

CITY OF HAMILTON! OHIO

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

Year Ended December 31, 2003



**Auditor of State
Betty Montgomery**

City Council
City of Hamilton!
345 High St.
7th Floor
Hamilton, OH 45011

We have reviewed the Independent Auditor's Report of the City of Hamilton!, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

August 17, 2004

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CITY OF HAMILTON! OHIO

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CITY OF HAMILTON! OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2003

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Community Development Block Grants/Small Cities Program	n/a	14.219	\$ 2,583,011
HOME Investment Partnerships Program	n/a	14.239	943,122
Opportunities for Youth - Youthbuild Program	n/a	14.243	<u>178,629</u>
Total U.S. Department of Housing and Urban Development			<u>3,704,762</u>
<u>U.S. Department of Interior:</u>			
Urban Park and Recreation Recovery Grant	n/a	15.919	<u>30,380</u>
Total U.S. Department of Interior			<u>30,380</u>
<u>U.S. Department of Justice:</u>			
Local Law Enforcement Block Grants Program	n/a	16.592	158,032
Executive Office for Weed and Seed	n/a	16.595	95,434
Bulletproof Vest Partnership Program	n/a	16.607	<u>18,001</u>
Total U.S. Department of Justice			<u>271,467</u>
<u>U.S. Department of Alcohol, Tobacco & Firearms:</u>			
(Passed through Ohio Department of Alcohol, Tobacco & Firearms)			
Gang Resistance Education & Training Grant (G.R.E.A.T.)	ATC0300043	21.053	<u>12,794</u>
Total U.S. Department of Alcohol, Tobacco & Firearms			<u>12,794</u>
<u>U.S. Environmental Protection Agency:</u>			
Vulnerability Assessments & Related Security Improvements at			
Large Drinking Water Utilities	n/a	66.476	36,487
Brownfield Job Training Cooperative Agreements	n/a	66.815	<u>2,295</u>
Total U.S. Environmental Protection Agency			<u>38,782</u>
<u>U.S. Department of Health and Human Services</u>			
(Passed through Ohio Department of Health)			
Immunization Grants	AZ-03	93.268	<u>109,039</u>
Total U.S. Department of Health and Human Services			<u>109,039</u>
<u>U.S. Department of Homeland Security:</u>			
(Passed through Ohio Emergency Management Agency)			
Public Assistance Grants	DR-1390-OH	97.036	<u>7,821</u>
Total U.S. Department of Homeland Security			<u>7,821</u>
Total Federal Awards			<u>\$ 4,175,045</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - OUTSTANDING NOTES

The community development loans outstanding at December 31, 2003 totaled \$370,150 under CFDA 14.219 and \$162,118 under CFDA 14.239.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - PASSTHROUGH AWARDS

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hamilton! Ohio as of and for the year ended December 31, 2003, which collectively comprise the City of Hamilton! Ohio's basic financial statements and have issued our report thereon dated June 14, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Hamilton! Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Hamilton! Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management in a separate letter dated June 14, 2004.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 14, 2004

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

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

Compliance

We have audited the compliance of City of Hamilton! Ohio with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. City of Hamilton! Ohio's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, City of Hamilton! Ohio complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Hamilton! Ohio, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 14, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Hamilton! Ohio's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements of the City of Hamilton! Ohio. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 14, 2004

CITY OF HAMILTON! OHIO

Schedule of Findings and Questioned Costs

Year Ended December 31, 2003

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with Circular A-133, Section .510(a)?	none

Identification of major programs:

CFDA 14.219 Community Development Block Grants/Small Cities Program

Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	no

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

CITY OF HAMILTON! OHIO

Schedule of Prior Audit Findings

Year Ended December 31, 2003

U.S. Department of Housing and Urban Development

Finding 2002-3 - CFDA 14.219 Community Development Block Grants/Small Cities Program

Condition: The City was unable to produce documentation that demonstrated its monitoring activities of all its subrecipients during 2002.

Recommendation: It was recommended that the City establish and follow appropriate written policies and procedures regarding subrecipient monitoring. Also, it was recommended that management ensure that job duties are adequately transferred to other employees when employee turnover occurs.

Current Status: The City Planning staff has re-acquainted themselves with the HUD written policies & procedures and has educated their new staff on these appropriate procedures. No similar findings were noted during the 2003 audit.

Finding 2002-4 - CFDA 14.219 Community Development Block Grants/Small Cities Program

Condition: The City did not file the report for the year ended April 30, 2002 until November 21, 2002.

Recommendation: It was recommended that the City establish and follow appropriate written policies and procedures regarding timely reporting. Also, it was recommended that management ensure that job duties are adequately transferred to other employees when employee turnover occurs.

Current Status: The City Planning staff has re-acquainted themselves with the HUD written policies & procedures and has educated their new staff on these appropriate procedures. No similar findings were noted during the 2003 audit.

THE CITY OF HAMILTON! OHIO

BUTLER COUNTY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2003

Prepared by:
Department of Finance

George M. Gordon, CPA
Director of Finance

Michael E. Engel, CMFA
Treasurer

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

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

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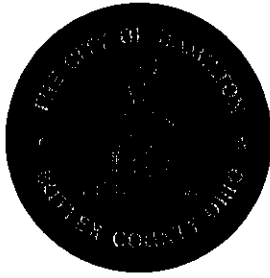
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Founded 1791

Department of Finance

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June 14, 2004

To the Honorable Mayor, Vice Mayor, City Council and
All Citizens of the City of Hamilton, Ohio:

We are pleased to present this Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2003. The financial statements and other financial and statistical data provide a complete and full disclosure of all material financial aspects of the City. The responsibility for the accuracy of all data presented, its completeness and fairness of presentation rests with the City of Hamilton's Department of Finance.

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

The CAFR is organized in three sections: the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section contains a table of contents, letter of transmittal, organization chart, list of elected officials and a Certificate of Achievement for Excellence in Financial Reporting for the 2002 CAFR. The Financial Section includes the Independent Auditors' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements. The Statistical Section provides selected financial, economic and demographic information which may be used to indicate trends for comparative fiscal periods.

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

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

Early History

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

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

Location

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

The nearby Cincinnati Metropolitan Area is an important rail freight center served by CSX Transportation, Norfolk Southern and Conrail. It is also on the 15,000 mile Great Mississippi River inland waterway and intra-coastal canal system. There are four airports within 50 minutes drive time of Hamilton. The Cincinnati-Northern Kentucky International Airport is located approximately one hour from Hamilton via two interstate routes. The Butler County Regional Airport, a general aviation facility, is located in the cities of Hamilton and Fairfield.

Distance from Hamilton to Major Urban Markets

<u>City</u>	<u>Highway Miles</u>
Cincinnati, Ohio	30
Dayton, Ohio	40
Indianapolis, Indiana	110
Columbus, Ohio	110
Detroit, Michigan	247
Cleveland, Ohio	248
Chicago, Illinois	274
Pittsburgh, Pennsylvania	284
Atlanta, Georgia	521

Form of Government

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

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

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

Michael J. Samoviski, P. E., currently serves as City Manager and was appointed by City Council on July 1, 2002. He has nearly thirty-five years of public employment, which includes twenty-eight and one-half years at the City of Hamilton. From February 2001 until June 30, 2002, he was Director of the Butler County Transportation Improvement District. From 1979 to 2001, he served as Public Works Director with the responsibility of directing the operation and management of the department's diverse activities. From 1974 to 1979, he served as the City Traffic Engineer, a managerial position in the Public Works Department. Mr. Samoviski received his bachelor's degree in 1967 from Ohio University. He is a licensed professional engineer in Ohio and California.

The Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, in that they include all the organizations, activities, functions and component units for which the

City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City. In addition, the GASB has also issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which further defines the practical rules that an evaluating government must employ, presuming that inclusion of any such entity is material to financial statement presentation, for an organization to qualify as a component unit. The City adopted this statement for its current year-end and its adoption had no impact on the financial statements.

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

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

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

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

ECONOMIC OUTLOOK

Butler County exhibits a diverse economic base accompanied by growth in all sectors; including industrial, residential, retail, and service. The County is strategically located midway between the major metropolitan areas of Cincinnati and Dayton. This central location combined with population growth provides the area with a large concentration of consumers and prospective employees.

With approximately 1,700 firms, the City is a major regional center of business and industry. Manufacturing is a substantial portion of the economic base and is largely composed of paper products, metal fabrication, machine tools and automotive parts. Paper

products rank high on the City's list of industrial components. Smart Papers, LLC and International Paper both operate mills in Hamilton with a combined employment of approximately 800. International Paper has recently completed an expansion, adding 35 new positions. Metal fabricators and machine tools also are an important part of the City's manufacturing base and include such companies as the corporate headquarters of Hamilton Caster and Manufacturing Company and Matandy Steel and Metal Products. Automotive parts, for original equipment and after-market use, are manufactured by several companies in Hamilton, including Valeo Climate Control, Nifty Products, and Thyssen/Krupp-Bilstein Corporation of America. These companies employ over 700 employees and both Bilstein and Valeo foresee additional significant expansions in the near future, with subsequent employment growth. Nifty Products was recently acquired by Lund International and appears to again be on solid financial ground.

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

Since the beginning of 1996, businesses in all sectors have invested over \$210 million in Hamilton with a potential of approximately 2,400 jobs. This information is based on 68 projects tracked by the City's Department of Economic Development, and is not inclusive of all business investment in the City.

Through the late 1990's and into 2004, the status of Hamilton's economic climate has been both encouraging and disappointing. Hamilton has experienced positive growth and development as noted above, but has also had several setbacks.

One major setback occurred when the Ohio Casualty Group ("OCG") purchased a 240,000 square foot Class A facility in a neighboring community and relocated approximately 1,000 employees to the new facility leaving approximately 250 OCG employees in Hamilton. However, the company recently relocated approximately 200 jobs back in the City as part of its corporate restructuring efforts. Currently, OCG's employment in Hamilton is approximately 450 - 500.

Another major occurrence was the integration of Champion International into International Paper. After the integration, the former Champion International North "B" Street Mill was divested to Smart Papers. The employment at the mill has been reduced from 850 to 650 employees. Also, International Paper closed the Knightsbridge Administrative Complex. Harry T. Wilks, a local real estate investor, recently purchased the facility and is working with the City to market it.

Mercy Hospital closed its Hamilton location in 2001. This closure affected approximately 650 jobs. However, Fort Hamilton Hospital has significantly increased its employment

levels to meet the healthcare needs of the community and is currently employing over 1,250 people. Additionally, Fort Hamilton has announced the expansion of its ICU Unit, with an anticipated 185 new jobs.

Also in 2001, Mosler, Inc. declared bankruptcy and closed its corporate headquarters located in the City. These actions affected approximately 225 jobs in Hamilton. Subsequently, Diebold, Inc. purchased many of the assets of Mosler, Inc., including the Berk Boulevard headquarters and recently relocated approximately 100 employees to that facility.

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

In 1997, the City purchased a 263-acre tract of land, in the eastern part of the City just north of the Butler County Regional Airport. This tract, renamed Hamilton Enterprise Park, is being developed and marketed as an industrial/office park by the City. A number of developments have and are occurring in the Park, including the Butler County Surgery Center, M.A. Folkes, BCRTA Garage and Offices, FMC Dialysis, and a 36,000 square foot medical office building. Sensus, LLC, a local flavors manufacturer is currently building a new 30,000 square foot office/industrial building at the Park, which will eventually create 35 new jobs in the City. Also, Butler County Alcohol Chemical and Abuse Council is about to close on approximately 1.5 acres of property, to be used for the construction of a 4,000+ sq. ft. office building. In 2004, Hamilton Enterprise Park Drive is being extended to intersect with Tylersville Road, creating a south entrance to the Park. This extension will eventually provide direct access to the Airport from the Park.

The City economy is expected to be bolstered by large construction projects, including a massive building campaign by the Hamilton City School District. The District recently completed renovations of Hamilton High School and Garfield Junior High School. The Freshman School is near completion and is scheduled to open in Fall 2004. In the period from 2006 to 2008, the District is expected to begin the replacement of the current fourteen elementary schools with nine new elementary schools.

In 1996, the City and Fairfield Township created a Joint Economic Development District (JEDD), which set aside over 200 acres of prime development land, zoned for business and industry, to be serviced jointly by the City and the Township. Since 1996, the JEDD has been expanded twice, bringing in additional development land. In the original JEDD, the City and Township split income tax proceeds 75%/25%. In the amended JEDD area, the City and Township are splitting the income tax proceeds 25%/75%.

Development, primarily of a retail nature, has been occurring in the JEDD areas since its inception. Developed projects in the original JEDD include Wal-Mart, two bank branches, a medical office, gas stations, fast food restaurants, strip commercial centers and other developments. Under construction in the expanded JEDD zone include Target and a number of surrounding outlot developments.

The City is also holding discussions with Liberty Township officials to create a new JEDD near the intersection of the Fox Highway/SR 129 and I-75. If these discussions come to a successful conclusion, significant additional revenues will be generated back to the City from income taxes collected from future development in that area of the County.

CITY SERVICES/INITIATIVES

Present

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

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

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

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

The City's water supply operations began in 1884. The Water System is a fully integrated water supply, treatment, transmission and distribution system. The City has two water treatment facilities. The City's two well fields draw from the Great Miami Buried Valley

Aquifer. The transmission and distribution system consists of more than 275 miles of various size piping, storage facilities and pumping stations. Currently, surplus water is sold to Butler County under a settlement agreed to in 2002.

Future

Hamilton’s infrastructure renewal program will continue throughout 2004, as State Routes 4 and Bypass are scheduled for rehabilitation as well as Eaton and Park Avenues. The Washington Blvd. Project will be as opened in the Spring of 2004 while engineering and construction of a new access road to Joyce Park will also be undertaken and completed. The City’s enterprise utilities will embark on a budgeted \$10,000,000 capital improvement program.

Technology initiatives will continue to be employed as a way of maximizing resources, both during 2003 and in future years. The City is well on its way to creating and expanding a fiber optic backbone that will allow for greater efficiency and further automation of city services. In addition, new software applications or upgrades to existing programs are being implemented to maximize efficiency, most notably a Geographic Information System (GIS).

Property Taxes

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

Property tax rates are developed through statute and by voter approved levies. The property tax rate for the City of Hamilton is 6.80 mills, or \$6.80 per \$1000 of taxable valuation. The tax rate is applied to the assessed value of all property located within the City. Real Property is valued at approximately 35%. Public Utility Property is valued at approximately 88% while Tangible Personal Property is valued at 25% of its actual value. Increases in the City’s property tax rate can only occur with the approval of the City’s voters at this time. Revenues from property taxes are primarily used for general fund operations. Total assessed values in the City over the past five years are shown below:

Levy Year	Collection Year	Assessed Value (in thousands)
1999	2000	\$786,843
2000	2001	804,136
2001	2002	819,425
2002	2003	906,858
2003	2004	898,476

Building Permit Values

Building activity is evidenced by the following data relating to the issuance of building permits by the City from 1999 to 2003:

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>		<u>Total Value</u>
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	
1999	298	\$13,618,767	297	\$55,584,172	\$69,202,939
2000	385	20,498,066	366	52,709,312	73,207,378
2001	339	9,379,336	326	19,759,001	29,138,337
2002	392	13,703,202	329	16,472,320	30,175,522
2003	492	22,329,633	399	34,979,102	57,308,735

Employee Relations

The City currently employs approximately 705 permanent full-time employees and had a 2003 payroll of \$37,651,886, which includes part-time and seasonal personnel.

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

The Collective Bargaining Law also designates those actions which constitute unfair labor practices and prescribes remedial procedures. In addition, it sets forth dispute resolution procedures for a contract negotiation impasse, including arbitration or other mutually agreeable methods. If, during negotiations for a new contract, the impasse persists after fact-finding procedures, then police and firefighters, dispatchers in a 9-1-1 communication center, and other public safety employees must take the dispute to binding arbitration and do not have the right to strike. All other employees have the right to strike ten days after written notice, provided there is no contract in place. No public employee has the right to strike within the contract period.

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

many of the same benefits by codified ordinance sections as do the employees covered by that contract. All eligible persons are included in these groups.

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

All of the eligible Sewer, Streets and Fleet Maintenance employees of the Public Works Department and all eligible employees of the Parks Division are represented by the American Federation of State, County and Municipal Employees (AFSCME Local 475). These employees and the City have a three year collective bargaining agreement which covers the period January 15, 2003 through January 14, 2006.

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

Forty-seven employees of the Electric and Gas & Water Departments are members of the International Brotherhood of Electrical Workers (IBEW). In addition, the Public Works Department has five employees who are also represented by the IBEW. The City and IBEW have negotiated a contract which covers the period November 1, 2003 through October 31, 2006.

Eight of the Public Health Nurses are members of the Office and Professional Employees International Union, Local 98. The City and these employees have agreed on a collective bargaining agreement which will expire on June 30, 2006.

All of the 14 eligible Meter Readers and service specialists in the Department of Public Utilities are represented by Local 20 of the International Union of Operating Engineers. The Meter Readers and the City have an agreement which extends to August 31, 2004.

AFSCME, Ohio Council 8 Local 3785 represents 15 persons employed in the 911 Communications Center as Public Safety Communications Operators. The current contract is in effect until July 31, 2006.

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

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

Pension Plans

Current and retired employees of the City are covered under two statewide public pension and retirement systems. The Ohio Police and Firemen's Pension Fund (OP&F) applies to sworn members of the police and fire departments. Other City employees are covered by the Public Employees Retirement Systems (PERS).

FINANCIAL INFORMATION

Accounting Controls

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

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

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

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

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

Budgetary Controls

Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. The City Manager, with the assistance of the Finance Director, is required to submit to Council a tax budget of estimated revenues and expenditures for all funds, except agency funds for the succeeding fiscal year by the first council meeting in July. The budget is required to be adopted by the legislative body by

July 15 and to be submitted to the County Budget Commission by July 20 of each year. City Council is required by Charter to adopt a permanent appropriation measure for the ensuing fiscal year no later than January 1st. On December 17, 2003, City Council adopted the 2004 fiscal year permanent appropriation measure.

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

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

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

CASH MANAGEMENT

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

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

Authorized investments are described in detail in Note 4 of the footnotes to the basic financial statements included within the financial section of this comprehensive annual financial report. Interest earnings are credited to various funds based upon City ordinance.

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the varying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority.

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

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

RISK MANAGEMENT

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

The proactive approach that the administration employs in addressing its ongoing operations is reflected in the composition of the City's insurance protection package and its very favorable loss experience. The City reduces exposure to risk through several initiatives. They include insurance coverages for vehicles, general liability, inland marine, building and contents and computer insurance, public officials and law enforcement liability coverages and boiler and machinery coverage. The City maintains comprehensive

insurance coverage with private carriers for real property, building contents, fleet, and general liability coverage. The City also carries police professional and public officials liability insurance. The City also maintains coverage through the Ohio Bureau of Worker's Compensation to mitigate job related illness and injury.

The City managed the risk of medical expense claims by employees who were eligible for health care coverage as a fringe benefit. The City maintained a contract with United Health Care to provide health insurance to employees on a premium based plan, and negotiated a new contract for 2004 with the same company.

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

OTHER INFORMATION

Independent Audit

Included in this report is the unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2003, by Clark, Schaefer, Hackett & Co. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. This annual independent audit serves to maintain and strengthen the City's accounting and budgetary controls.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hamilton for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2002. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards.

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

Acknowledgments

We would like to express our sincere appreciation to Mayor Donald V. Ryan, Vice-Mayor James R. Noonan, Edward Shelton, Katherine A. Becker, Christopher D. Flaig, CPA, George V. McNally and Richard S. Holzberger, known collectively as the City Council of Hamilton, for their support and encouragement. Further, our gratitude is also offered to new Vice-Mayor Patrick Moeller, who was elected in the November 2003 election and was sworn in to that position in January, 2004.

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

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


The basic financial statements of the City of Hamilton have been prepared in conformity with statements issued by the Governmental Accounting Standards Board (GASB), and more specifically GASB Statement No. 34. The statements are presented based upon accounting measurements and prescribed formats that have come to be known as the New Reporting Model. The adoption of these GASB statements requires a great deal of time and resources, a majority of which have come from in-house personnel. Ana Ramanathan and Crystal Hall provided a great deal of time, effort and work ethic to bring this project to its timely fruition. These employees have provided an invaluable service in bringing these reports to completion and we are indebted to them for the service they have provided.

A special word of thanks is extended to Michael J. Samoviski, Mark Brandenburger, Hillary Stevenson, John W. "Jay" Liver, Mike Perry, Ralph Riegelsperger, Rob Smith, Charles Young, Doug Childs, Mark Murray, Alison Haskins, Alan McIntire, and all the Directors and employees of the City of Hamilton.

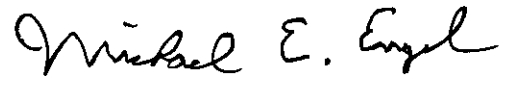
We would also like to take this opportunity to acknowledge the assistance of the Hamilton City School District and their Treasurer, Robert Hancock, as well as Jill Cole, Julie Joyce-Smith, Nancy Powell, Harry Steger and Belinda Ricketts of the Butler County Auditor's Office.

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

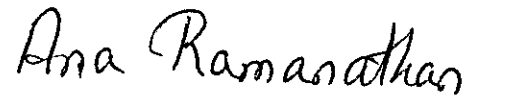
Respectfully Submitted,
THE CITY OF HAMILTON, OHIO



George M. Gordon, CPA
Director of Finance



Michael E. Engel, CMFA
Treasurer



Ana Ramanathan, MBA, CPA
Senior Accountant II/CAFR-
Audit Project Coordinator/Comptroller
June -2004

City of Hamilton, Ohio
List of Elected and Principal Officials
As of December 31, 2003

Mayor

Donald V. Ryan

Vice Mayor

James R. Noonan

Council Members

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

Municipal Court

John G. Rosmarin, Judge

City Management

City Manager

Michael J. Samoviski, P. E.

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

Mark Brandenburger, Esq.

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

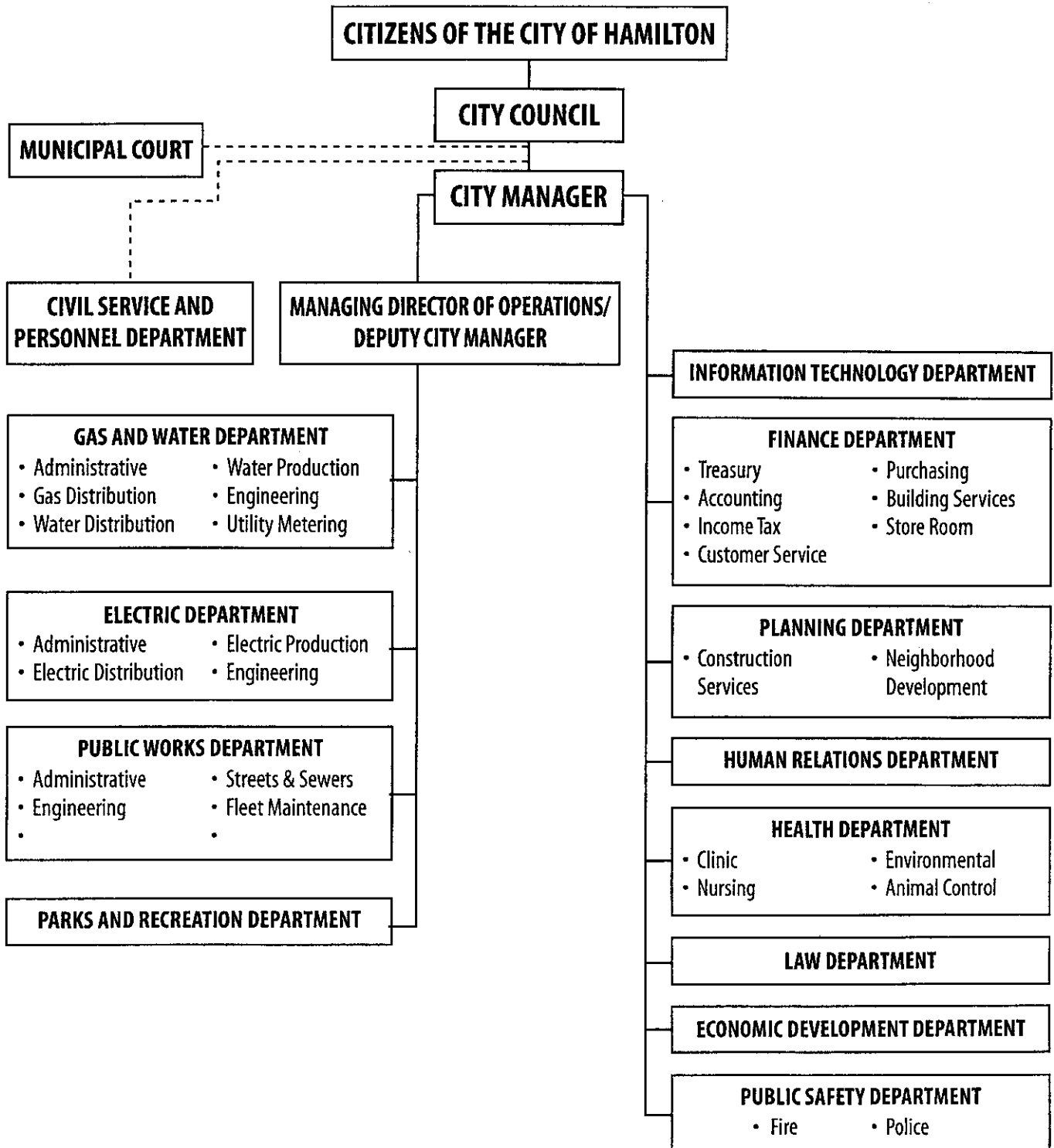
Tim Bigler
Teri Whitmore
Rob Smith
Chief Neil R. Ferdelman
George M. Gordon, CPA
Nadine Hill
Dr. William Karwisch
Vaughn Lewis
John Liver
Hillary Miller, Esq.
Chief Joseph Schutte
Michael Perry
William B. Phelps
R. Reigelsperger, P. E., P. S.
Ina Allen
Michael E. Engel, CMFA
Ana Ramanathan, MBA, CPA



City of Hamilton, Ohio

Organizational Chart

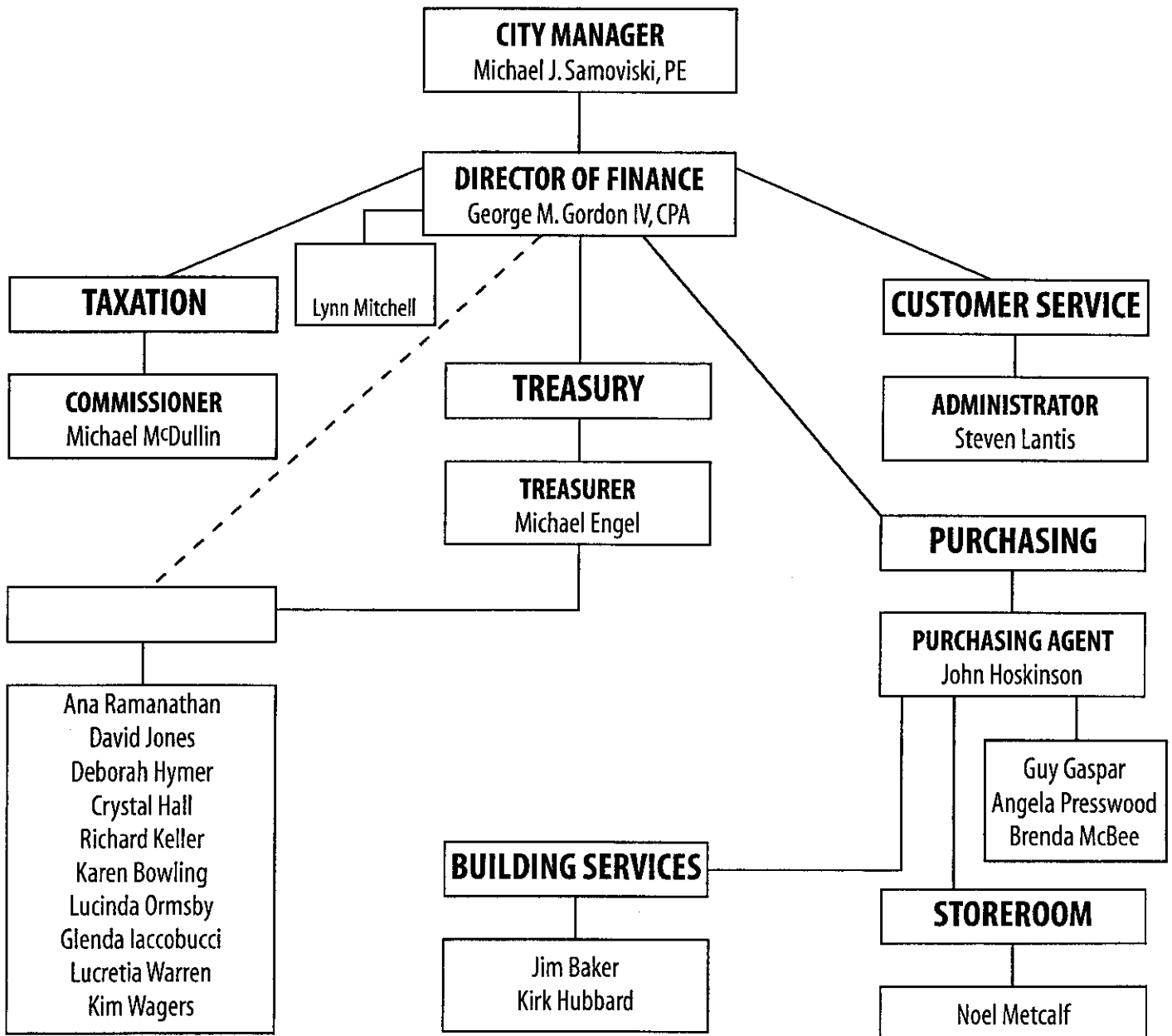
Rev. 6/04





City of Hamilton, Ohio

Department of Finance *Organization, Departments and Representative Duties As of December 31, 2003*



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hamilton,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

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



President

Executive Director



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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hamilton! Ohio as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hamilton! Ohio as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units* and Statement No. 38, *Deposit and Investment Risk Disclosure*, as of January 1, 2003.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2004, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

The Management's Discussion and Analysis on pages 3-11 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hamilton, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 14, 2004

City of Hamilton! Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

The discussion and analysis of the City of Hamilton's financial performance provide an overall review of the City's financial activities for the year ended December 31, 2003. While the intent of this discussion and analysis is to look at the City's financial performance as a whole, readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's fiscal performance.

Financial Highlights

Key highlights for 2003 are as follows:

- The assets of the City exceeded its liabilities at the close of the year ended December 31, 2003, by \$205,809,058 (net assets). Of this amount, \$8,553,473 (governmental unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors, and \$65,677,140 is classified as unrestricted in the Gas, Electric, Water and Wastewater activities.
- The City's total net assets increased by \$5,551,855, which represents a 2.77% increase from 2002.
- At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$17,421,851. Of this amount \$10,005,076 is available for spending (unreserved fund balance) on behalf of its citizens.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$6,657,098 or a little more than 17.19% of total general fund expenditures and other financing uses.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Hamilton as a complete operating entity.

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

City of Hamilton! Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

Reporting City of Hamilton as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and the change in those assets. This change in net assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, nonfinancial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two kinds of activities:

- Government Activities – Most of the City's services are reported here including police, social services programs, administration, and all departments with the exception of our Gas, Electric, Water and Wastewater funds.
- Business-Type Activities – These services have a charge based upon the amount of usage. The County charges fees to recoup the cost of the entire operation of our Gas, Electric, Water and Wastewater Systems as well as all capital expenses associated with these facilities.
- Component units are legally separate entities that the City has voting control over or fiscal responsibility for the entity. The City has no component units.

Reporting City of Hamilton's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established many funds which account for the

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multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of Hamilton, our major funds are the General, Gas, Electric, Water and Wastewater funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds.

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$205,809,508 (\$65,778,096 in governmental activities and \$140,030,962 in business type activities) as of December 31, 2003. By far, the largest portion of the City's net assets (63.46%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Table 1 provides a summary of the City's statement of net assets for 2003 compared to 2002.

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Current and Other Assets	\$39,483,291	\$31,276,000	\$83,880,258	\$88,743,682	\$123,363,549	\$120,019,682
Capital Assets	90,184,579	90,034,694	306,522,469	313,158,887	396,707,048	403,193,581
Total Assets	129,667,870	121,310,694	390,402,727	401,902,569	520,070,597	523,213,263
Long-term liabilities	45,684,794	43,202,759	236,776,514	252,457,760	282,461,308	295,660,519
Other liabilities	18,204,980	16,243,116	13,595,251	11,052,425	31,800,231	27,295,541
Total Liabilities	63,889,774	59,445,875	250,371,765	263,510,185	314,261,539	322,956,060
Nets Assets:						
Invested in capital assets, net of related debt	56,158,847	55,869,994	74,353,822	78,331,261	130,512,669	134,201,255
Restricted	1,065,776	764,635	0	0	1,065,776	764,635
Unrestricted	8,553,473	5,230,190	65,677,140	60,061,123	74,230,613	65,291,313
Total Net Assets	\$65,778,096	\$61,864,819	\$140,030,962	\$138,392,384	\$205,809,058	\$200,257,203

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An additional portion of the City's net assets represents resources that are subject to external restrictions on how they may be used. In the current fiscal year, this represented \$1,065,776 or 1.62% of net assets. The remaining unrestricted \$74,230,613 or 36.07% of net assets may be used to meet the City's ongoing obligations to its citizens and creditors and for business-type activities.

As of December 31, 2003, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for both 2001 and 2002. Total net assets increased \$5,551,855 mainly due to the City controlling expenses during the fiscal year.

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Revenues:						
Program Revenues:						
Charges for Services	\$11,774,785	\$11,047,934	\$99,608,508	\$103,844,258	\$111,383,293	\$114,892,192
Operating Grants	9,168,937	9,574,092	102,851	17,149	9,271,788	9,591,241
Capital Grants	808,510	251,110	456,976	0	1,265,486	251,110
General Revenues						
Income Tax	20,449,696	19,156,557	0	0	20,449,696	19,156,557
Property Tax	6,555,179	5,135,368	0	0	6,555,179	5,135,368
Other	6,370,594	12,057,465	1,128,519	1,670,707	7,499,113	13,728,172
Loss of Disposal	(1,143,604)	(1,020,847)	(367,139)	(213,706)	(1,510,743)	(1,284,553)
Total Revenues	53,984,097	56,201,679	100,929,715	105,318,408	154,913,812	161,470,087
Expenses:						
Security of Persons and Property						
General Government	1,803,619	3,610,257	0	0	1,803,619	3,610,257
Public Health/Welfare	1,151,216	3,741,462	0	0	1,151,216	3,741,462
Leisure Time Activities	3,357,315	2,220,239	0	0	3,357,315	2,220,239
Community Environment	4,711,002	4,231,050	0	0	4,711,002	4,231,050
Basic Utility Services	3,239,070	3,560,329	0	0	3,239,070	3,560,329
Transportation	3,615,021	3,914,488	0	0	3,615,021	3,914,488
Gas	0	0	25,705,272	21,874,839	25,705,272	21,874,839
Electric	0	0	50,839,938	55,703,426	50,839,938	55,703,426
Water	0	0	10,102,024	11,368,125	10,102,024	11,368,125
Wastewater	0	0	12,643,903	10,524,441	12,643,903	10,524,441
Other	8,683,643	9,755,640	0	0	8,683,643	27,423,208
Total Expenses	50,070,820	55,158,196	99,291,137	99,470,831	149,361,957	154,629,027
Change in Net assets Before Special Item	3,913,277	2,064,330	1,638,578	5,847,577	5,551,855	7,911,907
Special Item	0	0	0	34,437,550	0	34,437,550
Change in Net Assets	3,913,277	2,064,330	1,638,578	40,285,127	5,551,855	42,349,457
Beginning Net Assets	61,864,819	59,800,489	138,392,384	98,107,257	200,257,203	157,907,746
Ending Net Assets	\$65,778,096	\$61,864,819	\$140,030,962	\$138,392,384	\$205,809,508	\$200,257,203

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Governmental Activities

The primary focus of governmental activities is in the area of security of persons and property, which represents the police, fire and dispatch centers of the City. For 2003, total expenses were \$23.51 Million representing 46.95% of governmental activity spending yielding a reliance on general revenues to fund the program of approximately \$18.45 Million after direct support to their programs.

Continuing escalation in health insurance costs have affected all programs of the government. A primary goal of all programs is to continually review and monitor methods to seek self-sufficiency as public safety continues to increase expenditures. The community environment programs was the most successful of all programs, yielding no reliance on general revenues and generating over \$1.41 in additional revenues during 2003.

Business-Type Activities

The City's business-type activities include the Gas, Water, Electric and Wastewater systems. All four utilities were able to boast positive operating income figures and totaled \$12.92 Million. Combined change in net assets figured to \$1.92 Million with the electric and wastewater systems posting a net losses of \$.66 Million and \$1.54 Million, respectively, due to interest expense in the non-operating expenses. Over \$232 Million of revenue bonds exist in the four utilities and each is adequately meeting its covenant required debt service coverage ratio.

Financial Analysis of the City's Funds

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

Governmental Funds: The focus of these City funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements as well as its ability to meet the needs of its citizens. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of 2003, the City's governmental funds reported combined ending fund balances of \$17.42 Million. Approximately \$10 Million constitutes unreserved fund balance available for spending for citizens. The remainder of the balance is reserved to indicate that it has been spoken for already and not available to be spent for a variety of purposes, most notably to liquidate contracts and purchase orders from the prior year (\$6.59 Million).

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The General Fund is the chief operating fund of the City. As of December 31, 2003, the unreserved general fund balance was \$6.65 Million with a total fund balance of \$7.19 Million. As a measure of liquidity, it is often useful to compare these numbers to total general fund expenditures and other financing uses. Unreserved fund balance represents approximately 17.19% of the total expenditures and other financing uses, while total fund balance represents 18.56% of that same amount.

During 2003, the City's general fund increased by \$.50 Million with revenues exceeding expenditures by \$0.65 Million. This is primarily due to the general fund controlled expenditures during the fiscal year.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and the Charter of the City. The Budget is based on accounting for certain transaction on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2003, the City amended its total and general fund budget 4 times, the most significant noted below. All recommendations for the budget came from the City Manager after consultation with individual directors and the Finance Department before submission to City Council. The City Council also ministerially approves small interdepartmental budget changes that modify line items within departments within the same fund. With the General fund supporting a majority of our major activities such as public safety programs, as well as most legislative and executive activities, the General fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

There were several significant budgetary variances, particularly within the expenditures of the General Fund which were all below their final amended budget amounts for 2003. Most notable was "Other Expenditures" that was \$749,625 less than budget and was the result of a number of programmed projects either being delayed or ceased during 2003. The \$583,896 positive variance occurring in the "Security of Persona and Property" category was due primarily to expenditure reductions resulting from contracts and operational procedures within the City's boarding of prisoners techniques. Appropriations are monitored against revenues and while the lowest legal level of budgetary control exists at the Fund level, City Finance and Administrative staff routinely review budgetary status reports well below this level to insure proper public purpose and adherence to budgetary rules at an account level.

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Capital Assets and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental and business type activities as of December 31, 2003, amounts to \$130.51 Million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, improvements, equipment and machinery, roads, highways and bridges.

Note 10 (Capital Assets) provides capital asset activity during 2003. The City has had extremely limited funding to provide for capital asset acquisition and construction. Some of the notable assets completed or acquired during 2003 were:

- ❖ Interior renovation of the Criminal Justice Building (Police Department Headquarters) at a cost of \$405,818.
- ❖ The acquisition of four new fire trucks (3 pumper trucks and a Quint, or combined pumper/ladder truck) at a cost of \$1,370,023.
- ❖ As infrastructure continues to age, the City continues to fund main replacements, with related engineering costs. The Gas System installed mains at a cost of \$892,600, the Water System at a cost of \$2,258,267 and the Wastewater System at a cost of \$733,860.
- ❖ Electric System Boiler #8 was updated for NOX monitoring equipment at a cost of \$161,884.

Long-term Debt: At the end of 2003, the City had general obligation bonds outstanding of \$36,490,000. Total outstanding long-term bonds totaled \$271,996,770 and represents a decrease of 2.5% against prior year outstanding bond balances. See Note 14 for further information on the City's long-term debt.

The City of Hamilton completed the "2002 Debt Restructuring Program" in order to bond certain short-term notes payable and refinance existing long-term bonds due to the low interest rate environment. The program yielded four new bond issues in 2002 and was completed in 2003 with the issuance of Gas System Revenue Refunding Bonds and an Infrastructure Renewal General Obligation Bond in May 2003.

The City's two bond issues and one pooled financing occurring in 2003 were as follows:

- ❖ \$14,540,000 Gas System Revenue Refunding Bonds was issued to completely refinance the existing debt of the Gas system, providing for net present value savings of over \$2,000,000.
- ❖ \$3,480,000 Infrastructure Renewal General Obligation Bonds were issued to provide funding for \$1,000,000 annually for three years of road and street renewal with several minor Public Works projects or equipment financed simultaneously.
- ❖ \$326,770 Center for Local Government Special Assessment financing, was a pooled financing allowing for the long-term debting of four special assessment bond anticipation notes, as well as their corresponding projects.

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Economic Factors and Next Year's Budgets and Rates

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

Due to adjustments required for the 2003 budget resulting from income tax collections not meeting projections, the 2004 budget for the City boasts a 2.5% compounded increase from 2002 collection figures. Stagnation in General Fund revenue streams coupled with contractually required salary and benefit increases led to an adopted 2004 budget yielding expenditures in excess of revenues of over \$2,000,000. Pressures on the state to cut or maintain unrestricted revenues, such as the Undivided Local Government Fund, coupled with changes to Personal Property and Inheritance Tax laws, have put added pressure on the City requiring an appropriation from the carry-over fund balance, or surplus, in the General Fund. Even with adoption of the budget, the City is strictly monitoring expenditures and is reporting the results of budgetary financial activity on a weekly and monthly basis to City Council, who have adopted a wait-and-see approach to necessary appropriation reductions to view the accuracy of projected revenue streams.

These factors were all considered in preparing, and then adopting, the 2004 budget for the City of Hamilton. Anticipated increases in spending are strictly monitored beyond standard cost of living adjustments. Health insurance costs continue to be of major concern. Infrastructure renewal, including water main replacements, continues to be a focus for the City.

The City is prospering even in light of these fiscal pressures and maintains an A2 Moody's General Obligation Bond Rating at the end of 2003. All bond anticipation notes issued by the City received a Moody's Investor Service MIG-1 rating, the highest possible rating. The City completed the 2002 Debt Restructuring Program, uniquely positioning itself for growth and development over the next twenty years and to weather any prolonged economic downturn.

Requests for Information

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



THE CITY OF HAMILTON, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2003

	Governmental Type	Business Type	Total
Assets:			
Equity in Pooled Cash and Investments	\$ 23,732,721	\$ 25,723,537	\$ 49,456,258
Receivables (net of allowance for doubtful accounts):			
Taxes-Real & Personal Property	6,281,500	-	6,281,500
Taxes-Municipal Income	3,988,472	-	3,988,472
Accounts	1,226,693	13,762,067	14,988,760
Loans	532,268		532,268
Interest	62,961	208,179	271,140
Due from Other Governments	2,581,407	57,739	2,639,146
Inventory of Supplies at Cost	43,211	999,895	1,043,106
Prepaid Items	402,913	744,336	1,147,249
Restricted Assets:			
Cash and Investments	85,427	24,672,252	24,757,679
Bond Issuance Costs	545,718	4,384,096	4,929,814
Deferred Charge on Refunding	-	13,328,157	13,328,157
Nondepreciable Assets:			
Land	18,726,024	6,306,566	25,032,590
Real Estate held for development	3,910,434	-	3,910,434
Construction In Progress	6,428,189	10,864,875	17,293,064
Depreciable Assets:			
Buildings and Improvements	38,121,457	88,726,707	126,848,164
Machinery And equipment	17,709,431	486,181,232	503,890,663
Infrastructure : streets	124,337,923	-	124,337,923
bridges	3,658,227	-	3,658,227
culverts	183,401	-	183,401
storm sewer	9,155,915	-	9,155,915
Less: Accumulated Depreciation			
Buildings and Improvements	(9,945,933)	(43,996,468)	(53,942,401)
Machinery And equipment	(11,369,699)	(241,560,443)	(252,930,142)
Infrastructure : streets	(102,180,199)	-	(102,180,199)
bridges	(1,900,296)	-	(1,900,296)
culverts	(168,729)	-	(168,729)
storm sewer	(6,481,566)	-	(6,481,566)
TOTAL ASSETS	129,667,870	390,402,727	520,070,597
Liabilities:			
Accounts Payable	2,105,046	7,406,636	9,511,682
Accrued Wages and Benefits	1,226,104	783,744	2,009,848
Accrued Liabilities	447,614	-	447,614
Intergovernmental Payable	1,796,501	289,102	2,085,603
Accrued Interest Payable	341,572	1,307,564	1,649,136
Customer Deposits Payable	6,643	1,058,205	1,064,848
Deferred Revenue	6,281,500	-	6,281,500
General Obligation Notes Payable	6,000,000	2,750,000	8,750,000
Long Term Liabilities due within 1 year	3,236,843	9,144,949	12,381,792
Long Term Liabilities due over 1 year	42,447,951	227,631,565	270,079,516
Total Liabilities	63,889,774	250,371,765	314,261,539
NET ASSETS			
Investment in Capital Assets, net related debt	56,158,847	74,353,822	130,512,669
Restricted:			
Debt Service	321,537	-	321,537
Grants	14,403	-	14,403
Levy Purposes	653,835	-	653,835
Nonexpendable Endowments	76,001	-	76,001
Unrestricted	8,553,473	65,677,140	74,230,613
Total Net Assets	65,778,096	140,030,962	205,809,058
Total Net Assets and Liabilities	\$ 129,667,870	\$ 390,402,727	\$ 520,070,597

See accompanying notes to the basic financial statements

**THE CITY OF HAMILTON OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003**

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Business-Type Activities		Total
					Governmental Activities	Business-Type Activities	
Governmental Activities:							
Security of Persons and Property	\$ (23,509,934)	\$ 2,988,981	\$ 2,060,907	\$ -	\$ (18,450,046)	\$ -	(18,450,046)
Public Health and Welfare	(1,151,216)	477,485	206,020	-	(467,711)	-	(467,711)
Leisure Time Activities	(3,357,315)	1,038,982	-	-	(2,318,333)	-	(2,318,333)
Community Environment	(4,711,002)	749,910	4,565,039	808,510	1,412,457	-	1,412,457
Basic Utility Services	(3,239,070)	2,288,084	-	-	(940,986)	-	(940,986)
Transportation	(3,615,021)	1,213,364	2,336,971	-	(64,686)	-	(64,686)
General Government	(1,803,619)	410,626	-	-	(1,392,993)	-	(1,392,993)
Other Expenditures	(6,841,042)	2,178,705	-	-	(4,662,337)	-	(4,662,337)
Interest and Fiscal Charges	(1,842,601)	408,648	-	-	(1,433,953)	-	(1,433,953)
Total Governmental Activities	(50,070,820)	11,774,785	9,168,937	808,510	(28,318,588)	-	(28,318,588)
Business-Type Activities:							
Gas	(25,705,272)	25,722,341	-	-	-	17,069	17,069
Electric	(50,839,938)	49,056,403	-	456,976	-	(1,326,559)	(1,326,559)
Water	(10,102,024)	13,547,648	102,851	-	-	3,548,475	3,548,475
Sewer	(12,643,903)	11,282,116	-	-	-	(1,361,787)	(1,361,787)
Total Business-Type Activities	(99,291,137)	99,608,508	102,851	456,976	-	877,198	877,198
Total	\$ (149,361,957)	\$ 111,383,293	\$ 9,271,788	\$ 1,265,486	(28,318,588)	877,198	(27,441,390)
General Revenues:							
Income Taxes					20,449,696	-	20,449,696
Property Taxes					6,555,179	-	6,555,179
Grants and Contributions not restricted to specific programs					4,871,892	-	4,871,892
Unrestricted investment earnings					329,082	769,239	1,098,321
Miscellaneous					1,169,620	359,280	1,528,900
Loss on Disposal of Capital Assets					(1,143,604)	(367,139)	(1,510,743)
Total General Revenues					32,331,865	761,380	32,993,245
Changes in Net Assets					3,913,277	1,638,578	5,551,855
Net Assets-Beginning					61,864,819	138,392,384	200,257,203
Net Assets-Ending					\$ 65,778,096	\$ 140,030,962	\$ 205,809,058

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 7,002,468	\$ 16,163,555	\$ 23,166,023
Receivables (net of allowance for doubtful accounts):			
Taxes-Real & Personal Property	2,527,800	3,753,700	6,281,500
Taxes-Municipal Income	3,091,066	897,406	3,988,472
Loans	-	532,268	532,268
Accounts	526,526	574,149	1,100,675
Interest	56,121	6,840	62,961
Due from Other Funds	147,110	-	147,110
Interfund Receivable	379,404	-	379,404
Due from Other Governments	1,380,105	1,201,302	2,581,407
Inventory of Supplies at Cost	2,572	28,442	31,014
Prepaid Items	337,893	64,651	402,544
Restricted Assets:			
Cash and Cash Equivalents	-	85,427	85,427
Total Assets	\$ 15,451,065	\$ 23,307,740	\$ 38,758,805
Liabilities:			
Accounts Payable	730,174	1,312,977	2,043,151
Accrued Wages and Benefits	1,093,799	113,783	1,207,582
Accrued Liabilities	346,901	100,713	447,614
Due to Other Funds	-	21,092	21,092
Intergovernmental Payable	1,298,692	44,383	1,343,075
Interfund Payable	-	379,404	379,404
Accrued Interest Payable	-	24,741	24,741
Customer Deposits Payable	-	6,643	6,643
Deferred Revenue	4,792,622	5,071,030	9,863,652
General Obligation Notes Payable	-	6,000,000	6,000,000
Total Liabilities	8,262,188	13,074,766	21,336,954
Fund Balances:			
Reserved for Encumbrances	191,314	6,394,365	6,585,679
Reserved for Supplies Inventory	2,572	28,442	31,014
Reserved for Prepaid Items	337,893	64,651	402,544
Reserved for Debt Service	-	321,537	321,537
Reserved for Endowments	-	76,001	76,001
Unreserved, reported in:			
General	6,657,098	-	6,657,098
Special Revenue	-	2,511,970	2,511,970
Capital Projects	-	836,008	836,008
Total Fund Balances	7,188,877	10,232,974	17,421,851
Total Liabilities and fund balances	\$ 15,451,065	\$ 23,307,740	\$ 38,758,805

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	90,184,579
Issuance Costs associated with governmental debt are not financial resources and, therefore, are not reported in the funds	545,718
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	3,582,154
Internal service funds are used by management to charge the costs of fleet management and central benefits to individual funds. The assets and liabilities of these internal service funds are included in the governmental activities in the statement of net assets:	(76,114)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	(45,880,092)

Net Assets of governmental activities **\$ 65,778,096**

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Income Taxes	\$ 15,553,750	\$ 4,771,668	\$ 20,325,418
Property and Other Taxes	4,881,751	1,673,427	6,555,178
Intergovernmental	4,571,135	9,661,287	14,232,422
Charges for Services	2,484,775	6,279,367	8,764,142
Licenses and Permits	1,257,987	386,461	1,644,438
Investment Earnings	274,702	56,603	331,305
Fines and Forfeitures	1,231,664	230,522	1,462,186
Special Assessments	-	582,506	582,506
All Other Revenues	216,731	1,105,598	1,322,329
Total Revenues	30,472,495	24,747,429	55,219,924
Expenditures:			
Current:			
Security of Persons and Property	19,287,287	5,733,318	25,020,605
Public Health and Welfare	1,059,445	128,357	1,187,802
Leisure Time Activities	1,392,703	894,920	2,287,623
Community Environment	667,785	4,058,753	4,726,538
Basic Utility Services	1,022,756	2,288,726	3,311,482
Transportation	-	3,385,373	3,385,373
General Government	1,363,735	-	1,363,735
Other Expenditures	5,031,355	454,475	5,485,830
Capital Outlay	-	2,618,713	2,618,713
Debt Service:			
Principal Retirement	-	1,550,000	1,550,000
Interest and Fiscal Charges	-	1,849,261	1,849,261
Total Expenditures	29,825,066	22,961,896	52,786,962
Excess of Revenues Over Expenditures	647,429	1,785,533	2,432,962
Other Financing Sources (Uses):			
Face Value of Issued Debt	-	3,806,770	3,806,770
Other Financing Uses	-	(34,800)	(34,800)
Sale of Capital Assets	24,329	106,167	130,496
Transfers - In	50,885	9,848,194	9,899,079
Transfers - Out	(224,163)	(9,674,916)	(9,899,079)
Total Other Financing Sources (Uses)	(148,949)	4,051,415	3,902,466
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	498,480	5,836,948	6,335,428
Fund Balances at Beginning of Year	6,690,623	4,398,969	
Decrease in Inventory	(226)	(2,943)	
Fund Balances at End of Year	\$ 7,188,877	\$ 10,232,974	

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

Net Change in Fund Balances - total governmental funds

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 149,885

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (91,836)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any affect of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (2,250,110)

Adjustment to reflect the consolidation of internal service fund activities related to governmental funds 34,395

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (264,485)

Change in net assets of governmental activities \$ 3,913,277

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON! OHIO
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Initial Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property and Other Local Taxes	\$ 5,313,850	\$ 5,463,850	\$ 4,881,751	\$ (582,099)
Income Taxes	16,352,500	15,538,231	15,214,935	(323,296)
Intergovernmental	3,934,209	4,144,290	4,334,166	189,876
Charges for Services	2,222,649	2,558,148	2,484,775	(73,373)
Licenses and Permits	1,053,745	1,222,183	1,257,987	35,804
Investment Earnings	754,270	675,954	294,879	(381,075)
Fines and Forfeitures	1,013,950	1,013,950	1,108,686	94,736
Other All Revenue	129,310	201,126	246,096	44,970
Total Revenues	<u>30,774,483</u>	<u>30,817,732</u>	<u>29,823,275</u>	<u>(994,457)</u>
Expenditures:				
Current				
Security of Persons and Property	19,244,415	19,645,722	19,061,826	583,896
Public Health and Welfare	1,247,800	1,225,409	1,110,976	114,433
Leisure Time Activities	1,572,098	1,539,423	1,378,993	160,430
Community Environment	832,095	862,783	725,900	136,883
Basic Utility Services	1,368,952	1,266,351	1,059,466	206,885
General Government	1,696,990	1,732,495	1,313,569	418,926
Other Expenditures	5,182,650	6,153,431	5,403,806	749,625
Total Expenditures	<u>31,145,000</u>	<u>32,425,614</u>	<u>30,054,536</u>	<u>2,371,078</u>
Deficiency of Revenues Under Expenditures	(370,517)	(1,607,882)	(231,261)	1,376,621
Other Financing Sources (Uses):				
Other Financing Sources	-	104,820	126,034	21,214
Sale of Capital Assets	20,000	23,500	24,329	829
Transfers - In	159,148	1,467,488	50,885	(1,416,603)
Transfers - Out	(166,732)	(223,975)	(224,163)	(188)
Total Other Financing Sources (Uses)	<u>12,416</u>	<u>1,371,833</u>	<u>(22,915)</u>	<u>(1,394,748)</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(358,101)	(236,049)	(254,176)	(18,127)
Fund Balances at Beginning of Year	5,463,206	5,463,206	5,463,206	-
Prior Year Encumbrances Appropriated	901,431	901,431	901,431	749,625
Fund Balances at End of Year	<u>\$ 6,006,536</u>	<u>\$ 6,128,588</u>	<u>\$ 6,110,461</u>	<u>\$ 731,498</u>

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2003

BUSINESS-TYPE ACTIVITIES—ENTERPRISE FUNDS

	Gas	Electric	Water	Wastewater	Totals	Business-Type Activities Internal Service Fund	Governmental Activities Internal Service Funds
Assets:							
Current Assets:							
Equity in Pooled Cash and Investments	\$ 2,502,108	\$ 7,921,851	\$ 13,046,900	\$ 2,252,678	\$ 25,723,537	\$ -	\$ 566,698
Receivables (net of allowances for doubtful accounts)	5,013,341	6,051,281	1,161,431	1,516,014	13,742,067	-	-
Accounts Interest	37,023	63,697	69,271	38,188	208,179	-	-
Due from Other Funds	5,000	5,000	5,000	5,000	20,000	-	-
Due from Other Governments	-	57,739	57,739	-	57,739	-	-
Inventory of Supplies at Cost	103,751	799,105	95,836	1,203	999,895	-	12,197
Prepaid items	95,499	450,171	92,533	103,108	741,311	3,025	369
Total Current Assets	7,756,722	15,291,105	14,528,710	3,916,191	41,492,728	3,025	579,264
Noncurrent Assets:							
Restricted Assets:							
Cash and Cash Equivalents	3,754,544	9,300,809	3,322,292	8,294,607	24,672,252	-	-
Deferred Charge - Refunding	1,300,018	9,572,810	2,455,329	-	13,328,157	-	-
Bond Issuance Costs	401,752	3,416,813	315,704	249,827	4,384,096	-	-
Capital Assets:							
Property, Plant and Equipment	58,452,097	337,946,167	98,010,439	86,292,577	580,701,280	-	321,937
Construction in Progress	573,472	3,615,381	5,476,823	1,712,424	11,378,100	-	-
Less: Accumulated Depreciation	(21,543,002)	(195,227,368)	(29,682,139)	(39,104,402)	(285,556,911)	-	(200,923)
Total Capital Assets (net of accumulated depreciation)	37,482,567	146,334,180	73,805,123	48,900,599	306,522,469	-	121,014
Total Noncurrent Assets	42,938,881	168,624,612	79,898,448	57,445,033	348,906,974	-	121,014
Total Assets	\$ 50,695,603	\$ 183,915,717	\$ 94,427,158	\$ 61,361,224	\$ 390,399,702	\$ 3,025	\$ 700,278

**THE CITY OF HAMILTON, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2003**

BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS

	Totals			Business-Type Activities Internal Service Fund		Governmental Activities Internal Service Funds	
	Gas	Electric	Water	Wastewater	Totals	Business-Type Activities Internal Service Fund	Governmental Activities Internal Service Funds
Liabilities							
Current Liabilities:							
Accounts Payable	\$ 3,228,292	\$ 2,339,767	\$ 932,801	\$ 468,372	\$ 6,969,232	\$ 437,404	\$ 61,895
Accrued Wages and Benefits	52,746	379,448	113,506	91,979	637,679	146,065	18,522
Due to Other Governments	19,856	133,382	41,731	35,231	230,200	58,902	453,426
Accrued Interest Payable	115,118	733,136	116,808	342,502	1,307,564	-	-
General Obligation Notes Payable	-	-	-	2,750,000	2,750,000	-	-
Revenue Bonds Payable - current	955,000	5,605,000	510,000	865,000	7,935,000	-	-
Total Current Liabilities	4,371,012	9,190,733	1,714,846	4,553,084	19,829,675	642,371	533,843
Noncurrent Liabilities:							
Customer Deposits Payable	424,190	456,979	89,411	87,625	1,058,205	-	-
Deferred Revenue	-	-	-	-	-	-	-
Special Assessment Notes Payable	-	-	-	-	-	-	-
Compensated Absences Payable	400,861	1,985,296	780,218	748,453	3,914,828	693,039	121,535
Revenue Bonds Payable (net of unamortized discounts)	13,433,286	172,615,376	11,862,163	26,322,822	224,233,647	-	-
Total Noncurrent Liabilities	14,258,337	175,057,651	12,731,792	27,158,900	229,206,680	693,039	121,535
Total Liabilities	18,629,349	184,248,384	14,446,638	31,711,984	249,036,355	1,335,410	655,378
Net Assets							
Invested in capital assets, net of related debt	23,094,281	(31,886,196)	61,432,960	21,712,777	74,363,822	-	121,014
Unrestricted (Deficit)	8,971,973	31,553,529	18,547,560	7,936,463	67,009,525	(1,332,385)	(76,114)
Total Net Assets	32,066,254	(332,667)	79,980,520	29,649,240	141,363,347	(1,332,385)	44,900
Total Net Assets and Liabilities	\$ 50,695,603	\$ 183,915,717	\$ 94,427,158	\$ 61,361,224	\$ 141,363,347	\$ 3,025	\$ 700,278

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

(1,332,385)

Net Assets of business-type activities

\$ 140,030,962

See accompanying notes to the basic financial statements



THE CITY OF HAMILTON OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS					Business-Type Activities Internal Service Fund	Governmental Activities Internal Service Funds
	Gas	Electric	Water	Wastewater	Totals		
Operating Revenues:							
Charges for Services	\$ 26,059,532	\$ 49,046,899	\$ 14,094,741	\$ 11,624,362	\$ 100,825,534	\$ 5,614,242	\$ 5,243,986
Other Operating Revenues	55,970	190,532	95,063	45,802	387,367		
Total Operating Revenues	26,115,502	49,237,431	14,189,804	11,670,164	101,212,901	5,614,242	5,243,986
Operating Expenses:							
Personal Services	1,398,765	8,945,629	2,864,732	2,375,333	15,584,459	4,156,321	4,867,209
Materials and Supplies	54,311	1,450,524	687,180	13,948	2,205,963	241,737	503,805
Contractual Services	846,380	3,495,527	2,735,901	2,056,671	9,134,479	1,233,818	313,000
Purchase of Gas and Electric	18,300,993	15,980,616	-	-	34,281,609	-	-
Depreciation	1,806,207	9,753,838	1,877,545	2,312,744	15,752,334	-	18,004
Other Operating Expenses	2,880,887	4,117,993	1,651,896	2,686,634	11,337,410	266,787	30,021
Total Operating Expenses	25,289,543	43,744,127	9,817,254	9,445,330	86,296,254	5,898,663	5,732,039
Operating Income (Loss)	825,959	5,493,304	4,372,550	2,224,834	12,916,647	(284,421)	(488,053)
Non-Operating Revenues (Expenses):							
Investment Earnings	124,610	288,762	265,818	90,050	769,240	-	(9,988)
Interest and Fiscal Charges	(753,507)	(6,892,909)	(753,354)	(3,547,704)	(11,947,474)	-	-
Grants	-	456,977	102,851	-	559,828	-	-
Other Non-Operating Revenues	-	-	-	-	-	-	-
Loss on Disposal of Capital Assets	(5,224)	(8,038)	(51,427)	(310,553)	(375,242)	-	3,944
Total Non-Operating Revenues (Expenses):	(634,121)	(6,155,208)	(436,112)	(3,768,207)	(10,993,648)	-	(6,044)
Change in Net Assets	191,838	(661,904)	3,936,438	(1,543,373)	1,922,999	(284,421)	(494,097)
Total net assets - beginning	31,874,416	329,237	76,044,082	31,192,613	1,922,999	(1,047,964)	538,997
Total net assets - ending	\$ 32,066,254	\$ (332,667)	\$ 79,980,520	\$ 29,649,240	\$ 1,922,999	\$ (1,332,385)	\$ 44,900
					Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		(284,421)
					Change in net Assets of business-type activities		\$ 1,638,578

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON! OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS

	Gas	Electric	Water	Wastewater	Totals	Business-Type Activities Internal Service Fund	Governmental Activities Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents							
Cash Flows from Operating Activities:							
Cash Received from Customers	\$ 25,798,832	\$ 49,573,347	\$ 14,098,849	\$ 11,456,593	\$ 100,927,621	\$ 5,614,242	\$ 5,397,132
Cash Paid for Employee Services and Benefits	(1,363,166)	(8,942,878)	(2,809,867)	(2,320,662)	(15,436,573)	(4,065,418)	(5,071,184)
Cash Paid to Suppliers for Goods and Services	(21,347,100)	(25,906,401)	(4,896,137)	(4,695,016)	(56,844,654)	(1,347,393)	(709,877)
Other Operating Revenues	12,234	199,758	93,089	45,802	350,883	-	-
Other Operating Expenses	-	-	-	-	-	(201,431)	(30,021)
Other Non-Operating Revenues	-	-	-	-	-	-	3,944
Net Cash Provided by (Used for) Operating Activities	3,100,800	14,923,826	6,485,934	4,486,717	28,997,277	-	(410,006)
Cash Flows from Capital and Related Financing Activities:							
Capital Grant Contributions	-	456,977	45,112	-	502,089	-	-
Fair Value from the Sale of Debt	-	-	-	2,750,000	2,750,000	-	-
Proceeds from Sale of Refunding Debt	15,448,723	-	-	-	15,448,723	-	-
Proceeds from Sale of Assets	-	2,629	-	-	2,629	-	-
Acquisition and Construction of Assets	(848,362)	(2,719,496)	(4,531,234)	(1,394,695)	(9,493,787)	-	-
Payment to Escrow Agent for Refunding Debt	(16,917,357)	-	-	-	(16,917,357)	-	-
Principal Paid on Mortgage Revenue Bonds	(860,000)	(5,425,000)	(500,000)	(830,000)	(7,615,000)	-	-
Principal Paid on Ohio Water Development Authority Loans	-	-	-	(7,712,448)	(7,712,448)	-	-
Interest Paid on All Debt	(1,328,264)	(5,947,272)	(507,114)	(3,824,075)	(11,606,725)	-	-
Net Cash Used for Capital and Related Financing Activities	(4,505,260)	(13,632,162)	(5,493,236)	(11,011,218)	(34,641,876)	-	-
Cash Flows from Investing Activities:							
Interest and Dividends	142,662	333,647	293,636	152,490	922,435	-	12
Net Cash Provided By Investing Activities	142,662	333,647	293,636	152,490	922,435	-	12
Net Increase (Decrease) in Cash and Cash Equivalents	(1,261,798)	1,625,311	1,286,334	(6,372,011)	(4,722,164)	-	(409,994)
Cash and Cash Equivalents at Beginning of Year	7,518,450	15,597,349	15,082,858	16,919,296	55,117,953	-	976,692
Cash and Cash Equivalents at End of Year	\$ 6,256,652	\$ 17,222,660	\$ 16,369,192	\$ 10,547,285	\$ 50,395,789	\$ -	\$ 566,698

**THE CITY OF HAMILTON OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS						Business-Type Activities Internal Service Fund	Governmental Activities Internal Service Funds
	Gas	Electric	Water	Wastewater	Totals			
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: Operating Income (Loss)	\$ 825,959	\$ 5,493,304	\$ 4,372,550	\$ 2,224,834	\$ 12,916,647	\$ (284,421)	\$ (488,053)	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:								
Depreciation Expense	1,808,207	9,753,838	1,877,545	2,312,744	15,752,334	-	18,004	
Other Non-Operating Revenues							3,944	
Change in Assets and Liabilities:								
(Increase) Decrease in Accounts Receivable	(328,856)	468,741	(5,396)	(175,465)	(40,976)			
Decrease in Due From Other Funds								
Decrease in Materials and Supplies Inventories	10,199	132,859	9,030	(148)	151,940		510,488	
(Increase) Decrease in Prepaid Items	857	209,128	860	(6,716)	204,129	23,489	5,041	
Increase in Intergovernmental Payables	4,786	34,457	10,583	7,944	57,770	8,040	3,617	
Increase (Decrease) in Accounts Payables	724,415	(1,203,728)	168,950	69,101	(241,262)	201,090	(444,973)	
Increase (Decrease) in Accrued Wages and Benefits	1,008	26,738	7,693	(5,623)	29,816	13,534	7,701	
Increase (Decrease) in Compensated Absences Payable	29,805	(58,444)	36,589	52,350	60,300	38,268	(1,015)	
Increase in Customer Deposits	24,420	66,933	7,530	7,696	106,579		(24,760)	
Total Adjustments	2,274,841	9,430,522	2,113,384	2,261,883	16,080,630	284,421	78,047	
Net Cash Provided by (Used by) Operating Activities	\$ 3,100,800	\$ 14,923,826	\$ 6,485,934	\$ 4,486,717	\$ 28,997,277	\$ -	\$ (410,006)	

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2003, the Gas, Electric, Water and Wastewater Funds had change in fair value of investments of (\$11,148), (\$35,431), (\$58,354) and (\$10,075), respectively.

At December 31, 2003, the Business Type Internal Service funds had a change in fair value of investments of (\$2,534).

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2003

	Totals
Assets:	
Cash and Cash Equivalents	\$ 1,381,001
Receivables (net of allowances for doubtful accounts)	
Taxes-Real & Personal Property Accounts	121,200 <u>1,196</u>
 Total Assets	 <u><u>1,503,397</u></u>
Liabilities:	
Due to Other Funds	146,018
Intergovernmental Payable	1,243,712
Due to Others	<u>113,667</u>
 Total Liabilities	 <u><u>\$ 1,503,397</u></u>

See accompanying notes to the basic financial statements

THE CITY OF HAMILTON! OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION

A. Reporting Entity

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

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

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

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

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

A. Reporting Entity (Continued)

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

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

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

Butler County, Ohio
Butler Technology and Career Development Center
Hamilton City School District
Lane Public Library
Greater Hamilton Convention and Visitor's Bureau
Hamilton Chamber of Commerce
Hamilton Central Business Special Improvement District

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

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

A. Reporting Entity (Continued)

As a custodian of public funds, the City invests all public monies held on deposit in the City Treasury. In the case of the Hamilton-Indian Springs Joint Economic Development District (the “JEDD”), a legally separate district, the City serves as fiscal agent but the organization is not considered a part of the City. The Hamilton-Indian Springs JEDD has a five-member board of trustees for which the City appoints one member and for which the City is not financially accountable. The JEDD was formed under the auspices of Ohio Revised Code Section 715 to facilitate commercial and economic development within a specific territory completely located within the boundaries of then Indian Springs, now Fairfield Township. The JEDD has levied an income tax equal to the income tax rate charged within the City of Hamilton (2%) on all compensation earned by employees working in the JEDD. Income tax collections net of collection expenses and refunds are first applied to District operating expenses in accordance with the District’s Budget, then to any long-term maintenance set aside, with any surplus to be paid to Hamilton and Fairfield Township according to contractual percentages. The Hamilton-Indian Springs Joint Economic Development District is a joint venture of the City, which is more fully explained in Note 19 to the basic financial statements. Accordingly, the activity of the JEDD is presented as an agency fund (fiduciary) within the City’s financial statements.

B. Basis of Presentation – Fund Accounting

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Measurement Focus Basis of Accounting and Financial Statement Presentation

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

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

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

Fund Accounting

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

Governmental Funds

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major governmental fund:

General Fund

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

The City reports the following major proprietary funds:

Gas Fund

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

Electric Fund

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

Water Fund

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

Wastewater Fund

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

Additionally, the City reports the following fund types:

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

Fiduciary Funds

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also has the option of following subsequent FASB guidance for their business-type and proprietary funds, subject to this same limitation. The City has elected not to apply those FASB Statements and Interpretations issued after November 30, 1989 to its enterprise funds.

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

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

B. Budgetary Process

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

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

1. Tax Budget

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year to not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2003, while the original budget column reflects the amounts in the original official certificate of estimated resources.

3. Appropriations

As required by charter, an annual appropriation ordinance must be adopted prior to the beginning of fiscal year. The appropriation ordinance establishes spending controls at the fund level, the legal level of control. The appropriation ordinance may be amended by ordinance of Council during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified by the County Budget Commission. The allocation of appropriations among departments and objects within a fund may be modified during the year by management. During 2003, several supplemental appropriations were necessary to budget the use of contingency funds, intergovernmental grant proceeds and capital improvement projects. None of these were considered material.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Encumbrances

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

5. Lapsing of Appropriations

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

6. Budgetary Basis of Accounting

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	General Fund
GAAP Basis	<u>\$498,480</u>
Adjustments:	
Revenue Accruals	(524,605)
Expenditure Accruals	693,441
Encumbrances	<u>(921,492)</u>
Budget Basis	<u>(\$254,176)</u>

C. Cash and Cash Equivalents

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

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

D. Investments

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City has invested funds in the STAR Ohio during 2003. Star Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2003.

E. Inventory

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

F. Capital Assets and Depreciation

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

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

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

Depreciation has been provided using the straight-line method over the following estimated useful lives:

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

G. Long-Term Obligations

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

H. Compensated Absences

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

I. Pensions

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

J. Interfund Transactions

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

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

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

K. Reservations of Fund Balance

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Restricted Assets

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

M. Net Assets

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

N. Interfund Activity

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

O. Deferred Revenues

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

Property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenues. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenues.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Exchange/Non-Exchange Transactions

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

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

Q. Estimates

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

R. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$45,880,092) difference are as follows:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long Term Debt	(\$39,591,770)
Long Term Debt – Discount	238,209
Accrued Interest Payable	(316,833)
Compensated Absences	(6,209,698)
Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>(\$45,880,092)</u>

Another element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.” The details of \$90,184,579 difference are as follows:

Capital Assets	\$222,231,001
Accumulated Depreciation	(132,046,422)
Net Adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$90,184,579</u>

Another element of that reconciliation states that “Capital additions are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.” The details of this \$149,885 are as follows:

Current capital additions	\$4,916,495
Loss on disposal of capital assets	(1,143,604)
Depreciation Expense	(3,623,006)
Net Adjustment - capital assets to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$149,885</u>

An element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any affect of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this (\$2,250,110) are as follows:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proceeds from Issuance of Long Term Debt	(\$3,806,770)
Principal paid on Long Term Debt	1,550,000
Current Year Amortization of Issuance Costs	90,786
Current Year Amortization of Long Term Debt Discount	(69,178)
Change in Interest Payable	(14,948)
Net Adjustment - current financial resources focus to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>(2,250,110)</u>

NOTE 3 – ACCOUNTABILITY

Fund Balance Deficits

The following funds had deficit fund balance amounts as of December 31, 2003:

Fund Name	Fund Balance Deficit
<i>Nonmajor Governmental Funds</i>	
Special Revenue Funds:	
Youth Build Grant	\$4,449
Technology Initiative	290,627
Miami Conservancy	204,620
Total Special Revenue Funds	<u>499,696</u>
Capital Projects Funds:	
Hamilton Enterprise Park	2,471,678
Issue II Projects	47,446
Total Capital Projects	<u>2,519,124</u>
<i>Internal Service Funds</i>	
Central Services	1,332,385
Central Benefits	156,079
Total Internal Service Funds	<u>1,038,464</u>
All Funds	<u>\$4,507,284</u>

NOTE 3 – ACCOUNTABILITY (Continued)

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

Deficits occurring in the Technology Initiative Special Revenue Fund and Hamilton Enterprise Park, Capital Projects Funds arose from the recognition of bond anticipation notes within the individual fund balance sheets. When bonds are issued which retire the anticipation notes, the related liability will be removed and the deficit eliminated. The deficit occurring in the Issue II Projects Capital Project Fund has arisen due to recognition of an interfund payable. When cash is received and the liability removed, the deficit will be eliminated.

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

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

Change in Accounting Principles

For fiscal year 2003, the City implemented the following GASB Statements:

- GASB Statement No. 39 “*Determining Whether Certain Organizations are Component Units*”
- GASB Statement No. 40 “*Deposit and Investment Risk Disclosure*”

The implementation of GASB No. 39 and 40 has no impact on 2002 net assets, fund balance, or retained earnings.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. The following is a list of the allowable investments for the City:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasury Asset Reserve of Ohio (STAR Ohio); and
- Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

The City may also invest any moneys not required to be used for period of time of six months or more in the following:

- Bonds of the State of Ohio;
- Bonds of any municipal corporation, village, City, township or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
- Obligations of the City.

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

Investments in stripped principal and interest obligations, reverse repurchase agreements and derivative investments are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority.

A. Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a custodial credit risk policy.

As of December 31, 2003, \$12,297,183 of the City's bank balance of \$12,713,768 was exposed to custodial credit risk as follows since it was uninsured and uncollateralized.

B. Investments

The City's investments at December 31, 2003 are summarized below:

<i>Categorized Investments</i>	<i>Fair Value</i>	<i>Avg Max Maturity</i>	<i>Credit Rating</i>
U.S. Governmental Agencies	\$49,151,109	3.07	NA
Firststar Money Market Mutual Fund	71,147	NA	AAA/V-1+
STAR Ohio	<u>13,859,254</u>	NA	AAAm
Total Investments	<u>\$63,081,510</u>		

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

Custodial Credit Risk

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

Interest Rate Risk

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

NOTE 5 – TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2003 were levied after October 1, 2002 on assessed values as of January 1, 2002, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed for tax year 2002. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semi-annually, the first payment is due by February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

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

NOTE 5 – TAXES (Continued)

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

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

The full tax rate for the City's operations for the year ended December 31, 2003 was \$6.80 per \$1,000 of assessed value. The assessed value upon which the 2003 receipts were based was \$906,857,895. This amount constitutes \$812,598,300 in real property assessed value, \$13,814,790 in public utility assessed value and \$80,444,805 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .68% (6.80 mills) of assessed value.

B. Income Tax

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

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

NOTE 6 – RECEIVABLES

Receivables at December 31, 2003 consisted of taxes, accounts receivable, accrued interest, inter-fund receivables, notes receivable (see Note 7) and intergovernmental receivables arising from shared revenues. These receivables result from both exchange and non-exchange transactions.

Business-type receivables at December 31, 2003, are presented net of allowances for doubtful accounts. To better detail the accounts receivable balances in the Business-type Funds, the following schedule identifies and reconciles these amounts as of December 31, 2003 as follows:

NOTE 6 – RECEIVABLES (Continued)

	Gas	Electric	Water	Wastewater	Business-Type Activities
Earned and unbilled consumer accounts	\$2,698,418	\$2,980,715	\$397,851	\$398,113	\$6,475,097
Earned and billed consumer accounts	5,417,816	7,117,919	1,436,437	2,212,867	16,185,039
Other	659	20,484	5,334	1,610	28,087
Travel Advances	0	0	0	0	20,000
Less allowance for uncollectible accounts	(3,103,552)	(4,067,837)	(678,191)	(1,096,576)	(8,946,156)
Accounts Receivable	5,013,341	6,051,281	1,161,431	1,516,014	13,762,067
Accrued Interest Receivable	37,023	63,697	69,271	38,188	208,179
Total Receivables	\$5,050,363	\$6,114,978	\$1,230,702	\$1,575,203	\$13,970,246

NOTE 7 – NOTES RECEIVABLE

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

The loan and the mortgage notes bear an interest rate of 5%. The payments by the Hamiltonian on the loan and the mortgage were deferred for the first five years of the repayment period. Interest was accrued at the 5% rate since the inception of the loan and mortgage. The principal balance remaining to be paid on the loan was \$409,886 at December 31, 2003. The monthly payment required from the Hamiltonian is \$4,849 including interest. Additional payments of up to \$20,000 a year are required based upon earnings levels, as defined in the agreement, of the Hamiltonian. The loan is secured by an open ended second mortgage and security agreement on the property and the hotel project.

The mortgage has been amortized in equal monthly installments over a 25-year term beginning in 1990 and maturing in 2015. The monthly mortgage payment due is \$2,798. Additional interest payments are due when the hotel achieves a level of operating cash flow which affords a return of greater than 15% return on the limited partners original capital. The payment is 50% of the “excess cash flow” over the 15% return for the limited partners. Payment of the additional interest based upon operating cash flow is due on April 30 for each year ending December 31st. The mortgage had a remaining balance to be paid of \$330,538 at December 31, 2003 and was collateralized by a third mortgage on the property. No additional interest payment was received for the year ended December 31, 2003.

The loss of major employers in Hamilton in 2000 and 2001, the state of the economy and the travel business in general including increased competition, coupled with the ramifications of terrorist attacks on September 11, 2001 has had a negative impact on the fiscal operations of the Hamiltonian. Since September 2001, the Hamiltonian has failed to make any regularly scheduled debt payment on either the mortgage or note owed to the City. The City has attempted to renegotiate the existing debts and ongoing discussions are occurring; the Hamiltonian has requested that the City consider forgiveness of the entire debt owed to it. The entire note receivable balance has had an allowance for doubtful accounts accrued against it for the fiscal year ending December 31, 2003 and the City has chosen not to accrue interest receivable on the remaining balance. Regardless, the City will continue negotiation with the Hamiltonian to seek a mutually satisfactory conclusion. The account balances, with valuation, are as follows:

NOTE 7 – NOTES RECEIVABLE (Continued)

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

NOTE 8 – TRANSFERS

Following is a summary of transfers in and out for all funds for 2003:

Fund	Transfers In	Transfers Out
MAJOR FUNDS		
General	\$50,885	\$224,163
Non-Major Governmental Funds	<u>9,848,194</u>	<u>9,674,916</u>
Total All Funds	<u>\$9,899,079</u>	<u>\$9,899,079</u>

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

NOTE 9 – INTERFUND TRANSACTIONS

The composition of inter-fund balances as of December 31, 2003, is as follows:

Fund	Interfund Receivable	Interfund Payable	Due from Other Funds	Due to Other Funds
Major Funds				
General Fund	\$379,404	\$-	\$147,110	\$-
Gas	-	-	5,000	-
Electric	-	-	5,000	-
Water	-	-	5,000	-
Wastewater	-	-	5,000	-
Total Major Funds	<u>379,404</u>	<u>-</u>	<u>167,110</u>	<u>-</u>
Nonmajor Governmental Funds	<u>-</u>	<u>379,404</u>	<u>-</u>	<u>21,092</u>
Fiduciary Funds:				
Travel Advance	-	-	-	23,040
Municipal Court	-	-	-	122,978
Total Fiduciary Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,018</u>
Total All Funds	<u><u>\$379,404</u></u>	<u><u>\$379,404</u></u>	<u><u>\$167,110</u></u>	<u><u>\$167,110</u></u>

The City's various fiduciary agency funds, such as municipal court, will received money throughout the year that is payable to the general fund. The fund disperses payments on a monthly basis. The other amounts are monies where the general fund serves as a participant in the activity for the City. All monies due between funds are expected to be paid/received within the next fiscal year.

NOTE 10 – CAPITAL ASSETS

	Balance 12/31/02	Increases	Decreases	Balance 12/31/03
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$22,394,739	\$241,719	\$0	\$22,636,458
Construction in Progress	6,228,030	2,138,186	1,938,027	6,428,189
Total capital assets, not being depreciated	28,622,769	2,379,905	1,938,027	29,064,647
Capital Assets, being depreciated:				
Buildings and Improvements	37,719,917	490,005	88,465	38,121,457
Machinery and Equipment	16,045,712	2,550,887	887,168	17,709,431
Infrastructure	136,630,926	704,540	0	137,335,466
Total capital assets being depreciated	190,396,555	3,745,432	975,633	193,166,354
Less Accumulated Depreciation For:				
Buildings and Improvements	9,370,546	637,500	62,113	9,945,933
Machinery and Equipment	10,562,816	1,305,984	499,101	11,369,699
Infrastructure	109,051,268	1,679,522	0	110,730,790
Total Accumulated Depreciation	128,984,630	3,623,006	561,214	132,046,422
Total capital assets, being depreciated, net	61,411,925	122,426	414,419	61,119,932
Governmental Activities Capital Assets, Net	90,034,694	2,502,331	2,352,446	90,184,579
Business Type Activities				
Capital Assets, not being depreciated				
Land	6,306,662	0	96	6,306,566
Construction in Progress	9,782,714	4,378,971	3,296,810	10,864,875
Total capital assets, not being depreciated	16,089,376	4,378,971	3,296,906	17,171,441
Capital Assets, being depreciated				
Buildings and Improvements	87,932,716	865,058	71,067	88,726,707
Machinery and Equipment	479,519,239	7,836,528	1,174,535	486,181,232
Total capital assets, being depreciated	567,451,955	8,701,586	1,245,602	574,907,939
Less Accumulated Depreciation For:				
Buildings and Improvements	41,252,136	2,791,284	46,952	43,996,468
Machinery and Equipment	229,130,308	12,961,050	530,915	241,560,443
Total Accumulated Depreciation	270,382,444	15,752,334	577,867	285,556,911
Total capital assets, being depreciated, net	297,069,511	(7,050,748)	667,735	289,351,028
Business Type Activities Capital Assets, Net	\$313,158,887	(\$2,671,777)	\$3,964,641	\$306,522,469

NOTE 10 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
Security of Persons and Property	\$604,662
Public Health and Welfare	19,951
Leisure Time Activities	246,880
Community Environment	6,723
Basic Utility Services	6,103
Transportation, including depreciation of general infrastructure assets	1,953,847
General Government	784,840
Total Depreciation Expense - governmental activities	<u>\$3,623,006</u>
 Business Type Activities:	
Gas	\$1,808,207
Electric	9,753,838
Water	1,877,545
Wastewater	2,312,744
Total Depreciation Expense – business-type activities	<u>\$15,752,334</u>

NOTE 11 – DEFINED BENEFIT PENSION PLANS

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

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

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

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

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Starting in 2003, Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
2. The Member-Directed Plan (MD) – 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 (CO) – 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 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.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees other than law enforcement. The 2003 employer contribution rate for local government employer units was 13.55%, of covered payroll, 8.55% to fund the pension and 5.00% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2003, 2002 and 2001 were \$3,329,941, \$3,225,602, and \$3,225,352, respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides post-employment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund post-employment health care through their contributions to the PERS of Ohio. The portion of the 2003 employer contribution rate (identified above) that was used to fund health care for the year 2003 was 5.00% of covered payroll, which amounted to \$1,228,761

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The significant actuarial assumptions and calculations relating to post-employment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 2002. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2002 was 8.00%. An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%. Health care costs were assumed to increase 4.00% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants in the traditional and combined plans were 364,881. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 2002 is \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

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

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

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

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

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2003, 2002, and 2001 and were \$1,281,447 \$1,249,040, and \$1,209,695, for police and \$1,554,804, \$1,438,519, and \$1,351,915, for firefighters, respectively, which were equal to the required contributions for each year. Of the contribution amount, 72 and 73 percent have been contributed for police and fire, respectively, in 2003 with the remainder being reported as a liability within the respective funds.

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

Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 2002, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,527 for police and 10,396 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of post-employment health care benefits. The Fund's total health care expenses for the year ended December 31, 2002 were \$141,028,006, which was net of member contributions of \$2,623,875. The portion of the City's contributions that were used to pay post-employment benefits were \$534,558 for police and \$503,220 for firefighters.

NOTE 12 – OTHER EMPLOYEE BENEFITS

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

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

NOTE 13 – NOTES PAYABLE

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

	Balance December 31, 2002	Issued	(Retired)	Balance December 31, 2003
Governmental Activities				
Special Revenue Notes Payable:				
1.36% Various Purpose Technology Improv.	\$0	\$3,300,000	\$0	\$3,300,000
Total Special Revenue Notes Payable	<u>0</u>	<u>3,300,000</u>	<u>0</u>	<u>3,300,000</u>
Capital Projects Notes Payable:				
1.51% Roadway Improvement T.I.F. II	210,000	160,000	(210,000)	160,000
1.16% Hamilton Enterprise Park R.E.Acq.	2,715,000	2,540,000	(2,715,000)	2,540,000
Total Capital Projects Notes Payable	<u>2,925,000</u>	<u>2,700,000</u>	<u>(2,925,000)</u>	<u>2,700,000</u>
Special Assessments Notes Payable:				
1.85% 2001 Resurfacing	100,000	0	(100,000)	0
1.85% Shaffer Creek Sanit. Sewer	250,000	0	(250,000)	0
1.85% Main Street - Phase IV	50,000	0	(50,000)	0
1.85% 2002 Resurfacing	75,000	0	(75,000)	0
Total Special Assessments Notes Payable	<u>475,000</u>	<u>0</u>	<u>(475,000)</u>	<u>0</u>
Total Governmental Activities	<u>3,400,000</u>	<u>6,000,000</u>	<u>(3,400,000)</u>	<u>6,000,000</u>
Business-Type Activities				
Enterprise Notes Payable:				
1.49% Wastewater Series A 2003	0	1,550,000	0	1,550,000
1.49% Wastewater Series B 2003	0	1,200,000	0	1,200,000
Total Enterprise Notes Payable	<u>0</u>	<u>2,750,000</u>	<u>0</u>	<u>2,750,000</u>
 Total Notes Payable	 <u>\$3,400,000</u>	 <u>\$8,750,000</u>	 <u>(\$3,400,000)</u>	 <u>\$8,750,000</u>

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

Long-term debt and other long-term obligations of the City at December 31, 2003 were as follows:

Issue Date	Interest Rate	Description	Maturity Date	December 31, 2002	Additions	Reductions	December 31, 2003	Due Within One Year
Governmental activities:								
Bonds payable:								
General Obligation Bonds:								
2003	2% - 3.75%	Road Improvement	2016	\$0	\$ 3,480,000	\$0	\$ 3,480,000	\$ 225,000
2002	2.25% - 4.70%	Various Purpose Series A	2017	6,615,000	0	(350,000)	6,265,000	355,000
2002	2.25% - 4.70%	Various Purpose Series B	2012	800,000	0	(15,000)	785,000	25,000
1997	4.99%	Golf	2012	1,690,000	-	(135,000)	1,555,000	140,000
2001	5.00%	One Renaissance Center	2026	21,985,000	-	(550,000)	21,435,000	565,000
1999	4.96%	Police & Fire Pension Refunding	2021	3,075,000	-	(105,000)	2,970,000	110,000
Total General Obligation Bonds				34,165,000	3,480,000	(1,155,000)	36,490,000	1,420,000
Special Assessment Bonds:								
2002	2.25% - 4.70%	Various Purpose Series B	2012	520,000	0	(100,000)	420,000	100,000
2003	3.15% - 3.50%	Various Purpose 2000/2001 Sidewalk	2008	0	73,925	0	73,925	13,925
2003	3.15% - 3.50%	Various Purpose 2001 Resurfacing	2008	0	49,710	0	49,710	9,710
2003	3.15% - 3.50%	Various Purpose 2002 Resurfacing	2008	0	9,235	0	9,235	1,235
2003	3.15% - 5.25%	Shaffer's Creek Sanitary Sewer	2023	0	193,900	0	193,900	3,900
1998	4.67%	Various Purpose Series 1998	2018	920,000	0	(95,000)	825,000	40,000
2000	5.34%	Various Purpose Series 2000	2020	540,000	0	(85,000)	455,000	90,000
2001	4.95%	Various Purpose Series 2001	2021	1,190,000	-	(115,000)	1,075,000	120,000
Total Special Assessment Bonds (with Governmental Commitment)				3,170,000	326,770	(395,000)	3,101,770	378,770
Less deferred amounts:								
					For issuance discounts			
				(226,900)	(34,800)	23,491	(238,209)	-
Total Bonds Payable				\$37,108,100	\$3,771,970	(\$1,526,509)	\$39,353,561	\$1,798,770
Compensated absences				6,094,659	1,578,656	(1,342,082)	6,331,233	1,438,073
Governmental Activities Long-term liabilities				\$43,202,759	\$5,350,626	(\$2,868,591)	\$45,684,794	\$3,236,843

The principal amount of the City's special assessment bonds outstanding was \$3,101,770. Special assessment bonds are general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$321,537 in the Debt Service Fund at December 31, 2003 is reserved for the retirement of outstanding special assessment bonds.

The City issued \$3,480,000 as part of an infrastructure improvement program intended to upgrade and maintain the various local streets within the City limits. The City also issued four special assessment bonds as part of the Center for Local Government financing structure (see note 24.)

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

During 2002, the City began a program of long-term bonding notes payable and refinancing existing long-term debt. The program, known as “the 2002 Debt Restructuring Program”, provided for the issuance of four separate long-term bonds and is intended to be completed in 2004. The City continued the program in 2003 with the refunding of \$16,275,000 gas revenue bonds (see note 22).

Outstanding general obligation bonds are direct obligations of the City for which the full faith and credit of the city resources are pledged. Outstanding general obligation bonds totaled \$36,490,000 at December 31, 2003.

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2002	Additions	Reductions	Balance December 31, 2003	Due Within One Year
Business-type activities:								
Ohio Water Development Authority Loans (OWDA):								
1988	8.480%	OWDA - 1988	2013	\$7,712,448	\$ 0	(\$7,712,448)	\$0	\$0
Total Ohio Water Development Authority Loans				7,712,448	0	(7,712,448)	0	0
Mortgage Revenue Bonds:								
1993	3.2% - 5.15%	Gas System Series	2023	16,275,000	0	(16,275,000)	0	0
2003	2.0% - 5.00%	Gas Refunding	2015	0	14,540,000	(860,000)	13,680,000	955,000
2002	2.95%	Electric Variable Refunding A & B	2025	184,360,000	0	(5,425,000)	178,935,000	5,605,000
2002	4.39%	Water Revenue Refunding	2021	12,940,000	0	(500,000)	12,440,000	510,000
1996	4% - 6%	1996 Wastewater Series	2021	8,105,000	0	(250,000)	7,855,000	260,000
1998	5.10%	1998 Wastewater Series	2023	20,075,000	0	(580,000)	19,495,000	605,000
Total Mortgage Revenue Bonds				241,755,000	14,540,000	(23,890,000)	232,405,000	7,935,000
Less deferred amounts:								
For issuance discounts				(1,518,984)	750,963	531,668	(236,353)	-
Total Bonds Payable				240,236,01	15,290,963	(23,358,332)	232,168,647	7,935,000
Compensated absences				4,509,298	1,238,160	(1,139,591)	4,607,867	1,209,949
Business-type activity Long-term liabilities				<u>\$252,457,762</u>	<u>\$16,529,123</u>	<u>(\$32,210,371)</u>	<u>\$236,776,514</u>	<u>\$9,144,949</u>

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

A complete detailed analysis of each individual bond issuance is provided in Notes 21, 22, and 24 to the basic financial statements.

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

As of December 31, 2003, the City had a total and unvoted debt margin of \$82,096,170 and \$37,172,906 respectively.

A. Future Long-Term Financing Requirements

A summary of the City's long-term debt funding requirements as of December 31, 2003 is represented in the following schedules. Principal, interest and total debt service is provided for General Obligation Bonds, Special Assessment Bonds, and Revenue Bonds.

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

GOVERNMENTAL ACTIVITIES			
General			
Obligation Bonds			
Years	Principal	Interest	Total
2004	\$1,420,000	\$1,609,824	\$3,029,824
2005	1,465,000	1,569,751	3,034,751
2006	1,515,000	1,524,976	3,039,976
2007	1,565,000	1,476,001	3,041,001
2008	1,710,000	1,420,869	3,130,869
2009-2013	9,295,000	6,054,453	15,349,453
2014-2018	8,610,000	4,007,669	12,617,669
2019-2023	6,595,000	2,081,813	8,676,813
2024-2028	4,315,000	438,500	4,753,500
Totals	<u>\$36,490,000</u>	<u>\$20,183,856</u>	<u>\$56,673,856</u>

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

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

GOVERNMENTAL ACTIVITIES			
Special Assessment Bonds			
Years	Principal	Interest	Total
2004	\$378,770	\$142,085	\$520,855
2005	392,000	124,994	516,994
2006	312,000	111,290	423,290
2007	237,000	100,611	337,611
2008	137,000	92,345	229,345
2009-2013	595,000	374,270	969,270
2014-2018	745,000	213,898	958,898
2019-2023	305,000	38,588	343,588
Totals	<u>\$3,101,770</u>	<u>\$1,198,081</u>	<u>\$4,299,851</u>

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

BUSINESS-TYPE ACTIVITIES			
Revenue Bonds			
Years	Principal	Interest	Total
2004	\$7,935,000	\$7,277,287	\$15,212,287
2005	8,180,000	7,688,680	15,868,680
2006	8,455,000	7,426,036	15,881,036
2007	8,740,000	7,174,598	15,914,598
2008	9,035,000	6,904,501	15,939,501
2009-2013	50,225,000	29,903,101	80,128,101
2014-2018	55,755,000	20,667,442	76,422,442
2019-2023	60,055,000	10,907,280	70,962,280
2024-2028	24,025,000	1,068,367	25,093,367
Totals	<u>\$232,405,000</u>	<u>\$99,017,292</u>	<u>\$331,422,292</u>

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

Interest on the variable rate electric system revenue refunding bonds is paid at the current swap rate of 2.95%. The bonds re-price every seven days but the City has only a requirement to fund the 2.95% interest rate on all outstanding electric system bonds. The 2.95% rate is employed throughout the future long-term financing requirements until maturity within the schedule of annual debt service requirements for revenue bonds. The swap rate is guaranteed for a period of four years until November 2006. The rate may vary only if the actual re-pricing rate of the variable rate bonds exceeds the BMHA rate. The City's interest rate in effect since the variable rate bonds were issued has not exceeded 1.29% through the end of 2003.

B. Conduit Debt

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2003, there were seven series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$7,360,538.

NOTE 15 – DEFEASANCE OF OHIO WATER DEVELOPMENT AUTHORITY LOAN

In January 1988, the City entered into a long-term loan arrangement with the Ohio Water Development Authority (OWDA) to fund the acquisition, construction and upgrade of certain wastewater system assets. In December 2002, City Council authorized the 2002 Wastewater Rate Mitigation Program, which was a series of proactive fiscal measures intended to minimize and delay, based upon the current operating environment, the need for double digit rate increases in the Wastewater System. After paying the normal loan payment in early January 2003, the City entered into an irrevocable trust agreement with Huntington National Bank to provide funds that escrowed to maturity, through the purchase of U.S. Government Securities, the \$7,227,503 remaining balance on the loan. The purchased securities, with interest earned thereon, were considered sufficient through an agreement with the OWDA to provide for an outright defeasance of the loan. The escrow was funded with existing cash reserves from the Wastewater System.

NOTE 16 – RISK MANAGEMENT

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

Property Insurance	\$129,385,112	Limit
Earthquake	75,000,000	
Flood	25,000,000	
Ordinance or Law Coverage	2,500,000	
Extra Expense	1,500,000	
Valuable Papers Restoration	1,250,000	
Electric Property Insurance	\$317,053,021	Limit
Earthquake	100,000,000	
Flood	100,000,000	
Demolition and Increased Cost		
Construction	5,000,000	
Misc. & Unnamed Locations	3,000,000	
Boiler and Machinery	\$15,000,000	Limit
Auto	\$ 1,000,000	Limit
Comprehensive & Collision		
Physical Damage		
Garage Keepers Liability		
	\$10,000,000	Umbrella
Crime	\$ 100,000	Limit
Burglary & Robbery		

NOTE 16 – RISK MANAGEMENT (Continued)

Forgery & Alteration Coverage	\$100,000	Limit
Public Officials Bond		
Various Limits to Named Positions		
Blanket Limit (for police officers)	\$1,000	
Blanket minimum for all other employees	\$ 2,500	
Underground Petroleum Storage Tank	\$1,000,000	Limit
Police Professional Liability	\$1,000,000	Limit
	\$10,000,000	Umbrella
Public Officials Liability	\$2,000,000	Limit
Employment Practices		
Claims Made – Full Prior Acts		
	10,000,000	Umbrella
Public Utilities Excess Liability	\$75,000,000	Limit
Claims made Retroactive 4/86		
Combined Products Liability		
Completed Operations Liability		
Failure to Supply Liability		
Pollution Liability		
Medical Malpractice Liability		
General Liability	\$5,000,000	Limit
	10,000,000	Umbrella
Per Occurrence		
Products, Personal Injury, Stop Gap Liability		
Ambulance Attendants Errors & Omissions	\$1,000,000	Limit
(included in G.L.)		
	10,000,000	Umbrella
Pollution Legal Liability	\$5,000,000	Limit
Named Brownsfield Location – Leshner		
10 Year Term		
Pollution Legal Liability	\$3,000,000	Limit
Named Brownsfield Location – Mercy Hospital		
5 Year Term		

Settled claims have not exceeded coverage in any of the last three years. The City has had no reduction in coverage in 2003.

NOTE 16 – RISK MANAGEMENT (Continued)

The City has a group health insurance program for employees. On January 1, 2003, the City provides a premium based health insurance plan to covered employees through United Health Care. The City also maintains premium based insurance coverage through the Ohio Bureau of Worker’s Compensation to mitigate job related illness and injury.

NOTE 17 – CONTRACTUAL COMMITMENTS

As of December 31, 2003, the City had contractual commitments related to property, plant and equipment improvements and additions, as well as various other contracts and agreements to provide or receive services related to the operations of the City. The list below reflects the major contracts that comprise commitments at December 31, 2003:

<u>Description</u>	<u>Remaining Contractual Commitment</u>
Noble Gas Marketing	\$2,730,196
Cinergy Services, Inc.	1,650,000
Cincinnati Bulk Terminal	1,487,408
Barret Paving Materials	1,189,936
CTS Construction, Inc.	1,112,208
Miner and Miner Consulting	928,462
Howell Contractors, Inc.	920,850
Sunesis Construction, Co.	<u>792,148</u>
Total	<u>\$10,811,208</u>

NOTE 18 – CONTINGENCIES

A. Litigation

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

NOTE 18 – CONTINGENCIES (Continued)

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

B. Federal and State Grants

For the period January 1, 2003 to December 31, 2003, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 19 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS

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

A. Amp Ohio, Inc.

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

The controlling board of AMP-OHIO, Inc. is based upon a representative from several of the member communities. The degree of control exercised by any participating government is limited to its representation on the board. The continued existence of the corporation is not dependent upon the City. Complete financial statements may be obtained from AMP-OHIO, Inc., 2600 Airport Drive, Columbus, Ohio 43219.

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

C. Economic Development Association of Butler County, Inc.

The Economic Development Association of Butler County (EDABC) was created by resolution of the County Commissioners and organized as a non-profit corporation under Internal Revenue Code Section 501(c)(6). The EDABC is a jointly governed organization and was created to promote economic development in the County. Membership in the EDABC consists of Butler County, five cities including the City of Hamilton, two townships and all five chambers of commerce in Butler County. The Board of Trustees oversees the operation of the Association. The continued existence of the EDABC is not dependent upon the City's continued participation and the City of Hamilton has no equity interest in the EDABC. Complete financial statements can be obtained from the EDABC, 130 High Street, Hamilton, Ohio 45011.

D. Transportation Improvement District of Butler County

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

E. Butler County Emergency Management Agency

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

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

F. Hamilton-Indian Springs Joint Economic Development District

The Hamilton-Indian Springs Joint Economic Development District (JEDD) is a joint venture between the City of Hamilton and Fairfield Township and was formed under the auspices of Ohio Revised Code Section 715. The JEDD was formed to create or preserve jobs and employment opportunities, improve the economic welfare of the people and facilitate commercial and economic development within a specific territory completely located within the boundaries of Fairfield Township. The JEDD has levied an income tax equal to the income tax rate charged within the City of Hamilton (2%) on all compensation earned by employees working in the JEDD. The Board of Directors of the JEDD is comprised of five members including the City, the Township, one selected by unanimous decision of the Board (Board Designee), one representing the owners of businesses located within the District (Business Designee) and one representing the persons working within the District (Employee Designee). The degree of control exercised by any one entity is limited to its representation on the Board. The District has no outstanding debt and is not experiencing fiscal stress or accumulating significant financial resources, which could cause additional financial burden or benefit to the City of Hamilton.

Income tax collections net of collection expenses and refunds are first applied to District operating expenses in accordance with the District's Budget, then to any long-term maintenance set aside, with any surplus to be paid 75% to Hamilton and 25% to Fairfield Township. No distribution was made in 2003. A surplus distribution representing year 2001 and 2002 net collections occurred in January 2003, with the City of Hamilton receiving \$65,905.

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

The City of Hamilton contributed no funds to the JEDD in the year 2003. The contract creating the JEDD ends in 2026 and allows for two extensions of thirty years each. To the extent beyond this contract, the continued existence of the JEDD is dependent upon the City's continued participation. However, the City of Hamilton has no equity interest in the JEDD. Complete financial statements can be obtained from the Joint Economic Development District, 345 High Street, Hamilton, Ohio 45011.

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

G. Hamilton Community Improvement Corporation

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

H. Hamilton Economic Development Corporation

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

I. The Center for Local Governments

The Center for Local Governments, a jointly governed organization, was established to improve public service delivery by the cities, townships and villages in the Greater Cincinnati metropolitan area, especially among its member jurisdictions, through improved information exchange, cost reductions, shared resources, interjurisdictional collaboration, and new approaches to capital equipment and skills acquisition. The Board of Trustees consists of eight members made up of elected representatives from the participating governments. The City does not have any financial interest in or responsibility for the Center. The City made no financial contribution during 2002. The City did participate in a pooled financing during 2003 which is further described in Note 24. Information can be obtained from the Center by writing to Director of the Center for Local Governments, 9600 Colerain Avenue, Cincinnati, OH 45251.

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

J. Ohio-Kentucky-Indiana Regional Council of Governments

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

OKI contracts periodically for local funds and other support with the governing board of each of the governments who are members of OKI or with such other persons as may be appropriate to provide such funds and support. The support is based on the population of the area represented. A Board of Trustees was created for conducting the activities of the OKI. This Board consists of one elected official of each City and municipal corporation, one individual selected by each City planning agency or commission and one person selected by each planning agency or commission of each municipal corporation located in each member City. This Board of Trustees then selects not more than ten residents of the OKI Region. The total membership of the Board of Trustees shall not exceed 100. Any member of OKI may withdraw its membership upon written notice to OKI be effective two years after receipt of the notice by OKI. The City made no payments to OKI during 2003. To obtain financial statements of the Ohio-Kentucky-Indiana Regional Council of governments, write to OKI at 720 E. Pete Rose Way, Suite 420, Cincinnati, OH 45202.

NOTE 20 – ENTERPRISE INTER-FUND REVENUES & ADMINISTRATIVE CHARGES

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

During 2003, the Electric Fund purchased \$503,380 of natural gas from the Gas Fund. This amount is reflected in the purchased electric expense account in the Electric Fund and as charges for services in the Gas Fund and eliminated on government wide statements.

The Water and Wastewater Funds purchased electric services from the Electric Fund in the amount of \$618,620 and \$525,000 respectively during 2003. These amounts are recorded in the Water and Wastewater Fund as contractual services and as Charges for Services in the Electric Fund and eliminated on government wide statements.

Historically and by ordinance, the City's Electric System provides street lighting and traffic light services to the City without charge. Street and traffic light facilities used approximately 10,132,000 kilowatt-hours of electrical energy in 2003, and the estimated operating cost of supplying these free services was \$1,130,040 for the year ending December 31, 2003.

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

The Utility Systems are allocated a portion of the City’s administrative cost from the General Fund. In addition, each Utility is charged expenses by the City’s Internal Service Funds. Represented below is the amount charged for each Utility Fund by type of charge or activity for 2003.

	Gas	Electric	Water	Wastewater
Administrative cost (Gen. Fund)	\$766,240	\$857,240	\$767,230	\$748,000
Central Service charges	1,227,000	1,403,550	1,329,400	1,214,300
Fleet Maintenance Chargebacks	165,070	235,750	172,900	25,560
Total	\$2,158,310	\$2,496,540	\$2,269,530	\$1,987,860

**NOTE 21 – ISSUANCE OF LIMITED TAX GENERAL OBLIGATION INFRASTRUCTURE
 RENEWAL BONDS**

In May 2003, the City of Hamilton issued \$3,480,000 Limited Tax General Obligation Infrastructure Renewal Bonds. The bonds were issued to provide funding for the repair, replacement and renewal of roads within the City, coordinating these projects with the replacement of any aging utility infrastructure. The bonds were intended to annually provide \$1,000,000 per year, beginning in 2003, for this purpose. In addition, the bonds also provided funding for the acquisition of a pot-hole sealant machine, matching funds for the construction of a new road to provide access to Joyce Park in a combined project with the City of Fairfield and the Ohio Public Works Commission, and to fund issuance costs.

NOTE 22 – ISSUANCE OF GAS SYSTEM REVENUE REFUNDING BONDS

Dated May 1, 2003, the City issued \$14,540,000 of gas system revenue refunding bonds to provide resources to purchase United States Government Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$16,275,000 of mortgage revenue bonds. The City used the new bonds, previously funded debt service payments, plus \$1,512,681 in the mortgage revenue bond debt service reserve account to defease the outstanding liability. All bonds were called at the first call date in October 2003, including those that were considered partially in-substance defeased in previous years from an irrevocable trust that had escrowed \$8,265,000 that was unmatured and unpaid at December 31, 2002. As a result, the refunded bonds and the prior partial in-substance defeasance are considered to be defeased and the liability, with the accompanying previous disclosures regarding the partial in-substance defeasance, has been removed from the business type activities column of the statement of net assets and enterprise fund financial statements, as well as note disclosures. The reacquisition price of the existing liability (remaining outstanding mortgage revenue bonds) exceeded the net carrying amount of the old debt by \$1,378,349. This amount is being reported as a deferred charge on the statement of net assets and amortized over the remaining life of the new debt, which was issued with a final maturity in October 2015, three years prior to the maturity of the refunded debt. This advance refunding was undertaken to reduce total debt service payments fifteen years by \$3,765,901 and resulted in an economic gain of \$1,077,784.

As follows are the sources and uses of funds related to the issuance of the new debt:

SOURCES:

Bond Face Value	\$14,540,000
Debt Service Reserve Liquidation	\$ 1,512,681
Premium	\$ 908,723
Bond Funds Available	\$ 535,073
Accrued Interest	\$ <u>20,057</u>
TOTAL SOURCES	\$17,516,534

USES:

Deposit for Defeasance	\$16,917,357
Issuance Cost	\$ 579,120
Accrued Interest	\$ <u>20,057</u>
TOTAL USES	\$17,516,534

NOTE 23 – INSTITUTION OF MANDATORY TAX FILING & AMNESTY PERIOD

In January 2003, the Hamilton City Council adopted an ordinance effectively removing any exemption to the filing of a municipal earnings or income tax return for all persons residing within its corporate limits, thus instituting the mandatory filing of tax returns for the 2003 tax year. In order to facilitate the Mandatory Filing Program, an Amnesty Period from May 1 to December 31, 2003 was instituted to allow taxpayers with previous liabilities to file and pay their tax liabilities without penalty and interest. Returns for the 2003 tax return year will be due on or before April 15, 2004.

NOTE 24 – ISSUANCE OF LONG-TERM SPECIAL ASSESSMENT FINANCING THROUGH A POOLED FINANCING COORDINATED BY THE CENTER FOR LOCAL GOVERNMENT

In August 2003, the City of Hamilton joined a variety of other local governments in issuing long-term debt through a financing pool coordinated by the Center for Local Government, a non-profit organization for which the City is a member (See Note 19). The City had four bond anticipation notes relating to separate special assessment projects including: \$250,000 for the Shaffer's Creek Sanitary Sewer Special Assessment, \$100,000 for the 2000/2001 Sidewalk Special Assessment Program, \$75,000 for the 2001 Resurfacing Program, and \$50,000 for the Main Street Streetscape Phase IV, totaling \$475,000. The City issued, through the pool, \$326,770 in long-term financing for which the proceeds were used to retire the four bond anticipation notes. The bonds issued include \$193,900 for Shaffer's Creek Sanitary Sewer Special Assessment, \$73,925 for the 2000/2001 Sidewalk Special Assessment, \$49,710 for the 2001 Resurfacing Program, and \$9,235 for the 2000 Resurfacing Program. The cost of issuance was funded through premiums earned from the pooled financing while interest expense due on the bond anticipation notes was funded from previously recognized special assessment payments received by the City. The debt service on these bonds will be re-paid through the year 2023 from special assessment payments received from affected property owners. The City's liability from the pool is limited to the amount of the debt outstanding and the City is not responsible for debt service on any other debt issued through the pool for other members in the case of default.

NOTE 25 – SUBSEQUENT EVENTS

A. Bond Anticipation Note Activity

In January 2004, the City issued a combined \$2,750,000 in bond anticipation notes that provided funding to retire a \$1,550,000 bond anticipation note issued in January 2003 with a one year maturity and a \$1,200,000 bond anticipation note issued in July 2003 with a six month maturity. Interest expense on the roll-over of the notes was funded by the City and not capitalized into the financing. The purpose of the original proceeds was to provide funding for construction, acquisition and improvements to the Wastewater System in accordance with the Council authorized 2002 Wastewater Rate Mitigation Program.

In June 2004, the City issued three bond anticipation notes. The first was an \$800,000 note issued for the purpose of constructing and improving gas system distribution mains. The City also issued \$2,130,000 in bond anticipation notes to provide for the roll-over of the exiting Hamilton Enterprise Park note. The third note issue was the renewal of the Lowe's-Walmart TIF bond anticipation note for \$110,000.

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

B. Amp Ohio, Inc. – OMEGA JV2 Project

In December 2000, the City became a part of the OMEGA (Ohio Municipal Energy Generation Association) JV2 Project. The OMEGA JV2 project is a joint venture among the City of Hamilton and 35 other participating municipalities created under the auspices of the Ohio Constitution Section XVIII, Sections 3 and 4 and Ohio Revised Code Section 715.02. All of the participating communities are members of AMP-OHIO, Inc. and the joint venture has appointed that non-profit corporation to perform certain management functions. The purpose of the joint venture is to create distributive generation among the participating members allowing for increased electric production capacity during peak demand. The degree of control exercised by any participating member is weighted in proportion to each participant's project share, which is 23.87% for the City (a non-majority voting position). Project share is equal to the amount of distributive generation capacity for each of the members. Membership in the joint venture is defined as financing or non-financing Participant, as well as owner or purchasing participant, for which the City qualifies as a financing, purchasing participant. As a financing participant, the City makes payments to OMEGA JV2.

The following amounts were expended by the Electric Fund and recorded within the Purchase of Electric expense account to the OMEGA JV2 and Amp-Ohio in 2003:

	<u>2003</u>
Annual Capacity	\$1,154,239
Power Purchases	<u>477,400</u>
Total Payments – OMEGA JV2	<u>\$1,631,639</u>

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



*COMBINING AND INDIVIDUAL
STATEMENTS AND SCHEDULES*

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003

GENERAL FUND

	Budget		Actual	Variance
	Initial	Final		Positive (Negative)
Revenues:				
Property and Other Local Taxes	\$ 5,313,850	\$ 5,463,850	\$ 4,881,751	\$ (582,099)
Income Taxes	16,352,500	15,538,231	15,214,935	(323,296)
Intergovernmental	3,934,209	4,144,290	4,334,166	189,876
Charges for Services	2,222,649	2,558,148	2,484,775	(73,373)
Licenses and Permits	1,053,745	1,222,183	1,257,987	35,804
Investment Earnings	754,270	675,954	294,879	(381,075)
Fines and Forfeitures	1,013,950	1,013,950	1,108,686	94,736
Other All Revenue	129,310	201,126	246,096	44,970
Total Revenue	30,774,483	30,817,732	29,823,275	(994,457)
Expenditures:				
Current:				
Security of Persons and Property:				
Municipal Court				
Personal Services	942,495	942,495	840,129	102,366
Other	423,322	461,323	457,480	3,843
Total Municipal Court	1,365,817	1,403,818	1,297,609	106,209
Police				
Personal Services	7,039,881	7,042,781	7,116,771	(73,990)
Other	646,708	697,708	660,397	37,311
Capital Outlay	-	28,700	28,652	48
Total Police	7,686,589	7,769,189	7,805,820	(36,631)
Civilian Dispatch				
Personal Services	887,041	818,991	700,749	118,242
Other	34,800	32,850	21,969	10,881
Total Civilian Dispatch	921,841	851,841	722,718	129,123
School Crossing Guards				
Other	500	500	476	24
Total School Crossing Guards	500	500	476	24
Building Maintenance - Criminal Justice				
Other	215,444	215,445	206,133	9,312
Total Building Maintenance - Criminal Justice	215,444	215,445	206,133	9,312
Corrections				
Personal Services	204,067	204,067	169,342	34,725
Other	995,132	501,483	247,846	253,637
Total Corrections	1,199,199	705,550	417,188	288,362
Police - Citizens				
Other	3,250	800	765	35
Total Police - Citizens	3,250	800	765	35
Police - Levy				
Other	-	13,513	13,513	-
Total Police - Levy	-	13,513	13,513	-

(Continued)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Fire				
Personal Services	\$ 7,255,677	\$ 6,361,319	\$ 6,360,133	\$ 1,186
Other	596,098	271,115	259,924	11,191
Total Fire	7,851,775	6,632,434	6,620,057	12,377
Fire - Building				
Other	-	222,835	214,199	8,636
Total Fire - Building	-	222,835	214,199	8,636
Fire - Paramedics				
Personal Services	-	1,727,647	1,640,213	87,434
Other	-	102,150	123,135	(20,985)
Total Fire - Paramedics	-	1,829,797	1,763,348	66,449
Total Security of Persons and Property	19,244,415	19,645,722	19,061,826	583,896
Public Health and Welfare Services:				
Health				
Personal Services	933,405	874,009	779,147	94,862
Other	310,395	347,400	327,829	19,571
Capital Outlay	4,000	4,000	4,000	-
Total Public Health and Welfare	1,247,800	1,225,409	1,110,976	114,433
Leisure Time Activities				
Parks and Recreation - Administration				
Personal Services	139,551	139,551	131,707	7,844
Other	15,675	15,675	10,290	5,385
Total Parks and Recreation - Administration	155,226	155,226	141,997	13,229
Playground Programs				
Personal Services	4,157	3,362	2,568	794
Other	765	765	370	395
Total Playground Programs	4,922	4,127	2,938	1,189
Outdoor Athletic Program				
Personal Services	296,445	296,445	276,565	19,880
Other	33,600	33,600	27,668	5,932
Total Outdoor Athletic Program	330,045	330,045	304,233	25,812
Swimming Pools				
Personal Services	4,807	56	-	56
Other	72,076	72,076	70,847	1,229
Total Swimming Pools	76,883	72,132	70,847	1,285
Parks and Playgrounds Maintenance				
Personal Services	639,137	612,737	556,030	56,707
Other	260,385	240,386	184,625	55,761
Total Parks and Playgrounds Maintenance	899,522	853,123	740,655	112,468

(Continued)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Community Center				
Other	\$ 90,500	\$ 105,500	\$ 100,009	\$ 5,491
Total Community Center	90,500	105,500	100,009	5,491
Colligan				
Personal Services	5,926	5,926	5,123	803
Other	9,074	13,344	13,191	153
Total Colligan	15,000	19,270	18,314	956
Total Leisure Time Activities	1,572,098	1,539,423	1,378,993	160,430
Community Environment				
Construction Services				
Personal Services	552,270	514,238	386,082	128,156
Other	47,442	85,662	83,190	2,472
Total Construction Services	599,712	599,900	469,272	130,628
Department of Planning				
Personal Services	68,194	96,194	92,124	4,070
Other	16,193	16,693	17,907	(1,214)
Total Department of Planning	84,387	112,887	110,031	2,856
Department of Human Relations				
Personal Services	143,402	145,402	142,160	3,242
Other	4,594	4,594	4,437	157
Total Department of Human Relations	147,996	149,996	146,597	3,399
Total Community Environment	832,095	862,783	725,900	136,883
Basic Utility Services				
Public Works - Administration				
Personal Services	64,777	66,777	62,461	4,316
Other	6,200	7,200	6,510	690
Total Public Works - Administration	70,977	73,977	68,971	5,006
Engineering				
Personal Services	438,855	438,855	366,752	72,103
Other	58,783	46,283	38,181	8,102
Capital Outlay	-	2,500	2,489	11
Total Engineering	497,638	487,638	407,422	80,216
Maintenance of Storm Sewers				
Other	255,991	27,691	27,883	(192)
Capital Outlay	122,559	350,858	332,363	18,495
Total Maintenance of Storm Sewers	378,550	378,549	360,246	18,303

(Continued)

THE CITY OF HAMILTON OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003

GENERAL FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Public Works - Maintenance				
Personal Services	\$ 305,819	\$ 210,819	\$ 115,982	\$ 94,837
Other	104,368	105,368	97,103	8,265
Capital Outlay	11,600	10,000	9,742	258
Total Public Works - Maintenance	<u>421,787</u>	<u>326,187</u>	<u>222,827</u>	<u>103,360</u>
Total Basic Utility Services	<u>1,368,952</u>	<u>1,266,351</u>	<u>1,059,466</u>	<u>206,885</u>
General Government				
City Council				
Personal Services	23,005	23,005	10,805	12,200
Other	18,412	18,412	5,610	12,802
Total City Council	<u>41,417</u>	<u>41,417</u>	<u>16,415</u>	<u>25,002</u>
City Clerk				
Personal Services	2,574	12,729	12,848	(119)
Other	10,171	11,170	6,596	4,574
Total City Clerk	<u>12,745</u>	<u>23,899</u>	<u>19,444</u>	<u>4,455</u>
Team Hamilton				
Other	23,860	1,360	862	498
Total Team Hamilton	<u>23,860</u>	<u>1,360</u>	<u>862</u>	<u>498</u>
City Manager				
Personal Services	15,578	122,728	68,658	54,070
Other	10,850	10,849	639	10,210
Total City Manager	<u>26,428</u>	<u>133,577</u>	<u>69,297</u>	<u>64,280</u>
Department of Law				
Personal Services	20,246	39,246	34,504	4,742
Other	15,710	70,711	72,067	(1,356)
Total Department of Law	<u>35,956</u>	<u>109,957</u>	<u>106,571</u>	<u>3,386</u>
Department of Civil Service				
Personal Services	57,996	57,996	40,833	17,163
Other	28,000	28,000	14,506	13,494
Total Department of Civil Service	<u>85,996</u>	<u>85,996</u>	<u>55,339</u>	<u>30,657</u>
Finance - Administration				
Personal Services	252,310	211,902	142,516	69,386
Other	59,726	56,534	46,131	10,403
Total Finance - Administration	<u>312,036</u>	<u>268,436</u>	<u>188,647</u>	<u>79,789</u>
Finance - Purchasing				
Personal Services	85,175	79,175	41,723	37,452
Other	14,070	12,470	8,284	4,186
Total Finance - Purchasing	<u>99,245</u>	<u>91,645</u>	<u>50,007</u>	<u>41,638</u>
Finance - Building Services				
Personal Services	54,712	54,619	49,336	5,283
Other	132,970	118,063	21,532	96,531
Total Finance - Building Services	<u>187,682</u>	<u>172,682</u>	<u>70,868</u>	<u>101,814</u>

(Continued)

THE CITY OF HAMILTON/ OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Finance - Income Tax				
Personal Services	\$ 656,593	\$ 598,493	\$ 534,754	\$ 63,739
Other	215,032	205,033	201,365	3,668
Total Finance - Income Tax	<u>871,625</u>	<u>803,526</u>	<u>736,119</u>	<u>67,407</u>
Total General Government	<u>1,696,990</u>	<u>1,732,495</u>	<u>1,313,569</u>	<u>418,926</u>
Other Expenditures				
Special Appropriations - Kilowatts				
Capital Outlay	2,500,000	2,650,000	2,361,648	288,352
Total Special Appropriations - Kilowatts	<u>2,500,000</u>	<u>2,650,000</u>	<u>2,361,648</u>	<u>288,352</u>
Special Appropriations - General				
Personal Services	251,500	251,500	181,916	69,584
Other	1,944,396	2,510,028	2,258,554	251,474
Capital Outlay	-	239,000	239,000	-
Total Special Appropriations - General	<u>2,195,896</u>	<u>3,000,528</u>	<u>2,679,470</u>	<u>321,058</u>
Special Appropriations				
Personal Services	58,750	88,750	71,133	17,617
Other	428,004	414,153	291,555	122,598
Total Special Appropriations	<u>486,754</u>	<u>502,903</u>	<u>362,688</u>	<u>140,215</u>
Total Other Expenditures	<u>5,182,650</u>	<u>6,153,431</u>	<u>5,403,806</u>	<u>749,625</u>
Total Expenditures	<u>31,145,000</u>	<u>32,425,614</u>	<u>30,054,536</u>	<u>2,371,078</u>
Excess of Revenues Over (Under) Expenditures	(370,517)	(1,607,882)	(231,261)	1,376,621
<u>Other Financing Sources (Uses):</u>				
Other Financing Sources	-	104,820	126,034	21,214
Sale of Capital Assets	20,000	23,500	24,329	829
Transfers - In	159,148	1,467,488	50,885	(1,416,603)
Transfers - Out	<u>(166,732)</u>	<u>(223,975)</u>	<u>(224,163)</u>	<u>(188)</u>
Total Other Financing Sources (Uses)	12,416	1,371,833	(22,915)	(1,394,748)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(358,101)	(236,049)	(254,176)	(18,127)
Fund Balances at Beginning of Year	5,463,206	5,463,206	5,463,206	-
Prior Year Encumbrances	<u>901,431</u>	<u>901,431</u>	<u>901,431</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 6,006,536</u>	<u>\$ 6,128,588</u>	<u>\$ 6,110,461</u>	<u>\$ (18,127)</u>

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

One Renaissance Center Fund

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

Federal Emergency Management Grant Fund

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

Youth Build Grant Fund

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

Public Safety/Health Income Tax Fund

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

Municipal Court Improvement Fund

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

Municipal Income Tax TIF Aggregation/Verification Fund

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

Brownfield Improvement Fund

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

Weed and Seed Grant Fund

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

Dispute Resolution Proceeds Fund

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

Department of Justice (DOJ) Forfeiture Program Fund

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

Safety Services Fund

To account for all monies designated for public safety services including crime prevention, youth intervention, drug education and helmet and seatbelt safety.

SPECIAL REVENUE FUNDS (continued)

Police Pension Fund

To accumulate property taxes levied for the partial payment of the current and accrued liability for police disability and pension.

Police Levy Fund

To account for monies received from the one-mill levy to provide additional police personnel, motor vehicles and equipment of the police division.

Firemen's Pension Fund

To accumulate property taxes levied for the partial payment of the current and accrued liability for fire disability and pension.

Emergency Medical Services Grant Fund

To account for grant funds designated for the purchase of paramedic supplies.

Fire EMS Levy Fund

To account for monies received from the one-mill levy to provide and maintain an additional front line paramedic unit with the fire division.

Technology Initiative Fund

To properly account for a series of technology related improvements and projects.

Public Health Care Services Fund

To account for funds designated for public health care services.

Street and Parks Beautification Fund

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

Stormwater Management Fund

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

Refuse Fund

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

Street Maintenance Fund

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

Transit System Fund

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

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

Miami Conservancy Fund

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

SPECIAL REVENUE FUNDS (continued)

Parking Fund

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

Golf Course Fund

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

Central Park Sports Arena Fund

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

Community Development Block Grant Fund

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

Home Program Fund

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUNDS

Hamilton Capital Improvement Fund

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

Capital Projects Fund

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

Special Assessment Fund

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

Municipal Improvement Tax Increment Equivalent (MITIE) Fund

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

CAPITAL PROJECTS FUNDS (continued)

Hamilton Enterprise Park Fund

To account for the receiving and disbursing of monies for the development of the Hamilton Enterprise Park.

Central Business District Streetscape Improvements Fund

To account for revenues and expenses associated with a major streetscape project in the Central Business District.

Issue II Projects Fund

To account for road and bridge construction projects, partially funded by state grants from the Ohio Public Works commission, pursuant to Auditor of State specifications.

Clean Ohio Grants Fund

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

Infrastructure Renewal Program Fund

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

PERMANENT FUND

Benninghoffen Trust Fund

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

**THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2003**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Permanent Fund	Totals Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 9,784,527	\$ 320,288	\$ 5,982,829	\$ 75,911	\$ 16,163,555
Receivables (net of allowance for doubtful accounts):					
Taxes-Real & Personal Property	3,107,700	443,100	202,900	-	3,753,700
Taxes-Municipal Income	498,559	-	398,847	-	897,406
Loans	532,268	-	-	-	532,268
Accounts	574,149	-	-	-	574,149
Interest	5,501	1,249	-	90	6,840
Due from Other Governments	1,185,796	-	15,506	-	1,201,302
Inventory of Supplies at Cost	28,442	-	-	-	28,442
Prepaid Items	64,651	-	-	-	64,651
Restricted Assets:					
Cash and Cash Equivalents	-	-	85,427	-	85,427
Total Assets and Other Debits	15,781,593	764,637	6,685,509	76,001	23,307,740
Liabilities:					
Accounts Payable	1,144,379	-	168,598	-	1,312,977
Accrued Wages and Benefits	113,783	-	-	-	113,783
Accrued Liabilities	55,952	-	44,761	-	100,713
Due to Other Funds	21,092	-	-	-	21,092
Intergovernmental Payable	44,383	-	-	-	44,383
Interfund Payable	-	-	379,404	-	379,404
Accrued Interest Payable	6,233	-	18,508	-	24,741
Customer Deposits Payable	6,643	-	-	-	6,643
Deferred Revenue	4,235,615	443,100	392,315	-	5,071,030
General Obligation Notes Payable	3,300,000	-	2,700,000	-	6,000,000
Total Liabilities	8,928,080	443,100	3,703,586	-	13,074,766
Equity and Other Credits:					
Fund Balance:					
Reserved for Encumbrances	4,248,450	-	2,145,915	-	6,394,365
Reserved for Supplies Inventory	28,442	-	-	-	28,442
Reserved for Prepaid Items	64,651	-	-	-	64,651
Reserved for Debt Service	-	321,537	-	-	321,537
Reserved for Endowments	-	-	-	76,001	76,001
Unreserved, reported in:					
Special Revenue Funds	2,511,970	-	-	-	2,511,970
Capital Projects Funds	-	-	836,008	-	836,008
Total Fund Balances	6,853,513	321,537	2,981,923	76,001	10,232,974
Total Liabilities and Fund Balances	\$ 15,781,593	\$ 764,637	\$ 6,685,509	\$ 76,001	\$ 23,307,740

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Permanent Fund	Totals Nonmajor Governmental Funds
Revenues:					
Income Taxes	\$ 2,713,276	\$ -	\$ 2,058,392	\$ -	\$ 4,771,668
Property and Other Taxes	1,492,630	-	180,797	-	1,673,427
Intergovernmental	8,807,776	-	853,511	-	9,661,287
Charges for Services	6,279,367	-	-	-	6,279,367
Licenses and Permits	386,451	-	-	-	386,451
Investment Earnings	22,229	10,348	21,661	2,365	56,603
Fines and Forfeitures	230,522	-	-	-	230,522
Special Assessments	-	408,648	173,858	-	582,506
All Other Revenues	537,511	12,351	555,736	-	1,105,598
Total Revenues	20,469,762	431,347	3,843,955	2,365	24,747,429
Expenditures:					
Current:					
Security of Persons and Property	5,733,318	-	-	-	5,733,318
Public Health and Welfare	128,357	-	-	-	128,357
Leisure Time Activities	894,920	-	-	-	894,920
Community Environment	4,058,753	-	-	-	4,058,753
Basic Utility Services	2,288,726	-	-	-	2,288,726
Transportation	3,385,373	-	-	-	3,385,373
Other Expenditures	450,655	-	-	3,820	454,475
Capital Outlay	-	-	2,618,713	-	2,618,713
Debt Service:					
Principal Retirement	150,000	1,400,000	-	-	1,550,000
Interest and Fiscal Charges	115,591	1,636,320	97,350	-	1,849,261
Total Expenditures	17,205,693	3,036,320	2,716,063	3,820	22,961,896
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,264,069	(2,604,973)	1,127,892	(1,455)	1,785,533
Other Financing Sources (Uses):					
Face Value from the Sale of Bonds	-	326,770	3,480,000	-	3,806,770
Other Financing Uses	-	-	(34,800)	-	(34,800)
Proceeds from Sale of Capital Assets	-	-	106,167	-	106,167
Transfers - In	1,369,774	5,115,567	3,362,853	-	9,848,194
Transfers - Out	(2,572,089)	(2,990,526)	(4,112,301)	-	(9,674,916)
Total Other Financing Sources (Uses)	(1,202,315)	2,451,811	2,801,919	-	4,051,415
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,061,754	(153,162)	3,929,811	(1,455)	5,836,948
Fund Balances (Deficit) at Beginning of Year	4,794,702	474,699	(947,888)	77,456	4,398,969
Increase (Decrease) in Inventory	(2,943)	-	-	-	(2,943)
Fund Balances (Deficit) at End of Year	\$ 6,853,513	\$ 321,537	\$ 2,981,923	\$ 76,001	\$ 10,232,974

**THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003**

	One Renaissance Center	Federal Emergency Management Grant	Youth Build Grant	Public Safety/Health Income Tax	Municipal Court Improvement	Municipal Income Tax TIF Aggregation/ Verification
Assets:						
Cash and Cash Equivalents	\$ 221,569	\$ -	\$ 972	\$ 223,980	\$ 162,693	\$ 132,506
Receivables (net of allowances for doubtful accounts)						
Taxes-Real & Personal Property	-	-	-	-	-	-
Taxes-Municipal Income	-	-	-	498,559	-	-
Loans	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Inventory of Supplies at Cost	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Total Assets	\$ 221,569	\$ -	\$ 972	\$ 722,539	\$ 162,693	\$ 132,506
Liabilities and Fund Equity:						
Liabilities:						
Accounts Payable	\$ 65,498	\$ -	\$ 4,500	\$ 160	\$ 8,366	\$ -
Accrued Wages and Benefits	-	-	-	-	3,984	-
Accrued Liabilities	-	-	-	55,952	-	-
Due to Other Funds	-	-	-	-	-	-
Intergovernmental Payable	-	-	921	-	1,556	-
Accrued Interest Payable	-	-	-	-	-	-
Customer Deposits Payable	-	-	-	-	-	-
Deferred Revenue	-	-	-	238,770	-	-
General Obligation Notes Payable	-	-	-	-	-	-
Total Liabilities	65,498	-	5,421	292,882	13,906	-
Fund Equity:						
Fund Balance:						
Reserved for Encumbrances	-	-	9,187	16,517	1,763	-
Reserved for Supplies Inventory	-	-	-	-	-	-
Reserved for Prepaid Items	-	-	-	-	-	-
Unreserved:						
Undesignated (Deficit)	156,071	-	(13,636)	413,140	147,024	132,506
Total Fund Equity (Deficit)	156,071	-	(4,449)	429,657	148,787	132,506
Total Liabilities and Fund Equity	\$ 221,569	\$ -	\$ 972	\$ 722,539	\$ 162,693	\$ 132,506

**THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003**

Brownfield Improvement	Weed and Seed Grant	Dispute Resolution Proceeds	DOJ Forfeiture Program	Safety Services	Police Pension	Police Levy
\$ 1,975	\$ 16,906	\$ 24,305	\$ -	\$ 688,052	\$ 29,872	\$ 566,045
-	-	-	-	815,800	252,200	767,300
-	-	-	-	-	-	-
-	-	-	-	12,181	-	-
-	-	-	-	11,136	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,975</u>	<u>\$ 16,906</u>	<u>\$ 24,305</u>	<u>\$ -</u>	<u>\$ 1,527,169</u>	<u>\$ 282,072</u>	<u>\$ 1,333,345</u>
\$ -	\$ 4,478	\$ -	\$ -	\$ 18,928	\$ -	\$ -
-	-	-	-	4,429	-	-
-	-	-	-	-	-	-
-	-	-	-	1,776	-	-
-	-	-	-	-	-	-
-	-	-	-	993,687	252,200	767,300
-	-	-	-	-	-	-
-	4,478	-	-	1,018,820	252,200	767,300
-	1,054	-	-	64,855	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,975</u>	<u>11,374</u>	<u>24,305</u>	<u>-</u>	<u>443,494</u>	<u>29,872</u>	<u>566,045</u>
<u>1,975</u>	<u>12,428</u>	<u>24,305</u>	<u>-</u>	<u>508,349</u>	<u>29,872</u>	<u>566,045</u>
<u>\$ 1,975</u>	<u>\$ 16,906</u>	<u>\$ 24,305</u>	<u>\$ -</u>	<u>\$ 1,527,169</u>	<u>\$ 282,072</u>	<u>\$ 1,333,345</u>

(continued)

**THE CITY OF HAMILTON OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003
(continued)**

	Firemen's Pension	Emergency Medical Services Grant	Fire EMS Levy	Technology Initiative	Public Health Care Services	Street And Parks Beautification	Refuse
Assets:							
Cash and Cash Equivalents	\$ 28,332	\$ 4,878	\$ 87,790	\$ 3,304,522	\$ 166,186	\$ 43,765	\$ 427,308
Receivables (net of allowances for doubtful accounts)							
Taxes-Real & Personal Property	252,200	-	767,300	-	-	-	-
Taxes-Municipal Income	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	560,392
Interest	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Inventory of Supplies at Cost	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	5,300
Total Assets	\$ 280,532	\$ 4,878	\$ 855,090	\$ 3,304,522	\$ 166,186	\$ 43,765	\$ 993,000
Liabilities and Fund Equity:							
Liabilities:							
Accounts Payable	\$ -	\$ 3,770	\$ -	\$ 288,916	\$ 18,217	\$ -	\$ 176,774
Accrued Wages and Benefits	-	-	-	-	229	-	3,642
Accrued Liabilities	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Intergovernmental Payable	-	-	-	-	170	-	1,587
Accrued Interest Payable	-	-	-	6,233	-	-	-
Customer Deposits Payable	-	-	-	-	-	-	-
Deferred Revenue	252,200	-	767,300	-	-	-	-
General Obligation Notes Payable	-	-	-	3,300,000	-	-	-
Total Liabilities	252,200	3,770	767,300	3,595,149	18,616	-	182,003
Fund Equity:							
Fund Balance:							
Reserved for Encumbrances	-	20	-	2,168,372	-	25,000	-
Reserved for Supplies Inventory	-	-	-	-	-	-	-
Reserved for Prepaid Items	-	-	-	-	-	-	5,300
Unreserved:							
Undesignated (Deficit)	28,332	1,098	87,790	(2,458,999)	147,570	18,765	805,697
Total Fund Equity (Deficit)	28,332	1,108	87,790	(290,627)	147,570	43,765	810,997
Total Liabilities and Fund Equity	\$ 280,532	\$ 4,878	\$ 855,090	\$ 3,304,522	\$ 166,186	\$ 43,765	\$ 993,000

**THE CITY OF HAMILTON OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003**

Street Maintenance	Transit Authority	Miami Conservancy	Parking	Golf Course	Central Park Sports Arena	Community Development Block Grant	Home Program	Totals
\$ 1,411,312	\$ 74,414	\$ 90,983	\$ 206,462	\$ 150,524	\$ 125,162	\$ 901,610	\$ 692,404	\$ 9,784,527
-	-	252,900	-	-	-	-	-	3,107,700
-	-	-	-	-	-	-	-	498,559
-	-	-	-	-	-	370,150	162,118	532,268
-	-	-	651	925	-	-	-	574,149
5,501	-	-	-	-	-	-	-	5,501
1,052,856	-	-	-	-	-	121,804	-	1,185,796
26,997	-	-	-	1,445	-	-	-	28,442
24,084	-	-	10,917	8,258	2,381	13,711	-	64,651
\$ 2,520,750	\$ 74,414	\$ 343,883	\$ 218,030	\$ 161,152	\$ 127,543	\$ 1,407,275	\$ 854,522	\$ 15,781,593
\$ 95,426	\$ -	\$ 295,603	\$ 30,513	\$ 13,937	\$ 13,587	\$ 105,706	\$ -	\$ 1,144,379
55,469	-	-	13,930	11,092	-	21,008	-	113,783
-	-	-	-	-	-	-	-	55,952
-	-	-	-	-	-	21,092	-	21,092
18,785	-	-	5,594	6,688	-	7,306	-	44,383
-	-	-	-	-	-	-	-	6,233
-	-	-	6,643	-	-	-	-	6,643
711,589	-	252,900	-	1,669	-	-	-	4,235,615
-	-	-	-	-	-	-	-	3,300,000
881,269	-	548,503	56,680	33,386	13,587	155,112	-	8,928,080
322,828	71,502	-	9,305	-	-	898,267	659,780	4,248,450
26,997	-	-	-	1,445	-	-	-	28,442
24,084	-	-	10,917	8,258	2,381	13,711	-	64,651
1,265,572	2,912	(204,620)	141,128	118,063	111,575	340,185	194,742	2,511,970
1,639,481	74,414	(204,620)	161,350	127,766	113,956	1,252,163	854,522	6,853,513
\$ 2,520,750	\$ 74,414	\$ 343,883	\$ 218,030	\$ 161,152	\$ 127,543	\$ 1,407,275	\$ 854,522	\$ 15,781,593

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	One Renaissance Center	Federal Emergency Mangement Grant	Youth Build Grant	Public Safety/Health Income Tax	Municipal Court Improvement
Revenues:					
Municipal Income Tax	\$ -	\$ -	\$ -	\$ 2,579,254	\$ -
Property and Other Taxes	-	-	-	-	-
Intergovernmental	-	751	178,629	-	-
Charges for Services	2,179,280	-	-	-	126,911
Licenses and Permits	-	-	-	-	-
Investment Income	(164)	20	216	(387)	(473)
Fines and Forfeitures	-	-	-	-	76,896
Other	263	-	27,817	-	58
Total Revenue	2,179,379	771	206,662	2,578,867	203,392
Expenditures:					
Current:					
Security of Persons and Property	-	-	-	2,479,273	149,753
Public Health and Welfare	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Community Environment	-	-	409,996	-	-
Basic Utility Services	-	-	-	-	-
Transportation	-	-	-	-	-
Other Expenditures	450,655	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	450,655	-	409,996	2,479,273	149,753
Excess of Revenues Over (Under) Expenditures	1,728,724	771	(203,334)	99,594	53,639
Other Financing Sources (Uses):					
Transfers - In	-	-	203,102	-	-
Transfers - Out	(1,584,950)	(8,575)	-	-	-
Total Other Sources (Uses)	(1,584,950)	(8,575)	203,102	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	143,774	(7,804)	(232)	99,594	53,639
Fund Balances (Deficit) at Beginning of Year	12,297	7,804	(4,217)	330,063	95,148
Increase (Decrease) in Inventory	-	-	-	-	-
Fund Balances (Deficit) at End of the Year	\$ 156,071	\$ -	\$ (4,449)	\$ 429,657	\$ 148,787

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

Municipal Income Tax TIF Aggregation/ Verification	Brownfield Improvement	Weed and Seed Grant	Dispute Resolution Proceeds	DOJ Forfeiture Program	Safety Services	Police Pension	Police Levy
\$ 134,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	2,295	170,755	-	-	1,260,696	264,692	746,315
-	-	-	13,072	-	35,411	-	-
-	-	-	-	-	-	-	-
(370)	(4)	(26)	(79)	76	4,026	(106)	(2,532)
-	-	-	-	24,319	129,307	-	-
-	-	298	-	11,000	13,729	-	-
<u>133,652</u>	<u>2,291</u>	<u>171,027</u>	<u>12,993</u>	<u>35,395</u>	<u>1,443,169</u>	<u>264,586</u>	<u>743,783</u>
-	-	163,888	-	64,373	1,495,832	245,000	177,738
-	-	-	-	-	-	-	-
42,506	2,295	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>42,506</u>	<u>2,295</u>	<u>163,888</u>	<u>-</u>	<u>64,373</u>	<u>1,495,832</u>	<u>245,000</u>	<u>177,738</u>
91,146	(4)	7,139	12,993	(28,978)	(52,663)	19,586	566,045
-	-	-	-	-	223,790	-	-
(43,557)	-	-	-	-	(186,628)	-	-
<u>(43,557)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,162</u>	<u>-</u>	<u>-</u>
47,589	(4)	7,139	12,993	(28,978)	(15,501)	19,586	566,045
84,917	1,979	5,289	11,312	28,978	523,850	10,286	-
-	-	-	-	-	-	-	-
<u>\$ 132,506</u>	<u>\$ 1,975</u>	<u>\$ 12,428</u>	<u>\$ 24,305</u>	<u>\$ -</u>	<u>\$ 508,349</u>	<u>\$ 29,872</u>	<u>\$ 566,045</u>

(continued)

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003
(continued)

	Firemen's Pension	Emergency Medical Services Grant	Fire EMS Levy	Technology Initiative	Public Health Care Services	Street And Parks Beautification	Refuse
Revenues:							
Municipal Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property and Other Taxes	-	-	746,315	-	-	-	-
Intergovernmental	264,692	34,930	-	-	159,046	-	-
Charges for Services	-	-	-	-	-	-	2,289,716
Licenses and Permits	-	-	-	-	-	-	-
Investment Income	(104)	31	-	-	(60)	737	(681)
Fines and Forfeitures	-	-	-	-	-	-	-
Other	-	-	-	4,522	-	2,483	-
Total Revenue	264,588	34,961	746,315	4,522	158,986	3,220	2,289,035
Expenditures:							
Current:							
Security of Persons and Property	245,000	53,936	658,525	-	-	-	-
Public Health and Welfare	-	-	-	-	128,357	-	-
Leisure Time Activities	-	-	-	-	-	-	-
Community Environment	-	-	-	288,916	-	2,503	-
Basic Utility Services	-	-	-	-	-	-	2,288,726
Transportation	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	6,233	-	-	-
Total Expenditures	245,000	53,936	658,525	295,149	128,357	2,503	2,288,726
Excess of Revenues Over (Under) Expenditures	19,588	(18,975)	87,790	(290,627)	30,629	717	309
Other Financing Sources (Uses):							
Transfers - In	-	-	-	-	-	25,000	-
Transfers - Out	-	-	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-	25,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	19,588	(18,975)	87,790	(290,627)	30,629	25,717	309
Fund Balances (Deficit) at Beginning of Year	8,744	20,083	-	-	116,941	18,048	810,688
Increase (Decrease) in Inventory	-	-	-	-	-	-	-
Fund Balances (Deficit) at End of the Year	\$ 28,332	\$ 1,108	\$ 87,790	\$ (290,627)	\$ 147,570	\$ 43,765	\$ 810,997

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

Street Maintenance	Transit Authority	Miami Conservancy	Parking	Golf Course	Central Park Sports Arena	Community Development Block Grant	Home Program	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,713,276
-	-	-	-	-	-	-	-	1,492,630
2,321,465	-	268,581	-	-	-	2,732,591	1,148,653	8,807,776
-	-	-	652,404	914,669	67,904	-	-	6,279,367
386,451	-	-	-	-	-	-	-	386,451
10,086	(333)	(300)	2,802	3,222	(557)	7,189	-	22,229
-	-	-	-	-	-	-	-	230,522
17,283	-	-	14,314	19,751	-	327,343	98,650	537,511
<u>2,735,285</u>	<u>(333)</u>	<u>268,281</u>	<u>669,520</u>	<u>937,642</u>	<u>67,347</u>	<u>3,067,123</u>	<u>1,247,303</u>	<u>20,469,762</u>
-	-	-	-	-	-	-	-	5,733,318
-	-	-	-	-	-	-	-	128,357
-	-	-	-	846,208	48,712	-	-	894,920
-	-	259,891	-	-	-	2,563,087	489,559	4,058,753
-	-	-	-	-	-	-	-	2,288,726
2,773,312	88,500	-	523,561	-	-	-	-	3,385,373
-	-	-	-	-	-	-	-	450,655
-	-	-	15,000	135,000	-	-	-	150,000
-	-	-	27,313	82,045	-	-	-	115,591
<u>2,773,312</u>	<u>88,500</u>	<u>259,891</u>	<u>565,874</u>	<u>1,063,253</u>	<u>48,712</u>	<u>2,563,087</u>	<u>489,559</u>	<u>17,205,693</u>
(38,027)	(88,833)	8,390	103,646	(125,611)	18,635	504,036	757,744	3,264,069
195,805	163,247	-	27,313	182,045	-	170,641	178,831	1,369,774
(95,805)	-	-	-	(100,000)	-	-	(552,574)	(2,572,089)
<u>100,000</u>	<u>163,247</u>	<u>-</u>	<u>27,313</u>	<u>82,045</u>	<u>-</u>	<u>170,641</u>	<u>(373,743)</u>	<u>(1,202,315)</u>
61,973	74,414	8,390	130,959	(43,566)	18,635	674,677	384,001	2,061,754
1,580,476	-	(213,010)	30,391	171,307	95,321	577,486	470,521	4,794,702
(2,968)	-	-	-	25	-	-	-	(2,943)
<u>\$ 1,639,481</u>	<u>\$ 74,414</u>	<u>\$ (204,620)</u>	<u>\$ 161,350</u>	<u>\$ 127,766</u>	<u>\$ 113,956</u>	<u>\$ 1,252,163</u>	<u>\$ 854,522</u>	<u>\$ 6,853,513</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

ONE RENAISSANCE CENTER FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 2,165,000	\$ 2,179,625	\$ 2,179,280	\$ (345)
Other All Revenue	-	400	263	(137)
Total Revenue	2,165,000	2,180,025	2,179,543	(482)
Expenditures:				
Current:				
Other Expenditures				
Special Appropriations - General				
Other	583,611	621,611	641,004	(19,393)
Total Expenditures	583,611	621,611	641,004	(19,393)
Excess of Revenues Over Expenditures	1,581,389	1,558,414	1,538,539	(19,875)
Other Financing Uses:				
Transfers - Out	(1,604,599)	(1,604,599)	(1,584,950)	19,649
Total Other Financing Uses	(1,604,599)	(1,604,599)	(1,584,950)	19,649
Excess of Revenues Under Expenditures and Other Financing Uses	(23,210)	(46,185)	(46,411)	(226)
Fund Balances at Beginning of Year	227,797	227,797	227,797	-
Prior Year Encumbrances Appropriated	23,210	23,210	23,210	-
Fund Balances at End of Year	\$ 227,797	\$ 204,822	\$ 204,596	\$ (226)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

FEDERAL EMERGENCY MANAGEMENT GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ -	\$ 751	\$ 751	\$ -
Total Revenue	-	751	751	-
Expenditures:				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	751	751	-
Other Financing Uses:				
Transfers - Out	-	(8,575)	(8,575)	-
Total Other Financing Uses	-	(8,575)	(8,575)	-
Excess of Revenues Under Expenditures and Other Financing Uses	-	(7,824)	(7,824)	-
Fund Balances at Beginning of Year	7,824	7,824	7,824	-
Fund Balances at End of Year	\$ 7,824	\$ -	\$ -	\$ -

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

YOUTH BUILD GRANT

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 519,960	\$ 225,468	\$ 178,629	\$ (46,839)
Other All Revenue	133,249	111,789	27,817	(83,972)
Total Revenue	653,209	337,257	206,446	(130,811)
Expenditures:				
Current:				
Community Environment				
Department of Human Relations				
Personal Services	85,883	64,119	52,594	11,525
Other	294,435	277,913	177,454	100,459
Capital Outlay	546,461	279,919	276,302	3,617
Total Expenditures	926,779	621,951	506,350	115,601
Excess of Revenues Under Expenditures	(273,570)	(284,694)	(299,904)	(15,210)
Other Financing Sources:				
Transfers - In	-	200,985	203,102	2,117
Total Other Financing Sources	-	200,985	203,102	2,117
Excess of Revenues and Other Financing Sources Under Expenditures	(273,570)	(83,709)	(96,802)	(13,093)
Fund Balances (Deficit) at Beginning of Year	(189,479)	(189,479)	(189,479)	-
Prior Year Encumbrances Appropriated	273,570	273,570	273,570	-
Fund Balances (Deficit) at End of Year	\$ (189,479)	\$ 382	\$ (12,711)	\$ (13,093)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

PUBLIC SAFETY/HEALTH INCOME TAX FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Income Taxes	\$ 2,637,500	\$ 2,564,916	\$ 2,524,375	\$ (40,541)
Total Revenue	2,637,500	2,564,916	2,524,375	(40,541)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	2,370,000	2,370,000	2,370,000	-
Other	14,677	73,427	63,177	10,250
Capital Outlay	122,181	117,606	117,603	3
Total Expenditures	2,506,858	2,561,033	2,550,780	10,253
Excess of Revenues Over Expenditures	130,642	3,883	(26,405)	(30,288)
Fund Balances at Beginning of Year	97,852	97,852	97,852	-
Prior Year Encumbrances	136,858	136,858	136,858	-
Fund Balances at End of Year	<u>\$ 365,352</u>	<u>\$ 238,593</u>	<u>\$ 208,305</u>	<u>\$ (30,288)</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

MUNICIPAL COURT IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 122,835	\$ 122,835	\$ 126,911	\$ 4,076
Fines and Forfeitures	66,000	72,000	76,896	4,896
Other All Revenue	-	-	58	58
	<u>188,835</u>	<u>194,835</u>	<u>203,865</u>	<u>9,030</u>
Total Revenue				
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	111,342	111,342	87,942	23,400
Other	19,200	22,700	19,914	2,786
Capital Outlay	3,921	30,921	30,037	884
	<u>134,463</u>	<u>164,963</u>	<u>137,893</u>	<u>27,070</u>
Total Expenditures				
Excess of Revenues Over Expenditures	54,372	29,872	65,972	36,100
Other Financing Uses:				
Refunds	(51,500)	(21,000)	-	21,000
	<u>(51,500)</u>	<u>(21,000)</u>	<u>-</u>	<u>21,000</u>
Total Other Financing Uses				
Excess of Revenues Over Expenditures and Other Uses	2,872	8,872	65,972	57,100
Fund Balances at Beginning of Year	93,528	93,528	93,528	-
Prior Year Encumbrances	3,921	3,921	3,921	-
	<u>93,528</u>	<u>93,528</u>	<u>93,528</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 100,321</u>	<u>\$ 106,321</u>	<u>\$ 163,421</u>	<u>\$ 57,100</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

MUNICIPAL INCOME TAX TIF AGGREGATION/VERIFICATION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Income Taxes	\$ 101,700	\$ 123,435	\$ 134,022	\$ 10,587
Total Revenue	101,700	123,435	134,022	10,587
Expenditures:				
Current:				
Community Environment				
Construction Services				
Other	66,035	59,535	42,506	17,029
Total Expenditures	66,035	59,535	42,506	17,029
Excess of Revenues Over Expenditures	35,665	63,900	91,516	27,616
Other Financing Uses:				
Transfers - Out	(33,060)	(39,560)	(43,557)	(3,997)
Total Other Financing Uses	(33,060)	(39,560)	(43,557)	(3,997)
Excess of Revenues Over Expenditures and Other Financing Uses	2,605	24,340	47,959	23,619
Fund Balances at Beginning of Year	85,140	85,140	85,140	-
Fund Balances at End of Year	\$ 87,745	\$ 109,480	\$ 133,099	\$ 23,619

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

BROWNFIELD IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 488,557	\$ 2,295	\$ 2,295	\$ -
Total Revenue	488,557	2,295	2,295	-
Expenditures:				
Current:				
Community Environment				
Department of Planning				
Other	49,607	2,295	2,295	-
Department of Human Relations				
Other	446,300	-	-	-
Total Expenditures	495,907	2,295	2,295	-
Excess of Revenues Under Expenditures	(7,350)	-	-	-
Fund Balances (Deficit) at Beginning of Year	(5,366)	(5,366)	(5,366)	-
Prior Year Encumbrances Appropriated	7,350	7,350	7,350	-
Fund Balances (Deficit) at End of Year	\$ (5,366)	\$ 1,984	\$ 1,984	\$ -

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

WEED AND SEED GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 85,500	\$ 175,000	\$ 170,755	\$ (4,245)
Other All Revenue	-	-	298	298
Total Revenue	85,500	175,000	171,053	(3,947)
Expenditures:				
Current:				
Police				
Other	98,829	183,066	178,271	4,795
Capital Outlay	-	5,262	-	5,262
Total Expenditures	98,829	188,328	178,271	10,057
Excess of Revenues Over Expenditures	(13,329)	(13,328)	(7,218)	6,110
Fund Balances at Beginning of Year	5,339	5,339	5,339	-
Prior Year Encumbrances Appropriated	13,329	13,329	13,329	-
Fund Balances at End of Year	\$ 5,339	\$ 5,340	\$ 11,450	\$ 6,110

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

DISPUTE RESOLUTION PROCEEDS FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 11,540	\$ 12,340	\$ 13,072	\$ 732
Total Revenue	11,540	12,340	13,072	732
Expenditures:				
Current:				
General Government				
City Council				
Other	3,000	-	-	-
Total Expenditures	3,000	-	-	-
Excess of Revenues Over Expenditures	8,540	12,340	13,072	732
Fund Balances at Beginning of Year	11,342	11,342	11,342	-
Fund Balances at End of Year	\$ 19,882	\$ 23,682	\$ 24,414	\$ 732

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

DEPARTMENT OF JUSTICE FORFEITURE PROGRAM FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Fines and Forfeitures	\$ 10,000	\$ 24,320	\$ 24,319	\$ (1)
Other All Revenue	-	11,000	11,000	-
Total Revenue	10,000	35,320	35,319	(1)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	2,000	2,000	-	2,000
Other	66,800	66,800	63,998	2,802
Capital Outlay	15,000	15,000	375	14,625
Total Expenditures	83,800	83,800	64,373	19,427
Excess of Revenues Under Expenditures	(73,800)	(48,480)	(29,054)	19,426
Fund Balances at Beginning of Year	15,254	15,254	15,254	-
Prior Year Encumbrances Appropriated	13,800	13,800	13,800	-
Fund Balances (Deficit) at End of Year	\$ (44,746)	\$ (19,426)	\$ -	\$ 19,426

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

SAFETY SERVICES FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Revenues:				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,266,910	1,236,575	1,214,967	(21,608)
Charges for Services	16,600	33,798	35,411	1,613
Investment Earnings	-	4,330	4,964	634
Fines and Forfeitures	131,215	140,254	129,307	(10,947)
Other All Revenue	-	1,550	1,548	(2)
Total Revenue	1,414,725	1,416,507	1,386,197	(30,310)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	1,024,219	1,204,679	1,166,310	38,369
Other	164,855	125,102	91,390	33,712
Capital Outlay	414,595	446,137	308,282	137,855
Total Expenditures	1,603,669	1,775,918	1,565,982	209,936
Excess of Revenues Over (Under) Expenditures	(188,944)	(359,411)	(179,785)	179,626
Other Financing Sources (Uses):				
Transfers - In	41,723	223,791	223,790	(1)
Transfers - Out	(186,628)	(186,628)	(186,628)	-
Total Other Financing Source (Uses)	(144,905)	37,163	37,162	(1)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(333,849)	(322,248)	(142,623)	179,625
Fund Balances at Beginning of Year	648,687	648,687	648,687	-
Prior Year Encumbrances	110,846	110,846	110,846	-
Fund Balances at End of Year	\$ 425,684	\$ 437,285	\$ 616,910	\$ 179,625

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

POLICE PENSION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 247,200	\$ 264,800	\$ 264,692	\$ (108)
Total Revenue	247,200	264,800	264,692	(108)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	245,000	245,000	245,000	-
Total Expenditures	245,000	245,000	245,000	-
Excess of Revenues over Expenditures	2,200	19,800	19,692	(108)
Fund Balances at Beginning of Year	10,313	10,313	10,313	-
Fund Balances at End of Year	\$ 12,513	\$ 30,113	\$ 30,005	\$ (108)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

POLICE LEVY FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Property and Other Local Taxes	\$ -	\$ 750,000	\$ 746,315	\$ (3,685)
Total Revenue	-	750,000	746,315	(3,685)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Other	-	750,000	177,738	572,262
Total Expenditures	-	750,000	177,738	572,262
Excess of Revenues Over Expenditures	-	-	568,577	568,577
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ 568,577	\$ 568,577

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

FIREMEN'S PENSION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 247,200	\$ 264,800	\$ 264,692	\$ (108)
Total Revenue	247,200	264,800	264,692	(108)
Expenditures:				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	245,000	245,000	245,000	-
Total Expenditures	245,000	245,000	245,000	-
Excess of Revenues Over Expenditures	2,200	19,800	19,692	(108)
Fund Balances at Beginning of Year	8,767	8,767	8,767	-
Fund Balances at End of Year	\$ 10,967	\$ 28,567	\$ 28,459	\$ (108)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

EMERGENCY MEDICAL SERVICES GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ -	\$ 34,931	\$ 34,930	\$ (1)
Total Revenue	-	34,931	34,930	(1)
Expenditures:				
Current:				
Security of Persons and Property:				
Fire - Paramedics				
Other	-	50,166	50,166	-
Capital Outlay	-	3,900	3,790	110
Total Expenditures	-	54,066	53,956	110
Deficiency of Revenues Under Expenditures	-	(19,135)	(19,026)	109
Fund Balances at Beginning of Year	20,136	20,136	20,136	-
Fund Balances at End of Year	\$ 20,136	\$ 1,001	\$ 1,110	\$ 109

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

FIRE EMS LEVY FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Property and Other Local Taxes	\$ -	\$ 750,000	\$ 746,315	\$ (3,685)
Total Revenue	-	750,000	746,315	(3,685)
Expenditures:				
Current:				
Security of Persons and Property:				
Fire				
Other	-	750,000	658,525	91,475
Total Security of Persons and Property	-	750,000	658,525	91,475
Excess of Revenues Over Expenditures	-	-	87,790	87,790
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ 87,790	\$ 87,790

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

TECHNOLOGY INITIATIVE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Other All Revenue	\$ -	\$ 3,500	\$ 4,522	\$ 1,022
Total Revenue	-	3,500	4,522	1,022
Expenditures:				
Current:				
Community Environment				
Construction Services				
Other	-	1,500,000	1,316,180	183,820
Capital Outlay	-	1,800,000	1,141,108	658,892
Total Expenditures	-	3,300,000	2,457,288	842,712
Excess of Revenues (Under) Expenditures	-	(3,296,500)	(2,452,766)	843,734
Other Financing Sources:				
Face Value from the Sale of Notes	-	3,300,000	3,300,000	-
Total Other Financing Sources	-	3,300,000	3,300,000	-
Excess of Revenues and Other Financing Sources Over Expenditures	-	3,500	847,234	843,734
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ 3,500	\$ 847,234	\$ 843,734

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

PUBLIC HEALTH CARE SERVICES FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 154,139	\$ 154,139	\$ 159,046	\$ 4,907
Investment Earnings	-	-	8	8
Total Revenue	154,139	154,139	159,054	4,915
Expenditures:				
Current:				
Public Health and Welfare Services:				
Health				
Personal Services	63,370	33,370	9,864	23,506
Other	109,199	161,466	123,897	37,569
Total Expenditures	172,569	194,836	133,761	61,075
Excess of Revenues Over (Under) Expenditures	(18,430)	(40,697)	25,293	65,990
Fund Balances at Beginning of Year	112,888	112,888	112,888	-
Prior Year Encumbrances	18,430	18,430	18,430	-
Fund Balances at End of Year	\$ 112,888	\$ 90,621	\$ 156,611	\$ 65,990

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

STREET AND PARKS BEAUTIFICATION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Investment Earnings	\$ -	\$ 483	\$ 886	\$ 403
Other All Revenue	8,000	3,500	2,483	(1,017)
Total Revenue	8,000	3,983	3,369	(614)
Expenditures:				
Current:				
Community Environment				
Construction Services				
Other	33,000	28,775	27,503	1,272
Total Expenditures	33,000	28,775	27,503	1,272
Excess of Revenues (Under) Expenditures	(25,000)	(24,792)	(24,134)	658
Other Financing Sources:				
Transfers - In	25,000	25,000	25,000	-
Total Other Financing Sources	25,000	25,000	25,000	-
Excess of Revenues and Other Financing Sources Over Expenditures	-	208	866	658
Fund Balances at Beginning of Year	18,095	18,095	18,095	-
Fund Balances at End of Year	\$ 18,095	\$ 18,303	\$ 18,961	\$ 658

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

STORMWATER MANAGEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 1,000,000	\$ 900,000	\$ -	\$ (900,000)
Total Revenue	1,000,000	900,000	-	(900,000)
Expenditures:				
Current:				
Basic Utility Services				
Maintenance of Storm Sewers				
Other	1,000,000	900,000	-	900,000
Total Expenditures	1,000,000	900,000	-	900,000
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ -	\$ -

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

REFUSE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 2,322,410	\$ 2,322,410	\$ 2,238,395	\$ (84,015)
Total Revenue	<u>2,322,410</u>	<u>2,322,410</u>	<u>2,238,395</u>	<u>(84,015)</u>
Expenditures:				
Current:				
Basic Utility Services				
Public Works - Administration				
Personal Services	188,501	188,501	95,725	92,776
Other	2,305,273	2,414,483	2,356,568	57,915
Total Expenditures	<u>2,493,774</u>	<u>2,602,984</u>	<u>2,452,293</u>	<u>150,691</u>
Excess of Revenues (Under) Expenditures	(171,364)	(280,574)	(213,898)	66,676
Fund Balances at Beginning of Year	298,101	298,101	298,101	-
Prior Year Encumbrances	171,634	171,634	171,634	-
Fund Balances at End of Year	<u>\$ 298,371</u>	<u>\$ 189,161</u>	<u>\$ 255,837</u>	<u>\$ 66,676</u>

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

STREET MAINTENANCE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 1,865,000	\$ 2,180,360	\$ 2,272,947	\$ 92,587
Licenses and Permits	392,500	392,500	386,451	(6,049)
Investment Earnings	50,000	50,000	25,944	(24,056)
Other All Revenue	12,500	14,864	17,283	2,419
Total Revenue	2,320,000	2,637,724	2,702,625	64,901
Expenditures:				
Current:				
Transportation				
Traffic Engineering				
Personal Services	1,499,697	1,499,697	1,242,281	257,416
Other	898,635	823,851	703,039	120,812
Capital Outlay	933,766	1,237,495	1,239,410	(1,915)
Total Expenditures	3,332,098	3,561,043	3,184,730	376,313
Excess of Revenues (Under) Expenditures	(1,012,098)	(923,319)	(482,105)	441,214
Other Financing Sources (Uses):				
Transfers - In	195,805	195,806	195,805	(1)
Transfers - Out	(95,805)	(95,805)	(95,805)	-
Total Other Financing Sources (Uses)	100,000	100,001	100,000	(1)
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(912,098)	(823,318)	(382,105)	441,213
Fund Balances at Beginning of Year	469,377	469,377	469,377	-
Prior Year Encumbrances	912,098	912,098	912,098	-
Fund Balances at End of Year	\$ 469,377	\$ 558,157	\$ 999,370	\$ 441,213

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

TRANSIT SYSTEM FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Transportation				
Traffic Engineering				
Other	-	162,000	162,000	-
Total Expenditures	-	162,000	162,000	-
Excess of Revenues (Under) Expenditures	-	(162,000)	(162,000)	-
Other Financing Sources:				
Transfers - In	-	163,247	163,247	-
Total Other Financing Sources	-	163,247	163,247	-
Excess of Revenues and Other Financing Sources Over Expenditures	-	1,247	1,247	-
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ 1,247	\$ 1,247	\$ -

THE CITY OF HAMILTON OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

MIAMI CONSERVANCY FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 211,150	\$ 268,660	\$ 268,581	\$ (79)
Total Revenue	<u>211,150</u>	<u>268,660</u>	<u>268,581</u>	<u>(79)</u>
Expenditures:				
Current:				
Community Environment				
Construction Services				
Other	211,150	218,139	218,139	-
Total Expenditures	<u>211,150</u>	<u>218,139</u>	<u>218,139</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	-	50,521	50,442	(79)
Fund Balances at Beginning of Year	<u>40,948</u>	<u>40,948</u>	<u>40,948</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 40,948</u>	<u>\$ 91,469</u>	<u>\$ 91,390</u>	<u>\$ (79)</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

PARKING FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 712,890	\$ 712,890	\$ 652,404	\$ (60,486)
Investment Earnings	-	-	2,755	2,755
Other All Revenue	7,700	8,800	13,663	4,863
Total Revenue	720,590	721,690	668,822	(52,868)
Expenditures:				
Current:				
Transportation				
Traffic Engineering				
Personal Services	290,639	368,639	353,674	14,965
Other	190,751	218,163	192,498	25,665
Debt Service:				
Principal	15,000	15,000	15,000	-
Interest and Fiscal Charges	27,313	27,313	27,313	-
Total Expenditures	523,703	629,115	588,485	40,630
Excess of Revenues Over Expenditures	196,887	92,575	80,337	(12,238)
Other Financing Source:				
Transfers - In	-	27,313	27,313	-
Total Other Financing Sources	-	27,313	27,313	-
Excess of Revenues of Other Financing Sources Over Expenditures	196,887	119,888	107,650	(12,238)
Fund Balances at Beginning of Year	58,852	58,852	58,852	-
Prior Year Encumbrances Appropriated	612	612	612	-
Fund Balances at End of Year	\$ 256,351	\$ 179,352	\$ 167,114	\$ (12,238)

THE CITY OF HAMILTON OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

GOLF COURSE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 1,063,400	\$ 1,086,400	\$ 900,263	\$ (186,137)
Licenses and Permits	15,000	15,000	3,895	(11,105)
Fines and Forfeitures	4,000	4,000	19,198	15,198
Total Revenue	1,082,400	1,105,400	923,356	(182,044)
Expenditures:				
Current:				
Leisure Time Activities				
Parks and Recreation - Administration				
Personal Services	449,067	449,067	425,590	23,477
Other	433,986	433,985	421,920	12,065
Debt Service:				
Principal	135,000	135,000	135,000	-
Interest and Fiscal Charges	82,045	82,045	82,045	-
Total Expenditures	1,100,098	1,100,097	1,064,555	35,542
Excess of Revenues Over (Under) Expenditures	(17,698)	5,303	(141,199)	(146,502)
Other Financing Sources (Uses):				
Transfers - In	82,045	182,045	182,045	-
Transfers - Out	-	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	82,045	82,045	82,045	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	64,347	87,348	(59,154)	(146,502)
Fund Balances at Beginning of Year	206,751	206,751	206,751	-
Prior Year Encumbrances Appropriated	977	977	977	-
Fund Balances at End of Year	\$ 272,075	\$ 295,076	\$ 148,574	\$ (146,502)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

CENTRAL PARK SPORTS ARENA FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 67,630	\$ 67,630	\$ 67,904	\$ 274
Total Revenue	<u>67,630</u>	<u>67,630</u>	<u>67,904</u>	<u>274</u>
Expenditures:				
Current:				
Leisure Time Activities				
Parks and Recreation - Administration				
Other	47,425	47,285	44,882	2,403
Total Expenditures	<u>47,425</u>	<u>47,285</u>	<u>44,882</u>	<u>2,403</u>
Excess of Revenues Over Expenditures	20,205	20,345	23,022	2,677
Fund Balances at Beginning of Year	<u>101,957</u>	<u>101,957</u>	<u>101,957</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 122,162</u>	<u>\$ 122,302</u>	<u>\$ 124,979</u>	<u>\$ 2,677</u>

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 4,026,063	\$ 6,003,299	\$ 2,531,484	\$ (3,471,815)
Investment Earnings	-	-	7,189	7,189
Other All Revenue	91,170	272,931	327,343	54,412
Total Revenue	4,117,233	6,276,230	2,866,016	(3,410,214)
Expenditures:				
Current:				
Community Environment				
Construction Services				
Personal Services	473,026	1,010,994	509,077	501,917
Other	4,238,126	5,629,471	3,496,630	2,132,841
Capital Outlay	4,125	9,500	1,501	7,999
Total Expenditures	4,715,277	6,649,965	4,007,208	2,642,757
Excess of Revenues (Under) Expenditures	(598,044)	(373,735)	(1,141,192)	(767,457)
Other Financing Source (Uses):				
Transfers - In	-	170,641	170,641	-
Transfers - Out	(17,231)	-	-	-
Total Other Financing Source (Uses)	(17,231)	170,641	170,641	-
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(615,275)	(203,094)	(970,551)	(767,457)
Fund Balances at Beginning of Year	252,912	252,912	252,912	-
Prior Year Encumbrances	615,275	615,275	615,275	-
Fund Balances (Deficit) at End of Year	\$ 252,912	\$ 665,093	\$ (102,364)	\$ (767,457)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

HOME PROGRAM FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 2,068,215	\$ 2,559,263	\$ 1,116,225	\$ (1,443,038)
Other All Revenue	12,892	96,200	98,650	2,450
Total Revenue	2,081,107	2,655,463	1,214,875	(1,440,588)
Expenditures:				
Current:				
Community Environment				
Construction Services				
Other	2,779,282	3,128,240	1,432,261	1,695,979
Total Expenditures	2,779,282	3,128,240	1,432,261	1,695,979
Excess of Revenues (Under) Expenditures	(698,175)	(472,777)	(217,386)	255,391
Other Financing Sources (Uses):				
Transfers - In	100,000	178,831	178,831	-
Transfers - Out	-	(349,472)	(552,574)	(203,102)
Total Other Financing Sources (Uses)	100,000	(170,641)	(373,743)	(203,102)
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(598,175)	(643,418)	(591,129)	52,289
Fund Balances at Beginning of Year	25,578	25,578	25,578	-
Prior Year Encumbrances	598,175	598,175	598,175	-
Fund Balances (Deficit) at End of Year	\$ 25,578	\$ (19,665)	\$ 32,624	\$ 52,289

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003

ALL SPECIAL REVENUE FUNDS

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Property and Other Local Taxes	\$ -	\$ 1,500,000	\$ 1,492,630	\$ (7,370)
Income Taxes	2,739,200	2,688,351	2,658,397	(29,954)
Intergovernmental	11,179,894	13,370,341	8,479,994	(4,890,347)
Charges for Services	7,482,305	7,437,928	6,213,640	(1,224,288)
Licenses and Permits	392,500	392,500	386,451	(6,049)
Investment Earnings	65,000	69,813	45,641	(24,172)
Fines and Forfeitures	207,215	236,574	230,522	(6,052)
Other All Revenue	269,511	528,534	524,126	(4,408)
Total Revenue	22,335,625	26,224,041	20,031,401	(6,192,640)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	3,752,561	3,933,021	3,869,252	63,769
Other	364,361	1,221,095	594,488	626,607
Capital Outlay	555,697	614,926	456,297	158,629
Total Police	4,672,619	5,769,042	4,920,037	849,005
Fire				
Personal Services	245,000	245,000	245,000	-
Other	-	800,166	708,691	91,475
Capital Outlay	-	3,900	3,790	110
Total Fire	245,000	1,049,066	957,481	91,585
Total Security of Persons and Property	4,917,619	6,818,108	5,877,518	940,590
Public Health and Welfare Services:				
Health				
Personal Services	63,370	33,370	9,864	23,506
Other	109,199	161,466	123,897	37,569
Total Public Health and Welfare	172,569	194,836	133,761	61,075
Leisure Time Activities				
Parks and Recreation - Administration				
Personal Services	449,067	449,067	425,590	23,477
Other	481,411	481,410	466,802	14,608
Total Leisure Time Activities	930,478	930,477	892,392	38,085
Community Environment				
Construction Services				
Personal Services	473,026	1,010,994	509,077	501,917
Other	7,335,718	10,564,160	6,533,219	4,030,941
Capital Outlay	4,125	1,809,500	1,142,609	666,891
Total Construction Services	7,812,869	13,384,654	8,184,905	5,199,749
Department of Planning				
Other	41,482	2,295	2,295	-
Total Department of Planning	41,482	2,295	2,295	-
Department of Human Relations				
Personal Services	85,883	64,119	52,594	11,525
Other	740,735	277,913	177,454	100,459
Capital Outlay	546,461	279,919	276,302	3,617
Total Department of Human Relations	1,373,079	621,951	506,350	115,601
Total Community Environment	9,227,430	14,008,900	8,693,550	5,315,350

(continued)

THE CITY OF HAMILTON OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003
(continued)
ALL SPECIAL REVENUE FUNDS

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Basic Utility Services				
Public Works - Administration				
Other	\$ 188,501	\$ 188,501	\$ 95,725	\$ 92,776
Capital Outlay	2,305,273	2,414,483	2,356,568	57,915
Total Public Works - Administration	2,493,774	2,602,984	2,452,293	150,691
Maintenance of Storm Sewers				
Other	1,000,000	900,000	-	900,000
Total Maintenance of Storm Sewers	1,000,000	900,000	-	900,000
Total Basic Utility Services	3,493,774	3,502,984	2,452,293	1,050,691
Transportation				
Traffic Engineering				
Personal Services	1,790,336	1,868,336	1,595,955	272,381
Other	1,089,386	1,204,014	1,057,537	146,477
Capital Outlay	933,766	1,237,495	1,239,410	(1,915)
Total Transportation	3,813,488	4,309,845	3,892,902	416,943
General Government				
City Council				
Other	3,000	-	-	-
Total City Council	3,000	-	-	-
Total General Government	3,000	-	-	-
Other Expenditures				
Special Appropriations - General				
Other	583,611	621,611	641,004	(19,393)
Total Special Appropriations - General	583,611	621,611	641,004	(19,393)
Total Other Expenditures	583,611	621,611	641,004	(19,393)
Debt Service:				
Principal	150,000	150,000	150,000	-
Interest and Fiscal Charges	109,358	109,358	109,358	-
Total Debt Service	259,358	259,358	259,358	-
Total Expenditures	23,401,327	30,646,119	22,842,778	7,803,341
Deficiency of Revenues Under Expenditures	(1,065,702)	(4,422,078)	(2,811,377)	1,610,701
Other Financing Sources (Uses):				
Face Value from Sale of Notes	-	3,300,000	3,300,000	-
Refunds	(51,500)	(21,000)	-	21,000
Transfers - In	444,573	1,367,659	1,369,774	2,115
Transfers - Out	(1,937,323)	(2,384,639)	(2,572,089)	(187,450)
Total Other Financing Source (Uses)	(1,544,250)	2,262,020	2,097,685	(164,335)
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(2,609,952)	(2,160,058)	(713,692)	1,446,366
Fund Balances at Beginning of Year	2,622,593	2,622,593	2,622,593	-
Prior Year Encumbrances	2,900,085	2,900,085	2,900,085	-
Fund Balances at End of Year	\$ 2,912,726	\$ 3,362,620	\$ 4,808,986	\$ 1,446,366

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Investment Earnings	\$ 10,000	\$ 10,000	\$ 14,070	\$ 4,070
Special Assessment	545,000	545,000	408,648	(136,352)
Other All Revenue	5,000	5,000	23	(4,977)
Total Revenues	560,000	560,000	422,741	(137,259)
Expenditures:				
Debt Service:				
Principal Retirement	4,806,000	4,806,000	4,800,000	6,000
Interest and Fiscal Charges	1,640,409	1,709,088	1,702,030	7,058
Total Expenditures	6,446,409	6,515,088	6,502,030	13,058
Deficiency of Revenues Under Expenditures	(5,886,409)	(5,955,088)	(6,079,289)	(124,201)
Other Financing Sources:				
Other Financing Sources	-	-	12,328	12,328
Face Value From Sale of Bonds	-	-	326,770	326,770
Face Value From Sale of Notes	2,540,000	2,700,000	2,700,000	-
Transfers - In	3,361,409	3,361,409	2,370,751	(990,658)
Total Other Financing Sources	5,901,409	6,061,409	5,409,849	(651,560)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	15,000	106,321	(669,440)	(775,761)
Fund Balances at Beginning of Year	991,161	991,161	991,161	-
Fund Balances at End of Year	\$ 1,006,161	\$ 1,097,482	\$ 321,721	\$ (775,761)

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2003**

	Hamilton Capital Improvement	Capital Projects	Special Assessment	MITIE
Assets:				
Cash and Cash Equivalents	\$ 1,458,704	\$ 284,397	\$ 336,774	\$ 222,429
Receivables (net of allowances for doubtful accounts)				
Taxes-Real & Personal Property	-	-	-	202,900
Taxes-Municipal Income	398,847	-	-	-
Intergovernmental	-	15,506	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
 Total Assets	 <u>\$ 1,857,551</u>	 <u>\$ 299,903</u>	 <u>\$ 336,774</u>	 <u>\$ 425,329</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$ 45,380	\$ 4,275	\$ -	\$ -
Accrued Liabilities	44,761	-	-	-
Interfund Payable	-	-	-	-
Accrued Interest Payable	-	1,403	-	-
Deferred Revenue	189,415	-	-	202,900
General Obligation Notes Payable	-	160,000	-	-
 Total Liabilities	 <u>279,556</u>	 <u>165,678</u>	 <u>-</u>	 <u>202,900</u>
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	168,690	-	21,289	-
Unreserved:				
Undesignated (Deficit)	1,409,305	134,225	315,485	222,429
 Total Fund Equity (Deficit)	 <u>1,577,995</u>	 <u>134,225</u>	 <u>336,774</u>	 <u>222,429</u>
 Total Liabilities and Fund Equity	 <u>\$ 1,857,551</u>	 <u>\$ 299,903</u>	 <u>\$ 336,774</u>	 <u>\$ 425,329</u>

**THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2003**

Hamilton Enterprise Park	Central Business District Streetscape Improvements	Issue II Projects	Clean Ohio Grants Program	Infrastructure Program	Totals
\$ -	\$ 184,670	\$ 331,958	\$ 140,471	\$ 3,023,426	\$ 5,982,829
-	-	-	-	-	202,900
-	-	-	-	-	398,847
-	-	-	-	-	15,506
<u>85,427</u>	-	-	-	-	<u>85,427</u>
<u>\$ 85,427</u>	<u>\$ 184,670</u>	<u>\$ 331,958</u>	<u>\$ 140,471</u>	<u>\$ 3,023,426</u>	<u>\$ 6,685,509</u>
\$ -	\$ -	\$ -	\$ 55,830	\$ 63,113	\$ 168,598
-	-	-	-	-	44,761
-	-	379,404	-	-	379,404
17,105	-	-	-	-	18,508
-	-	-	-	-	392,315
<u>2,540,000</u>	-	-	-	-	<u>2,700,000</u>
<u>2,557,105</u>	-	<u>379,404</u>	<u>55,830</u>	<u>63,113</u>	<u>3,703,586</u>
782	-	321,478	85,269	1,548,407	2,145,915
<u>(2,472,460)</u>	<u>184,670</u>	<u>(368,924)</u>	<u>(628)</u>	<u>1,411,906</u>	<u>836,008</u>
<u>(2,471,678)</u>	<u>184,670</u>	<u>(47,446)</u>	<u>84,641</u>	<u>2,960,313</u>	<u>2,981,923</u>
<u>\$ 85,427</u>	<u>\$ 184,670</u>	<u>\$ 331,958</u>	<u>\$ 140,471</u>	<u>\$ 3,023,426</u>	<u>\$ 6,685,509</u>

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Hamilton Capital Improvement	Capital Projects	Special Assessment	MITIE
Revenues:				
Municipal Income Tax	\$ 2,058,392	\$ -	\$ -	\$ -
Property and Other Taxes	-	-	-	180,797
Intergovernmental	-	45,001	-	-
Investment Income	1,878	(484)	(1,506)	(760)
Special Assessments	-	-	173,858	-
Other	28,300	385,000	-	-
Total Revenue	2,088,570	429,517	172,352	180,037
Expenditures:				
Capital Outlay	848,356	490,604	44,395	9,043
Debt Service:				
Interest and Fiscal Charges	-	3,605	6,591	-
Total Expenditures	848,356	494,209	50,986	9,043
Excess of Revenues Over (Under) Expenditures	1,240,214	(64,692)	121,366	170,994
Other Financing Sources (Uses):				
Other financing Uses	-	-	-	-
Proceeds of Bonds	-	-	-	-
Sale of Capital Assets	106,167	-	-	-
Transfers - In	-	215,235	357,446	-
Transfers - Out	(1,333,606)	(160,000)	-	(55,235)
Total Other Sources (Uses)	(1,227,439)	55,235	357,446	(55,235)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	12,775	(9,457)	478,812	115,759
Fund Balances (Deficit) at Beginning of Year	1,565,220	143,682	(142,038)	106,670
Fund Balance (Deficit) at End of the Year	\$ 1,577,995	\$ 134,225	\$ 336,774	\$ 222,429

THE CITY OF HAMILTON/ OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

Hamilton Enterprise Park	Central Business District Streetscape Improvements	Issue II Projects	Clean Ohio Grants Program	Infrastructure Program	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,058,392
-	-	-	-	-	180,797
-	30,000	778,510	-	-	853,511
-	(483)	(906)	(628)	24,550	21,661
-	-	-	-	-	173,858
-	-	-	141,099	1,337	555,736
-	29,517	777,604	140,471	25,887	3,843,955
-	-	708,010	55,830	462,475	2,618,713
38,855	-	-	-	48,299	97,350
38,855	-	708,010	55,830	510,774	2,716,063
(38,855)	29,517	69,594	84,641	(484,887)	1,127,892
-	-	-	-	(34,800)	(34,800)
-	-	-	-	3,480,000	3,480,000
-	-	-	-	-	106,167
2,766,712	23,460	-	-	-	3,362,853
(2,540,000)	(23,460)	-	-	-	(4,112,301)
226,712	-	-	-	3,445,200	2,801,919
187,857	29,517	69,594	84,641	2,960,313	3,929,811
(2,659,535)	155,153	(117,040)	-	-	(947,888)
<u>\$ (2,471,678)</u>	<u>\$ 184,670</u>	<u>\$ (47,446)</u>	<u>\$ 84,641</u>	<u>\$ 2,960,313</u>	<u>\$ 2,981,923</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

HAMILTON CAPITAL IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Income Taxes	\$ 2,110,000	\$ 2,051,933	\$ 2,019,492	\$ (32,441)
Other All Revenue	-	201,894	28,300	(173,594)
Total Revenue	2,110,000	2,253,827	2,047,792	(206,035)
Expenditures:				
Capital Outlay	1,039,279	1,122,026	1,113,817	8,209
Total Expenditures	1,039,279	1,122,026	1,113,817	8,209
Excess of Revenue Over Expenditures	1,070,721	1,131,801	933,975	(214,244)
Other Financing Sources (Uses):				
Sale of Capital Assets	441,000	303,860	106,167	(197,693)
Transfers - Out	(1,354,318)	(1,354,319)	(1,333,606)	20,713
Total Other Financing Sources (Uses)	(913,318)	(1,050,459)	(1,227,439)	(176,980)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	157,403	81,342	(293,464)	(374,806)
Fund Balances at Beginning of Year	1,091,350	1,091,350	1,091,350	-
Prior Year Encumbrances	453,273	453,273	453,273	-
Fund Balances at End of Year	\$ 1,702,026	\$ 1,625,965	\$ 1,251,159	\$ (374,806)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

CAPITAL PROJECTS FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ -	\$ 60,000	\$ 29,495	\$ (30,505)
Other All Revenue	-	385,000	385,000	-
Total Revenue	-	445,000	414,495	(30,505)
Expenditures:				
Capital Outlay	-	505,155	490,155	15,000
Total Expenditures	-	505,155	490,155	15,000
Excess of Revenues Under Expenditures	-	(60,155)	(75,660)	(15,505)
Fund Balances at Beginning of Year	357,502	357,502	357,502	-
Fund Balances at End of Year	\$ 357,502	\$ 297,347	\$ 281,842	\$ (15,505)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

SPECIAL ASSESSMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Special Assessments	\$ 484,500	\$ 184,500	\$ 173,858	\$ (10,642)
Total Revenue	484,500	184,500	173,858	(10,642)
Expenditures:				
Capital Outlay	208,563	179,173	66,602	112,571
Total Expenditures	208,563	179,173	66,602	112,571
Excess of Revenues Over Expenditures	275,937	5,327	107,256	101,929
Other Financing Sources (Uses):				
Face Value from Sale of Notes	200,000	-	-	-
Transfers - Out	(484,500)	(484,499)	393,683	878,182
Total Other Financing Sources (Uses)	(284,500)	(484,499)	393,683	878,182
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(8,563)	(479,172)	500,939	980,111
Fund Balances (Deficit) at Beginning of Year	(192,511)	(192,511)	(192,511)	-
Prior Year Encumbrances	8,563	8,563	8,563	-
Fund Balances (Deficit) at End of Year	<u>\$ (192,511)</u>	<u>\$ (663,120)</u>	<u>\$ 316,991</u>	<u>\$ 980,111</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

MITIE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Property and Other Local Taxes	\$ 160,000	\$ 180,800	\$ 180,797	\$ (3)
Total Revenue	160,000	180,800	180,797	(3)
Expenditures:				
Capital Outlay	26,000	26,000	9,043	16,957
Total Expenditures	26,000	26,000	9,043	16,957
Excess of Revenues Over Expenditures	134,000	154,800	171,754	16,954
Other Financing Sources (Uses):				
Transfers - In	68,325	-	-	-
Transfers - Out	(215,235)	(55,236)	(55,235)	(1)
Total Other Financing Sources (Uses)	(146,910)	(55,236)	(55,235)	(1)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(12,910)	99,564	116,519	16,953
Fund Balances at Beginning of Year	106,905	106,905	106,905	-
Fund Balances at End of Year	\$ 93,995	\$ 206,469	\$ 223,424	\$ 16,953

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

HAMILTON ENTERPRISE PARK FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	782	782	782	-
Total Expenditures	782	782	782	-
Excess of Revenues Under Expenditures	(782)	(782)	(782)	-
Other Financing Sources (Uses):				
Transfers - In	348,867	348,867	348,867	-
Transfers - Out	(348,867)	(348,867)	(348,867)	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(782)	(782)	(782)	-
Fund Balances at Beginning of Year	84,645	84,645	84,645	-
Prior Year Encumbrances	782	782	782	-
Fund Balances at End of Year	<u>\$ 84,645</u>	<u>\$ 84,645</u>	<u>\$ 84,645</u>	<u>\$ -</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

CENTRAL BUSINESS DISTRICT STREETScape IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ -	\$ 30,000	\$ 30,000	\$ -
Total Revenue	-	30,000	30,000	-
Expenditures:				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	30,000	30,000	-
Other Financing Sources (Uses):				
Transfers - In	23,600	23,600	23,460	(140)
Transfers - Out	(23,600)	(23,600)	(23,460)	140
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	30,000	30,000	-
Fund Balances at Beginning of Year	155,496	155,496	155,496	-
Fund Balances at End of Year	\$ 155,496	\$ 185,496	\$ 185,496	\$ -

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

ISSUE II PROJECT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 350,000	\$ 778,511	\$ 778,510	\$ (1)
Total Revenue	350,000	778,511	778,510	(1)
Expenditures:				
Capital Outlay	750,658	1,041,376	1,029,488	11,888
Total Expenditures	750,658	1,041,376	1,029,488	11,888
Excess of Revenues (Under) Expenditures	(400,658)	(262,865)	(250,978)	11,889
Fund Balances (Deficit) at Beginning of Year	(137,715)	(137,715)	(137,715)	-
Prior Year Encumbrances	400,658	400,658	400,658	-
Fund Balances (Deficit) at End of Year	<u>\$ (137,715)</u>	<u>\$ 78</u>	<u>\$ 11,965</u>	<u>\$ 11,887</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

CLEAN OHIO GRANTS PROGRAM FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ -	\$ 198,783	\$ -	\$ (198,783)
Other All Revenue	-	362,000	141,099	(220,901)
Total Revenue	-	560,783	141,099	(419,684)
Expenditures:				
Capital Outlay	-	560,783	141,099	419,684
Total Expenditures	-	560,783	141,099	419,684
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF HAMILTON/ OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

INFRASTRUCTURE RENEWAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Investment Earnings	\$ -	\$ 23,008	\$ 24,550	\$ 1,542
Total Revenue	-	23,008	24,550	1,542
Expenditures:				
Capital Outlay	-	2,087,324	2,010,882	76,442
Debt Service:				
Interest	-	90,786	83,099	7,687
Total Expenditures	-	2,178,110	2,093,981	84,129
Excess of Revenues (Under) Expenditures	-	(2,155,102)	(2,069,431)	82,587
Other Financing Sources (Uses):				
Other Financing Sources	-	1,337	1,337	-
Face Value from Sale of Bonds	-	3,480,000	3,480,000	-
Transfers - Out	-	(47,526)	-	47,526
Total Other Financing Sources (Uses)	-	3,433,811	3,481,337	47,526
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	1,278,709	1,411,906	133,197
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ 1,278,709	\$ 1,411,906	\$ 133,197

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

ALL CAPITAL PROJECT FUNDS

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Property and Other Local Taxes	\$ 160,000	\$ 180,800	\$ 180,797	\$ (3)
Income Taxes	2,110,000	2,051,933	2,019,492	(32,441)
Intergovernmental	350,000	1,067,294	838,005	(229,289)
Fines and Forfeitures	484,500	184,500	173,858	(10,642)
Other All Revenue	-	948,894	554,399	(394,495)
Total Revenue	3,104,500	4,456,429	3,791,101	(665,328)
Expenditures:				
Capital Outlay	2,100,888	5,626,008	4,965,257	660,751
Debt Service:				
Interest	-	90,786	83,099	7,687
Total Expenditures	2,100,888	5,716,794	5,048,356	668,438
Excess of Revenues Over (Under) Expenditures	1,003,612	(1,260,365)	(1,257,255)	3,110
Other Financing Sources (Uses):				
Other Financing Sources	-	1,337	1,337	-
Face Value from Sale of Bonds	-	3,480,000	3,480,000	-
Face Value from Sale of Notes	200,000	-	-	-
Sale of Capital Assets	441,000	303,860	106,167	(197,693)
Transfers - In	440,792	372,467	372,327	(140)
Transfers - Out	(2,426,520)	(2,314,048)	(1,367,485)	946,563
Total Other Financing Sources (Uses)	(1,344,728)	1,843,616	2,592,346	748,730
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(341,116)	583,251	1,335,091	751,840
Fund Balances at Beginning of Year	1,465,672	1,465,672	1,465,672	-
Prior Year Encumbrances	863,276	863,276	863,276	-
Fund Balances at End of Year	\$ 1,987,832	\$ 2,912,199	\$ 3,664,039	\$ 751,840

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

GAS FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 27,314,983	\$ 22,815,433	\$ 25,731,335	\$ 2,915,902
Face Value from Sale of Bonds	5,000	14,540,000	14,540,000	-
Interest	331,000	341,000	146,648	(194,352)
Other Non-Operating Revenues	37,100	945,823	916,250	(29,573)
Other Operating Revenues	15,000	15,000	4,707	(10,293)
Total Revenues	27,703,083	38,657,256	41,338,940	2,681,684
Expenses:				
Personal Services	1,327,558	1,340,370	1,277,760	62,610
Contractual Services	1,310,896	1,310,897	1,233,538	77,359
Materials and Supplies	179,105	179,104	96,302	82,802
Capital Outlay	2,686,314	2,686,314	1,298,406	1,387,908
Purchase of Gas and Electric	17,972,980	17,972,980	20,349,257	(2,376,277)
Other Operating Expenses	2,053,885	2,118,865	2,784,120	(665,255)
Debt Service:				
Principal Retirement	682,500	860,000	860,000	-
Payment to Escrow Agent	-	16,912,357	16,912,357	-
Interest and Fiscal Charges	747,790	1,362,538	1,279,039	83,499
Total Expenses	26,961,028	44,743,425	46,090,779	(1,347,354)
Excess (Deficiency) of Revenues Over (Under) Expenses	742,055	(6,086,169)	(4,751,839)	1,334,330
Fund Equity at Beginning of Year	3,493,180	3,493,180	3,493,180	-
Prior Year Encumbrances	4,035,496	4,035,496	4,035,496	-
Fund Equity at End of Year	\$ 8,270,731	\$ 1,442,507	\$ 2,776,837	\$ 1,334,330

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

ELECTRIC FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 52,667,000	\$ 52,667,000	\$ 49,506,414	\$ (3,160,586)
Grants	-	456,977	456,977	-
Sale of Capital Assets	150,000	150,000	2,629	(147,371)
Interest	585,000	651,500	343,474	(308,026)
Other Non-Operating Revenues	36,000	36,000	174,686	138,686
Other Operating Revenues	55,000	55,000	25,072	(29,928)
Total Revenues	53,493,000	54,016,477	50,509,252	(3,507,225)
Expenses:				
Personal Services	9,328,575	9,328,575	8,565,015	763,560
Contractual Services	4,170,347	4,175,026	4,703,408	(528,382)
Materials and Supplies	1,232,611	1,232,611	1,703,911	(471,300)
Capital Outlay	6,658,424	7,524,769	5,108,664	2,416,105
Purchase of Gas and Electric	21,736,010	22,288,311	20,666,961	1,621,350
Other Operating Expenses	3,441,034	2,742,056	3,639,819	(897,763)
Debt Service:				
Principal Retirement	4,017,000	5,425,000	5,425,000	-
Interest and Fiscal Charges	10,480,000	7,480,000	5,947,269	1,532,731
Total Expenses	61,064,001	60,196,348	55,760,047	4,436,301
Deficiency of Revenues Under Expenses	(7,571,001)	(6,179,871)	(5,250,795)	929,076
Fund Equity at Beginning of Year	6,997,161	6,997,161	6,997,161	-
Prior Year Encumbrances	8,632,120	8,632,120	8,632,120	-
Fund Equity at End of Year	\$ 8,058,280	\$ 9,449,410	\$ 10,378,486	\$ 929,076

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

WATER FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 13,624,400	\$ 13,624,400	\$ 14,091,319	\$ 466,919
Face Value from Sale of Notes	2,000	2,000	-	(2,000)
Interest	317,000	318,000	324,433	6,433
Grants	-	115,000	45,112	(69,888)
Other Non-Operating Revenues	139,100	139,100	88,148	(50,952)
Other Operating Revenues	12,500	12,500	4,941	(7,559)
Total Revenues	14,095,000	14,211,000	14,553,953	342,953
Expenses:				
Personal Services	2,942,621	2,942,621	2,738,510	204,111
Contractual Services	4,678,385	4,678,386	3,618,559	1,059,827
Materials and Supplies	1,400,060	1,400,059	1,434,050	(33,991)
Capital Outlay	7,388,201	7,388,201	6,558,915	829,286
Other Operating Expenses	2,218,889	1,366,515	2,541,142	(1,174,627)
Debt Service:				
Principal Retirement	510,000	-	500,000	(500,000)
Interest and Fiscal Charges	620,000	620,000	507,114	112,886
Total Expenses	19,758,156	18,395,782	17,898,290	497,492
Deficiency of Revenues Under Expenses	(5,663,156)	(4,184,782)	(3,344,337)	840,445
Fund Equity at Beginning of Year	11,107,271	11,107,271	11,107,271	-
Prior Year Encumbrances	4,007,523	4,007,523	4,007,523	-
Fund Equity at End of Year	\$ 9,451,638	\$ 10,930,012	\$ 11,770,457	\$ 840,445

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

WASTEWATER FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 11,414,212	\$ 11,415,312	\$ 11,449,728	\$ 34,416
Face Value from Sale of Notes	-	2,750,000	2,750,000	-
Interest	400,000	437,234	145,742	(291,492)
Other Non-Operating Revenues	3,000	9,000	37,782	28,782
Other Operating Revenues	500	3,536	7,189	3,653
Total Revenues	11,817,712	14,615,082	14,390,555	(224,527)
Expenses:				
Personal Services	2,739,143	2,739,143	2,243,607	495,536
Contractual Services	1,561,014	1,566,514	2,111,744	(545,230)
Materials and Supplies	712,273	706,773	472,681	234,092
Capital Outlay	2,100,494	2,826,655	2,635,765	190,890
Other Operating Expenses	2,813,906	3,870,099	2,521,615	1,348,484
Debt Service:				
Principal Retirement	1,232,833	8,542,447	8,542,448	(1)
Interest and Fiscal Charges	2,176,986	3,703,472	3,824,075	(120,603)
Total Expenses	13,336,649	23,955,103	22,351,935	1,603,168
Deficiency of Revenues Under Expenses	(1,518,937)	(9,340,021)	(7,961,380)	1,378,641
Fund Equity at Beginning of Year	16,130,869	16,130,869	16,130,869	-
Prior Year Encumbrances	810,086	810,086	810,086	-
Fund Equity at End of Year	\$ 15,422,018	\$ 7,600,934	\$ 8,979,575	\$ 1,378,641

THE CITY OF HAMILTON OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

ALL ENTERPRISE FUNDS

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 105,020,595	\$ 100,522,145	\$ 100,778,796	\$ 256,651
Face Value from Sale of Bonds	5,000	14,540,000	14,540,000	-
Face Value from Sale of Notes	2,000	2,752,000	2,750,000	(2,000)
Interest	1,633,000	1,747,734	960,297	(787,437)
Grants	-	571,977	502,089	(69,888)
Sale of Capital Assets	150,000	150,000	2,743	(147,257)
Other Non-Operating Revenues	215,200	1,129,923	1,216,866	86,943
Other Operating Revenues	83,000	86,036	41,909	(44,127)
Total Revenues	107,108,795	121,499,815	120,792,700	(707,115)
Expenses:				
Personal Services	16,337,897	16,350,709	14,824,892	1,525,817
Contractual Services	11,720,642	11,730,823	11,667,249	63,574
Materials and Supplies	3,524,049	3,518,547	3,706,944	(188,397)
Capital Outlay	18,833,433	20,425,939	15,601,750	4,824,189
Purchase of Gas and Electric	39,708,990	40,261,291	41,016,218	(754,927)
Other Operating Expenses	10,527,714	10,097,535	11,486,696	(1,389,161)
Debt Service:				
Principal Retirement	6,442,333	14,827,447	15,327,448	(500,001)
Payment to Refunded Bond Escrow	-	16,912,357	16,912,357	-
Interest and Fiscal Charges	14,024,776	13,166,010	11,557,497	1,608,513
Total Expenses	121,119,834	147,290,658	142,101,051	5,189,607
Deficiency of Revenues Under Expenses	(14,011,039)	(25,790,843)	(21,308,351)	4,482,492
Fund Equity at Beginning of Year	37,728,481	37,728,481	37,728,481	-
Prior Year Encumbrances	17,485,225	17,485,225	17,485,225	-
Fund Equity at End of Year	\$ 41,202,667	\$ 29,422,863	\$ 33,905,355	\$ 4,482,492

INTERNAL SERVICE FUND

The Internal Service Funds account for the financing for the services provided by one department of agency to other departments or agencies of the City on a cost reimbursement basis.

Fleet Maintenance Fund

To account for revenues and expenses associated with the maintenance of the City's motor transport equipment.

Central Services Fund

To account for revenues and expenses associated with interdepartmental charges for the costs of certain goods or services.

Central Benefits Fund

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

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2003

Assets:	Fleet Maintenance	Central Services	Central Benefits	Totals
Current Assets:				
Cash and Cash Equivalents	\$ 277,718	\$ -	\$ 288,980	\$ 566,698
Inventory of Supplies at Cost	12,197	-	-	12,197
Prepaid Items	369	3,025	-	3,394
Total Current Assets	290,284	3,025	288,980	582,289
Noncurrent Assets:				
Capital Assets:				
Property, Plant and Equipment	321,937	-	-	321,937
Less: Accumulated Depreciation	(200,923)	-	-	(200,923)
Total Assets	411,298	3,025	288,980	703,303
Liabilities:				
Accounts Payable	61,895	437,404	-	499,299
Accrued Wages and Benefits	18,522	146,065	-	164,587
Intergovernmental Payable	8,367	58,902	445,059	512,328
Compensated Absences Payable	121,535	693,039	-	814,574
Total Liabilities	210,319	1,335,410	445,059	1,990,788
Net Assets				
Invested in Capital Assets	121,014	-	-	121,014
Unrestricted (Deficit)	79,965	(1,332,385)	(156,079)	(1,408,499)
Total Net Assets	\$ 200,979	\$ (1,332,385)	\$ (156,079)	\$ (1,287,485)

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Fleet Maintenance	Central Services	Central Benefits	Totals
Operating Revenues:				
Charges for Services	\$ 1,349,144	\$ 5,614,242	\$ 3,894,842	\$ 10,858,228
Total Operating Revenues	1,349,144	5,614,242	3,894,842	10,858,228
Operating Expenses:				
Personal Services	534,424	4,156,321	4,332,785	9,023,530
Materials and Supplies	503,805	241,737	-	745,542
Contractual Services	313,000	1,233,818	-	1,546,818
Depreciation	18,004	-	-	18,004
Other Operating Expenses	30,021	266,787	-	296,808
Total Operating Expenses	1,399,254	5,898,663	4,332,785	11,630,702
Operating Income (Loss)	(50,110)	(284,421)	(437,943)	(772,474)
Non-Operating Revenues:				
Investment Earnings	(10,663)	-	675	(9,988)
Other Non-Operating Revenue	3,944	-	-	3,944
Total Non-Operating Revenues	(6,719)	-	675	(6,044)
Change in Net Assets	(56,829)	(284,421)	(437,268)	(778,518)
Net Assets (Deficit) Beginning of Year	257,808	(1,047,964)	281,189	(508,967)
Net Assets (Deficit) End of Year	\$ 200,979	\$ (1,332,385)	\$ (156,079)	\$ (1,287,485)

THE CITY OF HAMILTON OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Fleet Maintenance	Central Service	Central Benefits	Totals
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 1,349,144	\$ 5,614,242	\$ 4,047,988	\$ 11,011,374
Cash Paid for Employee Services and Benefits	(555,775)	(4,065,418)	(4,515,409)	(9,136,602)
Cash Paid to Suppliers for Goods and Services	(709,877)	(1,347,393)	-	(2,057,270)
Other Operating Expenses	(30,021)	(201,431)	-	(231,452)
Other Non-Operating Revenues	-	-	-	-
Other Non-Operating Revenues	3,944	-	-	3,944
Net Cash Provided by (Used for) Operating Activities	57,415	-	(467,421)	(410,006)
Cash Flows from Investing Activities:				
Interest and Dividends	(663)	-	675	12
Net Cash Provided By (Used for) Investing Activities	(663)	-	675	12
Net Increase (Decrease) in Cash and Cash Equivalents	56,752	-	(466,746)	(409,994)
Cash and Cash Equivalents at Beginning of Year	220,966	-	755,726	976,692
Cash and Cash Equivalents at End of Year	<u>\$ 277,718</u>	<u>\$ -</u>	<u>\$ 288,980</u>	<u>\$ 566,698</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ (50,110)	\$ (284,421)	\$ (437,943)	\$ (772,474)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation Expense	18,004	-	-	18,004
Other Non-Operating Revenues	3,944	-	-	3,944
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	-	-	-	-
Decrease in Due From Other Funds	94,186	-	416,302	510,488
Decrease in Materials and Supplies Inventories	5,041	-	-	5,041
Decrease in Prepaid Items	3,617	23,489	-	27,106
Increase (Decrease) in Intergovernmental Payables	807	8,040	(445,780)	(436,933)
Increase in Accounts Payables	7,701	201,090	-	208,791
Increase (Decrease) in Accrued Wages and Benefits	(1,015)	13,534	-	12,519
Increase (Decrease) in Compensated Absences Payable	(24,760)	38,268	-	13,508
Total Adjustments	107,525	284,421	(29,478)	362,468
Net Cash Provided by (Used for) Operating Activities	<u>\$ 57,415</u>	<u>\$ -</u>	<u>\$ (467,421)</u>	<u>\$ (410,006)</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

FLEET MAINTENANCE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 1,553,186	\$ 1,553,186	\$ 1,349,144	\$ (204,042)
Other Non-Operating Revenues	-	4,036	3,944	(92)
Total Revenues	1,553,186	1,557,222	1,353,088	(204,134)
Expenses:				
Personal Services	595,840	595,840	555,775	40,065
Contractual Services	541,391	541,392	327,797	213,595
Materials and Supplies	511,414	511,415	448,337	63,078
Capital Outlay	31,782	31,782	20,930	10,852
Other Operating Expenses	4,800	4,800	11,992	(7,192)
Total Expenses	1,685,227	1,685,229	1,364,831	320,398
Deficiency of Revenues Under Expenses	(132,041)	(128,007)	(11,743)	116,264
Fund Equity at Beginning of Year	89,504	89,504	89,504	-
Prior Year Encumbrances	132,041	132,041	132,041	-
Fund Equity at End of Year	\$ 89,504	\$ 93,538	\$ 209,802	\$ 116,264

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

CENTRAL SERVICES FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 6,635,958	\$ 6,635,958	\$ 5,614,242	\$ (1,021,716)
Total Revenues	6,635,958	6,635,958	5,614,242	(1,021,716)
Expenses:				
Personal Services	4,200,869	4,200,870	4,075,193	125,677
Contractual Services	1,659,248	1,691,077	1,522,931	168,146
Materials and Supplies	270,570	270,691	194,936	75,755
Capital Outlay	650,400	683,849	393,392	290,457
Other Operating Expenses	121,693	121,693	119,265	2,428
Total Expenses	6,902,780	6,968,180	6,305,717	662,463
Deficiency of Revenues Under Expenses	(266,822)	(332,222)	(691,475)	(359,253)
Fund Equity (Deficit) at Beginning of Year	(266,822)	(266,822)	(266,822)	-
Prior Year Encumbrances	266,822	266,822	266,822	-
Fund Equity (Deficit) at End of Year	\$ (266,822)	\$ (332,222)	\$ (691,475)	\$ (359,253)

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

CENTRAL BENEFITS FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 8,500,000	\$ 5,507,900	\$ 4,047,988	\$ (1,459,912)
Total Revenues	8,500,000	5,507,900	4,047,988	(1,459,912)
Expenses:				
Personal Services	8,500,000	8,504,000	4,774,172	3,729,828
Total Expenses	8,500,000	8,504,000	4,774,172	3,729,828
Deficiency of Revenues Under Expenses	-	(2,996,100)	(726,184)	2,269,916
Fund Equity at Beginning of Year	757,693	757,693	757,693	-
Fund Equity (Deficit) at End of Year	\$ 757,693	\$ (2,238,407)	\$ 31,509	\$ 2,269,916

THE CITY OF HAMILTON OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

ALL INTERNAL SERVICE FUNDS

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 16,689,144	\$ 13,697,044	\$ 11,011,374	\$ (2,685,670)
Other Non - Operating Revenues	-	4,036	3,944	(92)
Total Revenues	16,689,144	13,701,080	11,015,318	(2,685,762)
Expenses:				
Personal Services	13,296,709	13,300,710	9,405,140	3,895,570
Contractual Services	2,200,639	2,232,469	1,850,728	381,741
Materials and Supplies	781,984	782,106	643,273	138,833
Capital Outlay	682,182	715,631	414,322	301,309
Other Operating Expenses	126,493	126,493	131,257	(4,764)
Total Expenses	17,088,007	17,157,409	12,444,720	4,712,689
Deficiency of Revenues Under Expenses	(398,863)	(3,456,329)	(1,429,402)	2,026,927
Fund Equity (Deficit) at Beginning of Year	580,375	580,375	580,375	-
Prior Year Encumbrances	398,863	398,863	398,863	-
Fund Equity (Deficit) at End of Year	\$ 580,375	\$ (2,477,091)	\$ (450,164)	\$ 2,026,927

THE CITY OF HAMILTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

BENNINGHOFFEN TRUST FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Interest	\$ 3,000	\$ 3,000	\$ 2,394	\$ (606)
Total Revenues	3,000	3,000	2,394	(606)
<u>Expenses:</u>				
Other Non-Operating Expenses	3,000	3,821	3,820	1
Total Expenses	3,000	3,821	3,820	1
Deficiency of Revenues Under Expenses	-	(821)	(1,426)	(605)
Fund Equity at Beginning of Year	77,290	77,290	77,290	-
Fund Equity at End of Year	\$ 77,290	\$ 76,469	\$ 75,864	\$ (605)

AGENCY FUNDS

Travel Advance Fund

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

Employee Taxes and Benefits Fund

To account for special taxes and benefits of Hamilton employees.

Ohio Board of Building Standards Assessments

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

Miscellaneous Collections for Others Fund

To account for monies received and held for others.

Tax Collections Fund

To account for taxes obtained on behalf of other municipalities.

Butler County Annexation Tax Fund

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

Fire Damage Deposit Escrow Fund

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

Municipal Court Fund

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

Rounding Up Utility Account Fund

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

Convention and Visitor's Bureau Fund

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

Hamilton Central Business Special Improvement District Fund

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

Joint Economic Development District Fund

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



THE CITY OF HAMILTON, OHIO
SCHEDULE OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2003

	Agency Funds						
	Travel Advance	Employee Taxes and Benefits	Ohio Board of Building Standards Assessments	Miscellaneous Collections for Others	Tax Collections	Butler County Annexation Tax	
Assets:							
Cash and Cash Equivalents	\$ 21,844	\$ 194,113	\$ 551	\$ 7,548	\$ 393,310	\$ 35,503	
Receivables (net of allowances for doubtful accounts)	-	-	-	-	-	-	
Taxes-Real & Personal Property Accounts	1,196	-	-	-	-	-	
Total Assets	\$ 23,040	\$ 194,113	\$ 551	\$ 7,548	\$ 393,310	\$ 35,503	
Liabilities:							
Due to Other Funds	\$ 23,040	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental Payable	-	165,336	-	-	393,310	35,503	
Due to Others	-	28,777	551	7,548	-	-	
Total Liabilities	\$ 23,040	\$ 194,113	\$ 551	\$ 7,548	\$ 393,310	\$ 35,503	

THE CITY OF HAMILTONI OHIO
 SCHEDULE OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2003

	Agency Funds							Totals
	Fire	Municipal Court	Rounding Up Utility Account	Convention and Visitor's Bureau	Hamilton Central Business Improvement District	Joint Economic Development District		
Assets:								
Cash and Cash Equivalents	\$ 73,854	\$ 464,318	\$ 1,937	\$ 1,000	\$ -	\$ 187,023	\$ 1,381,001	
Receivables (net of allowances for doubtful accounts)	-	-	-	-	121,200	-	121,200	
Taxes-Real & Personal Property Accounts	-	-	-	-	-	-	1,196	
Total Assets	\$ 73,854	\$ 464,318	\$ 1,937	\$ 1,000	\$ 121,200	\$ 187,023	\$ 1,503,397	
Liabilities:								
Due to Other Funds	\$ -	\$ 122,978	\$ -	\$ -	\$ -	\$ -	\$ 146,018	
Intergovernmental Payable	-	341,340	-	-	121,200	187,023	1,243,712	
Due to Others	73,854	-	1,937	1,000	-	-	113,667	
Total Liabilities	\$ 73,854	\$ 464,318	\$ 1,937	\$ 1,000	\$ 121,200	\$ 187,023	\$ 1,503,397	

THE CITY OF HAMILTON! OHIO
SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	<i>Agency Funds</i>						
	Travel Advance	Employee Taxes and Benefits	Ohio Board of Building Standards Assessments	Miscellaneous Collections for Others	Tax Collections	Butler County Annexation Tax	
<i>Beginning Balance December 31, 2002</i>	\$ 23,040	\$ 160,552	\$ 860	\$ 7,548	\$ 520,225	\$ 43,325	
Additions							
Cash and Cash Equivalents	706	33,561	-	-	-	-	-
Receivables (net of allowances for doubtful accounts)	-	-	-	-	-	-	-
Taxes-Real & Personal Property	-	-	-	-	-	-	-
Total Additions	706	33,561	-	-	-	-	-
Deductions:							
Due to Other Funds	706	-	309	-	-	-	-
Intergovernmental Payable	-	-	-	-	126,915	7,822	-
Due to Others	-	-	-	-	-	-	-
Total Deductions	706	-	309	-	126,915	7,822	-
<i>Ending Balance December 31, 2003</i>	\$ 23,040	\$ 194,113	\$ 551	\$ 7,548	\$ 393,310	\$ 35,503	

THE CITY OF HAMILTON, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Agency Funds							Totals
	Fire	Municipal Court	Rounding Up Utility Account	Convention and Visitor's Bureau	Hamilton Central Business Improvement District	Joint Economic Development District		
<i>Beginning Balance December 31, 2002</i>	\$ 74,492	\$ 444,193	\$ 1,089	\$ 575	\$ 27,610	\$ 89,716	\$ 1,393,225	
Additions								
Cash and Cash Equivalents	-	20,125	848	425	-	97,307	152,972	
Receivables (net of allowances for doubtful accounts)	-	-	-	-	93,590	-	93,590	
Taxes-Real & Personal Property	-	-	-	-	-	-	-	
Total Additions	-	20,125	848	425	93,590	97,307	246,562	
Deductions:								
Due to Other Funds	-	-	-	-	-	-	1,015	
Intergovernmental Payable	-	-	-	-	-	-	134,737	
Due to Others	638	-	-	-	-	-	638	
Total Deductions	638	-	-	-	-	-	136,390	
Ending Balance December 31, 2003	\$ 73,854	\$ 464,318	\$ 1,937	\$ 1,000	\$ 121,200	\$ 187,023	\$ 1,503,397	



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

Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Community Environment	Basic Utility Services	Trans- portation	General Government	Other (2)		Total
								Debt	Service	
1994	\$14,468,796	\$ 2,913,613	\$ 1,397,297	\$ -	\$ 4,819,135	\$ 1,238,846	\$ 9,958,161	\$ 3,040,982	\$ 3,625,981	\$41,462,811
1995	15,624,439	3,073,314	1,485,478	66,066	5,900,557	1,071,857	9,170,916	1,070,189	3,182,977	40,645,793
1996	15,716,657	3,017,153	1,468,547	61,924	6,784,559	342,109	8,779,209	1,696,716	3,061,114	40,927,988
1997	18,885,473	1,038,463	1,386,498	3,273,987	3,264,559	5,399,901	3,541,693	1,956,916	585,447	39,332,937
1998	20,917,547	929,468	1,450,428	3,857,752	3,417,779	3,798,017	3,492,456	2,516,661	629,772	41,009,880
1999	22,079,479	1,154,362	1,500,132	3,879,197	3,158,679	3,918,044	3,533,137	3,614,661	4,508,442	47,346,133
2000	22,349,299	1,215,849	1,599,615	3,640,741	2,796,244	3,350,283	3,841,536	2,866,976	832,265	42,492,808
2001	22,798,051	2,161,815	1,415,071	3,746,743	3,389,930	2,730,692	3,928,799	23,306,559	1,421,468	64,899,128
2002	26,944,009	3,691,879	2,278,148	4,204,163	3,534,252	3,939,065	3,404,492	6,358,581	3,161,153	57,515,742
2003	25,020,605	1,817,802	2,287,623	4,726,538	3,311,482	3,385,373	1,363,735	5,482,010	3,301,911	50,697,079

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

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

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

Year	Inter-Governmental Revenue		Charges for Services(3)		Licenses and Permits		Investment Earnings		Fines and Forfeitures		All Other (2)		Total
	Taxes	Governmental Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1994	\$ 15,368,366	\$ 4,142,285	\$ 4,515,569	\$ 600,926	\$ 253,422	\$ 483,196	\$ 25,972,061						
1995	15,528,335	4,282,817	5,195,183	599,973	511,457	150,780	26,931,516						
1996	16,059,615	4,601,477	4,426,482	606,551	552,151	245,099	27,106,624						
1997	18,966,520	11,471,057	6,942,969	1,017,654	899,697	688,179	40,878,670						
1998	19,602,814	12,017,253	7,286,856	1,019,662	1,220,528	895,279	42,959,075						
1999	21,248,690	9,806,368	8,174,945	1,293,759	989,936	1,017,633	43,608,938						
2000	20,895,497	10,713,545	8,056,032	960,091	1,056,397	1,037,049	43,890,109						
2001	21,886,425	11,599,589	8,849,078	1,312,984	918,035	1,040,689	46,754,597						
2002	22,288,897	11,290,512	16,022,994	1,371,041	637,816	1,446,231	54,267,139						
2003	24,641,407	13,378,911	8,764,142	1,644,438	307,279	1,175,241	51,373,604						

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

(2) Includes Special Assessment Revenue

(3) 2002-2003 includes the reclassified parking, golf course and central parks sports arena funds formerly enterprise

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

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy		Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
					Delinquent Tax Collections	Total Tax Collections		
1994	\$2,699,976	\$2,572,493	\$56,676	\$2,629,169	97.38%	\$142,134	5.26%	
1995	2,717,436	2,696,442	76,578	2,773,020	102.05%	86,550	3.18%	
1996	3,049,455	2,914,580	84,427	2,999,007	98.35%	136,978	4.49%	
1997	2,715,612	2,650,487	92,675	2,743,162	101.01%	109,428	4.03%	
1998	2,915,612	2,718,937	110,001	2,828,938	97.03%	196,102	6.73%	
1999	2,985,053	2,928,559	122,993	3,051,552	102.23%	129,603	4.34%	
2000	3,363,382	3,271,126	130,947	3,402,073	101.15%	90,912	2.70%	
2001	3,432,023	3,498,609	127,505	3,626,114	105.66%	103,179	3.01%	
2002	3,729,881	3,489,708	140,192	3,629,900	97.32%	203,160	5.45%	
2003	6,248,495	5,958,212	288,505	6,246,717	99.97%	204,938	3.28%	

Source: Butler County Auditor

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

<u>Year Paid</u>	<u>Amount</u>
1994	\$ 486,598
1995	476,494
1996	485,725
1997	532,307
1998	409,138
1999	556,065
2000	434,993
2001	633,901
2002	493,773
2003	519,186

Source: Butler County Auditor

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

Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1994	\$508,531,960	\$1,452,948,457	\$28,643,430	\$32,549,352	\$94,840,921	\$379,363,684	\$632,016,311	\$1,864,861,493	33.89%
1995	524,709,430	1,499,169,800	26,260,830	29,841,852	93,278,298	373,113,192	644,248,558	1,902,124,844	33.87%
1996	542,950,510	1,551,287,171	24,232,980	27,537,477	98,464,254	393,857,016	665,647,744	1,972,681,665	33.74%
1997	568,209,450	1,623,455,571	23,056,940	26,201,068	116,728,432	466,913,728	707,994,822	2,116,570,368	33.45%
1998	579,622,630	1,656,064,657	22,567,390	25,644,761	81,266,104	325,064,416	683,456,124	2,006,773,835	34.06%
1999	657,229,440	1,877,798,400	21,454,090	24,379,648	108,159,070	432,636,280	786,842,600	2,334,814,327	33.70%
2000	674,764,310	1,927,898,029	18,059,140	20,521,750	111,312,933	445,251,732	804,136,383	2,393,671,511	33.59%
2001	690,521,670	1,972,919,057	16,165,160	18,369,500	112,737,677	450,950,708	819,424,507	2,442,239,264	33.55%
2002	812,598,300	2,323,466,116	13,814,790	15,974,079	80,444,805	321,779,220	906,857,895	2,661,219,415	34.08%
2003	807,683,940	2,309,414,464	13,358,440	15,446,400	77,433,709	309,734,836	898,476,089	2,634,595,700	34.10%

Source: Butler County Auditor

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

Collection Year	City of Hamilton						Hamilton City		Butler County
	General Fund	Police Pension Fund	Fire Pension Fund	Miami Conservancy Fund	Police/Fire-EMS Levies	Total City	School District		
1994	4.21	0.30	0.30	0.30	0.00	5.11	43.81	7.44	
1995	4.21	0.30	0.30	0.30	0.00	5.11	43.81	7.45	
1996	4.21	0.30	0.30	0.30	0.00	5.11	43.81	7.44	
1997	4.21	0.30	0.30	0.25	0.00	5.06	43.81	8.44	
1998	4.21	0.30	0.30	0.25	0.00	5.06	43.81	8.45	
1999	4.21	0.30	0.30	0.25	0.00	5.06	43.81	8.44	
2000	4.21	0.30	0.30	0.25	0.00	5.06	48.21	8.45	
2001	4.21	0.30	0.30	0.25	0.00	5.06	48.21	8.44	
2002	4.21	0.30	0.30	0.31	0.00	5.12	48.21	8.75	
2003	4.21	0.30	0.30	0.31	1.68	6.80	48.21	8.75	

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

Source: Butler County Auditor
Butler County Treasurer

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

Collection Year	Amount Billed	Amount Collected	Percent Collected
1994	\$149,046	\$135,014	90.6%
1995	155,527	142,475	91.6%
1996	257,325	213,543	83.0%
1997	337,449	271,821	80.6%
1998	398,531	329,817	82.8%
1999	421,687	397,229	94.2%
2000	515,884	471,352	91.4%
2001	591,153	520,791	88.1%
2002	584,069	519,757	89.1%
2003	669,684	519,929	77.6%

Source: Butler County Auditor

**THE CITY OF HAMILTON, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2003**

	<u>Total Debt</u>	<u>Unvoted Debt</u>
Net Assessed Valuation	\$898,476,089	\$898,476,089
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	94,339,989	49,416,185
Applicable City Debt Outstanding (2)	12,565,000	12,565,000
Less: Applicable Debt Service Fund Amounts	(321,721)	(321,721)
Net Indebtedness Subject to Limitation	12,243,279	12,243,279
Legal Debt Margin	\$82,096,710	\$37,172,906

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

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

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1994	62,558	\$632,016,311	\$1,930,000	\$283,344	\$1,646,656	0.26%	\$26.32
1995	62,117	644,248,558	1,675,000	319,084	1,355,916	0.21%	21.83
1996	61,833	665,647,744	1,410,000	367,136	1,042,864	0.16%	16.87
1997	61,100	707,994,822	1,135,000	414,740	720,260	0.10%	11.79
1998	61,100	683,456,124	845,000	459,894	385,106	0.06%	6.30
1999	61,810	786,842,600	3,905,000	460,275	3,444,725	0.44%	55.73
2000	60,690	804,136,383	3,640,000	501,743	3,138,257	0.39%	51.71
2001	60,690	819,424,507	3,365,000	303,282	3,061,718	0.37%	50.45
2002	60,690	906,857,895	9,690,000	474,679	9,215,321	1.02%	151.84
2003	60,690	898,476,089	6,265,000	321,721	5,943,279	0.66%	97.93

Source:

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

(2) Butler County Auditor

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

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

Year	Debt Principal (2)	Debt Interest (2)	Total Debt Service	Total General Governmental Expenditures	Ratio of Tax Debt Service to General Governmental Expenditures
1994	\$1,384,000 (1)	\$109,841	\$1,493,841	\$41,462,811	3.60%
1995	255,000	84,983	339,983	40,645,793	0.84%
1996	265,000	75,290	340,290	40,927,988	0.83%
1997	275,000	64,478	339,478	39,332,937	0.86%
1998	290,000	52,490	342,490	41,009,880	0.84%
1999	440,000	160,077	600,077	47,346,133	1.27%
2000	265,000	179,640	444,640	42,492,808	1.05%
2001	275,000	168,228	443,228	64,899,128	0.68%
2002	290,000	323,959	613,959	57,515,742	1.07%
2003	455,000	395,011	850,011	50,697,079	1.68%

(1) Low Level Dam Bonds refinanced

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

THE CITY OF HAMILTON, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2003

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Hamilton	Amount Applicable to City of Hamilton
Direct			
City of Hamilton	\$14,693,279	100.00%	\$14,693,279
Overlapping Political Subdivisions			
Hamilton City School District	875,000	100.00%	875,000
Butler County	45,480,000	12.54%	5,703,192
		Subtotal	6,578,192
		Total	<u>\$21,271,471</u>

Source: Butler County

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

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

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement (3)	Coverage (4)
1994	\$23,671,505	\$19,916,867	\$3,754,638	\$1,410,284	2.66%
1995	23,423,461	18,747,975	4,675,486	1,771,993	2.64%
1996	25,905,396	22,452,558	3,452,838	1,755,044	1.97%
1997	25,125,121	22,386,943	2,738,178	1,771,384	1.55%
1998	20,689,395	17,784,751	2,904,644	1,757,241	1.65%
1999	19,044,722	15,301,145	3,743,577	1,771,241	2.11%
2000	23,638,431	20,683,361	2,955,070	1,751,866	1.69%
2001	31,784,477	25,467,356	6,317,121	1,403,844	4.50%
2002	22,627,373	19,456,357	3,171,016	1,472,941	2.15%
2003	27,950,700	23,338,504	4,612,196	1,113,021	4.14%

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

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

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement (3)	Coverage (4)
1994	\$40,165,086	\$24,320,192	\$15,844,894	\$13,180,484	1.20%
1995	42,881,644	23,281,958	19,599,686	13,065,778	1.50%
1996	42,508,123	25,902,788	16,605,335	13,474,296	1.23%
1997	41,872,341	25,137,850	16,734,491	13,437,022	1.25%
1998	46,193,083	28,323,561	17,869,522	14,708,761	1.21%
1999	45,550,193	28,847,567	16,702,626	14,714,560	1.14%
2000	49,147,330	27,817,326	21,330,004	14,536,132	1.47%
2001	52,584,410	34,295,218	18,289,192	14,813,659	1.23%
2002	54,261,126	34,813,408	19,447,718	12,830,152	1.52%
2003	49,407,634	33,542,273	15,865,361	13,610,043	1.17%

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

* Calculated in accordance with bond indenture.

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

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement (3)	Coverage (4)
1994	\$10,762,199	\$6,068,384	\$4,693,815	\$3,449,123	1.36%
1995	12,624,010	7,381,012	5,242,998	3,722,497	1.41%
1996	12,693,385	7,446,434	5,246,951	4,336,510	1.21%
1997	13,697,927	8,387,526	5,310,401	4,198,946	1.26%
1998	13,791,322	9,041,396	4,749,926	4,226,462	1.12%
1999	15,887,109	9,770,557	6,116,552	4,295,970	1.42%
2000	16,850,978	8,836,068	8,014,910	4,270,489	1.88%
2001	17,415,954	9,073,991	8,341,963	4,375,033	1.91%
2002	17,805,870	9,077,809	8,728,061	3,103,139	2.81%
2003	14,464,401	8,880,858	5,583,543	1,007,114	5.54%

- (1) Gross revenues include total revenues plus transfers in from rate stabilization - Non-Gaap
- (2) Direct operating expenses include total operating expenses less depreciation - Non-Gaap
- (3) Annual debt service requirements include principal and interest on revenue bonds only
- (4) Required debt service coverage calculated per the revenue bond indenture is 1.05

* Calculated in accordance with bond indenture.

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

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement (3)	Coverage (4)
1994	\$9,092,248	\$7,482,489	\$1,609,759	\$0	0.00%
1995	11,675,796	7,709,494	3,966,302	0	0.00%
1996	11,051,432	7,725,555	3,325,877	0	0.00%
1997	11,823,735	8,129,627	3,694,108	542,489	6.81%
1998	12,266,144	7,596,718	4,669,426	2,101,185	2.22%
1999	12,955,842	4,828,167	8,127,675	2,133,672	3.81%
2000	12,676,574	7,891,123	4,785,451	2,101,003	2.28%
2001	12,410,728	7,815,190	4,595,538	2,139,291	2.15%
2002	12,599,192	7,836,155	4,763,037	2,219,758	2.15%
2003	11,884,710	7,809,274	4,075,436	2,276,583	1.79%

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

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

Year	City of Hamilton Population (1)	Butler County Population (1)	Unemployment Rate County Area (2)	Per Capita Income County Area (2)	School Enrollment (3)
1994	62,558	315,933	5.3%	16,046	10,611
1995	62,117	319,665	4.0%	16,578	10,474
1996	61,833	323,579	4.1%	16,115	10,344
1997	61,100	328,263	3.5%	18,051	10,152
1998	61,100	331,065	3.3%	21,995	10,103
1999	61,810	334,011	3.2%	21,144	10,029
2000	60,690	332,807	3.5%	21,144	9,381
2001	60,690	332,807	3.3%	21,144	9,244
2002	60,690	340,543	4.4%	28,718	9,192
2003	60,690	343,207	4.0%	29,944	9,426

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

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

Year	Residential		Commercial	
	Number of Permits	Property Value	Number of Permits	Property Value
1994	497	\$14,042,863	325	\$33,878,637
1995	360	9,195,900	375	29,958,447
1996	458	12,550,042	343	30,334,552
1997	472	11,778,788	248	20,279,706
1998	498	15,934,533	311	35,895,828
1999	298	13,618,767	297	55,584,172
2000	385	20,498,066	366	52,709,312
2001	339	9,379,336	326	19,759,001
2002	392	13,703,202	329	16,472,320
2003	492	22,329,633	399	34,979,102

Source: City of Hamilton Building Department

**THE CITY OF HAMILTON, OHIO
PRINCIPAL TAXPAYERS (PROPERTY TAX)
DECEMBER 31, 2003**

	Taxpayer	Type of Business	2003 Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1	International Paper	Manufacturing	\$9,971,020	1.11%
2	The Sisters of Mercy	Healthcare	9,304,990	1.04%
3	Cincinnati Bell	Utility	8,861,880	0.99%
4	Fort Hamilton Hospital	Healthcare	8,126,310	0.90%
5	Champion International	Manufacturing	7,893,070	0.88%
6	Miami University	Education	7,731,970	0.86%
7	Smart Papers, LLC	Manufacturing	7,341,320	0.82%
8	Meijer Stores LTD PTR	Retail	6,309,760	0.70%
9	GE Engine Services	Manufacturing	6,120,090	0.68%
10	Colonial Senior Services Inc	Healthcare	5,619,720	0.63%
	Sub - total		77,280,130	8.60%
	All Others		821,195,959	91.40%
	Total		\$898,476,089	100.00%

Based on valuation of property taxes levied in 2003
Source: Butler County Auditor - Land and Buildings

**THE CITY OF HAMILTON! OHIO
 PRINCIPAL TAXPAYERS (INCOME TAX)
 FOR THE YEAR ENDED DECEMBER 31, 2003**

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

Source: Hamilton City Finance Department

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

Year	General Fund (1)	Public Safety/ Health Income Tax Fund (2)	Hamilton Capital Improvement Fund (3)	Total
1994	\$12,952,615	\$2,089,131	\$1,671,305	\$16,713,051
1995	13,687,489	2,207,660	1,766,128	17,661,277
1996	14,028,222	2,262,616	1,810,093	18,100,931
1997	14,365,434	2,317,006	1,853,604	18,536,044
1998	15,276,222	2,463,907	1,971,125	19,711,254
1999	16,154,694	2,605,596	2,084,477	20,844,767
2000	15,999,528	2,580,569	2,064,455	20,644,552
2001	15,978,811	2,577,228	2,061,782	20,617,821
2002	15,322,785	2,471,417	1,977,134	19,771,336
2003	15,652,544	2,524,604	2,019,683	20,196,831

Source: Hamilton Finance Department

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

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

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

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

* - Voter Approved January 1, 1966 0.20%

June 1, 1970* 0.50%

June 1, 1984* 0.25%

June 1, 1990* 0.25%

Total Rate 2.00%

**THE CITY OF HAMILTON! OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2003**

	Employer	Type of Business	Number of Employees
1	Fort Hamilton Hospital	Healthcare	1250
2	Hamilton City School District	Education	1250
3	Butler County	Government	900
4	Smart Papers	Manufacturing	600
5	Valeo Climate Control	Manufacturing	410
6	Ohio Casualty	Insurance	400
7	The Kroger Co.	Groceries	350
8	Meijer Inc.	Retail	300
9	International Paper	Manufacturing	250
10	General Electric	Manufacturing	240

**THE CITY OF HAMILTON/ OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2003**

Date of Incorporation
Latest Charter Effective
Form of Government

1810
January 1, 2001
Council/City Manager

Area (square miles)	21.5		
Facilities and Services:			
Miles of Streets	206.8	Health Care:	
Number of Street Lights	9,015	Number of Hospitals	1
		Number of Patient Beds	307
		Education:	
Police Services:		Elementary Schools	14
Number of Stations	1	Students	5,251
Number of Sworn Police Officers	125	Instructors	334
Number of Police Cruisers	40	Secondary Schools	4
Number of Calls Answered	70,904	Students	4,046
Number of Law Violations:		Instructors	249
Misdemeanor Arrests	4,719	Colleges	1
Felony Arrests	2,501	Students	2,388
Traffic Citations Issued	14,188		
Parking Tickets Written	1,949		
Fire/Emergency Medical Services:			
Number of Stations	6		
Number of Officers, Firefighters/Paramedics	113		
Number of Calls Answered	9824		
Number of Inspections	1983		
		Recreation and Culture:	
		Number of Parks	56
		Park Area (acres)	1,320
		Number of Ball Fields:	
		Lighted	9
		Unlighted	34
		Number of Tennis Courts:	
		Lighted	2
		Unlighted	6
		Number of Swimming Pools	5
		Number of Golf Courses	2
		Libraries	1
		Parking:	
		Off Street Parking Garages	2
		Parking Levels	6.5
		Parking Spaces	752
		Average Daily Cars Parked	604
		Parking/Meters - On Street and Lots	977

Source: Hamilton City Department Heads



**Auditor of State
Betty Montgomery**

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800-282-0370

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CITY OF HAMILTON

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 2, 2004**