



Dave Yost • Auditor of State

HAMILTON COUNTY

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COUNTY OF HAMILTON, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	County of Hamilton Department or Board	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Pass through the Ohio Department of Education:				
Nutrition Cluster:				
School Breakfast Program	Juvenile Court	10.553	068114	\$24,562
School Breakfast Program	Juvenile Court	10.553	069690	50,827
Total for CFDA 10.553				<u>75,389</u>
National School Lunch Program	Juvenile Court	10.555	068114	44,121
National School Lunch Program	Juvenile Court	10.555	069690	101,859
	Developmental			
National School Lunch Program	Disabilities Services	10.555	067231	33,226
Total for CFDA 10.555				<u>179,206</u>
Total Ohio Department of Education—Nutrition Cluster				<u>254,595</u>
Pass through the Ohio Department of Job and Family Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Job and Family Services	10.561	G-1011-11-5046	4,702,980
Total U.S. Department of Agriculture				<u>4,957,575</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	Planning and Development	14.218		4,663,136
	Mental Health and Recovery Services Board			
Supportive Housing Program		14.235		<u>126,582</u>
Community Development Block Grant ARRA Entitlement Grants (CDBG-R) (Recovery Act Funded)	Planning and Development	ARRA-14.253		20,146
Neighborhood Stabilization Program (Recovery Act Funded)	Planning and Development	ARRA-14.256		<u>9,050,864</u>
Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	Planning and Development	ARRA-14.257		<u>530,723</u>
Home Investment Partnerships Program	Planning and Development	14.239		<u>1,508,776</u>
Neighborhood Stabilization Program	Planning and Development	14.264		<u>157,719</u>
Emergency Shelter Grants Program	Planning and Development	14.231		<u>182,102</u>
Pass through the City of Cincinnati:				
Home Investment Partnerships Program	Planning and Development	14.239	85X0109	360,647
Home Investment Partnerships Program	Planning and Development	14.239	15X2011-135	242,642
Total for CFDA 14.239				<u>2,112,065</u>
Total U.S. Department of Housing and Urban Development				<u>16,843,337</u>

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COUNTY OF HAMILTON, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	County of Hamilton Department or Board	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Bulletproof Vest Partnership Program	Sheriff	16.607		\$22,180
Public Safety Partnership and Community Policing Grants	Sheriff	ARRA-16.710		1,051,044
Forensic DNA Backlog Reduction Program	Coroner	16.741		77,285
Criminal and Juvenile Justice and Mental Health Collaboration Program	Juvenile Court	16.745		75,791
Recovery Act - Edward Byrne Memorial Competitive Grant Program	Juvenile Court	ARRA-16.808		320,347
Second Chance Act Prisoner Reentry Initiative	Administrator	16.812		254,914
Equitable Sharing Grant	Sheriff	16.922		12,456
Pass through the Ohio Department of Youth Services:				
Juvenile Accountability Block Grants	Administrator	16.523	2008-JB-017-B084	197,397
Juvenile Accountability Block Grants	Juvenile Court	16.523	2009-JB-011-A054	69,370
Total for CFDA 16.523				266,767
Pass through the Ohio Attorney General:				
Crime Victim Assistance	Prosecutor	16.575	2012VAGENE424	21,678
Crime Victim Assistance	Prosecutor	16.575	2011VAGENE424	73,681
Total for CFDA 16.575				95,359
Pass through the Ohio Office of Criminal Justice Services:				
Residential Substance Abuse Treatment for State Prisoners	Mental Health and Recovery Services Board	16.593	2010-RS-SAT-125	93,087
Project Safe Neighborhoods	Prosecutor	16.609	2010-PS-PSN-320	2,410
Edward Byrne Memorial Justice Assistance Grant Program	Pretrial Services	16.738	2008-DJ-BX-0307	28,516
Edward Byrne Memorial Justice Assistance Grant Program	Pretrial Services	16.738	2009-DJ-BX-0669	92,399
Edward Byrne Memorial Justice Assistance Grant Program	Pretrial Services	16.738	2010-DJ-BX-0260	163,899
Total for CFDA 16.738				284,814
Paul Coverdell Forensic Sciences Improvement Grant Program	Coroner	16.742	2010-PC-NFS-7803	75,579
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	Juvenile Court	ARRA-16.803	2009-RA-C01-2042	20,243
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	Juvenile Court	ARRA-16.803	2009-RA-B01-2126	43,433
Total for CFDA 16.803				63,676
Pass through the City of Cincinnati:				
Recovery Act-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Governments	Sheriff	ARRA-16.804	2009-SB-B9-1187D	331,651
Recovery Act-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Governments	Pretrial Services	ARRA-16.804	2009-SB-B9-1187D	130,102
Total for CFDA 16.804				461,753
Total U.S. Department of Justice				3,157,462

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COUNTY OF HAMILTON, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	County of Hamilton Department or Board	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF LABOR				
Pass through the Ohio Department of Job and Family Services:				
Employment Service/Wagner-Peyser Funded Activities	Job and Family Services	17.207	G-67-15-1006	<u>\$107,053</u>
Workforce Investment Act Cluster:				
WIA Adult Program	Job and Family Services	17.258	G-67-15-1006	
Program				1,206,072
Administrative				223,817
Total				<u>1,429,889</u>
WIA Adult Program	Job and Family Services	ARRA-17.258	G-67-15-1006	
Program				272,009
Total				<u>272,009</u>
WIA Youth Activities	Job and Family Services	17.259	G-67-15-1006	
Program				1,724,384
Administrative				201,458
Total				<u>1,925,842</u>
WIA Dislocated Workers	Job and Family Services	17.260	G-67-15-1006	
Program				225,388
Total				<u>225,388</u>
WIA Dislocated Workers	Job and Family Services	ARRA-17.260	G-67-15-1006	
Program				479,949
Total				<u>479,949</u>
Total Ohio Department of Job and Family Services—Workforce Investment Act Cluster				<u>4,333,077</u>
WIA Dislocated Worker Formula Grants	Job and Family Services	17.278	G-67-15-1006	<u>1,238,327</u>
Disabled Veterans' Outreach Program (DVOP)	Job and Family Services	17.801	G-67-15-1006	<u>25,260</u>
Local Veterans' Employment Representative Program	Job and Family Services	17.804	G-67-15-1006	<u>2,504</u>
Total U.S. Department of Labor				<u>5,706,221</u>

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COUNTY OF HAMILTON, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	County of Hamilton Department or Board	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Pass through the Ohio Department of Transportation:				
Highway Planning and Construction	Stadia	20.205	PID84786	\$571,862
Highway Planning and Construction	Stadia	ARRA-20.205	PID86065	2,712,609
Highway Planning and Construction	Stadia	20.205	PID86065	373,892
Highway Planning and Construction	Stadia	ARRA-20.205	PID86370	5,187,139
Highway Planning and Construction	Stadia	20.205	PID86370	8,062,722
Highway Planning and Construction	Engineer	20.205	PID79749	47,198
Highway Planning and Construction	Engineer	ARRA-20.205	PID86241	224,471
Highway Planning and Construction	Engineer	20.205	PID88870	44,636
Total for CFDA 20.205				<u>17,224,529</u>
Pass through the Ohio Department of Public Safety:				
Interagency Hazardous Materials Public Sector Training and Planning Grants	Emergency Management Agency	20.703	HM-HMP-0196-10-01-00	6,240
Total for CFDA 20.703				<u>6,240</u>
Total U.S. Department of Transportation				<u>17,230,769</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct Programs:				
Air Pollution Control Program Support	Environmental Services	66.001		<u>595,747</u>
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Environmental Services	66.034		<u>378,234</u>
Total U.S. Environmental Protection Agency				<u>973,981</u>
U.S. DEPARTMENT OF ENERGY				
Direct Program:				
Energy Efficiency and Conservation Block Grant Program (EECBG)	Planning and Development	ARRA-81.128		<u>415,170</u>
Total U.S. Department of Energy				<u>415,170</u>

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COUNTY OF HAMILTON, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	County of Hamilton Department or Board	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
Pass through Great Oaks Institute of Technology and Career Development:				
Adult Education—Basic Grants to States	Sheriff	84.002	2004077	<u>\$100,144</u>
Pass through the Ohio Department of Rehabilitations and Corrections:				
Title I State Agency Program for Neglected and Delinquent Children	Sheriff	84.013	2011-T1-ED-0007	35,418
Title I State Agency Program for Neglected and Delinquent Children	Sheriff	84.013	2012-T1-ED-0009	<u>4,400</u>
Total for CFDA 84.013				<u>39,818</u>
Pass through the Ohio Department of Education:				
Special Education—Grants to States	Developmental Disabilities Services	84.027	067231	<u>312,012</u>
Special Education Grants to States, Recovery Act	Developmental Disabilities Services	ARRA-84.391	067231	<u>84,298</u>
Pass through the Ohio Department of Developmental Disabilities:				
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	Developmental Disabilities Services	ARRA-84.326	3100012	<u>21,999</u>
Pass through the Ohio Rehabilitation Services Commission:				
Rehabilitation Services Demonstration and Training Programs	Developmental Disabilities Services	84.235	3100012	<u>149,619</u>
Total U.S. Department of Education				<u>707,890</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Program:				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	Mental Health and Recovery Services Board	93.104		<u>1,056,984</u>
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Mental Health and Recovery Services Board	93.243		368,898
Pass through the Ohio Department of Mental Health:				
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Pretrial Services	93.243	VET-12-100-08-001	28,811
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Pretrial Services	93.243	VET-11-100-08-001	84,453
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Mental Health and Recovery Services Board	93.243	TSIG1-10-012-02-01	28,840
Pass through the Ohio Department of Alcohol and Drug Addiction Services:				
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Mental Health and Recovery Services Board	93.243	Fund 3H80-Federal Demonstration Grants 2010H	<u>71,267</u>
Total for CFDA 93.243				<u>582,269</u>

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COUNTY OF HAMILTON, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	County of Hamilton Department or Board	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Pass through the Ohio Department of Mental Health:				
Projects for Assistance in Transition from Homelessness (PATH)	Mental Health and Recovery Services Board	93.150	PATH 11-100-20-001	\$250,739
Projects for Assistance in Transition from Homelessness (PATH)	Mental Health and Recovery Services Board	93.150	PATH 12-100-20-001	79,618
Total for CFDA 93.150				<u>330,357</u>
Pass through the Ohio Department of Job and Family Services:				
Promoting Safe and Stable Families	Job and Family Services	93.556	G-1011-11-5046	434,507
Temporary Assistance for Needy Families	Job and Family Services	93.558	G-1011-11-5046	10,868,388
Child Support Enforcement	Job and Family Services	93.563	G-1011-11-5046	5,442,675
Child Support Enforcement Research	Job and Family Services	93.564	G-1011-11-5046	2,017
Refugee and Entrant Assistance—State Administered Programs	Job and Family Services	93.566	G-1011-11-5046	140,917
Child Care and Development Block Grant	Job and Family Services	93.575	G-1011-11-5046	1,103,756
Pass through the Ohio Department of Mental Health:				
Child Care and Development Block Grant	Mental Health and Recovery Services Board	93.575	N/A	50,044
Total for CFDA 93.575				<u>1,153,800</u>
Pass through the Ohio Department of Job and Family Services:				
Community-Based Child Abuse Prevention Grants	Job and Family Services	93.590	G-1011-11-5046	150
Pass through the Ohio Department of Job and Family Services:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Job and Family Services	93.596	G-1011-11-5046	1,254,272
Pass through the Ohio Secretary of State:				
Voting Access for Individuals with Disabilities—Grants to States	Board of Elections	93.617	06-SOS-HHHS-31	2,090
Pass through the Ohio Department of Job and Family Services:				
Child Welfare Services—State Grants	Job and Family Services	93.645	G-1011-11-5046	393,798
Foster Care—Title IV-E	Job and Family Services	93.658	G-1011-11-5046	15,401,311
Adoption Assistance	Job and Family Services	93.659	G-1011-11-5046	4,886,972
Social Services Block Grant	Job and Family Services	93.667	G-1011-11-5046	9,616,492
Pass through the Ohio Department of Developmental Disabilities:				
Social Services Block Grant	Developmental Disabilities Services	93.667	3100012	593,695
Pass through the Ohio Department of Mental Health:				
Social Services Block Grant	Mental Health and Recovery Services Board	93.667	N/A	479,659
Total for CFDA 93.667				<u>10,689,846</u>
Pass through the Ohio Department of Job and Family Services:				
Chafee Foster Care Independence Program	Job and Family Services	93.674	G-1011-11-5046	413,104

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COUNTY OF HAMILTON, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	County of Hamilton Department or Board	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Pass through the Ohio Department of Job and Family Services:				
Children's Health Insurance Program	Job and Family Services	93.767	G-1011-11-5046	\$74,277
Pass through the Ohio Department of Mental Health:				
Children's Health Insurance Program	Mental Health and Recovery Services Board	93.767	N/A	2,092,811
Pass through the Ohio Department of Alcohol and Drug Addiction Services:				
Children's Health Insurance Program	Mental Health and Recovery Services Board	93.767	N/A	433,038
Total for CFDA 93.767				<u>2,600,126</u>
Pass through the Ohio Department of Job and Family Services:				
Medical Assistance Program	Job and Family Services	93.778	G-1011-11-5046	9,861,758
Pass through the Ohio Department of Mental Health:				
Medical Assistance Program	Mental Health and Recovery Services Board	93.778	N/A	21,291,204
Medical Assistance Program	Mental Health and Recovery Services Board	ARRA-93.778	N/A	1,355,066
Pass through the Ohio Department of Developmental Disabilities:				
Medical Assistance Program	Developmental Disabilities Services	93.778	3100012	1,957,391
Medical Assistance Program	Developmental Disabilities Services	ARRA-93.778	3100012	764,834
Pass through the Ohio Department of Alcohol and Drug Addiction Services:				
Medical Assistance Program	Mental Health and Recovery Services Board	93.778	N/A	2,259,494
Medical Assistance Program	Mental Health and Recovery Services Board	ARRA-93.778	N/A	138,746
Total for CFDA 93.778				<u>37,628,493</u>
Pass through the Jewish Employment and Vocational Services:				
Money Follows the Person Rebalancing Demonstration	Developmental Disabilities Services	93.791	3100012	<u>3,000</u>
Pass through the Ohio Department of Mental Health:				
Block Grants for Community Mental Health Services	Mental Health and Recovery Services Board	93.958	N/A	<u>885,335</u>
Pass through the Ohio Department of Alcohol and Drug Addiction Services:				
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	2000C, 2010C, 2020D, 2020G, 2020J, 2030M, 2060E, 2070C, 2080F, 2080L	<u>4,900,167</u>
Total U.S. Department of Health and Human Services				<u>99,070,578</u>

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COUNTY OF HAMILTON, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	County of Hamilton Department or Board	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY Direct Program:				
Homeland Security Biowatch Program	Environmental Services	97.091		<u>\$310,514</u>
Pass through the Ohio Department of Public Safety:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Engineer	97.036	DR-061-U6RIQ	<u>448,139</u>
Emergency Management Performance Grants	Emergency Management Agency	97.042	EMW-2011-EP-00003-S01	<u>171,841</u>
Port Security Grant Program	Emergency Management Agency	97.056	2007-GB-T7-0107	<u>138,460</u>
Homeland Security Grant Program	Emergency Management Agency	97.067	2008-GE-T8-0025	3,733,945
Homeland Security Grant Program	Emergency Management Agency	97.067	2008-HE-Y8-0025	6,650
Homeland Security Grant Program	Emergency Management Agency	97.067	2009-SS-T9-0089	1,732,305
Homeland Security Grant Program	Emergency Management Agency	97.067	2010-SS-T0-0012	<u>488,358</u>
Total for CFDA 97.067				<u>5,961,258</u>
Buffer Zone Protection Program (BZPP)	Emergency Management Agency	97.078	2007-BZ-T7-0048	<u>339,499</u>
Total U.S. Department of Homeland Security				<u>7,369,711</u>
Total Federal Expenditures				<u><u>\$156,432,694</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF HAMILTON, OHIO

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011**

1. **Basis of Accounting:** The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the County of Hamilton, Ohio (the County), recorded on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; hence, some amounts may differ from amounts used in the preparation of the basic financial statements. Also, certain information may not agree with other federal awards reports that the County submits to federal granting agencies because, among other reasons, the other federal award reports may be prepared for a different fiscal period or include cumulative data rather than data for the current year only.
2. **Subrecipients:** Certain funds are passed through to subgrantee organizations by the County. Expenditures incurred by the subgrantees and reimbursed by the County are presented in the Schedule. The table below identifies the total amount of federal assistance per federal program that is provided to subrecipients by the County:

Program Title	Federal CFDA Number	Amounts Provided to Subrecipients
Community Development Block Grants/Entitlement Grants	14.218	\$ 776,679
Emergency Shelter Grants Program	14.231	142,380
Supportive Housing Program	14.235	126,582
HOME Investment Partnerships Program	14.239	102,762
Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	ARRA-14.257	3,392
Juvenile Accountability Block Grant	16.523	197,397
Residential Substance Abuse Treatment for State Prisoners	16.593	93,087
Second Chance Act Prisoner Reentry Initiative	16.812	214,230
Employment Service/Wagner-Peyser Funded Activities	17.207	107,053
WIA Adult Program	17.258	1,382,852
WIA Adult Program	ARRA-17.258	272,009
WIA Youth Activities	17.259	1,803,185
WIA Dislocated Workers	17.260	225,388
WIA Dislocated Workers	ARRA-17.260	479,949
WIA Dislocated Worker Formula Grants	17.278	1,211,083
Disabled Veterans' Outreach Program (DVOP)	17.801	25,260
Local Veterans' Employment Representative Program	17.804	2,504
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	646,830
Projects for Assistance in Transition from Homelessness (PATH)	93.150	330,357
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	93.243	468,403
Temporary Assistance for Needy Families	93.558	3,140,858
Child Care and Development Block Grant	93.575	50,044
Social Services Block Grant	93.667	479,659
Block Grants for Community Mental Health Services	93.958	885,335
Block Grants for Prevention and Treatment of Substance Abuse	93.959	4,900,167
Homeland Security Grant Program	97.067	3,032,524
Buffer Zone Protection Program (BZPP)	97.078	323,820

The County is also the subrecipient of federal funds that have been subject to testing and are reported as expenditures and listed as federal pass-through funds on the Schedule.

COUNTY OF HAMILTON, OHIO

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

3. **Loan Programs:** The County has established loan programs to provide low-interest loans to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development grants money for these loans to the County. The initial loan of this money is recorded as an expenditure on the Schedule. Loans repaid, including interest, may be used for allowable activities. The County had the following loan balances outstanding at December 31, 2011, including delinquent loans of \$20,324:

Program Title	Federal CFDA Number	Loan Balances Outstanding
Community Development Block Grants/Entitlement Grants	14.218	\$ 466,353
HOME Investment Partnerships Program	14.239	34,322

4. **Medicaid Settlement:** During the calendar year, the County received a deferred payment from the Ohio Department of Developmental Disabilities (ODODD) for the Medicaid program (CFDA # 93.778) in the amount of \$776,666. The deferred payment was for Medicaid Administrative Claiming (MAC) and Waiver Administrative Claiming (WAC) expenses the County incurred in prior reporting periods due to an increase of federal funding received by ODODD to reimburse these expenses and also due to changes in the County's Medicaid Eligibility Rate (MER) for certain activity codes within MAC/WAC. This revenue is not listed on the County's Schedule of Expenditures of Federal Awards since the underlying expenses occurred in prior reporting periods.
5. **Community Alternative Funding System (CAFS) Medicaid Settlement:** During the calendar year, the County received a settlement payment from the Ohio Department of Developmental Disabilities (ODODD) for the Medicaid program (CFDA # 93.778) in the amount of \$375,804. The payment related to settlements for CAFS services provided during prior years.
6. **Matching Requirements:** Certain federal programs require the County to contribute nonfederal funds (matching funds) to support the federally funded programs. The County has complied with the matching requirements (if applicable) for the major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings. Expenditures of matching funds are not included in the Schedule.
7. **Transfers between Federal Programs:** During 2011, the Ohio Department of Job and Family Services, on the County's behalf, made allowable transfers of \$3,673,469 from the Temporary Assistance for Needy Families (TANF) (93.558) program to the Social Services Block Grant (SSBG) (93.667) program. The Schedule shows the County spent \$10,868,388 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during 2011 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	\$ 14,541,857
Transfer to Social Services Block Grant	(3,673,469)
Total Temporary Assistance for Needy Families	<u>\$ 10,868,388</u>

8. **Reporting Receipts:** The County's Department of Developmental Disabilities reports revenues rather than expenditures for its grants.
9. **Nutrition Cluster:** Cash receipts from the U.S. Department of Agriculture are commingled with the State grants. It is assumed federal monies are spent first.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Hamilton County
138 East Court Street
Cincinnati, Ohio 45202

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hamilton County, Ohio (the County), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 29, 2013, which was adverse to due to material misstatements of the financial position and the fund balances the budgetary statements presented for the Public Assistance Fund and the Health and Human Services Levies Fund at December 31, 2011. We also noted other auditors audited the financial statements of the Convention Facilities Authority of Hamilton County (discretely presented component unit) and the Metropolitan Sewer District (major enterprise fund), and the County adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as described in our opinion on the County's financial statements. The report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the County's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies, resulting in more than a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatements, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2011-001.

We also noted certain other matters not requiring inclusion in this report that we reported to the County's management in a separate letter dated August 29, 2013.

The County's response to the finding we identified is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, the Board of County Commissioners, federal awarding agencies, pass-through entities and others within the County. We intend it for no one other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

August 29, 2013



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Hamilton County
138 East Court Street
Cincinnati, Ohio 45202

To the Board of County Commissioners:

Compliance

We have audited the compliance of Hamilton County, Ohio (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could directly and materially affect each of the County's major federal programs for the year ended December 31, 2011. The *summary of auditor's results* section of the accompanying schedule of findings and questioned costs identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Metropolitan Sewer District, which included \$6,999,077 in federal awards which is not included in the County's Federal Awards Expenditure Schedule for the year ended December 31, 2011. Our audit of Federal awards, described below, did not include the operations of the Metropolitan Sewer District because the department engaged another auditor to audit its Federal award programs in accordance with OMB Circular A-133.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with these requirements.

As described in findings 2011-003 and 2011-004 in the accompanying schedule of findings and questioned costs, the County did not comply with the requirements regarding special tests and provisions applicable to its Child Support Enforcement Title IV-D program. Compliance with these requirements is necessary, in our opinion, for the County to comply with requirements applicable to this program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above applicable to each of its major federal programs for the year ended December 31, 2011.

The results of our auditing procedures also disclosed other instances of noncompliance with these requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings and questioned costs lists these instances as Findings 2011-002 through 2011-005.

Internal Control over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could directly and materially affect a major federal program, 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, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, we cannot assure we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and a deficiency that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-002 through 2011-005 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2011-006 to be a significant deficiency.

We also noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the County's management in a separate letter dated August 29, 2013.

The County's responses to the findings we identified are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hamilton County, Ohio (the County), as of and for the year ended December 31, 2011, and have issued our report thereon dated August 29, 2013, wherein we expressed an adverse opinion due to material misstatements of the financial position and the fund balances the budgetary statements presented for the Public Assistance Fund and the Health and Human Services Levies Fund at December 31, 2011. Our opinion also explained that the County adopted *Governmental Accounting Standard No. 54* during the year. We also noted that other auditors audited the financial statements of the Convention Facilities Authority of Hamilton County (discretely presented component unit) and the Metropolitan Sewer District (major enterprise fund), as described in our opinion on the County's financial statements. The report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported.

Our audit was performed to form opinions on the financial statements that collectively comprise the County's basic financial statements taken as a whole. The accompanying federal awards expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. Because of the aforementioned adverse opinion, we are unable to express an opinion on the schedule.

We intend this report solely for the information and use of management, the Board of County Commissioners, and others within the County, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Sincerely,



Dave Yost
Auditor of State

Columbus, Ohio

August 29, 2013

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HAMILTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2011

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Adverse
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	Yes
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Qualified on Special Test and Provisions Requirement – Child Support Enforcement Unqualified – Remaining Major Programs
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	Yes

(d)(1)(vii)	Major Programs (list):	CFDA 14.218, 14.253 Community Development Block Grant Cluster CFDA 14.256 Neighborhood Stabilization Program (ARRA) CFDA 20.205 Highway Planning and Construction Cluster (ARRA and Non-ARRA) CFDA 93.563 Child Support Enforcement CFDA 93.778 Medicaid Cluster-Medical Assistance (ARRA and non ARRA) CFDA 93.959 Block Grants for Prevention and Treatment of Substance Abuse CFDA 97.067 Homeland Security Grant Program CFDA 10.551, 10.561 Supplemental Nutrition Assistance Program Cluster CFDA 93.558, 93.714 Temporary Assistance for Needy Families Cluster CFDA 93.658 Foster Care CFDA 93.659 Adoption Assistance CFDA 14.239 Home Investments Partnership Programs CFDA 16.710 Public Safety Partnership and Community Policing Grants
	Dollar Threshold: Type A/B Programs	Type A: > \$ 3,000,000 Type B: > \$469,298
(d)(1)(ix)	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2011-001

Finding For Recovery

Mr. Michael Esposito, former Property Unit Supervisor, and other employees of the Hamilton County Sheriff's Department Property Unit received monies and property seized by the Hamilton County Sheriff's Department. Money received by the property unit is either deposited into the Hamilton County Sheriff's Department Property Division bank account established for the Property Division or held along with property for safekeeping at the Hamilton County Sheriff's Department's Property Unit until a determination is made via court order as to the disposition of such monies and property. Upon receipt of seized monies and/or property the Property Unit is responsible for completing a property tag for the item(s). Each property tag has a chain of command which documents the location of the item, date item was removed, reason item was removed, individual responsible for removing item, and the date item was returned and who was responsible for returning the item.

On February 8, 2013 a deposit was made into the Hamilton County Sheriff's Department Property Division bank account in the amount of \$10,008.60. Our review of the Hamilton County Sheriff Department's Property Unit inventory listing and property tags for February 8, 2013 documented \$12,408.60 was collected for deposit into the Department's bank account. This documentation also indicated that Mr. Esposito was the individual who initialed making the deposit at the bank on February 8, 2013.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies collected but unaccounted for is hereby issued against Michael Esposito, former Property Unit Supervisor, in the amount of \$2,400 and in favor of Hamilton County, Ohio, General Fund (Sheriff's Department).

Officials' Response:

Once aware of the situation, the Hamilton County Sheriff's Office launched an investigation and ultimately charged the Property Officer Supervisor with criminal charges. Since then, our office has implemented new procedures and controls. These include closing the previous checking account and opening a new checking account with several signatories requiring and enforcing two signature checks, a complete audit of all property, placement of a sworn officer in charge of the Property Room, monthly reconciliations of our Property Management System database, inventory of the evidence room and bank account. Security cameras were installed to observe more areas of the property office including those areas where the employees work. New restrictions and a counter was installed which prohibits non-property officers from having access to a greater area of the property office. A policy was established that no procedure will be changed unless it is in written form and approved by a command officer. All property individuals were encouraged to report suspicious activity of fellow officers which include their immediate supervisors.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Hamilton County Job and Family Services – Excessive Rent Costs – Allowable Costs/Cost Principles

Finding Number	2011-002
CFDA Title and Number	Adoption Assistance – 93.659 Child Support Enforcement – 93.563 Supplemental Nutrition Assistance Program Cluster– 10.551, 10.561 Temporary Assistance to Needy Families (TANF) – 93.558 Foster Care – 93.658 Medicaid – 93.778
Federal Award Number / Year	2011
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Job and Family Services

Noncompliance/Material Weakness/Questioned Cost

2 CFR Part 225 App B. Section 37.c indicates rental costs under “less-than-arm’s length” leases are allowable only up to the amount (as explained in section 37.b of the appendix) that would be allowable had title to the property vested in the County. For this purpose, a less-than-arm’s length lease is one under which one party to the lease agreement (the County) is able to control or substantially influence the actions of the other (the County Department of Job and Family Services). Such leases included, but are not limited to those between divisions of a governmental unit. 2 CFR Part 225 App. B Section 37.b indicates the allowable amounts to be considered had the County Job and Family Services held title to the property includes expenses such as depreciation or use allowance, maintenance, taxes and insurance.

2 CFR Part 225 App. B Section 23.b states, in part, financing costs (including interest) paid or incurred which are associated with the otherwise allowable costs of building acquisition, construction or fabrication, reconstruction or remodeling completed on or after October 1, 1980, is allowable subject to the conditions in section 23.b (1) through (4) of the appendix.

Additionally, **Ohio Admin. Code Section 5101:9-4-11(A)** indicates the county family service agency shall follow federal, state, and local regulations when seeking federal financial participation for costs associated with the rent or lease of property or equipment. The costs must be necessary and reasonable for proper and efficient performance and administration of the specific program financing the cost and must be in compliance with Office of Budget and Management (OMB) Circular A-87, attachment B and Code of Federal Regulations 2 CFR Part 225.

The Hamilton County Department of Job and Family Services (HCDJFS) leases the Alms and Doepke Building from the Hamilton County Board of Commissioners. Since both parties are divisions of the same governmental unit, this lease agreement appears to constitute a “less-than-arm’s length” agreement and is therefore subject to the limitations of 2 CFR Part 225, App. B Section 37.c.

During 2011, a total of \$1,893,048 of rental payments was paid by HCDJFS to the Hamilton County Board of Commissioners. Maintenance and insurance per Central Service Cost Allocation Plan are paid directly by the County Job and Family Services department and are therefore not included as part of the rent. The unallowable cost is computed in the schedule below:

**FINDING NUMBER 2011-002
 (Continued)**

Alms & Doepke Lease Comparison	
Annual Depreciation	1,266,411
Annual Bond Interest	<u>296,575</u>
Total Allowable Federal Rent	1,562,986
2011 Rent Charged to Shared Cost Pool	1,893,048
Excess Rent Charged	330,062

Of the \$330,062 excess rent charged, \$24,070 was allocated to local funds. The remaining \$305,992 was allocated to federal and state funded programs as noted in the following table. Of the \$305,992 allocated to the individual programs, \$193,158 was funded from Federal dollars and the remaining \$112,834 was funded from state (GRF) monies, which is in violation of Ohio Admin. Code Section 5101:9-4-11(A) listed above.

Grant Title	CFDA #	Total Excess Rent by Program	Excess Rent Funded from Federal Program Dollars
TANF	93.558	\$47,642	\$47,642
Child Support Enforcement	93.563	58,825	38,825
SNAP/Food Assistance Cluster	10.551/10.561	62,694	32,000
Adoption Assistance	93.659	54,382	27,191
Medicaid	93.778	27,159	13,580
Foster Care	93.658	27,103	<u>13,551</u>
Total Questioned Cost for Programs Tested			\$172,789
Child Care	93.575/93.596	17,075	17,075
WIA	17.258	1,886	1,886
SCHIP) (Title XXI)	93.767	1,805	903
Chaffee	93.674	630	505
SSBG (State)	93.667	4,595	-
SCPA Local (State IV-E)		2,175	-
State-Medicaid		21	-
Total Questioned Costs		\$305,992	\$193,158

The programs listed above with federal funding were audited as major federal programs for 2011, except Child Care Block Grant, Workforce Investment Act (WIA), and Chaffee. The excess rent paid from the major programs (i.e. Temporary Assistance for Needy Families (TANF), Child Support Enforcement, Supplemental Nutrition Assistance Program (SNAP), Adoption Assistance, Medicaid, and Foster Care) are in excess of \$10,000 and therefore \$193,158 in allocations are considered questioned costs under OMB Circular A133 §____.510 (a)(3).

We recommend that lease payments charged to federal funding sources be limited to allowable amount of depreciation plus interest of current year as defined by federal guidelines.

**FINDING NUMBER 2011-002
 (Continued)**

Officials' Response:

HCJFS has and will continue to work with the County Budget Office and County Prosecutor to amend the existing building lease agreement to reflect the adjusted payment amount.

Hamilton County Job and Family Services – Establishment of Support Obligations – Special Tests and Provisions

Finding Number	2011-003
CFDA Title and Number	Child Support Enforcement – 93.563
Federal Award Number / Year	2011
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Job and Family Services

Noncompliance/Material Weakness

Ohio Administrative Code 5101:12-40, requires that a Child Support Enforcement Agency (CSEA) IV-D agency must attempt to establish paternity and a support obligation for children born out of wedlock. The agency must establish a support obligation when paternity is not an issue. These services must be provided for any child in cases referred to the IV-D agency or to individuals applying for services under 45 CFR section 302.33 or 45 CFR section 309.65(a)(2) for whom paternity or a support obligation had not been established (45 CFR sections 303.4 and 303.5, 45 CFR sections 309.100 and 309.105). For State IV-D agencies, these services must be provided within the time frames specified in 45 CFR sections 303.3(b)(3) and (b)(5), 303.3(c) and, 303.4(d).

We identified the following conditions:

- For 5 out of 25 cases (20%) involving a child born out of wedlock, the Hamilton County Department of Job and Family Services Child Support Enforcement agency did not establish or attempt to establish paternity;
- For 15 out of 25 cases (60%), the Hamilton County Department of Job and Family Services Child Support Enforcement agency did not establish or attempt to establish a support obligation;
- For 22 out of 25 cases (88%), the Hamilton County Department of Job and Family Services Child Support Enforcement agency did not establish a successful outcome within the time frame;
- For 10 out of 25 cases (40%), the Hamilton County Department of Job and Family Services Child Support Enforcement agency did not establish Paternity or support obligation services were not provided within the required time frames.

The Hamilton County Department of Job and Family Services Child Support Enforcement Agency should establish procedures for supervisors to monitor cases for compliance with establishing paternity, support obligations and services, and successful within the time frames specified. Failure to properly establish paternity and support obligations could result in child support services not properly being provided to clients. We recommend that due diligence be exercised to ensure that all child support services are provided timely.

**FINDING NUMBER 2011-003
 (Continued)**

Officials' Response:

Hamilton JFS, CSEA division has undertaken steps towards training of staff and review of process and procedures to gain efficiency in operations. This was necessary due to staff reductions that Hamilton JFS had in response to the funding reductions passed down from the State. These layoffs, completed in 2010, greatly impacted the CSEA division as they had a large reduction in staff. With the audit period of CY 2011, we did not fully benefit from these reviews of operations and staffing.

We continue to explore methods in efficient and effective operations to increase our compliance with the time lines in various rules and regulations.

Hamilton County Job and Family Services – Support Services for Interstate Cases – Special Tests and Provisions

Finding Number	2011-004
CFDA Title and Number	Child Support Enforcement – 93.563
Federal Award Number / Year	2011
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Job and Family Services

Noncompliance/Material Weakness

The State IV-D agency must provide the appropriate child support services needed for interstate cases (cases in which the child and custodial parent live in one State and the responsible relative lives in another State), establish an interstate central registry responsible for receiving, distributing and responding to inquiries on all incoming interstate IV-D cases, and meet required time frames pertaining to provision of interstate services. The case requiring action may be an initiating interstate case (a case sent to another State to take action on the initiating State's behalf) or a responding interstate case (a request by another State to provide child support services or information only). Specific time frame requirements for responding and initiating interstate cases are at **45 CFR sections 303.7(a) and 303.7(b)(2), (4), (5) and (6), respectively (45 CFR sections 302.36 and 303.7)**, which require in part the County to provide information to the requesting state for child support services within 10 days.

We noted that for 10 out of 25 cases (40%), the Hamilton County Department of Job and Family Services Child Support Enforcement agency failed to provide information to the requesting state for appropriate child support services within the required 10 days.

Hamilton County Department of Job and Family Services Child Support Enforcement agency should establish procedures for supervisors to monitor cases and provide the requested information from other states for appropriate child support services needed for interstate cases within the required time frames. Failure to properly provide information requested for interstate services could result in child support services not being provided in a timely manner to clients.

Officials' Response:

Hamilton JFS, CSEA division has undertaken steps towards training of staff and review of process and procedures to gain efficiency in operations. This was necessary due to staff reductions that Hamilton JFS had in response to the funding reductions passed down from the State. These layoffs, completed in 2010, greatly impacted the CSEA division as they had a large reduction in staff. With the audit period of CY 2011, we did not fully benefit from these reviews of operations and staffing.

**FINDING NUMBER 2011-004
 (Continued)**

We continue to explore methods in efficient and effective operations to increase our compliance with the time lines in various rules and regulations.

Hamilton County Job and Family Services – Random Moment Sampling (RMS) – Activities Allowed or Unallowed

Finding Number	2011-005
CFDA Title and Number	Adoption Assistance – 93.659 Child Support Enforcement – 93.563 Supplemental Nutrition Assistance Program Cluster– 10.551, 10.561 Temporary Assistance to Needy Families (TANF) – 93.558 Foster Care – 93.658 Medicaid – 93.778
Federal Award Number / Year	2011
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Job and Family Services

Noncompliance/Material Weakness

The **Ohio Department of Job and Family Services (ODJFS) Random Moment Sampling (RMS) Manual** explain and detail the overall purpose of the RMS process and the manner in which the RMS process and RMS forms should be administered. RMS participants are to respond as close as possible to the time of the sample, not to exceed 24 hours. In the RMS process, invalid responses will occur if a position is idle (due to staff being absent, out of the office, on break or at lunch, or if a position is vacant) or if the participant does not respond within 24 hours. In order to lessen the number of invalid responses, ODJFS has implemented controls which include: (1) sending out reminder emails to the employee chosen to participate in the RMS process; and (2) sending out reminder emails to the employee's supervisor after 2 hours from the time of an invalid response and again after 18 hours from the time of an invalid response. This reminder process was established as a tool for counties to manage the number of non-responses that occur. In testing RMS forms at the Hamilton County Department of Job and Family Services (HCDJFS), we noted that two of 60 (3.3%) of RMS forms selected for testing were not completed by the employee and were therefore considered invalid. The two exceptions were related to the Social Services (SS) cost pool.

The ODJFS RMS Manual also states that to help ensure accuracy and quality control, the RMS Coordinator should review four percent of completed RMS forms. The HCDJFS coded 4% of the RMS forms for Child Support Enforcement Agency (CSEA) and Income Maintenance (IM) cost pools, and 10% of the Social Services (SS) cost pool as control forms; however in testing the HCDJFS RMS forms we noted that one of three (33.3%) of the control forms included in our sample were not reviewed and approved by a SS cost pool RMS Coordinator. However, our review of the quarterly RMS Tabulation report selected for testing indicated that a total of 4% of the RMS forms had been approved by a SS cost pool Coordinator.

Failure of HCDJFS personnel to complete the RMS form and the RMS Coordinators to review and approve RMS control member forms could result in the County not accurately allocating costs to the appropriate categories within the identified cost pools.

**FINDING NUMBER 2011-005
 (Continued)**

We recommend the HCDJFS personnel complete and the RMS Coordinators approve RMS control member forms as required by the ODJFS.

Officials' Response:

HCJFS supervisors are given 24 hours to validate the response of their employee. After that the RMS system controlled by the State cuts it off and no one can update it, not even the RMS coordinators. In June, 2013 the Fiscal staff did send an email reminder to these supervisors asking them to approve these control RMS within 24 hours.

Hamilton County Job and Family Services – Accurate Documentation – Allowable Costs/Cost Principles

Finding Number	2011-006
CFDA Title and Number	Adoption Assistance – 93.659 Child Support Enforcement – 93.563 Supplemental Nutrition Assistance Program Cluster– 10.551, 10.561 Temporary Assistance to Needy Families (TANF) – 93.558 Foster Care – 93.658 Medicaid – 93.778
Federal Award Number / Year	2011
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Job and Family Services

Significant Deficiency

2 CFR 225, Appendix A, Part C states, in part, for a cost to be allowable under Federal awards, a cost must meet certain general requirements, including being adequately documented.

Hamilton County Department of Job and Family Services (HCDJFS) employees completed timesheets on a daily basis which documented the employee name, employee number, hours worked, and codes to identify leave usage and overtime worked. The daily timesheets were signed by the employee to indicate the employee entered the data into the daily timesheet and the data was accurate. Each daily timesheet was approved by the employee's supervisor. The HC Human Resources Department prepared a memo discussing the definition of an altered work schedule. It states, in part, "*An altered work schedule* occurs when an employee wishes to alter (or change) their usual, customary work hours on a temporary, short-term basis. Any deviation from an employee's approved work schedule is to be documented on a "Request for Leave" form that is completed by the employee, approved by the employee's supervisor, and included with the timesheet.

**FINDING NUMBER 2011-006
(Continued)**

In 36 of 60 instances tested (60%), we identified discrepancies between the hours recorded on the employee timesheet approved by their supervisors and the hours recorded on the payroll register due. These discrepancies appeared to be primarily due to *altered work schedules* that were not adequately documented on the timesheets and Request for Leave form. Of the 36 discrepancies, 32 employee timesheets had more hours than the payroll register totaling \$1,044, and four employee timesheets had less hours than the payroll register totaling \$19, resulting in a net projected underpayment amount of \$6,844. The programs affected by these over and under payments are Child Support Enforcement Agency, Medicaid, Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), CCBG, Workforce Investment Act (WIA), Children's Health Insurance Program (CHIP), Foster Care and Adoption.

Failure to maintain accurate timesheets documenting the hours worked and/or altered work schedules could result in inaccurate amounts charged to the cost pools and/or overpayments to employees that could lead to questioned costs for the related programs and/or findings for recovery for overpayments to employees.

We recommend employees complete timesheets accurately, and if the employees alters their approved schedule then the employees should complete a "Request for Leave" form to document when the deviation occurs and when it is made up. We also recommend that supervisors who approve employee timesheets ensure that timesheets are accurately calculated and, if there are any deviations due to an alternative work schedule which extends more than one pay period, this should be documented on the timesheets for each pay period affected.

Officials' Response:

Hamilton County Human Resources intends to do the following to remedy this audit finding;

A long term solution for this problem is in process. Human Resources is planning to implement a new time and attendance system for JFS staff. This system is computer based and requires direct input by the employee and approval by the supervisor. This will result in documentation and payment of actual hours worked. Our current system is an exception based system. The audit findings are based on the lack of supporting documentation for the exceptions, particularly, the primary discrepancy altered work schedules. Moving from an exception based system to actual hours worked will eliminate the opportunity to pay an employee for more hours or less hours worked based on the presence or lack of accurate time codes. We expect to train staff and implement this system in the first quarter of 2014.

In the short term, Human Resources will provide training and direction to supervisors who are responsible for coding time sheets and emphasize the importance of accurately calculating the time sheets, documenting altered work schedules through the Request for Leave form and documenting any deviations across pay periods on the time sheet for each pay period effected. Additionally, Human Resources will monitor coding of all time sheets to ensure that documentation supports coded time and that time codes correlate with Request for Leave forms.

HAMILTON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A -133 § .315 (b)
 DECEMBER 31, 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
Hamilton County Department of Job and Family Services Special Audit for the period July 1, 2000 through June 30, 2004	The special audit identified findings for adjustment affecting the following opinion units related to correct fund balances for undocumented interfund transfers, and amounts incorrectly paid from special funds during the period of audit (amounts in thousands): General Fund \$(1,752) Public Assistance Fund (138,890) Health & Human Services Levies Fund 149,890 Remaining Fund Information (9,248)	No	Not corrected; reflected in audit opinion for the year ended December 31, 2011. The County is attempting to resolve the issue with the Ohio Department of Job & Family Services and the Federal Department of Health and Human Services.
Finding for Adjustment not made in 2007 audit, reflected in 2008 and 2009 audit	Hillcrest Services Reimbursements calculated incorrectly and finding for adjustment affecting the following opinion units required to correct fund balances for undocumented/unsupported interfund transfers, and amounts incorrectly paid from special funds during the period of audit (amounts in thousands): Public Assistance Fund \$7,142 Health & Human Services Levies Fund (7,142)	No	Not corrected; reflected in the audit opinion for the year ended December 31, 2011.
2010-001	Citation of Ohio Revised Code Section 5705.10(H) - Negative Fund Balances	No	Partially corrected; reissued in Management Letter for 2011.

2010-002	Hamilton County Department of Job and Family Services – Excess Rent Costs – Allowable Cost/Cost Principles Lease agreements constitute “less- than-arm’s-length” agreements and are subject to the limitations of 2 CFR Part 225, App. B, Section 37.3	No	Reissued as Finding 2011-002.
2010-003	Temporary Assistance to Needy Families (TANF) – Subrecipient Monitoring	Yes	
2010-004	Hamilton County Department of Job and Family Services – Establishment of Support Obligations	No	Partially corrected; reissued as Finding 2011-003.
2010-005	Schedule of Expenditures of Federal Awards	No	Partially corrected; reissued in Management Letter for 2011.

Note: The report that contained the findings above for the year ended December 31, 2010 was issued in December 2012. Therefore, the comments could not be fully addressed in fiscal year 2011.

HAMILTON COUNTY
CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2011

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2011-002	HCJFS has and will continue to work with the County Budget Office and County Prosecutor to amend the existing building lease agreement to reflect the adjusted payment amount.	2013	John Bruggen Cindy Fazio Mark Miller
2011-003	Hamilton JFS, CSEA division has undertaken steps towards training of staff and review of process and procedures to gain efficiency in operations. This was necessary due to staff reductions that Hamilton JFS had in response to the funding reductions passed down from the State. These layoffs, completed in 2010, greatly impacted the CSEA division as they had a large reduction in staff. With the audit period of CY 2011, we did not fully benefit from these reviews of operations and staffing. We continue to explore methods in efficient and effective operations to increase our compliance with the time lines in various rules and regulations.	2013	Tim McCartney
2011-004	Hamilton JFS, CSEA division has undertaken steps towards training of staff and review of process and procedures to gain efficiency in operations. This was necessary due to staff reductions that Hamilton JFS had in response to the funding reductions passed down from the State. These layoffs, completed in 2010, greatly impacted the CSEA division as they had a large reduction in staff. With the audit period of CY 2011, we did not fully benefit from these reviews of operations and staffing. We continue to explore methods in efficient and effective operations to increase our compliance with the time lines in various rules and regulations.	2013	Tim McCartney
2011-005	In June, 2013 the Fiscal staff did send an email reminder to these supervisors asking them to approve these control RMS within 24 hours.	June 2013	Mark Miller Mike Hiles

<p>2011-006</p>	<p>A long term solution for this problem is in process. Human Resources is planning to implement a new time and attendance system for JFS staff. This system is computer based and requires direct input by the employee and approval by the supervisor. This will result in documentation and payment of actual hours worked. Our current system is an exception based system. The audit findings are based on the lack of supporting documentation for the exceptions, particularly, the primary discrepancy altered work schedules. Moving from an exception based system to actual hours worked will eliminate the opportunity to pay an employee for more hours or less hours worked based on the presence or lack of accurate time codes. We expect to train staff and implement this system in the first quarter of 2014.</p> <p>In the short term, Human Resources will provide training and direction to supervisors who are responsible for coding time sheets and emphasize the importance of accurately calculating the time sheets, documenting altered work schedules through the Request for Leave form and documenting any deviations across pay periods on the time sheet for each pay period effected. Additionally, Human Resources will monitor coding of all time sheets to ensure that documentation supports coded time and that time codes correlate with Request for Leave forms.</p>	<p>April 2014</p>	<p>Cheryl Keller</p>
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2011 Comprehensive Annual Financial Report

**For the year ended
December 31, 2011**

**The County of
Hamilton, Ohio**



**Issued by
Dusty Rhodes
Hamilton County
Auditor**

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**2011 Comprehensive
Annual Financial Report**
*For the fiscal year ended
December 31, 2011*



Issued by

Dusty Rhodes

**Auditor
Hamilton County, Ohio**

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**COUNTY OF HAMILTON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended December 31, 2011**

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**Introductory
Section**

**The County of
Hamilton, Ohio**

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County of Hamilton

DUSTY RHODES
— AUDITOR —

COUNTY ADMINISTRATION BUILDING
138 EAST COURT STREET
CINCINNATI, OHIO 45202

August 29, 2013

To the Honorable Board of County Commissioners
and Citizens of Hamilton County:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the County of Hamilton for the year ended December 31, 2011. This report contains the financial and statistical data that provide a complete and full disclosure of all material financial aspects of the County.

Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 require that the County produce annual financial statements pursuant to generally accepted accounting principles (GAAP). The responsibility for the accuracy of all data presented and its completeness and fairness of presentation rests with the County Auditor's Office and, specifically, the Department of Finance. To the best of management's knowledge, this report contains the financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the County. All disclosures necessary to enable the reader to gain an understanding of the County of Hamilton's activities have been included.

This report represents the financial activity of the County 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 reporting model as promulgated by GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

The County of Hamilton is required to undergo an annual single audit in conformity with 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 accountants' report on internal control and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued audit report.

The basic financial statements of the County as of and for the year ended December 31, 2011, included in this CAFR have been audited by the Ohio Auditor of State. The independent accountants' report is located at the front of the financial section of this report.

GAAP requires that management provide a Management's Discussion and Analysis (MD&A), a narrative introduction, overview and analysis to accompany the basic financial statements. The MD&A complements

this letter and should be read in conjunction with it. The MD&A appears immediately after the independent accountants' report.

Reporting Entity

County of Hamilton was named for the former Secretary of the Treasury Alexander Hamilton, and was created by proclamation of Arthur St. Clair, Governor of the Northwest Territory, on January 2, 1790. The County was the second county formed in the State of Ohio, with Cincinnati as the County seat. The County is situated in the extreme southwestern corner of the State and covers an area of 407.4 square miles. The County encompasses 49 cities, villages and townships, of which Cincinnati is the largest. The County is the third largest in the State of Ohio in terms of population (802,374 per the 2010 U.S. Census). Located on the Ohio River, Hamilton County forms the core of the Greater Cincinnati Metropolitan Area, which also includes the counties of Brown, Butler, Clermont and Warren in Ohio; Dearborn, Franklin and Ohio Counties in Indiana; and Boone, Bracken, Campbell, Gallatin, Grant, Kenton and Pendleton Counties across the river in Kentucky. The metro area has a population of 2,130,151 which makes it the 27th largest metropolitan area in the country per the 2010 U.S. Census.

The County has operated under the statutory form of government since its founding. As an agent of the State, County government serves the entire County in a variety of ways.

The County's legislative and taxing authority are vested in an elected, three-member Board of County Commissioners that is responsible for, among other things, passing resolutions, issuing bonds, adopting budgets and hiring the County Administrator. The County Administrator is responsible for carrying out the policies and resolutions of the Board of County Commissioners, and for appointing the heads of the departments under the control of the Board.

The County Auditor is also elected and serves as both the chief fiscal officer for the County and the real property assessor for all political subdivisions within the County. As chief fiscal officer, the Auditor is responsible for maintaining the County's centralized accounting, payroll and benefits systems; for preparing the Comprehensive Annual Financial Report; and for issuing warrants and processing payments made on behalf of County agencies. The Auditor prepares the general tax list of the County, calculates the voted and unvoted tax rates for real estate and personal property and, once collected, distributes the tax receipts to the appropriate political subdivisions and agencies within the County. As real property assessor, the Auditor is responsible for a full reappraisal of approximately 350,000 parcels of real property in the County every six years, with an interim update three years later.

The Treasurer is the custodian of County funds and is responsible for collecting all tax moneys and applying payments to the appropriate tax accounts. As specified by law, the Treasurer is also responsible for investing idle County funds.

In addition to those discussed immediately above, other elected officials serving four-year terms are the Clerk of Courts, Coroner, Engineer, Prosecutor, Recorder and Sheriff. The Court of Appeals Judges, Common Pleas Judges and the County-wide Municipal Court Judges are all elected to six-year terms.

Included in the financial statements that follow is reporting for a component unit of Hamilton County, the Convention Facilities Authority (CFA) for Hamilton County, Ohio. The CFA is a legally separate entity for which the County is financially accountable because the County appoints a voting majority of CFA's governing body and has the ability to impose its will on the CFA. The CFA was created in 2002 for the purpose of financing the Cincinnati Convention Center (now known as the Duke Energy Center) renovation and expansion. (See the notes to the financial statements for additional information about the CFA.)

The annual budget is the starting point for the County's financial planning and control. The budgeting process is primarily the province of the Board of County Commissioners (BOCC). Initially, the County's Office of Budget and Strategic Initiatives released a General Fund forecast so that all County agencies would be aware of and prepared for the 2011 budget reductions. Prior to the County Administrator releasing a recommended budget in early October, departments had the opportunity to respond to the forecasts in work sessions with the BOCC. The BOCC typically adopts the final budget in December. If a

final budget is not adopted before January 1, the start of the County's fiscal year, then the BOCC must adopt a temporary appropriation measure, and then approve the final budget by April 1.

The appropriated budget is prepared by (1) fund, (2) agency/function and (3) appropriation level (personnel services, other expenditures and capital outlay), otherwise known as the legal level of budgetary control (the level at which agencies may not overspend appropriations). The adopted budget may be amended in one of three ways: (1) transfer of appropriations between funds, departments or appropriation levels, all of which must be approved by the BOCC; (2) additional appropriations, which also require BOCC approval; and (3) transfers within appropriated levels, which require County Administrator approval. (With regard to this latter category, however, such transfers within appropriated levels are not necessary since agencies may legally spend within their total budget for a given appropriation level without further approval.) Budget-to-actual comparisons are provided in this report for the General Fund and each annually budgeted major special revenue fund, and are included as part of the basic governmental fund financial statements. In the supplementary information section, budgetary comparisons are presented at the legal level of budgetary control for all governmental funds with legally adopted annual budgets (i.e., the General Fund, some special revenue funds and all debt service funds).

Factors Affecting Financial Condition

Local Economy

Hamilton County's economy represents a cross-section of the national economy, with a diversity that does not rely too heavily on any one sector. Consequently, Hamilton County's unemployment rate of 8.6 in 2011 continued to track the national figure, a relationship that has been present historically.

Home loan foreclosures have negatively impacted the economy nationally, and the results were no different in Hamilton County. Since 1995, when Hamilton County saw 1,300 foreclosure filings, the number of such filings in the County has skyrocketed. In 2011, the number of annual foreclosure filings was 5,834. The good news in this is that the County's annual foreclosures decreased since 2010 by 11%.

The Cincinnati USA Regional Chamber and the Northern Kentucky Chamber of Commerce in their *2012 Regional Economic Outlook* report that an increasing number of positive signs indicate the economy is beginning to stabilize; however, the region's continued weakness in the labor market and a slow recovery expected for the housing market indicate the region's growth will be modest in the near future.

Long-Term Financial Planning

The County's top revenue sources for the General Fund continue to be impacted by the slow economic recovery in the region as well as State budget pressures. Significant revenue sources, such as property and sales tax, continued to decline in 2011.

The original 2011 General Fund budget of \$210.7 million is structurally balanced, and reflects a decrease of \$1.0 million from that of 2010. This budget marks the lowest revenue and expenditure levels in the County since 1998. General Fund employee positions continued to decrease in 2011.

The County's restricted funds are appropriated at a decrease of \$246.2 million compared to 2010. Nearly half of the decrease in restricted funds (\$114.3 million) is attributable to the fact that the State of Ohio has assumed direct payment of child support payments, thus decreasing restricted fund appropriations for the Department of Job and Family Services.

The sales tax revenue decline, as mentioned above, has another critical implication beyond its impact on the General Fund. The BOCC has also historically relied upon the annual sales tax growth rate of 3.0% in planning to meet the County's legal and/or political obligations associated with a special 0.5% additional sales tax initiated in the late 1990s to cover the costs of ambitious riverfront redevelopment efforts, obligations that include financing debt to cover the costs of building new major league football and baseball stadiums and related infrastructure, developing "The Banks" riverfront project begun in 2008, as well as covering the costs of the continued operation of those stadia and infrastructure and a property tax credit for people who own and occupy their own homes in Hamilton County. The lack of sales tax growth

has resulted in a projected Sales Tax Fund deficit beginning in 2010 totaling approximately \$14 million. This deficit grows to over \$90 million in less than five years. The BOCC addressed the 2010 deficit by using available fund balance in the Sales Tax Fund, a transfer from the Sales Tax Stabilization Fund, a transfer from the General Fund and a reduction in project overhead costs for The Banks Riverfront Redevelopment project. In December 2009, the Commission approved a framework for permanently addressing the Sales Tax Fund deficit that includes dedicating a portion of the anticipated casino revenue beginning in 2013, anticipated lease concessions from the Cincinnati Reds and Cincinnati Bengals professional sports teams, and a new revenue stream.

While faced with the strains of the economy, the County is also trying to maintain a minimum General Fund reserve of 5% of ongoing General Fund expenditures, with the longer-term goal of a 15% reserve. The reserve balance in 2011 was 6.3% of General Fund expenditures.

Major Events and Initiatives

The recent downturn of the economy resulted in planned layoffs and the reorganization of various departments.

In November of 2007, the Hamilton County Commissioners and Cincinnati City Council approved a series of development agreements and had secured loans and grants from the State and federal government to begin the Banks project. Completed portions of the Banks include a park and added parking facilities and lots for events and the downtown workforce. The Banks will also include a variety of residential options, entertainment venues that include restaurants and bars, and riverfront office and hospitality space.

There were also significant developments that did not relate to the riverfront. One such development dates to late 2004 when the Ohio Auditor of State and the Ohio Department of Job and Family Services announced that they would conduct a special audit of Hamilton County's Department of Job and Family Services. Issues from that special audit are unresolved, and any liability related to the audit has yet to be finalized. For more information on the special audit, see the final section of the Notes to the Basic Financial Statements in this report.

Acknowledgments

The preparation of this report could not have been accomplished without the dedicated services of the Auditor's Finance Department, as well as other Auditor staff. I would like to express my appreciation to all members of the Department who assisted and contributed to the preparation of this report. Due credit also should be given to the County administration for their efforts to fulfill their responsibilities with regard to the operations of the County.

Sincerely,

A stylized, handwritten signature in black ink that reads "Dusty Rhodes". The letters are bold and somewhat irregular, with a cursive-like flow.

Dusty Rhodes
Auditor

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COUNTY OF HAMILTON, OHIO ELECTED OFFICIALS

As of December 31, 2011

Board of County Commissioners

Gregory P. Hartmann, President
Christopher Monzel
Todd Portune

Dusty Rhodes
Theresa Winkler
Anant Bhati, M.D.
William W. Brayshaw
Joseph T. Deters
Wayne Coates
Simon L. Leis, Jr.
Robert A. Goering

Auditor
Clerk of Courts
Coroner
Engineer
Prosecutor
Recorder
Sheriff
Treasurer

Ohio Court of Appeals First District

Patrick T. Dinkelacker, Presiding Judge
Penelope R. Cunningham
Patrick F. Fischer

Sylvia Sieve Hendon
Lee H. Hildebrandt, Jr.
J. Howard Sundermann

Common Pleas Court Judges

General Division

Dennis S. Helmick, Presiding Judge
Nadine L. Allen
Kim Wilson Burke
Ethna M. Cooper
Richard P. DeWine
Charles J. Kubicki, Jr.
Jody M. Luebbers
Melba D. Marsh

Steven E. Martin
Jerome J. Metz, Jr.
Beth A. Myers
Norbert A. Nadel
Robert P. Ruehlman
John Andrew West
Ralph E. Winkler
Robert C. Winkler

Domestic Relations Division

Susan L. Tolbert, Administrative Judge
Elizabeth B. Mattingly

Jon H. Sieve

Probate Court Division

James C. Cissell, Presiding Judge

Juvenile Court Division

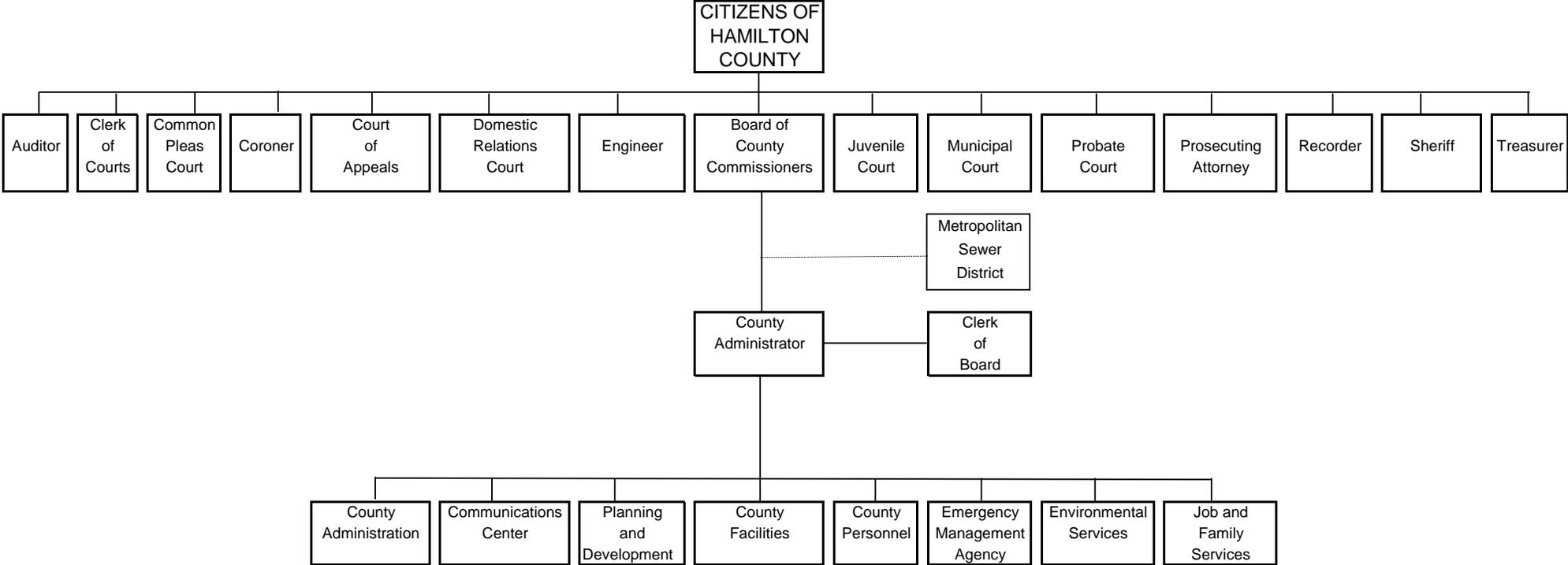
John M. Williams, Presiding Administrative Judge

Hamilton County Municipal Court

Lisa C. Allen, Presiding Judge
Richard A. Bernat
Theodore N. Berry
Bernard A. Bouchard
Cheryl D. Grant
Bradley J. Greenberg
Dwane Mallory

Russell J. Mock II
Melissa A. Powers
Fanon A. Rucker
Heather S. Russell
Megan Shanahan
David C. Stockdale
Tyrone Yates

**ORGANIZATION CHART
COUNTY OF HAMILTON, OHIO**



BOARDS AND COMMISSIONS

Board of Elections	Public Defender Commission
Board of Mental Retardation/Developmental Disabilities	Transportation Improvement District
Mental Health and Recovery Services Board	Veterans Service Commission

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**Financial
Section**

**The County of
Hamilton, Ohio**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Hamilton County
138 East Court Street
Cincinnati, Ohio 45202

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hamilton County, Ohio (the County), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Convention Facilities Authority for Hamilton County, which is the County's discretely presented component unit. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for the Convention Facilities Authority for Hamilton County, on the report of the other auditors. We also did not audit the financial statements of the Metropolitan Sewer District, which represents 69% of assets, 82% of net assets, and 91% of operating revenues for the business type activities – enterprise funds. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for business type activities – enterprise funds, on the report of the other auditors.

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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit and the reports of the other auditors provide a reasonable basis for our opinions.

The Auditor of State issued a June 27, 2006 special audit report for the period July 1, 2000 through June 30, 2004 requiring the County to adjust payments recorded to the Health and Human Services Levies Fund that should have been charged to the Public Assistance Fund. The Auditor of State also issued an agreed upon procedures report for the period July 1, 2004 through December 31, 2006 requiring the County to adjust the fund balances; and issued an audit report for the year ending December 31, 2007 requiring the County to make adjustments.

The County has not yet recorded these adjustments:

	Opinion Unit (Amounts in Thousands)	
	Public Assistance	Health and Human Services Levies Fund
Cumulative Effect of Unrecorded Adjustments on the January 1, 2011 Balances	\$(161,589)	\$172,589

In our opinion, because of the effects of unrecorded interfund adjustments discussed in the third and fourth paragraphs, the financial statements referred to in the first paragraph do not present fairly the financial position or the fund balances the budgetary statements present for the Public Assistance Fund and the Health and Human Services Levies Fund at December 31, 2011. However, these adjustments do not affect the results of operations for the year ended December 31, 2011. In our opinion, the financial statements of the Public Assistance Fund and the Health and Human Services Levies Fund present fairly the results of operations (included budgetary statement revenue and expenditure comparisons) for the year ended December 31, 2011.

Also, in our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, the General Fund and the aggregate remaining fund information of Hamilton County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note II, during 2011, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2013, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements, and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. Because of the adverse opinion described in the fifth paragraph, we are unable to express an opinion for statements and schedules presenting the Public Assistance Fund and the Health and Human Services Levies Fund. In our opinion, except for statements and schedules presenting the Public Assistance Fund and the Health and Human Services Levies Fund this information is fairly stated in all material respects in relation to the governmental activities, the business-type activities, the discretely presented component unit, the General Fund and the aggregate remaining fund information of Hamilton County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund. We did not subject the introductory section and statistical information to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion or any other assurance on them.

Sincerely,

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

August 29, 2013

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**COUNTY OF HAMILTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED**

The discussion and analysis of Hamilton County's financial performance provides an overall review of the County's financial activities for the fiscal year ended December 31, 2011. The intent of this discussion and analysis is to present a narrative overview of the County's financial performance as a whole. Readers should also review the transmittal letter, at the front of this report, and the County's financial statements and notes, which follow this section, to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2011 are as follows:

- ❑ The net assets of the County as of December 31, 2011, were \$1,531.6 million. Of the \$649.1 million in total net assets of governmental activities, unrestricted net assets of \$25.3 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ❑ Unrestricted net assets in business-type activities were \$306.1 million as of December 31, 2011.
- ❑ In total, net assets increased \$55.8 million in 2011. Net assets of governmental activities increased \$3.5 million. Net assets of business-type activities increased \$52.3 million.
- ❑ The revenues of the governmental activities were \$761.2 million; \$379.5 million was from program revenues, and \$381.7 million was from general revenues. During this same period, expenses related to the governmental activities were \$756.4 million. The largest category of expenses was for health-related purposes in the amount of \$255.9 million.
- ❑ The 2011 revenues of the business-type activities were \$347.9 million—\$287.6 million from program revenues and \$60.3 million from general revenues. Expenses related to the business-type activities were \$296.9 million. The largest expenses were in the operations of Metropolitan Sewer District in the amount of \$195.2 million.
- ❑ General revenues accounted for \$442.0 million of total revenues for 2011. Program-specific revenues in the form of charges for services, grants and contributions accounted for \$667.1 million of total revenues of \$1,109.1 million in 2011.
- ❑ As of December 31, 2011, the County's governmental funds reported a combined fund balance of \$349.1 million, an increase of \$47.4 million compared to 2010. Approximately 13% of this amount (\$44.2 million) is available for spending at the government's discretion (unassigned fund balance).
- ❑ The fund balance of the County's General Fund increased \$10.8 million in 2011.
- ❑ Unassigned fund balance for the General Fund was \$56.4 million in 2011, compared to \$48.2 million in 2010, a change of 17%. This unassigned fund balance represents 30% of General Fund expenditures and other financing uses.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Hamilton County as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

**COUNTY OF HAMILTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED**

The discussion and analysis in this section is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components: (1) the government-wide financial statements, (2) the fund financial statements and (3) the notes to the financial statements. This report also contains other supplementary information that further explains and supports information in the basic financial statements.

1. The government-wide financial statements—the Statement of Net Assets and the Statement of Activities—are designed to provide both long-term and short-term information about the County's overall financial status.
2. The fund financial statements report detailed financial information about individual parts of the County's operations. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The most significant funds—major funds—are presented in separate columns on the fund financial statements. All other funds—nonmajor funds—are presented in total in one column.
3. The financial statement notes provide more detailed data and explanations for some financial statement information.

REPORTING HAMILTON COUNTY AS A WHOLE

Government-Wide Financial Statements

This document contains information about the separate funds used by Hamilton County to account for services and programs provided to our citizens. Additionally, the review of the County as a financial whole assesses all financial transactions and measures the County's financial position and liquidity. The government-wide financial statements—the Statement of Net Assets and the Statement of Activities—are designed to provide readers with a broad overview of the County's finances.

Statement of Net Assets and Statement of Activities

The Statement of Net Assets and the Statement of Activities report both long-term and short-term information about the County's overall financial status using the accrual basis of accounting, similar to the method of accounting used by private-sector companies.

- **Statement of Net Assets.** The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. This statement provides information about the nature and amounts of investments in resources (assets) and the obligations to County creditors (liabilities), and supplies the basis for evaluating the County's capital structure.
- **Statement of Activities.** The Statement of Activities provides information about all of the County's current-year revenues and expenses, and measures the success of the County's operations over the past year. Use of the accrual basis of accounting for financial reporting means all current-year revenues and expenses are reported regardless of when cash is received or paid.

These two government-wide statements report the County's net assets and changes in those assets. The change in net assets is important because it tells the reader whether, for the County as a whole, the financial position has improved or diminished. In evaluating the overall position of the County, nonfinancial information—such as changes in the County's tax or employment base, the condition of County capital assets, changing economic conditions, population and customer growth, and new or changed rules and regulations—also need to be considered.

**COUNTY OF HAMILTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the Statement of Activities for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the Statement of Net Assets and the Statement of Activities, County functions are divided into the following two distinct kinds of activities:

- ◆ **Governmental Activities**—Most of the County's programs and services mandated by State statute are reported as governmental activities, including general government, judicial, public safety, social services, health, public works, conservation and community development. These services are funded primarily by taxes and intergovernmental revenues, including federal and State grants and other shared revenues.
- ◆ **Business-Type Activities**—Most of the County's programs or services intended to recover all or a significant portion of their costs through user fees and charges are reported as business-type activities. The County charges fees to recoup the cost of operations and capital expenses associated with these activities.

The government-wide financial statements include not only the County itself (known as the primary government) but also any component units, if applicable. Component units are legally separate entities for which the primary government is financially accountable. For 2011, the Convention Facilities Authority (CFA) is a discretely presented component unit, and its financial data is reported on the government-wide statements.

The separately audited financial statements of the Metropolitan Sewer District of Greater Cincinnati (MSD), the County-owned sewer district operated by the City of Cincinnati under a management contract, have been included in this report as a proprietary enterprise fund with appropriate note disclosure because MSD is a blended component unit—one whose funds are treated as funds of the government with which it is included.

The Hamilton County Transportation Improvement District (TID) is also reported as a blended component unit. Even though the TID is a legally separate entity, it is reported as if it were part of the County because its governing board is substantively the same as that of the County. The TID is reported as part of the nonmajor governmental funds.

The government-wide financial statements can be found in this report immediately following this narrative.

REPORTING HAMILTON COUNTY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Based on restrictions on the use of moneys, the County maintains many funds that account for the multitude of services provided to its citizens.

The fund financial statements report detailed financial information about individual parts of the County's operations, focusing on the County's most significant funds—major funds. Major funds are presented in separate columns on the fund financial statements, with all nonmajor funds presented in total in one column.

**COUNTY OF HAMILTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Funds, Proprietary Funds and Fiduciary Funds

All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 (cash and other financial assets that can readily be converted to cash flow in and out), as well as on balances of spendable resources available at the end of the fiscal year. Governmental fund statements explain how services were financed in the short term, as well as what dollars remain for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Balance Sheet—Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately in the Balance Sheet—Governmental Funds and in the Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds for the General Fund, the Public Assistance fund and the Health and Human Services Levies fund, all of which are considered to be major governmental funds. Data from the other nonmajor governmental funds, which include special revenue, debt service and capital projects funds, are combined into a single, aggregate presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The County is required by Ohio law to adopt budgets for the General Fund, special revenue funds and debt service funds. A budgetary comparison statement for the General Fund and each annually budgeted major special revenue fund has been provided as part of the basic governmental fund financial statements. In the supplementary information, budgetary comparisons are presented at the legal level of budgetary control for all governmental funds with legally adopted annual budgets.

The basic governmental fund financial statements can be found in this report immediately following the government-wide financial statements.

Proprietary Funds. Proprietary fund statements present both short-term and long-term financial information about County operations financed and operated in a manner similar to a private business. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

**COUNTY OF HAMILTON, OHIO
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Generally, the purpose of a proprietary fund is to provide a service or product to operating units within the reporting entity (the County) or to the public at a reasonable cost. Proprietary funds may also be used where the Board of County Commissioners has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The County charges fees to recoup the cost of operations and capital expenses associated with these activities.

The County maintains two different types of proprietary funds: enterprise funds and internal service funds.

- ❖ *Enterprise Funds.* Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County maintains eight enterprise funds: the Metropolitan Sewer District of Greater Cincinnati (MSD) fund, to account for sewer services provided to County residents; the Paul Brown Stadium fund, to account for the construction and operations of the Bengals football stadium; the Baseball Stadium fund, to account for the construction and operations of the Great American Ball Park; the Riverfront Development fund, to account for various construction projects (including parking) to be located between the stadiums; the Main Street Parking Garage fund, to account for revenue received for the construction and operations of the Main Street Parking Garage; the Sales Tax Stabilization fund, to account for revenue to be used as a contingency account for future debt service payments; the Rotary funds, to track the cost of various activities of the Sheriff's Department within the County; and the Communications Center fund, to account for the financial activity relating to 911 services for Hamilton County.

Financial information is presented separately in the proprietary funds financial statements for the Metropolitan Sewer District fund, the Paul Brown Stadium fund and the Baseball Stadium fund, all of which are considered to be major enterprise funds. All other nonmajor enterprise funds are combined in total in one column.

- ❖ *Internal Service Funds.* Internal service funds are used to report a combination of governmental activities and business-type activities.
 - ◆ Governmental internal service funds are used to accumulate and allocate costs internally between the County's various functions, or to account for operations that provide services to County departments, agencies or other governments on a cost-reimbursement basis. Because the services provided by the County's governmental internal service funds—the Workers' Compensation Reserve fund, the Auditor's Computer Center fund, the Multi-County System Agencies fund and the Medical Self-Insurance fund—benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements.
 - ◆ Business-type internal service funds are used to report assets and liabilities within the business-type activities column of the Statement of Net Assets if enterprise funds are the predominant or only participant. The Workers' Compensation Reserve for Stadiums fund meets this criterion.

The basic proprietary fund financial statements can be found in this report immediately following the basic governmental fund financial statements.

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Fiduciary Funds. The fiduciary fund financial statements provide information about funds 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 County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found in this report immediately following the basic proprietary fund financial statements.

Notes to the Financial Statements

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

The notes to the financial statements can be found in this report immediately following the basic fiduciary fund financial statement.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents individual fund data for each of the nonmajor governmental funds, nonmajor enterprise funds, internal service funds and certain required supplementary information that is provided in the form of Combining and Individual Fund Financial Statements and Schedules.

The supplementary information section can be found in this report immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Hamilton County's financial statements comply with the reporting model required by the Governmental Accounting Standards Board, including its Statement No. 34 (GASB 34), *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. A comparative analysis of current-year and prior-year financial data is included in this report.

Net Assets

Net assets—the difference between assets and liabilities—may serve over time as a useful indicator of the County's financial position. At the end of 2011, Hamilton County was able to report positive balances in all categories of net assets for the County as a whole and for its separate governmental and business-type activities.

Hamilton County's assets exceeded liabilities by \$1,531.6 million in 2011. This represents \$649.1 million in governmental activities and \$882.5 million in business-type activities.

Overall expenses in governmental activities were down \$33.4 million in 2011 versus the prior year, so that even though the County's governmental revenues decreased by \$17.5 million, the County's governmental net assets still increased \$4.8 million in 2011 (excluding transfers).

**COUNTY OF HAMILTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Table 1 provides a summary of the County's net assets for fiscal year 2011.

Table 1
HAMILTON COUNTY'S NET ASSETS
(In Millions)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2011	2010*	2011	2010*	2011	2010*
ASSETS						
Current and Other Assets	\$ 724.1	\$ 685.7	\$ 502.8	\$ 528.3	\$1,226.9	\$1,214.0
Capital Assets, Net	397.0	438.8	2,007.2	1,912.9	2,404.2	2,351.7
TOTAL ASSETS	1,121.1	1,124.5	2,510.0	2,441.2	3,631.1	3,565.7
LIABILITIES						
Current and Other Liabilities	333.1	335.9	50.3	49.5	383.4	385.4
Long-Term Liabilities						
Due Within One Year	17.3	14.9	48.5	43.3	65.8	58.2
Due in More Than One Year	121.6	128.1	1,528.7	1,518.2	1,650.3	1,646.3
TOTAL LIABILITIES	472.0	478.9	1,627.5	1,611.0	2,099.5	2,089.9
NET ASSETS						
Invested in Capital Assets,						
Net of Related Debt	314.3	350.5	568.4	476.9	882.7	827.4
Restricted for:						
Debt Service	14.3	8.1	8.0	8.4	22.3	16.5
Capital Projects	7.7	0.2	-	-	7.7	0.2
Special Revenue Funds	287.5	269.0	-	-	287.5	269.0
Unrestricted	25.3	17.8	306.1	344.9	331.4	362.7
TOTAL NET ASSETS	\$ 649.1	\$ 645.6	\$ 882.5	\$ 830.2	\$1,531.6	\$1,475.8

*As restated.

By far, the largest portion of the County's net assets, \$882.7 million, reflects its investment in capital assets, which includes property, plant, equipment and infrastructure assets, net of accumulated depreciation and less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County'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.

An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. Restricted net assets were \$309.5 million of governmental

**COUNTY OF HAMILTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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activities and \$8.0 million of business-type activities in 2011. The remaining net assets are unrestricted and may be used to meet the County's ongoing obligations to its citizens and creditors and for business-type activities. Unrestricted assets were \$25.3 million of governmental activities and \$306.1 million of business-type activities in 2011.

As was also the case in 2010, a significant factor in 2011 governmental activities that affected the County's net assets invested in capital assets, net of related debt, was that capital outlay budgets were reduced to bare minimums to keep spending in line with reduced revenues, resulting in depreciation in excess of acquisitions by \$26.4 million.

Changes in Net Assets

Hamilton County's total revenues were \$1,109.1 million. Various taxes make up 36% of the County's revenue. Another 34% of the County's revenue comes from fees charged for services, and 29% is State and federal aid.

Table 2 below provides a summary of the County's revenues and expenses—the changes in net assets—for fiscal year 2011.

Table 2
HAMILTON COUNTY'S CHANGES IN NET ASSETS
(In Millions)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2011	2010*	2011	2010*	2011	2010*
REVENUES						
Program Revenues:						
Charges for Services	\$115.5	\$110.5	\$257.8	\$241.7	\$373.3	\$352.2
Operating Grants and Contributions	262.9	266.8	-	-	262.9	266.8
Capital Grants and Contributions	1.1	3.4	29.8	23.7	30.9	27.1
General Revenues:						
Property Taxes	236.5	239.0	-	-	236.5	239.0
Sales and Use Taxes	75.3	72.0	50.5	50.2	125.8	122.2
Other Taxes	39.5	43.6	-	-	39.5	43.6
Grants and Entitlements	23.8	34.5	-	-	23.8	34.5
Unrestricted Investment Earnings	5.9	7.3	4.7	6.4	10.6	13.7
Gain on Sale of Capital Assets	0.1	1.5	0.2	0.1	0.3	1.6
Other	0.6	0.1	4.9	4.0	5.5	4.1
TOTAL REVENUES	761.2	778.7	347.9	326.1	1,109.1	1,104.8

**COUNTY OF HAMILTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
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EXPENSES

Program Expenses:

General Government	\$ 97.9	\$100.2	\$ -	\$ -	\$ 97.9	\$ 100.2
Judicial	88.6	91.2	-	-	88.6	91.2
Public Safety	98.9	101.8	-	-	98.9	101.8
Social Services	140.0	167.9	-	-	140.0	167.9
Health	255.9	251.0	-	-	255.9	251.0
Public Works	48.7	50.3	-	-	48.7	50.3
Environmental Control	6.5	6.7	-	-	6.5	6.7
Economic Development	7.9	7.5	-	-	7.9	7.5
Parks and Recreation	7.7	8.5	-	-	7.7	8.5
Interest and Fiscal Charges	4.3	4.7	-	-	4.3	4.7
Metropolitan Sewer District	-	-	195.2	194.9	195.2	194.9
Paul Brown Stadium	-	-	44.0	45.5	44.0	45.5
Baseball Stadium	-	-	29.2	29.7	29.2	29.7
Riverfront Development	-	-	12.1	41.8	12.1	41.8
Main Street Parking Garage	-	-	1.0	0.9	1.0	0.9
Rotary Funds	-	-	8.3	7.9	8.3	7.9
Communications Center	-	-	7.1	7.0	7.1	7.0
Total Program Expenses	756.4	789.8	296.9	327.7	1,053.3	1,117.5
Indirect Expenses Allocation	4.6	5.2	-	-	4.6	5.2
Indirect Expenses Reimbursement	(4.6)	(5.2)	-	-	(4.6)	(5.2)
TOTAL EXPENSES	756.4	789.8	296.9	327.7	1,053.3	1,117.5
Increase (Decrease) in Net Assets Before Transfers	4.8	(11.1)	51.0	(1.6)	55.8	(12.7)
Transfers	(1.3)	(1.6)	1.3	1.6	-	-
INCREASE (DECREASE) IN NET ASSETS	3.5	(12.7)	52.3	-	55.8	(12.7)
NET ASSETS—BEGINNING OF YEAR	645.6	658.3	830.2	830.2	1,475.8	1,488.5
NET ASSETS—END OF YEAR	\$649.1	\$645.6	\$882.5	\$830.2	\$1,531.6	\$1,475.8

*As restated.

Governmental Activities. Governmental activities increased Hamilton County's net assets by \$3.5 million (less than 1% compared to 2010 total net assets).

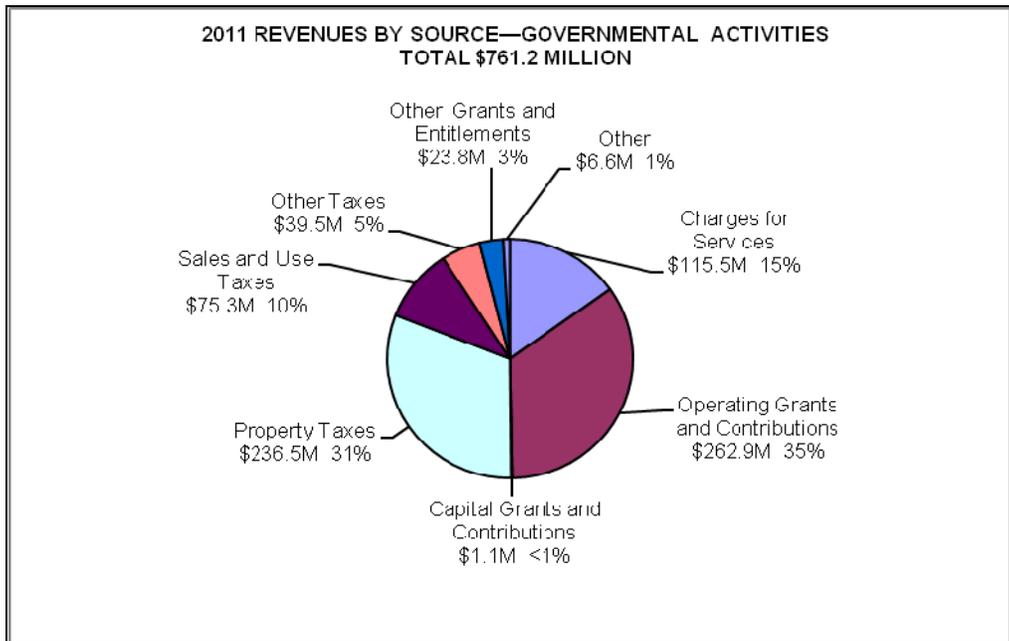
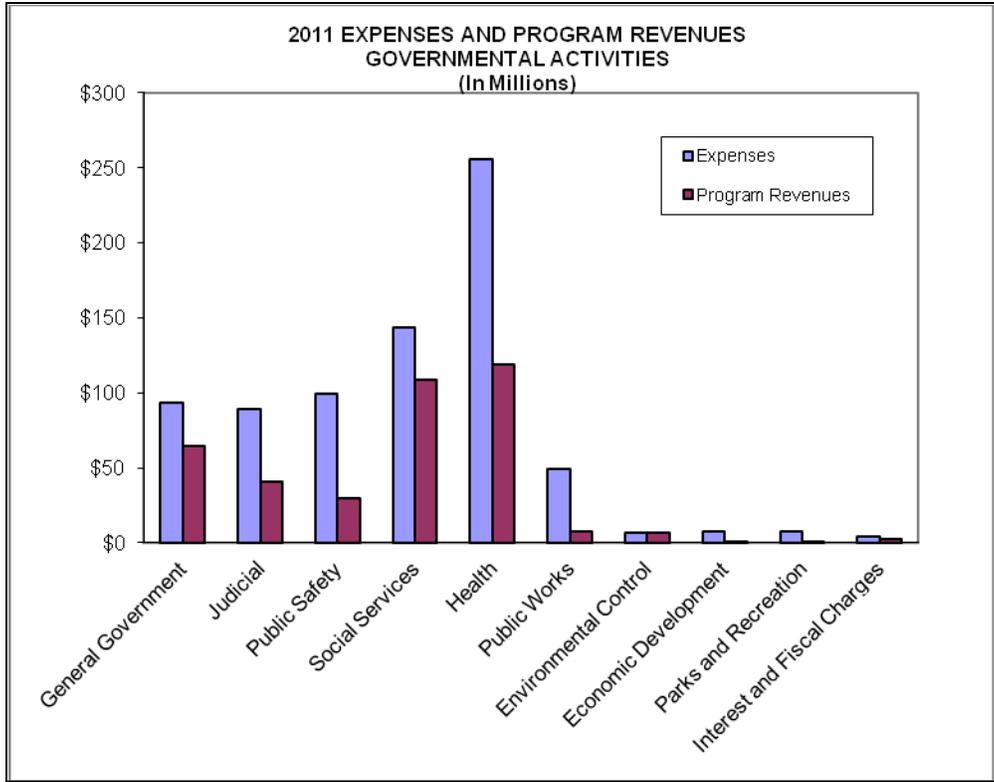
Tax revenue accounts were \$351.3 million, which was 46% of the \$761.2 million total revenue for governmental activity. Though the slow economy continues, there was a 5%, \$3.3 million, increase in sales tax over last year.

Total expenses of the County's governmental activities were \$756.4 million in 2011. The health category accounts for \$255.9 million (34%) of the total expenses for governmental activities. Social services was the next largest program within the County, accounting for \$140.0 million (19%) of total expenses for governmental activities for the year.

Program revenues were \$379.5 million in 2011. The County works to secure the maximum amount of grants and contributions that are provided by the State and federal governments. In 2011, these grants and contributions included \$262.9 million for operating grants and contributions, the largest program revenue, accounting for 35% of total governmental revenue.

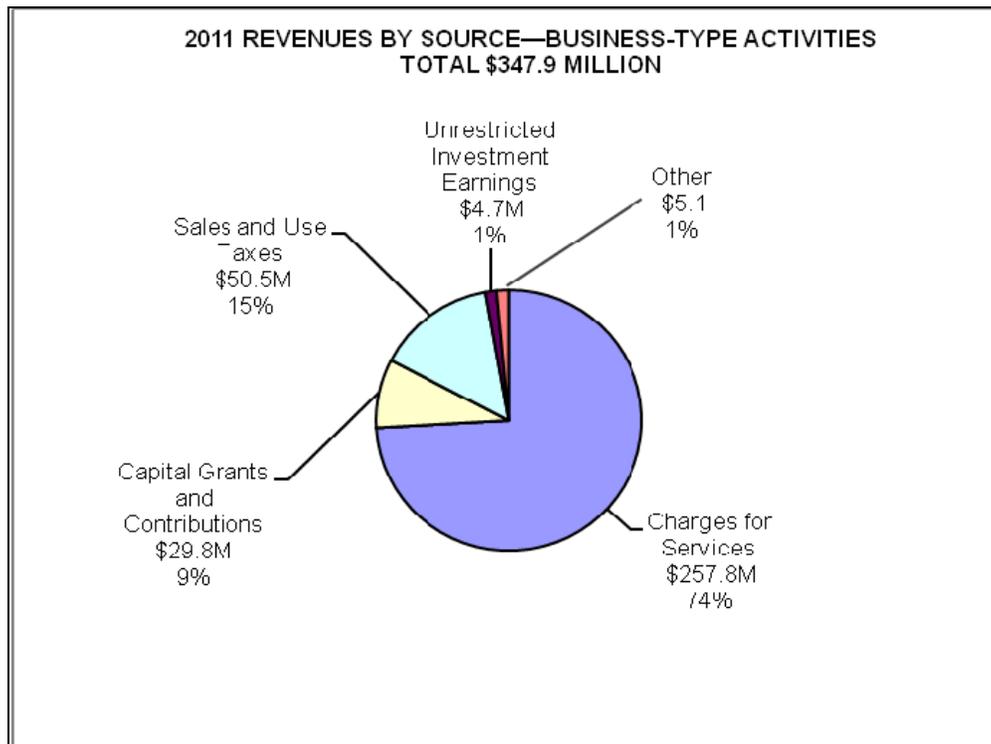
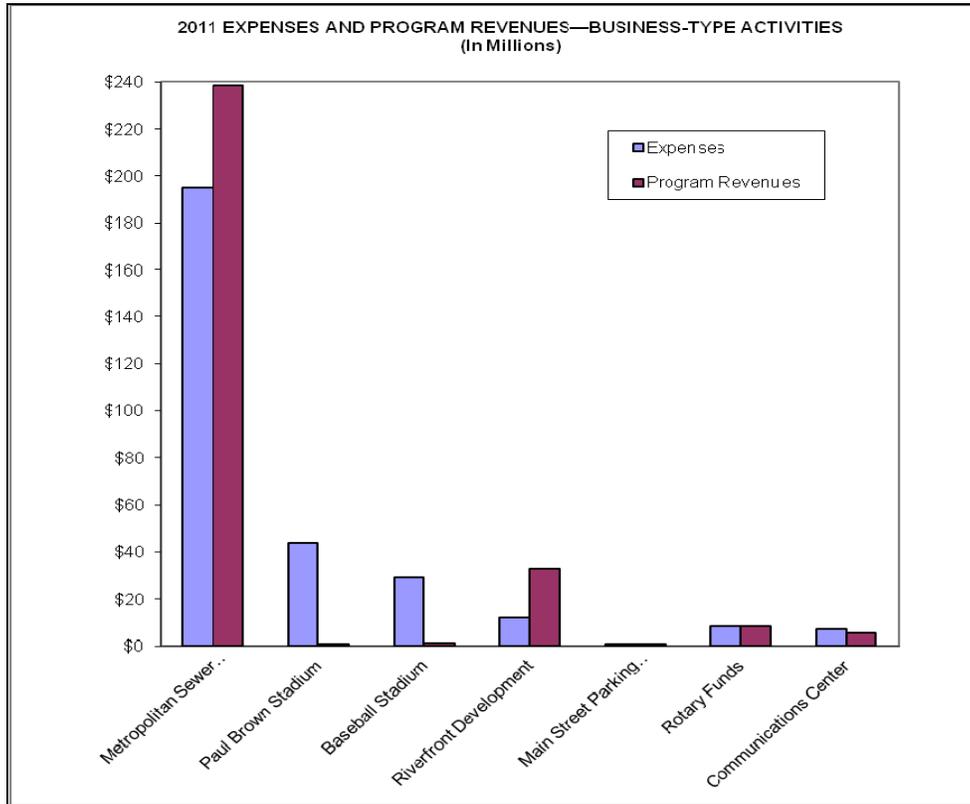
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The most significant of these intergovernmental contributions is accounted for through subsidies received to provide health-related programs; those subsidies increased by \$18.9 million versus 2010. Approximately 40% of operating grants was allocated to health programs in 2011.



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Business-Type Activities. Business-type activities increased Hamilton County's net assets by \$52.3 million, or 4%, in 2011.



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The County's direct charges to users of County business-type services, charges for services, were \$257.8 million or 74% of business-type activities' revenues in 2011. A significant portion of these charges, \$234.9 million, were Metropolitan Sewer District sewer service charges and surcharges that will provide for necessary operating expenses, annual debt support, support of the District's capital program and the satisfaction of bond covenants. Other major revenue sources in 2011 were capital grants and contributions of \$29.8 million and sales and use tax revenues of \$50.5 million.

Overall expenses of the County's business-type activities were \$296.9 million. Metropolitan Sewer District accounted for \$195.2 million (66%) of the total expenses for business-type activities in 2011. Paul Brown Stadium accounted for the next largest amount of business-type expenses at \$44.0 million (15%) of the 2011 total.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

The focus of Hamilton County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County commissioners.

As the County completed the year, its governmental funds reported a combined ending fund balance of \$349.1. Approximately 13% of this amount (\$44.2 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form (\$5.6 million), (2) legally required to be maintained intact (\$5.6 million), (3) restricted for particular purposes (\$268.1 million), (4) committed for particular purposes (\$14.4 million), or (5) assigned for particular purposes (\$11.2 million).

General Fund. The General Fund is the chief operating fund of the County, available for any authorized purpose and used to account for all financial resources except those required to be accounted for in another fund. In 2011, unassigned fund balance of the General Fund was \$56.4 million, while total fund balance was \$75.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. In 2011, unassigned fund balance represents approximately 30% of the total General Fund expenditures and other financing uses, while total fund balance represents 40% of that same amount.

The fund balance of the County's General Fund increased \$10.8 million during 2011. Revenues exceeded expenditures by \$25.2 million in a year when revenues remained fairly consistent with the prior year (decreased by \$0.3 million). Expenditures increased by \$4.1 million, mostly in the areas of general government and judicial spending, with a partially offsetting reduction in public safety expenditures. In 2011, the County was still facing economic difficulties and was focused on maintaining General Fund expenditures near prior-year levels.

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Public Assistance Fund and Health and Human Services Levies Fund. The Public Assistance fund and the Health and Human Services Levies fund, major special revenue funds used to account for specific governmental revenues other than major capital projects, require separate accounting because of legal or regulatory provisions or administrative action and account for expenditures for specified purposes.

Public Assistance Fund. The Public Assistance fund, an annually budgeted special revenue fund, is used to account for revenue from the federal, State and County governments and for expenditures used to provide services to eligible County residents. The fund balance of the Public Assistance fund increased by \$9.2 million in 2011. Revenues declined by \$22.7 million compared to 2010, mostly due to reduced State allocations, and expenditures declined by \$11.0 million.

Health and Human Services Levies Fund. The Health and Human Services Levies fund, an annually budgeted special revenue fund, is used to account for the revenue from health and human services levies. Levies and expenditures are determined by policies of the Board of County Commissioners. The fund balance of the County's Health and Human Services Levies fund increased by \$10.1 million in 2011. Health-related levy expenditures were \$13.1 million down from 2010, primarily due to a change in source for the Medicaid match dollars effective for 2011 service dates.

Other Governmental Funds. The fund balances of Other Governmental Funds—Nonmajor Governmental Funds—increased by \$17.3 million during 2011. The increase in the fund balances of Nonmajor Governmental Funds was the effect of issuance of bonds and transfers into the debt service fund to pay principal and interest on general obligation debt.

Proprietary Funds

Proprietary enterprise funds provide the same type of information reported in the government-wide financial statements as business-type activities, but in more detail.

Metropolitan Sewer District Fund, Paul Brown Stadium Fund and Baseball Stadium Fund. The Metropolitan Sewer District fund, the Paul Brown Stadium fund and the Baseball Stadium fund are major enterprise funds. The expenses (including depreciation) of providing goods and services primarily or solely to the general public are financed or recovered mainly through fees and user charges.

*Metropolitan Sewer District Fund.** The Metropolitan Sewer District fund is used to account for County-provided sewer services to residential, commercial and industrial users in Hamilton County. Sewer charges are based upon water usage and serve as the major revenue source for financing operations and maintenance for the sewer system.

The fund assets of Metropolitan Sewer District exceeded liabilities by \$726.5 million in 2011. Of those net assets, 60% reflect MSD's investment in capital assets, less any related debt used to acquire those assets that is still outstanding. These capital assets are used primarily in the collection and treatment of wastewater throughout the District's service area. The related debt will be repaid with resources provided by systems users through rates and fees. Net assets increased \$52.4 million in 2011. The increase was a combination of income before contributions and contributions in the form of connection fees, assessments and developer contributions. Total revenues increased 7% (\$16.5 million), and expenses increased less than 1% (\$0.3 million). Some of the major factors that contributed to these results are as follows:

- Operating revenues reflect an 8% rate increase implemented January 2011.
- Nonoperating revenues decreased related to the change in fair value of investments.

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- Operating expenses decreased 2% (\$4.0 million) primarily because the increase in accrued pension liability for 2011 was significantly lower than the increase in 2010. A significant increase in health care costs in 2011 was more than offset by this decrease related to the pension accrual.
- Depreciation expense increased 10% (\$4.5 million) due to a significant number of large-dollar capital assets being placed in service during the year.
- Nonoperating expense increased 14% (\$4.3 million) due to an increase in interest expense related to the growing capital program.
- Capital contributions will fluctuate depending on building activity and assessment projects completed.

*Source: Metropolitan Sewer District of Greater Cincinnati 2011 Audited Financial Statements

Paul Brown Stadium Fund. The Paul Brown Stadium fund is used to account for revenue received from stadium tenants and for the operation of Paul Brown Football Stadium. The fund net assets of the Paul Brown Stadium fund were a negative \$62.6 million in 2011. Expenses exceeded revenues by \$8.1 million. As was the case in 2010, the significant factors contributing to the decrease in fund net assets include depreciation expense on the stadium and interest expense on the related debt, with minimal operating revenue offset.

Baseball Stadium Fund. The Baseball Stadium fund is used to account for the operations of Great American Ball Park Baseball Stadium and the Cincinnati Reds Hall of Fame and Museum. The fund net assets of the Baseball Stadium fund were \$62.4 million, a decrease of \$12.4 million compared to 2010. Similar to Paul Brown Stadium, the major factors contributing to the decrease in fund net assets were depreciation expense and interest expense, in conjunction with minimal operating revenue offset. Revenues and expenditures are largely fixed amounts, as set forth in the ballpark lease. Operating costs are shared by the Cincinnati Reds and County sales tax.

Other Enterprise Funds. The fund net assets of Other Enterprise Funds (nonmajor enterprise funds) increased by \$20.4 million in 2011. Though operating and nonoperating expenses exceeded revenues by \$7.4 million, capital contributions and transfers in were in excess of the net expenses, largely due to grant revenues and reimbursements from the developer and the City of Cincinnati. For more information related to the change in net assets of Other Enterprise Funds, please refer to the Combining Statement of Revenues, Expenses and Changes in Fund Net Assets found in this report in the section following the Notes to the Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County's annual budget, the starting point for the County's financial planning and control, is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Typically, the Board of County Commissioners (BOCC) adopts the annual operating budget for the County, including MSD, on or about the first of each year. All disbursements and transfers of cash between funds require appropriation by the County Commissioners.

The adopted budget may be amended in one of three ways: (1) transfer of appropriations between funds, departments or appropriation levels, all of which must be approved by the BOCC; (2) additional appropriations, which also require BOCC approval; and (3) transfers within appropriated levels, which require County Administrator approval. (With regard to this latter category, however, such transfers within appropriated levels are not necessary since agencies may legally spend within their total budget for a given appropriation level without further approval.) The Office of Budget and Strategic Initiatives reviews departmental requests for transfers and supplemental appropriations throughout the year and assists departments in

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monitoring budget activity. All budgetary amendments and supplemental appropriations made during 2011 are included in the revised budget amounts presented in the budget-to-actual comparisons.

While the 2011 budget was balanced without a tax increase, the General Fund still faces significant challenges as we continue to see stagnant or declining revenue in many areas. Over 70% of General Fund expenditures are in the areas of public safety and the court system. The cost of employee wages and benefits continues to be the largest expenditure category, accounting for approximately 68% of expenditures.

The final revised General Fund appropriations for 2011 were \$213.8 million. The County spent 98% of the amount appropriated in the General Fund during 2011.

The final revised estimated resources for the General Fund for 2011 were \$210.6 million. Actual General Fund revenues received were \$223.2 million, almost 6% greater than final budgeted General Fund revenues in 2011. One of the reasons revenues exceeded expectations was the greater-than-anticipated sales tax collections (\$4.2 million greater than budgeted), thanks to a bigger surge in local consumer purchases than predicted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Hamilton County invested \$2,404.2 million (net of accumulated depreciation) in 2011 in a broad range of capital assets, which include property, plant, equipment and infrastructure assets.

Net capital assets related to governmental activities amount to \$397.0 million. Net capital assets related to business-type activities amount to \$2,007.2 million and include \$1,274.6 million net capital assets of MSD.

Table 3 provides a summary of the County's capital assets, net of accumulated depreciation for fiscal year 2011.

Table 3
**HAMILTON COUNTY'S
CAPITAL ASSETS AT YEAR-END**
(Net of Accumulated Depreciation, in Millions)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2011	2010	2011	2010*	2011	2010*
Land and Improvements	\$ 97.8	\$ 98.8	\$ 96.0	\$ 96.0	\$ 193.8	\$ 194.8
Buildings, Structures and Improvements	101.2	118.7	1,390.1	1,317.4	1,491.3	1,436.1
Infrastructure	175.0	189.9	-	-	175.0	189.9
Processing System	-	-	179.2	168.8	179.2	168.8
Furniture, Fixtures and Equipment	21.0	24.3	17.1	18.2	38.1	42.5
Construction in Progress	2.0	7.1	324.8	312.5	326.8	319.6
TOTAL CAPITAL ASSETS, NET	\$397.0	\$438.8	\$ 2,007.2	\$ 1,912.9	\$ 2,404.2	\$ 2,351.7

*As adjusted.

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Major Capital Asset Events. Major capital asset events during the current fiscal year included the following:

- Expenses of about \$147 million for Metropolitan Sewer District capital improvement projects (including receipt of about \$3.3 million in capital contributions) with sewer replacements and improvement projects making up about 75% of the total;*
- Completion of a parking garage as part of riverfront development (\$52.6 million);
- Disposal of \$12.2 million in capital assets due to the sale of a building.

*Source: Metropolitan Sewer District of Greater Cincinnati 2010 Audited Financial Statements

Five-Year Capital Plans. The Hamilton County and Metropolitan Sewer District five-year capital plans were submitted and accepted for the years 2012 through 2016.

Hamilton County Capital Improvement Plan. The 2012-2016 capital improvement plan includes \$155.8 million in approved and recommended capital improvement projects. Approved projects include The Banks Phases 1A and 2A (\$131.2 million) on the riverfront, to be paid for by the County, the developer contribution, the city of Cincinnati, State and federal grants, and the city of Cincinnati and Hamilton County tax increment financing.

Thirteen new projects totaling \$16.2 million have been recommended in the plan. Funding for the new projects will be provided by various restricted funds by the agencies requesting the capital improvements (\$4.3 million) and by the General Fund (\$11.9 million).

Metropolitan Sewer District Capital Plan. MSD finances its construction primarily through the issuance of revenue bonds and will utilize low-interest loan programs through the State of Ohio in appropriate circumstances. The five-year capital plan contemplates issuing an average of \$280 million in debt each year to finance the capital improvement program. Each project must be individually approved before proceeding.*

*Source: Metropolitan Sewer District of Greater Cincinnati 2010 Audited Financial Statements

Additional information regarding the County's capital assets can be found later in this report in the Notes to the Basic Financial Statements.

Emergency Management and Operation Center—General Obligation Debt. The following information pertains to a capital asset for which Hamilton County assumes the responsibility for the payment of the related debt but for which the County does not hold title. The County issued bonds to fund a portion of the construction and improvement of City-owned office buildings occupied by the County's Emergency Management Agency and Operations Center. Additional information regarding the debt can be found later in this report in the section of the Notes to the Basic Financial Statements titled Long-Term Debt and Other Obligations.

Long-Term Obligations

Hamilton County's total long-term obligations outstanding at December 31, 2011, were \$1,674.5 million (\$138.9 million related to governmental activities and \$1,535.6 million related to business-type activities). This includes liabilities for bonds, loans, capital leases, forgivable mortgages and loan, workers' compensation, and compensated absences.

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Outstanding Debt Issues. At the end of 2011, the County had a number of debt issues outstanding. These issues, net of applicable unamortized discounts, included \$91.1 million of general obligation bonds, \$4.6 million of general obligation special assessment bonds, \$907.2 million of sewer revenue bonds and other obligations of MSD, \$19.0 million of parking garage adjustable rate revenue bonds, \$561.6 million of stadium sales tax bonds, and \$19.4 million in loans.

General obligation bonds and notes are backed by the full faith and credit of the government. General obligation special assessment bonds are debt for which the County is liable in the event of default by the property owners subject to the assessment. Sewer revenue bonds are backed by user charges against individual ratepayers. Sales tax bonds are backed by a lien on the receipts of an additional ½% sales tax approved by County voters in 1996.

Table 4 provides a summary of the County's outstanding long-term bonds and loans for fiscal years 2011 and 2010.

Table 4
**HAMILTON COUNTY'S
OUTSTANDING LONG-TERM BONDS AND LOANS AT YEAR-END**
(In Millions)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
General Obligation Bonds—Unvoted	\$ 84.3	\$ 90.1	\$ 6.8	\$ 7.2	\$ 91.1	\$ 97.3
General Obligation Special Assessment Bonds	4.6	4.6	-	-	4.6	4.6
Metropolitan Sewer District Obligations	-	-	907.2	904.6	907.2	904.6
Adjustable Rate Revenue Bonds	-	-	19.0	19.7	19.0	19.7
Sales Tax Bonds	-	-	561.6	559.0	561.6	559.0
Loans	2.2	2.6	17.2	17.2	19.4	19.8
TOTAL LONG-TERM DEBT	<u>\$ 91.1</u>	<u>\$ 97.3</u>	<u>\$1,511.8</u>	<u>\$1,507.7</u>	<u>\$1,602.9</u>	<u>\$1,605.0</u>

New Debt. During 2011, the County issued new bonds for the purposes listed below.

Governmental Activities—Long-Term Debt. Special Assessment Bonds (\$0.3 million) were issued for the purpose of constructing sewer improvements in anticipation of the collection of special assessments against the benefited properties. Ohio Air Quality Development Authority Revenue Bonds were issued in the amount of \$5.5 million. Proceeds of the bonds will be used to implement energy conservation measures in various county buildings.

Business-Type Activities—Long-Term Debt. The County issued \$72.7 million in sales tax refunding bonds to currently refund outstanding principal amounts of the senior lien bonds and a portion of the Series 2000B bonds, to fund a portion of the reserve requirement and to pay costs of issuance.

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Credit Ratings. The County currently obtains credit ratings on all of its bonds and maintains ratings as follows:

County Bonds Issued	Bond Rating			Insurer
	Moody's	Standard & Poor's (S&P)	Fitch	
General Obligation	Aa2			
MSD Revenue (Series 2003-2006)*	Aa2	AA+		MBIA
MSD Revenue (Series 2007-2010)	Aa2	AA+		
Sales Tax—Riverfront (2000B and 2006A)**	A2		A+	AMBAC***
Sales Tax—Riverfront (2011)	A2		A+	
Riverfront Parking Revenue (2001)	Aa3			

Sources: Hamilton County Office of Budget and Strategic Initiatives and Metropolitan Sewer District of Greater Cincinnati 2011 Audited Financial Statements

Ratings

Aaa (Moody's), AAA (S&P, Fitch)—prime, maximum safety
 Aa1, Aa2, Aa3 (Moody's), AA+, AA, AA- (S&P, Fitch)—high grade, high quality
 A1, A2, A3 (Moody's), A+, A, A- (S&P, Fitch)—upper medium grade

Insurers

MBIA—Municipal Bond Investors Assurance
 AMBAC—American Municipal Bond Assurance Corporation

*Underlying rating is Aa2 by Moody's Investors Service and AA+ by Standard and Poor's Corporation.

**Underlying rating is A2 by Moody's Investors Service and A+ by Fitch.

***The surety provider AMBAC recently had its rating withdrawn by Standard and Poor's and Moody's, which initially caused a nonpayment default under the documentation for the two series of sales tax bonds for which AMBAC serves as a surety provider. The County filed a Material Event Notice on July 8, 2011, to this effect. The nonpayment default came through no fault of the County and does not affect the ability of the County to make timely payments of its debt service obligations. In order to satisfy the debt service requirements set forth in the trust agreement for the County's sales tax bonds, the County started to make monthly cash deposits into the debt service reserve fund for the County's sales tax bonds as of August 2011 and has continued to do so ever since the time of the initial cash deposit. Since that date, the County has been in compliance with the provisions of the trust agreement governing replenishment of the debt service reserve fund.

Legal Debt Margins. The Uniform Bond Law of the State of Ohio provides that the total net indebtedness created or incurred by any county shall never exceed a sum equal to 3% of the first \$100 million or part of the tax list, plus 1½% of the tax list in excess of \$100 million and not in excess of \$300 million, plus 2½% of the tax list in excess of \$300 million. In addition, the net indebtedness created or incurred by any county without vote of the electors shall never exceed a sum equal to 1% of the tax list of the County. Contained in the Uniform Bond Law of the State of Ohio are exceptions for debt limitations. Among the kinds of debt exempted are debt issued for special assessments, sewer works, self-supported revenue bonds and jail facilities.

The total voted and unvoted non-exempt debt of the County that could be issued subject to the 3%, 1½% and 2½% limitation described above is \$497.7 million. The total County net debt subject to this limitation is \$71.6 million, leaving a borrowing capacity of \$426.1 million within the limitation from combined voted and unvoted non-exempt debt. The total County unvoted, non-exempt debt that could be issued subject to the 1% limitation is \$199.7 million. The total County debt subject to such limitation is \$71.6 million, leaving a borrowing capacity of \$128.1 million within the 1% limitation for unvoted non-exempt debt.

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Other Long-Term Obligations. The County's long-term obligations for 2011 also include compensated absences of \$40.4 million related to governmental activities and \$9.9 million related to business-type activities; forgivable loan contracts of \$5.1 million; various long-term leases for office space or equipment amounting to \$16.4 million; and workers' compensation of \$2.3 million. Additionally, MSD has reported a net pension obligation of \$29.4 million and a \$12.2 million obligation for other post-employment benefits.

Interest and fiscal charges for governmental activities were \$4.3 million, less than 1% of the total expenses in 2011.

For more information regarding the County's debt, see the section of the Notes to the Basic Financial Statements (found later in this report) titled Long-Term Debt and Other Obligations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES*

The local economy has historically tracked the nation very closely. Recently, the region has experienced slower growth. Here are some highlights and recent trends of the region:

Positives

- ranked #4 in Top 10 Large Metro Area list
- 24th largest U.S. metro area
- a Top 25 international trade center
- one of nation's Top 10 markets for Fortune 500 headquarters per million residents
- increase in Gross Regional Product in 2011
- increase in personal income in 2011
- positive growth in employment in health services sector
- modest growth recently in manufacturing employment
- slight increase in construction activity
- high concentration of and competitive advantage for companies in aerospace, automotive, chemistry and plastics, and financial services industries
- emerging industries in advanced energy, consumer products and creative services, information technology and biosciences
- affordable cost of living and housing
- lowest business operating costs of all cities in the nation with populations of 2 million or more
- a major transportation hub, including an international airport

Negatives

- labor market recovery at a slower pace than the rest of the country
- unemployment rate still high
- negative population growth in Hamilton County since 2000
- foreclosure filings showing slight decrease versus 2010 but Hamilton County still among top 10 Ohio counties in foreclosures per 1,000 residents
- overall decline in number of goods-producing and service-producing employment since 2007

For 2012 the Board of County Commissioners (BOCC) approved a total budget of \$1,035.1 million. General Fund appropriations are \$206.8 million, a \$3.9 million, or nearly 2%, decrease from the 2011 budget. The 2012 budget marks the lowest revenue and expenditure levels in the County since 1998. General fund employee positions are estimated to increase by 3.9 positions from the 2011 budget as a result of Sheriff's staff moving from the indigent care levy to the General Fund (+26.0), offset by staff reductions in other departments (-22.1).

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The BOCC focused on the following in developing the 2012 budget:

- supporting economic development and public safety
- addressing fiscal stability
- identifying cost-saving measures
- reducing property taxation
- planning for strategic facility usage and the need for criminal justice treatment space
- continuing efforts to ensure appropriate compensation adjustments for the County workforce
- furthering development services improvement recommendations

The County faces particular fiscal challenges caused by revenue declines in recent years, and the expectation is that it could take several years before the County sees growth in the following key General Fund revenues:

- **Sales Tax**—General Fund sales tax performance during 2011 increased 5% from 2010 collections, reflecting a state expansion of the base to include Medicaid-managed care plans and a somewhat stabilized economy. 2012 budgeted sales tax assumes a decrease of almost 2% from 2011 collections.
- **Real Estate Transaction Taxes**—The General Fund property tax rate is limited to 2.26 mills, and additional revenue is only realized through new development and periodic reappraisals. For 2012, General Fund budgeted property tax revenue decreases \$6.3 million from 2011 collections. The decrease results from lower property values in the six-year reappraisal (\$4.0 million) and the state phase-out of personal property and public utility tax reimbursements (\$2.2 million).
- **Local Government Fund (LGF)**—The Local Government Fund, a State revenue-sharing mechanism, was reduced substantially in the governor's 2011-13 biennium budget. The 2012 budget of \$14.7 million is a \$5.9 million decrease from 2011 collections, representing an estimated 17% reduction in the first six months, and 50% thereafter.
- **Real Estate Transaction Fees**—Real estate transaction fees (recording, conveyance and transfer fees) decreased 5% from 2010 collections, in the absence of the federal new homebuyer tax credit. 2012 real estate transaction-related revenues are estimated to generate \$9.2 million, a decrease of 7% from 2011 collections, based on an uncertain real estate market and several large property transfers that inflated 2011 collections.
- **Interest Earnings**—Continued low interest rates are expected for the foreseeable future, with the federal funds interest rate anticipated to remain less than 1% through 2012. Interest earnings are estimated at \$5.6 million and represent a decrease of approximately 11% from 2011 collections.

These five revenue sources are estimated at \$133.9 million for 2012, or 66% of the total General Fund revenue estimate. The 2012 estimate for these revenue sources represents a \$42.2 million decrease from 2007 actual receipts. Adjusted for a lack of inflationary growth in these revenue sources, the decrease is \$60.0 million.

In addition to these major revenue sources, the 2012 budget also relies on nonrecurring resources and General Fund reserves to an extent not contemplated by the County thus far in this economic contraction. A shift of operating expenses to restricted funds in the courts continues, but in the 2012 budget, there is an assumption of an additional \$2.7 million of nonrecurring resources applied to ongoing operating costs and an additional \$4.4 million in reserves to address nonrecurring expenditures.

The total 2012 budget for the County's restricted funds is \$828.3 million, a \$21.5 million reduction from 2011's original appropriations once the full MSD appropriation was approved in March. The following issues are of note related to special revenue funds.

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Reasons for Major Decreases in Restricted Funds

- Board of County Commissioners' action that reduced MSD expenses
- consolidation of Multi-County Systems Agencies into Mental Health and Recovery Services
- reduction in the indigent care levy

Offsets for Decreases in Restricted Funds

- increases in the CLEAR levy for County-wide replacement of police patrol vehicle computers
- increase in Sheriff's Rotary fund to account for additional reimbursed patrols in the townships

Further noteworthy discussion of restricted fund issues:

- *Job and Family Services (JFS)*. Budget challenges at the state level continue to substantially reduce revenues for JFS, amounting to an \$11.3 million (22%) decrease in grant awards for 2012. JFS has decreased staff by over 800 positions (almost 50%) in the last five years. These reductions allow the agency to address 2012 revenue losses while maintaining current staff and service levels. JFS has responded to revenue reductions by seeking efficiencies that maximize resources to address the increased demand for service that has accompanied the economic downturn.
- *Metropolitan Sewer District (MSD)*. The Sewer District is not in a growth situation but one in which the system, generally, is being upgraded and replaced to comply with increasing regulatory requirements. MSD is in the midst of implementing elements of the federally mandated Wet Weather Improvement Plan. The 2012 operating budget is a 10% reduction of MSD's original request.
- *Stadium Sales Tax Fund*. Actions taken by the Board of County Commissioners in November 2011 maintain balance in the stadium sales tax fund during 2012. The Board priority of maintaining the annual property tax rebate on owner-occupied residential property was continued for one year largely through the influx of proceeds from the sale of the County-owned Drake Hospital property.
- *Property Tax Levies*. Property tax revenues for 2012 decrease \$15.5 million from 2011 collections. This is largely the result of three factors: the state biennium budget phase-out of personal and public utility property tax reimbursements (\$7.8 million); the Board of County Commissioners' action to reduce the tax rate for the indigent care levy (\$3.6 million); and revenue estimates at 97% of total collections (\$4.1 million).

* Sources: Hamilton County, Ohio, 2012 Budget in Brief; Metropolitan Sewer District of Greater Cincinnati 2011 Audited Financial Statements; cincinnatiusa.org; policymattersohio.org

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS*

This list of currently known facts, decisions or conditions identifies information that management is aware of as of the date of the Auditor's report that have occurred subsequent to December 31, 2011. The issues identified here have had or are expected to have a material effect on financial position (net assets) or results of operations (revenues, expenses and other changes in net assets). Please see the Notes to the Basic Financial Statements for further information on the special audit of HCDJFS (note VI I) and the items listed below.

- The City of Cincinnati and the Board of County Commissioners of Hamilton County, Ohio, are parties to a Global Consent Decree, which was lodged in 2003 with the U.S. District Court for the Southern District of Ohio, Western Division. This decree focuses on combined sewer overflows, the implementation of the Sanitary Sewer Overflow Correction plan established in the Interim Partial Consent Decree, and other wet weather issues. The court approved the decrees on June 9, 2004. In August 2010, MSD's

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Revised Wet Weather Plan was approved by the federal government. The Plan commits MSD to complete a Phase 1 group of projects totaling \$1.145 billion (in 2006 dollars and including \$400 million that MSD has already spent on projects [amounts not rounded]) by 2018 before scheduling future work (Phase 2). The consent decree documents are posted on the MSD website, MSDgc.org, under Consent Decree.

- In 2011, Cincinnati City Council approved joint administrative management of the Greater Cincinnati Water Works, Metropolitan Sewer District of Greater Cincinnati and Stormwater Management Utility. The three utilities will continue to be independent legal entities with separate enterprise funds. The joint administration would be focused primarily on the support services that are similar for all three utilities, such as accounting, human resources, information technology, and customer service. A 100-day plan was launched in May 2012 to assess certain functional areas to determine the degree of integration possible, start certain joint utility efforts, and build some early momentum for future joint utility integrations.
- In 2012, the County issued \$9.5 million Energy Conservation Bonds and \$0.4 million Sewer District Special Assessment Bonds.
- The County agreed to a one-year term loan of \$9.4 million to fund the 2013 requirement for the debt service reserve fund for the Series 2000B, 2006A and 2011A sales tax revenue bonds.
- In 2012, the County defeased a portion of the Series 2001, 2005 and 2007 general obligation bonds.
- In 2012, the County sold Drake Hospital for \$15 million.
- The Board of County Commissioners approved a sewerage rate increase for MSD of 8% for 2012 and 5% for 2013.

* Sources: Board of County Commissioners' meeting minutes and Metropolitan Sewer District of Greater Cincinnati 2011 Audited Financial Statements

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Hamilton County Auditor Dusty Rhodes, 138 East Court Street, Cincinnati, Ohio 45202, (513) 946-4000, or visit the Auditor's website at www.hamiltoncountyauditor.org.

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**COUNTY OF HAMILTON, OHIO
STATEMENT OF NET ASSETS**

December 31, 2011

(Amounts in Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Convention Facility Authority
ASSETS				
Equity in Pooled Cash and Investments	\$ 372,657	\$ 26,697	\$ 399,354	\$ 5,228
Cash and Cash Equivalents—Segregated Accounts	5,751	19,833	25,584	-
Accounts Receivable	9,909	39,282	49,191	-
Sales Tax Receivable	21,436	5,262	26,698	-
Interest Receivable	1,498	-	1,498	-
Intergovernmental Receivable	34,731	3,174	37,905	-
Real and Other Taxes Receivable	257,530	-	257,530	1,983
Property and Other Local Taxes Receivable	10,004	-	10,004	-
Internal Balances	(87)	87	-	-
Prepaid Expenses	-	710	710	1,200
Inventories	3,575	-	3,575	-
Restricted Assets:				
Cash and Cash Equivalents Held by the City of Cincinnati:				
Construction Account	-	40,200	40,200	-
Amount to Be Transferred to Surplus Account	-	62,180	62,180	-
Held by Trustees:				
Cash and Cash Equivalents	-	145,177	145,177	-
Investments—Held to Maturity	-	148,052	148,052	-
Special Assessments Receivable	6,222	-	6,222	-
Loans Receivable	427	-	427	-
Nondepreciable Capital Assets	99,500	420,863	520,363	-
Depreciable Capital Assets, Net	297,537	1,586,296	1,883,833	-
Unamortized Financing Cost	460	11,824	12,284	785
Other Long-Term Assets	-	363	363	-
TOTAL ASSETS	1,121,150	2,510,000	3,631,150	9,196
LIABILITIES				
Accounts Payable	37,936	7,838	45,774	-
Accrued Wages and Benefits Payable	5,154	3,015	8,169	-
Matured Compensated Absences Payable	737	-	737	-
Intergovernmental Payable	2,911	129	3,040	-
Accrued Interest Payable	324	5,826	6,150	323
Construction Accounts Payable	-	14,100	14,100	-
Retainage Payable	185	720	905	-
Due to Other Governments	-	-	-	3,312
Due to Component Unit	1,317	-	1,317	-
Deferred Revenue	273,991	18,706	292,697	-
Escheat	5,628	-	5,628	-
Estimated Future Claims	4,940	-	4,940	-
Long-Term Liabilities:				
Due Within One Year	17,284	48,540	65,824	2,420
Due in More Than One Year	121,645	1,528,671	1,650,316	80,539
TOTAL LIABILITIES	472,052	1,627,545	2,099,597	86,594
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	314,319	568,377	882,696	-
Restricted for:				
Debt Service	14,270	8,008	22,278	-
Capital Projects	7,749	-	7,749	-
Public Assistance	38,226	-	38,226	-
Health and Human Services Levies	161,476	-	161,476	-
Motor Vehicle Gas Tax	30,173	-	30,173	-
Health and Community Services Nongrants	57,468	-	57,468	-
Other Purposes	129	-	129	-
Unrestricted	25,288	306,070	331,358	(77,398)
TOTAL NET ASSETS	\$ 649,098	\$ 882,455	\$ 1,531,553	\$ (77,398)

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands)

FUNCTION/PROGRAMS	Program Revenues					Net (Expense) Revenue and Changes in Net Assets			Component Unit Convention Facility Authority
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
						Governmental Activities	Business-Type Activities	Total	
Governmental Activities									
General Government	\$ 97,855	\$ (4,569)	\$ 43,542	\$ 20,796	\$ -	\$ (28,948)	\$ -	\$ (28,948)	\$
Judicial	88,641	94	28,240	12,308	-	(48,187)	-	(48,187)	
Public Safety	98,943	44	15,365	13,853	268	(69,501)	-	(69,501)	
Social Services	140,044	3,880	7,422	101,497	-	(35,005)	-	(35,005)	
Health	255,933	41	12,164	106,380	-	(137,430)	-	(137,430)	
Public Works	48,673	191	3,300	3,230	830	(41,504)	-	(41,504)	
Environmental Control	6,508	300	3,278	3,246	-	(284)	-	(284)	
Economic Development	7,848	9	39	324	-	(7,494)	-	(7,494)	
Parks and Recreation	7,679	10	-	985	-	(6,704)	-	(6,704)	
Debt Service:									
Interest and Fiscal Charges	4,330	-	2,174	255	-	(1,901)	-	(1,901)	
Total Governmental Activities	756,454	-	115,524	262,874	1,098	(376,958)	-	(376,958)	
Business-Type Activities									
Metropolitan Sewer District	195,257	-	234,905	-	3,336	-	42,984	42,984	
Paul Brown Stadium	44,002	-	832	-	-	-	(43,170)	(43,170)	
Baseball Stadium	29,198	-	1,240	-	-	-	(27,958)	(27,958)	
Riverfront Development	12,117	-	6,291	-	26,415	-	20,589	20,589	
Main Street Parking Garage	960	-	785	-	-	-	(175)	(175)	
Rotary Funds	8,327	-	8,214	-	-	-	(113)	(113)	
Communications Center	7,107	-	5,555	-	-	-	(1,552)	(1,552)	
Total Business-Type Activities	296,968	-	257,822	-	29,751	-	(9,395)	(9,395)	
Total Primary Government	\$ 1,053,422	\$ -	\$ 373,346	\$ 262,874	\$ 30,849	(376,958)	(9,395)	(386,353)	
Component Unit:									
Convention Facility Authority	\$ 7,358	\$ -	\$ -	\$ -	\$ 1,338				(6,020)
General Revenues									
Property Taxes						236,518	-	236,518	-
Sales and Use Taxes						75,345	50,518	125,863	-
Hotel Occupancy Taxes						-	-	-	8,351
Other Taxes						39,480	-	39,480	-
Grants and Entitlements not Restricted to Specific Programs						23,784	-	23,784	-
Gifts and Donations						314	-	314	-
Unrestricted Investment Earnings						5,899	4,736	10,635	-
Gain on Sale of Capital Assets						98	217	315	-
Other						299	4,867	5,166	-
Transfers						(1,329)	1,329	-	-
Total General Revenues and Transfers						380,408	61,667	442,075	8,351
Change in Net Assets						3,450	52,272	55,722	2,331
Net Assets—Beginning (As Restated—See Note II B)						645,648	830,183	1,475,831	(79,729)
Net Assets—Ending						\$ 649,098	\$ 882,455	\$ 1,531,553	\$ (77,398)

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011
(Amounts in Thousands)

	General	Public Assistance	Health and Human Services Levies	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	\$ 65,033	\$ 28,042	\$ 161,107	\$ 102,453	\$ 356,635
Cash and Cash Equivalents—Segregated Accounts	-	-	229	5,522	5,751
Accounts Receivable	1,457	50	839	7,531	9,877
Sales Tax Receivable	20,119	-	-	1,317	21,436
Interest Receivable	1,498	-	-	-	1,498
Intergovernmental Receivable	1,049	12,153	2,998	18,531	34,731
Real and Other Taxes Receivable	40,249	-	217,281	10,004	267,534
Due from Other Funds	4,701	2,761	-	88	7,550
Inventories	-	-	-	3,575	3,575
Due from Advances to Other Funds	1,591	-	-	-	1,591
Special Assessments Receivable	-	-	-	6,222	6,222
Loans Receivable	427	-	-	-	427
TOTAL ASSETS	\$ 136,124	\$ 43,006	\$ 382,454	\$ 155,243	\$ 716,827
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 4,178	\$ 2,616	\$ 16,697	\$ 14,440	\$ 37,931
Accrued Wages and Benefits Payable	2,753	676	878	825	5,132
Matured Compensated Absences Payable	550	8	61	118	737
Intergovernmental Payable	385	6	2,173	347	2,911
Retainage Payable	31	-	70	84	185
Due to Component Unit	-	-	-	1,317	1,317
Due to Other Funds	103	1,470	4,396	1,675	7,644
Advances from Other Funds	-	-	-	1,591	1,591
Deferred Revenue	46,963	4	218,319	39,346	304,632
Escheat	5,628	-	-	-	5,628
TOTAL LIABILITIES	60,591	4,780	242,594	59,743	367,708
FUND BALANCES					
Nonspendable	7,646	-	-	3,575	11,221
Restricted	-	38,226	136,540	93,352	268,118
Committed	284	-	3,320	10,766	14,370
Assigned	11,235	-	-	-	11,235
Unassigned (Deficit)	56,368	-	-	(12,193)	44,175
TOTAL FUND BALANCES	75,533	38,226	139,860	95,500	349,119
TOTAL LIABILITIES AND FUND BALANCES	\$ 136,124	\$ 43,006	\$ 382,454	\$ 155,243	\$ 716,827

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
RECONCILIATION OF BALANCE SHEET—GOVERNMENTAL FUNDS
TO GOVERNMENT-WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2011
(Amounts in Thousands)

Total Governmental Funds Balances	\$	349,119
<p>Amounts reported for governmental activities in the Statement of Net Assets are different from the amounts reported in the governmental funds because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets	\$ 1,252,598	
Accumulated Depreciation	(855,652)	
Total		396,946
<p>Other long-term assets that are not available to pay for current-period expenditures are deferred in the funds but not in the governmental activities.</p>		
Property Taxes	21,852	
Grants	2,140	
Nongrants	427	
Special Assessments	6,222	
Total		30,641
<p>Unamortized bond issuance costs associated with the bond refunding, reported as expenditures in the governmental fund, are deferred in the Statement of Net Assets.</p>		
		460
<p>Internal service funds are used by management to charge the costs of workers' compensation, the Auditor's computer center, the Multi-County System Agencies, and medical self-insurance to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the Statement of Net Assets.</p>		
		8,707
<p>Long-term liabilities, including bonds and notes payable, loans and loan contracts, compensated absences, and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds but are included in governmental activities.</p>		
General Obligation Bonds and Notes	(84,187)	
Deferred Amount on Refunding	787	
Unamortized Premium	(893)	
Special Assessment Bonds	(4,567)	
Loan Contracts	(3,954)	
State Loan	(3,402)	
Compensated Absences	(40,235)	
Accrued Interest Payable	(324)	
Total		(136,775)
Net Assets of Governmental Activities	\$	649,098

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands)

	General	Public Assistance	Health and Human Services Levies	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes and Special Assessments	\$ 39,746	\$ -	\$ 198,786	\$ 513	\$ 239,045
Sales and Use Tax	68,464	-	-	6,881	75,345
State Shared Taxes	17,850	-	-	21,630	39,480
Charges for Services	40,423	896	404	26,608	68,331
Licenses and Permits	2,516	-	-	4,521	7,037
Fines and Forfeitures	8,117	-	-	5,285	13,402
Intergovernmental	12,676	57,151	99,616	132,335	301,778
Investment Earnings	5,983	(50)	(101)	51	5,883
Other	6,061	2,722	8,904	15,219	32,906
TOTAL REVENUES	<u>201,836</u>	<u>60,719</u>	<u>307,609</u>	<u>213,043</u>	<u>783,207</u>
EXPENDITURES					
Current:					
General Government	40,370	-	5,954	30,137	76,461
Judicial	63,818	-	6,692	20,399	90,909
Public Safety	68,135	-	18,528	14,150	100,813
Social Services	2,324	51,533	80,155	16,831	150,843
Health	-	-	178,293	77,681	255,974
Public Works	557	-	-	24,427	24,984
Environmental Control	-	-	-	7,109	7,109
Economic and Community Development	1,400	-	-	6,545	7,945
Recreational Activities	-	-	7,925	-	7,925
Capital Outlay	-	-	-	1,480	1,480
Debt Service:					
Principal Retirement	-	-	-	11,651	11,651
Interest and Fiscal Charges	-	-	-	4,197	4,197
TOTAL EXPENDITURES	<u>176,604</u>	<u>51,533</u>	<u>297,547</u>	<u>214,607</u>	<u>740,291</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>25,232</u>	<u>9,186</u>	<u>10,062</u>	<u>(1,564)</u>	<u>42,916</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	966	-	-	14,219	15,185
Transfers Out	(15,409)	-	-	(1,105)	(16,514)
Proceeds from Sale of Bonds	-	-	-	5,787	5,787
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>(14,443)</u>	<u>-</u>	<u>-</u>	<u>18,901</u>	<u>4,458</u>
NET CHANGE IN FUND BALANCES	10,789	9,186	10,062	17,337	47,374
FUND BALANCES AT BEGINNING OF YEAR					
(As Restated—See Note II B)	<u>64,744</u>	<u>29,040</u>	<u>129,798</u>	<u>78,163</u>	<u>301,745</u>
FUND BALANCES AT END OF YEAR	<u>\$ 75,533</u>	<u>\$ 38,226</u>	<u>\$ 139,860</u>	<u>\$ 95,500</u>	<u>\$ 349,119</u>

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS
TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

Net Change in Fund Balance—Total Governmental Funds	\$	47,374
<p>Amounts reported for governmental activities in the Statement of Activities are different from amounts reported in the governmental funds because of the following:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of the capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.</p>		
Capital Outlays	\$	8,794
Depreciation Expense		<u>(40,301)</u>
Excess of Capital Outlays over Depreciation		(31,507)
<p>In the governmental funds, the proceeds from the sales of capital assets increase financial resources. In the Statement of Activities, however, the assets sold had been capitalized previously and have book values that need to be removed. The difference between the proceeds and the book values is the gain or loss that is recognized in the Statement of Activities. The change in net assets differs from the change in fund balance by the net book values of the capital assets sold.</p>		
Reduction of Revenue for Proceeds Received on Sale of Capital Assets		(6,275)
Gain Earned on Sale of Capital Assets		98
Loss on Sale of Capital Assets		<u>(4,088)</u>
Net Book Value of Capital Assets Sold		(10,265)
<p>Property taxes that will not be collected for several months after the County's fiscal year ends, not considered to be available revenues to pay for current-period expenditures, are deferred in the governmental funds. Similarly, certain other revenues that do not provide current financial resources are deferred and not reported as revenues in the governmental funds, but are included in the Statement of Activities.</p>		
Property Taxes		(2,407)
Grants		(14,290)
Nongrants		427
Special Assessments		<u>(121)</u>
Total Revenues		(16,391)
<p>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 on net assets. Governmental funds also report issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Debt Issued:		
General Obligation Bonds		(5,512)
Special Assessment Bonds		(275)
Principal Retirement		<u>11,651</u>
Total		5,864
<p>In the Statement of Activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is expensed when due.</p>		
		19
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.</p>		
State Loan Payable		370
Compensated Absences Payable		(347)
Amortization of Deferred Amount on Refundings		(320)
Amortization of Premium on Bonds		275
Amortization of Bond Issuance Costs		(108)
Amortization of Mortgages Payable for Forgiveness of Loan Contracts		<u>582</u>
Total		452
<p>The governmental internal services funds are used by management to charge the costs of workers' compensation, the Auditor's computer center, the Multi-County System Agencies, and medical self-insurance to individual funds. The net increases of these internal service funds are reported with governmental activities.</p>		
		<u>7,904</u>
Change in Net Assets of Governmental Activities	\$	<u>3,450</u>

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes and Special Assessments	\$ 39,300	\$ 39,300	\$ 39,747	\$ 447
Sales and Use Tax	60,900	60,900	65,056	4,156
State Shared Taxes	19,342	19,342	21,895	2,553
Charges for Services	47,654	47,654	53,299	5,645
Licenses and Permits	1,893	1,893	2,504	611
Fines and Forfeitures	9,044	9,044	8,047	(997)
Intergovernmental	15,761	15,761	13,609	(2,152)
Investment Earnings	6,027	6,027	6,464	437
Other	10,710	10,710	12,594	1,884
TOTAL REVENUES	<u>210,631</u>	<u>210,631</u>	<u>223,215</u>	<u>12,584</u>
EXPENDITURES				
Current:				
General Government	58,645	59,680	57,106	2,574
Judicial	74,829	74,917	73,268	1,649
Public Safety	73,547	74,637	73,748	889
Social Services	2,749	2,508	2,338	170
Public Works	562	562	557	5
Economic and Community Development	1,491	1,491	1,478	13
TOTAL EXPENDITURES	<u>211,823</u>	<u>213,795</u>	<u>208,495</u>	<u>5,300</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(1,192)</u>	<u>(3,164)</u>	<u>14,720</u>	<u>17,884</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,051	3,717	1,193	(2,524)
Advances In	-	-	50	50
Transfers Out	(14,213)	(17,698)	(15,636)	2,062
Advances Out	-	-	(1,641)	(1,641)
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>(13,162)</u>	<u>(13,981)</u>	<u>(16,034)</u>	<u>(2,053)</u>
NET CHANGE IN FUND BALANCE	(14,354)	(17,145)	(1,314)	15,831
FUND BALANCE AT BEGINNING OF YEAR				
(AS RESTATED—SEE NOTE II B)	38,308	38,308	38,308	-
Prior-Year Encumbrances Appropriated	13,054	13,054	13,054	-
FUND BALANCE AT END OF YEAR	<u>\$ 37,008</u>	<u>\$ 34,217</u>	<u>\$ 50,048</u>	<u>\$ 15,831</u>

See accompanying notes to the basic financial statements.

**COUNTY OF HAMILTON, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
PUBLIC ASSISTANCE—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services	\$ 25,336	\$ 25,336	\$ 23,905	\$ (1,431)
Intergovernmental	55,966	55,966	44,950	(11,016)
Other	2,910	2,910	2,726	(184)
TOTAL REVENUES	<u>84,212</u>	<u>84,212</u>	<u>71,581</u>	<u>(12,631)</u>
EXPENDITURES				
Current:				
Social Services	85,607	81,483	80,323	1,160
TOTAL EXPENDITURES	<u>85,607</u>	<u>81,483</u>	<u>80,323</u>	<u>1,160</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,395)</u>	<u>2,729</u>	<u>(8,742)</u>	<u>(11,471)</u>
NET CHANGE IN FUND BALANCE	(1,395)	2,729	(8,742)	(11,471)
FUND BALANCE AT BEGINNING OF YEAR	22,375	22,375	22,375	-
Prior-Year Encumbrances Appropriated	9,562	9,562	9,562	-
FUND BALANCE AT END OF YEAR	<u>\$ 30,542</u>	<u>\$ 34,666</u>	<u>\$ 23,195</u>	<u>\$ (11,471)</u>

See accompanying notes to the basic financial statements.

COUNTY OF HAMILTON, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND HUMAN SERVICES LEVIES—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes and Special Assessments	\$ 194,282	\$ 194,282	\$ 198,786	\$ 4,504
Charges for Services	4,874	4,874	6,800	1,926
Intergovernmental	112,088	126,761	102,533	(24,228)
Other	8,457	8,457	9,604	1,147
TOTAL REVENUES	<u>319,701</u>	<u>334,374</u>	<u>317,723</u>	<u>(16,651)</u>
EXPENDITURES				
Current:				
General Government	6,516	6,862	6,830	32
Judicial	8,010	7,801	7,661	140
Public Safety	21,527	26,014	20,503	5,511
Social Services	111,467	128,095	91,799	36,296
Health	196,740	196,808	184,007	12,801
Recreational Activities	8,556	8,556	8,535	21
TOTAL EXPENDITURES	<u>352,816</u>	<u>374,136</u>	<u>319,335</u>	<u>54,801</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33,115)</u>	<u>(39,762)</u>	<u>(1,612)</u>	<u>38,150</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,254	1,254	-
Transfers Out	(3,147)	(3,147)	(1,254)	1,893
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>(3,147)</u>	<u>(1,893)</u>	<u>-</u>	<u>1,893</u>
NET CHANGE IN FUND BALANCE	(36,262)	(41,655)	(1,612)	40,043
FUND BALANCE AT BEGINNING OF YEAR	120,688	120,688	120,688	-
Prior-Year Encumbrances Appropriated	20,696	20,696	20,696	-
FUND BALANCE AT END OF YEAR	<u>\$ 105,122</u>	<u>\$ 99,729</u>	<u>\$ 139,772</u>	<u>\$ 40,043</u>

See accompanying notes to the basic financial statements.

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COUNTY OF HAMILTON, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011

(Amounts in Thousands)

	Business-Type Activities—Enterprise Funds		
	Metropolitan Sewer District	Paul Brown Stadium	Baseball Stadium
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	\$ -	\$ 4,172	\$ 4,862
Cash and Cash Equivalents—Segregated Accounts	19,118	-	260
Restricted Cash, Cash Equivalents and Investments:			
Cash and Cash Equivalents Held by Trustees	3,214	7,635	4,486
MSD Construction Account Held by the City of Cincinnati	14,100	-	-
Accounts Receivable	38,493	311	8
Sales Tax Receivable	-	3,405	1,857
Intergovernmental Receivable	-	-	-
Due from Other Funds	-	-	-
Prepaid Expenses	710	-	-
Total Current Assets	75,635	15,523	11,473
Noncurrent Assets:			
Restricted Cash, Cash Equivalents and Investments:			
Held by the City of Cincinnati:			
Construction Account	26,100	-	-
Amount to Be Transferred to Surplus Account	62,180	-	-
Held by Trustees:			
Cash and Cash Equivalents	129,595	-	-
Investments—Held to Maturity	148,052	-	-
Total Restricted Assets	365,927	-	-
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	4,977	67,916	17,685
Construction in Progress	310,358	-	-
Total Nondepreciable Capital Assets	315,335	67,916	17,685
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	1,196,753	379,178	351,731
Processing Systems	384,890	-	-
Furniture, Fixtures and Equipment	49,920	8,852	5,735
Less Accumulated Depreciation	(672,278)	(165,776)	(112,586)
Total Depreciable Capital Assets, Net	959,285	222,254	244,880
Total Capital Assets, Net	1,274,620	290,170	262,565
Unamortized Financing Costs	7,409	2,061	1,858
Other	363	-	-
Total Noncurrent Assets	1,648,319	292,231	264,423
TOTAL ASSETS	1,723,954	307,754	275,896
LIABILITIES			
Current Liabilities:			
Accounts Payable	5,590	496	48
Construction Accounts Payable	14,100	-	-
Due to Other Funds	-	-	-
Accrued Wages and Benefits Payable	2,816	36	1
Intergovernmental Payable	-	44	-
Deferred Revenue	-	7	3
Accrued Interest Payable	-	-	-
Accrued Interest Payable from Restricted Assets	3,214	1,685	834
Retainage Payable	-	-	260
Accrued Compensated Absences	3,701	-	-
Deferred Lease Rent Revenue	-	1	-
Current Portion of State Loans Payable	-	-	-
Current Portion of Long-Term Debt	41,749	180	945
Estimated Future Claims	-	-	-
Total Current Liabilities	71,170	2,449	2,091
Noncurrent Liabilities:			
Estimated Future Claims	-	-	-
Accrued Compensated Absences	5,250	218	-
Deferred Lease Rent Revenue	-	4,656	14,025
State Loans Payable	-	-	-
Long-Term Debt	879,381	363,118	197,390
Net Pension Obligation	29,417	-	-
Net Other Post Employment Benefit Obligation	12,197	-	-
Total Noncurrent Liabilities	926,245	367,992	211,415
TOTAL LIABILITIES	997,415	370,441	213,506
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	438,780	(73,128)	64,230
Restricted for Debt Service	8,008	-	-
Unrestricted	279,751	10,441	(1,840)
TOTAL NET ASSETS	\$ 726,539	\$ (62,687)	\$ 62,390

Net assets reported for business-type activities in the government-wide Statement of Net Assets are different from enterprise fund net assets because the business-type net assets include the net liabilities for amounts charged to participating business-type activities to completely cover costs of services provided by internal service funds.

Net assets of business-type activities:

See accompanying notes to the basic financial statements.

Business-Type Activities—Enterprise Funds		
Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 17,661	\$ 26,695	\$ 16,024
455	19,833	-
247	15,582	-
-	14,100	-
470	39,282	32
-	5,262	-
3,174	3,174	-
94	94	7
-	710	-
<u>22,101</u>	<u>124,732</u>	<u>16,063</u>
-	26,100	-
-	62,180	-
-	129,595	-
-	148,052	-
-	<u>365,927</u>	-
5,465	96,043	-
14,462	324,820	-
<u>19,927</u>	<u>420,863</u>	-
213,043	2,140,705	41
-	384,890	-
8,190	72,697	625
<u>(61,356)</u>	<u>(1,011,996)</u>	<u>(575)</u>
159,877	1,586,296	91
<u>179,804</u>	<u>2,007,159</u>	<u>91</u>
496	11,824	-
-	363	-
<u>180,300</u>	<u>2,385,273</u>	<u>91</u>
<u>202,401</u>	<u>2,510,005</u>	<u>16,154</u>
1,704	7,838	6
-	14,100	-
7	7	-
162	3,015	22
85	129	-
14	24	-
24	24	-
69	5,802	-
460	720	-
-	3,701	-
-	1	-
745	745	-
1,220	44,094	-
-	-	7,009
<u>4,490</u>	<u>80,200</u>	<u>7,037</u>
-	-	272
751	6,219	144
-	18,681	-
16,415	16,415	-
24,526	1,464,415	-
-	29,417	-
-	12,197	-
<u>41,692</u>	<u>1,547,344</u>	<u>416</u>
<u>46,182</u>	<u>1,627,544</u>	<u>7,453</u>
138,495	568,377	91
-	8,008	-
17,724	306,076	8,610
<u>\$ 156,219</u>		<u>\$ 8,701</u>

(6)

\$ 882,455

COUNTY OF HAMILTON, OHIO
RECONCILIATION OF STATEMENT OF NET ASSETS—PROPRIETARY FUNDS
TO GOVERNMENT-WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2011
(Amounts in Thousands)

	Total Enterprise Funds	Business-Type Activities Internal Service Funds	Business-Type Activities Statement of Net Assets
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 26,695	\$ 2	\$ 26,697
Cash and Cash Equivalents—Segregated Accounts	19,833	-	19,833
Restricted Cash, Cash Equivalents and Investments:			
Cash and Cash Equivalents Held by Trustees	15,582	-	15,582
MSD Construction Account Held by the City of Cincinnati	14,100	-	14,100
Accounts Receivable	39,282	-	39,282
Sales Tax Receivable	5,262	-	5,262
Intergovernmental Receivable	3,174	-	3,174
Due from Other Funds	94	-	94
Prepaid Expenses	710	-	710
Total Current Assets	124,732	2	124,734
Noncurrent Assets:			
Restricted Cash, Cash Equivalents and Investments:			
Held by the City of Cincinnati:			
Construction Account	26,100	-	26,100
Amount to Be Transferred to Surplus Account	62,180	-	62,180
Held by Trustees:			
Cash and Cash Equivalents	129,595	-	129,595
Investments—Held to Maturity	148,052	-	148,052
Total Restricted Assets	365,927	-	365,927
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	96,043	-	96,043
Construction in Progress	324,820	-	324,820
Total Nondepreciable Capital Assets	420,863	-	420,863
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	2,140,705	-	2,140,705
Processing Systems	384,890	-	384,890
Furniture, Fixtures and Equipment	72,697	-	72,697
Less Accumulated Depreciation	(1,011,996)	-	(1,011,996)
Total Depreciable Capital Assets, Net	1,586,296	-	1,586,296
Total Capital Assets, Net	2,007,159	-	2,007,159
Unamortized Financing Costs	11,824	-	11,824
Other	363	-	363
Total Noncurrent Assets	2,385,273	-	2,385,273
TOTAL ASSETS	2,510,005	2	2,510,007
LIABILITIES			
Current Liabilities:			
Accounts Payable	7,838	-	7,838
Construction Accounts Payable	14,100	-	14,100
Due to Other Funds	7	-	7
Accrued Wages and Benefits Payable	3,015	-	3,015
Intergovernmental Payable	129	-	129
Deferred Revenue	24	-	24
Accrued Interest Payable	24	-	24
Accrued Interest Payable from Restricted Assets	5,802	-	5,802
Retainage Payable	720	-	720
Accrued Compensated Absences	3,701	-	3,701
Deferred Lease Rent Revenue	1	-	1
Current Portion of State Loans Payable	745	-	745
Current Portion of Long-Term Debt	44,094	-	44,094
Total Current Liabilities	80,200	-	80,200
Noncurrent Liabilities:			
Estimated Future Claims	-	8	8
Accrued Compensated Absences	6,219	-	6,219
Deferred Lease Rent Revenue	18,681	-	18,681
State Loans Payable	16,415	-	16,415
Long-Term Debt	1,464,415	-	1,464,415
Net Pension Obligation	29,417	-	29,417
Net Other Post Employment Benefit Obligation	12,197	-	12,197
Total Noncurrent Liabilities	1,547,344	8	1,547,352
TOTAL LIABILITIES	1,627,544	8	1,627,552
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	568,377	-	568,377
Restricted for Debt Service	8,008	-	8,008
Unrestricted	306,076	(6)	306,070
TOTAL NET ASSETS	\$ 882,461	\$ (6)	\$ 882,455

See accompanying notes to the basic financial statements.

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COUNTY OF HAMILTON, OHIO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands)

	Business-Type Activities— Enterprise Funds		
	Metropolitan Sewer District	Paul Brown Stadium	Baseball Stadium
OPERATING REVENUES			
Charges for Services	\$ -	\$ 509	\$ 700
Lease Rent Revenue	-	323	540
Sewerage Service Charges	213,435	-	-
Sewerage Surcharges	21,470	-	-
Other	4,520	117	8
TOTAL OPERATING REVENUES	<u>239,425</u>	<u>949</u>	<u>1,248</u>
OPERATING EXPENSES			
Personnel Services	54,758	1,699	42
Utilities, Fuel and Supplies	22,181	3,620	1,530
Purchased Services	24,367	2,197	769
Claims	-	-	-
Change in Estimate	-	-	-
Depreciation and Amortization	49,222	14,023	13,458
Other	10,517	497	272
TOTAL OPERATING EXPENSES	<u>161,045</u>	<u>22,036</u>	<u>16,071</u>
OPERATING INCOME (LOSS)	<u>78,380</u>	<u>(21,087)</u>	<u>(14,823)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	2,484	10	4
Sales and Use Tax for Debt Service	-	19,555	10,238
Sales and Use Tax	-	15,320	5,330
Other Nonoperating Revenue	-	12	1
Other Nonoperating Expense	-	(6,269)	(4,649)
Interest Expense	(34,212)	(14,337)	(8,212)
Retirement of Capital Assets	217	(8)	(141)
Fiscal Charges on Long-Term Debt	-	(1,352)	(119)
Change in Fair Value of Investments	2,221	1	(5)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(29,290)</u>	<u>12,932</u>	<u>2,447</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>49,090</u>	<u>(8,155)</u>	<u>(12,376)</u>
Capital Contributions	3,336	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
CHANGE IN NET ASSETS	52,426	(8,155)	(12,376)
NET ASSETS—BEGINNING	674,113	(54,532)	74,766
PRIOR PERIOD ADJUSTMENT	-	-	-
TOTAL NET ASSETS—BEGINNING	<u>674,113</u>	<u>(54,532)</u>	<u>74,766</u>
AS RESTATED (NOTE II)			
TOTAL NET ASSETS—ENDING	<u>\$ 726,539</u>	<u>\$ (62,687)</u>	<u>\$ 62,390</u>

Change in net assets reported for business-type activities in the government-wide Statement of Activities is different from enterprise fund change in net assets because additional amounts charged to business-type activities to completely cover yearly costs of internal service funds are reported with business-type activities.

Change in net assets of business-type activities:

See accompanying notes to the basic financial statements.

Business-Type Activities— Enterprise Funds		
Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 20,783	\$ 21,992	\$ 53,206
62	925	-
-	213,435	-
-	21,470	-
195	4,840	-
<u>21,040</u>	<u>262,662</u>	<u>53,206</u>
12,677	69,176	1,237
871	28,202	61
5,046	32,379	10,788
-	-	37,133
-	-	(4,697)
8,187	84,890	35
1,038	12,324	767
<u>27,819</u>	<u>226,971</u>	<u>45,324</u>
(6,779)	35,691	7,882
1	2,499	5
-	29,793	-
75	20,725	-
14	27	-
(1)	(10,919)	-
(530)	(57,291)	-
-	68	-
(161)	(1,632)	-
20	2,237	11
<u>(582)</u>	<u>(14,493)</u>	<u>16</u>
(7,361)	21,198	7,898
26,415	29,751	-
1,484	1,484	-
<u>(155)</u>	<u>(155)</u>	<u>-</u>
20,383	52,278	7,898
166,748		803
<u>(30,912)</u>		<u>-</u>
<u>135,836</u>		<u>803</u>
\$ 156,219	882,461	\$ 8,701

(6)

\$ 52,272

COUNTY OF HAMILTON, OHIO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS—PROPRIETARY FUNDS
TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands)

	Total Enterprise Funds	Business-Type Activities Internal Service Fund Allocations	Business-Type Activities Statement of Activities
OPERATING REVENUES			
Charges for Services	\$ 21,992	\$ -	\$ 21,992
Lease Rent Revenue	925	-	925
Sewerage Service Charges	213,435	-	213,435
Sewerage Surcharges	21,470	-	21,470
Other	4,840	-	4,840
TOTAL OPERATING REVENUES	<u>262,662</u>	<u>-</u>	<u>262,662</u>
OPERATING EXPENSES			
Personnel Services	69,176	-	69,176
Utilities, Fuel and Supplies	28,202	-	28,202
Purchased Services	32,379	-	32,379
Claims	-	6	6
Depreciation and Amortization	84,890	-	84,890
Other	12,324	-	12,324
TOTAL OPERATING EXPENSES	<u>226,971</u>	<u>6</u>	<u>226,977</u>
OPERATING INCOME (LOSS)	<u>35,691</u>	<u>(6)</u>	<u>35,685</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	2,499	-	2,499
Sales and Use Tax for Debt Service	29,793	-	29,793
Sales and Use Tax	20,725	-	20,725
Other Nonoperating Revenue	27	-	27
Other Nonoperating Expense	(10,919)	-	(10,919)
Interest Expense	(57,291)	-	(57,291)
Retirement of Capital Assets	68	-	68
Fiscal Charges on Long-Term Debt	(1,632)	-	(1,632)
Change in Fair Value of Investments	2,237	-	2,237
TOTAL NONOPERATING EXPENSES	<u>(14,493)</u>	<u>-</u>	<u>(14,493)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>21,198</u>	<u>(6)</u>	<u>21,192</u>
Capital Contributions	29,751	-	29,751
Transfers In	1,484	-	1,484
Transfers Out	(155)	-	(155)
CHANGE IN NET ASSETS	<u>52,278</u>	<u>(6)</u>	<u>52,272</u>
NET ASSETS AT BEGINNING OF YEAR, AS REPORTED	861,095	-	861,095
PRIOR PERIOD ADJUSTMENT	(30,912)	-	(30,912)
TOTAL NET ASSETS—BEGINNING	<u>830,183</u>	<u>-</u>	<u>830,183</u>
TOTAL NET ASSETS—ENDING	<u>\$ 882,461</u>	<u>\$ (6)</u>	<u>\$ 882,455</u>

See accompanying notes to the basic financial statements.

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COUNTY OF HAMILTON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands)

	Business-Type Activities—Enterprise Funds		
	Metropolitan Sewer District	Paul Brown Stadium	Baseball Stadium
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	\$ 235,384	\$ 456	\$ 2,203
Lease Rent Revenue	-	-	-
Cash Received from Interfund Services Provided	-	-	-
Cash Payments to Suppliers for Goods and Services	(53,240)	(6,285)	(2,296)
Cash Payments for Claims	-	-	-
Cash Payments for Personnel Costs	(47,051)	(1,661)	(42)
Other Operating Revenues	4,334	64	-
Other Operating Expenses	-	(592)	(406)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	139,427	(8,018)	(541)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Sales and Use Tax	-	15,320	5,330
Other Nonoperating Revenue	-	12	1
Other Nonoperating Expense	-	(6,269)	(4,649)
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
Negative Cash Balance Implicitly Financed from the General Fund	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	9,063	682
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Sales and Use Tax for Debt Service	-	19,993	10,289
Other Revenue	-	-	-
Principal Payments on Long-Term Debt	(38,654)	(71,668)	(1,273)
Interest Payments on Long-Term Debt	(38,998)	(17,503)	(8,285)
Fiscal Charges on Long-Term Debt	-	(4)	(1)
MSD Loan Proceeds	16,034	-	-
Transfer into Construction Account from Trustee Investment Account	100,000	-	-
Transfer from Operating Cash to Trustee Investment Account	(36,835)	-	-
Revenue Bond Proceeds	-	75,556	2,824
Revenue Bond Issuance Costs	-	(684)	(25)
Tap-in Fees	2,105	-	-
Capital Contributions	3,336	-	-
Acquisition and Construction of Property, Plant and Equipment	(123,095)	(110)	-
Gain on Sale of Property, Plant and Equipment	247	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(115,860)	5,580	3,529
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Government Securities	38,453	-	-
Interest on Investments and Pooled Cash and Investments	4,716	10	4
Change in Fair Value of Investments	430	1	(5)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	43,599	11	(1)
Net Increase in Cash and Equity in Pooled Cash and Investments	67,166	6,636	3,669
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	187,141	5,171	5,939
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 254,307	\$ 11,807	\$ 9,608
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 78,380	\$ (21,087)	\$ (14,823)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	49,222	14,023	13,458
Net Changes in Operating Assets and Liabilities:			
Accounts Receivable	293	(107)	(8)
Intergovernmental Receivables	-	-	-
Due from Other Funds	-	-	-
Other Assets	2,000	-	-
Operating Accounts Payable	1,825	(299)	47
Accrued Payroll and Other Related Withholdings	(108)	-	-
Intergovernmental Payable	-	(260)	(178)
Deferred Lease Rent Revenue	-	(322)	960
Deferred Revenue	-	-	3
Compensated Absences	-	38	-
Due to Other Funds	-	(4)	-
Estimated Future Claims	-	-	-
Net Pension Obligation	4,460	-	-
Net Other Post Employment Benefit Obligation	3,355	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 139,427	\$ (8,018)	\$ (541)
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Equity in Pooled Cash and Investments	\$ -	\$ 4,172	\$ 4,862
Cash and Cash Equivalents—Segregated Accounts	19,118	-	260
Restricted Cash and Cash Equivalents Held by Trustees	132,809	7,635	4,486
Construction Account Held by the City of Cincinnati	40,200	-	-
Amount to Be Transferred to Surplus Account Held by the City of Cincinnati	62,180	-	-
TOTAL CASH AND CASH EQUIVALENTS	\$ 254,307	\$ 11,807	\$ 9,608
NONCASH INVESTING AND FINANCING TRANSACTIONS			
Structures Donated as Contributed Capital in Aid of Construction	\$ 847	\$ -	\$ -
Acquisition and Construction of Capital Assets Paid Directly by WPCLF Loan Proceeds	28,879	-	-
Construction Accounts Payable Related to Acquisition of Capital Assets	14,100	-	-
TOTAL NONCASH INVESTING AND FINANCING TRANSACTIONS	\$ 43,826	\$ -	\$ -

See accompanying notes to the basic financial statements.

Business-Type Activities—Enterprise Funds		
Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 21,103	\$ 259,146	\$ -
66	66	-
-	-	54,712
(5,961)	(67,782)	(12,160)
-	-	(35,358)
(12,669)	(61,423)	(1,227)
180	4,578	-
(1,378)	(2,376)	(660)
<u>1,341</u>	<u>132,209</u>	<u>5,307</u>
75	20,725	-
-	13	-
-	(10,918)	-
1,484	1,484	-
(155)	(155)	-
(1,467)	(1,467)	-
<u>(63)</u>	<u>9,682</u>	<u>-</u>
-	30,282	-
14	14	-
(1,160)	(112,755)	-
(741)	(65,527)	-
(116)	(121)	-
-	16,034	-
-	100,000	-
-	(36,835)	-
-	78,380	-
-	(709)	-
-	2,105	-
28,397	31,733	-
(23,361)	(146,566)	(11)
-	247	-
<u>3,033</u>	<u>(103,718)</u>	<u>(11)</u>
-	38,453	-
1	4,731	5
<u>20</u>	<u>446</u>	<u>11</u>
<u>21</u>	<u>43,630</u>	<u>16</u>
4,332	81,803	5,312
14,031	212,282	10,712
<u>\$ 18,363</u>	<u>\$ 294,085</u>	<u>\$ 16,024</u>
\$ (6,779)	\$ 35,691	\$ 5,799
8,187	84,890	48
(45)	133	(379)
366	366	-
1	1	(1,026)
-	2,000	-
20	1,593	971
(6)	(114)	2
(420)	(858)	-
-	638	-
-	3	-
54	92	11
(38)	(42)	-
-	-	1,130
-	4,460	-
-	3,355	-
<u>\$ 1,340</u>	<u>\$ 132,208</u>	<u>\$ 6,556</u>
\$ 17,661	\$ 26,695	\$ 10,712
455	19,833	-
247	145,177	-
-	40,200	-
-	62,180	-
<u>\$ 18,363</u>	<u>\$ 294,085</u>	<u>\$ 10,712</u>
\$ -	\$ 847	\$ -
-	28,879	-
-	14,100	-
<u>\$ -</u>	<u>\$ 43,826</u>	<u>\$ -</u>

COUNTY OF HAMILTON, OHIO
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2011
(Amounts in Thousands)

	Agency
ASSETS	
Equity in Pooled Cash and Investments	\$ 61,886
Cash and Cash Equivalents—Segregated Accounts	29,162
Real and Other Taxes Receivable	1,237,513
TOTAL ASSETS	\$ 1,328,561
 LIABILITIES	
Intergovernmental Payable	\$ 50,663
Future Tax Collections to Be Distributed	1,237,513
Other Current Liabilities	40,385
TOTAL LIABILITIES	\$ 1,328,561

See accompanying notes to the basic financial statements.

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COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Dollar Amounts Expressed in Thousands)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Hamilton County is governed by a board of 3 commissioners elected by the voters of the County. The County Commissioners serve as the County's taxing authority, its primary contracting body and the chief administrators of many of its public services. Other elected officials include the Auditor, Clerk of Courts, Coroner, Engineer, Prosecutor, Recorder, Sheriff, Treasurer, 6 Court of Appeals Judges, 20 Common Pleas Court Judges and 14 County Municipal Court Judges.

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Hamilton County, this includes the Board of Elections, Developmental Disabilities Services, the Mental Health and Recovery Services Board, the Transportation Improvement District, the Veterans Service Commission and all departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the County, in that the County approves the organization's budget, the issuance of its debt or the levying of its taxes.

Blended Component Unit. The Hamilton County Transportation Improvement District (TID) is a body corporate and politic, organized and existing under Chapter 5540 of the Ohio Revised Code. The TID provides the opportunity to finance, construct, maintain, repair and operate roads, bridges, parking facilities and accompanying improvements within the County. It serves all the citizens of Hamilton County and is governed by a board that includes five voting and two nonvoting members. The voting members are the three County Commissioners, the County Engineer and a representative from the City of Cincinnati. The nonvoting members are appointed by the speaker of the House of Representatives of the General Assembly and by the President of the Senate of the General Assembly. Even though the TID is a legally separate entity, it is reported as if it were part of the County because its governing board is substantively the same as that of the County. The TID is reported as part of the Health and Community Services Nongrants nonmajor governmental fund group.

Discretely Presented Component Unit. The Convention Facilities Authority (CFA) of Hamilton County, Ohio, is an up to eleven-member body corporate and politic, organized and existing under Chapter 351 of the Ohio Revised Code. It is controlled by Hamilton County, which may appoint six members. The City of Cincinnati may appoint three members, and the remaining two members are from other municipalities. Each member may serve a four-year term and may not serve more than three consecutive terms. The CFA was created in 2002 for the purpose of financing the renovation and expansion of the Cincinnati Convention Center, now known as the Duke Energy Center. No financial activity took place until the revenue bonds were sold in 2004. The County is considered financially accountable for the CFA because the County appoints a voting majority of the CFA's governing body and the County has the ability to impose its will on the CFA. The CFA is not, however, fiscally dependent on the County. Complete financial statements for the CFA may be obtained at its administrative offices: Convention Facilities Authority, Cincinnati USA Convention and Visitors Bureau, 525 Vine Street, Suite 1500, Cincinnati, Ohio 45202.

Fiscal Agent Related Entities. As counties are structured in Ohio, the County Auditor and County Treasurer serve as fiscal officer and custodian of funds, respectively, for various non-County entities. As fiscal officer, the Auditor maintains the accounts and certifies the availability of appropriated funds prior to the processing of warrants for payment. As custodian of funds, the Treasurer invests public moneys held on deposit in the County treasury and redeems the Auditor's warrants. In the case of the separate districts and commissions listed below,

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the County Auditor and County Treasurer serve as statutory fiscal agent and custodian of funds, respectively. The County, however, is not otherwise accountable for these entities. Accordingly, only the cash for the following boards and commissions that is being held by the County Treasurer is reflected in accompanying agency funds statements:

The *Hamilton County Family and Children First Council* was formed under Ohio Revised Code Section 121.37. This Council is charged with the task of reviewing existing programs that serve children and families and modifying those programs as needed to improve services delivery systems and ensure that the programs reinforce each other. The County Board of Commissioners appoints an Executive Committee for the Council and delegates administrative powers to the Committee.

The *Hamilton County General Health District* provides public health services for the prevention or restriction of disease. The 5-member Board of Health is elected by the District Advisory Council, which consists of the President of the Board of County Commissioners, the chief executive of each municipal corporation not constituting a city health district and the chairman of the board of township trustees of each township. The Health District appoints the Health Commissioner who can hire and fix compensation of employees. The Health District is dependent on the County to provide facilities and legal counsel and to act as a custodian for its funds. The budget is approved by the Health District, which is responsible for fiscal management through its authority to enter into contracts and prepare certain financial reports.

The *Hamilton County Regional Planning Commission* serves the Board of County Commissioners by providing advisory planning services to the unincorporated areas (12 townships) of the County. It also serves 37 County municipalities that are members of the Commission and pay annual fees. The Commission itself is made up of 7 representatives: 4 township representatives appointed by the Board of County Commissioners, 1 municipality representative appointed by the Board of County Commissioners, 1 municipal planning commission representative elected by municipal planning commissions and 1 City of Cincinnati representative appointed by the Cincinnati Planning Commission. The Regional Planning Commission appoints an Executive Director and can hire and fix compensation of employees. The Commission is dependent on the County to provide facilities and legal counsel and to act as fiscal agent and custodian of its funds. The budget is approved by the Commission, which is responsible for fiscal management through its authority to enter into contracts and prepare certain financial reports.

The *Hamilton County Soil and Water Conservation District* has 5 supervisors who are officials elected by the eligible voters of the District and are authorized to contract and sue on behalf of the District. The Supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

The *Hamilton County River City Correctional Center (RCCC)*, a Community-Based Correctional Facility, is a local alternative to prison with the primary purpose of rehabilitation for nonviolent felony offenders. The RCCC is governed by a Facility Governing Board, two-thirds of which is appointed by the Hamilton County Court of Common Pleas and one-third by the Board of County Commissioners. The Facilities Governing Board approves the annual budget and any revisions thereto. Ongoing fiscal management occurs with oversight from both the RCCC Executive Director and Business Manager.

Jointly Governed Organizations. Hamilton County Board of Developmental Disabilities is a member of the Southwest Ohio Regional Council of Governments formed by Hamilton, Clermont, Butler and Warren Counties. The purpose of this Council is to coordinate the powers and duties of the member counties to better serve and benefit persons with developmental disabilities. (See note VI C, Jointly Governed Organization.) The Southwest Ohio Regional Transit Authority (SORTA) is jointly governed with the City of Cincinnati. The County has no ongoing financial interest or responsibility in SORTA. Separate financial statements are available by contacting 602 Main Street, Suite 1100, Cincinnati, Ohio 45202.

Related Organizations. The Board of County Commissioners is responsible for appointing the majority of the members of the Board of Building Appeals, Board of Building Standards, Community Development Advisory Committee, Local Corrections Planning Board, Elderly Services Programs Advisory Council, Hamilton County

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Hospital Commission, Public Defender Commission, Public Library of Cincinnati and Hamilton County and County Land Reutilization Corporation. Hamilton County Commissioners also appoint half of the board members for the Port of Greater Cincinnati Development Authority. The Hamilton County Probate Court Judge appoints the Board of Park Commissioners of the Hamilton County Park District. In none of the aforementioned instances does the County's accountability extend beyond making the appointments. These organizations do not have significant operational or financial relationships with the County.

B. Basis of Presentation

The financial statements of the County and CFA have been prepared in conformity with GAAP as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, to its government-wide and proprietary fund financial statements, provided the guidelines do not conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for business-type activities and enterprise funds, subject to the same limitation. Hamilton County and the CFA have elected not to follow subsequent private-sector guidance. The most significant of the County's accounting policies are described below.

The County's basic financial statements consist of government-wide statements and fund financial statements. The government-wide statements include a Statement of Net Assets and a Statement of Activities. The fund financial statements provide a more detailed level of financial information.

Government-Wide Financial Statements. The Statement of Net Assets and the Statement of Activities display information about the County as a whole. These statements include the financial activities of the primary government and its component unit, whose financial activities are reported separately from those of the primary government. Agency funds are not included in the government-wide statements. The statements distinguish between those activities of the County that are governmental, which normally are supported by taxes and intergovernmental revenues, and those that are considered business-type activities, which rely to a significant extent on fees and charges for support. The activity of the governmental internal service funds is eliminated to avoid doubling up revenues and expenses. For the most part, the effect of interfund activity has been removed from these statements. The exceptions to this general rule are charges between the Rotary nonmajor enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Net Assets presents the financial condition of the County's governmental and business-type activities and the component unit's activities at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. The policy of the County is to allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County or the component unit, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements. During the year, in order to aid financial management and to demonstrate legal compliance, the County segregates in separate funds the transactions related to certain County functions or activities. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are segregated into their governmental and business-type components in the combining statements.

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The total for all internal service funds is presented in a separate column on the face of the proprietary fund statements. Separate financial statements are provided for the agency funds, even though they are not included in the government-wide statements.

C. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purposes and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. There are three categories of funds: governmental, proprietary and fiduciary.

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

The *General Fund* is the County's primary operating fund. It accounts for the general operating revenues and expenditures of the County not recorded elsewhere. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Public Assistance, a special revenue fund, accounts for revenue from federal, State and County governments and expenditures used to provide services to eligible County residents.

The *Health and Human Services Levies* special revenue fund accounts for the revenue from health and human services levies. Levies and expenditures are determined by policies of the Board of County Commissioners.

The nonmajor governmental funds of the County account for grants and other resources, whose use is restricted, committed or assigned to a particular purposes.

Proprietary Funds. Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board of County Commissioners has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The expenses of providing goods and services primarily or solely to the general public are financed or recovered primarily through user charges.

The following are the County's major enterprise funds:

Metropolitan Sewer District (MSD) is the County-owned sewer district operated by the City of Cincinnati under a management contract. MSD employees are employees of the City. Bond indentures require separate audited financial statements of MSD that are included in this report as a major enterprise fund with appropriate note disclosure. The MSD fund accounts for County-provided wastewater service to residential and industrial users in Hamilton County. Sewer charges are based upon water usage and serve as the major revenue source for financing operations and maintenance of the sewer system.

Paul Brown Stadium fund accounts for revenue received from stadium tenants and for the operations of the stadium.

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Baseball Stadium fund accounts for revenue and expenses associated with the operations of the stadium (Great American Ball Park) and the Cincinnati Reds Hall of Fame and Museum.

Internal service funds account for the financing of services provided by one department or agency of the County to other departments or agencies of the County on a cost-reimbursement basis. The internal service funds report on (1) the Auditor's computer center (2) the Multi-County System Agencies, a managed care group involved in treating and caring for foster care children, (3) workers' compensation for County employees and construction workers for the stadia and (4) medical self-insurance.

Fiduciary Funds. The County's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. These funds account for (1) assets held by the County as agent for the entities described in note I A as Fiscal Agent Related Entities and (2) various taxes, assessments and State-shared resources collected on behalf of other local governments.

D. Measurement Focus

Government-Wide Financial Statements. The government-wide financial statements are prepared using the *economic resources* measurement focus. All assets and all liabilities associated with the operation of the County and its component unit are included on the Statement of Net Assets. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

Fund Financial Statements. All governmental funds are accounted for using a flow of *current financial resources* measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of *economic resources* measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The Statement of Cash Flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the *accrual* basis of accounting. Governmental funds use the *modified accrual* basis of accounting. Proprietary and fiduciary funds use the *accrual* basis of accounting. Differences in the accrual basis and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and the presentation of expenses versus expenditures.

Revenues—Exchange and Non-exchange Transactions. Revenue 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. *Measurable* means the amount of the transaction can be determined, and *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. Hamilton County considers revenues available if they are expected to be received within 60 days of year-end.

Non-exchange transactions, in which the County or CFA receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from

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sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see note V B). 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 year when use is first permitted; matching requirements, in which the County or CFA must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County or CFA on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales tax, local government funds, interest, fees and charges for services.

Deferred Revenue. Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The County's deferred revenue components are as follows: (1) property taxes for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance year 2012 operations, (2) grants and entitlements received before eligibility requirements have been met, (3) revolving loan funds used in the County's Housing Rehab Program and (4) lease revenue that must be recognized over the life of the lease.

On governmental fund financial statements, receivables that will not be collected within the available period are also reported as deferred revenue. These include (1) delinquent property taxes, (2) grants for which eligibility requirements have been met and (3) special assessments.

Expenses/Expenditures. On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgetary Process

The County is required by Ohio law to adopt annual budgets for the General Fund, some special revenue funds and all debt service funds. Under the direction of the County Administrator, staff of the Commissioners' Office and County Administration Department prepares the budget and issues a separate budgetary report. The budgetary process begins at least six months prior to the calendar year for which the budget is to be adopted, with the County certifying the proposed budget to the County Auditor by July 20. By January 1, the County Commissioners may adopt annual or temporary measures using, in part, the official certificate of estimated resources approved by the County Budget Commission and the tax rates certified by the County Auditor. Appropriations cannot exceed estimated resources. By April 1, the County Commissioners must adopt an annual appropriation resolution.

The certificate of estimated resources may be amended during the year for projected increases or decreases in revenue. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. Modifications to the original budget are approved by the Board of County Commissioners throughout the year as allowed by State statute. All budgetary amendments and supplemental appropriations made during 2011 are included in the revised budget amounts presented in the budget-to-actual comparisons. The County maintains budgetary control within an organizational unit and fund by not permitting expenditures and encumbrances to exceed appropriations within three major categories—Personnel Services, Other Expenditures and Capital Outlay.

The budgetary process does not include annual budgeting for certain grants and the Capital Projects funds. For these funds, appropriations are made on a multiyear basis with the free balance and encumbrances being reappropriated annually. The administrative control is on a grant or project basis and, therefore, comparisons with annually appropriated funds do not provide meaningful data. The County adopts annual budgets for proprietary funds; however, budgetary data is not presented for proprietary funds due to the nature of the funds, where

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demand for goods and services largely determines the level of revenues and expenses. There is no legal requirement to report on such budgets.

The annual budget for MSD is prepared on a non-GAAP budgetary basis of accounting, is approved by the Board of County Commissioners and is administered by the City of Cincinnati. Budgetary control is exercised at the divisional level, and between personnel and other costs.

G. Cash, Cash Equivalents and Investments

The County's cash consists of cash on hand and demand deposits. County investments with original maturities of one year or less are recorded at cost or amortized cost. Investments of both the County and its component unit that have original maturities of one year or more are recorded at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. For presentation on the financial statements, funds included within the Treasurer's cash management pool and County or CFA investments with original maturities of three months or less are considered to be cash and cash equivalents.

State statutes authorize the County Treasurer to invest in obligations of the U.S. Treasury; obligations or securities issued by any government agency; certificates of deposit; bonds and other obligations of the State; and written repurchase agreements, where the institution agrees unconditionally to repurchase only securities of the U.S. Treasury or any other government agency. In 2011, investments were limited to federal securities, repurchase agreements, STAR Ohio and money market funds. Investments in STAR Ohio, an investment pool managed by the State Treasurer's Office, are valued at STAR Ohio's share price, which is the price for which the investment could be sold on December 31, 2011. (See note V A for a detailed disclosure of cash, cash equivalents and investments held by the County.)

The CFA's receipts are accounted for by its fiscal agent, the City of Cincinnati, or trustee. Cash received by the fiscal agent or trustee is maintained in accounts in the CFA's name.

MSD is required by Ohio law to invest in only U.S. obligations; federal agency securities; Ohio bonds and other obligations of the State or such obligations of political subdivisions of the State, provided that the subdivisions are located within Hamilton County; time certificates of deposit or deposit accounts in an eligible institution; and no-load money market mutual funds consisting only of investments mentioned above. Investments are required to mature within five years from the date of settlement, unless the investment is matched to a specific obligation or debt of MSD. In accordance with GASB 31, investment securities are stated at fair value, which is based on the quoted market prices or current share prices.

Cash resources of individual funds, including proprietary funds, are combined to form a pool of cash and investments that is managed by the County Treasurer. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as Equity in Pooled Cash and Investments on the financial statements. Certain moneys for MSD are held and invested by the City and trustees. These bank accounts and investments are represented by Cash and Cash Equivalents Held by the City of Cincinnati and Held by Trustees asset accounts.

Under existing Ohio statutes, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during 2011 amounted to \$6,464, which includes \$14 assigned from other County funds.

The County has segregated bank accounts for moneys held separate from the County's central bank accounts. These accounts are presented in the statements of net assets and the balance sheets as Cash and Cash Equivalents—Segregated Accounts—since they are not required to be deposited into the County treasury.

H. Inventories

Inventories of governmental funds are valued at cost. Costs are determined by the first-in, first-out (FIFO) method. The costs of inventory items are recognized as expenditures in the governmental funds when consumed.

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MSD's supplies and materials are stated at the lower of cost or market on a FIFO basis.

I. Prepaid Expenses

MSD payments made to vendors for services that will benefit periods beyond December 31, 2011, are recorded as Prepaid Expenses using the consumption method. Under this method, a current asset is recorded for the prepaid amount and expenses are reflected in the year in which services are consumed.

J. Interfund Transactions

On fund financial statements, receivables and payables resulting from long-term interfund loans are classified as Advances to/from Other Funds. Receivables and payables resulting from interfund transactions other than loans are classified as Due from/to Other Funds. Interfund transactions are eliminated in the governmental and business-type activities columns of the Statement of Net Assets, except for any net residual amounts due between governmental and business-type activities, which are presented as Internal Balances.

K. Restricted Assets

The Trust Agreement for MSD's Series A Revenue bonds (see note V F) requires the establishment of certain trust accounts, including a Bond Account, Bond Reserve Account, Replacement and Improvement Account and Surplus Account to be held by the trustee. The Bond Account will be used to accumulate periodic principal and interest payments. The Bond Reserve Account will be funded in an amount equal to the highest annual future debt service requirement. The Replacement and Improvement Account will be maintained with a balance of \$5,000. The Surplus Account is available to be used for any other sewer system purpose. The Trust Agreement also requires the creation of a Construction Account to be held by the City to pay for project costs. At December 31, 2011, the following balances (at fair value) were maintained in trust accounts for MSD:

Held by Trustees:	
Bond Retirement	\$ 8,008
Reserve	79,674
Replacement and Improvement	5,616
Surplus	187,563
Total	\$ 280,861

L. Capital Assets

Capital assets, which include real property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets used by proprietary funds are also reported in the financial reports of the respective funds.

Except for the capital assets of the baseball and football stadia (which include all assets originally inventoried by an independent appraisal firm and updated annually by the County), the County defines a capital asset as an asset with an initial cost of at least \$5,000 (amount not in thousands) and an estimated useful life of at least two years. All capital assets are capitalized at cost or estimated historical cost and updated for additions and retirements during the year. MSD assets acquired prior to its inception in 1968 that are not identifiable with specific historical costs are not included in the capital assets balance. Donated capital assets are recorded at their fair market values as of the date received. Assets acquired by MSD through contributions, such as contributions from land developers and federal and State grants, are capitalized and recorded in the plant records at the contributor's reported cost.

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Construction in progress includes the cost of in-force labor and costs incurred for projects not placed in use as of December 31, 2011. Additionally, in the enterprise funds, this amount includes interest capitalized on debt during the period of construction. For 2011, the amount of capitalized interest was \$207.

Land acquired for MSD's use is titled to either the City or the County. The cost of the land has been recorded on the books of MSD, since it has the full benefits of the land as an economic resource.

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Capital assets are depreciated except for land, some land improvements, easements, and construction in progress. Depreciation is computed using the straight-line method over the following useful lives, unless history or other factors indicate a different estimate would be more appropriate:

Bridges	50 years
Buildings and Structures	40 years
Parking Garages	30 years
Stadia	28 years
MSD Processing Systems	25 years
Roads	20 years
Building Improvements	20 years
Depreciable Land Improvements	20 years
Office and Service Equipment	2 to 15 years

Infrastructure assets consist of roads and bridges. They are reported as governmental activities. Infrastructure assets acquired prior to January 1, 2002, consist of the bridges and roads that were acquired or that received substantial improvements subsequent to January 1, 1980, and are reported at estimated historical cost using deflated replacement cost.

Any material gain or loss arising from the disposal of capital assets for proprietary funds has been credited or charged to income or expense of the respective fund. Any material gain or loss for governmental funds has been credited to General Revenues or charged to expenses of the General Government function in the Statement of Activities. Immaterial amounts are part of the depreciation expense for the year.

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Compensatory time is accrued as a liability as the benefits are earned. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the portion of unpaid compensated absences expected to be paid within a year is noted next to the total Compensated Absences in the Long-Term Debt and Other Obligations table (see note V F). This amount is a portion of what is reported as Long-Term Liabilities Due Within One Year in the government-wide Statement of Net Assets. In proprietary funds, the entire amount of accrued compensated absences is reported as a fund liability.

Ohio law requires that vacation time not be accumulated for more than three years. Normally, all vacation time is to be taken in the year available unless administrative written approval for carryover is obtained. Sick time not taken may be accumulated until retirement. Employees eligible to retire under a County-recognized retirement plan, with a minimum of 10 years of service, are paid one-half (up to 630 hours for 70-hour pay periods; 720 hours for 80-hour pay periods) of accumulated sick time upon retirement.

Certain agencies of the County that are not under the control of the Board of County Commissioners may have slight variances in policies on compensated absences. Compensated absences are accrued in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*.

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities and long-term obligations payable from proprietary funds are reported in the proprietary fund financial statements.

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In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds and premium/discount are reported as an Other Financing Source/Use. Issuance costs, even if withheld from the actual net proceeds received, are reported as Debt Service expenditures.

O. Unamortized Financing Costs

Unamortized financing costs include (1) bond premiums, discounts and issuance costs and (2) insurance, consulting and attorney fees incurred in connection with revenue bond obligations. The County amortizes these amounts using the interest method and straight-line method, respectively, over the lives of the bonds. The CFA amortizes bond issuance costs over the life of the bond in the same proportion as the annual principal payment to total outstanding principal.

P. Gain/Loss on Refunding

On the government-wide financial statements (and in the enterprise funds), a refunding resulting in the defeasance of debt generates an accounting gain or loss calculated by comparing the reacquisition price and the net carrying amount of the old debt. This accounting gain/loss is amortized as interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an increase/reduction of the face amount of the new debt.

Q. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the government funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form (i.e., they are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact. The nonspendable fund balances include long-term loans receivable, materials and supplies inventory and interfund loans.

Restricted: The restricted classification is used when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments (e.g., State statutes) or (b) imposed by law through constitutional provisions or enabling legislation (County resolutions). Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party, such as citizens, public interest groups or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed: The committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the Commissioners remove or change the constraint via another resolution. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Assigned fund balance includes amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds

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other than the General Fund, assigned amounts represent the remaining amount that is not restricted or committed. Assigned fund balance addresses the government's intent and should be expressed by the County Commissioners or a County official delegated that authority by resolution or by State statute.

Unassigned: Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes of which amounts had been restricted, committed or assigned.

The County applies restricted resources first when expenditures are incurred for the purpose for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification could be used.

R. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, 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 County or CFA, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. MSD's restricted net assets relate to debt service. MSD did not have net assets restricted by enabling legislation. The County and CFA apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the County, these revenues are charges for services for wastewater treatment, stadium rental income, lease income, parking fees, and charges to political subdivisions and County departments for services provided by the County, including the costs of providing law enforcement staff, computer services, emergency communications, managed care for foster care children, and workers' compensation and employees' health insurance coverage. For the CFA, operating revenues include contributions for financing the Convention Facility and the hotel taxes for repayment of debt. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. These expenses include personnel, utilities and supplies, claims, depreciation and purchased services. Revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

T. Capital Contributions

Capital contributions in proprietary fund financial statements arise from outside contributions of capital assets, from grants or outside contributions of resources restricted to capital acquisition and construction, or from transfers from governmental funds. These assets, which are recorded at their fair market values on the dates contributed, are not subject to repayment. Capital contributions in 2011 totaled \$29,751.

U. Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements. Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Transfers In and Transfers Out. Interfund transfers are reported as Other Financing Sources (Uses) in governmental funds and after Nonoperating Revenues (Expenses) in

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proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

V. Estimates

The preparation of the financial statements in conformity with GAAP 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.

W. Basis of Budgeting

While reporting financial position, results of operations and changes in fund balance on the basis of GAAP, the basis of budgeting as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. A Statement of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—is presented in the basic financial statements for the General Fund and major special revenue funds with annually appropriated budgets. The major differences for those funds between the basis of budgeting and the GAAP basis are the following:

1. Revenues are recorded when received (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).
4. Loans and advances in and out, as well as change in escheat estimates, are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Outstanding year-end encumbrances and prior-year appropriations are treated as expenditures (budget basis) as opposed to restricted, committed or assigned fund balance (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on the basis of budgeting to the GAAP basis are presented in the following table:

<u>Net Change in Fund Balance</u>	General Fund	Public Assistance	Health and Human Services Levies
<i>GAAP Basis</i>	\$ 10,789	\$ 9,186	\$ 10,062
Increase (Decrease):			
Net Adjustment for Revenue Accruals	(911)	(14,054)	2,775
Net Adjustment for Expenditure Accruals	1,595	802	6,089
Net Adjustment for Unrealized Gains	144	50	101
Net Adjustment for Change in Escheat Estimate	20	-	-
Net Adjustment for Change in Loans and Advances	2,565	-	-
Encumbrances	(15,516)	(4,726)	(20,639)
<i>Basis of Budgeting</i>	<u>\$ (1,314)</u>	<u>\$ (8,742)</u>	<u>\$ (1,612)</u>

II. CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE AND NET ASSETS

A. Changes in Accounting Principles

In 2011, the County implemented Governmental Accounting Standards Board Statement no. 53, *Accounting and Financial reporting for Derivative Instruments*. GASB 53 addresses the recognition, measurement and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their financial statements prepared using the economic resources measurement focus. The implementation of this statement did not result in any change in the County's financial statements.

The County also implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type

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definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The implementation of this statement resulted in the reclassification and restatement of the County's financial statements.

B. Restatement of Fund Balances, Total Assets, and Net Assets

As a result of the fund analysis required for GASB 54 implementation, restatement of governmental fund balances was required so that funds are reported in the appropriate groupings in the financial statements. The effect of these restatements is as follows:

	General Fund Balance	Health and Human Services Levies Fund Balance	Other Governmental Fund Balance	Agency Fund Total Assets
December 31, 2010	\$ 64,628	\$ 136,994	\$ 71,207	\$ 76,576
Change Due to Reclassification	116	(7,196)	6,956	124
December 31, 2010, As Restated	<u>\$ 64,744</u>	<u>\$ 129,798</u>	<u>\$ 78,163</u>	<u>\$ 76,700</u>

Upon completion of portions of the riverfront development projects, it was determined that some of the amount previously reported as construction in progress (CIP) in the nonmajor business-type funds was for assets owned by the City of Cincinnati. A restatement of prior-year net assets was required:

	Riverfront Development
Net Assets, December 31, 2010	\$ 136,757
Adjustment to CIP	(30,912)
Net Assets, December 31, 2010, As Restated	<u>\$ 105,845</u>

III. FUND BALANCE

The fund balance for all governmental funds are now classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources. The constraints placed on the fund balance for the major and nonmajor governmental funds are presented below:

Fund Balances	General	Public Assistance	Health and Human Services Levies	Nonmajor Governmental Funds	Total
Nonspendable					
Materials and Supplies	\$ -	\$ -	\$ -	\$ 3,575	\$ 3,575
Loans Receivable	427	-	-	-	427
Advances to Other Funds	1,591	-	-	-	1,591
Escheat	5,628	-	-	-	5,628
Total Nonspendable	<u>7,646</u>	<u>-</u>	<u>-</u>	<u>3,575</u>	<u>11,221</u>
Restricted for					
Public Assistance	-	38,226	-	-	38,226
Health and Human Services Levies	-	-	136,540	-	136,540
Motor Vehicle Gas Tax	-	-	-	23,451	23,451
Health and Community Services	-	-	-	59,456	59,456
Debt Service Payments	-	-	-	8,372	8,372
Other	-	-	-	2,073	2,073
Total Restricted	<u>-</u>	<u>38,226</u>	<u>136,540</u>	<u>93,352</u>	<u>268,118</u>

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Committed					
Capital Projects	\$ -	\$ -	\$ 3,320	\$ 10,766	\$ 14,086
Other Purposes	284	-	-	-	284
Total Committed	<u>284</u>	<u>-</u>	<u>3,320</u>	<u>10,766</u>	<u>14,370</u>
Assigned					
Encumbrances	10,460	-	-	-	10,460
Other Purposes	775	-	-	-	775
Total Assigned	<u>11,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,235</u>
Unassigned (Deficit)	<u>56,368</u>	<u>-</u>	<u>-</u>	<u>(12,193)</u>	<u>44,175</u>
Total Fund Balance	<u><u>\$75,533</u></u>	<u><u>\$38,226</u></u>	<u><u>\$139,860</u></u>	<u><u>\$ 95,500</u></u>	<u><u>\$349,119</u></u>

The County has established by resolution, a reserve balance account within the General Fund to accumulate currently available resources for the purpose of mitigating the effects of cyclical changes in revenues and expenditures. The amount of money to be reserved in this account in any fiscal year shall not exceed 5% of the revenue credited in the preceding fiscal year to the General Fund. The resources reserved for stabilization may be used as determined by resolution of the Board of County Commissioners. Additions to the fund may be increased by resolution within the guidelines specified by Ohio Revised Code. This account had a balance of \$3,000 as of December 31, 2011, and is shown as unassigned in the General Fund.

The County has also established a General Fund reserve policy. The Board of County Commissioners set a goal of 15% of the current year's ongoing budgeted expenditures as a reserve. If the reserve is not at that level, the Board will increase the reserve by .5% of the General Fund budgeted expenditures each year until the 15% level is attained. The reserve may be used to stabilize revenues, retire outstanding debt or pay judgments.

IV. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At December 31, 2011, the following nonmajor grant fund groups had deficit fund balances:

<u>Fund Group</u>	<u>Fund Balance</u>
Health and community Services Grants	\$ (917)
Community Development Block Grants	(856)
Judicial Services Grants	(880)
Public Safety Grants	(956)
Health Grants	(7,901)
Economic Development Grants	(683)

These deficits were caused by deferring revenue for which eligibility requirements had not yet been met.

The deficit net assets of (\$62,687) in the Paul Brown Stadium enterprise fund is due to the outstanding debt on the capital assets exceeding the cost of the assets net of depreciation. In the Workers' Compensation Reserve for Stadiums internal service fund, 2011 reimbursements were adequate to cover current-year fund activity but were insufficient to cover the liability for claims estimated to be incurred in the future. This resulted in deficit unrestricted net assets of (\$6).

V. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Moneys held by the County are classified by State statute into two categories:

1. Active moneys are public moneys determined to be necessary to meet current demand upon the County treasury. Active moneys must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
2. Moneys held by the County that are not considered active are classified as inactive.

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The County's Statement of Investment Policy, approved by the County's Investment Advisory Committee, authorizes investments permitted under Ohio law, which states that inactive moneys are to be deposited or invested in the following:

1. U.S. Treasury notes, bills, bonds or other obligations or securities issued by the U.S. Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. bonds, notes, debentures or any other obligations or securities issued directly 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;
3. 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 2% and be marked to market daily, and that the term of the agreement must not exceed 30 days;
4. bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. no-load money market mutual funds consisting exclusively of obligations described in item 1 or 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. the State Treasurer's investment pool (STAR Ohio);
8. securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in item 1 or 2 above or cash or both securities and cash, equal value for equal value;
9. high-grade commercial paper for a period not to exceed 270 days in an amount not to exceed (a) 10% of the aggregate value of the issuing corporation's outstanding commercial paper or (b) 25% of the County's total average portfolio; or
10. bankers' acceptances for a period not to exceed 180 days and in an amount not to exceed 25% of the County's total average portfolio.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives, as well as the issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are all prohibited.

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

The following information categorizes deposits and investments and identifies risks related to deposits and investments as defined in GASB Statement No. 3, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, and GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

Cash on Hand. At year-end, the County had \$1,328 in undeposited cash on hand. This amount is included on the Statement of Net Assets of the County as part of Equity in Pooled Cash and Investments.

Deposits—County. At year-end, the County's carrying amount of deposits was \$79,237 and the bank balance was \$88,785.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County's policy for deposits is that any balance not covered by the Federal Deposit Insurance Corporation will be collateralized by the financial institutions with pledged securities. Of the year-end bank balance, \$5,197 was covered by federal depository insurance or by collateral held by the County's agent in the County's name. The remaining balance of \$83,588 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the County's name.

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Investments—County. At December 31, 2011, investment balances were as follows:

<u>Investments</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		<u>% of Portfolio</u>
		<u>Less Than 1 Year</u>	<u>1–5 Years</u>	
Federal Home Loan Bank (FHLB)	\$ 163,722	\$ 48,990	\$ 114,732	38.19
Federal National Mortgage Association (FNMA)	201,571	33,948	167,623	47.02
U.S. Treasury Notes	20,915	3,000	17,915	4.88
Repurchase Agreements	24,268	-	24,268	5.66
Investment in STAR Ohio	160	160	-	0.04
Money Market Funds—Trustee	18,035	18,035	-	4.21
Total County Investments	\$ 428,671	\$ 104,133	\$ 324,538	100.00

STAR Ohio 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. STAR Ohio funds are invested in U.S. government and agency securities, collateralized repurchase agreements with eligible Ohio financial institutions and eligible bankers' acceptances and commercial paper. The fair value of the County's position in the pool is the same as the value of the pool shares.

Credit Risk. It is the County's policy to limit its investments in no-load money market mutual funds to funds rated in the highest category by nationally recognized statistical rating organizations and to limit investments in other obligations that are not U.S. government obligations or those explicitly guaranteed by the U.S. government to investments that have a credit quality rating of the top two ratings issued. Investments in the FHLB and FNMA were rated Aaa and AA+ by Moody's and Standard and Poor's. Investments in STAR Ohio were rated AAA by Standard & Poor's. The County's investments in money market funds were rated A+ and AAA by Moody's and Standard and Poor's.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has implemented several controls to mitigate custodial risk. All security transactions are executed on a delivery versus payment basis. All securities are delivered to the County's custodian bank before payment is made to the broker dealer for the security. Securities delivered to the custodian are held in the name of the County. If the market conditions or liquidity needs require the sale of the security, the County will identify securities that mitigate the amount of the loss. With repurchase agreements, the County requires that the counterparty deliver securities with a market value at least equal to 102% of the purchase price of the securities. If the counterparty fails to repurchase the securities per the terms of the agreement, the County reserves the right to sell the securities in the market.

Concentration of Credit Risk. The County's investment policy provides for diversification to avoid undue concentration in one type of securities. The County has invested more than 5% of the County's investments in the FHLB (38.19%), the FNMA (47.02%), and repurchase agreements (5.66%).

Interest Rate Risk. An investment must mature within five years from the date of purchase unless matched to specific obligations or debt of the County, and must be purchased with the expectation that it will be held to maturity. Additionally, policy specifies that the portfolio be structured to diversify investments to reduce the risk of loss resulting from over-concentration of assets in a specific maturity or a specific type of investment.

Deposits—MSD. MSD has active deposits as described above. Its inactive deposits are public deposits that the MSD has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts, including, but not limited to, passbook accounts. In addition to deposits of active and inactive moneys, MSD may have deposits of interim moneys. These are moneys that are not needed for immediate use but that will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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At December 31, 2011, the carrying amount of MSD's deposits totaled \$121,498. Amounts held by the City are invested on MSD's behalf in accordance with the City's Municipal Code. These amounts are collateralized as part of the City's cash and investment balances.

Custodial Credit Risk (Defined Above). MSD's policy for deposits states that collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by federal deposit insurance. Protection of MSD's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities, school districts and district corporations. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required. Although the pledging bank has an investment and securities pool used to collateralize all public deposits, which are held in the financial institution's name, noncompliance with federal requirements could potentially subject MSD to a successful claim by the FDIC. The deposits not covered by federal depository insurance are considered uninsured and uncollateralized under the provisions of GASB 3 and subject to custodial credit risk.

For additional GASB 40 disclosure requirements, refer to the financial statements as of December 31, 2011, for the City of Cincinnati.

Investments—MSD. State statute and board resolutions authorize MSD to invest in obligations of the U.S. Treasury, its agencies or its instrumentalities; certificates of deposit; repurchase agreements; money market deposit accounts; municipal depository funds; super NOW accounts; sweep accounts; separate trading of registered interest and principal of securities; mutual funds; bonds and other obligations of the State; and the State Treasurer's investment pool. The following investment policies are the same for MSD as defined in the County's investment policy above: (1) limitations on repurchase agreements, (2) prohibited investments, and (3) guidelines governing dealers and payments. Investments made by MSD are summarized below:

<u>Investments</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Investments Held by the City of Cincinnati	\$ 121,498	30.20
U.S. Government Securities	148,052	36.80
Money Market Funds	132,809	33.00
Total Investments	<u>\$ 402,359</u>	<u>100.00</u>

Custodial Credit Risk (Defined Above). Funds held by trustees are eligible investments as defined by the Trust Agreement and are in the name of the trustee for the benefit of MSD. As stated in GASB 40, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The Federal National Mortgage Association notes, Federal Home Loan Mortgage Corporation notes and Federal Home Loan Bank notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in MSD's name. The money market funds are invested in a treasury obligation fund with a Moody's credit rating of Aaa. MSD has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: MSD uses the City of Cincinnati's investment policy, which addresses concentration of credit risk by requiring investments to be diversified to reduce risk of loss resulting from over-concentration of assets in a specific issue or class of security. The table above includes the percentage of each investment type held by MSD at December 31, 2011.

MSD has no policy that addresses interest rate risk.

Deposits—CFA. At year-end, the carrying amount of CFA deposits held by the trustee totaled \$5,228 and the bank balance was \$5,228. The accounts are held in custodial accounts at The Bank of New York and are not collateralized.

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Investments—CFA. The trustee for the CFA held no investments at December 31, 2011.

The CFA’s investment policy is limited by the Cooperative Agreement with the City and the County. The eligible investments include obligations guaranteed as to principal and interest by the United States or by an agency or instrumentality of the federal government or a no-load money market fund that consists of these obligations. The CFA may also invest in time certificates of deposits of eligible institutions; bonds and other obligations of the State, City or political subdivision of the State; Ohio subdivision’s fund; and certain written repurchase agreements.

The CFA does not have a written credit risk policy, concentration of credit risk policy, investment rate risk policy or foreign currency risk policy.

Reconciliation of Balance Sheet Cash with Deposits and Investments. The classifications of cash and cash equivalents, and investments on the combined financial statements for the primary government are based on criteria set forth in GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications of deposits and investments, including MSD, presented above per GASB 3 is as follows:

Carrying Amount of Deposits	\$ 202,063	Equity in Pooled Cash and Investments	\$ 461,240
Carrying Amount of Investments	<u>709,532</u>	Cash and Cash Equivalents—Segregated Accounts	54,746
Total	<u>\$ 911,595</u>	Cash and Cash Equivalents—Restricted	247,557
		Investments—Restricted	<u>148,052</u>
		Total	<u>\$ 911,595</u>

B. Receivables

Receivables at December 31, 2011, consisted of taxes, interest, special assessments, accounts (billings for user-charged services, including unbilled utility services), loans, and intergovernmental receivables arising from grants, entitlements and shared revenues. All trade and property tax receivables, including those for MSD, are shown net of an allowance for uncollectibles. Receivables are recorded on the County’s financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectibility.

Property Tax. Property taxes include amounts levied against real, public utility and tangible (personal) property. The assessed value by property classification upon which the 2011 tax collection was based is as follows:

Real Property—2011 Valuation:	
Residential/Agricultural	\$ 14,212,051
Commercial/Industrial/Public Utilities	5,071,717
Tangible Personal Property—2011 Valuation:	
Public Utility Personal Property	<u>683,436</u>
Total Valuation	<u>\$ 19,967,204</u>

Ohio law prohibits taxation of property by all overlapping taxing authorities in excess of 10 mills per dollar of assessed value without a vote of the people. Presently, the County levies 2.26 mills of this 10-mill limit for its General Fund. In addition to the 2.26 mills, voted levies in the amount of 17.19 mills have been approved for health and hospitalization, law enforcement, developmental disabilities and health, children’s services, zoological parks, senior services, family treatment services and the museum center.

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A summary of the voted levies follows:

Purpose	Voter Authorized Rate ⁽¹⁾	Rates Levied for Current Year Collection ⁽²⁾		Final Collection Year
		Residential/ Agricultural	Commercial/ Industrial	
University Hospital	4.49	1.61	2.60	2011
Police Information Center	0.54	0.15	0.26	Continuing
Developmental Disabilities	4.13	3.55	4.00	2014
Mental Health	2.99	1.49	2.07	2012
Children's Services	2.77	1.66	2.34	2011
Zoo	0.46	0.32	0.40	2013
Senior Services	1.29	0.90	1.12	2012
Family Treatment Services	0.34	0.34	0.34	2014
Museum Center	0.18	0.15	0.17	2014
Total Voted Millage	<u>17.19</u>	<u>10.17</u>	<u>13.30</u>	

⁽¹⁾dollar amount per \$1,000 of assessed valuation

⁽²⁾reduction factors applied to levies

Ohio law provides for a reduction in the rates of voted levies to offset increased values resulting from the reappraisal of real property. Reduction factors are applied to authorized voted levies so that each levy yields the same amount from real property taxes as in the year in which the levy was approved. The reduction factors are computed annually and applied separately for residential/agricultural property and commercial/industrial property. Increases to voted levy revenues occur with the addition of new construction that is added to the tax duplicate each year.

The County Commissioners allocated approximately 7.20% of the ½ cent permissive sales tax receipts to reduce residential property taxes in the County. In 2011, this represented a 0.63% reduction for all owner-occupied homeowners in the County.

Taxes collected on real property (other than public utilities) in one calendar year are levied on the preceding calendar year's assessed values as of January 1 of that preceding year, the lien date. Assessed values are established the preceding year by the County Auditor at 35% of appraised market value. A physical reappraisal of all real property is required every six years, with a statistical update every third year. The last physical reappraisal was completed during 2011.

The County Treasurer bills and collects real property taxes on behalf of all taxing districts in the County, including the County. Taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20 of the following year. The County's practice is to extend the December 31 due date to January. Unpaid taxes become delinquent after December 31 of the year they are due with penalties and interest assessed. Foreclosure proceedings may be initiated by the County Prosecutor if delinquent taxes are not paid within one year.

The tangible personal property tax for businesses was phased out over a three-year period starting in 2006 with the last tax due in 2008. Telecommunication companies have been paying the tangible personal property tax on a declining basis with the last tax due in 2010. The State has provided a reimbursement to the levies that were in effect prior to November 1, 2005, to help offset the loss in tax revenue from 2006 through 2010. The reimbursement is based on the 2004 tangible personal property valuation and will not completely offset the loss of revenue. The reimbursement will then be phased out beginning in 2011.

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 collection year, the lien date. The majority of public utility tangible personal property currently is assessed at 25% of its true value. Public utility taxes are payable on the same date as real property taxes described previously.

The County Auditor periodically remits to the taxing districts their portions of the taxes collected. The final settlements of real and public utility property taxes are made in April and August and tangible taxes in August and

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October for the first and second halves of the year, respectively. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. The County accrues property taxes as receivables since they can be measured and recorded when levied and recognized as deferred revenue since they are collected in advance of the year for which they are levied. Property taxes are recognized as revenue in the year for which they are levied.

Property tax revenues were recorded in the following funds in 2011:

General Fund	\$ 39,746
Health and Human Services Levies Fund	198,786
Nonmajor Special Revenue Funds	513
Total Property Tax Revenues	\$ 239,045

Property tax revenues include levies collected from both the current levy and delinquent levies. The cumulative delinquency as of December 31, 2011, was \$25,258 of real and public utility taxes and \$3,860 of tangible personal property taxes, for a total of \$29,118. The delinquent property tax revenue was not recorded in the financial statements due to the uncertainty of collection. Recording the delinquency would not have an impact on the fund balance of the County since it would be offset by a reserve for delinquent accounts.

Sales and Use Tax. On March 19, 1996, voters of Hamilton County approved a .5% increase (from .5% to 1.0%) in the County's general sales tax. The County Commissioners approved by resolution that this additional tax will be used for development of the riverfront area, including construction of the football and baseball stadia. Vendor collections of the tax are paid to the State Treasurer by the 25th day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within 45 days of the end of each month. The State Auditor then has 5 days in which to draw the warrant payable to the County.

Hotel Occupancy Tax. The CFA receives hotel occupancy tax quarterly from the County and City.

Intergovernmental. State subsidies for local property tax reductions are recorded as Intergovernmental Receivable when measurable and Intergovernmental Revenues when measurable and available. Federal and State grants and assistance awards made on the basis of entitlement are recorded as Intergovernmental Receivable and Revenues when entitlement occurs. All other federal and State reimbursement-type grants are recorded as receivables and revenues when the related expenditures/expenses are incurred. A summary of the principal items of Intergovernmental Receivable for the year ended December 31, 2011, follows.

<u>Governmental Activities</u>	<u>Amount</u>
General Fund:	
Communications Center—Miscellaneous Reimbursements	\$ 6
Planning and Development —Miscellaneous Receipts	33
Sheriff—Miscellaneous Receipts and Reimbursements	38
Common Pleas Court—Miscellaneous Reimbursements	25
Probate Court—Miscellaneous Reimbursements	31
Public Defender—Miscellaneous Reimbursements	916
General Fund Total	1,049
Public Assistance—Special Revenue Fund:	
Job and Family Services—Grants	12,136
Job and Family Services— Miscellaneous Receipts	17
Public Assistance Total	12,153
Health and Human Services Levies—Special Revenue Fund:	
Job and Family Services—Grants	492
Developmental Disabilities Services—Grants	2,461
Developmental Disabilities Services — Miscellaneous Receipts and Reimbursements	45
Health and Human Services Levies Total	2,998

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Nonmajor Special Revenue Funds:	
Non-Departmentals—Grants	\$ 4
Planning and Development—Grants	141
Sheriff—Grants	371
Prosecutor—Grants	14
Coroner—Grants	24
Emergency Management Agency—Grants	1,217
Juvenile Court—Grants	194
Municipal Court—Grants	159
Adult Probation—Grants	1,162
Engineer—Grants	210
Environmental Services—Grants	2,329
Mental Health and Recovery Services Board—Grants	12,434
Job and Family Services— Miscellaneous Reimbursements	156
Planning and Development—Miscellaneous Reimbursements	3
Emergency Management Agency—Miscellaneous Reimbursements	3
Engineer—Miscellaneous Receipts and Reimbursements	95
Environmental Services —Miscellaneous Receipts	15
Nonmajor Special Revenue Funds Total	18,531
Governmental Activities Total	\$ 34,731

<u>Business-Type Activities</u>	<u>Amount</u>
Nonmajor Enterprise Funds:	
Riverfront Development—Grants	\$ 1,826
Sheriff—Township Patrol Fees	1,344
Sheriff— Miscellaneous Reimbursements	4
Nonmajor Enterprise Funds Total	3,174
Business-Type Activities Total	\$ 3,174

Loans. The Hamilton County Housing Rehab Program provides low-interest loans to income-qualifying homeowners to provide an affordable means for making major repairs on their homes. The program is funded by the Board of County Commissioners through the Hamilton County Community Block Grant Program, with funds from the U.S. Department of Housing and Urban Development. Funds from loan repayments by previous program recipients are made available for use through a revolving loan fund. These loans (\$500) are classified as Accounts Receivable on the Balance Sheet—Governmental Funds.

In 2002, the County Commissioners adopted the Home Improvement Program (HIP). HIP allows homeowners in Hamilton County to borrow money from banks to repair or remodel their homes or rental property at interest rates 3% below the lowest rate the banks would normally offer. These loans are collateralized by Hamilton County certificates of deposit (CDs). These CDs totaled \$5,226 at December 31, 2011, and are included in Equity in Pooled Cash and Investments on the Balance Sheet—Governmental Funds.

C. Restricted Assets

Restricted assets in the enterprise funds include the following cash, cash equivalents and investments:

Restricted Cash and Cash Equivalents:	
Held by the City of Cincinnati:	
Construction Account	\$ 40,200
Amount to Be Transferred to Surplus Account	62,180
Held by Trustees	145,177
Total Restricted Cash and Cash Equivalents	247,557
Restricted Investments:	
Held by Trustees—Held to Maturity	148,052
Total Restricted Assets	\$ 395,609

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D. Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	Balance 1/1/2011	Additions	Reductions	Balance 12/31/2011
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 98,730	\$ -	\$ (1,229)	\$ 97,501
Construction in Progress	7,108	2,931	(8,040)	1,999
Total Capital Assets Not Being Depreciated	<u>105,838</u>	<u>2,931</u>	<u>(9,269)</u>	<u>99,500</u>
Capital Assets Being Depreciated:				
Land Improvements	98	232	-	330
Buildings, Structures and Improvements	396,295	822	(17,663)	379,454
Infrastructure	678,009	7,430	-	685,439
Furniture, Fixtures and Equipment	89,150	5,430	(6,039)	88,541
Total Capital Assets Being Depreciated	<u>1,163,552</u>	<u>13,914</u>	<u>(23,702)</u>	<u>1,153,764</u>
Less Accumulated Depreciation:				
Land Improvements	(34)	(18)	-	(52)
Buildings, Structures and Improvements	(277,602)	(11,244)	10,585	(278,261)
Infrastructure	(488,095)	(22,299)	-	(510,394)
Furniture, Fixtures and Equipment	(64,826)	(6,775)	4,081	(67,520)
Total Accumulated Depreciation	<u>(830,557)</u>	<u>(40,336)</u>	<u>14,666</u>	<u>(856,227)</u>
Capital Assets Being Depreciated, Net	<u>332,995</u>	<u>(26,422)</u>	<u>(9,036)</u>	<u>297,537</u>
Governmental Activities Capital Assets, Net	<u>\$ 438,833</u>	<u>\$ (23,491)</u>	<u>\$ (18,305)</u>	<u>\$ 397,037</u>
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 96,043	\$ -	\$ -	\$ 96,043
Construction in Progress	312,451	173,273	(160,904)	324,820
Total Capital Assets Not Being Depreciated	<u>408,494</u>	<u>173,273</u>	<u>(160,904)</u>	<u>420,863</u>
Capital Assets Being Depreciated:				
Buildings, Structures and Improvements	2,006,669	134,036	-	2,140,705
Processing System	361,254	28,381	(4,745)	384,890
Furniture, Fixtures and Equipment	74,856	4,202	(6,361)	72,697
Total Capital Assets Being Depreciated	<u>2,442,779</u>	<u>166,619</u>	<u>(11,106)</u>	<u>2,598,292</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(689,261)	(61,399)	-	(750,660)
Processing System	(192,450)	(13,257)	-	(205,707)
Furniture, Fixtures and Equipment	(56,645)	(5,093)	6,109	(55,629)
Total Accumulated Depreciation	<u>(938,356)</u>	<u>(79,749)</u>	<u>6,109</u>	<u>(1,011,996)</u>
Capital Assets Being Depreciated, Net	<u>1,504,423</u>	<u>86,870</u>	<u>(4,997)</u>	<u>1,586,296</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,912,917</u>	<u>\$ 260,143</u>	<u>\$ (165,901)</u>	<u>\$ 2,007,159</u>

Construction in Progress includes assets that upon completion will be transferred to the governmental activities or to the MSD or nonmajor Riverfront Development enterprise fund. Beginning CIP in business-type activities was adjusted (see note II B).

Depreciation expense was charged to functions/funds as follows:

<u>Governmental Activities</u>	
General Government	\$ 12,808
Judicial	369
Public Safety	3,353
Social Services	158
Health	749
Public Works	22,734
Environmental Control	130
Internal Service Funds—Charged to Functions Based on Usage	35
Total Depreciation Expense	<u>\$ 40,336</u>

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<u>Business-Type Activities</u>	
MSD	\$ 44,081
Paul Brown Stadium	14,023
Baseball Stadium	13,458
Nonmajor Enterprise Funds	8,187
Total Depreciation Expense	<u>\$ 79,749</u>

E. Interfund Balances and Transfers

Interfund balances at December 31, 2011, consisted of the following amounts and represent charges for services or reimbursable expenses except for the General Fund's coverage of the (\$1,089) negative cash balance for the Public Safety Grants (\$1,028) and the Economic Development Grants (\$61) nonmajor governmental funds.

Due to/from balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting records and (3) payments are made between funds. All are expected to be paid within one year.

<u>Due to Other Funds</u>	Due from Other Funds					Total
	General Fund	Public Assistance	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 33	\$ 70	\$ -	\$ 103
Public Assistance	1,450	-	-	20	-	1,470
Health and Human Services Levies	1,931	2,419	46	-	-	4,396
Nonmajor Governmental Funds	1,315	342	7	4	7	1,675
Nonmajor Enterprise Funds	5	-	2	-	-	7
Total	<u>\$ 4,701</u>	<u>\$ 2,761</u>	<u>\$ 88</u>	<u>\$ 94</u>	<u>\$ 7</u>	<u>\$ 7,651</u>

Advances to/from balances are amounts that are owed, other than charges for goods and services rendered, by a particular fund to another fund and that are not due within one year. At year-end, these advances totaled \$1,591.

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, to segregate money for anticipated capital projects, to provide additional resources for current operations or debt service, and to return money to the fund from which it was originally provided once a project is completed.

Included in the transfers out/in are residual equity transfers between fund groups. Residual transfers were made from the nonmajor Health and Community Services Nongrants fund group to the General Fund (\$966); and from the nonmajor Health Grants fund group to the nonmajor Health and Community Services Nongrants fund group (\$5).

Interfund transfers for the year ended December 31, 2011, consisted of the following:

<u>Transfers In</u>	Transfers Out			Total
	General Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 966	\$ -	\$ 966
Nonmajor Governmental Funds	13,925	139	155	14,219
Nonmajor Enterprise Funds	1,484	-	-	1,484
Total	<u>\$15,409</u>	<u>\$ 1,105</u>	<u>\$ 155</u>	<u>\$ 16,669</u>

Due to Other Governments represents the return of residual funds by the CFA.

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F. Long-Term Debt and Other Obligations

The long-term obligations of the County payable as of December 31, 2011, are as follows:

Governmental Activities	Maturity	Interest Rate %	Balance January 1	Additions	Reductions	Balance December 31	Due in One Year
<i>Long-Term Debt</i>							
<u>Year Issued/Purpose/Amount Issued</u>							
<u>General Obligation Bonds—Unvoted</u>							
2001 Various Purpose—\$9,050	2012	3.00-4.00	\$ 1,515	\$ -	\$ (765)	\$ 750	\$ 750
2001 Various Purpose—\$1,455	2021	3.00-5.00	940	-	(70)	870	70
2001 Water West Phase 2—\$1,660	2021	3.00-5.00	1,070	-	(80)	990	80
2004 Various Purpose Refunding—\$21,915	2015	1.70-4.00	8,340	-	(2,030)	6,310	2,065
2004 Various Purpose Refunding—\$16,115	2015	1.70-4.00	6,130	-	(1,490)	4,640	1,515
2004 Various Purpose Refunding—\$4,100	2015	1.70-4.00	1,565	-	(380)	1,185	385
2005 Various Purpose Refunding—\$28,715	2017	3.00-5.00	17,980	-	(2,430)	15,550	2,350
2006 Emergency Management and Operations Center—\$725	2025	4.00-4.50	615	-	(30)	585	35
2006 Emergency Services Communications System—\$19,520	2021	3.50-4.00	15,290	-	(1,150)	14,140	1,195
2007 Various Purpose Refunding—\$18,130	2024	3.75-4.15	14,870	-	(1,615)	13,255	1,680
2007 Communications Center—\$1,025	2016	3.75-4.00	660	-	(100)	560	105
2008 Various Purpose—\$8,795	2018	3.00-4.00	7,220	-	(815)	6,405	830
2009 Emergency System Alert—\$1,615	2024	2.00-4.25	1,520	-	(95)	1,425	95
2009 Urban Redevelopment —\$12,550	2039	1.875-6.8	12,280	-	(270)	12,010	270
2011 Energy Conservation —\$5,512	2040	2.40-5.25	-	5,512	-	5,512	-
Deferred Amounts:							
For Issuance Premiums			1,168	-	(275)	893	-
For Refundings			(1,107)	-	320	(787)	-
Total General Obligation Bonds—Unvoted			<u>90,056</u>	<u>5,512</u>	<u>(11,275)</u>	<u>84,293</u>	<u>11,425</u>
<u>Special Assessment Bonds</u>							
1993 Sewer District—\$600	2013	4.90-5.20	130	-	(40)	90	45
1994 Sewer District—\$175	2014	5.75	35	-	(5)	30	10
1995 Sewer District—\$210	2015	5.10-5.80	80	-	(15)	65	15
1996 Sewer District—\$445	2016	5.55-5.625	185	-	(30)	155	25
1997 Sewer District—\$340	2017	5.125-5.30	160	-	(20)	140	20
1998 Sewer District—\$705	2018	4.65-4.75	365	-	(40)	325	40
1999 Sewer District—\$170	2019	5.5	100	-	(10)	90	10
2000 Sewer District—\$545	2020	5.40-5.55	335	-	(25)	310	30
2001 Sewer District—\$150	2021	4.00-5.10	105	-	(5)	100	10
2002 Sewer District—\$295	2022	3.50-5.05	200	-	(10)	190	15
2003 Sewer District—\$460	2023	1.25-5.75	335	-	(20)	315	20
2004 Water and Sewer—\$625	2024	1.8-4.9	470	-	(25)	445	30
2005 Sewer District—\$110	2025	4.35-4.40	85	-	(5)	80	5
2006 Sewer District—\$76	2026	4.65-4.75	61	-	(4)	57	4
2007 Sewer District—\$750	2027	4.15-4.65	670	-	(25)	645	30
2008 Sewer District—\$262	2028	4.625-5.50	240	-	(10)	230	10
2009 Sewer District—\$710	2029	2.50-4.50	680	-	(25)	655	30
2010 Sewer District—\$387	2030	2.00-4.35	387	-	(17)	370	15
2011 Sewer District—\$275	2031	4.75	-	275	-	275	10
Total Special Assessment Bonds			<u>4,623</u>	<u>275</u>	<u>(331)</u>	<u>4,567</u>	<u>374</u>
Total Governmental Long-Term Debt			<u>94,679</u>	<u>5,787</u>	<u>(11,606)</u>	<u>88,860</u>	<u>11,799</u>
<i>Other Long-Term Liabilities</i>							
<u>Compensated Absences</u>							
			40,020	31,905	(31,546)	40,379	2,831
<u>State Loans</u>							
			2,607	2	(372)	2,237	341
<u>Loan Contracts</u>							
			4,468	100	(614)	3,954	175
<u>Forgivable Mortgage</u>							
			1,233	-	(68)	1,165	68
<u>Claims Payable</u>							
			7,046	(2,698)	(2,014)	2,334	2,070
Total Governmental Long-Term Liabilities			<u>\$ 150,053</u>	<u>\$ 35,096</u>	<u>\$ (46,220)</u>	<u>\$ 138,929</u>	<u>\$ 17,284</u>

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Business-Type Activities	Maturity	Interest Rate %	Balance January 1	Additions	Reductions	Balance December 31	Due in One Year
<i>Long-Term Debt</i>							
<u>Year Issued/Purpose/Amount Issued</u>							
<u>MSD Obligations</u>							
2010 Series A & B Revenue Bonds—\$130,675	2035	2.00-5.37	\$ 130,675	\$ -	\$ (1,540)	\$ 129,135	\$ 3,275
2009 Series A Revenue Bonds—\$149,815	2034	4.00-6.50	149,815	-	-	149,815	-
2007 Series A Revenue Bonds—\$72,385	2032	3.50-5.25	67,190	-	(1,885)	65,305	1,950
2006 Series A Revenue Bonds—\$83,045	2031	4.00-5.00	75,230	-	(2,200)	73,030	2,290
2005 Series A & B Revenue Bonds—\$170,560	2030	2.50-5.00	149,335	-	(2,445)	146,890	2,560
2004 Series A Revenue Bonds—\$46,385	2017	2.00-5.00	37,415	-	-	37,415	6,165
2003 Series A & B Revenue Bonds—\$215,575	2028	1.50-5.25	169,255	-	(17,690)	151,565	18,585
2001 Series A Revenue Bonds—\$76,000	2026	2.30-5.25	2,230	-	(1,805)	425	425
1997 Series A Revenue Bonds—\$105,245	2017	3.85-5.13	5,955	-	(5,955)	-	-
Ohio Water Development Authority Contracts (OWDA)—\$41,830	2016	2.00-7.49	393	-	(126)	267	-
Ohio Water and Sewer Rotary Commission	-	-	50	-	-	50	-
Ohio Public Works Commission (OPWC)	2017	3.54-4.80	2,626	313	(300)	2,639	311
Water Pollution Control Loan Fund (WPCLF) Construction Drawdown	2018	0.00-3.00	90,748	42,315	(4,473)	128,590	6,188
Capital Lease Payable—\$15,000	2029	2.00-5.00	14,460	-	(560)	13,900	575
Deferred Amounts:							
For Issuance Discounts			(4)	-	4	-	-
For Issuance Premiums			29,991	-	(3,216)	26,775	-
For Refundings			(6,323)	-	1,652	(4,671)	-
Total MSD Obligations			919,041	42,628	(40,539)	921,130	42,324
<u>Enterprise Fund Debt—Parking Facility</u>							
2001 Parking Facility—\$24,500	2026	Market Based	19,730	-	(770)	18,960	815
<u>Sales Tax Bonds</u>							
1998 Football Project Series A—\$71,610	2027	3.95-4.75	19,675	-	(19,675)	-	-
2000 Stadium Series B—\$349,992	2032	5.57	93,412	-	(51,751)	41,661	-
2006 Stadium Series A—\$452,270	2032	4.00-5.00	445,695	-	(1,515)	444,180	1,125
2011 Refunding Bonds A—\$72,665	2032	2.00-5.00	-	72,665	-	72,665	-
Deferred Amounts:							
For Issuance Discounts			(1,949)	-	1,006	(943)	-
For Issuance Premiums			23,641	5,715	(1,879)	27,477	-
For Refundings			(21,412)	(3,115)	1,120	(23,407)	-
Total Sales Tax Bonds			559,062	75,265	(72,694)	561,633	1,125
<u>General Obligation—Parking Facility</u>							
2007 Various Purpose Refunding—\$7,335	2024	3.75-4.15	7,190	-	(390)	6,800	405
Deferred Amounts:							
For Issuance Discounts			(16)	-	2	(14)	-
Total General Obligation Bonds			7,174	-	(388)	6,786	405
Total Business-Type Long-Term Debt			1,505,007	117,893	(114,391)	1,508,509	44,669
<i>Other Long-Term Liabilities</i>							
<u>Compensated Absences</u>			9,316	5,737	(5,133)	9,920	3,701
<u>Urban Redevelopment Loan</u>			5,475	-	-	5,475	-
<u>State Infrastructure Bank Loan</u>			11,685	-	-	11,685	745
<u>Claims Payable</u>			-	525	(517)	8	-
Total Business-Type Long-Term Liabilities			\$1,531,483	\$ 124,155	\$(120,041)	\$1,535,597	\$ 49,115
Convention Facilities Authority							
	Maturity	Interest Rate %	Balance January 1	Additions	Reductions	Balance December 31	Due in One Year
<i>Long-Term Debt</i>							
<u>Year Issued/Purpose/Amount Issued</u>							
<u>CFA Obligations</u>							
2004 First Lien Improvement Bonds—\$70,065	2033	2.00-5.00	\$ 61,450	\$ -	\$ (1,525)	\$ 59,925	\$ 1,570
2004 Second Lien Improvement Bonds—\$35,940	2033	2.00-5.25	20,440	-	(830)	19,610	850
Deferred Amounts:							
For Issuance Premium			3,512	-	(88)	3,424	-
Total CFA Obligations			\$ 85,402	\$ -	\$(2,443)	\$ 82,959	\$ 2,420

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Annual principal and interest requirements for the County's long-term debt are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2012	\$ 11,425	\$ 3,668	\$ 374	\$ 216
2013	11,269	3,228	389	196
2014	11,072	2,773	348	178
2015	8,412	2,321	349	162
2016	8,181	1,970	349	145
2017–2021	21,735	5,761	1,409	502
2022–2026	4,933	3,173	939	215
2027–2031	2,285	2,097	410	41
2032–2036	2,840	1,282	-	-
2037–2041	2,035	281	-	-
Total	\$ 84,187	\$26,554	\$ 4,567	\$ 1,655

Year	Business-Type Activities					
	MSD*		General Obligation Bonds**		Sales Tax Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 42,324	\$ 30,100	\$ 1,220	\$ 288	\$ 1,125	\$ 25,182
2013	47,932	31,938	1,290	272	13,520	25,137
2014	51,208	30,730	1,355	255	15,715	24,461
2015	58,256	29,819	1,430	238	19,720	23,686
2016	59,848	27,719	1,510	220	22,120	22,789
2017–2021	239,781	113,583	8,835	785	119,570	114,315
2022–2026	243,114	76,444	10,120	185	135,281	133,727
2027–2031	220,278	33,997	-	-	179,980	91,235
2032–2036	72,119	5,818	-	-	51,475	2,455
2037–2041	171	2	-	-	-	-
Total	\$1,035,031	\$380,150	\$25,760	\$ 2,243	\$558,506	\$ 462,987

*Amounts are the total loan amounts, some of which has not been drawn down or finalized (related to WPCLF).

**Adjustable Rate Parking System Revenue Bonds, in the amount of \$24,500, were issued to pay the costs of making improvements and enlargements to the County's above-ground parking structures and surface parking lots in the Cincinnati central riverfront area, near the stadia and at the US Bank Arena. The interest rate is to be determined at the close of business each Wednesday. The interest rate at the close of business on December 31, 2011, was 0.10%. Using this rate as a basis, the projected interest to be paid on this bond issue will be \$172.

Annual principal and interest requirements for the CFA's long-term debt are as follows:

Year	CFA	
	Improvement Bonds	
	Principal	Interest
2012	\$ 2,420	\$ 3,870
2013	2,515	3,777
2014	2,625	3,667
2015	2,740	3,549
2016	2,865	3,426
2017–2021	16,635	14,829
2022–2026	20,005	10,316
2027–2031	21,265	5,102
2032–2036	8,465	640
Total	\$ 79,535	\$ 49,176

Long-Term Bonds. All long-term bonds of the County are retired from the debt service funds except for debt payable from enterprise funds. General obligation bonds and notes are backed by the County's ability to levy a voted or unvoted property tax within limitations of State law. General obligation special assessment bonds are backed by the County's ability to levy an assessment against individual property owners within limitation of State law. Sewer revenue bonds are backed by user charges against individual ratepayers. Sales tax bonds are backed by a lien on the receipts of an additional .5% sales tax approved by the County voters on March 19, 1996.

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General obligation bonds are generally issued as 20-year serial bonds with various amounts of principal maturing each year. Under State law applicable to the County, general obligation bond anticipation notes may be issued from time to time up to a maximum maturity of 20 years from the date of issuance of the original notes.

The Uniform Bond Law of the State of Ohio provides that the total net indebtedness created or incurred by any county shall never exceed a sum equal to 3.0% of the first \$100,000 or part of the tax list, plus 1.5% of the tax list in excess of \$100,000 and not in excess of \$300,000, plus 2.5% of the tax list in excess of \$300,000. In addition, the net indebtedness created or incurred by any county without vote of the electors shall never exceed a sum equal to 1.0% of the tax list of the county. Contained in the Uniform Bond Law of the State of Ohio are exceptions for debt limitations. Among the kinds of debt exempted are debt issued for special assessments, sewer works, self-supported revenue bonds and jail facilities.

The total voted and unvoted non-exempt debt of the County that could be issued subject to the 3.0%, 1.5% and 2.5% limitation described above is \$497,680. The total County net debt subject to this limitation is \$71,538, leaving a borrowing capacity of \$426,142 within the limitation from combined voted and unvoted non-exempt debt. The total County unvoted, non-exempt debt that could be issued subject to the 1.0% limitation is \$199,672. The total County debt subject to such limitation is \$71,538, leaving a borrowing capacity of \$128,134 within the 1.0% limitation for unvoted non-exempt debt.

2011 General Obligation Bonds. In December 2011, Ohio Air Quality Development Authority Revenue Bonds were issued in the amount of \$5,512. Proceeds of the bonds will be used to implement energy conservation measures in various county buildings. A portion of the bonds (\$3,448) are tax exempt revenue bonds that carry an interest rate of 2.40% and have a final maturity date of December 1, 2022. The remaining bonds (\$2,064) are tax credit revenue bonds with an interest rate of 5.25% and final maturity on December 1, 2026.

2011 Special Assessment Bonds. Outstanding special assessment bonds consist of water and sewer line improvements, which are payable from the proceeds of tax assessments against the individual property owners. The full faith and credit of the County as additional security also backs these bonds. In August 2011, new special assessment bonds were issued in the amount of \$275, with a final maturity date of December 1, 2031. These bonds carry an interest rate of 4.75%.

Series 2011A Sales Tax Refunding Bonds. In October 2011, the County issued \$72,665 in sales tax refunding bonds with interest rates ranging from 2% to 5% to currently refund outstanding principal amounts of the senior lien bonds and a portion of the Series 2000B bonds, to fund a portion of the reserve requirement and to pay costs of issuance. The net proceeds of the 2011 bond issue were deposited in an escrow account with an escrow trustee. The refunded bonds are considered defeased and the liability for these bonds has been removed from the balance sheet. Although the refunding resulted in the recognition of an accounting loss of \$3,116 in accordance with GASB 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, the County has, in effect, reduced its aggregate debt service payments by \$6,023 and obtained a present value savings of \$5,443. Final maturity date of the Series 2011A bonds is December 1, 2032.

<u>Sources of Funds</u>		<u>Uses of Funds</u>	
Refunding Bond Proceeds	\$ 72,665	Escrow Securities	\$ 71,291
Premium on Refunding Bonds	5,715	Issuance Costs	708
Bond Funds	<u>1,316</u>	Deposit to Debt Service Reserve Fund	<u>7,697</u>
Total Sources	<u>\$ 79,696</u>	Total Uses	<u>\$ 79,696</u>

Series A and B Revenue Bonds. In 2009, 2007, 2000 and 1997, MSD issued County of Hamilton, Ohio, Series A Sewer System Improvement Revenue Bonds. In 2010, 2006, 2005 and 2004, MSD issued County of Hamilton, Ohio, Series A Sewer System Refunding Revenue bonds. In 2009 and 2005, MSD also issued Series B Sewer System Improvement Revenue Bonds. In 2003, 2001, 1995 and 1993, MSD issued County of Hamilton, Ohio, Series A Sewer System Improvement and Refunding Revenue bonds. In 2003, MSD also issued County of Hamilton, Ohio, Series B Sewer System Improvement and Refunding Revenue bonds, and in 2010, MSD issued

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Series B Sewer System Improvement Revenue Bonds (Build America Bonds). The proceeds of all of these bonds were used to permanently fund certain previous capital expenditures, provide funds for new projects, defease portions of previous Series A bond issues, fund the new bond reserve requirements and pay the costs of issuance.

The 2010, 2009, 2007, 2006, 2005, 2004, 2003, 2001 and 1997 bonds may be redeemed prior to their maturities in accordance with provisions of the bond resolutions. The redemption process for the bonds includes declining premiums up to 2% of principal. Under the terms of the amended revenue bond trust indenture, MSD has agreed to certain covenants, among other things to restrict additional borrowing, maintain rates sufficient to meet debt service requirements and maintain specified balances under trust agreements. The revenue bond issues contain covenants that require MSD to maintain a maximum level of debt service coverage of 125%.

Ohio Water Development Authority Contracts. All contracts between the Ohio Water Development Authority (OWDA) and MSD require the County to prescribe and charge such rates for sewer usage that are sufficient (after expenses of operation and maintenance) to pay principal and interest on OWDA contracts. The principal is repayable in equal semi-annual installments to maturity.

Ohio Water and Sewer Rotary Commission. Advances from the Ohio Water and Sewer Rotary Commission represent tap-in fees and acreage assessments to be forwarded to the Commission upon collection from customers. Such advances do not bear interest unless they are determined to be in default.

Ohio Public Works Commission. MSD has entered into agreements with the Ohio Public Works Commission (OPWC) for financing of certain qualified capital projects. As the projects progress, the commitments are drawn down as funds are paid by OPWC directly to the contractors. The principal is repayable in semi-annual installments to the date of maturity for each project.

Water Pollution Control Loan Fund. MSD has received low-interest loan commitments from the Ohio Water Pollution Control Loan Fund for certain qualified projects. As the projects progress, the commitments are drawn down. The principal is repayable in semi-annual installments to the date of maturity of each project.

Prior Defeased Debt. In prior years, the County has defeased various general obligation serial bonds and revenue serial bonds through refinancing and operations. Separate irrevocable trust funds were established and funded to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and is not included in the financial statements. At December 31, 2011, \$810 general obligation bonds and \$9,155 of sales tax-supported bonds were considered defeased. For MSD, the amount of defeased debt outstanding was \$17,035. For CFA, the amount is \$11,255.

Revenue Bonds. In 2004, the CFA issued revenue bonds totaling \$106,005 for the Cinergy Center (now Duke Energy Center) expansion. These bonds have a final maturity date of December 1, 2033, and carry interest rates of 2.00%–5.25%. The revenues pledged to the trustee to support the debt include the following: County 3.5% hotel tax, City 2002 1.5% hotel tax, City 1.0% hotel tax, County annual contribution of \$250 beginning in 2005 and City annual contribution of \$1,000 beginning in 2004.

Revenue Bonds—Advance Refunding and In-Substance Defeasance. In August 2007, CFA issued \$11,915 in defeasance obligations resulting in an in-substance defeasance of \$11,255 of its revenue bonds. The refunded bonds are considered defeased, and the liability for these bonds has been removed from the statement of net assets.

Capital Lease. MSD issued a capital lease for a new engineering building. The lease obligation meets the criteria of a capital lease as defined by Financial Accounting Standards Board guidance. The leased assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the lease.

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The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments at year-end:

Year Ending December 31	MSD
2012	\$ 1,111
2013	1,115
2014	1,112
2015	1,115
2016	1,115
2017–2021	5,566
2022–2026	5,570
2027–2031	3,342
Total Minimum Lease Payments	20,046
Less Amount Representing Interest	(6,146)
Present Value of Minimum Lease Payments	\$ 13,900

The capital asset acquired under the lease is \$15,000. It is reported with other buildings in the capital asset activity in note V D.

Compensated Absences. Employees with a minimum of one year of service become vested in accumulated unpaid vacation time. For County employees, Ohio law requires that vacation time not be accumulated for more than three years. Normally, all vacation time is to be taken in the year available unless administrative approval for carryover is obtained. Unpaid vacation time is payable upon termination of employment. In general, employees are eligible to be paid for unpaid overtime and unused compensatory time upon termination of employment. All sick, vacation and overtime/compensatory time payments are made at the employee's current wage rate. The liability is accrued by fund and is reported in the Statement of Net Assets. The payments are made out of the same fund in which the liability is accrued. Typically, the General Fund has been used to liquidate compensated absences liabilities.

At December 31, 2011, in accordance with GASB 16, the following liabilities associated with employees' compensated absences have been recognized in the government-wide Statement of Net Assets:

Liability	Governmental Activities	Business-Type Activities
Vacation Leave	\$ 15,430	\$ 3,977
Sick Leave	24,417	5,525
Compensatory Time	532	418
Totals	\$ 40,379	\$ 9,920

Interest on Long-Term Obligations. The following interest costs were incurred and expensed or capitalized as part of the cost of additions to capital assets:

	MSD
Interest Incurred	\$ 37,317
Less Interest Capitalization	(3,105)
Interest Expense	\$ 34,212

Other Long-Term Obligations. Other long-term obligations of the County consist of (1) two loans from the State of Ohio for road improvement projects, (2) a State loan to be used for the construction of an intermodal transit facility, (3) a State loan to be used for the Riverfront development, (4) loan contracts for the purchase of and improvement to various properties in the County, (5) a forgivable mortgage for renovation work on a building and (6) claims payable estimate for workers' compensation. These are reported as part of Long-Term Liabilities in the government-wide Statement of Net Assets.

State Loans. In August 2006, the Hamilton County Engineer's Office obtained an interest-free loan for \$1,553 from the Ohio Public Works Commission. Repayment of the loan commenced in 2009, with final maturity in 2028. In April 2005, the Engineer's Office obtained a loan for \$1,619 from the Ohio Department of Transportation. In

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subsequent years, additional disbursements were made, bringing the total loan amount to \$3,346. Repayment of the loan commenced in 2005. The original maturity date of 2009 was extended to 2015. The interest rate for the first 12 months was 0%. For the remaining years, the interest rate is 3%. The proceeds of both of these loans are being used to finance road improvement projects. The loans will be repaid from the County's permissive auto tax.

In May 2009, the County obtained a loan from the State of Ohio in the amount of \$11,685 to be used for the construction of an intermodal transit facility, which is secured by parking revenues, sales tax receipts, and, on a contingent basis, by other non-tax revenues of the County. The loan will be repaid in 2012–2019. Interest rates on the loan range from 3.00% to 4.25%.

In October 2009, the County secured a loan for \$5,475 from the State to be used for the Riverfront development. The loan is secured by shared TIF (Tax Increment Financing) revenues of the County and the City of Cincinnati. Repayment of the loan will begin in 2015 and conclude in 2024. The interest rate for the first five years is 0%. Thereafter, the interest rate is 3%.

Annual principal and interest requirements for the State loans are as follows:

Year	Engineer		Riverfront Development	
	Principal	Interest	Principal	Interest
2012	\$ 341	\$ 27	\$ 745	\$ 417
2013	349	19	1,530	383
2014	357	11	1,575	336
2015	220	2	2,107	442
2016	78	-	2,176	373
2017–2021	388	-	7,209	768
2022–2026	388	-	1,818	85
2027–2031	155	-	-	-
Total	<u>\$ 2,276</u>	<u>\$ 59</u>	<u>\$17,160</u>	<u>\$ 2,804</u>

Loan Contracts. The County's loan contracts are made between the Hamilton County Mental Health and Recovery Services Board (MHR SB) and the Ohio Department of Mental Health (ODMH), for the purchase of and improvement to various properties in the County for use in providing mental health services. The terms of the contracts are essentially equivalent to a mortgage on the property, with MHR SB being obligated to provide mental health services for a period of 40 years from the inception of the contract. Should MHR SB discontinue mental health services at a particular facility, the balance of the contract would become due immediately. Failure to pay the balance could result in foreclosure by ODMH. The balance due is reduced on a month-by-month basis over the term of the contract as long as the facility is used for mental health services. The amount outstanding on these loan contracts at December 31, 2011, amounted to \$3,954. There is no interest charged on these obligations.

Year Ending December 31	Loan Contracts Forgiveness
2012	\$ 175
2013	175
2014	175
2015	175
2016	175
2017–2021	876
2022–2026	876
2027–2031	835
2032–2036	395
2037–2041	70
2042–2046	27
Total	<u>\$ 3,954</u>

Forgivable Mortgage. In 2003, a forgivable mortgage in the amount of \$1,697, to be used for improvement to a facility, was executed between Hamilton County Alcohol and Drug Addiction Services (now part of the Mental Health and Recovery Services Board—MHR SB) and Ohio Department of Alcohol and Drug Addiction Services (ODADAS). The contract provides that the property must be used to provide alcohol and other drug services for a

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period of 25 years from contract inception. Should MHR SB discontinue alcohol and other drug services at this facility, the balance of the contract would become due immediately. The balance on the mortgage will be reduced each month through February 2029. There is no interest charged on this obligation.

Year Ending December 31	Mortgage Forgiveness
2012	\$ 68
2013	68
2014	68
2015	68
2016	68
2017–2021	339
2022–2026	339
2027–2031	147
Total	<u>\$ 1,165</u>

Claims Payable. Claims payable represent the County’s estimated liability for workers’ compensation coverage for all employees. Claims will be paid from the Workers’ Compensation Reserve or the Workers’ Compensation Reserve for Stadiums internal service fund (see note VI A).

Conduit Debt Obligations. Periodically, the County issues Hospital Facility, Health-Care System or Facility, Economic Development, Industrial Development, Multifamily Housing and Student Housing revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. These bonds are backed by the property financed and are payable solely from payment received on the underlying mortgage loans. The bonds do not constitute a debt or pledge of the full faith and credit of the County and, therefore, are not reported in the financial statements. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. As of December 31, 2011, the aggregate principal amount outstanding for these bonds was as follows:

Hospital Facilities	\$ 705,902
Health-Care Systems and Facilities	89,310
Economic Development	128,151
Industrial Development	2,400
Multifamily Housing	16,435
Student Housing	51,165
Total	<u>\$ 993,363</u>

G. Leases

Operating Leases—Lessee. At December 31, 2011, the County had entered into various long-term operating leases for office and storage space and for land for communications towers. The lease terms range from 2 years to perpetuity. Operating lease payments are recorded in the period they are paid. These payments are made from the General Fund and from the Public Assistance, Health and Human Services Levies and nonmajor special revenue funds. Sublease payments are made from nonmajor special revenue and enterprise funds.

Operating lease payments, excluding subleases, for 2011 amounted to \$1,374. Sublease payments totaled \$49. Future rental obligations are as follows:

Year Ending December 31	Operating Lease Payments	Sublease Payments
2012	\$ 1,225	\$ 51
2013	769	28
2014	354	6
2015	16	6
2016	4	4
2017-2021	20	-
Total	<u>\$ 2,388</u>	<u>\$ 95</u>

Operating Leases—Lessor. The County has contractual agreements for the rental of properties, including stadia, office space, group homes, land and communications towers, to commercial and not-for-profit enterprises. These

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rentals are reported as operating leases for accounting purposes. Total rent received in 2011 was \$1,348 in governmental funds and \$1,566 in business-type funds.

In June of 1999, the County entered into a 35-year lease agreement with the Cincinnati Reds. Terms of the lease state that the Reds will pay the County \$2,500 a year for the first 9 years, beginning in 2003, and \$1 (amount not in thousands) a year for the remaining 26 years. In 2009, the lease was amended. The new agreement calls for the Reds to pay the County \$1,500 per year through 2011 and \$1 (amount not in thousands) per year to 2037. Additionally, there was an annual utility reimbursement through 2011 of \$625.

In May of 1997, the County entered into a contract that binds the Cincinnati Bengals from the date of the newly constructed stadium to June 30, 2026. The Bengals in turn agreed to pay the County rent for the first 9 years after the stadium was completed. That final rental payment was received in 2009.

Future rental revenues for other leases are as follows:

Year Ending December 31	Operating Lease Payments	
	Business-Type Activities	Governmental Activities
2012	\$ 45	\$ 1,342
2013	45	1,316
2014	38	1,290
2015	30	1,177
2016	7	1,075
2017-2021	-	2,675
Total	<u>\$ 165</u>	<u>\$ 8,875</u>

Assets and accumulated depreciation related to the operating leases, as of December 31, 2011, are included in the financial statements as follows:

	Business-Type Activities	Governmental Activities
Land	\$ 85,601	\$ 2,580
Buildings	731,651	9,550
Accumulated Depreciation	268,024	9,400

H. Segment Information

The Riverfront Development and Main Street Parking Garage funds, reported as nonmajor enterprise funds, have one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt. Riverfront Development accounts for the redevelopment of the County's scenic riverfront. The Main Street Parking Garage affords citizens downtown parking. Summary financial information for these funds, for the year ended December 31, 2011, follows.

<u>Condensed Statement of Net Assets</u>	Riverfront Development	Main Street Parking Garage
Assets:		
Current Assets	\$ 10,376	\$ 457
Capital Assets	154,175	7,376
Unamortized Financing Costs	446	50
Total Assets	<u>164,997</u>	<u>7,883</u>
Liabilities:		
Current Liabilities	3,689	460
Noncurrent Liabilities	34,560	6,381
Total Liabilities	<u>38,249</u>	<u>6,841</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	119,652	590
Unrestricted	7,096	452
Total Net Assets	<u>\$ 126,748</u>	<u>\$ 1,042</u>

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<u>Condensed Statement of Revenues, Expenses and Changes in Fund Net Assets</u>	<u>Riverfront Development</u>	<u>Main Street Parking Garage</u>
Charges for Services	\$ 6,291	\$ 785
Other Operating Revenue	191	-
Depreciation and Amortization	(6,735)	(311)
Other Operating Expenses	(4,981)	(358)
Operating Income (Loss)	(5,234)	116
Nonoperating Revenues (Expenses):		
Sales and Use Tax	75	-
Interest Income	34	(1)
Other Revenue	13	-
Interest Expense	(246)	(284)
Debt-Related Costs	(154)	(7)
Capital Contributions	26,415	-
Transfers In	-	155
Change in Net Assets	20,903	(21)
Net Assets at Beginning of Year (As Restated—See Note II B)	105,845	1,063
Net Assets at End of Year	<u>\$ 126,748</u>	<u>\$ 1,042</u>

<u>Condensed Statement of Cash Flows</u>	<u>Riverfront Development</u>	<u>Main Street Parking Garage</u>
Net Cash Provided (Used) by:		
Operating Activities	\$ 1,363	\$ 423
Noncapital Financing Activities	(1,392)	155
Capital and Related Financing Activities	5,127	(674)
Investing Activities	34	(1)
Net Increase (Decrease)	5,132	(97)
Cash and Cash Equivalents at Beginning of Year	3,403	534
Cash and Cash Equivalents at End of Year	<u>\$ 8,535</u>	<u>\$ 437</u>

VI. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage. The County purchases commercial insurance to cover losses due to theft of, damage to or destruction of assets and purchases general liability insurance for specific operations and professional liability insurance for certain operations. All other risks of loss are retained by the County. There has been no reduction in insurance coverage or limits from coverage provided in 2010. Over the past three years, claim amounts from risks covered by commercial insurance have not exceeded the specific policy's limit.

The County retains risk of loss related to court judgments resulting from tort and general liability claims of County officials and employees. A portion of the General Fund balance has been assigned for paying potential, court-ordered judgments, and at December 31, 2011, this amounted to \$775.

Beginning in 1990, the County established an internal service fund titled Workers' Compensation Reserve to account for and finance its workers' compensation claims risk. All departments of the County participate in the program and make per capita payments to the internal service fund. There is a separate fund for claims related to the baseball stadium. The claims liability reported in the workers' compensation internal service funds at December 31, 2011, is based on the requirements of Governmental Accounting Standards Board Statement No. 30, *Risk Financing Omnibus*, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The County uses a retrospectively rated program provided under the Bureau of Ohio Workers' Compensation to cover injured workers' claims.

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The historical changes in claims payable during the past two years are as follows:

<u>Governmental Activities</u>	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
2010	\$ 8,544	\$ 1,587	\$ (3,085)	\$ 7,046
2011	7,046	(2,698)	(2,014)	2,334
 <u>Business-Type Activities</u>				
2010	298	225	(523)	-
2011	-	525	(517)	8

The County provides employees' health-care coverage through a self-insurance program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. A third-party administrator, Humana, reviews all claims, which are then paid by the County. The County purchases stop-loss coverage of \$500 per employee and an aggregate limit of \$120% of expected claims and a \$5,000 lifetime (per member) maximum.

The County pays into the self-insurance internal service fund based on one of four plan options, according to the grid below (amounts not rounded). In 2011, the County collected the monthly value of plans twice, once in February and once in July. The premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

Medical Plan Name	Coverage Level	Monthly Administrative Fee Paid by County	Monthly Premium (Actuarial Value)	Monthly Employer Cost	Monthly Employee Contribution
CoverageFirst 2500	Single	\$48.02	\$371.99	\$350.91	\$21.08
	Double	53.41	743.98	701.83	42.15
	Family	59.34	1,168.32	1,102.99	65.33
	26/27 Dependent				371.99
CoverageFirst 1000	Single	48.02	398.56	354.96	43.60
	Double	53.41	797.12	709.93	87.19
	Family	59.34	1,252.49	1,117.34	135.15
	26/27 Dependent				398.56
POS 500	Single	48.02	460.46	313.26	147.20
	Double	53.41	919.82	625.45	294.37
	Family	59.34	1,444.89	988.60	456.29
	26/27 Dependent				460.46
HMO	Single	48.02	460.17	292.74	167.43
	Double	53.41	919.24	584.40	334.84
	Family	59.34	1,443.98	924.98	519.00
	26/27 Dependent				460.17

A portion of the claims liability (\$3,987) reported in the Medical Self- Insurance Fund at December 31, 2011, is estimated by the third-party administrator and is based on the requirements of GASB 30, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be

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reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the self-insurance fund's claims liability payable during the past two years are as follows:

	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2010	\$ -	\$ 37,037	\$ (34,409)	\$ 2,628
2011	2,628	35,656	(33,345)	4,939

The County participates in the Ohio Fire Marshall Underground Storage Tank Insurance program for environmental risks of underground fuel storage tanks.

MSD is part of the City of Cincinnati Risk Management Program. The City purchases (1) commercial insurance to cover losses due to theft of, damage to or destruction of assets, (2) general liability insurance for specific operations and (3) professional liability insurance for certain operations. All other risks of loss are self-insured. Separately, MSD carries property insurance pursuant to an all-risk policy on MSD's buildings and equipment per the revenue bond trust agreement. There has been no reduction in coverage since 2003. Insurance settlements for claims resulting from risks covered by commercial insurance have not exceeded the insurance coverage in any of the past three years.

B. Related Party Transactions

Cincinnati Water Works provides billing and collection services on customers' accounts for MSD. Fees for these services for 2011 were \$5,100. Fees are also paid to other municipalities and villages within the County for collection of sewerage bills.

The City provides overhead services to MSD, such as check disbursement and investment and legal services. The fees for these services for 2011 were \$2,311. In addition, the City's Municipal Garage provides gasoline and repairs vehicles for MSD. Fees for these services were \$1,534 for 2011.

C. Jointly Governed Organization

The Southwest Ohio Council of Governments was created by the Board of Development Disabilities of Butler, Hamilton, Clermont, and Warren Counties. The Council consists of four members representing each of the four counties. Other County Boards of Development Disabilities may petition for membership to the Council; however, membership must be approved by a two-thirds vote of the Council members. The role of the Council is to coordinate the powers and duties of the member boards to better serve and benefit persons with developmental disabilities within the four counties. The council serves as its own taxing and debt issuance authority and is a jointly governed organization. In 2011, Hamilton County contributed \$20 to the council, and the council is currently holding \$229 in deposits that belong to the County and are represented by Cash and Cash Equivalents—Segregated Accounts—on the Statement of Net Assets and the fund financial statements for the Health and Human Services Levies. Financial information for the Southwest Ohio Council of Governments may be obtained at 1910 Fairgrove Avenue, Suite E, Hamilton, Ohio 45011.

D. Significant Commitments and Contingent Liabilities

The County has contracted construction commitments for the following:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Riverfront Development	\$ 206,348	\$ 7,240

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At year-end, valid outstanding encumbrances are reappropriated and become part of the subsequent year's budget. The encumbrances as of December 31 are as follows:

General Fund	\$ 15,516
Public Assistance Fund	4,726
Health and Human Services Levies Fund	20,639
Nonmajor Governmental Funds	26,589
Total	\$ 67,470

The City of Cincinnati and the Board of County Commissioners of Hamilton County, Ohio, are parties to a Global Consent Decree, which was lodged in 2003 with the U.S. District Court for the Southern District of Ohio, Western Division. This decree focuses on combined sewer overflows, the implementation of the Sanitary Sewer Overflow Correction plan established in the Interim Partial Consent Decree, and other wet weather issues. The court approved the decrees on June 9, 2004. In August 2010, MSD's Revised Wet Weather Plan was approved by the federal government. The Plan commits MSD to complete a Phase 1 group of projects totaling \$1.145 billion (in 2006 dollars and including \$450 million that MSD has already spent on projects [amounts not rounded]) by 2018 before scheduling future work (Phase 2). The consent decree documents are posted on the MSD website, msdgc.org, under Consent Decree.

As part of MSD's capital improvement program, MSD has entered into a number of contracts for construction, design and other services. Commitments under these contracts aggregate approximately \$155,000 as of December 31, 2011.

Pursuant to a Memorandum of Understanding between the City and the County, dated September 30, 2002, a Cooperative Agreement between the City and the County, dated February 9, 2004, and a Project Service Agreement between the City and the CFA, dated February 3, 2004, the City and the County have agreed, among other things, that the City will (1) own the Duke Energy Center, (2) be responsible for the operation and maintenance of the Duke Energy Center and (3) manage the design and construction of the project. Construction of the improvements began in May 2004 and was completed in June 2006.

The CFA entered into a lease with the City of Cincinnati for the existing and expanded Duke Energy Center for the term of the improvement bonds, issued through December 2033, for an amount sufficient to retire City Bond Anticipation Notes of \$15,500. These notes were issued in anticipation of the revenue bond sale by the CFA. At the end of the lease, the City will own the existing and expanded Duke Energy Center. In addition, the City and CFA have entered into a lease whereby the City will operate the existing and expanded Duke Energy Center for the term of the improvement bonds through December 2033.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County Prosecuting Attorney that resolution of these matters could fall within the scope of a material claim, though any dollar amount cannot be reasonably estimated at this time.

E. Deferred Compensation Plan

Employees of the County may elect to participate in a deferred compensation plan administered by one of the following: (1) The Ohio Public Employees Deferred Compensation Plan; (2) ING Financial Services, Inc.; or (3) The County Commissioners Association of Ohio. Under these plans, employees could defer up to 25% of their annual salary not to exceed \$16,500 (amount not in thousands) in 2011. The deferred amounts, as well as any income related to the deferral, are not subject to federal or State income tax until actually received by the employee. In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and Internal Revenue Code Section 457, assets of the aforementioned plans were placed in trust for the exclusive benefit of the participants and beneficiaries during 1999. The amounts held in all three plans are no longer reported as assets of the County.

COUNTY OF HAMILTON, OHIO
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F. Employee Retirement Systems and Plans

All County and MSD employees are covered by one of three pension systems. These are the Ohio Public Employees Retirement System (OPERS) and the State Teachers Retirement System of Ohio (STRS Ohio), which are State pension systems, and the City of Cincinnati Retirement System (CRS), a municipal pension plan. County employees hired after April 1, 1986, are also covered under the Federal Social Security Act for the Medicare portion only. Pension costs reflect a percentage of employees' gross pay, as defined by the terms of pension plans in which employees participate. MSD's policy is to fund pension costs accrued.

OPERS administers three separate pension plans:

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension Plan and the Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits.

STRS Ohio administers three separate pension plans:

- (1) The Defined Benefit Plan is a cost-sharing, multiple-employer, defined-benefit pension plan. The plan provides service retirement, disability and survivor benefits; cost-of-living adjustments; and retiree health-care benefits.
- (2) The Defined Contribution Plan is a defined-contribution plan in which members invest both member and employer contributions. These contributions represent 10% and 10.5% of the employee's annual salary, respectively. Retirement income is based on the performance of the investment options selected. Members of the Defined Contribution Plan do not qualify for ancillary benefits.
- (3) The Combined Plan is a cost-sharing, multiple-employer retirement plan that includes features of the Defined Benefit and Defined Contribution Plans. The member contribution rate of 10% of annual salary funds a defined-contribution account. The employer contributions fund the defined-benefit portion of the plan to pay for a combination of service retirement, disability, survivor and retiree health-care benefits.

CRS is a cost-sharing, multiple-employer, defined-benefit plan. The System provides retirement, disability and death benefits to plan members and beneficiaries.

Benefits provided under the OPERS and STRS Ohio plans are established by the Ohio Revised Code. Benefits provided under the CRS plan are established by the Cincinnati Municipal Code.

All three plans issue separate financial reports to the public that include financial statements and required supplemental information. These reports may be obtained by contacting each system as follows:

- Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, telephone (800) 222-7377
- State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215, telephone (800) 227-7877
- City of Cincinnati Retirement System, 801 Plum Street, Cincinnati, Ohio 45202, telephone (513) 352-3227

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The Ohio Revised Code provides OPERS and STRS Ohio statutory authority for employee and employer contributions. The Cincinnati Municipal Code provides this authority for CRS. The required, actuarially determined contribution rates for 2011 for the Hamilton County and MSD employees are as follows:

<u>Employees of the County</u>	<u>Retirement System</u>	<u>County Share</u>	<u>Employee Share</u>
Law Enforcement Officers	OPERS	18.10%	11.60%
Public Safety Officers	OPERS	18.10%	11.00%
All Other Eligible County	OPERS	14.00%	10.00%
County Board of MRDD/Juvenile Court	STRS Ohio	14.00%	10.00%
MSD and Other Eligible County	CRS	17.00%	8.00%
MSD Other Eligible	OPERS	14.00%	10.00%

MSD's contribution rate for 2011 was not equal to the required contribution rate based on the City's actuarial report. MSD contributed 94% of the required contributions for 2011.

The County's contributions, representing 100% of employer contributions, for the year ended December 31, 2011, and for each of the two preceding years, are as follows:

<u>Fiscal Year</u>	<u>OPERS</u>	<u>STRS</u>	<u>CRS</u>
2009	\$ 31,604	\$ 891	\$ 4,948
2010	29,574	853	6,013
2011	29,293	779	6,151

G. Other Post-Employment Benefits (OPEB)

In addition to the pension benefits described in note IV E, OPERS, STRS Ohio and CRS all provide post-retirement health-care coverage, commonly referred to as OPEB (other post-employment benefits). For OPERS and STRS Ohio, and for CRS, the Ohio Revised Code and the Cincinnati Municipal Code, respectively, provide the authority for public employers to fund post-retirement health care through their contributions.

OPERS. OPERS provides post-retirement health-care benefits to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for post-employment health-care coverage.

OPERS maintains a cost-sharing, multiple-employer, defined-benefit post-employment health-care plan that includes a medical plan, prescription drug program and Medicare Part B premium reimbursement. In order to qualify for post-retirement health-care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health-care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health-care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

The ORC permits, but does not mandate, OPERS to provide post-employment benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in ORC Chapter 145.

As noted above, in 2011, local government employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 18.10%. The ORC currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll for local employers and 18.10% of covered payroll for law and public safety employers. Active members do not make contributions to the post-employment benefit plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health-care benefits, based on authority granted by State statute. The portion of employer contributions allocated to the health-care plan was 4.0% of covered payroll for 2011. The County's actual contribution for the year ended December 31, 2011, used to fund

COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
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OPEB, was \$7,343. The County's contribution for law enforcement and public safety officers for the year ended December 31, 2011, was \$794 to fund OPEB.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health-care benefits provided, by the retirees or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

On September 9, 2004, the OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health-care coverage to improve the financial solvency of the Health Care Fund in response to rapidly increasing health-care costs. As an additional component of HCPP, member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which will allow additional funds to be allocated to the health-care plan. Rates for both law enforcement and public safety employers increased over a six-year period beginning January 1, 2006, with a final rate increase January 1, 2011. These rate increases allowed additional funds to be allocated to the health-care plan.

STRS Ohio. STRS Ohio provides post-employment health-care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. All benefit recipients and sponsored dependents are eligible for health-care coverage. Pursuant to the Ohio Revised Code, the STRS Ohio Board had discretionary authority over how much, if any, of the health-care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health-care costs in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14.00% of covered payroll.

Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to a Health-Care Reserve Fund, from which health-care benefits are paid. For STRS Ohio's fiscal year ended June 30, 2011, the board allocated employer contributions equal to 1.00% of covered payroll to the Health-Care Reserve Fund. This totaled \$.06 million for the County in 2011.

CRS. CRS provides hospital and surgical insurance to retired members who have earned 15 years of credited service at the time of termination or terminate after age 60 with 5 years of credited service. Those who are receiving survivor benefits of eligible members are entitled to have their hospital and surgical insurance premiums paid by CRS. When benefits under the coverage would be reduced by reason of the retired member's eligibility for hospital and medical benefits under federal Social Security laws, CRS will pay whatever additional fees are required for the federal medical coverage.

The health-care coverage provided by CRS is advance funded on an actuarially determined basis as a portion of the employer contribution requirement to the System. The Cincinnati Municipal Code provides authority for employer contributions.

H. Subsequent Events

The following occurred since December 31, 2011:

- Energy Conservation Phase 1A General Obligation Bonds in the amount of \$9,400 were issued to be used to implement energy conservation measures in various County buildings.
- Special Assessment Bonds in the amount of \$373 were issued for the purpose of acquiring and constructing sewer system improvements.
- The County agreed to a one-year term loan of \$9,400 to fund the 2013 requirement for the debt service reserve fund for the Series 2000B, 2006A and 2011A sales tax revenue bonds.
- The County defeased a portion of the Series 2001, 2005 and 2007 general obligation bonds.
- The County sold Drake Hospital for \$15,000.

COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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- The Board of County Commissioners approved an 8% sewerage rate increase for MSD effective January 2012 and 5% effective January 2013.
- On October 26, 2011, Cincinnati City Council approved joint administrative management of the Greater Cincinnati Water Works, Metropolitan Sewer District of Greater Cincinnati and Stormwater Management Utility. This followed an April 27, 2011, motion requesting a review of the feasibility of such a structure and the submittal of a report, "Feasibility Study for the Integration of the Departments of Water, Sewers and Stormwater Utility." The three utilities will continue to be independent legal entities with separate enterprise funds. The joint administration would be focused primarily on the support services that are similar for all three utilities, such as accounting, human resources, information technology, and customer service. A 100-day plan was launched in May 2012 to assess certain functional areas to determine the degree of integration possible, start certain joint utility efforts, and build some early momentum for future joint utility integrations.

I. Contingent Liabilities—Special Audit

In late 2004, both the Ohio Department of Job and Family Services (ODJFS) and the Ohio Auditor of State (State Auditor) commenced special audits of the Hamilton County Job and Family Services (HCJFS). The audits focused mainly on the use of federal funds utilized in programs administered by the HCJFS and the relationship of the costs pools that were utilized in administering the programs. In June 2006, the State Auditor issued her final report. The final report from the State Auditor in 2006 disclosed small findings for recovery against vendors, which have been addressed and resolved.

One issue raised by the State Auditor in 2004 involved the transfer of funds. At that time the State Auditor disclosed that she could not make any final determination because the rules and regulations of ODJFS were unclear and at that time ODJFS was unable to provide any additional assistance to the State Auditor. The issue of the transfer of funds by HCJFS has again been raised by the Office of the Auditor of State. This office is currently in discussions with the Office of the Auditor of State with regard to the resolution of this issue.

ODJFS issued a draft audit report in September 2006 to HCJFS. The audit report of ODJFS covered the time period of July 1, 2000, through June 30, 2004. The summary of findings in the draft audit report addressed expenditures of approximately \$1.8 billion which amount represents a multiple of the total expenditures of HCJFS during the period in question. In doing so, the draft audit report specifically cautioned that "the dollar amount of questioned costs or findings may not represent the dollar amount subject to recovery." A review of the draft audit report makes it clear that there are numerous duplications of costs and expenditures and, in the opinion of this office, in no way represents any potential or probable findings for recovery against the County.

Subsequent to the issuance of the draft audit report by ODJFS, the County participated in numerous meetings and reviews with ODJFS and, through Crowe-Chizek, now Crowe Horwath, LLP, the County's outside accounting firm retained for the purpose of reviewing the draft audit report, responded to all of the issues raised by ODJFS and provided an explanation and detail of the revenues and expenditures.

In May 2008, ODJFS issued a Limited Review Report, which again addressed several issues with regard to expenditures by HCJFS. The Limited Review Report also contained portions of the responses of HCJFS that were prepared by the County with its outside accounting firm.

Subsequent to the issuance of the Limited Review Report, the County, together with Crowe-Chizek, continued to review the matter with ODJFS in an attempt to determine what, if any, would be the County's financial responsibility to the State of Ohio for participation in several federal programs.

ODJFS, subsequent to May 2008, requested the assistance of the United States Department of Health and Human Services (HHS) to audit the records of HCJFS with particular regard to expenditures in federally funded programs. HHS commenced its audit of the programs established through ODJFS in which HCJFS participated. HHS commenced its work in September 2008.

In November of 2010, HCJFS received a copy of a draft report issued by the Department of Health and Human Services Office of Inspector General titled Review of Ohio Department of Job and Family Services Claims for

COUNTY OF HAMILTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Dollar Amounts Expressed in Thousands)

Costs Reported by the Hamilton County Department of Job and Family Services. In December of 2010, Hamilton County, through the Office of the Prosecuting Attorney, forwarded correspondence to the Director of the Ohio Department of Job and Family Services offering assistance through the resolution phase of the audit. In February 2011, the Office of the Hamilton County Prosecuting Attorney received a copy of the final report. The final report recommended that the Ohio Department of Job and Family Services refund approximately \$59 million to the federal government, for county agency costs inappropriately claimed through the administrative cost pools. The original finding amount of approximately \$59 million has been reduced by the TANF portion of the finding. The remaining portion of the finding has been appealed by ODJFS. All appeals and negotiations are being handled by ODJFS.

In terms of direct liability, ODJFS would have the first responsibility for the payment of any sums to HHS because of the contractual relationship between HHS and ODJFS. HHS has indicated that there are several different scenarios that could be involved with regard to the eventual obligation for the repayment of any federal funds that were not properly expended. The Office of the Prosecuting Attorney has been advised that it is expected that Hamilton County will be obligated to repay a portion of the final amount due. The payment could be in the form of an outright payment, a payment plan or a reinvestment in future programs. Once HHS and ODJFS have agreed on the actual amount that must be refunded and the method by which payment will be made, then ODJFS and HCJFS will meet to discuss an appropriate remedy that reflects the party's individual responsibility for the finding.

The County's financial obligation, and any impact on the County general fund, is unknown at this time and any attempt to quantify that number would be speculative. The County legal and accounting team will continue to vigorously defend the County's position on this matter. Because of the uncertainty of the exact dollar amount involved and the uncertainty of the method by which any overpayment would be recouped, this office, at the present time, cannot indicate that there is any probability to the claimed dollar amount of ODJFS with regard to the County funds.

COUNTY OF HAMILTON, OHIO

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

**COUNTY OF HAMILTON, OHIO
NONMAJOR GOVERNMENTAL FUNDS**

COMBINING FINANCIAL STATEMENTS

NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for specific governmental revenues (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action and to account for expenditures for specified purposes.

ANNUALLY BUDGETED

Motor Vehicle Gas Tax	To account for motor vehicle gas tax federal and State revenues that are distributed to various municipalities and townships for repair and building of streets and bridges.
Health and Community Services Nongrants	To account for revenues other than grants that are to be used for health and community services.
Health and Community Services Grants	To account for revenues from the federal, State and County governments and expenditures thereof as prescribed under the various health and community service functions, including mental health and alcohol and drug programs.
Community Development Block Grants	To account for revenue from the federal government and expenditures as prescribed under the Community Development Block Grant Program.

MULTIYEAR BUDGETED

Judicial Services Grants	To account for revenue from the federal, State and County governments and expenditures used to provide legal services to eligible County residents.
Public Safety Grants	To account for revenue from the federal, State and County governments and expenditures thereof as prescribed under the various public safety functions.
Health Grants	To account for revenue from the federal, State and County governments and expenditures used to provide health-related services to eligible County residents.
Environmental Control Grants	To account for revenue from the federal, State and County governments and expenditures for the purpose of environmental protection for the community.
Economic Development Grants	To account for revenue from the federal, State and County governments and expenditures used for economic development.

**COUNTY OF HAMILTON, OHIO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING FINANCIAL STATEMENTS
NONMAJOR DEBT SERVICE FUNDS**

The debt service funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest and related costs.

Bond Retirement	To account for the retirement of principal and interest on the Heritage Center bond issue approved by the electorate. The revenue source for this fund is tax levies.
General Obligation Nonvoted	To account for the retirement of principal and interest of various bond issues not approved by the electorate. The revenue source for this fund is transfers from various other funds.
Special Assessments	To account for the retirement of principal and interest on special assessment debt. The revenues are generated from special assessment tax collections.

NONMAJOR CAPITAL PROJECTS FUND

The Capital Projects fund is established to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by the proprietary funds).

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COUNTY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2011
(Amounts in Thousands)

	Annually Budgeted				Special Revenue					Total Nonmajor Special Revenue Funds
	Motor Vehicle Gas Tax	Health and Community Services Nongrants	Health and Community Services Grants	Community Development Block Grants	Judicial Services Grants	Public Safety Grants	Multiyear Budgeted			
							Health Grants	Environmental Control Grants	Economic Development Grants	
ASSETS										
Equity in Pooled Cash and Investments	\$ 25,603	\$ 63,140	\$ 108	\$ 723	\$ 1,216	\$ -	\$ 3,733	\$ 1,701	\$ -	\$ 96,224
Cash and Cash Equivalents—Segregated Accounts	84	-	-	-	-	-	-	-	-	84
Accounts Receivable	21	837	10	500	7	-	-	6	-	1,381
Intergovernmental Receivable	95	160	209	78	1,435	1,836	12,434	2,219	65	18,531
Real and Other Taxes Receivable	10,004	-	-	-	-	-	-	-	-	10,004
Sales Taxes Receivable	-	1,317	-	-	-	-	-	-	-	1,317
Due from Other Funds	18	45	1	-	1	23	-	-	-	88
Inventories	3,575	-	-	-	-	-	-	-	-	3,575
Special Assessments Receivable	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 39,400	\$ 65,499	\$ 328	\$ 1,301	\$ 2,659	\$ 1,859	\$ 16,167	\$ 3,926	\$ 65	\$ 131,204
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accounts Payable	\$ 469	\$ 1,919	\$ 794	\$ 755	\$ 796	\$ 718	\$ 8,194	\$ 26	\$ 664	\$ 14,335
Accrued Wages and Benefits Payable	211	360	11	6	108	18	42	61	8	825
Matured Compensated Absences Payable	9	20	-	52	31	-	-	-	6	118
Intergovernmental Payable	113	92	-	92	13	26	3	-	8	347
Retainage Payable	84	-	-	-	-	-	-	-	-	84
Due to Component Unit	-	1,317	-	-	-	-	-	-	-	1,317
Due to Other Funds	1	473	91	-	6	1,028	8	7	61	1,675
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	8,340	1,862	349	1,252	2,585	1,025	15,821	1,889	1	33,124
Total Liabilities	9,227	6,043	1,245	2,157	3,539	2,815	24,068	1,983	748	51,825
FUND BALANCES										
Nonspendable	3,575	-	-	-	-	-	-	-	-	3,575
Restricted	23,451	59,456	-	-	-	-	-	1,943	-	84,850
Committed	3,147	-	-	-	-	-	-	-	-	3,147
Unassigned (Deficit)	-	-	(917)	(856)	(880)	(956)	(7,901)	-	(683)	(12,193)
TOTAL FUND BALANCES	30,173	59,456	(917)	(856)	(880)	(956)	(7,901)	1,943	(683)	79,379
TOTAL LIABILITIES AND FUND BALANCES	\$ 39,400	\$ 65,499	\$ 328	\$ 1,301	\$ 2,659	\$ 1,859	\$ 16,167	\$ 3,926	\$ 65	\$ 131,204

	Debt Service			Capital Projects		Total Nonmajor Governmental Funds
	Bond Retirement	General Obligation Nonvoted	Special Assessments	Total Nonmajor Debt Service Funds	Project Accounting	
ASSETS						
Equity in Pooled Cash and Investments	\$ 300	\$ 991	\$ 878	\$ 2,169	\$ 4,060	\$ 102,453
Cash and Cash Equivalents—Segregated Accounts	-	53	-	53	5,385	5,522
Accounts Receivable	-	6,150	-	6,150	-	7,531
Intergovernmental Receivable	-	-	-	-	-	18,531
Real and Other Taxes Receivable	-	-	-	-	-	10,004
Sales Taxes Receivable	-	-	-	-	-	1,317
Due from Other Funds	-	-	-	-	-	88
Inventories	-	-	-	-	-	3,575
Special Assessments Receivable	-	-	6,222	6,222	-	6,222
TOTAL ASSETS	\$ 300	\$ 7,194	\$ 7,100	\$ 14,594	\$ 9,445	\$ 155,243
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 105	\$ 14,440
Accrued Wages and Benefits Payable	-	-	-	-	-	825
Compensated Absences Payable	-	-	-	-	-	118
Intergovernmental Payable	-	-	-	-	-	347
Retainage Payable	-	-	-	-	-	84
Due to Component Unit	-	-	-	-	-	1,317
Due to Other Funds	-	-	-	-	-	1,675
Advances from Other Funds	-	-	-	-	1,591	1,591
Deferred Revenue	-	-	6,222	6,222	-	39,346
Total Liabilities	-	-	6,222	6,222	1,696	59,743
FUND BALANCES						
Nonspendable	-	-	-	-	-	3,575
Restricted	300	7,194	878	8,372	130	93,352
Committed	-	-	-	-	7,619	10,766
Unassigned (Deficit)	-	-	-	-	-	(12,193)
TOTAL FUND BALANCES	300	7,194	878	8,372	7,749	95,500
TOTAL LIABILITIES AND FUND BALANCES	\$ 300	\$ 7,194	\$ 7,100	\$ 14,594	\$ 9,445	\$ 155,243

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands)

	Annually Budgeted				Special Revenue					Total Nonmajor Special Revenue Funds
	Motor Vehicle Gas Tax	Health and Community Services Nongrants	Health and Community Services Grants	Community Development Block Grants	Judicial Services Grants	Public Safety Grants	Health Grants	Environmental Control Grants	Economic Development Grants	
REVENUES										
Property Taxes and Special Assessments	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15
Sales and Use Tax	-	6,137	-	-	-	-	-	-	-	6,137
State Shared Taxes	21,626	4	-	-	-	-	-	-	-	21,630
Charges for Services	3,608	22,543	96	-	-	-	-	361	-	26,608
Licenses and Permits	-	4,521	-	-	-	-	-	-	-	4,521
Fines and Forfeitures	231	5,054	-	-	-	-	-	-	-	5,285
Intergovernmental	3,836	15,528	6,293	14,313	9,547	12,626	64,843	3,449	932	131,367
Investment Earnings	10	15	(7)	-	5	(3)	16	(3)	-	33
Other	902	3,444	34	1,225	702	292	-	295	1	6,895
TOTAL REVENUES	30,228	57,246	6,416	15,538	10,254	12,915	64,859	4,102	933	202,491
EXPENDITURES										
Current:										
General Government	1,211	11,628	-	15,468	351	-	-	2	1,477	30,137
Judicial	-	8,007	475	-	11,789	128	-	-	-	20,399
Public Safety	-	4,740	3	-	-	9,397	10	-	-	14,150
Social Services	-	10,609	6,222	-	-	-	-	-	-	16,831
Health	-	9,596	-	-	-	-	68,085	-	-	77,681
Public Works	24,094	333	-	-	-	-	-	-	-	24,427
Environmental Control	-	2,797	250	-	-	-	-	4,062	-	7,109
Economic and Community Development	-	6,137	-	408	-	-	-	-	-	6,545
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	25,305	53,847	6,950	15,876	12,140	9,525	68,095	4,064	1,477	197,279
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,923	3,399	(534)	(338)	(1,886)	3,390	(3,236)	38	(544)	5,212
OTHER FINANCING SOURCES (USES)										
Transfers In	-	300	-	-	-	-	-	-	-	300
Transfers Out	-	(966)	-	-	-	-	(5)	-	-	(971)
Proceeds from Sale of Bonds	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES), NET	-	(666)	-	-	-	-	(5)	-	-	(671)
NET CHANGE IN FUND BALANCES	4,923	2,733	(534)	(338)	(1,886)	3,390	(3,241)	38	(544)	4,541
FUND BALANCES AT BEGINNING OF YEAR	25,250	56,723	(383)	(518)	1,006	(4,346)	(4,660)	1,905	(139)	74,838
FUND BALANCES AT END OF YEAR	\$ 30,173	\$ 59,456	\$ (917)	\$ (856)	\$ (880)	\$ (956)	\$ (7,901)	\$ 1,943	\$ (683)	\$ 79,379

	Debt Service				Capital Projects	
	Bond Retirement	General Obligation Nonvoted	Special Assessments	Total Nonmajor Debt Service Funds	Project Accounting	Total Nonmajor Governmental Funds
REVENUES						
Property Taxes and Special Assessments	\$ -	\$ -	\$ 498	\$ 498	\$ -	\$ 513
Sales and Use Tax	-	744	-	744	-	6,881
State Shared Taxes	-	-	-	-	-	21,630
Charges for Services	-	-	-	-	-	26,608
Licenses and Permits	-	-	-	-	-	4,521
Fines and Forfeitures	-	-	-	-	-	5,285
Intergovernmental	-	255	-	255	713	132,335
Investment Earnings	-	-	-	-	18	51
Other	-	8,324	-	8,324	-	15,219
TOTAL REVENUES	-	9,323	498	9,821	731	213,043
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	30,137
Judicial	-	-	-	-	-	20,399
Public Safety	-	-	-	-	-	14,150
Social Services	-	-	-	-	-	16,831
Health	-	-	-	-	-	77,681
Public Works	-	-	-	-	-	24,427
Environmental Control	-	-	-	-	-	7,109
Economic and Community Development	-	-	-	-	-	6,545
Capital Outlay	-	-	-	-	1,480	1,480
Debt Service:						
Principal Retirement	-	11,320	331	11,651	-	11,651
Interest and Fiscal Charges	-	3,973	224	4,197	-	4,197
TOTAL EXPENDITURES	-	15,293	555	15,848	1,480	214,607
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(5,970)	(57)	(6,027)	(749)	(1,564)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	12,240	64	12,304	1,615	14,219
Transfers Out	-	-	-	-	(134)	(1,105)
Proceeds from Sale of Bonds	-	-	-	-	5,787	5,787
TOTAL OTHER FINANCING SOURCES (USES), NET	-	12,240	64	12,304	7,268	18,901
NET CHANGE IN FUND BALANCES	-	6,270	7	6,277	6,519	17,337
FUND BALANCES AT BEGINNING OF YEAR	300	924	871	2,095	1,230	78,163
FUND BALANCES AT END OF YEAR	\$ 300	\$ 7,194	\$ 878	\$ 8,372	\$ 7,749	\$ 95,500

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes and Special Assessments	\$ 39,300	\$ 39,300	\$ 39,747	\$ 447
Sales and Use Tax	60,900	60,900	65,056	4,156
State Shared Taxes	19,342	19,342	21,895	2,553
Charges for Services	47,654	47,654	53,299	5,645
Licenses and Permits	1,893	1,893	2,504	611
Fines and Forfeitures	9,044	9,044	8,047	(997)
Intergovernmental	15,761	15,761	13,609	(2,152)
Investment Earnings	6,027	6,027	6,464	437
Other	10,710	10,710	12,594	1,884
TOTAL REVENUES	<u>210,631</u>	<u>210,631</u>	<u>223,215</u>	<u>12,584</u>
EXPENDITURES				
Current:				
GENERAL GOVERNMENT				
County Commissioners/County Administration				
Personnel Services	3,689	3,902	3,846	56
Other Expenditures	892	1,031	962	69
Capital Outlay	8	8	-	8
Total County Commissioners	<u>4,589</u>	<u>4,941</u>	<u>4,808</u>	<u>133</u>
County Facilities				
Personnel Services	6,007	6,007	5,687	320
Other Expenditures	18,913	18,770	18,421	349
Capital Outlay	113	113	106	7
Total County Facilities	<u>25,033</u>	<u>24,890</u>	<u>24,214</u>	<u>676</u>
Nondepartmentals				
Personnel Services	4,711	5,711	5,459	252
Other Expenditures	2,725	2,674	2,658	16
Total Nondepartmental Accounts	<u>7,436</u>	<u>8,385</u>	<u>8,117</u>	<u>268</u>
Contracts and Subsidies				
Other Expenditures	1,150	1,067	1,062	5
Total Contracts and Subsidies	<u>1,150</u>	<u>1,067</u>	<u>1,062</u>	<u>5</u>

(Continued)

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Administrative Services				
Other Expenditures	\$ 326	\$ 326	\$ 326	\$ -
Total Administrative Services	<u>326</u>	<u>326</u>	<u>326</u>	<u>-</u>
Auditor				
Personnel Services	1,346	1,346	1,336	10
Other Expenditures	1,256	1,200	1,084	116
Capital Outlay	2	2	-	2
Total Auditor	<u>2,604</u>	<u>2,548</u>	<u>2,420</u>	<u>128</u>
Treasurer				
Personnel Services	389	389	386	3
Other Expenditures	486	486	485	1
Total Treasurer	<u>875</u>	<u>875</u>	<u>871</u>	<u>4</u>
Recorder				
Personnel Services	1,441	1,434	1,432	2
Other Expenditures	134	142	129	13
Capital Outlay	31	31	31	-
Total Recorder	<u>1,606</u>	<u>1,607</u>	<u>1,592</u>	<u>15</u>
Board of Elections				
Personnel Services	4,344	4,344	3,771	573
Other Expenditures	2,720	2,720	2,339	381
Capital Outlay	45	45	45	-
Total Board of Elections	<u>7,109</u>	<u>7,109</u>	<u>6,155</u>	<u>954</u>
Human Resources				
Other Expenditures	185	169	169	-
Total County Personnel	<u>185</u>	<u>169</u>	<u>169</u>	<u>-</u>
Planning and Development				
Personnel Services	3,363	3,293	3,047	246
Other Expenditures	4,317	4,418	4,274	144
Capital Outlay	52	52	51	1
Total Planning and Development	<u>7,732</u>	<u>7,763</u>	<u>7,372</u>	<u>391</u>
TOTAL GENERAL GOVERNMENT	<u>58,645</u>	<u>59,680</u>	<u>57,106</u>	<u>2,574</u>

(Continued)

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
JUDICIAL				
Juvenile Court				
Personnel Services	\$ 16,755	\$ 16,755	\$ 15,587	\$ 1,168
Other Expenditures	4,754	4,662	4,644	18
Capital Outlay	46	46	45	1
Total Juvenile Court	<u>21,555</u>	<u>21,463</u>	<u>20,276</u>	<u>1,187</u>
Court of Appeals				
Other Expenditures	54	52	47	5
Capital Outlay	15	7	6	1
Total Court of Appeals	<u>69</u>	<u>59</u>	<u>53</u>	<u>6</u>
Court of Common Pleas				
Personnel Services	2,131	2,131	2,131	-
Other Expenditures	5,954	5,851	5,697	154
Capital Outlay	-	23	3	20
Total Court of Common Pleas	<u>8,085</u>	<u>8,005</u>	<u>7,831</u>	<u>174</u>
Municipal Court				
Personnel Services	4,863	4,863	4,809	54
Other Expenditures	48	48	48	-
Total Municipal Court	<u>4,911</u>	<u>4,911</u>	<u>4,857</u>	<u>54</u>
Domestic Relations				
Personnel Services	3,376	3,373	3,359	14
Other Expenditures	139	137	128	9
Total Domestic Relations	<u>3,515</u>	<u>3,510</u>	<u>3,487</u>	<u>23</u>
Probate Court				
Personnel Services	2,268	2,268	2,264	4
Other Expenditures	548	548	547	1
Total Probate Court	<u>2,816</u>	<u>2,816</u>	<u>2,811</u>	<u>5</u>
Clerk of Courts				
Personnel Services	8,143	8,443	8,442	1
Other Expenditures	2,538	2,527	2,514	13
Capital Outlay	-	9	8	1
Total Clerk of Courts	<u>10,681</u>	<u>10,979</u>	<u>10,964</u>	<u>15</u>

(Continued)

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Defender				
Personnel Services	\$ 8,139	\$ 7,879	\$ 7,797	\$ 82
Other Expenditures	5,865	6,075	5,999	76
Total Public Defender	<u>14,004</u>	<u>13,954</u>	<u>13,796</u>	<u>158</u>
Court Reporters				
Personnel Services	2,375	2,195	2,179	16
Other Expenditures	73	73	73	-
Capital Outlay	12	12	12	-
Total Court Reporters	<u>2,460</u>	<u>2,280</u>	<u>2,264</u>	<u>16</u>
Adult Probation				
Personnel Services	6,460	6,362	6,356	6
Other Expenditures	273	470	465	5
Capital Outlay	-	108	108	-
Total Adult Probation	<u>6,733</u>	<u>6,940</u>	<u>6,929</u>	<u>11</u>
TOTAL JUDICIAL	<u>74,829</u>	<u>74,917</u>	<u>73,268</u>	<u>1,649</u>
PUBLIC SAFETY				
Communications Center				
Personnel Services	618	618	612	6
Other Expenditures	839	726	708	18
Capital Outlay	3	20	18	2
Total Communications Center	<u>1,460</u>	<u>1,364</u>	<u>1,338</u>	<u>26</u>
Sheriff				
Personnel Services	47,527	47,977	47,799	178
Other Expenditures	8,943	8,388	7,914	474
Capital Outlay	992	1,830	1,820	10
Total Sheriff	<u>57,462</u>	<u>58,195</u>	<u>57,533</u>	<u>662</u>
Prosecutor				
Personnel Services	9,892	10,362	10,362	-
Other Expenditures	591	575	437	138
Capital Outlay	49	48	42	6
Total Prosecutor	<u>10,532</u>	<u>10,985</u>	<u>10,841</u>	<u>144</u>

(Continued)

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Coroner				
Personnel Services	\$ 3,267	\$ 3,213	\$ 3,197	\$ 16
Other Expenditures	282	297	291	6
Capital Outlay	-	39	39	-
Total Coroner	<u>3,549</u>	<u>3,549</u>	<u>3,527</u>	<u>22</u>
Emergency Management				
Personnel Services	89	153	145	8
Other Expenditures	445	390	363	27
Capital Outlay	10	1	1	-
Total Coroner	<u>544</u>	<u>544</u>	<u>509</u>	<u>35</u>
TOTAL PUBLIC SAFETY	<u>73,547</u>	<u>74,637</u>	<u>73,748</u>	<u>889</u>
SOCIAL SERVICES				
Job and Family Services				
Other Expenditures	1,149	1,149	1,149	-
Total Job and Family Services	<u>1,149</u>	<u>1,149</u>	<u>1,149</u>	<u>-</u>
Veterans Service Commission				
Personnel Services	598	567	517	50
Other Expenditures	1,002	792	672	120
Total Veterans Service Commission	<u>1,600</u>	<u>1,359</u>	<u>1,189</u>	<u>170</u>
TOTAL SOCIAL SERVICES	<u>2,749</u>	<u>2,508</u>	<u>2,338</u>	<u>170</u>
PUBLIC WORKS				
Engineer				
Personnel Services	371	371	366	5
Other Expenditures	191	191	191	-
Total Engineer	<u>562</u>	<u>562</u>	<u>557</u>	<u>5</u>
TOTAL PUBLIC WORKS	<u>562</u>	<u>562</u>	<u>557</u>	<u>5</u>

(Continued)

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
ECONOMIC AND COMMUNITY DEVELOPMENT				
Economic Development				
Personnel Services	\$ 155	\$ 155	\$ 149	\$ 6
Other Expenditures	1,336	1,336	1,329	7
Total Economic and Community Development	<u>1,491</u>	<u>1,491</u>	<u>1,478</u>	<u>13</u>
TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT	<u>1,491</u>	<u>1,491</u>	<u>1,478</u>	<u>13</u>
TOTAL EXPENDITURES	<u>211,823</u>	<u>213,795</u>	<u>208,495</u>	<u>5,300</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(1,192)</u>	<u>(3,164)</u>	<u>14,720</u>	<u>17,884</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,051	3,717	1,193	(2,524)
Advances In	-	-	50	50
Transfers Out	(14,213)	(17,698)	(15,636)	2,062
Advances Out	-	-	(1,641)	(1,641)
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>(13,162)</u>	<u>(13,981)</u>	<u>(16,034)</u>	<u>(2,053)</u>
NET CHANGE IN FUND BALANCE	<u>(14,354)</u>	<u>(17,145)</u>	<u>(1,314)</u>	<u>15,831</u>
FUND BALANCE AT BEGINNING OF YEAR (AS RESTATED—SEE NOTE II B)	38,308	38,308	38,308	-
Prior-Year Encumbrances Appropriated	<u>13,054</u>	<u>13,054</u>	<u>13,054</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 37,008</u></u>	<u><u>\$ 34,217</u></u>	<u><u>\$ 50,048</u></u>	<u><u>\$ 15,831</u></u>

**COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
PUBLIC ASSISTANCE—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services	\$ 25,336	\$ 25,336	\$ 23,905	\$ (1,431)
Intergovernmental	55,966	55,966	44,950	(11,016)
Other	2,910	2,910	2,726	(184)
TOTAL REVENUES	<u>84,212</u>	<u>84,212</u>	<u>71,581</u>	<u>(12,631)</u>
EXPENDITURES				
Current:				
SOCIAL SERVICES				
Personnel Services	36,412	36,412	35,643	769
Other Expenditures	48,392	44,273	44,180	93
Capital Outlay	803	798	500	298
TOTAL SOCIAL SERVICES	<u>85,607</u>	<u>81,483</u>	<u>80,323</u>	<u>1,160</u>
TOTAL EXPENDITURES	<u>85,607</u>	<u>81,483</u>	<u>80,323</u>	<u>1,160</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,395)</u>	<u>2,729</u>	<u>(8,742)</u>	<u>(11,471)</u>
NET CHANGE IN FUND BALANCE	(1,395)	2,729	(8,742)	(11,471)
FUND BALANCE AT BEGINNING OF YEAR	22,375	22,375	22,375	-
Prior-Year Encumbrances Appropriated	9,562	9,562	9,562	-
FUND BALANCE AT END OF YEAR	<u>\$ 30,542</u>	<u>\$ 34,666</u>	<u>\$ 23,195</u>	<u>\$ (11,471)</u>

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND HUMAN SERVICES LEVIES—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes and Special Assessments	\$ 194,282	\$ 194,282	\$ 198,786	\$ 4,504
Charges for Services	4,874	4,874	6,800	1,926
Intergovernmental	112,088	126,761	102,533	(24,228)
Other	8,457	8,457	9,604	1,147
TOTAL REVENUES	<u>319,701</u>	<u>334,374</u>	<u>317,723</u>	<u>(16,651)</u>
EXPENDITURES				
Current:				
GENERAL GOVERNMENT				
Other Expenditures	6,516	6,862	6,830	32
TOTAL GENERAL GOVERNMENT	<u>6,516</u>	<u>6,862</u>	<u>6,830</u>	<u>32</u>
JUDICIAL				
Personnel Services	309	309	294	15
Other Expenditures	7,701	7,492	7,367	125
TOTAL JUDICIAL	<u>8,010</u>	<u>7,801</u>	<u>7,661</u>	<u>140</u>
PUBLIC SAFETY				
Personnel Services	6,976	7,371	7,317	54
Other Expenditures	14,496	18,588	13,161	5,427
Capital Outlay	55	55	25	30
TOTAL PUBLIC SAFETY	<u>21,527</u>	<u>26,014</u>	<u>20,503</u>	<u>5,511</u>
SOCIAL SERVICES				
Personnel Services	917	917	7	910
Other Expenditures	110,550	127,178	91,792	35,386
TOTAL SOCIAL SERVICES	<u>111,467</u>	<u>128,095</u>	<u>91,799</u>	<u>36,296</u>
HEALTH				
Personnel Services	40,478	41,590	41,557	33
Other Expenditures	153,952	151,668	140,965	10,703
Capital Outlay	2,310	3,550	1,485	2,065
TOTAL HEALTH	<u>196,740</u>	<u>196,808</u>	<u>184,007</u>	<u>12,801</u>
RECREATIONAL ACTIVITIES				
Personnel Services	7	7	7	-
Other Expenditures	8,549	8,549	8,528	21
TOTAL RECREATIONAL ACTIVITIES	<u>8,556</u>	<u>8,556</u>	<u>8,535</u>	<u>21</u>
TOTAL EXPENDITURES	<u>352,816</u>	<u>374,136</u>	<u>319,335</u>	<u>54,801</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33,115)</u>	<u>(39,762)</u>	<u>(1,612)</u>	<u>38,150</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,254	1,254	-
Transfers Out	(3,147)	(3,147)	(1,254)	1,893
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>(3,147)</u>	<u>(1,893)</u>	<u>-</u>	<u>1,893</u>
NET CHANGE IN FUND BALANCE	(36,262)	(41,655)	(1,612)	40,043
FUND BALANCE AT BEGINNING OF YEAR	120,688	120,688	120,688	-
Prior-Year Encumbrances Appropriated	20,696	20,696	20,696	-
FUND BALANCE AT END OF YEAR	<u>\$ 105,122</u>	<u>\$ 99,729</u>	<u>\$ 139,772</u>	<u>\$ 40,043</u>

**COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
MOTOR VEHICLE GAS TAX—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes and Special Assessments	\$ 30	\$ 30	\$ 15	\$ (15)
State Shared Taxes	21,681	21,681	21,562	(119)
Charges for Services	3,909	4,003	3,533	(470)
Fines and Forfeitures	343	343	217	(126)
Intergovernmental	4,034	9,802	4,569	(5,233)
Investment Earnings	6	6	10	4
Other	1,228	1,228	1,265	37
TOTAL REVENUES	<u>31,231</u>	<u>37,093</u>	<u>31,171</u>	<u>(5,922)</u>
EXPENDITURES				
Current:				
GENERAL GOVERNMENT				
Personnel Services	1,267	1,267	1,090	177
Other Expenditures	149	149	93	56
Capital Outlay	49	49	40	9
TOTAL GENERAL GOVERNMENT	<u>1,465</u>	<u>1,465</u>	<u>1,223</u>	<u>242</u>
PUBLIC WORKS				
Personnel Services	11,357	10,431	9,667	764
Other Expenditures	8,645	9,448	7,563	1,885
Capital Outlay	16,209	26,006	16,781	9,225
TOTAL PUBLIC WORKS	<u>36,211</u>	<u>45,885</u>	<u>34,011</u>	<u>11,874</u>
TOTAL EXPENDITURES	<u>37,676</u>	<u>47,350</u>	<u>35,234</u>	<u>12,116</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,445)</u>	<u>(10,257)</u>	<u>(4,063)</u>	<u>6,194</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	955	5,483	5,084	(399)
Transfers Out	(4,406)	(5,435)	(5,084)	351
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>(3,451)</u>	<u>48</u>	<u>-</u>	<u>(48)</u>
NET CHANGE IN FUND BALANCE	(9,896)	(10,209)	(4,063)	6,146
FUND BALANCE AT BEGINNING OF YEAR	9,691	9,691	9,691	-
Prior-Year Encumbrances Appropriated	11,050	11,050	11,050	-
FUND BALANCE AT END OF YEAR	<u>\$ 10,845</u>	<u>\$ 10,532</u>	<u>\$ 16,678</u>	<u>\$ 6,146</u>

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COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND COMMUNITY SERVICES NONGRANTS—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales and Use Tax	\$ -	\$ 582	\$ 6,082	\$ 5,500
State Shared Taxes	-	-	4	4
Charges for Services	27,207	27,207	23,300	(3,907)
Licenses and Permits	4,254	4,254	4,488	234
Fines and Forfeitures	5,598	5,598	4,947	(651)
Intergovernmental	13,748	17,787	17,300	(487)
Investment Earnings	14	14	6	(8)
Other	9,377	13,348	10,069	(3,279)
TOTAL REVENUES	<u>60,198</u>	<u>68,790</u>	<u>66,196</u>	<u>(2,594)</u>
EXPENDITURES				
Current:				
GENERAL GOVERNMENT				
Personnel Services	6,468	6,468	5,379	1,089
Other Expenditures	8,724	9,105	7,960	1,145
Capital Outlay	247	124	122	2
TOTAL GENERAL GOVERNMENT	<u>15,439</u>	<u>15,697</u>	<u>13,461</u>	<u>2,236</u>
JUDICIAL				
Personnel Services	6,810	6,856	5,887	969
Other Expenditures	4,662	4,581	2,714	1,867
Capital Outlay	2,463	2,457	1,590	867
TOTAL JUDICIAL	<u>13,935</u>	<u>13,894</u>	<u>10,191</u>	<u>3,703</u>
PUBLIC SAFETY				
Personnel Services	2,139	2,149	2,097	52
Other Expenditures	2,957	3,071	2,753	318
Capital Outlay	635	585	562	23
TOTAL PUBLIC SAFETY	<u>5,731</u>	<u>5,805</u>	<u>5,412</u>	<u>393</u>
SOCIAL SERVICES				
Personnel Services	5,897	5,897	5,714	183
Other Expenditures	6,903	6,437	6,437	-
TOTAL SOCIAL SERVICES	<u>12,800</u>	<u>12,334</u>	<u>12,151</u>	<u>183</u>

(Continued)

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND COMMUNITY SERVICES NONGRANTS—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
HEALTH				
Personnel Services	\$ 87	\$ 85	\$ 85	\$ -
Other Expenditures	11,953	13,228	12,313	915
Capital Outlay	3,783	3,781	219	3,562
TOTAL HEALTH	<u>15,823</u>	<u>17,094</u>	<u>12,617</u>	<u>4,477</u>
PUBLIC WORKS				
Other Expenditures	789	849	238	611
Capital Outlay	3	2,842	336	2,506
TOTAL PUBLIC WORKS	<u>792</u>	<u>3,691</u>	<u>574</u>	<u>3,117</u>
ENVIRONMENTAL CONTROL				
Personnel Services	513	513	466	47
Other Expenditures	2,432	2,620	2,465	155
Capital Outlay	7	7	5	2
TOTAL ENVIRONMENTAL CONTROL	<u>2,952</u>	<u>3,140</u>	<u>2,936</u>	<u>204</u>
ECONOMIC AND COMMUNITY DEVELOPMENT				
Other Expenditures	5,500	6,082	6,082	-
TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT	<u>5,500</u>	<u>6,082</u>	<u>6,082</u>	<u>-</u>
TOTAL EXPENDITURES	<u>72,972</u>	<u>77,737</u>	<u>63,424</u>	<u>14,313</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,774)</u>	<u>(8,947)</u>	<u>2,772</u>	<u>11,719</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,092	2,097	300	(1,797)
Transfers Out	(500)	(966)	(966)	-
TOTAL OTHER FINANCING SOURCES (USES), NET	<u>1,592</u>	<u>1,131</u>	<u>(666)</u>	<u>(1,797)</u>
NET CHANGE IN FUND BALANCE	(11,182)	(7,816)	2,106	9,922
FUND BALANCE AT BEGINNING OF YEAR	48,934	48,934	48,934	-
Prior-Year Encumbrances Appropriated	6,492	6,492	6,492	-
FUND BALANCE AT END OF YEAR	<u>\$ 44,244</u>	<u>\$ 47,610</u>	<u>\$ 57,532</u>	<u>\$ 9,922</u>

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HEALTH AND COMMUNITY SERVICES GRANTS—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services	\$ -	\$ 57	\$ 96	\$ 39
Intergovernmental	6,077	6,647	5,912	(735)
Other	70	70	73	3
TOTAL REVENUES	<u>6,147</u>	<u>6,774</u>	<u>6,081</u>	<u>(693)</u>
EXPENDITURES				
Current:				
JUDICIAL				
Personnel Services	550	585	366	219
Other Expenditures	343	420	155	265
TOTAL JUDICIAL	<u>893</u>	<u>1,005</u>	<u>521</u>	<u>484</u>
PUBLIC SAFETY				
Personnel Services	56	56	-	56
Other Expenditures	55	55	15	40
TOTAL PUBLIC SAFETY	<u>111</u>	<u>111</u>	<u>15</u>	<u>96</u>
SOCIAL SERVICES				
Other Expenditures	5,317	5,832	5,829	3
TOTAL SOCIAL SERVICES	<u>5,317</u>	<u>5,832</u>	<u>5,829</u>	<u>3</u>
ENVIRONMENTAL CONTROL				
Other Expenditures	252	252	252	-
TOTAL ENVIRONMENTAL CONTROL	<u>252</u>	<u>252</u>	<u>252</u>	<u>-</u>
TOTAL EXPENDITURES	<u>6,573</u>	<u>7,200</u>	<u>6,617</u>	<u>583</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(426)</u>	<u>(426)</u>	<u>(536)</u>	<u>(110)</u>
OTHER FINANCING SOURCES				
Transfers In	5	5	-	(5)
TOTAL OTHER FINANCING SOURCES	<u>5</u>	<u>5</u>	<u>-</u>	<u>(5)</u>
NET CHANGE IN FUND BALANCE	(421)	(421)	(536)	(115)
FUND BALANCE AT BEGINNING OF YEAR	372	372	372	-
Prior-Year Encumbrances Appropriated	259	259	259	-
FUND BALANCE AT END OF YEAR	<u>\$ 210</u>	<u>\$ 210</u>	<u>\$ 95</u>	<u>\$ (115)</u>

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANTS—SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 40,488	\$ 41,957	\$ 15,583	\$ (26,374)
Other	495	495	1,251	756
TOTAL REVENUES	<u>40,983</u>	<u>42,452</u>	<u>16,834</u>	<u>(25,618)</u>
EXPENDITURES				
Current:				
GENERAL GOVERNMENT				
Personnel Services	1,641	1,806	640	1,166
Other Expenditures	31,579	32,883	16,124	16,759
Capital Outlay	31	31	15	16
TOTAL GENERAL GOVERNMENT	<u>33,251</u>	<u>34,720</u>	<u>16,779</u>	<u>17,941</u>
ECONOMIC AND COMMUNITY DEVELOPMENT				
Personnel Services	27	79	12	67
Other Expenditures	486	434	348	86
TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT	<u>513</u>	<u>513</u>	<u>360</u>	<u>153</u>
TOTAL EXPENDITURES	<u>33,764</u>	<u>35,233</u>	<u>17,139</u>	<u>18,094</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,219</u>	<u>7,219</u>	<u>(305)</u>	<u>(7,524)</u>
NET CHANGE IN FUND BALANCE	7,219	7,219	(305)	(7,524)
FUND BALANCE AT BEGINNING OF YEAR	(9,944)	(9,944)	(9,944)	-
Prior-Year Encumbrances Appropriated	10,477	10,477	10,477	-
FUND BALANCE AT END OF YEAR	<u>\$ 7,752</u>	<u>\$ 7,752</u>	<u>\$ 228</u>	<u>\$ (7,524)</u>

**COUNTY OF HAMILTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
 BOND RETIREMENT—DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
FUND BALANCE AT BEGINNING OF YEAR	\$ 300	\$ 300	\$ 300	\$ -
FUND BALANCE AT END OF YEAR	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ -</u>

**COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL OBLIGATION NONVOTED—DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales and Use Tax	\$ 744	\$ 744	\$ 744	\$ -
Intergovernmental	255	255	255	-
Other	2,174	2,174	2,174	-
TOTAL REVENUES	<u>3,173</u>	<u>3,173</u>	<u>3,173</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	11,320	11,320	11,320	-
Interest and Fiscal Charges	3,995	4,153	4,094	59
TOTAL EXPENDITURES	<u>15,315</u>	<u>15,473</u>	<u>15,414</u>	<u>59</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,142)</u>	<u>(12,300)</u>	<u>(12,241)</u>	<u>59</u>
OTHER FINANCING SOURCES				
Transfers In	12,103	12,103	12,240	137
TOTAL OTHER FINANCING SOURCES	<u>12,103</u>	<u>12,103</u>	<u>12,240</u>	<u>137</u>
NET CHANGE IN FUND BALANCE	(39)	(197)	(1)	196
FUND BALANCE AT BEGINNING OF YEAR	889	889	889	-
Prior-Year Encumbrances Appropriated	39	39	39	-
FUND BALANCE AT END OF YEAR	<u>\$ 889</u>	<u>\$ 731</u>	<u>\$ 927</u>	<u>\$ 196</u>

COUNTY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
SPECIAL ASSESSMENTS—DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes and Special Assessments	\$ 594	\$ 594	\$ 498	\$ (96)
TOTAL REVENUES	<u>594</u>	<u>594</u>	<u>498</u>	<u>(96)</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	331	331	331	-
Interest and Fiscal Charges	225	225	224	1
TOTAL EXPENDITURES	<u>556</u>	<u>556</u>	<u>555</u>	<u>1</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>38</u>	<u>38</u>	<u>(57)</u>	<u>(95)</u>
OTHER FINANCING SOURCES				
Transfers In	57	57	64	7
TOTAL OTHER FINANCING SOURCES	<u>57</u>	<u>57</u>	<u>64</u>	<u>7</u>
NET CHANGE IN FUND BALANCE	95	95	7	(88)
FUND BALANCE AT BEGINNING OF YEAR	<u>871</u>	<u>871</u>	<u>871</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 966</u>	<u>\$ 966</u>	<u>\$ 878</u>	<u>\$ (88)</u>

**COUNTY OF HAMILTON, OHIO
NONMAJOR ENTERPRISE FUNDS**

COMBINING FINANCIAL STATEMENTS

The enterprise funds are established to account for operations that are financed and operated in a manner similar to business in the private sector. The expenses (including depreciation) of providing goods and services primarily or solely to the general public are financed or recovered primarily through user charges.

Riverfront Development	To account for revenue received for the construction and operations of future riverfront developments.
Main Street Parking Garage	To account for revenue received for the construction and operations of the Main Street Parking Garage.
Sales Tax Stabilization	To set aside a reserve to meet future debt service payments.
Rotary	To track the cost of various activities of the Sheriff's Department within the County.
Communications Center	To account for the financial activity relating to emergency 911 services for Hamilton County.

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2011
(Amounts in Thousands)

	Business-Type Activities		
	Riverfront Development	Main Street Parking Garage	Sales Tax Stabilization
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 7,833	\$ 437	\$ 6,664
Cash and Cash Equivalents—Segregated Accounts	455	-	-
Restricted Cash, Cash Equivalents and Investments:			
Cash and Cash Equivalents Held by Trustees	247	-	-
Accounts Receivable	15	-	-
Intergovernmental Receivable	1,826	-	-
Due from Other Funds	-	20	-
Total Current Assets	<u>10,376</u>	<u>457</u>	<u>6,664</u>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	3,638	1,827	-
Construction in Progress	14,462	-	-
Total Nondepreciable Capital Assets	<u>18,100</u>	<u>1,827</u>	<u>-</u>
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	182,108	9,273	-
Furniture, Fixtures and Equipment	-	-	-
Less Accumulated Depreciation	(46,033)	(3,724)	-
Total Depreciable Capital Assets, Net	<u>136,075</u>	<u>5,549</u>	<u>-</u>
Total Capital Assets, Net	<u>154,175</u>	<u>7,376</u>	<u>-</u>
Unamortized Financing Costs	446	50	-
Total Noncurrent Assets	<u>154,621</u>	<u>7,426</u>	<u>-</u>
TOTAL ASSETS	<u>164,997</u>	<u>7,883</u>	<u>6,664</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,484	32	-
Due to Other Funds	1	-	-
Accrued Wages and Benefits Payable	15	-	-
Intergovernmental Payable	84	1	-
Deferred Revenue	14	-	-
Accrued Interest Payable	2	22	-
Accrued Interest Payable from Restricted Assets	69	-	-
Retainage Payable	460	-	-
Current Portion of State Loans Payable	745	-	-
Current Portion of Long-Term Debt	815	405	-
Total Current Liabilities	<u>3,689</u>	<u>460</u>	<u>-</u>
Noncurrent Liabilities:			
Accrued Compensated Absences	-	-	-
State Loans Payable	16,415	-	-
Long-Term Debt	18,145	6,381	-
Total Noncurrent Liabilities	<u>34,560</u>	<u>6,381</u>	<u>-</u>
TOTAL LIABILITIES	<u>38,249</u>	<u>6,841</u>	<u>-</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	119,652	590	-
Unrestricted	7,096	452	6,664
TOTAL NET ASSETS	<u>\$ 126,748</u>	<u>\$ 1,042</u>	<u>\$ 6,664</u>

Business-Type Activities		
Rotary Funds	Communications Center	Total Nonmajor Enterprise Funds
\$ 864	\$ 1,863	\$ 17,661
-	-	455
-	-	247
-	455	470
1,348	-	3,174
2	72	94
<u>2,214</u>	<u>2,390</u>	<u>22,101</u>
-	-	5,465
-	-	14,462
-	-	<u>19,927</u>
-	21,662	213,043
40	8,150	8,190
<u>(32)</u>	<u>(11,567)</u>	<u>(61,356)</u>
8	18,245	159,877
8	18,245	179,804
-	-	496
8	18,245	180,300
<u>2,222</u>	<u>20,635</u>	<u>202,401</u>
2	186	1,704
-	6	7
41	106	162
-	-	85
-	-	14
-	-	24
-	-	69
-	-	460
-	-	745
-	-	1,220
<u>43</u>	<u>298</u>	<u>4,490</u>
240	511	751
-	-	16,415
-	-	24,526
<u>240</u>	<u>511</u>	<u>41,692</u>
<u>283</u>	<u>809</u>	<u>46,182</u>
8	18,245	138,495
1,931	1,581	17,724
<u>\$ 1,939</u>	<u>\$ 19,826</u>	<u>\$ 156,219</u>

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands)

	<u>Business-Type Activities</u>		
	<u>Riverfront Development</u>	<u>Main Street Parking Garage</u>	<u>Sales Tax Stabilization</u>
OPERATING REVENUES			
Charges for Services	\$ 6,291	\$ 785	\$ -
Lease Rent Revenue	-	-	-
Other	191	-	-
TOTAL OPERATING REVENUES	<u>6,482</u>	<u>785</u>	<u>-</u>
OPERATING EXPENSES			
Personnel Services	120	-	-
Utilities, Fuel and Supplies	566	36	-
Purchased Services	3,596	304	-
Depreciation and Amortization	6,735	311	-
Other	699	18	-
TOTAL OPERATING EXPENSES	<u>11,716</u>	<u>669</u>	<u>-</u>
OPERATING INCOME (LOSS)	<u>(5,234)</u>	<u>116</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	-	-	1
Sales and Use Tax	75	-	-
Other Non-Operating Revenue	14	-	-
Other Non-Operating Expense	(1)	-	-
Interest Expense	(246)	(284)	-
Fiscal Charges on Long-Term Debt	(154)	(7)	-
Change in Fair Value of Investments	34	(1)	(7)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(278)</u>	<u>(292)</u>	<u>(6)</u>
(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(5,512)</u>	<u>(176)</u>	<u>(6)</u>
Capital Contributions	26,415	-	-
Transfers In	-	155	-
Transfers Out	-	-	-
CHANGE IN NET ASSETS	20,903	(21)	(6)
TOTAL NET ASSETS—BEGINNING	136,757	1,063	6,670
PRIOR PERIOD ADJUSTMENT	(30,912)	-	-
TOTAL NET ASSETS—BEGINNING	<u>105,845</u>	<u>1,063</u>	<u>6,670</u>
AS RESTATED (NOTE II)			
TOTAL NET ASSETS—ENDING	<u>\$ 126,748</u>	<u>\$ 1,042</u>	<u>\$ 6,664</u>

Business-Type Activities

Rotary Funds	Communications Center	Total Nonmajor Enterprise Funds
\$ 8,214	\$ 5,493	\$ 20,783
-	62	62
4	-	195
<u>8,218</u>	<u>5,555</u>	<u>21,040</u>
8,208	4,349	12,677
35	234	871
54	1,092	5,046
5	1,136	8,187
25	296	1,038
<u>8,327</u>	<u>7,107</u>	<u>27,819</u>
<u>(109)</u>	<u>(1,552)</u>	<u>(6,779)</u>
-	-	1
-	-	75
-	-	14
-	-	(1)
-	-	(530)
-	-	(161)
1	(7)	20
<u>1</u>	<u>(7)</u>	<u>(582)</u>
<u>(108)</u>	<u>(1,559)</u>	<u>(7,361)</u>
-	-	26,415
-	1,329	1,484
-	(155)	(155)
(108)	(385)	20,383
2,047	20,211	166,748
-	-	(30,912)
<u>2,047</u>	<u>20,211</u>	<u>135,836</u>
<u>\$ 1,939</u>	<u>\$ 19,826</u>	<u>\$ 156,219</u>

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands)

	<u>Business-Type Activities</u>		
	<u>Riverfront Development</u>	<u>Main Street Parking Garage</u>	<u>Sales Tax Stabilization</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	\$ 6,291	\$ 787	\$ -
Lease Rent Revenue	-	-	-
Cash Payments to Suppliers for Goods and Services	(3,880)	(339)	-
Cash Payments for Personnel Costs	(155)	-	-
Other Operating Revenue	176	-	-
Other Operating Expenses	(1,069)	(25)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,363</u>	<u>423</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Sales and Use Tax	75	-	-
Transfers from Other Funds	-	155	-
Transfers to Other Funds	-	-	-
Negative Cash Balance Implicitly Financed from the General Fund	(1,467)	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(1,392)</u>	<u>155</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Other Revenue	14	-	-
Principal Payments on Long-Term Debt	(770)	(390)	-
Interest Payments on Long-Term Debt	(457)	(284)	-
Fiscal Charges on Long-Term Debt	(116)	-	-
Capital Contributions	28,397	-	-
Acquisition and Construction of Property, Plant and Equipment	(21,941)	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>5,127</u>	<u>(674)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments and Pooled Cash and Investments	-	-	1
Change in Fair Value of Investments	34	(1)	(7)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>34</u>	<u>(1)</u>	<u>(6)</u>
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	5,132	(97)	(6)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,403</u>	<u>534</u>	<u>6,670</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 8,535</u>	<u>\$ 437</u>	<u>\$ 6,664</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (5,234)	\$ 116	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	6,735	311	-
Net Changes in Operating Assets and Liabilities:			
Accounts Receivable	(15)	-	-
Intergovernmental Receivables	-	-	-
Due from Other Funds	-	2	-
Operating Accounts Payable	310	3	-
Accrued Payroll and Other Related Withholdings	5	-	-
Intergovernmental Payable	(398)	(9)	-
Compensated Absences	-	-	-
Due to Other Funds	(41)	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,362</u>	<u>\$ 423</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Equity in Pooled Cash and Investments	\$ 7,833	\$ 437	\$ 6,664
Cash and Cash Equivalents—Segregated Accounts	455	-	-
Restricted Cash and Cash Equivalents Held by Trustees	247	-	-
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 8,535</u>	<u>\$ 437</u>	<u>\$ 6,664</u>

Business-Type Activities		
Rotary Funds	Communications Center	Total Nonmajor Enterprise Funds
\$ 8,580	\$ 5,445	\$ 21,103
-	66	66
(90)	(1,652)	(5,961)
(8,206)	(4,308)	(12,669)
4	-	180
(23)	(261)	(1,378)
<u>265</u>	<u>(710)</u>	<u>1,341</u>
-	-	75
-	1,329	1,484
-	(155)	(155)
-	-	(1,467)
<u>-</u>	<u>1,174</u>	<u>(63)</u>
-	-	14
-	-	(1,160)
-	-	(741)
-	-	(116)
-	-	28,397
-	(1,420)	(23,361)
<u>-</u>	<u>(1,420)</u>	<u>3,033</u>
-	-	1
1	(7)	20
<u>1</u>	<u>(7)</u>	<u>21</u>
266	(963)	4,332
598	2,826	14,031
<u>\$ 864</u>	<u>\$ 1,863</u>	<u>\$ 18,363</u>
\$ (109)	\$ (1,552)	\$ (6,779)
5	1,136	8,187
-	(30)	(45)
366	-	366
-	(1)	1
1	(294)	20
1	(12)	(6)
-	(13)	(420)
1	53	54
-	3	(38)
<u>\$ 265</u>	<u>\$ (710)</u>	<u>\$ 1,340</u>
\$ 864	\$ 1,863	\$ 17,661
-	-	455
-	-	247
<u>\$ 864</u>	<u>\$ 1,863</u>	<u>\$ 18,363</u>

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**COUNTY OF HAMILTON, OHIO
INTERNAL SERVICE FUNDS**

COMBINING FINANCIAL STATEMENTS

The internal service funds are established to account for the financing of goods or services provided by one department of the County to other departments of the County on a cost-reimbursement basis.

Workers' Compensation Reserve	To provide self-insurance to the County through a retrospective rating plan with the State of Ohio for workers' compensation.
Auditor's Computer Center	To account for the financial activity relating to the data processing center.
Multi-County System Agencies	To account for the financial activity of the managed care group involved in treating and caring for foster care children.
Medical Self-Insurance	To account for the financial activity of the County's health-care coverage for its employees.
Workers' Compensation Reserve for Stadiums	To provide the insurance to the labor force constructing Great American Ball Park Baseball Stadium.

**COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2011**

(Amounts in Thousands)

	Governmental Activities				
	Workers' Compensation Reserve	Auditor's Computer Center	Multi-County System Agencies	Medical Self- Insurance	Total Governmental Activities
ASSETS					
Current Assets:					
Equity in Pooled Cash and Investments	\$ 7,695	\$ 1,424	\$ 1,246	\$ 5,657	\$ 16,022
Accounts Receivable	32	-	-	-	32
Due from Other Funds	-	-	-	7	7
Total Current Assets	<u>7,727</u>	<u>1,424</u>	<u>1,246</u>	<u>5,664</u>	<u>16,061</u>
Noncurrent Assets:					
Capital Assets:					
Depreciable Capital Assets, Net:					
Buildings, Structures and Improvements	-	41	-	-	41
Furniture, Fixtures and Equipment	-	625	-	-	625
Less Accumulated Depreciation	-	(575)	-	-	(575)
Total Depreciable Capital Assets, Net	<u>-</u>	<u>91</u>	<u>-</u>	<u>-</u>	<u>91</u>
Total Capital Assets, Net	<u>-</u>	<u>91</u>	<u>-</u>	<u>-</u>	<u>91</u>
Total Noncurrent Assets	<u>-</u>	<u>91</u>	<u>-</u>	<u>-</u>	<u>91</u>
TOTAL ASSETS	<u>7,727</u>	<u>1,515</u>	<u>1,246</u>	<u>5,664</u>	<u>16,152</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	-	5	-	1	6
Accrued Wages and Benefits Payable	1	21	-	-	22
Claims Payable	2,070	-	-	4,939	7,009
Total Current Liabilities	<u>2,071</u>	<u>26</u>	<u>-</u>	<u>4,940</u>	<u>7,037</u>
Noncurrent Liabilities:					
Claims Payable—Net of Current Portion	264	-	-	-	264
Accrued Compensated Absences	-	144	-	-	144
Total Noncurrent Liabilities	<u>264</u>	<u>144</u>	<u>-</u>	<u>-</u>	<u>408</u>
TOTAL LIABILITIES	<u>2,335</u>	<u>170</u>	<u>-</u>	<u>4,940</u>	<u>7,445</u>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	-	91	-	-	91
Unrestricted	5,392	1,254	1,246	724	8,616
TOTAL NET ASSETS	<u>\$ 5,392</u>	<u>\$ 1,345</u>	<u>\$ 1,246</u>	<u>\$ 724</u>	<u>\$ 8,707</u>

Business-Type Activities		
Workers' Compensation Reserve for Stadiums		Totals
\$	2	\$ 16,024
	-	32
	-	7
	<u>2</u>	<u>16,063</u>
	-	41
	-	625
	-	(575)
	-	91
	-	91
	-	91
	<u>2</u>	<u>16,154</u>
	-	6
	-	22
	-	7,009
	-	<u>7,037</u>
	8	272
	-	144
	<u>8</u>	<u>416</u>
	<u>8</u>	<u>7,453</u>
	-	91
	(6)	8,610
\$	<u>(6)</u>	<u>\$ 8,701</u>

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands)

	Governmental Activities				
	Workers' Compensation Reserve	Auditor's Computer Center	Multi-County System Agencies	Medical Self- Insurance	Total Governmental Activities
OPERATING REVENUES					
Charges for Services	\$ 7,270	\$ 1,700	\$ 5,649	\$ 38,587	\$ 53,206
TOTAL OPERATING REVENUES	<u>7,270</u>	<u>1,700</u>	<u>5,649</u>	<u>38,587</u>	<u>53,206</u>
OPERATING EXPENSES					
Personnel Services	65	1,144	-	28	1,237
Purchased Services	1,673	267	6,265	2,583	10,788
Utilities, Fuel and Supplies	-	61	-	-	61
Claims	1,999	-	-	35,128	37,127
Change in Estimate	(4,697)	-	-	-	(4,697)
Depreciation	-	35	-	-	35
Other	-	107	660	-	767
TOTAL OPERATING EXPENSES	<u>(960)</u>	<u>1,614</u>	<u>6,925</u>	<u>37,739</u>	<u>45,318</u>
OPERATING INCOME (LOSS)	8,230	86	(1,276)	848	7,888
NONOPERATING REVENUES					
Interest	-	-	-	5	5
Change in Fair Value of Investments	11	(1)	(7)	8	11
TOTAL NONOPERATING INCOME	<u>11</u>	<u>(1)</u>	<u>(7)</u>	<u>13</u>	<u>16</u>
INCOME (LOSS)	<u>8,241</u>	<u>85</u>	<u>(1,283)</u>	<u>861</u>	<u>7,904</u>
CHANGE IN NET ASSETS	8,241	85	(1,283)	861	7,904
TOTAL NET ASSETS—BEGINNING	<u>(2,849)</u>	<u>1,260</u>	<u>2,529</u>	<u>(137)</u>	<u>803</u>
TOTAL NET ASSETS—ENDING	<u>\$ 5,392</u>	<u>\$ 1,345</u>	<u>\$ 1,246</u>	<u>\$ 724</u>	<u>\$ 8,707</u>

Business-Type Activities		
Workers' Compensation Reserve for Stadiums		Totals
\$ -		\$ 53,206
-		53,206
-		1,237
-		10,788
-		61
6		37,133
-		(4,697)
-		35
-		767
6		45,324
(6)		7,882
-		5
-		11
-		16
(6)		7,898
(6)		7,898
-		803
\$ (6)		\$ 8,701

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands)

	Governmental Activities				
	Workers' Compensation Reserve	Auditor's Computer Center	Multi-County System Agencies	Medical Self- Insurance	Total Governmental Activities
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Interfund Services Provided	\$ 7,237	\$ 1,700	\$ 6,652	\$ 38,604	\$ 54,193
Cash Payments to Suppliers for Goods and Services	(1,673)	(442)	(6,945)	(2,583)	(11,643)
Cash Payments for Claims	(2,013)	-	-	(33,345)	(35,358)
Cash Payments for Personnel Costs	(65)	(1,133)	-	(29)	(1,227)
Other Operating Expenses	-	-	(660)	-	(660)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,486	125	(953)	2,647	5,305
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Property, Plant and Equipment	-	(11)	-	-	(11)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	(11)	-	-	(11)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on Investments	-	-	-	5	5
Change in Fair Value of Investments	11	(1)	(7)	8	11
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	11	(1)	(7)	13	16
Net Increase in Cash and Cash Equivalents	3,497	113	(960)	2,660	5,310
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,198	1,311	2,206	2,997	10,712
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 7,695	\$ 1,424	\$ 1,246	\$ 5,657	\$ 16,022
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 8,230	\$ 86	\$ (1,276)	\$ 848	\$ 7,888
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	-	35	-	-	35
Net Changes in Operating Assets and Liabilities:					
Accounts Receivable	(32)	-	-	1	(31)
Due from Other Funds	-	-	1,003	16	1,019
Accounts Payable	-	(6)	(680)	424	(262)
Decrease in Claims Payable	(4,712)	-	-	-	(4,712)
Accrued Payroll and Related Withholdings	-	10	-	(1)	9
Estimated Future Claims	-	-	-	1,359	1,359
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 3,486	\$ 125	\$ (953)	\$ 2,647	\$ 5,305

Business-Type Activities			
Workers' Compensation Reserve for Stadiums		Totals	
\$	519	\$	54,712
	-		(11,643)
	(517)		(35,875)
	-		(1,227)
	-		(660)
	<u>2</u>		<u>5,307</u>
	-		(11)
	-		(11)
	-		5
	-		11
	-		<u>16</u>
	2		5,312
	-		10,712
\$	<u>2</u>	\$	<u>16,024</u>
\$	(6)	\$	7,882
	-		35
	519		488
	-		1,019
	(519)		(781)
	-		(4,712)
	-		9
	8		1,367
\$	<u>2</u>	\$	<u>5,307</u>

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**COUNTY OF HAMILTON, OHIO
AGENCY FUNDS**

COMBINING FINANCIAL STATEMENTS

The agency funds are established to account for assets received and held by the County acting in the capacity of an agent or custodian.

Undivided Tax

To account for all undivided taxes collected by the County and their distribution to the proper beneficiaries.

Other Agency Funds

To account for payroll taxes and other related payroll deductions collected as custodian. To account for the collection of moneys held by the County agencies outside of the County Treasury.

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2011
(Amounts in Thousands)

	Undivided Taxes	Other Agency	Total
ASSETS			
Equity in Pooled Cash and Investments	\$ 40,535	\$ 21,351	\$ 61,886
Cash and Cash Equivalents—Segregated Accounts	-	29,162	29,162
Real and Other Taxes Receivable	1,237,513	-	1,237,513
TOTAL ASSETS	<u>\$ 1,278,048</u>	<u>\$ 50,513</u>	<u>\$ 1,328,561</u>
LIABILITIES			
Intergovernmental Payable	\$ 40,535	\$ 10,128	\$ 50,663
Future Tax Collections to Be Distributed	1,237,513	-	1,237,513
Other Current Liabilities	-	40,385	40,385
TOTAL LIABILITIES	<u>\$ 1,278,048</u>	<u>\$ 50,513</u>	<u>\$ 1,328,561</u>

COUNTY OF HAMILTON, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

(Amounts in Thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
UNDIVIDED TAXES				
ASSETS				
Equity in Pooled Cash and Investments	\$ 61,196	\$ 2,554,447	\$ 2,575,108	\$ 40,535
Real and Other Taxes Receivable	1,276,635	1,237,513	1,276,635	1,237,513
TOTAL ASSETS	<u>\$ 1,337,831</u>	<u>\$ 3,791,960</u>	<u>\$ 3,851,743</u>	<u>\$ 1,278,048</u>
LIABILITIES				
Intergovernmental Payable	\$ 61,196	\$ 2,554,447	\$ 2,575,108	\$ 40,535
Future Tax Collections to Be Distributed	1,276,635	1,237,513	1,276,635	1,237,513
TOTAL LIABILITIES	<u>\$ 1,337,831</u>	<u>\$ 3,791,960</u>	<u>\$ 3,851,743</u>	<u>\$ 1,278,048</u>
OTHER AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash and Investments	\$ 15,504	\$ 53,589	\$ 47,742	\$ 21,351
Cash and Cash Equivalents—Segregated Accounts	28,930	171,620	171,388	29,162
TOTAL ASSETS	<u>\$ 44,434</u>	<u>\$ 225,209</u>	<u>\$ 219,130</u>	<u>\$ 50,513</u>
LIABILITIES				
Intergovernmental Payable	\$ 8,677	\$ 118,347	\$ 116,896	\$ 10,128
Other Current Liabilities	35,757	106,862	102,234	40,385
TOTAL LIABILITIES	<u>\$ 44,434</u>	<u>\$ 225,209</u>	<u>\$ 219,130</u>	<u>\$ 50,513</u>

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**Statistical
Section**

**The County of
Hamilton, Ohio**

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**COUNTY OF HAMILTON, OHIO
STATISTICAL SECTION**

STATISTICAL SCHEDULES

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

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<p>Financial Trends.....</p> <p style="padding-left: 40px;">These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.</p>	147
<p>Revenue Capacity.....</p> <p style="padding-left: 40px;">These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.</p>	152
<p>Debt Capacity.....</p> <p style="padding-left: 40px;">These schedules represent information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.</p>	158
<p>Demographic and Economic Information.....</p> <p style="padding-left: 40px;">These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.</p>	167
<p>Operating Information.....</p> <p style="padding-left: 40px;">These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.</p>	169

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

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**COUNTY OF HAMILTON, OHIO
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Amounts in Thousands)**

	FISCAL YEAR									
	2002	2003	2004 ⁽¹⁾	2005 ⁽¹⁾	2006 ⁽¹⁾	2007	2008	2009	2010 ⁽²⁾	2011
GOVERNMENTAL ACTIVITIES										
Invested in capital assets, net of related debt	\$ 192,051	\$ 557,463	\$ 521,079	\$ 498,840	\$ 465,681	\$ 452,453	\$ 417,001	\$ 379,653	\$ 350,462	\$ 314,319
Restricted	207,590	206,834	161,926	171,211	192,152	228,753	230,362	283,432	277,409	309,491
Unrestricted	17,459	12,247	510	61	8,442	(4,529)	(5,980)	(4,755)	17,777	25,288
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS	\$ 417,100	\$ 776,544	\$ 683,515	\$ 670,112	\$ 666,275	\$ 676,677	\$ 641,383	\$ 658,330	\$ 645,648	\$ 649,098
BUSINESS-TYPE ACTIVITIES										
Invested in capital assets, net of related debt	\$ 496,643	\$ 528,028	\$ 562,425	\$ 513,763	\$ 522,180	\$ 468,326	\$ 518,371	\$ 506,395	\$ 476,830	\$ 568,377
Restricted	4,565	5,589	4,128	4,543	4,581	5,810	5,234	6,460	8,408	8,008
Unrestricted	236,554	221,749	173,355	223,663	219,627	297,381	267,350	317,285	344,945	306,070
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS	\$ 737,762	\$ 755,366	\$ 739,908	\$ 741,969	\$ 746,388	\$ 771,517	\$ 790,955	\$ 830,140	\$ 830,183	\$ 882,455
PRIMARY GOVERNMENT										
Invested in capital assets, net of related debt	\$ 688,694	\$ 1,085,491	\$ 1,083,504	\$ 1,012,603	\$ 987,861	\$ 920,779	\$ 935,372	\$ 886,048	\$ 827,292	\$ 882,696
Restricted	212,155	212,423	166,054	175,754	196,733	234,563	235,596	289,892	285,817	317,499
Unrestricted	254,013	233,996	173,865	223,724	228,069	292,852	261,370	312,530	362,722	331,358
TOTAL PRIMARY GOVERNMENT NET ASSETS	\$ 1,154,862	\$ 1,531,910	\$ 1,423,423	\$ 1,412,081	\$ 1,412,663	\$ 1,448,194	\$ 1,432,338	\$ 1,488,470	\$ 1,475,831	\$ 1,531,553

Source: Hamilton County Auditor's Finance Department.

⁽¹⁾ Unaudited. Due to the special audit of Hamilton County Job and Family Services, the 2004-2006 financial statement amounts were not audited in full.

Agreed-upon procedures relative to fund balances were performed by the Auditor of State.

⁽²⁾ As restated.

COUNTY OF HAMILTON, OHIO
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Amounts in Thousands)

	FISCAL YEAR									
	2002	2003	2004 ⁽¹⁾	2005 ⁽¹⁾	2006 ⁽¹⁾	2007	2008	2009	2010 ⁽⁵⁾	2011
EXPENSES										
Governmental Activities										
General Government	\$ 68,904	\$ 67,679	\$ 79,355	\$ 90,125	\$ 96,900	\$ 90,623	\$ 93,440	\$ 83,610	\$ 100,171	\$ 97,855
Judicial	112,921	114,395	120,913	121,593	121,663	121,578	118,827	101,347	91,320	88,641
Public Safety	90,065	105,239	102,452	123,107	131,933	123,099	117,497	101,128	101,631	98,943
Social Services	315,605	319,087	299,144	298,921	285,437	351,580	297,627	271,457	167,874	140,044
Health	233,986	233,129	249,589	238,203	249,097	239,911	247,755	252,592	250,968	255,933
Public Works	27,519	60,272	51,355	55,499	50,038	51,020	49,839	43,870	50,330	48,673
Environmental Control	6,462	5,731	6,587	6,321	6,603	5,811	7,479	7,077	6,720	6,508
Economic Development	20,852	25,089	25,994	26,024	18,343	6,068	7,505	6,799	7,527	7,848
Parks and Recreation	6,689	6,345	6,202	8,346	8,695	7,475	7,628	8,446	8,481	7,679
Interest and Fiscal Charges	8,758	8,175	6,832	5,738	5,710	4,960	4,649	4,880	4,689	4,330
Total Governmental Activities Program Expenses	891,761	945,141	948,423	973,877	974,419	1,002,125	952,246	881,206	789,711	756,454
Indirect Expenses Allocation ⁽⁴⁾	3,052	3,078	3,255	5,454	6,181	4,565	11,173	6,849	5,212	4,569
Indirect Expenses Reimbursement ⁽⁴⁾	-	(3,078)	(3,255)	(5,454)	(6,181)	(4,565)	(11,173)	(6,849)	(5,212)	(4,569)
Total Governmental Activities Expenses	894,813	945,141	948,423	973,877	974,419	1,002,125	952,246	881,206	789,711	756,454
Business-Type Activities										
Metropolitan Sewer District	124,452	129,764	143,682	140,037	152,267	155,209	159,071	167,871	194,947	195,257
Paul Brown Stadium ⁽³⁾	45,496	48,826	47,802	48,774	46,954	40,517	41,980	39,836	45,582	44,002
Baseball Stadium ⁽³⁾	478	18,768	25,885	27,076	26,580	26,436	28,071	25,932	29,671	29,198
Cinergy Field ⁽²⁾	4,845	-	-	-	-	-	-	-	-	-
Riverfront Development	2,460	7,646	9,098	10,642	11,475	13,524	11,649	9,771	41,780	12,117
Main Street Parking Garage	1,038	970	1,083	1,011	938	929	900	904	866	960
Rotary Funds	5,372	5,814	6,209	7,224	6,700	7,609	7,715	6,212	7,868	8,327
Communications Center ⁽³⁾	5,058	6,054	6,636	7,180	7,453	6,714	7,183	8,034	7,004	7,107
Workers' Compensation Reserve for Stadiums ⁽³⁾	450	249	661	294	161	167	-	-	-	-
Total Business-Type Activities Expenses	189,649	218,091	241,056	242,238	252,528	251,105	256,569	258,560	327,718	296,968
Total Primary Government Expenses	\$1,084,462	\$1,163,232	\$1,189,479	\$1,216,115	\$1,226,947	\$1,253,230	\$1,208,815	\$1,139,766	\$1,117,429	\$ 1,053,422
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	\$ 52,162	\$ 55,760	\$ 49,569	\$ 55,883	\$ 57,622	\$ 54,450	\$ 51,564	\$ 42,938	\$ 41,937	\$ 43,542
Judicial	36,835	35,099	35,373	39,141	36,089	36,191	37,118	24,723	28,518	28,240
Public Safety	13,496	14,748	13,566	17,252	14,798	14,985	16,944	16,245	16,139	15,365
Social Services	93,576	103,725	78,323	61,541	37,839	63,640	6,554	5,924	5,091	7,422
Health	18,639	18,582	19,142	22,084	27,987	9,507	9,738	6,579	8,188	12,164
Public Works	4,937	6,306	4,562	5,118	4,827	4,982	7,201	4,205	3,858	3,300
Environmental Control	3,462	3,424	3,272	3,390	3,449	3,547	3,722	3,536	3,502	3,278
Economic Development	716	823	601	721	559	417	1,706	(1,332)	43	39
Parks and Recreation	764	932	829	1,164	1,254	67	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	3,180	2,174
Operating Grants and Contributions	323,814	314,352	295,519	370,522	390,553	377,578	358,919	388,627	266,818	262,874
Capital Grants and Contributions	1,968	1,913	4,851	1,857	5,212	8,982	2,000	1,796	3,443	1,098
Total Governmental Activities Program Revenues	550,369	555,664	505,607	578,673	580,189	574,346	495,466	493,241	380,717	379,496

	FISCAL YEAR									
	2002	2003	2004 ⁽¹⁾	2005 ⁽¹⁾	2006 ⁽¹⁾	2007	2008	2009	2010 ⁽⁵⁾	2011
Business-Type Activities										
Charges for Services										
Metropolitan Sewer District	\$ 121,447	\$ 128,579	\$ 145,291	\$ 154,171	\$ 163,647	\$ 176,933	189,069	201,273	217,915	234,905
Paul Brown Stadium	1,097	371	804	837	856	840	672	774	809	832
Baseball Stadium	7	3,104	60	1,061	547	1,171	1,163	980	1,071	1,240
Cinergy Field ⁽²⁾	4,596	-	-	-	-	-	-	-	-	-
Riverfront Development	5,364	7,484	5,596	6,219	6,764	6,481	6,664	5,731	6,493	6,291
Main Street Parking Garage	829	769	930	841	897	870	913	758	722	785
Rotary Funds	5,488	5,991	6,587	6,813	7,222	7,354	7,843	6,238	9,376	8,214
Communications Center	4,243	4,883	4,738	4,693	5,134	4,633	5,518	4,962	5,250	5,555
Workers' Compensation Reserve for Stadiums ⁽³⁾	450	400	622	300	160	167	-	-	-	-
Capital Grants and Contributions	40,607	48,110	29,694	27,633	26,083	21,234	25,075	12,385	23,684	29,751
Total Business-Type Activities Program Revenues	<u>184,128</u>	<u>199,691</u>	<u>194,322</u>	<u>202,568</u>	<u>211,310</u>	<u>219,683</u>	<u>236,917</u>	<u>233,101</u>	<u>265,320</u>	<u>287,573</u>
Total Primary Government Program Revenues	<u>\$ 734,497</u>	<u>\$ 755,355</u>	<u>\$ 699,929</u>	<u>\$ 781,241</u>	<u>\$ 791,499</u>	<u>\$ 794,029</u>	<u>\$ 732,383</u>	<u>\$ 726,342</u>	<u>\$ 646,037</u>	<u>\$ 667,069</u>
NET EXPENSE										
Governmental Activities	\$ (344,444)	\$ (389,477)	\$ (442,816)	\$ (395,204)	\$ (394,230)	\$ (427,779)	\$ (456,780)	\$ (387,965)	\$ (408,994)	\$ (376,958)
Business-Type Activities	(5,521)	(18,400)	(46,734)	(39,670)	(41,218)	(31,422)	(19,652)	(25,459)	(62,398)	(9,395)
Total Primary Government Net Expense	<u>\$ (349,965)</u>	<u>\$ (407,877)</u>	<u>\$ (489,550)</u>	<u>\$ (434,874)</u>	<u>\$ (435,448)</u>	<u>\$ (459,201)</u>	<u>\$ (476,432)</u>	<u>\$ (413,424)</u>	<u>\$ (471,392)</u>	<u>\$ (386,353)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental Activities										
Taxes										
Property Taxes	\$ 237,171	\$ 245,094	\$ 246,486	\$ 258,880	\$ 263,625	\$ 259,345	\$ 248,073	\$ 241,924	\$ 238,961	\$ 236,518
Sales and Use Taxes	60,007	61,104	63,891	63,428	64,701	66,671	64,923	67,072	72,029	75,345
Other Taxes	47,067	45,143	45,899	46,295	46,892	47,735	42,259	44,206	43,606	39,480
Grants and Entitlements not Restricted to Specific Programs	-	-	-	-	-	39,249	51,348	59,590	34,474	23,784
Gifts and Donations	-	-	-	-	-	-	-	-	82	314
Unrestricted Investment Earnings	22,942	14,685	12,952	14,198	20,262	22,676	16,733	8,124	7,277	5,899
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	1,546	98
Other Revenue	-	-	-	-	278	-	-	-	-	299
Transfers	(641)	(198)	(3,872)	(1,000)	(1,500)	847	(1,850)	(16,006)	(1,663)	(1,329)
Total Governmental Activities	<u>366,546</u>	<u>365,828</u>	<u>365,356</u>	<u>381,801</u>	<u>394,258</u>	<u>436,523</u>	<u>421,486</u>	<u>404,910</u>	<u>396,312</u>	<u>380,408</u>
Business-Type Activities										
Sales and Use Taxes	31,456	34,412	35,373	33,524	34,329	42,504	36,609	49,026	50,222	50,518
Unrestricted Investment Earnings	6,074	1,332	4,327	7,207	13,561	16,548	11,046	(391)	6,436	4,736
Other Expenses	(69)	-	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	95	62	-	-	-	-	-	-	126	217
Loss on Sale of Capital Assets	(75)	-	-	-	-	-	-	-	-	-
Other Revenue	130	-	-	-	-	-	12	-	3,994	4,867
Transfers	641	198	3,872	1,000	1,500	(847)	1,850	16,006	1,663	1,329
Total Business-Type Activities	<u>38,252</u>	<u>36,004</u>	<u>43,572</u>	<u>41,731</u>	<u>49,390</u>	<u>58,205</u>	<u>49,517</u>	<u>64,641</u>	<u>62,441</u>	<u>61,667</u>
Total Primary Government	<u>\$ 404,798</u>	<u>\$ 401,832</u>	<u>\$ 408,928</u>	<u>\$ 423,532</u>	<u>\$ 443,648</u>	<u>\$ 494,728</u>	<u>\$ 471,003</u>	<u>\$ 469,551</u>	<u>\$ 458,753</u>	<u>\$ 442,075</u>
CHANGE IN NET ASSETS										
Governmental Activities	\$ 22,102	\$ (23,649)	\$ (77,460)	\$ (13,403)	\$ 28	\$ 8,744	\$ (35,294)	\$ 16,945	\$ (12,682)	\$ 3,450
Business-Type Activities	32,731	17,604	(3,162)	2,061	8,172	26,783	29,865	39,182	43	52,272
Total Primary Government	<u>\$ 54,833</u>	<u>\$ (6,045)</u>	<u>\$ (80,622)</u>	<u>\$ (11,342)</u>	<u>\$ 8,200</u>	<u>\$ 35,527</u>	<u>\$ (5,429)</u>	<u>\$ 56,127</u>	<u>\$ (12,639)</u>	<u>\$ 55,722</u>

Source: Hamilton County Auditor's Finance Department.

⁽¹⁾ Unaudited. Due to the special audit of Hamilton County Job and Family Services, the 2004-2006 financial statement amounts were not audited in full.

Agreed-upon procedures relative to fund balances were performed by the Auditor of State.

⁽²⁾ Cinergy Field was imploded on December 29, 2002, to make room for the then nearly completed Great American Ball Park located immediately next door on the central riverfront.

⁽³⁾ Beginning in 2008, business-type internal service fund activity is consolidated with the activity of the appropriate business-type program.

⁽⁴⁾ Indirect costs increased for the social services function because oversight of building maintenance and other building costs, as well as human resource services, were restructured as part of the general government function and are now charged back to social services as indirect costs.

⁽⁵⁾ As restated.

COUNTY OF HAMILTON, OHIO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 (Amounts in Thousands)

	FISCAL YEAR									
	2002	2003	2004 ⁽¹⁾	2005 ⁽¹⁾	2006 ⁽¹⁾	2007	2008	2009	2010 ⁽²⁾	2011
GENERAL FUND										
Nonspendable	\$ 13,696	\$ 13,232	\$ 9,408	\$ 10,006	\$ 8,975	\$ 8,413	\$ 6,358	\$ 6,010	\$ 6,208	\$ 7,646
Committed	-	-	-	-	-	-	-	-	-	284
Assigned	8,316	7,834	9,552	7,600	10,976	12,640	7,142	9,266	10,248	11,235
Unassigned	79,915	74,438	58,721	63,530	45,797	30,808	32,649	33,207	48,172	56,368
TOTAL GENERAL FUND	<u>\$ 101,927</u>	<u>\$ 95,504</u>	<u>\$ 77,681</u>	<u>\$ 81,136</u>	<u>\$ 65,748</u>	<u>\$ 51,861</u>	<u>\$ 46,149</u>	<u>\$ 48,483</u>	<u>\$ 64,628</u>	<u>\$ 75,533</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ 1,688	\$ 1,881	\$ 2,032	\$ 2,248	\$ 2,406	\$ 2,033	\$ 3,026	\$ 3,671	\$ 2,948	\$ 3,575
Restricted	190,091	190,113	148,051	148,057	138,294	182,098	192,421	203,565	235,680	268,118
Committed	2,945	-	2,884	3,681	8,809	8,809	5,946	5,770	6,042	14,086
Unassigned	(9,141)	(5,479)	(10,801)	(11,686)	(12,820)	(16,491)	(10,391)	(9,810)	(7,553)	(12,193)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 185,583</u>	<u>\$ 186,515</u>	<u>\$ 142,166</u>	<u>\$ 142,300</u>	<u>\$ 136,689</u>	<u>\$ 176,449</u>	<u>\$ 191,002</u>	<u>\$ 203,196</u>	<u>\$ 237,117</u>	<u>\$ 273,586</u>

Source: Hamilton County Auditor's Finance Department.

⁽¹⁾ Unaudited. Due to the special audit of Hamilton County Job and Family Services, the 2004-2006 financial statement amounts were not audited in full.

Agreed-upon procedures relative to fund balances were performed by the Auditor of State.

⁽²⁾ As restated.

COUNTY OF HAMILTON, OHIO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Amounts in Thousands)

	FISCAL YEAR									
	2002	2003	2004 ⁽¹⁾	2005 ⁽¹⁾	2006 ⁽¹⁾	2007	2008	2009	2010 ⁽³⁾	2011
REVENUES										
Property Taxes and Assessments	\$ 237,171	\$ 245,094	\$ 244,761	\$ 258,873	\$ 262,442	\$ 256,338	\$ 248,088	\$ 240,272	\$ 235,018	\$ 239,045
Sales and Use Tax	60,007	61,104	63,891	63,428	64,701	66,671	64,923	67,072	72,029	75,345
State Shared Taxes	46,109	45,143	45,899	45,894	46,892	47,735	42,350	44,547	43,606	39,480
Charges for Services	150,719	167,323	140,052	134,880	105,840	140,506	84,229	67,139	64,735	68,331
Licenses and Permits	5,691	5,820	6,157	5,679	5,249	6,124	4,995	4,949	6,407	7,037
Fines and Forfeitures	10,318	11,719	11,130	12,065	12,057	13,336	13,658	12,748	14,506	13,402
Intergovernmental	350,207	341,445	327,881	391,115	397,862	421,612	422,222	409,901	348,584	301,778
Investment Earnings	24,197	13,104	12,805	12,083	21,919	26,498	19,701	6,906	7,245	5,883
Other	28,456	27,987	21,566	28,248	30,546	26,447	27,966	21,243	27,205	32,906
TOTAL REVENUES	912,875	918,739	874,142	952,265	947,508	1,005,267	928,132	874,777	819,335	783,207
EXPENDITURES										
Current:										
General Government	56,465	57,062	61,707	61,087	82,703	72,074	69,956	63,451	74,294	76,461
Judicial	111,739	114,561	120,279	121,479	121,974	121,535	118,073	100,058	93,168	90,909
Public Safety	89,680	99,528	101,805	122,068	130,385	121,060	114,554	97,363	100,538	100,813
Social Services	316,232	320,475	300,774	301,568	288,547	352,722	307,296	279,070	175,546	150,843
Health	233,948	234,699	249,790	238,833	249,324	240,811	247,499	251,313	252,088	255,974
Public Works	30,426	34,802	35,399	38,582	39,356	34,056	29,118	26,313	32,903	24,984
Environmental Control	6,615	6,903	6,751	6,825	7,239	6,028	7,715	7,246	7,114	7,109
Economic Development	21,008	25,282	26,047	26,340	18,886	6,175	7,527	6,963	7,534	7,945
Parks and Recreation	6,828	6,482	6,307	8,597	8,927	7,604	7,638	8,455	8,470	7,925
Capital Outlay	11,010	4,658	2,209	4,098	625	2,083	326	699	378	1,480
Debt Service:										
Principal Retirement	11,540	11,820	17,430	12,715	30,785	12,779	12,419	13,485	11,419	11,651
Interest and Fiscal Charges	8,809	8,220	7,148	5,786	5,650	5,030	4,489	4,951	4,541	4,197
TOTAL EXPENDITURES	904,300	924,492	935,646	947,978	984,401	981,957	926,610	859,367	767,993	740,291
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,575	(5,753)	(61,504)	4,287	(36,893)	23,310	1,522	15,410	51,342	42,916
OTHER FINANCING SOURCES (USES)										
Transfers In	28,429	35,030	45,551	20,136	44,992	28,311	28,906	21,429	24,449	15,185
Transfers Out	(29,070)	(35,228)	(47,833)	(21,136)	(46,492)	(27,464)	(30,756)	(37,435)	(26,112)	(16,514)
Proceeds of Refunding Bonds	-	-	42,130	28,715	-	18,130	-	-	-	-
Premium on Bonds Issued	-	-	951	1,482	202	193	112	249	-	-
Payment to Refunded Bonds Escrow Agent	-	-	(42,092)	(30,005)	-	(18,104)	-	-	-	-
Net Proceeds from Sale of Bonds	295	460	625	110	20,321	1,775	9,057	14,875	387	5,787
Other	-	-	-	-	278	(278)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES), NET	(346)	262	(668)	(698)	19,301	2,563	7,319	(882)	(1,276)	4,458
NET CHANGE IN FUND BALANCES	\$ 8,229	\$ (5,491)	\$ (62,172)	\$ 3,589	\$ (17,592)	\$ 25,873	\$ 8,841	\$ 14,528	\$ 50,066	\$ 47,374
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	2.3%	2.2%	2.7%	2.0%	3.8%	1.8%	1.8%	2.2%	2.1%	2.2%

Source: Hamilton County Auditor's Finance Department.

⁽¹⁾ Unaudited. Due to the special audit of Hamilton County Job and Family Services, the 2004-2006 financial statement amounts were not audited in full.

Agreed-upon procedures relative to fund balances were performed by the Auditor of State.

⁽²⁾ Information not available.

⁽³⁾ As restated.

**COUNTY OF HAMILTON, OHIO
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
 OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

(Amounts in Thousands)

Tax Year/ Collection Year	ASSESSED VALUES									Total Direct Tax Rate	Estimated Actual Taxable Value ⁽²⁾⁽³⁾	Assessed Value as a Percentage of Actual Value ⁽¹⁾
	REAL PROPERTY					PERSONAL PROPERTY			TOTAL			
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Public Utility Property	Tangible Property ⁽³⁾	Public Utility Property	Tax Exempt Property	Taxable Assessed Value ⁽¹⁾			
2001/2002	\$ 10,124,753	\$ 3,511,724	\$ 802,633	\$ 33,489	\$ 16,435	\$ 2,054,198	\$ 718,507	\$ 2,916,247	\$ 17,261,738	20.44	\$ 51,051,043	33.81%
2002/2003	11,350,856	3,829,020	856,460	37,706	14,656	1,712,460	743,825	3,130,002	18,544,983	20.84	54,590,609	33.97%
2003/2004	11,423,713	3,882,535	869,278	37,852	4,137	1,750,930	755,400	3,258,651	18,723,845	20.48	55,459,296	33.76%
2004/2005	11,543,391	3,761,655	872,915	38,513	4,162	1,698,978	757,438	3,495,870	18,677,051	20.03	55,246,408	33.81%
2005/2006	13,854,166	4,019,879	923,584	62,487	4,068	1,299,884	750,971	3,914,217	20,915,039	19.78	62,332,325	33.55%
2006/2007	13,921,087	4,017,471	922,763	60,717	4,019	1,002,703	718,505	4,245,482	20,647,265	19.15	63,101,926	32.72%
2007/2008	14,019,425	4,015,680	938,633	59,606	4,176	519,895	604,816	4,553,994	20,162,231	19.53	63,007,426	32.00%
2008/2009	14,206,751	4,300,440	990,862	59,429	7,148	61,888	608,626	4,760,067	20,235,144	19.60	57,734,995	35.05%
2009/2010	14,216,289	4,258,435	998,345	52,560	8,003	34,201	650,513	4,934,617	20,218,346	19.45	57,795,426	34.98%
2010/2011	14,158,842	4,074,153	989,564	53,209	8,000	-	683,436	5,088,595	19,967,204	19.45	56,463,352	35.36%

Source: Hamilton County Auditor's Finance Department.

Note: Property in Hamilton County is reassessed every six years. In Ohio, taxable assessed value is 35% of appraised market value. Estimated actual value is calculated by dividing assessed value by that percent. Tax rates are per \$1,000 of assessed valuation. According to Ohio law, tax exempt property is classified separately and is not included in residential, commercial or industrial properties until it is no longer exempt and its use is determined at a

⁽¹⁾Excludes tax-exempt property.

⁽²⁾Beginning in tax year 2006, values for telecommunication companies were reclassified from the Public Utility property class to the General Tangible Personal property class.

Beginning in tax year 2002, percentages for valuing estimated actual value of Tangible Personal properties vary by class and type.

Beginning in tax year 1990, percentages for valuing estimated actual value of Public Utility properties vary by class, type and age.

⁽³⁾The tangible personal property tax has been phased out for 2009 for all filers except telephone and inter-exchange telecommunications companies, or entities leasing property to these companies.

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COUNTY OF HAMILTON, OHIO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)

	TAX YEAR/COLLECTION YEAR									
	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
HAMILTON COUNTY DIRECT RATES:										
General Operating	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26
Debt (Bond Retirement)	0.16	0.15	0.15	0.15	0.14	0.13	0.13	0.14	-	-
Drake Hospital	1.59	1.59	1.59	0.84	0.84	0.84	0.84	0.84	-	-
For University of Cincinnati Hospital	5.39	5.39	5.39	5.39	5.32	4.49	4.49	4.49	4.49	4.49
For County Police Information Center	0.83	0.83	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54
For Developmental Disabilities Board	3.53	3.53	3.53	3.62	3.62	3.62	3.62	3.62	4.13	4.13
For Community Mental Health	2.47	2.74	2.74	2.74	2.74	2.74	2.99	2.99	2.99	2.99
For Support of Children Services	2.77	2.77	2.72	2.73	2.56	2.77	2.77	2.77	2.77	2.77
For Recreation/Zoological Purposes	0.42	0.42	0.40	0.40	0.40	0.40	0.40	0.46	0.46	0.46
For Senior Services	1.02	1.16	1.16	1.16	1.16	1.16	1.29	1.29	1.29	1.29
For Family Treatment & Services									0.34	0.34
For Museum Center ⁽¹⁾	-	-	-	0.20	0.20	0.20	0.20	0.20	0.18	0.18
Total Direct Rate	20.44	20.84	20.48	20.03	19.78	19.15	19.53	19.60	19.45	19.45
TOWNSHIP RATES⁽²⁾:										
Anderson	11.87	11.87	11.87	11.87	11.87	11.87	11.87	14.57	14.57	14.57
Anderson Township Park District	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28
Colerain	15.18	16.18	16.18	16.18	16.18	16.18	17.33	17.33	17.33	18.26
Columbia	17.96	17.96	21.26	21.26	21.26	14.76	14.76	14.76	14.76	14.76
Crosby	9.24	9.24	9.24	9.24	9.24	9.24	10.24	10.24	10.24	10.24
Delhi	19.46	19.46	20.46	20.46	26.34	26.34	26.34	26.34	26.34	26.34
Delhi Township Park District	1.00	1.00	-	-	-	-	-	-	-	-
Green	8.31	8.31	8.31	8.31	9.81	9.81	9.81	11.71	11.71	11.71
Harrison	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74	5.24
Miami	7.45	9.91	9.91	9.45	9.45	9.91	9.91	9.91	9.91	9.91
Springfield	20.30	20.30	20.30	20.30	20.30	20.30	20.30	20.30	22.80	22.80
Sycamore	7.75	7.75	7.75	7.75	7.75	8.75	8.75	8.75	8.75	8.75
Symmnes	11.75	13.45	13.45	12.80	11.90	12.80	13.70	13.70	13.50	14.50
Whitewater	10.84	11.44	11.44	11.44	11.44	11.44	11.44	11.44	11.44	11.44
SCHOOL DISTRICT RATES⁽²⁾:										
Cincinnati	57.15	56.25	60.75	60.83	59.77	59.37	59.67	67.95	67.87	68.54
Deer Park	70.00	70.00	70.00	70.00	78.63	78.63	78.63	78.63	78.63	78.63
Finneytown	80.34	80.34	79.98	87.72	87.03	86.69	86.67	86.92	86.96	94.90
Forest Hills	50.97	55.87	55.87	55.84	55.66	61.36	61.46	61.65	61.65	61.65
Indian Hill	47.10	47.10	46.70	46.54	46.52	45.42	45.42	46.32	45.82	45.72
Lockland	37.69	37.09	52.69	52.69	52.69	52.09	51.59	51.59	50.79	48.59
Loveland	70.14	70.14	69.89	74.88	74.88	74.74	74.24	74.24	74.24	74.24
Madeira	80.04	79.47	79.47	86.34	85.67	94.77	94.77	95.39	94.02	94.02
Mariemont	85.67	85.42	90.85	90.78	90.57	90.37	97.87	97.87	97.72	106.47
Milford	63.20	63.20	69.10	69.10	69.10	69.10	69.10	74.60	74.60	74.60
Mt. Healthy	61.71	61.63	68.51	68.45	68.41	68.30	74.24	75.03	74.95	74.93
North College Hill	57.47	57.47	57.47	57.47	61.37	61.37	65.36	66.05	65.97	66.00
Northwest	49.80	49.64	49.64	49.64	49.64	49.50	53.39	53.56	53.57	53.60
Norwood	52.95	49.90	50.96	51.08	48.75	48.77	49.40	48.17	49.23	49.11
Oak Hills	46.97	46.74	46.68	46.68	46.68	46.35	46.35	45.90	45.83	45.80
Princeton	46.19	45.79	49.03	49.03	49.03	49.03	49.03	48.99	48.99	50.48
Reading	57.18	57.18	57.18	64.08	64.08	64.08	64.08	64.08	69.79	69.90
St. Bernard	43.86	43.07	44.24	44.63	40.73	46.93	49.17	53.20	52.87	53.01
Southwest	47.75	47.44	47.25	47.08	46.68	45.30	45.30	45.14	44.98	44.68
Sycamore	60.84	60.49	60.40	65.90	65.80	65.79	65.79	65.77	65.77	66.38
Three Rivers	39.95	39.95	39.95	39.95	44.90	44.90	44.90	44.90	44.90	49.87
Winton Woods	70.08	70.08	70.08	78.03	78.03	78.03	78.03	78.03	85.93	86.03
Wyoming	70.29	70.08	78.93	78.93	88.68	87.91	87.87	87.87	87.84	87.84
Great Oaks Joint Vocational	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Butler Tech Joint Vocational									1.93	1.93

**COUNTY OF HAMILTON, OHIO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)**

	TAX YEAR/COLLECTION YEAR									
	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
CITY & VILLAGE RATES⁽¹⁾:										
Addyston	5.59	5.59	5.59	7.59	7.59	7.59	7.59	7.59	7.59	7.59
Amberley	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Arlington Heights	10.82	9.52	9.52	9.52	9.52	11.52	11.52	11.52	11.52	11.52
Blue Ash	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Cheviot	12.56	12.42	12.42	12.22	14.52	14.52	14.52	14.52	20.13	20.13
Cincinnati	10.76	10.63	10.36	10.34	10.19	9.93	9.89	9.89	9.82	10.07
Cleves	13.66	13.66	13.66	13.66	13.33	12.99	12.99	12.99	12.99	6.99
Deer Park	3.55	3.55	3.55	3.55	3.55	3.55	10.45	10.45	10.45	10.45
Elmwood Place	17.78	17.78	17.78	7.78	17.78	17.78	17.78	17.78	17.78	17.78
Evendale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fairfax	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76
Fairfield	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94
Forest Park	12.76	12.76	12.76	12.76	12.76	12.76	12.76	12.76	12.76	12.76
Glendale	21.55	22.61	22.23	21.83	21.39	21.18	21.03	20.08	20.08	20.08
Golf Manor	24.52	24.52	24.52	24.52	30.52	38.52	38.52	38.52	38.52	38.52
Greenhills	25.93	27.98	27.33	28.72	28.63	28.23	28.23	27.88	27.83	32.73
Harrison	13.00	13.00	13.00	13.00	13.00	13.00	13.00	11.19	14.50	14.50
Indian Hill	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Lincoln Heights	24.58	26.33	26.33	26.33	28.33	28.33	35.33	35.33	35.33	39.33
Lockland	6.02	6.02	6.02	6.02	6.02	7.52	7.52	7.52	7.52	7.52
Loveland	12.00	12.00	12.00	11.00	12.00	10.35	10.35	10.35	10.35	10.35
Madeira	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Mariemont	12.44	12.44	14.37	14.37	14.37	14.37	14.37	14.37	14.37	14.37
Milford	12.00	12.00	12.00	12.00	12.00	11.80	11.80	11.80	11.80	11.80
Montgomery	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05
Mt. Healthy	8.11	8.11	8.11	11.11	11.11	11.11	11.11	11.11	11.11	11.11
Newtown	6.87	10.37	10.37	7.87	5.87	2.37	2.37	2.37	2.37	2.37
North Bend	10.09	10.09	10.09	10.09	10.09	10.09	10.09	10.09	10.09	10.09
North College Hill	7.98	7.98	7.98	7.98	7.98	7.98	7.98	7.98	7.98	7.98
Norwood	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40
Reading	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52
St. Bernard	2.28	2.28	2.28	4.28	11.28	11.28	11.28	11.28	11.28	11.28
Sharonville	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Silverton	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15
Springdale	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Terrace Park	14.86	14.86	14.86	19.84	19.78	11.80	11.67	12.09	8.59	11.34
Woodlawn	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08
Wyoming	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
SPECIAL DISTRICT RATES⁽¹⁾:										
Deer Park/Silverton Joint Fire District	6.50	6.50	6.50	6.50	6.50	6.40	6.40	6.40	6.40	6.40
Eastern Joint Ambulance District	3.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Little Miami Joint Fire District	2.50	2.50	2.50	2.50	2.50	9.75	9.75	9.75	12.05	12.05
Western Joint Ambulance District	1.25	1.25	1.25	1.25	1.25	2.25	2.25	2.25	2.25	2.25
Hamilton County Park District	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Public Library of Cincinnati & Hamilton County									1.00	1.00

Source: Hamilton County Auditor's Finance Department—Tax Year Data.

- Note: (1) The Ohio Constitution permits local governments, as a group within a taxing district, to levy up to 10 mills without a vote of the electorate. These levies, collectively called inside millage levies because they fall within the 10-mill limit, are also known as unvoted levies. The allocation of inside millage between entities is set by statute.
- (2) The County's special revenue levy property tax rates may be increased only by a majority vote of the County's residents.
- (3) The bond retirement rate is adjusted annually to meet the principal and interest payments required each year.
- (4) A state-mandated County-wide property reappraisal was implemented in 2005.

⁽¹⁾Overlapping rates are those of local governments that apply to property owners within Hamilton County. Not all overlapping rates apply to all Hamilton County property owners.

**COUNTY OF HAMILTON, OHIO
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2011**

(Amounts in Thousands)

Name of Taxpayer	COLLECTION YEAR 2011			COLLECTION YEAR 2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Ohio, Inc. (formerly Cinergy Corp.)	\$622,632	1	3.12%	\$490,138	1	2.84%
City of Cincinnati	105,712	2	0.53%	55,776	6	0.32%
Procter & Gamble	84,343	3	0.42%	250,523	2	1.45%
Duke Realty Ohio	33,974	4	0.17%	55,553	7	0.32%
4600 Smith Road Holdings	29,827	5	0.15%	—		—
Emery Realty Inc.	29,264	6	0.15%	—		—
Fifth Third Bank	25,599	7	0.13%	—		—
Dayton Power & Light	25,571	8	0.13%	—		—
OTR	24,150	9	0.12%	—		—
Tri County Mall LLC	22,525	10	0.11%	—		—
Cincinnati Bell Telephone	—		—	164,627	3	0.95%
Ford Motor Company	—		—	72,083	4	0.42%
General Electric	—		—	61,232	5	0.35%
Cognis Corporation	—		—	54,116	8	0.31%
Concordia Properties	—		—	52,569	9	0.30%
Kroger Company	—		—	42,247	10	0.24%
Totals	\$1,003,597		5.03%	\$1,298,864		7.50%

Source: Hamilton County Auditor's Office.

**COUNTY OF HAMILTON, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
REAL, UTILITY AND TANGIBLE TAXES
LAST TEN YEARS
(Amounts not in 000s)**

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Current Levy Collected	Delinquent Collection	Total Collection	Total Collections as a Percent of Current Levy
2001/2002	\$ 267,344,070	\$ 19,860,313	\$ 287,204,383	\$ 256,462,254	95.93%	\$ 9,852,828	\$ 266,315,082	99.62%
2002/2003	276,021,171	22,495,097	298,516,268	263,874,726	95.60%	10,000,935	273,875,661	99.22%
2003/2004	273,222,115	32,541,628	305,763,743	258,444,557	94.59%	12,981,829	271,426,386	99.34%
2004/2005	288,178,852	28,464,904	316,643,756	273,199,691	94.80%	13,903,872	287,103,563	99.63%
2005/2006	282,849,186	28,038,048	310,887,234	268,658,332	94.98%	14,813,792	283,472,124	100.22%
2006/2007	275,879,899	31,265,406	307,145,305	259,830,004	94.18%	17,578,853	277,408,857	100.55%
2007/2008	272,851,350	28,852,892	301,704,242	259,904,717	95.26%	13,535,836	273,440,553	100.22%
2008/2009	268,405,061	24,986,543	293,391,604	255,494,652	95.19%	11,893,488	267,388,140	99.62%
2009/2010	268,360,431	23,906,442	292,266,873	250,349,774	93.29%	9,796,207	260,145,981	96.94%
2010/2011	269,901,539	23,031,728	292,933,267	256,290,793	94.96%	11,297,992	267,588,785	99.14%
Totals	\$ 2,743,013,674	\$ 263,443,001	\$ 3,006,456,675	\$ 2,602,509,500		\$ 125,655,632	\$ 2,728,165,132	

Source: Hamilton County Auditor's Finance Department.

Includes the rollback, homestead and \$10K personal property reimbursements from the State of Ohio.

Note: Collections in subsequent years for property taxes are not available because the tax tracking system does not differentiate between tax years.

**COUNTY OF HAMILTON, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

(Amounts in Thousands, Except Per Capita Amount)

Fiscal Year	GOVERNMENTAL ACTIVITIES						BUSINESS-TYPE ACTIVITIES						Total Primary Government	Percentage of Personal Income ⁽¹⁾⁽²⁾	Per Capita ⁽¹⁾
	General Obligation Bonds Voted	General Obligation Bonds Unvoted	Special Assessment Bonds	General Obligation Notes	Loan Contracts	State Loans	Metropolitan Sewer District Revenue Bonds	Parking Facility Revenue Bonds	Sales Tax Bonds	Parking Facility General Obligation Bonds	Metropolitan Sewer District Loans	Riverfront Development State Loans			
2002	\$ 17,360	\$ 126,770	\$ 3,605	\$ 19,490	\$ 5,601	\$ -	\$ 420,885	\$ 24,500	\$ 621,097	\$ 9,380	\$ 17,953	\$ -	\$ 1,266,641	4.12%	\$ 1,493
2003	15,110	117,450	3,805	19,490	5,381	-	490,975	24,020	616,222	9,120	17,735	-	1,319,308	4.19%	1,557
2004	12,790	104,280	4,160	19,490	5,535	-	472,985	23,510	610,122	8,855	23,850	-	1,285,577	3.88%	1,518
2005	10,400	94,790	3,970	19,490	5,353	1,619	536,335	22,970	606,122	8,580	28,503	-	1,338,132	3.95%	1,580
2006	7,930	106,475	3,781	-	5,221	1,359	596,250	22,395	590,802	8,290	29,344	-	1,371,847	3.82%	1,618
2007	5,380	97,990	4,252	-	6,465	3,225	642,570	21,785	581,712	8,265	27,717	-	1,399,361	3.80%	1,635
2008	2,740	97,320	4,200	-	4,791	3,543	613,745	21,140	571,737	7,920	46,170	-	1,373,306	3.66%	1,609
2009	-	101,050	4,600	-	4,661	3,144	733,325	20,455	560,922	7,560	44,718	17,160	1,497,595	4.13%	1,751
2010	-	89,995	4,623	-	4,468	2,607	787,100	19,730	558,782	7,190	93,817	17,160	1,585,472	4.31%	1,976
2011	-	84,187	4,567	-	3,954	2,237	753,580	18,960	558,506	6,800	131,546	17,160	1,581,497	4.21%	1,976

Source: Hamilton County Auditor's Finance Department.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾See the Schedule of Demographic and Economic Statistics on page 167 for personal income and population data.

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**COUNTY OF HAMILTON, OHIO
LEGAL DEBT MARGIN INFORMATION—TOTAL DEBT LIMIT
LAST TEN FISCAL YEARS**

(Amounts in Thousands)

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limitation of Assessed Valuation	\$ 430,052	\$ 462,125	\$ 466,596	\$ 465,426	\$ 521,376	\$ 514,682	\$ 502,556	\$ 504,379	\$ 503,958	\$ 497,680
Total Net Debt Applicable to Debt Limitation	<u>124,458</u>	<u>117,956</u>	<u>105,615</u>	<u>78,554</u>	<u>93,289</u>	<u>85,365</u>	<u>84,827</u>	<u>88,756</u>	<u>80,541</u>	<u>71,538</u>
Legal Debt Margin Remaining	<u>\$ 305,594</u>	<u>\$ 344,169</u>	<u>\$ 360,981</u>	<u>\$ 386,872</u>	<u>\$ 428,087</u>	<u>\$ 429,317</u>	<u>\$ 417,729</u>	<u>\$ 415,623</u>	<u>\$ 423,417</u>	<u>\$ 426,142</u>
Total Net Debt Applicable to Debt Limitation as a Percentage of Debt Limitation	28.94%	25.52%	22.64%	16.88%	17.89%	16.59%	16.88%	17.60%	15.98%	14.37%

Legal Debt Margin Calculation for Fiscal Year 2011—Total Debt Limit

Assessed Valuation	\$19,967,204
Debt Limitation of Assessed Valuation⁽¹⁾	497,680
Debt Applicable to Limit: Outstanding Debt	1,563,622
Less: Debt Exempt from Calculation	
Metropolitan Sewer District Bonds	753,580
Metropolitan Sewer District Loans	131,546
Special Assessments	4,567
Juvenile Youth Center	3,145
Waterline West Phase I	1,245
Alms & Doepke Building	5,698
Waterline West Phase II	990
Sales Tax Supported Bonds	558,506
Parking Garage Revenue Bond	18,960
Urban Redevelopment	<u>5,475</u>
Total Debt Exempt from Calculation	1,483,712
Less: Available Funds in Debt Service Funds as of December 31, 2011	<u>(8,372)</u>
Total Net Debt Applicable to Debt Limitation	<u>71,538</u>
Legal Debt Margin Remaining	<u>\$ 426,142</u>

Source: Hamilton County Auditor's Finance Department.

⁽¹⁾The debt limitation is a total of a sum equal to the following:

three percent (3%) of the first \$100,000,000 of the assessed valuation,	\$ 3,000
plus one and a half percent (1.5%) of such valuation of \$100,000,000 and not in excess of \$300,000,000,	3,000
plus two and a half percent (2.5%) of such valuation in excess of \$300,000,000.	<u>491,680</u>
	<u>\$ 497,680</u>

COUNTY OF HAMILTON, OHIO
LEGAL DEBT MARGIN INFORMATION—UNVOTED DEBT LIMIT
LAST TEN FISCAL YEARS

(Amounts in Thousands)

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limitation of Assessed Valuation	\$ 172,621	\$ 185,450	\$ 187,238	\$ 186,771	\$ 209,150	\$ 206,473	\$ 201,622	\$ 202,351	\$ 202,183	\$ 199,672
Total Net Debt Applicable to Debt Limitation	107,098	102,846	92,825	68,154	84,359	79,985	82,087	88,756	80,541	71,538
Legal Debt Margin Remaining	<u>\$ 65,523</u>	<u>\$ 82,604</u>	<u>\$ 94,413</u>	<u>\$ 118,617</u>	<u>\$ 124,791</u>	<u>\$ 126,488</u>	<u>\$ 119,535</u>	<u>\$ 113,595</u>	<u>\$ 121,642</u>	<u>\$ 128,134</u>
Total Net Debt Applicable to Debt Limitation as a Percentage of Debt Limitation	62.04%	55.46%	49.58%	36.49%	40.33%	38.74%	40.71%	43.86%	39.84%	35.83%

Legal Debt Margin Calculation for Fiscal Year 2011—Unvoted Debt Limit

Assessed Valuation	\$ 19,967,204
Debt Limitation of Assessed Valuation⁽¹⁾	199,672
Debt Applicable to Limit:	
Outstanding Debt	1,563,622
Less: Debt Exempt from Calculation	
Metropolitan Sewer District Bonds	753,580
Metropolitan Sewer District Loans	131,546
Special Assessments	4,567
Juvenile Youth Center	3,145
Waterline West Phase I	1,245
Alms & Doepke Building	5,698
Waterline West Phase II	990
Sales Tax Supported Bonds	558,506
Parking Garage Revenue Bond	18,960
Urban Redevelopment	5,475
Total Debt Exempt from Calculation	<u>1,483,712</u>
Less: Available Funds in Debt Service Funds as of December 31, 2011	<u>(8,372)</u>
Total Net Debt Applicable to Debt Limitation	<u>71,538</u>
Legal Debt Margin Remaining	<u>\$ 128,134</u>

Source: Hamilton County Auditor's Finance Department.

⁽¹⁾The debt limitation is one percent of the total assessed valuation: \$ 199,672

COUNTY OF HAMILTON, OHIO
PLEGGED REVENUE COVERAGE—METROPOLITAN SEWER DISTRICT
LAST TEN FISCAL YEARS

(Amounts in Thousands)

SEWER REVENUE BONDS

Fiscal Year	Sewerage Charges and Other	Less: Operating Expenses	Revenues Transferred to Surplus ⁽¹⁾	Net Revenue Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2002	\$ 130,997	\$ 75,436	\$ 3,186	\$ 58,747	\$ 15,920	\$ 22,951	1.51
2003	138,388	79,995	4,612	63,005	16,930	24,235	1.53
2004	154,440	87,670	8,710	75,480	17,480	24,531	1.80
2005	166,749	88,115	11,241	89,875	20,285	22,938	2.08
2006	181,167	97,005	9,049	93,211	23,130	26,218	1.89
2007	197,583	103,531	10,438	104,490	26,065	29,119	1.89
2008	202,406	101,033	15,716	117,089	28,825	31,037	1.96
2009	209,073	103,825	18,100	123,348	30,235	31,391	2.00
2010	227,040	120,368	18,418	125,090	31,845	37,546	1.80
2011	244,254	111,823	31,090	163,521	33,520	40,635	2.21

Source: Audited MSD financial reports.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements. Sewerage Charges and Other includes sewerage service charges, sewer surcharges, all other operating revenues, interest income, capitalized interest income and tap-in/connection fees. Operating expenses do not include interest, depreciation or amortization expenses.

⁽¹⁾Half of pledged revenues are transferred to a surplus account.

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**COUNTY OF HAMILTON, OHIO
PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

(Amounts in Thousands)

ADJUSTABLE RATE PARKING SYSTEM REVENUE BONDS						
Fiscal Year	Parking Service Charges and Other⁽¹⁾	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal⁽²⁾	Interest	
2002	\$ 5,650	\$ 1,592	\$ 4,058	\$ -	\$ 338	12.01
2003	5,021	3,416	1,605	480	260	2.17
2004	5,596	3,603	1,993	510	285	2.51
2005	6,219	4,307	1,912	540	550	1.75
2006	6,764	4,372	2,392	575	855	1.67
2007	6,481	4,503	1,978	610	816	1.39
2008	6,664	4,299	2,365	645	474	2.11
2009 ⁽³⁾⁽⁴⁾	5,731	3,641	2,090	685	93	2.69
2010	6,612	4,680	1,932	725	49	2.50
2011	6,482	4,667	1,815	770	36	2.25

Source: Audited Hamilton County financial statements.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾Parking Service Charges and Other includes charges for services and sales and use tax revenues.

Operating Expenses do not include interest, depreciation or amortization expenses.

⁽²⁾2002 was the first full year of operations for the parking garage and the first year of debt service requirements.

No principal payments were scheduled in this period.

⁽³⁾In May 2009, the County obtained a loan from the State of Ohio in the amount of \$11,685 for construction of an intermodal transit facility. The loan is secured by parking revenues, sales tax receipts, and by other non-tax revenues of the County on a contingent basis. The loan will be repaid in 2012–2019. Loan interest rates range from 3.00% to 4.25%.

⁽⁴⁾In October 2009, the County secured a loan for \$5,475 from the State of Ohio for riverfront development. The loan is secured by shared TIF (Tax Increment Financing) revenues of the County and the City of Cincinnati. The loan will be repaid in 2015–2024. Loan interest rates are 0% for the first five years and 3% thereafter.

SPECIAL ASSESSMENT BONDS

SALES TAX BONDS⁽⁵⁾

Special Assessment Collections	Debt Service		Coverage	Sales Tax Collections ⁽⁵⁾	Paul Brown Stadium Debt Service		Baseball Stadium Debt Service		Coverage
	Principal	Interest			Principal ⁽⁶⁾⁽⁸⁾	Interest	Principal ⁽⁷⁾	Interest	
\$ 411	\$ 240	\$ 202	0.93	\$ 60,298	\$ 2,010	\$ 16,673	\$ -	\$ -	3.23
456	250	201	1.01	60,385	1,273	16,591	3,602	4,893	2.29
501	285	210	1.01	63,435	2,021	18,793	4,079	10,794	1.78
481	300	217	0.93	64,030	1,325	18,691	2,675	10,589	1.92
491	265	201	1.05	64,022	1,698	18,631	3,427	10,468	1.87
468	279	191	1.00	66,232	2,567	17,243	6,523	9,063	1.87
485	314	217	0.91	65,381	2,955	17,522	7,019	9,002	1.79
467	310	216	0.89	60,630	3,219	17,372	7,595	8,659	1.65
512	364	225	0.87	62,172	2,140	17,201	-	8,269	2.25
498	331	224	0.90	65,044	73,418	15,752	1,273	8,285	0.66

⁽⁵⁾On March 19, 1996, voters of Hamilton County approved a ½% increase in the County's general sales tax. The County Commissioners approved by resolution that this additional tax be used for the development of the riverfront area, including construction of the football and baseball stadiums—Paul Brown Stadium and Great American Ball Park. The sales tax bonds are not a general obligation of the County. They are secured by the County's pledge and assignment of the revenue from the additional ½% sales tax.

⁽⁶⁾2000 was the first full year of operations for the football stadium (Paul Brown Stadium) and the first year of debt service requirements. No principal payments were scheduled in 2000 or 2001.

⁽⁷⁾2003 was the first full year of operations for the baseball stadium (Great American Ball Park) and the first year of debt service requirements.

⁽⁸⁾2011 includes payment of principal on refunded bonds.

COUNTY OF HAMILTON, OHIO
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

(Amounts in Thousands, Except Per Capita Amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value⁽¹⁾ of Property	Per Capita⁽²⁾
2002	\$ 153,510	\$ 9,932	\$ 143,578	0.28%	\$ 169.25
2003	141,680	7,502	134,178	0.25%	158.33
2004	125,925	6,237	119,688	0.22%	141.36
2005	113,770	3,978	109,792	0.20%	129.60
2006	122,695	3,123	119,572	0.19%	141.06
2007	111,635	2,161	109,474	0.17%	127.90
2008	107,980	2,164	105,816	0.17%	123.98
2009	108,610	2,094	106,516	0.18%	124.57
2010	97,185	2,059	95,126	0.16%	118.56
2011	90,987	8,255	82,732	0.15%	103.37

Source: Hamilton County Auditor's Finance Department.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 152 for property value data.

⁽²⁾Population data can be found in the Schedule of Demographic and Economic Statistics on page 167.

**COUNTY OF HAMILTON, OHIO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population⁽¹⁾	Personal Income⁽²⁾ (Amounts in 000s)	Per Capita Personal Income	Annual Average Unemployment Rate⁽³⁾	Median Age⁽⁴⁾
2002	848,344	\$ 30,727,789	\$ 36,221	5.40%	36.1
2003	847,484	31,468,832	37,132	5.40%	36.5
2004	846,707	33,147,641	39,149	5.50%	36.7
2005	847,182	33,918,902	40,037	5.40%	37.6
2006	847,656	35,914,206	42,369	5.00%	37.8
2007	855,928	36,835,038	43,035	5.00%	38.0
2008	853,508	37,484,285	43,918	5.60%	38.6
2009	855,062	36,248,694	42,393	8.90%	36.8
2010	802,374	36,770,921	45,828	9.50%	37.1
2011	800,362	37,522,065	46,881	8.60%	37.3

Data Sources:

- ⁽¹⁾U. S. Department of Commerce, Bureau of the Census, 2000 or 2010 Census and Midyear Population Estimates
- ⁽²⁾U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System
- ⁽³⁾Ohio Department of Job and Family Services, Labor Market Information
- ⁽⁴⁾U. S. Department of Commerce, Bureau of the Census, 2001–2010 American FactFinder Fact Sheets

**COUNTY OF HAMILTON, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Name of Employer ⁽¹⁾⁽²⁾	2011			2001 ⁽²⁾		
	Number of Employees ⁽¹⁾	Rank	Percentage of Total County Employment	Number of Employees ⁽²⁾	Rank	Percentage of Total County Employment
Kroger Company	19,000	1	5.11%	12,000	4	2.94%
University of Cincinnati	15,374	2	4.13%	14,084	1	3.45%
Procter & Gamble Company	12,500	3	3.36%	13,700	2	3.35%
Cincinnati Children's Hospital Medical Center	12,332	4	3.32%	6,433	10	1.57%
TriHealth Incorporated	10,197	5	2.74%	6,758	8	1.65%
Mercy Health	8,817	6	2.37%	7,223	6	1.77%
Archdiocese of Cincinnati	7,500	7	2.02%	–	–	–
General Electric Aviation (Aircraft Engines)	7,400	8	1.99%	7,500	5	1.84%
Fifth Third Bancorp	7,063	9	1.90%	–	–	–
Walmart Stores	6,932	10	1.86%	–	–	–
Health Alliance of Greater Cincinnati Incorporated	–	–	–	13,505	3	3.31%
Cincinnati Public Schools	4,653	–	–	7,132	7	1.75%
City of Cincinnati	5,100	–	–	6,500	9	1.59%
Hamilton County	4,751	–	–	–	–	–
Total Principal Employers	<u>121,619</u>		<u>28.79%</u>	<u>94,835</u>		<u>23.21%</u>
Total County Employed⁽³⁾	<u>372,000</u>			<u>408,600</u>		

Data Sources:

⁽¹⁾Cincinnati Business Courier 2011 Book of Lists

⁽²⁾ 2002 Figures not available

⁽³⁾ Ohio Department of Job & Family Services, Labor Market Information

COUNTY OF HAMILTON, OHIO
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	FULL-TIME EQUIVALENT EMPLOYEES									
	2002	2003	2004	2005	2006	2007	2008	2009 ⁽¹⁵⁾	2010 ⁽¹⁷⁾	2011 ⁽¹⁷⁾
General Government ⁽¹⁾⁽²⁾⁽¹¹⁾⁽¹³⁾⁽¹⁶⁾	486.60	471.33	488.51	477.45	478.27	494.52	522.21	499.69	427.13	413.50
Judicial ⁽²⁾⁽¹¹⁾⁽¹⁴⁾	1,731.69	1,722.81	1,727.74	1,725.57	1,719.26	1,686.15	1,672.62	1,450.13	1,298.06	1,115.30
Public Safety ⁽²⁾⁽¹¹⁾	1,174.35	1,183.61	1,179.35	1,185.81	1,230.90	1,202.36	1,170.15	950.33	963.21	1,007.99
Social Services ⁽²⁾⁽¹¹⁾	1,602.65	1,665.65	1,665.90	1,660.65	1,680.65	1,680.65	1,637.65	1,445.80	949.69	817.69
Health ⁽²⁾⁽⁸⁾⁽¹⁰⁾	697.36	719.51	710.56	725.05	648.76	648.66	654.67	659.76	678.45	630.18
Public Works ⁽¹⁶⁾	234.63	234.31	235.31	235.31	231.65	231.65	220.65	191.60	208.20	209.05
Environmental Control ⁽²⁾	61.14	61.83	62.41	62.41	61.89	59.59	59.59	59.90	55.35	10.27
Economic and Community Development ⁽²⁾⁽⁹⁾⁽¹⁶⁾	26.00	27.50	27.50	28.50	7.50	7.50	6.25	14.19	0.29	-
Recreational Activities ⁽⁴⁾⁽⁵⁾⁽⁶⁾	-	-	-	-	-	-	-	1.00	0.10	4.19
Metropolitan Sewer District ⁽³⁾	-	-	-	-	-	-	-	-	-	-
Paul Brown Stadium ⁽⁴⁾	27.72	27.60	27.60	27.55	28.55	29.50	28.01	27.81	26.22	26.21
Cinergy Field ⁽⁵⁾	2.25	-	-	-	-	-	-	-	-	-
Baseball Stadium ⁽⁵⁾⁽⁶⁾	-	5.00	3.50	2.85	2.85	1.75	1.00	1.00	1.07	0.47
Riverfront Development ⁽⁷⁾	2.75	-	-	-	-	-	-	-	2.47	0.60
Main Street Parking Garage ⁽⁷⁾	-	-	-	-	-	-	-	-	-	-
Rotary Funds ⁽¹²⁾	99.00	103.00	107.00	107.00	109.00	107.00	108.00	106.00	103.00	35.00
Communications Center	86.00	90.00	90.00	91.00	91.00	93.00	94.00	93.00	91.00	84.00
Workers' Compensation Reserve for Stadiums ⁽¹³⁾	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total	6,234.14	6,314.15	6,327.38	6,331.15	6,272.28	6,244.33	6,176.80	5,502.21	4,806.24	4,356.45

Sources: Hamilton County, Ohio 2001-2010 Budgets, Budgeted FTEs, Actual FTEs if presented
Hamilton County, Ohio, Department of Budget and Strategic Initiatives

Method: An FTE is the equivalent of one full-time employee. To calculate a percentage of an FTE, for each employee a ratio is derived by dividing expected hours to be worked by 2,080 hours per year.

⁽¹⁾Employees of certain agencies subsidized by the General Fund are included.

⁽²⁾Employees funded by grants are included in certain departmental FTE counts.

⁽³⁾Personnel in these agencies are employed by the City of Cincinnati.

⁽⁴⁾Paul Brown Stadium personnel are managed in part by Hamilton County and in part by Paul Brown Stadium, Ltd.

⁽⁵⁾During 1996, Hamilton County assumed ownership and responsibility for Cinergy Field (formerly Riverfront Stadium), the home of both the Cincinnati Reds and the Cincinnati Bengals. Built in 1969, Cinergy Field was imploded in December of 2002 to make room for the nearly completed Great American Ball Park located immediately next door on the riverfront.

⁽⁶⁾Great American Ball Park baseball stadium personnel are managed by the Cincinnati Reds.

⁽⁷⁾Parking facilities personnel services are provided via management contract.

⁽⁸⁾During 2006, the Alcohol and Drug Addiction Services and Community Mental Health Boards merged to form the Mental Health and Recovery Services Board.

⁽⁹⁾In 2006, the Section 8 housing program transferred to the Cincinnati Metropolitan Housing Authority.

⁽¹⁰⁾During 2006, the department functions of Treatment Alternatives to Street Crime transitioned to community-based agencies.

⁽¹¹⁾During 2007, the budget and small business sections transferred from Administrative Services to County Administration, the facilities maintenance section of Juvenile Court transferred to County Facilities, and the child support legal services section of the Prosecutor transferred to Job and Family Services.

⁽¹²⁾The County is fully reimbursed for Sheriff's Township Patrol services.

⁽¹³⁾Employees who service the Workers' Compensation Reserve for Stadiums business-type internal service fund are employed by the Board of County Commissioners.

⁽¹⁴⁾Court of Appeals staff are employees of the State of Ohio.

⁽¹⁵⁾The 675 positions reduced in 2009 resulted primarily from budget reductions shared across most departments.

⁽¹⁶⁾In 2009, Community Development, Building Inspections, Public Works, Regional Planning and Regional Zoning combined to form the Planning and Development Department (General Government).

⁽¹⁷⁾The 696 and 450 positions reduced in 2010 and 2011, respectively, resulted primarily from budget reductions in the Judicial and Social Services functions.

**COUNTY OF HAMILTON, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

FUNCTION/PROGRAM	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities										
General Government										
Auditor										
Non-Exempt Property Conveyances	20,485	21,682	23,112	23,304	22,132	19,509	16,772	15,060	14,649	14,349
Exempt Property Conveyances	13,415	13,569	12,800	12,501	12,079	11,974	11,038	10,217	9,403	10,066
Parcels Assessed or Reappraised at Market Value	348,296 ⁽¹⁾	348,919	340,438 ⁽³⁾	341,932 ⁽²⁾	343,479	345,712	347,481 ⁽¹⁾	347,587	348,148	348,360
Dog and Kennel Licenses Issued	62,576	61,349	61,229	58,744	57,764	56,781	58,942	61,833	59,316	60,298
Weights and Measures Inspections and Tests Performed	29,770	32,711	33,612	38,822	33,757	47,867	31,837	38,983	14,365	- ⁽¹⁷⁾
Board of Elections										
Voter Registrations and Changes Processed	65,000	55,000	185,066 ⁽⁴⁾	49,893	77,300	52,283	177,515	50,294	43,490	82,037
Building Inspections										
Building Inspections Performed	20,960	23,538 ⁽⁵⁾	22,396	22,688	21,184	22,171	21,098	18,893	13,566	12,708
Building Permits Issued	4,717	5,343	7,266	6,933	4,847	4,402	3,960	9,361	10,125	9,942
Recorder										
Deeds Filed	39,990	40,338	38,550	36,013	34,272	31,314	27,952	25,206	23,758	22,788
Mortgages Filed	97,299	118,445	79,432	66,813	59,443	47,849	36,771	43,031	39,184	35,862
Treasurer										
Tax Bills Processed	284,000	284,000	284,500	283,500	285,000	283,000	285,000	289,000	286,500	291,600
Judicial										
Court of Appeals										
Overall New Cases ⁽⁶⁾	894	1,013	949	1,036	1,121	931	1,326	947	872	899
Criminal New Cases ⁽⁶⁾	462	607	566	641	670	591	971	587	521	480
Civil New Cases ⁽⁶⁾	299	300	233	239	291	227	221	229	234	276
Court of Common Pleas										
Overall New Cases ⁽⁶⁾	21,053	22,725	23,556	23,995	24,819	25,329	25,229	24,845	24,455	23,041
Criminal New Cases ⁽⁶⁾	9,263	10,221	10,518	10,173	10,722	11,024	9,224	9,224	9,078	9,072
Civil New Cases ⁽⁶⁾	11,790	12,504	13,038	13,822	14,097	14,305	14,942	15,621	15,377	13,969
Court of Domestic Relations										
Overall New Cases ⁽⁶⁾	13,399	13,570	13,817	9,216	9,526	8,356	7,837	7,560	6,699	6,479
Juvenile Court										
Overall New Cases ⁽⁶⁾	45,620	41,640	46,217	47,668	48,647	40,204	37,681	33,199	30,681	28,355
Hearings Conducted	140,959	140,543	151,447	164,283	163,890	153,339	143,653	128,764	120,169	120,028
Municipal Court										
Overall New Cases ⁽⁶⁾	276,739	336,053	349,017	319,191	312,927	320,351	354,811	332,902	319,097	316,812
Probate Court										
Overall New Cases ⁽⁶⁾	6,744	6,564	6,715	6,508	6,829	6,584	6,697	6,564	6,458	6,606
Public Safety										
Coroner										
Autopsies Performed	1,033	1,102	1,090	1,032	997	1,026	1,000	898	860	922
Prosecutor										
Criminal Misdemeanor and Felony Arraignments	37,716	39,975	42,364	42,982	43,000	43,200	43,300	44,184	40,719	41,426
Formal Opinions and Letters of Advice to County Agencies	145	101	104	107	102	100	105	49	37	42
Property Foreclosure Cases	2,300	2,200	2,961	3,300	3,750	3,750	3,750	4,767	7,843	5,848
Sheriff										
Inmates Housed	44,453	42,710	43,748	44,468	50,727	49,921	46,000	42,000	40,000	38,626
Prisoners Transported	4,217	4,593	4,851	4,916	4,815	4,815	4,482	3,615	3,333	3,059
Courtroom Security Provided (Hours)	41,112	43,922	51,364	49,842	51,576	53,123	51,928	46,126	43,960	55,472
Major Crime Cases Investigated	2,850	3,015	3,229	3,776	4,120	4,125	4,130	7,245	6,835	6,713
Social Services										
Job and Family Services—DJFS (Human Services)										
Cash Assistance Recipients (Monthly Average)	18,750	20,284	21,001	20,043	17,045	17,169	17,644	26,496	25,301	20,326
Food Stamp Assistance Recipients (Monthly Average)	58,295	63,341	70,245	74,898	77,123	72,419	76,057	119,189	137,148	129,281
Medicaid Participants (Monthly Average)	92,473	116,803	121,472	120,348	121,084	127,242	128,259	142,116	156,494	154,768
Subsidized Child Care Recipients (Monthly Average 2006-2009)	28,185	27,707	25,666	25,124	12,999	12,986	14,121	14,034	15,451	19,292
Children's Services Recipients	17,758	18,584	16,108	15,679	17,460	17,717	16,469 ⁽⁷⁾	15,422	15,831	16,964
Child Support Collections (Millions)	\$ 154.2	\$ 153.8	\$ 154.9	\$ 152.4	\$ 155.0	\$ 142.0	\$ 154.6	\$ 143.0	\$ 126.0	\$ 129.6
Workforce Development Admissions (Includes Reapplications) ⁽⁸⁾	7,727	12,540	12,972	13,430	3,182	3,602	3,278	5,129	13,810	14,500
Health										
Board of Mental Retardation										
Eligible Individuals Served ⁽⁹⁾	4,331	5,185	5,344	5,679	5,638	7,243	7,931	16,051	15,443	16,689

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Works										
County Engineer										
Bridges Constructed/Repaired	9	3	3	5	8	3	11	2	6	2
Landslides Stabilized	2	3	4	4	1	1	2	-	-	5
Roads Resurfaced (Number)	11	32	41	28	20	20	- ⁽¹⁰⁾	21	24	4
Roads Resurfaced (Miles)	9	24	33	18	14	10	- ⁽¹⁰⁾	12	18	3
Public Works										
Permits Processed for Storm Review and FEMA Regulations	2,617	2,686	2,399	2,395	2,048	1,879	2,000	1,461	1,783	1,610
Environmental Control										
Environmental Services										
Material Recycled-Residential (Tons)	36,000	38,000	33,004	34,342	33,496	31,985	34,500	36,615	39,885	45,498
FUNCTION/PROGRAM										
Business-Type Activities										
Metropolitan Sewer District										
Sewer Connections	224,795	225,285	225,971	225,889	228,512	229,226	229,943	228,133	229,452	231,100
Wastewater Collected and Treated (Millions of Gallons)	73,211	79,317	81,143	74,010 ⁽¹¹⁾	67,966	66,038	67,264	60,800	58,746	73,008
Paul Brown Stadium										
Game Attendance (Total)	422,235	479,488	524,248	524,468	527,870	526,320	516,663	575,718	482,917	394,009
Game Attendance (Average)	52,779	59,936	65,531	65,559	65,984	65,790	64,583	63,969	60,365	49,251
Baseball Stadium										
Game Attendance (Total)	1,855,787	2,355,259	2,287,250	1,943,157	2,134,607	2,058,593	2,058,632	1,747,919	2,060,550	2,213,498
Game Attendance (Average)	22,911	29,077	28,238	23,696	26,353	25,415	25,415	21,579	25,439	27,327
Riverfront Development										
Parking Spaces Managed	6,674	5,541 ⁽¹²⁾	6,309 ⁽¹³⁾	6,317	6,317	6,317	6,317	6,317	7,077	7,641
Main Street Parking Garage										
Parking Spaces Managed	700	700	700	700	700	700	700	700	700	694
Rotary Funds										
Sheriff's Road Patrol Division										
Townships Served	8	8	8	8	7	7	7	7	6	7
Central Warrants/Identification Division										
Expungements Processed	1,727	1,702	1,855	1,338	2,095	2,184	2,565	1,846	1,862	2,847
Warrants/Capias Processed	81,473	95,885	116,900	131,166	138,090	144,059	147,637	184,546	185,012	155,464
Offender Fingerprints Processed	42,511	43,563	58,400	62,780	58,806	54,693	49,945	46,561	45,442	53,796
Public Fingerprint Services Provided	12,927	13,380	18,530	14,350	14,498	15,755	27,079	26,240	20,537	19,215
Communications Center										
Emergency 911 Telephone Calls Processed	904,652	927,869 ⁽¹⁴⁾	919,841	897,327	899,202	900,000	902,000	766,452	589,542	745,139
Police, Fire and Rescue Unit Calls Processed	443,367	460,767	445,286	450,875	578,628	585,000	587,000	598,359	580,428	570,475
Workers' Compensation Reserve for Stadiums										
Claims Managed	130 ⁽¹⁵⁾	30 ⁽¹⁶⁾	35 ⁽¹⁶⁾	16 ⁽¹⁶⁾	10 ⁽¹⁶⁾	5 ⁽¹⁶⁾	8 ⁽¹⁶⁾	6 ⁽¹⁶⁾	5 ⁽¹⁶⁾	4

Sources: Hamilton County, Ohio, 2001-2011 Budgets
Hamilton County Auditor
Various Hamilton County Departments
Hamilton County Job and Family Services, 1996-2005
Supreme Court of Ohio
<http://www.hcjfs.hamilton-co.org>, 2006-2010
<http://www.hcso.org/GeneralInformation/AnnualReport.pdf>
<http://www.sconet.state.oh.us/Publications/default.asp>
<http://www.bengals.com/team/history>
<http://www.baseball-reference.com/teams/CIN/attend.html>

⁽¹⁾Triennial reassessment, payable following year. Ohio law requires a mid-cycle value adjustment three years after the mass reappraisal to update the six-year mass reappraisal so values change gradually.
⁽²⁾Mass reappraisal, payable following year. Ohio law requires counties to revalue all real property every three years. The Auditor's Office is responsible for setting the value of properties, not the assessment of taxes.
⁽³⁾The decrease in parcels is due to the consolidation and a change of accounting method of TIF and exempt real estate parcels in a new system.
⁽⁴⁾In August of 2004, the Board of Elections purchased and installed a new voter registration system that connects to the Secretary of State's statewide voter registration database.
⁽⁵⁾The increase in inspections is due to the boom in construction resulting from near-record low interest rates.
⁽⁶⁾The number includes new cases docketed, transferred in or reactivated as reported to the Supreme Court of Ohio.
⁽⁷⁾Updated information provided.
⁽⁸⁾Southwest Ohio Career Resource network became The Super Jobs Center in April of 2005; services changeover affected total individuals placed.
⁽⁹⁾For fiscal years 2000-2008, the number of eligible individuals served is an unduplicated count of individuals served per year and does not represent the number of services provided to those individuals.
For fiscal years 2009-2010, the number of eligible individuals served includes some individuals who received more than one service per year.
⁽¹⁰⁾No resurfacing occurred due to budget constraints.
⁽¹¹⁾Yearly rainfall levels result in variances in amounts of wastewater collected and treated.
⁽¹²⁾In 2003, the final demolition of the Cinergy Field Garage took place and two ballpark garages became operational following completion of Phase I and (2) the Central Riverfront Garage—579 spaces. construction: (1) the Ballpark Garage—564 spaces,
⁽¹³⁾2004 saw the completion of two Phase II portions of garage construction: (1) the garage at the Great American Ball Park, with the addition of 343 spaces, totaling 907 spaces,
and (2) the Central Riverfront Garage, located in Block 3 of the riverfront, with the addition of 110 spaces, totaling 698 spaces.
⁽¹⁴⁾In April of 2003, the County brought online a state-of-the-art 800 MHz public safety radio system that enables local law enforcement officials to talk to each other when on-scene.
⁽¹⁵⁾The number represents management of workers' compensation claims for Paul Brown Stadium and Great American Ball Park.
⁽¹⁶⁾The number represents management of workers' compensation claims for Great American Ball Park.
⁽¹⁷⁾Compilation of Activity Report ended in 2011.

**COUNTY OF HAMILTON, OHIO
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

<u>FUNCTION/PROGRAM</u>	<u>FISCAL YEAR</u>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Governmental Activities</u>										
General Government										
Properties ⁽¹⁾	9	9	8	7	6	8	8	8	8	8
Judicial										
Properties ⁽¹⁾	11	11	11	10	10	10	10	10	10	10
Public Safety										
Coroner										
Properties ⁽¹⁾	1	1	1	1	1	1	1	1	1	1
Emergency Management										
Office Building ⁽²⁾	(2)	(2)	(2)	1	1	1	1	1	1	1
Emergency Warning Sirens	186	188	188	189	189	195	195	195	195	199
Sheriff										
District Patrol Headquarters ⁽³⁾	5	5	5	5	5	5	5	5	5	5
Detention Facilities ⁽⁴⁾	4	4	4	4	4	4	4	3	3	3
Social Services										
Job and Family Services										
Properties ⁽¹⁾	3	3	4	4	4	4	4	4	4	3
Health										
Developmental Disabilities Services (DDS)										
Properties ⁽¹⁾	12	12	12	12	13	13	13	13	12	12
Mental Health and Recovery Services Board ⁽⁵⁾										
Properties ⁽¹⁾	68	70	70	69	64	64	62	64	64	63
Public Works										
Maintenance Facility	1	1	1	1	1	1	1	1	1	1
Maintenance Vehicles and Equipment	23	23	23	30	30	30	30	29	30	31
County Engineer										
County Roads Maintained (Miles)	504	504	504	504	504	504	544	544	532	532
Maintenance Facilities	5	6	6	6	6	6	6	6	6	6

FUNCTION/PROGRAM	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-Type Activities										
Metropolitan Sewer District										
Major Wastewater Treatment Plants	7	7	7	7	7	7	7	7	7	7
Combined and Sanitary Sewers (Miles)	3,050	3,050	3,050	3,050	3,050	3,050	3,050	2,994	2,994	2,994
Cinergy Field ⁽⁶⁾	1	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
Paul Brown Stadium ⁽⁶⁾										
Paul Brown Football Stadium	1	1	1	1	1	1	1	1	1	1
Parking Garage	1	1	1	1	1	1	1	1	1	1
Baseball Stadium ⁽⁶⁾										
Great American Ballpark Baseball Stadium	(6)	1	1	1	1	1	1	1	1	1
Hall of Fame Museum	(6)	(6)	1	1	1	1	1	1	1	1
Team Store	(6)	(6)	1	1	1	1	1	1	1	1
Riverfront Development										
Parking Garages	1	3	3	3	3	3	3	3	3	4
Surface Parking Lots	5	5	5	5	5	5	5	5	5	5
Main Street Parking Garage										
Alms & Doepke Parkhaus Parking Garage	1	1	1	1	1	1	1	1	1	1
Communications Center										
911 Communications Center	1	1	1	1	1	1	1	1	1	1
Radio Towers ⁽⁷⁾	5	15	15	15	15	15	15	15	15	15
Emergency Alert System	-	-	-	-	-	-	-	-	-	1

Sources: Hamilton County, Ohio, 2000-2008 Budgets
Hamilton County Auditor
Various Hamilton County Departments

Note: No capital asset indicators are available for the following functions/programs:
(1) the Environmental Control, Economic Development and Parks and Recreation functions, or
(2) the Rotary and Workers' Compensation Reserve for Stadiums funds.

⁽¹⁾Improved real properties are primarily buildings, County-owned unless otherwise indicated, presented in the function of the primary use(r).

⁽²⁾The permanent Emergency Management Agency (EMA) office building, formerly housed in trailers at the Communications Center, was completed in 2005. EMA shares space with the Homeland Security Division. The office building is leased from the City of Cincinnati.

⁽³⁾Three District Patrol Headquarters are owned by townships. The Sheriff provides contracted police services.

⁽⁴⁾The Queensgate Correctional Facility, formerly a leased property, closed in December 2008. The lease terminated 12/31/08.

⁽⁵⁾During 2006, the Alcohol and Drug Addiction Services and Community Mental Health Boards merged to form the Mental Health and Recovery Services Board.

⁽⁶⁾In 1996, Hamilton County assumed ownership and responsibility for Cinergy Field (formerly Riverfront Stadium), the home of both the Cincinnati Reds and the Cincinnati Bengals. new stadiums for both the Cincinnati Bengals and the Cincinnati Reds. Paul Brown Stadium, the new home of the Cincinnati Bengals football team, opened in August of 2000. Cinergy Field was demolished in 2002. Great American Ball Park, the new home field for the Cincinnati Reds baseball team, opened for the 2003 baseball season. During 2004, the Great American Ball Park Phase II construction continued, which included completion of the

⁽⁷⁾Hamilton County installed a new radio system in 2003, with a total of 15 tower sites. Ten of the towers are County-owned; the other five towers are leased.

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Dave Yost • Auditor of State

HAMILTON COUNTY FINANCIAL CONDITION

HAMILTON 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
SEPTEMBER 19, 2013