

CITY OF HAMILTON! OHIO

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

Year Ended December 31, 2002



**Auditor of State
Betty Montgomery**

Mayor and Members of Council
City of Hamilton!
345 High Street
Hamilton, Ohio 45011

We have reviewed the Independent Auditor's Report of the City of Hamilton!, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2002 to December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

July 21, 2003

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CITY OF HAMILTON! OHIO

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CITY OF HAMILTON! OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2002

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Community Development Block Grants/Small Cities Program	n/a	14.219	\$ 1,452,602
HOME Investment Partnerships Program	n/a	14.239	89,316
Opportunities for Youth - Youthbuild Program	n/a	14.243	<u>97,052</u>
Total U.S. Department of Housing and Urban Development			<u>1,638,970</u>
<u>U.S. Department of Interior:</u>			
Urban Park and Recreation Recovery Grant	n/a	15.919	<u>10,345</u>
Total U.S. Department of Interior			<u>10,345</u>
<u>U.S. Department of Justice:</u>			
Local Law Enforcement Block Grants Program	n/a	16.592	285,322
Executive Office for Weed and Seed (Weed and Seed Program)	n/a	16.595	<u>214,534</u>
Total U.S. Department of Justice			<u>499,856</u>
<u>U.S. Department of Alcohol, Tobacco & Firearms:</u>			
(Passed through Ohio Department of Alcohol, Tobacco & Firearms)			
Gang Resistance Education & Training Grant (G.R.E.A.T.)	ATC020022	21.053	<u>65,834</u>
Total U.S. Department of Alcohol, Tobacco & Firearms			<u>65,834</u>
<u>U.S. Environmental Protection Agency:</u>			
Security Planning Grants for Large Drinking Water Utilities	n/a	66.476	20,774
Brownfield Job Training Cooperative Agreements	n/a	66.815	<u>66,029</u>
Total U.S. Department of Education			<u>86,803</u>
<u>U.S. Department of Interior:</u>			
(Passed through Ohio Emergency Management Agency)			
Public Assistance Grants	DR-1390-OH	83.544	<u>68,803</u>
Total Federal Emergency Management Agency			<u>68,803</u>
<u>Federal Emergency Management Agency:</u>			
(Passed through Ohio Department of Health)			
Immunization Grants	AZ-02	93.268	<u>126,712</u>
Total U.S. Department of Health and Human Services			<u>126,712</u>
Total Federal Awards			\$ <u>2,497,323</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - OUTSTANDING NOTES

The community development loans outstanding at December 31, 2002 totaled \$290,847 under CFDA 14.219 and \$129,690 under CFDA 14.239.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - PASSTHROUGH AWARDS

The City of Hamilton! Ohio receives certain federal awards from the State of Ohio as pass-through awards. The amounts received are commingled by the State of Ohio with other funds and cannot be separately identified. The total amount of such pass-through awards is included on the schedule of expenditures of federal awards.

**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of the City of Hamilton! Ohio as of and for the year ended December 31, 2002, and have issued our report thereon dated June 16, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether the City of Hamilton! Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 2002-1 and 2002-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Hamilton! Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management in a separate letter dated June 16, 2003.

This report is intended for the information of management, others within the organization, the City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Clark, Schaefer, Haskitt & Co.

Cincinnati, Ohio
June 16, 2003

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

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

Compliance

We have audited the compliance of City of Hamilton! Ohio with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. City of Hamilton! Ohio's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, City of Hamilton! Ohio complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2002-3 and 2002-4.

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of City of Hamilton! Ohio, as of and for the year ended December 31, 2002, and have issued our report thereon dated June 16, 2003. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Hamilton! Ohio basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements of the City of Hamilton! Ohio. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of management, others within the organization, the City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hockett & Co.

Cincinnati, Ohio
June 16, 2003

CITY OF HAMILTON! OHIO

Schedule of Findings and Questioned Costs

Year Ended December 31, 2002

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with Circular A-133, Section .510(a)?	yes
Identification of major programs: <i>CFDA 14.219 Community Development Block Grants</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

2002-1 Appropriations and Expenditures

Ohio Revised Code Section 5705.41 stipulates no subdivision or taxing unit is to expend money unless it has been appropriated. During 2002, five funds of the City had expenditures and encumbrances in excess of appropriations.

2002-2 Estimated Resources and Appropriations

Ohio Revised Code Section 5705.39 specifies that appropriations are limited to the total of estimated resources and available balances for a fund. However, during 2002, the City had six funds with appropriations in excess of estimated resources certified by the County Budget Commission.

Section III - Federal Award Findings and Questioned Costs

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CFDA 14.228 Community Development Block Grants

2002-3 Subrecipient Monitoring

- Criteria:** The A-102 Common Rule requires a pass-through entity to monitor its subrecipients' activities to provide reasonable assurance the subrecipient administers Federal awards in compliance with Federal requirements.
- Condition:** The City was unable to produce documentation that demonstrated its monitoring activities of all its subrecipients during 2002.
- Cause:** Management attributed the lack of subrecipient monitoring to employee turnover during 2002.
- Recommendation:** Appropriate written policies and procedures should be established and followed regarding subrecipient monitoring. Management should ensure that job duties are adequately transferred to other employees when employee turnover occurs.

2002-4 Reporting

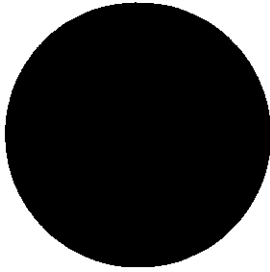
- Criteria:** The Community Development Block Grants Program requires the submission of the Consolidated Annual Performance Evaluation Report within 90 days of the City's program year-end, which is April 30.
- Condition:** The City did not file the report for the year ended April 30, 2002 until November 21, 2002.
- Cause:** The City notified the Department of Housing and Urban Development the report would be late due to an employee resignation.
- Recommendation:** Appropriate written polices and procedures should be established regarding timely reporting. Management should ensure that job duties are adequately transferred to other employees when employee turnover occurs.

CITY OF HAMILTON! OHIO

Schedule of Prior Audit Findings

Year Ended December 31, 2002

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



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

CORRECTIVE ACTION PLAN

June 16, 2003

The Department of Housing and Urban Development

The City of Hamilton, Ohio respectfully submits the following corrective action plan for the year ended December 31, 2002.

Clark, Schaeffer, Hackett & Company
105 East Fourth Street
Cincinnati, Ohio 45202

AUDIT PERIOD: For the year ended December 31, 2002

The findings from the December 31, 2002 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Section II – Financial Statement Findings
2002-1 Appropriations and Expenditures

Ohio Revised Code Section 5705.41 stipulates no subdivision or taxing unit is to expend money unless it has been appropriated. During 2002, five funds of the City had expenditures and encumbrances in excess of appropriations.

Action Taken: The funds in question are non-major governmental fund types. The City concurs with recommendations to avoid such situations, limit encumbrances of said funds, employ transfers and/or advances to avoid such situations, and implement the policy effective immediately.

2002-2 Estimated Resources and Appropriations

Ohio Revised Code Section 5705.39 specifies that appropriations are limited to the total of estimated resources and available balances for a fund. However, during 2002, the City had several funds with appropriations in excess of estimated resources certified by the County Budget Commission.

Action Taken: The City concurs with recommendations to insure that sufficient balances are updated after the adoption of the original budget as required by City Charter and that appropriations are reduced in the event that estimated balances exceed actual balance. This policy is implemented effective immediately.

**CFDA 14.228 Community Development Block Grant
2002-3 – Subrecipient Monitoring**

Appropriate written policies and procedures should be established and followed regarding subrecipient monitoring. Management should ensure that job duties are adequately transferred to other employees when employee turnover occurs.

Action Taken: Massive turnover within the department occurred over an eighteen month window of time. City Planning staff has re-acquainted themselves with the HUD written policies & procedures and has new staff in these key positions who are educated regarding past deficiencies and are currently working to solve this problem. Project is currently on time for 2003.

**CFDA 14.228 Community Development Block Grant
2002-4 – Reporting**

Appropriate written policies and procedures should be established regarding timely reporting. Management should ensure that job duties are adequately transferred to other employees when employee turnover occurs.

Action Taken: Massive turnover within the department occurred over an eighteen month window of time. City Planning staff has re-acquainted themselves with the HUD written policies & procedures and has new staff in these key positions who are educated regarding past deficiencies and are currently working to solve this problem. Project is currently on time for 2003.

The City concurs explicitly with the recommendations of our auditors. Staff of the City have already met to insure that policies and procedures are implemented in as quick a fashion as possible to avoid recurrence of the citations noted above.

If the Department of Housing and Urban Development has questions regarding this plan, please contact George Gordon, Director of Finance at (513) 785-7161 or Teri Whitmore, Director of Planning, at (513) 785-7352.

Sincerely yours,



George M. Gordon IV, CPA
Director of Finance
City of Hamilton, Ohio

THE CITY OF HAMILTON! OHIO

BUTLER COUNTY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2002

Prepared by:
Department of Finance

George M. Gordon, CPA
Director of Finance

Michael E. Engel, CMFA
Treasurer

Ana Ramanathan, MBA, CPA
Senior Accountant II/CAFR-Audit Project Coordinator

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

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City of Hamilton! Ohio
One Renaissance Center
345 High Street, Hamilton! Ohio 45011

June 16, 2003

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, 2002, 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, and specifically the 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, and is consistent with the new reporting model as promulgated by GASB Statement No 34.

The CAFR is organized in three sections: the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section contains a table of contents, letter of transmittal, organization chart, list of elected officials and a Certificate of Achievement for Excellence in Financial Reporting for the 2001 CAFR. The Financial Section includes the Report of Independent Accountants, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements. The Statistical Section provides selected financial, economic and demographic information which may be used to indicate trends for comparative fiscal periods.

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

While this report accurately presents the financial statements and statistics of Hamilton, Ohio, it only reflects a small segment of the entire community – a community that includes

many businesses, a quality school system, an excellent park system, a library system, Miami University (a branch campus) and several industrial parks.

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

Early History

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

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

Location

Located thirty miles northwest of Cincinnati, Hamilton encompasses approximately 21.5 square miles and is located within a one-day drive of approximately 65% of the purchasing population in the United States. A network of four interstate highways (71, 74, 75 and 275) and five U.S. and Ohio routes (4, 128, 129, 177 and 127) serve the City. In addition, the Transportation Improvement District of Butler County has completed construction of the new Union Centre Interchange on I-75 and the Michael A. Fox Highway (formerly known as the Butler County Regional Highway), connecting Hamilton to I-75.

The Michael A. Fox Highway is a 4-lane divided highway connecting Hamilton directly to Interstate 75. The 10.7 mile project begins at the intersection of the current State Routes 129 and 4 in Hamilton and runs east between Princeton and Hamilton-Mason Roads. The new highway provides direct access to the City of Hamilton via a limited access highway. Interchanges were constructed at I-75, By-Pass State Route 4, State Route 747 and Cincinnati-Dayton Road.

The nearby Cincinnati Metropolitan Area is an important rail freight center served by CSX Transportation, Norfolk Southern and Conrail. It is also on the 15,000 mile Great Miami

River inland waterway and intra-coastal canal system. There are four airports within 50 minutes drive time of Hamilton. The most important is the Cincinnati-Northern Kentucky International Airport, located approximately one hour from Hamilton via two interstate routes.

Form of Government

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

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

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

Michael J. Samoviski, P. E., currently serves as City Manager and was appointed by City Council on July 1, 2002. He has nearly thirty-five years of public employment, which includes twenty-six and one-half years at the City of Hamilton. From April 2000 until June 30, 2002, he was Director of the Transportation Improvement District of Butler County. From 1979 to 2000, he served as Public Works Director with the responsibility of directing the operation and management of the department's diverse activities. From 1974 to 1979, he served as the City Traffic Engineer, a managerial position in the Public Works Department. Mr. Samoviski received his bachelor's degree in 1967 from Ohio University. He is a licensed professional engineer in Ohio and California.

The Reporting Entity

The accompanying Basic Financial Statements comply with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, in that the financial statements 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 components 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, account groups, agencies, boards and commissions that are part of the

primary government. The primary government includes the financial activities of the Hamilton Civil Service Commission and the Hamilton Municipal Court. The primary government and its financial operations appear in the Basic Financial Statements and conform to GASB Statement No. 34.

The City serves as a fiscal agent but is not financially accountable for the Hamilton-Indian Springs Joint Economic Development District (JEDD). Therefore, it is reported as an agency fund within the City's financial section.

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

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

ECONOMIC OUTLOOK

Butler County exhibits a diverse industrial base accompanied by growth in all sectors; including, residential, retail, and service. The County is strategically located midway between the major metropolitan areas of Cincinnati and Dayton. This central location combined with population growth provides the area with a large concentration of consumers and prospective employees. Therefore, the County is an ideal growth location for many existing and new companies as the major metros continue to grow outwardly closer to one another.

With approximately 1,700 firms, the City is currently a major regional center of business and industry. Manufacturing is a substantial portion of the economic base and is largely composed of paper products, metal fabrication, machine tools and automotive parts. Paper products rank high on the City's list of industrial components. Smart Papers, LLC and International Paper both operate mills in Hamilton with a combined employment of 920. International Paper has recently completed an expansion, adding 35 new positions. Metal fabricators and machine tools also are an important part of the City's manufacturing base and include such companies as the corporate headquarters of Hamilton Caster and Manufacturing Company and Matandy Steel and Metal Products. Automotive parts, for original equipment and after-market use, are manufactured by several companies in Hamilton, including Valeo Climate Control, Nifty Products, and Thyssen/Krupp-Bilstein

Corporation of America. These companies employ over 675 employees and Bilstein and Valeo have recently announced plans to create approximately 125 and 175 new positions, respectively. Nifty Products was recently acquired by Lund International and appears to again be on solid financial ground.

Hamilton has experienced significant growth in its retail and services sectors during the last several years. During this time, over 650,000 square feet of new retail space has been constructed. Businesses that have opened recently include Meijer, WalMart, Lowe's, Tractor Supply Company, Hobby Lobby, Office Depot, h.h. Gregg, Staples, two movie theaters, and several banks and restaurants. Combined these projects employ over 1,000 people and represent a capital investment of over \$20 million. These developments draw people from throughout Butler County and Southeastern Indiana.

In total, since the beginning of 1996, businesses in all sectors have invested over \$205 million in Hamilton with a new job potential of approximately 2,350 jobs. This information is based on 67 projects tracked by the City's Department of Economic Development, and is not inclusive of all business investment in the City.

Through the late 1990's and into 2002, the status of Hamilton's economic climate has been both encouraging and disappointing. Hamilton has experienced positive growth and development as noted above, but has also had several setbacks.

One major setback occurred when the Ohio Casualty Group ("OCG") purchased a 240,000 square foot Class A facility in a neighboring community and since that time, approximately 1,000 employees have been relocated to the new facility or have left the company, leaving approximately 250 OCG employees in Hamilton. However, the company recently announced that it would relocate approximately 200 jobs back in the City as part of its corporate restructuring efforts. Currently, OCG's employment in Hamilton has increased to 450.

Another major occurrence was the integration of Champion International into International Paper. After the integration, the former Champion International North "B" Street Mill was divested to Smart Papers. The employment at the mill has been reduced from 850 to 650 employees under Smart Papers. Also, as part of the integration, International Paper has announced its intention to sell the Knightsbridge Administrative Complex.

In addition, Mercy Hospital closed its Hamilton location in 2001. This closure affected approximately 650 jobs in 2001. However, Fort Hamilton-Hughes Hospital has significantly increased its employment levels to meet the healthcare needs of the community and is currently employing over 1,250 people.

Also in 2001, Mosler, Inc. declared bankruptcy and closed its corporate headquarters located in the City. These actions affected approximately 225 jobs in Hamilton. However, Diebold, Inc. purchased many of the assets of Mosler, Inc., including the Berk Boulevard headquarters and recently announced the relocation of approximately 70 employees to that facility.

The City of Hamilton has been aggressively investing in its future by supporting and partially financing community development and redevelopment projects within its borders. Several years ago, the City purchased a block of vacant deteriorating buildings in the Central Business District. Today, that site includes a completed 11-story Government Services Center office building and the new seven story One Renaissance Center which houses city operations. A downtown landmark, the Anthony Wayne Hotel, has been renovated into 50 units of housing for persons 55 years of age and over. The City is providing financial support by utilizing a portion of its federal HOME Housing Partnership funding as a grant to the project. When three historic buildings in the heart of the Central Business District were recently threatened with demolition, the City intervened by purchasing the buildings and is in negotiations with a developer to renovate this portion of downtown. Downtown development is being further enhanced by the recently completed streetscape. The streetscape design was reviewed and approved by the downtown business owners, who also agreed to assess themselves for a portion of the cost of the improvements and maintenance. In 2002, this streetscape design received the merit award from the Ohio Chapter of the American Society of Landscape Architects.

In 1997, the City purchased a 263-acre tract of land located north of the airport. This site sits approximately one half mile south of State Route 129. The City has begun to develop and market industrial/office development sites known as the Hamilton Enterprise Park on this land. Currently, three organizations have purchased land and operate out of the Park. These developments represent a capital investment of \$9 million and have the potential of creating in excess of 65 jobs. A number of other commercial and industrial projects are considering the Park. In addition, one of the current occupants has commenced construction of an addition to its existing facility and the construction of a medical office building and a dialysis center. It is estimated that such new construction will result in approximately 50 new jobs in Hamilton Enterprise Park.

Furthermore, the City economy is expected to be bolstered by large construction projects, including a massive campaign by the Hamilton City School District to renovate Hamilton High School and Garfield Junior High School and to build nine elementary schools and one-ninth grade facility over the next eight years.

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

The JEDD authorized a 2% earning 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.

The first new construction in the JEDD area was a bank and a medical facility. The Huntington National Bank Ohio and Middletown Regional Hospital built a combined facility, which consists of a branch bank with ATM and drive-up window. The Hospital complex houses a family practice medical office, mammography testing, and ancillary medical services. Walmart, Speedway, Fifth Third Bank, Super America, a strip retail center and the Southwest Ohio Family Medical facility have also located within the JEDD.

CITY SERVICES/INITIATIVES

Present

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

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

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

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

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

Future

While the year 2002 provided many positive high points, the year 2003 will be another exciting year for the City of Hamilton. In January, the City will provide for the defeasance of the outstanding Ohio Water Development Authority (OWDA) loan at an interest rate of over 8%, as well as issue a \$1.55 million dollar bond anticipation note quickly thereafter. These activities relate to the 2002 Wastewater Rate Mitigation Program, and were a part of

the City's attempt to not only remediate sanitary sewer overflows but to control rate increases for customers of the system.

In late April 2003 the City of Hamilton will issue gas system revenue refunding bonds that will allow for savings to accrue to the gas system. The initiation and completion of these debt programs will complete the initial work started during the year 2002 to finalize the 2002 Debt Restructuring Program. The completion of these items will insure a total dollar savings over the next 25 years of over \$150 million dollars to taxpayers and customers.

In May 2003 the City will begin an infrastructure renewal and replacement program. This program highlights the restructuring that has occurred within the Engineering Divisions of the Public Works and Utility Divisions to insure that engineering for a complete road project occurs and that the underlying infrastructure (gas, water and wastewater mains) are reviewed when projects are undertaken. This program also will include the issuance of a \$3,480,000 General Obligation Bond to provide funding of \$1 million dollars per year beginning in 2003 for the General Government portion of the infrastructure program. The bonds will also finance the acquisition of a pothole sealant machine that will more effectively repair potholes in existing road structure.

Budgetary shortfalls in both the General and Other Operating Funds of the City are projected to continue in future years. Much of the budgetary shortfall is the direct result of a slumping economy as well as budgetary cutbacks in funding from both the Federal and State of Ohio governments.

Property Taxes

Property taxes are collected by the Butler County Treasurer and remitted periodically to the City by the County Auditor. Property values are assessed by the County Auditor every three years in either a triennial update of values or in the required six-year full reappraisal of property within the County. The County completed its scheduled full property reappraisal in the year 2002.

Property tax rates are developed through statute and by voter approved levies. The property tax rate for the City of Hamilton is 5.12 mills, or \$5.12 per \$1,000 of taxable valuation. The tax rate is applied to the assessed value of all property located within the City. Real Property is valued at approximately 35%. Public Utility Property is valued at approximately 88% while Tangible Personal Property is valued at 25% of its actual value. Increases in the City's property tax rate can only occur with the approval of the City's voters at this time. Revenues from property taxes are primarily used for general fund operations.

Total assessed values in the City over the past five years are shown below:

<u>Levy Year</u>	<u>Collection Year</u>	<u>Assessed Value (in thousands)</u>
1998	1999	\$683,456
1999	2000	786,843
2000	2001	804,136
2001	2002	819,425
2002	2003	906,858

Building Permit Values

Building activity is evidenced by the following data relating to the issuance of building permits by the City from 1997 to 2002:

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>		<u>Total Value</u>
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	
1997	472	\$11,778,788	248	\$20,279,706	\$32,058,494
1998	498	15,934,533	311	35,895,828	51,830,361
1999	298	13,618,767	297	55,584,172	69,202,939
2000	408	20,498,066	364	52,709,312	73,207,378
2001	339	9,379,336	326	19,759,001	29,174,337
2002	392	13,703,202	329	16,472,320	30,175,522

Employee Relations

The City currently employs approximately 686 permanent full-time active people and had a 2002 payroll of \$37,414,465, which includes part-time and seasonal personnel.

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

The Collective Bargaining Law also designates those actions which constitute unfair labor practices and prescribes remedial procedures. In addition, it sets forth dispute resolution procedures for a contract negotiation impasse, including arbitration or other mutually agreeable methods. If, during negotiations for a new contract, the impasse persists after fact-finding procedures, then police and firefighters, dispatchers in a 9-1-1 communication

center, and other public safety employees must take the dispute to binding arbitration and do not have the right to strike. All other employees have the right to strike ten days after written notice, provided there is no contract in place. No public employee has the right to strike within the contract period.

All members of the Hamilton Police Division may retain fraternal membership in Lodge 38, Fraternal Order of Police. Persons holding the rank of Police Detective and lower are covered by a collective bargaining agreement which will extend through August 31, 2005. Police officers of the rank of Lieutenant and Sergeant are in a separate unit, also represented by Lodge 38 Fraternal Order of Police. That contract covers the period March 11, 2002 through March 10, 2005. The ranks Captain and Chief are non-union but receive many of the same benefits by codified ordinance sections as do the employees covered by that contract. All eligible persons are included in these groups.

All members of the Hamilton Fire Division may retain fraternal membership in Local 20, International Association of Firefighters. Persons holding the rank of Fire Captain and lower are covered by the collective bargaining agreement which covers the period from January 1, 2002 through December 31, 2004. Members of the Fire Command, which includes the ranks of Deputy Chief and Chief, are extended the same benefits as those employees covered by the contract. All eligible persons are included in these groups.

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

All of the 113 eligible operating and maintenance employees of the Utilities Department are represented by the International Union of Operating Engineers, Local 20. The City and the Local 20 have negotiated a contract which covers the period September 1, 2001 through August 31, 2004.

Forty-seven employees of the Public Utilities Department are members of the International Brotherhood of Electrical Workers (IBEW). In addition, the Public Works Department has five employees who are also represented by the IBEW. The City and IBEW have negotiated a contract which covers the period November 1, 2000 through October 31, 2003.

Eight of the Public Health Nurses are members of the Office and Professional Employees International Union, Local 98. The City and these employees have agreed on a collective bargaining agreement which will expire on June 30, 2003.

All of the 14 eligible Meter Readers and service specialists in the Department of Public Utilities are represented by Local 20 of the International Union of Operating Engineers. The Meter Readers and the City have an agreement which extends to August 31, 2003.

AFSCME, Ohio Council 8 Local 3785 represents 15 persons employed in the 911 Communications Center as Public Safety Communications Operators. The current contract is in effect until July 31, 2003.

AFSCME, Ohio Council 8, Local 3169 represents approximately 76 clerical and technical employees. The three-year contract covers the period from July 13, 2002 through July 9, 2005.

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

FINANCIAL INFORMATION

Basis of Accounting

Except for that used for budgetary purposes, the basis of accounting used by the City is in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units and is consistent with GASB Codified Section 1600, "Basis of Accounting." All governmental funds (General, Special Revenue, Debt Service, and Capital Project Fund types) are accounted for using a current financial resources (current assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for governmental and agency funds.

Under the modified accrual basis of accounting revenues are recognized when they are susceptible to accrual, both measurable and available. Expenditures, other than interest and principal on long term debt, are recorded when the fund liabilities are incurred. The measurement focus for the City's proprietary and government-wide statements is on the flow of economic resources (all assets and liabilities). The accrual basis of accounting is utilized which recognizes revenues when earned and expenses when incurred.

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available), and encumbrances are recorded as expenditures rather than as reservations of fund balances. At year end, adjusting entries are prepared for the various funds to correct budgetary basis records to the modified accrual basis of accounting for governmental funds and to the accrual basis for proprietary funds. A reconciliation of the results of these two methods appears in Note 2 to the General Purpose Financial Statements.

Accounting Controls

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

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

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

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

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Controls

Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. The City Manager, with the assistance of the Finance Director, is required to submit to Council a tax budget of estimated revenues and expenditures for all funds, except agency funds for the succeeding fiscal year by the first council meeting in July. The budget is required to be adopted by the legislative body by July 15 and to be submitted to the County Budget Commission by July 20 of each year. City Council is required by Charter to adopt a permanent appropriation measure for the ensuing fiscal year no later than January 1st. On December 15, 2002, City Council adopted the 2003 fiscal year permanent appropriation measure.

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

Budgetary control is maintained by an encumbrance of purchase commitment amounts prior to the release of purchase orders to vendors. Requisitions for the expenditure of monies are submitted to the Finance Director for certification of funds and preparation of a purchase order after approval by the City Manager and the appropriate Department Director. The purchase order is reviewed for the availability of funds and the estimated

authorizes additional appropriations. Unencumbered appropriations lapse at the end of each year.

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

CASH MANAGEMENT

Cash management is an integral component of the City's overall financial plan. The City attempts to earn a market rate of return consistent with providing the liquidity needed to pay obligations on a timely basis. Cash flow forecasting and the use of short-term investments allows the City to earn interest on all funds.

The City's investments comply with Section 135.14 of the Ohio Revised Code, and the maximum maturity is limited to five years, except for certain reserve funds. Most investments mature within the current fiscal year. Interest earnings are allocated to funds based on the requirements of the Ohio Constitution, Codified City Ordinance 165.01, the City Charter and ordinances and revenue bond indentures. As required by law, all deposits are covered by eligible collateral, while investment securities (treasuries and agency/instrumentality issues) are specifically permitted by the Ohio Revised Code and the City's investment policy.

Authorized investments are described in detail in Note 4 of the footnotes to the general purpose financial statements included within the financial section of this comprehensive annual financial report.

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the varying 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.

The primary objectives of the City's investment program, in order of priority, are as follows:

1. Safety – The safety of principal balances is the City's foremost objective and all investments are undertaken in a manner to insure the preservation of capital.
2. Liquidity – All investments should be sufficiently liquid to meet all operating requirements that can be reasonably anticipated. Since all possible cash demands cannot be anticipated, the investment portfolio should consist of securities with active resale markets.
3. Yield – Return on investment is of least importance compared to the safety and liquidity objectives described above. Investments are limited to low risk securities with the expectation of earning market value.

RISK MANAGEMENT

The City of Hamilton is a local government in the State of Ohio and retains only limited tort immunity by statute and court decision. Beyond potential tort liabilities, the City is liable for Worker's Compensation claims as well as the risk of casualty loss to real and personal property owned by the City. In addition, the City has utility operations requiring special coverages as well as the fact that it must provide faithful performance bonding for certain officials.

The proactive approach that the administration employs in addressing its ongoing operations is reflected in the composition of the City's insurance protection package and its very favorable loss experience. The City reduces exposure to risk through several initiatives. They include insurance coverages for vehicles, general liability, inland marine, building and contents and computer insurance, public officials and law enforcement liability coverages and boiler and machinery coverage. The City maintains comprehensive insurance coverage with private carriers for real property, building contents, fleet, and general liability coverage. The City also carries police professional and public officials liability insurance. The City also maintains coverage through the Ohio Bureau of Worker's Compensation to mitigate job related illness and injury.

The City managed the risk of medical expense claims by employees who were eligible for health care coverage as a fringe benefit. The City maintained a contract with Humana Healthcare to provide health insurance to employees on a premium based plan, and negotiated a new contract for 2003 with United Healthcare.

A more detailed description of the City's risk management may be found in Note 16 to the general purpose financial statements.

OTHER INFORMATION

Independent Audit

Included in this report is the unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2002, by Clark, Schaefer, Hackett & Co. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. This annual independent audit serves to maintain and strengthen the City's accounting and budgetary controls.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hamilton for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2001. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards.

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

Acknowledgments

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

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

The abilities of the staff of the Department of Finance is never more evident than in the preparation of this report. Whether directly involved in financial statement creation and the audit of those statements, or in the day to day tasks of protecting public funds, our sincere thanks are extended to the following employees: David Jones, Crystal Hall, Richard Keller, Deborah Hymer, Glenda Iacobucci, Lynn Mitchell, Lucretia Warren, Lucinda Ormsby, Kim Wagers, and Karen Bowling. We'd also be remiss if we didn't thank John Hoskinson, Angela Presswood, and Susan Henes of our Purchasing Division.

To Ana Ramanathan, Senior Accountant II, whose tenacity and skills made the creation of the CAFR possible, we extend our gratitude.

A special word of thanks is extended to Mark Brandenburger, Hillary Miller, John W. "Jay" Liver, Mike Perry, Ralph Riegelsperger, Rob Smith, Doug Childs, Mark Murray, Carl Wilson, and all the Directors and employees of the City of Hamilton.

We would also like to take this opportunity to acknowledge the assistance of the Hamilton City School District and their Treasurer, Robert Hancock, as well as Jill Cole, Nancy Powell, Harry Steger and Belinda Ricketts of the Butler County Auditor's Office.

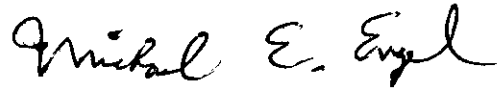
The basic financial statements of the City of Hamilton, Ohio have been prepared in conformance with statements issued by the Governmental Accounting Standards Board, and in the current year GASB Statement Numbers 34, 36, 37 and 38 were adopted. The adoption of these statements is an extremely time consuming test of skills and patience. While the City has opted in prior years to adopt, in an elective fashion, certain portions of these statements, we are proud that Hamilton has successfully implemented *the New Reporting Model* by the required implementation date. Hamilton was also unique in that its infrastructure capitalization was completed a year prior to implementation and four years before the required deadline. The complete adoption of these statements, and the issuance of this CAFR, was completed a great deal by in-house personnel, and saved the City thousands of dollars in consulting and conversion costs. The passion for implementation of this statement should not be taken lightly, and the support that is offered by our Council and administrative staff made this possible. The work of Senior Accountant II Ana Ramanathan and Accountant II Crystal Hall deserves special recognition, not only for this accomplishment but also for their tireless efforts in completing the goal.

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

Respectfully Submitted,
THE CITY OF HAMILTON, OHIO



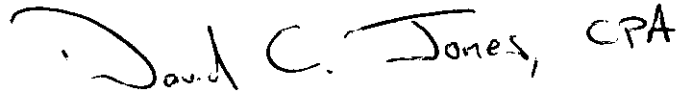
George M. Gordon, CPA
Director of Finance



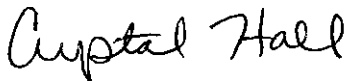
Michael E. Engel, CMFA
Treasurer



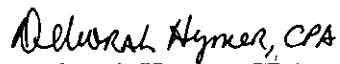
Ana Ramanathan, MBA, CPA
Senior Accountant II/CAFR-
Audit Project Coordinator



David Jones, CPA
Senior Accountant



Crystal Hall
Accountant II



Deborah Hymer, CPA
Senior Accountant



Richard Keller
Accountant

City of Hamilton, Ohio
List of Elected and Principal Officials
As of December 31, 2002

Mayor

Donald V. Ryan

Vice Mayor

James R. Noonan

Council Members

Katherine A. Becker
Christopher D. Flaig
Richard S. Holzberger
George V. McNally
Edward Shelton

Municipal Court

John G. Rosmarin, Judge

City Management

City Manager

Michael J. Samoviski, P. E.

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

Mark Brandenburger, Esq.

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

Tim Bigler
Teri Whitmore
Rob Smith
Chief Neil R. Ferdelman
George M. Gordon, CPA
Nadine Hill
Dr. William Karwisch
Vaughn Lewis
John Liver
Hillary Miller, Esq.
Chief Joseph Schutte
Michael Perry
William B. Phelps
R. Reigelsperger, P. E., P. S.
Ina Allen
Michael E. Engel, CMFA
Ana Ramanathan, MBA, CPA

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, 2001

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



President

Executive Director





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, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments*; Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of January 1, 2002. This results in a change in the format and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2003, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

The Management's Discussion and Analysis on pages 3-12 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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 statistical tables 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 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 tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 16, 2003

City of Hamilton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
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, 2002. 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 financial performance.

Financial Highlights

Key financial highlights for 2002 are as follows:

- The assets of the City exceeded its liabilities at the close of the year ended December 31, 2002, by \$200,257,203 (net assets). Of this amount, \$5,230,190 (governmental unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors, and \$65,469,510 is classified as unrestricted in the Gas, Electric, Water and Wastewater activities.
- The City's total net assets increased by \$42,349,457 which represents a 26.82% increase from 2001.
- At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$11,089,592. Of this amount \$7,127,405 is available for spending (unreserved fund balance) on behalf of its citizens.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$5,815,348 or 16.43% 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 financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial conditions.

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

City of Hamilton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Reporting City of Hamilton as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2002?" 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 takes into account 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 County 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.

City of Hamilton, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

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

The City maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds: The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Gas, Electric, Water and Wastewater operations. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet management services, costs of certain goods or services, and costs associated with health care benefits, pension, worker's compensation provided to other departments or agencies of the City.

City of Hamilton, Ohio

Management's Discussion and Analysis For the Year Ended December 31, 2002 Unaudited

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

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

Government-wide Financial Analysis

	2002		
	Governmental	Business-Type	Total
Current and Other Assets	\$ 31,276,000	\$ 88,743,682	\$ 120,019,682
Capital Assets	90,034,694	313,158,887	403,193,581
Total Assets	121,310,694	401,902,569	523,213,263
Long-Term Liabilities	43,202,759	252,457,760	295,660,519
Other Liabilities	16,243,116	11,052,425	27,295,541
Total Liabilities	59,445,875	263,510,185	322,956,060
Net Assets			
Invested in capital	55,869,994	78,331,261	134,201,255
Assets, net of related debt			
Restricted	764,635	-	764,635
Unrestricted	5,230,190	60,061,123	65,291,313
Total Net Assets	\$ 61,864,819	\$ 138,392,384	\$ 200,257,203

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 \$200,257,203 (\$61,864,819 in governmental activities and \$138,392,384 in business type activities) as of December 31, 2002. By far, the largest portion of the City's net assets (64.31%) 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.

City of Hamilton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

An additional portion of the City's net assets represents resources that are subject to external restrictions on how they may be used. In the current fiscal year, this represented \$764,635 or 1.23% of net assets. The remaining unrestricted \$70,699,700 or 35.30% 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, 2002, 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 the prior year.

Total assets decreased \$4,538,276 mainly from the City's change in capitalization threshold of capital assets, which resulted in \$18,381,531 of capital assets being removed from the City's financial statements.

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 2002, total expenses were \$24.12 Million representing 43.44% of governmental activity spending yielding a reliance on general revenues to fund the program of \$19.88 Million after direct support to their programs.

Continuing escalation in health insurance costs have affected all programs of the government. A primary goal of all programs is to continually review and monitor methods to seek self-sufficiency as public safety continues to increase expenditures. The community environment and transportation programs were the most successful of all programs, yielding no reliance on general revenues and generating \$.31 and \$.75 million respectively in additional revenues during 2002.

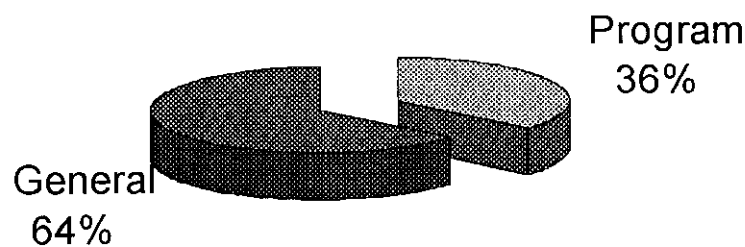
Business-Type Activities

The City's business-type activities include the Gas, Water, Electric and Wastewater systems. All four utilities were able to boast positive operating income figures and totaled \$18,617,767. Combined change in assets figured to \$6,895,541 with the electric system posting a net loss of \$1,245,653 due to interest expense in the non-operating expenses. The Water System posted a \$34.44 million extraordinary item due to Butler County's assumption of revenue debt negotiated as a function of the 2002 water settlement. Over \$240 million of revenue bonds exist in the four utilities and each is adequately meeting its covenant required debt service coverage ratio.

The following table depicts the governmental statement of activities for all City activity and the chart following showing the breakdown between program revenues and general revenues for the governmental type activities

City of Hamilton, Ohio
 Management's Discussion and Analysis
 For the Year Ended December 31, 2002
 Unaudited

	2002		Total
	Governmental	Business-Type	
<i>Revenues:</i>			
Program			
Charges for Services	\$ 11,047,934	\$ 103,844,258	\$ 114,892,192
Operating Grants	9,574,092	17,149	9,591,241
Capital Grants	251,110	-	251,110
General			
Income Tax	19,156,557	-	19,156,557
Property Tax	5,135,368	-	5,135,368
Grants/Contributions	8,568,114	-	8,568,114
Other	3,489,351	1,457,001	4,946,352
Total Revenues	57,222,526	105,318,408	162,540,934
<i>Expenses:</i>			
Security of Persons/Property	24,124,731	-	24,124,731
Public Health/Welfare	3,741,462	-	3,741,462
Leisure Time Activities	2,220,239	-	2,220,239
Community Environment	4,231,050	-	4,231,050
Basic Utility Services	3,560,329	-	3,560,329
Transportation	3,914,488	-	3,914,488
General Government	3,610,257	-	3,610,257
Interest	2,259,769	-	2,259,769
Other	7,495,871	-	7,495,871
Gas	-	21,874,839	21,874,839
Electric	-	55,703,426	55,703,426
Water	-	11,368,125	11,368,125
Wastewater	-	10,524,441	10,524,441
Total Expenditures	55,158,196	99,470,831	154,629,027
Increase before Extraordinary Items	2,064,330	5,847,577	7,911,907
Extraordinary Items	-	34,437,550	34,437,550
Increase in net assets	2,064,330	40,285,127	44,349,457
Net Asset 1/1/02	59,800,489	98,107,257	157,907,746
Net Asset 12/31/02	\$ 61,864,819	\$ 138,392,384	\$ 200,257,203



City of Hamilton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Financial Analysis of the County'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 2002, the City's governmental funds reported combined ending fund balances of \$11.09 Million. Approximately \$7.13 Million constitutes unreserved fund balance available for spending for citizens. The remainder of the balance is reserved to indicate that it has been spoken for already and not available to be spent for a variety of purposes, most notably to liquidate contracts and purchase orders from the prior year (\$2.81 Million).

The General Fund is the chief operating fund of the City. As of December 31, 2002, the unreserved general fund balance was \$5.81 Million with a total fund balance of \$6.69 Million. As a measure of liquidity, it is often useful to compare these numbers to total general fund expenditures and other financing uses. Unreserved fund balance represents approximately 16.58% of the total expenditures and other financing uses, while total fund balance represents 19.06% of that same amount.

During 2002, the City's general fund increased by \$2.13 Million with revenues exceeding expenditures by \$1.77 Million. This is primarily due to controlled expenditure growth instituted several years ago coupled with increases in estate tax collections.

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.

During the course of 2002, the City amended its total and general fund budget five times, the most significant noted below. All recommendations for the budget came from the City Manager after consultation with individual directors and the Finance Department before submission to City Council. The City Council also ministerially approves small interdepartmental budget changes that modify line items within departments within the same fund. With the General fund supporting many of our major activities such as our public safety programs, as well as most legislative and executive activities, the General fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments. A summary of noted differences and explanations:

City of Hamilton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Original to Final Budget

For revenues, the City reasonably estimated the receipts for the City through extensive budgetary control and preparation. The City did see an increase in the property and other taxes for \$400,000. The City was expecting to receive additional tax benefits from several new developments but as the actual amounts show the end of the fiscal year did not receive the monies.

On the expenditure side, the City was within 2.8% of the original budget by the end of the year. The major change was within the security of persons and property and the City negotiated with the unions and saw a same increase.

Final to Actual Budget

The City spends a significant period of time each month evaluating the budgetary figures. The City differences can be attributed to timing delays in most revenue areas for explanation of the variances. The largest difference was in charges for services for which the City charges various departments for use of other departments within the City that are not internal service type activities. These type charges are eliminated when presented on the government wide statements.

For expenditures, the City, by careful inspection, noticed revenues were coming up short at year-end and was able to reduce the expenditure rate to keep the expenditure on an equality basis with revenues, just slightly above break-even point. The main difference also related to security of persons and property and the various negotiated areas were phased in over the remaining part of the year.

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, 2002, amounts to \$131.68 Million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, improvements, equipment and machinery, roads, highways and bridges.

Note 10 to the Basic Financial Statements (Capital Assets) provides capital asset activity during 2002. The City has had extremely limited funding to provide for capital asset acquisition and construction. Some of the notable assets completed or acquired during 2002 were:

- ❖ The completion of Foundation Field, a state of the art college/semi-pro baseball facility at a cost of \$699,000.
- ❖ The acquisition of two new front line paramedic units, one as the result of a traffic accident, at a cost of \$197,000.

City of Hamilton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

- ❖ The Electric System rebuilt the Boilers at our production facility, on turbines #8 & #9, at a combined cost of \$2,000,000.
- ❖ Water Main Replacements, including engineering, continue to occur as infrastructure ages. The total replacement cost in 2002 totaled \$789,000.

Long-term Debt: At the end of 2002, the City had general obligation debt outstanding of \$34,165,000. Total outstanding long-term debt totaled \$285,056,561 and represents a decrease of 12.8% against prior year outstanding bond balances.

The City of Hamilton instituted the "2002 Debt Restructuring Program" in order to bond certain short-term notes payable and refinance existing long-term bonds due to the low interest rate environment. The program yielded four new bond issues in 2002 and will be completed in 2003 with the issuance of Gas System Revenue Refunding Bonds and an Road Improvement General Obligation Bond in May 2003, which is reported in Note 28 of the financial statements. With the issuance of these bonds, only three short-term bond anticipation notes are still in existence as of the end of 2002.

The City's four bond issues occurring in 2002 were as follows:

- ❖ \$6,615,000 Various Purpose General Obligation Bond – Series A was issued to permanently long-term finance eight bond anticipation notes as well as provide funding for new fire equipment and matching funds for certain road projects.
- ❖ \$1,320,000 Various Purpose General Obligation Bond – Series B was issued to permanently finance two special assessment projects/notes in the amount of \$520,000 and \$800,000 to advance refund the General Obligation – Parking bonds.
- ❖ \$12,940,000 Water System Revenue Bonds was issued after settling the longstanding legal dispute over water supply with Butler County, and represents the City's portion (26%) of the amount needed to provide for a refunding of the debt, while the County assumed 74% of the outstanding debt.
- ❖ \$184,360,000 Electric System Variable Rate Revenue Refunding Bonds was issued to completely refinance the existing debt of the electric system, providing for net present value savings of over \$25,000,000. The bonds were simultaneously issued with a swap allowing the City to obtain a 2.95% fixed rate of interest and removing the variable nature of the bonds for a period of four years after issue.

All of the refunding opportunities yielded substantial savings to the City and new bondings provided for a means to re-pay short-term notes payable that were all approaching mandatory redemption levels at interest rates that are at forty-year lows.

City of Hamilton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Economic Factors and Next Year's Budgets and Rates

The City of Hamilton has experienced declining population in the last two decades as the result of urban sprawl to townships and the loss of several large employers within the City has made for difficult economic times. The City has weathered these financial storms admirably and has built General Fund balances even with pressure placed on its income tax revenues. The City has reasonably priced, affordable undeveloped land for business expansion and has become a leader in the area of brownsfield remediation of existing plant and business sites.

Anticipated increases of approximately 6% in income tax revenues, the primary unrestricted source of revenues to the City, have been anticipated for 2003, primarily the result of institution of a mandatory filing program and amnesty period. Pressure placed on the City's previous year revenue streams led to two one-mill voter approved levies for Fire/EMS services and additional police officers. In 2003, budgeted revenues for these two new levies will result in an additional \$1.6 Million in tax revenues. However, even with these positive fiscal signs, state based budget problems are putting pressure on the state to cut unrestricted revenues, specifically the Undivided Local Government Fund, and the City is maintaining a no growth policy for 2003 in budgeting these revenues.

These factors were all considered in preparing, and then adopting, the 2003 budget for the City of Hamilton. Anticipated increases in spending are strictly monitored beyond standard cost of living adjustments. Health insurance costs continue to be of major concern. Infrastructure renewal and replacement has become a focus of the City for the next budget as a variety of leveraged projects as well as self-funded resurfacing initiatives get underway.

The City is prospering even in light of these fiscal pressures and maintains an A2 Moody's General Obligation Bond Rating at the end of 2002. With work well underway to complete the 2002 Debt Restructuring Program, the City has uniquely positioned itself for future growth and the ability to weather a prolonged economic downturn.

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 George M. Gordon IV, CPA, City of Hamilton Finance Director, 345 High Street, 7th Floor, Hamilton, Ohio 45011, (513) 785-7170, (email at gordong@ci.hamilton.oh.us) or visit the City website at www.hamilton-city.org.

THE CITY OF HAMILTON, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2002

	Governmental Type	Business Type	Total
Assets:			
Cash and Cash Equivalents	\$ 7,463,389	\$ 16,365,250	\$ 23,828,639
Investments	8,473,196	23,384,427	31,857,623
Receivables (net of allowance for doubtful accounts):			
Taxes-Real & Personal Property	6,379,440	-	6,379,440
Taxes-Municipal Income	3,657,474	-	3,657,474
Accounts	3,235,500	13,701,091	16,936,591
Loans	420,537		420,537
Interest	94,016	350,226	444,242
Due from Other Funds	105,380	20,000	125,380
Inventory of Supplies at Cost	51,421	1,151,835	1,203,256
Prepaid Items	573,228	971,954	1,545,182
Restricted Assets:			
Cash and Cash Equivalents	287,000	9,355,974	9,642,974
Investments	-	6,012,302	6,012,302
Bond Issuance Costs	535,419	4,509,369	5,044,788
Deferred Charge on Refunding	-	12,921,254	12,921,254
Nondepreciable Assets:			
Land	18,684,305	6,306,662	24,990,967
Real Estate held for development	3,710,434	-	3,710,434
Construction In Progress	4,589,770	9,782,713	14,372,483
Depreciable Assets:			
Buildings and Improvements	37,719,917	87,932,716	125,652,633
Machinery And equipment	16,045,712	479,519,239	495,564,951
Infrastructure : streets	108,335,545	-	108,335,545
bridges	3,658,227	-	3,658,227
culverts	183,401	-	183,401
storm sewer	26,092,013	-	26,092,013
Less: Accumulated Depreciation			
Buildings and Improvements	(9,370,546)	(41,252,136)	(50,622,682)
Machinery And equipment	(10,562,816)	(229,130,307)	(239,693,123)
Infrastructure : streets	(100,671,811)	-	(100,671,811)
bridges	(1,835,885)	-	(1,835,885)
culverts	(161,393)	-	(161,393)
storm sewer	(6,382,179)	-	(6,382,179)
TOTAL ASSETS	121,310,694	401,902,569	523,213,263
Liabilities:			
Accounts Payable	2,407,453	7,446,808	9,854,261
Accrued Wages and Benefits	1,140,947	740,394	1,881,341
Accrued Liabilities	588,687	-	588,687
Intergovernmental Payable	1,983,384	223,292	2,206,676
Accrued Interest Payable	337,052	1,690,302	2,027,354
Customer Deposits Payable	6,153	951,629	957,782
Deferred Revenue	6,379,440	-	6,379,440
General Obligation Notes Payable	2,925,000	-	2,925,000
Special Assessment Notes Payable	475,000	-	475,000
Long Term Liabilities due within 1 year	2,882,083	9,074,535	11,956,618
Long Term Liabilities due over 1 year	40,320,676	243,383,225	283,703,901
Total Liabilities	59,445,875	263,510,185	322,956,060
NET ASSETS			
Investment in Capital Assets, net related debt	55,869,994	78,331,261	134,201,255
Restricted:			
Debt Service	474,699	-	474,699
Grants	212,480	-	212,480
Nonexpendable Endowments	77,456	-	77,456
Unrestricted	5,230,190	60,061,123	65,291,313
Total Net Assets	61,864,819	138,392,384	200,257,203
Total Net Assets and Liabilities	\$ 121,310,694	\$ 401,902,569	\$ 523,213,263

See accompanying notes to the basic financial statements

**THE CITY OF HAMILTONI OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities	Primary Government Business-Type Activities	Total
			Operating Grants and Contributions	Capital Grants and Contributions			
Governmental Activities:							
Security of Persons and Property	\$ (24,124,731)	2,762,651	\$ 1,480,603	\$ -	(19,881,477)	\$ -	(19,881,477)
Public Health and Welfare	(3,741,462)	508,483	978,101	-	(2,254,878)	-	(2,254,878)
Leisure Time Activities	(2,220,239)	1,042,299	-	-	(1,177,940)	-	(1,177,940)
Community Environment	(4,231,050)	712,434	3,824,959	-	306,343	-	306,343
Basic Utility Services	(3,560,329)	2,250,347	-	-	(1,309,982)	-	(1,309,982)
Transportation	(3,914,486)	1,374,423	3,290,429	-	750,364	-	750,364
General Government	(3,610,257)	259,387	-	-	(3,350,870)	-	(3,350,870)
Other Expenditures	(7,495,871)	2,137,910	-	-	(5,357,961)	-	(5,357,961)
Interest and Fiscal Charges	(2,259,769)	-	-	251,110	(2,008,659)	-	(2,008,659)
Total Governmental Activities	(55,158,196)	11,047,934	9,574,092	251,110	(34,285,060)	-	(34,285,060)
Business-Type Activities:							
Gas	(21,874,839)	21,456,192	-	-	-	(418,647)	(418,647)
Electric	(55,703,426)	53,129,459	-	-	-	(2,573,967)	(2,573,967)
Water	(11,368,125)	17,200,708	17,149	-	-	5,849,732	5,849,732
Sewer	(10,524,441)	12,057,899	-	-	-	1,533,458	1,533,458
Total Business-Type Activities	(99,470,831)	103,844,258	17,149	-	-	4,390,576	4,390,576
Total	\$ (154,629,027)	\$ 114,892,192	\$ 9,591,241	\$ 251,110	(34,285,060)	4,390,576	(29,894,484)
General Revenues:							
Income Taxes					19,156,557	-	19,156,557
Property Taxes					5,135,368	-	5,135,368
Grants and Contributions not restricted to specific programs					8,568,114	-	8,568,114
Unrestricted investment earnings					632,898	1,423,837	2,056,735
Miscellaneous					3,927,300	246,870	4,174,170
Loss on Disposal of Fixed Assets					(1,070,847)	(213,706)	(1,284,553)
Extraordinary Item					-	34,437,550	34,437,550
Total General Revenues and Extraordinary Item					36,349,390	35,894,551	72,243,941
Changes in Net Assets					2,064,330	40,285,127	42,349,457
Net Assets-Beginning (Restated)					59,800,489	98,107,257	157,907,746
Net Assets-Ending					\$ 61,864,819	\$ 138,392,384	\$ 200,257,203

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON! OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2002

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 2,468,009	\$ 4,593,290	\$ 7,061,299
Investments	3,484,214	4,414,380	7,898,594
Receivables (net of allowance for doubtful accounts):			
Taxes-Real & Personal Property	2,644,220	3,735,220	6,379,440
Taxes-Municipal Income	2,834,543	822,931	3,657,474
Loans	-	420,537	420,537
Accounts	1,842,455	1,393,045	3,235,500
Interest	75,332	18,684	94,016
Due from Other Funds	201,727	520,000	721,727
Interfund Receivable	764,925	-	764,925
Inventory of Supplies at Cost	2,798	31,385	34,183
Prepaid Items	492,424	76,818	569,242
Restricted Assets			
Cash and Cash Equivalents	-	287,000	287,000
Total Assets	\$ 14,810,647	\$ 16,313,290	\$ 31,123,937
Liabilities:			
Accounts Payable	521,383	1,841,876	2,363,259
Accrued Wages and Benefits	1,012,709	108,701	1,121,410
Accrued Liabilities	456,232	132,455	588,687
Due to Other Funds	-	616,347	616,347
Intergovernmental Payable	1,049,663	35,322	1,084,985
Interfund Payable	-	764,925	764,925
Accrued Interest Payable	-	35,167	35,167
Customer Deposits Payable	-	6,153	6,153
Deferred Revenue	5,080,037	4,973,375	10,053,412
General Obligation Notes Payable	-	2,925,000	2,925,000
Special Assessment Notes Payable	-	475,000	475,000
Total Liabilities	8,120,024	11,914,321	20,034,345
Fund Balances:			
Reserved for Encumbrances	380,053	2,426,554	2,806,607
Reserved for Supplies Inventory	2,798	31,385	34,183
Reserved for Prepaid Items	492,424	76,818	569,242
Reserved for Debt Service	-	474,699	474,699
Reserved for Endowments	-	77,456	77,456
Unreserved, reported in:			
General	5,815,348	-	5,815,348
Special Revenue	-	3,025,532	3,025,532
Capital Projects (Deficit)	-	(1,713,475)	(1,713,475)
Total Fund Balances	6,690,623	4,398,969	11,089,592
Total Liabilities and fund balances	\$ 14,810,647	\$ 16,313,290	\$ 31,123,937
 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			69,895,676
Issuance Costs associated with governmental debt are not financial resources and, therefore, are not reported in the funds			535,419
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds			3,673,990
Internal service funds are used by management to charge the costs of fleet management and central benefits to individual funds. The assets and liabilities of these internal service funds are included in the governmental activities in the statement of net assets:			28,491
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds			(43,358,349)
Net Assets of governmental activities			\$ 61,864,819

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Income Taxes	\$ 14,766,310	\$ 4,456,931	\$ 19,223,241
Property and Other Taxes	4,988,229	147,139	5,135,368
Intergovernmental	4,559,494	3,078,843	12,638,337
Charges for Services	9,803,863	6,219,131	16,022,994
Licenses and Permits	971,067	399,974	1,371,041
Investment Earnings	449,563	178,979	628,542
Fines and Forfeitures	932,052	277,595	1,209,648
Special Assessments	-	765,075	765,075
All Other Revenues	679,423	591,327	1,270,750
Total Revenues	37,150,001	21,114,995	58,264,996
Expenditures:			
Current			
Security of Persons and Property	22,024,073	4,919,936	26,944,009
Public Health and Welfare	1,456,850	2,235,029	3,691,879
Leisure Time Activities	1,383,848	894,300	2,278,148
Community Environment	963,393	3,240,770	4,204,163
Basic Utility Services	1,329,429	2,204,823	3,534,252
Transportation	-	3,939,065	3,939,065
General Government	3,376,701	27,791	3,404,492
Other Expenditures	4,847,728	1,510,853	6,358,581
Capital Outlay	-	2,263,607	2,263,607
Debt Service:			
Principal Retirement	-	1,155,000	1,155,000
Interest and Fiscal Charges	-	2,176,035	2,176,035
Total Expenditures	35,382,022	24,567,209	59,949,231
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,767,979	(3,452,214)	(1,684,235)
Other Financing Sources (Uses):			
Proceeds of Bonds	-	7,935,000	7,935,000
Payment to Escrow Agent	-	(767,700)	(767,700)
Sale of Fixed Assets	38,324	256,582	294,906
Transfers - In	531,065	14,657,845	15,188,910
Transfers - Out	(203,862)	(14,985,048)	(15,188,910)
Total Other Financing Sources (Uses)	365,527	7,096,679	7,462,206
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,133,506	3,644,465	5,777,971
Fund Balances at Beginning of Year	4,559,874	763,951	
Decrease in Inventory	(2,757)	(9,447)	
Fund Balances at End of Year	\$ 6,690,623	\$ 4,398,969	

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

Net Change in Fund Balances - total governmental funds	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,920,914
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,103,471
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(6,275,671)
Adjustment to reflect the consolidation of internal service fund activities related to governmental funds	28,491
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(1,490,846)
Change in net assets of governmental activities	\$ 2,064,330

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON! OHIO
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

	Initial Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Property and Other Local Taxes	\$ 4,945,000	\$ 5,345,000	\$ 4,988,229	\$ (356,771)
Income Taxes	14,725,000	14,725,000	14,735,134	10,134
Intergovernmental	3,888,271	3,888,271	4,591,989	703,718
Charges for Services	10,764,145	10,831,713	9,803,863	(1,027,850)
Licenses and Permits	1,134,805	1,185,805	1,045,929	(139,876)
Investment Earnings	785,766	785,766	516,580	(269,186)
Fines and Forfeitures	1,047,480	1,047,480	932,052	(115,428)
Other All Revenue	133,280	137,280	138,940	1,660
Total Revenues	<u>37,423,747</u>	<u>37,946,315</u>	<u>36,752,716</u>	<u>(1,193,599)</u>
<u>Expenditures:</u>				
Current				
Security of Persons and Property	22,481,697	23,040,115	22,236,560	803,555
Public Health and Welfare	1,638,099	1,638,417	1,484,584	153,833
Leisure Time Activities	1,647,166	1,661,604	1,374,087	287,517
Community Environment	1,106,490	1,148,501	960,696	187,805
Basic Utility Services	1,612,542	1,602,897	1,411,507	191,390
General Government	4,115,264	3,762,741	3,504,931	257,810
Other Expenditures	5,022,335	5,845,254	5,401,119	444,135
Total Expenditures	<u>37,623,593</u>	<u>38,699,529</u>	<u>36,373,484</u>	<u>2,326,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(199,846)	(753,214)	379,232	1,132,446
<u>Other Financing Sources (Uses):</u>				
Other Financing Sources	-	-	52,467	52,467
Sale of Fixed Assets	17,000	17,000	38,324	21,324
Transfers - In	33,060	521,438	531,065	9,627
Transfers - Out	(288,197)	(296,886)	(203,862)	93,024
Total Other Financing Sources (Uses)	<u>(238,137)</u>	<u>241,552</u>	<u>417,994</u>	<u>176,442</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(437,983)	(511,662)	797,226	1,308,888
Fund Balances at Beginning of Year	4,226,065	4,226,065	4,226,065	176,442
Prior Year Encumbrances Appropriated	439,912	439,912	439,912	-
Fund Balances at End of Year	<u>\$ 4,227,994</u>	<u>\$ 4,154,315</u>	<u>\$ 5,463,203</u>	<u>\$ 1,485,330</u>

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2002

BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS

	Business-Type Activities				Totals	Business-Type Activities		Governmental Activities
	Gas	Electric	Water	Wastewater		Internal Service Fund	Internal Service Funds	
Assets:								
Current Assets:								
Cash and Cash Equivalents	\$ 1,622,473	\$ 4,751,166	\$ 4,976,264	\$ 5,015,347	\$ 16,365,250	\$ -	\$ -	\$ 402,090
Investments	2,316,432	6,788,366	7,111,929	7,167,700	23,384,427	-	-	574,602
Receivables (net of allowances for doubtful accounts)								
Accounts	4,684,485	6,520,022	1,156,035	1,340,549	13,701,091	-	-	-
Interest	43,927	108,582	97,089	100,628	350,226	-	-	-
Due from Other Funds	5,000	5,000	5,000	5,000	20,000	-	-	510,488
Inventory of Supplies at Cost	113,950	931,964	104,866	1,055	1,151,835	26,514	-	17,238
Prepaid Items	96,356	659,299	93,393	96,392	945,440	-	-	3,986
Total Current Assets	8,882,623	19,764,399	13,544,576	13,726,671	55,918,269	26,514	-	1,508,404
Noncurrent Assets:								
Restricted Assets:								
Cash and Cash Equivalents	2,525,420	1,993,664	1,428,157	3,408,733	9,355,974	-	-	-
Investments	1,054,125	2,064,153	1,566,508	1,327,516	6,012,302	-	-	-
Total Restricted Assets:	3,579,545	4,057,817	2,994,665	4,736,249	15,368,276	-	-	-
Deferred Charge - Refunding	-	10,248,892	2,672,362	-	12,921,254	-	-	-
Bond Issuance Costs	236,884	3,658,126	343,610	270,749	4,509,369	-	-	-
Capital Assets:								
Property, Plant and Equipment	57,368,740	335,404,713	95,755,272	65,229,892	573,758,617	-	-	321,937
Construction in Progress	878,938	3,618,754	3,426,301	1,858,720	9,782,713	-	-	-
Less: Accumulated Depreciation	(19,800,042)	(185,644,278)	(27,978,712)	(36,959,411)	(270,382,443)	-	-	(182,919)
Total Capital Assets (net of accumulated depreciation)	38,447,636	153,379,189	71,202,861	50,129,201	313,158,887	-	-	139,018
Total Noncurrent Assets	42,264,065	171,344,024	77,213,498	55,136,199	345,957,786	-	-	139,018
Total Assets	51,146,688	191,108,423	90,758,074	68,862,870	401,876,055	26,514	-	1,647,422

THE CITY OF HAMILTON! OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2002

BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS

	Business-Type Activities				Totals	Business-Type Activities		Governmental Activities Internal Service Funds
	Gas	Electric	Water	Wastewater		Internal Service Fund	Funds	
Liabilities								
Current Liabilities:								
Accounts Payable	\$ 2,503,877	\$ 3,543,495	\$ 763,851	\$ 399,271	\$ 7,210,494	\$ 236,314	\$ 44,194	
Accrued Wages and Benefits	51,738	352,710	105,813	97,602	607,863	132,531	19,537	
Intergovernmental Payable	15,070	98,925	31,148	27,287	172,430	50,862	898,399	
Accrued Interest Payable	159,469	755,364	121,503	653,966	1,690,302	-	-	
Ohio Water Development Authority Loans Payable - current	-	-	-	484,944	484,944	-	-	
Revenue Bonds Payable - current	695,000	5,425,000	500,000	830,000	7,450,000	-	-	
Total Current Liabilities	<u>3,425,154</u>	<u>10,175,494</u>	<u>1,522,315</u>	<u>2,493,070</u>	<u>17,616,033</u>	<u>419,707</u>	<u>962,130</u>	
Noncurrent Liabilities:								
Customer Deposits Payable	399,770	390,049	81,881	79,929	951,629	-	-	
Compensated Absences Payable	371,056	2,043,740	743,629	696,103	3,854,528	654,771	146,295	
Ohio Water Development Authority Loans Payable	-	-	-	7,227,504	7,227,504	-	-	
Revenue Bonds Payable (net of unamortized discounts)	15,076,292	178,169,903	12,366,167	27,173,651	232,786,013	-	-	
Total Noncurrent Liabilities	<u>15,847,118</u>	<u>180,603,692</u>	<u>13,191,677</u>	<u>35,177,187</u>	<u>244,819,674</u>	<u>654,771</u>	<u>146,295</u>	
Total Liabilities	<u>19,272,272</u>	<u>190,779,186</u>	<u>14,713,992</u>	<u>37,670,257</u>	<u>262,435,707</u>	<u>1,074,478</u>	<u>1,108,425</u>	
Net Assets								
Invested in capital asset, net of related debt	22,676,344	(24,807,327)	58,336,694	22,125,550	78,331,261	-	139,018	
Unrestricted (Deficit)	9,198,072	25,136,564	17,707,388	9,067,063	61,109,087	(1,047,964)	399,979	
Total Net Assets	<u>\$ 31,874,416</u>	<u>\$ 329,237</u>	<u>\$ 76,044,082</u>	<u>\$ 31,192,613</u>	<u>\$ 139,440,348</u>	<u>\$ (1,047,964)</u>	<u>\$ 538,997</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								(1,047,964)
Net Assets of business-type activities						<u>\$ 138,392,384</u>		

See accompanying notes to the basic financial statements



THE CITY OF HAMILTON, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS				Totals	Business-Type Activities		Governmental Activities
	Gas	Electric	Water	Wastewater		Internal Service Fund	Internal Service Funds	
Operating Revenues:								
Charges for Services	\$ 21,917,517	\$ 54,428,459	\$ 17,200,708	\$ 12,057,899	\$ 105,604,583	\$ 4,742,514	\$ 8,509,119	
Other Operating Revenues	3,956	126,890	108,506	3,495	242,847	-	-	
Total Operating Revenues	21,921,473	54,555,349	17,309,214	12,061,394	105,847,430	4,742,514	8,509,119	
Operating Expenses:								
Personal Services	1,153,226	7,957,200	2,586,839	2,222,394	13,919,659	4,117,363	7,456,509	
Materials and Supplies	89,192	993,088	665,105	359,264	2,106,649	25,451	79,324	
Contractual Services	758,890	4,338,938	3,328,538	1,761,027	10,187,393	1,165,066	239,730	
Purchase of Gas and Electric	15,058,714	17,976,986	-	-	33,035,700	-	-	
Depreciation	1,771,187	9,738,402	1,850,489	2,265,106	15,625,184	-	37,625	
Other Operating Expenses	1,918,960	6,570,265	1,886,011	1,979,842	12,355,078	482,598	295,512	
Total Operating Expenses	20,750,169	47,574,879	10,316,982	8,587,633	87,229,663	5,790,478	8,108,700	
Operating Income (Loss)	1,171,304	6,980,470	6,992,232	3,473,761	18,617,767	(1,047,964)	400,419	
Non-Operating Revenues (Expenses):								
Investment Earnings	219,062	172,258	590,139	442,378	1,423,837	-	(3,022)	
Interest and Fiscal Charges	(876,809)	(8,307,159)	(1,583,159)	(2,200,817)	(12,967,944)	-	-	
Grants	-	17,149	17,149	-	17,149	-	-	
Other Non-Operating Revenues	-	-	-	6,200	6,200	-	-	
Gain (Loss) on Disposal of Fixed Assets	(48,167)	(91,222)	(27,069)	(35,010)	(201,468)	-	-	
Total Non-Operating Revenues (Expenses)	(705,914)	(8,226,123)	(1,002,940)	(1,787,249)	(11,722,226)	-	(3,022)	
Change in Net Assets	465,390	(1,245,653)	5,989,292	1,686,512	6,895,541	(1,047,964)	397,397	
Extraordinary Item	-	-	34,437,550	-	34,437,550	-	-	
Total net assets - beginning	31,409,026	1,574,890	35,617,240	29,506,101			141,600	
Total net assets - ending	\$ 31,874,416	\$ 329,237	\$ 76,044,082	\$ 31,192,613		\$ (1,047,964)	\$ 538,997	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								
Change in net Assets of business-type activities								
\$ 40,285,127								

See accompanying notes to the basic financial statements

**THE CITY OF HAMILTON/ OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS					Business-Type Activities Internal Service Fund	Governmental Activities Internal Service Funds
	Gas	Electric	Water	Wastewater	Totals		
Increase (Decrease) in Cash and Cash Equivalents							
Cash Flows from Operating Activities							
Cash Received from Customers	\$ 21,217,641	\$ 53,703,327	\$ 17,364,389	\$ 12,171,354	\$ 104,457,211	\$ 5,865,860	\$ 8,931,063
Cash Paid for Employee Services and Benefits	(1,195,935)	(8,149,915)	(2,570,913)	(2,204,488)	(14,121,251)	(4,127,102)	(7,816,102)
Cash Paid to Suppliers for Goods and Services	(18,068,864)	(28,144,848)	(6,465,647)	(4,425,928)	(57,105,287)	(1,738,758)	(720,640)
Other Operating Revenues	4,578	109,620	120,779	6,348	241,325	-	-
Other Non-Operating Revenues	-	3,925	17,749	13,913	35,587	-	-
Net Cash Provided by Operating Activities	1,957,420	17,522,109	8,466,357	5,561,699	33,507,585	-	394,321
Cash Flows from Capital and Related Financing Activities							
Proceeds from Extraordinary Cash Item related to Refunding	-	-	34,437,550	-	34,437,550	-	-
Proceeds of General Obligation Notes	-	184,360,000	12,940,000	-	197,300,000	-	-
Acquisition and Construction of Assets	(1,112,723)	(3,312,419)	(3,067,639)	(2,374,095)	(9,866,876)	-	(4,778)
Payment to Escrow Agent for Refunding Debt	-	(195,819,600)	(52,834,213)	-	(248,653,813)	-	-
Principal Paid on Mortgage Revenue Bonds	(670,000)	(3,960,000)	-	(795,000)	(5,445,000)	-	-
Principal Paid on Ohio Water	-	-	-	(447,035)	(447,035)	-	-
Development Authority Loans	(824,313)	(14,140,990)	(2,440,982)	(2,192,890)	(19,599,175)	-	-
Interest Paid on All Debt	-	-	-	-	-	-	-
Net Cash Used for Capital and Related Financing Activities	(2,607,036)	(32,893,009)	(10,965,284)	(5,809,020)	(52,274,349)	-	(4,778)
Cash Flows from Investing Activities:							
Purchase of Investments	(3,370,557)	(8,852,519)	(8,678,437)	(8,495,216)	(29,396,729)	-	(580,186)
Sale of Investments	5,949,326	14,304,260	11,417,412	13,295,548	44,966,547	-	514,954
Interest and Dividends	284,738	264,851	599,911	537,675	1,667,175	-	-
Net Cash Provided By (Used for) Investing Activities	2,863,507	5,716,592	3,338,886	5,338,008	17,256,993	-	(65,232)
Net Increase (Decrease) in Cash and Cash Equivalents	2,213,891	(9,654,308)	839,859	5,090,687	(1,509,771)	-	324,311
Cash and Cash Equivalents at Beginning of Year	1,934,002	16,399,138	5,564,462	3,333,393	27,230,995	-	81,066
Cash and Cash Equivalents at End of Year	\$ 4,147,893	\$ 6,744,830	\$ 6,404,421	\$ 8,424,080	\$ 25,721,224	\$ -	\$ 405,377

**THE CITY OF HAMILTON OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS						
	Gas	Electric	Water	Wastewater	Totals	Business-Type Activities Internal Service Fund	Governmental Activities Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Operating Income (Loss)	\$ 1,171,304	\$ 6,980,470	\$ 6,992,232	\$ 3,473,761	\$ 18,617,767	\$ (1,047,964)	\$ 400,419
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Depreciation Expense	1,771,187	9,738,402	1,850,489	2,265,106	15,625,184	-	37,625
Other Non-Operating Revenues	-	3,925	17,749	13,913	35,587	-	-
Change in Assets and Liabilities							
(Increase) Decrease in Accounts Receivable	(699,254)	(742,402)	175,954	116,808	(1,148,894)	-	-
Decrease in Due From Other Funds	7,160	97,267	12,419	152	116,998	-	(7,412)
Decrease in Materials and Supplies Inventories	(16,664)	27,128	(13,766)	(16,228)	(19,530)	(21,070)	31,878
(Increase) Decrease in Prepaid Items	8,856	49,125	15,940	14,150	88,071	25,448	3,329
Increase in Intergovernmental Payables	9,514	1,551,593	(312,820)	(46,685)	1,201,602	(65,643)	(48,169)
Increase (Decrease) in Accounts Payables	11,888	35,833	9,708	16,103	73,532	(3,523)	(6,626)
Increase (Decrease) in Accrued Wages and Benefits	15,351	52,546	43,410	49,990	161,297	-	-
(Decrease) in Compensated Absences Payable	8,088	61,529	6,518	6,106	82,241	-	-
Increase in Customer Deposits	(330,010)	(331,476)	(331,476)	(331,477)	(1,324,439)	-	-
(Decrease) in Due to Other Funds	-	(1,831)	-	-	(1,831)	-	-
(Decrease) in Due to Others	-	-	-	-	-	-	-
Total Adjustments	786,116	10,541,639	1,474,125	2,087,938	14,889,818	1,047,964	(6,098)
Net Cash Provided by Operating Activities	\$ 1,957,420	\$ 17,522,109	\$ 8,466,357	\$ 5,561,699	\$ 33,507,585	\$ -	\$ 394,321

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON! OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2002

	Totals
Assets:	
Cash and Cash Equivalents	\$ 821,912
Investments	541,118
Receivables (net of allowances for doubtful accounts)	
Taxes-Real & Personal Property	27,610
Accounts	1,902
 Total Assets	 1,392,542
 Liabilities:	
Due to Other Funds	125,380
Intergovernmental Payable	1,182,598
Due to Others	84,564
 Total Liabilities	 \$ 1,392,542

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2002

NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION

A. Reporting Entity

The City of Hamilton, Ohio (the City) is a home rule municipal corporation created under the auspices of the laws and constitution of the State of Ohio. The origins of the City date back as early as 1791. In 1803, the State of Ohio officially created Butler County and named the City as the county seat in 1810. Hamilton operates under a city charter adopted November 2, 1926 which became effective on January 1, 1928. The current charter, as amended, was adopted November 7, 2000 and became effective on January 1, 2001.

A seven-member council elected by voters of the City governs the City. The Mayor, who is separately elected, is recognized as the official head of the City for all ceremonial purposes. The City also elects a municipal court judge (the Judge) to preside over the proceedings of the Hamilton Municipal Court. The Judge is elected to a six-year term.

The City Council appoints the City Manager who serves as Chief Executive Officer and Director of Public Safety. He is charged with the proper administration of all city affairs. The City Manager appoints all Directors including the Managing Director of Operations/Deputy City Manager, to whom the Director of Parks and Recreation and the various utility systems' directors report. The City Manager also appoints the Finance Director, who acts as the Chief Financial Officer, as well as, the Directors of Law, Planning, Economic Development, Public Works, Health, Human Relations, Information Technology, and the Chief of Police and Fire. Ultimately, the City Manager retains the power to appoint and remove all department heads, subordinate staff and employees and exercises control over all departments.

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

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

A. Reporting Entity (Continued)

The reporting entity is composed of the primary government, component units and other organizations. The primary government includes all funds, organizations, activities and component units for which the City (the primary government) is financially accountable and that are not legally separate.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if it appoints a voting majority of the organization's governing board and either (1) the City is able to significantly influence the programs or services performed or provided by the organization, or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. Based upon this definition, the City has no component units.

The following potential component units have been excluded from the accompanying financial statements because they are legally separate from the City and the City is not financially accountable for the unit nor is the unit fiscally dependent on the City.

Butler County, Ohio
Butler County Joint Vocational School District
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 two governmental joint ventures, the Hamilton-Indian Springs Joint Economic Development District (JEDD) and the Ohio Municipal Electric Generation Agency (OMEGA) JV2. The city also participates in the following jointly governed organizations: American Municipal Power (AMP) Ohio, Inc., the Economic Development Association of Butler County (EDABC), the Transportation Improvement District (TID) of Butler County, the Butler County Emergency Management Agency (EMA), the Hamilton Community Improvement Corporation (CIC), the Hamilton Economic Development Corporation (HEDC), the Center for Local Governments, and the Ohio-Kentucky-Indiana Regional Council of Governments (OKI). These organizations are presented in Note 19 to the basic financial statements and are excluded from the accompanying financial statements except as noted.

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

A. Reporting Entity (Continued)

As a custodian of public funds, the City invests all public monies held on deposit in the City Treasury. In the case of the Hamilton-Indian Springs Joint Economic Development District (the “JEDD”), a legally separate district, the City serves as fiscal agent but the organization is not considered a part of the City. The Hamilton-Indian Springs 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 Section 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 Hamilton-Indian Springs Joint Economic Development District is a joint venture of the City, which is more fully explained in Note 19 to the basic financial statements. Accordingly, the activity of the JEDD is presented as an agency fund (fiduciary) within the City’s financial statements.

B. Basis of Presentation – Fund Accounting

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Measurement Focus Basis of Accounting and Financial Statement Presentation

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

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

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

Fund Accounting

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

Governmental Funds

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major governmental fund:

General Fund

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

The City reports the following major proprietary funds:

Gas Fund

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

Electric Fund

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

Water Fund

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

Wastewater Fund

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

Additionally, the City reports the following fund types:

Internal Service Funds account for fleet management services, cost of certain goods or services, and costs associated with health care benefits, pension, worker's compensation provided to other departments or agencies of the City.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: private purpose trust funds, pension trust funds, investment trust funds and agency funds. The City maintains twelve fiduciary agency funds. The City's agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also has the option of following subsequent FASB guidance for their business-type and proprietary 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 proprietary funds.

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

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

B. Budgetary Process

The budgetary process is prescribed by provisions of the City Charter and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only the general fund is required to be reported. The primary level of budgetary control is at the fund level. Budgetary modifications that amend the appropriations of any fund may be made only by ordinance of the City Council.

1. Tax Budget

The Director of Finance submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year to not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2002, while the original budget column reflects the amounts in the original official certificate of estimated resources.

3. Appropriations

As required by charter, an annual appropriation ordinance must be adopted prior to the beginning of fiscal year. The appropriation ordinance establishes spending controls at the fund level, the legal level of control. The appropriation ordinance may be amended by ordinance of Council during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified by the County Budget Commission. The allocation of appropriations among departments and objects within a fund may be modified during the year by management. During 2002, several supplemental appropriations were necessary to budget the use of contingency funds, intergovernmental grant proceeds and capital improvement projects. None of these were considered material.

Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications. Budget figures appearing in the statement of budgetary comparisons are based upon the following:

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Encumbrances

As part of the formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds on the basic financial statements.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be re-appropriated.

6. Budgetary Basis of Accounting

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	General Fund
GAAP Basis	\$2,133,506
Adjustments:	
Revenue Accruals	(301,995)
Expenditure Accruals	(133,851)
Encumbrances	(901,434)
Budget Basis	<u>\$797,226</u>

C. Cash and Cash Equivalents

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

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

D. Investments

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City has invested funds in the STAR Ohio during 2002. 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, 2002.

E. Inventory

Inventories are stated at moving average cost. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed and recorded on the financial statements as a fund balance reserve. The costs of proprietary fund-type inventories are recorded as expenses when consumed rather than when purchased.

F. Capital Assets and Depreciation

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

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

The City has purchased a tract of land referred to as the Hamilton Enterprise Park (capital projects fund) for which the City is holding land for resale. The City is examining various development opportunities and economic conditions as part of the marketing process for this area.

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
Improvements other than Buildings/Infrastructure	10 – 75
Machinery, Equipment, Furniture and Fixtures	3 – 25

G. Long-Term Obligations

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Obligation	Fund
General Obligation Bonds	Debt Service Fund, Parking Fund, Golf Fund,
Special Assessment Bonds With Governmental Commitment	Debt Service Fund
Revenue Bonds	Gas Fund, Electric Fund, Water Fund Wastewater Fund
OWDA Loans	Wastewater Fund
Compensated Absences	General Fund Safety Services Fund, Refuse Fund Street Maintenance Fund Community Development Block Grant Fund Gas Fund, Electric Fund Water Fund, Wastewater Fund Parking Fund, Golf Course Fund Fleet Maintenance Fund Central Services Fund

H. Compensated Absences

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The rate of cash compensation for sick leave payout varies within specified limits under collective bargaining agreements or City ordinance. Employees hired before 1990 are paid 75% of the accumulated sick time upon retirement or death up to a maximum of 1200 hours for employees whose normal work schedule is 40 hours per week, and up to 1680 hours for those working a 53 hour week. Those individuals that commenced employment on or after January 1, 1990, will be paid 50%, and those individuals that commenced employment on or after January 1, 1994 will be paid 25% of the accumulated sick leave upon death or retirement. Employees are eligible for retirement at age 60 with 5 years of service, age 55 with 25 years of service, and any age with at least 30 years of service. Compensation for sick leave is paid at the employee's then full rate of pay at the time of termination or retirement.

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered or to rights that vest or accumulate, and when payment of the obligation is probable and can be reasonably determined. The entire liability is reported on the government-wide statements.

I. Pensions

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

J. Interfund Transactions

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

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

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

K. Reservations of Fund Balance

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the combined balance sheet because their use is limited for debt service payments, rate stabilization and capital improvements. Other restricted assets consist of resources whose use is restricted by City Council for capital improvements.

M. Net Assets

Net assets represent the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are calculated, net of accumulated depreciation and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

N. Interfund Activity

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

O. 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, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Exchange/Non-Exchange Transactions

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

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

Q. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

R. Extraordinary Item

In April 2002, the Hamilton City Council and Board of Butler County Commissioners agreed during a jointly held meeting to settle their differences in regard to lawsuits brought by each entity for the supply and purchase of surplus water by the County from the City. In accordance with the settlement agreement, the County is required to assume 74% of the outstanding Water System Mortgage Revenue Bonds after liquidation of the City's Water Revenue Bond Debt Service Reserve Fund. The receipt is recorded as an extraordinary item on the City's records.

S. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds." The details of this \$43,358,349 difference are as follows:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long Term Debt	(\$37,195,401)
Long Term Debt – Discount	87,301
Accrued Interest Payable	(301,885)
Compensated Absences	(5,948,364)
Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>(\$43,358,349)</u>

Another element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.” The details of \$89,895,676 difference are as follows:

Capital Assets	\$218,697,388
Accumulated Depreciation	(128,801,712)
Net Adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$89,895,676</u>

Another element of that reconciliation states that “Capital additions are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.” The details of this \$1,920,914 are as follows:

Current capital additions	\$6,967,989
Loss on disposal of capital assets	(1,070,847)
Depreciation Expense	(3,976,228)
Net Adjustment - capital assets to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$1,920,914</u>

An element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any affect of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this (\$6,275,671) are as follows:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proceeds from Issuance of Long Term Debt	(\$7,935,000)
Payment to Escrow Agent	767,700
Principal paid on Long Term Debt	1,155,000
New Bond Issuance Costs	141,514
Current Year Amortization of Issuance Costs	(39,675)
Current Year Discount on Long Term Debt	(107,522)
Current Year Amortization of Long Term Debt Discount	20,221
Interest Due and Payable at Year End	(277,909)
Net Adjustment - current financial resources focus to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>(\$6,275,671)</u></u>

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY

Fund Balance Deficits

The following funds had deficit fund balance amounts as of December 31, 2002:

<u>Fund Name</u>	<u>Fund Balance Deficit</u>
<i>Nonmajor Governmental Funds</i>	
Special Revenue Funds:	
Youth Build Grant	\$4,217
Miami Conservancy	213,010
Total Special Revenue Funds	<u>217,227</u>
Capital Projects Funds:	
Special Assessment	142,038
Hamilton Enterprise Park	2,659,535
Issue II Projects	117,040
Total Capital Projects	<u>2,918,613</u>
<i>Business-Type Internal Service Fund</i>	
Central Services	1,047,964
All Funds	<u><u>\$4,183,804</u></u>

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY (Continued)

The deficits occurring in the Youth Build and Miami Conservancy Special Revenue Funds arose from the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recognized on the budgetary basis. As cash is received and the payables liquidated, the deficits will be eliminated.

Deficits occurring in the Special Assessment and Hamilton Enterprise Park 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 Issue II Projects Capital Project Fund has arisen due to recognition of an interfund payable. When cash is received and the liability removed, the deficit will be eliminated.

The deficit occurring in the Central Services Internal Service Fund has risen due to recognition of encumbrances at year-end. The Central Services fund operates as a rotary fund and cash is recognized as revenue operationally only after an actual expenditure is made. When expenditures are made reducing the encumbrance or the encumbrance is released, then the related deficit will be removed.

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

Statutory Compliance

The following funds had expenditures plus encumbrances in excess of appropriations at the end of the fiscal year ended December 31, 2002:

	<u>Excess</u>
<u>Major Funds:</u>	
Electric	\$1,747,487
<u>Nonmajor Governmental Funds</u>	
<u>Special Revenue Funds:</u>	
Municipal Income Tax TIF Fund	8,270
Weed and Seed Grant	11
Street Maintenance	137,434
<u>Capital Projects Funds:</u>	
Special Assessment	4,902

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY (Continued)

The following funds had appropriations in excess of estimated resources plus available balances for the year ended December 31, 2002:

Fund	Excess
<i>Nonmajor Governmental Funds</i>	
Special Revenue Funds:	
Brownfield Improvement	\$7,485
Street Maintenance	73,703
Parking	86,272
Capital Projects Funds:	
Special Assessment	167,666
Issue II	197,591
<i>Business-Type Internal Service Fund</i>	
Central Services	340,312

Change in Accounting Principles

For fiscal year 2002, the City implemented the following GASB Statements:

- GASB Statement No. 34 “*Basic Financial Statements and Management’s discussion and analysis for State and Local Governments.*”
- GASB Statement No. 37 “*Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus.*”
- GASB Statement No. 38 “*Certain Financial Statement Note Disclosure*”.
- GASB Interpretation No. 6 “*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.*”

GASB Statements No. 34, 37, and 38 create and amend new basic financial statements and note disclosure for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type.

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY (Continued)

The following is effect the implementation had on the special revenue governmental fund balance, enterprise net assets, and government-wide governmental activities:

	General	Special Revenue	Capital Projects	Enterprise	Governmental Activities
12/31/01 Fund Balance/Net Assets	\$ 4,481,097	\$ 5,040,457	(\$5,368,907)	\$ 99,534,817	\$ 4,536,881
Reclassification of Parking, Golf Course, and Central Park Sports Arena		131,692	-	(1,427,560)	131,692
Long term compensated absences	1,194,028	(37,187)	-	-	(3,735,967)
Long term receivables	(1,115,251)	809,157	(192,495)	-	(498,569)
Long Term Debt Obligations	-	-	-	-	(28,402,239)
Governmental Capital Assets	-	-	-	-	86,314,691
Internal Service Fund Allocation	-	-	-	-	(1,146,596)
Restated 12/31/01 Fund Balance/Net Assets	\$4,559,874	\$ 5,944,119	(\$5,561,402)	\$ 98,107,257	\$ 59,800,489

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. Statutes require the classification of funds held by the City into three categories:

Category 1 consists of “active” funds – those funds required to be kept in “cash” or “near cash” status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds – those funds not required for use within the current five-year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

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

- 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.

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

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. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,*" collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

The GASB has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investments:

- Category 1 Insured or registered with securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

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

A. Deposits

At year-end the carrying amount of the City's deposits was \$8,622,758 and the bank balance was \$8,973,476. Federal depository insurance covered \$424,274 of the bank balance. All remaining Deposits were classified as Category 3. In addition, the City had \$4,176 cash on hand.

B. Investments

The City's investments at December 31, 2002 are summarized below:

<u>Categorized Investments</u>	Category 1	Category 2	Fair Value
U.S. Government Securities	\$32,398,730	N/A	\$32,398,730
Investments Held in Trust:			
U.S. Government Securities	N/A	6,012,302	6,012,302
Total Categorized Investments	<u>32,398,730</u>	<u>6,012,302</u>	<u>38,411,032</u>
<u>Non-Categorized Investments</u>			
STAR Ohio	N/A	N/A	25,666,584
Total Non-Categorized Investments	N/A	N/A	25,666,584
Total Investments	<u>\$32,398,730</u>	<u>\$6,012,302</u>	<u>\$ 64,077,616</u>

The classification of cash, cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9. STAR Ohio is treated as a cash equivalent. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the basic financial statements and the classifications per items A and B of this note are as follows:

C. Reconciliation of Cash, Cash Equivalents and Investments

	Cash and Cash Equivalents*	Investments
Cash, Cash Equivalents and Investments	\$34,293,518	\$38,411,032
Investments:		
STAR Ohio	(25,666,584)	25,666,584
Per GASB Statement No. 3	<u>\$ 8,626,934</u>	<u>\$64,077,616</u>

* Includes cash on hand.

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 2002 were levied after October 1, 2001 on assessed values as of January 1, 2001, 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 1997. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semi-annually, the first payment is due by February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 88% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Hamilton. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for the City's operations for the year ended December 31, 2002 was \$5.12 per \$1,000 of assessed value. The assessed value upon which the 2002 receipts were based was \$906,857,895. This amount constitutes \$812,598,300 in real property assessed value, \$13,814,790 in public utility assessed value and \$80,444,805 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 .512% (5.12 mills) of assessed value.

NOTE 5 – TAXES (Continued)

B. Income Tax

The City levies a tax of 2.0% on all salaries, wages, commissions and other earned compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of 2.0% of taxable salaries, wages, commissions and other compensation.

Employers within the City are required to withhold income tax on employee's compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

NOTE 6 – RECEIVABLES

Receivables at December 31, 2002 consisted of taxes, accounts receivable, accrued interest, inter-fund receivables, notes receivable (see Note 7) and intergovernmental receivables arising from shared revenues. These receivables result from both exchange and non-exchange transactions.

Business-type receivables at December 31, 2002, 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, 2002 as follows:

	Gas	Electric	Water	Wastewater
Earned and unbilled consumer accounts	\$2,506,492	\$3,404,686	\$410,503	\$403,527
Earned and billed consumer accounts	4,756,227	6,575,796	1,333,025	1,901,484
Other	-0-	29,710	3,359	779
Less allowance for uncollectible accounts	(2,578,234)	(3,490,170)	(590,852)	(965,241)
Accounts Receivable	4,684,485	6,520,022	1,156,035	1,340,549
Accrued Interest Receivable	43,927	108,582	97,089	100,628
Total Receivables :	\$4,728,412	\$6,628,604	\$1,253,124	\$1,441,176

NOTE 7 – NOTES RECEIVABLE

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

NOTE 7 – NOTES RECEIVABLE (Continued)

The loan and the mortgage notes bear an interest rate of 5%. The payments by the Hamiltonian on the loan and the mortgage were deferred for the first five years of the repayment period. Interest was accrued at the 5% rate since the inception of the loan and mortgage. The principal balance remaining to be paid on the loan was \$409,886 at December 31, 2002. The monthly payment required from the Hamiltonian is \$4,849 including interest. Additional payments of up to \$20,000 a year are required based upon earnings levels, as defined in the agreement, of the Hamiltonian. The loan is secured by an open ended second mortgage and security agreement on the property and the hotel project.

The mortgage has been amortized in equal monthly installments over a 25-year term beginning in 1990 and maturing in 2015. The monthly mortgage payment due is \$2,798. Additional interest payments are due when the hotel achieves a level of operating cash flow which affords a return of greater than 15% return on the limited partners original capital. The payment is 50% of the “excess cash flow” over the 15% return for the limited partners. Payment of the additional interest based upon operating cash flow is due on April 30 for each year ending December 31st. The mortgage had a remaining balance to be paid of \$330,538 at December 31, 2002 and was collateralized by a third mortgage on the property. No additional interest payment was received for the year ended December 31, 2002.

The loss of major employers in Hamilton in 2000 and 2001, the state of the economy and the travel business in general including increased competition, coupled with the ramifications of terrorist attacks on September 11, 2001 has had a negative impact on the fiscal operations of the Hamiltonian. Since September 2001, the Hamiltonian has failed to make any regularly scheduled debt payment on either the mortgage or note owed to the City. The City has attempted to renegotiate the existing debts and ongoing discussions are occurring; the Hamiltonian has requested that the City consider forgiveness of the entire debt owed to it. The entire note receivable balance has had an allowance for doubtful accounts accrued against it for the fiscal year ending December 31, 2002 and the City has chosen not to accrue interest receivable on the remaining balance. Regardless, the City will continue negotiation with the Hamiltonian to seek a mutually satisfactory conclusion. The account balances, with valuation, are as follows:

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

NOTE 8 – OPERATING TRANSFERS

Following is a summary of transfers in and out for all funds for 2002:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$531,065	\$203,862
Nonmajor Funds	203,862	531,065
Total All Funds	<u>\$734,927</u>	<u>\$734,927</u>

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

NOTE 9 – INTERFUND TRANSACTIONS

The composition of inter-fund balances as of December 31, 2002, 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>
Major Funds				
General Fund	\$764,925	\$-	\$201,727	\$-
Gas	-	-	5,000	-
Electric	-	-	5,000	-
Water	-	-	5,000	-
Wastewater	-	-	5,000	-
Total Major Funds	<u>764,925</u>	<u>-</u>	<u>221,727</u>	<u>-</u>
Nonmajor Governmental Funds	<u>-</u>	<u>764,925</u>	<u>-</u>	<u>96,347</u>
Fiduciary Funds:				
Municipal Court	-	-	-	102,340
Travel Advance	-	-	-	23,040
Total All Funds	<u>\$764,925</u>	<u>\$764,925</u>	<u>\$221,727</u>	<u>\$221,727</u>

NOTE 9 – INTERFUND TRANSACTIONS (Continued)

The City various fiduciary agency funds, such as municipal court, will received money throughout the year that is payable to the general fund. The fund disperses payments on a monthly basis. The other amounts are 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.

NOTE 10 – CAPITAL ASSETS

	Restated Balance 12/31/01	Increases	Decreases	Balance 12/31/02
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$22,394,739	\$-	\$-	\$22,394,739
Construction in Progress	1,147,986	3,750,090	308,306	4,589,770
Total capital assets, not being depreciated	23,542,725	3,750,090	308,306	26,984,509
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	37,230,325	706,865	217,273	37,719,917
Machinery and Equipment	15,479,131	1,539,639	973,058	16,045,712
Infrastructure	137,516,257	772,986	20,057	138,269,186
Total capital assets being depreciated	190,225,713	3,019,490	1,210,388	192,034,815
<i>Less Accumulated Depreciation For:</i>				
Buildings and Improvements	8,858,922	511,624	-	9,370,546
Machinery and Equipment	9,311,053	1,699,610	447,847	10,562,816
Infrastructure	107,552,833	1,684,882	186,447	109,051,268
Total Accumulated Depreciation	125,722,808	3,896,116	634,294	128,984,630
Total capital assets, being depreciated, net	64,502,905	(876,626)	576,094	63,050,185
Governmental Activities Capital Assets, Net	88,045,630	2,873,464	884,400	90,034,694
Business Type Activities				
<i>Capital Assets, not being depreciated</i>				
Land	6,141,162	166,350	850	6,306,662
Construction in Progress	7,805,276	3,880,927	1,903,490	9,782,713
Total capital assets, not being depreciated	13,946,438	4,047,277	1,904,340	16,089,375
<i>Capital Assets, being depreciated</i>				
Buildings and Improvements	86,706,344	1,422,850	196,478	87,932,716
Machinery and Equipment	473,589,587	6,868,022	938,370	479,519,239
Total capital assets, being depreciated	560,295,931	8,290,872	1,134,848	567,451,955
<i>Less Accumulated Depreciation For:</i>				
Buildings and Improvements	38,632,879	2,619,257	-	41,252,136
Machinery and Equipment	216,708,165	13,005,927	583,785	229,130,307
Total Accumulated Depreciation	255,341,044	15,625,184	583,785	270,382,443
Business Type Activities Capital Assets, Net	\$318,901,325	(\$3,287,035)	\$2,455,403	\$313,158,887

NOTE 10 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property	\$669,494
Public Health and Welfare	18,840
Leisure Time Activities	279,483
Community Environment	6,330
Basic Utility Services	69,372
Transportation, including depreciation of general infrastructure assets	2,019,347
General Government	<u>833,250</u>
Total Depreciation Expense - governmental activities	<u>\$3,896,116</u>

Business Type Activities:

Gas	1,771,187
Electric	9,738,402
Water	1,850,489
Wastewater	<u>2,265,106</u>
Total Depreciation Expense - business-type activities	<u>\$15,625,184</u>

NOTE 11 – DEFINED BENEFIT PENSION PLANS

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

A. Public Employees Retirement System (the “PERS of Ohio”)

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the PERS of Ohio, a cost sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377 (PERS).

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees other than law enforcement. The 2002 employer contribution rate for local government employer units was 13.55%, of covered payroll, 8.55% to fund the pension and 5.00% to fund health care. The 2001 and 2000 employer contribution rates were 13.55% and 10.84% respectively. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2002, 2001 and 2000 were \$3,225,602, \$3,225,352, and \$2,562,725 respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides post-employment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund post-employment health care through their contributions to the PERS of Ohio. The portion of the 2002 employer contribution rate (identified above) that was used to fund health care for the year 2002 was 5.00% of covered payroll, which amounted to \$1,190,259.

The significant actuarial assumptions and calculations relating to post-employment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 2001. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2001 was 8.00%. An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%. Health care costs were assumed to increase 4.00% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 402,041. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 2001 is \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

In December 2001, the Board adopted the Health Care “Choices” Plan in its continuing effort to respond to the rise in the cost of Health Care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year “cliff” eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

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

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City’s contributions to the OP&F Fund for the years ending December 31, 2002, 2001 and 2000 were \$1,249,040, \$1,209,695, and \$1,141,716 for police and \$1,438,519, \$1,351,915, and \$1,356,694 for firefighters, respectively, which were equal to the required contributions for each year. Of the contribution amount, 72 and 73 percent have been contributed for police and fire, respectively, in 2002 with the remainder being reported as a liability within the respective funds.

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

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The portion of the 2002 covered payroll that was used to fund post-employment health care benefits was \$519,189 representing 7.75% of covered payroll for police and \$387,313 representing 7.75% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 2001, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,174 for police and 10,239 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of post-employment health care benefits. The Fund's total health care expenses for the year ended December 31, 2001 were \$122,298,771, which was net of member contributions of \$6,874,699. The portion of the City's contributions that were used to pay post-employment benefits were \$495,869 for police and \$464,642 for firefighters.

NOTE 12 – OTHER EMPLOYEE BENEFITS

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

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

NOTE 13 – NOTES PAYABLE

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

In 2001, the City did, on behalf of its Gas System, enter into an agreement with a commercial bank for the purpose of providing short-term cash flow needs through a line-of-credit. The agreement with the commercial bank expired in 2001 and was not renewed in 2002.

NOTE 13 – NOTES PAYABLE (Continued)

Further information regarding activity occurring with notes payable and bond anticipation notes appears in Note 22 to the basic financial statements.

Governmental Activities:

	Balance December 31, 2001	Issued	(Retired)	Balance December 31, 2002
Special Revenue Notes Payable:				
3.40% Bldg. Leasehold Improvement - ORC	\$ 2,300,000	\$ -	\$ (2,300,000)	\$ -
3.40% Furniture, Fixt. & Eqpt. – ORC	600,000	-	(600,000)	-
Total Special Revenue Notes Payable	<u>2,900,000</u>	-	<u>(2,900,000)</u>	-
Capital Projects Notes Payable:				
5.52% Parking Garage Project	1,400,000	-	(1,400,000)	-
2.50% Roadway Improvement T.I.F. II	380,000	210,000	(380,000)	210,000
3.07% Westview/Timberman Storm Sewer	120,000	-	(120,000)	-
3.07% New London Road Improvement	400,000	-	(400,000)	-
1.91% Hamilton Enterprise Park R.E. Acq.	2,890,000	2,715,000	(2,890,000)	2,715,000
3.07% Hamilton Ent. Park Infrastrucure	1,000,000	-	(1,000,000)	-
3.07% Hamilton Ent. Park Infrastrucure - B	350,000	-	(350,000)	-
3.07% Ham. Ent. Park Infrastrucure - BCRTA	250,000	-	(250,000)	-
3.07% S.E. Busn. District Streetscape	563,000	-	(563,000)	-
3.07% Central Bus. District Streetscape - B	320,000	-	(320,000)	-
Total Capital Projects Notes Payable	<u>7,673,000</u>	<u>2,925,000</u>	<u>(7,673,000)</u>	<u>2,925,000</u>
Special Assessments Notes Payable:				
2.25% 2000 S.W. & Resurfacing	550,000	-	(550,000)	-
1.85% 2001 Resurfacing	750,000	100,000	(750,000)	100,000
2.25% S.E. Busn. District Streetscape	135,000	-	(135,000)	-
1.85% Shaffer Creek Sanit. Sewer	350,000	250,000	(350,000)	250,000
1.85% Main Street - Phase IV	50,000	50,000	(50,000)	50,000
1.85% 2002 Resurfacing	-	75,000	-	75,000
Total Special Assessments Notes Payable	<u>1,835,000</u>	<u>475,000</u>	<u>(1,835,000)</u>	<u>475,000</u>
Total Notes Payable	<u><u>\$12,408,000</u></u>	<u><u>\$3,400,000</u></u>	<u><u>(\$12,408,000)</u></u>	<u><u>\$3,400,000</u></u>

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

Long-term debt and other long-term obligations of the City at December 31, 2002 were as follows:

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2001	Additions	Reductions	Balance December 31, 2002	Due Within One Year
Governmental activities:								
Bonds payable:								
General Obligation Bonds:								
1994	3% - 4.75%	Low Level Dam	2002	\$190,000	\$ -	(\$190,000)	\$ -	\$ -
2002	2.25% - 4.70%	Various Purpose Series A	2017	-	6,615,000	-	6,615,000	350,000
2002	2.25% - 4.70%	Various Purpose Series B	2012	-	800,000	-	800,000	15,000
1992	6.00%	Parking Improvement Series A & B	2012	815,000	-	(815,000)	-	-
1997	4.99%	Golf	2012	1,820,000	-	(130,000)	1,690,000	135,000
2001	5.00%	One Renaissance Center	2026	22,390,000	-	(405,000)	21,985,000	550,000
1999	4.96%	Police & Fire Pension Refunding	2021	3,175,000	-	(100,000)	3,075,000	105,000
Total General Obligation Bonds				<u>28,390,000</u>	<u>7,415,000</u>	<u>(1,640,000)</u>	<u>34,165,000</u>	<u>1,155,000</u>
Special Assessment Bonds:								
2002	2.25% - 4.70%	Various Purpose Series B	2012	\$ -	\$520,000	\$ -	\$520,000	\$100,000
1998	4.67%	Various Purpose Series 1998	2018	1,015,000	-	(95,000)	920,000	95,000
2000	5.34%	Various Purpose Series 2000	2020	620,000	-	(80,000)	540,000	85,000
2001	4.95%	Various Purpose Series 2001	2021	1,290,000	-	(100,000)	1,190,000	115,000
Total Special Assessment Bonds (with Governmental Commitment)				<u>2,925,000</u>	<u>520,000</u>	<u>(275,000)</u>	<u>3,170,000</u>	<u>395,000</u>
Less deferred amounts:								
For issuance discounts				<u>(54,873)</u>	<u>(192,249)</u>	<u>20,222</u>	<u>(226,900)</u>	<u>-</u>
Total Bonds Payable				<u>\$31,260,127</u>	<u>\$7,742,751</u>	<u>(\$1,894,778)</u>	<u>\$37,108,100</u>	<u>\$1,550,000</u>
Compensated absences								
Governmental Activities Long-term liabilities				<u>6,156,790</u>	<u>1,315,995</u>	<u>(1,378,126)</u>	<u>6,094,659</u>	<u>1,332,083</u>
Governmental Activities Long-term liabilities				<u>\$37,416,917</u>	<u>\$9,058,746</u>	<u>(\$3,272,904)</u>	<u>\$43,202,759</u>	<u>\$2,882,083</u>

The principal amount of the City's special assessment bonds outstanding was \$3,170,000. Special assessment bonds are general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$474,699 in the Debt Service Fund at December 31, 2002 is reserved for the retirement of outstanding special assessment bonds.

In January 2002, the City made the final payment required and completely retired the remaining \$190,000 Low-Level Waterway Dam Bonds.

As a function of the One Renaissance Center Bond issuance dated September 15, 2001, the City issued debt, which permanently financed two existing bond anticipation notes. The bond anticipation notes were originally issued to fund leasehold improvements, furniture and fixture acquisition related to the new office complex. The notes had a face value of \$2,300,000 and \$600,000 totaling \$2,900,000. These bond anticipation notes were retired at maturity in April 2002.

December 31, 2002

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

During 2002, the City began a program of long-term bonding notes payable and refinancing existing long-term debt. The program, known as “the 2002 Debt Restructuring Program”, provided for the issuance of four separate long-term bonds and is intended to be completed in 2003. In March, the City issued a \$6,615,000 Various Purpose General Obligation Bond, which provided for the retirement of eight (8) notes payable and additional funding for fire equipment and road projects. In August, the City additionally issued a \$1,320,000 Various Purpose General Obligation Bond – Series B which provided funding for two special assessment projects (and the retirement of the related bond anticipation notes) as well as for the advance refunding and in-substance defeasance of the existing 1992 General Obligation-Parking Bonds.

Outstanding general obligation bonds are direct obligations of the City for which the full faith and credit of the city resources are pledged. Outstanding general obligation bonds totaled \$34,165,000 at December 31, 2002.

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2001	Additions	Reductions	Balance December 31, 2002	Due Within One Year
Business-type activities:								
Ohio Water Development Authority Loans (OWDA):								
1988	8.480%	OWDA - 1988	2013	\$8,159,483	\$ -	(\$447,035)	\$7,712,448	\$484,944
Total Ohio Water Development Authority Loans				8,159,483	-	(447,035)	7,712,448	484,944
Mortgage Revenue Bonds:								
1993	3.2% - 5.15%	Gas System Series	2023	16,945,000	-	(670,000)	16,275,000	695,000
1992	3% - 6.3%	Electric System Series A & B	2025	195,960,000	-	(195,960,000)	-	-
2002	2.95%	Electric Variable Refunding A & B	2025	-	184,360,000	-	184,360,000	5,425,000
1991	5.1% - 6.4%	Water System Series	2021	51,785,000	-	(51,785,000)	-	-
2002	4.39%	Water Revenue Refunding	2021	-	12,940,000	-	12,940,000	500,000
1996	4% - 6%	1996 Wastewater Series	2021	8,340,000	-	(235,000)	8,105,000	250,000
1998	5.10%	1998 Wastewater Series	2023	20,635,000	-	(560,000)	20,075,000	580,000
Total Mortgage Revenue Bonds				293,665,000	197,300,000	(249,210,000)	241,755,000	7,450,000
Less deferred amounts:								
For issuance discounts				(6,815,306)	(840,426)	6,136,748	(1,518,984)	-
Total Bonds Payable				286,849,694	196,459,574	(243,073,252)	240,236,016	7,450,000
Compensated absences				4,358,597	1,232,108	(1,181,406)	4,509,299	1,139,591
Business-type activity Long-term liabilities				\$299,367,774	\$197,691,682	(\$244,601,693)	\$252,457,763	\$9,074,535

To complete the 2002 Debt Restructuring Program, the City also issued \$12,940,000 of Water System Revenue Refunding Bonds. Finally the City issued \$184,360,000 of Electric System Variable Rate Revenue Refunding Bonds in November and purchased a swap allowing the City to hedge the complete outstanding debt of the electric system to a fixed rate of 2.95% for four years.

A complete detailed analysis of each individual bond issuance is provided in Notes 22, 23, 24, and 25 to the basic financial statements.

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

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

As of December 31, 2002, the City had a total and unvoted debt margin of \$86,154,758 and \$40,811,863, respectively.

A. Future Long-Term Financing Requirements

A summary of the City's long-term debt funding requirements as of December 31, 2002 is represented in the following schedules. Principal, interest and total debt service is provided for General Obligation Bonds, Special Assessment Bonds, OWDA Loans, and Revenue Bonds.

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

GOVERNMENTAL ACTIVITIES			
GENERAL OBLIGATION BONDS			
<u>YEARS</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2003	\$ 1,155,000	\$ 1,539,319	\$ 2,694,319
2004	1,195,000	1,506,756	2,701,756
2005	1,235,000	1,471,184	2,706,184
2006	1,280,000	1,431,009	2,711,009
2007	1,325,000	1,386,734	2,711,734
2008~2012	7,950,000	6,075,938	14,025,938
2013~2017	7,900,000	4,331,203	12,231,203
2018~2022	6,510,000	2,418,698	8,928,698
2023~2027	5,615,000	719,250	6,334,250
TOTALS	<u>\$ 34,165,000</u>	<u>\$ 20,880,091</u>	<u>\$ 55,045,091</u>

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

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

**GOVERNMENTAL ACTIVITIES
 SPECIAL ASSESSMENT BONDS**

YEARS	PRINCIPAL	INTEREST	TOTAL
2003	\$ 395,000	\$ 137,680	\$ 532,680
2004	350,000	124,605	474,605
2005	360,000	112,790	472,790
2006	280,000	100,110	380,110
2007	200,000	90,455	290,455
2008~2012	525,000	371,453	896,453
2013~2017	660,000	226,698	886,698
2018~2022	400,000	51,438	451,438
TOTALS	\$ 3,170,000	\$ 1,215,229	\$ 4,385,229

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

**BUSINESS TYPE ACTIVITIES
 REVENUE BONDS**

YEARS	PRINCIPAL	INTEREST	TOTAL
2003	\$ 7,450,000	\$ 7,591,765	\$ 15,041,765
2004	7,710,000	7,994,303	15,704,303
2005	7,970,000	7,731,909	15,701,909
2006	8,250,000	7,472,556	15,722,556
2007	8,550,000	7,200,649	15,750,649
2008~2012	47,640,000	31,443,603	79,083,603
2013~2017	57,295,000	22,360,243	79,655,243
2018~2022	61,020,000	11,624,649	72,644,649
2023~2027	35,870,000	2,160,282	38,030,282
TOTALS	\$ 241,755,000	\$105,579,959	\$ 347,334,959

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

Interest on the variable rate electric system revenue refunding bonds is paid at the current swap rate of 2.95%. The bonds re-price every seven days but the City has only a requirement to fund the 2.95% interest rate on all outstanding electric system bonds. The 2.95% rate is employed throughout the future long-term financing requirements until maturity within the schedule of annual debt service requirements for revenue bonds. The swap rate is guaranteed for a period of four years until November 2006. The rate may vary only if the actual re-pricing rate of the variable rate bonds exceeds the BMHA rate. The City's interest rate in effect since the variable rate bonds were issued has not exceeded 1.29% through the end of 2002.

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

BUSINESS TYPE ACTIVITIES
OWDA LOANS PAYABLE

YEARS	PRINCIPAL	INTEREST	TOTAL
2003	\$ 484,944	\$ 654,016	\$ 1,138,960
2004	526,068	612,892	1,138,960
2005	570,678	568,282	1,138,960
2006	619,071	519,889	1,138,960
2007	671,568	467,392	1,138,960
2008~2012	4,315,015	1,379,786	5,694,801
2013~2017	525,104	44,376	569,480
TOTALS	\$ 7,712,448	\$ 4,246,633	\$ 11,959,081

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, 2002, there were seven series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$8,150,955.

NOTE 15 – PARTIAL IN-SUBSTANCE DEFEASANCE OF GAS SYSTEM REVENUE BONDS

In December 2000, the City entered into an Escrow Trust Agreement with Fifth Third Bank. The agreement required that the City deposit \$8,265,000 into an irrevocable trust with the bank for the payment to final maturity of \$8,265,000 from the 1993 Gas System Revenue Bonds. The funds deposited, per the agreement, purchased U.S. Government Securities in substitution of the revenue of the system. The funds deposited, together with interest earned thereon, shall be sufficient to pay semi-annual principal and interest payments, thus providing a partial in-substance defeasance. Principal payments on the (in-substance) defeased portion of the 1993 Gas System Revenue Bonds are not scheduled to begin until the year 2019. The (in-substance) defeasance has occurred for the following gas system revenue bonds:

Name of Issue	Original Issue	Portion of Original Issue Defeased	Unmatured & Unpaid at 12/31/02
1993 Gas System Revenue Bonds	\$29,220,000	\$8,265,000	\$8,265,000

NOTE 16 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts and liability; damage to and theft of or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains a number of insurance coverages in order to protect against the various risks mentioned above. Those coverages are as follows:

Property Insurance	\$108,119,512	Limit
Earthquake	75,000,000	
Flood	25,000,000	
Ordinance or Law Coverage	5,000,000	
Extra Expense	2,000,000	
Valuable Papers Restoration	1,250,000	
Electric Property Insurance	\$310,379,953	Limit
Earthquake	100,000,000	
Flood	100,000,000	
Demolition and Increased Cost Construction	5,000,000	
Misc. & Unnamed Locations	3,000,000	
Boiler and Machinery	\$15,000,000	Limit
Auto	\$ 1,000,000	Limit
Comprehensive & Collision Physical Damage Umbrella	\$10,000,000	Limit
Crime	\$ 15,000	Limit
Burglary & Robbery		

NOTE 16 – RISK MANAGEMENT (Continued)

Forgery & Alteration Coverage	\$100,000	Limit
Public Officials Bond		
Various Limits to Named Positions		
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	\$1,000,000	Limit
	\$10,000,000	Umbrella
Public Officials Liability	\$1,000,000	Limit
Claims Made – Full Prior Acts		
Umbrella	10,000,000	Limit
Public Utilities Excess Liability	\$75,000,000	Limit
Claims made Retroactive 4/86		
Combined Products Liability		
Completed Operations Liability		
Failure to Supply Liability		
Pollution Liability		
Medical Malpractice Liability		
General Liability	\$1,000,000	Limit
Umbrella	10,000,000	Limit
Per Occurrence		
Products, Personal Injury, Stop Gap Liability		
Ambulance Attendants Errors & Omissions	\$1,000,000	Limit
(included in G.L.)		
Umbrella	10,000,000	Limit
Pollution Legal Liability	\$5,000,000	Limit
Named Brownsfield Locations		
Contractors Pollution Liability	\$10,000,000	Limit
(Neighborhood Development Dept. housing Lead Abatement)		

Settled claims have not exceeded coverage in any of the last three years. The City has had no reduction in coverage in 2002.

NOTE 16 – RISK MANAGEMENT (Continued)

The City has a group health insurance program for employees. On January 1, 2002, the City entered into a contract with Humana Health Care to provide a premium based health care insurance plan to the employees of the City. This contract with Humana terminated on December 31, 2002. Effective January 1, 2003, the City provides a premium based health insurance plan to covered employees through United Health Care. The City also maintains premium based insurance coverage through the Ohio Bureau of Worker’s Compensation to mitigate job related illness and injury.

NOTE 17 – CONTRACTUAL COMMITMENTS

As of December 31, 2002, 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, 2002:

<u>Description</u>	<u>Remaining Contractual Commitment</u>
Noble Gas Marketing	\$3,244,430
Southern Appalachian Coal	2,874,067
Cinergy Services, Inc.	1,956,450
Cincinnati Bulk Terminals	1,311,510
Howell Contractors, Inc.	682,684
Orbit Sheet Metal Co.	597,000
Byrnes Conway Company	<u>550,437</u>
Total	<u>\$11,216,578</u>

NOTE 18 – CONTINGENCIES

A. Litigation

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

NOTE 18 – CONTINGENCIES (Continued)

The City entered into a Consent Decree in 1994 in State of Ohio ex. Rel Fisher v. City of Hamilton, Case No. CV88-10-1450 (In the Court of Common Pleas of Butler County) to address sanitary sewer overflows in the Wastewater System. The City is currently negotiating with the State relative to modification of the 1994 Consent Decree to further address such SSOs. The City plans to deal with the effect and impact of the SSO Remediation in an economic and effective fashion over the next five years. However, the outcome of the negotiations with the State in this regard may have a material impact on the Wastewater System and Fund, including its rates to fund the remediation. The City does not, at this time, have adequate information to estimate the required costs to maintain EPA compliance nor of its effect on the Wastewater System or its rates.

B. Federal and State Grants

For the period January 1, 2002 to December 31, 2002, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 19 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS

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

A. Amp Ohio, Inc.

The City of Hamilton is a member of American Municipal Power Ohio, Inc (AMP-OHIO). AMP-OHIO is a non-profit corporation organized under Ohio law and Internal Revenue Code Section 501 and is a jointly governed organization. The organization operates on a non-profit basis for the mutual benefit of its member municipalities, all of whom own or operate a municipal electric system. The non-profit corporation is dedicated to providing member assistance and low-cost power supplies.

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.

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

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 owner or purchasing participant, for which the City qualifies as a financing, purchasing participant. As a financing 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 2002:

	<u>2002</u>
Annual Capacity	\$1,219,744
Power Purchases	<u>602,306</u>
Total Payments – OMEGA JV2	<u>\$1,822,050</u>

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

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

C. Economic Development Association of Butler County, Inc.

The Economic Development Association of Butler County (EDABC) was created by resolution of the County Commissioners and organized as a non-profit corporation under Internal Revenue Code Section 501(c)(6). The EDABC is a jointly governed organization and was created to promote economic development in the County. Membership in the EDABC 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 EDABC is not dependent upon the City's continued participation and the City of Hamilton has no equity interest in the EDABC. Complete financial statements can be obtained from the EDABC, 315 High Street, Hamilton, Ohio 45011.

D. Transportation Improvement District of Butler County

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

E. Butler County Emergency Management Agency

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

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

F. Hamilton-Indian Springs Joint Economic Development District

The Hamilton-Indian Springs Joint Economic Development District (JEDD) is a joint venture between the City of Hamilton and Fairfield Township and was formed under the auspices of Ohio Revised Code Section 715. The JEDD was formed to create or preserve jobs and employment opportunities, improve the economic welfare of the people and facilitate commercial and economic development within a specific territory completely located within the boundaries of 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. The Board of Directors of the JEDD is comprised of five members including the City, the Township, one selected by unanimous decision of the Board (Board Designee), one representing the owners of businesses located within the District (Business Designee) and one representing the persons working within the District (Employee Designee). The degree of control exercised by any one entity is limited to its representation on the Board. The District has no outstanding debt and is not experiencing fiscal stress or accumulating significant financial resources, which could cause additional financial burden or benefit to the City of Hamilton.

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 75% to Hamilton and 25% to Fairfield Township. No distribution was made in 2002. A surplus distribution representing year 2001 and 2002 net collections occurred in January 2003, with the City of Hamilton receiving \$65,905.

The JEDD was increased in size to include certain land being developed for a retail site. The additional acreage maintains the same governing structure and income tax provisions except that the City of Hamilton receives 25% and Fairfield Township receiving 75% of collections.

The City of Hamilton contributed no funds to the JEDD in the year 2002. The contract creating the JEDD ends in 2026 and allows for two extensions of thirty years each. To the extent beyond this contract, the continued existence of the JEDD is dependent upon the City's continued participation. However, the City of Hamilton has no equity interest in the JEDD. Complete financial statements can be obtained from the Joint Economic Development District, 345 High Street, Hamilton, Ohio 45011.

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

G. Hamilton Community Improvement Corporation

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

H. Hamilton Economic Development Corporation

The Hamilton Economic Development Corporation (HEDC) was organized to provide increased awareness to Downtown Hamilton businesses and to foster economic growth within the City. The corporation was formed under Internal Revenue Code Section 501(c)(6) and is a jointly governed organization. The HEDC's Board provides oversight to the activities of the organization. The Board consists of the City Manager of Hamilton, the Mayor and Vice-Mayor of Hamilton, one County Commissioner, the Superintendent of the Hamilton City School District, and the thirty-three members of the Hamilton Chamber of Commerce. The City does not maintain a voting majority on the Board and the HEDC is not dependent on the City's continued participation for its continued existence. Complete financial statements can be obtained from the HEDC, 345 High Street, Hamilton, Ohio 45011.

I. The Center for Local Governments

The Center for Local Governments, a jointly governed organization, was established to improve public service delivery by the cities, townships and villages in the Greater Cincinnati metropolitan area, especially among its member jurisdictions, through improved information exchange, cost reductions, shared resources, interjurisdictional collaboration, and new approaches to capital equipment and skills acquisition. The Board of Trustees consists of eight members made up of elected representatives from the participating governments. The City does not have any financial interest in or responsibility for the Center. The City made no financial contribution during 2002. Information can be obtained from the Center by writing to Lee Meyer, Director of the Center for Local Governments, 4144 Crossgate Drive, Cincinnati, OH 45236.

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

J. Ohio-Kentucky-Indiana Regional Council of Governments

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI), a jointly governed organization, was established to provide coordinated planning services to the appropriate federal, state and local governments, their political subdivisions, agencies, departments, instrumentalities, and special districts, in connection with the preparation and development of comprehensive and continuing regional transportation and development plans within the OKI Region. OKI members include Butler, Clermont, 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 periodically 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 be effective two years after receipt of the notice by OKI. The City made no payments to OKI during 2002. To obtain financial information, write to Barry Blank, Director of Finance and Admin. To obtain financials statements of the Ohio-Kentucky-Indiana Regional Council of governments, write to OKI at 801-B, W. Eighth Street, Suite 400, Cincinnati, OH 45203.

NOTE 20 – ENTERPRISE INTER-FUND REVENUES & ADMINISTRATIVE CHARGES

The City's Utility Enterprise activities (Gas, Electric, Water & Wastewater) make sales to one another on both a daily basis and a non--routine basis, at standard utility rates defined by municipal ordinance.

During 2002, the Electric Fund purchased \$461,325 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 \$792,000 and \$507,000 respectively during 2002. These amounts are recorded in the Water and Wastewater Fund as contractual services and as Charges for Services in the Electric Fund and eliminated on government wide statements.

Historically and by ordinance, the City's Electric System provides street lighting and traffic light services to the City without charge. Street and traffic light facilities used approximately 10,132,000 kilowatt-hours of electrical energy in 2002, and the estimated operating cost of supplying these free services was \$1,130,040 for the year ending December 31, 2002.

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

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 2002.

	Gas	Electric	Water	Wastewater
Administrative cost (Gen. Fund)	\$751,000	\$839,800	\$751,000	\$756,000
Central Service charges	1,246,225	1,417,238	1,341,305	1,231,486
Fleet Maintenance Chargebacks	191,879	231,329	197,587	34,071
Total	\$2,189,104	\$2,488,367	\$2,289,892	\$2,021,557

NOTE 21 – CLOSURE OF THE ELECTRIC SYSTEM TO COMPETITION

In March 2002, the Hamilton City council adopted an ordinance effectively closing the municipal borders of the City to electric deregulation. With the adoption of the ordinance, electric customers within these corporate boundaries must purchase their electricity from the Hamilton Electric System.

NOTE 22 – ISSUANCE OF VARIOUS PURPOSE GENERAL OBLIGATION BONDS – SERIES A

Dated March 1, 2002 the City of Hamilton issued \$6,615,000 Various Purpose General Obligation Bonds. The Bonds were issued to re-pay eight (8) outstanding bond anticipation notes, provide funding for new fire equipment and road projects, as well as provide for the cost of issuance. The sources and uses of the monies associated with issuance of the new Various Purpose General Obligation Bonds was as follows:

Sources:

Bond Proceeds	\$6,615,000
City Contribution	250,000
Original Issue Premium/ Accrued Interest	<u>17,582</u>
Total Sources	<u>\$6,882,582</u>

Uses:

Note Re-payment	\$4,403,000
New Fire Equipment	1,500,000
New Road Project	750,000
Issuance Costs	<u>229,582</u>
Total Uses	<u>\$6,882,582</u>

**NOTE 22 – ISSUANCE OF VARIOUS PURPOSE GENERAL OBLIGATION BONDS –
 SERIES A – (Continued)**

Listed below are the bond anticipation notes retired by the Various Purpose General Obligation Bonds:

Westview Timberman Storm Sewer	\$120,000
New London Road Improvement	400,000
SE Business District Streetscape	563,000
Central Business District Streetscape	320,000
Hamilton Enterprise Park Infrastructure	1,000,000
Hamilton Enterprise Park Infrastructure B	350,000
Hamilton Enterprise Park BCRTA	250,000
One Renaissance Center Parking Garage	<u>1,400,000</u>
 Total Note Re-Payment	 <u><u>\$4,403,000</u></u>

NOTE 23 – ISSUANCE OF VARIOUS PURPOSE GENERAL OBLIGATION BONDS – SERIES B

Dated August 1, 2002, the City issued \$1,320,000 of various purpose general obligation bonds. The bond issue comprised (1) the long-term funding of two special assessment projects totaling \$520,000 and (2) to provide resources to purchase United States Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$767,000 of general obligation bonds originally issued for the purchase of constructing and improving a municipal garage facility totaling \$800,000. The City used the \$800,000 portion of the new bonds to provide for an advance refunding and in-substance defeasance of the general obligation-parking bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental type activities column of the statement of net assets and governmental fund financial statements. This amount is being reported as a deferred charge on the statement of net assets and amortized over the remaining life of the new debt, which was issued at the same life as the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next ten years by \$234,005 and resulted in an economic gain of \$233,480.

**NOTE 24 – DISMISSAL OF WATER LAWSUIT & REFUNDING OF OUTSTANDING
 WATER REVENUE BONDS**

In April 2002, the Hamilton City Council and Board of Butler County Commissioners agreed during a jointly held meeting to settle their differences in regard to lawsuits brought by each entity for the supply and purchase of surplus water by the County from the City. The substance of that settlement was for the County to receive reduced water rates under a tiered structure with a requirement to purchase an average eight (8) million gallons of water per day with additional gallons purchased at a reduced rate. In accordance with the settlement agreement, the County is required to assume 74% of the outstanding Water System Mortgage Revenue Bonds after liquidation of the City's Water Revenue Bond Debt Service Reserve Fund. This \$34,437,550 (or the amount of debt assumed by the County) is recorded as an extraordinary item in business type activities. The City also advance refunded the remaining outstanding debt not assumed by the County. Shown below is a brief synopsis of the transaction:

**NOTE 24 – DISMISSAL OF WATER LAWSUIT & REFUNDING OF OUTSTANDING
 WATER REVENUE BONDS (Continued)**

'91 Bonds Outstanding 8/15/02	\$51,785,000
Interest Payable 10/15/02	1,634,888
1% Call Premium Due 10/15/02	504,250
Less: 10/12ths Principal Escrow	(1,133,333)
Less: 4/6ths Interest Escrow	(1,089,925)
Less: Debt Service Reserve Fund	<u>(4,659,400)</u>
Net Amount to Enable Refund	<u>\$47,041,480</u>
Percent Allocable	<u>26%</u>
Hamilton Portion to Cash Flow of Refunding	<u>\$12,230,785</u>

The City issued \$12,940,000 of water revenue bonds to provide resources to purchase United States Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$17,309,500 of mortgage revenue bonds. The City used the new bonds plus the \$5,792,733 in the mortgage revenue bond debt reserve account to defease the mortgage revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the business type activities column of the statement of net assets and enterprise fund financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$2,726,620. This amount is being reported as a deferred charge on the statement of net assets and amortized over the remaining life of the new debt, which was issued at the same life as the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next nineteen years by \$3,723,787 and resulted in an economic gain of \$2,478,442.

SOURCES:

Bond Face Value	\$12,940,000
Premium (OIP)	194,834
Accrued Interest	<u>32,399</u>
TOTAL SOURCES	<u>\$13,167,233</u>

USES:

Hamilton Portion to Cash Flow of Refunding	\$12,230,785
Original Issue Discount	132,770
Reimburse'01 Consulting	255,697
Bond Insurance	57,000
Surety/Credit Facility	25,000
Escrow Verification	2,600
Underwriter Discount	137,396
Issuance Cost	293,586
Accrued Interest	<u>32,399</u>
TOTAL USES	<u>\$13,167,233</u>

NOTE 25 – ISSUANCE OF ELECTRIC SYSTEM VARIABLE RATE REFUNDING BONDS

The City issued \$184,360,000 of electric system variable rate revenue refunding bonds to provide resources to purchase United States Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$191,380,000 of mortgage revenue bonds. The City used the new bonds plus the \$15,882,820 in the mortgage revenue bond debt reserve account to defease the mortgage revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the business type activities column of the statement net assets and enterprise fund financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$10,248,892. This amount is being reported as a deferred charge on the statement of net assets and amortized over the remaining life of the new debt, which was issued at the same life as the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next nineteen years by \$25,793,583 and resulted in an economic gain of \$21,385,439.

As follows are the sources and uses of funds related to the transactions:

SOURCES:

Bond Face Value	\$184,360,000
Debt Service Reserve	
Liquidation	<u>15,882,820</u>
TOTAL SOURCES	<u>\$200,242,820</u>

USES:

Escrow Required to Fund	
Refunding of '92 Bonds	195,819,600
Bond Insurance	2,444,216
Underwriter Discount	765,094
Liquidity Facility	515,384
Legal Fees	389,100
Rating Agency Cost	90,000
Trustee Fee	60,000
Other Costs	156,926
Escrow Verification	<u>2,500</u>
TOTAL USES	<u>\$200,242,820</u>

NOTE 26 – SUBSEQUENT EVENTS

A. Ohio Water Development Authority (OWDA) Loan Defeasance

In 1988, the City entered into a long-term loan arrangement with the Ohio Water Development Authority. The loan provided funding for the acquisition, construction and upgrade of certain assets of the Wastewater System. As a part of the Council authorized Wastewater Rate Mitigation Program, which was a series of pro-active fiscal measures intended to minimize and delay the need for double digit rate increases in the Wastewater System, the 8.48% \$7,712,448 OWDA Loan balance was escrowed to maturity through the purchase of U.S. Government securities with an irrevocable trust agreement with Huntington National Bank. The purchased securities, with the interest earned thereon, are considered sufficient to provide for an in-substance defeasance of the OWDA loan. The escrow was funded with existing cash reserves and the agreement executed in January of 2003.

B. Gas System Revenue Refunding Bonds

Dated April 30, 2003, the City of Hamilton issued Gas System Revenue Refunding Bonds intended to provide, in conjunction with an irrevocable escrow trust agreement with Huntington National Bank, for the advanced refunding and in-substance defeasance of the existing 1993 Gas System Revenue Bonds. The bonds were issued with a face value of \$14,540,000 and included the purchase of U.S. Government securities that when combined, with interest earned thereon, is considered sufficient to provide for an in-substance defeasance of the existing 1993 Gas System Revenue Bonds. The City also liquidated available bond funds and the debt service reserve fund of the 1993 Gas System bonds to provide for the advanced refunding.

C. Road Improvement General Obligation Bonds

Dated May 15, 2003, the City issued \$3,480,000 of General Obligation Bonds to provide \$1,000,000 per year for the next three years in funding for the purpose of infrastructure renewal and replacement within the City of Hamilton. The bonds were also issued to provide funding for construction of an access road to Joyce Park, as well as for acquisition of a pothole sealant machine.

D. Bond Anticipation Note Activity

In January 2003, the City issued \$1,550,000 of bond anticipation notes to provide funding for remediation of sanitary sewer overflow in the wastewater system as well as for construction and acquisition of wastewater system fixed assets.



*COMBINING AND INDIVIDUAL
STATEMENTS AND SCHEDULES*

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Property and Other Local Taxes	\$ 4,945,000	\$ 5,345,000	\$ 4,988,229	\$ (356,771)
Income Taxes	14,725,000	14,725,000	14,735,134	10,134
Intergovernmental	3,888,271	3,888,271	4,591,989	703,718
Charges for Services	10,764,145	10,831,713	9,803,863	(1,027,850)
Licenses and Permits	1,134,805	1,185,805	1,045,929	(139,876)
Investment Earnings	785,766	785,766	516,580	(269,186)
Fines and Forfeitures	1,047,480	1,047,480	932,052	(115,428)
Other All Revenue	133,280	137,280	138,941	1,661
Total Revenue	<u>37,423,747</u>	<u>37,946,315</u>	<u>36,752,716</u>	<u>(1,193,599)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Municipal Court				
Personal Services	915,218	915,218	781,394	133,824
Other	302,284	475,219	457,072	18,147
Total Municipal Court	<u>1,217,502</u>	<u>1,390,437</u>	<u>1,238,466</u>	<u>151,971</u>
Police				
Personal Services	9,640,478	9,842,061	9,768,773	73,288
Other	603,432	662,774	502,648	160,126
Capital Outlay	426	426	-	426
Total Police	<u>10,244,336</u>	<u>10,505,261</u>	<u>10,271,421</u>	<u>233,840</u>
Civilian Dispatch				
Personal Services	865,570	868,070	742,653	125,417
Other	31,800	31,800	10,696	21,104
Total Civilian Dispatch	<u>897,370</u>	<u>899,870</u>	<u>753,349</u>	<u>146,521</u>
School Crossing Guards				
Other	500	500	482	18
Total School Crossing Guards	<u>500</u>	<u>500</u>	<u>482</u>	<u>18</u>
Building Maintenance - Criminal Justice				
Personal Services	2,514	-	-	-
Other	177,950	180,464	175,433	5,031
Total Building Maintenance - Criminal Justice	<u>180,464</u>	<u>180,464</u>	<u>175,433</u>	<u>5,031</u>
Corrections				
Personal Services	230,294	180,352	73,980	106,372
Other	906,137	631,137	589,363	41,774
Total Corrections	<u>1,136,431</u>	<u>811,489</u>	<u>663,343</u>	<u>148,146</u>

(Continued)

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Police - Citizens				
Other	\$ 3,750	\$ 3,750	\$ 1,385	\$ 2,365
Total Police - Citizens	3,750	3,750	1,385	2,365
Fire				
Personal Services	8,180,723	8,564,788	8,549,589	15,199
Other	620,621	683,556	583,092	100,464
Total Fire	8,801,344	9,248,344	9,132,681	115,663
Total Security of Persons and Property	22,481,697	23,040,115	22,236,560	803,555
Public Health and Welfare Services:				
Health				
Personal Services	1,281,575	1,271,716	1,176,967	94,749
Other	352,524	362,701	303,617	59,084
Capital Outlay	4,000	4,000	4,000	-
Total Public Health and Welfare	1,638,099	1,638,417	1,484,584	153,833
Leisure Time Activities				
Parks and Recreation - Administration				
Personal Services	165,218	164,677	166,616	(1,939)
Other	15,963	16,504	11,348	5,156
Total Parks and Recreation - Administration	181,181	181,181	177,964	3,217
Playground Programs				
Personal Services	4,234	4,234	1,816	2,418
Other	800	800	110	690
Total Playground Programs	5,034	5,034	1,926	3,108
Outdoor Athletic Program				
Personal Services	291,262	290,204	266,277	23,927
Other	38,480	39,538	29,842	9,696
Total Outdoor Athletic Program	329,742	329,742	296,119	33,623
Swimming Pools				
Personal Services	4,533	4,533	-	4,533
Other	72,350	75,417	77,980	(2,563)
Total Swimming Pools	76,883	79,950	77,980	1,970
Parks and Playgrounds Maintenance				
Personal Services	710,688	708,388	554,771	153,617
Other	241,908	244,809	158,362	86,447
Total Parks and Playgrounds Maintenance	952,596	953,197	713,133	240,064

(Continued)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Community Center				
Personal Services	\$ -	\$ 53	\$ -	\$ 53
Other	86,730	95,447	92,497	2,950
Total Community Center	86,730	95,500	92,497	3,003
Colligan				
Personal Services	9,000	7,771	3,958	3,813
Other	6,000	9,229	10,510	(1,281)
Total Colligan	15,000	17,000	14,468	2,532
Total Leisure Time Activities	1,647,166	1,661,604	1,374,087	287,517
Community Environment				
Construction Services				
Personal Services	561,702	536,287	425,982	110,305
Other	55,175	77,684	71,219	6,465
Total Construction Services	616,877	613,971	497,201	116,770
Department of Planning				
Personal Services	365,093	365,093	302,699	62,394
Other	16,514	16,514	20,731	(4,217)
Total Department of Planning	381,607	381,607	323,430	58,177
Department of Human Relations				
Personal Services	91,410	136,328	132,749	3,579
Other	16,596	16,595	7,316	9,279
Total Department of Human Relations	108,006	152,923	140,065	12,858
Total Community Environment	1,106,490	1,148,501	960,696	187,805
Basic Utility Services				
Public Works - Administration				
Personal Services	177,172	174,270	154,728	19,542
Other	5,700	8,602	6,946	1,656
Total Public Works - Administration	182,872	182,872	161,674	21,198
Engineering				
Personal Services	510,566	507,586	485,379	22,207
Other	59,963	60,963	29,716	31,247
Total Engineering	570,529	568,549	515,095	53,454
Maintenance of Storm Sewers				
Other	40,296	162,644	163,929	(1,285)
Capital Outlay	346,545	224,199	180,297	43,902
Total Maintenance of Storm Sewers	386,841	386,843	344,226	42,617

(Continued)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Public Works - Maintenance				
Personal Services	\$ 365,969	\$ 362,025	\$ 294,556	\$ 67,469
Other	106,331	102,817	95,956	6,861
Capital Outlay	-	(209)	-	(209)
Total Public Works - Maintenance	472,300	464,633	390,512	74,121
Total Basic Utility Services	1,612,542	1,602,897	1,411,507	191,390
General Government				
City Council				
Personal Services	69,679	69,348	65,996	3,352
Other	29,170	29,170	22,997	6,173
Total City Council	98,849	98,518	88,993	9,525
City Clerk				
Personal Services	62,872	64,939	65,147	(208)
Other	15,825	19,225	14,036	5,189
Total City Clerk	78,697	84,164	79,183	4,981
Team Hamilton				
Personal Services	82,949	28,041	28,007	34
Other	31,425	13,113	7,794	5,319
Total Team Hamilton	114,374	41,154	35,801	5,353
City Manager				
Personal Services	270,978	329,023	324,340	4,683
Other	25,525	18,625	12,191	6,434
Total City Manager	296,503	347,648	336,531	11,117
Deputy City Manager - Operating				
Personal Services	189,201	72,185	71,581	604
Other	6,190	3,380	3,189	191
Total Deputy City Manager - Operating	195,391	75,565	74,770	795
Deputy City Manager - Administration				
Personal Services	225,552	43,634	43,634	-
Other	109,627	34,769	34,765	4
Total Deputy City Manager - Administration	335,179	78,403	78,399	4
Department of Law				
Personal Services	402,178	400,412	380,515	19,897
Other	31,423	33,190	23,465	9,725
Total Department of Law	433,601	433,602	403,980	29,622

(Continued)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Department of Civil Service				
Personal Services	\$ 263,995	\$ 259,645	\$ 240,003	\$ 19,642
Other	31,000	31,500	15,615	15,885
Total Department of Civil Service	<u>294,995</u>	<u>291,145</u>	<u>255,618</u>	<u>35,527</u>
Finance - Administration				
Personal Services	931,369	926,620	904,756	21,864
Other	61,157	65,605	49,575	16,030
Total Finance - Administration	<u>992,526</u>	<u>992,225</u>	<u>954,331</u>	<u>37,894</u>
Finance - Purchasing				
Personal Services	189,948	226,574	227,322	(748)
Other	17,334	17,334	12,307	5,027
Total Finance - Purchasing	<u>207,282</u>	<u>243,908</u>	<u>239,629</u>	<u>4,279</u>
Finance - Building Services				
Personal Services	157,157	142,042	108,287	33,755
Other	252,685	267,800	219,018	48,782
Capital Outlay	4,255	4,255	4,255	-
Total Finance - Building Services	<u>414,097</u>	<u>414,097</u>	<u>331,560</u>	<u>82,537</u>
Finance - Income Tax				
Personal Services	521,841	516,676	507,771	8,905
Other	-	3,700	3,659	41
Capital Outlay	131,929	141,936	114,706	27,230
Total Finance - Income Tax	<u>653,770</u>	<u>662,312</u>	<u>626,136</u>	<u>36,176</u>
Total General Government	<u>4,115,264</u>	<u>3,762,741</u>	<u>3,504,931</u>	<u>257,810</u>
Other Expenditures				
Special Appropriations - Kilowatts				
Capital Outlay	2,200,000	2,600,000	2,575,879	24,121
Total Special Appropriations - Kilowatts	<u>2,200,000</u>	<u>2,600,000</u>	<u>2,575,879</u>	<u>24,121</u>
Special Appropriations - General				
Personal Services	251,000	332,000	316,979	15,021
Other	1,974,645	1,974,870	1,586,449	388,421
Total Special Appropriations - General	<u>2,225,645</u>	<u>2,306,870</u>	<u>1,903,428</u>	<u>403,442</u>
Special Appropriations				
Personal Services	55,750	72,250	77,987	(5,737)
Other	540,940	866,134	843,825	22,309
Total Special Appropriations	<u>596,690</u>	<u>938,384</u>	<u>921,812</u>	<u>16,572</u>
Total Other Expenditures	<u>5,022,335</u>	<u>5,845,254</u>	<u>5,401,119</u>	<u>444,135</u>
Total Expenditures	<u>37,623,593</u>	<u>38,699,529</u>	<u>36,373,484</u>	<u>2,326,045</u>
Excess of Revenues Over (Under) Expenditures	(199,846)	(753,214)	379,232	1,132,446

(Continued)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Other Financing Sources (Uses):</u>				
Other Financing Sources	\$ -	\$ -	\$ 52,467	\$ 52,467
Sale of Fixed Assets	17,000	17,000	38,324	21,324
Transfers - In	33,060	521,438	531,065	9,627
Transfers - Out	(288,197)	(296,886)	(203,862)	93,024
	<u>(238,137)</u>	<u>241,552</u>	<u>417,994</u>	<u>176,442</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(437,983)	(511,662)	797,226	1,308,888
Fund Balances at Beginning of Year	4,226,065	4,226,065	4,226,065	-
Prior Year Encumbrances	439,912	439,912	439,912	-
	<u>4,227,994</u>	<u>4,154,315</u>	<u>5,463,203</u>	<u>1,308,888</u>
Fund Balances at End of Year	<u>\$ 4,227,994</u>	<u>\$ 4,154,315</u>	<u>\$ 5,463,203</u>	<u>\$ 1,308,888</u>

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

One Renaissance Center Fund

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

Federal Emergency Management Grant Fund

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

Youth Build Grant Fund

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

Public Safety/Health Income Tax Fund

To account for revenue from 0..5% of the City's income tax and designated expenditures for health and public safety.

Municipal Court Improvement Fund

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

Municipal Income Tax TIF Aggregation/Verification Fund

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

Brownfield Improvement Fund

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

Weed and Seed Grant Fund

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

Dispute Resolution Proceeds Fund

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

Department of Justice (DOJ) Forfeiture Program Fund

To account for the City's share of forfeited property as a participant of the Cincinnati Drug Enforcement Agency task force.

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.

SPECIAL REVENUE FUNDS (continued)

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.

Public Health Care Services Fund

To account for funds designated for public health care services.

Street and Parks Beautification Fund

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

Refuse Fund

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

Street Maintenance Fund

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

Transit System Fund

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

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

Miami Conservancy Fund

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

Parking Fund

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

Golf Course Fund

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

Central Park Sports Arena Fund

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

Community Development Block Grant Fund

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

Home Program Fund

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUNDS

Hamilton Capital Improvement Fund

To account for revenue from one-fourth of one percent (.25%) of the City income tax receipts. Funds to be used for capital acquisition for Police, Fire, Public Works, Parks and Recreation and Public Health. Funds may also be used to retire outstanding General Obligation Bonds and Notes issued for capital acquisition.

Capital Projects Fund

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

Special Assessment Fund

To account for revenues and expenses associated with the levy of special assessment on citizen's property.

Municipal Improvement Tax Increment Equivalent (MITIE) Fund

To account for monies deposited as service payments in lieu of taxes distributed by the County Treasurer for improvements exempt from taxation & for their related costs. To account for the deposit of any income tax revenue that has been dedicated to finance the aforementioned improvements.

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.

PERMANENT FUND

Benninghoffen Trust Fund

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

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2002**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Permanent Fund	Totals Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 3,209,126	\$ 406,868	\$ 976,356	\$ 940	\$ 4,593,290
Investments	2,310,833	581,430	1,445,767	76,350	4,414,380
Receivables (net of allowance for doubtful accounts):					3,735,220
Taxes-Real & Personal Property	3,075,430	469,580	190,210	-	822,931
Taxes-Municipal Income	457,184	-	365,747	-	420,537
Loans	420,537	-	-	-	1,393,045
Accounts Interest	1,393,045	-	-	-	18,684
Due from Other Funds	12,117	6,401	-	166	520,000
Inventory of Supplies at Cost	-	-	520,000	-	31,385
Prepaid Items	31,385	-	-	-	76,818
Restricted Assets:					
Cash and Cash Equivalents	-	-	287,000	-	287,000
Total Assets and Other Debits	<u>10,986,475</u>	<u>1,464,279</u>	<u>3,785,080</u>	<u>77,456</u>	<u>16,313,290</u>
Liabilities:					
Accounts Payable	1,744,186	-	97,690	-	1,841,876
Accrued Wages and Benefits	108,701	-	-	-	108,701
Accrued Liabilities	73,589	-	58,866	-	132,455
Due to Other Funds	96,347	520,000	-	-	616,347
Intergovernmental Payable	35,322	-	-	-	35,322
Interfund Payable	-	-	764,925	-	764,925
Accrued Interest Payable	-	-	35,167	-	35,167
Customer Deposits Payable	6,153	-	-	-	6,153
Deferred Revenue	4,127,475	469,580	376,320	-	4,973,375
General Obligation Notes Payable	-	-	2,925,000	-	2,925,000
Special Assessment Notes Payable	-	-	475,000	-	475,000
Total Liabilities	<u>6,191,773</u>	<u>989,580</u>	<u>4,732,968</u>	<u>-</u>	<u>11,914,321</u>
Equity and Other Credits:					
Fund Balance:					
Reserved for Encumbrances	1,660,967	-	765,587	-	2,426,554
Reserved for Supplies Inventory	31,385	-	-	-	31,385
Reserved for Prepaid Items	76,818	-	-	-	76,818
Reserved for Debt Service	-	474,699	-	-	474,699
Reserved for Endowments	-	-	-	77,456	77,456
Unreserved:					
Undesignated (Deficit)	3,025,532	-	(1,713,475)	-	1,312,057
Total Fund Balances	<u>4,794,702</u>	<u>474,699</u>	<u>(947,888)</u>	<u>77,456</u>	<u>4,398,969</u>
Total Liabilities and Fund Balances	<u>\$ 10,986,475</u>	<u>\$ 1,464,279</u>	<u>\$ 3,785,080</u>	<u>\$ 77,456</u>	<u>\$ 16,313,290</u>

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Permanent Fund	Totals Nonmajor Governmental Funds
Revenues:					
Income Taxes	\$ 2,534,358	\$ -	\$ 1,922,573	\$ -	\$ 4,456,931
Property and Other Taxes	-	-	147,139	-	147,139
Intergovernmental	6,731,018	-	1,347,825	-	8,078,843
Charges for Services	6,219,131	-	-	-	6,219,131
Licenses and Permits	399,974	-	-	-	399,974
Investment Earnings	117,109	66,719	(9,274)	4,425	178,979
Fines and Forfeitures	-	-	277,596	-	277,596
Special Assessments	251,110	513,965	-	-	765,075
All Other Revenues	279,329	-	311,998	-	591,327
	<u>16,532,029</u>	<u>580,684</u>	<u>3,997,857</u>	<u>4,425</u>	<u>21,114,995</u>
Total Revenues					
Expenditures:					
Current:					
Security of Persons and Property	4,919,936	-	-	-	4,919,936
Public Health and Welfare	2,235,029	-	-	-	2,235,029
Leisure Time Activities	894,300	-	-	-	894,300
Community Environment	3,240,770	-	-	-	3,240,770
Basic Utility Services	2,204,823	-	-	-	2,204,823
Transportation	3,939,065	-	-	-	3,939,065
General Government	27,791	-	-	-	27,791
Other Expenditures	1,502,931	-	-	7,922	1,510,853
Capital Outlay	-	-	2,263,607	-	2,263,607
Debt Service:					
Principal Retirement	185,000	970,000	-	-	1,155,000
Interest and Fiscal Charges	173,554	1,832,599	169,882	-	2,176,035
	<u>19,323,199</u>	<u>2,802,599</u>	<u>2,433,489</u>	<u>7,922</u>	<u>24,567,209</u>
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,791,170)	(2,221,915)	1,564,368	(3,497)	(3,452,214)
Other Financing Sources (Uses):					
Payment to Escrow Agent	(767,700)	-	-	-	(767,700)
Proceeds of Bonds	3,050,000	4,885,000	-	-	7,935,000
Sale of Fixed Assets	-	-	256,582	-	256,582
Operating Transfers - In	1,383,966	5,415,371	7,858,508	-	14,657,845
Operating Transfers - Out	(2,012,066)	(7,907,038)	(5,065,944)	-	(14,985,048)
	<u>1,654,200</u>	<u>2,393,333</u>	<u>3,049,146</u>	<u>-</u>	<u>7,096,679</u>
Total Other Financing Sources (Uses)					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,136,970)	171,418	4,613,514	(3,497)	3,644,465
Fund Balances (Deficit) at Beginning of Year	5,941,119	303,281	(5,561,402)	80,953	763,951
Increase (Decrease) in Inventory	(9,447)	-	-	-	(9,447)
Fund Balances (Deficit) at End of Year	<u>\$ 4,794,702</u>	<u>\$ 474,699</u>	<u>\$ (947,888)</u>	<u>\$ 77,456</u>	<u>\$ 4,398,969</u>

**THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2002**

	One Renaissance Center	Federal Emergency Management Grant	Youth Build Grant	Public Safety/Health Income Tax	Municipal Court Improvement
Assets:					
Cash and Cash Equivalents	\$ 152,326	\$ 2,998	\$ 32,224	\$ 89,942	\$ 37,343
Investments	98,262	4,806	51,647	144,153	59,851
Receivables (net of allowances for doubtful accounts)					
Taxes-Real & Personal Property	-	-	-	-	-
Taxes-Municipal Income	-	-	-	457,184	-
Loans	-	-	-	-	-
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Inventory of Supplies at Cost	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	\$ 250,588	\$ 7,804	\$ 83,871	\$ 691,279	\$ 97,194
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$ 238,291	\$ -	\$ 81,397	\$ 52,101	\$ 215
Accrued Wages and Benefits	-	-	5,748	2,105	1,831
Accrued Liabilities	-	-	-	73,589	-
Due to Other Funds	-	-	-	-	-
Intergovernmental Payable	-	-	943	784	-
Customer Deposits Payable	-	-	-	-	-
Deferred Revenue	-	-	-	232,637	-
Total Liabilities	238,291	-	88,088	361,216	2,046
Fund Equity:					
Fund Balance:					
Reserved for Encumbrances	-	-	192,172	84,756	3,706
Reserved for Supplies Inventory	-	-	-	-	-
Reserved for Prepaid Items	-	-	-	-	-
Unreserved:					
Undesignated (Deficit)	12,297	7,804	(196,389)	245,307	91,442
Total Fund Equity (Deficit)	12,297	7,804	(4,217)	330,063	95,148
Total Liabilities and Fund Equity	\$ 250,588	\$ 7,804	\$ 83,871	\$ 691,279	\$ 97,194

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2002**

Municipal Income Tax TIF Aggregation/ Verification	Brownfield Improvement	Weed and Seed Grant	Dispute Resolution Proceeds	DOJ Forfeiture Program	Safety Services	Police Pension
\$ 32,626	\$ 760	\$ 7,154	\$ 4,346	\$ 11,134	\$ 242,622	\$ 3,952
52,291	1,219	11,464	6,966	17,844	388,860	6,334
-	-	-	-	-	750,000	247,450
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,708	-
<u>\$ 84,917</u>	<u>\$ 1,979</u>	<u>\$ 18,618</u>	<u>\$ 11,312</u>	<u>\$ 28,978</u>	<u>\$ 1,383,190</u>	<u>\$ 257,736</u>
\$ -	\$ -	\$ 13,329	\$ -	\$ -	\$ 17,610	\$ -
-	-	-	-	-	4,415	-
-	-	-	-	-	-	-
-	-	-	-	-	1,228	-
-	-	-	-	-	-	-
-	-	-	-	-	962,480	247,450
-	-	13,329	-	-	985,733	247,450
-	7,350	-	-	13,800	15,784	-
-	-	-	-	-	-	-
-	-	-	-	-	1,708	-
<u>84,917</u>	<u>(5,371)</u>	<u>5,289</u>	<u>11,312</u>	<u>15,178</u>	<u>379,965</u>	<u>10,286</u>
<u>84,917</u>	<u>1,979</u>	<u>5,289</u>	<u>11,312</u>	<u>28,978</u>	<u>397,457</u>	<u>10,286</u>
<u>\$ 84,917</u>	<u>\$ 1,979</u>	<u>\$ 18,618</u>	<u>\$ 11,312</u>	<u>\$ 28,978</u>	<u>\$ 1,383,190</u>	<u>\$ 257,736</u>

(continued)

**THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2002
(continued)**

	Firemen's Pension	Emergency Medical Services Grant	Public Health Care Services	Street And Parks Beautification	Refuse	Street Maintenance
Assets:						
Cash and Cash Equivalents	\$ 3,360	\$ 7,716	\$ 98,756	\$ 6,934	\$ 180,005	\$ 577,018
Investments	5,384	12,367	158,280	11,114	288,500	807,387
Receivables (net of allowances for doubtful accounts)						
Taxes-Real & Personal Property	247,450	-	1,574,830	-	-	-
Taxes-Municipal Income	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Accounts	-	-	-	-	509,071	883,602
Interest	-	-	-	-	-	12,117
Inventory of Supplies at Cost	-	-	-	-	-	29,965
Prepaid Items	-	-	-	-	9,244	46,089
Total Assets	\$ 256,194	\$ 20,083	\$ 1,831,866	\$ 18,048	\$ 986,820	\$ 2,356,178
Liabilities and Fund Equity:						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ 13,191	\$ -	\$ 171,818	\$ 121,013
Accrued Wages and Benefits	-	-	189	-	3,321	49,189
Accrued Liabilities	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Intergovernmental Payable	-	-	322	-	993	14,647
Customer Deposits Payable	-	-	-	-	-	-
Deferred Revenue	247,450	-	1,574,830	-	-	590,853
Total Liabilities	247,450	-	1,588,532	-	176,132	775,702
Fund Equity:						
Fund Balance:						
Reserved for Encumbrances	-	-	82,693	-	-	791,084
Reserved for Supplies Inventory	-	-	-	-	-	29,965
Reserved for Prepaid Items	-	-	-	-	9,244	46,089
Unreserved:						
Undesignated (Deficit)	8,744	20,083	160,641	18,048	801,444	713,338
Total Fund Equity (Deficit)	8,744	20,083	243,334	18,048	810,688	1,580,476
Total Liabilities and Fund Equity	\$ 256,194	\$ 20,083	\$ 1,831,866	\$ 18,048	\$ 986,820	\$ 2,356,178

**THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2002**

Miami Conservancy	Parking	Golf Course	Central Park Sports Arena	Community Development Block Grant	Home Program	Totals
\$ 16,742	\$ 22,787	\$ 147,369	\$ 39,071	\$ 868,188	\$ 623,753	\$ 3,209,126
24,099	36,160	60,359	63,486	-	-	2,310,833
255,700	-	-	-	-	-	3,075,430
-	-	-	-	-	-	457,184
-	-	372	-	290,847	129,690	420,537
-	-	-	-	-	-	1,393,045
-	-	-	-	-	-	12,117
-	-	1,420	-	-	-	31,385
-	10,435	7,989	1,353	-	-	76,818
<u>\$ 296,541</u>	<u>\$ 69,382</u>	<u>\$ 217,509</u>	<u>\$ 103,910</u>	<u>\$ 1,159,035</u>	<u>\$ 753,443</u>	<u>\$ 10,986,475</u>
\$ 253,851	\$ 14,875	\$ 14,077	\$ 8,589	\$ 478,829	\$ 265,000	\$ 1,744,186
-	13,248	10,516	-	217	17,922	108,701
-	-	-	-	-	-	73,589
-	-	-	-	96,347	-	96,347
-	4,715	5,534	-	6,156	-	35,322
-	6,153	-	-	-	-	6,153
255,700	-	16,075	-	-	-	4,127,475
<u>509,551</u>	<u>38,991</u>	<u>46,202</u>	<u>8,589</u>	<u>581,549</u>	<u>282,922</u>	<u>6,191,773</u>
-	-	-	-	136,447	333,175	1,660,967
-	-	1,420	-	-	-	31,385
-	10,435	7,989	1,353	-	-	76,818
<u>(213,010)</u>	<u>19,956</u>	<u>161,898</u>	<u>93,968</u>	<u>441,039</u>	<u>137,346</u>	<u>3,025,532</u>
<u>(213,010)</u>	<u>30,391</u>	<u>171,307</u>	<u>95,321</u>	<u>577,486</u>	<u>470,521</u>	<u>4,794,702</u>
<u>\$ 296,541</u>	<u>\$ 69,382</u>	<u>\$ 217,509</u>	<u>\$ 103,910</u>	<u>\$ 1,159,035</u>	<u>\$ 753,443</u>	<u>\$ 10,986,475</u>

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	One Renaissance Center	Federal Emergency Mangement Grant	Youth Build Grant	Public Safety/Health Income Tax	Municipal Court Improvement
Revenues:					
Municipal Income Tax	\$ -	\$ -	\$ -	\$ 2,403,038	\$ -
Intergovernmental	-	18,812	97,052	-	-
Charges for Services	2,137,910	-	-	-	111,527
Licenses and Permits	-	-	-	-	-
Investment Income	34,734	(20)	(220)	(1,512)	(312)
Fines and Forfeitures	-	-	-	-	43,790
Other	-	-	21,460	-	-
Total Revenue	2,172,644	18,792	118,292	2,401,526	155,005
Expenditures:					
Current:					
Security of Persons and Property	-	-	-	2,921,889	105,120
Public Health and Welfare	-	10,988	-	-	-
Leisure Time Activities	-	-	-	-	-
Community Environment	-	-	251,552	-	-
Basic Utility Services	-	-	-	-	-
Transportation	-	-	-	-	-
General Government	-	-	-	-	-
Other Expenditures	762,507	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	30,402	-	-	-	-
Total Expenditures	792,909	10,988	251,552	2,921,889	105,120
Excess of Revenues Over (Under) Expenditures	1,379,735	7,804	(133,260)	(520,363)	49,885
Other Financing Sources (Uses):					
Payment to Escrow Agent	-	-	-	-	-
Proceeds of Bonds	-	-	-	-	-
Transfers - In	-	-	129,043	30,000	-
Transfers - Out	(1,670,556)	-	-	(4,992)	-
Total Other Sources (Uses)	(1,670,556)	-	129,043	25,008	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(290,821)	7,804	(4,217)	(495,355)	49,885
Fund Balances (Deficit) at Beginning of Year	303,118	-	-	825,418	45,263
Increase (Decrease) in Inventory	-	-	-	-	-
Fund Balances (Deficit) at End of the Year	\$ 12,297	\$ 7,804	\$ (4,217)	\$ 330,063	\$ 95,148

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

Municipal Income Tax TIF Aggregation/ Verification	Brownfield Improvement	Weed and Seed Grant	Dispute Resolution Proceeds	DOJ Forfeiture Program	Safety Services	Police Pension
\$ 131,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	66,040	226,336	-	-	532,385	222,802
-	-	-	11,561	-	54,366	-
(269)	(5)	(49)	(64)	(177)	(13,062)	(147)
-	-	-	-	29,403	177,917	-
-	-	-	-	-	25	-
<u>131,051</u>	<u>66,035</u>	<u>226,287</u>	<u>11,497</u>	<u>29,226</u>	<u>751,631</u>	<u>222,655</u>
-	-	224,682	-	66,392	981,853	310,000
-	-	-	-	-	-	-
41,305	61,370	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	27,791	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>41,305</u>	<u>61,370</u>	<u>224,682</u>	<u>27,791</u>	<u>66,392</u>	<u>981,853</u>	<u>310,000</u>
89,746	4,665	1,605	(16,294)	(37,166)	(230,222)	(87,345)
-	-	-	-	-	-	-
-	-	-	-	-	148,854	-
(42,685)	(3,588)	-	-	-	(49,895)	-
<u>(42,685)</u>	<u>(3,588)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,959</u>	<u>-</u>
47,061	1,077	1,605	(16,294)	(37,166)	(131,263)	(87,345)
37,856	902	3,684	27,606	66,144	528,720	97,631
-	-	-	-	-	-	-
<u>\$ 84,917</u>	<u>\$ 1,979</u>	<u>\$ 5,289</u>	<u>\$ 11,312</u>	<u>\$ 28,978</u>	<u>\$ 397,457</u>	<u>\$ 10,286</u>

(continued)

THE CITY OF HAMILTON OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002
(continued)

	Firemen's Pension	Emergency Medical Services Grant	Public Health Care Services	Street And Parks Beautification	Refuse
Revenues:					
Municipal Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	222,802	12,315	881,134	-	-
Charges for Services	-	-	-	-	2,231,094
Licenses and Permits	-	-	-	-	-
Investment Income	(141)	(53)	16,596	505	(1,768)
Fines and Forfeitures	-	-	-	-	-
Other	-	-	-	-	19,255
Total Revenue	222,661	12,262	897,730	505	2,248,581
Expenditures:					
Current:					
Security of Persons and Property	310,000	-	-	-	-
Public Health and Welfare	-	-	2,224,041	-	-
Leisure Time Activities	-	-	-	-	-
Community Environment	-	-	-	16,504	-
Basic Utility Services	-	-	-	-	2,204,823
Transportation	-	-	-	-	-
General Government	-	-	-	-	-
Other Expenditures	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	310,000	-	2,224,041	16,504	2,204,823
Excess of Revenues Over (Under) Expenditures	(87,339)	12,262	(1,326,311)	(15,999)	43,758
Other Financing Sources (Uses):					
Payment to Escrow Agent	-	-	-	-	-
Proceeds of Bonds	-	-	1,500,000	-	-
Transfers - In	-	-	25,814	25,000	-
Transfers - Out	-	-	(25,814)	-	-
Total Other Sources (Uses)	-	-	1,500,000	25,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(87,339)	12,262	173,689	9,001	43,758
Fund Balances (Deficit) at Beginning of Year	96,083	7,821	69,645	9,047	766,930
Increase (Decrease) in Inventory	-	-	-	-	-
Fund Balances (Deficit) at End of the Year	\$ 8,744	\$ 20,083	\$ 243,334	\$ 18,048	\$ 810,688

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

Street Maintenance	Miami Conservancy	Parking	Golf Course	Central Park Sports Arena	Community Development Block Grant	Home Program	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,534,358
2,408,055	230,461	-	-	-	1,704,117	108,707	6,731,018
-	-	705,459	916,100	51,114	-	-	6,219,131
391,368	-	-	-	-	8,606	-	399,974
56,024	(136)	(352)	11,282	-	16,255	-	117,109
-	-	-	-	-	-	-	251,110
131	-	13,874	9,198	11,560	301	203,525	279,329
<u>2,855,578</u>	<u>230,325</u>	<u>718,981</u>	<u>936,580</u>	<u>62,674</u>	<u>1,729,279</u>	<u>312,232</u>	<u>16,532,029</u>
-	-	-	-	-	-	-	4,919,936
-	-	-	-	-	-	-	2,235,029
-	-	-	845,879	48,421	-	-	894,300
-	378,192	-	-	-	2,177,669	314,178	3,240,770
-	-	-	-	-	-	-	2,204,823
3,399,264	-	539,801	-	-	-	-	3,939,065
-	-	-	-	-	-	-	27,791
-	-	-	-	-	740,424	-	1,502,931
-	-	55,000	130,000	-	-	-	185,000
6,744	-	63,844	72,564	-	-	-	173,554
<u>3,406,008</u>	<u>378,192</u>	<u>658,645</u>	<u>1,048,443</u>	<u>48,421</u>	<u>2,918,093</u>	<u>314,178</u>	<u>19,323,199</u>
(550,430)	(147,867)	60,336	(111,863)	14,253	(1,188,814)	(1,946)	(2,791,170)
-	-	(767,700)	-	-	-	-	(767,700)
750,000	-	800,000	-	-	-	-	3,050,000
935,925	35,000	54,330	-	-	-	-	1,383,966
-	-	(85,493)	-	-	-	(129,043)	(2,012,066)
<u>1,685,925</u>	<u>35,000</u>	<u>1,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(129,043)</u>	<u>1,654,200</u>
1,135,495	(112,867)	61,473	(111,863)	14,253	(1,188,814)	(130,989)	(1,136,970)
455,848	(100,143)	(31,082)	281,750	81,068	1,766,300	601,510	5,941,119
(10,867)	-	-	1,420	-	-	-	(9,447)
<u>\$ 1,580,476</u>	<u>\$ (213,010)</u>	<u>\$ 30,391</u>	<u>\$ 171,307</u>	<u>\$ 95,321</u>	<u>\$ 577,486</u>	<u>\$ 470,521</u>	<u>\$ 4,794,702</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

ONE RENAISSANCE CENTER FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Charges for Services	\$ 2,135,000	\$ 2,135,000	\$ 2,137,910	\$ 2,910
Investment Earnings	-	-	35,557	35,557
Total Revenue	2,135,000	2,135,000	2,173,467	38,467
<u>Expenditures:</u>				
Current:				
Other Expenditures				
Special Appropriations - General				
Personal Services	-	58,315	58,311	4
Other	666,228	666,228	601,875	64,353
Total Expenditures	666,228	724,543	660,186	64,357
Excess of Revenues Over Expenditures	1,468,772	1,410,457	1,513,281	102,824
<u>Other Financing Uses:</u>				
Transfers - Out	(4,581,756)	(4,669,156)	(4,668,882)	274
Total Other Financing Uses	(4,581,756)	(4,669,156)	(4,668,882)	274
Excess of Revenues Under Expenditures and Other Financing Uses	(3,112,984)	(3,258,699)	(3,155,601)	103,098
Fund Balances at Beginning of Year	3,338,654	3,338,654	3,338,654	-
Fund Balances at End of Year	\$ 225,670	\$ 79,955	\$ 183,053	\$ 103,098

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

FEDERAL EMERGENCY MANAGEMENT GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 19,800	\$ 19,800	\$ 18,812	\$ (988)
Total Revenue	19,800	19,800	18,812	(988)
<u>Expenditures:</u>				
Current:				
Public Health and Welfare Services:				
Health				
Other	19,800	19,800	10,988	8,812
Total Expenditures	19,800	19,800	10,988	8,812
Excess of Revenues Over Expenditures	-	-	7,824	7,824
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ 7,824	\$ 7,824

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

YOUTH BUILD GRANT

	Initial	Budget Final	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 300,000	\$ 97,052	\$ (202,948)
Other All Revenue	-	133,249	21,460	(111,789)
Total Revenue	-	433,249	118,512	(314,737)
Expenditures:				
Current:				
Community Environment				
Department of Human Relations				
Personal Services	-	132,290	68,598	63,692
Other	-	348,983	89,367	259,616
Capital Outlay	-	284,500	279,069	5,431
Total Expenditures	-	765,773	437,034	328,739
Excess of Revenues Under Expenditures	-	(332,524)	(318,522)	14,002
Other Financing Sources:				
Transfers - In	-	332,524	129,043	(203,481)
Total Other Financing Sources	-	332,524	129,043	(203,481)
Excess of Revenues and Other Financing Sources Under Expenditures	-	-	(189,479)	(189,479)
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances (Deficit) at End of Year	\$ -	\$ -	\$ (189,479)	\$ (189,479)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

PUBLIC SAFETY/HEALTH INCOME TAX FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Income Taxes	\$ 2,375,000	\$ 2,375,000	\$ 2,398,013	\$ 23,013
Total Revenue	<u>2,375,000</u>	<u>2,375,000</u>	<u>2,398,013</u>	<u>23,013</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Other	2,384,677	2,385,177	2,385,177	-
Capital Outlay	497,626	704,126	671,859	32,267
Total Expenditures	<u>2,882,303</u>	<u>3,089,303</u>	<u>3,057,036</u>	<u>32,267</u>
Excess of Revenues Over (Under) Expenditures	(507,303)	(714,303)	(659,023)	55,280
Other Financing Sources (Uses):				
Transfers - In	-	30,000	30,000	-
Transfers - Out	(4,992)	(4,992)	(4,992)	-
Total Other Financing Source (Uses)	<u>(4,992)</u>	<u>25,008</u>	<u>25,008</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(512,295)	(689,295)	(634,015)	55,280
Fund Balances at Beginning of Year	219,564	219,564	219,564	-
Prior Year Encumbrances	<u>512,303</u>	<u>512,303</u>	<u>512,303</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 219,572</u>	<u>\$ 42,572</u>	<u>\$ 97,852</u>	<u>\$ 55,280</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

MUNICIPAL COURT IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 103,000	\$ 103,000	\$ 111,527	\$ 8,527
Fines and Forfeitures	-	63,210	43,790	(19,420)
Total Revenue	103,000	166,210	155,317	(10,893)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	11,930	102,660	56,580	46,080
Other	15,067	28,826	28,826	-
Capital Outlay	27,600	25,826	23,232	2,594
Total Expenditures	54,597	157,312	108,638	48,674
Excess of Revenues Over Expenditures	48,403	8,898	46,679	37,781
Fund Balances at Beginning of Year	32,772	32,772	32,772	-
Prior Year Encumbrances	14,077	14,077	14,077	-
Fund Balances at End of Year	\$ 95,252	\$ 55,747	\$ 93,528	\$ 37,781

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

MUNICIPAL INCOME TAX TIF AGGREGATION/VERIFICATION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Income Taxes	\$ 101,700	\$ 101,700	\$ 131,320	\$ 29,620
Total Revenue	101,700	101,700	131,320	29,620
<u>Expenditures:</u>				
Current:				
Community Environment				
Construction Services				
Other	33,035	33,035	41,305	(8,270)
Total Expenditures	33,035	33,035	41,305	(8,270)
Excess of Revenues Over Expenditures	68,665	68,665	90,015	21,350
<u>Other Financing Uses:</u>				
Transfers - Out	(66,060)	(33,060)	(42,685)	(9,625)
Total Other Financing Uses	(66,060)	(33,060)	(42,685)	(9,625)
Excess of Revenues Over Expenditures and Other Financing Uses	2,605	35,605	47,330	11,725
Fund Balances at Beginning of Year	37,810	37,810	37,810	-
Fund Balances at End of Year	\$ 40,415	\$ 73,415	\$ 85,140	\$ 11,725

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

BROWNFIELD IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 530,789	\$ 98,041	\$ 66,040	\$ (32,001)
Total Revenue	530,789	98,041	66,040	(32,001)
Expenditures:				
Current:				
Community Environment				
Department of Planning				
Other	84,489	103,913	69,791	34,122
Department of Human Relations				
Other	446,300	-	-	-
Total Expenditures	530,789	103,913	69,791	34,122
Excess of Revenues Under Expenditures	-	(5,872)	(3,751)	2,121
Other Financing Uses:				
Transfers - Out	-	(3,586)	(3,588)	2
Total Other Financing Uses	-	(3,586)	(3,588)	2
Excess of Revenues Under Expenditure and Other Financing Uses	-	(9,458)	(7,339)	2,123
Fund Balances at Beginning of Year	1,973	1,973	1,973	-
Fund Balances (Deficit) at End of Year	\$ 1,973	\$ (7,485)	\$ (5,366)	\$ 2,123

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

WEED AND SEED GRANT FUND

	Initial	Budget Final	Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$ 168,750	\$ 227,854	\$ 226,336	\$ (1,518)
Total Revenue	168,750	227,854	226,336	(1,518)
<u>Expenditures:</u>				
Current:				
Police				
Other	162,600	223,854	227,665	(3,811)
Capital Outlay	6,150	4,000	200	3,800
Total Expenditures	168,750	227,854	227,865	(11)
Excess of Revenues Over (Under) Expenditures	-	-	(1,529)	(1,529)
Fund Balances at Beginning of Year	6,868	6,868	6,868	-
Fund Balances at End of Year	\$ 6,868	\$ 6,868	\$ 5,339	\$ (1,529)

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

DISPUTE RESOLUTION PROCEEDS FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 9,773	\$ 9,773	\$ 11,561	\$ 1,788
Total Revenue	9,773	9,773	11,561	1,788
Expenditures:				
Current:				
General Government				
City Council				
Other	3,000	27,795	27,791	4
Total Expenditures	3,000	27,795	27,791	4
Excess of Revenues Over Expenditures	6,773	(18,022)	(16,230)	1,792
Fund Balances at Beginning of Year	27,572	27,572	27,572	-
Fund Balances at End of Year	\$ 34,345	\$ 9,550	\$ 11,342	\$ 1,792

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

DEPARTMENT OF JUSTICE FORFEITURE PROGRAM FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Fines and Forfeitures	\$ 40,000	\$ 40,000	\$ 29,403	\$ (10,597)
Total Revenue	40,000	40,000	29,403	(10,597)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	2,000	2,000	229	1,771
Other	109,000	101,010	82,378	18,632
Capital Outlay	13,000	13,000	-	13,000
Total Expenditures	124,000	116,010	82,607	33,403
Excess of Revenues Under Expenditures	(84,000)	(76,010)	(53,204)	22,806
Fund Balances at Beginning of Year	82,258	82,258	82,258	-
Fund Balances (Deficit) at End of Year	\$ (1,742)	\$ 6,248	\$ 29,054	\$ 22,806

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

SAFETY SERVICES FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 463,611	\$ 454,812	\$ 406,793	\$ (48,019)
Charges for Services	15,297	20,556	54,366	33,810
Investment Earnings	-	-	10,527	10,527
Fines and Forfeitures	165,600	249,823	197,812	(52,011)
Other All Revenue	-	-	25	25
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	644,508	725,191	669,523	(55,668)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	131,066	134,891	124,184	10,707
Other	637,264	656,038	605,614	50,424
Capital Outlay	283,807	331,444	316,541	14,903
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,052,137	1,122,373	1,046,339	76,034
Excess of Revenues Over (Under) Expenditures	(407,629)	(397,182)	(376,816)	20,366
Other Financing Sources (Uses):				
Transfers - In	158,939	148,854	148,854	-
Transfers - Out	-	(30,000)	(30,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Source (Uses)	158,939	118,854	118,854	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(248,690)	(278,328)	(257,962)	20,366
Fund Balances at Beginning of Year	816,039	816,039	816,039	-
Prior Year Encumbrances	41,669	41,669	41,669	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances at End of Year	<u>\$ 609,018</u>	<u>\$ 579,380</u>	<u>\$ 599,746</u>	<u>\$ 20,366</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

POLICE PENSION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 240,000	\$ 240,000	\$ 222,802	\$ (17,198)
Total Revenue	240,000	240,000	222,802	(17,198)
<u>Expenditures:</u>				
Current:				
Security of Persons and Property:				
Police				
Personal Services	240,000	310,000	310,000	-
Total Expenditures	240,000	310,000	310,000	-
Excess of Revenues Under Expenditures	-	(70,000)	(87,198)	(17,198)
Fund Balances at Beginning of Year	97,511	97,511	97,511	-
Fund Balances at End of Year	<u>\$ 97,511</u>	<u>\$ 27,511</u>	<u>\$ 10,313</u>	<u>\$ (17,198)</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

FIREMEN'S PENSION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 240,000	\$ 240,000	\$ 222,802	\$ (17,198)
Total Revenue	<u>240,000</u>	<u>240,000</u>	<u>222,802</u>	<u>(17,198)</u>
<u>Expenditures:</u>				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	240,000	310,000	310,000	-
Total Expenditures	<u>240,000</u>	<u>310,000</u>	<u>310,000</u>	<u>-</u>
Excess of Revenues Under Expenditures	-	(70,000)	(87,198)	(17,198)
Fund Balances at Beginning of Year	<u>95,965</u>	<u>95,965</u>	<u>95,965</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 95,965</u>	<u>\$ 25,965</u>	<u>\$ 8,767</u>	<u>\$ (17,198)</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

EMERGENCY MEDICAL SERVICES GRANT FUND

	Initial	Budget Final	Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 12,315	\$ 12,315	\$ -
Total Revenue	-	12,315	12,315	-
<u>Expenditures:</u>				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	12,315	12,315	-
Fund Balances at Beginning of Year	7,821	7,821	7,821	-
Fund Balances at End of Year	<u>\$ 7,821</u>	<u>\$ 20,136</u>	<u>\$ 20,136</u>	<u>\$ -</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

PUBLIC HEALTH CARE SERVICES FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 904,092	\$ 904,092	\$ 881,134	\$ (22,958)
Investment Earnings	-	17,239	17,397	158
Total Revenue	904,092	921,331	898,531	(22,800)
Expenditures:				
Current:				
Public Health and Welfare Services:				
Health				
Personal Services	25,703	25,703	22,972	2,731
Other	999,274	1,009,129	917,922	91,207
Capital Outlay	7,648	1,437,843	1,398,572	39,271
Total Expenditures	1,032,625	2,472,675	2,339,466	133,209
Excess of Revenues (Under) Expenditures	(128,533)	(1,551,344)	(1,440,935)	110,409
Other Financing Source (Uses):				
Proceeds of Bonds	-	1,500,000	1,500,000	-
Transfers - In	25,814	25,814	25,814	-
Transfers - Out	(25,814)	(25,814)	(25,814)	-
Total Other Financing Source (Uses)	-	1,500,000	1,500,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(128,533)	(51,344)	59,065	110,409
Fund Balances at Beginning of Year	67,206	67,206	67,206	-
Prior Year Encumbrances	35,557	35,557	35,557	-
Fund Balances (Deficit) at End of Year	\$ (25,770)	\$ 51,419	\$ 161,828	\$ 110,409

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

STREET AND PARKS BEAUTIFICATION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Investment Earnings	\$ -	\$ -	\$ 563	\$ 563
Other All Revenue	8,000	8,000	-	(8,000)
Total Revenue	8,000	8,000	563	(7,437)
Expenditures:				
Current:				
Community Environment				
Construction Services				
Other	37,610	37,610	16,504	21,106
Total Expenditures	37,610	37,610	16,504	21,106
Excess of Revenues (Under) Expenditures	(29,610)	(29,610)	(15,941)	13,669
Other Financing Sources:				
Transfers - In	25,000	25,000	25,000	-
Total Other Financing Sources	25,000	25,000	25,000	-
Excess of Revenues and Other Financing Sources (Under) Expenditures	(4,610)	(4,610)	9,059	13,669
Fund Balances at Beginning of Year	4,426	4,426	4,426	-
Prior Year Encumbrances	4,610	4,610	4,610	-
Fund Balances at End of Year	\$ 4,426	\$ 4,426	\$ 18,095	\$ 13,669

THE CITY OF HAMILTON OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

REFUSE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 2,257,163	\$ 2,257,163	\$ 2,212,603	\$ (44,560)
Other All Revenue	12,500	12,500	19,255	6,755
Total Revenue	2,269,663	2,269,663	2,231,858	(37,805)
Expenditures:				
Current:				
Basic Utility Services				
Public Works - Administration				
Personal Services	179,899	179,899	79,083	100,816
Other	2,301,070	2,301,070	2,293,117	7,953
Total Expenditures	2,480,969	2,480,969	2,372,200	108,769
Excess of Revenues (Under) Expenditures	(211,306)	(211,306)	(140,342)	70,964
Fund Balances at Beginning of Year	271,282	271,282	271,282	-
Prior Year Encumbrances	167,161	167,161	167,161	-
Fund Balances at End of Year	\$ 227,137	\$ 227,137	\$ 298,101	\$ 70,964

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

STREET MAINTENANCE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 2,115,000	\$ 2,115,000	\$ 2,406,827	\$ 291,827
Licenses and Permits	392,500	392,500	391,368	(1,132)
Investment Earnings	50,000	50,000	48,989	(1,011)
Other All Revenue	11,000	11,000	1,830	(9,170)
Total Revenue	2,568,500	2,568,500	2,849,014	280,514
Expenditures:				
Current:				
Transportation				
Traffic Engineering				
Personal Services	1,410,763	1,411,063	1,251,352	159,711
Other	809,936	810,637	757,621	53,016
Capital Outlay	1,996,071	1,995,070	2,345,231	(350,161)
Total Expenditures	4,216,770	4,216,770	4,354,204	(137,434)
Excess of Revenues (Under) Expenditures	(1,648,270)	(1,648,270)	(1,505,190)	143,080
Other Financing Sources (Uses):				
Proceeds of Notes	750,000	750,000	750,000	-
Transfers - In	-	-	412,902	412,902
Transfers - Out	-	-	(12,902)	(12,902)
Total Other Financing Sources (Uses)	750,000	750,000	1,150,000	400,000
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(898,270)	(898,270)	(355,190)	543,080
Fund Balances (Deficit) at Beginning of Year	(220,562)	(220,562)	(220,562)	-
Prior Year Encumbrances	1,045,129	1,045,129	1,045,129	-
Fund Balances (Deficit) at End of Year	\$ (73,703)	\$ (73,703)	\$ 469,377	\$ 543,080

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

MIAMI CONSERVANCY FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 205,000	\$ 205,000	\$ 230,461	\$ 25,461
Total Revenue	205,000	205,000	230,461	25,461
<u>Expenditures:</u>				
Current:				
Community Environment				
Construction Services				
Other	239,928	248,323	248,321	2
Total Expenditures	239,928	248,323	248,321	2
Excess of Revenues (Under) Expenditures	(34,928)	(43,323)	(17,860)	25,463
<u>Other Financing Sources:</u>				
Transfers - In	35,000	35,000	35,000	-
Total Other Financing Sources	35,000	35,000	35,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	72	(8,323)	17,140	25,463
Fund Balances at Beginning of Year	23,808	23,808	23,808	-
Fund Balances at End of Year	<u>\$ 23,880</u>	<u>\$ 15,485</u>	<u>\$ 40,948</u>	<u>\$ 25,463</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

PARKING FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 639,890	\$ 639,890	\$ 705,459	\$ 65,569
Investment Earnings	-	-	615	615
Other All Revenue	500	500	13,936	13,436
Total Revenue	640,390	640,390	720,010	79,620
Expenditures:				
Current:				
Transportation				
Traffic Engineering				
Personal Services	408,931	408,931	373,394	35,537
Other	212,695	212,694	170,059	42,635
Debt Service:				
Principal	55,000	55,000	55,000	-
Interest and Fiscal Charges	48,900	71,996	71,994	2
Total Expenditures	725,526	748,621	670,447	78,174
Excess of Revenues (Under) Expenditures	(85,136)	(108,231)	49,563	157,794
Other Financing Sources:				
Proceeds of Bonds	-	800,000	800,000	-
Payment to Refunded Bond Escrow	-	(767,700)	(767,700)	-
Transfers - In	67,000	67,000	54,330	(12,670)
Operating Transfers - Out	-	(85,493)	(85,493)	-
Total Other Financing Sources	67,000	13,807	1,137	(12,670)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(18,136)	(94,424)	50,700	145,124
Fund Balances at Beginning of Year	(9,879)	(9,879)	(9,879)	-
Prior Year Encumbrances Appropriated	18,031	18,031	18,031	-
Fund Balances (Deficit) at End of Year	\$ (9,984)	\$ (86,272)	\$ 58,852	\$ 145,124

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

GOLF COURSE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 1,168,600	\$ 1,168,600	\$ 927,102	\$ (241,498)
Licenses and Permits	15,000	15,000	11,282	(3,718)
Fines and Forfeitures	23,125	23,125	8,826	(14,299)
Total Revenue	1,206,725	1,206,725	947,210	(259,515)
Expenditures:				
Current:				
Leisure Time Activities				
Parks and Recreation - Administration				
Personal Services	497,231	497,231	434,840	62,391
Other	471,380	471,382	376,043	95,339
Capital Outlay	23,000	23,000	24,562	(1,562)
Debt Service:				
Principal	130,000	130,000	130,000	-
Interest and Fiscal Charges	87,700	87,700	87,700	-
Total Expenditures	1,209,311	1,209,313	1,053,145	156,168
Excess of Revenues (Under) Expenditures	(2,586)	(2,588)	(105,935)	(103,347)
Fund Balances at Beginning of Year	310,098	310,098	310,098	-
Prior Year Encumbrances Appropriated	2,586	2,586	2,586	-
Fund Balances at End of Year	\$ 310,098	\$ 310,096	\$ 206,749	\$ (103,347)

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

CENTRAL PARK SPORTS ARENA FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 27,400	\$ 27,400	\$ 51,114	\$ 23,714
Fines and Forfeitures	27,000	27,000	11,560	(15,440)
Total Revenue	54,400	54,400	62,674	8,274
Expenditures:				
Current:				
Leisure Time Activities				
Parks and Recreation - Administration				
Other	37,425	37,425	40,155	(2,730)
Capital Outlay	6,500	6,500	-	6,500
Total Expenditures	43,925	43,925	40,155	3,770
Excess of Revenues Over Expenditures	10,475	10,475	22,519	12,044
Fund Balances at Beginning of Year	79,438	79,438	79,438	-
Fund Balances at End of Year	\$ 89,913	\$ 89,913	\$ 101,957	\$ 12,044

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 3,199,790	\$ 5,979,929	\$ 1,704,117	\$ (4,275,812)
Licenses and Permits	-	-	8,606	8,606
Investment Earnings	-	-	16,255	16,255
Other All Revenue	6,000	6,000	301	(5,699)
Total Revenue	3,205,790	5,985,929	1,729,279	(4,256,650)
Expenditures:				
Current:				
Community Environment				
Construction Services				
Personal Services	415,451	998,446	469,443	529,003
Other	3,448,553	5,483,022	1,856,751	3,626,271
Capital Outlay	28,012	23,512	875	22,637
Total Expenditures	3,892,016	6,504,980	2,327,069	4,177,911
Excess of Revenues (Under) Expenditures	(686,226)	(519,051)	(597,790)	(78,739)
Other Financing Uses:				
Transfers - Out	-	(3,500)	-	3,500
Total Other Financing Uses	-	(3,500)	-	3,500
Excess of Revenues Under Expenditures and Other Financing Uses	(686,226)	(522,551)	(597,790)	(75,239)
Fund Balances at Beginning of Year	160,476	160,476	160,476	-
Prior Year Encumbrances	690,226	690,226	690,226	-
Fund Balances (Deficit) at End of Year	\$ 164,476	\$ 328,151	\$ 252,912	\$ (75,239)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

HOME PROGRAM FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 1,850,742	\$ 2,509,742	\$ 108,707	\$ (2,401,035)
Other All Revenue	-	203,525	203,525	-
Total Revenue	1,850,742	2,713,267	312,232	(2,401,035)
<u>Expenditures:</u>				
Current:				
Community Environment				
Construction Services				
Other	1,921,867	2,837,042	650,874	2,186,168
Total Expenditures	1,921,867	2,837,042	650,874	2,186,168
Excess of Revenues (Under) Expenditures	(71,125)	(123,775)	(338,642)	(214,867)
<u>Other Financing Uses</u>				
Transfers - Out	-	(236,000)	(129,043)	106,957
Total Other Financing Uses	-	(236,000)	(129,043)	106,957
Excess of Revenues Under Expenditures and Other Financing Uses	(71,125)	(359,775)	(467,685)	(107,910)
Fund Balances at Beginning of Year	426,138	426,138	426,138	-
Prior Year Encumbrances	67,125	67,125	67,125	-
Fund Balances at End of Year	\$ 422,138	\$ 133,488	\$ 25,578	\$ (107,910)

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, 2002

ALL SPECIAL REVENUE FUNDS

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Income Taxes	\$ 2,476,700	\$ 2,476,700	\$ 2,529,333	\$ 52,633
Intergovernmental	9,937,574	13,306,586	6,604,198	(6,702,388)
Charges for Services	6,356,123	6,361,382	6,211,642	(149,740)
Licenses and Permits	392,500	392,500	399,974	7,474
Investment Earnings	65,000	82,239	141,185	58,946
Fines and Forfeitures	205,600	353,033	271,005	(82,028)
Other All Revenue	88,125	424,899	261,320	(163,579)
Total Revenue	19,521,622	23,397,339	16,418,657	(6,978,682)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	384,996	549,551	490,993	58,558
Other	3,308,608	3,375,010	3,309,765	65,245
Capital Outlay	828,183	1,078,396	1,031,727	46,669
Total Police	4,521,787	5,002,957	4,832,485	170,472
Fire				
Personal Services	240,000	310,000	310,000	-
Total Fire	240,000	310,000	310,000	-
Total Security of Persons and Property	4,761,787	5,312,957	5,142,485	170,472
Public Health and Welfare Services:				
Health				
Personal Services	25,703	25,703	22,972	2,731
Other	1,019,074	1,028,929	928,910	100,019
Capital Outlay	-	1,437,843	1,398,572	39,271
Total Public Health and Welfare	1,044,777	2,492,475	2,350,454	142,021
Leisure Time Activities				
Parks and Recreation - Administration				
Personal Services	497,231	497,231	434,840	62,391
Other	508,805	510,414	416,198	94,216
Capital Outlay	29,500	29,500	24,562	4,938
Total Leisure Time Activities	1,035,536	1,037,145	875,600	161,545
Community Environment				
Construction Services				
Personal Services	415,451	998,446	469,443	529,003
Other	5,680,993	8,718,593	2,813,755	5,904,838
Capital Outlay	28,012	23,512	875	22,637
Total Construction Services	6,124,456	9,740,551	3,284,073	6,456,478
Department of Planning				
Other	84,489	96,563	69,791	26,772
Total Department of Planning	84,489	96,563	69,791	26,772
Department of Human Relations				
Personal Services	-	132,290	68,598	63,692
Other	-	341,811	89,367	252,444
Capital Outlay	-	18,103	279,069	(260,966)
Total Department of Human Relations	-	492,204	437,034	55,170
Total Community Environment	6,208,945	10,329,318	3,790,898	6,538,420

(continued)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002
(continued)

ALL SPECIAL REVENUE FUNDS

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Basic Utility Services				
Public Works - Administration				
Other	\$ 179,899	\$ 179,899	\$ 79,083	\$ 100,816
Capital Outlay	2,301,070	2,296,597	2,293,117	3,480
Total Public Works - Administration	2,480,969	2,476,496	2,372,200	104,296
Total Basic Utility Services	2,480,969	2,476,496	2,372,200	104,296
Transportation				
Traffic Engineering				
Personal Services	1,819,694	1,819,994	1,624,746	195,248
Other	1,022,631	992,976	927,680	65,296
Capital Outlay	1,996,071	2,175,875	2,340,724	(164,849)
Total Transportation	4,838,396	4,988,845	4,893,150	95,695
General Government				
City Council				
Other	3,000	27,795	27,791	4
Total City Council	3,000	27,795	27,791	4
Total General Government	3,000	27,795	27,791	4
Other Expenditures				
Special Appropriations - General				
Personal Services	-	58,315	58,311	4
Other	666,228	687,762	601,875	85,887
Total Special Appropriations - General	666,228	746,077	660,186	85,891
Total Other Expenditures	666,228	746,077	660,186	85,891
Debt Service:				
Principal	185,000	185,000	185,000	-
Interest and Fiscal Charges	136,600	159,696	159,694	2
Total Debt Service	321,600	344,696	344,694	2
Total Expenditures	21,361,238	27,755,804	20,457,458	7,298,346
Excess of Revenues Over (Under) Expenditures	(1,839,616)	(4,358,465)	(4,038,801)	319,664
Other Financing Sources (Uses):				
Proceeds of Bonds	3,800,000	3,050,000	3,050,000	-
Payment to Refunded Bond Escrow Agent	-	(767,700)	(767,700)	-
Transfers - In	1,146,882	664,192	860,943	196,751
Transfers - Out	(9,676,102)	(5,111,496)	(4,824,882)	(286,614)
Total Other Financing Source (Uses)	(4,729,220)	(2,932,704)	(1,681,639)	677,837
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,568,836)	(7,291,169)	(5,720,440)	1,570,729
Fund Balances at Beginning of Year	6,149,540	6,149,540	6,149,540	-
Prior Year Encumbrances	2,189,713	2,189,713	2,189,713	-
Fund Balances at End of Year	\$ 1,770,417	\$ 1,048,084	\$ 2,618,813	\$ 1,570,729



THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

	Initial Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Investment Earnings	\$ 10,000	\$ 61,617	\$ 66,618	\$ 5,001
Special Assessment	-	509,120	513,965	4,845
Total Revenues	<u>10,000</u>	<u>570,737</u>	<u>580,583</u>	<u>9,846</u>
<u>Expenditures:</u>				
Debt Service:				
Principal Retirement	13,103,000	13,481,094	13,378,000	103,094
Interest and Fiscal Charges	1,775,740	2,141,388	2,241,681	(100,293)
Total Expenditures	<u>14,878,740</u>	<u>15,622,482</u>	<u>15,619,681</u>	<u>2,801</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,868,740)	(15,051,745)	(15,039,098)	12,647
<u>Other Financing Sources (Uses):</u>				
Proceeds From Sale of Bonds	-	4,885,000	4,885,000	-
Proceeds From Sale of Notes	8,770,000	8,770,000	2,925,000	(5,845,000)
Operating Transfers - In	6,108,740	8,002,571	7,920,415	(82,156)
Total Other Financing Sources (Uses)	<u>14,878,740</u>	<u>21,657,571</u>	<u>15,730,415</u>	<u>(5,927,156)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	10,000	6,605,826	691,317	(5,914,509)
Fund Balances at Beginning of Year	299,844	299,844	299,844	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balances at End of Year	<u>\$ 309,844</u>	<u>\$ 6,905,670</u>	<u>\$ 991,161</u>	<u>\$ (5,914,509)</u>

**THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUND
DECEMBER 31, 2002**

	Hamilton Capital Improvement	Capital Projects	Special Assessment
Assets:			
Cash and Cash Equivalents	\$ 591,908	\$ 136,997	\$ -
Investments	949,313	219,718	-
Receivables (net of allowances for doubtful accounts)			
Taxes-Real & Personal Property	-	-	-
Taxes-Municipal Income	365,747	-	-
Due from Other Funds	-	-	520,000
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
Total Assets	\$ 1,906,968	\$ 356,715	\$ 520,000
Liabilities and Fund Equity:			
Liabilities:			
Accounts Payable	\$ 96,772	\$ -	\$ 918
Accrued Liabilities	58,866	-	-
Interfund Payable	-	-	183,948
Accrued Interest Payable	-	3,033	2,172
Deferred Revenue	186,110	-	-
General Obligation Notes Payable	-	210,000	-
Special Assessment Notes Payable	-	-	475,000
Total Liabilities	341,748	213,033	662,038
Fund Equity:			
Fund Balance:			
Reserved for Encumbrances	356,501	-	7,646
Unreserved:			
Undesignated (Deficit)	1,208,719	143,682	(149,684)
Total Fund Equity (Deficit)	1,565,220	143,682	(142,038)
Total Liabilities and Fund Equity	\$ 1,906,968	\$ 356,715	\$ 520,000

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUND
DECEMBER 31, 2002**

MITIE	Hamilton Enterprise Park	Central Business District Streetscape Improvements	Issue II Projects	Totals
\$ 40,966	\$ -	\$ 59,587	\$ 146,898	\$ 976,356
65,704	-	95,566	115,466	1,445,767
190,210	-	-	-	190,210
-	-	-	-	365,747
-	-	-	-	520,000
-	287,000	-	-	287,000
<u>\$ 296,880</u>	<u>\$ 287,000</u>	<u>\$ 155,153</u>	<u>\$ 262,364</u>	<u>\$ 3,785,080</u>
\$ -	\$ -	\$ -	\$ -	\$ 97,690
-	-	-	-	58,866
-	201,573	-	379,404	764,925
-	29,962	-	-	35,167
190,210	-	-	-	376,320
-	2,715,000	-	-	2,925,000
-	-	-	-	475,000
<u>190,210</u>	<u>2,946,535</u>	<u>-</u>	<u>379,404</u>	<u>4,732,968</u>
-	782	-	400,658	765,587
<u>106,670</u>	<u>(2,660,317)</u>	<u>155,153</u>	<u>(517,698)</u>	<u>(1,713,475)</u>
<u>106,670</u>	<u>(2,659,535)</u>	<u>155,153</u>	<u>(117,040)</u>	<u>(947,888)</u>
<u>\$ 296,880</u>	<u>\$ 287,000</u>	<u>\$ 155,153</u>	<u>\$ 262,364</u>	<u>\$ 3,785,080</u>

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Hamilton Capital Improvement	Capital Projects	Special Assessment
<u>Revenues:</u>			
Municipal Income Tax	\$ 1,922,573	\$ -	\$ -
Property and Other Taxes	-	-	-
Intergovernmental	-	-	-
Investment Income	(5,661)	(243)	(1,800)
Special Assessments	-	-	277,596
Other	-	310,437	1,561
	<hr/>	<hr/>	<hr/>
Total Revenue	1,916,912	310,194	277,357
<u>Expenditures:</u>			
Capital Outlay	822,569	194,181	501,555
Debt Service:			
Interest and Fiscal Charges	-	-	35,997
	<hr/>	<hr/>	<hr/>
Total Expenditures	822,569	194,181	537,552
Excess of Revenues Over (Under) Expenditures	1,094,343	116,013	(260,195)
<u>Other Financing Sources (Uses):</u>			
Sale of Fixed Assets	256,582	-	-
Transfers - In	24,481	1,097,155	520,000
Transfers - Out	(1,737,059)	(234,481)	-
	<hr/>	<hr/>	<hr/>
Total Other Sources (Uses)	(1,455,996)	862,674	520,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(361,653)	978,687	259,805
Fund Balances (Deficit) at Beginning of Year	1,926,873	(835,005)	(401,843)
Fund Balance at End of the Year	<u>\$ 1,565,220</u>	<u>\$ 143,682</u>	<u>\$ (142,038)</u>

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

MITIE	Hamilton Enterprise Park	Central Business District Streetscape Improvements	Issue II Projects	Totals
\$ -	\$ -	\$ -	\$ -	\$ 1,922,573
147,139	-	-	-	147,139
-	-	30,000	1,317,825	1,347,825
(408)	-	(583)	(579)	(9,274)
-	-	-	-	277,596
-	-	-	-	311,998
<u>146,731</u>	<u>-</u>	<u>29,417</u>	<u>1,317,246</u>	<u>3,997,857</u>
-	-	69,824	675,478	2,263,607
<u>34,254</u>	<u>88,182</u>	<u>11,449</u>	<u>-</u>	<u>169,882</u>
<u>34,254</u>	<u>88,182</u>	<u>81,273</u>	<u>675,478</u>	<u>2,433,489</u>
112,477	(88,182)	(51,856)	641,768	1,564,368
-	-	-	-	256,582
679,325	4,627,505	910,042	-	7,858,508
-	(2,715,000)	-	(379,404)	(5,065,944)
<u>679,325</u>	<u>1,912,505</u>	<u>910,042</u>	<u>(379,404)</u>	<u>3,049,146</u>
791,802	1,824,323	858,186	262,364	4,613,514
(685,132)	(4,483,858)	(703,033)	(379,404)	(5,561,402)
<u>\$ 106,670</u>	<u>\$ (2,659,535)</u>	<u>\$ 155,153</u>	<u>\$ (117,040)</u>	<u>\$ (947,888)</u>

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

HAMILTON CAPITAL IMPROVEMENT FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Revenues:				
Income Taxes	\$ 1,900,000	\$ 1,900,000	\$ 1,918,548	\$ 18,548
Charges for Services	35,000	35,000	-	(35,000)
Total Revenue	<u>1,935,000</u>	<u>1,935,000</u>	<u>1,918,548</u>	<u>(16,452)</u>
Expenditures:				
Capital Outlay	<u>1,114,436</u>	<u>1,456,787</u>	<u>1,213,626</u>	<u>243,161</u>
Total Expenditures	<u>1,114,436</u>	<u>1,456,787</u>	<u>1,213,626</u>	<u>243,161</u>
Excess of Revenues Over Expenditures	820,564	478,213	704,922	(259,613)
Other Financing Sources (Uses):				
Sale of Fixed Assets	345,000	345,000	256,582	(88,418)
Transfers - In	-	24,485	24,481	(4)
Transfers - Out	<u>(1,338,947)</u>	<u>(1,751,850)</u>	<u>(1,737,059)</u>	<u>14,791</u>
Total Other Financing Sources (Uses)	<u>(993,947)</u>	<u>(1,382,365)</u>	<u>(1,455,996)</u>	<u>(73,631)</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(173,383)	(904,152)	(751,074)	153,078
Fund Balances at Beginning of Year	1,666,059	1,666,059	1,666,059	-
Prior Year Encumbrances	<u>176,365</u>	<u>176,365</u>	<u>176,365</u>	-
Fund Balances at End of Year	<u>\$ 1,669,041</u>	<u>\$ 938,272</u>	<u>\$ 1,091,350</u>	<u>\$ 153,078</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

CAPITAL PROJECTS FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 60,000	\$ -	\$ (60,000)
Investment Earnings	-	-	909	909
Other All Revenue	-	-	310,437	310,437
Total Revenue	-	60,000	311,346	251,346
<u>Expenditures:</u>				
Capital Outlay	339,944	399,944	337,908	62,036
Total Expenditures	339,944	399,944	337,908	62,036
Excess of Revenues Under Expenditures	(339,944)	(339,944)	(26,562)	313,382
<u>Other Financing Sources (Uses):</u>				
Transfers - In	-	87,400	87,400	-
Transfers - Out	-	(24,485)	(24,481)	4
Total Other Financing Sources (Uses)	-	62,915	62,919	4
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(339,944)	(277,029)	36,357	313,386
Fund Balances (Deficit) at Beginning of Year	(18,799)	(18,799)	(18,799)	-
Prior Year Encumbrances	339,944	339,944	339,944	-
Fund Balances at End of Year	\$ (18,799)	\$ 44,116	\$ 357,502	\$ 313,386

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

SPECIAL ASSESSMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Fines and Forfeitures	\$ 300,000	\$ 300,000	\$ 277,596	\$ (22,404)
Other All Revenue	-	-	1,561	1,561
Total Revenue	300,000	300,000	279,157	(20,843)
Expenditures:				
Capital Outlay	1,302,731	533,244	537,246	(4,002)
Debt Service:	-	-	-	-
Interest and Fiscal Charges	-	2,745	2,745	-
Total Expenditures	1,302,731	535,989	539,991	(4,002)
Excess of Revenues Under Expenditures	(1,002,731)	(235,989)	(260,834)	(16,841)
Other Financing Sources (Uses):				
Proceeds of Notes	700,000	475,000	475,000	-
Transfers - Out	(731,228)	(1,874,567)	(1,874,567)	-
Total Other Financing Sources (Uses)	(31,228)	(1,399,567)	(1,399,567)	-
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(1,033,959)	(1,635,556)	(1,660,401)	(16,841)
Fund Balances at Beginning of Year	880,159	880,159	880,159	-
Prior Year Encumbrances	587,731	587,731	587,731	-
Fund Balances (Deficit) at End of Year	\$ 433,931	\$ (167,666)	\$ (192,511)	\$ (16,841)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

MITIE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$ 160,000	\$ 160,000	\$ 147,139	\$ (12,861)
Total Revenue	160,000	160,000	147,139	(12,861)
<u>Expenditures:</u>				
Capital Outlay	1,000	1,000	-	1,000
Total Expenditures	1,000	1,000	-	1,000
Excess of Revenues Over Expenditures	159,000	159,000	147,139	(11,861)
<u>Other Financing Sources (Uses):</u>				
Transfers - In	33,000	-	-	-
Transfers - Out	(181,637)	(181,637)	(181,637)	-
Total Other Financing Sources (Uses)	(148,637)	(181,637)	(181,637)	-
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	10,363	(22,637)	(34,498)	(11,861)
Fund Balances at Beginning of Year	141,403	141,403	141,403	-
Fund Balances at End of Year	<u>\$ 151,766</u>	<u>\$ 118,766</u>	<u>\$ 106,905</u>	<u>\$ (11,861)</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

HAMILTON ENTERPRISE PARK FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Total Revenue	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Capital Outlay	950,782	782	782	-
Total Expenditures	950,782	782	782	-
Excess of Revenues Under Expenditures	(950,782)	(782)	(782)	-
<u>Other Financing Sources (Uses):</u>				
Sale of Fixed Assets	900,000	-	-	-
Transfers - In	312,505	346,084	346,082	(2)
Transfers - Out	(312,505)	(346,084)	(346,082)	2
Total Other Financing Sources (Uses)	900,000	-	-	-
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(50,782)	(782)	(782)	-
Fund Balances at Beginning of Year	84,645	84,645	84,645	-
Prior Year Encumbrances	782	782	782	-
Fund Balances at End of Year	<u>\$ 34,645</u>	<u>\$ 84,645</u>	<u>\$ 84,645</u>	<u>\$ -</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

CENTRAL BUSINESS DISTRICT STREETScape IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 30,000	\$ (20,000)
Total Revenue	50,000	50,000	30,000	(20,000)
Expenditures:				
Capital Outlay	151,253	151,253	69,824	81,429
Total Expenditures	151,253	151,253	69,824	81,429
Excess of Revenues Under Expenditures	(101,253)	(101,253)	(39,824)	61,429
Other Financing Sources (Uses):				
Transfers - In	49,800	83,070	16,530	(66,540)
Transfers - Out	(49,800)	(83,070)	(16,530)	66,540
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(101,253)	(101,253)	(39,824)	61,429
Fund Balances at Beginning of Year	94,067	94,067	94,067	--
Prior Year Encumbrances	101,253	101,253	101,253	-
Fund Balances at End of Year	<u>\$ 94,067</u>	<u>\$ 94,067</u>	<u>\$ 155,496</u>	<u>\$ 61,429</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

ISSUE II PROJECT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 1,753,370	\$ 1,317,825	\$ 1,317,825	\$ -
Total Revenue	<u>1,753,370</u>	<u>1,317,825</u>	<u>1,317,825</u>	<u>-</u>
Expenditures:				
Capital Outlay	<u>1,862,792</u>	<u>1,136,012</u>	<u>1,076,136</u>	<u>59,876</u>
Total Expenditures	<u>1,862,792</u>	<u>1,136,012</u>	<u>1,076,136</u>	<u>59,876</u>
Excess of Revenues (Under) Expenditures	(109,422)	181,813	241,689	59,876
Other Financing Uses:				
Transfers - Out	<u>-</u>	<u>(379,404)</u>	<u>(379,404)</u>	<u>-</u>
Total Other Financing Uses	<u>-</u>	<u>(379,404)</u>	<u>(379,404)</u>	<u>-</u>
Excess of Revenues Under Expenditures and Other Financing Uses	(109,422)	(197,591)	(137,715)	59,876
Fund Balances (Deficit) at Beginning of Year	(109,422)	(109,422)	(109,422)	-
Prior Year Encumbrances	<u>109,422</u>	<u>109,422</u>	<u>109,422</u>	<u>-</u>
Fund Balances (Deficit) at End of Year	<u>\$ (109,422)</u>	<u>\$ (197,591)</u>	<u>\$ (137,715)</u>	<u>\$ 59,876</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

ALL CAPITAL PROJECT FUNDS

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Property and Other Local Taxes	\$ 160,000	\$ 160,000	\$ 147,139	\$ (12,861)
Income Taxes	1,900,000	1,900,000	1,918,548	18,548
Intergovernmental	1,803,370	1,427,825	1,347,825	(80,000)
Charges for Services	35,000	35,000	-	(35,000)
Investment Earnings	-	-	909	909
Fines and Forfeitures	300,000	300,000	277,596	(22,404)
Other All Revenue	-	-	311,998	311,998
Total Revenue	4,198,370	3,822,825	4,004,015	181,190
Expenditures:				
Capital Outlay	5,722,938	3,978,821	3,614,926	363,895
Debt Service:	-	-	-	-
Interest	-	2,745	2,745	-
Total Expenditures	5,722,938	3,981,566	3,617,671	363,895
Excess of Revenues (Under) Expenditures	(1,524,568)	(158,741)	386,344	(182,705)
Other Financing Sources (Uses):				
Proceeds of Notes	700,000	475,000	475,000	-
Sale of Fixed Assets	1,245,000	345,000	256,582	(88,418)
Transfers - In	395,305	541,039	474,493	(66,546)
Transfers - Out	(2,614,117)	(4,641,098)	(4,559,760)	81,338
Total Other Financing Sources (Uses)	(273,812)	(3,280,059)	(3,353,685)	(73,626)
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(1,798,380)	(3,438,800)	(2,967,341)	(256,331)
Fund Balances at Beginning of Year	2,738,112	2,738,112	2,738,112	-
Prior Year Encumbrances	1,315,497	1,315,497	1,315,497	-
Fund Balances at End of Year	\$ 2,255,229	\$ 614,809	\$ 1,086,268	\$ (256,331)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

GAS FUND

	Budget		Actual	Variance
	Initial	Final		Postive (Negative)
Revenues:				
Charges for Services	\$ 25,123,475	\$ 25,123,475	\$ 21,217,641	\$ (3,905,834)
Sale of Fixed Assets	5,000	5,000	-	(5,000)
Interest	331,000	366,600	248,147	(118,453)
Other Operating Revenues	52,100	52,100	4,578	(47,522)
Total Revenues	25,511,575	25,547,175	21,470,366	(4,076,809)
Expenses:				
Personal Services	1,220,578	1,220,578	1,195,935	24,643
Contractual Services	1,240,967	1,250,479	846,361	404,118
Materials and Supplies	179,207	179,208	94,898	84,310
Capital Outlay	4,550,414	3,580,412	1,480,233	2,100,179
Purchase of Gas and Electric	19,078,701	19,078,701	18,319,007	759,694
Other Operating Expenses	2,417,655	2,417,665	2,476,584	(58,919)
Debt Service:				
Principal Retirement	1,430,290	2,100,290	670,000	1,430,290
Interest and Fiscal Charges	-	824,313	824,313	-
Total Expenses	30,117,812	30,651,646	25,907,331	4,744,315
Deficiency of Revenues Under Expenses	(4,606,237)	(5,104,471)	(4,436,965)	667,506
Fund Equity at Beginning of Year	3,508,466	3,508,466	3,508,466	-
Prior Year Encumbrances	4,421,679	4,421,679	4,421,679	-
Fund Equity at End of Year	\$ 3,323,908	\$ 2,825,674	\$ 3,493,180	\$ 667,506

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

ELECTRIC FUND

	Budget		Actual	Variance
	Initial	Final		Positive (Negative)
Revenues:				
Charges for Services	\$ 51,530,000	\$ 51,530,000	\$ 53,703,327	\$ 2,173,327
Proceeds of Bonds	-	184,360,000	184,360,000	-
Sale of Fixed Assets	150,000	150,000	3,925	(146,075)
Interest	542,000	886,000	849,071	(36,929)
Other Operating Revenues	89,000	89,000	109,620	20,620
Total Revenues	52,311,000	237,015,000	239,025,943	2,010,943
Expenses:				
Personal Services	8,920,784	8,998,699	8,149,915	848,784
Contractual Services	4,940,190	4,986,106	4,533,765	452,341
Materials and Supplies	1,227,744	1,231,632	1,206,028	25,604
Capital Outlay	6,043,866	6,026,357	3,441,655	2,584,702
Purchase of Gas and Electric	19,041,870	19,041,869	22,848,230	(3,806,361)
Other Operating Expenses	3,390,817	7,772,002	8,015,709	(243,707)
Debt Service:				
Payment to Refunded Bond Escrow	-	195,819,600	195,819,600	-
Principal Retirement	4,017,000	4,017,000	3,980,000	37,000
Interest and Fiscal Charges	10,436,000	12,539,140	14,184,990	(1,645,850)
Total Expenses	58,018,271	260,432,405	262,179,892	(1,747,487)
Deficiency of Revenues Under Expenses	(5,707,271)	(23,417,405)	(23,153,949)	263,456
Transfers - Out	(4,355,891)	(655,891)	-	655,891
Deficiency of Revenues (Under) Expenses and Transfers	(10,063,162)	(24,073,296)	(23,153,949)	919,347
Fund Equity at Beginning of Year	25,369,242	25,369,242	25,369,242	-
Prior Year Encumbrances	5,267,631	5,267,631	5,267,631	-
Fund Equity at End of Year	\$ 20,573,711	\$ 6,563,577	\$ 7,482,924	\$ 919,347

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

WATER FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 17,199,521	\$ 17,199,521	\$ 17,364,389	\$ 164,868
Proceeds of Bonds	-	12,940,000	12,940,000	-
Sale of Fixed Assets	2,000	2,000	600	(1,400)
Interest	510,000	614,900	701,780	86,880
Grants	-	17,149	17,149	-
Other Financing Sources	-	34,437,550	34,437,550	-
Other Operating Revenues	99,600	99,600	120,779	21,179
Total Revenues	17,811,121	65,310,720	65,582,247	271,527
Expenses:				
Personal Services	2,786,311	2,786,311	2,572,411	213,900
Contractual Services	5,441,131	5,455,746	3,784,116	1,671,630
Materials and Supplies	1,468,755	1,468,756	1,176,227	292,529
Capital Outlay	10,060,769	10,060,769	5,754,446	4,306,323
Other Operating Expenses	2,220,352	2,599,406	2,824,612	(225,206)
Debt Service:				
Payment to Refunded Bond Escrow	-	56,387,523	52,834,213	3,553,310
Principal Retirement	4,347,188	-	-	-
Interest and Fiscal Charges	-	2,819,197	2,440,982	378,215
Total Expenses	26,324,506	81,577,708	71,387,007	10,190,701
Deficiency of Revenues Under Expenses	(8,513,385)	(16,266,988)	(5,804,760)	10,462,228
Fund Equity at Beginning of Year	13,712,890	13,712,890	13,712,890	-
Prior Year Encumbrances	3,199,051	3,199,051	3,199,051	-
Fund Equity at End of Year	\$ 8,398,556	\$ 644,953	\$ 11,107,181	\$ 10,462,228

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

WASTEWATER FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 11,619,877	\$ 11,619,877	\$ 12,171,854	\$ 551,977
Sale of Fixed Assets	8,000	8,000	6,074	(1,926)
Interest	400,000	482,406	550,580	68,174
Other Non-Operating Revenues	-	6,200	6,200	-
Other Operating Revenues	3,500	3,500	7,986	4,486
Total Revenues	12,031,377	12,119,983	12,742,694	622,711
Expenses:				
Personal Services	2,577,097	2,655,012	2,204,633	450,379
Contractual Services	2,364,470	2,130,311	1,777,635	352,676
Materials and Supplies	640,102	645,575	518,361	127,214
Capital Outlay	4,887,878	4,891,612	2,874,665	2,016,947
Other Operating Expenses	2,657,863	2,658,205	2,439,303	218,902
Debt Service:				
Principal Retirement	1,233,679	2,028,679	1,260,219	768,460
Interest and Fiscal Charges	2,176,390	3,677,355	2,174,706	1,502,649
Total Expenses	16,537,479	18,686,749	13,249,522	5,437,227
Deficiency of Revenues Under Expenses	(4,506,102)	(6,566,766)	(506,828)	6,059,938
Transfers - In	-	2,049,645	-	(2,049,645)
Deficiency of Revenues and Transfers Under Expenses	(4,506,102)	(4,517,121)	(506,828)	4,010,293
Fund Equity at Beginning of Year	14,489,408	14,489,408	14,489,408	-
Prior Year Encumbrances	2,148,288	2,148,288	2,148,288	-
Fund Equity at End of Year	\$ 12,131,594	\$ 12,120,575	\$ 16,130,868	\$ 4,010,293

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

ALL ENTERPRISE FUNDS

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 105,472,873	\$ 105,472,873	\$ 104,457,211	\$ (1,015,662)
Proceeds of Bonds	-	197,300,000	197,300,000	-
Sale of Fixed Assets	165,000	165,000	12,238	(152,762)
Interest	1,783,000	2,349,906	2,349,578	(328)
Grants	-	17,149	17,149	-
Other Non-Operating Revenues	-	6,200	6,200	-
Other Financing Sources	-	34,437,550	34,437,550	-
Other Operating Revenues	244,200	244,200	241,325	(2,875)
Total Revenues	107,665,073	339,992,878	338,821,251	(1,171,627)
Expenses:				
Personal Services	15,504,770	15,660,600	14,122,894	1,537,706
Contractual Services	13,986,758	13,822,642	10,941,877	2,880,765
Materials and Supplies	3,515,808	3,525,171	2,995,514	529,657
Capital Outlay	25,542,927	24,559,150	13,550,999	11,008,151
Purchase of Gas and Electric	38,120,571	38,120,570	41,167,237	(3,046,667)
Other Operating Expenses	10,686,687	15,447,278	15,756,208	(308,930)
Debt Service:				
Payment to Refunded Bond Escrow	-	252,207,123	248,653,813	3,553,310
Principal Retirement	11,028,157	8,145,969	5,892,035	2,253,934
Interest and Fiscal Charges	12,612,390	19,860,005	19,643,175	216,830
Total Expenses	130,998,068	391,348,508	372,723,752	18,624,756
Deficiency of Revenues Under Expenses	(23,332,995)	(51,355,630)	(33,902,501)	17,453,129
Transfers - In	-	2,049,645	-	-
Transfers - Out	(4,355,891)	(655,891)	-	-
Deficiency of Revenues and Transfers Under Expenses and Transfers	(27,688,886)	(49,961,876)	(33,902,501)	16,059,375
Fund Equity at Beginning of Year	57,080,006	57,080,006	57,080,006	-
Prior Year Encumbrances	15,036,649	15,036,649	15,036,649	-
Fund Equity at End of Year	\$ 44,427,769	\$ 22,154,779	\$ 38,214,154	\$ 16,059,375

INTERNAL SERVICE FUNDS

The Internal Service Funds account for the financing of services provided by one department or 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.

Central Benefits Fund

To account for total costs associated with Health Care benefits, Pension, Worker's Compensation, etc., and the revenues associated with cost-reimbursement of these services by departments or agencies receiving these services within the same government.

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2002

<u>Assets:</u>	Fleet Maintenance	Central Services	Central Benefits	Totals
Current Assets:				
Cash and Cash Equivalents	\$ 84,897	\$ -	\$ 317,193	\$ 402,090
Investments	136,069	-	438,533	574,602
Due from Other Funds	94,186	-	416,302	510,488
Inventory of Supplies at Cost	17,238	26,514	-	43,752
Prepaid Items	3,986	-	-	3,986
Total Current Assets	<u>336,376</u>	<u>26,514</u>	<u>1,172,028</u>	<u>1,534,918</u>
Noncurrent Assets:				
Capital Assets:				
Property, Plant and Equipment	321,937	-	-	321,937
Less: Accumulated Depreciation	<u>(182,919)</u>	<u>-</u>	<u>-</u>	<u>(182,919)</u>
Total Assets	<u>475,394</u>	<u>26,514</u>	<u>1,172,028</u>	<u>1,673,936</u>
Liabilities:				
Accounts Payable	44,194	236,314	-	280,508
Accrued Wages and Benefits	19,537	132,531	-	152,068
Intergovernmental Payable	7,560	50,862	890,839	949,261
Compensated Absences Payable	<u>146,295</u>	<u>654,771</u>	<u>-</u>	<u>801,066</u>
Total Liabilities	<u>217,586</u>	<u>1,074,478</u>	<u>890,839</u>	<u>2,182,903</u>
Net Assets				
Invested in Capital Assets	139,018	-	-	139,018
Unrestricted (Deficit)	<u>118,790</u>	<u>(1,047,964)</u>	<u>281,189</u>	<u>(647,985)</u>
Total Net Assets	<u>\$ 257,808</u>	<u>\$ (1,047,964)</u>	<u>\$ 281,189</u>	<u>\$ (508,967)</u>

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Fleet Maintenance	Central Services	Central Benefits	Totals
<u>Operating Revenues:</u>				
Charges for Services	\$ 1,357,933	\$ 4,742,514	\$ 7,151,186	\$ 13,251,633
Total Operating Revenues	<u>1,357,933</u>	<u>4,742,514</u>	<u>7,151,186</u>	<u>13,251,633</u>
<u>Operating Expenses:</u>				
Personal Services	588,955	4,117,363	6,867,554	11,573,872
Materials and Supplies	79,324	25,451	-	104,775
Contractual Services	239,730	1,165,066	-	1,404,796
Depreciation	37,625	-	-	37,625
Other Operating Expenses	295,512	482,598	-	778,110
Total Operating Expenses	<u>1,241,146</u>	<u>5,790,478</u>	<u>6,867,554</u>	<u>13,899,178</u>
Operating Income (Loss)	116,787	(1,047,964)	283,632	(647,545)
<u>Non-Operating Revenues:</u>				
Investment Earnings	(579)	-	(2,443)	(3,022)
Change in Net Assets	116,208	(1,047,964)	281,189	(650,567)
Net Assets Beginning of Year	141,600	-	-	141,600
Net Assets (Deficit) End of Year	<u>\$ 257,808</u>	<u>\$ (1,047,964)</u>	<u>\$ 281,189</u>	<u>\$ (508,967)</u>

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Fleet Maintenance	Central Service	Central Benefits	Totals
Increase (Decrease) in Cash and Cash Equivalents				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$ 1,357,933	\$ 5,865,860	\$ 7,573,130	\$ 14,796,923
Cash Paid for Employee Services and Benefits	(612,714)	(4,127,102)	(7,203,388)	(11,943,204)
Cash Paid to Suppliers for Goods and Services	(720,640)	(1,738,758)	-	(2,459,398)
Other Operating Revenues	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>24,579</u>	<u>-</u>	<u>369,742</u>	<u>394,321</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(4,778)	-	-	(4,778)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(4,778)</u>	<u>-</u>	<u>-</u>	<u>(4,778)</u>
<u>Cash Flows from Investing Activities:</u>				
Purchase of Investments	(136,069)	-	(444,117)	(580,186)
Sale of Investments	173,432	-	338,235	511,667
Net Cash Provided By Investing Activities	<u>37,363</u>	<u>-</u>	<u>(105,882)</u>	<u>(68,519)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	57,164	-	263,860	321,024
Cash and Cash Equivalents at Beginning of Year	27,733	-	53,333	81,066
Cash and Cash Equivalents at End of Year	<u>\$ 84,897</u>	<u>\$ -</u>	<u>\$ 317,193</u>	<u>\$ 402,090</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ 116,787	\$ (1,047,964)	\$ 283,632	\$ (647,545)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation Expense	37,625	-	-	37,625
Change in Assets and Liabilities:				
Decrease in Due From Other Funds	-	1,123,346	-	1,123,346
(Increase) Decrease in Materials and Supplies Inventories	(7,412)	-	-	(7,412)
(Increase) in Prepaid Items	(3,986)	(21,070)	35,864	10,808
Increase in Intergovernmental Payables	3,329	25,448	-	28,777
Increase (Decrease) in Accounts Payables	(98,415)	(65,643)	50,246	(113,812)
Increase in Accrued Wages and Benefits	(6,626)	(3,523)	-	(10,149)
Increase in Compensated Absences Payable	(16,723)	-	-	(16,723)
Total Adjustments	<u>(92,208)</u>	<u>1,047,964</u>	<u>86,110</u>	<u>1,041,866</u>
Net Cash Provided by Operating Activities	<u>\$ 24,579</u>	<u>\$ -</u>	<u>\$ 369,742</u>	<u>\$ 394,321</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

FLEET MAINTENANCE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Charges for Services	\$ 1,690,375	\$ 1,690,375	\$ 1,357,933	\$ (332,442)
Total Revenues	<u>1,690,375</u>	<u>1,690,375</u>	<u>1,357,933</u>	<u>(332,442)</u>
<u>Expenses:</u>				
Personal Services	768,391	768,410	613,059	155,351
Contractual Services	450,482	365,991	358,312	7,679
Materials and Supplies	249,668	243,422	203,290	40,132
Capital Outlay	111,072	202,987	79,892	123,095
Other Operating Expenses	244,000	244,000	215,620	28,380
Total Expenses	<u>1,823,613</u>	<u>1,824,810</u>	<u>1,470,173</u>	<u>354,637</u>
Deficiency of Revenues Under Expenses	(133,238)	(134,435)	(112,240)	(22,195)
Fund Equity at Beginning of Year	68,506	68,506	68,506	-
Prior Year Encumbrances	<u>133,238</u>	<u>133,238</u>	<u>133,238</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 68,506</u>	<u>\$ 67,309</u>	<u>\$ 89,504</u>	<u>\$ (22,195)</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

CENTRAL SERVICES FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 7,286,982	\$ 7,286,982	\$ 5,865,860	\$ (1,421,122)
Total Revenues	7,304,182	7,304,182	5,865,860	(1,438,322)
Expenses:				
Personal Services	4,698,626	4,554,796	4,135,920	418,876
Contractual Services	1,701,127	1,622,937	1,373,879	249,058
Materials and Supplies	243,693	230,508	223,699	6,809
Capital Outlay	1,122,964	1,111,147	285,405	825,742
Other Operating Expenses	125,973	125,106	113,596	11,510
Total Expenses	7,892,383	7,644,494	6,132,499	1,511,995
Deficiency of Revenues Under Expenses	(588,201)	(340,312)	(266,639)	(73,673)
Fund Equity (Deficit) at Beginning of Year	(588,201)	(588,201)	(588,201)	-
Prior Year Encumbrances	588,201	588,201	588,201	-
Fund Equity (Deficit) at End of Year	<u>\$ (588,201)</u>	<u>\$ (340,312)</u>	<u>\$ (266,639)</u>	<u>\$ (73,673)</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

CENTRAL BENEFITS FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Charges for Services	\$ 8,645,000	\$ 8,645,000	\$ 7,573,130	\$ (1,071,870)
Total Revenues	<u>8,645,000</u>	<u>8,645,000</u>	<u>7,573,130</u>	<u>(1,071,870)</u>
<u>Expenses:</u>				
Personal Services	8,652,000	8,659,000	7,203,388	1,455,612
Total Expenses	<u>8,652,000</u>	<u>8,659,000</u>	<u>7,203,388</u>	<u>1,455,612</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	(7,000)	(14,000)	369,742	383,742
Fund Equity at Beginning of Year	380,951	380,951	380,951	-
Prior Year Encumbrances	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 380,951</u>	<u>\$ 373,951</u>	<u>\$ 757,693</u>	<u>\$ 383,742</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

ALL INTERNAL SERVICE FUNDS

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Charges for Services	\$ 17,622,357	\$ 17,622,357	\$ 14,796,923	\$ (2,825,434)
Other Operating Revenues	17,200	17,200	-	(17,200)
Total Revenues	17,639,557	17,639,557	14,796,923	(2,842,634)
<u>Expenses:</u>				
Personal Services	14,119,017	13,975,187	11,952,367	2,022,820
Contractual Services	2,151,609	2,073,419	1,732,191	341,228
Materials and Supplies	493,361	480,176	426,989	53,187
Capital Outlay	1,234,036	1,230,416	365,297	865,119
Other Operating Expenses	369,973	369,106	329,216	39,890
Total Expenses	18,367,996	18,128,304	14,806,060	3,322,244
Excess (Deficiency) of Revenues Over (Under) Expenses	(728,439)	(488,747)	(9,137)	479,610
Fund Equity (Deficit) at Beginning of Year	(138,744)	(138,744)	(138,744)	-
Prior Year Encumbrances	728,439	728,439	728,439	-
Fund Equity (Deficit) at End of Year	\$ (138,744)	\$ 100,948	\$ 580,558	\$ 479,610

AGENCY FUNDS

Travel Advance Fund

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

Employee Taxes and Benefits Fund

To account for special taxes and benefits of Hamilton employees.

Ohio Board of Building Standards Assessments

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

Miscellaneous Collections for Others Fund

To account for monies received and held for others.

Tax Collections Fund

To account for taxes obtained on behalf of other municipalities.

Butler County Annexation Tax Fund

To account for income taxes obtained from a special annexation of contiguous property to Hamilton.

Fire Damage Deposit Escrow Fund

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

Municipal Court Fund

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

Rounding Up Utility Account Fund

To account for voluntary contributions from citizens and/or organizations within the City to assist elderly, needy and disabled utility customers with utility charges incurred.

Convention and Visitor's Bureau Fund

To account for the Hotel/Motel tax levied on guests of the City where all such tax monies are distributed to the Convention & Visitors Bureau and for which the City receives no remuneration.

Hamilton Central Business Special Improvement District Fund

To account for the receiving and disbursing of Special Assessments levied upon real property within the Hamilton Central Business Special Improvement District. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Joint Economic Development District Fund

To account for the receipt and disbursement of income tax revenue pursuant to Section 11 of The Joint Economic Development District Agreement with Indian Springs/Fairfield Township.

THE CITY OF HAMILTON! OHIO
SCHEDULE OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2002

	Agency Funds				
	Travel Advance	Employee Taxes and Benefits	Ohio Board of Building Standards Assessments	Miscellaneous Collections for Others	Tax Collections
Assets:					
Cash and Cash Equivalents	\$ 8,679	\$ 65,924	\$ 353	\$ 3,099	\$ 213,608
Investments	12,459	94,628	507	4,449	306,617
Receivables (net of allowances for doubtful accounts)	-	-	-	-	-
Taxes-Real & Personal Property Accounts	1,902	-	-	-	-
Total Assets	\$ 23,040	\$ 160,552	\$ 860	\$ 7,548	\$ 520,225
Liabilities:					
Due to Other Funds	\$ 23,040	-	-	-	-
Intergovernmental Payable	-	160,552	-	-	520,225
Due to Others	-	-	860	7,548	-
Total Liabilities	\$ 23,040	\$ 160,552	\$ 860	\$ 7,548	\$ 520,225

THE CITY OF HAMILTON! OHIO
SCHEDULE OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2002

Agency Funds										
Butler County Annexation Tax	Fire Damage Deposit Escrow	Municipal Court	Rounding Up Utility Account	Convention and Visitor's Bureau	Hamilton Central Business Special Improvement District	Joint Economic Development District	Totals			
\$ 17,790	\$ 30,839	\$ 444,193	\$ 447	\$ 236	\$ -	\$ 36,744	\$ 821,912			
25,535	43,653	-	642	339	-	52,289	541,118			
-	-	-	-	-	27,610	-	27,610			
-	-	-	-	-	-	-	1,902			
<u>\$ 43,325</u>	<u>\$ 74,492</u>	<u>\$ 444,193</u>	<u>\$ 1,089</u>	<u>\$ 575</u>	<u>\$ 27,610</u>	<u>\$ 89,033</u>	<u>\$ 1,392,542</u>			
\$ -	\$ -	\$ 102,340	\$ -	\$ -	\$ -	\$ -	\$ 125,380			
43,325	-	341,853	-	-	27,610	89,033	1,182,598			
-	74,492	-	1,089	575	-	-	84,564			
<u>\$ 43,325</u>	<u>\$ 74,492</u>	<u>\$ 444,193</u>	<u>\$ 1,089</u>	<u>\$ 575</u>	<u>\$ 27,610</u>	<u>\$ 89,033</u>	<u>\$ 1,392,542</u>			

THE CITY OF HAMILTON/ OHIO
SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Agency Funds				
	Travel Advance	Employee Taxes and Benefits	Ohio Board of Building Standards Assessments	Miscellaneous Collections for Others	Tax Collections
<i>Beginning Balance December 31, 2001</i>	\$ 23,040	\$ 169,671	\$ 942	\$ 7,548	\$ 602,322
Additions					
Cash and Cash Equivalents	18,641	146,346	812	6,510	519,520
Investments	12,459	94,628	507	4,449	306,617
Receivables (net of allowances for doubtful accounts)	-	-	-	-	-
Taxes-Real & Personal Property Accounts	1,902	-	-	-	-
Total Additions	33,002	240,974	1,319	10,959	826,137
Deductions:					
Due to Other Funds	33,002	-	-	-	-
Intergovernmental Payable	-	250,093	1,401	10,959	908,234
Due to Others	-	-	-	-	-
Total Deductions	33,002	250,093	1,401	10,959	908,234
<i>Ending Balance December 31, 2002</i>	\$ 23,040	\$ 160,552	\$ 860	\$ 7,548	\$ 520,225

THE CITY OF HAMILTONI OHIO
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2002

		Agency Funds											
		Fire		Municipal Court	Rounding Up Utility Account	Convention and Visitor's Bureau	Hamilton Central		Joint Economic Development District	Totals			
		Damage Deposit Escrow					Business Improvement District						
\$	39,294	\$	77,837	\$	661	\$	-	\$	34,050	\$	9,082	\$	1,398,088
	37,923		65,794		998		236		-		87,794		895,126
	25,535		44,118		642		339		-		52,878		542,172
	-		-		-		-		27,610		-		27,610
	-		-		-		-		-		-		1,902
	63,458		109,912		1,640		575		27,610		140,672		1,466,810
	-		-		-		-		-		-		33,002
	59,427		-		-		-		34,050		-		1,264,164
	-		113,257		1,212		-		-		60,721		175,190
	59,427		113,257		1,212		-		34,050		60,721		1,472,356
\$	43,325	\$	74,492	\$	444,193	\$	1,089	\$	27,610	\$	89,033	\$	1,392,542



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

Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Community Environment	Basic Utility Services	Trans- portation	General Government	Other (2)	Debt Service	Total
1993	\$13,587,021	\$ 632,800	\$ 1,151,682	\$ 1,306,353	\$ 2,088,808	\$ 2,256,845	\$ 9,394,991	\$ 1,887,406	\$20,971,272	\$53,277,178
1994	14,468,796	2,913,613	1,397,297	0	4,819,135	1,238,846	9,958,161	3,040,982	3,625,981	41,462,811
1995	15,624,439	3,073,314	1,485,478	66,066	5,900,557	1,071,857	9,170,916	1,070,189	3,182,977	40,645,793
1996	15,716,657	3,017,153	1,468,547	61,924	6,784,559	342,109	8,779,209	1,696,716	3,061,114	40,927,988
1997	18,885,473	1,038,463	1,386,498	3,273,987	3,264,559	5,399,901	3,541,693	1,956,916	585,447	39,332,937
1998	20,917,547	929,468	1,450,428	3,857,752	3,417,779	3,798,017	3,492,456	2,516,661	629,772	41,009,880
1999	22,079,479	1,154,362	1,500,132	3,879,197	3,158,679	3,918,044	3,533,137	3,614,661	4,508,442	47,346,133
2000	22,349,299	1,215,849	1,599,615	3,640,741	2,796,244	3,350,283	3,841,536	2,866,976	832,265	42,492,808
2001	22,798,051	2,161,815	1,415,071	3,746,743	3,389,930	2,730,692	3,928,799	23,306,559	1,421,468	64,899,128
2002	26,944,009	3,691,879	2,278,148	4,204,163	3,534,252	3,939,065	3,404,492	6,358,581	3,161,153	57,515,742

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

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

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

Year	Taxes	Inter-Governmental Revenue	Charges for Services(3)	Licenses and Permits	Investment Earnings	Fines and Forfeitures	All Other (2)	Total
1993	\$ 25,925,714	\$ 3,400,246	\$ 4,518,765	\$ 664,243	\$ 314,331	\$ 514,687	\$ 22,343,297	\$ 57,681,283
1994	15,368,366	4,142,285	4,515,569	600,926	253,422	608,297	483,196	25,972,061
1995	15,528,335	4,282,817	5,195,183	599,973	511,457	662,971	150,780	26,931,516
1996	16,059,615	4,601,477	4,426,482	606,551	552,151	615,249	245,099	27,106,624
1997	18,966,520	11,471,057	6,942,969	1,017,654	899,697	892,594	688,179	40,878,670
1998	19,602,814	12,017,253	7,286,856	1,019,662	1,220,528	916,683	895,279	42,959,075
1999	21,248,690	9,806,368	8,174,945	1,293,759	989,936	1,017,607	1,077,633	43,608,938
2000	20,895,497	10,713,545	8,056,032	960,091	1,056,397	1,171,498	1,037,049	43,890,109
2001	21,886,425	11,599,589	8,849,078	1,312,984	918,035	1,147,797	1,040,689	46,754,597
2002	22,288,897	11,290,512	16,022,994	1,371,041	637,816	1,209,648	1,446,231	54,267,139

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

(2) Includes Special Assessment Revenue

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

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

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
1993	\$ 2,422,831	\$ 2,367,786	\$ 81,165	\$ 2,448,951	101.08%	\$ 71,327	2.94%
1994	2,699,976	2,572,493	56,676	2,629,169	97.38%	142,134	5.26%
1995	2,717,436	2,696,442	76,578	2,773,020	102.05%	86,550	3.18%
1996	3,049,455	2,914,580	84,427	2,999,007	98.35%	136,978	4.49%
1997	2,715,612	2,650,487	92,675	2,743,162	101.01%	109,428	4.03%
1998	2,915,612	2,718,937	110,001	2,828,938	97.03%	196,102	6.73%
1999	2,985,053	2,928,559	122,993	3,051,552	102.23%	129,603	4.34%
2000	3,363,382	3,271,126	130,947	3,402,073	101.15%	90,912	2.70%
2001	3,432,023	3,498,609	127,505	3,626,114	105.66%	103,179	3.01%
2002	3,729,881	3,489,708	140,192	3,629,900	97.32%	203,160	5.45%

Source: Butler County Auditor

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

<u>Year Paid</u>	<u>Amount</u>
1993	\$ 459,700
1994	486,598
1995	476,494
1996	485,725
1997	532,307
1998	409,138
1999	556,065
2000	434,993
2001	633,901
2002	493,773

Source: Butler County Auditor

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

Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1993	\$ 504,321,010	\$ 1,440,917,171	\$ 28,486,820	\$ 32,371,386	\$ 92,514,316	\$ 370,057,284	\$ 625,322,146	\$ 1,843,345,822	33.92%
1994	508,531,960	1,452,948,457	28,643,430	32,549,352	94,840,921	379,363,684	632,016,311	1,864,861,493	33.89%
1995	524,709,430	1,499,169,800	26,260,830	29,841,852	93,278,298	373,113,192	644,248,558	1,902,124,844	33.87%
1996	542,950,510	1,551,287,171	24,232,980	27,537,477	98,464,254	393,857,016	665,647,744	1,972,681,665	33.74%
1997	568,209,450	1,623,455,571	23,056,940	26,201,068	116,728,432	466,913,728	707,994,822	2,116,570,368	33.45%
1998	579,622,630	1,656,064,657	22,567,390	25,644,761	81,266,104	325,064,416	683,456,124	2,006,773,835	34.06%
1999	657,229,440	1,877,798,400	21,454,090	24,379,648	108,159,070	432,636,280	786,842,600	2,334,814,327	33.70%
2000	674,764,310	1,927,898,029	18,059,140	20,521,750	111,312,933	445,251,732	804,136,383	2,393,671,511	33.59%
2001	690,521,670	1,972,919,057	16,165,160	18,369,500	112,737,677	450,950,708	819,424,507	2,442,239,264	33.55%
2002	812,598,300	2,323,466,116	13,814,790	15,974,079	80,444,805	321,779,220	906,857,895	2,661,219,415	34.08%

Source: Butler County Auditor

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

Collection Year	City of Hamilton				Hamilton City		Butler County
	General Fund	Police Pension Fund	Fire Pension Fund	Miami Conservancy Fund	School District	Total City	
1993	\$4.21	\$0.30	\$0.30	\$0.30	\$36.91	\$5.11	\$7.45
1994	4.21	0.30	0.30	0.30	43.81	5.11	7.44
1995	4.21	0.30	0.30	0.30	43.81	5.11	7.45
1996	4.21	0.30	0.30	0.30	43.81	5.11	7.44
1997	4.21	0.30	0.30	0.25	43.81	5.06	8.44
1998	4.21	0.30	0.30	0.25	43.81	5.06	8.45
1999	4.21	0.30	0.30	0.25	43.81	5.06	8.44
2000	4.21	0.30	0.30	0.25	48.21	5.06	8.45
2001	4.21	0.30	0.30	0.25	48.21	5.06	8.44
2002	4.21	0.30	0.30	0.31	48.21	5.12	8.75

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

Source: Butler County Auditor
 Butler County Treasurer

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

Collection Year	Amount Billed	Amount Collected	Percent Collected
1993	\$161,638	\$142,103	87.9%
1994	149,046	135,014	90.6%
1995	155,527	142,475	91.6%
1996	257,325	213,543	83.0%
1997	337,449	271,821	80.6%
1998	398,531	329,817	82.8%
1999	421,687	397,229	94.2%
2000	515,884	471,352	91.4%
2001	591,153	520,791	88.1%
2002	564,069	519,757	92.1%

Source: Butler County Auditor

**THE CITY OF HAMILTONI OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2002**

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$906,857,895	\$906,857,895
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	95,220,079	49,877,184
Applicable City Debt Outstanding (2)	9,540,000	9,540,000
Less: Applicable Debt Service Fund Amounts	(474,679)	(474,679)
Net Indebtedness Subject to Limitation	9,065,321	9,065,321
Legal Debt Margin	\$86,154,758	\$40,811,863

- (1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.
(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
Enterprise Debt, Special Assessment Debt and Debt Supported by Income Tax or Other Specific Revenues are not considered in the computation of the Legal Debt Margin. Debts subject to limitation per Ohio Revised Code.

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

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1993	62,278	\$625,322,146	\$1,384,000	\$284,803	\$1,099,197	0.18%	\$17.65
1994	62,558	632,016,311	1,930,000	283,344	1,646,656	0.26%	26.32
1995	62,117	644,248,558	1,675,000	319,084	1,355,916	0.21%	21.83
1996	61,833	665,647,744	1,410,000	367,136	1,042,864	0.16%	16.87
1997	61,100	707,994,822	1,135,000	414,740	720,260	0.10%	11.79
1998	61,100	683,456,124	845,000	459,894	385,106	0.06%	6.30
1999	61,810	786,842,600	3,905,000	460,275	3,444,725	0.44%	55.73
2000	60,690	804,136,383	3,640,000	501,743	3,138,257	0.39%	51.71
2001	60,690	819,424,507	3,365,000	303,282	3,061,718	0.37%	50.45
2002	60,690	906,857,895	9,690,000	474,679	9,215,321	1.02%	151.84

Source:

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

(2) Butler County Auditor

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

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

Year	Debt Principal (2)	Debt Interest (2)	Total Debt Service	Total General Governmental Expenditures	Ratio of Tax Debt Service to General Governmental Expenditures
1993	\$141,500	\$212,416	\$353,916	\$53,277,178	0.66%
1994	1,384,000 (1)	109,841	1,493,841	41,462,811	3.60%
1995	255,000	84,983	339,983	40,645,793	0.84%
1996	265,000	75,290	340,290	40,927,988	0.83%
1997	275,000	64,478	339,478	39,332,937	0.86%
1998	290,000	52,490	342,490	41,009,880	0.84%
1999	440,000	160,077	600,077	47,346,133	1.27%
2000	265,000	179,640	444,640	42,492,808	1.05%
2001	275,000	168,228	443,228	64,899,128	0.68%
2002	290,000	323,959	613,959	57,515,742	1.07%

(1) Low Level Dam Bonds refinanced

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

**THE CITY OF HAMILTONI OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2002**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Hamilton	Amount Applicable to City of Hamilton
Direct			
City of Hamilton	\$13,634,718	100.00%	\$13,634,718
Overlapping Political Subdivisions			
Hamilton City School District	950,000	100.00%	950,000
Butler County	47,035,000	12.72%	5,982,852
		Subtotal	6,932,852
		Total	<u>\$20,567,570</u>

Source: Butler County

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

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

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement (3)	Coverage (4)
1993	\$24,641,183	\$21,760,939	\$2,880,244	\$0	0.00%
1994	23,671,505	19,916,867	3,754,638	1,410,284	2.66%
1995	23,423,461	18,747,975	4,675,486	1,771,993	2.64%
1996	25,905,396	22,452,558	3,452,838	1,755,044	1.97%
1997	25,125,121	22,386,943	2,738,178	1,771,384	1.55%
1998	20,689,395	17,784,751	2,904,644	1,757,241	1.65%
1999	19,044,722	15,301,145	3,743,577	1,771,241	2.11%
2000	23,638,431	20,683,361	2,955,070	1,751,866	1.69%
2001	31,784,477	25,467,356	6,317,121	1,403,844	4.50%
2002	22,627,373	19,456,357	3,171,016	1,472,941	2.15%

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

* Calculated in accordance with bond indenture.

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

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement (3)	Coverage (4)
1993	\$44,833,608	\$26,325,023	\$18,508,585	\$14,672,181	1.26%
1994	40,165,086	24,320,192	15,844,894	13,180,484	1.20%
1995	42,881,644	23,281,958	19,599,686	13,065,778	1.50%
1996	42,508,123	25,902,788	16,605,335	13,474,296	1.23%
1997	41,872,341	25,137,850	16,734,491	13,437,022	1.25%
1998	46,193,083	28,323,561	17,869,522	14,708,761	1.21%
1999	45,550,193	28,847,567	16,702,626	14,714,560	1.14%
2000	49,147,330	27,817,326	21,330,004	14,536,132	1.47%
2001	52,584,410	34,295,218	18,289,192	14,813,659	1.23%
2002	54,261,126	34,813,408	19,447,718	12,830,152	1.52%

- (1) Gross revenues include total revenues plus transfers in from rate stabilization - Non-Gaap
 - (2) Direct operating expenses include total operating expenses less depreciation - Non-Gaap
 - (3) Annual debt service requirements include principal and interest on revenue bonds only
 - (4) Required debt service coverage calculated per the revenue bond indenture is 1.1
- * Calculated in accordance with bond indenture.

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

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement (3)	Coverage (4)
1993	\$10,832,588	\$6,135,956	\$4,696,632	\$3,679,318	1.28%
1994	10,762,199	6,068,384	4,693,815	3,449,123	1.36%
1995	12,624,010	7,381,012	5,242,998	3,722,497	1.41%
1996	12,693,385	7,446,434	5,246,951	4,336,510	1.21%
1997	13,697,927	8,387,526	5,310,401	4,198,946	1.26%
1998	13,791,322	9,041,396	4,749,926	4,226,462	1.12%
1999	15,887,109	9,770,557	6,116,552	4,295,970	1.42%
2000	16,850,978	8,836,068	8,014,910	4,270,489	1.88%
2001	17,415,954	9,073,991	8,341,963	4,375,033	1.91%
2002	17,805,870	9,077,809	8,728,061	3,103,139	2.81%

- (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
- * Calculated in accordance with bond indenture.

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

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement (3)	Coverage (4)
1993	\$9,222,403	\$7,206,702	\$2,015,701	\$0	0.00%
1994	9,092,248	7,482,489	1,609,759	0	0.00%
1995	11,675,796	7,709,494	3,966,302	0	0.00%
1996	11,051,432	7,725,555	3,325,877	0	0.00%
1997	11,823,735	8,129,627	3,694,108	542,489	6.81%
1998	12,266,144	7,596,718	4,669,426	2,101,185	2.22%
1999	12,955,842	4,828,167	8,127,675	2,133,672	3.81%
2000	12,676,574	7,891,123	4,785,451	2,101,003	2.28%
2001	12,410,728	7,815,190	4,595,538	2,139,291	2.15%
2002	12,599,192	7,836,155	4,763,037	2,219,758	2.15%

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

* Calculated in accordance with bond indenture.

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

Year	Residential		Commercial	
	Number of Permits	Property Value	Number of Permits	Property Value
1993	449	\$10,156,113	318	\$16,662,650
1994	497	14,042,863	325	33,878,637
1995	360	9,195,900	375	29,958,447
1996	458	12,550,042	343	30,334,552
1997	472	11,778,788	248	20,279,706
1998	498	15,934,533	311	35,895,828
1999	298	13,618,767	297	55,584,172
2000	385	20,498,066	366	52,709,312
2001	339	9,379,336	326	19,759,001
2002	392	13,703,202	329	16,472,320

Source: City of Hamilton Building Department

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

Year	City of Hamilton Population (1)	Butler County Population (1)	Unemployment Rate County Area (2)	Per Capita Income County Area (2)	School Enrollment (3)
1993	62,278	308,767	6.5%	\$16,750	10,755
1994	62,558	315,933	5.3%	16,046	10,611
1995	62,117	319,665	4.0%	16,578	10,474
1996	61,833	323,579	4.1%	16,115	10,344
1997	61,100	328,263	3.5%	18,051	10,152
1998	61,100	331,065	3.3%	21,995	10,103
1999	61,810	334,011	3.2%	21,144	10,029
2000	60,690	332,807	3.5%	21,144	9,381
2001	60,690	332,807	3.3%	21,144	9,244
2002	60,690	340,543	4.4%	28,718	9,192

Source: (1) Butler County
(2) Ohio Bureau of Employment Services
(3) Hamilton City School District

**THE CITY OF HAMILTON, OHIO
PRINCIPAL TAXPAYERS (PROPERTY TAX)
DECEMBER 31, 2002**

	Taxpayer	Type of Business	2001 Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1	Smart Paper, LLC	Manufacturing	\$12,774,150	1.41%
2	Mercy Health Partners	Healthcare	11,858,280	1.31%
3	Cincinnati Bell	Utility	9,522,380	1.05%
4	Champion International	Manufacturing	9,417,860	1.04%
5	Fort Hamilton Hospital	Healthcare	8,185,300	0.90%
6	Miami University	Education	7,731,970	0.85%
7	First National Bank	Financial	7,588,850	0.84%
8	Meijer	Retail	6,749,890	0.74%
9	International Paper	Manufacturing	6,056,880	0.67%
10	GE Engine Services	Manufacturing	5,663,150	0.62%
	Sub - total		85,548,710	9.43%
	All Others		821,309,185	90.57%
	Total		\$906,857,895	100.00%

Based on valuation of property taxes levied in 2001
Source: Butler County Auditor - Land and Buildings

**THE CITY OF HAMILTON! OHIO
 PRINCIPAL TAXPAYERS (INCOME TAX)
 FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Taxpayer</u>	<u>Type of Business</u>
1	International Paper	Manufacturing
2	Butler County	Government
3	Hamilton City School District	Education
4	City of Hamilton	Government
5	Fort Hamilton Hospital	Healthcare
6	Smart Paper, LLC	Manufacturing
7	General Electric Engine	Manufacturing
8	Mercy Health Systems	Healthcare
9	Valeo Climate Control	Manufacturing
10	OHIO Casualty Company	Insurance

Source: Hamilton City Finance Department

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

Year	General Fund (1)	Public Safety/Health Income Tax Fund (2)	Hamilton Capital Improvement Fund (3)	Total
1993	\$12,933,373	\$2,086,028	\$1,668,822	\$16,688,223
1994	12,952,615	2,089,131	1,671,305	16,713,051
1995	13,687,489	2,207,660	1,766,128	17,661,277
1996	14,028,222	2,262,616	1,810,093	18,100,931
1997	14,365,434	2,317,006	1,853,604	18,536,044
1998	15,276,222	2,463,907	1,971,125	19,711,254
1999	16,154,694	2,605,596	2,084,477	20,844,767
2000	15,999,528	2,580,569	2,064,455	20,644,552
2001	15,978,811	2,577,228	2,061,782	20,617,821
2002	15,322,785	2,471,417	1,977,134	19,771,336

Source: Hamilton Finance Department

(1) - Equates to 1.55% of 2.00% total rate, or 77.50% of total collections

(2) - Equates to 0.25% of 2.00% total rate, or 12.50% of total collections

(3) - Equates to 0.20% of 2.00% total rate, or 10.00% of total collections

(4) - Effective Dates of Levy: January 1, 1960 0.80%

* - Voter Approved January 1, 1966 0.20%

June 1, 1970* 0.50%

June 1, 1984* 0.25%

June 1, 1990* 0.25%

Total Rate 2.00%

**THE CITY OF HAMILTON/ OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2002**

	Employer	Type of Business	Number of Employees
1	Fort Hamilton Hospital	Healthcare	1250
2	Smart Paper, LLC	Manufacturing	650
3	Ohio Casualty Group*	Insurance	450
4	Valeo Climate Control	Manufacturing	400
5	Meijer, Inc.	Retail	325
6	International Paper	Manufacturing	270
7	The Kroger Co.	Groceries	250
8	General Electric	Manufacturing	240
9	First National Bank of SW Ohio	Financial	230
10	Hamilton Fixture	Manufacturing	230

* Additional employee relocation to the Hamilton facility is being considered by Ohio Casualty.

**THE CITY OF HAMILTON OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2002**

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

Area (square miles)	21.5		
Facilities and Services:			
Miles of Streets	204	Number of Hospitals	1
Number of Street Lights	9,015	Number of Patient Beds	307
Police Services:			
Number of Stations	1	Education:	
Number of Sworn Police Officers	113	Elementary Schools	14
Number of Police Cruisers	38	Students	5,178
Number of Calls Answered	72,878	Instructors	349
Number of Law Violations:		Secondary Schools	4
Misdemeanor Arrests	5,053	Students	4,203
Felony Arrests	2,623	Instructors	238
Traffic Citations Issued	14,711	Colleges	1
Parking Tickets Written	1,914	Students	2,713
Fire/Emergency Medical Services:			
Number of Stations	6		
Number of Officers, Firefighters/Paramedics	104		
Number of Calls Answered	9370		
Number of Inspections	1916		
Recreation and Culture:			
		Number of Parks	56
		Park Area (acres)	1,320
		Number of Ball Fields:	
		Lighted	9
		Unlighted	34
		Number of Tennis Courts:	
		Lighted	2
		Unlighted	6
		Number of Swimming Pools	5
		Number of Golf Courses	2
		Libraries	1
Parking:			
		Off Street Parking Garages	2
		Parking Levels	65
		Parking Spaces	758
		Average Daily Cars Parked	376
		Parking/Meters - On Street and Lots	963

Source: Hamilton City Department Heads



**Auditor of State
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CITY OF HAMILTON

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 12, 2003**