



ALL ABOUT THE MONEY

Popular Annual Financial Report for the year ended December 31, 2016

City of Hamilton
BUTLER COUNTY OHIO



Letter from the Finance Director



The Department of Finance is proud to present the City of Hamilton's Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2016. The PAFR summarizes the City's financial activities from a more detailed report called the Comprehensive Annual Financial Report (CAFR). The CAFR contains financial statements prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by Clark, Schaefer, Hackett and Company, an independent auditing firm. The 2016 CAFR received an unmodified (clean) opinion and the

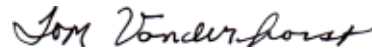
PAFR uses that same information presented in a more reader-friendly format. The City of Hamilton's 2016 CAFR is available on the City of Hamilton's website: <http://www.hamilton-city.org>.

The City of Hamilton continues to strive towards awareness, accountability, and transparency on all of our financial information to our citizens. In 2016, the City received awards for the 2015 CAFR, 2015 PAFR, and 2016 Annual Budget Book from the Government Finance Officers Association (GFOA); awards which we have collectively coined the "Triple Crown". This is the third year in a row the City of Hamilton has accomplished this achievement. The attainment of these three awards represents a significant accomplishment by a government and its management. The City provides access to not only these three financial reports, but also an intelligent financial reporting

platform called OpenGov. OpenGov is an internet based system that allows users to completely interact with the City of Hamilton's financial data. We encourage you to view all financial reports and OpenGov on the City of Hamilton's website.

During 2016, Hamilton saw a great deal of growth that continues to build momentum every day. The core of our City is rapidly changing – citizens have more variety of shops and recreational activities available to them. Although Downtown has been a key area of revitalization, the City strives to make positive impacts throughout all 17 neighborhoods – from new splash pads to tearing down blighted and unsafe property. Our main priority is keeping Hamilton a safe and great place to live, work, and play. With information from this report and the many changes occurring throughout our City, we hope citizens realize we are doing our best to maximize

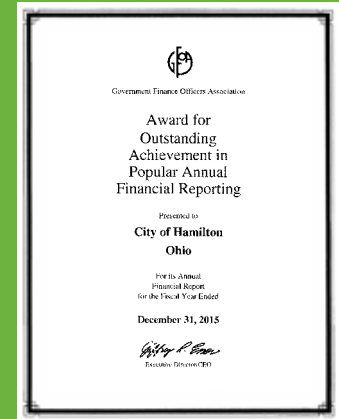
resources in order for all to benefit from the ever changing landscape of Hamilton.



Regards,
Tom Vanderhorst
Finance Director

Last year The Government Finance Officers Association of the United States and Canada (GFOA) awarded Hamilton the Award for Outstanding Achievement in Popular Annual Financial Reporting. This award is a prestigious national award recognizing the highest standards for preparation of state and local government popular reports.

In order to receive this Award a government unit must publish a Popular Annual Financial Report, whose contents exemplify the standards of creativity, presentation, understandability and reader appeal set by the GFOA.



Hamilton

At a Glance



General Fund revenues increased \$1,957,119, or approximately 6% when compared with the previous year. An increase in income tax receipts of \$967,035 can be attributed to improvements in economic conditions and business development in the City. An increase in charges for services of \$468,356 can be attributed to fees received from AMP, Inc. for administrative services provided at the Meldahl and Greenup Hydroelectric Plants.

General Fund expenditures increased \$6,769,515, or 24% from the prior year. An increase in General Government of \$5,014,375 can be attributed to contributions to the Hamilton Community Improvement Corporation. A decrease in reimbursements to the General Fund from several public safety funds contributed to an increase in security of persons and property.

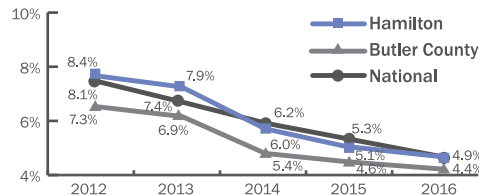
Readers interested in more detailed GAAP-based information are encouraged to read the Comprehensive Annual Financial Report (CAFR), which is available on the City's website.

General Fund Balance

2009	\$2,555,718
2010	\$5,251,796
2011	\$11,907,012
2012	\$9,962,171
*2013	\$11,021,212
2014	\$11,757,651
2015	\$13,902,495
2016	\$9,136,820

*Restated

Annual Average Unemployment 2012-2016



Source: US Department of Labor

Population 1980-2016

2016 - 62.1k

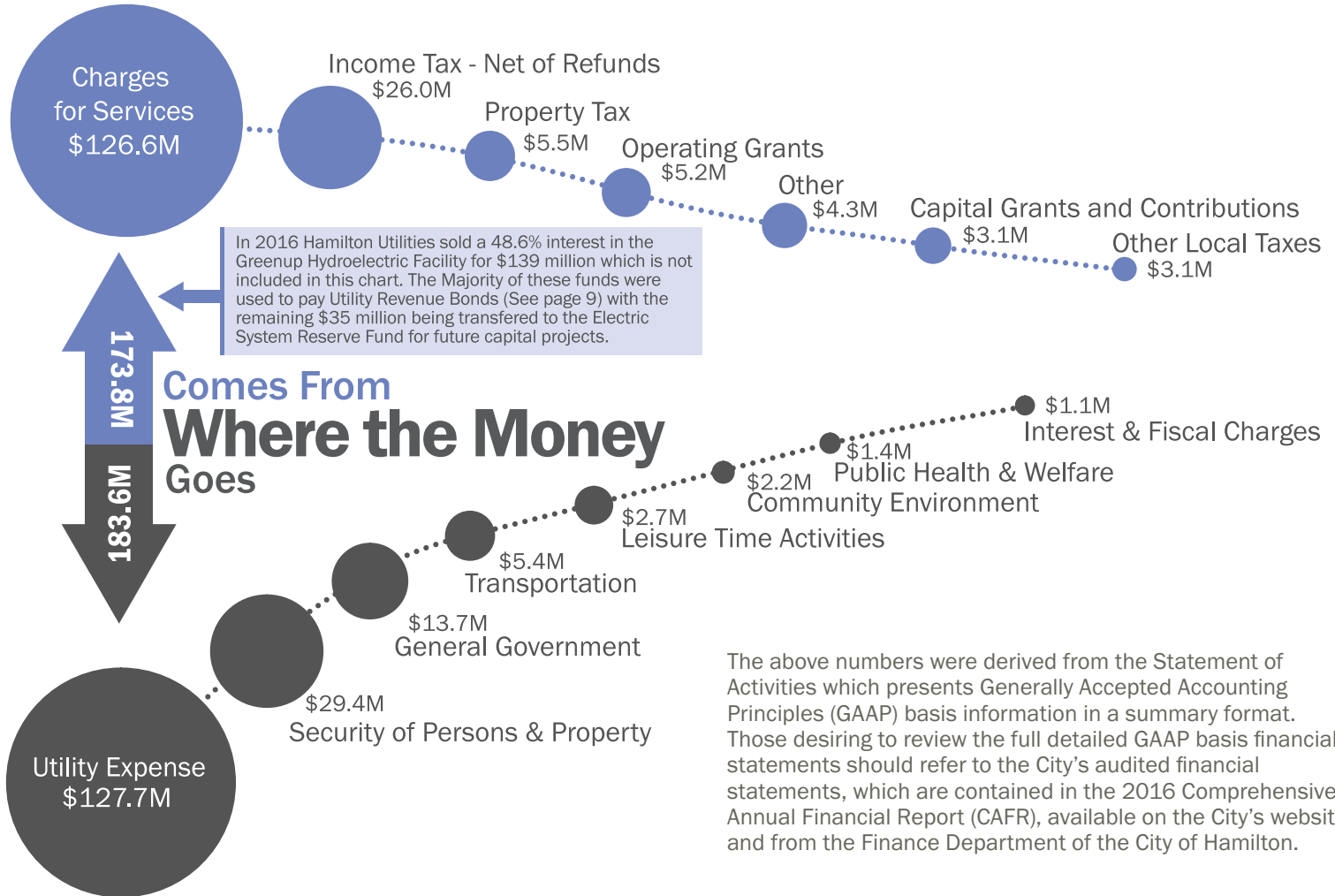
2010 - 62.5k

2000 - 60.7k

1990 - 61.4k

1980 - 63.2k

Source: US Census



Real Estate Summary

The City of Hamilton receives a portion of the real estate taxes collected on all real property located within the City. These tax dollars support public safety services such as those provided by police and fire departments, as well as many other critical government functions. Shown on the following pages are a series of graphs and charts depicting key elements of real estate relating to the City of Hamilton.

My Property Tax Goes to:

Hamilton City Schools	69.5%
Butler County	16.3%
City of Hamilton	12.0%
Lane Public Library	1.3%
MetroParks	0.9%

An Average Home Pays:

Based on a \$100,000 Home

Hamilton City Schools	\$1,190
Butler County	\$279
City of Hamilton	\$205
Lane Public Library	\$23
MetroParks	\$15
TOTAL:	\$1,712

Understanding Levies

A levy is the tax placed on a property. It is based on the amount charged per \$1,000 of taxable property value also known as 'millage'. Amounts collected for levies other than general operating must be used for those specific purposes. The "burden" is the amount of tax paid as adjusted for rollbacks and exemptions. The "Effective Tax Rate" is the rate charged against the portion of a home's value that is taxable or "assessed."

Name of Levy	Gross Rate	Effective Rate
General Operating	3.21	3.21
Fire Pension	0.30	0.30
Police Pension	0.30	0.30
Total Inside Millage	3.81	3.81
Charter Fire	1.00	1.00
Police	1.00	0.94
Fire & EMS	1.00	0.94
Total Hamilton Real Estate Tax Levy	6.81	6.69

Source: Butler County Auditor

Property Values

The following charts show property values over the past five years used to calculate real estate taxes. These taxes come from properties in four major classifications: residential, agricultural, commercial, and industrial. The values shown represent “assessed value,” or that portion of the property value that is taxed. Since tax collections are received on the prior year’s values, there is a delay in the impact to the City’s finances for large changes in real estate values. In 2009, the auditor adjusted the assessed values to more accurately reflect the changes that had occurred as a result of the housing market collapse of 2008. Prior to the economic crisis, the value of most properties increased from year-to-year.

Tax Year	Collection Year	Residential & Agricultural Real Estate	Commercial & Industrial Real Estate	Public Utility Property	Total
2016	2017	550,533,580	194,217,950	5,062,790	749,814,320
2015	2016	553,437,730	194,186,500	4,937,810	752,562,040
2014	2015	556,180,360	197,341,140	4,763,000	758,284,500
2013	2014	596,321,459	209,518,351	4,726,410	810,566,220
2012	2013	610,132,220	212,767,730	5,798,610	828,698,560
2011	2012	655,519,560	234,343,570	5,891,190	895,754,320

Tax Payer	Type of Business	2016 Assessed Valuation*	% of Total Valuation
1. Colonial Senior Services	Healthcare	5,269,060	0.70%
2. Duke Realty	Real Estate	5,043,310	0.67%
3. Shadow Creek Apartments	Real Estate	3,869,070	0.52%
4. AHP - Knollwood Crossing	Real Estate	3,770,670	0.50%
5. Tippman Realty Partners	Real Estate	3,610,190	0.48%
6. Pedcor Investments	Investments	3,031,700	0.40%
7. Duke Energy	Utility	2,735,910	0.36%
8. Wish Village Apartments	Real Estate	2,502,860	0.33%
9. TCG Symmes	Real Estate	2,308,500	0.31%
10. Ohio Indiana Property	Real Estate	2,143,080	0.29%
		34,284,350	4.56%
		715,529,970	95.44%
		749,814,320	100.00%

* Assessed value is the portion of property value that is taxed. For commercial and industrial properties, it is generally 35% of the appraised property value, although there are exemptions for some properties. Amounts are for the collection year ending December 31, 2017 (Tax Year 2016). Source: Butler County Auditor

Department Costs & Debt Summary

Who Spends the Money (General Fund)

\$46.7 million in dollars spent & obligations represented below



*Hamilton Parks are now managed by the Hamilton Parks Conservancy. The City's contribution to support the Conservancy is included under special appropriations.

Above shows a summary comparison of total actual dollars spent plus obligations for all the various departments within the General Fund of the City, excluding transfers and advances (loans) to other funds. These amounts are based upon actual cash expenditures plus obligations outstanding on 12/31/2016 (non-GAAP Budgetary Basis). Readers interested in more detailed GAAP-based information are encouraged to read the Comprehensive Annual Financial Report (CAFR) available on the City's website or by contacting the Finance Department at the City of Hamilton.

Hamilton has employed a variety of financing techniques for capital improvements, as described below:

Notes Payable

Bond Anticipation Notes are instruments due in one year or less, and are issued to raise money for City projects. These notes are usually converted into bonds at the completion of the projects.

Special Assessments

These debts are issued to finance improvements for property owners, who re-pay the City over a period of time.

General Obligation

General Obligation Bonds are long-term debts that are paid from the City's available resources and for which the City pledges its full faith and credit. These debts include the Parking, Golf, and One Renaissance Center Bonds.

OWDA/OPWC

OWDA & OPWC Loans are zero to low interest loans made to the City for Water and/or Sewer projects by the Ohio Water Development Authority and Ohio Public Works Commission.

Utility Revenue

Utility Revenue Bonds are special limited obligations issued to pay for improvements of our utility systems and for which revenues of the systems are used to re-pay the bonds. These bonds include the Gas, Electric, Water, and Wastewater bonds.

Notes: Numbers rounded for presentation

* Enterprise Notes Payable were retired using proceeds from sale of Greenup Hydroelectric facility.

** Principal amounts; the City's payment obligation is limited to utility revenues. These bonds are denoted above as Utility Revenue Bonds.

Debt Activity (in 1000s)	Balance at Jan. 1, 2016	Net Debt Added (Issued)	Net Debt Repaid (Retired)	Balance at Dec. 31, 2016
Enterprise Notes Payable*	103,695	-	(103,695)	-
Special Assessment Bonds	770	-	(145)	625
General Obligation Bond	19,720	-	(2,380)	17,340
Water System Bonds**	28,050	-	(660)	27,390
Gas System Bonds**	4,500	-	(250)	4,250
Electric System Bonds**	31,115	-	(830)	30,285
Wastewater System Bonds**	51,715	9,490	(13,140)	48,065
OWDA/OPWC Loans	339	5,477	(19)	5,797
Loans Payable	10,115	-	(683)	9,432
Totals:	\$250,019	\$14,967	(\$121,802)	\$143,184

Historical Debt (in 1000s)

	2016	2015	2014	2013	2012
Utility Revenue Bonds**	109,990	115,380	220,600	233,715	\$245,815
Enterprise Notes Payable*	-	103,695	10,690	10,690	10,690
General Obligation Bond	17,340	19,720	22,045	24,310	26,540
Special Assessment Bonds	625	770	920	1,060	1,195
OWDA/OPWC Loans	5,797	339	366	383	400
Loans Payable	9,432	10,115	9,500	9,500	-
Total:	\$143,184	\$250,019	\$264,121	\$279,658	\$284,640

Activities Statement & Net Position

Our Activities and Net Position tables offer a detailed snapshot of what we have on hand as well as how money moves through our organization. These numbers reflect, in aggregate, the details provided in our Comprehensive Annual Financial Report (CAFR). For more details on our assets, liabilities, revenues, and expenses check out OpenGov and the CAFR which can be found under the Finance section of the Government tab on the City's website.

Financial Benefits (In 1000s)

	2016	2015*
Cash	\$13,592	\$50,324
Investments	\$96,109	\$38,825
Receivables	\$33,694	\$31,993
Property & Equipment	\$414,109	\$406,711
Other Assets	\$26,995	\$13,430
Total:	\$584,499	\$541,283

Financial Burdens (In 1000s)

Amounts Owed to Employees & Vendors	\$15,946	\$9,098
Notes Payable	\$0	\$103,695
Long Term Debt Outstanding	\$230,248	\$221,495
Other Liabilities	\$14,034	\$11,996
Total:	\$260,228	\$346,284

Benefits Over Burdens: \$324,271 \$194,999

*2015 amounts restated to account for corrections to beginning of year capital asset balances.

Sources of Revenue (in 1000s)		2016	2015
Pro-gram	Charges for Service	\$126,569	\$125,598
	Operating Grants	\$5,213	\$5,585
	Capital Grants	\$3,187	\$2,881
General	Income Tax - Net of Refunds	\$25,971	\$24,852
	Property Taxes	\$5,458	\$5,875
	Grants/Contributions	\$2,342	\$2,691
	Other Local Taxes	\$3,172	\$3,084
	Investment Earnings	\$319	\$432
	Miscellaneous	\$1,605	\$1,635
	Greenup Sale	\$139,000	-
	Total:	\$312,836	\$172,633

Uses and Expenses (in 1000s)			
	Security of Persons and Property	\$29,364	\$29,110
	Public Health/Welfare	\$1,393	\$1,543
	Leisure Time Activities	\$2,656	\$2,788
	Community Environment	\$2,156	\$3,214
	Transportation	\$5,399	\$5,496
	General Government	\$13,748	\$11,973
	Interest on Debt	\$1,137	\$1,075
	Utility Expense	\$127,711	\$121,118
	Total:	\$183,564	\$176,317

Readers of the City of Hamilton's Financial Activity Statement and Financial Position Statement should keep in mind that both statements present GAAP-basis information in a summary format. Those desiring to review the full detailed GAAP basis financial statements should refer to the City's audited financial statements, which are contained in the 2016 CAFR, available on the City's website and from the Finance Department of the City of Hamilton. The amounts shown were derived by employing the same method of accounting as the 2016 and 2015 audited financial statements.

Benefits over Burdens represents the difference between the financial benefits and financial burdens of the City, providing a Net Worth of Hamilton. The Financial Position Statement, known in accounting terms as the "Balance Sheet," reports the benefits (assets) available to provide services, while Burdens (liabilities) are the amounts for which the City must pay in the future. New to the Position Statement in 2015 were Deferred Inflows and Deferred Outflows. The City has included these in Other Assets and Other Liabilities for reporting purposes on this page both in 2015 and 2016. Note: Rounded figures are presented.



Contact Us

Emergency - Dial 911

General - 513.785.7000

Utilities - 513.785.7100

Parks - 513.785.7055

Finance - 513.785.7170

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

311 Request System

Ever had questions about a program or notice a streetlight that is out? The City of Hamilton has an online 311 service request system which can help you get connected with the people who can answer your questions. This system will take down your request or question and even allow you to see live updates on the progress of the request. Try it and see for yourself by going to: hamilton-city.org