

COMPREHENSIVE ANNUAL FINANCIAL REPORT



HAMILTON, OHIO
FOR YEAR ENDED
DECEMBER 31, 2007

THE CITY OF HAMILTON, OHIO

BUTLER COUNTY

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2007**

Prepared by:
Department of Finance

William E. Moller
Director of Finance

Ana Ramanathan
Chief Finance Manager

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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, 2008

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, 2007, contains the financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the City. The responsibility for the accuracy of all data presented, its completeness and fairness of presentation rests with the City of Hamilton's Department of Finance.

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

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to 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 operate mills in the city, with employment expected to total almost 850 by mid-2008. Metal fabricators and machine tool companies include Hamilton Caster & Manufacturing, Salvagnini USA, Livingston-Tyler, Matandy Steel & Metal Products, General Electric Aircraft, Armor Metal Group, Fabridigm/Thompson Metal Tubing and United Performance Metals (fka Ferguson Metals). Other Hamilton companies, such as Valeo Climate Control, ThyssenKrupp Bilstein Corporation of America, Neturen America (Japanese joint venture) and Dynamic Controls, manufacture original and after-market automotive parts and components and employ approximately 900 in this industry sector.

In the period from 2002 to 2008, the City has seen considerable expansion activity across the business sectors. The Department of Economic Development has tracked and assisted approximately 55 expansion projects during that period. Some of 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 (\$8.5 million investment, 31 new jobs), YAC Robot (\$1 million investment, 14 new jobs), VinylMax/ThermoLock Windows (\$7.5 million investment, 164 new jobs), Neturen America (\$15 million investment, 40 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 estimated at almost \$223 million, with new jobs projected at between 1,500 and 2,200 and retained jobs of almost 4,000.

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 square foot Class A, state-of-the-art office building, is currently home to over 200 employees and a multi-million dollar Cincinnati Bell Technology Solutions Tier 3 data center. The City is assisting in the recruitment efforts on-going at VTP and expects to make additional expansion announcements for VTP in 2008.

As a complement to VTP and Miami University Hamilton Campus, the City owns the 65-acre, University Commerce Park, which is 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, State Route 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 has been completed and work has begun on the construction of 8 new elementary schools in Hamilton, replacing the existing schools. This new construction will be taking place over the next 2-3 years.

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. Later, 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, Kohl's, Office Depot, Ulta 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, including the recently announced Menard's store, their first in the Cincinnati market area, to be completed by early 2010. The distribution of income tax revenues is approximately \$30,000 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 began the renovation of the former Hamiltonian Hotel into a Courtyard by Marriott in late 2007. Completion of this approximate \$10 million project is expected by early 2009.

INTERNAL ACCOUNTING AND BUDGETARY CONTROLS

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

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

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

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

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

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

DEBT ADMINISTRATION

The ratio of net debt to assessed valuation and net debt per capita are 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, 2007 was as follows:

2007 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 2007 included the \$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% 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% is subdivided into three components. The allocation credits 1.55% of the tax revenues into the General Fund, 0.25% into the Public Safety/Health Fund and 0.20% 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:

	2007	2006
Allocated to General Fund	\$18,240,349	\$17,702,447
Allocated to Public Safety/Health Fund	2,971,408	2,882,087
Allocated to Capital Improvement Fund	2,377,126	2,305,669
Gross Revenues	\$23,588,883	\$22,890,203

INDEPENDENT AUDIT

Included in this report is the unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2007, 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, 2006. 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.

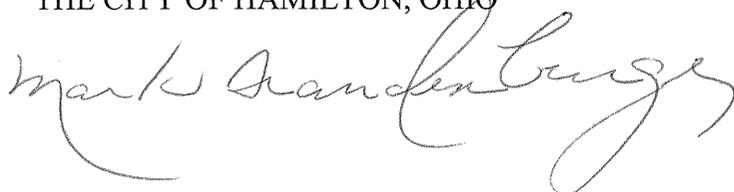
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

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



William E. Moller
Director of Finance

City of Hamilton! Ohio
List of Elected and Principal Officials
As of December 31, 2007

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

Mark Brandenburger

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

Charles S. Young

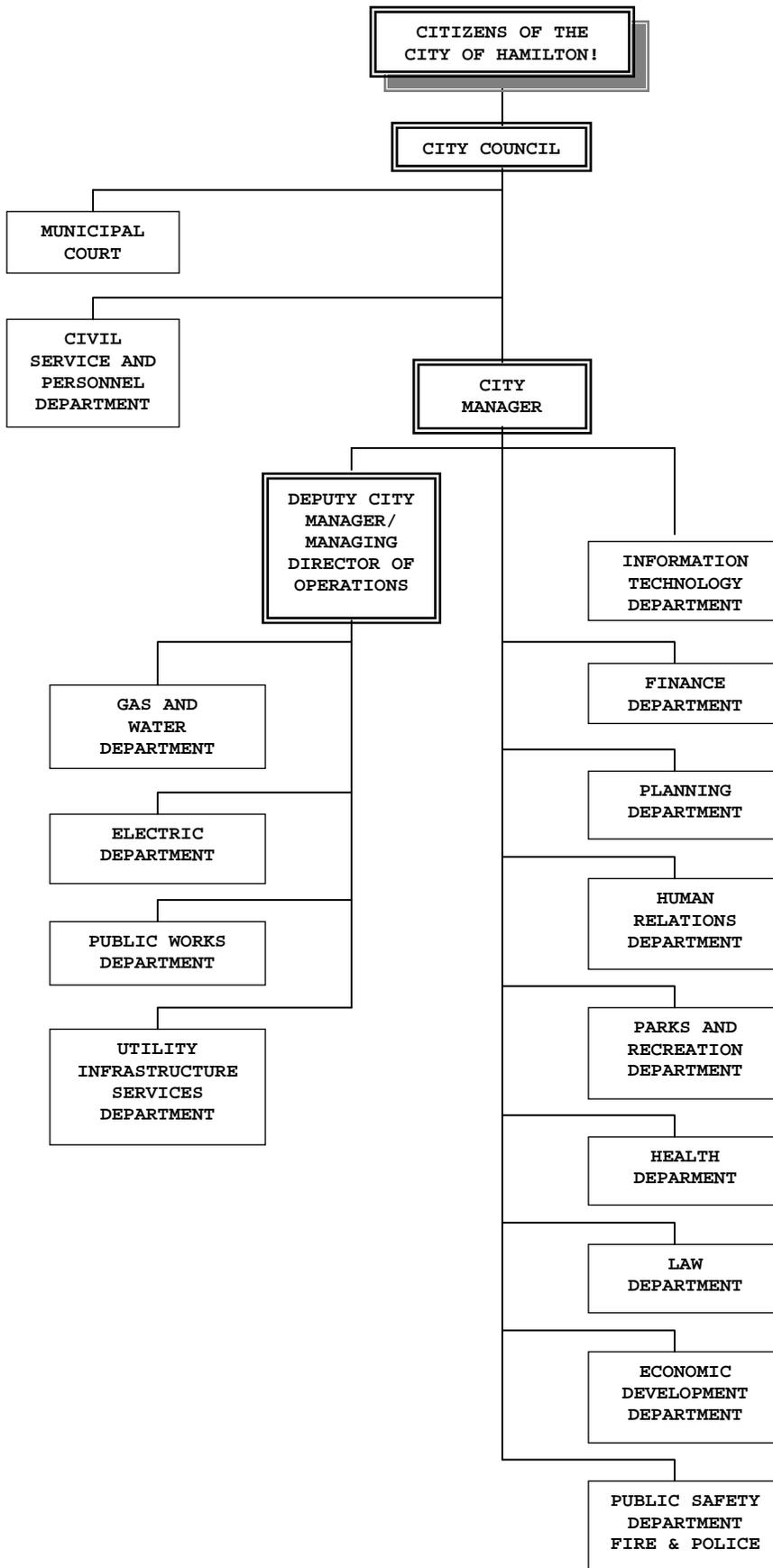
Economic Development Department
Planning Department
Information Technology Department
Police Division
Finance Department
Civil Service & Personnel Department
Health Department
Human Relations Department
Gas & Water Department
Law Department
Fire Division
Electric Department
Parks & Recreation Department
Public Works Department
City Clerk
Chief Finance Manager
Treasurer

Timothy E. Bigler
Teri Whitmore
Robert J. Smith
Chief Neil R. Ferdelman
James A. Hanson, MBA, CPA*
Nadine Hill
Dr. William J. Karwisch
Vaughn Lewis
James G. Collins
Hillary M. Miller
Chief Joseph P. Schutte
Michael R. Perry
Robert C. Harris
Ralph E. Reigelsperger
Ina Allen
Ana Ramanathan
Deborah J. Hymer

* - William E. Moller became Director of Finance on March 25, 2008

CITY OF HAMILTON! OHIO

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, 2006

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

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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, 2007, 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, 2007, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2008, 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 important for 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, Hachett & Co.

Cincinnati, Ohio
June 23, 2008

City of Hamilton! Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
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, 2007. 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 2007 are as follows:

- ❑ The assets of the City exceeded its liabilities at the close of the year ended December 31, 2007, by \$225,106,876 (net assets). Of this amount, \$4,929,462 (governmental unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors, and \$44,247,462 is classified as unrestricted in the Gas, Electric, Water and Wastewater activities.
- ❑ The City's total net assets increased by \$5,178,694, which represents a 2.35% increase from 2006.
- ❑ At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$11,532,812. Of this amount \$6,519,715 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 \$3,650,400 or a little more than 10.20% 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 2007?” 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 government-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 \$225,106,876 (\$72,029,057 in governmental activities and \$153,077,819 in business type activities) as of December 31, 2007. By far, the largest portion of the City's net assets (68.49%) 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 2007 compared to 2006.

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Assets						
Current Assets	\$37,928,640	\$40,153,610	\$75,383,588	\$73,119,106	\$113,312,228	\$113,272,716
Capital Assets, Net	93,652,554	91,457,890	304,016,599	303,936,079	397,669,153	395,393,969
Total Assets	131,581,194	131,611,500	379,400,187	377,055,185	510,981,381	508,666,685
Liabilities						
Long-Term Liabilities	39,296,408	40,700,355	191,691,758	199,512,780	230,988,166	240,213,135
Other Liabilities	20,255,729	18,514,233	34,630,610	30,011,135	54,886,339	48,525,368
Total Liabilities	59,552,137	59,214,588	226,322,368	229,523,915	285,874,505	288,738,503
Net Assets						
Invested in Capital						
Assets Net of Debt	59,732,393	56,285,912	94,444,136	94,984,687	154,176,529	151,270,599
Restricted	7,367,202	8,292,468	14,386,221	14,417,833	21,753,423	22,710,301
Unrestricted	4,929,462	7,818,532	44,247,462	38,128,750	49,176,924	45,947,282
Total Net Assets	\$72,029,057	\$72,396,912	\$153,077,819	\$147,531,270	\$225,106,876	\$219,928,182

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 \$21,753,423 or 9.66% of net assets. The remaining unrestricted \$49,176,924 or 21.85% 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, 2007, 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 for the City increased \$5,178,694. The City's governmental activities net assets remained relatively consistent from 2007 to 2006, while the business-type activities net assets showed an increase in charges for services revenue and the City was able to control expenses in 2007 compared to 2006.

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Program Revenues:						
Charges for Services	\$13,866,073	\$14,153,642	\$127,747,241	\$116,610,400	\$141,613,314	\$130,764,042
Operating Grants, Contributions	6,684,403	7,719,161	117,344	23,547	6,801,747	7,742,708
Capital Grants and Contributions	2,492,177	918,278	124,275	1,983,855	2,616,452	2,902,133
Total Program Revenues	23,042,653	22,791,081	127,988,860	118,617,802	151,031,513	141,408,883
General Revenue:						
Income Taxes	23,297,050	23,203,869	0	0	23,297,050	23,203,869
Property Taxes	9,147,564	7,552,241	0	0	9,147,564	7,552,241
Grants and Entitlements	3,999,620	4,359,527	0	0	3,999,620	4,359,527
Investment Earnings	783,876	659,587	3,273,372	2,655,494	4,057,248	3,315,081
Other	2,302,469	3,777,900	0	0	2,302,469	3,777,900
Total General Revenues	39,530,579	39,553,124	3,273,372	2,655,494	42,803,951	42,208,618
Total Revenues	62,573,232	62,344,205	131,262,232	121,273,296	193,835,464	183,617,501
Program Expenses:						
General Government	8,082,518	9,080,789	0	0	8,082,518	9,080,789
Security of Persons and Property	31,189,244	29,539,127	0	0	31,189,244	29,539,127
Leisure Time Activities	3,011,837	2,640,996	0	0	3,011,837	2,640,996
Community Environment	5,088,227	4,341,592	0	0	5,088,227	4,341,592
Basic Utility Services	6,444,432	5,242,138	0	0	6,444,432	5,242,138
Transportation	5,382,362	5,382,724	0	0	5,382,362	5,382,724
Public Health and Welfare Services	2,011,188	1,803,562	0	0	2,011,188	1,803,562
Interest and Fiscal Charges	1,731,279	2,036,100	0	0	1,731,279	2,036,100
Gas Utility	0	0	35,483,116	35,421,943	35,483,116	35,421,943
Electric Utility	0	0	62,949,988	56,941,632	62,949,988	56,941,632
Water Utility	0	0	15,708,740	14,681,886	15,708,740	14,681,886
Wastewater Utility	0	0	11,573,839	10,907,317	11,573,839	10,907,317
Total Program Expenses	62,941,087	60,067,028	125,715,683	117,952,778	188,656,770	178,019,806
Increase (Decrease) in Net Assets before Transfers	(367,855)	2,277,177	5,546,549	3,320,518	5,178,694	5,597,695
Transfers - Internal Activities	0	1,773,041	0	(1,773,041)	0	0
Change in Net Assets	(367,855)	4,050,218	5,546,549	1,547,477	5,178,694	5,597,695
Beginning Net Assets	72,396,912	68,346,694	147,531,270	145,983,793	219,928,182	214,330,487
Ending Net Assets	\$72,029,057	\$72,396,912	\$153,077,819	\$147,531,270	\$225,106,876	\$219,928,182

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 2007, total expenses for security of persons and property were \$31,189,244, which represents a 49.55% governmental activity spending yield. The programs require a reliance on the general revenues for funding of \$25,858,315 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. Gas, Electric, Water and Wastewater utilities were able to maintain positive operating income figures of \$3,382,547, \$8,461,154, \$2,110,294 and \$757,522, respectively for 2007. The Gas Fund operating revenue increased due to the increase in the fixed or customer charge, the timing of Gas Cost Recovery collections, as well as adding a large paper manufacturer as a new customer. The Water Fund's increase in operating revenues was due to a dry, hot summer and increased sales to the County. The Electric Fund's revenues increased due to increased City demand resulting from the summer weather and increased off-system sales (opportunity sales resulting from high market prices). In the Electric Fund, purchased electric power volume and cost per MWh increased significantly in 2007 due to a very hot, dry summer and lower than normal output at Hamilton's Greenup Hydroelectric Plant. The Wastewater Fund had a positive operating income is primarily due to controlling the growth of expenses and maintaining rates commensurate with operating costs and the cost of required compliance with the Ohio Environmental Protection Agency. The City's combined change in net assets figured to \$5,789,643 for 2007. \$187,852,463 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 2007, the City's governmental funds reported combined ending fund balances of \$11,532,812. \$6,519,715 constitutes positive unreserved fund balance available for spending for citizens. The remaining balance of \$5,013,097 is reserved for encumbrances, inventory, prepaid items, and endowments.

The General Fund is the chief operating fund of the City. As of December 31, 2007, the unreserved general fund balance was \$3,650,400 with a total fund balance of \$4,599,995. 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 10.20% of the total expenditures and other financing uses, while total fund balance represents 12.86% of that same amount.

During 2007 General Fund expenditures and net transfers out exceeded revenue by \$1,733,843 which reduced the total fund balance to \$4,599,995. The approved budget for 2007 anticipated the use of \$1,519,403 of fund balance to balance the budget. In addition, revenue growth was somewhat less than anticipated.

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 2007:

Description	Original Budget	Final Budget	Change
Revenues:			
Property and Other Taxes	\$5,700,000	\$5,700,000	\$0
Income Taxes	18,545,000	18,455,000	(90,000)
Intergovernmental	4,659,112	4,695,460	36,348
Charges for Services	14,805,172	14,842,984	37,812
Licenses and Permits	1,415,438	1,429,863	14,425
Investment Earnings	600,000	600,000	0
Fines and Forfeitures	1,181,200	1,181,200	0
All Other Revenues	411,293	1,319,293	908,000
Total Revenues	47,317,215	48,223,800	906,585
Expenditures:			
General Government	10,781,610	12,395,748	1,614,138
Security of Persons and Property	30,212,450	30,692,229	479,779
Leisure Time Activities	1,724,746	1,914,807	190,061
Community Environment	1,674,047	1,702,632	28,585
Basic Utility Services	1,931,691	1,957,268	25,577
Public Health and Welfare Services	2,096,729	2,199,562	102,833
Total Expenditures	\$48,421,273	\$50,862,246	\$2,440,973

The largest change in the City’s original and final revenue budgets was in the All Other Revenues line item. The City’s original budget was conservative with the state’s local government funding and the amounts for Charged for Services and Licenses and Permits. The City was able to increase budgeted expenditures as the projected revenue forecast was increased.

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The following table summarizes the major revenue sources and expenditures from final budget to actual results for 2007:

Description	Final Budget	Actual	Change
Revenues:			
Property and Other Taxes	\$5,700,000	\$5,556,784	(\$143,216)
Income Taxes	18,455,000	18,137,803	(317,197)
Intergovernmental	4,695,460	4,550,597	(144,863)
Charges for Services	14,842,984	14,022,548	(820,436)
Licenses and Permits	1,429,863	1,249,363	(180,500)
Investment Earnings	600,000	731,439	131,439
Fines and Forfeitures	1,181,200	939,284	(241,916)
All Other Revenues	1,319,293	1,212,064	(107,229)
Total Revenues	48,223,800	46,399,882	(1,823,918)
Expenditures:			
General Government	12,395,748	11,271,799	1,123,949
Security of Persons and Property	30,692,229	29,565,979	1,126,250
Leisure Time Activities	1,914,807	1,791,543	123,264
Community Environment	1,702,632	1,635,132	67,500
Basic Utility Services	1,957,268	1,532,797	424,471
Public Health and Welfare Services	2,199,562	1,933,407	266,155
Total Expenditures	\$50,862,246	\$47,730,657	\$3,131,589

With an operating budget over \$48 million for the general fund, the City was able to predict the final revenue budget within 3.8% of actual results. Final total expenditures were 6.2% less than budget.

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, 2007, amounts to \$154,176,529 (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 2007. The City has had extremely limited funding to provide for capital asset acquisition and construction.
- ❖ The City added \$6,652,977 in governmental capital assets during the year.
- ❖ The business type activities recognized \$17,411,229 in additions as the City added \$10,580,113 in construction in progress for the four enterprise funds.

Long-term Debt: At the end of 2007, the City had general obligation bonds outstanding of \$30,525,000. Total outstanding long-term bonds totaled \$230,137,000 with a decrease of 4.3% against prior year outstanding bond balances. See Note 13 for further information on the City's long-term debt.

Economic Factors Affecting the Next Budget Year

The City of Hamilton remains a major regional center of business, industry, and government. The city is a manufacturing hub with over 1,700 commercial establishments and is the county seat. The city has weathered the economic downturn of 2000-2002 in which several businesses left the city and over 3,000 jobs were lost. Income Tax receipts, the largest component of General Fund resources and a bellwether of the local economy, declined during this period. Since then the local economy has rebounded and Income Tax receipts have increased every year through 2007. From 2002-2007 the city has assisted in fifty business expansion projects accounting for nearly \$208 million in investment and the creation of 1,500 jobs.

By 2005 the city had accumulated a General Fund balance of \$7 million which was 15.7% of the General Fund budget. Since then the fund balance has declined as the cost of providing services has outpaced revenue and fund balance was used to balance the budget. Both labor cost and property acquisition for future economic development account for the increase in expenditures. The unreserved General Fund balance was \$3.6 million at the end of 2007.

The city will be challenged in 2008 and 2009 to maintain general services at current levels given the downturn in the national economy. Without taking any action, it is estimated that the General Fund balance will be \$1.2 million on a modified cash basis at the end of 2008. The City Manager, with City Council approval, has implemented a selective hiring freeze, a plan to reduce department expenditures by 3% from budget, and a selective freeze on non-health and safety capital expenditures. These measures are expected to increase the fund balance to at least \$2.5 million. Budget planning for 2009 has already begun and the city is considering a menu of over seventy expenditure reductions and revenue increases to balance the 2009 budget and beyond. The City Council has established a policy to achieve and maintain at least a fund balance of 5% of budget.

In the long-term, the city is positioning itself to be regionally competitive as a business and industry center. The city has embarked on a three-year national and international effort, in conjunction with regional partners, to reach out to and recruit businesses interested in expanding or relocating. In addition, the city is well-positioned because of its utilities – electric, gas, water and wastewater. It is the city's objective to have rates that are below those of other utilities in the region and nationally to achieve a competitive cost advantage.

The city maintains an A2 Moody's General Obligation Bond Rating at the end of 2007. All bond anticipation notes issued during the year received a Moody's rating of MIG-1, the highest possible rating.

Requests for Information

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

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City of Hamilton! Ohio
Statement of Net Assets
December 31, 2007

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$19,497,753	\$35,182,497	\$54,680,250
Restricted Cash and Investments	0	14,529,273	14,529,273
Receivables (net of allowance for uncollectibles):			
Taxes	12,673,409	0	12,673,409
Accounts	1,340,902	16,875,535	18,216,437
Interest	113,902	272,451	386,353
Due From Other Governments	2,424,961	0	2,424,961
Loans	811,443	0	811,443
Prepaid Items	627,243	845,821	1,473,064
Inventory	84,237	3,553,934	3,638,171
Deferred Bond Issuance Costs	354,790	4,124,077	4,478,867
Nondepreciable Capital Assets	34,032,396	29,760,939	63,793,335
Depreciable Capital Assets, Net	59,620,158	274,255,660	333,875,818
Total Assets	131,581,194	379,400,187	510,981,381
Liabilities:			
Accounts Payable	3,529,827	8,282,824	11,812,651
Accrued Wages and Benefits	703,165	403,867	1,107,032
Accrued Interest Payable	335,047	2,140,753	2,475,800
Accrued Liabilities	560,411	5	560,416
Unearned Revenue	6,821,580	0	6,821,580
Intergovernmental Payable	1,862,004	565,553	2,427,557
Customer Deposits Payable	8,695	1,517,608	1,526,303
Special Assessment Notes Payable	400,000	0	400,000
General Obligation Notes Payable	6,035,000	21,720,000	27,755,000
Long-Term Liabilities:			
Due Within One Year	3,933,005	10,348,362	14,281,367
Due In More Than One Year	35,363,403	181,343,396	216,706,799
Total Liabilities	59,552,137	226,322,368	285,874,505
Net Assets:			
Invested in Capital Assets, Net of Related Debt	59,732,393	94,444,136	154,176,529
Restricted for:			
Special Revenue	6,192,439	0	6,192,439
Debt Service	406,556	4,886,221	5,292,777
Capital Projects	692,105	0	692,105
Rate Stabilization	0	9,500,000	9,500,000
Nonexpendable Endowments	76,102	0	76,102
Unrestricted	4,929,462	44,247,462	49,176,924
Total Net Assets	\$72,029,057	\$153,077,819	\$225,106,876

See accompanying notes to the basic financial statements.

City of Hamilton! Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2007

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$8,082,518	\$3,972,931	\$11,935	\$0
Security of Persons and Property	31,189,244	3,390,761	1,940,168	0
Leisure Time Activities	3,011,837	907,533	0	0
Community Environment	5,088,227	1,087,336	2,370,977	81,419
Basic Utility Services	6,444,432	2,381,789	141,303	0
Transportation	5,382,362	952,715	1,865,762	2,410,758
Public Health and Welfare Services	2,011,188	887,193	354,258	0
Interest and Fiscal Charges	1,731,279	285,815	0	0
Total Governmental Activities	62,941,087	13,866,073	6,684,403	2,492,177
Business-Type Activities:				
Gas Utility	35,483,116	37,972,254	0	0
Electric Utility	62,949,988	62,927,311	0	124,275
Water Utility	15,708,740	15,828,437	117,344	0
Wastewater Utility	11,573,839	11,019,239	0	0
Total Business-Type Activities	125,715,683	127,747,241	117,344	124,275
Totals	\$188,656,770	\$141,613,314	\$6,801,747	\$2,616,452

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

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
(\$4,097,652)	\$0	(\$4,097,652)
(25,858,315)	0	(25,858,315)
(2,104,304)	0	(2,104,304)
(1,548,495)	0	(1,548,495)
(3,921,340)	0	(3,921,340)
(153,127)	0	(153,127)
(769,737)	0	(769,737)
(1,445,464)	0	(1,445,464)
<u>(39,898,434)</u>	<u>0</u>	<u>(39,898,434)</u>
0	2,489,138	2,489,138
0	101,598	101,598
0	237,041	237,041
0	(554,600)	(554,600)
<u>0</u>	<u>2,273,177</u>	<u>2,273,177</u>
<u>(\$39,898,434)</u>	<u>\$2,273,177</u>	<u>(\$37,625,257)</u>
23,297,050	0	23,297,050
5,470,145	0	5,470,145
3,313,951	0	3,313,951
363,468	0	363,468
3,999,620	0	3,999,620
783,876	3,273,372	4,057,248
585,322	0	585,322
1,717,147	0	1,717,147
<u>39,530,579</u>	<u>3,273,372</u>	<u>42,803,951</u>
(367,855)	5,546,549	5,178,694
<u>72,396,912</u>	<u>147,531,270</u>	<u>219,928,182</u>
<u>\$72,029,057</u>	<u>\$153,077,819</u>	<u>\$225,106,876</u>

City of Hamilton! Ohio
Balance Sheet
Governmental Funds
December 31, 2007

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$4,035,641	\$14,977,239	\$19,012,880
Receivables (net of allowance for uncollectibles):			
Taxes	7,029,108	5,644,301	12,673,409
Accounts	706,542	634,360	1,340,902
Interest	87,218	26,684	113,902
Due From Other Governments	1,033,635	1,391,326	2,424,961
Loans	0	811,443	811,443
Interfund	289,000	0	289,000
Due From Other Funds	6,910	0	6,910
Prepaid Items	551,924	69,912	621,836
Inventory	1,871	36,255	38,126
Total Assets	13,741,849	23,591,520	37,333,369
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	436,993	2,974,265	3,411,258
Accrued Wages and Benefits	636,965	54,848	691,813
Accrued Interest Payable	0	77,016	77,016
Accrued Liabilities	434,319	126,092	560,411
Interfund Payable	0	289,000	289,000
Deferred Revenue	5,880,423	6,597,531	12,477,954
Due to Other Funds	0	6,910	6,910
Intergovernmental Payable	1,753,154	89,346	1,842,500
Customer Deposits Payable	0	8,695	8,695
Special Assessment Notes Payable	0	400,000	400,000
General Obligation Notes Payable	0	6,035,000	6,035,000
Total Liabilities	9,141,854	16,658,703	25,800,557
Fund Balances:			
Reserved for Encumbrances	395,800	3,881,233	4,277,033
Reserved for Inventory	1,871	36,255	38,126
Reserved for Prepaid Items	551,924	69,912	621,836
Reserved for Endowments	0	76,102	76,102
Unreserved, Undesignated, Reported in:			
General Fund	3,650,400	0	3,650,400
Special Revenue Funds	0	3,441,448	3,441,448
Debt Service Funds	0	413,719	413,719
Capital Projects Funds	0	(985,852)	(985,852)
Total Fund Balances	4,599,995	6,932,817	11,532,812
Total Liabilities and Fund Balances	\$13,741,849	\$23,591,520	\$37,333,369

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, 2007

Total Governmental Fund Balance		\$11,532,812
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.		93,652,554
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Income Taxes	2,634,137	
Delinquent Property Taxes	896,470	
Intergovernmental	1,272,334	
Other	<u>853,433</u>	
		5,656,374
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.		306,979
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.		(258,031)
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	<u>(6,339,260)</u>	
		(6,339,260)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		354,790
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(32,877,161)</u>
Net Assets of Governmental Activities		<u><u>\$72,029,057</u></u>

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, 2007

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Income Taxes	\$17,754,683	\$5,419,674	\$23,174,357
Property and Other Taxes	5,556,784	3,746,217	9,303,001
Intergovernmental	4,351,537	7,762,988	12,114,525
Charges for Services	2,708,118	8,955,151	11,663,269
License and Permits	1,249,363	368,581	1,617,944
Investments Earnings	783,876	423,909	1,207,785
Fines and Forfeitures	939,284	230,344	1,169,628
Special Assessments	0	579,531	579,531
All Other Revenues	641,409	776,193	1,417,602
Total Revenues	33,985,054	28,262,588	62,247,642
Expenditures:			
Current:			
General Government	6,643,934	730,676	7,374,610
Security of Persons and Property	23,606,724	6,831,980	30,438,704
Leisure Time Activities	1,735,330	1,057,418	2,792,748
Community Environment	1,053,479	4,036,514	5,089,993
Basic Utility Services	590,500	5,874,942	6,465,442
Transportation	0	3,443,964	3,443,964
Public Health and Welfare Services	1,904,641	115,887	2,020,528
Capital Outlay	0	6,522,370	6,522,370
Debt Service:			
Principal Retirement	0	1,885,000	1,885,000
Interest and Fiscal Charges	0	1,674,562	1,674,562
Total Expenditures	35,534,608	32,173,313	67,707,921
Excess of Revenues Over (Under) Expenditures	(1,549,554)	(3,910,725)	(5,460,279)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	1,087,495	1,087,495
Issuance of Long-Term Capital-Related Debt	0	365,000	365,000
Transfers In	60,211	6,387,294	6,447,505
Transfers (Out)	(244,500)	(6,203,005)	(6,447,505)
Total Other Financing Sources (Uses)	(184,289)	1,636,784	1,452,495
Net Change in Fund Balance	(1,733,843)	(2,273,941)	(4,007,784)
Fund Balance Beginning of Year	6,333,962	9,207,793	15,541,755
Change in Reserve for Inventory	(124)	(1,035)	(1,159)
Fund Balance End of Year	\$4,599,995	\$6,932,817	\$11,532,812

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, 2007

Net Change in Fund Balance - Total Governmental Funds (\$4,007,784)

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	6,652,977	
Depreciation Expense	<u>(3,671,041)</u>	2,981,936

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. (787,272)

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

Income Taxes	122,694	
Delinquent Property Taxes	(155,438)	
Intergovernmental	(156,098)	
Other	<u>214,209</u>	25,367

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,885,000

In the statement of activities interest expense is accrued when incurred, whereas in governmental funds an interest expenditure is reported when due. 9,844

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	(108,100)	
Amortization of Bond Issuance Cost	(44,195)	
Amortization of Bond Discount	(22,366)	
Change in Inventory	<u>(1,159)</u>	(175,820)

Adjustment to reflect the consolidation of internal service fund activities related to governmental funds. 65,874

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. (365,000)

Change in Net Assets of Governmental Activities (\$367,855)

See accompanying notes to the basic financial statements.

The City of Hamilton! Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2007

	General Fund			Variance Positive (Negative)
	Budget		Actual	
	Initial	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$5,700,000	\$5,700,000	\$5,556,784	(\$143,216)
Income Taxes	18,545,000	18,455,000	18,137,803	(317,197)
Intergovernmental	4,659,112	4,695,460	4,550,597	(144,863)
Charges for Services	14,805,172	14,842,984	14,022,548	(820,436)
Licenses and Permits	1,415,438	1,429,863	1,249,363	(180,500)
Investment Earnings	600,000	600,000	731,439	131,439
Fines and Forfeitures	1,181,200	1,181,200	939,284	(241,916)
Other All Revenue	411,293	1,319,293	1,212,064	(107,229)
Total Revenue	47,317,215	48,223,800	46,399,882	(1,823,918)
<u>Expenditures:</u>				
Current:				
Security of Persons and Property:				
Municipal Court				
Personal Services	1,194,246	1,194,134	1,129,156	64,978
Other Expenditures	357,451	361,073	404,966	(43,893)
Total Municipal Court	1,551,697	1,555,207	1,534,122	21,085
Police				
Personal Services	12,381,967	12,305,818	11,976,774	329,044
Other Expenditures	1,111,439	1,481,001	1,394,644	86,357
Capital Outlay	0	16,000	15,308	692
Total Police	13,493,406	13,802,819	13,386,726	416,093
Civilian Dispatch				
Personal Services	1,132,567	1,135,123	1,119,017	16,106
Other Expenditures	97,976	99,879	69,221	30,658
Total Civilian Dispatch	1,230,543	1,235,002	1,188,238	46,764
Building Maintenance - Criminal Justice				
Personal Services	0	0	184,006	(184,006)
Other Expenditures	207,943	221,991	14,093	207,898
Total Building Maintenance - Criminal Justice	207,943	221,991	198,099	23,892
Corrections				
Personal Services	702,391	702,292	663,119	39,173
Other Expenditures	281,500	429,000	194,428	234,572
Total Corrections	983,891	1,131,292	857,547	273,745
Police - Citizens				
Other Expenditures	3,250	3,250	528	2,722
Total Police - Citizens	3,250	3,250	528	2,722
Police - Safe Neighborhood				
Personal Services	97,656	43,065	43,063	2
Other Expenditures	1,677	712	712	0
Total Police - Safe Neighborhood	99,333	43,777	43,775	2

(Continued)

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, 2007

	General Fund		Actual	Variance Postive (Negative)
	Budget			
	Initial	Final		
Fire				
Personal Services	9,751,515	9,764,336	9,512,097	252,239
Other Expenditures	422,466	433,786	457,264	(23,478)
Total Fire	10,173,981	10,198,122	9,969,361	228,761
Fire - Building				
Other Expenditures	257,800	277,212	209,917	67,295
Total Fire - Building	257,800	277,212	209,917	67,295
Fire - Paramedics				
Personal Services	1,987,270	1,987,120	1,942,200	44,920
Other Expenditures	223,336	236,437	235,466	971
Total Fire - Paramedics	2,210,606	2,223,557	2,177,666	45,891
Total Security of Persons and Property	30,212,450	30,692,229	29,565,979	1,126,250
Public Health and Welfare Services:				
Health				
Personal Services	1,560,100	1,498,238	1,300,783	197,455
Other Expenditures	536,259	700,954	632,624	68,330
Capital Outlay	370	370	0	370
Total Health	2,096,729	2,199,562	1,933,407	266,155
Total Public Health and Welfare Services	2,096,729	2,199,562	1,933,407	266,155
Leisure Time Activities:				
Parks and Recreation - Administration				
Personal Services	227,679	272,579	273,675	(1,096)
Other Expenditures	21,023	21,561	20,884	677
Total Parks and Recreation - Administration	248,702	294,140	294,559	(419)
Playground Programs				
Personal Services	27,730	27,732	28,041	(309)
Other Expenditures	21,600	21,600	24,284	(2,684)
Total Playground Programs	49,330	49,332	52,325	(2,993)
Outdoor Athletic Program				
Personal Services	243,871	241,773	149,902	91,871
Other Expenditures	53,108	105,211	93,536	11,675
Total Outdoor Athletic Program	296,979	346,984	243,438	103,546
Swimming Pools				
Personal Services	5,242	5,242	0	5,242
Other Expenditures	73,975	156,955	156,135	820
Total Swimming Pools	79,217	162,197	156,135	6,062
Parks and Playgrounds Maintenance				
Personal Services	598,911	598,934	558,367	40,567
Other Expenditures	281,585	292,670	303,363	(10,693)
Capital Outlay	0	0	11,825	(11,825)
Total Parks and Playgrounds Maintenance	880,496	891,604	873,555	18,049
Community Center				
Other Expenditures	127,021	127,526	126,197	1,329
Total Community Center	127,021	127,526	126,197	1,329

(Continued)

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, 2007

	General Fund			Variance Positive (Negative)
	Budget		Actual	
	Initial	Final		
Colligan				
Personal Services	23,151	23,169	25,827	(2,658)
Other Expenditures	19,850	19,855	19,507	348
Total Colligan	<u>43,001</u>	<u>43,024</u>	<u>45,334</u>	<u>(2,310)</u>
Total Leisure Time Activities	<u>1,724,746</u>	<u>1,914,807</u>	<u>1,791,543</u>	<u>123,264</u>
Community Environment:				
Construction Services				
Personal Services	712,851	690,684	652,484	38,200
Other Expenditures	92,574	135,048	111,376	23,672
Total Construction Services	<u>805,425</u>	<u>825,732</u>	<u>763,860</u>	<u>61,872</u>
Department of Planning				
Personal Services	530,271	530,255	514,853	15,402
Other Expenditures	43,703	51,994	37,435	14,559
Total Department of Planning	<u>573,974</u>	<u>582,249</u>	<u>552,288</u>	<u>29,961</u>
Department of Human Relations				
Personal Services	186,001	185,994	185,256	738
Other Expenditures	108,647	108,657	133,728	(25,071)
Total Department of Human Relations	<u>294,648</u>	<u>294,651</u>	<u>318,984</u>	<u>(24,333)</u>
Total Community Environment	<u>1,674,047</u>	<u>1,702,632</u>	<u>1,635,132</u>	<u>67,500</u>
Basic Utility Services:				
Public Works - Administration				
Personal Services	212,664	208,609	205,042	3,567
Other Expenditures	9,602	16,668	16,413	255
Total Public Works - Administration	<u>222,266</u>	<u>225,277</u>	<u>221,455</u>	<u>3,822</u>
Engineering				
Personal Services	936,926	936,874	715,143	221,731
Other Expenditures	64,625	64,598	35,020	29,578
Total Engineering	<u>1,001,551</u>	<u>1,001,472</u>	<u>750,163</u>	<u>251,309</u>
Public Works - Maintenance				
Personal Services	578,455	578,402	467,882	110,520
Other Expenditures	129,419	152,117	93,297	58,820
Total Public Works - Maintenance	<u>707,874</u>	<u>730,519</u>	<u>561,179</u>	<u>169,340</u>
Total Basic Utility Services	<u>1,931,691</u>	<u>1,957,268</u>	<u>1,532,797</u>	<u>424,471</u>
General Government:				
City Council				
Personal Services	79,432	89,217	89,670	(453)
Other Expenditures	36,044	36,345	24,550	11,795
Total City Council	<u>115,476</u>	<u>125,562</u>	<u>114,220</u>	<u>11,342</u>
City Clerk				
Personal Services	131,185	131,095	128,487	2,608
Other Expenditures	20,572	20,762	19,553	1,209
Total City Clerk	<u>151,757</u>	<u>151,857</u>	<u>148,040</u>	<u>3,817</u>

(Continued)

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, 2007

	General Fund			Variance Positive (Negative)
	Budget		Actual	
	Initial	Final		
City Manager				
Personal Services	332,829	332,810	292,344	40,466
Other Expenditures	16,357	16,474	14,569	1,905
Total City Manager	349,186	349,284	306,913	42,371
Finance - Cashiers				
Personal Services	161,215	161,260	132,871	28,389
Other Expenditures	7,599	7,776	4,136	3,640
Total Finance - Cashiers	168,814	169,036	137,007	32,029
NDD				
Personal Services	32,305	32,278	35,446	(3,168)
Other Expenditures	68,326	179,293	101,783	77,510
Total NDD	100,631	211,571	137,229	74,342
Deputy City Manager - Operations				
Personal Services	0	130,150	128,856	1,294
Other Expenditures	0	5,475	2,158	3,317
Total Deputy City Manager - Operations	0	135,625	131,014	4,611
Department of Law				
Personal Services	628,941	628,816	585,408	43,408
Other Expenditures	32,960	33,172	22,834	10,338
Total Department of Law	661,901	661,988	608,242	53,746
Department of Civil Service				
Personal Services	356,534	348,290	247,112	101,178
Other Expenditures	23,356	31,668	31,762	(94)
Total Department of Civil Service	379,890	379,958	278,874	101,084
Finance - Administration				
Personal Services	1,154,390	1,159,711	1,154,006	5,705
Other Expenditures	55,795	56,465	53,396	3,069
Total Finance - Administration	1,210,185	1,216,176	1,207,402	8,774
Finance - Purchasing				
Personal Services	319,823	319,742	206,897	112,845
Other Expenditures	17,331	17,409	10,519	6,890
Total Finance - Purchasing	337,154	337,151	217,416	119,735
Finance - Building Services				
Personal Services	143,865	143,872	138,438	5,434
Other Expenditures	323,232	335,399	281,030	54,369
Total Finance - Building Services	467,097	479,271	419,468	59,803
Finance - Income Tax				
Personal Services	1,011,228	1,011,053	892,279	118,774
Other Expenditures	227,736	265,144	210,518	54,626
Total Finance - Income Tax	1,238,964	1,276,197	1,102,797	173,400

(Continued)

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, 2007

	General Fund			Variance Positive (Negative)
	Budget		Actual	
	Initial	Final		
Special Appropriations - Kilowatts				
Other Expenditures	2,623,150	2,623,150	2,731,830	(108,680)
Total Special Appropriations - Kilowatts	2,623,150	2,623,150	2,731,830	(108,680)
Special Appropriations - General				
Personal Services	166,500	216,500	214,762	1,738
Other Expenditures	2,213,938	2,270,332	2,128,924	141,408
Total Special Appropriations - General	2,380,438	2,486,832	2,343,686	143,146
Special Appropriations				
Personal Services	95,655	85,658	69,458	16,200
Other Expenditures	501,312	1,706,432	1,318,203	388,229
Total Special Appropriations	596,967	1,792,090	1,387,661	404,429
Total General Government	10,781,610	12,395,748	11,271,799	1,123,949
Total Expenditures	48,421,273	50,862,246	47,730,657	3,131,589
Excess of Revenues Over (Under) Expenditures	(1,104,058)	(2,638,446)	(1,330,775)	1,307,671
<u>Other Financing Sources (Uses):</u>				
Transfers In	33,060	101,642	102,851	1,209
Transfers (Out)	(30,295)	(652,795)	(533,500)	119,295
Total Other Financing Sources (Uses)	2,765	(551,153)	(430,649)	120,504
Net Change in Fund Balance	(1,101,293)	(3,189,599)	(1,761,424)	1,428,175
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,501,517	5,501,517	5,501,517	0
Fund Balances at End of Year	<u>\$4,400,224</u>	<u>\$2,311,918</u>	<u>\$3,740,093</u>	<u>\$1,428,175</u>

See accompanying notes to the basic financial statements.

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City of Hamilton! Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2007

	Business-Type Activities -Enterprise Funds				Total Business-Type Activities
	Gas	Electric	Water	Wastewater	
Assets:					
Equity in Pooled Cash and Investments	\$5,272,319	\$8,302,623	\$13,063,732	\$8,543,823	\$35,182,497
Restricted Cash and Investments	2,942,108	7,723,053	1,327,820	2,536,292	14,529,273
Receivables (net of allowance for uncollectibles):					
Accounts	6,498,343	7,288,058	1,408,217	1,680,917	16,875,535
Interest	46,014	58,717	95,584	72,136	272,451
Prepaid Items	103,347	515,466	91,528	93,404	803,745
Inventory	161,951	3,246,685	142,180	3,118	3,553,934
Total Current Assets	15,024,082	27,134,602	16,129,061	12,929,690	71,217,435
Deferred Bond Issuance Costs	208,987	3,448,990	209,953	256,147	4,124,077
Nondepreciable Capital Assets	1,342,913	12,557,963	11,973,826	3,886,237	29,760,939
Depreciable Capital Assets, Net	35,613,533	121,841,596	78,377,584	38,422,947	274,255,660
Total Noncurrent Assets	37,165,433	137,848,549	90,561,363	42,565,331	308,140,676
Total Assets	52,189,515	164,983,151	106,690,424	55,495,021	379,358,111
Liabilities:					
Current Liabilities:					
Accounts Payable	3,932,830	2,060,178	1,606,287	393,291	7,992,586
Accrued Wages and Benefits	23,277	202,170	52,904	46,710	325,061
Compensated Absences	98,654	542,049	217,871	219,916	1,078,490
Accrued Interest Payable	134,939	1,499,706	213,856	292,252	2,140,753
Accrued Liabilities	0	5	0	0	5
Intergovernmental Payable	31,369	261,429	83,320	62,984	439,102
Customer Deposits Payable	545,995	719,023	128,843	123,747	1,517,608
Revenue Bonds Payable - Current	1,055,000	6,375,000	560,000	1,030,000	9,020,000
General Obligation Notes Payable	3,460,000	6,070,000	9,760,000	2,430,000	21,720,000
Total Current Liabilities	9,282,064	17,729,560	12,623,081	4,598,900	44,233,605
Long-Term Liabilities:					
Compensated Absences	156,456	1,120,934	390,333	308,029	1,975,752
Revenue Bonds Payable	8,367,189	141,769,195	8,097,011	20,599,068	178,832,463
Total Noncurrent Liabilities	8,523,645	142,890,129	8,487,344	20,907,097	180,808,215
Total Liabilities	17,805,709	160,619,689	21,110,425	25,505,997	225,041,820
Net Assets:					
Invested in Capital Assets, Net of Related Debt	24,074,257	(19,814,636)	71,934,399	18,250,116	94,444,136
Restricted for:					
Debt Service	402,477	3,668,528	270,524	544,692	4,886,221
Rate Stabilization	2,500,000	4,000,000	1,000,000	2,000,000	9,500,000
Unrestricted	7,407,072	16,509,570	12,375,076	9,194,216	45,485,934
Total Net Assets	\$34,383,806	\$4,363,462	\$85,579,999	\$29,989,024	\$154,316,291
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds					(\$1,238,472)
					\$153,077,819

Net Assets of Business-Type Activities

See accompanying notes to the basic financial statements.

Governmental
Activities-
Internal Service
Fund

\$484,873
0
0
0
47,483
<u>46,111</u>
<u>578,467</u>
0
0
<u>50,709</u>
<u>50,709</u>
<u>629,176</u>
408,807
90,158
277,877
0
0
145,955
0
0
<u>0</u>
<u>922,797</u>
587,163
<u>0</u>
<u>587,163</u>
<u>1,509,960</u>
50,709
0
0
<u>(931,493)</u>
<u>(\$880,784)</u>

City of Hamilton! Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2007

	Business-Type Activities -Enterprise Funds				Total Business-Type Activities
	Gas	Electric	Water	Wastewater	
Operating Revenues:					
Charges for Services	\$37,952,613	\$62,221,020	\$15,552,885	\$11,005,008	\$126,731,526
Other Operating Revenues	19,641	706,291	275,552	14,231	1,015,715
Total Operating Revenues	<u>37,972,254</u>	<u>62,927,311</u>	<u>15,828,437</u>	<u>11,019,239</u>	<u>127,747,241</u>
Operating Expenses:					
Personal Services	1,175,352	9,631,011	4,129,134	2,345,270	17,280,767
Materials and Supplies	134,430	1,837,188	1,306,445	866,956	4,145,019
Contractual Services	978,778	3,596,750	2,395,724	2,003,150	8,974,402
Purchase of Gas and Electric	27,483,706	25,019,450	0	0	52,503,156
Depreciation	1,948,022	9,987,085	2,633,598	2,119,036	16,687,741
Other Operating Expenses	2,869,419	4,394,673	3,253,242	2,927,305	13,444,639
Total Operating Expenses	<u>34,589,707</u>	<u>54,466,157</u>	<u>13,718,143</u>	<u>10,261,717</u>	<u>113,035,724</u>
Operating Income (Loss)	<u>3,382,547</u>	<u>8,461,154</u>	<u>2,110,294</u>	<u>757,522</u>	<u>14,711,517</u>
Non-Operating Revenues (Expenses):					
Investments Earnings	584,287	1,076,488	872,709	739,888	3,273,372
Interest and Fiscal Charges	(831,464)	(8,256,337)	(1,462,667)	(1,258,322)	(11,808,790)
Gain (Loss) on Disposal of Capital Assets	(5,204)	(154,358)	(463,154)	(5,359)	(628,075)
Operating Grants	0	0	117,344	0	117,344
Total Non-Operating Revenues (Expenses)	<u>(252,381)</u>	<u>(7,334,207)</u>	<u>(935,768)</u>	<u>(523,793)</u>	<u>(9,046,149)</u>
Income (Loss) Before Contributions	3,130,166	1,126,947	1,174,526	233,729	5,665,368
Capital Grants and Contributions	0	124,275	0	0	124,275
Change in Net Assets	3,130,166	1,251,222	1,174,526	233,729	5,789,643
Net Assets Beginning of Year	<u>31,253,640</u>	<u>3,112,240</u>	<u>84,405,473</u>	<u>29,755,295</u>	
Net Assets End of Year	<u>\$34,383,806</u>	<u>\$4,363,462</u>	<u>\$85,579,999</u>	<u>\$29,989,024</u>	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds					<u>(\$243,094)</u>
					<u>\$5,546,549</u>

See accompanying notes to the basic financial statements.

Governmental
Activities-
Internal Service
Fund

\$9,787,866
2,478

9,790,344

5,553,995
1,477,475
2,690,387
0
30,111
230,542

9,982,510

(192,166)

3,823
0
0
0

3,823

(188,343)

0

(188,343)

(692,441)

(\$880,784)

City of Hamilton! Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2007

	Business-Type Activities -Enterprise Funds				Total Business-Type Activities
	Gas	Electric	Water	Wastewater	
Cash Flows from Operating Activities:					
Cash Received from Customers	\$36,520,454	\$62,076,857	\$15,219,449	\$10,479,179	\$124,295,939
Cash Payments to Employees	(1,183,273)	(9,535,581)	(4,166,054)	(2,318,997)	(17,203,905)
Cash Payments to Suppliers	(1,060,133)	(6,013,126)	(3,271,294)	(2,818,285)	(13,162,838)
Purchase of Gas and Electric	(27,135,484)	(23,912,008)	0	0	(51,047,492)
Cash Payments for Other Operating Expenses	(3,010,071)	(4,457,036)	(3,241,313)	(2,810,070)	(13,518,490)
Net Cash Provided (Used) by Operating Activities	4,131,493	18,159,106	4,540,788	2,531,827	29,363,214
Cash Flows from Noncapital Financing Activities:					
Operating Grants Received	0	0	117,344	0	117,344
Payments from Other Funds	7,668,902	15,661,216	9,729,963	3,023,800	36,083,881
Payments to Other Funds	(7,668,902)	(15,661,216)	(9,729,963)	(3,023,800)	(36,083,881)
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	117,344	0	117,344
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	(934,640)	(6,718,546)	(9,074,710)	(544,165)	(17,272,061)
Debt Proceeds	3,460,000	6,070,000	9,760,000	4,860,000	24,150,000
Debt Principal Payments	(5,705,000)	(13,195,000)	(4,055,000)	(6,130,000)	(29,085,000)
Debt Interest Payments	(746,432)	(7,254,667)	(1,166,586)	(1,311,784)	(10,479,469)
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,926,072)	(21,098,213)	(4,536,296)	(3,125,949)	(32,686,530)
Cash Flows from Investing Activities:					
Earnings on Investments	555,939	1,103,097	877,101	717,191	3,253,328
Net Cash Provided (Used) by Cash Flows from Investing Activities	555,939	1,103,097	877,101	717,191	3,253,328
Net Increase (Decrease) in Cash and Cash Equivalents	761,360	(1,836,010)	998,937	123,069	47,356
Cash and Cash Equivalents Beginning of Year	7,453,067	17,861,686	13,392,615	10,957,046	49,664,414
Cash and Cash Equivalents End of Year	8,214,427	16,025,676	14,391,552	11,080,115	49,711,770
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	3,382,547	8,461,154	2,110,294	757,522	14,711,517
Adjustments:					
Depreciation	1,948,022	9,987,085	2,633,598	2,119,036	16,687,741
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	(1,451,800)	(850,109)	(608,988)	(540,060)	(3,450,957)
(Increase) Decrease in Inventory	(8,261)	(444,950)	(6,441)	(1,042)	(460,694)
(Increase) Decrease in Prepaid Items	3,132	1,247,348	6,661	7,432	1,264,573
Increase (Decrease) in Customer Deposits Payables	(5,390)	20,116	2,026	1,010	17,762
Increase (Decrease) in Payables	272,461	(341,357)	444,871	167,076	543,051
Increase (Decrease) in Accrued Liabilities	(14,072)	18,715	(57,993)	11,259	(42,091)
Increase (Decrease) in Intergovernmental Payables	4,854	61,104	16,760	9,594	92,312
Net Cash Provided (Used) by Operating Activities	\$4,131,493	\$18,159,106	\$4,540,788	\$2,531,827	\$29,363,214
Schedule of Noncash Activities:					
During the fiscal year, these amounts were received representing noncash contributions of:					
Capital Assets	\$0	\$124,275	\$0	\$0	\$124,275
Change in Fair Value of Investments	(60,593)	(92,886)	(166,500)	(41,466)	0

See accompanying notes to the basic financial statements.

Governmental
Activities-
Internal Service
Fund

\$9,790,344
(5,474,107)
(4,017,408)
0
(230,286)

68,543

0
0
0

0

(18,988)
0
0
0

(18,988)

3,823

3,823

53,378

431,495

484,873

(192,166)

30,111

0

(23,265)

11,604

0

180,614

33,346

28,299

\$68,543

\$0
(4,277)

City of Hamilton! Ohio
Statement of Fiduciary Net Assets
Fiduciary Fund
December 31, 2007

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	\$1,843,869
Receivables (net of allowance for uncollectibles):	
Taxes	111,030
Prepaid Items	<u>11,000</u>
Total Assets	<u>\$1,965,899</u>
Liabilities:	
Accounts Payable	8,757
Due to Others	496,367
Intergovernmental Payable	<u>1,460,775</u>
Total Liabilities	<u>\$1,965,899</u>

See accompanying notes to the basic financial statements.

City of Hamilton! Ohio
Notes to the Basic Financial Statements
December 31, 2007

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

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

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 Police Property Room Forfeiture Agency Fund to account for the receipt of items remaining in the custody of the police department (the City will hold the items for certain period of time at which they will be auctioned or disposed and Municipal Court Agency Fund to account for funds that flow through the municipal court office. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City currently has no trust funds.

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 and department 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 2007, 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 and department 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 2007, 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:

	<u>General Fund</u>
GAAP Basis – Change in Fund Balance	(\$1,733,843)
Adjustments:	
Revenue Accruals	12,414,828
Expenditure Accruals	(11,363,256)
Transfers	(246,360)
Encumbrances	<u>(832,793)</u>
Budget Basis – Change in Fund Balance	<u><u>(\$1,761,424)</u></u>

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 2007. 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, 2007.

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:

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

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:

<u>Obligation</u>	<u>Fund</u>
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 51 hour week. Those individuals that commenced employment on or after January 1, 1990, will be paid 50%, and those individuals that commenced employment on or after January 1, 1994 will be paid 25% of the accumulated sick leave upon death or retirement. Employees are eligible for retirement at age 60 with 5 years of service, age 55 with 25 years of service, and any age with at least 30 years of service. Compensation for sick leave is paid at the employee's then full rate of pay at the time of termination or retirement.

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 \$21,753,423 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, 2007, but which were levied to finance fiscal year 2008 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

Accountability

The following funds had deficit fund balance/net assets amounts as of December 31, 2007:

Fund Name	Net Assets/Fund Balances Deficit
<i>Nonmajor Governmental Funds</i>	
Special Revenue Funds:	
Federal Emergency Management Grant	\$14,172
Weed and Seed Grant	14,173
Technology Initiative	955,348
Miami Conservancy	344,347
Parking	291,634
Golf Course	12,619
Capital Projects Funds:	
Hamilton Capital Improvement	50,863
Hamilton Enterprise Park	135,800
Clean Ohio Grants Program	1,344,855
Infrastructure Program	256,986
<i>Internal Service Fund</i>	
Central Services	1,238,472

The deficits occurring in the Federal Emergency Management Grant, Weed and Seed Grant, Miami Conservancy, Parking and Golf Course Special Revenue Funds and Clean Ohio Grants Program Capital Projects Fund arose from the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recognized on the budgetary basis. As cash is received and the payables liquidated, the deficits will be eliminated.

Deficits occurring in the Technology Initiative Special Revenue Fund and Hamilton Capital Improvement, 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 liabilities at year-end. The Internal Service fund operates as a rotary fund and cash is recognized as revenue operationally only after an actual expenditure is made.

NOTE 4 – 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, 2007, \$9,987,583 of the City's bank balance of \$10,323,574 was exposed to custodial credit risk since it was uninsured and uncollateralized.

B. Investments

The City's investments at December 31, 2007 are summarized below:

<u>Categorized Investments</u>	<u>Fair Value</u>	<u>Weighed Average Maturity (Years)</u>	<u>Concentration of Credit Risk</u>	<u>Credit Rating (S&P)</u>
Federal Home Loan Bank	\$35,652,762	1.84	62.04%	AAA
Federal Home Loan Mortgage Corporation	4,745,438	1.24	8.26%	AAA
Federal National Mortgage Association	3,434,981	1.26	5.98%	AAA
Federal Farm Credit	1,163,750	1.69	2.02%	AAA
STAR Ohio	12,236,400	0.11	21.29%	AAAm
Money Market Fund	237,171	N/A	0.41%	AAA
Total Fair Value	<u>\$57,470,502</u>		<u>100.00%</u>	
Portfolio Weighted Average Maturity		1.38		

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 2007 were levied after October 1, 2007 on assessed values as of January 1, 2007, 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, 2007 was \$7.16 per \$1,000 of assessed value. The assessed value upon which the 2007 receipts were based was \$945,251,076. This amount constitutes \$903,465,830 in real property assessed value, \$3,167,600 in public utility assessed value and \$38,617,646 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, 2007 consisted of taxes, accounts receivable, accrued interest, loans receivable, interfund receivables, notes receivable (see Note 7) and intergovernmental (due from other governments) receivables arising from shared revenues. These receivables result from both exchange and non-exchange transactions.

Business-type receivables at December 31, 2007, 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, 2007 as follows:

ACCOUNTS RECEIVABLE

As of December 31, 2007

	Gas	Electric	Water	Wastewater	Business-Type Activities
Earned and unbilled consumer accounts	\$3,909,264	\$3,535,877	\$926,952	\$410,296	\$8,782,389
Earned and billed consumer accounts	6,837,509	8,882,303	1,415,420	2,691,252	19,826,484
Other	0	58,509	18,775	1,234	78,518
Less allowance for uncollectible accounts	(4,248,430)	(5,188,631)	(952,930)	(1,421,865)	(11,811,856)
Accounts Receivable	<u>6,498,343</u>	<u>7,288,058</u>	<u>1,408,217</u>	<u>1,680,917</u>	<u>16,875,535</u>
Accrued Interest Receivable	46,014	58,717	95,584	72,136	272,451
Total Receivables :	<u><u>\$6,544,357</u></u>	<u><u>\$7,346,775</u></u>	<u><u>\$1,503,801</u></u>	<u><u>\$1,753,053</u></u>	<u><u>\$17,147,986</u></u>

NOTE 7 – TRANSFERS

Following is a summary of transfers in and out for all funds for 2007:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$60,211	\$244,500
Other Governmental Funds	<u>6,387,294</u>	<u>6,203,005</u>
Total All Funds	<u><u>\$6,447,505</u></u>	<u><u>\$6,447,505</u></u>

The City makes transfers between various funds during the year for operating and debt service related payments. The individual governmental funds transfer their portion of the debt service payment during the year into the Debt Service Sinking Fund for payment of the obligations. The remaining transfers relate to payments due from the special assessment capital projects fund for debt service payment and some transfers made from the general fund at year-end to eliminate deficit balances.

NOTE 8 – INTERFUND TRANSACTIONS

The composition of inter-fund balances as of December 31, 2007, is as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$289,000	\$0	\$6,910	\$0
Other Governmental Funds	0	289,000	0	6,910
Total All Funds	<u>\$289,000</u>	<u>\$289,000</u>	<u>\$6,910</u>	<u>\$6,910</u>

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

The 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.

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NOTE 9 – CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$21,918,328	\$470,491	\$318,898	\$22,069,921
Construction in Progress	10,140,133	1,983,196	160,854	11,962,475
Total capital assets, not being depreciated	<u>32,058,461</u>	<u>2,453,687</u>	<u>479,752</u>	<u>34,032,396</u>
Capital Assets, being depreciated:				
Buildings and Improvements	38,541,970	432,302	37,518	38,936,754
Machinery and Equipment	20,676,361	2,990,080	819,538	22,846,903
Infrastructure	140,797,355	937,762	147,552	141,587,565
Total capital assets being depreciated	<u>200,015,686</u>	<u>4,360,144</u>	<u>1,004,608</u>	<u>203,371,222</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	10,964,828	626,175	2,814	11,588,189
Machinery and Equipment	13,747,769	1,283,696	409,285	14,622,180
Infrastructure	115,903,660	1,761,170	124,135	117,540,695
Total Accumulated Depreciation	<u>140,616,257</u>	<u>3,671,041</u>	<u>536,234</u>	<u>143,751,064</u>
Total capital assets, being depreciated, net	<u>59,399,429</u>	<u>689,103</u>	<u>468,374</u>	<u>59,620,158</u>
Governmental Activities Capital Assets, Net	<u>\$91,457,890</u>	<u>\$3,142,790</u>	<u>\$948,126</u>	<u>\$93,652,554</u>
Capital Assets, not being depreciated				
Land	\$7,119,490	\$203,220	\$0	\$7,322,710
Construction in Progress	20,475,297	10,580,113	8,617,181	22,438,229
Total capital assets, not being depreciated	<u>27,594,787</u>	<u>10,783,333</u>	<u>8,617,181</u>	<u>29,760,939</u>
Capital Assets, being depreciated				
Buildings and Improvements	92,220,840	2,476,404	14,894	94,682,350
Machinery and Equipment	514,017,195	12,768,673	1,400,176	525,385,692
Total capital assets, being depreciated	<u>606,238,035</u>	<u>15,245,077</u>	<u>1,415,070</u>	<u>620,068,042</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	49,204,869	1,792,989	0	50,997,858
Machinery and Equipment	280,691,873	14,894,752	772,101	294,814,524
Total Accumulated Depreciation	<u>329,896,742</u>	<u>16,687,741</u>	<u>772,101</u>	<u>345,812,382</u>
Total capital assets, being depreciated, net	<u>276,341,293</u>	<u>(1,442,664)</u>	<u>642,969</u>	<u>274,255,660</u>
Business Type Activities Capital Assets, Net	<u>\$303,936,080</u>	<u>\$9,340,669</u>	<u>\$9,260,150</u>	<u>\$304,016,599</u>

Governmental Activities:	
Security of Persons and Property	\$726,390
Public Health and Welfare Services	30,561
Leisure Time Activities	239,857
Community Environment	7,096
Basic Utility Services	1,222
Transportation, including depreciation of general infrastructure assets	1,998,533
General Government	667,382
Total Depreciation Expense - governmental activities	<u><u>\$3,671,041</u></u>
Business Type Activities:	
Gas	\$1,948,022
Electric	9,987,085
Water	2,633,598
Wastewater	2,119,036
Total Depreciation Expense - business-type activities	<u><u>\$16,687,741</u></u>

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-6701 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits.

Plan members are required to contribute 9.5 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 13.85 percent of covered payroll. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2007, 2006 and 2005 were \$3,908,694, \$3,782,960, and \$3,578,911, respectively. The full amount has been contributed for 2005, 2006 and 2007.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan administered by the OP&F's Board of Trustees. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164, or by visiting the OP&F website at www.op-f.org.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 percent for police and 24.0 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for the years ending December 31, 2007, 2006 and 2005 were \$3,394,585, \$3,329,343, and \$3,235,517, respectively. The full amount has been contributed for 2005, 2006 and 2007.

POST EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health card coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2007, the City contributed at 13.85% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2007, the employer contribution allocated to the health care plan from January 1 through June 30, 2007 and July 1 through December 31, 2007 was 5.0% and 6.0% of covered payroll, respectively. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$695,776 for the period of January 1 through June 30, 2007 and were \$858,366 for the period of July 1 through December 31, 2007, \$1,242,702 for December 31, 2006 and \$1,056,505 for December 31, 2005.

OPERS Retirement Board Implements its Health Care Preservation Plan

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

Other Information

At December 31, 2007, the number of active contributing participants in the Traditional and Combined Plans totaled 374,979. The number of active contributing participants for both plans used in the December 31, 2006 actuarial valuation was 362,130.

The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

Ohio Police and Fire Pension Fund

Plan Description

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of the covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F's post employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan; under the authority granted by the Ohio Revised Code to the OP&F board of trustees. The board of trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the 401h account as the employer contribution for retiree healthcare benefits. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401h.

The OP&F board of trustees also is authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2007 were \$602,572 for police and \$606,578 for fire; for the year ending December 31, 2006 were \$611,418 for police and \$577,927 for fire; and for the year ending December 31, 2005 were \$626,851 for police and \$561,947 for fire, respectively, was allocated to the healthcare plan.

Other Information

The number of participants eligible to receive health care benefits as of December 31, 2006, the date of the last actuarial valuation available, are 14,120 for Police and 10,563 for Firefighters. OP&F's total health care expense for the year ending December 31, 2006, the date of the last actuarial valuation available, was \$120,373,722, which was net of member contributions of \$58,532,848.

NOTE 11 – 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.

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	Balance December 31, 2006	Issued	(Retired)	Balance December 31, 2007
Governmental Activities :				
Special Revenue Notes Payable:				
4.00% Various Purpose Technology Improv.	\$1,525,000	\$1,040,000	(\$1,525,000)	\$1,040,000
4.00% South Hamilton Crossing	700,000	700,000	(700,000)	700,000
4.00% McDulin Parking Garage Improv.	850,000	800,000	(850,000)	800,000
Total Special Revenue Notes Payable	<u>3,075,000</u>	<u>2,540,000</u>	<u>(3,075,000)</u>	<u>2,540,000</u>
Capital Projects Notes Payable:				
4.00% Roadway Improvement T.I.F. II	50,000	40,000	(50,000)	40,000
3.80% Hamilton Enterprise Park R.E.Acq.	855,000	355,000	(855,000)	355,000
4.00% Mosler site shoppes T.I.F.	550,000	550,000	(550,000)	550,000
4.00% Road Projects	1,100,000	1,000,000	(1,100,000)	1,000,000
4.00% Hamilton Enterprise Park Road Imp	0	1,800,000	(900,000)	900,000
4.00% Criminal Justice Facility Phase I	300,000	250,000	(300,000)	250,000
4.00% Criminal Justice Facility Phase II	400,000	400,000	(400,000)	400,000
Total Capital Projects Notes Payable	<u>3,255,000</u>	<u>4,395,000</u>	<u>(4,155,000)</u>	<u>3,495,000</u>
Special Assessments Notes Payable:				
4.00% 2006 Resurfacing & sidewalk program	0	400,000	0	400,000
4.00% 2005 Resurfacing & sidewalk program	525,000	0	(525,000)	0
Total Special Assessments Notes Payable	<u>525,000</u>	<u>400,000</u>	<u>(525,000)</u>	<u>400,000</u>
Business Type Activities :				
Enterprise Notes Payable:				
4.00% Water System Improvement 2007	0	7,000,000	0	7,000,000
4.00% Gas System Improvement 2004	720,000	0	(720,000)	0
4.00% Gas System Improvement 2005	1,170,000	1,170,000	(1,170,000)	1,170,000
4.00% AMR System 2005 B.A.N.'s (Gas)	2,790,000	2,290,000	(2,790,000)	2,290,000
4.00% AMR System 2005 B.A.N.'s (Electric)	2,520,000	2,020,000	(2,520,000)	2,020,000
4.00% Electric System Improvement 2004	1,800,000	1,620,000	(1,800,000)	1,620,000
4.00% Electric System Improvement 2005	2,700,000	2,430,000	(2,700,000)	2,430,000
4.00% AMR System 2005 B.A.N.'s (Water)	3,510,000	2,760,000	(3,510,000)	2,760,000
4.00% Wastewater Series A & B 2003	2,700,000	4,860,000	(5,130,000)	2,430,000
Total Enterprise Notes Payable	<u>17,910,000</u>	<u>24,150,000</u>	<u>(20,340,000)</u>	<u>21,720,000</u>
Total Notes Payable	<u>\$24,765,000</u>	<u>\$31,485,000</u>	<u>(\$28,095,000)</u>	<u>\$28,155,000</u>

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NOTE 12 – LONG-TERM DEBT AND CHANGES IN LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2007 were as follows:

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Due Within One Year
Governmental activities:								
Bonds payable:								
General Obligation Bonds:								
2003	2% - 3.75%	Road Improvement	2016	\$2,790,000	\$0	(\$240,000)	\$2,550,000	\$245,000
2002	2.25% - 4.70%	Various Purpose Series A	2017	5,170,000	0	(385,000)	4,785,000	400,000
2002	2.25% - 4.70%	Various Purpose Series B	2012	705,000	0	(30,000)	675,000	125,000
1997	4.99%	Golf	2012	1,110,000	0	(165,000)	945,000	170,000
2001	5.00%	One Renaissance Center	2026	19,690,000	0	(620,000)	19,070,000	640,000
1999	4.96%	Police & Fire Pension Refunding	2021	2,625,000	0	(125,000)	2,500,000	130,000
Total General Obligation Bonds				<u>32,090,000</u>	<u>0</u>	<u>(1,565,000)</u>	<u>30,525,000</u>	<u>1,710,000</u>
Special Assessment Bonds:								
2007	4.75%	Various Purpose 2005 Resurfacing	2012	0	365,000	0	365,000	70,000
2006	4.75%	Various Purpose 2004 Resurfacing	2011	218,000	0	(38,000)	180,000	40,000
2005	3.96%	Main Street Area Streetscape	2010	45,000	0	(5,000)	40,000	5,000
2005	3.43%	Various Purpose 2003 Resurfacing	2010	165,000	0	(40,000)	125,000	40,000
2002	2.25% - 4.70%	Various Purpose Series B	2012	110,000	0	(110,000)	0	0
2003	3.15% - 3.50%	Various Purpose 2000/2001 Sidewalk	2008	30,000	0	(15,000)	15,000	15,000
2003	3.15% - 3.50%	Various Purpose 2001 Resurfacing	2008	20,000	0	(10,000)	10,000	10,000
2003	3.15% - 3.50%	Various Purpose 2002 Resurfacing	2008	4,000	0	(2,000)	2,000	2,000
2003	3.15% - 5.25%	Shaffer's Creek Sanitary Sewer	2023	180,000	0	(10,000)	170,000	10,000
1998	4.67%	Various Purpose Series 1998	2018	705,000	0	(45,000)	660,000	50,000
2000	5.34%	Various Purpose Series 2000	2020	260,000	0	(15,000)	245,000	15,000
2001	4.95%	Various Purpose Series 2001	2021	710,000	0	(30,000)	680,000	35,000
Total Special Assessment Bonds (with Governmental Commitment)				<u>2,447,000</u>	<u>365,000</u>	<u>(320,000)</u>	<u>2,492,000</u>	<u>292,000</u>
Less deferred amounts:								
For issuance discounts				<u>(162,205)</u>	<u>0</u>	<u>22,366</u>	<u>(139,839)</u>	<u>0</u>
Total Bonds Payable				<u>\$34,374,795</u>	<u>\$365,000</u>	<u>(\$1,862,634)</u>	<u>\$32,877,161</u>	<u>\$2,002,000</u>
Compensated absences				<u>6,325,560</u>	<u>1,933,523</u>	<u>(1,839,836)</u>	<u>6,419,247</u>	<u>1,931,005</u>
Governmental Activities Long-term liabilities				<u>\$40,700,355</u>	<u>\$2,298,523</u>	<u>(\$3,702,470)</u>	<u>\$39,296,408</u>	<u>\$3,933,005</u>

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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 \$197,120,000 at December 31, 2007.

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Due Within One Year
Business-type activities:								
Mortgage Revenue Bonds:								
2003	2.0% - 5.00%	Gas Refunding	2015	\$10,755,000	\$0	(\$1,025,000)	\$9,730,000	\$1,055,000
2005	2.50% - 4.700%	Electric series	2025	161,570,000	0	(6,175,000)	155,395,000	6,375,000
2002	4.39%	Water Revenue Refunding	2021	10,880,000	0	(545,000)	10,335,000	560,000
2005	3.00% - 5.250%	Wastewater Refunding	2023	22,660,000	0	(1,000,000)	21,660,000	1,030,000
Total Mortgage Revenue Bonds				205,865,000	0	(8,745,000)	197,120,000	9,020,000
Less deferred amounts:								
For deferred charge - refunding				(11,165,721)	0	1,118,649	(10,047,072)	0
For issuance discounts/premium				906,157	0	126,622	779,535	0
Total Bonds Payable				195,605,436	0	(7,499,729)	187,852,463	9,020,000
Compensated absences				3,907,343	1,254,916	(1,322,964)	3,839,295	1,328,362
Business-type activity Long-term liabilities				\$199,512,779	\$1,254,916	(\$8,822,693)	\$191,691,758	\$10,348,362

Compensated absences will be paid from the fund which the pension is paid. Historically, this is the General Fund, a special Revenue Fund, an Internal Service Fund or an Enterprise Fund. The principal amount of the City's special assessment bonds outstanding was \$2,492,000. The special assessments issued are for non-capital related repairs to sidewalks, streets, etc. Special assessment bonds are general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$413,719 in the Debt Service Fund at December 31, 2007 is reserved for the retirement of outstanding special assessment bonds.

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

A. Future Long-Term Financing Requirements

A summary of the City's long-term debt funding requirements as of December 31, 2007 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:

Years	GOVERNMENTAL ACTIVITIES			GOVERNMENTAL ACTIVITIES		
	General			Special		
	Obligation Bonds			Assessment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$1,710,000	\$1,420,869	\$3,130,869	\$292,000	\$127,757	\$419,757
2009	1,775,000	1,358,112	3,133,112	265,000	111,863	376,863
2010	1,850,000	1,289,926	3,139,926	285,000	99,995	384,995
2011	1,920,000	1,216,106	3,136,106	250,000	87,383	337,383
2012	2,025,000	1,137,349	3,162,349	205,000	75,698	280,698
2013-2017	9,120,000	4,442,993	13,562,993	725,000	253,270	978,270
2018-2022	6,510,000	2,418,698	8,928,698	455,000	64,525	519,525
2023-2027	5,615,000	719,250	6,334,250	15,000	788	15,788
Totals	\$30,525,000	\$14,003,303	\$44,528,303	\$2,492,000	\$821,279	\$3,313,279

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

Years	BUSINESS-TYPE ACTIVITIES		
	Revenue Bonds		
	Principal	Interest	Total
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	10,320,000	7,228,203	17,548,203
2013-2017	54,550,000	29,336,068	83,886,068
2018-2022	58,695,000	16,676,456	75,371,456
2023-2027	35,655,000	3,370,980	39,025,980
Totals	\$197,120,000	\$89,107,276	\$286,227,276

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, 2007, there were eight series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$26,059,047.

NOTE 13 – 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	\$138,669,338	Limit
Earthquake	75,000,000	
Flood	25,000,000	
Ordinance or Law Coverage	2,500,000	
Extra Expense Designated Locations	500,000	
Valuable Papers Restoration	1,250,000	
Electric Property Insurance	\$387,968,163	Limit
Earthquake	125,000,000	
Flood	125,000,000	
Demolition and Increased Cost		
Construction	10,000,000	
Misc.Unnamed Locations	5,000,000	
Boiler and Machinery	\$40,000,000	Limit
Auto	\$ 1,000,000	Limit
Comprehensive & Collision		
Physical Damage		
Garage Keepers Liability		
	\$15,000,000	Umbrella
Crime – Theft of Money and Securities In/Out	\$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
	\$15,000,000	Umbrella

Public Officials Liability	\$1,000,000	Limit
Employment Practices		
Claims Made – Full Prior Acts	\$15,000,000	Umbrella
Public Utilities Excess Liability	\$100,000,000	Limit
Claims made Retroactive 4/86		
Combined Products Liability		
Completed Operations Liability		
Failure to Supply Liability		
Pollution Liability		
Medical Malpractice Liability		
General Liability (per occurrence)	\$5,000,000	Limit
Products, Personal Injury, Stop Gap Liability	\$15,000,000	Umbrella
Ambulance Attendants Errors & Omissions (included in G.L.)	\$5,000,000	Limit
Pollution Legal Liability	\$5,000,000	Limit
Named Brownsfield Location – Leshner 10 Year Term		
Pollution Legal Liability	\$3,000,000	Limit
Named Brownsfield Location – Mercy Hospital 5 Year Term		
Pollution Legal Liability	\$10,000,000	Limit
Named NDD Housing Lead Abatement One year term		
Pollution Legal Liability	\$5,000,000	Limit
Named Brownsfield Location – Hamilton Die Cast 10 Year Term		
Umbrella	\$15,000,000	Limit
Does not apply separately over the underlying/primary coverages		

Third party liability coverages are to be subject to \$100,000 Self-Insured Retention (SIR). A \$400,000 total Self-Insured Retention (SIR) (annual) will be applicable to Public Entity General Liability, Employee Benefit, Plan Administration Liability, Law Enforcement Liability, Auto Liability, Public Entity Management Liability. This will act as an aggregate stop loss maximum. Third party claims adjustment services will be provided by GAB Robins as per the Terms of the City of Hamilton's contract with GAB Robins which will be in compliance with Travelers TPA requirements.

The City had no reduction in coverage in 2007. Settled claims have not exceeded this commercial coverage in any of the past three years.

The City has a group health insurance program for employees. The City maintained a contract to provide a premium based health insurance plan to covered employees through United Health Care during 2007. 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, 2007, 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, 2007:

Vendor	Contractual Commitment
Welsh Excavation Company Inc	\$1,372,724
NATGUN Corporation	875,490
Municipal Energy Services Agc	800,000
J&L Management Corporation	683,023
Quality Lines Incorporated	638,765
Curry Plumbing Inc	632,823
J&L Management Corporation	576,450
Carmeuse Lime and Stone	518,830
Miller Pipeline Corporation	512,680
J&L Management Corporation	483,000
Miller R A Construction Co	444,636
Municipal Energy Services Agc	401,624
Horton Emergency Vehicles	316,629
Neighborhood Housing Services	308,350
Butler Co TID	294,435
Monitor Mapboard Systems LLC	261,732
Municipal Energy Services Agc	259,245
Brown Barry L Paving	249,060
Miller R A Construction Co	249,055
THR Inc	225,000
	\$10,103,551

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. Engineering design for a portion of these improvements have taken place in 2007. All required reports have been submitted to the OEPA and have been or are in the process of receiving approval. The City had also paid civil penalties totaling \$102,000 and these costs were accrued in 2006.

B. Federal and State Grants

For the period January 1, 2007 to December 31, 2007, 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 2007, distribution of tax collections for JEDD I and JEDD II were \$261,907 and \$97,777, respectively, with a total JEDD distribution of \$359,684.

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 2007:

	<u>2007</u>
Annual Capacity	\$1,134,464
Power Purchases	<u>4,096,742</u>
Total Payments – OMEGA JV2	<u>\$5,231,206</u>

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

NOTE 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, 1921 Fairgrove Ave., 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 its continued existence. Complete financial statements can be obtained from the Hamilton Community Improvement Corporation, 345 High Street, Hamilton, Ohio 45011.

F. Hamilton Economic Development Corporation

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

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 2007, the Electric Fund purchased \$602,349 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 \$955,000 and \$573,000 respectively during 2007. 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 5,225,420 kilowatt-hours of electrical energy in 2007, and the estimated operating cost of supplying these free services was \$582,634 for the year ending December 31, 2007.

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 2007.

	Gas	Electric	Water	Wastewater
Administrative cost (Gen. Fund)	\$1,095,000	\$1,157,000	\$1,018,000	\$1,043,000
Central Service charges	1,569,000	2,032,000	1,795,000	1,334,000
Fleet Maintenance Chargebacks	163,000	163,000	163,000	-0-
Total	\$2,827,000	\$3,352,000	\$2,976,000	\$2,377,000

NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2007, the City has implemented GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.”

Statement No. 45 addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other non-pension benefits. This also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and for certain employers, the extent to which the plan has been funded over time. Collectively, these benefits are commonly referred to as “other postemployment benefits (OPEB).”

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

NOTE 21 – SUBSEQUENT EVENTS

Bond Anticipation Note Activity

The City issued \$2,920,000 of Bond Anticipation Notes in anticipation of the issuance of bonds. \$1,700,000 of the proceeds of the notes will be used to participate with the Ohio Department of Transportation on their Urban Paving Program that will resurface State Route 177 and US Route 127. \$1,220,000 of the proceeds of the notes will be used to provide funds for the purchase of a 110’ aerial bucket truck used in fire suppression and rescue operations and the purchase of a pumper truck which is a fire truck that pumps water at a fire scene. The notes are dated April 2, 2008 with an interest rate of 2.17%, payable at maturity, and maturing on April 1, 2009.

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**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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.

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.

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City of Hamilton! Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	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	\$8,747,281	\$411,121	\$5,743,345	\$75,492	\$14,977,239
Receivables (net of allowance for uncollectibles):					
Taxes	4,353,707	375,042	915,552	0	5,644,301
Accounts	634,360	0	0	0	634,360
Interest	23,476	2,598	0	610	26,684
Due From Other Governments	1,391,326	0	0	0	1,391,326
Loans	811,443	0	0	0	811,443
Prepaid Items	69,912	0	0	0	69,912
Inventory	36,255	0	0	0	36,255
Total Assets	16,067,760	788,761	6,658,897	76,102	23,591,520
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	1,411,400	0	1,562,865	0	2,974,265
Accrued Wages and Benefits	54,848	0	0	0	54,848
Accrued Interest Payable	30,480	0	46,536	0	77,016
Accrued Liabilities	70,051	0	56,041	0	126,092
Interfund Payable	289,000	0	0	0	289,000
Deferred Revenue	5,539,059	375,042	683,430	0	6,597,531
Due to Other Funds	6,910	0	0	0	6,910
Intergovernmental Payable	89,346	0	0	0	89,346
Customer Deposits Payable	8,695	0	0	0	8,695
Special Assessment Notes Payable	0	0	400,000	0	400,000
General Obligation Notes Payable	2,540,000	0	3,495,000	0	6,035,000
Total Liabilities	10,039,789	375,042	6,243,872	0	16,658,703
Fund Balances:					
Reserved for Encumbrances	2,480,356	0	1,400,877	0	3,881,233
Reserved for Inventory	36,255	0	0	0	36,255
Reserved for Prepaid Items	69,912	0	0	0	69,912
Reserved for Endowments	0	0	0	76,102	76,102
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	3,441,448	0	0	0	3,441,448
Debt Service Funds	0	413,719	0	0	413,719
Capital Projects Funds	0	0	(985,852)	0	(985,852)
Total Fund Balances	6,027,971	413,719	415,025	76,102	6,932,817
Total Liabilities and Fund Balances	\$16,067,760	\$788,761	\$6,658,897	\$76,102	\$23,591,520

City of Hamilton! Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	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	\$198,351	\$171,264	\$0	\$171,263	\$586,826
Receivables (net of allowance for uncollectibles):					
Taxes	0	0	0	0	619,420
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	693	0
Inventory	0	0	0	0	0
Total Assets	198,351	171,264	0	171,956	1,206,246
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	51,580	5,436	0	2,770	0
Accrued Wages and Benefits	0	0	0	1,011	0
Accrued Interest Payable	0	0	0	0	0
Accrued Liabilities	0	0	0	0	70,051
Interfund Payable	0	180,000	0	0	0
Deferred Revenue	0	0	0	0	329,267
Due to Other Funds	0	0	0	0	0
Intergovernmental Payable	0	0	0	1,554	0
Customer Deposits Payable	0	0	0	0	0
General Obligation Notes Payable	0	0	0	0	0
Total Liabilities	51,580	185,436	0	5,335	399,318
Fund Balances:					
Reserved for Encumbrances	0	165,297	0	0	0
Reserved for Inventory	0	0	0	0	0
Reserved for Prepaid Items	0	0	0	693	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	146,771	(179,469)	0	165,928	806,928
Total Fund Balances	146,771	(14,172)	0	166,621	806,928
Total Liabilities and Fund Balances	\$198,351	\$171,264	\$0	\$171,956	\$1,206,246

Municipal Income Tax TIF Aggregation/ Verification	Brownfield Improvement	Weed and Seed Grant	Dispute Resolution Proceeds	Safety Services	Police Pension	Police Levy
\$367,241	\$2,002	\$94,457	\$64,737	\$594,456	\$63,836	\$310,535
0	0	0	0	1,029,442	308,843	863,543
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	14,466	0	41,990	0	0
0	0	0	0	0	0	0
0	0	0	0	1,842	0	0
0	0	0	0	0	0	0
<u>367,241</u>	<u>2,002</u>	<u>108,923</u>	<u>64,737</u>	<u>1,667,730</u>	<u>372,679</u>	<u>1,174,078</u>
0	0	14,096	0	15,194	0	0
0	0	0	0	2,667	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	109,000	0	0	0	0
0	0	0	0	1,071,432	308,843	863,543
0	0	0	0	0	0	0
0	0	0	0	4,303	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>123,096</u>	<u>0</u>	<u>1,093,596</u>	<u>308,843</u>	<u>863,543</u>
0	0	78,285	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	1,842	0	0
<u>367,241</u>	<u>2,002</u>	<u>(92,458)</u>	<u>64,737</u>	<u>572,292</u>	<u>63,836</u>	<u>310,535</u>
<u>367,241</u>	<u>2,002</u>	<u>(14,173)</u>	<u>64,737</u>	<u>574,134</u>	<u>63,836</u>	<u>310,535</u>
<u>\$367,241</u>	<u>\$2,002</u>	<u>\$108,923</u>	<u>\$64,737</u>	<u>\$1,667,730</u>	<u>\$372,679</u>	<u>\$1,174,078</u>

Continued

City of Hamilton! Ohio
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2007

	Firemen's Pension	Emergency Medical Services Grant	Fire EMS Levy	Technology Initiative	Public Health Care Services
Assets:					
Equity in Pooled Cash and Investments	\$72,363	\$4,934	\$197,488	\$157,121	\$205,733
Receivables (net of allowance for uncollectibles):					
Taxes	308,843	0	863,543	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	381,206	4,934	1,061,031	157,121	205,733
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	0	0	59,989	24,838
Accrued Wages and Benefits	0	0	0	0	129
Accrued Interest Payable	0	0	0	12,480	0
Accrued Liabilities	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	308,843	0	863,543	0	0
Due to Other Funds	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	479
Customer Deposits Payable	0	0	0	0	0
General Obligation Notes Payable	0	0	0	1,040,000	0
Total Liabilities	308,843	0	863,543	1,112,469	25,446
Fund Balances:					
Reserved for Encumbrances	0	0	0	22,024	24,776
Reserved for Inventory	0	0	0	0	0
Reserved for Prepaid Items	0	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	72,363	4,934	197,488	(977,372)	155,511
Total Fund Balances	72,363	4,934	197,488	(955,348)	180,287
Total Liabilities and Fund Balances	\$381,206	\$4,934	\$1,061,031	\$157,121	\$205,733

Street And Parks Beautification	Stormwater Management	Refuse	Street Maintenance	Miami Conservancy	Home Program	Parking
\$64,670	\$1,027,886	\$225,272	\$2,161,801	\$5,920	\$523,783	\$540,307
0	0	0	0	360,073	0	0
0	277,313	356,886	0	0	0	151
0	6,463	0	13,623	0	0	3,390
0	0	0	982,181	0	0	0
0	0	0	0	0	124,609	0
0	3,244	2,437	30,343	0	0	7,395
0	0	0	30,861	0	0	0
<u>64,670</u>	<u>1,314,906</u>	<u>584,595</u>	<u>3,218,809</u>	<u>365,993</u>	<u>648,392</u>	<u>551,243</u>
0	165,505	219,631	56,252	350,267	71,857	11,017
0	15,877	1,779	15,151	0	840	4,879
0	0	0	8,400	0	0	9,600
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	622,072	360,073	124,609	0
0	0	0	0	0	0	0
0	16,514	2,859	28,722	0	847	8,686
0	0	0	0	0	0	8,695
0	0	0	700,000	0	0	800,000
<u>0</u>	<u>197,896</u>	<u>224,269</u>	<u>1,430,597</u>	<u>710,340</u>	<u>198,153</u>	<u>842,877</u>
188	323,426	0	241,007	0	989,881	6,665
0	0	0	30,861	0	0	0
0	3,244	2,437	30,343	0	0	7,395
<u>64,482</u>	<u>790,340</u>	<u>357,889</u>	<u>1,486,001</u>	<u>(344,347)</u>	<u>(539,642)</u>	<u>(305,694)</u>
<u>64,670</u>	<u>1,117,010</u>	<u>360,326</u>	<u>1,788,212</u>	<u>(344,347)</u>	<u>450,239</u>	<u>(291,634)</u>
<u>\$64,670</u>	<u>\$1,314,906</u>	<u>\$584,595</u>	<u>\$3,218,809</u>	<u>\$365,993</u>	<u>\$648,392</u>	<u>\$551,243</u>

Continued

City of Hamilton! Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Golf Course	Central Park Sports Arena	Community Development Block Grant	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$6,033	\$0	\$929,002	\$8,747,281
Receivables (net of allowance for uncollectibles):				
Taxes	0	0	0	4,353,707
Accounts	10	0	0	634,360
Interest	0	0	0	23,476
Due From Other Governments	0	0	352,689	1,391,326
Loans	0	0	686,834	811,443
Prepaid Items	11,555	0	12,403	69,912
Inventory	5,394	0	0	36,255
Total Assets	22,992	0	1,980,928	16,067,760
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	15,757	0	347,211	1,411,400
Accrued Wages and Benefits	5,525	0	6,990	54,848
Accrued Interest Payable	0	0	0	30,480
Accrued Liabilities	0	0	0	70,051
Interfund Payable	0	0	0	289,000
Deferred Revenue	0	0	686,834	5,539,059
Due to Other Funds	0	0	6,910	6,910
Intergovernmental Payable	14,329	0	11,053	89,346
Customer Deposits Payable	0	0	0	8,695
General Obligation Notes Payable	0	0	0	2,540,000
Total Liabilities	35,611	0	1,058,998	10,039,789
Fund Balances:				
Reserved for Encumbrances	0	0	628,807	2,480,356
Reserved for Inventory	5,394	0	0	36,255
Reserved for Prepaid Items	11,555	0	12,403	69,912
Unreserved, Undesignated, Reported in: Special Revenue Funds	(29,568)	0	280,720	3,441,448
Total Fund Balances	(12,619)	0	921,930	6,027,971
Total Liabilities and Fund Balances	\$22,992	\$0	\$1,980,928	\$16,067,760

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City of Hamilton! Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007

	Hamilton Capital Improvement	Capital Projects	Special Assessment	MITIE	Hamilton Enterprise Park
Assets:					
Equity in Pooled Cash and Investments	\$482,588	\$361,367	\$950,411	\$1,059,039	\$1,139,814
Receivables (net of allowance for uncollectibles):					
Taxes	495,536	0	0	420,016	0
Total Assets	<u>978,124</u>	<u>361,367</u>	<u>950,411</u>	<u>1,479,055</u>	<u>1,139,814</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	51,732	0	0	0	5,714
Accrued Interest Payable	7,800	0	4,756	480	14,900
Accrued Liabilities	56,041	0	0	0	0
Deferred Revenue	263,414	0	0	420,016	0
Special Assessment Notes Payable	0	0	400,000	0	0
General Obligation Notes Payable	650,000	0	0	40,000	1,255,000
Total Liabilities	<u>1,028,987</u>	<u>0</u>	<u>404,756</u>	<u>460,496</u>	<u>1,275,614</u>
Fund Balances:					
Reserved for Encumbrances	591,109	61,902	308,062	0	26,285
Unreserved, Undesignated, Reported in:					
Capital Projects Funds	(641,972)	299,465	237,593	1,018,559	(162,085)
Total Fund Balances	<u>(50,863)</u>	<u>361,367</u>	<u>545,655</u>	<u>1,018,559</u>	<u>(135,800)</u>
Total Liabilities and Fund Balances	<u>\$978,124</u>	<u>\$361,367</u>	<u>\$950,411</u>	<u>\$1,479,055</u>	<u>\$1,139,814</u>

Central Business District Streetscape Improvements	Issue II Projects	Clean Ohio Grants Program	Infrastructure Program	Total Nonmajor Capital Projects Funds
\$277,948	\$0	\$717,164	\$755,014	\$5,743,345
0	0	0	0	915,552
<u>277,948</u>	<u>0</u>	<u>717,164</u>	<u>755,014</u>	<u>6,658,897</u>
0	0	1,505,419	0	1,562,865
0	0	6,600	12,000	46,536
0	0	0	0	56,041
0	0	0	0	683,430
0	0	0	0	400,000
0	0	550,000	1,000,000	3,495,000
0	0	2,062,019	1,012,000	6,243,872
0	0	365,113	48,406	1,400,877
<u>277,948</u>	<u>0</u>	<u>(1,709,968)</u>	<u>(305,392)</u>	<u>(985,852)</u>
<u>277,948</u>	<u>0</u>	<u>(1,344,855)</u>	<u>(256,986)</u>	<u>415,025</u>
<u>\$277,948</u>	<u>\$0</u>	<u>\$717,164</u>	<u>\$755,014</u>	<u>\$6,658,897</u>

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City of Hamilton! Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Income Taxes	\$3,091,982	\$0	\$2,327,692	\$0	\$5,419,674
Property and Other Taxes	3,382,081	0	364,136	0	3,746,217
Intergovernmental	5,651,282	0	2,111,706	0	7,762,988
Charges for Services	8,955,151	0	0	0	8,955,151
License and Permits	368,581	0	0	0	368,581
Investments Earnings	320,615	45,126	54,853	3,315	423,909
Fines and Forfeitures	230,344	0	0	0	230,344
Special Assessments	0	327,312	252,219	0	579,531
All Other Revenues	693,644	7,741	74,808	0	776,193
Total Revenues	22,693,680	380,179	5,185,414	3,315	28,262,588
Expenditures:					
Current:					
General Government	727,853	0	0	2,823	730,676
Security of Persons and Property	6,831,980	0	0	0	6,831,980
Leisure Time Activities	1,057,418	0	0	0	1,057,418
Community Environment	4,036,514	0	0	0	4,036,514
Basic Utility Services	5,874,942	0	0	0	5,874,942
Transportation	3,443,964	0	0	0	3,443,964
Public Health and Welfare Services	115,887	0	0	0	115,887
Capital Outlay	0	0	6,522,370	0	6,522,370
Debt Service:					
Principal Retirement	195,000	1,690,000	0	0	1,885,000
Interest and Fiscal Charges	207,303	1,306,306	160,953	0	1,674,562
Total Expenditures	22,490,861	2,996,306	6,683,323	2,823	32,173,313
Excess of Revenues Over (Under) Expenditures	202,819	(2,616,127)	(1,497,909)	492	(3,910,725)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	0	0	1,087,495	0	1,087,495
Issuance of Long-Term Capital-Related Debt	0	365,000	0	0	365,000
Transfers In	1,368,035	4,136,594	882,665	0	6,387,294
Transfers (Out)	(1,903,975)	(1,934,127)	(2,364,903)	0	(6,203,005)
Total Other Financing Sources (Uses)	(535,940)	2,567,467	(394,743)	0	1,636,784
Net Change in Fund Balance	(333,121)	(48,660)	(1,892,652)	492	(2,273,941)
Fund Balance Beginning of Year	6,362,127	462,379	2,307,677	75,610	9,207,793
Change in Reserve for Inventory	(1,035)	0	0	0	(1,035)
Fund Balance End of Year	\$6,027,971	\$413,719	\$415,025	\$76,102	\$6,932,817

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, 2007

	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	\$2,909,615
Property and Other Taxes	0	0	0	0	0
Intergovernmental	0	34,948	0	0	0
Charges for Services	2,446,718	0	0	121,290	0
License and Permits	0	0	0	0	0
Investments Earnings	1,750	0	0	1,251	4,544
Fines and Forfeitures	0	0	0	83,165	0
All Other Revenues	4,555	0	0	13	0
Total Revenues	2,453,023	34,948	0	205,719	2,914,159
Expenditures:					
Current:					
General Government	678,731	49,121	1	0	0
Security of Persons and Property	0	0	0	262,015	2,974,555
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
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	678,731	49,121	1	262,015	2,974,555
Excess of Revenues Over (Under) Expenditures	1,774,292	(14,173)	(1)	(56,296)	(60,396)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers (Out)	(1,585,508)	(33,385)	(942)	0	(7,500)
Total Other Financing Sources (Uses)	(1,585,508)	(33,385)	(942)	0	(7,500)
Net Change in Fund Balance	188,784	(47,558)	(943)	(56,296)	(67,896)
Fund Balance Beginning of Year	(42,013)	33,386	943	222,917	874,824
Change in Reserve for Inventory	0	0	0	0	0
Fund Balance End of Year	\$146,771	(\$14,172)	\$0	\$166,621	\$806,928

Municipal Income Tax TIF Aggregation/ Verification	Brownfield Improvement	Weed and Seed Grant	Dispute Resolution Proceeds	Safety Services	Police Pension	Police Levy
\$182,367	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	939,257	281,777	775,479
0	0	245,665	0	78,857	0	0
0	0	0	14,208	36,345	0	0
0	0	0	0	0	0	0
2,928	16	0	518	5,956	498	2,422
0	0	0	0	147,179	0	0
0	0	0	0	7,475	0	0
<u>185,295</u>	<u>16</u>	<u>245,665</u>	<u>14,726</u>	<u>1,215,069</u>	<u>282,275</u>	<u>777,901</u>
0	0	0	0	0	0	0
0	0	269,712	0	1,220,858	280,000	800,000
0	0	0	0	0	0	0
54,257	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	0	0	0	0	0
<u>54,257</u>	<u>0</u>	<u>269,712</u>	<u>0</u>	<u>1,220,858</u>	<u>280,000</u>	<u>800,000</u>
<u>131,038</u>	<u>16</u>	<u>(24,047)</u>	<u>14,726</u>	<u>(5,789)</u>	<u>2,275</u>	<u>(22,099)</u>
0	0	0	0	87,500	0	31,280
(59,269)	0	0	0	0	0	0
<u>(59,269)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>87,500</u>	<u>0</u>	<u>31,280</u>
71,769	16	(24,047)	14,726	81,711	2,275	9,181
295,472	1,986	9,874	50,011	492,423	61,561	301,354
0	0	0	0	0	0	0
<u>\$367,241</u>	<u>\$2,002</u>	<u>(\$14,173)</u>	<u>\$64,737</u>	<u>\$574,134</u>	<u>\$63,836</u>	<u>\$310,535</u>

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, 2007

	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	281,777	0	775,485	0	0
Intergovernmental	0	3,000	0	0	167,314
Charges for Services	0	0	0	0	0
License and Permits	0	0	0	0	0
Investments Earnings	575	37	1,563	7,570	1,705
Fines and Forfeitures	0	0	0	0	0
All Other Revenues	0	0	0	0	4
Total Revenues	282,352	3,037	777,048	7,570	169,023
Expenditures:					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	270,000	4,840	750,000	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	60,380	479
Basic Utility Services	0	0	0	0	0
Transportation	0	0	0	0	0
Public Health and Welfare Services	0	0	0	0	115,887
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	60,518	0
Total Expenditures	270,000	4,840	750,000	120,898	116,366
Excess of Revenues Over (Under) Expenditures	12,352	(1,803)	27,048	(113,328)	52,657
Other Financing Sources (Uses):					
Transfers In	0	0	0	553,435	0
Transfers (Out)	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	553,435	0
Net Change in Fund Balance	12,352	(1,803)	27,048	440,107	52,657
Fund Balance Beginning of Year	60,011	6,737	170,440	(1,395,455)	127,630
Change in Reserve for Inventory	0	0	0	0	0
Fund Balance End of Year	\$72,363	\$4,934	\$197,488	(\$955,348)	\$180,287

Street And Parks Beautification	Stormwater Management	Refuse	Street Maintenance	Miami Conservancy	Home Program	Parking
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	328,306	0	0
0	0	0	2,267,317	0	618,301	0
0	2,018,408	2,923,143	0	0	0	538,698
0	0	0	368,581	0	0	0
3,490	66,358	1,845	123,226	25	0	30,882
0	0	0	0	0	0	0
9,645	70,966	10,981	16,532	0	355,381	19,927
13,135	2,155,732	2,935,969	2,775,656	328,331	973,682	589,507
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
14,045	0	0	0	350,607	838,655	0
0	3,069,728	2,790,063	15,151	0	0	0
0	0	0	2,921,299	0	0	522,665
0	0	0	0	0	0	0
0	0	0	0	0	0	30,000
0	0	0	30,449	0	0	60,716
14,045	3,069,728	2,790,063	2,966,899	350,607	838,655	613,381
(910)	(913,996)	145,906	(191,243)	(22,276)	135,027	(23,874)
0	0	0	31,412	0	0	143,326
0	0	0	0	0	(135,962)	0
0	0	0	31,412	0	(135,962)	143,326
(910)	(913,996)	145,906	(159,831)	(22,276)	(935)	119,452
65,580	2,031,006	214,420	1,951,330	(322,071)	451,174	(411,086)
0	0	0	(3,287)	0	0	0
\$64,670	\$1,117,010	\$360,326	\$1,788,212	(\$344,347)	\$450,239	(\$291,634)

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, 2007

	Golf Course	Central Park Sports Arena	Community Development Block Grant	Total Nonmajor Special Revenue Funds
Revenues:				
Income Taxes	\$0	\$0	\$0	\$3,091,982
Property and Other Taxes	0	0	0	3,382,081
Intergovernmental	0	0	2,235,880	5,651,282
Charges for Services	856,341	0	0	8,955,151
License and Permits	0	0	0	368,581
Investments Earnings	52	0	63,404	320,615
Fines and Forfeitures	0	0	0	230,344
All Other Revenues	29,752	0	168,413	693,644
Total Revenues	886,145	0	2,467,697	22,693,680
Expenditures:				
Current:				
General Government	0	0	0	727,853
Security of Persons and Property	0	0	0	6,831,980
Leisure Time Activities	1,057,332	86	0	1,057,418
Community Environment	0	0	2,718,091	4,036,514
Basic Utility Services	0	0	0	5,874,942
Transportation	0	0	0	3,443,964
Public Health and Welfare Services	0	0	0	115,887
Debt Service:				
Principal Retirement	165,000	0	0	195,000
Interest and Fiscal Charges	55,620	0	0	207,303
Total Expenditures	1,277,952	86	2,718,091	22,490,861
Excess of Revenues Over (Under) Expenditures	(391,807)	(86)	(250,394)	202,819
Other Financing Sources (Uses):				
Transfers In	385,120	0	135,962	1,368,035
Transfers (Out)	0	(81,409)	0	(1,903,975)
Total Other Financing Sources (Uses)	385,120	(81,409)	135,962	(535,940)
Net Change in Fund Balance	(6,687)	(81,495)	(114,432)	(333,121)
Fund Balance Beginning of Year	(8,184)	81,495	1,036,362	6,362,127
Change in Reserve for Inventory	2,252	0	0	(1,035)
Fund Balance End of Year	(\$12,619)	\$0	\$921,930	\$6,027,971

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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, 2007

	Hamilton Capital Improvement	Capital Projects	Special Assessment	MITIE	Hamilton Enterprise Park
Revenues:					
Income Taxes	\$2,327,692	\$0	\$0	\$0	\$0
Property and Other Taxes	0	0	0	364,136	0
Intergovernmental	0	0	0	0	0
Investments Earnings	2,762	2,795	7,663	8,607	16,539
Special Assessments	0	0	252,219	0	0
All Other Revenues	74,808	0	0	0	0
Total Revenues	2,405,262	2,795	259,882	372,743	16,539
Expenditures:					
Current:					
Capital Outlay	1,244,167	6,049	239,493	0	571,281
Debt Service:					
Interest and Fiscal Charges	29,870	0	20,737	2,055	37,516
Total Expenditures	1,274,037	6,049	260,230	2,055	608,797
Excess of Revenues Over (Under) Expenditures	1,131,225	(3,254)	(348)	370,688	(592,258)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	0	0	0	0	1,087,495
Transfers In	114,818	0	548,959	12,244	32,400
Transfers (Out)	(2,197,659)	0	(155,000)	(12,244)	0
Total Other Financing Sources (Uses)	(2,082,841)	0	393,959	0	1,119,895
Net Change in Fund Balance	(951,616)	(3,254)	393,611	370,688	527,637
Fund Balance Beginning of Year	900,753	364,621	152,044	647,871	(663,437)
Fund Balance End of Year	(\$50,863)	\$361,367	\$545,655	\$1,018,559	(\$135,800)

Central Business District Streetscape Improvements	Issue II Projects	Clean Ohio Grants Program	Infrastructure Program	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$2,327,692
0	0	0	0	364,136
0	919,284	1,192,422	0	2,111,706
2,162	0	4,720	9,605	54,853
0	0	0	0	252,219
0	0	0	0	74,808
<u>2,162</u>	<u>919,284</u>	<u>1,197,142</u>	<u>9,605</u>	<u>5,185,414</u>
0	919,284	3,511,197	30,899	6,522,370
0	0	24,125	46,650	160,953
<u>0</u>	<u>919,284</u>	<u>3,535,322</u>	<u>77,549</u>	<u>6,683,323</u>
<u>2,162</u>	<u>0</u>	<u>(2,338,180)</u>	<u>(67,944)</u>	<u>(1,497,909)</u>
0	0	0	0	1,087,495
0	0	24,881	149,363	882,665
0	0	0	0	(2,364,903)
<u>0</u>	<u>0</u>	<u>24,881</u>	<u>149,363</u>	<u>(394,743)</u>
2,162	0	(2,313,299)	81,419	(1,892,652)
<u>275,786</u>	<u>0</u>	<u>968,444</u>	<u>(338,405)</u>	<u>2,307,677</u>
<u>\$277,948</u>	<u>\$0</u>	<u>(\$1,344,855)</u>	<u>(\$256,986)</u>	<u>\$415,025</u>

The City of Hamilton! Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended December 31, 2007

	One Renaissance Center Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Charges for Services	\$2,458,985	\$2,446,718	(\$12,267)
Investment Earnings	100	0	(100)
Other All Revenue	4,555	4,555	0
Total Revenue	2,463,640	2,451,273	(12,367)
<u>Expenditures:</u>			
Current:			
General Government	867,701	696,548	171,153
Total Expenditures	867,701	696,548	171,153
Excess of Revenues Over (Under) Expenditures	1,595,939	1,754,725	158,786
<u>Other Financing Sources (Uses):</u>			
Transfers (Out)	(1,586,000)	(1,585,508)	492
Total Other Financing Sources (Uses)	(1,586,000)	(1,585,508)	492
Net Change in Fund Balance	9,939	169,217	159,278
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balances (Deficit) at End of Year	\$9,939	\$169,217	\$159,278

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, 2007

	Federal Emergency Management Grant Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$186,297	\$34,948	(\$151,349)
Other All Revenue	36,048	0	(36,048)
Total Revenue	222,345	34,948	(187,397)
<u>Expenditures:</u>			
Current:			
General Government	393,212	214,418	178,794
Total Expenditures	393,212	214,418	178,794
Excess of Revenues Over (Under) Expenditures	(170,867)	(179,470)	(8,603)
<u>Other Financing Sources (Uses):</u>			
Transfers In	200,000	180,000	(20,000)
Transfers (Out)	(33,386)	(33,385)	(1)
Total Other Financing Sources (Uses)	166,614	146,615	(20,001)
Net Change in Fund Balance	(4,253)	(32,855)	(28,604)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	33,386	33,386	0
Fund Balances at End of Year	\$29,133	\$531	(\$28,604)

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, 2007

	Youth Build Grant Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$1	\$0	(\$1)
Total Revenue	1	0	(1)
<u>Expenditures:</u>			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	1	0	(1)
<u>Other Financing Sources (Uses):</u>			
Transfers (Out)	(942)	(942)	0
Total Other Financing Sources (Uses)	(942)	(942)	0
Net Change in Fund Balance	(941)	(942)	(1)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	942	942	0
Fund Balances at End of Year	<u>\$1</u>	<u>\$0</u>	<u>(\$1)</u>

The City of Hamilton! Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended December 31, 2007

Municipal Court Improvement Fund			
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Charges for Services	\$192,800	\$121,290	(\$71,510)
Fines and Forfeitures	78,000	83,165	5,165
Other All Revenue	0	13	13
 Total Revenue	 270,800	 204,468	 (66,332)
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	307,271	282,026	25,245
 Total Expenditures	 307,271	 282,026	 25,245
 Net Change in Fund Balance	 (36,471)	 (77,558)	 (41,087)
 Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	 247,304	 247,304	 0
 Fund Balances at End of Year	 \$210,833	 \$169,746	 (\$41,087)

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, 2007

	Public Safety/ Health Income Tax Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Income Taxes	\$2,975,000	\$2,971,408	(\$3,592)
Total Revenue	2,975,000	2,971,408	(3,592)
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	2,982,984	2,982,039	945
Total Expenditures	2,982,984	2,982,039	945
Excess of Revenues Over (Under) Expenditures	(7,984)	(10,631)	(2,647)
<u>Other Financing Sources (Uses):</u>			
Transfers (Out)	(7,500)	(7,500)	0
Total Other Financing Sources (Uses)	(7,500)	(7,500)	0
Net Change in Fund Balance	(15,484)	(18,131)	(2,647)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	599,781	599,781	0
Fund Balances at End of Year	\$584,297	\$581,650	(\$2,647)

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, 2007

	Municipal Income Tax TIF Aggregation/ Verification Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Income Taxes	\$180,000	\$182,367	\$2,367
Total Revenue	180,000	182,367	2,367
<u>Expenditures:</u>			
Current:			
Community Environment	83,500	54,257	29,243
Total Expenditures	83,500	54,257	29,243
Excess of Revenues Over (Under) Expenditures	96,500	128,110	31,610
<u>Other Financing Sources (Uses):</u>			
Transfers (Out)	(65,000)	(59,269)	5,731
Total Other Financing Sources (Uses)	(65,000)	(59,269)	5,731
Net Change in Fund Balance	31,500	68,841	37,341
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	295,161	295,161	0
Fund Balances at End of Year	\$326,661	\$364,002	\$37,341

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, 2007

	Brownfield Improvement Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$0	\$0	\$0
Total Revenue	0	0	0
<u>Expenditures:</u>			
Current:			
General Government	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, 2007

	Weed and Seed Grant Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$262,580	\$260,791	(\$1,789)
Total Revenue	262,580	260,791	(1,789)
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	456,208	323,971	132,237
Total Expenditures	456,208	323,971	132,237
Excess of Revenues Over (Under) Expenditures	(193,628)	(63,180)	130,448
<u>Other Financing Sources (Uses):</u>			
Advances In	130,000	109,000	(21,000)
Advances (Out)	(42,640)	(42,640)	0
Total Other Financing Sources (Uses)	87,360	66,360	(21,000)
Net Change in Fund Balance	(106,268)	3,180	109,448
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	30,090	30,090	0
Fund Balances (Deficit) at End of Year	(\$76,178)	\$33,270	\$109,448

The City of Hamilton! Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
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 For the Year Ended December 31, 2007

	Dispute Resolution Proceeds Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Charges for Services	\$13,400	\$14,208	\$808
Total Revenue	13,400	14,208	808
<u>Expenditures:</u>			
Current:			
General Government	3,000	0	3,000
Total Expenditures	3,000	0	3,000
Net Change in Fund Balance	10,400	14,208	3,808
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	49,958	49,958	0
Fund Balances at End of Year	\$60,358	\$64,166	\$3,808

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, 2007

	Safety Services Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$1,015,819	\$939,257	(\$76,562)
Intergovernmental	85,285	78,857	(6,428)
Charges for Services	36,500	36,345	(155)
Investment Earnings	1,500	1,613	113
Fines and Forfeitures	167,399	147,179	(20,220)
Other All Revenue	<u>7,475</u>	<u>7,475</u>	<u>0</u>
 Total Revenue	 <u>1,313,978</u>	 <u>1,210,726</u>	 <u>(103,252)</u>
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	<u>1,300,248</u>	<u>1,222,460</u>	<u>77,788</u>
 Total Expenditures	 <u>1,300,248</u>	 <u>1,222,460</u>	 <u>77,788</u>
 Excess of Revenues Over (Under) Expenditures	 13,730	 (11,734)	 (25,464)
<u>Other Financing Sources (Uses):</u>			
Transfers In	161,600	161,600	0
Transfers (Out)	<u>(74,100)</u>	<u>(74,100)</u>	<u>0</u>
 Total Other Financing Sources (Uses)	 <u>87,500</u>	 <u>87,500</u>	 <u>0</u>
 Net Change in Fund Balance	 101,230	 75,766	 (25,464)
 Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	 <u>501,631</u>	 <u>501,631</u>	 <u>0</u>
 Fund Balances at End of Year	 <u>\$602,861</u>	 <u>\$577,397</u>	 <u>(\$25,464)</u>

The City of Hamilton! Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
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 For the Year Ended December 31, 2007

	Police Pension Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$280,000	\$281,777	\$1,777
Total Revenue	280,000	281,777	1,777
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	280,000	280,000	0
Total Expenditures	280,000	280,000	0
Net Change in Fund Balance	0	1,777	1,777
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	61,496	61,496	0
Fund Balances at End of Year	<u>\$61,496</u>	<u>\$63,273</u>	<u>\$1,777</u>

The City of Hamilton! Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended December 31, 2007

	Police Levy Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$815,000	\$775,479	(\$39,521)
Total Revenue	815,000	775,479	(39,521)
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	800,000	800,000	0
Total Expenditures	800,000	800,000	0
Excess of Revenues Over (Under) Expenditures	15,000	(24,521)	(39,521)
<u>Other Financing Sources (Uses):</u>			
Transfers In	31,280	31,280	0
Total Other Financing Sources (Uses)	31,280	31,280	0
Net Change in Fund Balance	46,280	6,759	(39,521)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	301,037	301,037	0
Fund Balances at End of Year	<u>\$347,317</u>	<u>\$307,796</u>	<u>(\$39,521)</u>

The City of Hamilton! Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
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 For the Year Ended December 31, 2007

Firemen's Pension Fund			
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$290,000	\$281,777	(\$8,223)
Total Revenue	290,000	281,777	(8,223)
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	270,000	270,000	0
Total Expenditures	270,000	270,000	0
Net Change in Fund Balance	20,000	11,777	(8,223)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	59,948	59,948	0
Fund Balances at End of Year	\$79,948	\$71,725	(\$8,223)

The City of Hamilton! Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
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 For the Year Ended December 31, 2007

	Emergency Medical Services Grant Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$5,000	\$3,000	(\$2,000)
Total Revenue	5,000	3,000	(2,000)
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	9,840	4,840	5,000
Total Expenditures	9,840	4,840	5,000
Net Change in Fund Balance	(4,840)	(1,840)	3,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,730	6,730	0
Fund Balances at End of Year	<u>\$1,890</u>	<u>\$4,890</u>	<u>\$3,000</u>

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 Schedule of Revenues, Expenditures and Changes in Fund Balance
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 For the Year Ended December 31, 2007

	Fire EMS Levy Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$815,000	\$775,485	(\$39,515)
Total Revenue	815,000	775,485	(39,515)
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	750,000	750,000	0
Total Expenditures	750,000	750,000	0
Net Change in Fund Balance	65,000	25,485	(39,515)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	170,261	170,261	0
Fund Balances at End of Year	\$235,261	\$195,746	(\$39,515)

The City of Hamilton! Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
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 For the Year Ended December 31, 2007

	Technology Initiative Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Investment Earnings	\$6,185	\$6,184	(\$1)
Total Revenue	6,185	6,184	(1)
<u>Expenditures:</u>			
Current:			
Community Environment	82,405	82,404	1
Total Expenditures	82,405	82,404	1
Net Change in Fund Balance	(76,220)	(76,220)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	149,942	149,942	0
Fund Balances (Deficit) at End of Year	\$73,722	\$73,722	\$0

The City of Hamilton! Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
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 For the Year Ended December 31, 2007

Public Health Care Services Fund			
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$167,553	\$167,314	(\$239)
Investment Earnings	60	56	(4)
Other All Revenue	0	4	4
Total Revenue	<u>167,613</u>	<u>167,374</u>	<u>(239)</u>
<u>Expenditures:</u>			
Current:			
Public Health and Welfare Services	<u>234,902</u>	<u>170,125</u>	<u>64,777</u>
Total Expenditures	<u>234,902</u>	<u>170,125</u>	<u>64,777</u>
Net Change in Fund Balance	(67,289)	(2,751)	64,538
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>157,055</u>	<u>157,055</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$89,766</u></u>	<u><u>\$154,304</u></u>	<u><u>\$64,538</u></u>

The City of Hamilton! Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
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 For the Year Ended December 31, 2007

	Street And Parks Beautification Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Investment Earnings	\$0	\$2,990	\$2,990
Other All Revenue	12,200	9,645	(2,555)
 Total Revenue	 12,200	 12,635	 435
<u>Expenditures:</u>			
Current:			
Community Environment	20,698	15,302	5,396
 Total Expenditures	 20,698	 15,302	 5,396
 Net Change in Fund Balance	 (8,498)	 (2,667)	 5,831
 Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	 66,579	 66,579	 0
 Fund Balances at End of Year	 \$58,081	 \$63,912	 \$5,831

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 Schedule of Revenues, Expenditures and Changes in Fund Balance
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Stormwater Management Fund			
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Charges for Services	\$2,235,000	\$2,025,545	(\$209,455)
Investment Earnings	100,000	61,364	(38,636)
Other All Revenue	0	70,966	70,966
Total Revenue	<u>2,335,000</u>	<u>2,157,875</u>	<u>(177,125)</u>
<u>Expenditures:</u>			
Current:			
Basic Utility Services	4,208,764	3,545,051	663,713
Total Expenditures	<u>4,208,764</u>	<u>3,545,051</u>	<u>663,713</u>
Net Change in Fund Balance	(1,873,764)	(1,387,176)	486,588
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,943,597</u>	<u>1,943,597</u>	<u>0</u>
Fund Balances at End of Year	<u>\$69,833</u>	<u>\$556,421</u>	<u>\$486,588</u>

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	Refuse Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Charges for Services	\$2,936,070	\$2,466,567	(\$469,503)
Other All Revenue	12,000	10,981	(1,019)
 Total Revenue	 2,948,070	 2,477,548	 (470,522)
<u>Expenditures:</u>			
Current:			
Basic Utility Services	2,819,854	2,781,946	37,908
 Total Expenditures	 2,819,854	 2,781,946	 37,908
 Net Change in Fund Balance	 128,216	 (304,398)	 (432,614)
 Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	 134,804	 134,804	 0
 Fund Balances at End of Year	 \$263,020	 (\$169,594)	 (\$432,614)

The City of Hamilton! Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
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Street Maintenance Fund			
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$2,562,050	\$2,239,583	(\$322,467)
Licenses and Permits	357,500	371,113	13,613
Other All Revenue	27,305	16,532	(10,773)
 Total Revenue	 2,946,855	 2,627,228	 (319,627)
<u>Expenditures:</u>			
Current:			
Transportation	3,958,149	3,195,382	762,767
 Total Expenditures	 3,958,149	 3,195,382	 762,767
 Net Change in Fund Balance	 (1,011,294)	 (568,154)	 443,140
 Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	 2,257,624	 2,257,624	 0
 Fund Balances at End of Year	 \$1,246,330	 \$1,689,470	 \$443,140

The City of Hamilton! Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
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Miami Conservancy Fund			
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$327,235	\$328,306	\$1,071
Total Revenue	327,235	328,306	1,071
<u>Expenditures:</u>			
Current:			
Community Environment	347,915	347,903	12
Total Expenditures	347,915	347,903	12
Excess of Revenues Over (Under) Expenditures	(20,680)	(19,597)	1,083
<u>Other Financing Sources (Uses):</u>			
Transfers In	27,000	0	(27,000)
Total Other Financing Sources (Uses)	27,000	0	(27,000)
Net Change in Fund Balance	6,320	(19,597)	(25,917)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	25,465	25,465	0
Fund Balances at End of Year	\$31,785	\$5,868	(\$25,917)

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, 2007

	Home Program Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$2,279,574	\$618,301	(\$1,661,273)
Other All Revenue	357,095	355,381	(1,714)
Total Revenue	2,636,669	973,682	(1,662,987)
<u>Expenditures:</u>			
Current:			
Community Environment	2,857,273	1,897,466	959,807
Total Expenditures	2,857,273	1,897,466	959,807
Excess of Revenues Over (Under) Expenditures	(220,604)	(923,784)	(703,180)
<u>Other Financing Sources (Uses):</u>			
Transfers In	376,708	867,420	490,712
Transfers (Out)	(1,028,820)	(1,028,577)	243
Total Other Financing Sources (Uses)	(652,112)	(161,157)	490,955
Net Change in Fund Balance	(872,716)	(1,084,941)	(212,225)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	521,793	521,793	0
Fund Balances (Deficit) at End of Year	(\$350,923)	(\$563,148)	(\$212,225)

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Schedule of Revenues, Expenditures and Changes in Fund Balance
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Parking Fund			
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Charges for Services	\$717,890	\$552,756	(\$165,134)
Investment Earnings	4,000	25,572	21,572
Other All Revenue	4,291	20,277	15,986
Total Revenue	726,181	598,605	(127,576)
<u>Expenditures:</u>			
Current:			
Transportation	729,260	591,210	138,050
Debt Service:			
Principal	880,000	880,000	0
Interest and Fiscal Charges	64,397	64,397	0
Total Expenditures	1,673,657	1,535,607	138,050
Excess of Revenues Over (Under) Expenditures	(947,476)	(937,002)	10,474
<u>Other Financing Sources (Uses):</u>			
Issuance of Notes	801,912	801,912	0
Transfers In	143,327	143,326	(1)
Total Other Financing Sources (Uses)	945,239	945,238	(1)
Net Change in Fund Balance	(2,237)	8,236	10,473
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	523,652	523,652	0
Fund Balances (Deficit) at End of Year	\$521,415	\$531,888	\$10,473

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	Golf Course Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Charges for Services	\$942,000	\$857,431	(\$84,569)
Investment Earnings	2,000	0	(2,000)
Other All Revenue	17,000	29,859	12,859
Total Revenue	961,000	887,290	(73,710)
<u>Expenditures:</u>			
Current:			
Leisure Time Activities	1,107,703	1,051,948	55,754
Debt Service:			
Principal	165,000	165,000	0
Interest and Fiscal Charges	55,620	55,620	0
Total Expenditures	1,328,323	1,272,568	55,754
Excess of Revenues Over (Under) Expenditures	(367,323)	(385,278)	(17,956)
<u>Other Financing Sources (Uses):</u>			
Transfers In	506,120	385,120	(121,000)
Total Other Financing Sources (Uses)	506,120	385,120	(121,000)
Net Change in Fund Balance	138,797	(158)	(138,956)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,360	1,360	0
Fund Balances at End of Year	\$140,157	\$1,202	(\$138,956)

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	Central Park Sports Arena Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Other All Revenue	\$0	\$0	\$0
Total Revenue	0	0	0
<u>Expenditures:</u>			
Current:			
Leisure Time Activities	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses):</u>			
Transfers (Out)	(81,409)	(81,409)	0
Total Other Financing Sources (Uses)	(81,409)	(81,409)	0
Net Change in Fund Balance	(81,409)	(81,409)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	81,409	81,409	0
Fund Balances (Deficit) at End of Year	\$0	\$0	\$0

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	Community Development Block Grant Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$3,777,304	\$2,021,252	(\$1,756,052)
Investment Earnings	59,388	63,404	4,016
Other All Revenue	169,436	168,413	(1,023)
Total Revenue	4,006,128	2,253,069	(1,753,059)
<u>Expenditures:</u>			
Current:			
Community Environment	5,343,963	3,411,831	1,932,132
Total Expenditures	5,343,963	3,411,831	1,932,132
Excess of Revenues Over (Under) Expenditures	(1,337,835)	(1,158,762)	179,073
<u>Other Financing Sources (Uses):</u>			
Transfers In	3,439,257	3,014,363	(424,894)
Transfers (Out)	(2,129,642)	(2,129,636)	6
Total Other Financing Sources (Uses)	1,309,615	884,727	(424,888)
Net Change in Fund Balance	(28,220)	(274,035)	(245,815)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	975,784	975,784	0
Fund Balances at End of Year	\$947,564	\$701,749	(\$245,815)

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	Debt Service Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Special Assessment	\$480,000	\$327,312	(\$152,688)
Investment Earnings	50,000	41,393	(8,607)
Other All Revenue	0	7,741	7,741
Total Revenue	530,000	376,446	(153,554)
<u>Expenditures:</u>			
Debt Service:			
Principal	9,080,000	7,745,000	1,335,000
Interest	1,826,878	1,777,994	48,884
Total Expenditures	10,906,878	9,522,994	1,383,884
Excess of Revenues Over (Under) Expenditures	(10,376,878)	(9,146,548)	1,537,438
<u>Other Financing Sources (Uses):</u>			
Issuance of Notes	6,020,000	4,957,561	(1,062,439)
Transfers In	4,093,595	4,136,594	42,999
Total Other Financing Sources (Uses)	10,113,595	9,094,155	(1,019,440)
Net Change in Fund Balance	(263,283)	(52,393)	210,890
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	459,887	459,887	0
Fund Balances (Deficit) at End of Year	\$196,604	\$407,494	\$210,890

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	Hamilton Capital Improvement Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Income Taxes	\$2,600,000	\$2,377,126	(\$222,874)
Other All Revenue	145,000	74,808	(70,192)
Total Revenue	2,745,000	2,451,934	(293,066)
<u>Expenditures:</u>			
Capital Outlay	2,244,036	1,750,118	493,918
Total Expenditures	2,244,036	1,750,118	493,918
Excess of Revenues Over (Under) Expenditures	500,964	701,816	(786,984)
<u>Other Financing Sources (Uses):</u>			
Transfers In	289,638	33,385	(256,253)
Transfers (Out)	(2,197,660)	(2,197,659)	1
Total Other Financing Sources (Uses)	(1,908,022)	(2,164,274)	(256,252)
Net Change in Fund Balance	(1,407,058)	(1,462,458)	(55,400)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,418,460	1,418,460	0
Fund Balances at End of Year	\$11,402	(\$43,998)	(\$55,400)

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	Capital Projects Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$0	\$0	\$0
Total Revenue	0	0	0
<u>Expenditures:</u>			
Capital Outlay	138,309	76,408	61,901
Total Expenditures	138,309	76,408	61,901
Net Change in Fund Balance	(138,309)	(76,408)	61,901
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	372,687	372,687	0
Fund Balances (Deficit) at End of Year	\$234,378	\$296,279	\$61,901

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, 2007

	Special Assessment Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Investment Earnings	\$30,000	\$0	(\$30,000)
Special Assessments	250,000	252,219	2,219
Total Revenue	280,000	252,219	(27,781)
<u>Expenditures:</u>			
Capital Outlay	1,034,129	547,931	486,198
Total Expenditures	1,034,129	547,931	486,198
Excess of Revenues Over (Under) Expenditures	(754,129)	(295,712)	458,417
<u>Other Financing Sources (Uses):</u>			
Issuance of Notes	525,000	400,956	(124,044)
Transfers (Out)	(250,000)	(155,000)	95,000
Total Other Financing Sources (Uses)	275,000	245,956	(29,044)
Net Change in Fund Balance	(479,129)	(49,756)	429,373
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	683,693	683,693	0
Fund Balances at End of Year	\$204,564	\$633,937	\$429,373

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, 2007

	MITIE Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$364,136	\$364,136	\$0
Total Revenue	364,136	364,136	0
<u>Expenditures:</u>			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	364,136	364,136	0
<u>Other Financing Sources (Uses):</u>			
Transfers (Out)	(52,250)	(12,244)	40,006
Total Other Financing Sources (Uses)	(52,250)	(12,244)	40,006
Net Change in Fund Balance	311,886	351,892	40,006
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	697,805	697,805	0
Fund Balances at End of Year	\$1,009,691	\$1,049,697	\$40,006

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, 2007

	Hamilton Enterprise Park Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$570,000	\$0	(\$570,000)
Investment Earnings	14,905	13,443	(1,462)
Total Revenue	584,905	13,443	(571,462)
<u>Expenditures:</u>			
Capital Outlay	933,499	597,566	335,933
Total Expenditures	933,499	597,566	335,933
Excess of Revenues Over (Under) Expenditures	(348,594)	(584,123)	(907,395)
<u>Other Financing Sources (Uses):</u>			
Issuance of Notes	900,000	900,000	0
Proceeds from Sale of Capital Assets	1,087,496	1,087,495	(1)
Transfers (Out)	(500,000)	(500,000)	0
Total Other Financing Sources (Uses)	1,487,496	1,487,495	(1)
Net Change in Fund Balance	1,138,902	903,372	(907,396)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	201,331	201,331	0
Fund Balances at End of Year	\$1,340,233	\$1,104,703	(\$907,396)

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, 2007

	Central Business District Streetscape Improvements Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$0	\$0	\$0
Total Revenue	0	0	0
<u>Expenditures:</u>			
Capital Outlay	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)	275,496	275,496	0
Fund Balances at End of Year	\$275,496	\$275,496	\$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, 2007

	Issue II Projects Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$850,000	\$919,285	\$69,285
Total Revenue	850,000	919,285	69,285
<u>Expenditures:</u>			
Capital Outlay	850,000	919,285	(69,285)
Total Expenditures	850,000	919,285	(69,285)
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balances at End of Year	\$0	\$0	\$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, 2007

	Clean Ohio Grants Program Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$4,650,000	\$1,192,422	(\$3,457,578)
Total Revenue	4,650,000	1,192,422	(3,457,578)
<u>Expenditures:</u>			
Capital Outlay	6,160,314	3,876,310	2,284,004
Total Expenditures	6,160,314	3,876,310	2,284,004
Net Change in Fund Balance	(1,510,314)	(2,683,888)	(1,173,574)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,524,194	1,524,194	0
Fund Balances at End of Year	\$13,880	(\$1,159,694)	(\$1,173,574)

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, 2007

	Infrastructure Program Fund		
	Budget Final	Actual	Variance Postive (Negative)
<u>Revenues:</u>			
Investment Earnings	\$2,945	\$2,945	\$0
Total Revenue	2,945	2,945	0
<u>Expenditures:</u>			
Capital Outlay	221,646	162,034	59,612
Total Expenditures	221,646	162,034	59,612
Net Change in Fund Balance	(218,701)	(159,089)	59,612
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	792,022	792,022	0
Fund Balances (Deficit) at End of Year	\$573,321	\$632,933	\$59,612

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, 2007

Benninghoffen Trust Fund			
	Budget Final	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Investment Earnings	\$3,000	\$2,823	(\$177)
Total Revenues	3,000	2,823	(177)
<u>Expenses:</u>			
<u>Current:</u>			
General Government	3,000	2,823	177
Total Expenses	3,000	2,823	177
Net Change in Fund Balance	0	0	(354)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	75,000	75,000	0
Fund Equity at End of Year	<u>\$75,000</u>	<u>\$75,000</u>	<u>(\$354)</u>

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NONMAJOR FUNDS

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, 2007

	Fleet Maintenance	Central Services	Total Internal Service Fund
Assets:			
Equity in Pooled Cash and Investments	\$484,873	\$0	\$484,873
Receivables (net of allowance for uncollectibles):			
Prepaid Items	5,407	42,076	47,483
Inventory	46,111	0	46,111
Total Current Assets	536,391	42,076	578,467
Depreciable Capital Assets, Net	50,709	0	50,709
Total Noncurrent Assets	50,709	0	50,709
Total Assets	587,100	42,076	629,176
Liabilities:			
Current Liabilities:			
Accounts Payable	118,569	290,238	408,807
Accrued Wages and Benefits	11,352	78,806	90,158
Compensated Absences	28,005	249,872	277,877
Intergovernmental Payable	19,504	126,451	145,955
Total Current Liabilities	177,430	745,367	922,797
Long-Term Liabilities:			
Compensated Absences	51,982	535,181	587,163
Total Noncurrent Liabilities	51,982	535,181	587,163
Total Liabilities	229,412	1,280,548	1,509,960
Net Assets:			
Invested in Capital Assets, Net of Related Debt	50,709	0	50,709
Unrestricted	306,979	(1,238,472)	(931,493)
Total Net Assets	\$357,688	(\$1,238,472)	(\$880,784)

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, 2007

	Fleet Maintenance	Central Services	Total Internal Service Fund
Operating Revenues:			
Charges for Services	\$2,313,098	\$7,474,768	\$9,787,866
Other Operating Revenues	2,478	0	2,478
Total Operating Revenues	<u>2,315,576</u>	<u>7,474,768</u>	<u>9,790,344</u>
Operating Expenses:			
Personal Services	681,940	4,872,055	5,553,995
Materials and Supplies	1,032,512	444,963	1,477,475
Contractual Services	512,903	2,177,484	2,690,387
Depreciation	30,111	0	30,111
Other Operating Expenses	7,182	223,360	230,542
Total Operating Expenses	<u>2,264,648</u>	<u>7,717,862</u>	<u>9,982,510</u>
Operating Income (Loss)	<u>50,928</u>	<u>(243,094)</u>	<u>(192,166)</u>
Non-Operating Revenues (Expenses):			
Investments Earnings	3,823	0	3,823
Total Non-Operating Revenues (Expenses)	<u>3,823</u>	<u>0</u>	<u>3,823</u>
Change in Net Assets	54,751	(243,094)	(188,343)
Net Assets Beginning of Year	<u>302,937</u>	<u>(995,378)</u>	<u>(692,441)</u>
Net Assets End of Year	<u>\$357,688</u>	<u>(\$1,238,472)</u>	<u>(\$880,784)</u>

City of Hamilton! Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2007

	Fleet Maintenance	Central Services	Total Internal Service Fund
Cash Flows from Operating Activities:			
Cash Received from Customers	\$2,315,576	\$7,474,768	\$9,790,344
Cash Payments to Employees	(688,796)	(4,785,311)	(5,474,107)
Cash Payments to Suppliers	(1,551,316)	(2,466,092)	(4,017,408)
Cash Payments for Other Operating Expenses	(6,921)	(223,365)	(230,286)
Net Cash Provided (Used) by Operating Activities	<u>68,543</u>	<u>0</u>	<u>68,543</u>
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	<u>(18,988)</u>	<u>0</u>	<u>(18,988)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(18,988)</u>	<u>0</u>	<u>(18,988)</u>
Cash Flows from Investing Activities:			
Earnings on Investments	<u>3,823</u>	<u>0</u>	<u>3,823</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>3,823</u>	<u>0</u>	<u>3,823</u>
Net Increase (Decrease) in Cash and Cash Equivalents	53,378	0	53,378
Cash and Cash Equivalents Beginning of Year	<u>431,495</u>	<u>0</u>	<u>431,495</u>
Cash and Cash Equivalents End of Year	<u><u>484,873</u></u>	<u><u>0</u></u>	<u><u>484,873</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	50,928	(243,094)	(192,166)
Adjustments:			
Depreciation	30,111	0	30,111
Changes in Assets & Liabilities:			
(Increase) Decrease in Inventory	(23,265)	0	(23,265)
(Increase) Decrease in Prepaid Items	1,577	10,027	11,604
Increase (Decrease) in Payables	17,625	162,989	180,614
Increase (Decrease) in Accrued Liabilities	(12,082)	45,428	33,346
Increase (Decrease) in Intergovernmental Payables	3,649	24,650	28,299
Net Cash Provided (Used) by Operating Activities	<u><u>\$68,543</u></u>	<u><u>\$0</u></u>	<u><u>\$68,543</u></u>
Schedule of Noncash Activities:			
During the fiscal year, these amounts were received representing noncash contributions of:			
Change in Fair Value of Investments	(\$4,277)	\$0	(\$4,277)

NONMAJOR FUNDS

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, 2007

	Rounding Up Utility Account			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$923	\$3,518	\$3,547	\$894
Total Assets	923	3,518	3,547	894

Liabilities:				
Accounts Payable	923	894	923	894
Total Liabilities	\$923	\$894	\$923	\$894

	Convention and Visitor's Bureau			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$22,029	\$42,175	\$56,340	\$7,864
Total Assets	22,029	42,175	56,340	7,864

Liabilities:				
Accounts Payable	22,029	7,863	22,029	7,863
Due to Others	0	34,312	34,311	1
Total Liabilities	\$22,029	\$42,175	\$56,340	\$7,864

	Employee Taxes and Benefits			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$896,599	\$54,777,560	\$54,949,318	\$724,841
Prepaid Items	48,067	11,000	48,067	11,000
Total Assets	944,666	54,788,560	54,997,385	735,841

Liabilities:				
Due to Others	33,638	54,114,635	54,086,357	61,916
Intergovernmental Payable	911,028	673,925	911,028	673,925
Total Liabilities	\$944,666	\$54,788,560	\$54,997,385	\$735,841

Continued

City of Hamilton! Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2007

	Ohio Board of Building Standards Assessments			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,343	\$2,853	\$4,196	\$0
Total Assets	<u>1,343</u>	<u>2,853</u>	<u>4,196</u>	<u>0</u>
Liabilities:				
Due to Others	1,343	2,853	4,196	0
Total Liabilities	<u>\$1,343</u>	<u>\$2,853</u>	<u>\$4,196</u>	<u>\$0</u>
	Miscellaneous Collections for Others			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$7,548	\$0	\$0	\$7,548
Total Assets	<u>7,548</u>	<u>0</u>	<u>0</u>	<u>7,548</u>
Liabilities:				
Due to Others	7,548	0	0	7,548
Total Liabilities	<u>\$7,548</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,548</u>
	Unclaimed Monies			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$88,549	\$0	\$10,983	\$77,566
Total Assets	<u>88,549</u>	<u>0</u>	<u>10,983</u>	<u>77,566</u>
Liabilities:				
Accounts Payable	5,302	0	5,302	0
Due to Others	83,247	0	5,681	77,566
Total Liabilities	<u>\$88,549</u>	<u>\$0</u>	<u>\$10,983</u>	<u>\$77,566</u>

Continued

City of Hamilton! Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2007

	Tax Collections			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$668,776	\$8,762,036	\$9,226,282	\$204,530
Total Assets	<u>668,776</u>	<u>8,762,036</u>	<u>9,226,282</u>	<u>204,530</u>

Liabilities:				
Intergovernmental Payable	668,776	8,762,036	9,226,282	204,530
Total Liabilities	<u>\$668,776</u>	<u>\$8,762,036</u>	<u>\$9,226,282</u>	<u>\$204,530</u>

	Butler County Annexation Tax			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$52,308	\$74,734	\$68,442	\$58,600
Total Assets	<u>52,308</u>	<u>74,734</u>	<u>68,442</u>	<u>58,600</u>

Liabilities:				
Intergovernmental Payable	52,308	74,734	68,442	58,600
Total Liabilities	<u>\$52,308</u>	<u>\$74,734</u>	<u>\$68,442</u>	<u>\$58,600</u>

	Hamilton Central Business Special Improvement District			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$0	\$187,597	\$187,597	\$0
Receivables (net of allowance for uncollectibles):				
Taxes	93,840	111,030	93,840	111,030
Total Assets	<u>93,840</u>	<u>298,627</u>	<u>281,437</u>	<u>111,030</u>

Liabilities:				
Intergovernmental Payable	93,840	298,627	281,437	111,030
Total Liabilities	<u>\$93,840</u>	<u>\$298,627</u>	<u>\$281,437</u>	<u>\$111,030</u>

Continued

City of Hamilton! Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2007

	Joint Economic Development District			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$12,080	\$352,993	\$350,593	\$14,480
Total Assets	12,080	352,993	350,593	14,480

Liabilities:				
Intergovernmental Payable	12,080	352,993	350,593	14,480
Total Liabilities	\$12,080	\$352,993	\$350,593	\$14,480

	Joint Economic Development District II			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$22,582	\$396,181	\$381,354	\$37,409
Total Assets	22,582	396,181	381,354	37,409

Liabilities:				
Intergovernmental Payable	22,582	396,181	381,354	37,409
Total Liabilities	\$22,582	\$396,181	\$381,354	\$37,409

	Fire Damage Deposit Escrow			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$107,386	\$74,001	\$27,749	\$153,638
Total Assets	107,386	74,001	27,749	153,638

Liabilities:				
Due to Others	107,386	74,001	27,749	153,638
Total Liabilities	\$107,386	\$74,001	\$27,749	\$153,638

Continued

City of Hamilton! Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2007

	Police Property Room Forfeiture			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$83,825	\$20,963	\$23,967	\$80,821
Total Assets	<u>83,825</u>	<u>20,963</u>	<u>23,967</u>	<u>80,821</u>
Liabilities:				
Due to Others	83,825	20,963	23,967	80,821
Total Liabilities	<u>\$83,825</u>	<u>\$20,963</u>	<u>\$23,967</u>	<u>\$80,821</u>

	Municipal Court			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$380,031	\$456,448	\$360,801	\$475,678
Total Assets	<u>380,031</u>	<u>456,448</u>	<u>360,801</u>	<u>475,678</u>
Liabilities:				
Due to Others	112,683	95,647	93,453	114,877
Intergovernmental Payable	267,348	360,801	267,348	360,801
Total Liabilities	<u>\$380,031</u>	<u>\$456,448</u>	<u>\$360,801</u>	<u>\$475,678</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$2,343,979	\$65,151,059	\$65,651,169	\$1,843,869
Receivables (net of allowance for uncollectibles):				
Taxes	93,840	111,030	93,840	111,030
Prepaid Items	48,067	11,000	48,067	11,000
Total Assets	<u>2,485,886</u>	<u>65,273,089</u>	<u>65,793,076</u>	<u>1,965,899</u>
Liabilities:				
Accounts Payable	28,254	8,757	28,254	8,757
Due to Others	429,670	54,342,411	54,275,714	496,367
Intergovernmental Payable	2,027,962	10,919,297	11,486,484	1,460,775
Total Liabilities	<u>\$2,485,886</u>	<u>\$65,270,465</u>	<u>\$65,790,452</u>	<u>\$1,965,899</u>

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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.

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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	2007
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	\$59,732,393
Restricted	764,635	1,065,776	1,346,714	1,096,622	8,292,468	7,367,202
Unrestricted	5,230,190	8,553,473	19,363,783	11,399,609	7,818,532	4,929,462
Total governmental activities net assets	<u>\$61,864,819</u>	<u>\$65,778,096</u>	<u>\$67,624,522</u>	<u>\$68,346,694</u>	<u>\$72,396,912</u>	<u>\$72,029,057</u>
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	\$94,444,136
Restricted	0	0	6,081,729	14,015,713	14,417,833	14,386,221
Unrestricted	60,061,123	65,677,140	41,157,570	45,626,967	38,128,750	44,247,462
Total business-type activities net assets	<u>\$138,392,384</u>	<u>\$140,030,962</u>	<u>\$142,549,692</u>	<u>\$145,983,793</u>	<u>\$147,531,270</u>	<u>\$153,077,819</u>

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	2007
Expenses						
Governmental Activities:						
General Government	\$11,106,128	\$8,644,661	\$8,198,520	\$8,820,530	\$9,080,789	\$8,082,518
Security of Persons and Property	24,124,731	23,509,934	28,125,387	28,683,794	29,539,127	31,189,244
Leisure Time Activities	2,220,239	3,357,315	2,334,059	2,725,304	2,640,996	3,011,837
Community Environment	4,231,050	4,711,002	7,636,375	4,099,421	4,341,592	5,088,227
Basic Utility Services	3,560,329	3,239,070	3,479,397	4,549,461	5,242,138	6,444,432
Transportation	3,914,488	3,615,021	3,725,413	8,044,762	5,382,724	5,382,362
Public Health and Welfare Services	3,741,462	1,151,216	2,471,205	2,320,928	1,803,562	2,011,188
Interest and Fiscal Charges	2,259,769	1,842,601	1,911,359	2,052,654	2,036,100	1,731,279
Total governmental activities expenses	55,158,196	50,070,820	57,881,715	61,296,854	60,067,028	62,941,087
Business-type activities:						
Gas Utility	21,874,839	25,705,272	24,756,742	35,317,274	35,421,943	35,483,116
Electric Utility	55,703,426	50,839,938	51,735,827	60,371,316	56,941,632	62,949,988
Water Utility	11,368,125	10,102,024	10,580,588	14,290,977	14,681,886	15,708,740
Wastewater Utility	10,524,441	12,643,903	10,623,965	13,290,251	10,907,317	11,573,839
Total business-type activities expenses	99,470,831	99,291,137	97,697,122	123,269,818	117,952,778	125,715,683
Total primary government expenses	\$154,629,027	\$149,361,957	\$155,578,837	\$184,566,672	\$178,019,806	\$188,656,770
Program Revenues						
Governmental Activities:						
Charges for Services:						
General Government	\$2,397,297	\$2,589,331	\$2,972,044	\$4,087,855	\$4,055,289	\$3,972,931
Security of Persons and Property	2,762,651	2,998,981	3,607,548	3,257,631	3,461,051	3,390,761
Leisure Time Activities	1,042,299	1,038,982	1,136,289	1,198,995	926,474	907,533
Community Environment	712,434	749,910	752,647	703,926	1,109,876	1,087,336
Basic Utility Services	2,250,347	2,298,084	2,754,648	3,850,748	2,431,163	2,381,789
Transportation	1,374,423	1,213,364	1,511,184	1,383,310	972,465	952,715
Public Health and Welfare Services	508,483	477,485	514,250	568,897	905,584	887,193
Interest and Fiscal Charges	0	408,648	0	479,153	291,740	285,815
Operating Grants and Contributions	9,574,092	9,168,937	9,422,109	6,563,223	7,719,161	6,684,403
Capital Grants and Contributions	251,110	808,510	2,689,249	1,962,756	918,278	2,492,177
Total governmental activities program revenues	20,873,136	21,752,232	25,359,968	24,056,494	22,791,081	23,042,653
Business-type activities:						
Charges for Services:						
Gas Utility	21,456,192	25,722,341	24,322,105	34,869,893	33,577,717	37,972,254
Electric Utility	53,129,459	49,056,403	49,612,998	61,111,870	58,694,775	62,927,311
Water Utility	17,200,708	13,547,648	14,118,507	15,891,265	13,735,240	15,828,437
Wastewater Utility	12,057,899	11,282,116	11,084,644	12,956,156	10,602,668	11,019,239
Operating Grants and Contributions	17,149	102,851	57,739	39,110	23,547	117,344
Capital Grants and Contributions	0	456,976	199,152	0	1,983,855	124,275
Total business-type activities program revenues	103,861,407	100,168,335	99,395,145	124,868,294	118,617,802	127,988,860
Total primary government program revenues	\$124,734,543	\$121,920,567	\$124,755,113	\$148,924,788	\$141,408,883	\$151,031,513

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	2007
Net (Expense)/Revenue						
Governmental Activities	(\$34,285,060)	(\$28,318,588)	(\$32,521,747)	(\$37,240,360)	(\$37,275,947)	(\$39,898,434)
Business-type activities	4,390,576	877,198	1,698,023	1,598,476	665,024	2,273,177
Total primary government net expenses	<u>(\$29,894,484)</u>	<u>(\$27,441,390)</u>	<u>(\$30,823,724)</u>	<u>(\$35,641,884)</u>	<u>(\$36,610,923)</u>	<u>(\$37,625,257)</u>
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Income Taxes	\$19,156,557	\$20,449,696	\$22,166,068	\$22,697,147	\$23,203,869	\$23,297,050
Property Taxes	5,135,368	6,555,179	7,209,615	8,431,924	7,552,241	9,147,564
Grants and Entitlements not Restricted	8,568,114	4,871,892	3,249,105	4,039,317	4,359,527	3,999,620
Investment Earnings	632,898	329,082	332,995	592,057	659,587	783,876
Franchise Fee Taxes	0	0	0	574,100	569,497	585,322
Loss on Disposal of Capital Assets	(1,070,847)	(1,143,604)	0	0	0	0
All Other Revenues	3,927,300	1,169,620	1,410,390	1,591,410	3,208,403	1,717,147
Transfers-Internal Activities	0	0	0	36,577	1,773,041	0
Total governmental activities	<u>36,349,390</u>	<u>32,231,865</u>	<u>34,368,173</u>	<u>37,962,532</u>	<u>41,326,165</u>	<u>39,530,579</u>
Business-type activities:						
Investment Earnings	1,423,837	769,239	820,707	1,872,202	2,655,494	3,273,372
All Other Revenues	246,870	359,280	0	0	0	0
Loss on Disposal of Capital Assets	(213,706)	(367,139)	0	0	0	0
Extraordinary Item	34,437,550	0	0	0	0	0
Transfers-Internal Activities	0	0	0	(36,577)	(1,773,041)	0
Total business-type activities	<u>35,894,551</u>	<u>761,380</u>	<u>820,707</u>	<u>1,835,625</u>	<u>882,453</u>	<u>3,273,372</u>
Total primary government	<u>\$72,243,941</u>	<u>\$32,993,245</u>	<u>\$35,188,880</u>	<u>\$39,798,157</u>	<u>\$42,208,618</u>	<u>\$42,803,951</u>
Change in Net Assets						
Governmental Activities	\$2,064,330	\$3,913,277	\$1,846,426	\$722,172	\$4,050,218	(\$367,855)
Business-type activities	40,285,127	1,638,578	2,518,730	\$3,434,101	1,547,477	5,546,549
Total primary government	<u>\$42,349,457</u>	<u>\$5,551,855</u>	<u>\$4,365,156</u>	<u>\$4,156,273</u>	<u>\$5,597,695</u>	<u>\$5,178,694</u>

Source: City Records

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

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

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	N/A	\$247,528	\$293,771	\$477,806	\$875,275	\$531,779	\$567,672	\$584,110	\$512,104	\$949,595
Unreserved	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	3,650,400
Total General Fund	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	4,599,995
All Other Governmental Funds										
Reserved	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	4,063,502
Unreserved, Reported in:										
Special Revenue Funds	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	3,441,448
Debt Service Funds	N/A	0	0	0	0	0	0	0	462,379	413,719
Capital Project Funds	N/A	(10,757,953)	(12,420,618)	(6,486,437)	(1,713,475)	836,008	64,988	(387,213)	(760,126)	(985,852)
Total all Other Governmental Funds	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	\$6,932,817

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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Taxes	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	\$32,477,358
Intergovernmental	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	12,114,525
Charges for Services	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	11,663,269
License and Permits	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	1,617,944
Investment Earnings	N/A	900,209	1,179,433	925,442	628,542	331,305	331,725	592,606	1,029,667	1,207,785
Fines and Forfeitures	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	1,169,628
Special Assessments	N/A	563,213	579,940	584,177	765,075	582,506	524,335	551,213	541,788	579,531
All Other Revenues	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	1,417,602
Total Revenues	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	\$62,247,642
Expenditures										
Current:										
General Government	N/A	\$7,147,798	\$6,708,512	\$8,380,787	\$9,763,073	\$6,849,565	\$6,771,561	\$7,858,380	\$8,675,905	\$7,374,610
Security of Persons and Property	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	30,438,704
Leisure Time Activities	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	2,792,748
Community Environment	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	5,089,993
Basic Utility Services	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	6,465,442
Transportation	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	3,443,964
Public Health and Welfare Services	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	2,020,528
Capital Outlay	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	6,522,370
Debt Service:										
Principal Retirement	N/A	4,251,068	569,230	736,816	1,155,000	1,550,000	1,798,770	1,857,000	1,862,000	1,885,000
Interest and Fiscal Charges	N/A	742,042	895,552	1,146,408	2,176,035	1,849,261	1,852,238	1,991,616	1,982,479	1,674,562
Total Expenditures	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	\$67,707,921
Excess of revenues over (under) expenditures	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)	(\$5,460,279)

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

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Other Financing Sources (Uses)										
Insurance of Long-Term Capital-Related Debt	N/A	\$0	\$0	\$0	\$0	\$3,806,770	\$0	\$0	\$218,000	\$365,000
Proceeds from Sale of Capital Assets	N/A	313,158	828,420	338,600	294,906	130,496	357,043	898,387	756,038	1,087,495
Transfers In	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	6,447,505
Transfers (Out)	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)	(6,447,505)
Insurance of Bonds and Notes Payable	N/A	3,500,000	690,000	23,680,000	7,935,000	0	0	245,000	0	0
Payments to Refunded Bond Escrow Agent	N/A	0	0	0	(767,700)	0	0	0	0	0
Other Financing Uses	N/A	0	0	0	0	(34,800)	0	0	0	0
Total Other Financing Sources (Uses)	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	1,452,495
Net Change in Fund Balances	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	(\$4,007,784)

Debt service as a percentage of noncapital expenditures (1) N/A 9.73% 3.11% 4.20% 5.74% 6.46% 6.11% 6.19% 6.53% 5.83%

Source: City Records

(1) - Noncapital expenditures are total expenditures minus expenditures for the acquisition and construction of assets that are classified as capital assets for reporting in the government-wide financial statements.

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	Tangible Personal Property	Public Utilities Personal	Total	Total	Total
	Assessed Value (1)	Assessed Value (1)	Assessed Value (1)	Assessed Value (1)	Estimated Actual Value	Direct Rate
1998	\$568,209,450	\$116,728,432	\$23,056,940	\$707,994,822	\$2,166,570,368	5.06
1999	579,622,630	81,266,104	22,567,390	683,456,124	2,006,773,835	5.06
2000	657,229,440	108,159,070	21,454,090	786,842,600	2,334,814,327	5.06
2001	674,764,310	111,312,933	18,059,140	804,136,383	2,393,671,511	5.06
2002	690,521,670	112,737,677	16,165,160	819,424,507	2,442,239,264	5.12
2003	812,598,300	80,444,805	13,814,790	906,857,895	2,661,219,415	6.80
2004	807,683,940	77,433,709	13,358,440	898,476,089	2,634,595,700	7.16
2005 (2)	807,728,570	73,731,244	12,942,330	894,402,144	2,617,428,083	7.16
2006 (2)	880,671,170	72,654,723	11,724,950	965,050,843	2,820,146,042	7.16
2007 (2)	894,319,760	50,884,160	7,410,550	952,614,470	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 consistent 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

Calendar Year	Direct Rates						Overlapping Rates	
	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
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
2007	4.21	0.30	0.30	0.35	2.00	7.16	53.42	10.95

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 Eight Years Ago (1)
Schedule 7

2007			
Taxpayer	Type of Business	Assessed Value	Percentage of Total Assessed Value
Tippman Realty PRT	Education	\$5,052,960	0.53%
Shadow Creek Apartments	Real Estate	4,888,780	0.51%
Colonial Senior Services Inc	Healthcare	4,262,690	0.45%
Pedcor Investments	Investments	4,163,870	0.44%
Hatteras Properties LTD	Real Estate	3,871,390	0.41%
Affordable Housing PRT Inc	Real Estate	3,672,820	0.39%
First National Bank	Finance	3,515,570	0.37%
Hamilton Crossings LLC	Real Estate	3,325,000	0.35%
Butler Co. Surgical	Healthcare	2,469,270	0.26%
Duke Energy	Utility	2,212,940	0.23%
		<u>\$37,435,290</u>	<u>3.94%</u>
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%
Theland 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%
		<u>\$97,436,210</u>	<u>12.39%</u>

Source: County Auditor

(1) - Current year and eight 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
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%
2007	6,498,408	5,885,931	90.57%	232,809	6,118,740	94.16%

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)
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%
2007	18,240,349	2,971,408	2,377,126	23,588,883	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 Eight Years Ago (1)
(cash basis of accounting)
Schedule 10

		2007
Name	Type of Business	Rank
Butler County Auditor	Government	1
Board of Education	Education	2
City of Hamilton	Government	3
Fort Hamilton Hospital	Healthcare	4
Ohio Casualty Group	Insurance	5
Valeo Climate Control	Manufacturing	6
Smart Papers LLC	Manufacturing	7
GE Engine Service, Inc.	Manufacturing	8
Miami University	Education	9
First Financial Bank	Banking	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 eight 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 General Bonded Debt Outstanding
Last Ten Calendar Years
Schedule 12

Fiscal Year	General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Total		
1998	N/A	N/A	N/A	N/A	N/A
1999	\$3,905,000	\$1,711,046	\$5,616,046	0.28%	\$91
2000	3,640,000	2,096,816	5,736,816	0.25%	95
2001	25,755,000	2,925,000	28,680,000	1.20%	473
2002	34,165,000	3,170,000	37,335,000	1.53%	615
2003	36,490,000	3,101,770	39,591,770	1.49%	652
2004	35,070,000	2,723,000	37,793,000	1.43%	623
2005	33,605,000	2,576,000	36,181,000	1.38%	596
2006	32,090,000	2,447,000	34,537,000	1.22%	569
2007	30,525,000	2,492,000	33,017,000	1.19%	544

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, 2007
 Schedule 13

Governmental Unit	Net Debt Outstanding	Percentage Applicable to City of Hamilton (1)	Amount Applicable to City of Hamilton
City of Hamilton	\$34,844,118	99.92%	\$34,816,243
Butler County	72,294,680	11.95%	8,639,214
Hamilton City School District	108,185,000	97.32%	105,285,642
Talawanda City School District	8,370,000	5.58%	467,046
New Miami Local School District	1,688,000	0.40%	6,752
Ross Local School District	21,219,997	0.50%	106,100
Butler Technology and Career Center	2,000,000	0.51%	10,200
Total Direct and Overlapping Debt	\$248,601,795		\$149,331,197

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.

Legal Debt Margin Calculation for Year 2007

Assessed value	\$952,614,470	\$952,614,470
Statutory legal debt limitation (1)	10.5%	10.5%
Total Debt limit	100,024,519	52,393,796
Debt applicable to limit:		
Applicable City Debt Outstanding (2)	36,560,000	36,560,000
Less: Applicable Debt Service Fund Amounts	0	0
Total net debt applicable to limit	36,560,000	36,560,000
Legal debt margin	\$63,464,519	\$15,833,796

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Debt Limit (1)										
Debt Limit (10.5%)	N/A	\$71,762,893	\$82,618,473	\$84,434,320	\$86,039,573	\$95,220,079	\$94,339,989	\$93,912,225	\$101,330,339	\$100,024,519
Total Net Debt Applicable to Limit	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	36,560,000
Legal Debt Margin	N/A	\$57,567,893	\$68,113,473	\$70,496,320	\$76,499,573	\$82,655,079	\$84,550,989	\$52,663,990	\$63,372,718	\$63,464,519

Total Net Debt Applicable to the Limit	N/A	19.78%	17.56%	16.51%	11.09%	13.20%	10.38%	43.92%	37.46%	36.55%
as a Percentage of Debt Limit										

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	N/A	\$37,590,087	\$43,276,343	\$44,227,501	\$45,068,348	\$49,877,184	\$49,416,185	\$49,192,118	\$53,077,796	\$52,393,796
Total Net Debt Applicable to Limit	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	36,560,000
Legal Debt Margin	N/A	\$23,395,087	\$28,771,343	\$30,289,501	\$35,528,348	\$37,312,184	\$39,627,185	\$7,943,883	\$15,120,175	\$15,833,796

Total Net Debt Applicable to the Limit	N/A	37.76%	33.52%	31.51%	21.17%	25.19%	19.81%	83.85%	71.51%	69.78%
as a Percentage of Debt Limit										

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

Fiscal Year	Water System Revenue Bonds					Special Assessment Bonds				
	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)	Coverage (4)	Special Assessment Collections	Debt Service		Coverage	
							Principal	Interest		
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	14,980,733	11,035,787	3,944,946	1,005,474	3.92	378,938	347,000	121,859	0.81	
2007	15,618,225	11,278,031	4,340,194	1,007,224	4.31	434,437	320,000	121,101	0.98	

Fiscal Year	Gas System Revenue Bonds					Electric System Revenue Bonds					
	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)
							Operating Expenses (2)	Revenue			
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	40,216,803	32,442,221	7,774,582	1,490,012	5.22	59,863,468	39,719,528	20,143,940	13,007,773	1.55	
2007	38,699,384	32,703,906	5,995,478	1,492,513	4.02	63,779,353	46,588,939	17,190,414	13,037,485	1.32	

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

Fiscal Year	Wastewater System Revenue Bonds					Coverage (7)
	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		
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	10,784,184	7,373,360	3,410,824	2,058,590	1.66	
2007	11,086,222	7,838,546	3,247,676	2,059,490	1.58	

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)
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	11,707,628	33,130	5.60%
2007	60,690	N/A	N/A	5.10%

- 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 Eight Years Ago (1)
Schedule 17

2007

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Fort Hamilton Hospital	Healthcare	1,250
Hamilton City School District	Education	1,250
Butler County	Government	900
Smart Papers, LLC	Manufacturing	525
Valeo Climate Control	Manufacturing	450
Ohio Casualty Group	Insurance	400
First Financial Bank (HQ)	Financial	400
Meijer, Inc.	Retail	325
ThyssenKrupp Bilstein of America	Manufacturing	300
The Kroger Co.	Groceries	300
		<u>6,100</u>

1999

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
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
		<u>7,270</u>

Source: City Records

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

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

Function/Program	Full-Time Equivalent Employees	
	as of December 31,	
	<u>2006</u>	<u>2007</u>
General Government		
City Administration	25	34
Engineering	24	20
Municipal Court	30	28
Information Technology	17	18
Finance	39	43
Public Health and Welfare Services		
Police	159	174
Fire	113	116
Health	20	21
Leisure Time Activities		
Parks and Recreation	53	57
Community Environment		
Planning and Zoning	22	23
Basic Utility Services		
Gas	17	17
Electric	113	111
Water	35	32
Wastewater	26	28
Utility Customer Service	30	30
Transportation	<u>49</u>	<u>17</u>
Total	<u>772</u>	<u>769</u>

Source: Various City Departments

(1) - Current and prior year information only available

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

Function/Program	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Building permits issued - Residential	498	298	385	339	392	492	438	306	387	239
Building permits issued - Commercial	311	297	366	326	329	399	479	341	355	251
Police										
Misdemeanor Arrests	N/A	2,092	8,955	6,066	5,053	4,719	6,399	7,831	8,400	7,534
Felony Arrests	N/A	7,421	2,528	1,218	2,623	2,501	1,317	1,474	1,621	2,302
Traffic Citations Issued	N/A	11,220	14,664	15,240	14,711	14,188	14,208	15,232	14,335	6,418
Parking Tickets Written	N/A	2,150	2,157	2,545	1,914	1,949	1,989	1,766	1,231	767
Fire / Emergency Medical Services										
Number of Calls Answered	N/A	9,033	9,243	9,462	9,370	9,824	10,637	10,347	10,523	10,687
Number of Inspections	N/A	2,226	2,423	2,657	1,916	1,983	2,072	2,132	2,157	2,203
Number of Emergency Medical Calls	N/A	N/A	N/A	N/A	N/A	N/A	8,293	8,299	8,292	8,536
Refuse collection										
Refuse collected (tons)	N/A	N/A	N/A	N/A	N/A	24,317	23,761	26,779	27,638	25,387
Recyclables collected (tons)	N/A	N/A	N/A	N/A	N/A	1,521	1,529	1,815	1,683	1,547
Other public works										
Street resurfacing (C/L miles)	9.57	10.28	6.44	1.42	0.70	6.70	5.20	1.20	4.60	2.14
Parks and Recreation										
Athletic Field Permits Issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	55	61
Health Care										
Number of Patient Beds	N/A	466	407	407	307	307	307	157	272	318
Parking										
Parking Levels	N/A	5	5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Parking Spaces	N/A	555	555	756	758	752	752	752	752	752
Average Daily Cars Parked	N/A	457	236	439	376	604	589	589	575	560
Parking / Meters - On Street and Lots	N/A	982	993	944	963	977	977	972	892	836

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

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Gas										
Average daily consumption (Ccf)	11,232	12,059	11,690	9,867	10,389	10,807	9,950	9,854	9,237	9,114
Peak daily consumption (Ccf)	27,740	33,148	32,041	25,980	25,600	30,654	29,582	26,114	24,325	29,992
Electric										
Peak demand (MW)	143.0	152.0	134.0	149.0	147.3	143.0	144.1	166.0	157.0	165.0
Energy Requirement (MWh)	647,780	634,710	642,756	651,100	669,608	663,338	645,131	706,381	638,652	664,687
Total System Sales (MWh)	N/A	N/A	N/A	N/A	636,127	622,655	611,560	613,772	585,791	630,596
Total Residential Customers	N/A	N/A	N/A	N/A	24,944	25,341	25,578	25,253	25,974	26,398
Total Commercial Customers	N/A	N/A	N/A	N/A	3,036	3,068	3,033	3,025	3,060	3,019
Water										
New Service Connections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9	122
Water main breaks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	57	88
Average daily consumption (K/gals.)	N/A	17,378	16,044	16,079	18,620	17,593	17,254	19,159	19,757	21,256
Peak daily consumption (K/gals.)	N/A	30,354	28,273	28,836	35,675	28,344	28,666	28,653	32,266	35,197
Wastewater										
Average daily sewage treatment (millions of gallons)	N/A	21.6	20.6	18.8	20.3	20.5	17.2	15.3	16.4	16.2

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

Function/Program	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Stations	N/A	1	1	1	1	1	1	1	1	1
Patrol Cruisers	N/A	28	51	38	38	40	40	40	40	39
Fire / Emergency Medical Services Stations	N/A	6	6	6	6	6	6	6	6	6
Other Public Works										
Area of City (square miles)	21.51	21.59	21.52	21.52	21.55	21.56	21.56	21.56	21.56	21.56
Streets (miles)	199.5	200.2	201.3	203.7	204.8	206.8	209.9	213.4	215.9	216.0
Number of Streetlights	N/A	9,015	9,015	9,015	9,015	9,015	12,000	9,000	9,000	6,966
Traffic signals	97	97	97	97	97	97	97	97	97	98
Parks and Recreation										
Number of Parks	N/A	54	56	56	56	56	56	56	55	55
Park Area (Acreage)	N/A	1,360	1,320	1,320	1,320	1,320	1,320	1,320	1,300	1,300
Playgrounds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	25	25
Number of Ball Fields:										
Lighted	N/A	7	7	8	9	9	9	9	9	9
Unlighted	N/A	34	34	34	34	34	34	34	34	34
Number of Ball Fields:										
Lighted	N/A	2	2	2	2	2	2	2	6	6
Unlighted	N/A	5	5	5	6	6	6	6	21	21
Number of Swimming Pools	N/A	5	5	5	5	5	5	5	5	3
Number of Golf Courses	N/A	2	2	2	2	2	2	2	2	2
Number of Skateboard Park	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1	1
Libraries	N/A	1	1	1	1	1	1	1	1	1
Health Care										
Number of Hospital	N/A	2	2	2	1	1	1	1	2	2
Parking										
Offstreet Parking Garages	N/A	1	1	2	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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Municipal Water Department										
Number of Purification Plants	N/A	2	2	2	2	2	2	2	2	2
Maximum Capacity (millions of gallons per day)	34	34	34	34	46	46	46	46	46	46
Water Mains (miles)	244.4	245.5	246.9	250.3	251.7	254.0	261.3	264.3	267.3	267.4
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	320	320	320	320	320	320	320	320	320
Storm Sewers (miles)	139.9	141.7	142.6	144.7	145.7	147.5	151.8	155.2	157.1	158.3
Sanitary Sewers (miles)	215.2	216.5	218.0	220.6	221.6	223.5	227.6	233.0	236.3	263.4

Source: Various City Departments

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