total Fire	7,836,526	7,839,538	7,850,038	(10,500)

(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, 2006

	General Fund			
	Budget			Variance Postive
	Initial	Final	Actual	(Negative)
Fire - Building				
Other	318,979	318,979	255,034	63,945
Total Fire - Building	318,979	318,979	255,034	63,945
Fire - Paramedics				
Personal Services	1,884,723	1,884,714	1,846,231	38,483
Other	264,263	264,264	220,072	44,192
Total Fire - Paramedics	2,148,986	2,148,978	2,066,303	82,675
Total Security of Persons and Property	23,462,283	23,922,409	23,268,391	654,018
Public Health and Welfare Services:				
Health				
Personal Services	1,371,034	1,379,747	1,206,023	173,724
Other	586,608	586,630	522,092	64,538
Capital Outlay	7,478	7,478	370	7,108
Total Public Health and Welfare	1,965,120	1,973,855	1,728,485	245,370
Leisure Time Activities				
Parks and Recreation - Adminstration				
Personal Services	186,999	187,078	204,090	(17,012)
Other	21,505	21,509	19,398	2,111
Total Parks and Recreation - Adminstration	208,504	208,587	223,488	(14,901)
Playground Programs				
Personal Services	4,828	4,826	5,811	(985)
Other	9,151	20,005	20,431	(426)
Total Playground Programs	13,979	24,831	26,242	(1,411)
Outdoor Athletic Program				
Personal Services	229,863	229,940	190,315	39,625
Other	37,405	37,551	54,881	(17,330)
Total Outdoor Athletic Program	267,268	267,491	245,196	22,295
Swimming Pools				
Personal Services	5,225	5,225	0	5,225
Other	72,975	76,275	80,097	(3,822)
Total Swimming Pools	78,200	81,500	80,097	1,403
Parks and Playgrounds Maintenance				
Personal Services	588,374	588,303	560,812	27,491
Other	290,876	286,744	262,558	24,186
Total Parks and Playgrounds Maintenance	879,250	875,047	823,370	51,677
Community Center				
Other	109,263	126,528	126,992	(464)
Total Community Center	109,263	126,528	126,992	(464)

(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, 2006

	General Fund			
	Budget			Variance Postive
	Initial	Final	Actual	(Negative)
Colligan				
Personal Services	9,236	26,618	24,445	2,173
Other	19,495	19,495	23,708	(4,213)
Total Colligan	28,731	46,113	48,153	(2,040)
Total Leisure Time Activities	1,585,195	1,630,097	1,573,538	56,559
Community Environment				
Construction Services				
Personal Services	522,390	522,495	436,927	85,568
Other	73,264	73,264	71,814	1,450
Total Construction Services	595,654	595,759	508,741	87,018
Department of Planning				
Personal Services	125,068	125,042	103,220	21,822
Other	37,951	37,951	27,548	10,403
Total Department of Planning	163,019	162,993	130,768	32,225
Department of Human Relations				
Personal Services	173,537	178,424	180,312	(1,888)
Other	108,217	108,233	130,202	(21,969)
Total Department of Human Relations	281,754	286,657	310,514	(23,857)
Total Community Environment	1,040,427	1,045,409	950,023	95,386
Basic Utility Services				
Public Works - Administration				
Personal Services	72,345	72,385	65,179	7,206
Other	8,103	8,103	8,448	(345)
Total Public Works - Administration	80,448	80,488	73,627	6,861
Engineering				
Personal Services	439,438	439,432	337,656	101,776
Other	63,457	63,457	46,140	17,317
Total Engineering	502,895	502,889	383,796	119,093
Maintenance of Storm Sewers				
Other	161,929	161,929	162,155	(226)
Total Maintenance of Storm Sewers	161,929	161,929	162,155	(226)
Public Works - Maintenance				
Personal Services	163,795	163,808	88,968	74,840
Other	140,764	140,764	105,893	34,871
Total Public Works - Maintenance	304,559	304,572	194,861	109,711
Total Basic Utility Services	1,049,831	1,049,878	814,439	235,439

(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, 2006

	General Fund			
	Budget			Variance Postive
	Initial	Final	Actual	(Negative)
General Government				
City Council				
Personal Services	10,836	12,807	15,822	(3,015)
Other	13,751	13,755	6,902	6,853
Total City Council	24,587	26,562	22,724	3,838
City Clerk				
Personal Services	20,442	20,526	19,073	1,453
Other	19,849	19,849	9,119	10,730
Total City Clerk	40,291	40,375	28,192	12,183
Team Hamilton				
Other	1,000	1,000	0	1,000
Total Team Hamilton	1,000	1,000	0	1,000
City Manager				
Personal Services	47,168	51,659	51,291	368
Other	14,439	14,439	9,053	5,386
Total City Manager	61,607	66,098	60,344	5,754
Finance - Cashiers				
Personal Services	17,166	19,134	19,462	(328)
Other	4,000	7,000	6,733	267
Total Finance - Cashiers	21,166	26,134	26,195	(61)
NDD				
Personal Services	32,277	32,305	33,677	(1,372)
Other	63,993	63,993	59,053	4,940
Total NDD	96,270	96,298	92,730	3,568
Deputy City Manager - Operations				
Other	0	0	29	(29)
Total Deputy City Manager - Operations	0	0	29	(29)
Department of Law				
Personal Services	102,947	103,007	97,378	5,629
Other	53,456	53,456	21,644	31,812
Total Department of Law	156,403	156,463	119,022	37,441
Department of Civil Service				
Personal Services	126,613	126,631	38,879	87,752
Other	27,968	27,968	15,262	12,706
Total Department of Civil Service	154,581	154,599	54,141	100,458
Finance - Administration				
Personal Services	261,991	261,962	167,741	94,221
Other	48,157	48,150	35,996	12,154
Total Finance - Administration	310,148	310,112	203,737	106,375

(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, 2006

	General Fund			
	Budget			Variance Postive
	Initial	Final	Actual	(Negative)
Finance - Purchasing				
Personal Services	107,103	107,146	48,340	58,806
Other	15,808	14,817	(3,525)	18,342
Total Finance - Purchasing	122,911	121,963	44,815	77,148
Finance - Building Services				
Personal Services	138,967	138,941	10,625	128,316
Other	50,149	49,286	21,795	27,491
Total Finance - Building Services	189,116	188,227	32,420	155,807
Finance - Income Tax				
Personal Services	1,097,356	1,097,422	887,379	210,043
Other	261,608	261,625	203,870	57,755
Total Finance - Income Tax	1,358,964	1,359,047	1,091,249	267,798
Total General Government	2,537,044	2,546,878	1,775,598	771,280
Other Expenditures				
Special Appropriations - Kilowatts				
Capital Outlay	2,623,629	2,623,629	2,498,351	125,278
Total Special Appropriations - Kilowatts	2,623,629	2,623,629	2,498,351	125,278
Special Appropriations - General				
Personal Services	167,678	166,500	126,912	39,588
Other	2,599,225	3,850,536	3,524,666	325,870
Total Special Appropriations - General	2,766,903	4,017,036	3,651,578	365,458
Special Appropriations				
Personal Services	93,324	96,405	81,315	15,090
Other	92,203	119,203	86,361	32,842
Total Special Appropriations	185,527	215,608	167,676	47,932
Total Other Expenditures	5,576,059	6,856,273	6,317,605	538,668
Total Expenditures	37,215,959	39,024,799	36,428,079	2,596,720
Excess of Revenues Over (Under) Expenditures	(4,153,171)	(4,614,541)	(2,648,720)	1,965,821
Other Financing Sources (Uses):				
Sale of Capital Assets	19,000	19,000	14,263	(4,737)
Advances (Out)	(42,640)	(69,000)	(42,640)	26,360
Transfers In	738,306	1,186,866	430,107	(756,759)
Transfers (Out)	(133,196)	(435,196)	(352,201)	82,995
Total Other Financing Sources (Uses)	581,470	701,670	49,529	(652,141)
Net Change in Fund Balance	(3,571,701)	(3,912,871)	(2,599,191)	1,313,680
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	7,062,586	7,062,586	7,062,586	0
Fund Balances at End of Year	$3,490,885	$3,149,715	$4,463,395	$1,313,680

THIS PAGE INTENTIONALLY LEFT BLANK

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.

Municipal Court Improvement Fund

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

Public Safety/Health Income Tax Fund

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

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.

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.

Stormwater Management Fund

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

Refuse Fund

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

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 Authority 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.

Home Program Fund

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

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.

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.

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 Program Fund

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

Infrastructure Program Fund

To account for the purpose of improving the City's infrastructure from 2003 to 2005 with proceeds from the issuance of gasoline tax revenue general obligation bonds.

PERMANENT FUND

Benninghoffen Trust Fund

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

City of Hamilton! Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	$9,206,665	$460,372	$5,970,944	$75,000	$15,712,981
Receivables (net of allowance for uncollectibles):					
Taxes	4,264,539	385,102	883,755	0	5,533,396
Accounts	607,378	0	67,014	0	674,392
Interest	20,640	2,007	0	610	23,257
Due From Other Governments	1,051,624	0	0	0	1,051,624
Loans	639,099	0	0	0	639,099
Prepaid Items	71,739	0	0	0	71,739
Inventory	37,290	0	0	0	37,290
Total Assets	15,898,974	847,481	6,921,713	75,610	23,743,778
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	1,078,512	0	126,889	0	1,205,401
Accrued Wages and Benefits	41,465	0	0	0	41,465
Accrued Interest Payable	41,129	0	48,907	0	90,036
Accrued Liabilities	64,988	0	51,991	0	116,979
Interfund Payable	42,640	0	0	0	42,640
Deferred Revenue	5,108,476	385,102	606,249	0	6,099,827
Due to Other Funds	7,414	0	0	0	7,414
Intergovernmental Payable	69,108	0	0	0	69,108
Customer Deposits Payable	8,115	0	0	0	8,115
Special Assessment Notes Payable	0	0	525,000	0	525,000
General Obligation Notes Payable	3,075,000	0	3,255,000	0	6,330,000
Total Liabilities	9,536,847	385,102	4,614,036	0	14,535,985
Fund Balances:					
Reserved for Encumbrances	2,553,487	0	3,067,803	0	5,621,290
Reserved for Inventory	37,290	0	0	0	37,290
Reserved for Prepaid Items	71,739	0	0	0	71,739
Reserved for Endowments	0	0	0	75,610	75,610
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	3,699,611	0	0	0	3,699,611
Debt Service Funds	0	462,379	0	0	462,379
Capital Projects Funds	0	0	(760,126)	0	(760,126)
Total Fund Balances	6,362,127	462,379	2,307,677	75,610	9,207,793
Total Liabilities and Fund Balances	$15,898,974	$847,481	$6,921,713	$75,610	$23,743,778

City of Hamilton! Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Income Taxes	$3,089,430	$0	$2,338,356	$0	$5,427,786
Property and Other Taxes	3,101,235	0	219,208	0	3,320,443
Intergovernmental	5,949,632	0	376,490	0	6,326,122
Charges for Services	8,602,419	0	0	0	8,602,419
License and Permits	294,976	0	0	0	294,976
Investments Earnings	281,172	37,822	46,844	4,241	370,079
Fines and Forfeitures	227,258	0	0	0	227,258
Special Assessments	0	378,938	162,850	0	541,788
All Other Revenues	864,889	50,429	1,046,569	0	1,961,887
Total Revenues	22,411,011	467,189	4,190,317	4,241	27,072,758
Expenditures:					
Current:					
Security of Persons and Property	6,597,029	0	0	0	6,597,029
Leisure Time Activities	889,571	0	0	0	889,571
Community Environment	3,368,235	0	0	0	3,368,235
Basic Utility Services	4,468,874	0	0	0	4,468,874
Transportation	3,527,957	0	0	0	3,527,957
Public Health and Welfare Services	145,240	0	0	0	145,240
Other Expenditures	654,864	0	0	3,595	658,459
Capital Outlay	47,839	0	2,917,679	0	2,965,518
Debt Service:					
Principal Retirement	185,000	1,677,000	0	0	1,862,000
Interest and Fiscal Charges	249,622	1,572,273	160,584	0	1,982,479
Total Expenditures	20,134,231	3,249,273	3,078,263	3,595	26,465,362
Excess of Revenues Over (Under) Expenditures	2,276,780	(2,782,084)	1,112,054	646	607,396
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	0	0	741,775	0	741,775
Issuance of Long-Term Capital-Related Debt	0	0	218,000	0	218,000
Transfers In	4,835,415	6,013,617	2,634,604	0	13,483,636
Transfers (Out)	(4,746,210)	(3,300,919)	(3,365,372)	0	(11,412,501)
Total Other Financing Sources (Uses)	89,205	2,712,698	229,007	0	3,030,910
Net Change in Fund Balance	2,365,985	(69,386)	1,341,061	646	3,638,306
Fund Balance Beginning of Year	4,002,709	531,765	966,616	74,964	5,576,054
Change in Reserve for Inventory	(6,567)	0	0	0	(6,567)
Fund Balance End of Year	$6,362,127	$462,379	$2,307,677	$75,610	$9,207,793

THIS PAGE INTENTIONALLY LEFT BLANK

City of Hamilton! Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006

	One Renaissance Center	Federal Emergency Management Grant	Youth Build Grant	Municipal Court Improvement	Public Safety/ Health Income Tax
Assets:					
Equity in Pooled Cash and Investments	$0	$33,386	$943	$247,564	$600,413
Receivables (net of allowance for uncollectibles):					
Taxes	0	0	0	0	660,813
Accounts	713	0	0	0	0
Interest	0	0	0	0	0
Due From Other Governments	0	0	0	0	0
Loans	0	0	0	0	0
Prepaid Items	0	0	0	791	0
Inventory	0	0	0	0	0
Total Assets	713	33,386	943	248,355	1,261,226
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	42,726	0	0	23,428	7,484
Accrued Wages and Benefits	0	0	0	803	0
Accrued Interest Payable	0	0	0	0	0
Accrued Liabilities	0	0	0	0	64,988
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	313,930
Due to Other Funds	0	0	0	0	0
Intergovernmental Payable	0	0	0	1,207	0
Customer Deposits Payable	0	0	0	0	0
General Obligation Notes Payable	0	0	0	0	0
Total Liabilities	42,726	0	0	25,438	386,402
Fund Balances:					
Reserved for Encumbrances	0	0	0	39,212	0
Reserved for Inventory	0	0	0	0	0
Reserved for Prepaid Items	0	0	0	791	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	(42,013)	33,386	943	182,914	874,824
Total Fund Balances	(42,013)	33,386	943	222,917	874,824
Total Liabilities and Fund Balances	$713	$33,386	$943	$248,355	$1,261,226

Municipal Income Tax TIF Aggregation/ Verification	Brownfield Improvement	Weed and Seed Grant	Dispute Resolution Proceeds	Saftey Services	Police Pension	Police Levy
$295,472	$1,986	$30,090	$50,011	$502,161	$61,561	$301,354
0	0	0	0	996,649	298,977	830,280
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	29,592	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	2,091	0	0
0	0	0	0	0	0	0
295,472	1,986	59,682	50,011	1,500,901	360,538	1,131,634
0	0	7,168	0	6,375	0	0
0	0	0	0	2,234	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	42,640	0	0	0	0
0	0	0	0	996,649	298,977	830,280
0	0	0	0	0	0	0
0	0	0	0	3,220	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	49,808	0	1,008,478	298,977	830,280
0	0	23,371	0	8,917	0	0
0	0	0	0	0	0	0
0	0	0	0	2,091	0	0
295,472	1,986	(13,497)	50,011	481,415	61,561	301,354
295,472	1,986	9,874	50,011	492,423	61,561	301,354
$295,472	$1,986	$59,682	$50,011	$1,500,901	$360,538	$1,131,634

Continued

City of Hamilton! Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006

	Firemen's Pension	Emergency Medical Services Grant	Fire EMS Levy	Technology Initiative	Public Health Care Services
Assets:					
Equity in Pooled Cash and Investments	$60,011	$6,737	$170,440	$149,942	$157,221
Receivables (net of allowance for uncollectibles)					
Taxes	298,977	0	830,280	0	0
Accounts	0	0	0	0	0
Interest	0	0	0	0	0
Due From Other Governments	0	0	0	0	0
Loans	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Inventory	0	0	0	0	0
Total Assets	358,988	6,737	1,000,720	149,942	157,221
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	0	0	0	29,059
Accrued Wages and Benefits	0	0	0	0	163
Accrued Interest Payable	0	0	0	20,397	0
Accrued Liabilities	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	298,977	0	830,280	0	0
Due to Other Funds	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	369
Customer Deposits Payable	0	0	0	0	0
General Obligation Notes Payable	0	0	0	1,525,000	0
Total Liabilities	298,977	0	830,280	1,545,397	29,591
Fund Balances:					
Reserved for Encumbrances	0	4,840	0	0	0
Reserved for Inventory	0	0	0	0	0
Reserved for Prepaid Items	0	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	60,011	1,897	170,440	(1,395,455)	127,630
Total Fund Balances	60,011	6,737	170,440	(1,395,455)	127,630
Total Liabilities and Fund Balances	$358,988	$6,737	$1,000,720	$149,942	$157,221

Street And Parks Beautification	Stormwater Management	Refuse	Street Maintenance	Transit Authority	Miami Conservancy	Home Program
$66,649	$1,945,646	$134,946	$2,260,004	$0	$25,492	$521,793
0	0	0	0	0	348,563	0
0	257,906	290,370	57,771	0	0	0
0	8,487	0	9,862	0	0	0
0	0	0	883,971	0	0	0
0	0	0	0	0	0	140,835
0	2,476	2,664	29,833	0	0	0
0	0	0	34,148	0	0	0
66,649	2,214,515	427,980	3,275,589	0	374,055	662,628
1,069	170,463	209,826	21,402	0	347,563	70,316
0	5,407	1,395	15,420	0	0	303
0	0	0	9,363	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	551,596	0	348,563	140,835
0	0	0	0	0	0	0
0	7,639	2,339	26,478	0	0	0
0	0	0	0	0	0	0
0	0	0	700,000	0	0	0
1,069	183,509	213,560	1,324,259	0	696,126	211,454
0	1,315,468	0	0	0	0	413,054
0	0	0	34,148	0	0	0
0	2,476	2,664	29,833	0	0	0
65,580	713,062	211,756	1,887,349	0	(322,071)	38,120
65,580	2,031,006	214,420	1,951,330	0	(322,071)	451,174
$66,649	$2,214,515	$427,980	$3,275,589	$0	$374,055	$662,628

Continued

City of Hamilton! Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006

	Parking	Golf Course	Central Park Sports Arena	Community Development Block Grant	Total Nonmajor Special Revenue Funds
Assets:					
Equity in Pooled Cash and Investments	$524,203	$1,361	$81,495	$975,784	$9,206,665
Receivables (net of allowance for uncollectibles)					
Taxes	0	0	0	0	4,264,539
Accounts	501	117	0	0	607,378
Interest	2,291	0	0	0	20,640
Due From Other Governments	0	0	0	138,061	1,051,624
Loans	0	0	0	498,264	639,099
Prepaid Items	9,005	12,476	0	12,403	71,739
Inventory	0	3,142	0	0	37,290
Total Assets	536,000	17,096	81,495	1,624,512	15,898,974
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	63,417	10,472	0	67,744	1,078,512
Accrued Wages and Benefits	5,655	4,510	0	5,575	41,465
Accrued Interest Payable	11,369	0	0	0	41,129
Accrued Liabilities	0	0	0	0	64,988
Interfund Payable	0	0	0	0	42,640
Deferred Revenue	0	125	0	498,264	5,108,476
Due to Other Funds	0	0	0	7,414	7,414
Intergovernmental Payable	8,530	10,173	0	9,153	69,108
Customer Deposits Payable	8,115	0	0	0	8,115
General Obligation Notes Payable	850,000	0	0	0	3,075,000
Total Liabilities	947,086	25,280	0	588,150	9,536,847
Fund Balances:					
Reserved for Encumbrances	50,102	42,488	0	656,035	2,553,487
Reserved for Inventory	0	3,142	0	0	37,290
Reserved for Prepaid Items	9,005	12,476	0	12,403	71,739
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	(470,193)	(66,290)	81,495	367,924	3,699,611
Total Fund Balances	(411,086)	(8,184)	81,495	1,036,362	6,362,127
Total Liabilities and Fund Balances	$536,000	$17,096	$81,495	$1,624,512	$15,898,974

THIS PAGE INTENTIONALLY LEFT BLANK

City of Hamilton! Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2006

	One Renaissance Center	Federal Emergency Management Grant	Youth Build Grant	Municipal Court Improvement	Public Safety/ Health Income Tax
Revenues:					
Income Taxes	$0	$0	$0	$0	$2,922,947
Property and Other Taxes	0	0	0	0	0
Intergovernmental	0	217,977	0	0	0
Charges for Services	2,206,622	0	0	125,976	0
License and Permits	0	0	0	0	0
Investments Earnings	131	0	6	1,515	2,982
Fines and Forfeitures	0	0	0	85,608	0
All Other Revenues	2,081	53,892	0	214	0
Total Revenues	2,208,834	271,869	6	213,313	2,925,929
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	232,811	2,746,875
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
Transportation	0	0	0	0	0
Public Health and Welfare Services	0	0	0	0	0
Other Expenditures	651,672	3,192	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	651,672	3,192	0	232,811	2,746,875
Excess of Revenues Over (Under) Expenditures	1,557,162	268,677	6	(19,498)	179,054
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers (Out)	(1,585,978)	0	0	0	(7,500)
Total Other Financing Sources (Uses)	(1,585,978)	0	0	0	(7,500)
Net Change in Fund Balance	(28,816)	268,677	6	(19,498)	171,554
Fund Balance Beginning of Year	(13,197)	(235,291)	937	242,415	703,270
Change in Reserve for Inventory	0	0	0	0	0
Fund Balance End of Year	($42,013)	$33,386	$943	$222,917	$874,824

Municipal Income Tax TIF Aggregation/ Verification	Brownfield Improvement	Weed and Seed Grant	Dispute Resolution Proceeds	Saftey Services	Police Pension	Police Levy
$166,483	$0	$0	$0	$0	$0	$0
0	0	0	0	856,256	256,877	715,889
0	0	446,072	0	165,995	25,612	65,523
0	0	0	13,491	29,871	0	0
0	0	0	0	0	0	0
1,444	12	0	236	2,773	311	3,428
0	0	0	0	141,650	0	0
0	0	0	0	0	0	0
167,927	12	446,072	13,727	1,196,545	282,800	784,840
0	0	391,439	0	1,173,979	270,000	750,000
0	0	0	0	0	0	0
42,959	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	47,839	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
42,959	0	439,278	0	1,173,979	270,000	750,000
124,968	12	6,794	13,727	22,566	12,800	34,840
0	0	0	0	258,561	0	0
(54,107)	0	0	0	(186,660)	0	(350,000)
(54,107)	0	0	0	71,901	0	(350,000)
70,861	12	6,794	13,727	94,467	12,800	(315,160)
224,611	1,974	3,080	36,284	397,956	48,761	616,514
0	0	0	0	0	0	0
$295,472	$1,986	$9,874	$50,011	$492,423	$61,561	$301,354

Continued

City of Hamilton! Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2006

	Firemen's Pension	Emergency Medical Services Grant	Fire EMS Levy	Technology Initiative	Public Health Care Services
Revenues:					
Income Taxes	$0	$0	$0	$0	$0
Property and Other Taxes	256,877	0	715,895	0	0
Intergovernmental	25,612	3,500	65,523	0	161,536
Charges for Services	0	0	0	0	0
License and Permits	0	0	0	0	0
Investments Earnings	301	83	876	14,044	879
Fines and Forfeitures	0	0	0	0	0
All Other Revenues	0	0	0	0	18
Total Revenues	282,790	3,583	782,294	14,044	162,433
Expenditures:					
Current:					
Security of Persons and Property	270,000	11,925	750,000	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	213,147	0
Basic Utility Services	0	0	0	0	0
Transportation	0	0	0	0	0
Public Health and Welfare Services	0	0	0	0	145,240
Other Expenditures	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	109,314	0
Total Expenditures	270,000	11,925	750,000	322,461	145,240
Excess of Revenues Over (Under) Expenditures	12,790	(8,342)	32,294	(308,417)	17,193
Other Financing Sources (Uses):					
Transfers In	0	0	0	4,006,500	0
Transfers (Out)	0	0	0	(2,003,250)	0
Total Other Financing Sources (Uses)	0	0	0	2,003,250	0
Net Change in Fund Balance	12,790	(8,342)	32,294	1,694,833	17,193
Fund Balance Beginning of Year	47,221	15,079	138,146	(3,090,288)	110,437
Change in Reserve for Inventory	0	0	0	0	0
Fund Balance End of Year	$60,011	$6,737	$170,440	($1,395,455)	$127,630

Street And Parks Beautification	Stormwater Management	Refuse	Street Maintenance	Transit Authority	Miami Conservancy	Home Program
$0	$0	$0	$0	$0	$0	$0
0	0	0	0	0	299,441	0
0	0	0	2,634,252	0	29,880	214,660
0	2,135,099	2,617,655	0	0	0	0
0	0	0	294,976	0	0	0
2,496	79,009	2,087	67,004	0	218	0
0	0	0	0	0	0	0
10,349	256,318	0	125,591	0	0	126,036
12,845	2,470,426	2,619,742	3,121,823	0	329,539	340,696
0	0	0	0	0	0	0
0	0	0	0	0	0	0
6,828	0	0	0	0	347,566	716,347
0	1,783,268	2,685,606	0	0	0	0
0	0	0	2,243,553	30,000	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	3,305	0	34,682	0	0	0
6,828	1,786,573	2,685,606	2,278,235	30,000	347,566	716,347
6,017	683,853	(65,864)	843,588	(30,000)	(18,027)	(375,651)
0	0	0	134,034	30,000	0	0
0	0	0	(558,715)	0	0	0
0	0	0	(424,681)	30,000	0	0
6,017	683,853	(65,864)	418,907	0	(18,027)	(375,651)
59,563	1,347,153	280,284	1,538,053	0	(304,044)	826,825
0	0	0	(5,630)	0	0	0
$65,580	$2,031,006	$214,420	$1,951,330	$0	($322,071)	$451,174

Continued

City of Hamilton! Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2006

	Parking	Golf Course	Central Park Sports Arena	Community Development Block Grant	Total Nonmajor Special Revenue Funds
Revenues:					
Income Taxes	$0	$0	$0	$0	$3,089,430
Property and Other Taxes	0	0	0	0	3,101,235
Intergovernmental	0	0	0	1,893,490	5,949,632
Charges for Services	624,399	849,306	0	0	8,602,419
License and Permits	0	0	0	0	294,976
Investments Earnings	26,528	1,074	483	73,252	281,172
Fines and Forfeitures	0	0	0	0	227,258
All Other Revenues	9,144	26,761	2,677	251,808	864,889
Total Revenues	660,071	877,141	3,160	2,218,550	22,411,011
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	0	6,597,029
Leisure Time Activities	0	889,391	180	0	889,571
Community Environment	0	0	0	2,041,388	3,368,235
Basic Utility Services	0	0	0	0	4,468,874
Transportation	1,254,404	0	0	0	3,527,957
Public Health and Welfare Services	0	0	0	0	145,240
Other Expenditures	0	0	0	0	654,864
Capital Outlay	0	0	0	0	47,839
Debt Service:					
Principal Retirement	30,000	155,000	0	0	185,000
Interest and Fiscal Charges	39,416	62,905	0	0	249,622
Total Expenditures	1,323,820	1,107,296	180	2,041,388	20,134,231
Excess of Revenues Over (Under) Expenditures	(663,749)	(230,155)	2,980	177,162	2,276,780
Other Financing Sources (Uses):					
Transfers In	80,615	325,705	0	0	4,835,415
Transfers (Out)	0	0	0	0	(4,746,210)
Total Other Financing Sources (Uses)	80,615	325,705	0	0	89,205
Net Change in Fund Balance	(583,134)	95,550	2,980	177,162	2,365,985
Fund Balance Beginning of Year	172,048	(102,797)	78,515	859,200	4,002,709
Change in Reserve for Inventory	0	(937)	0	0	(6,567)
Fund Balance End of Year	($411,086)	($8,184)	$81,495	$1,036,362	$6,362,127

THIS PAGE INTENTIONALLY LEFT BLANK

City of Hamilton! Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2006

	Hamilton Capital Improvement	Capital Projects	Special Assessment	MITIE	Hamilton Enterprise Park
Assets:					
Equity in Pooled Cash and Investments	$1,419,955	$373,080	$684,414	$698,540	$201,347
Receivables (net of allowance for uncollectibles):					
Taxes	528,651	0	0	355,104	0
Accounts	0	0	0	0	0
Total Assets	1,948,606	373,080	684,414	1,053,644	201,347
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	35,354	8,459	348	0	0
Accrued Interest Payable	9,363	0	7,022	669	9,784
Accrued Liabilities	51,991	0	0	0	0
Deferred Revenue	251,145	0	0	355,104	0
Special Assessment Notes Payable	0	0	525,000	0	0
General Obligation Notes Payable	700,000	0	0	50,000	855,000
Total Liabilities	1,047,853	8,459	532,370	405,773	864,784
Fund Balances:					
Reserved for Encumbrances	640,697	67,443	225,691	0	0
Unreserved, Undesignated, Reported in:					
Capital Projects Funds	260,056	297,178	(73,647)	647,871	(663,437)
Total Fund Balances	900,753	364,621	152,044	647,871	(663,437)
Total Liabilities and Fund Balances	$1,948,606	$373,080	$684,414	$1,053,644	$201,347

Central Business District Streetscape Improvements	Issue II Projects	Clean Ohio Grants Program	Infrastructure Program	Total Nonmajor Capital Projects Funds
$275,786	$0	$1,525,800	$792,022	$5,970,944
0	0	0	0	883,755
0	0	0	67,014	67,014
275,786	0	1,525,800	859,036	6,921,713
0	0	0	82,728	126,889
0	0	7,356	14,713	48,907
0	0	0	0	51,991
0	0	0	0	606,249
0	0	0	0	525,000
0	0	550,000	1,100,000	3,255,000
0	0	557,356	1,197,441	4,614,036
0	0	2,047,393	86,579	3,067,803
275,786	0	(1,078,949)	(424,984)	(760,126)
275,786	0	968,444	(338,405)	2,307,677
$275,786	$0	$1,525,800	$859,036	$6,921,713

City of Hamilton! Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended December 31, 2006

	Hamilton Capital Improvement	Capital Projects	Special Assessment	MITIE	Hamilton Enterprise Park
Revenues:					
Income Taxes	$2,338,356	$0	$0	$0	$0
Property and Other Taxes	0	0	0	219,208	0
Intergovernmental	0	0	0	0	0
Investments Earnings	11,337	3,330	4,374	3,313	5,806
Special Assessments	0	0	162,850	0	0
All Other Revenues	0	0	14	0	0
Total Revenues	2,349,693	3,330	167,238	222,521	5,806
Expenditures:					
Capital Outlay	1,468,167	88,056	445,400	7,270	0
Debt Service:					
Interest and Fiscal Charges	21,282	0	22,393	4,292	50,537
Total Expenditures	1,489,449	88,056	467,793	11,562	50,537
Excess of Revenues Over (Under) Expenditures	860,244	(84,726)	(300,555)	210,959	(44,731)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	169,490	0	0	0	572,285
Issuance of Long-Term Capital-Related Debt	0	0	218,000	0	0
Transfers In	380,586	525,000	22,262	28,623	1,066,753
Transfers (Out)	(1,870,343)	0	0	(102,805)	(994,906)
Total Other Financing Sources (Uses)	(1,320,267)	525,000	240,262	(74,182)	644,132
Net Change in Fund Balance	(460,023)	440,274	(60,293)	136,777	599,401
Fund Balance Beginning of Year	1,360,776	(75,653)	212,337	511,094	(1,262,838)
Fund Balance End of Year	$900,753	$364,621	$152,044	$647,871	($663,437)

Central Business District Streetscape Improvements	Issue II Projects	Clean Ohio Grants Program	Infrastructure Program	Total Nonmajor Capital Projects Funds
$0	$0	$0	$0	$2,338,356
0	0	0	0	219,208
30,000	346,490	0	0	376,490
1,522	1,674	2,589	12,899	46,844
0	0	0	0	162,850
0	0	879,541	167,014	1,046,569
31,522	348,164	882,130	179,913	4,190,317
0	346,490	101,204	461,092	2,917,679
0	0	12,511	49,569	160,584
0	346,490	113,715	510,661	3,078,263
31,522	1,674	768,415	(330,748)	1,112,054
0	0	0	0	741,775
0	0	0	0	218,000
22,740	0	4,913	583,727	2,634,604
(22,740)	(333,443)	0	(41,135)	(3,365,372)
0	(333,443)	4,913	542,592	229,007
31,522	(331,769)	773,328	211,844	1,341,061
244,264	331,769	195,116	(550,249)	966,616
$275,786	$0	$968,444	($338,405)	$2,307,677

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, 2006

	One Renaissance Center Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Charges for Services	$2,215,985	$2,206,622	($9,363)
Investment Earnings	100	0	(100)
Other All Revenue	0	1,368	1,368
Total Revenue	2,216,085	2,207,990	(8,095)
Expenditures:			
Current:			
Other Expenditures			
Special Appropriations - General			
Other	650,723	658,562	(7,839)
Total Expenditures	650,723	658,562	(7,839)
Excess of Revenues Over (Under) Expenditures	1,565,362	1,549,428	(15,934)
Other Financing Sources (Uses):			
Transfers In	2,000	0	(2,000)
Transfers (Out)	(1,585,995)	(1,585,978)	17
Total Other Financing Sources (Uses)	(1,583,995)	(1,585,978)	(1,983)
Net Change in Fund Balance	(18,633)	(36,550)	(17,917)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	26,046	26,046	0
Fund Balances (Deficit) at End of Year	$7,413	($10,504)	($17,917)

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, 2006

	Federal Emergency Management Grant Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$251,851	$251,851	$0
Other All Revenue	53,892	53,892	0
Total Revenue	305,743	305,743	0
Expenditures:			
Current:			
Public Health and Welfare Services:			
Health			
Other	301,578	268,193	33,385
Total Expenditures	301,578	268,193	33,385
Excess of Revenues Over (Under) Expenditures	4,165	37,550	33,385
Other Financing (Uses):			
Transfers (Out)	(265,000)	(265,000)	0
Total Other Financing Sources	(265,000)	(265,000)	0
Net Change in Fund Balance	(260,835)	(227,450)	33,385
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	260,835	260,835	0
Fund Balances at End of Year	$0	$33,385	$33,385

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, 2006

	Youth Build Grant Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Property and Other Local Taxes	$0	$0	$0
Total Revenue	0	0	0
Expenditures:			
Current:			
Security of Persons and Property:			
Municipal Court			
Other	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	942	942	0
Fund Balances at End of Year	$942	$942	$0

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, 2006

	Municipal Court Improvement Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Charges for Services	$131,617	$125,976	($5,641)
Fines and Forfeitures	88,268	85,608	(2,660)
Other All Revenue	0	214	214
Total Revenue	219,885	211,798	(8,087)
Expenditures:			
Current:			
Police			
Personal Services	58,296	57,123	1,173
Other	104,500	105,058	(558)
Capital Outlay	119,327	115,008	4,319
Total Expenditures	282,123	277,189	4,934
Net Change in Fund Balance	(62,238)	(65,391)	(3,153)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	249,972	249,972	0
Fund Balances at End of Year	$187,734	$184,581	($3,153)

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, 2006

	Public Safety/ Health Income Tax Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Income Taxes	$2,768,730	$2,882,087	$113,357
Total Revenue	2,768,730	2,882,087	113,357
Expenditures:			
Current:			
Police			
Other	2,690,011	2,694,180	(4,169)
Capital Outlay	78,300	56,484	21,816
Total Expenditures	2,768,311	2,750,664	17,647
Excess of Revenues Over (Under) Expenditures	419	131,423	131,004
Other Financing Uses:			
Transfers (Out)	(7,500)	(7,500)	0
Total Other Financing Sources	(7,500)	(7,500)	0
Net Change in Fund Balance	(7,081)	123,923	131,004
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	468,375	468,375	0
Fund Balances at End of Year	$461,294	$592,298	$131,004

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, 2006

Municipal Income Tax TIF Aggregation/ Verification Fund	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Income Taxes	$135,000	$166,483	$31,483
Total Revenue	135,000	166,483	31,483
Expenditures:			
Current:			
Community Environment			
Construction Services			
Other	80,940	42,959	37,981
Total Expenditures	80,940	42,959	37,981
Excess of Revenues Over (Under) Expenditures	54,060	123,524	69,464
Other Financing Uses:			
Transfers (Out)	(54,060)	(54,107)	(47)
Total Other Financing Uses	(54,060)	(54,107)	(47)
Net Change in Fund Balance	0	69,417	69,417
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	225,744	225,744	0
Fund Balances at End of Year	$225,744	$295,161	$69,417

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, 2006

	Brownfield Improvement Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$0	$0	$0
Total Revenue	0	0	0
Expenditures:			
Current:			
Outdoor Athletic Program			
Other	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,984	1,984	0
Fund Balances at End of Year	$1,984	$1,984	$0

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, 2006

	Weed and Seed Grant Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$446,345	$429,536	($16,809)
Total Revenue	446,345	429,536	(16,809)
Expenditures:			
Current:			
Police			
Other	416,341	412,128	4,213
Capital Outlay	49,805	47,849	1,956
Total Expenditures	466,146	459,977	6,169
Excess of Revenues Over (Under) Expenditures	(19,801)	(30,441)	(10,640)
Other Financing Sources (Uses):			
Transfers In	69,000	42,640	(26,360)
Transfers (Out)	(40,000)	(40,000)	0
Total Other Financing Sources (Uses)	29,000	2,640	(26,360)
Net Change in Fund Balance	9,199	(27,801)	(37,000)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	28,238	28,238	0
Fund Balances (Deficit) at End of Year	$37,437	$437	($37,000)

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, 2006

	Dispute Resolution Proceeds Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Charges for Services	$13,500	$13,491	($9)
Total Revenue	13,500	13,491	(9)
Expenditures:			
Current:			
General Government			
City Council			
Other	3,000	0	3,000
Total Expenditures	3,000	0	3,000
Net Change in Fund Balance	10,500	13,491	2,991
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	36,467	36,467	0
Fund Balances at End of Year	$46,967	$49,958	$2,991

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, 2006

	Safety Services Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$1,047,995	$1,056,647	$8,652
Charges for Services	33,800	29,871	(3,929)
Fines and Forfeitures	147,212	141,649	(5,563)
Total Revenue	1,229,007	1,228,167	(840)
Expenditures:			
Current:			
Police			
Personal Services	207,294	170,141	37,153
Other	1,093,664	1,074,907	18,757
Capital Outlay	0	283	(283)
Total Expenditures	1,300,958	1,245,331	55,627
Excess of Revenues Over (Under) Expenditures	(71,951)	(17,164)	54,787
Other Financing Sources (Uses):			
Transfers In	258,561	258,561	0
Transfers (Out)	(245,860)	(201,660)	44,200
Total Other Financing Source (Uses)	12,701	56,901	44,200
Net Change in Fund Balance	(59,250)	39,737	98,987
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	451,271	451,271	0
Fund Balances at End of Year	$392,021	$491,008	$98,987

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, 2006

	Police Pension Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$280,000	$282,489	$2,489
Total Revenue	280,000	282,489	2,489
Expenditures:			
Current:			
Police			
Other	270,000	270,000	0
Total Expenditures	270,000	270,000	0
Net Change in Fund Balance	10,000	12,489	2,489
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	49,005	49,005	0
Fund Balances at End of Year	$59,005	$61,494	$2,489

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, 2006

	Police Levy Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Property and Other Local Taxes	$773,000	$781,412	$8,412
Total Revenue	773,000	781,412	8,412
Expenditures:			
Current:			
Police			
Other	750,000	750,000	0
Total Expenditures	750,000	750,000	0
Excess of Revenues Over (Under) Expenditures	23,000	31,412	8,412
Other Financing Uses:			
Transfers (Out)	(350,000)	(350,000)	0
Total Other Financing Uses	(350,000)	(350,000)	0
Net Change in Fund Balance	(327,000)	(318,588)	8,412
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	619,624	619,624	0
Fund Balances at End of Year	$292,624	$301,036	$8,412

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, 2006

	Firemen's Pension Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$280,000	$282,489	$2,489
Total Revenue	280,000	282,489	2,489
Expenditures:			
Current:			
Fire			
Other	270,000	270,000	0
Total Expenditures	270,000	270,000	0
Net Change in Fund Balance	10,000	12,489	2,489
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	47,459	47,459	0
Fund Balances at End of Year	$57,459	$59,948	$2,489

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, 2006

	Emergency Medical Services Grant Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$15,000	$3,500	($11,500)
Total Revenue	15,000	3,500	(11,500)
Expenditures:			
Current:			
Fire - Paramedics			
Other	17,000	16,765	235
Total Expenditures	17,000	16,765	235
Net Change in Fund Balance	(2,000)	(13,265)	(11,265)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	15,155	15,155	0
Fund Balances at End of Year	$13,155	$1,890	($11,265)

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, 2006

	Fire EMS Levy Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Property and Other Local Taxes	$750,000	$781,418	$31,418
Total Revenue	750,000	781,418	31,418
Expenditures:			
Current:			
Fire			
Other	750,000	750,000	0
Total Expenditures	750,000	750,000	0
Net Change in Fund Balance	0	31,418	31,418
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	138,843	138,843	0
Fund Balances at End of Year	$138,843	$170,261	$31,418

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, 2006

	Technology Initiative Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Investment Earnings	$14,000	$14,044	$44
Total Revenue	14,000	14,044	44
Expenditures:			
Current:			
Community Environment			
Construction Services			
Other	20,075	8,717	11,358
Capital Outlay	238,443	228,829	9,614
Total Expenditures	258,518	237,546	20,972
Excess of Revenues Over (Under) Expenditures	(244,518)	(223,502)	21,016
Other Financing Sources (Uses):			
Transfers In	2,003,428	2,003,250	(178)
Transfers (Out)	(2,003,628)	(2,003,250)	378
Total Other Financing Sources (Uses	(200)	0	200
Net Change in Fund Balance	(244,718)	(223,502)	21,216
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	373,444	373,444	0
Fund Balances (Deficit) at End of Year	$128,726	$149,942	$21,216

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, 2006

	Public Health Care Services Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$167,543	$161,536	($6,007)
Investment Earnings	20	35	15
Other All Revenue	0	18	18
Total Revenue	167,563	161,589	(5,974)
Expenditures:			
Current:			
Public Health and Welfare Services:			
Health			
Personal Services	15,354	14,960	394
Other	158,451	151,477	6,974
Total Expenditures	173,805	166,437	7,368
Net Change in Fund Balance	(6,242)	(4,848)	1,394
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	135,055	135,055	0
Fund Balances at End of Year	$128,813	$130,207	$1,394

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, 2006

	Street And Parks Beautification Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Investment Earnings	$950	$2,125	$1,175
Other All Revenue	12,800	10,349	(2,451)
Total Revenue	13,750	12,474	(1,276)
Expenditures:			
Current:			
Community Environment			
Construction Services			
Other	38,500	5,759	32,741
Total Expenditures	38,500	5,759	32,741
Net Change in Fund Balance	(24,750)	6,715	31,465
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	59,863	59,863	0
Fund Balances at End of Year	$35,113	$66,578	$31,465

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, 2006

	Stormwater Management Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Charges for Services	$1,900,000	$2,040,703	$140,703
Investment Earnings	54,150	64,348	10,198
Other All Revenue	262,000	256,318	(5,682)
Total Revenue	2,216,150	2,361,369	145,219
Expenditures:			
Current:			
Basic Utility Services			
Maintenance of Storm Sewers			
Personal Services	220,092	311,970	(91,878)
Other	512,106	670,792	(158,686)
Capital Outlay	2,517,811	2,316,593	201,218
Total Expenditures	3,250,009	3,299,355	(49,346)
Excess of Revenues Over (Under) Expenditures	(1,033,859)	(937,986)	95,873
Other Financing Sources (Uses):			
Transfers (Out)	(259,973)	(259,972)	(1)
Total Other Financing Sources (Uses)	(259,973)	(259,972)	(1)
Net Change in Fund Balance	(1,293,832)	(1,197,958)	95,872
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,558,976	1,558,976	0
Fund Balances at End of Year	$265,144	$361,018	$95,872

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, 2006

	Refuse Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Charges for Services	$2,856,500	$2,599,861	($256,639)
Total Revenue	2,856,500	2,599,861	(256,639)
Expenditures:			
Current:			
Basic Utility Services			
Public Works - Administration			
Personal Services	110,408	103,689	6,719
Other	2,915,110	2,784,026	131,084
Total Expenditures	3,025,518	2,887,715	137,803
Net Change in Fund Balance	(169,018)	(287,854)	(118,836)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	387,475	387,475	0
Fund Balances at End of Year	$218,457	$99,621	($118,836)

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, 2006

	Street Maintenance Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$2,168,000	$2,070,620	($97,380)
Licenses and Permits	742,500	894,976	152,476
Investment Earnings	50,000	50,037	37
Other All Revenue	17,500	67,820	50,320
Total Revenue	2,978,000	3,083,453	105,453
Expenditures:			
Current:			
Transportation			
Traffic Engineering			
Personal Services	1,901,211	1,350,464	550,747
Other	911,099	944,577	(33,478)
Capital Outlay	448,832	1,091,547	(642,715)
Total Expenditures	3,261,142	3,386,588	(125,446)
Excess of Revenues Over (Under) Expenditures	(283,142)	(303,135)	(19,993)
Other Financing Sources (Uses):			
Issuance of Debt	0	250,000	250,000
Transfers In	419,733	108,715	(311,018)
Transfers (Out)	(419,733)	(108,715)	311,018
Total Other Financing Sources (Uses)	0	250,000	250,000
Net Change in Fund Balance	(283,142)	(53,135)	230,007
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,784,306	1,784,306	0
Fund Balances at End of Year	$1,501,164	$1,731,171	$230,007

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, 2006

	Transit Authority Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$0	$0	$0
Total Revenue	0	0	0
Expenditures:			
Current:			
Transportation			
Traffic Engineering			
Other	55,000	30,000	25,000
Total Expenditures	55,000	30,000	25,000
Excess of Revenues Over (Under) Expenditures	(55,000)	(30,000)	25,000
Other Financing Sources:			
Transfers In	25,000	30,000	5,000
Total Other Financing Sources	25,000	30,000	5,000
Net Change in Fund Balance	(30,000)	0	30,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balances at End of Year	($30,000)	$0	$30,000

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, 2006

	Miami Conservancy Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$327,000	$329,321	$2,321
Total Revenue	327,000	329,321	2,321
Expenditures:			
Current:			
Community Environment			
Construction Services			
Other	341,900	341,827	73
Total Expenditures	341,900	341,827	73
Net Change in Fund Balance	(14,900)	(12,506)	2,394
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	37,971	37,971	0
Fund Balances at End of Year	$23,071	$25,465	$2,394

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, 2006

	Home Program Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$2,253,569	$281,490	($1,972,079)
Other All Revenue	200,578	126,036	(74,542)
Total Revenue	2,454,147	407,526	(2,046,621)
Expenditures:			
Current:			
Community Environment			
Construction Services			
Personal Services	33,093	20,973	12,120
Other	2,989,160	1,192,656	1,796,504
Total Expenditures	3,022,253	1,213,629	1,808,624
Net Change in Fund Balance	(568,106)	(806,103)	(237,997)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	844,703	844,703	0
Fund Balances (Deficit) at End of Year	$276,597	$38,600	($237,997)

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, 2006

	Parking Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Charges for Services	$763,890	$624,399	($139,491)
Investment Earnings	16,000	21,393	5,393
Other All Revenue	6,487	11,499	5,012
Total Revenue	786,377	657,291	(129,086)
Expenditures:			
Current:			
Transportation			
Traffic Engineering			
Personal Services	342,913	404,281	(61,368)
Other	268,882	181,243	87,639
Capital Outlay	782,473	766,989	15,484
Debt Service:			
Principal	1,481,000	1,480,000	1,000
Interest and Fiscal Charges	51,463	51,880	(417)
Total Expenditures	2,926,731	2,884,393	42,338
Excess of Revenues Over (Under) Expenditures	(2,140,354)	(2,227,102)	(86,748)
Other Financing Sources (Uses):			
Issuance of Debt	1,750,000	1,705,245	(44,755)
Transfers In	43,327	80,615	37,288
Total Other Financing Sources (Uses)	1,793,327	1,785,860	(7,467)
Net Change in Fund Balance	(347,027)	(441,242)	(94,215)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	866,067	866,067	0
Fund Balances (Deficit) at End of Year	$519,040	$424,825	($94,215)

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, 2006

	Golf Course Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Charges for Services	$943,600	$848,030	($95,570)
Investment Earnings	2,000	933	(1,067)
Other All Revenue	23,000	28,895	5,895
Total Revenue	968,600	877,858	(90,742)
Expenditures:			
Current:			
Leisure Time Activities			
Parks and Recreation - Adminstration			
Personal Services	645,009	479,894	165,115
Other	526,046	530,543	(4,497)
Debt Service:			
Principal	155,000	155,000	0
Interest and Fiscal Charges	62,905	62,905	0
Total Expenditures	1,388,960	1,228,342	160,618
Excess of Revenues Over (Under) Expenditures	(420,360)	(350,484)	69,876
Other Financing Sources (Uses):			
Transfers In	423,905	325,705	(98,200)
Transfers (Out)	(56,000)	(56,000)	0
Total Other Financing Sources	367,905	269,705	(98,200)
Net Change in Fund Balance	(52,455)	(80,779)	(28,324)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	27,716	27,716	0
Fund Balances at End of Year	($24,739)	($53,063)	($28,324)

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, 2006

	Central Park Sports Arena Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Other All Revenue	$2,677	$2,677	$0
Total Revenue	2,677	2,677	0
Expenditures:			
Current:			
Leisure Time Activities			
Parks and Recreation - Adminstration			
Other	400	270	130
Total Expenditures	400	270	130
Net Change in Fund Balance	2,277	2,407	130
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	79,002	79,002	0
Fund Balances (Deficit) at End of Year	$81,279	$81,409	$130

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, 2006

	Community Development Block Grant Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$4,311,108	$1,842,147	($2,468,961)
Investment Earnings	65,000	73,252	8,252
Other All Revenue	233,510	228,136	(5,374)
Total Revenue	4,609,618	2,143,535	(2,466,083)
Expenditures:			
Current:			
Community Environment			
Construction Services			
Personal Services	748,780	414,253	334,527
Other	4,491,499	2,029,545	2,461,954
Capital Outlay	13,321	342,045	(328,724)
Total Expenditures	5,253,600	2,785,843	2,467,757
Net Change in Fund Balance	(643,982)	(642,308)	1,674
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	895,352	895,352	0
Fund Balances at End of Year	$251,370	$253,044	$1,674

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, 2006

	Debt Service Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Special Assessment	$468,860	$378,938	($89,922)
Investment Earnings	35,000	33,920	(1,080)
Other All Revenue	55,433	50,429	(5,004)
Total Revenue	559,293	463,287	(96,006)
Expenditures:			
Debt Service:			
Principal	16,447,000	16,447,000	0
Interest	2,054,265	1,978,192	76,073
Total Expenditures	18,501,265	18,425,192	76,073
Excess of Revenues Over (Under) Expenditures	(17,941,972)	(17,961,905)	172,079
Other Financing Sources:			
Issuance of Debt	11,875,000	11,875,000	0
Transfers In	6,525,088	6,013,617	(511,471)
Total Other Financing Souces	18,400,088	17,888,617	(511,471)
Net Change in Fund Balance	458,116	(73,288)	(531,404)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	533,176	533,176	0
Fund Balances (Deficit) at End of Year	$991,292	$459,888	($531,404)

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, 2006

	Hamilton Capital Improvement Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Income Taxes	$2,214,984	$2,305,669	$90,685
Total Revenue	2,214,984	2,305,669	90,685
Expenditures:			
Capital Outlay	2,271,418	2,173,473	97,945
Total Expenditures	2,271,418	2,173,473	97,945
Excess of Revenues Over (Under) Expenditures	(56,434)	132,196	(7,260)
Other Financing Sources (Uses):			
Sale of Capital Assets	156,545	169,490	12,945
Transfers In	432,952	350,000	(82,952)
Transfers (Out)	(2,171,457)	(1,870,343)	301,114
Total Other Financing Sources (Uses)	(1,581,960)	(1,350,853)	231,107
Net Change in Fund Balance	(1,638,394)	(1,218,657)	419,737
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,961,067	1,961,067	0
Fund Balances at End of Year	$322,673	$742,410	$419,737

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, 2006

	Capital Projects Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$0	$0	$0
Total Revenue	0	0	0
Expenditures:			
Capital Outlay	515,690	288,079	227,611
Total Expenditures	515,690	288,079	227,611
Net Change in Fund Balance	(515,690)	(288,079)	227,611
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	584,862	584,862	0
Fund Balances (Deficit) at End of Year	$69,172	$296,783	$227,611

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, 2006

	Special Assessment Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Special Assessments	$159,000	$162,850	$3,850
Other All Revenue	0	14	14
Total Revenue	159,000	162,864	3,864
Expenditures:			
Capital Outlay	671,782	671,603	179
Debt Service:			
Principal	500,000	500,000	0
Interest and Fiscal Charges	12,400	12,372	28
Total Expenditures	1,184,182	1,183,975	207
Excess of Revenues Over (Under) Expenditures	(1,025,182)	(1,021,111)	4,071
Other Financing Sources:			
Issuance of Debt	751,300	751,222	(78)
Total Other Financing Sources (Uses)	751,300	751,222	(78)
Net Change in Fund Balance	(273,882)	(269,889)	3,993
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	727,543	727,543	0
Fund Balances at End of Year	$453,661	$457,654	$3,993

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, 2006

	MITIE Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Property and Other Local Taxes	$219,210	$219,208	($2)
Total Revenue	219,210	219,208	(2)
Expenditures:			
Capital Outlay	7,270	7,270	0
Total Expenditures	7,270	7,270	0
Excess of Revenues Over (Under) Expenditures	211,940	211,938	(2)
Other Financing Uses:			
Transfers (Out)	(77,813)	(27,805)	50,008
Total Other Financing Uses	(77,813)	(27,805)	50,008
Net Change in Fund Balance	134,127	184,133	50,006
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	513,672	513,672	0
Fund Balances at End of Year	$647,799	$697,805	$50,006

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, 2006

	Hamilton Enterprise Park Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Investment Earnings	$5,500	$5,713	$213
Total Revenue	5,500	5,713	213
Expenditures:			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	5,500	5,713	213
Other Financing Sources (Uses):			
Sale of Capital Assets	572,300	572,285	(15)
Transfers In	227,653	199,907	(27,746)
Transfers (Out)	(994,908)	(994,907)	1
Total Other Financing Sources (Uses)	(194,955)	(222,715)	(27,760)
Net Change in Fund Balance	(189,455)	(217,002)	(27,547)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	418,331	418,331	0
Fund Balances at End of Year	$228,876	$201,329	($27,547)

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, 2006

	Central Business District Streetscape Improvements Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$30,000	$30,000	$0
Total Revenue	30,000	30,000	0
Expenditures:			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	30,000	30,000	0
Other Financing Sources (Uses):			
Transfers In	22,740	22,740	0
Transfers (Out)	(22,740)	(22,740)	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	30,000	30,000	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	245,486	245,496	10
Fund Balances at End of Year	$275,486	$275,496	$10

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, 2006

	Issue II Projects Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$771,890	$346,490	($425,400)
Total Revenue	771,890	346,490	(425,400)
Expenditures:			
Capital Outlay	438,445	346,490	91,955
Total Expenditures	438,445	346,490	91,955
Excess of Revenues Over (Under) Expenditures	333,445	0	517,355
Other Financing Uses:			
Transfers (Out)	(333,445)	(333,443)	2
Total Other Financing Uses	(333,445)	(333,443)	2
Net Change in Fund Balance	0	(333,443)	(333,443)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	333,443	333,443	0
Fund Balances at End of Year	$333,443	$0	($333,443)

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, 2006

	Clean Ohio Grants Program Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Intergovernmental	$3,000,000	$0	($3,000,000)
Other All Revenue	879,541	879,541	0
Total Revenue	3,879,541	879,541	(3,000,000)
Expenditures:			
Capital Outlay	3,879,541	2,148,597	1,730,944
Debt Service:			
Interest	341	1,049	(708)
Total Expenditures	3,879,882	2,149,646	1,730,236
Excess of Revenues Over (Under) Expenditures	(341)	(1,270,105)	1,269,764
Other Financing Uses:			
Proceeds from Issuance of Debt	550,807	550,807	0
Total Other Financing Uses	550,807	550,807	0
Net Change in Fund Balance	550,466	(719,298)	(1,269,764)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	196,100	196,100	0
Fund Balances at End of Year	$746,566	($523,198)	($1,269,764)

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, 2006

	Infrastructure Program Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Investment Earnings	$15,000	$12,899	($2,101)
Other All Revenue	100,000	100,000	0
Total Revenue	115,000	112,899	(2,101)
Expenditures:			
Capital Outlay	1,760,029	1,674,923	85,106
Total Expenditures	1,760,029	1,674,923	85,106
Excess of Revenues Over (Under) Expenditures	(1,645,029)	(1,562,024)	87,207
Other Financing Sources (Uses):			
Transfers In	526,136	524,579	(1,557)
Transfers (Out)	(41,136)	(41,135)	1
Total Other Financing Souces	485,000	483,444	(1,556)
Net Change in Fund Balance	(1,160,029)	(1,078,580)	81,449
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,701,296	1,701,296	0
Fund Balances (Deficit) at End of Year	$541,267	$622,716	$81,449

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, 2006

	Benninghoffen Trust Fund		
	Budget Final	Actual	Variance Postive (Negative)
Revenues:			
Investment Earnings	$3,000	$2,460	($540)
Total Revenues	3,000	2,460	(540)
Expenses:			
Other Non-Operating Expenses	4,000	3,595	405
Total Expenses	4,000	3,595	405
Net Change in Fund Balance	(1,000)	(1,135)	(135)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,135	1,135	0
Fund Equity at End of Year	$135	$0	($135)

INTERNAL SERVICE FUNDS

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

City of Hamilton! Ohio
Combining Statement of Net Assets
Internal Service Funds
December 31, 2006

	Fleet Maintenance	Central Services	Total Internal Service Fund
Assets:			
Equity in Pooled Cash and Investments	$431,495	$0	$431,495
Prepaid Items	6,984	52,103	59,087
Inventory	22,846	0	22,846
Total Current Assets	461,325	52,103	513,428
Depreciable Capital Assets, Net	61,832	0	61,832
Total Noncurrent Assets	61,832	0	61,832
Total Assets	523,157	52,103	575,260
Liabilities:			
Current Liabilities:			
Accounts Payable	100,944	127,249	228,193
Accrued Wages and Benefits	9,021	64,450	73,471
Compensated Absences	30,515	241,396	271,911
Intergovernmental Payable	15,855	101,801	117,656
Total Current Liabilities	156,335	534,896	691,231
Long-Term Liabilities:			
Compensated Absences	63,885	512,585	576,470
Total Noncurrent Liabilities	63,885	512,585	576,470
Total Liabilities	220,220	1,047,481	1,267,701
Net Assets:			
Invested in Capital Assets, Net of Related Debt	61,832	0	61,832
Unrestricted	241,105	(995,378)	(754,273)
Total Net Assets	$302,937	($995,378)	($692,441)

City of Hamilton! Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended December 31, 2006

	Fleet Maintenance	Central Services	Total Internal Service Fund
Operating Revenues:			
Charges for Services	$2,181,219	$6,973,876	$9,155,095
Total Operating Revenues	2,181,219	6,973,876	9,155,095
Operating Expenses:			
Personal Services	673,612	4,869,139	5,542,751
Materials and Supplies	892,998	163,607	1,056,605
Contractual Services	478,181	1,391,946	1,870,127
Depreciation	27,219	0	27,219
Other Operating Expenses	10,367	316,659	327,026
Total Operating Expenses	2,082,377	6,741,351	8,823,728
Operating Income (Loss)	98,842	232,525	331,367
Non-Operating Revenues (Expenses):			
Investments Earnings	2,265	0	2,265
Total Non-Operating Revenues (Expenses)	2,265	0	2,265
Change in Net Assets	101,107	232,525	333,632
Net Assets Beginning of Year	201,830	(1,227,903)	(1,026,073)
Net Assets End of Year	$302,937	($995,378)	($692,441)

City of Hamilton! Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2006

	Fleet Maintenance	Central Services	Total Internal Service Fund
Cash Flows from Operating Activities:			
Cash Received from Customers	$2,181,219	$6,973,876	$9,155,095
Cash Payments to Employees	(710,992)	(4,913,289)	(5,624,281)
Cash Payments to Suppliers	(1,367,856)	(1,743,430)	(3,111,286)
Cash Payments for Other Operating Expenses	(10,367)	(317,157)	(327,524)
Net Cash Provided (Used) by Operating Activities	92,004	0	92,004
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	(21,738)	0	(21,738)
Net Cash Provided (Used) by Capital and Related Financing Activities	(21,738)	0	(21,738)
Cash Flows from Investing Activities:			
Earnings on Investments	2,265	0	2,265
Net Cash Provided (Used) by Cash Flows from Investing Activities	2,265	0	2,265
Net Increase (Decrease) in Cash and Cash Equivalents	72,531	0	72,531
Cash and Cash Equivalents Beginning of Year	358,964	0	358,964
Cash and Cash Equivalents End of Year	431,495	0	431,495
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	98,842	232,525	331,367
Adjustments:			
Depreciation	27,219	0	27,219
Changes in Assets & Liabilities:			
(Increase) Decrease in Inventory	11,750	0	11,750
(Increase) Decrease in Prepaid Items	(6,984)	(52,103)	(59,087)
Increase (Decrease) in Payables	(8,772)	(187,988)	(196,760)
Increase (Decrease) in Accrued Liabilities	(28,693)	16,290	(12,403)
Increase (Decrease) in Intergovernmental Payables	(1,358)	(8,724)	(10,082)
Net Cash Provided (Used) by Operating Activities	$92,004	$0	$92,004
Schedule of Noncash Activities:			
During the fiscal year, these amounts were received representing noncash contributions of:			
Change in Fair Value of Investments	($454)	$0	($454)

AGENCY FUNDS (FIDUCARY FUNDS)

The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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.

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.

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.

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.

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.

Fire Damage Deposit Escrow Fund

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

Police Property Room Forfeiture

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.

Municipal Court Fund

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

City of Hamilton! Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2006

	Rounding Up Utility Account			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$1,293	$3,903	$4,273	$923
Total Assets	1,293	3,903	4,273	923
Liabilities:				
Accounts Payable	0	923	0	923
Due to Others	1,293	2,980	4,273	0
Total Liabilities	$1,293	$3,903	$4,273	$923

	Convention and Visitor's Bureau			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$8,680	$86,907	$73,558	$22,029
Total Assets	8,680	86,907	73,558	22,029
Liabilities:				
Accounts Payable	0	22,029	0	22,029
Due to Others	8,680	64,878	73,558	0
Total Liabilities	$8,680	$86,907	$73,558	$22,029

	Employee Taxes and Benefits			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$626,031	$55,172,127	$54,901,559	$896,599
Prepaid Items	0	48,067	0	48,067
Total Assets	626,031	55,220,194	54,901,559	944,666
Liabilities:				
Due to Others	9,236	54,309,166	54,284,764	33,638
Intergovernmental Payable	616,795	911,028	616,795	911,028
Total Liabilities	$626,031	$55,220,194	$54,901,559	$944,666

Continued

City of Hamilton! Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2006

	Ohio Board of Building Standards Assessments			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$1,503	$6,572	$6,732	$1,343
Total Assets	1,503	6,572	6,732	1,343
Liabilities:				
Due to Others	1,503	6,572	6,732	1,343
Total Liabilities	$1,503	$6,572	$6,732	$1,343

	Miscellaneous Collections for Others			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$7,548	$0	$0	$7,548
Total Assets	7,548	0	0	7,548
Liabilities:				
Due to Others	7,548	0	0	7,548
Total Liabilities	$7,548	$0	$0	$7,548

	Unclaimed Monies			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$95,210	$7,593	$14,254	$88,549
Total Assets	95,210	7,593	14,254	88,549
Liabilities:				
Accounts Payable	759	5,302	759	5,302
Due to Others	94,451	2,291	13,495	83,247
Total Liabilities	$95,210	$7,593	$14,254	$88,549

Continued

City of Hamilton! Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2006

	Tax Collections			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$535,982	$11,064,071	$10,931,277	$668,776
Total Assets	535,982	11,064,071	10,931,277	668,776
Liabilities:				
Intergovernmental Payable	535,982	11,064,071	10,931,277	668,776
Total Liabilities	$535,982	$11,064,071	$10,931,277	$668,776

	Butler County Annexation Tax			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$41,219	$75,375	$64,286	$52,308
Total Assets	41,219	75,375	64,286	52,308
Liabilities:				
Intergovernmental Payable	41,219	75,375	64,286	52,308
Total Liabilities	$41,219	$75,375	$64,286	$52,308

	Hamilton Central Business Special Improvement District			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$0	$221,024	$221,024	$0
Receivables (net of allowance for uncollectibles):				
Taxes	85,000	93,840	85,000	93,840
Total Assets	85,000	314,864	306,024	93,840
Liabilities:				
Intergovernmental Payable	85,000	314,864	306,024	93,840
Total Liabilities	$85,000	$314,864	$306,024	$93,840

Continued

City of Hamilton! Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2006

	Joint Economic Development District			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$22,525	$256,577	$267,022	$12,080
Total Assets	22,525	256,577	267,022	12,080
Liabilities:				
Intergovernmental Payable	22,525	256,577	267,022	12,080
Total Liabilities	$22,525	$256,577	$267,022	$12,080

	Joint Economic Development District II			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$20,817	$352,532	$350,767	$22,582
Total Assets	20,817	352,532	350,767	22,582
Liabilities:				
Intergovernmental Payable	20,817	352,532	350,767	22,582
Total Liabilities	$20,817	$352,532	$350,767	$22,582

	Fire Damage Deposit Escrow			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$68,346	$120,112	$81,072	$107,386
Total Assets	68,346	120,112	81,072	107,386
Liabilities:				
Due to Others	68,346	120,112	81,072	107,386
Total Liabilities	$68,346	$120,112	$81,072	$107,386

Continued

City of Hamilton! Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2006

	Police Property Room Forfeiture			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$61,508	$57,913	$35,596	$83,825
Total Assets	61,508	57,913	35,596	83,825
Liabilities:				
Due to Others	61,508	57,913	35,596	83,825
Total Liabilities	$61,508	$57,913	$35,596	$83,825

	Municipal Court			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$374,775	$272,604	$267,348	$380,031
Total Assets	374,775	272,604	267,348	380,031
Liabilities:				
Due to Others	374,775	5,256	267,348	112,683
Intergovernmental Payable	0	267,348	0	267,348
Total Liabilities	$374,775	$272,604	$267,348	$380,031

	Total All Agency Funds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	$1,865,437	$67,697,310	$67,218,768	$2,343,979
Receivables (net of allowance for uncollectibles):				
Taxes	85,000	93,840	85,000	93,840
Prepaid Items	0	48,067	0	48,067
Total Assets	1,950,437	67,839,217	67,303,768	2,485,886
Liabilities:				
Accounts Payable	759	28,254	759	28,254
Due to Others	627,340	54,569,168	54,766,838	429,670
Intergovernmental Payable	1,322,338	13,241,795	12,536,171	2,027,962
Total Liabilities	$1,950,437	$67,839,217	$67,303,768	$2,485,886

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

Statistical Section

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

CONTENTS

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial position has changed over time.

Revenue Capacity

These schedules contain information to help the reader understand and assess the City's most significant local revenue source, the income tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that fiscal year.

THIS PAGE INTENTIONALLY LEFT BLANK

City of Hamilton! Ohio
Net Assets by Component
Last Five Calendar Years (1)
(accrual basis of accounting)
Schedule 1

	Calendar Year				
	2002	2003	2004	2005	2006
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	$55,869,994	$56,158,847	$46,914,025	$55,850,463	$56,285,912
Restricted	764,635	1,065,776	1,346,714	1,096,622	8,292,468
Unrestricted	5,230,190	8,553,473	19,363,783	11,399,609	7,818,532
Total governmental activities net assets	$61,864,819	$65,778,096	$67,624,522	$68,346,694	$72,396,912
Business-type activities					
Invested in Capital Assets, Net of Related Debt	$78,331,261	$74,353,822	$95,310,393	$86,341,113	$94,984,687
Restricted	0	0	6,081,729	14,015,713	14,417,833
Unrestricted	60,061,123	65,677,140	41,157,570	45,626,967	38,128,750
Total business-type activities net assets	$138,392,384	$140,030,962	$142,549,692	$145,983,793	$147,531,270

Source: City Records

(1) - The City began to report accrual information when it implemented GASB Statement 34 in 2002

City of Hamilton! Ohio
Changes in Net Assets
Last Five Calendar Years (1)
(accrual basis of accounting)
Schedule 2

	Calendar Year				
	2002	2003	2004	2005	2006
Expenses					
Governmental Activities:					
General Government	$3,610,257	$1,803,619	$2,118,100	$2,661,367	$1,922,123
Security of Persons and Property	24,124,731	23,509,934	28,125,387	28,683,794	29,539,127
Leisure Time Activities	2,220,239	3,357,315	2,334,059	2,725,304	2,640,996
Community Environment	4,231,050	4,711,002	7,636,375	4,099,421	4,341,592
Basic Utility Services	3,560,329	3,239,070	3,479,397	4,549,461	5,242,138
Transportation	3,914,488	3,615,021	3,725,413	8,044,762	5,382,724
Public Health and Welfare Services	3,741,462	1,151,216	2,471,205	2,320,928	1,803,562
Other Expenditures	7,495,871	6,841,042	6,080,420	6,159,163	7,158,666
Interest and Fiscal Charges	2,259,769	1,842,601	1,911,359	2,052,654	2,036,100
Total governmental activities expenses	55,158,196	50,070,820	57,881,715	61,296,854	60,067,028
Business-type activities:					
Gas Utility	21,874,839	25,705,272	24,756,742	35,317,274	35,421,943
Electric Utility	55,703,426	50,839,938	51,735,827	60,371,316	56,941,632
Water Utility	11,368,125	10,102,024	10,580,588	14,290,977	14,681,886
Wastewater Utility	10,524,441	12,643,903	10,623,965	13,290,251	10,907,317
Total business-type activities expenses	99,470,831	99,291,137	97,697,122	123,269,818	117,952,778
Total primary government expenses	$154,629,027	$149,361,957	$155,578,837	$184,566,672	$178,019,806
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	$259,387	$410,626	$704,136	$1,926,055	$1,624,126
Security of Persons and Property	2,762,651	2,998,981	3,607,548	3,257,631	3,461,051
Leisure Time Activities	1,042,299	1,038,982	1,136,289	1,198,995	926,474
Community Environment	712,434	749,910	752,647	703,926	1,109,876
Basic Utility Services	2,250,347	2,298,084	2,754,648	3,850,748	2,431,163
Transportation	1,374,423	1,213,364	1,511,184	1,383,310	972,465
Public Health and Welfare Services	508,483	477,485	514,250	568,897	905,584
Other Expenditures	2,137,910	2,178,705	2,267,908	2,161,800	2,431,163
Interest and Fiscal Charges	0	408,648	0	479,153	291,740
Operating Grants and Contributions	9,574,092	9,168,937	9,422,109	6,563,223	7,719,161
Capital Grants and Contributions	251,110	808,510	2,689,249	1,962,756	918,278
Total governmental activities program revenues	20,873,136	21,752,232	25,359,968	24,056,494	22,791,081
Business-type activities:					
Charges for Services:					
Gas Utility	21,456,192	25,722,341	24,322,105	34,869,893	33,577,717
Electric Utility	53,129,459	49,056,403	49,612,998	61,111,870	58,694,775
Water Utility	17,200,708	13,547,648	14,118,507	15,891,265	13,735,240
Wastewater Utility	12,057,899	11,282,116	11,084,644	12,956,156	10,602,668
Operating Grants and Contributions	17,149	102,851	57,739	39,110	23,547
Capital Grants and Contributions	0	456,976	199,152	0	1,983,855
Total business-type activities program revenues	103,861,407	100,168,335	99,395,145	124,868,294	118,617,802
Total primary government program revenues	$124,734,543	$121,920,567	$124,755,113	$148,924,788	$141,408,883

City of Hamilton! Ohio
Changes in Net Assets
Last Five Calendar Years (1)
(accrual basis of accounting)
Schedule 2 (Continued)

	Calendar Year				
	2002	2003	2004	2005	2006
Net (Expense)/Revenue					
Governmental Activities	($34,285,060)	($28,318,588)	($32,521,747)	($37,240,360)	($37,275,947)
Business-type activities	4,390,576	877,198	1,698,023	1,598,476	665,024
Total primary government net expenses	($29,894,484)	($27,441,390)	($30,823,724)	($35,641,884)	($36,610,923)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Income Taxes	$19,156,557	$20,449,696	$22,166,068	$22,697,147	$23,203,869
Property Taxes	5,135,368	6,555,179	7,209,615	8,431,924	7,552,241
Grants and Entitlements not Restricted	8,568,114	4,871,892	3,249,105	4,039,317	4,359,527
Investment Earnings	632,898	329,082	332,995	592,057	659,587
Franchise Fee Taxes	0	0	0	574,100	569,497
Loss on Disposal of Capital Assets	(1,070,847)	(1,143,604)	0	0	0
All Other Revenues	3,927,300	1,169,620	1,410,390	1,591,410	3,208,403
Transfers-Internal Activities	0	0	0	36,577	1,773,041
Total governmental activities	36,349,390	32,231,865	34,368,173	37,962,532	41,326,165
Business-type activities:					
Investment Earnings	1,423,837	769,239	820,707	1,872,202	2,655,494
All Other Revenues	246,870	359,280	0	0	0
Loss on Disposal of Capital Assets	(213,706)	(367,139)	0	0	0
Extraordinary Item	34,437,550	0	0	0	0
Transfers-Internal Activities	0	0	0	(36,577)	(1,773,041)
Total business-type activities	35,894,551	761,380	820,707	1,835,625	882,453
Total primary government	$72,243,941	$32,993,245	$35,188,880	$39,798,157	$42,208,618
Change in Net Assets					
Governmental Activities	$2,064,330	$3,913,277	$1,846,426	$722,172	$4,050,218
Business-type activities	40,285,127	1,638,578	2,518,730	$3,434,101	1,547,477
Total primary government	$42,349,457	$5,551,855	$4,365,156	$4,156,273	$5,597,695

Source: City Records

(1) - The City began to report accrual information when it implemented GASB Statement 34 in 2002

THIS PAGE INTENTIONALLY LEFT BLANK

City of Hamilton! Ohio
Fund Balances, Governmental Funds
Last Ten Calendar Years
(modified accrual basis of accounting)
Schedule 3

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	N/A	N/A	$247,528	$293,771	$477,806	$875,275	$531,779	$567,672	$584,110	$512,104
Unreserved	N/A	N/A	3,253,748	2,257,594	4,003,291	5,815,348	6,657,098	7,293,591	7,463,154	5,821,858
Total General Fund	N/A	N/A	3,501,276	2,551,365	4,481,097	6,690,623	7,188,877	7,861,263	8,047,264	6,333,962
All Other Governmental Funds										
Reserved	N/A	N/A	6,072,837	5,234,225	4,118,573	3,086,912	6,884,996	5,249,433	4,560,962	5,805,929
Unreserved, Reported in:										
Special Revenue Funds	N/A	N/A	2,259,912	1,975,175	2,342,695	3,025,532	2,511,970	2,937,386	1,402,305	3,699,611
Debt Service Funds	N/A	N/A	0	0	0	0	0	0	0	462,379
Capital Project Funds	N/A	N/A	(10,757,953)	(12,420,618)	(6,486,437)	(1,713,475)	836,008	64,988	(387,213)	(760,126)
Total all Other Governmental Funds	N/A	N/A	($2,425,204)	($5,211,218)	($25,169)	$4,398,969	$10,232,974	$8,251,807	$5,576,054	$9,207,793

Source: City Records

N/A - Information not available

City of Hamilton! Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Calendar Years
(modified accrual basis of accounting)
Schedule 4

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Taxes	N/A	N/A	$23,363,255	$23,062,302	$24,005,767	$24,358,609	$26,880,596	$28,202,670	$30,698,503	$31,875,087
Intergovernmental	N/A	N/A	10,078,223	12,240,002	12,013,269	12,638,337	14,232,422	14,657,215	12,670,971	10,862,027
Charges for Services	N/A	N/A	8,185,396	8,773,882	8,849,078	16,022,994	8,764,142	9,284,129	10,493,927	11,198,175
License and Permits	N/A	N/A	1,293,759	960,091	1,312,984	1,371,041	1,644,438	1,692,128	1,669,710	1,616,785
Investment Earnings	N/A	N/A	900,209	1,179,433	925,442	628,542	331,305	331,725	592,606	1,029,667
Fines and Forfeitures	N/A	N/A	1,017,607	1,171,498	1,147,797	1,209,648	1,462,186	1,320,913	1,309,135	1,308,179
Special Assessments	N/A	N/A	563,213	579,940	584,177	765,075	582,506	524,335	551,213	541,788
All Other Revenues	N/A	N/A	1,092,209	894,362	1,313,400	1,270,750	1,322,329	2,461,100	1,917,975	2,942,798
Total Revenues	N/A	N/A	$46,493,871	$48,861,510	$50,151,914	$58,264,996	$55,219,924	$58,474,215	$59,904,040	$61,374,506
Expenditures										
Current:										
General Government	N/A	N/A	$3,533,137	$3,841,536	$3,928,799	$3,404,492	$1,363,735	$1,256,699	$1,699,217	$1,517,239
Security of Persons and Property	N/A	N/A	22,079,479	22,349,299	22,798,051	26,944,009	25,020,605	26,005,766	28,348,718	29,379,866
Leisure Time Activities	N/A	N/A	1,500,132	1,599,615	1,415,071	2,278,148	2,287,623	2,212,104	2,492,608	2,414,964
Community Environment	N/A	N/A	3,879,197	3,640,741	3,746,743	4,204,163	4,726,538	7,003,217	4,186,858	4,343,714
Basic Utility Services	N/A	N/A	3,158,679	2,796,244	3,389,930	3,534,252	3,311,482	3,237,936	4,533,336	5,248,571
Transportation	N/A	N/A	3,918,044	3,350,283	2,730,692	3,939,065	3,385,373	3,288,729	4,038,465	3,527,957
Public Health and Welfare Services	N/A	N/A	1,154,362	1,215,849	2,161,815	3,691,879	1,187,802	2,225,705	2,366,475	1,796,070
Other Expenditures	N/A	N/A	3,614,661	2,866,976	4,451,988	6,358,581	5,485,830	5,514,862	6,159,163	7,158,666
Capital Outlay	N/A	N/A	9,259,503	11,026,133	21,841,830	2,263,607	2,618,713	5,757,861	5,900,827	2,965,518
Debt Service:										
Principal Retirement	N/A	N/A	4,251,068	569,230	736,816	1,155,000	1,550,000	1,798,770	1,857,000	1,862,000
Interest and Fiscal Charges	N/A	N/A	742,042	895,552	1,146,408	2,176,035	1,849,261	1,852,238	1,991,616	1,982,479
Total Expenditures	N/A	N/A	$57,090,304	$54,151,458	$68,348,143	$59,949,231	$52,786,962	$60,153,887	$63,574,283	$62,197,044
Excess of revenues over (under) expenditures	N/A	N/A	($10,596,433)	($5,289,948)	($18,196,229)	($1,684,235)	$2,432,962	($1,679,672)	($3,670,243)	($822,538)

City of Hamilton! Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Calendar Years
(modified accrual basis of accounting)
Schedule 4 (Continued)

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Other Financing Sources (Uses)										
Insurance of Long-Term Capital-Related Debt	N/A	N/A	$0	$0	$0	$0	$3,806,770	$0	$0	$218,000
Proceeds from Sale of Capital Assets	N/A	N/A	313,158	828,420	338,600	294,906	130,496	357,043	898,387	756,038
Transfers In	N/A	N/A	2,568,972	4,216,622	10,087,647	15,188,910	9,899,079	4,397,327	4,847,172	13,537,743
Transfers (Out)	N/A	N/A	(2,518,972)	(4,181,019)	(10,173,140)	(15,188,910)	(9,899,079)	(4,397,327)	(4,810,595)	(11,764,702)
Insurance of Bonds and Notes Payable	N/A	N/A	3,500,000	690,000	23,680,000	7,935,000	0	0	245,000	0
Payments to Refunded Bond Escrow Agent	N/A	N/A	0	0	0	(767,700)	0	0	0	0
Other Financing Uses	N/A	N/A	0	0	0	0	(34,800)	0	0	0
Total Other Financing Sources (Uses)	N/A	N/A	3,863,158	1,554,023	23,933,107	7,462,206	3,902,466	357,043	1,179,964	2,747,079
Net Change in Fund Balances	N/A	N/A	($6,733,275)	($3,735,925)	$5,736,878	$5,777,971	$6,335,428	($1,322,629)	($2,490,279)	$1,924,541
Debt service as a percentage of noncapital expenditures (1)	N/A	N/A	10.44%	3.40%	4.05%	5.77%	6.78%	6.71%	6.67%	6.49%

Source: City Records

(1) - Noncapital expenditures is total expenditures minus capital outlay

N/A - Information not available

City of Hamilton! Ohio
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Calendar Years
Schedule 5

Calendar Year	Real Property Assessed Value (1)	Tangible Personal Property Assessed Value (1)	Public Utilities Personal Assessed Value (1)	Total Assessed Value (1)	Total Estimated Acual Value	Total Direct Rate
1997	$568,209,450	$116,728,432	$23,056,940	$707,994,822	$2,166,570,368	5.06
1998	579,622,630	81,266,104	22,567,390	683,456,124	2,006,773,835	5.06
1999	657,229,440	108,159,070	21,454,090	786,842,600	2,334,814,327	5.06
2000	674,764,310	111,312,933	18,059,140	804,136,383	2,393,671,511	5.06
2001	690,521,670	112,737,677	16,165,160	819,424,507	2,442,239,264	5.06
2002	812,598,300	80,444,805	13,814,790	906,857,895	2,661,219,415	5.12
2003	807,683,940	77,433,709	13,358,440	898,476,089	2,634,595,700	6.80
2004	807,728,570	73,731,244	12,942,330	894,402,144	2,617,428,083	7.16
2005 (2)	880,671,170	72,654,723	11,724,950	965,050,843	2,820,146,042	7.16
2006 (2)	894,139,760	50,884,160	7,410,550	952,434,470	2,767,157,033	7.16

Source: County Auditor

(1) - Assessed values shown in this schedule will not agree to amounts in the notes to the financial statements, since the schedules are shown on a calendar year basis, which is consitent with the method county auditors maintain this information

(2) - Both Tangible Personal Property and Public Utility Personal Property are expected to further decrease over the next three years due to a change made by the State of Ohio in its tax structure. Currently the State is reimbursing the City for these lost revenues and plans to reimburse 100% of these losses through 2010 at which time the reimbursement is expected to be reduced until 2017.

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

City of Hamilton! Ohio
Direct and Overlapping Property Tax Rates
Last Ten Calendar Years
Schedule 6

	Direct Rates						Overlapping Rates	
Calendar Year	General Fund	Police Pension Fund	Fire Pension Fund	Miami Conservancy Fund (1)	Police/ Fire-EMS Levies	Total Direct Rate	Hamilton City School District	Butler County
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
2006	4.21	0.30	0.30	0.35	2.00	7.16	48.01	9.44

Source: County Auditor

(1) - Levied by the City for the benefit of the Miami Conservancy District

Note: Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

City of Hamilton! Ohio
Principal Property Tax Payers
Current Year and Seven Years Ago (1)
Schedule 7

		2006	
Taxpayer	Type of Business	Assessed Value	Percentage of Total Assessed Value
Tippman Realty PRT	Education	$5,052,960	0.53%
Colonial Senior Services Inc	Healthcare	4,262,690	0.45%
Pedcor Investments	Investments	4,163,870	0.44%
Cincinnati Bell Telephone	Utility	3,252,550	0.34%
Shadow Creek Apartments	Real Estate	3,847,890	0.40%
First National Bank	Finance	3,728,850	0.39%
Affordable Housing PRT Inc	Real Estate	3,672,820	0.39%
Hamilton Crossings LLC	Real Estate	3,325,000	0.35%
Jendec Development LLC	Real Estate	3,022,640	0.32%
Meijer Stores LTD PRT	Retail	3,010,000	0.32%
		$37,339,270	3.93%

		1999	
Taxpayer	Type of Business	Assessed Value	Percentage of Total Assessed Value
Champion International Corporation	Manufacturing	$28,730,330	3.65%
Cincinnati Bell Telephone	Utility	13,427,370	1.71%
International Paper Company	Manufacturing	9,002,740	1.14%
Mercy Health Systems	Healthcare	8,885,800	1.13%
Thaneland Corporation	Manufacturing	8,818,130	1.12%
Meijer Inc.	Retail	6,975,910	0.89%
Cinergy	Utility	6,290,800	0.80%
First National Bank	Financial Institution	5,735,510	0.73%
Berkeley Square	Retirement Community	4,792,470	0.61%
OHIO Casualty Company	Insurance	4,777,150	0.61%
		$97,436,210	12.39%

Source: County Auditor

(1) - Current year and seven years ago best information available

City of Hamilton! Ohio
Property Tax Levies and Collections
Last Ten Calendar Years
Schedule 8

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	$2,715,612	$2,650,487	97.60%	$92,675	$2,743,162	101.01%
1998	2,915,612	2,718,937	93.25%	110,001	2,828,938	97.03%
1999	2,985,053	2,928,559	98.11%	122,993	3,051,552	102.23%
2000	3,363,382	3,271,126	97.26%	130,947	3,402,073	101.15%
2001	3,432,023	3,498,609	101.94%	127,505	3,626,114	105.66%
2002	3,729,881	3,489,708	93.56%	140,192	3,629,900	97.32%
2003	6,248,495	5,958,212	95.35%	288,505	6,246,717	99.97%
2004	6,198,400	5,657,850	91.28%	336,686	5,994,536	96.71%
2005	6,200,701	5,737,754	92.53%	313,885	6,051,639	97.60%
2006	6,590,009	5,877,718	89.19%	344,982	6,222,700	94.43%

Source: County Auditor

City of Hamilton! Ohio
Income Tax Collected Receipts by Fund and in Total
Last Ten Calendar Years
(cash basis of accounting)
Schedule 9

Calendar Year	General Fund (1)	Public Safety / Health Income Tax Fund (2)	Hamilton Capital Improvement Fund (3)	Total	Income Tax Rate (4)
1997	$14,365,434	$2,317,006	$1,853,604	$18,536,044	2.00%
1998	15,276,222	2,463,907	1,971,125	19,711,254	2.00%
1999	16,154,694	2,605,596	2,084,477	20,844,767	2.00%
2000	15,999,528	2,580,569	2,064,455	20,644,552	2.00%
2001	15,978,811	2,577,228	2,061,782	20,617,821	2.00%
2002	15,322,785	2,471,417	1,977,134	19,771,336	2.00%
2003	15,652,544	2,524,604	2,019,683	20,196,831	2.00%
2004	16,599,420	2,677,326	2,141,861	21,418,607	2.00%
2005	17,218,512	2,798,598	2,239,406	22,256,516	2.00%
2006	17,702,447	2,882,087	2,305,669	22,890,203	2.00%

Source: City Records

(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%

Note: Increases in the income tax rate requires voter approval.

City of Hamilton! Ohio
Principal Income Taxpayers
Current Year and Seven Years Ago (1)
(cash basis of accounting)
Schedule 10

		2006
Name	Type of Business	Rank
Butler County Auditor	Government	1
Board of Education	Education	2
Fort Hamilton Hospital	Healthcare	3
City of Hamilton	Government	4
Smart Papers LLC	Manufacturing	5
Valeo Climate Control	Manufacturing	6
Ohio Casualty Group	Insurance	7
First Financial Bank	Banking	8
GE Engine Service, Inc.	Manufacturing	9
Miami University	Education	10

		1999
Name	Type of Business	Rank
Champion International Corporation	Manufacturing	1
Butler County	Government	2
Hamilton City School District	Education	3
OHIO Casualty Company	Insurance	4
City of Hamilton	Government	5
Fort Hamilton Hospital	Healthcare	6
Mercy Health Systems	Healthcare	7
GE Engine Service, Inc.	Manufacturing	8
Mosler Inc.	Manufacturing	9
International Paper Company	Manufacturing	10

Source: City Records

(1) - Current year and seven years ago best information available

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

City of Hamilton! Ohio
Ratios of Outstanding Debt by Type
Last Ten Calendar Years
Schedule 11

	Governmental Activities				
Calendar Year	General Obligation Bonds	Special Revenue Notes Payable	Capital Projects Notes Payable	Special Assessments Notes Payable	Special Assessment Bonds
1997	N/A	N/A	N/A	N/A	N/A
1998	N/A	N/A	N/A	N/A	N/A
1999	$3,905,000	$0	$10,290,000	$2,672,000	$1,711,046
2000	3,640,000	140,000	10,725,000	2,710,000	2,096,816
2001	25,755,000	3,420,000	7,153,000	1,835,000	2,925,000
2002	34,165,000	0	2,925,000	475,000	3,170,000
2003	36,490,000	3,300,000	2,700,000	0	3,101,770
2004	35,070,000	3,600,000	2,990,000	0	2,723,000
2005	33,605,000	4,650,000	3,525,000	500,000	2,576,000
2006	32,090,000	3,075,000	3,255,000	525,000	2,447,000

	Business-type Activities									
Calendar Year	Water Revenue Bonds	General Obligation Bonds	OWDA Loans	Gas Refunding	Enterprise Notes Payable	Electric Series	Wastewater Refunding	Total Primary Government	Percentage of Personal Income	Per Capita
1997	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1998	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1999	$52,993,578	$2,928,130	$9,090,695	$25,784,350	$6,400,000	$197,702,156	$30,249,169	$343,726,124	3.78%	$5,561
2000	51,876,989	2,769,659	8,643,328	16,991,674	900,000	194,438,680	29,529,304	324,461,450	3.40%	5,346
2001	50,683,409	2,600,807	8,159,483	16,396,990	0	190,985,157	28,784,138	338,697,984	3.48%	5,581
2002	12,940,000	0	7,712,448	16,275,000	0	184,360,000	28,180,000	290,202,448	2.92%	4,782
2003	12,440,000	0	0	13,680,000	2,750,000	178,935,000	27,350,000	280,746,770	2.73%	4,626
2004	11,930,000	0	0	12,725,000	5,550,000	173,330,000	26,485,000	274,403,000	2.53%	4,521
2005	11,410,000	0	0	11,755,000	19,650,000	167,545,000	23,630,000	278,846,000	2.52%	4,595
2006	10,880,000	0	0	10,755,000	17,910,000	161,570,000	22,660,000	265,167,000	N/A	4,369

Source: City Records

N/A - Information not available

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

City of Hamilton! Ohio
Ratios of General Bonded Debt Outstanding
Last Ten Calendar Years
Schedule 12

	General Bonded Debt Outstanding				
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
1997	N/A	N/A	N/A	N/A	N/A
1998	N/A	N/A	N/A	N/A	N/A
1999	$3,905,000	$1,711,046	$5,616,046	0.24%	$91
2000	3,640,000	2,096,816	5,736,816	0.24%	95
2001	25,755,000	2,925,000	28,680,000	1.17%	473
2002	34,165,000	3,170,000	37,335,000	1.40%	615
2003	36,490,000	3,101,770	39,591,770	1.50%	652
2004	35,070,000	2,723,000	37,793,000	1.44%	623
2005	33,605,000	2,576,000	36,181,000	1.28%	596
2006	32,090,000	2,447,000	34,537,000	1.25%	569

Source: City Records

N/A - Information not available

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

City of Hamilton! Ohio
Direct and Overlapping Governmental Activities Debt
As of December 31, 2006
Schedule 13

Governmental Unit	Net Debt Outstanding	Percentage Applicable to City of Hamilton (1)	Amount Applicable to City of Hamilton
City of Hamilton	$32,018,972	100.00%	$32,018,972
Butler County	110,323,235	12.17%	13,426,338
Hamilton City School District	96,050,000	97.67%	93,812,035
Talawanda City School District	8,640,000	5.62%	485,568
New Miami Local School District	1,778,000	0.02%	356
Ross Local School District	22,085,000	0.52%	114,842
Butler Technology and Career Center	3,095,000	0.50%	15,475
Total Direct and Overlapping Debt	$273,990,207		$139,873,585

Source: Ohio Municipal Advisory Council

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government.

City of Hamilton! Ohio
Legal Debt Margin Information
Last Ten Calendar Years
Schedule 14

Legal Debt Margin Calculation for Year 2006

Assessed value	$952,434,470	$952,434,470
Statutory legal debt limitation (1)	10.5%	5.5%
Total Debt limit	100,005,619	52,383,896
Debt applicable to limit:		
Applicable City Debt Outstanding (2)	38,420,000	38,420,000
Less: Applicable Debt Service Fund Amounts	462,379	462,379
Total net debt applicable to limit	37,957,621	37,957,621
Legal debt margin	$62,047,998	$14,426,275

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total Debt Limit (1)										
Debt Limit (10.5%)	N/A	N/A	$82,618,473	$84,434,320	$86,039,573	$95,220,079	$94,339,989	$93,912,225	$101,330,339	$100,005,619
Total Net Debt Applicable to Limit	N/A	N/A	14,195,000	14,505,000	13,938,000	9,540,000	12,565,000	9,789,000	41,248,235	37,957,621
Legal Debt Margin	N/A	N/A	$68,423,473	$69,929,320	$72,101,573	$85,680,079	$81,774,989	$84,123,225	$60,082,104	$62,047,998
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	N/A	N/A	17.18%	17.18%	16.20%	10.02%	13.32%	10.42%	40.71%	37.96%

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	N/A	N/A	$43,276,343	$44,227,501	$45,068,348	$49,877,184	$49,416,185	$49,192,118	$53,077,796	$52,383,896
Total Net Debt Applicable to Limit	N/A	N/A	14,195,000	14,505,000	13,938,000	9,540,000	12,565,000	9,789,000	41,248,235	37,957,621
Legal Debt Margin	N/A	N/A	$29,081,343	$29,722,501	$31,130,348	$40,337,184	$36,851,185	$39,403,118	$11,829,561	$14,426,275
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	N/A	N/A	32.80%	32.80%	30.93%	19.13%	25.43%	19.90%	77.71%	72.46%

Source: City Records

(1) - Direct debt limitation based upon Section 133, the Uniform Bond Act of the Ohio Revised Code. Total debt limit should not exceed 10.5% of net assessed property value. Total unvoted debt limit should not exceed 5.5% of net assessed property value.

(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.

N/A - Information not available

City of Hamilton! Ohio
Pledged-Revenue Coverage
Last Ten Calendar Years
Schedule 15

	Water System Revenue Bonds					Special Assessment Bonds			
							Debt Service		
Fiscal Year	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)	Coverage (4)	Special Assessment Collections	Principal	Interest	Coverage
1997	$13,697,927	$8,387,526	$5,310,401	$4,198,946	1.26	$271,821	$0	$0	0.00
1998	13,791,322	9,041,396	4,749,926	4,226,462	1.12	329,817	0	0	0.00
1999	15,887,109	9,770,557	6,116,552	4,295,970	1.42	397,229	311,068	0	1.28
2000	16,850,978	8,836,068	8,014,910	4,270,489	1.88	471,352	304,230	77,162	1.24
2001	17,415,954	9,073,991	8,341,963	4,375,033	1.91	520,791	288,784	103,071	1.33
2002	17,805,870	9,077,809	8,728,061	3,103,139	2.81	519,757	275,000	150,476	1.22
2003	14,464,401	8,880,858	5,583,543	1,007,114	5.54	519,929	395,000	137,680	0.98
2004	14,194,267	9,615,956	4,578,311	1,007,114	4.55	519,068	378,770	142,085	1.00
2005	14,477,037	9,942,278	4,534,759	1,006,914	4.50	529,781	392,000	124,994	1.02
2006	13,735,240	11,534,649	2,200,591	1,005,474	2.19	378,938	347,000	121,859	0.81

	Gas System Revenue Bonds					Electric System Revenue Bonds				
Fiscal Year	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)	Coverage (5)	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)	Coverage (6)
1997	$25,125,121	$22,386,943	$2,738,178	$1,771,384	1.55	$41,872,341	$25,137,850	$16,734,491	$13,437,022	1.25
1998	20,689,395	17,784,751	2,904,644	1,757,241	1.65	46,193,083	28,323,561	17,869,522	14,708,761	1.21
1999	19,044,722	15,301,145	3,743,577	1,771,241	2.11	45,550,193	28,847,567	16,702,626	14,714,560	1.14
2000	23,638,431	20,683,361	2,955,070	1,751,866	1.69	49,147,330	27,817,326	21,330,004	14,536,132	1.47
2001	31,784,477	25,467,356	6,317,121	1,403,844	4.50	52,584,410	34,295,218	18,289,192	14,813,659	1.23
2002	22,627,373	19,456,357	3,171,016	1,472,941	2.15	54,261,126	34,813,408	19,447,718	12,830,152	1.52
2003	27,950,700	23,338,504	4,612,196	1,113,021	4.14	49,407,634	33,542,273	15,865,361	13,610,043	1.17
2004	28,782,604	24,856,014	3,926,590	1,493,213	2.63	52,327,108	37,116,049	15,211,059	11,721,429	1.30
2005	33,967,409	32,111,986	1,855,423	1,489,113	1.25	59,628,880	41,916,192	17,712,688	9,034,766	1.96
2006	33,922,066	32,811,091	1,110,975	1,490,012	0.75	58,694,775	38,922,230	19,772,545	13,007,773	1.52

	Wastewater System Revenue Bonds				
Fiscal Year	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)	Coverage (7)
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
2006	10,602,668	7,338,167	3,264,501	2,058,590	1.59

Source: City Records

(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
(5) - Required debt service coverage calculated per the revenue bond indenture is 1.2
(6) - Required debt service coverage calculated per the revenue bond indenture is 1.1
(7) - Required debt service coverage calculated per the revenue bond indenture is 1.15

City of Hamilton! Ohio
Demographic and Economic Statistics
Last Ten Calendar Years
Schedule 16

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
1997	61,100	$7,983,144	$24,531	3.50%
1998	61,100	8,560,958	26,079	3.40%
1999	61,810	9,087,357	27,475	3.20%
2000	60,690	9,547,252	28,612	3.60%
2001	60,690	9,729,127	28,949	4.00%
2002	60,690	9,938,473	29,415	5.30%
2003	60,690	10,285,549	30,297	5.40%
2004	60,690	10,844,563	29,864	5.40%
2005	60,690	11,080,584	31,662	5.30%
2006	60,690	N/A	N/A	5.60%

Sources:
(1) - Population estimates provided by U.S. Census Bureau
(2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
(3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
(4) - Ohio Dept. of Jobs and Family Services, rates are for Butler County

N/A - Information not available

City of Hamilton! Ohio
Principal Employers
Current Calendar and Seven Years Ago (1)
Schedule 17

		2006
Employer	Type of Business	Number of Employees
Fort Hamilton Hospital	Healthcare	1,250
Hamilton City School District	Education	1,250
Butler County	Government	900
Smart Papers, LLC	Manufacturing	500
Valeo Climate Control	Manufacturing	400
Ohio Casualty Group	Insurance	400
First Financial Bank (HQ)	Financial	400
Meijer, Inc.	Retail	325
ThyssenKrupp Bilstein of America	Manufacturing	250
The Kroger Co.	Groceries	250
		5,925

		1999
Employer	Type of Business	Number of Employees
Champion International Corporation	Manufacturing	1,400
Fort Hamilton Hospital	Healthcare	1,100
Hamilton City School District	Education	1,070
Butler County	Government	900
City of Hamilton	Government	750
Mercy Health Systems	Healthcare	650
Meijer, Inc.	Retail/Service	460
OHIO Casualty Company	Insurance	350
General Electric	Manufacturing/Service	300
Valeo Climate Control	Manufacturing	290
		7,270

Source: City Records

(1) - Current year and seven years ago best information available

City of Hamilton! Ohio
Full-Time Equivalent City Government Employees by Function/Program
Current Year (1)
Schedule 18

Function/Program	Full-Time Equivalent Employees as of December 31 2006
General Government	
City Administration	25
Engineering	24
Municipal Court	30
Information Technology	17
Finance	39
Public Health and Welfare Services	
Police	159
Fire	113
Health	20
Leisure Time Activities	
Parks and Recreation	53
Community Environment	
Planning and Zoning	22
Basic Utility Services	
Gas	17
Electric	113
Water	35
Wastewater	26
Utility Customer Service	30
Transportation	49
Total	772

Source: Various City Departments

(1) - Current year information only available

City of Hamilton! Ohio
Operating Indicators by Function/Program
Last Ten Calendar Years
Schedule 19

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Function/Program										
General Government										
Building permits issued - Residential	472	498	298	385	339	392	492	438	306	387
Building permits issued - Commercial	248	311	297	366	326	329	399	479	341	355
Police										
Misdemeanor Arrests	N/A	N/A	2,092	8,955	6,066	5,053	4,719	6,399	7,831	8,400
Felony Arrests	N/A	N/A	7,421	2,528	1,218	2,623	2,501	1,317	1,474	1,621
Traffic Citations Issued	N/A	N/A	11,220	14,664	15,240	14,711	14,188	14,208	15,232	14,335
Parking Tickets Written	N/A	N/A	2,150	2,157	2,545	1,914	1,949	1,989	1,766	1,231
Fire / Emergency Medical Services										
Number of Calls Answered	N/A	N/A	9,033	9,243	9,462	9,370	9,824	10,637	10,347	10,523
Number of Inspections	N/A	N/A	2,226	2,423	2,657	1,916	1,983	2,072	2,132	2,157
Number of Emergency Medical Calls	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,293	8,299	8,292
Refuse collection										
Refuse collected (tons)	N/A	N/A	N/A	N/A	N/A	N/A	24,317	23,761	26,779	27,638
Recyclables collected (tons)	N/A	N/A	N/A	N/A	N/A	N/A	1,521	1,529	1,815	1,683
Other public works										
Street resurfacing (C/L miles)	7.94	9.57	10.28	6.44	1.42	0.70	6.70	5.20	1.20	4.60
Parks and Recreation										
Athletic Field Permits Issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	55
Health Care										
Number of Patient Beds	N/A	N/A	466	407	407	307	307	307	157	272
Parking										
Parking Levels	N/A	N/A	5	5	6.5	6.5	6.5	6.5	6.5	6.5
Parking Spaces	N/A	N/A	555	555	756	758	752	752	752	752
Average Daily Cars Parked	N/A	N/A	457	236	439	376	604	589	589	575
Parking / Meters - On Street and Lots	N/A	N/A	982	993	944	963	977	977	972	892

City of Hamilton! Ohio
Operating Indicators by Function/Program
Last Ten Calendar Years
Schedule 19 (Continued)

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Gas										
Average daily consumption (Ccf)	12,053	11,232	12,059	11,690	9,867	10,389	10,807	9,950	9,854	9,237
Peak daily consumption (Ccf)	34,722	27,740	33,148	32,041	25,980	25,600	30,654	29,582	26,114	24,325
Electric										
Peak demand (MW)	N/A	143.0	152.0	134.0	149.0	147.3	143.0	144.1	166.0	157.0
Energy Requirement (MWh)	N/A	647,780	634,710	642,756	651,100	669,608	663,338	645,131	706,381	638,652
Total System Sales (MWh)	N/A	N/A	N/A	N/A	N/A	636,127	622,655	611,560	613,772	585,791
Total Residential Customers	N/A	N/A	N/A	N/A	N/A	24,944	25,341	25,578	25,253	25,974
Total Commercial Customers	N/A	N/A	N/A	N/A	N/A	3,036	3,068	3,033	3,025	3,060
Water										
New Service Connections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9
Water main breaks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	57
Average daily consumption (K/gals.)	N/A	N/A	17,378	16,044	16,079	18,620	17,593	17,254	19,159	19,757
Peak daily consumption (K/gals.)	N/A	N/A	30,354	28,273	28,836	35,675	28,344	28,666	28,653	32,266
Wastewater										
Average daily sewage treatment (millions of gallons)	N/A	N/A	21.6	20.6	18.8	20.3	20.5	17.2	15.3	16.4

Source: Various City Departments

N/A - Information not available

City of Hamilton! Ohio
Capital Asset Statistics by Function/Program
Last Ten Calendar Years
Schedule 20

	Calendar Year									
Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Police										
Stations	N/A	N/A	1	1	1	1	1	1	1	1
Patrol Cruisers	N/A	N/A	28	51	38	38	40	40	40	60
Fire / Emergency Medical Services Stations	N/A	N/A	6	6	6	6	6	6	6	6
Other Public Works										
Area of City (square miles)	21.51	21.51	21.59	21.52	21.52	21.55	21.56	21.56	21.56	21.56
Streets (miles)	197.0	199.5	200.2	201.3	203.7	204.8	206.8	209.9	213.4	215.9
Number of Streetlights	N/A	N/A	9,015	9,015	9,015	9,015	9,015	12,000	9,000	9,000
Traffic signals	97	97	97	97	97	97	97	97	97	97
Parks and Recreation										
Number of Parks	N/A	N/A	54	56	56	56	56	56	56	55
Park Area (Acreage)	N/A	N/A	1,360	1,320	1,320	1,320	1,320	1,320	1,320	1,300
Playgrounds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	25
Number of Ball Fields:										
Lighted	N/A	N/A	7	7	8	9	9	9	9	9
Unlighted	N/A	N/A	34	34	34	34	34	34	34	34
Number of Ball Fields:										
Lighted	N/A	N/A	2	2	2	2	2	2	2	6
Unlighted	N/A	N/A	5	5	5	6	6	6	6	21
Number of Swimming Pools	N/A	N/A	5	5	5	5	5	5	5	5
Number of Golf Courses	N/A	N/A	2	2	2	2	2	2	2	2
Number of Skateboard Park	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1
Libraries	N/A	N/A	1	1	1	1	1	1	1	1
Health Care										
Number of Hospital	N/A	N/A	2	2	2	1	1	1	1	2
Parking										
Offstreet Parking Garages	N/A	N/A	1	1	2	2	2	2	2	2

City of Hamilton! Ohio
Capital Asset Statistics by Function/Program
Last Ten Calendar Years
Schedule 20 (Continued)

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Municipal Water Department										
Number of Purificaton Plants	N/A	N/A	2	2	2	2	2	2	2	2
Maximum Capacity (millions of gallons per day)	34	34	34	34	34	46	46	46	46	46
Water Mains (miles)	242.5	244.4	245.5	246.9	250.3	251.7	254.0	261.3	264.3	267.3
Sewers										
Number of Treatment Plants	1	1	1	1	1	1	1	1	1	1
Maximum Treatment Capacity (millions of gallons per day)	N/A	N/A	320	320	320	320	320	320	320	320
Storm Sewers (miles)	137.6	139.9	141.7	142.6	144.7	145.7	147.5	151.8	155.2	157.1
Sanitary Sewers (miles)	212.7	215.2	216.5	218.0	220.6	221.6	223.5	227.6	233.0	236.3

Source: Various City Departments

THIS PAGE INTENTIONALLY LEFT BLANK