

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOUNDING · OF · THE · FORTRESS
FORT HAMILTON OCTOBER 1791
AND SO WAS BORN A CITY

CITY OF HAMILTON, OHIO
FOR YEAR ENDED DECEMBER 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Members of City Council
City of Hamilton

We have reviewed the Independent Auditor's Report of the City of Hamilton, Butler County, prepared by Deloitte & Touche LLP for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 10, 2002

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THE CITY OF HAMILTON! OHIO

BUTLER COUNTY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2001

Prepared by:
Department of Finance

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Treasurer

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

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INTRODUCTION





Founded 1791

Department of Finance

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May 29, 2002

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

We are pleased to present the fourth Comprehensive Annual Financial Report (CAFR) for the City of Hamilton, Ohio for the fiscal year ended December 31, 2001. The report has been prepared in conformance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources as well as guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Hamilton (the "City") to conform to nationally recognized standards of excellence in financial reporting as well as being representative of the City's continual commitment to provide full-disclosure annual financial information to the citizens of the City of Hamilton.

INTRODUCTION

This report contains basic financial statements, supplemental statements, and other financial and statistical information for the fiscal year ending December 31, 2001. Responsibility for the accuracy of the presented data, the fairness and completeness of the presentation, including all disclosures, rests with the City, and specifically the Department of Finance. The enclosed data, as presented, is accurate in all material respects.

This Comprehensive Annual Financial Report is designed to assist and guide the reader in understanding its contents. The report is comprised of three major sections:

The Introductory Section includes the letter of transmittal, a list of elected and principal officials, organizational charts of the City and the City's Department of Finance, and the Certificate of Achievement.

The Financial Section contains the Independent Auditors' Report, the City's general purpose financial statements and explanatory notes thereto, and the combining and individual fund and account group financial statements and schedules.

The Statistical Section presents selected financial, social, economic, demographic and historical data in a multi-year format.

Form of Government

The City of Hamilton is a home rule municipal corporation created under the laws of the State of Ohio operating under its own Charter. The City has operated under its Charter, approved in 1926, since 1928. By a majority vote of the electors in the November, 2000 general election, a revised City Charter was enacted to replace the former charter. This new Charter became effective on January 1, 2001. A number of ministerial changes were made as a result of the revised Charter, but the structural integrity of the City's administration remained unchanged. The major modification to the previous Charter dealt with changes to the manner in which Council members are elected as well as their terms of office. The mayor is to be elected by a popular vote from a separate field of candidates while the remaining six council members are elected from a different field of candidates receiving the top number of votes, with the top vote receiving council candidate becoming the vice-mayor. All elected officials are elected to staggered four-year terms under the new charter. A further discussion of the change in the City Charter is discussed in Note 23 to the General Purpose Financial Statements.

The City Manger is charged with the proper administration of all affairs of the City. He appoints and removes all heads of departments and all subordinate officers and employees of the City and exercises control over all departments created by the City Council.

The Reporting Entity

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the components unit's board and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

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

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

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

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

A discussion of the City's reporting entity is provided in Notes 1 and 21 to the General Purpose Financial Statements.

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 I-75 and the Michael A. Fox Highway (formerly known as the Butler County Regional Highway), connecting Hamilton to I-75.

The Michael A. Fox Highway is a 4-lane divided highway connecting Hamilton directly to Interstate 75. The 10.7 mile project begins at the intersection of the current State Routes 129 and 4 in Hamilton and runs east between Princeton and Hamilton-Mason Roads. The new highway provides direct access to the City of Hamilton via a limited access highway.

Interchanges were constructed at I-75, By-Pass 4, State Route 747 and Cincinnati-Dayton Road.

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

ECONOMIC OUTLOOK

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

With approximately 1,700 firms, the City is currently a major regional center of business and industry. Manufacturing is a substantial portion of the economic base and is largely composed of paper products, metal fabrication, machine tools and automotive parts. Paper products rank high on the City's list of industrial components. Smart Papers, LLC and International Paper both operate mills in Hamilton with a combined employment of 830. International Paper has recently announced plans to add approximately 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 Southwestern Ohio Steel. 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 550 employees and Bilstein has recently announced plans to create approximately 125 new positions.

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

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

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

One major setback occurred in 1999, when the Ohio Casualty Group purchased a 240,000 square feet, Class A facility in a neighboring community and, approximately 1,000 employees were relocated to the new facility or left the company, leaving approximately 250 Ohio Casualty Group employees in Hamilton. However, in 2001, the company announced that it would relocate approximately 200 jobs back into the City as part of its corporate restructuring efforts.

Another major occurrence was the integration of Champion International into International Paper in 2000. After the integration, the former Champion International North "B" Street Mill was divested to Smart Papers. The employment at the mill has been reduced under Smart Papers. Also, as part of the integration, the Knightsbridge Administrative Complex was closed in 2001.

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

Also in 2001, Mosler, Inc. declared bankruptcy and closed its corporate headquarters located in the City. These actions affected approximately 225 jobs in Hamilton. ADT Security Services has announced plans to bring a majority of the displaced Mosler employees into its workforce.

The City of Hamilton has been aggressively investing in its future by supporting and partially financing community development and redevelopment projects within its borders. Several years ago, the City purchased a block of vacant deteriorating buildings in the Central Business District. Today, that site includes a completed 11-story Government Services Center office building and the new Municipal Building (One Renaissance Center). 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 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 1997, the City purchased a 263-acre tract of land located north of the airport. This site sits approximately one half mile south of the new State Route 129 Fox Highway. On this

land, the City has begun to develop and market industrial/office development sites known as the Hamilton Enterprise Park. Currently, three organizations have purchased land and operate out of the Park. These developments represent a capital investment of \$9 million and have the potential of creating in excess of 65 jobs. A number of other commercial and industrial projects are considering the Park at the present time.

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

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

The JEDD authorized a 2% earning tax on all business within its boundaries which is split in a contractually agreed upon fashion between the City and the Township. One stipulation of the JEDD agreement is that the City of Hamilton will not annex any Township land for the 30-year term of the contract. In exchange, 12 acres of county-owned land on the boundary between Hamilton and the Township was transferred to the City.

The first new construction in the JEDD area was a bank and a medical facility. The First National Bank of Southwestern Ohio and Middletown Regional Hospital built a combined facility consisting of a branch bank with an automated teller machine (ATM) and a drive-up window. The Hospital complex houses a family practice medical office, mammography testing, and ancillary medical services.

The population in Hamilton is stable. Its final population figure from the 2000 census was 60,690.

Unemployment

Unemployment data from the Ohio Department of Job and Family Services for the City of Hamilton is represented below:

1994	8.0%
1995	6.1%
1996	6.1%
1997	5.2%
1998	5.0%
1999	4.9%
2000	4.5%
2001	5.0%

Unemployment rates have normally followed both County and National averages. In total, since the beginning of 1995, businesses in all sectors have invested over \$232 million in Hamilton with a new job potential of approximately 2,200 jobs. This information is based on 82 projects tracked by the City's Department of Economic Development, and is not inclusive of all business investment in the City.

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 a number of utility systems that serve the residents of Hamilton.

The year 2001 saw the completion of all city offices moved to One Renaissance Center (ORC). The culmination of these office relocations were further solidified when the City issued \$22,390,000 of General Obligation Bonds providing for the acquisition of the ORC office complex (see Note 24). This bond issue was even more critical as the City augmented its current general obligation bond rating by having a "negative outlook" removed from its A2 rating with Moody's Investor Service.

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 arrangements subject to litigation.

Future

Hamilton's infrastructure renewal program will continue throughout 2002, as State Routes 128 and 129 are scheduled for rehabilitation as well as Eaton and Park Avenues. The New London Road project which was re-started in 2001 should be completed during mid-2002. The City's enterprise utilities will embark on a budgeted \$15,000,000 capital improvement program in 2002.

Hamilton's outstanding short and long-term debt structures will dramatically change throughout 2002. Gas, Electric and Water revenue bonds will be reviewed and refinanced where possible. A series of bond anticipation notes, coupled with \$750,000 for road improvements and \$1,500,000 for new fire equipment were bonded in April 2002. See Note 25 for a further description of 2002 debt related activity.

Budgetary shortfalls are projected to continue in future years and the City's policy of "retrenchment" is expected to continue as well. City Manager Stephen E. Sorrell, the creator of "retrenchment", will retire on May 31, 2002 and end his 31 year career at Hamilton.

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 is scheduled for 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 5.06 mills, or \$5.06 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)
1997	1998	707,995
1998	1999	683,456
1999	2000	786,843
2000	2001	804,136
2001	2002	819,425

Employee Relations

The City currently employs approximately 715 full-time people and had a 2001 payroll of \$36,864,571, 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 conciliation 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, 2002. 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 10, 2000 through March 11, 2003. The ranks Captain and Chief are non-union but receive many of the same benefits by codified ordinance sections as do the employees covered by that contract. All eligible persons are included in these groups.

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

All of the eligible Sewer, Streets and Fleet Maintenance employees of the Public Works Department and all eligible employees of the Parks Division are represented by the American Federation of State, County and Municipal Employees (AFSCME Local 475). These employees and the City have a three year collective bargaining agreement which covers the period January 15, 2000 through January 14, 2003.

All of the 108 eligible operating and maintenance employees of the Utilities Department are represented by the International Union of Operating Engineers, Local 20. The City and the Local 20 have negotiated a contract which covers the period September 1, 2001 through August 31, 2004.

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

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

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

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

AFSCME, Ohio Council 8, Local 3169 represents approximately 76 clerical and technical employees. The three-year contract covers the period from July 17, 1999 through July 12, 2002.

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

FINANCIAL INFORMATION

Basis of Accounting

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

assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for governmental and agency funds.

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

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

Accounting Controls

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

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

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

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

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

Budgetary Controls

Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. The City Manager, with the assistance of the Finance Director, is required to submit to Council a tax budget of estimated revenues and expenditures for all funds, except agency funds for the succeeding fiscal year by the first council meeting in July. The budget is required to be adopted by the legislative body by July 15 and to be submitted to the County Budget Commission by July 20 of each year. City Council is required by Charter to adopt a permanent appropriation measure for the ensuing fiscal year no later than January 1st. On December 12, 2001, City Council adopted the 2002 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 account groups and the basis of accounting are included in Note 1 to the general purpose financial statements.

General Governmental Revenues

Revenues for general governmental functions (including general, special revenue and debt service funds) totaled \$46,754,597, representing an increase of \$1,623,731 over 2000. The following schedule presents a summary of general governmental revenues for the years ended December 31, 2001 and 2000, the percentage of total revenues for 2001, the amount of increase (decrease) in relation to 2000 revenue, and the percentage change.

Revenue Source	2001 Total	2001 Percent of Total	2000 Total*	Increase (Decrease) over 2000	Percent of Change
1. Taxes	\$21,886,425	46.81%	\$ 22,136,254	\$ (249,829)	-1.13%
2. Intergovernmental Revenues	11,599,589	24.81%	10,713,545	886,044	8.27%
3. Charges for Services	8,849,078	18.93%	8,056,032	793,046	9.84%
4. Licenses and Permits	1,312,984	2.81%	960,091	352,893	36.76%
5. Investment Earnings	918,035	1.96%	1,056,397	(138,362)	-13.10%
6. Fines and Forfeitures	1,147,797	2.45%	1,171,498	(23,701)	-2.02%
7. All Other Revenues	1,040,689	2.23%	1,037,049	3,640	0.35%
Total	\$46,754,597	100.00%	\$ 45,130,866	\$1,623,731	3.60%

*-Note: 2000 restated for implementation of GASB Statement No. 33

The City's income tax continues to be its primary source of revenue. The tax applies to all wages, salaries, commissions and other compensation paid to employees by employers and/or the net proceeds from the operation of a business, profession or other enterprise activity. The income tax rate of 2.0% was in effect for all of 2001. Tax revenues decreased by \$249,829 below 2000 levels, and is the combined effect of reduced employment levels with several major companies in Hamilton (such as Mosler and Ohio Casualty) that has been partially offset by proliferating smaller business.

Intergovernmental revenues consist primarily of state levied shared taxes consisting of local government assistance provided by the State of Ohio through reimbursement for real and personal property tax reductions, gasoline tax, state-levied motor vehicle license tax, inheritance tax, permissive motor vehicle license tax and local government and revenue assistance allocations. These revenues are collected by the State or County and partially redistributed to the City or other political subdivisions. This revenue category also includes grant funds received from either County, State or Federal sources. Intergovernmental revenues increased \$886,044 compared to 2000. Hamilton has aggressively pursued new and increased grant revenues, including Community Development, HOME and the Local Law Enforcement Block Grant Funds.

Charges for services and licenses and permits increased by the greatest percentages of 9.84% and 36.76% over 2000 levels. Budgetary shortfalls expected in future years yielded increases in rates in both categories of revenue in 2001, including Construction permits, Planning permits, Health licenses and other various changes.

Investment earnings declined by \$138,362 or 13.10% below prior year levels. This is the combined effect of a reduced investment portfolio coupled with declining market rates of interest.

General Governmental Expenditures

Expenditures for general governmental purposes, including general, special revenue and debt service funds totaled \$64,899,128 in 2001, an increase of \$22,406,320 over 2000.

Expenditures for the major functions of the City, the percentage of total for 2001, the amount of increase/(decrease) over 2000, and the percent of change are shown:

Expenditure	2001 Total	2001 Percent of Total	2000 Total	Increase (Decrease) over 2000	Percent of Change
Security of Persons and Property	\$22,798,051	35.13%	\$22,349,299	\$448,752	2.01%
Public Health and Welfare Services	2,161,815	3.33%	1,215,849	945,966	77.80%
Leisure Time Activities	1,415,071	2.18%	1,599,615	(184,544)	-11.54%
Community Environment	3,746,743	5.77%	3,640,741	106,002	2.91%
Basic Utility Services	3,389,930	5.22%	2,796,244	593,686	21.23%
Transportation	2,730,692	4.21%	3,350,283	(619,591)	-18.49%
General Government	3,928,799	6.05%	3,841,536	87,263	2.27%
Other Expenditures	4,451,988	6.86%	2,866,976	1,585,012	55.29%
Capital Outlay	18,854,571	29.05%	-	18,854,571	100.00%
Debt Service	1,421,468	2.19%	832,265	589,203	70.80%
Total	\$64,899,128	100.00%	\$42,492,808	\$22,406,320	52.73%

Security of Persons and Property includes the primary cost of operations of the Police and Fire Department, including dispatching. Contractually required increases in operating costs coupled with increases in capital expenditures for both operations resulted in a 2.01% increase over 2000 levels. Incarceration costs were decreased due to a change in contract whereby the Police are transporting prisoners to Miami County for jail stays.

Public health and welfare increased during 2001 due to new health care and federal emergency management grants being expended. The percentage increase was 77.80% or \$945,966.

Leisure Time Activities and Transportation Expenditures both decreased by 11.54% and 18.49%, respectively in 2001. Leisure expenditures continue to dwindle in light of budgetary restrictions. Transportation expenditures reduced as funding for street maintenance activities fell.

The \$1,585,012 or 55.29% increase in Other Expenditures is related to the recognition of an offsetting amount to the kilo-watt hour (Kwh) tax. The Kwh tax was enacted during 2001, and utility customers in the City of Hamilton were given a credit against this tax. The expenditure increase is for the recognition of this offsetting credit.

The \$18,854,571 Capital Outlay expenditure is for the acquisition cost of the One Renaissance Center Office Tower, located in downtown Hamilton. The City issued general obligation bonds in September, 2001 to finance this acquisition (see Note 24).

The \$589,203 increase in debt service is attributable to the outright retirement of several outstanding special assessment bonds held by the City in its Treasury Investment Pool as well as issuance costs for the One Renaissance Center General Obligation Bonds. This is no longer a financial practice and in effect, the City paid itself to remove these debts from the books.

General Fund

Revenues and other financing sources of \$34,019,967 exceeded expenditures and other financing uses of \$33,157,611 for the fiscal year ended December 31, 2001. Coupled with a \$1,053 decrease in inventory, the year-end fund balance of \$4,481,097 was realized.

Special Revenue Funds

The Special Revenue Funds encompass distinct funds used to account for the proceeds of specific revenue sources that are restricted to expenditures for a specific purpose and for which fund balances must be accounted for in a separate manner. Overall, the Special Revenue Funds had total revenues and other financing sources of \$35,738,444, coupled with total expenditures, other financing uses and an increase in inventory of \$35,016,242 left a total, overall, combined fund-type fund balance at December 31, 2001 of \$5,040,457. The City's major Special Revenue Funds include the Public Safety/Health Income Tax Fund, the Refuse Fund, the Street Maintenance Fund, the Miami Conservancy Fund, and the Community Development Block Grant Fund. Highlights of fiscal year 2001 activity for some of these funds is as follows:

Public Safety/Health Income Tax Fund: This fund accounts for one quarter of one percent (.25%) of the total two percent (2.00%) income tax rate specifically designated for use in public safety and health related activities. The collections represent 12.5% of the total income tax collected by the City from a voter approved income tax levy. Revenues of \$2,468,055 exceeded expenditures and transfers out of \$2,252,322 increasing fund balance by \$215,733. The fiscal year 2001 activity resulted in a year-end fund balance of \$1,066,391.

Refuse Fund: This fund accounts for collections of service charges designated to defray the cost of refuse collection provided by Rumpke Waste Services for City residents. Revenues exceeded expenditures by \$122,430 yielding a year-end fund balance of \$762,988.

Street Maintenance Fund: This fund accounts for state levied gasoline taxes and motor vehicle registration fees supplied to the City for the purpose of infrastructure construction, maintenance and repair. Expenditures and other financing uses exceeded revenues and other financing sources by \$385,880 resulting in a year-end fund balance of \$107,416.

Miami Conservancy Fund: This Special Revenue Fund accounts for taxes levied for the purpose of paying the City's shared costs of maintaining the Miami Conservancy District. During fiscal year 2001, revenues and other financing sources were less than expenditures by \$108,735 yielding a year-end fund deficit of (\$100,143). The deficit has arisen due to the recognition of payables on the modified accrual basis of accounting. As cash is received and the payables liquidated, the deficit will be eliminated.

Community Development Block Grant Fund: Provided from the federal government for the purpose of community and environmental improvement, this fund accounts for the

grants and related revenues received as well as expenditures in carrying out the mission of the block grant. In 2001, revenues exceeded expenditures by \$253,613 yielding a year-end fund balance of \$1,474,798.

Capital Project Funds

Capital Projects Funds are used to account for the financing of major capital projects undertaken by the City other than those financed by proprietary funds or trust funds. The City employs the use of seven (7) capital project funds to accomplish the task of recognizing the related revenues, capital outlay and other expenditures of the various projects. Deficits occurring in the Capital Projects, Special Assessment, Municipal Improvement Tax Increment Equivalent (MITIE), Hamilton Enterprise Park, and Central Business District Streetscape Improvements capital projects funds arise from the issuance of short-term bond anticipation notes which are used to finance the projects until bonds are issued. Once bonds are issued and the liability reported in the general long-term obligations account group rather than in the fund, the deficit will be eliminated. The deficit occurring in the Issue II Capital Project Fund is the combined result of recognition of inter-fund liabilities as well as grants received outside the period of availability for recognition. When grants, transfers or fees are received, and the liability is paid, the deficit will be eliminated.

Proprietary Funds

Proprietary funds are those funds of the City used to account for activities similar in nature to the private sector. These funds receive a significant portion of their funding through user charges. The two fund types used by the City in this proprietary category are Enterprise Funds and Internal Service Funds, a discussion of which follows.

Enterprise Funds

Enterprise Funds are used to account for operations that are similar to a private business enterprise. Such funds are used when the intent of the City is that costs, or expenses including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise Funds are also suitable if periodic determination of revenues earned, expenses incurred, or net income achieved is appropriate for capital maintenance, public policy, control and accountability. The City has seven enterprise funds including the Gas Fund, the Electric Fund, the Water Fund, the Wastewater Fund, the Parking Fund, the Golf Fund and the Central Park Sports Arena Fund.

The City operates four utility systems. For the year ended December 31, 2001, the Gas Fund had an operating income of \$1,748,162 and a net income of \$1,105,109. The Electric Fund had operating income of \$7,731,651 with a net loss of \$3,391,073. The Water Fund had operating income of \$6,414,293 with a net income of \$3,850,276. The Wastewater Fund had operating income of \$1,714,281 with a net income of \$408,491. All of these funds maintain positive fund equity and retained earnings balances. All four of the utility

enterprise funds have outstanding revenue bonds and the City complied with all indenture covenants.

The City has a municipal garage, parking meters and a series of rental parking spaces accounted for in the Parking Fund. The Parking Fund had an operating income of \$18,144 with a net loss of \$67,349.

The City operates two public golf courses known as Potter's Park and Twin Run. The courses are well maintained and see in excess of 60,000 rounds of play per year. The Golf Fund, which accounts for golf activities, realized operating income of \$90,639 with a net income of \$12,027. Scheduled fee increases are due to begin in 2002 and maintenance of the existing courses is a priority.

The City owns and operates the Hamilton Central Park Sports Arena located across the street from the Hamilton branch campus of Miami University. During 2001, the Sports Arena Fund had an operating income of \$24,341 with a net income of \$24,341 (the same amount).

City management continues to monitor these funds closely. A detailed description of key financial information related to all of the Enterprise Funds can be located in Note 17 to the general purpose financial statements.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by a service department to other departments or agencies of the City or to other governments on a cost reimbursement basis. The City maintains three internal service funds, with fiscal highlights from the year 2001 as follows:

Fleet Maintenance Fund: This fund accounts for the repair and maintenance of the motor transport equipment. For 2001, the fund had an operating loss of \$16,288 with an overall net loss of \$16,041.

Central Services Fund: This fund accounts for certain shared departments, including Information Technology, Economic Development and Customer Service. These departments recover their costs through quasi-external transactions with other funds of the City. For the year ending December 31, 2001, this fund had both an operating and net loss of \$888,324, the result of prior year net income being recovered by other funds of the City through reduced user charges. Management monitors revenues and expenditures closely within this fund.

Central Benefits Fund: This fund accounts for employee benefits including health care, pension and worker's compensation coverage on a cost reimbursement basis. The City maintained a contract with Mid-Valley Care Net for premium based health insurance for employees. The City provided for worker's compensation insurance coverage through the Ohio Bureau of Worker's Compensation while pension benefits are paid to the Ohio Public

Employees Retirement System (PERS) or the Ohio Police and Fire Disability Pension Fund. During the fiscal year 2001, revenues of \$9,164,350 were more than expenses of \$9,092,942.

Fiduciary Funds

The City employs the use of a variety of Fiduciary Funds which hold or manage financial resources in an agent or fiduciary capacity. Of the types of Fiduciary Funds, the City maintains one Nonexpendable Trust Fund and a series of Agency Funds.

Nonexpendable Trust Fund

A Nonexpendable Trust Fund is designed to account for endowment-like trust arrangements, whereby the City is permitted to spend investment earnings on the assets held in trust, but not the assets themselves. The Benninghoffen Trust Fund, the only nonexpendable trust fund in the City of Hamilton's financial reporting, accounts for the investment revenue and expenses resulting from an original bequest to the City by the late Christian Benninghoffen. The \$50,000 bequest generates investment earnings used for the purpose of assisting the needy and poor of the City. During 2001, revenues of \$7,212 exceeded expenses of \$4,760. The City did not violate the terms of the bequest in current year 2001 or in any preceding year.

Agency Funds

Agency Funds are purely custodial in nature (assets equal liabilities) and thus do not involve the measurement of results of operations. A majority of the City's Agency Funds provide an accounting for the collection and temporary holding of resources for some other party. The Agency Funds of the City are as follows:

Tax Collection Funds

The Tax Collection Funds include two distinct agency funds. The Tax Collection Fund and the Butler County Annexation Tax Fund collect and remit income tax collections for other municipalities and entities.

Other Agency Funds

The other Agency Funds of the City are as follows:

Travel Advance Fund	Employee Taxes and Benefits Fund
Ohio Board of Building	Miscellaneous Collection for Other Fund
Standards Assessment Fund	Joint Economic Development District Fund
Rounding Up Utility Account Fund	Fire Damage Deposit Escrow
Municipal Court Fund	Hamilton Central Business Special Improvement District Fund
	Convention and Visitors Bureau Fund

Debt Administration

At December 31, 2001, the City had a number of debt issues outstanding. The City's debt service fund accumulates resources for the payment of principal, interest and administrative costs of the City's general and special assessment long-term debt. Resources of the debt service fund are derived from investment earnings, operating transfers and special assessment revenue. The City currently has \$25,755,000 of general obligation bonded debt outstanding. The City currently maintains an A2 general obligation bond rating with Moody's Investor Service.

Dated September 15, 2001, the City issued General Obligation Bonds totaling \$22,390,000 referred to as the One Renaissance Center Acquisition General Obligation Bonds. The bonds were issued in two series: Series A of \$19,320,000 and Series B of \$3,070,000. In addition to the full faith and credit pledge of the City to repay the bonds, an additional pledge of income tax revenues and lease payments were also provided. The Series A Bonds were issued to pay a judgment and to purchase the seven story office complex housing the administrative offices of the City known as One Renaissance Center (ORC). The Series B Bonds were issued to permanently finance, along with capitalizing interest upon, two special revenue bond anticipation notes of \$2,300,000 and \$600,000 (the notes were redeemed at maturity in April 2002 – see Note 25). A more thorough discussion of the transaction and bond issuance is provided in Note 24 to the financial statements.

The City also has general obligation bonds outstanding which are being repaid from the revenues of two different enterprise funds. Since these bonds are being repaid from revenue sources of the individual enterprise funds, the bonds are reported as liabilities within the Golf Fund and Parking Fund, at \$1,785,807 and \$815,000, respectively. The City also has \$2,925,000 of special assessment bonds outstanding. These long-term bonds were mainly issued to finance sidewalk, curb and infrastructure repair and replacement. During the current year ended, the City issued a new \$1,290,000 special assessment bond to finance a variety of special assessment projects within the City. The City pledges its full faith and credit to pay special assessment debt payments to the extent that property owners fail to pay their assessments.

In prior years, the City both issued and purchased its own debt, thereby holding the bonds in the Treasury Investment Pool of the City and "self-financing" the bond issue. This is no longer a financial practice of the City. As of December 31, 2000, \$666,815 was held consisting of \$370,000 of general obligation bonds and \$296,815 of general obligation special assessment bonds. During 2001, a \$180,000 principal payment was made on the general obligation bonds while the complete remaining \$296,815 of general obligation special assessment bonds was re-paid in its entirety. As of December 31, 2001, \$190,000 of Hamilton general obligation bonds (Low Level Dam Bonds) was still held by the City of Hamilton in its Treasury Investment Pool and was paid in its entirety in January 2002 which is described in Note 25 to the financial statements.

The City had outstanding Revenue Bonds of \$286,849,694 as of December 31, 2001. Included in this amount were principal balances net of amortized discounts of \$16,396,990

of the 1993 gas system revenue bond as well as \$50,683,409 of the 1991 water system revenue bond. The electric system revenue bonds, issued in 1992 under Series A and B, have balances of \$166,450,157 and \$24,535,000 respectively. Rounding out of the total revenue bonds are the 1996 wastewater system revenue bonds of \$8,340,000 and 1998 wastewater system revenue bonds of \$20,444,138. No new revenue bonds or enterprise utility bond anticipation notes were issued during fiscal year 2001. Maintaining its debt reduction goals, the City retired a \$900,000 electric system bond anticipation note in March 2001.

Due to timing differences between the payment for the purchase of natural gas and its transmission versus the collection of receivables from customers, coupled with an unusual spike in the cost for natural gas, the City's Gas System did enter into a contract with Fifth Third Bank for a line of credit in February 2001. The City drew down \$1,200,000 of this line of credit on February 26, 2001 and re-paid the outstanding balance in nine days. The interest on this line of credit was not considered tax exempt.

The City also has an outstanding loan from the Ohio Water Development Authority (OWDA) of \$8,159,483 as of December 31, 2001. During 2001, the City completely retired through a final loan payment the 1996 OWDA loan. These loans are obligations of the Wastewater Fund.

Other than that portion representing an advance refunding included in the 1992 Series A Electric System Revenue Bond, all enterprise fund revenue debt was issued to permanently finance acquisition costs and improvements to the respective systems. All revenue bonds are limited obligations payable from revenues earned within the respective enterprise funds.

As of December 31, 2001, the City had multiple bond anticipation notes (BAN) outstanding totaling \$12,408,000. The amount outstanding included special assessment BANs, special revenue BANs and capital project BANs in the amounts of \$1,835,000, \$3,420,000 and \$7,153,000 respectively.

Special assessment bond anticipation notes totaled \$1,835,000 as of December 31, 2001. These notes were issued to finance a variety of infrastructure, sidewalk replacement and sanitary sewer projects. Included in this total was a singular new note, the 2001 Resurfacing special assessment bond anticipation note issued for \$750,000.

One new additional bond anticipation note, known as the New London Road Improvement note, was issued during 2001 for \$400,000. The note provided funding for infrastructure improvements being made on New London Road. This note was rolled over in its entirety during 2001 had a balance of \$400,000 as of December 31, 2001. In addition to this note, the Westview/Timberman Storm Sewer was rolled over after a \$20,000 principal payment, yielding a balance at year-end of \$120,000. Both of these bond anticipation notes are obligations of the Street Maintenance Fund. The notes were permanently financed through the issuance of a multi-purpose General Obligation Bond in April 2002, a more thorough discussion of which can be found in Note 25 to the financial statements.

The City began the year 2001 with nine capital project bond anticipation notes outstanding, totaling \$7,153,000. The Hamilton Enterprise Park Real Estate Acquisition Note was rolled over in its entirety on two occasions, and had an outstanding balance of \$2,890,000. The \$440,000 Roadway Improvement TIF II note was rolled over after a principal payment of \$60,000 yielding a year-end balance of \$380,000.

The \$260,000 Central Business District Streetscape bond anticipation note was retired at maturity. The \$900,000 Electric bond anticipation note was also retired at maturity.

Six remaining capital project bond anticipation notes were rolled over during 2001. The Parking Garage Project note was rolled over with a \$250,000 principal payment yielding a \$1,400,000 balance. The Hamilton Enterprise Park Infrastructure, Hamilton Enterprise Park Infrastructure – B, Hamilton Enterprise Park Infrastructure – BCRTA bond anticipation notes were rolled over in their entirety in the amount of \$1,000,000, \$350,000, and \$250,000 respectively. The Southeast Business District Streetscape note had \$62,000 in principal retired, yielding a year-end balance of \$563,000. Finally, the \$360,000 Central Business District Streetscape – B bond anticipation note was rolled over for \$320,000 after a \$40,000 principal payment. All six of these remaining capital project notes were included in the multi-purpose bond issue occurring in April 2002, a more thorough discussion of which can be found in Note 25 to the financial statements.

All of the bond anticipation notes are issued in anticipation of long-term bond financing, and a discussion of these activities can be found in Notes 13, 14, 15, 24 and 25 to the financial statements.

The City's overall and legal debt margins, bonded debt per capita as well as the ratio of bonded debt to assessed value are as follows, as of December 31, 2001:

Overall Legal Debt Margin	\$72,404,855
Unvoted Legal Debt Margin	\$31,433,630
General Bonded Debt to Assessed Value	.37%
General Bonded Debt per Capita	\$50.45

A presentation of the calculation of these figures is located in the statistical section of the Comprehensive Annual Financial Report.

CASH MANAGEMENT

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

The City's investments comply with Section 135.14 of the Ohio Revised Code, and the maximum maturity is limited to five years, except for certain reserve funds. Most

investments mature within the current fiscal year. Interest earnings are allocated to funds based on the requirements of the Ohio Constitution, Codified City Ordinance 165.01, the City Charter and ordinances and revenue bond indentures. As required by law, all deposits are covered by eligible collateral, while investment securities (treasuries and agency/instrumentality issues) are specifically permitted by the Ohio Revised Code and the City's investment policy.

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

The amount of interest earned on investments for all funds of the City for fiscal year 2001 was \$4,867,731. Interest earnings are credited to various funds based upon City ordinance.

At December 31, 2001, the City had bank balances of \$25,629,225. Federal depository insurance covered \$428,012 of the bank balance. 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.

Status of GASB Statement No. 34 Implementation

In May, 1999, the Governmental Accounting Standards Board issued GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The City of Hamilton has identified the need to conform to this GASB Statement by the fiscal year ending December 31, 2002. The City is attempting to

make changes to its current financial statements in an effort to ease the conversion to the new GASB statement as well as to best mitigate the costs thereof.

For the current year ending December 31, 2001, the City is capitalizing the costs of its infrastructure (roads, bridges, culverts and storm sewers), both historically and in the current year.

Beginning with the year ending December 31, 2000, the City added an initial budget column in all budgetary basis financial statements. This additional column is required in the new GASB Statement and provides a user of the financial statement a comparison between the initial budget adopted and the final, amended budget.

This change to financial statement presentation is being made in an elective fashion. The changes made are not required under current Generally Accepted Accounting Principles. When GASB Statement No. 34 is adopted, this change will be required.

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 Mid-Valley Care Net to provide health insurance to employees on a premium based plan, and negotiated a new contract for 2002 with Humana Healthcare.

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

OTHER INFORMATION

Independent Audit

Included in this report is the unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2001, by Deloitte & Touche LLP. 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, 2000. 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 Adolf Olivas, Esq., Vice-Mayor Thomas Nye, O.D., Donald V. Ryan, Richard S. Holzberger, George V. McNally, Sharon Fyffe Hughes, Archie Johnson, and Katherine A. Becker, known collectively as the City Council of Hamilton, for their support and encouragement.

We'd also like to state our sincere appreciation for new Council members Edward Shelton, James R. Noonan, and Christopher Flaig, CPA. These new members of City Council began their terms in January, 2002.

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 Felts, Glenda Iacobucci, Lynn Mitchell, Lucretia Warren, Lucinda Ormsby, Kim Wagers, and Karen Bowling. We'd also be remiss if we didn't thank John Hoskinson, Angela Presswood, and Susan Henes of our Purchasing Division.

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

Stewardship of public funds and their proper, accurate reporting is a difficult task. Over the past six years, the City of Hamilton had the privilege of James R. Graff, CMFA, serving as Director of Finance. During that tenure, Hamilton successfully negotiated tumultuous financial hardship and began a financial reporting regimen including submissions and award attainment for Comprehensive, Popular and Budgetary reports. We wish Jim only the best of luck in his future endeavors and humbly praise him for the service, guidance and leadership he offered to Hamilton.

On May 31, 2002, the City of Hamilton saw its leader opt for retirement. City Manager Stephen E. Sorrell has led the City during the past three years. Steve has amassed an incredible number of accomplishments through his thirty-one years of service, mostly to Hamilton. Mr. Sorrell was the key player in maintaining a fiscally viable City of Hamilton and created the “retrenchment” program allowing the City to avoid fiscal watch and emergency the past two years. Mr. Sorrell was also the Acting Director of Finance during the early to mid 1990’s and restored credibility to the Finance Department. We wish Steve only the best of luck in his future endeavors.

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

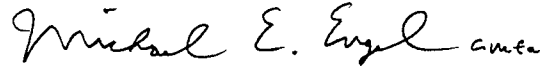
We would also like to take this opportunity to acknowledge the assistance of Curtis Turpin, the Hamilton City School District and their Treasurer, Robert Hancock, as well as Jill Cole, Nancy Powell, Chris-xiel Lyons, Harry Steger and Belinda Ricketts of the Butler County Auditor’s Office.

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



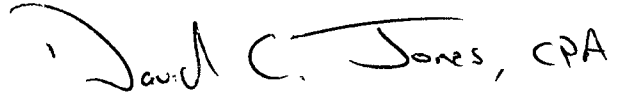
George M. Gordon, CPA
Acting Director of Finance/Comptroller



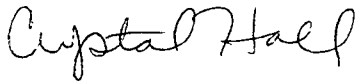
Michael E. Engel, CMFA
Treasurer




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



David Jones, CPA
Senior Accountant



Crystal Hall
Accountant



Deborah Felts, CPA
Accountant



Richard Keller
Accountant

City of Hamilton, Ohio
List of Elected and Principal Officials
As of December 31, 2001

Mayor*

Adolf Olivas, Esq.

Vice Mayor**

Thomas E. Nye, O. D.

Council Members***

Katherine A. Becker
Richard S. Holzberger
Sharon Fyffe Hughes
Archie A. Johnson
George V. McNally
Donald V. Ryan

Municipal Court

John G. Rosmarin, Judge****

City Management

City Manager

Stephen E. Sorrell, P. E., M. P. A.

**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
Team Hamilton Coordinator
Treasurer
Comptroller

Tim Bigler
Neal Barille
Rob Smith
Chief Neil R. Ferdelman
James R. Graff, CMFA
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
Don Huber
Michael E. Engel, CMFA
George M. Gordon, CPA

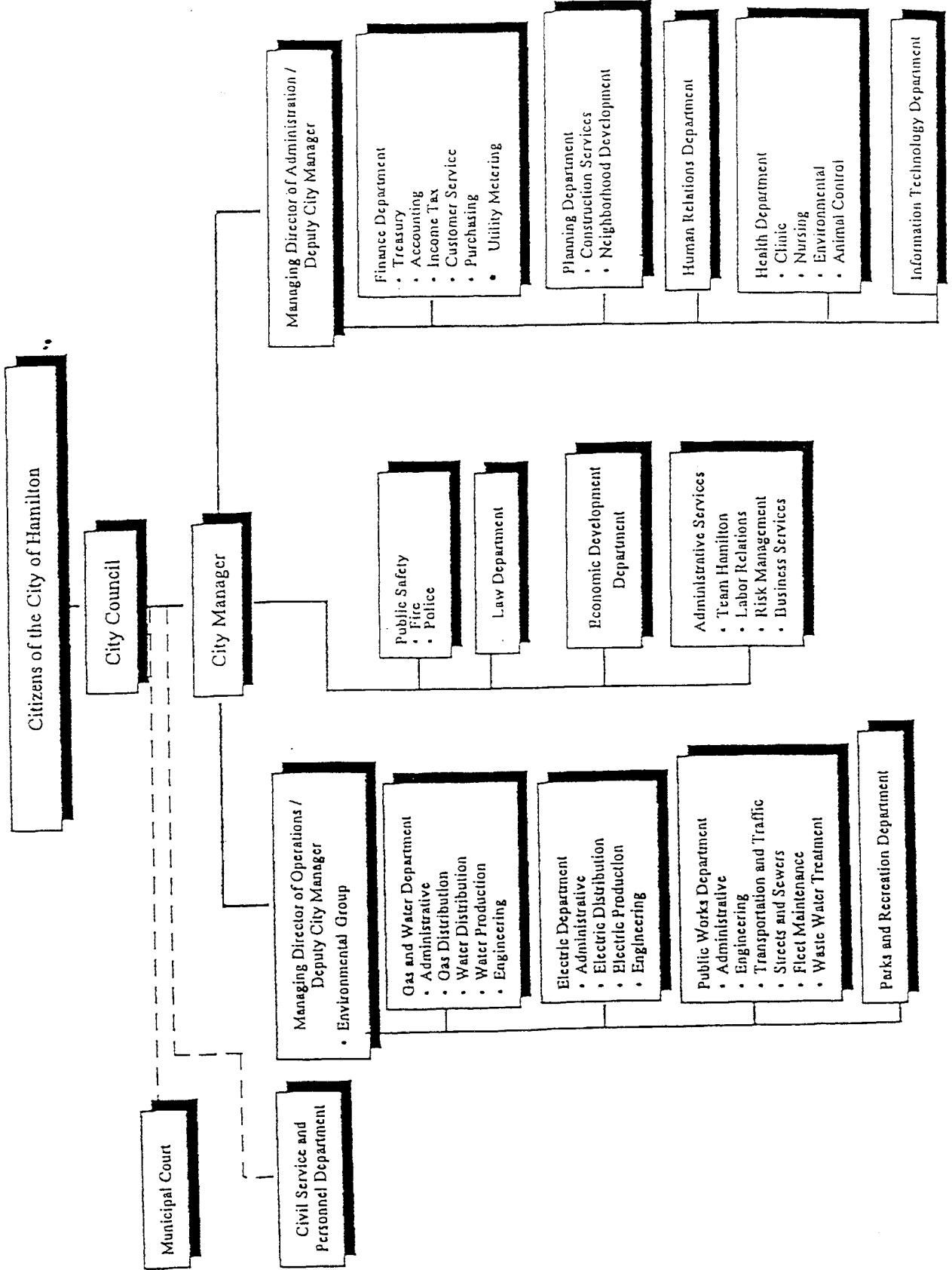
* Effective January 7, 2002, Donald V. Ryan is Mayor.

** Effective January 7, 2002, James Noonan is Vice Mayor.

*** Effective January 7, 2002, council members re-elected are Katherine A. Becker, George V. McNally and Richard S. Holzberger. New council members elected are Christopher D. Flaig and Edward Shelton.

**** John Rosmarin elected to consecutive six-year term beginning January, 2002.

City of Hamilton ~ Organizational Chart



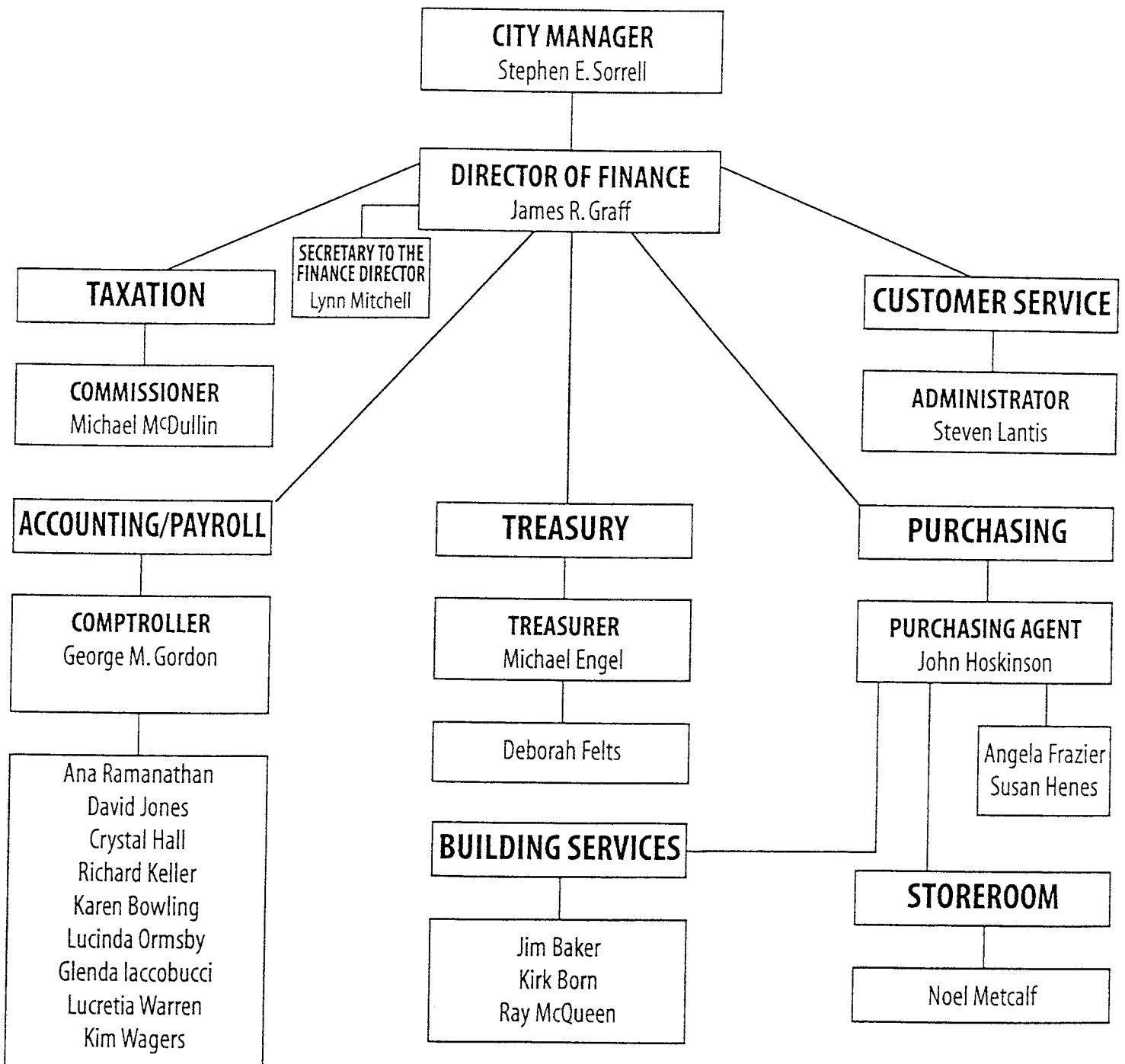


City of Hamilton, Ohio

Department of Finance

Organization, Departments and Representative Duties

As of December 31, 2001



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, 2000

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.



Imelda Arce
President

Jeffrey L. Essler
Executive Director



FINANCIAL



Photo courtesy of The Journal-News

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council
City of Hamilton! Ohio and
Jim Petro, Auditor of State of Ohio

We have audited the accompanying general purpose financial statements of the City of Hamilton! Ohio (the "City") as of December 31, 2001, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 opinion.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the City of Hamilton! Ohio as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 to the general purpose financial statements, the City changed its method of accounting and reporting for infrastructure in the general fixed asset group in 2001. In addition, as discussed in Notes 3 and 18, in 2001 the City changed its method of accounting and reporting for non-exchange transactions to conform with Governmental Accounting Standards Board Statements No. 33 and 36.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing table of contents, are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the City. These financial statements and schedules are also the responsibility of the management of the City. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The statistical data on pages 159 through 180 is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the City. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on it.

Deloitte & Touche LLP

May 29, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS

The following General Purpose Financial Statements, along with the notes to the General Purpose Financial Statements, present an overview of the City's financial position at December 31, 2001 and the results of operations and cash flows of its proprietary and nonexpendable Trust Funds for the year then ended.

**THE CITY OF HAMILTON/ OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001**

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
Assets and Other Debits:				
Assets:				
Cash and Cash Equivalents	\$ 606,303	\$ 1,913,198	\$ 40,959	\$ 542,269
Investments	3,799,278	6,228,083	257,355	3,407,178
Receivables (net of allowance for doubtful accounts):				
Taxes-Real & Personal Property	2,323,230	1,397,920	381,120	146,800
Taxes-Municipal Income	2,957,952	477,089	-	381,671
Accounts	1,461,563	1,433,637	-	-
Interest	172,653	11,325	4,967	-
Notes	-	740,424	-	-
Due from Other Funds	203,908	-	-	-
Interfund Receivable	580,977	-	-	-
Inventory of Supplies at Cost	5,555	40,832	-	-
Prepaid Items	472,251	46,435	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	310,572
Investments	-	-	-	-
Bond Issuance Costs	-	-	-	-
Fixed Assets	-	-	-	-
Construction in Progress	-	-	-	-
Less: Accumulated Depreciation				
Other Real Estate Held for Development	-	-	-	-
Infrastructure	-	-	-	-
Other Debits:				
Amount Available in				
Debt Service Fund	-	-	-	-
Amount to be Provided for				
General Long-Term Obligations	-	-	-	-
Total Assets and Other Debits	\$ 12,583,670	\$ 12,288,943	\$ 684,401	\$ 4,788,490

See accompanying notes to the general purpose financial statements

**THE CITY OF HAMILTON! OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001**

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$ 4,650,538	\$ 81,066	\$ 561,130	\$ -	\$ -	\$ 8,395,463
29,204,188	509,352	878,639	-	-	44,284,073
-	-	34,050	-	-	4,283,120
-	-	-	-	-	3,816,712
12,554,214	-	4,873	-	-	15,454,287
664,398	-	349	-	-	853,692
-	-	-	-	-	740,424
20,000	1,633,834	-	-	-	1,857,742
-	-	-	-	-	580,977
1,269,930	9,826	-	-	-	1,326,143
945,480	41,308	-	-	-	1,505,474
22,636,273	-	-	-	-	22,946,845
16,060,376	-	-	-	-	16,060,376
3,005,362	-	-	-	-	3,005,362
576,066,606	302,480	-	63,269,198	-	639,638,284
7,805,277	-	-	562,790	-	8,368,067
(261,045,490)	(179,722)	-	-	-	(261,225,212)
-	-	-	3,710,434	-	3,710,434
-	-	-	156,230,615	-	156,230,615
-	-	-	-	303,281	303,281
-	-	-	-	32,846,441	32,846,441
<u>\$ 413,837,152</u>	<u>\$ 2,398,144</u>	<u>\$ 1,479,041</u>	<u>\$ 223,773,037</u>	<u>\$ 33,149,722</u>	<u>\$ 704,982,600</u>

(continued)

**THE CITY OF HAMILTON! OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001**

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
<u>Liabilities, Equity and Other Credits:</u>				
Liabilities:				
Accounts Payable	\$ 558,291	\$ 690,945	\$ -	\$ 198,220
Accrued Wages and Benefits	928,094	72,768	-	-
Accrued Liabilities	559,137	90,183	-	72,147
Due to Other Funds	307,929	115,674	-	-
Intergovernmental Payable	837,296	26,515	-	-
Interfund Payable	-	-	-	580,977
Due to Others	-	-	-	-
Judgements Payable	22,000	-	-	-
Accrued Interest Payable	-	77,105	-	171,253
Customer Deposits Payable	-	-	-	-
Deferred Revenue	3,695,798	2,657,455	381,120	146,800
General Obligation Notes Payable	-	3,420,000	-	7,153,000
Special Assessment Notes Payable	-	-	-	1,835,000
Compensated Absences Payable	1,194,028	97,841	-	-
General Obligation Bonds Payable	-	-	-	-
Special Assessment Bonds Payable with governmental commitment	-	-	-	-
Ohio Water Development Authority Loans Payable	-	-	-	-
Revenue Bonds Payable	-	-	-	-
Total Liabilities	8,102,573	7,248,486	381,120	10,157,397
Equity and Other Credits:				
Investment in General Fixed Assets	-	-	-	-
Contributed Capital	-	-	-	-
Retained Earnings:				
Unreserved	-	-	-	-
Fund Balance:				
Reserved for Encumbrances	-	1,870,071	-	1,117,530
Reserved for Supplies Inventory	5,555	40,832	-	-
Reserved for Prepaid Items	472,251	46,435	-	-
Reserved for Debt Service	-	-	303,281	-
Reserved for Notes Receivable	-	740,424	-	-
Reserved for Endowments	-	-	-	-
Unreserved:				
Undesignated (Deficit)	4,003,291	2,342,695	-	(6,486,437)
Total Equity (Deficit) and Other Credits	4,481,097	5,040,457	303,281	(5,368,907)
Total Liabilities, Equity and Other Credits	\$ 12,583,670	\$ 12,288,943	\$ 684,401	\$ 4,788,490

See accompanying notes to the general purpose financial statements

**THE CITY OF HAMILTON! OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001**

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$ 5,807,949	\$ 1,245,315	\$ -	\$ -	\$ -	\$ 8,500,720
560,565	162,217	-	-	-	1,723,644
-	-	-	-	-	721,467
1,325,905	-	108,234	-	-	1,857,742
89,766	29,645	853,827	-	-	1,837,049
-	-	-	-	-	580,977
1,831	-	436,027	-	-	437,858
-	-	-	-	-	22,000
4,100,946	-	-	-	-	4,349,304
871,118	-	-	-	-	871,118
8,860	-	-	-	-	6,890,033
-	-	-	-	-	10,573,000
-	-	-	-	-	1,835,000
3,925,411	828,383	-	-	4,469,722	10,515,385
2,600,807	-	-	-	25,755,000	28,355,807
-	-	-	-	2,925,000	2,925,000
8,159,483	-	-	-	-	8,159,483
286,849,694	-	-	-	-	286,849,694
<u>314,302,335</u>	<u>2,265,560</u>	<u>1,398,088</u>	<u>-</u>	<u>33,149,722</u>	<u>377,005,281</u>
-	-	-	223,773,037	-	223,773,037
34,889,200	-	-	-	-	34,889,200
64,645,617	132,584	-	-	-	64,778,201
-	-	-	-	-	2,987,601
-	-	-	-	-	46,387
-	-	-	-	-	518,686
-	-	-	-	-	303,281
-	-	-	-	-	740,424
-	-	80,953	-	-	80,953
-	-	-	-	-	(140,451)
<u>99,534,817</u>	<u>132,584</u>	<u>80,953</u>	<u>223,773,037</u>	<u>-</u>	<u>327,977,319</u>
<u>\$ 413,837,152</u>	<u>\$ 2,398,144</u>	<u>\$ 1,479,041</u>	<u>\$ 223,773,037</u>	<u>\$ 33,149,722</u>	<u>\$ 704,982,600</u>



THE CITY OF HAMILTON, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	Governmental Fund Types				Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	
Revenues:					
Income Taxes	\$ 15,167,786	\$ 2,467,158	\$ -	\$ 1,973,893	\$ 19,608,837
Property and Other Taxes	4,123,580	127,901	-	145,449	4,396,930
Intergovernmental	4,900,062	6,699,527	-	413,680	12,013,269
Charges for Services	6,425,048	2,424,030	-	-	8,849,078
Licenses and Permits	928,392	384,592	-	-	1,312,984
Investment Earnings	688,328	197,753	31,954	7,407	925,442
Fines and Forfeitures	994,407	153,390	-	-	1,147,797
Special Assessments	-	-	383,638	200,539	584,177
All Other Revenues	490,892	165,387	772	656,349	1,313,400
Total Revenues	33,718,495	12,619,738	416,364	3,397,317	50,151,914
Expenditures:					
Current:					
Security of Persons and Property	19,257,980	3,540,071	-	-	22,798,051
Public Health and Welfare	1,168,595	993,220	-	-	2,161,815
Leisure Time Activities	1,415,071	-	-	-	1,415,071
Community Environment	977,302	2,769,441	-	-	3,746,743
Basic Utility Services	1,291,081	2,098,849	-	-	3,389,930
Transportation	-	2,730,692	-	-	2,730,692
General Government	3,928,799	-	-	-	3,928,799
Other Expenditures	4,213,908	238,080	-	-	4,451,988
Capital Outlay	-	18,854,571	-	2,987,259	21,841,830
Debt Service:					
Principal Retirement	-	-	736,816	-	736,816
Interest and Fiscal Charges	-	360,831	323,821	461,756	1,146,408
Total Expenditures	32,252,736	31,585,755	1,060,637	3,449,015	68,348,143
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,465,759	(18,966,017)	(644,273)	(51,698)	(18,196,229)
Other Financing Sources (Uses):					
Proceeds of Bonds	-	22,390,000	-	1,290,000	23,680,000
Sale of Fixed Assets	11,945	-	-	326,655	338,600
Operating Transfers - In	289,527	728,706	445,811	8,623,603	10,087,647
Operating Transfers - Out	(904,875)	(3,429,150)	-	(5,839,115)	(10,173,140)
Total Other Financing Sources (Uses)	(603,403)	19,689,556	445,811	4,401,143	23,933,107
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	862,356	723,539	(198,462)	4,349,445	5,736,878
Fund Balances (Deficit) at Beginning of Year - Restated	3,619,794	4,315,581	501,743	(9,718,352)	(1,281,234)
Increase (Decrease) in Inventory	(1,053)	1,337	-	-	284
Fund Balances (Deficit) at End of Year	\$ 4,481,097	\$ 5,040,457	\$ 303,281	\$ (5,368,907)	\$ 4,455,928

See accompanying notes to the general purpose financial statements

THE CITY OF HAMILTON! OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>General Fund</u>			Variance Positive (Negative)
	Initial Budget	Final Budget	Actual	
Revenues:				
Property and Other Local Taxes	\$ 3,250,047	\$ 5,781,025	\$ 4,123,580	\$ (1,657,445)
Income Taxes	15,290,750	15,290,750	15,333,242	42,492
Intergovernmental	5,335,703	5,378,703	4,900,062	(478,641)
Charges for Services	5,789,785	6,680,910	6,425,048	(255,862)
Licenses and Permits	985,658	1,071,443	892,895	(178,548)
Investment Earnings	919,500	919,500	771,696	(147,804)
Fines and Forfeitures	1,018,300	1,018,300	994,407	(23,893)
Special Assessment	-	-	-	-
Other All Revenue	135,750	139,350	519,075	379,725
Total Revenues	<u>32,725,493</u>	<u>36,279,981</u>	<u>33,960,005</u>	<u>(2,319,976)</u>
Expenditures:				
Current				
Security of Persons and Property	19,777,820	20,403,420	19,612,821	790,599
Public Health and Welfare	1,293,135	1,322,987	1,198,683	124,304
Leisure Time Activities	1,760,458	1,793,432	1,435,739	357,693
Community Environment	1,133,049	1,133,050	1,026,839	106,211
Basic Utility Services	1,280,536	1,280,537	1,102,093	178,444
Transportation	-	-	-	-
General Government	4,365,438	4,365,440	3,907,763	457,677
Other Expenditures	2,905,542	4,725,544	4,367,918	357,626
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>32,515,978</u>	<u>35,024,410</u>	<u>32,651,856</u>	<u>2,372,554</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	209,515	1,255,571	1,308,149	52,578
Other Financing Sources (Uses):				
Sale of Fixed Assets	11,945	-	11,945	11,945
Proceeds From Sale of Bonds	-	-	-	-
Proceeds From Sale of Notes	-	-	-	-
Operating Transfers - In	322,587	285,525	289,527	4,002
Operating Transfers - Out	(1,707,064)	(1,240,435)	(1,036,320)	204,115
Total Other Financing Sources (Uses)	<u>(1,372,532)</u>	<u>(954,910)</u>	<u>(734,848)</u>	<u>220,062</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,163,017)	300,661	573,301	272,640
Fund Balances at Beginning of Year	2,830,180	2,830,180	2,830,180	-
Prior Year Encumbrances Appropriated	924,768	924,768	924,768	-
Fund Balances (Deficit) at End of Year	<u>\$ 2,591,931</u>	<u>\$ 4,055,609</u>	<u>\$ 4,328,249</u>	<u>\$ 272,640</u>

See accompanying notes to the general purpose financial statements

**THE CITY OF HAMILTON! OHIO
 COMBINED STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2001**

Special Revenue Funds			
Initial Budget	Final Budget	Actual	Variance Positive (Negative)
\$ 101,700	\$ 101,700	\$ 127,901	\$ 26,201
2,466,250	2,466,250	2,493,845	27,595
4,897,526	8,929,846	6,812,946	(2,116,900)
2,308,590	2,654,319	2,398,897	(255,422)
392,500	392,500	386,291	(6,209)
50,000	58,232	177,208	118,976
262,400	226,400	153,390	(73,010)
-	-	-	-
432,700	432,700	158,766	(273,934)
<u>10,911,666</u>	<u>15,261,947</u>	<u>12,709,244</u>	<u>(2,552,703)</u>
4,558,302	4,712,784	4,112,141	600,643
206,753	1,055,196	1,020,841	34,355
-	-	-	-
6,081,301	8,855,532	3,675,039	5,180,493
2,421,304	2,421,304	2,259,472	161,832
4,196,291	4,207,922	3,880,957	326,965
3,000	3,000	-	3,000
-	345,700	170,064	175,636
-	18,864,617	18,854,571	10,046
-	-	-	-
-	354,656	275,453	79,203
<u>17,466,951</u>	<u>40,820,711</u>	<u>34,248,538</u>	<u>6,572,173</u>
(6,555,285)	(25,558,764)	(21,539,294)	4,019,470
-	-	-	-
22,390,000	22,360,408	22,390,000	29,592
400,000	400,000	-	(400,000)
1,280,396	730,820	681,259	(49,561)
(223,053)	(108,878)	(129,150)	(20,272)
<u>23,847,343</u>	<u>23,382,350</u>	<u>22,942,109</u>	<u>(440,241)</u>
17,292,058	(2,176,414)	1,402,815	3,579,229
2,021,065	2,021,065	2,021,065	-
2,113,149	2,113,149	2,113,149	-
<u>\$ 21,426,272</u>	<u>\$ 1,957,800</u>	<u>\$ 5,537,029</u>	<u>\$ 3,579,229</u>

(continued)

THE CITY OF HAMILTON! OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	Debt Service Fund			Variance Positive (Negative)
	Initial Budget	Final Budget	Actual	
Revenues:				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Income Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Permits	-	-	-	-
Investment Earnings	30,000	30,000	34,327	4,327
Fines and Forfeitures	-	-	-	-
Special Assessment	-	400,000	383,638	(16,362)
Other All Revenue	500	500	772	272
Total Revenues	<u>30,500</u>	<u>430,500</u>	<u>418,737</u>	<u>(11,763)</u>
Expenditures:				
Current				
Security of Persons and Property	-	-	-	-
Public Health and Welfare	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	-	-
Other Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	17,140,000	17,140,000	17,601,816	(461,816)
Interest and Fiscal Charges	901,921	1,526,921	1,042,765	484,156
Total Expenditures	<u>18,041,921</u>	<u>18,666,921</u>	<u>18,644,581</u>	<u>22,340</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,011,421)	(18,236,421)	(18,225,844)	10,577
Other Financing Sources (Uses):				
Sale of Fixed Assets	-	-	-	-
Proceeds From Sale of Bonds	2,580,000	1,290,000	1,290,000	-
Proceeds From Sale of Notes	24,056,000	11,883,000	12,173,000	290,000
Operating Transfers - In	9,435,677	5,093,921	4,566,756	(527,165)
Operating Transfers - Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>36,071,677</u>	<u>18,266,921</u>	<u>18,029,756</u>	<u>(237,165)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	18,060,256	30,500	(196,088)	(226,588)
Fund Balances at Beginning of Year	495,932	495,932	495,932	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balances (Deficit) at End of Year	<u>\$ 18,556,188</u>	<u>\$ 526,432</u>	<u>\$ 299,844</u>	<u>\$ (226,588)</u>

See accompanying notes to the general purpose financial statements

**THE CITY OF HAMILTON! OHIO
 COMBINED STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2001**

Capital Projects Funds			
Initial Budget	Final Budget	Actual	Variance Positive (Negative)
\$ 160,000	\$ 160,000	\$ 145,449	\$ (14,551)
1,973,000	1,973,000	1,995,243	22,243
2,370,634	2,370,634	331,688	(2,038,946)
240,000	240,000	-	(240,000)
-	-	-	-
-	-	3,608	3,608
-	-	-	-
300,000	300,000	200,539	(99,461)
-	333,670	656,349	322,679
<u>5,043,634</u>	<u>5,377,304</u>	<u>3,332,876</u>	<u>(2,044,428)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
7,493,881	7,970,953	4,978,220	2,992,733
-	-	-	-
-	-	-	-
<u>7,493,881</u>	<u>7,970,953</u>	<u>4,978,220</u>	<u>2,992,733</u>
(2,450,247)	(2,593,649)	(1,645,344)	948,305
1,616,310	963,000	326,655	(636,345)
-	-	-	-
5,755,000	2,930,000	3,525,000	595,000
1,854,818	1,340,668	1,001,550	(339,118)
(11,170,405)	(5,312,179)	(5,459,115)	(146,936)
<u>(1,944,277)</u>	<u>(78,511)</u>	<u>(605,910)</u>	<u>(527,399)</u>
(4,394,524)	(2,672,160)	(2,251,254)	420,906
1,562,432	1,562,432	1,562,432	-
3,777,881	3,777,881	3,777,881	-
<u>\$ 945,789</u>	<u>\$ 2,668,153</u>	<u>\$ 3,089,059</u>	<u>\$ 420,906</u>



THE CITY OF HAMILTON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Fund	
<u>Operating Revenues:</u>				
Charges for Services	\$ 109,130,002	\$ 6,278,718	\$ -	\$ 115,408,720
Other Operating Revenues	1,463,416	9,176,005	-	10,639,421
Total Operating Revenues	110,593,418	15,454,723	-	126,048,141
<u>Operating Expenses:</u>				
Personal Services	14,888,548	13,930,309	-	28,818,857
Contractual Services	7,543,061	1,199,839	-	8,742,900
Materials and Supplies	3,765,866	903,977	-	4,669,843
Purchase of Gas and Electric	37,901,395	-	-	37,901,395
Depreciation	15,714,440	57,460	-	15,771,900
Other Operating Expenses	13,072,885	196,342	4,760	13,273,987
Total Operating Expenses	92,886,195	16,287,927	4,760	109,178,882
Operating Income (Loss)	17,707,223	(833,204)	(4,760)	16,869,259
<u>Non-Operating Revenues (Expenses):</u>				
Investment Earnings	3,933,669	723	7,897	3,942,289
Interest and Fiscal Charges	(19,326,196)	-	-	(19,326,196)
Loss on Disposal of Fixed Assets	(372,874)	-	-	(372,874)
Total Non-Operating Revenues (Expenses)	(15,765,401)	723	7,897	(15,756,781)
Income (Loss) Before Operating Transfers	1,941,822	(832,481)	3,137	1,112,478
<u>Operating Transfers:</u>				
Operating Transfers In	85,493	-	-	85,493
Net Income (Loss)	2,027,315	(832,481)	3,137	1,197,971
Add: Depreciation Charged to Contributed Capital	1,124,611	-	-	1,124,611
Retained Earnings Beginning of Year	61,493,691	965,065	77,816	62,536,572
Retained Earnings End of Year	\$ 64,645,617	\$ 132,584	\$ 80,953	\$ 64,859,154

See accompanying notes to the general purpose financial statements

CITY OF HAMILTON! OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	ENTERPRISE FUNDS			Variance Positive (Negative)
	Initial Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 114,051,907	\$ 118,051,907	\$ 114,347,548	\$ (3,704,359)
Interest	2,955,000	2,955,000	4,108,306	1,153,306
Other Operating Revenues	164,150	164,150	1,428,584	1,264,434
Proceeds of Notes	6,400,000	7,600,000	1,200,000	(6,400,000)
Sale of Fixed Assets	162,200	162,200	19,078	(143,122)
Total Revenues	123,733,257	128,933,257	121,103,516	(7,829,741)
Expenses:				
Personal Services	16,491,917	16,518,902	14,694,734	1,824,168
Contractual Services	14,604,487	14,958,485	11,651,369	3,307,116
Materials and Supplies	5,745,395	5,369,401	3,976,262	1,393,139
Capital Outlay	24,356,575	25,358,389	15,656,942	9,701,447
Purchased Gas and Electric	43,671,110	47,620,168	49,959,164	(2,338,996)
Other Operating Expenses	12,118,684	12,136,748	11,685,378	451,370
Deposits Refunded	64,100	64,100	2,081	62,019
Debt Service:				
Principal Retirement	8,018,846	9,218,846	9,218,846	-
Interest and Fiscal Charges	24,067,944	24,067,943	18,756,830	5,311,113
Total Expenses	149,139,058	155,312,982	135,601,606	19,711,376
Excess (Deficiency) of Revenues Over (Under) Expenses	(25,405,801)	(26,379,725)	(14,498,090)	11,881,635
Operating Transfers - In	25,200	145,200	85,493	(59,707)
Excess (Deficiency) of Revenues and Transfers Over (Under) Expenses	(25,380,601)	(26,234,525)	(14,412,597)	11,821,928
Fund Equity Beginning of Year	57,631,820	57,631,820	57,631,820	-
Prior Year Encumbrances Appropriated	10,249,728	10,249,728	10,249,728	-
Fund Equity (Deficit) at End of Year	\$ 42,500,947	\$ 41,647,023	\$ 53,468,951	\$ 11,821,928

See accompanying notes to the general purpose financial statements

CITY OF HAMILTON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

INTERNAL SERVICE FUNDS			
Initial Budget	Final Budget	Actual	Variance Positive (Negative)
\$ 8,528,697	\$ 8,659,838	\$ 7,093,988	\$ (1,565,850)
-	-	-	-
8,400,000	8,850,000	8,759,817	(90,183)
-	-	-	-
-	-	-	-
<u>16,928,697</u>	<u>17,509,838</u>	<u>15,853,805</u>	<u>(1,656,033)</u>
13,919,944	14,293,705	13,642,135	651,570
2,187,512	2,111,564	1,654,210	457,354
700,986	635,584	611,916	23,668
751,886	1,101,452	615,423	486,029
-	-	-	-
29,800	29,750	22,433	7,317
-	-	-	-
-	-	-	-
-	-	-	-
<u>17,590,128</u>	<u>18,172,055</u>	<u>16,546,117</u>	<u>1,625,938</u>
(661,431)	(662,217)	(692,312)	(30,095)
-	-	-	-
(661,431)	(662,217)	(692,312)	(30,095)
(107,863)	(107,863)	(107,863)	-
661,431	661,431	661,431	-
<u>\$ (107,863)</u>	<u>\$ (108,649)</u>	<u>\$ (138,744)</u>	<u>\$ (30,095)</u>

THE CITY OF HAMILTON, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Fund	
Increase (Decrease) in Cash and Cash Equivalents				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$ 114,347,548	\$ 15,842,036	\$ -	\$ 130,189,584
Cash Paid for Employee Services and Benefits	(15,141,725)	(13,627,301)	-	(28,769,026)
Cash Paid to Suppliers for Goods and Services	(70,024,515)	(2,093,085)	-	(72,117,600)
Other Operating Revenues	1,428,584	11,655	-	1,440,239
Other Operating Expenses	(2,096)	-	(4,760)	(6,856)
Net Cash Provided by (Used for) Operating Activities	<u>30,607,796</u>	<u>133,305</u>	<u>(4,760)</u>	<u>30,736,341</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Transfers-in from Other Funds	<u>85,493</u>	<u>-</u>	<u>-</u>	<u>85,493</u>
Net Cash Provided by Noncapital Financing Activities	<u>85,493</u>	<u>-</u>	<u>-</u>	<u>85,493</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds of General Obligation Notes	1,200,000	-	-	1,200,000
Proceeds from Sale of Assets	19,078	-	-	19,078
Acquisition and Construction of Assets	(7,400,343)	(97,292)	-	(7,497,635)
Principal Paid on General Obligation Notes	(2,100,000)	-	-	(2,100,000)
Principal Paid on General Obligation Bonds	(175,000)	-	-	(175,000)
Principal Paid on Mortgage Revenue Bonds	(6,460,000)	-	-	(6,460,000)
Principal Paid on Ohio Water Development Authority Loans	(483,845)	-	-	(483,845)
Interest Paid on All Debt	(18,756,831)	-	-	(18,756,831)
Net Cash Used for Capital and Related Financing Activities	<u>(34,156,941)</u>	<u>(97,292)</u>	<u>-</u>	<u>(34,254,233)</u>
<u>Cash Flows from Investing Activities:</u>				
Purchase of Investments	(45,368,401)	(508,629)	(76,999)	(45,954,029)
Sale of Investments	63,841,142	472,652	77,110	64,390,904
Interest and Dividends	4,210,045	-	7,897	4,217,942
Net Cash Provided By (Used for) Investing Activities	<u>22,682,786</u>	<u>(35,977)</u>	<u>8,008</u>	<u>22,654,817</u>
Net Increase in Cash and Cash Equivalents	19,219,134	36	3,248	19,222,418
Cash and Cash Equivalents at Beginning of Year	<u>8,067,677</u>	<u>81,030</u>	<u>357</u>	<u>8,149,064</u>
Cash and Cash Equivalents at End of Year	<u>\$ 27,286,811</u>	<u>\$ 81,066</u>	<u>\$ 3,605</u>	<u>\$ 27,371,482</u>

See accompanying notes to the general purpose financial statements

THE CITY OF HAMILTON! OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Fund	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ 17,707,223	\$ (833,204)	\$ (4,760)	\$ 16,869,259
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation Expense	15,714,440	57,460	-	15,771,900
Change in Assets and Liabilities:				
Decrease in Accounts Receivable	5,188,940	15	-	5,188,955
Decrease in Due From Other Funds	493	398,953	-	399,446
(Increase) Decrease in Materials and Supplies Inventories	(24,459)	3,956	-	(20,503)
(Increase) in Prepaid Items	(228,888)	(41,308)	-	(270,196)
Increase in Intergovernmental Payables	89,766	29,645	-	119,411
Increase (Decrease) in Accounts Payables	(7,665,157)	395,163	-	(7,269,994)
Increase in Accrued Wages and Benefits	90,696	35,790	-	126,486
Increase in Compensated Absences Payable	221,440	86,835	-	308,275
Increase in Customer Deposits	95,461	-	-	95,461
(Decrease) in Due to Other Funds	(576,870)	-	-	(576,870)
(Decrease) in Deferred Revenue	(3,135)	-	-	(3,135)
(Decrease) in Due to Others	(2,154)	-	-	(2,154)
Total Adjustments	<u>12,900,573</u>	<u>966,509</u>	<u>-</u>	<u>13,867,082</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 30,607,796</u>	<u>\$ 133,305</u>	<u>\$ (4,760)</u>	<u>\$ 30,736,341</u>

THE CITY OF HAMILTON! OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2001

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 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, which is more fully discussed in Note 23 to the general purpose financial statements.

The City is governed by a seven member council elected by voters of 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, and the Finance Director, who acts as the Chief Financial Officer. The City Manager also appoints 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 control 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, account groups, 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 and certain social services, 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, parking facilities, athletic facilities and two golf courses, all of which are reported as enterprise funds.

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

A. Reporting Entity (Continued)

The general purpose financial statements of the City of Hamilton comply with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. The reporting entity is composed of the primary government, component units and other organizations. The primary government includes all funds, organizations, activities and component units for which the City (the primary government) is financially accountable and that are not legally separate.

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

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

Butler County, Ohio

Butler County Joint Vocational School District

Hamilton City School District

Lane Public Library

Greater Hamilton Convention and Visitor's Bureau

Hamilton Chamber of Commerce

Hamilton Central Business Special Improvement District

The City participates in two governmental joint ventures, the Hamilton-Indian Springs Joint Economic Development District (JEDD) and the Ohio Municipal Electric Generation Agency (OMEGA) JV2. The city also participates in the following jointly governed organizations: American Municipal Power (AMP) Ohio, Inc., the Economic Development Association of Butler County (EDABC), the Transportation Improvement District (TID) of Butler County, the Butler County Emergency Management Agency (EMA), the Hamilton Community Improvement Corporation (CIC), the Hamilton Economic Development Corporation (HEDC), the Center for Local Governments, and the Ohio-Kentucky-Indiana Regional Council of Governments (OKI). These organizations are presented in Note 21 to the general purpose 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, 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 21 to the general purpose financial statements. Accordingly, the activity of the JEDD is presented as an agency fund within the City's financial statements.

B. Basis of Presentation – Fund Accounting

The City maintains an accounting system using funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Conversely, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types which in turn are summarized in the general purpose financial statements. As follows is a description of the categories and fund types used by the City.

Governmental Fund Types

Governmental funds are those funds through which most governmental functions are typically financed. The acquisition, use and balance of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's governmental fund types:

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

B. Basis of Presentation – Fund Accounting (Continued)

General Fund – This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the limitations of the City Charter.

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund – This fund is used for the accumulation of resources for, and the payment of, general obligation and special assessment long-term principal and interest (other than those accounted for in the proprietary funds).

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

Proprietary Funds

All proprietary funds are accounted for on an “economic resources” measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, whereby the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City maintains separate enterprise funds for its gas, electric, water, wastewater, parking, golf and sports arena.

Internal Service Funds - These funds are used to account for the financing of services provided by one department to other departments or agencies of the governmental unit or to other governmental units on a cost-reimbursement basis.

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

B. Basis of Presentation – Fund Accounting (Continued)

Fiduciary Funds

Trust and Agency Funds – These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City maintains a nonexpendable trust fund and agency funds. The nonexpendable trust fund is accounted for in essentially the same manner as the proprietary funds since capital maintenance is critical. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt of the City except those accounted for in the proprietary funds.

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. Pursuant to GASB Statement No. 20, “*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*,” the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. Certain of the City’s accounting policies are described as follows.

A. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Measurement Focus and Basis of Accounting (Continued)

All proprietary funds and the nonexpendable trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components (see Note 3). Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurement made.

The modified accrual basis of accounting is used for reporting purposes by the governmental fund types and agency funds. Under this method of accounting, the City recognizes revenue in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is considered to be 60 days after year-end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, state-levied locally shared taxes (including gasoline tax), fines, licenses and permits, amounts due from other funds for goods or services, and income tax withheld by employers.

The City reports deferred revenue in its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 2001, whose availability is undeterminable and which are intended to finance 2002 operations, have been recorded as a receivable and deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred if reasonable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The cost of accumulated unpaid vacation is reported as fund liabilities in the period in which it will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 5). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements including 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.

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized in the period incurred, if measurable. Unbilled service charges receivable are recognized as revenue at year-end.

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 governmental funds are 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 2001, while the original budget column reflects the amounts in the original official certificate of estimated resources.

3. Appropriations

Prior to January 1, 2001, a temporary appropriation ordinance to control expenditures could be passed on or about January 1 of each year for the period January 1 through February 28, and an annual appropriation ordinance was to be passed by March 1 of each year for the period January 1 through December 31. The Charter effective January 1, 2001, requires the annual appropriation ordinance to be adopted before year-end. 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 2001, several supplemental appropriations were necessary to budget the use of contingency funds, intergovernmental grant proceeds and capital improvement projects.

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 in the accompanying general purpose 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 combined statement of revenues, expenditures, and changes in fund balances, budget and actual (budget basis), all governmental fund types 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 and as note disclosure for the proprietary fund types (GAAP basis).
- d) Proceeds from and principal payments on short-term obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
- e) For enterprise funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- f) The City pays short and long-term debt from the Debt Service Fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt Service Fund resources used to pay both principal and interest has been allocated accordingly.

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

Excess (Deficiency) of Revenues and Other Financing Sources
 Over (Under) Expenditures and Other Financing Uses
 All Governmental Fund Types

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis	\$862,356	\$723,539	\$(198,462)	\$4,349,445
Adjustments:				
Revenue Accruals	241,510	89,506	2,373	(64,441)
Expenditure Accruals	40,792	(2,618,039)	(718,944)	(730,017)
Encumbrances	(439,912)	(44,744)	-	(799,188)
Debt Principal Retirement	-	-	(16,865,000)	-
Proceeds from Sale of Debt	-	-	13,463,000	2,235,000
Transfers	(131,445)	3,252,553	4,120,945	(7,242,053)
Budget Basis	<u>\$573,301</u>	<u>\$1,402,815</u>	<u>\$(196,088)</u>	<u>\$(2,251,254)</u>

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Income (Loss)/Excess (Deficiency) of Revenues
 Over (Under) Expenses and Operating Transfers
 Proprietary Fund Types

	Enterprise Funds	Internal Service Funds
GAAP Basis	\$2,027,315	\$(832,481)
Adjustments:		
Revenue Accruals	5,323,392	398,359
Expenditure Accruals	(7,059,028)	(218,358)
Encumbrances	(15,057,266)	-
Capital Outlay	(7,400,343)	(97,292)
Depreciation	15,714,440	57,460
Debt Principal Retirement	(9,218,846)	-
Proceeds from Sale of Debt	1,200,000	-
Transfers	57,739	-
Budget Basis	<u>\$ (14,412,597)</u>	<u>\$ (692,312)</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 general purpose 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

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the City Charter and ordinances and revenue bond indentures. 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 2001. 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, 2001.

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. Fixed Assets and Depreciation

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

1. Property, Plant and Equipment – General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. These assets do not represent financial resources available for expenditure. Contributed fixed assets are recorded at fair market value at the date received. In 2001, the City changed its method of accounting for infrastructure assets and capitalized infrastructure costs (see Notes 3 & 10).

The City has elected not to depreciate the fixed assets in the General Fixed Assets Account Group.

2. Property, Plant and Equipment – Proprietary Funds

Property, plant and equipment acquired by the proprietary funds are stated at cost or estimated historical cost. Contributed fixed assets are recorded at fair market value at the date received.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Long-Term Obligations

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

Obligation	Fund
General Obligation Bonds	Debt Service Fund, Parking Fund, Golf Fund, Central Park Sports Arena 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 statute. Vacation earned in a calendar year must be used during the following year. Vacation time cannot carry over into the subsequent year, unless written permission is granted from the City Manager. Therefore, no long-term liability for vacation time is accrued in the General Long-Term Obligations Account Group. At termination of 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 probably and can be reasonably determined. For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The remaining portion of the liability is reported in the General Long-Term Obligations Account Group.

I. Pensions

The provisions for pension costs is 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:

- Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating Transfers In" by the recipient fund and "Operating Transfers Out" by the disbursing fund.

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, notes receivable, and endowments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Contributed Capital

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from donations or restricted grants are closed to contributed capital. (See Note 18)

M. Restricted Assets

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

N. Interfund Assets/Liabilities

Receivables and payable resulting from transactions between funds for services provided or goods received are classified as “Due from other funds” or “Due to other funds” on the balance sheet. Short-term interfund loans for a negative cash balance in a fund are classified as “Interfund Receivables” and “Interfund Payables.”

O. Accounting 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.

P. Total Columns on the General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned “Totals (Memorandum Only)” to indicate they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY

Fund Balance Deficits

The following funds had deficit fund balance/retained earnings amounts as of December 31, 2001:

<u>Fund Type/Fund</u>	<u>Fund Balance Deficit</u>
Special Revenue Funds:	
Miami Conservancy	\$100,143
Capital Projects Funds:	
Capital Projects	835,005
Special Assessment	401,843
MITIE	685,207
Hamilton Enterprise Park	4,484,066
Central Business District	
Streetscape Improvements	703,033
Issue II Projects	379,404
Total Capital Projects	<u>7,488,558</u>
Total All Funds	<u><u>\$7,588,701</u></u>

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

Deficits occurring in the Capital Projects, Special Assessment, MITIE, Hamilton Enterprise Park and Central Business District Streetscape Improvements 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.

None of the deficits in any of these funds exist under the budgetary basis of accounting.

Contrary to Section 5705.41(B) Ohio Revised Code, the Gas fund had appropriations in excess of estimated resources plus available balances for the year ended December 31, 2001.

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY (Continued)

Change in Accounting Principles

For fiscal year 2001, the City implemented GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," and GASB Statement No. 36, "Recipient Reporting for Certain Shared Non-exchange Revenues," an amendment of GASB No. 33, which changes how the City reports certain types of revenues. The following is the effect the implementation had on the fund balances at December 31, 2001:

	General	Special Revenue	Capital Projects
Fund Balance at December 31, 2000	\$2,551,365	\$4,143,253	\$(9,856,214)
GASB Statements No. 33 and No. 36	1,068,429	172,328	137,862
Fund Balance at December 31, 2000 - restated	<u>\$3,619,794</u>	<u>\$4,315,581</u>	<u>\$(9,718,352)</u>

Restatement of General Fixed Assets

Prior to 2001, the City reported public domain or infrastructure general fixed assets, consisting of roads, storm sewers, bridges, culverts, and other ancillary assets, as expenditures in governmental funds and did not capitalize the related costs in the general fixed assets account group. The method for accounting for such infrastructure costs was changed for the year 2001. The City continues to report such costs as expenditures in the governmental funds but now capitalizes the related costs into the general fixed asset account group. The cumulative effect of this change in accounting principle is reflected in this note.

General fixed assets and investment in general fixed assets increased from December 31, 2000 to January 1, 2001 by \$153,976,674 from \$46,820,649 to \$200,797,323. The increase is due to a change in accounting principle whereby the City capitalizes the cost of infrastructure assets. Such infrastructure assets were valued at historical cost where available and estimated where not available based upon current expenditure amounts adjusted by the consumer price index. The categories of infrastructure assets capitalized and their related amounts were as follows:

Category	Amount Capitalized
Streets	\$121,832,984
Bridges	3,873,053
Culverts	524,435
Storm Sewer	26,107,942
Construction in Process	1,638,260
Total	<u>\$153,976,674</u>

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

- Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

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

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

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

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

Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,*" collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

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

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.

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

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

Investments:

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

A. Deposits

At year end the carrying amount of the City’s deposits was \$25,258,305 and the bank balance was \$25,629,225. Federal depository insurance covered \$428,012 of the bank balance. All remaining Deposits were classified as Category 3. In addition, the City had \$4,179 cash on hand.

B. Investments

The City’s investments at December 31, 2001 are summarized below:

Categorized Investments	Category 1	Category 2	Fair Value
City of Hamilton Bonds	\$190,000	N/A	\$190,000
U.S. Government Securities	44,094,073	N/A	44,094,073
Investments Held in Trust:			
U.S. Government Securities	<u>N/A</u>	<u>16,060,376</u>	<u>16,060,376</u>
Total Categorized Investments	<u>44,284,073</u>	<u>16,060,376</u>	<u>60,344,449</u>
Non-Categorized Investments			
STAR Ohio	<u>N/A</u>	<u>N/A</u>	<u>6,079,824</u>
Total Non-Categorized Investments	<u>N/A</u>	<u>N/A</u>	<u>6,079,824</u>
Total Investments	<u>\$44,284,073</u>	<u>\$16,060,376</u>	<u>\$66,424,273</u>

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

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

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

C. Reconciliation of Cash, Cash Equivalents and Investments

	Cash and Cash <u>Equivalents*</u>	<u>Investments</u>
Per GASB Statement No. 9	\$31,342,308	\$60,344,449
Investments:		
STAR Ohio	<u>(6,079,824)</u>	<u>6,079,824</u>
Per GASB Statement No. 3	<u>\$25,262,484</u>	<u>\$66,424,273</u>

* Includes cash on hand.

NOTE 5 – TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2001 were levied after October 1, 2000 on assessed values as of January 1, 2000, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed for tax year 1997. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semi-annually, the first payment is due by February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

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

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 31st 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.

NOTE 5 – TAXES (Continued)

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, 2001 was \$5.06 per \$1,000 of assessed value. The assessed value upon which the 2001 receipts were based was \$819,424,507. This amount constitutes \$690,521,670 in real property assessed value, \$16,165,160 in public utility assessed value and \$112,737,677 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 .506% (5.06 mills) of assessed value.

B. Income Tax

The City levies a tax of 2.0% on all salaries, wages, commissions and other 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, 2001 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.

Enterprise fund receivables at December 31, 2001, are presented net of allowances for doubtful accounts. Accounts receivable in the Parking Fund was \$1,792 and accounts receivable and accrued interest in the Golf Course Fund were \$225 and \$4,967, respectively. To better detail the accounts receivable balances in the Utility Enterprise Funds, the following schedule identifies and reconciles these amounts as of December 31, 2001 as follows:

	Gas	Electric	Water	Wastewater
Earned and unbilled consumer accounts	\$2,252,148	\$3,115,332	\$389,586	\$414,956
Earned and billed consumer accounts	4,024,674	5,542,949	1,437,697	1,877,759
Other	622	12,439	15,632	3,632
Less allowance for uncollectible accounts	(2,292,213)	(2,893,100)	(510,926)	(838,990)
Accounts Receivable	3,985,231	5,777,620	1,331,989	1,457,357
Accrued Interest Receivable	92,470	201,175	169,861	195,925
Total Receivables :	\$4,077,701	\$5,978,795	\$1,501,850	\$1,653,282

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, 2001. 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 and collateralized by a third mortgage on the property. No additional interest payment was received for the year ended December 31, 2001.

In September 2001, the Hamiltonian ceased making both loan and mortgage payments to the City, citing a lack of positive cash flow and business downturn due to the events of September 11, 2001. The Hamiltonian and the City of Hamilton are currently negotiating new terms to both the loan and mortgage allowing for the capitalization of unpaid interest and increased time within the re-payment schedule. The collectability of the note and mortgage, in management’s estimation, have not been impaired due to the value of the underlying collateral and the Hamiltonian’s desire to renegotiate the debts. A new loan and mortgage is expected to be in place by July 2002.

NOTE 8 – OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2001:

Fund	Transfers In	Transfers Out
General Fund	\$289,527	\$904,875
Special Revenue Funds:		
Ohio Renaissance Center	-	2,900,000
Public Safety/Health Income Tax	-	27,843
Municipal Income Tax Aggregation/Verification	-	86,334
Brownsfield Improvement	3,588	-
Safety Services	221,497	14,973
Street Maintenance	32,474	400,000
Transit System	446,000	-
Miami Conservancy	25,147	-
Total Special Revenue Funds	<u>728,706</u>	<u>3,429,150</u>
Debt Service Fund	<u>445,811</u>	<u>-</u>
Capital Projects Funds:		
Hamilton Capital Improvement	400,000	1,732,101
Capital Projects	3,865,331	-
Special Assessment	2,831,003	2,833,588
MITIE	44,765	463,059
Hamilton Enterprise Park	489,778	244,889
Central Business District Streetscape Improvement	759,740	332,492
Issue II Projects	232,986	232,986
Total Capital Projects Funds	<u>8,623,603</u>	<u>5,839,115</u>
Enterprise Fund		
Parking	<u>85,493</u>	<u>-</u>
Total All Funds	<u>\$10,173,140</u>	<u>\$10,173,140</u>

NOTE 9 – INTERFUND TRANSACTIONS

The composition of interfund balances as of December 31, 2001, is as follows:

Fund	Interfund Receivable	Interfund Payable	Due from Other Funds	Due to Other Funds
General Fund	\$580,977	\$-	\$203,908	\$307,929
Special Revenue Funds:				
Community Development Block Grant	-	-	-	115,674
Capital Projects Funds:				
Hamilton Enterprise Park	-	201,573		
Issue II Projects	-	379,404		
Total Capital Projects Funds	-	580,977	-	-
Enterprise Funds:				
Gas	-	-	5,000	331,476
Electric	-	-	5,000	331,476
Water	-	-	5,000	331,476
Wastewater	-	-	5,000	331,477
Total Enterprise Funds	-	-	20,000	1,325,905
Internal Service Funds				
Fleet Management	-	-	94,186	-
Central Services	-	-	1,123,346	-
Central Benefits	-	-	416,302	-
Total Internal Service Funds	-	-	1,633,834	-
Agency Funds:				
Travel Advance	-	-	-	23,040
Municipal Court	-	-	-	85,194
Total Agency Funds	-	-	-	108,234
Total All Funds	\$580,977	\$580,977	\$1,857,742	\$1,857,742

NOTE 10 – FIXED ASSETS

A. General Fixed Assets

Summary by Category of Changes in General Fixed Assets:

Category	December 31, 2000 as Restated	Additions	Deletions	December 31, 2001
Land	\$15,839,942	\$334,730	\$ -	\$16,174,672
Buildings and Improvements	12,020,567	19,276,421	-	31,296,988
Machinery and Equipment	14,880,305	1,488,636	571,403	15,797,538
Construction in Progress	369,401	495,711	302,322	562,790
Other Real Estate Held for Development	3,710,434			3,710,434
Infrastructure	153,976,674	2,253,941	-	156,230,615
Total General Fixed Assets	\$200,797,323	\$23,849,439	\$873,725	\$223,773,037

Summary by Category and Investment at December 31, 2001:

General Fixed Assets	Investment in General Fixed Assets
Land	General Fund
\$16,174,672	\$4,571,574
Buildings and Improvements	Special Revenue Funds
31,296,988	32,041,852
Machinery and Equipment	Capital Project Funds
15,797,538	166,993,004
Construction in Progress	Enterprise Funds
562,790	8,578,120
Other Real Estate Held for Development	Federal Grants
3,710,434	5,020,794
Infrastructure	Donated
156,230,615	6,567,693
Total	Total
\$223,773,037	\$223,773,037

B. Infrastructure

Summary by Category of Changes in Infrastructure at December 31, 2001

Category	December 31, 2000 as Restated	Additions	Deletions	December 31, 2001
Streets	\$121,832,984	\$1,648,745	\$ -	\$123,481,729
Bridges	3,873,053	20,000	-	3,893,053
Culverts	524,435	-	-	524,435
Storm Sewer	26,107,942	-	-	26,107,942
Construction in Progress	1,638,260	585,196	-	2,223,456
Total Infrastructure	\$153,976,674	\$2,253,941		\$156,230,615

For the year 2001, the City has capitalized the cost of infrastructure assets, both current and historical (see Note 3). The effect as of the beginning of the year is reflected in the restated 2000 column above.

NOTE 10 – FIXED ASSETS (Continued)

C. Enterprise Fixed Assets By Class

Summary by Category and Asset Type as of December 31, 2001

Gas Fund			
Category	Cost	Accumulated Depreciation	Net
Land	\$92,101	\$0	\$92,101
Buildings & Improvements	418,587	(147,958)	270,629
Machinery and Equipment	56,316,247	(17,935,637)	38,380,610
Construction in Progress	443,346	0	443,346
	<u>\$57,270,281</u>	<u>(\$18,083,595)</u>	<u>\$39,186,686</u>

Electric Fund			
Category	Cost	Accumulated Depreciation	Net
Land	\$1,547,563	\$0	\$1,547,563
Buildings & Improvements	14,412,711	(4,938,685)	9,474,026
Machinery and Equipment	315,471,399	(171,326,917)	144,144,482
Construction in Progress	4,768,390	0	4,768,390
	<u>\$336,200,063</u>	<u>(\$176,265,602)</u>	<u>\$159,934,461</u>

Water Fund			
Category	Cost	Accumulated Depreciation	Net
Land	\$2,737,609	\$0	\$2,737,609
Buildings & Improvements	19,545,211	(6,473,603)	13,071,608
Machinery and Equipment	71,868,561	(19,766,140)	52,102,421
Construction in Progress	1,780,603	0	1,780,603
	<u>\$95,931,984</u>	<u>(\$26,239,743)</u>	<u>\$69,692,241</u>

NOTE 10 – FIXED ASSETS (Continued)

Wastewater Fund

Category	Cost	Accumulated Depreciation	Net
Land	\$6,080,342	\$0	\$6,080,342
Buildings & Improvements	53,071,695	(27,072,633)	25,999,062
Machinery and Equipment	24,875,067	(7,679,471)	17,195,596
Construction in Progress	812,938	0	812,938
	<u>\$84,840,042</u>	<u>(\$34,752,104)</u>	<u>\$50,087,938</u>

Parking Fund

Category	Cost	Accumulated Depreciation	Net
Land	\$1,291,724	\$-	\$1,291,724
Buildings & Improvements	2,212,000	(2,212,000)	-
Machinery and Equipment	239,464	(193,676)	45,788
Construction in Progress	-	-	-
	<u>\$3,743,188</u>	<u>(\$2,405,676)</u>	<u>\$1,337,512</u>

Golf Course

Category	Cost	Accumulated Depreciation	Net
Land	\$1,802,909	\$-	\$1,802,909
Buildings & Improvements	2,578,366	(1,845,808)	732,558
Machinery and Equipment	812,983	(763,885)	49,098
	<u>\$5,194,258</u>	<u>(\$2,609,693)</u>	<u>\$2,584,565</u>

Central Park Sports Arena

Category	Cost	Accumulated Depreciation	Net
Land	\$-	\$-	\$-
Buildings & Improvements	630,395	(627,405)	2,990
Machinery and Equipment	61,672	(61,672)	-
Construction in Progress	-	-	-
	<u>\$692,067</u>	<u>(\$689,077)</u>	<u>\$2,990</u>

NOTE 10 – FIXED ASSETS (Continued)

Total Enterprise Funds			
Category	Cost	Accumulated Depreciation	Net
Land	\$13,552,248	\$-	\$13,552,248
Buildings & Improvements	92,868,965	(43,318,090)	49,550,875
Machinery and Equipment	469,645,393	(217,727,400)	251,917,993
Construction in Progress	7,805,277	-	7,805,277
	<u>\$583,871,883</u>	<u>(\$261,045,490)</u>	<u>\$322,826,393</u>

D. Internal Service Fixed Assets

Summary by Category as of December 31, 2001

Category	Fleet Maintenance
Machinery and Equipment	\$302,480
Property, Plant, and Equipment	302,480
Less: Accumulated Depreciation	(179,722)
Net Property, Plant, and Equipment	<u>\$122,758</u>

*The Fleet Maintenance fund is the only internal service fund with fixed assets.

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) 466-2085 or 1-800-222-7377.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees other than law enforcement. The 2001 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.25% to fund the pension and 4.3% to fund health care. The 2000 and 1999 employer contribution rates were 10.84% and 13.55% respectively. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2001, 2000 and 1999 were \$3,225,352, \$2,562,725 and \$3,285,924 respectively, which were equal to the required contributions for each year. 98 percent has been contributed in 2001 with the remainder being reported as a liability within the respective funds.

The PERS of Ohio provides post-employment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. 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 2001 employer contribution rate (identified above) that was used to fund health care for the year 2001 was 4.3% of covered payroll which amounted to \$1,023,543.

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, 2000. 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 unfounded 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 2000 was 7.75%. An annual increase of 4.75% 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 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 411,076. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 2000 is \$11,735.9 million. The actuarially accrued liability and the unfounded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

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, 2001, 2000 and 1999 were \$1,209,695, \$1,141,716, and \$1,107,245 for police and \$1,351,915, \$1,356,694, and \$1,301,843 for firefighters, respectively, which were equal to the required contributions for each year. 72 and 73 percent have been contributed for police and fire, respectively, in 2001 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 of 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.

The portion of the 2001 covered payroll that was used to fund post-employment health care benefits was \$465,267 representing 7.50% of covered payroll for police and \$422,473 representing 7.50% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 2000, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,851 for police and 10,037 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, 2000 were \$106,106,054, which was net of member contributions of \$5,657,431.

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 balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

At December 31, 2001, the total accumulated unpaid sick leave time recorded in the General Long-Term Obligations Account Group was:

Sick Leave	\$4,469,722
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The compensated absences attributable to the enterprise funds and the internal service funds have been recorded within the respective fund and are not included in the figures presented above.

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. Shown below is the short-term (less than one year) bond anticipation notes and line of credit activity for the City for the year ending December 31, 2001:

NOTE 13 – NOTES PAYABLE (Continued)

	Balance December 31, 2000	Issued	(Retired)	Balance December 31, 2001
Special Revenue Notes Payable:				
3.07% Westview/Timberman Storm Sewer	\$140,000	\$120,000	(\$140,000)	\$120,000
3.07% New London Road Improvement	0	800,000	(400,000)	400,000
3.40% Bldg. Leasehold Improvement - ORC	2,300,000	2,300,000	(2,300,000)	2,300,000
3.40% Furniture, Fixt. & Eqpt. - ORC	600,000	600,000	(600,000)	600,000
Total Special Revenue Notes Payable	3,040,000	3,820,000	(3,440,000)	3,420,000
Capital Projects Notes Payable:				
5.52% Parking Garage Project	1,650,000	1,400,000	(1,650,000)	1,400,000
3.07% Roadway Improvement T.I.F. II	440,000	380,000	(440,000)	380,000
3.07% Hamilton Enterprise Park R.E.Acq.	2,890,000	5,780,000	(5,780,000)	2,890,000
3.07% Hamilton Ent. Park Infrastrucure	1,000,000	1,000,000	(1,000,000)	1,000,000
3.07% Hamilton Ent. Park Infrastrucure - B	350,000	350,000	(350,000)	350,000
3.07% Ham. Ent. Park Infrastrucure - BCRTA	250,000	250,000	(250,000)	250,000
3.07% S.E. Busn. District Streetscape	625,000	563,000	(625,000)	563,000
3.07% Central Bus. District Streetscape - B	360,000	320,000	(360,000)	320,000
5.27% Central Business District Streetscape	260,000	0	(260,000)	0
Total Capital Projects Notes Payable	7,825,000	10,043,000	(10,715,000)	7,153,000
Enterprise Notes Payable:				
5.00% Electric System Improvement	900,000	0	(900,000)	0
Total Enterprise Notes Payable	900,000	0	(900,000)	0
Special Assessments Notes Payable:				
2.25% 2000 S.W. & Resurfacing	550,000	550,000	(550,000)	550,000
2.25% 2001 Resurfacing	0	750,000	0	750,000
2.25% S.E. Busn. District Streetscape	135,000	135,000	(135,000)	135,000
2.25% Shaffer Creek Sanit. Sewer	350,000	350,000	(350,000)	350,000
4.49% 1999 Resurfacing	625,000	0	(625,000)	0
4.49% Westview/Timberman	470,000	0	(470,000)	0
4.49% Wash. Blvd./Stalheber Rd.	530,000	0	(530,000)	0
2.25% Main Street - Phase IV	50,000	50,000	(50,000)	50,000
Total Special Assessments Notes Payable	2,710,000	1,835,000	(2,710,000)	1,835,000
Total Notes Payable	\$14,475,000	\$15,698,000	(\$17,765,000)	\$12,408,000

NOTE 13 – NOTES PAYABLE (Continued)

The following describes a short-term line of credit employed by the Gas Fund during 2001. Pertinent information is as follows:

	Issue Date	Balance December 31, 2000	Issued	(Retired)	Balance December 31, 2001
Enterprise Line of Credit :					
7.50% Gas Line of Credit	02/26/01	\$0	\$1,200,000	\$(1,200,000)	\$0
Total Enterprise Line of Credit		\$0	\$1,200,000	\$(1,200,000)	\$0

In February 2001, the City entered into an agreement with Fifth/Third Bank allowing for the Gas Fund to “draw-down” upon a commercial line of credit to pay the costs of natural gas acquisition and transmittal. The purpose was to assist in mitigating the effect of timing differences between payments to gas suppliers and receipts of payments from customers during a period of price spikes and unusually cold weather. In total, the City used \$1,200,000 of the available credit line for a period of nine days at an annual rate of 7.5%. The interest paid on this debt was not considered tax exempt.

NOTE 14 – LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2001 were as follows:

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2000	Issued (Retired)	Balance December 31, 2001
General Long-Term Debt:						
General Obligation Bonds:						
1994	3% - 4.75%	Low Level Dam	2002	\$370,000	(\$180,000)	\$190,000
2001	5.00%	One Renaissance Center	2026	0	22,390,000	22,390,000
1999	4.96%	Police & Fire Pension Refunding	2021	3,270,000	(95,000)	3,175,000
		Total General Obligation Bonds		3,640,000	22,115,000	25,755,000
Special Assessment Bonds:						
1992	5.750%	Main St. Area Streetscape - Phase I	2001	850	(850)	0
1994	5.250%	Main St. Area Streetscape - Phase II	2001	9,245	(9,245)	0
1995	5.000%	Main St. Area Streetscape - Phase III	2001	16,951	(16,951)	0
1996	5.000%	1994 Misc. Sidewalk Program	2001	12,500	(12,500)	0
1996	5.000%	1995 Sidewalk, Curb & Gutter – I	2001	21,500	(21,500)	0
1996	5.000%	1995 Sidewalk, Curb & Gutter – II	2001	27,000	(27,000)	0
1997	4.150%	1996 Resurfacing & Sidewalk	2001	107,792	(107,792)	0
1997	5.150%	Infrastructure (Shelter Mgt.)	2001	100,978	(100,978)	0
1998	4.670%	Various Purpose Series 1998	2018	1,110,000	(95,000)	1,015,000
2000	5.340%	Various Purpose Series 2000	2020	690,000	(70,000)	620,000
2001	4.950%	Various Purpose Series 2001	2021	0	1,290,000	1,290,000
		Total Special Assessment Bonds				
		(with Governmental Commitment)		2,096,816	828,184	2,925,000
Other Long-Term Obligations:						
Compensated Absences						
				4,192,016	277,706	4,469,722
Total General Long-Term Debt and Other Long-Term Obligations				\$9,928,832	\$23,220,890	\$33,149,722

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

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2000	Issued (Retired)	Balance December 31, 2001
Enterprise Funds						
General Obligation Bonds:						
1992	6.00%	Parking Improvement	2012	\$865,000	(\$50,000)	\$815,000
1997	4.99%	Golf	2012	1,945,000	(125,000)	1,820,000
		Less Bond Discount		(40,341)	6,148	(34,193)
		Total General Obligation Bonds		2,769,659	(168,852)	2,600,807
Ohio Water Development Authority Loans (OWDA):						
1988	8.480%	OWDA - 1988	2013	8,571,573	(412,090)	8,159,483
1996	6.320%	OWDA - 1996	2001	71,755	(71,755)	0
		Total Ohio Water Development Authority Loans		8,643,328	(483,845)	8,159,483
Mortgage Revenue Bonds:						
1993	3.2% - 5.15%	Gas System Series	2023	17,585,000	(640,000)	16,945,000
		Less Bond Discount		(593,326)	45,316	(548,010)
		Sub-Total Gas Revenue Bonds		16,991,674	(594,684)	16,396,990
1992	3% - 6.3%	Electric System Series A	2023	175,200,000	(3,775,000)	171,425,000
		Electric System Series B	2025	24,535,000	0	24,535,000
		Less Bond Discount		(5,296,320)	321,477	(4,974,843)
		Sub-Total Electric Revenue Bonds		194,438,680	(3,453,523)	190,985,157
1991	5.1% - 6.4%	Water System Series	2021	53,070,000	(1,285,000)	51,785,000
		Less Bond Discount		(1,193,011)	91,420	(1,101,591)
		Sub-Total Water Revenue Bonds		51,876,989	(1,193,580)	50,683,409
1996	4% - 6%	1996 Wastewater Series	2021	8,565,000	(225,000)	8,340,000
1998	5.10%	1998 Wastewater Series	2023	21,170,000	(535,000)	20,635,000
		Less Bond Discount		(205,696)	14,834	(190,862)
		Sub-Total Wastewater Revenue Bonds		29,529,304	(745,166)	28,784,138
		Total Mortgage Revenue Bonds		292,836,647	(5,986,953)	286,849,694
		Total Enterprise Long-Term Debt		\$304,249,634	(\$6,639,650)	\$297,609,984

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

The principal amount of the City's special assessment bonds outstanding was \$2,925,000. Special assessment bonds are general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$303,281 in the Debt Service Fund at December 31, 2001 is reserved for the retirement of outstanding special assessment bonds.

During 2001, the City issued a new Various Purpose Series 2001 Special Assessment Bond in the amount of \$1,290,000. These bonds, along with payments made by homeowners of benefited property, funded four special assessment projects and permanently financed three outstanding bond anticipation notes.

Outstanding general obligation bonds are direct obligations of the City for which the full faith and credit of the City resources are pledged; such bonds are payable from taxes levied on all taxable property within the City. Outstanding general obligation bonds totaled \$25,755,000 at December 31, 2001 and includes a new \$22,390,000 general obligation bond issued to purchase the One Renaissance Center which is more fully described in Note 24 to the 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 payments of principal and interest are guaranteed by the insurer. In addition, all property of Electric and Water facilities have been pledged as collateral on these bonds.

As of December 31, 2001, the City had a total and unvoted debt margin of \$72,404,855 and \$31,433,630, respectively.

A. Future Long-Term Financing Requirements

A summary of the City's long-term debt funding requirements as of December 31, 2001 is represented in the following schedules. Principal, interest and total debt service is provided individually for the One Renaissance Center General Obligation Bond, Parking, Golf, all other General Obligation Bonds, Special Assessment Bonds, OWDA Loans, as well as Gas, Electric, Water and Wastewater Revenue Bonds. The Electric and Water Revenue Bonds have also pledged a mortgage upon all property in addition to the pledge on revenues. Total principal, interest and total debt service is also provided for General Obligation and Revenue Bonds. Special Assessment and OWDA Loans are already provided in total and therefore have no cumulative total summary.

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

	Golf			Parking		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2002	\$130,000	\$87,700	\$217,700	\$55,000	\$48,900	\$103,900
2003	135,000	82,045	217,045	55,000	45,600	100,600
2004	140,000	76,105	216,105	60,000	42,300	102,300
2005	150,000	69,805	219,805	65,000	38,700	103,700
2006	155,000	62,905	217,905	70,000	34,800	104,800
2007-2011	900,000	194,015	1,094,015	410,000	106,800	516,800
2012-2016	210,000	10,920	220,920	100,000	6,000	106,000
	<u>\$1,820,000</u>	<u>\$583,495</u>	<u>\$2,403,495</u>	<u>\$815,000</u>	<u>\$323,100</u>	<u>\$1,138,100</u>

	One Renaissance Center			All Other General Obligation Bonds		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2002	\$405,000	\$1,178,156	\$1,583,156	\$290,000	\$156,195	\$446,195
2003	550,000	1,034,950	1,584,950	105,000	143,365	248,365
2004	565,000	1,020,650	1,585,650	110,000	139,218	249,218
2005	580,000	1,004,265	1,584,265	115,000	134,818	249,818
2006	600,000	985,995	1,585,995	120,000	130,218	250,218
2007-2011	3,340,000	4,584,580	7,924,580	680,000	572,346	1,252,346
2012-2016	4,120,000	3,803,463	7,923,463	855,000	406,773	1,261,773
2017-2021	5,375,000	2,586,239	7,961,239	1,090,000	170,943	1,260,943
2022-2026	6,855,000	1,062,000	7,917,000	-	-	-
Totals	<u>\$22,390,000</u>	<u>\$17,260,297</u>	<u>\$39,650,297</u>	<u>\$3,365,000</u>	<u>\$1,853,876</u>	<u>\$5,218,876</u>

	Total General Obligation Bonds		
	Principal	Interest	Total Debt Service
2002	\$880,000	\$1,470,951	\$2,350,951
2003	845,000	1,305,960	2,150,960
2004	875,000	1,278,273	2,153,273
2005	910,000	1,247,588	2,157,588
2006	945,000	1,213,918	2,158,918
2007-2011	5,330,000	5,457,745	10,787,745
2012-2016	5,285,000	4,227,155	9,512,155
2017-2021	6,465,000	2,757,180	9,222,180
2022-2026	6,855,000	1,062,000	7,917,000
	<u>\$28,390,000</u>	<u>\$20,020,768</u>	<u>\$48,410,768</u>

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

Years	Special Assessment Bonds			OWDA Loans		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2002	\$275,000	\$150,476	\$425,476	\$447,035	\$691,924	\$1,138,959
2003	295,000	125,450	420,450	484,944	654,015	1,138,958
2004	250,000	114,375	364,375	526,067	612,892	1,138,959
2005	255,000	104,560	359,560	570,678	568,281	1,138,958
2006	175,000	94,190	269,190	619,071	519,888	1,138,959
2007-2011	505,000	394,050	899,050	3,977,706	1,717,091	5,694,797
2012-2016	625,000	260,338	885,338	1,533,983	174,457	1,708,440
2017-2021	545,000	82,465	627,465	-	-	-
Totals	<u>\$2,925,000</u>	<u>\$1,325,904</u>	<u>\$4,250,904</u>	<u>\$8,159,483</u>	<u>\$4,938,548</u>	<u>\$13,098,031</u>

	Gas Revenue Bonds			Electric Mortgage Revenue Bonds		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2002	\$670,000	\$835,060	\$1,505,060	\$3,980,000	\$11,801,543	\$15,781,543
2003	695,000	805,580	1,500,580	4,200,000	11,582,643	15,782,643
2004	730,000	775,000	1,505,000	4,440,000	11,343,243	15,783,243
2005	760,000	742,150	1,502,150	4,695,000	11,087,943	15,782,943
2006	795,000	707,190	1,502,190	4,970,000	10,812,111	15,782,111
2007-2011	4,605,000	2,916,237	7,521,237	29,785,000	49,126,619	78,911,619
2012-2016	5,895,000	1,617,207	7,512,207	39,880,000	39,027,525	78,907,525
2017-2021	2,795,000	211,250	3,006,250	53,375,000	25,538,625	78,913,625
2022-2025	-	-	-	50,635,000	7,805,235	58,440,235
	<u>\$16,945,000</u>	<u>\$8,609,674</u>	<u>\$25,554,674</u>	<u>\$195,960,000</u>	<u>\$178,125,487</u>	<u>\$374,085,487</u>

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

	Water Mortgage Revenue Bonds			Wastewater Revenue Bonds		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2002	\$1,360,000	\$3,269,775	\$4,629,775	\$795,000	\$1,500,965	\$2,295,965
2003	1,445,000	3,186,815	4,631,815	830,000	1,466,255	2,296,255
2004	1,535,000	3,097,225	4,632,225	865,000	1,429,145	2,294,145
2005	1,630,000	3,000,520	4,630,520	905,000	1,389,610	2,294,610
2006	1,735,000	2,896,200	4,631,200	950,000	1,347,315	2,297,315
2007-2011	10,485,000	12,666,600	23,151,600	5,480,000	5,999,718	11,479,718
2012-2016	14,255,000	8,895,915	23,150,915	7,055,000	4,433,510	11,488,510
2017-2021	19,340,000	3,803,940	23,143,940	9,170,000	2,306,903	11,476,903
2022-2025	-	-	-	2,925,000	230,100	3,155,100
Totals	\$51,785,000	\$40,816,990	\$92,601,990	\$28,975,000	\$20,103,521	\$49,078,521

	Total Revenue Bonds		
	Principal	Interest	Total Debt Service
2002	\$6,805,000	\$17,407,343	\$24,212,343
2003	7,170,000	17,041,293	24,211,293
2004	7,570,000	16,644,613	24,214,613
2005	7,990,000	16,220,223	24,210,223
2006	8,450,000	15,762,816	24,212,816
2007-2011	50,355,000	70,709,174	121,064,174
2012-2016	67,085,000	53,974,158	121,059,158
2017-2021	84,680,000	31,860,718	116,540,718
2022-2025	53,560,000	8,035,335	61,595,335
	\$293,665,000	\$247,655,672	\$541,320,672

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.

NOTE 17 – SEGMENT INFORMATION

The key financial information for the year ended December 31, 2001 for the enterprise activities is as follows:

	Gas	Electric	Water	Wastewater
Operating Revenues	\$28,823,243	\$51,548,421	\$16,772,242	\$11,682,515
Depreciation	1,768,261	9,746,742	1,796,096	2,286,365
Operating Income	1,748,162	7,731,651	6,414,293	1,714,281
Net Non-Operating Activity	(643,053)	(11,122,724)	(2,564,017)	(1,305,790)
Operating Transfer In	-	-	-	-
Net Income (Loss)	1,105,109	(3,391,073)	3,850,276	408,491
Property, Plant and Equipment:				
Additions	555,169	3,749,840	2,162,824	911,804
Disposals	116,640	602,623	58,494	11,021
Total Assets	51,628,150	200,130,008	88,973,921	68,748,692
Net Working Capital	5,515,856	9,185,144	9,660,282	11,123,617
Bonds, Notes and Loans				
Payable	16,396,990	190,985,157	50,683,409	36,943,621
Total Equity	31,409,026	1,574,890	35,617,240	29,506,101
Encumbrances at 12/31/01	4,421,679	5,267,631	3,199,051	2,148,288

	Parking	Golf Course	Sports Arena	Total
Operating Revenues	\$628,233	\$1,066,212	\$72,552	\$110,593,418
Depreciation	30,418	73,950	12,608	15,714,440
Operating Income (Loss)	(16,144)	90,639	24,341	17,707,223
Net Non-Operating Activity	(51,205)	(78,612)	-	(15,765,401)
Operating Transfers In	85,493	-	-	85,493
Net Income (Loss)	18,144	12,027	24,341	2,027,315
Property, Plant and Equipment:				
Additions	-	20,706	-	7,400,343
Disposals	-	-	-	788,778
Total Assets	1,358,155	2,914,029	84,197	413,837,152
Net Working Capital	(171,953)	190,441	81,068	35,584,455
Bonds, Notes and Loans				
Payable	815,000	1,785,807	-	297,609,984
Total Equity	350,559	992,943	84,058	99,534,817
Encumbrances at 12/31/01	18,031	2,586	-	15,057,266

NOTE 18 – CONTRIBUTED CAPITAL

A schedule of changes in contributed capital is presented below:

	Gas	Electric	Water	Wastewater	Parking	Total
Balance at 12/31/00	\$1,729,661	\$6,613,567	\$13,211,892	\$11,965,756	\$2,492,935	\$36,013,811
Reductions:						
Depreciation on Fixed Assets	(54,749)	(174,041)	(326,540)	(569,281)	0	(1,124,611)
Balance at 12/31/01	<u>\$1,674,912</u>	<u>\$6,439,526</u>	<u>\$12,885,352</u>	<u>\$11,396,475</u>	<u>\$2,492,935</u>	<u>\$34,889,200</u>

For the fiscal year ended December 31, 2001, no additions to contributed capital were recorded. With the affect of GASB Statement No. 33, such additions to contributed capital will now be reported as a non-operating revenue.

NOTE 19 – CONTRACTUAL COMMITMENTS

As of December 31, 2001, 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, 2001:

Description	Remaining Contractual Commitment
Southern Appalachian Coal	\$2,273,983
Cincinnati Bulk Terminals	1,699,590
Byrnes Conway Company	1,020,090
Demmy Construction	772,120
R. E. Holland Excavating	626,918
Kelley & Carpenter Roofing	435,768
Dravo Lime Company	<u>263,609</u>
Total	<u>\$7,092,078</u>

NOTE 20 – 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 20 – CONTINGENCIES (Continued)

The City is party to certain litigations with Butler County over matters relating to the contract under which the City sells surplus water to the County. The County's claims include allegations of over billing, failures to perform and improper allocation of certain general and administrative charges of the City and expenses of the City's utility systems. Since that time, and on April 26, 2002 the legislative bodies of the City and the County directed the entering into of a settlement memorandum with the intent to resolve all issues currently in litigation. However, should this agreement be the subject of successful attack in a subsequent determination, it could be necessary for the City to increase taxes to pay any judgment against the City and such increase could be material (See Note 25).

B. Federal and State Grants

For the period January 1, 2001 to December 31, 2001, 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 21 – 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 various 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 21 – 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.

Dated January 1, 2001, AMP-OHIO on behalf of OMEGA JV2 participants issued \$50,260,000 of Distributive Generation Bonds, supported by financing participant payments. The issuance of the bonds retired \$50,000,000 of AMP-OHIO, Inc.'s Distributive Generation Notes, financing the remaining un-funded portion of the project and pay issuance costs. The Bonds do not represent an obligation on behalf of the financing participants to levy or pledge any form of taxation nor any mortgage on or interest in the project or the City's electric system or fund.

While the City made no payments to OMEGA JV2 in 2000, the following amounts were expended by the Electric Fund and recorded within the Purchase of Electric expense account to the OMEGA JV2 in 2001:

Annual Capacity	\$1,161,715
Power Purchases	460,928
Working Capital	<u>48,198</u>
Total Payments – OMEGA JV2 – 2001	<u>\$1,670,841</u>

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

NOTE 21 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS

C. Economic Development Association of Butler County, Inc.

The Economic Development Association of Butler County (EDABC) was created by resolution of the County Commissioners and organized as a non –profit corporation under Internal Revenue Code Section 501(c)(6). The EDABC is a jointly governed organization and was created to promote economic development in the County. Membership in the EDABC consists of Butler County, five cities including the City of Hamilton, two townships and all five chambers of commerce in Butler County. The Board of Trustees oversees the operation of the Association. The continued existence of the EDABC is not dependent upon the City’s continued participation and the City of Hamilton has no equity interest in the EDABC. Complete financial statements can be obtained from the EDABC, 315 High Street, Hamilton, Ohio 45011.

D. Transportation Improvement District of Butler County

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

E. Butler County Emergency Management Agency

The Butler County Emergency Management Agency (EMA) is a jointly governed organization whose membership consists of Butler County, five cities including the City of Hamilton, and seven villages. The EMA was created by a countywide agreement with the Butler County Commissioners and is intended to provide cooperative effort between all local governments to manage disaster relief and coordinate with the Federal Emergency Management Agency (FEMA) in times of crisis. The twenty-six members of the advisory council comprise one County Commissioner and the chief official of each of the local government members. The continued existence of the Butler County Emergency Management Agency is not dependent upon the City’s continued participation and the City of Hamilton has no equity interest in the Butler County EMA. Complete financial statements can be obtained from the Butler County Emergency Management Agency, 200 N. “F” Street, Hamilton, Ohio 45013.

NOTE 21 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS

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. A surplus distribution representing year 2000 net collections occurred in November 2001, with the City of Hamilton receiving \$12,320.

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 2001. 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 21 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS

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 2001. Information can be obtained from the Center by writing to Lee Meyer, Director of the Center for Local Governments, 4144 Crossgate Drive, Cincinnati, OH 45236.

NOTE 21 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS

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, comprehensive planning within the OKI Region. 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 2001. To obtain financial information, write to Barry Blank, Director of Finance and Admin. Of the Ohio-Kentucky-Indiana Regional Council of governments at 801-B, W. Eighth Street, Suite 400, Cincinnati, OH 45203.

NOTE 22 – 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.

During 2001, the Electric Fund purchased \$949,665 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.

The Water and Wastewater Funds purchased electric services from the Electric Fund in the amount of \$656,000 and \$460,000, respectively during 2001. These amounts are recorded in the Water and Wastewater Fund as contractual services and as Charges for Services in the Electric Fund.

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 2001, and the estimated operating cost of supplying these free services was \$1,130,040 for the year ending December 31, 2001.

**NOTE 22 – 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:

	Gas	Electric	Water	Wastewater
Administrative cost (Gen. Fund)	\$898,795	\$939,780	\$898,610	\$744,545
Central Service charges	1,221,375	1,392,409	1,290,035	1,203,930
Fleet Maintenance Chargebacks	189,250	189,470	185,115	1,640
Total	<u>\$2,309,420</u>	<u>\$2,521,659</u>	<u>\$2,373,760</u>	<u>\$1,950,115</u>

NOTE 23 – NEW CITY CHARTER

By a vote of the electors in the November 2000 general election, a revised City Charter was enacted which amended parts of the original Charter which was originally adopted in 1926. The new Charter became effective on January 1, 2001. Previously, the top seven candidates obtaining votes in a general election were elected to City Council, with the top two candidates becoming Mayor and Vice-Mayor, and all Council members serving two-year terms. Under the provisions of the amended Charter, the Mayor is elected by a popular vote from a field of mayoral candidates, while the remaining six Council members are elected from a separate field of council candidates. The Council candidate receiving the highest number of votes shall become the Vice-Mayor. The Mayor and members of Council will be elected to staggered four-year terms under the new Charter. No raise in Council pay was provided as a function of the Charter change. The new Charter also now provides that, a permanent full-year appropriation measure must be adopted prior to January 1st of the subsequent budget year. On December 12, 2001, the City Council of Hamilton approved by ordinance the budget and appropriations for the year 2002.

NOTE 24 – PURCHASE OF ONE RENAISSANCE CENTER

In 1999, the City of Hamilton began its service as contracting agent for Butler County, Ohio to build an office building which was to be constructed and known as the Government Services Center. Corporex, Inc. was chosen as primary contractor to build the Government Services Center. Design specifications allowed the company to construct a companion, seven story pre-cast office building known as One Renaissance Center (ORC). The City of Hamilton agreed to lease space from the company’s real estate management firm known as One Renaissance Hamilton, Inc. The ORC was completed in April 2000 and city offices were relocated to the site throughout the remainder of that year. Other tenants including a restaurant, print shop and the Ohio Bureau of Worker’s Compensation would locate to the ORC during 2000 as well.

NOTE 24 – PURCHASE OF ONE RENAISSANCE CENTER (Continued)

In mid 2001, the City of Hamilton was named as a defendant in a lawsuit brought by One Renaissance Hamilton, Inc. The substance of that lawsuit claimed that the City had failed in its responsibilities as a tenant to the plaintiff. Throughout the fall of 2001, negotiations to settle the lawsuit were undertaken and eventually reached.

Dated September 15, 2001, the City issued General Obligation Bonds totaling \$22,390,000. The bonds were issued in two series: Series A of \$19,320,000 and Series B of \$3,070,000. In addition to the full Faith and credit of the City, the bonds contained an additional pledge of income tax revenues and lease payments for the repayment of the bonds.

The bonds were issued pursuant to a no-fault, final judgment from the Butler County Court of Common Pleas. The purpose of the bonds was to provide funding to pay a \$602,400 judgment to One Renaissance Hamilton, Inc., to fund the purchase of One Renaissance Center, to permanently finance, as well as capitalize interest, two bond anticipation notes of \$2,300,000 and \$600,000 originally issued to provide funding for leasehold improvements, furniture and fixtures for One Renaissance Center, and pay issuance costs.

The following provides a summary of the sources and uses of funds associated with the One Renaissance Center Acquisition Bonds:

Sources:	
Par Amount - Series A	\$19,320,000
Par Amount - Series B	3,070,000
Original Issue Premium/ Accrued Interest	348,479
Total Sources	<u>\$22,738,479</u>
Uses:	
Building Acquisition	\$18,349,617
Payment of Judgment	602,400
Note Repayment	2,998,600
Issuance Cost/Accrued Interest	787,862
Total Uses	<u>\$22,738,479</u>

The bond anticipation notes permanently financed through the issuance of the Series B bonds were retired at maturity in April 2002 (See Note 25).

NOTE 25 – SUBSEQUENT EVENTS

A. Dismissal of Water Lawsuit & Refunding of Outstanding Water Revenue Bonds

In April 2002, the Hamilton City Council and Board of Butler County Commissioners agreed during a jointly held meeting to settle their differences in regard to lawsuits brought by each entity for the supply and purchase of surplus water by the County from the City (See Note 20). The substance of that settlement was for the County to receive reduced water rates under a tiered structure with a requirement to purchase an average eight (8) million gallons of water per day with additional gallons purchased at a reduced rate. In accordance with the settlement agreement, the County is required to assume 74% of the outstanding Water System Mortgage Revenue Bonds after liquidation of the City’s Water Revenue Bond Debt Service Reserve Fund. The City will also advance refund the remaining outstanding debt not assumed by the County. Shown below is a brief synopsis of the tentative estimated transaction:

Outstanding Water Revenue Bonds (Face Value)	\$51,785,000
Call Premium & Accrued Interest	1,725,986
Amount Needed to Call Outstanding Bonds	<u>\$53,510,986</u>
County Portion to affect refunding (74%)	<u>\$39,598,130</u>
City Portion to affect refunding (26%)	<u><u>\$13,912,856</u></u>

The estimated sizing of the City’s portion of the Advance Refunding Water Bonds is expected to be as follows:

City Portion to affect Refunding (26%)	\$13,912,856
Liquidated Restricted Cash & Investments	(1,689,179)
Net Proceeds Required to Advance Refund	<u>\$12,223,677</u>
Cost of Issuance	456,323
Estimated New Advance Refunding Bonds	<u><u>\$12,680,000</u></u>

B. Closure of the Electric System to Competition

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

NOTE 25 – SUBSEQUENT EVENTS (Continued)

C. General Obligation Bonds

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

Sources:	
Bond Proceeds	\$6,615,000
City Contribution	250,000
Original Issue Premium/ Accrued Interest	17,582
Total Sources	<u>\$6,882,582</u>
Uses:	
Note Re-payment	\$4,403,000
New Fire Equipment	1,500,000
New Road Project	750,000
Issuance Costs	229,582
Total Uses	<u>\$6,882,582</u>

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

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

NOTE 25 – SUBSEQUENT EVENTS (Continued)

D. Other Bond Anticipation Note Activity

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

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



**COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES**

The following Combining Statements and Schedules include the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds, Internal Service Funds, Fiduciary Funds and the General Fixed Assets Account Group.

GENERAL FUND

The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

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, 2001

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Property and Other Local Taxes	\$ 3,250,047	\$ 5,781,025	\$ 4,123,580	\$ (1,657,445)
Income Taxes	15,290,750	15,290,750	15,333,242	42,492
Intergovernmental	5,335,703	5,378,703	4,900,062	(478,641)
Charges for Services	5,789,785	6,680,910	6,425,048	(255,862)
Licenses and Permits	985,658	1,071,443	892,895	(178,548)
Investment Earnings	919,500	919,500	771,696	(147,804)
Fines and Forfeitures	1,018,300	1,018,300	994,407	(23,893)
Other All Revenue	135,750	139,350	519,075	379,725
Total Revenue	32,725,493	36,279,981	33,960,005	(2,319,976)
Expenditures:				
Current:				
Security of Persons and Property:				
Municipal Court				
Personal Services	875,361	900,361	871,130	29,231
Other	231,499	231,499	237,026	(5,527)
Total Municipal Court	1,106,860	1,131,860	1,108,156	23,704
Police				
Personal Services	7,690,595	7,994,859	8,305,341	(310,482)
Other	534,195	603,531	558,071	45,460
Capital Outlay	426	426	426	-
Total Police	8,225,216	8,598,816	8,863,838	(265,022)
Civilian Dispatch				
Personal Services	818,690	818,690	744,917	73,773
Other	29,284	37,284	30,350	6,934
Total Civilian Dispatch	847,974	855,974	775,267	80,707
School Crossing Guards				
Other	41,500	43,500	42,509	991
Total School Crossing Guards	41,500	43,500	42,509	991
Building Maintenance - Criminal Justice				
Personal Services	159,882	161,882	156,301	5,581
Total Building Maintenance - Criminal Justice	159,882	161,882	156,301	5,581
Corrections				
Personal Services	120,227	120,227	94,952	25,275
Other	1,618,783	1,533,783	932,573	601,210
Total Corrections	1,739,010	1,654,010	1,027,525	626,485

(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, 2001

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Police - Citizens				
Other	\$ 3,250	\$ 3,250	\$ 2,959	\$ 291
Total Police - Citizens	3,250	3,250	2,959	291
Fire				
Personal Services	7,063,037	7,371,332	7,107,922	263,410
Other	591,091	582,796	528,344	54,452
Total Fire	7,654,128	7,954,128	7,636,266	317,862
Total Security of Persons and Property	19,777,820	20,403,420	19,612,821	790,599
Public Health and Welfare Services:				
Health				
Personal Services	992,190	989,540	874,276	115,264
Other	300,945	333,447	324,407	9,040
Total Public Health and Welfare	1,293,135	1,322,987	1,198,683	124,304
Leisure Time Activities				
Parks and Recreation - Administration				
Personal Services	153,803	162,803	155,876	6,927
Other	31,094	22,093	14,977	7,116
Total Parks and Recreation - Administration	184,897	184,896	170,853	14,043
Playground Programs				
Personal Services	4,264	4,264	1,532	2,732
Other	800	800	339	461
Total Playground Programs	5,064	5,064	1,871	3,193
Outdoor Athletic Program				
Personal Services	292,410	292,410	259,644	32,766
Other	38,480	38,480	29,520	8,960
Total Outdoor Athletic Program	330,890	330,890	289,164	41,726
Swimming Pools				
Personal Services	4,785	4,785	3,195	1,590
Other	72,350	105,325	71,809	33,516
Total Swimming Pools	77,135	110,110	75,004	35,106
Parks and Playgrounds Maintenance				
Personal Services	853,500	853,500	670,663	182,837
Other	228,322	228,322	163,977	64,345
Total Parks and Playgrounds Maintenance	1,081,822	1,081,822	834,640	247,182

(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, 2001

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Community Center				
Personal Services	\$ -	\$ -	\$ 8,200	\$ (8,200)
Other	80,650	80,650	56,007	24,643
Total Community Center	<u>80,650</u>	<u>80,650</u>	<u>64,207</u>	<u>16,443</u>
Total Leisure Time Activities	<u>1,760,458</u>	<u>1,793,432</u>	<u>1,435,739</u>	<u>357,693</u>
Community Environment				
Construction Services				
Personal Services	529,739	529,739	463,143	66,596
Other	74,595	74,595	57,643	16,952
Total Construction Services	604,334	604,334	520,786	83,548
Department of Planning				
Personal Services	354,282	354,282	353,556	726
Other	23,789	23,789	18,100	5,689
Total Department of Planning	<u>378,071</u>	<u>378,071</u>	<u>371,656</u>	<u>6,415</u>
Department of Human Relations				
Personal Services	132,173	132,173	123,577	8,596
Other	18,471	18,472	10,820	7,652
Total Department of Human Relations	<u>150,644</u>	<u>150,645</u>	<u>134,397</u>	<u>16,248</u>
Total Community Environment	<u>1,133,049</u>	<u>1,133,050</u>	<u>1,026,839</u>	<u>106,211</u>
Basic Utility Services				
Public Works - Administration				
Personal Services	105,365	105,365	55,377	49,988
Other	7,183	7,183	4,941	2,242
Total Public Works - Administration	<u>112,548</u>	<u>112,548</u>	<u>60,318</u>	<u>52,230</u>
Engineering				
Personal Services	663,417	663,417	588,559	74,858
Other	62,829	62,830	22,844	39,986
Total Engineering	<u>726,246</u>	<u>726,247</u>	<u>611,403</u>	<u>114,844</u>
Maintenance of Storm Sewers				
Other	42,000	42,000	35,386	6,614
Capital Outlay	42,000	42,000	35,386	6,614
Total Maintenance of Storm Sewers				

(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, 2001

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Public Works - Maintenance				
Personal Services	\$ 287,261	\$ 287,261	\$ 301,171	\$ (13,910)
Other	112,481	111,048	92,382	18,666
Capital Outlay	-	1,433	1,433	-
Total Public Works - Maintenance	<u>399,742</u>	<u>399,742</u>	<u>394,986</u>	<u>4,756</u>
Total Basic Utility Services	<u>1,280,536</u>	<u>1,280,537</u>	<u>1,102,093</u>	<u>178,444</u>
General Government				
City Council				
Personal Services	69,672	69,672	65,772	3,900
Other	37,170	37,170	27,913	9,257
Total City Council	<u>106,842</u>	<u>106,842</u>	<u>93,685</u>	<u>13,157</u>
City Clerk				
Personal Services	118,946	118,946	86,249	32,697
Other	17,038	17,038	8,679	8,359
Total City Clerk	<u>135,984</u>	<u>135,984</u>	<u>94,928</u>	<u>41,056</u>
Team Hamilton				
Personal Services	83,400	83,400	70,989	12,411
Other	39,535	39,535	18,683	20,852
Total Team Hamilton	<u>122,935</u>	<u>122,935</u>	<u>89,672</u>	<u>33,263</u>
City Manager				
Personal Services	315,744	315,744	335,569	(19,825)
Other	20,001	20,001	22,142	(2,141)
Total City Manager	<u>335,745</u>	<u>335,745</u>	<u>357,711</u>	<u>(21,966)</u>
Deputy City Manager - Operating				
Personal Services	186,153	186,153	175,768	10,385
Other	4,790	4,790	5,333	(543)
Total Deputy City Manager - Operating	<u>190,943</u>	<u>190,943</u>	<u>181,101</u>	<u>9,842</u>
Deputy City Manager - Administration				
Personal Services	348,200	348,200	209,462	138,738
Other	109,497	109,498	66,857	42,641
Total Deputy City Manager - Administration	<u>457,697</u>	<u>457,698</u>	<u>276,319</u>	<u>181,379</u>
Department of Law				
Personal Services	457,776	457,776	445,779	11,997
Other	32,165	32,165	22,045	10,120
Total Department of Law	<u>489,941</u>	<u>489,941</u>	<u>467,824</u>	<u>22,117</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, 2001

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Department of Civil Service				
Personal Services	\$ 259,030	\$ 259,030	\$ 252,387	\$ 6,643
Other	26,442	26,442	28,553	(2,111)
Total Department of Civil Service	285,472	285,472	280,940	4,532
Finance - Administration				
Personal Services	889,366	889,366	878,121	11,245
Other	106,032	106,033	105,826	207
Total Finance - Administration	995,398	995,399	983,947	11,452
Finance - Purchasing				
Personal Services	182,600	187,400	176,809	10,591
Other	18,505	13,705	10,557	3,148
Total Finance - Purchasing	201,105	201,105	187,366	13,739
Finance - Building Services				
Personal Services	142,678	142,678	151,480	(8,802)
Other	246,722	246,722	173,763	72,959
Capital Outlay	-	-	4,255	(4,255)
Total Finance - Building Services	389,400	389,400	329,498	59,902
Finance - Income Tax				
Personal Services	532,737	532,737	463,399	69,338
Other	121,239	121,239	101,373	19,866
Total Finance - Income Tax	653,976	653,976	564,772	89,204
Total General Government	4,365,438	4,365,440	3,907,763	457,677
Other Expenditures				
Special Appropriations - General				
Personal Services	250,000	358,000	352,359	5,641
Other	1,525,511	3,237,511	3,008,922	228,589
Capital Outlay	1,401	1,401	2,502	(1,101)
Total Special Appropriations - General	1,776,912	3,596,912	3,363,783	233,129
Special Appropriations				
Personal Services	69,000	69,000	45,448	23,552
Other	1,059,630	1,059,632	958,687	100,945
Total Special Appropriations	1,128,630	1,128,632	1,004,135	124,497
Total Other Expenditures	2,905,542	4,725,544	4,367,918	357,626
Total Expenditures	32,515,978	35,024,410	32,651,856	2,372,554
Excess of Revenues Over (Under) Expenditures	209,515	1,255,571	1,308,149	52,578

(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, 2001

GENERAL FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Other Financing Sources (Uses):</u>				
Sale of Fixed Assets	\$ 11,945	\$ -	\$ 11,945	\$ 11,945
Operating Transfers - In	322,587	285,525	289,527	4,002
Operating Transfers - Out	(1,707,064)	(1,240,435)	(1,036,320)	(204,115)
 Total Other Financing Sources (Uses)	 (1,372,532)	 (954,910)	 (734,848)	 220,062
 Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (1,163,017)	 300,661	 573,301	 272,640
 Fund Balances at Beginning of Year	 2,830,180	 2,830,180	 2,830,180	 -
Prior Year Encumbrances	924,768	924,768	924,768	-
 Fund Balances at End of Year	 <u>\$ 2,591,931</u>	 <u>\$ 4,055,609</u>	 <u>\$ 4,328,249</u>	 <u>\$ 272,640</u>

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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).

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.

(Continued)

SPECIAL REVENUE FUNDS

Safety Services Fund

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

Police Pension Fund

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

Firemen's Pension Fund

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

Emergency Medical Services Grant Fund

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

Public Health Care Services Fund

To account for funds designated for public health care services.

Street and Parks Beautification Fund

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

Refuse Fund

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

Street Maintenance Fund

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

Transit System Fund

To account for revenues collected to help fund the transit system of the City. The transit system is not intended to be self-supporting but the revenue collected is designated to defray the cost of providing transit services.
(The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Miami Conservancy Fund

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

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.



**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001**

	One Renaissance Center	Federal Emergency Management Grant	Public Safety/Health Income Tax	Municipal Court Improvement
Assets:				
Cash and Cash Equivalents	\$ 100,499	\$ -	\$ 100,611	\$ 6,445
Investments	3,283,303	-	632,153	40,461
Receivables (net of allowances for doubtful accounts)				
Taxes-Real & Personal Property	-	-	-	-
Taxes-Municipal Income Accounts	-	-	477,089	-
Interest	-	-	-	-
Notes	-	-	-	-
Inventory of Supplies at Cost	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	\$ 3,383,802	\$ -	\$ 1,209,853	\$ 46,906
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$ 112,760	\$ -	\$ 38,945	\$ 1,643
Accrued Wages and Benefits	-	-	-	-
Accrued Liabilities	-	-	90,183	-
Due to Other Funds	-	-	-	-
Intergovernmental Payable	-	-	14,334	-
Accrued Interest Payable	67,924	-	-	-
Deferred Revenue	-	-	-	-
General Obligation Notes Payable	2,900,000	-	-	-
Compensated Absences Payable	-	-	-	-
Total Liabilities	3,080,684	-	143,462	1,643
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	-	-	459,023	12,434
Reserved for Supplies Inventory	-	-	-	-
Reserved for Prepaid Items	-	-	-	-
Reserved for Notes Receivable	-	-	-	-
Unreserved:				
Undesignated (Deficit)	303,118	-	607,368	32,829
Total Fund Equity (Deficit)	303,118	-	1,066,391	45,263
Total Liabilities and Fund Equity	\$ 3,383,802	\$ -	\$ 1,209,853	\$ 46,906

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001**

Municipal Income Tax TIF Aggregation/ Verification	Brownsfield Improvement	Weed and Seed Grant	Dispute Resolution Proceeds	DOJ Forfeiture Program	Safety Services
\$ 5,198	\$ 271	\$ 945	\$ 3,790	\$ 11,308	\$ 120,816
32,658	1,702	5,922	23,816	71,051	758,823
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	19,895
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,580
<u>\$ 37,856</u>	<u>\$ 1,973</u>	<u>\$ 6,867</u>	<u>\$ 27,606</u>	<u>\$ 82,359</u>	<u>\$ 901,114</u>
\$ -	\$ 1,071	\$ 2,854	\$ -	\$ 16,215	\$ 24,987
-	-	-	-	-	8,547
-	-	-	-	-	-
-	-	329	-	-	788
-	-	-	-	-	-
-	-	-	-	-	338,072
-	-	-	-	-	-
-	-	-	-	-	11,049
-	1,071	3,183	-	16,215	383,443
-	3,684	-	-	-	16,275
-	-	-	-	-	-
-	-	-	-	-	1,580
-	-	-	-	-	-
<u>37,856</u>	<u>(2,782)</u>	<u>3,684</u>	<u>27,606</u>	<u>66,144</u>	<u>499,816</u>
<u>37,856</u>	<u>902</u>	<u>3,684</u>	<u>27,606</u>	<u>66,144</u>	<u>517,671</u>
<u>\$ 37,856</u>	<u>\$ 1,973</u>	<u>\$ 6,867</u>	<u>\$ 27,606</u>	<u>\$ 82,359</u>	<u>\$ 901,114</u>

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001**

	Police Pension	Firemen's Pension	Emergency Medical Services Grant	Public Health Care Services
Assets:				
Cash and Cash Equivalents	\$ 13,405	\$ 13,193	\$ 1,075	\$ 14,127
Investments	84,226	82,890	6,746	88,762
Receivables (net of allowances for doubtful accounts)				
- Taxes-Real & Personal Property	221,150	221,150	-	727,710
Taxes-Municipal Income	-	-	-	-
Accounts	-	-	-	-
Interest	-	-	-	-
Notes	-	-	-	-
Inventory of Supplies at Cost	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	\$ 318,781	\$ 317,233	\$ 7,821	\$ 830,599
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ 32,053
Accrued Wages and Benefits	-	-	-	1,030
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Intergovernmental Payable	-	-	-	161
Accrued Interest Payable	-	-	-	-
Deferred Revenue	221,150	221,150	-	727,710
General Obligation Notes Payable	-	-	-	-
Compensated Absences Payable	-	-	-	-
Total Liabilities	221,150	221,150	-	760,954
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	-	-	-	3,357
Reserved for Supplies Inventory	-	-	-	-
Reserved for Prepaid Items	-	-	-	-
Reserved for Notes Receivable	-	-	-	-
Unreserved:				
Undesignated (Deficit)	97,631	96,083	7,821	66,288
Total Fund Equity (Deficit)	97,631	96,083	7,821	69,645
Total Liabilities and Fund Equity	\$ 318,781	\$ 317,233	\$ 7,821	\$ 830,599

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001**

Street And Parks Beautification	Refuse	Street Maintenance	Miami Conservancy	Community Development Block Grant	Home Program	Totals
\$ 1,242	\$ 60,273	\$ 112,761	\$ 3,273	\$ 875,987	\$ 467,979	\$ 1,913,198
7,805	378,708	708,493	20,564	-	-	6,228,083
-	-	-	227,910	-	-	1,397,920
-	-	-	-	-	-	477,089
-	490,580	923,162	-	-	-	1,433,637
-	-	11,325	-	-	-	11,325
-	-	-	-	740,424	-	740,424
-	-	40,832	-	-	-	40,832
-	6,943	37,912	-	-	-	46,435
<u>\$ 9,047</u>	<u>\$ 936,504</u>	<u>\$ 1,834,485</u>	<u>\$ 251,747</u>	<u>\$ 1,616,411</u>	<u>\$ 467,979</u>	<u>\$ 12,288,943</u>
\$ -	\$ 167,442	\$ 168,970	\$ 123,980	\$ -	\$ 25	\$ 690,945
-	1,823	43,103	-	-	18,265	72,768
-	-	-	-	-	-	90,183
-	-	-	-	115,674	-	115,674
-	309	7,441	-	-	3,153	26,515
-	-	9,181	-	-	-	77,105
-	-	921,463	227,910	-	-	2,657,455
-	-	520,000	-	-	-	3,420,000
-	3,942	56,911	-	25,939	-	97,841
-	173,516	1,727,069	351,890	141,613	21,443	7,248,486
4,610	-	869,234	-	402,295	99,159	1,870,071
-	-	40,832	-	-	-	40,832
-	6,943	37,912	-	-	-	46,435
-	-	-	-	740,424	-	740,424
<u>4,437</u>	<u>756,045</u>	<u>(840,562)</u>	<u>(100,143)</u>	<u>332,079</u>	<u>347,377</u>	<u>2,342,695</u>
<u>9,047</u>	<u>762,988</u>	<u>107,416</u>	<u>(100,143)</u>	<u>1,474,798</u>	<u>446,536</u>	<u>5,040,457</u>
<u>\$ 9,047</u>	<u>\$ 936,504</u>	<u>\$ 1,834,485</u>	<u>\$ 251,747</u>	<u>\$ 1,616,411</u>	<u>\$ 467,979</u>	<u>\$ 12,288,943</u>

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	One Renaissance Center	Federal Emergency Mangement Grant	Public Safety/Health Income Tax	Municipal Court Improvement
Revenues:				
Municipal Income Tax	\$ -	\$ -	\$ 2,467,158	\$ -
Property and Other Taxes	-	-	-	-
Intergovernmental	-	68,803	-	-
Charges for Services	93,233	-	-	83,161
Licenses and Permits	-	-	-	-
Investment Income	55,539	-	897	57
Fines and Forfeitures	-	-	-	-
Other	100,374	-	-	-
Total Revenue	249,146	68,803	2,468,055	83,218
Expenditures:				
Current:				
Security of Persons and Property	-	-	2,224,479	104,445
Public Health and Welfare	-	68,803	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	-	-
Other Expenditures	238,080	-	-	-
Capital Outlay	18,854,571	-	-	-
Debt Service:				
Interest and Fiscal Charges	343,377	-	-	-
Total Expenditures	19,436,028	68,803	2,224,479	104,445
Excess of Revenues Over (Under) Expenditures	(19,186,882)	-	243,576	(21,227)
Other Financing Sources (Uses):				
Proceeds of Bonds	22,390,000	-	-	-
Operating Transfers - In	-	-	-	-
Operating Transfers - Out	(2,900,000)	-	(27,843)	-
Total Other Sources (Uses)	19,490,000	-	(27,843)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	303,118	-	215,733	(21,227)
Fund Balances (Deficit) at Beginning of Year	-	-	850,658	66,490
Increase in Inventory	-	-	-	-
Fund Balances (Deficit) at End of the Year	\$ 303,118	\$ -	\$ 1,066,391	\$ 45,263

THE CITY OF HAMILTON/ OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Municipal Income Tax TIF Aggregation/ Verification	Brownsfield Improvement	Weed and Seed Grant	Dispute Resolution Proceeds	DOJ Forfeiture Program	Safety Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
127,901	-	-	-	-	-
-	164,186	222,802	-	-	405,315
-	-	-	9,973	-	34,216
-	-	-	-	-	-
46	-	-	34	2,191	41,822
-	-	-	-	36,382	117,008
-	-	-	-	-	5,291
<u>127,947</u>	<u>164,186</u>	<u>222,802</u>	<u>10,007</u>	<u>38,573</u>	<u>603,652</u>
-	-	218,974	-	19,215	627,958
-	-	-	-	-	-
37,926	153,365	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>37,926</u>	<u>153,365</u>	<u>218,974</u>	<u>-</u>	<u>19,215</u>	<u>627,958</u>
90,021	10,821	3,828	10,007	19,358	(24,306)
-	-	-	-	-	-
-	3,588	-	-	-	221,497
<u>(86,334)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,973)</u>
<u>(86,334)</u>	<u>3,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,524</u>
3,687	14,409	3,828	10,007	19,358	182,218
34,169	(13,507)	(144)	17,599	46,786	335,453
-	-	-	-	-	-
<u>\$ 37,856</u>	<u>\$ 902</u>	<u>\$ 3,684</u>	<u>\$ 27,606</u>	<u>\$ 66,144</u>	<u>\$ 517,671</u>

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Police Pension	Firemen's Pension	Emergency Medical Services Grant	Public Health Care Services
Revenues:				
Municipal Income Tax	\$ -	\$ -	\$ -	\$ -
Property and Other Taxes	-	-	-	-
Intergovernmental	241,133	241,133	-	885,533
Charges for Services	-	-	-	-
Licenses and Permits	-	-	-	-
- Investment Income	120	118	-	133
Fines and Forfeitures	-	-	-	-
Other	-	-	-	-
Total Revenue	241,253	241,251	-	885,666
Expenditures:				
Current:				
Security of Persons and Property	172,500	172,500	-	-
Public Health and Welfare	-	-	-	924,417
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	-	-
Other Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	172,500	172,500	-	924,417
Excess of Revenues Over (Under) Expenditures	68,753	68,751	-	(38,751)
Other Financing Sources (Uses):				
Proceeds of Bonds	-	-	-	-
Operating Transfers - In	-	-	-	-
Operating Transfers - Out	-	-	-	-
Total Other Sources (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	68,753	68,751	-	(38,751)
Fund Balances (Deficit) at Beginning	28,878	27,332	7,821	108,396
Increase in Inventory	-	-	-	-
Fund Balance at End of the Year	\$ 97,631	\$ 96,083	\$ 7,821	\$ 69,645

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Street And Parks Beautification	Refuse	Street Maintenance	Transit System	Miami Conservancy	Community Development Block Grant	Home Program	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,467,158
-	-	-	-	-	-	-	127,901
-	-	1,822,845	-	248,865	2,050,189	348,723	6,699,527
-	2,203,447	-	-	-	-	-	2,424,030
-	-	384,592	-	-	-	-	384,592
630	538	50,276	-	29	45,323	-	197,753
-	-	-	-	-	-	-	153,390
4,765	17,294	26,079	-	-	11,584	-	165,387
<u>5,395</u>	<u>2,221,279</u>	<u>2,283,792</u>	<u>-</u>	<u>248,894</u>	<u>2,107,096</u>	<u>348,723</u>	<u>12,619,738</u>
-	-	-	-	-	-	-	3,540,071
-	-	-	-	-	-	-	993,220
4,210	-	-	-	382,776	1,853,483	337,681	2,769,441
-	2,098,849	-	-	-	-	-	2,098,849
-	-	2,284,692	446,000	-	-	-	2,730,692
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	238,080
-	-	-	-	-	-	-	18,854,571
-	-	17,454	-	-	-	-	360,831
<u>4,210</u>	<u>2,098,849</u>	<u>2,302,146</u>	<u>446,000</u>	<u>382,776</u>	<u>1,853,483</u>	<u>337,681</u>	<u>31,585,755</u>
1,185	122,430	(18,354)	(446,000)	(133,882)	253,613	11,042	(18,966,017)
-	-	-	-	-	-	-	22,390,000
-	-	32,474	446,000	25,147	-	-	728,706
-	-	(400,000)	-	-	-	-	(3,429,150)
-	-	(367,526)	446,000	25,147	-	-	19,689,556
1,185	122,430	(385,880)	-	(108,735)	253,613	11,042	723,539
7,862	640,558	491,959	-	8,592	1,221,185	435,494	4,315,581
-	-	1,337	-	-	-	-	1,337
<u>\$ 9,047</u>	<u>\$ 762,988</u>	<u>\$ 107,416</u>	<u>\$ -</u>	<u>\$ (100,143)</u>	<u>\$ 1,474,798</u>	<u>\$ 446,536</u>	<u>\$ 5,040,457</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, 2001

ONE RENAISSANCE CENTER FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ -	\$ 345,729	\$ 93,233	\$ (252,496)
Total Revenue	-	345,729	248,742	(96,987)
Expenditures:				
Current:				
Other Expenditures				
Special Appropriations - General				
Personal Services	-	-	29,260	(29,260)
Other	-	300,956	140,804	160,152
Capital Outlay	-	18,864,617	18,854,571	10,046
Debt Service:				
Interest and Fiscal Charges	-	354,656	275,453	79,203
Total Expenditures	-	19,520,229	19,300,088	220,141
Excess of Revenues (Under) Expenditures	-	(19,174,500)	(19,051,346)	123,154
Other Financing Sources (Uses):				
Proceeds of Bonds	22,390,000	22,360,408	22,390,000	29,592
Operating Transfers - Out	-	(87,400)	-	(87,400)
Total Other Financing Sources (Uses)	22,390,000	22,273,008	22,390,000	(57,808)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	22,390,000	3,098,508	3,338,654	240,146
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	<u>\$ 22,390,000</u>	<u>\$ 3,098,508</u>	<u>\$ 3,338,654</u>	<u>\$ 240,146</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, 2001

FEDERAL EMERGENCY MANAGEMENT GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ -	\$ 68,810	\$ 68,803	\$ (7)
Total Revenue	-	68,810	68,803	(7)
Expenditures:				
Current:				
Public Health and Welfare Services:				
Health				
Personal Services	-	68,810	68,803	7
Total Expenditures	-	68,810	68,803	(7)
Excess of Revenues Over (Under) 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, 2001

PUBLIC SAFETY/HEALTH INCOME TAX FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Income Taxes	\$ 2,466,250	\$ 2,466,250	\$ 2,493,845	\$ 27,595
Total Revenue	2,466,250	2,466,250	2,493,845	27,595
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	2,370,000	2,370,000	1,869,993	500,007
Other	50,000	50,000	58,500	(8,500)
Capital Outlay	432,459	432,459	777,655	(345,196)
Total Expenditures	2,852,459	2,852,459	2,706,148	146,311
Excess of Revenues Over (Under) Expenditures	(386,209)	(386,209)	(212,303)	173,906
Other Financing Uses:				
Operating Transfers - Out	(55,686)	(27,843)	(27,843)	-
Total Other Financing Uses	(55,686)	(27,843)	(27,843)	-
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	(441,895)	(414,052)	(240,146)	173,906
Fund Balances at Beginning of Year	244,751	244,751	244,751	-
Prior Year Encumbrances	214,959	214,959	214,959	-
Fund Balances at End of Year	\$ 17,815	\$ 45,658	\$ 219,564	\$ 173,906

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, 2001

MUNICIPAL COURT IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 82,500	\$ 82,500	\$ 83,161	\$ 661
Total Revenue	82,500	82,500	83,161	661
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	36,500	24,758	10,125	14,633
Other	188	11,930	11,930	-
Capital Outlay	139,202	139,203	130,320	8,883
Total Expenditures	175,890	175,891	152,375	23,516
Excess of Revenues Over (Under) Expenditures	(93,390)	(93,391)	(69,214)	24,177
Fund Balances at Beginning of Year	8,596	8,596	8,596	-
Prior Year Encumbrances	93,390	93,390	93,390	-
Fund Balances at End of Year	<u>\$ 8,596</u>	<u>\$ 8,595</u>	<u>\$ 32,772</u>	<u>\$ 24,177</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, 2001

MUNICIPAL INCOME TAX TIF AGGREGATION/VERIFICATION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$ 101,700	\$ 101,700	\$ 127,901	\$ 26,201
Total Revenue	101,700	101,700	127,901	26,201
<u>Expenditures:</u>				
Current:				
Community Environment				
Construction Services				
Other	33,035	33,035	37,926	(4,891)
Total Expenditures	33,035	33,035	37,926	(4,891)
Excess of Revenues Over Expenditures	68,665	68,665	89,975	21,310
<u>Other Financing Uses:</u>				
Operating Transfers - Out	(152,394)	(66,060)	(86,334)	(20,274)
Total Other Financing Uses	(152,394)	(66,060)	(86,334)	(20,274)
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	(83,729)	2,605	3,641	1,036
Fund Balances at Beginning of Year	34,169	34,169	34,169	-
Fund Balances (Deficit) at End of Year	\$ (49,560)	\$ 36,774	\$ 37,810	\$ 1,036

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, 2001

BROWNFIELD IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 839,347	\$ 839,347	\$ 164,186	\$ (675,161)
Total Revenue	839,347	839,347	164,186	(675,161)
Expenditures:				
Current:				
Community Environment				
Construction Services				
Other	139,147	139,147	62,228	76,919
Capital Outlay	200	200	-	200
Total Construction Services	139,347	139,347	62,228	77,119
Department of Planning				
Other	200,000	200,000	105,546	94,454
Total Department of Planning	200,000	200,000	105,546	94,454
Department of Human Relations				
Other	500,000	500,000	-	500,000
Total Department of Human Relations	500,000	500,000	-	500,000
Total Expenditures	839,347	839,347	167,774	671,573
Excess of Revenues Over (Under) Expenditures	-	-	(3,588)	(3,588)
Other Financing Sources:				
Operating Transfers - In	3,588	-	3,588	3,588
Total Other Financing Sources	3,588	-	3,588	3,588
Excess of Revenues and Other Financing Sources Over Expenditures	3,588	-	-	-
Fund Balances at Beginning of Year	1,973	1,973	1,973	-
Fund Balances at End of Year	\$ 5,561	\$ 1,973	\$ 1,973	\$ -

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, 2001

WEED AND SEED GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 60,123	\$ 225,000	\$ 222,802	\$ (2,198)
Total Revenue	60,123	225,000	222,802	(2,198)
Expenditures:				
Current:				
Police				
Personal Services	60,123	110,123	102,555	7,568
Other	-	109,121	119,136	(10,015)
Capital Outlay	-	(1,111)	1,111	(2,222)
Total Expenditures	60,123	218,133	222,802	(4,669)
Excess of Revenues Over (Under) Expenditures	-	6,867	-	(6,867)
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ 6,867	\$ -	\$ (6,867)

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, 2001

DISPUTE RESOLUTION PROCEEDS FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 9,000	\$ 9,000	\$ 9,973	\$ 973
Total Revenue	<u>9,000</u>	<u>9,000</u>	<u>9,973</u>	<u>973</u>
Expenditures:				
Current:				
General Government				
City Council				
Other	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Excess of Revenues Over Expenditures	6,000	6,000	9,973	3,973
Fund Balances at Beginning of Year	<u>17,599</u>	<u>17,599</u>	<u>17,599</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$ 23,599</u></u>	<u><u>\$ 23,599</u></u>	<u><u>\$ 27,572</u></u>	<u><u>\$ 3,973</u></u>

THE CITY OF HAMILTON! OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

DEPARTMENT OF JUSTICE FORFEITURE PROGRAM FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Investment Earnings	\$ -	\$ -	\$ 2,090	\$ 2,090
Fines and Forfeitures	100,000	100,000	36,382	(63,618)
Total Revenue	100,000	100,000	38,472	(61,528)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	76,845	-	-	-
Other	-	71,035	8,810	62,225
Total Expenditures	76,845	71,035	8,810	62,225
Excess of Revenues Over Expenditures	23,155	28,965	29,662	697
Fund Balances at Beginning of Year	46,786	46,786	46,786	-
Fund Balances at End of Year	\$ 69,941	\$ 75,751	\$ 76,448	\$ 697

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, 2001

SAFETY SERVICES FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 1,139,059	\$ 1,095,699	\$ 492,804	\$ (602,895)
Charges for Services	24,090	24,090	34,216	10,126
Investment Earnings	-	8,000	19,891	11,891
Fines and Forfeitures	162,400	126,400	117,008	(9,392)
Other All Revenue	-	-	369	369
Total Revenue	1,325,549	1,254,189	664,288	(589,901)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	466,212	476,736	311,845	164,891
Other	132,833	118,423	130,998	(12,575)
Capital Outlay	323,035	316,525	234,163	82,362
Total Expenditures	922,080	911,684	677,006	234,678
Excess of Revenues Over (Under) Expenditures	403,469	342,505	(12,718)	(355,223)
Other Financing Sources (Uses):				
Operating Transfers - In	311,161	236,320	206,524	(29,796)
Operating Transfers - Out	(14,973)	(14,975)	(14,973)	(2)
Total Other Financing Source (Uses)	296,188	221,345	191,551	(29,794)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	699,657	563,850	178,833	(385,017)
Fund Balances at Beginning of Year	616,286	616,286	616,286	-
Prior Year Encumbrances	20,920	20,920	20,920	-
Fund Balances at End of Year	\$ 1,336,863	\$ 1,201,056	\$ 816,039	\$ (385,017)

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, 2001

POLICE PENSION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 230,000	\$ 230,000	\$ 241,133	\$ 11,133
Total Revenue	230,000	230,000	241,133	11,133
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	230,000	230,000	172,500	57,500
Total Expenditures	230,000	230,000	172,500	57,500
Excess of Revenues Over Expenditures	-	-	68,633	68,633
Fund Balances at Beginning of Year	28,878	28,878	28,878	-
Fund Balances at End of Year	\$ 28,878	\$ 28,878	\$ 97,511	\$ 68,633

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, 2001

FIREMEN'S PENSION FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 230,000	\$ 230,000	\$ 241,133	\$ 11,133
Total Revenue	230,000	230,000	241,133	11,133
Expenditures:				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	230,000	230,000	172,500	57,500
Total Expenditures	230,000	230,000	172,500	57,500
Excess of Revenues Over Expenditures	-	-	68,633	68,633
Fund Balances at Beginning of Year	27,332	27,332	27,332	-
Fund Balances at End of Year	\$ 27,332	\$ 27,332	\$ 95,965	\$ 68,633

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, 2001

EMERGENCY MEDICAL SERVICES GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 10,905	\$ 10,905	\$ -	\$ (10,905)
Total Revenue	10,905	10,905	-	(10,905)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	8,600	8,600	-	8,600
Other	1,195	1,195	-	1,195
Capital Outlay	1,110	1,110	-	1,110
Total Expenditures	10,905	10,905	-	10,905
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	7,821	7,821	7,821	-
Fund Balances at End of Year	\$ 7,821	\$ 7,821	\$ 7,821	\$ -

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, 2001

PUBLIC HEALTH CARE SERVICES FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	104,092	908,305	872,616	(35,689)
Investment Earnings	-	7	7	-
Total Revenue	104,092	908,312	872,623	(35,689)
Expenditures:				
Current:				
Public Health and Welfare Services:				
Health				
Personal Services	27,231	28,839	21,524	7,315
Other	179,522	940,547	922,866	17,681
Capital Outlay	-	17,000	7,648	9,352
Total Expenditures	206,753	986,386	952,038	34,348
Excess of Revenues (Under) Expenditures	(102,661)	(78,074)	(79,415)	(1,341)
Fund Balances at Beginning of Year	146,549	146,549	146,549	-
Prior Year Encumbrances	72	72	72	-
Fund Balances at End of Year	\$ 43,960	\$ 68,547	\$ 67,206	\$ (1,341)

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, 2001

STREET AND PARKS BEAUTIFICATION FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Revenues:				
Investment Earnings	\$ -	\$ 225	\$ 619	\$ 394
Other All Revenue	411,700	411,700	4,765	(406,935)
Total Revenue	411,700	411,925	5,384	(406,541)
Expenditures:				
Current:				
Community Environment				
Construction Services				
Other	71,422	71,422	13,422	58,000
Capital Outlay	375,000	375,000	289	374,711
Total Expenditures	446,422	446,422	13,711	432,711
Excess of Revenues (Under) Expenditures	(34,722)	(34,497)	(8,327)	26,170
Other Financing Sources:				
Operating Transfers - In	25,000	25,000	-	(25,000)
Total Other Financing Sources	25,000	25,000	-	25,000
Excess of Revenues and Other Financing Sources (Under) Expenditures	(9,722)	(9,497)	(8,327)	1,170
Fund Balances at Beginning of Year	3,031	3,031	3,031	-
Prior Year Encumbrances	9,722	9,722	9,722	-
Fund Balances at End of Year	\$ 3,031	\$ 3,256	\$ 4,426	\$ 1,170

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, 2001

REFUSE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 2,193,000	\$ 2,193,000	\$ 2,178,314	\$ (14,686)
Other All Revenue	10,000	10,000	17,294	7,294
Total Revenue	2,203,000	2,203,000	2,195,608	(7,392)
Expenditures:				
Current:				
Basic Utility Services				
Public Works - Administration				
Personal Services	181,966	181,966	55,833	126,133
Other	2,239,338	2,239,338	2,203,639	35,699
Total Expenditures	2,421,304	2,421,304	2,259,472	161,832
Excess of Revenues (Under) Expenditures	(218,304)	(218,304)	(63,864)	154,440
Fund Balances at Beginning of Year	193,311	193,311	193,311	-
Prior Year Encumbrances	141,835	141,835	141,835	-
Fund Balances at End of Year	\$ 116,842	\$ 116,842	\$ 271,282	\$ 154,440

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, 2001

STREET MAINTENANCE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 2,115,000	\$ 2,115,000	\$ 1,822,845	\$ (292,155)
Licenses and Permits	392,500	392,500	386,291	(6,209)
Investment Earnings	50,000	50,000	54,143	4,143
Other All Revenue	11,000	11,000	24,380	13,380
Total Revenue	2,568,500	2,568,500	2,287,659	(280,841)
Expenditures:				
Current:				
Transportation				
Traffic Engineering				
Personal Services	1,293,257	1,292,957	1,233,640	59,317
Other	820,314	820,613	632,149	188,464
Capital Outlay	1,698,220	1,647,852	1,569,168	78,684
Total Expenditures	3,811,791	3,761,422	3,434,957	326,465
Excess of Revenues (Under) Expenditures	(1,243,291)	(1,192,922)	(1,147,298)	45,624
Other Financing Sources:				
Proceeds of Notes	400,000	400,000	-	(400,000)
Total Other Financing Sources	400,000	400,000	-	(400,000)
Excess of Revenues and Other Financing Sources Under Expenditures	(843,291)	(792,922)	(1,147,298)	(354,376)
Fund Balances at Beginning of Year	131,053	131,053	131,053	-
Prior Year Encumbrances	795,683	795,683	795,683	-
Fund Balances (Deficit) at End of Year	\$ 83,445	\$ 133,814	\$ (220,562)	\$ (354,376)

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, 2001

TRANSIT SYSTEM FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Transportation				
Traffic Engineering				
Other	384,500	446,500	446,000	500
Total Expenditures	384,500	446,500	446,000	500
Excess of Revenues Over (Under) Expenditures	(384,500)	(446,500)	(446,000)	500
Other Financing Sources:				
Operating Transfers - In	830,500	384,500	446,000	61,500
Total Other Financing Sources	830,500	384,500	446,000	61,500
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	446,000	(62,000)	-	62,000
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances (Deficit) at End of Year	\$ 446,000	\$ (62,000)	\$ -	\$ 62,000

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, 2001

MIAMI CONSERVANCY FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ 169,000	\$ 169,000	\$ 248,865	\$ 79,865
Total Revenue	169,000	169,000	248,865	79,865
Expenditures:				
Current:				
Community Environment				
Construction Services				
Other	253,262	259,262	258,796	466
Total Expenditures	253,262	259,262	258,796	466
Excess of Revenues (Under) Expenditures	(84,262)	(90,262)	(9,931)	80,331
Other Financing Sources:				
Operating Transfers - In	110,147	85,000	25,147	(59,853)
Total Other Financing Sources	110,147	85,000	25,147	(59,853)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	25,885	(5,262)	15,216	20,478
Fund Balances at Beginning of Year	8,592	8,592	8,592	-
Fund Balances at End of Year	\$ 34,477	\$ 3,330	\$ 23,808	\$ 20,478

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, 2001

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ -	\$ 2,527,780	\$ 2,089,036	\$ (438,744)
Investment Earnings	-	-	45,323	45,323
Other All Revenue	-	-	11,584	11,584
Total Revenue	-	2,527,780	2,145,943	(381,837)
Expenditures:				
Current:				
Community Environment				
Construction Services				
Personal Services	296,031	840,031	538,513	301,518
Other	4,213,204	6,425,252	2,309,621	4,115,631
Capital Outlay	-	7,018	12,416	(5,398)
Total Expenditures	4,509,235	7,272,301	2,860,550	4,411,751
Excess of Revenues (Under) Expenditures	(4,509,235)	(4,744,521)	(714,607)	4,029,914
Fund Balances at Beginning of Year	80,652	80,652	80,652	-
Prior Year Encumbrances	779,432	779,432	779,432	-
Fund Balances (Deficit) at End of Year	\$ (3,649,151)	\$ (3,884,437)	\$ 145,477	\$ 4,029,914

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, 2001

HOME PROGRAM FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Intergovernmental	\$ -	\$ 510,000	\$ 348,723	\$ (161,277)
Total Revenue	-	510,000	348,723	(161,277)
Expenditures:				
Current:				
Community Environment				
Construction Services				
Other	57,136	5,165	336,282	(331,117)
Total Expenditures	57,136	5,165	336,282	(331,117)
Excess of Revenues Over (Under) Expenditures	(57,136)	504,835	12,441	(492,394)
Other Financing Sources:				
Operating Transfers - In	74,250	74,250	-	(74,250)
Total Other Financing Sources	74,250	74,250	-	(74,250)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	17,114	579,085	12,441	(566,644)
Fund Balances at Beginning of Year	423,686	423,686	423,686	-
Prior Year Encumbrances	57,136	57,136	57,136	-
Fund Balances at End of Year	\$ 497,936	\$ 1,059,907	\$ 493,263	\$ (566,644)

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.

Since there is only one Debt Service Fund and the level of budgetary control is no greater than that presented in the combined financial statements, no additional financial statements are presented here.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Hamilton Capital Improvement Fund

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

Capital Projects Fund

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

Special Assessment Fund

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

Municipal Improvement Tax Increment Equivalent (MITIE) Fund

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

Hamilton Enterprise Park Fund

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

Central Business District Streetscape Improvements Fund

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

Issue II Projects Fund

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

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECT FUND
DECEMBER 31, 2001**

	Hamilton Capital Improvement	Capital Projects	Special Assessment
Assets:			
Cash and Cash Equivalents	\$ 253,280	\$ 40,908	\$ 201,792
Investments	1,591,403	257,030	1,267,898
Receivables (net of allowances for doubtful accounts)			
Taxes-Real & Personal Property	-	-	-
Taxes-Municipal Income	381,671	-	-
Restricted Assets:			
Cash and Cash Equivalents	-	23,572	-
Total Assets	\$ 2,226,354	\$ 321,510	\$ 1,469,690
Liabilities and Fund Equity:			
Liabilities:			
Accounts Payable	\$ 34,556	\$ 135,335	\$ 28,046
Accrued Liabilities	72,147	-	-
Interfund Payable	-	-	-
Accrued Interest Payable	-	61,180	8,487
Deferred Revenue	-	-	-
General Obligation Notes Payable	-	960,000	-
Special Assessment Notes Payable	-	-	1,835,000
Total Liabilities	106,703	1,156,515	1,871,533
Fund Equity:			
Fund Balance:			
Reserved for Encumbrances	141,809	204,609	559,864
Unreserved:			
Undesignated (Deficit)	1,977,842	(1,039,614)	(961,707)
Total Fund Equity (Deficit)	2,119,651	(835,005)	(401,843)
Total Liabilities and Fund Equity	\$ 2,226,354	\$ 321,510	\$ 1,469,690

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECT FUND
DECEMBER 31, 2001**

MITIE	Hamilton Enterprise Park	Central Business District Streetscape Improvements	Issue II Projects	Totals
\$ 19,439	\$ -	\$ 26,850	\$ -	\$ 542,269
122,137	-	168,710	-	3,407,178
-				
146,800	-	-	-	146,800
-	-	-	-	381,671
-	287,000	-	-	310,572
<u>\$ 288,376</u>	<u>\$ 287,000</u>	<u>\$ 195,560</u>	<u>\$ -</u>	<u>\$ 4,788,490</u>
\$ 75	\$ 208	\$ -	\$ -	\$ 198,220
-	-	-	-	72,147
-	201,573	-	379,404	580,977
6,708	79,285	15,593	-	171,253
146,800	-	-	-	146,800
820,000	4,490,000	883,000	-	7,153,000
-	-	-	-	1,835,000
<u>973,583</u>	<u>4,771,066</u>	<u>898,593</u>	<u>379,404</u>	<u>10,157,397</u>
-	574	101,252	109,422	1,117,530
<u>(685,207)</u>	<u>(4,484,640)</u>	<u>(804,285)</u>	<u>(488,826)</u>	<u>(6,486,437)</u>
<u>(685,207)</u>	<u>(4,484,066)</u>	<u>(703,033)</u>	<u>(379,404)</u>	<u>(5,368,907)</u>
<u>\$ 288,376</u>	<u>\$ 287,000</u>	<u>\$ 195,560</u>	<u>\$ -</u>	<u>\$ 4,788,490</u>

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Hamilton Capital Improvement	Capital Projects	Special Assessment
<u>Revenues:</u>			
Municipal Income Tax	\$ 1,973,893	\$ -	\$ -
Property and Other Taxes	-	-	-
Intergovernmental	81,992	-	-
Investment Income	1,221	365	5,408
Special Assessments	-	-	200,539
Other	20,012	597,265	39,072
	<hr/>	<hr/>	<hr/>
Total Revenue	2,077,118	597,630	245,019
<u>Expenditures:</u>			
Capital Outlay	692,150	1,009,516	630,474
Debt Service:			
Interest and Fiscal Charges	-	151,550	116,157
	<hr/>	<hr/>	<hr/>
Total Expenditures	692,150	1,161,066	746,631
Excess of Revenues Over (Under) Expenditures	1,384,968	(563,436)	(501,612)
<u>Other Financing Sources (Uses):</u>			
Proceeds of Notes	-	-	1,290,000
Sale of Fixed Assets	326,655	-	-
Operating Transfers - In	400,000	3,865,331	2,831,003
Operating Transfers - Out	(1,732,101)	-	(2,833,588)
	<hr/>	<hr/>	<hr/>
Total Other Sources (Uses)	(1,005,446)	3,865,331	1,287,415
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	379,522	3,301,895	785,803
Fund Balances (Deficit) at Beginning of Year	1,740,129	(4,136,900)	(1,187,646)
	<hr/>	<hr/>	<hr/>
Fund Balance at End of the Year	<u>\$ 2,119,651</u>	<u>\$ (835,005)</u>	<u>\$ (401,843)</u>

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

MITIE	Hamilton Enterprise Park	Central Business District Streetscape Improvements	Issue II Projects	Totals
\$ -	\$ -	\$ -	\$ -	\$ 1,973,893
145,449	-	-	-	145,449
-	-	40,000	291,688	413,680
173	-	240	-	7,407
-	-	-	-	200,539
-	-	-	-	656,349
145,622	-	40,240	291,688	3,397,317
424	33,489	355,867	265,339	2,987,259
(6,496)	157,067	43,478	-	461,756
(6,072)	190,556	399,345	265,339	3,449,015
151,694	(190,556)	(359,105)	26,349	(51,698)
-	-	-	-	1,290,000
-	-	-	-	326,655
44,765	489,778	759,740	232,986	8,623,603
(463,059)	(244,889)	(332,492)	(232,986)	(5,839,115)
(418,294)	244,889	427,248	-	4,401,143
(266,600)	54,333	68,143	26,349	4,349,445
(418,607)	(4,538,399)	(771,176)	(405,753)	(9,718,352)
<u>\$ (685,207)</u>	<u>\$ (4,484,066)</u>	<u>\$ (703,033)</u>	<u>\$ (379,404)</u>	<u>\$ (5,368,907)</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, 2001

HAMILTON CAPITAL IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Income Taxes	\$ 1,973,000	\$ 1,973,000	\$ 1,995,243	\$ 22,243
Charges for Services	240,000	240,000	-	(240,000)
Other All Revenue	-	-	20,012	20,012
Total Revenue	2,213,000	2,213,000	2,015,255	(197,745)
<u>Expenditures:</u>				
Capital Outlay	864,657	1,231,627	1,070,339	161,288
Total Expenditures	864,657	1,231,627	1,070,339	(80,644)
Excess of Revenues Over Expenditures	1,348,343	981,373	944,916	(117,101)
<u>Other Financing Sources (Uses):</u>				
Proceeds of Notes	400,000	-	400,000	400,000
Sale of Fixed Assets	389,655	63,000	326,655	263,655
Operating Transfers - Out	(3,916,960)	(2,184,859)	(1,732,101)	(452,758)
Total Other Financing Sources (Uses)	(3,127,305)	(2,121,859)	(1,005,446)	1,116,413
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(1,778,962)	(1,140,486)	(60,530)	1,079,956
Fund Balances at Beginning of Year	1,421,632	1,421,632	1,421,632	-
Prior Year Encumbrances	304,957	304,957	304,957	-
Fund Balances (Deficit) at End of Year	\$ (52,373)	\$ 586,103	\$ 1,666,059	\$ 1,079,956

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, 2001

CAPITAL PROJECTS FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Other All Revenue	\$ -	\$ 333,670	\$ 597,265	\$ 263,595
Total Revenue	-	333,670	597,265	263,595
<u>Expenditures:</u>				
Capital Outlay	910,923	1,020,979	983,614	37,365
Total Expenditures	910,923	1,020,979	983,614	(18,683)
Excess of Revenues Under Expenditures	(910,923)	(687,309)	(386,349)	282,278
<u>Other Financing Sources:</u>				
Operating Transfers - In	230,000	317,400	-	(317,400)
Total Other Financing Sources	230,000	317,400	-	(317,400)
Excess of Revenues and Other Financing Sources Under Expenditures	(680,923)	(369,909)	(386,349)	(35,123)
Fund Balances at Beginning of Year	105,571	105,571	105,571	-
Prior Year Encumbrances	601,923	601,923	601,923	-
Fund Balances at End of Year	<u>\$ 26,571</u>	<u>\$ 337,585</u>	<u>\$ 321,145</u>	<u>\$ (35,123)</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, 2001

SPECIAL ASSESSMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Investment Earnings	\$ -	\$ -	\$ 3,608	\$ 3,608
Fines and Forfeitures	300,000	300,000	200,539	(99,461)
Other All Revenue	-	-	39,072	39,072
Total Revenue	300,000	300,000	243,219	(56,781)
Expenditures:				
Capital Outlay	2,039,622	2,039,623	1,360,932	678,691
Total Expenditures	2,039,622	2,039,623	1,360,932	(339,346)
Excess of Revenues Under Expenditures	(1,739,622)	(1,739,623)	(1,117,713)	282,565
Other Financing Sources (Uses):				
Proceeds of Notes	4,955,000	2,930,000	3,125,000	195,000
Operating Transfers - Out	(3,954,591)	(2,221,003)	(2,833,588)	(612,585)
Total Other Financing Sources (Uses)	1,000,409	708,997	291,412	(417,585)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(739,213)	(1,030,626)	(826,301)	(135,021)
Fund Balances at Beginning of Year	523,441	523,441	523,441	-
Prior Year Encumbrances	1,194,022	1,194,022	1,194,022	-
Fund Balances at End of Year	\$ 978,250	\$ 686,837	\$ 891,162	\$ (135,021)

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, 2001

MITIE FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$ 160,000	\$ 160,000	\$ 145,449	\$ (14,551)
Total Revenue	160,000	160,000	145,449	(14,551)
<u>Expenditures:</u>				
Capital Outlay	79,110	79,155	500	78,655
Total Expenditures	79,110	79,155	500	(39,328)
Excess of Revenues Over Expenditures	80,890	80,845	144,949	24,777
<u>Other Financing Sources (Uses):</u>				
Operating Transfers - In	77,765	33,000	44,765	11,765
Operating Transfers - Out	(166,118)	(83,059)	(83,059)	-
Total Other Financing Sources (Uses)	(88,353)	(50,059)	(38,294)	11,765
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(7,463)	30,786	106,655	36,542
Fund Balances (Deficit) at Beginning of Year	(43,362)	(43,362)	(43,362)	-
Prior Year Encumbrances	78,110	78,110	78,110	-
Fund Balances at End of Year	<u>\$ 27,285</u>	<u>\$ 65,534</u>	<u>\$ 141,403</u>	<u>\$ 36,542</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, 2001

HAMILTON ENTERPRISE PARK FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	438,984	438,984	202,355	236,629
Total Expenditures	438,984	438,984	202,355	(118,315)
Excess of Revenues Under Expenditures	(438,984)	(438,984)	(202,355)	118,315
Other Financing Sources (Uses):				
Sale of Fixed Assets	900,000	900,000	-	(900,000)
Operating Transfers - In	502,665	257,776	244,889	(12,887)
Operating Transfers - Out	(502,665)	(257,776)	(244,889)	12,887
Total Other Financing Sources (Uses)	900,000	900,000	-	(900,000)
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	461,016	461,016	(202,355)	(781,686)
Fund Balances at Beginning of Year	88,016	88,016	88,016	-
Prior Year Encumbrances	198,984	198,984	198,984	-
Fund Balances (Deficit) at End of Year	<u>\$ 748,016</u>	<u>\$ 748,016</u>	<u>\$ 84,645</u>	<u>\$ (781,686)</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, 2001

CENTRAL BUSINESS DISTRICT STREETScape IMPROVEMENT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 40,000	\$ (10,000)
Total Revenue	50,000	50,000	40,000	(10,000)
<u>Expenditures:</u>				
Capital Outlay	862,951	862,951	812,952	49,999
Total Expenditures	862,951	862,951	812,952	(25,000)
Excess of Revenues Under Expenditures	(812,951)	(812,951)	(772,952)	15,000
<u>Other Financing Sources (Uses):</u>				
Operating Transfers - In	664,984	332,492	332,492	-
Operating Transfers - Out	(664,984)	(332,492)	(332,492)	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(812,951)	(812,951)	(772,952)	15,000
Fund Balances at Beginning of Year	54,068	54,068	54,068	-
Prior Year Encumbrances	812,951	812,951	812,951	-
Fund Balances at End of Year	<u>\$ 54,068</u>	<u>\$ 54,068</u>	<u>\$ 94,067</u>	<u>\$ 15,000</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, 2001

ISSUE II PROJECT FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 2,320,634	\$ 2,320,634	\$ 291,688	\$ (2,028,946)
Total Revenue	<u>2,320,634</u>	<u>2,320,634</u>	<u>291,688</u>	<u>(2,028,946)</u>
<u>Expenditures:</u>				
Capital Outlay	<u>2,297,634</u>	<u>2,297,634</u>	<u>547,528</u>	<u>1,750,106</u>
Total Expenditures	<u>2,297,634</u>	<u>2,297,634</u>	<u>547,528</u>	<u>(875,053)</u>
Excess of Revenues Over (Under) Expenditures	23,000	23,000	(255,840)	(1,153,893)
<u>Other Financing Sources (Uses):</u>				
Operating Transfers - In	379,404	400,000	379,404	(20,596)
Operating Transfers - Out	<u>(232,986)</u>	<u>(232,990)</u>	<u>(232,986)</u>	<u>4</u>
Total Other Financing Sources (Uses)	<u>146,418</u>	<u>167,010</u>	<u>146,418</u>	<u>(20,592)</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	169,418	190,010	(109,422)	(299,432)
Fund Balances (Deficit) at Beginning of Year	(586,934)	(586,934)	(586,934)	-
Prior Year Encumbrances	<u>586,934</u>	<u>586,934</u>	<u>586,934</u>	<u>-</u>
Fund Balances (Deficit) at End of Year	<u>\$ 169,418</u>	<u>\$ 190,010</u>	<u>\$ (109,422)</u>	<u>\$ (299,432)</u>

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, whereby the intent of the City is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City has decided that periodic determination of net income is appropriate for accountability purposes.

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.

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.

THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 2001

	Gas	Electric	Water
Assets:			
Cash and Cash Equivalents	\$ 500,529	\$ 1,130,281	\$ 1,405,334
Investments	3,135,492	7,101,732	8,829,982
Receivables (net of allowances for doubtful accounts)			
Accounts	3,985,231	5,777,620	1,331,989
Interest	92,470	201,175	169,861
Due from Other Funds	5,000	5,000	5,000
Inventory of Supplies at Cost	121,110	1,029,231	117,285
Prepaid Items	79,692	686,427	79,627
Restricted Assets:			
Cash and Cash Equivalents	1,433,473	15,268,857	4,159,128
Investments	2,830,748	7,202,528	2,524,430
Bond Issuance Costs	257,719	1,792,696	659,044
Property, Plant and Equipment	56,826,935	331,431,673	94,151,381
Construction in Progress	443,346	4,768,390	1,780,603
Less: Accumulated Depreciation	(18,083,595)	(176,265,602)	(26,239,743)
 Total Assets	 <u>\$ 51,628,150</u>	 <u>\$ 200,130,008</u>	 <u>\$ 88,973,921</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts Payable	\$ 2,525,097	\$ 2,026,044	\$ 755,532
Accrued Wages and Benefits	39,850	316,877	96,105
Due to Other Funds	331,476	331,476	331,476
Intergovernmental Payable	6,214	49,800	15,208
Due to Others	-	1,831	-
Accrued Interest Payable	172,110	2,524,219	699,369
Customer Deposits Payable	391,682	328,520	75,363
Deferred Revenue	-	-	-
Compensated Absences Payable	355,705	1,991,194	700,219
General Obligation Bonds Payable	-	-	-
Ohio Water Development Authority Loans Payable	-	-	-
Revenue Bonds Payable	16,396,990	190,985,157	50,683,409
 Total Liabilities	 <u>20,219,124</u>	 <u>198,555,118</u>	 <u>53,356,681</u>
Fund Equity:			
Contributed Capital	1,674,912	6,439,526	12,885,352
Retained Earnings:			
Reserved:			
Unreserved (Deficit)	29,734,114	(4,864,636)	22,731,888
 Total Fund Equity	 <u>31,409,026</u>	 <u>1,574,890</u>	 <u>35,617,240</u>
 Total Liabilities and Fund Equity	 <u>\$ 51,628,150</u>	 <u>\$ 200,130,008</u>	 <u>\$ 88,973,921</u>

**THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 2001**

Wastewater	Parking	Golf Course	Central Park Sports Arena	Totals
\$ 1,558,578	\$ 1,571	\$ 42,725	\$ 11,520	\$ 4,650,538
9,792,879	7,031	268,554	68,518	29,204,188
1,457,357	1,792	225	-	12,554,214
195,925	-	4,967	-	664,398
5,000	-	-	-	20,000
1,207	-	1,097	-	1,269,930
80,164	10,249	8,152	1,169	945,480
1,774,815	-	-	-	22,636,273
3,502,670	-	-	-	16,060,376
292,159	-	3,744	-	3,005,362
84,027,104	3,743,188	5,194,258	692,067	576,066,606
812,938	-	-	-	7,805,277
(34,752,104)	(2,405,676)	(2,609,693)	(689,077)	(261,045,490)
<u>\$ 68,748,692</u>	<u>\$ 1,358,155</u>	<u>\$ 2,914,029</u>	<u>\$ 84,197</u>	<u>\$ 413,837,152</u>
\$ 470,959	\$ 22,737	\$ 7,441	\$ 139	\$ 5,807,949
81,499	16,409	9,825	-	560,565
331,477	-	-	-	1,325,905
13,137	2,699	2,708	-	89,766
-	-	-	-	1,831
681,962	8,150	15,136	-	4,100,946
73,823	1,730	-	-	871,118
-	-	8,860	-	8,860
646,113	140,871	91,309	-	3,925,411
-	815,000	1,785,807	-	2,600,807
8,159,483	-	-	-	8,159,483
28,784,138	-	-	-	286,849,694
<u>39,242,591</u>	<u>1,007,596</u>	<u>1,921,086</u>	<u>139</u>	<u>314,302,335</u>
11,396,475	2,492,935	-	-	34,889,200
<u>18,109,626</u>	<u>(2,142,376)</u>	<u>992,943</u>	<u>84,058</u>	<u>64,645,617</u>
<u>29,506,101</u>	<u>350,559</u>	<u>992,943</u>	<u>84,058</u>	<u>99,534,817</u>
<u>\$ 68,748,692</u>	<u>\$ 1,358,155</u>	<u>\$ 2,914,029</u>	<u>\$ 84,197</u>	<u>\$ 413,837,152</u>

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Gas</u>	<u>Electric</u>	<u>Water</u>
<u>Operating Revenues:</u>			
Charges for Services	\$ 28,788,774	\$ 50,348,731	\$ 16,658,370
Other Operating Revenues	34,469	1,199,690	113,872
Total Operating Revenues	<u>28,823,243</u>	<u>51,548,421</u>	<u>16,772,242</u>
<u>Operating Expenses:</u>			
Personal Services	1,033,302	8,221,143	2,515,398
Materials and Supplies	174,054	1,671,554	1,243,998
Contractual Services	131,744	3,315,898	2,594,374
Purchase of Gas and Electric	20,797,121	17,104,274	-
Depreciation	1,768,261	9,746,742	1,796,096
Other Operating Expenses	3,170,599	3,757,159	2,208,083
Total Operating Expenses	<u>27,075,081</u>	<u>43,816,770</u>	<u>10,357,949</u>
Operating Income (Loss)	1,748,162	7,731,651	6,414,293
<u>Non-Operating Revenues (Expenses):</u>			
Investment Earnings	389,248	1,638,750	937,045
Interest and Fiscal Charges	(980,035)	(12,442,870)	(3,479,980)
Gain (Loss) on Disposal of Fixed Assets	(52,266)	(318,604)	(21,082)
Total Non-Operating Revenues (Expenses)	<u>(643,053)</u>	<u>(11,122,724)</u>	<u>(2,564,017)</u>
Income (Loss) Before Operating Transfers	1,105,109	(3,391,073)	3,850,276
<u>Operating Transfers:</u>			
Operating Transfers In	-	-	-
Total Operating Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	1,105,109	(3,391,073)	3,850,276
Add: Depreciation Charged to Contributed Capital	54,749	174,041	326,540
Retained Earnings (Deficit) Beginning of Year	<u>28,574,256</u>	<u>(1,647,604)</u>	<u>18,555,072</u>
Retained Earnings (Deficit) End of Year	<u>\$ 29,734,114</u>	<u>\$ (4,864,636)</u>	<u>\$ 22,731,888</u>

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Wastewater	Parking	Golf Course	Central Park Sports Arena	Totals
\$ 11,625,635	\$ 607,956	\$ 1,037,094	\$ 63,442	\$ 109,130,002
56,880	20,277	29,118	9,110	1,463,416
-				
11,682,515	628,233	1,066,212	72,552	110,593,418
2,217,982	446,689	454,034	-	14,888,548
452,421	24,059	199,172	608	3,765,866
1,241,597	54,184	170,269	34,995	7,543,061
-	-	-	-	37,901,395
2,286,365	30,418	73,950	12,608	15,714,440
3,769,869	89,027	78,148	-	13,072,885
9,968,234	644,377	975,573	48,211	92,886,195
1,714,281	(16,144)	90,639	24,341	17,707,223
948,249	195	20,182	-	3,933,669
(2,273,117)	(51,400)	(98,794)	-	(19,326,196)
19,078	-	-	-	(372,874)
(1,305,790)	(51,205)	(78,612)	-	(15,765,401)
408,491	(67,349)	12,027	24,341	1,941,822
-	85,493	-	-	85,493
-	85,493	-	-	85,493
408,491	18,144	12,027	24,341	2,027,315
569,281	-	-	-	1,124,611
17,131,854	(2,160,520)	980,916	59,717	61,493,691
<u>\$ 18,109,626</u>	<u>\$ (2,142,376)</u>	<u>\$ 992,943</u>	<u>\$ 84,058</u>	<u>\$ 64,645,617</u>

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Gas</u>	<u>Electric</u>	<u>Water</u>
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 32,564,754	\$ 51,483,269	\$ 16,811,945
Cash Paid for Employee Services and Benefits	(1,028,654)	(8,082,657)	(2,491,691)
Cash Paid to Suppliers for Goods and Services	(30,724,722)	(27,151,929)	(5,904,023)
Other Operating Revenues	33,847	1,187,743	98,240
Other Operating Expenses	(15)	-	-
Net Cash Provided by (Used for) Operating Activities	<u>845,210</u>	<u>17,436,426</u>	<u>8,514,471</u>
Cash Flows from Noncapital Financing Activities:			
Operating Transfers-out to Other Funds	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds of General Obligation Notes	1,200,000	-	-
Proceeds from Sale of Assets	-	-	-
Acquisition and Construction of Assets	(555,169)	(3,749,840)	(2,162,824)
Principal Paid on General Obligation Notes	(1,200,000)	(900,000)	-
Principal Paid on General Obligation Bonds	-	-	-
Principal Paid on Mortgage Revenue Bonds	(640,000)	(3,775,000)	(1,285,000)
Principal Paid on Ohio Water Development Authority Loans	-	-	-
Interest Paid on All Debt	(925,794)	(12,070,975)	(3,350,356)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(2,120,963)</u>	<u>(20,495,815)</u>	<u>(6,798,180)</u>
Cash Flows from Investing Activities:			
Purchase of Investments	(5,966,240)	(14,304,260)	(11,417,412)
Sale of Investments	7,117,350	28,822,455	13,105,003
Interest and Dividends	402,803	1,829,303	952,361
Net Cash Provided By Investing Activities	<u>1,553,913</u>	<u>16,347,498</u>	<u>2,639,952</u>
Net Increase (Decrease) in Cash and Cash Equivalents	278,160	13,288,109	4,356,243
Cash and Cash Equivalents at Beginning of Year	<u>1,655,842</u>	<u>3,111,029</u>	<u>1,208,219</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,934,002</u>	<u>\$ 16,399,138</u>	<u>\$ 5,564,462</u>

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Wastewater	Parking	Golf Course	Central Park Sports Arena	Totals
\$ 11,777,527	\$ 604,529	\$ 1,041,919	\$ 63,605	\$ 114,347,548
(2,190,095)	(454,405)	(894,223)	-	(15,141,725)
(6,052,247)	(149,464)	-	(42,130)	(70,024,515)
53,248	17,530	28,866	9,110	1,428,584
-	(2,081)	-	-	(2,096)
<u>3,588,433</u>	<u>16,109</u>	<u>176,562</u>	<u>30,585</u>	<u>30,607,796</u>
-	85,493	-	-	85,493
-	85,493	-	-	85,493
-	-	-	-	1,200,000
19,078	-	-	-	19,078
(911,804)	-	(20,706)	-	(7,400,343)
-	-	-	-	(2,100,000)
-	(50,000)	(125,000)	-	(175,000)
(760,000)	-	-	-	(6,460,000)
(483,845)	-	-	-	(483,845)
<u>(2,264,793)</u>	<u>(51,900)</u>	<u>(93,013)</u>	<u>-</u>	<u>(18,756,831)</u>
<u>(4,401,364)</u>	<u>(101,900)</u>	<u>(238,719)</u>	<u>-</u>	<u>(34,156,941)</u>
(13,334,981)	(7,031)	(269,959)	(68,518)	(45,368,401)
14,446,161	7,046	301,425	41,702	63,841,142
1,003,655	195	21,728	-	4,210,045
<u>2,114,835</u>	<u>210</u>	<u>53,194</u>	<u>(26,816)</u>	<u>22,682,786</u>
1,301,904	(88)	(8,963)	3,769	19,219,134
<u>2,031,489</u>	<u>1,659</u>	<u>51,688</u>	<u>7,751</u>	<u>8,067,677</u>
<u>\$ 3,333,393</u>	<u>\$ 1,571</u>	<u>\$ 42,725</u>	<u>\$ 11,520</u>	<u>\$ 27,286,811</u>

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Gas	Electric	Water
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ 1,748,162	\$ 7,731,651	\$ 6,414,293
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation Expense	1,768,261	9,746,742	1,796,096
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	3,775,365	1,124,634	137,950
Decrease in Due From Other Funds	-	493	-
(Increase) Decrease in Materials and Supplies Inventories	53,910	(129,452)	49,103
(Increase) in Prepaid Items	(33,041)	(125,646)	(28,292)
Increase in Intergovernmental Payables	6,214	49,800	15,208
Increase (Decrease) in Accounts Payables	(6,411,838)	(759,477)	194,512
Increase in Accrued Wages and Benefits	7,085	52,829	17,112
Increase in Compensated Absences Payable	5,978	145,550	30,181
Increase in Customer Deposits	40,655	37,385	7,691
Increase in Due to Other Funds	(115,541)	(437,384)	(119,383)
Increase (Decrease) in Deferred Revenue	-	-	-
(Decrease) in Due to Others	-	(699)	-
Total Adjustments	(902,952)	9,704,775	2,100,178
Net Cash Provided by (Used for) Operating Activities	\$ 845,210	\$ 17,436,426	\$ 8,514,471

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2001, the Gas, Electric, Water and Wastewater Funds had outstanding liabilities of \$57,199, \$125,970, \$147,379, and \$204,775 respectively for certain capital assets.

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

<u>Wastewater</u>	<u>Parking</u>	<u>Golf Course</u>	<u>Central Park Sports Arena</u>	<u>Totals</u>
\$ 1,714,281	\$ (16,144)	\$ 90,639	\$ 24,341	\$ 17,707,223
2,286,365	30,418	73,950	12,608	15,714,440
148,267	(401)	2,962	163	5,188,940
-	-	-	-	493
(130)	-	2,110	-	(24,459)
(33,101)	(4,634)	(4,101)	(73)	(228,888)
13,137	2,699	2,708	-	89,766
(690,900)	11,746	(2,746)	(6,454)	(7,665,157)
8,042	3,444	2,184	-	90,696
39,034	(6,976)	7,673	-	221,440
8,000	1,730	-	-	95,461
95,438	-	-	-	(576,870)
-	(4,818)	1,683	-	(3,135)
-	(955)	(500)	-	(2,154)
<u>1,874,152</u>	<u>32,253</u>	<u>85,923</u>	<u>6,244</u>	<u>12,900,573</u>
<u>\$ 3,588,433</u>	<u>\$ 16,109</u>	<u>\$ 176,562</u>	<u>\$ 30,585</u>	<u>\$ 30,607,796</u>

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, 2001

GAS FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 28,035,976	\$ 32,035,976	\$ 32,564,754	\$ 528,778
Proceeds of Notes	-	1,200,000	1,200,000	-
Sale of Fixed Assets	4,000	4,000	-	(4,000)
Interest	750,000	750,000	416,410	(333,590)
Deposit Received	10,000	10,000	-	(10,000)
Other Operating Revenues	32,700	32,700	33,847	1,147
Total Revenues	28,832,676	34,032,676	34,215,011	182,335
Expenses:				
Personal Services	1,233,704	1,256,629	1,028,654	227,975
Contractual Services	1,299,309	1,278,515	748,334	530,181
Materials and Supplies	148,351	146,220	65,574	80,646
Capital Outlay	3,463,870	4,433,872	2,479,027	1,954,845
Purchase of Gas and Electric	20,428,687	24,428,687	29,494,825	(5,066,138)
Other Operating Expenses	2,936,546	2,936,546	2,913,810	22,736
Debt Service:				
Principal Retirement	640,000	1,840,000	1,840,000	-
Interest and Fiscal Charges	925,794	925,794	925,794	-
Total Expenses	31,076,261	37,246,263	39,496,018	(2,249,755)
Excess (Deficiency) of Revenues Over (Under) Expenses	(2,243,585)	(3,213,587)	(5,281,007)	(2,067,420)
Fund Equity at Beginning of Year	8,202,671	8,202,671	8,202,671	-
Prior Year Encumbrances	571,625	571,625	571,625	-
Fund Equity at End of Year	\$ 6,530,711	\$ 5,560,709	\$ 3,493,289	\$ (2,067,420)

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, 2001

ELECTRIC FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Charges for Services	\$ 55,761,140	\$ 55,761,140	\$ 51,483,269	\$ (4,277,871)
Proceeds of Notes	6,400,000	6,400,000	-	(6,400,000)
Sale of Fixed Assets	150,000	150,000	-	(150,000)
Interest	850,000	850,000	1,805,010	955,010
Deposit Received	2,000	2,000	-	(2,000)
Other Operating Revenues	85,000	85,000	1,187,743	1,102,743
Total Revenues	63,248,140	63,248,140	54,476,022	(8,772,118)
<u>Expenses:</u>				
Personal Services	8,445,780	8,445,780	8,083,407	362,373
Contractual Services	5,969,394	6,347,382	5,224,462	1,122,920
Materials and Supplies	2,844,297	2,485,098	1,902,722	582,376
Capital Outlay	7,129,275	7,147,285	5,049,750	2,097,535
Purchase of Gas and Electric	23,242,423	23,191,481	20,464,339	2,727,142
Other Operating Expenses	3,520,193	3,538,257	3,527,377	10,880
Debt Service:				
Principal Retirement	4,675,000	4,675,000	4,675,000	-
Interest and Fiscal Charges	16,018,770	16,018,770	12,070,974	3,947,796
Total Expenses	71,845,132	71,849,053	60,998,031	10,851,022
Excess (Deficiency) of Revenues Over (Under) Expenses	(8,596,992)	(8,600,913)	(6,522,009)	2,078,904
Fund Equity at Beginning of Year	24,253,496	24,253,496	24,253,496	-
Prior Year Encumbrances	3,662,219	3,662,219	3,662,219	-
Fund Equity at End of Year	\$ 19,318,723	\$ 19,314,802	\$ 21,393,706	\$ 2,078,904

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, 2001

WATER FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 16,557,441	\$ 16,557,441	\$ 16,811,945	\$ 254,504
Sale of Fixed Assets	2,000	2,000	-	(2,000)
Interest	435,000	435,000	861,307	426,307
Deposits Received	50,000	50,000	-	(50,000)
Other Operating Revenues	12,550	12,550	98,240	85,690
Total Revenues	17,056,991	17,056,991	17,771,492	714,501
Expenses:				
Personal Services	3,050,002	3,050,002	2,491,691	558,311
Contractual Services	4,652,178	4,670,178	3,717,143	953,035
Materials and Supplies	1,878,479	1,860,479	1,259,821	600,658
Capital Outlay	7,281,480	7,281,480	3,733,514	3,547,966
Other Operating Expenses	2,652,442	2,652,442	2,555,420	97,022
Debt Service:				
Principal Retirement	1,285,000	1,285,000	1,285,000	-
Interest and Fiscal Charges	4,211,427	4,211,427	3,350,356	861,071
Total Expenses	25,011,008	25,011,008	18,392,945	6,618,063
Excess (Deficiency) of Revenues Over (Under) Expenses	(7,954,017)	(7,954,017)	(621,453)	7,332,564
Fund Equity at Beginning of Year	11,888,230	11,888,230	11,888,230	-
Prior Year Encumbrances	2,446,112	2,446,112	2,446,112	-
Fund Equity at End of Year	\$ 6,380,325	\$ 6,380,325	\$ 13,712,889	\$ 7,332,564

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, 2001

WASTEWATER FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 11,735,680	\$ 11,735,680	\$ 11,777,527	\$ 41,847
Sale of Fixed Assets	6,200	6,200	19,078	12,878
Interest	900,000	900,000	1,003,656	103,656
Deposits Received	2,000	2,000	-	(2,000)
Other Operating Revenues	3,500	3,500	53,248	49,748
Total Revenues	12,647,380	12,647,380	12,853,509	206,129
Expenses:				
Personal Services	2,813,361	2,817,361	2,190,095	627,266
Contractual Services	2,338,575	2,329,992	1,681,108	648,884
Materials and Supplies	665,968	670,551	549,157	121,394
Capital Outlay	6,367,200	6,367,202	4,356,168	2,011,034
Other Operating Expenses	2,820,868	2,820,868	2,525,906	294,962
Debt Service:				
Principal Retirement	1,243,846	1,243,846	1,243,846	-
Interest and Fiscal Charges	2,767,040	2,767,039	2,264,793	502,246
Total Expenses	19,016,858	19,016,859	14,811,073	4,205,786
Deficiency of Revenues Under Expenses	(6,369,478)	(6,369,479)	(1,957,564)	4,411,915
Fund Equity at Beginning of Year	12,914,890	12,914,890	12,914,890	-
Prior Year Encumbrances	3,532,084	3,532,084	3,532,084	-
Fund Equity at End of Year	\$ 10,077,496	\$ 10,077,495	\$ 14,489,410	\$ 4,411,915

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, 2001

PARKING FUND

	Budget		Actual	Variance
	Initial	Final		Positive (Negative)
Revenues:				
Charges for Services	\$ 727,610	\$ 727,610	\$ 604,529	\$ (123,081)
Interest	5,000	5,000	195	(4,805)
Other Operating Revenues	400	400	17,530	17,130
Total Revenues	733,010	733,010	622,254	(110,756)
Expenses:				
Personal Services	466,681	466,741	454,405	12,336
Contractual Services	69,068	69,083	58,806	10,277
Deposit Refunds	100	100	2,081	(1,981)
Materials and Supplies	15,125	15,050	6,912	8,138
Capital Outlay	8,750	8,750	3,750	5,000
Other Operating Expenses	116,739	116,739	98,027	18,712
Debt Service:				
Principal Retirement	50,000	50,000	50,000	-
Interest and Fiscal Charges	51,900	51,900	51,900	-
Total Expenses	778,363	778,363	725,881	52,482
Deficiency of Revenues Under Expenses	(45,353)	(45,353)	(103,627)	(58,274)
Operating Transfers - In	25,200	145,200	85,493	(59,707)
Exces (Deficiency) of Revenues Over (Under) Expenses and Operating Transfers	(20,153)	99,847	(18,134)	(117,981)
Fund Equity (Deficit) at Beginning of Year	(12,118)	(12,118)	(12,118)	-
Prior Year Encumbrances	20,373	20,373	20,373	-
Fund Equity (Deficit) at End of Year	\$ (11,898)	\$ 108,102	\$ (9,879)	\$ (117,981)

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, 2001

GOLF COURSE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 1,206,660	\$ 1,206,660	\$ 1,041,919	\$ (164,741)
Interest	15,000	15,000	21,728	6,728
Other Operating Revenues	3,000	3,000	28,866	25,866
Total Revenues	1,224,660	1,224,660	1,092,513	(132,147)
Expenses:				
Personal Services	482,389	482,389	446,482	35,907
Contractual Services	234,873	222,245	179,855	42,390
Materials and Supplies	192,175	191,003	191,607	(604)
Capital Outlay	96,000	109,800	34,733	75,067
Other Operating Expenses	71,896	71,896	64,838	7,058
Debt Service:				
Principal Retirement	125,000	125,000	125,000	-
Interest and Fiscal Charges	93,013	93,013	93,013	-
Total Expenses	1,295,346	1,295,346	1,135,528	159,818
Deficiency of Revenues Under Expenses	(70,686)	(70,686)	(43,015)	27,671
Fund Equity at Beginning of Year	337,038	337,038	337,038	-
Prior Year Encumbrances	16,075	16,075	16,075	-
Fund Equity at End of Year	\$ 282,427	\$ 282,427	\$ 310,098	\$ 27,671

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, 2001

CENTRAL PARK SPORTS ARENA FUND

	Budget		Actual	Variance Postive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 27,400	\$ 27,400	\$ 63,605	\$ 36,205
Other Operating Revenues	27,000	27,000	9,110	(17,890)
Total Revenues	54,400	54,400	72,715	18,315
Expenses:				
Contractual Services	41,090	41,090	41,661	(571)
Materials and Supplies	1,000	1,000	469	531
Capital Outlay	10,000	10,000	-	10,000
Total Expenses	52,090	52,090	42,130	9,960
Excess of Revenues Over Expenses	2,310	2,310	30,585	(28,275)
Fund Equity at Beginning of Year	47,613	47,613	47,613	-
Prior Year Encumbrances	1,240	1,240	1,240	-
Fund Equity at End of Year	\$ 51,163	\$ 51,163	\$ 79,438	\$ (28,275)

INTERNAL SERVICE FUNDS

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

Fleet Maintenance Fund

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

Central Services Fund

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

Central Benefits Fund

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

**THE CITY OF HAMILTON! OHIO
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
DECEMBER 31, 2001**

<u>Assets:</u>	Fleet Maintenance	Central Services	Central Benefits	Totals
Cash and Cash Equivalents	\$ 27,733	\$ -	\$ 53,333	\$ 81,066
Investments	174,258	-	335,094	509,352
Due from Other Funds	94,186	1,123,346	416,302	1,633,834
Inventory of Supplies at Cost	9,826	-	-	9,826
Prepaid Items	-	5,444	35,864	41,308
Property, Plant and Equipment	302,480	-	-	302,480
Less: Accumulated Depreciation	(179,722)	-	-	(179,722)
Total Assets	\$ 428,761	\$ 1,128,790	\$ 840,593	\$ 2,398,144
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$ 102,765	\$ 301,957	\$ 840,593	\$ 1,245,315
Accrued Wages and Benefits	26,163	136,054	-	162,217
Intergovernmental Payable	4,231	25,414	-	29,645
Compensated Absences Payable	163,018	665,365	-	828,383
Total Liabilities	296,177	1,128,790	840,593	2,265,560
Fund Equity:				
Retained Earnings:				
Reserved:				
Unreserved	132,584	-	-	132,584
Total Fund Equity	132,584	-	-	132,584
Total Liabilities and Fund Equity	\$ 428,761	\$ 1,128,790	\$ 840,593	\$ 2,398,144

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Fleet Maintenance	Central Services	Central Benefits	Totals
Operating Revenues:				
Charges for Services	\$ 1,376,227	\$ 4,902,491	\$ -	\$ 6,278,718
Other Operating Revenues	11,655	-	9,164,350	9,176,005
Total Operating Revenues	1,387,882	4,902,491	9,164,350	15,454,723
Operating Expenses:				
Personal Services	685,597	4,151,770	9,092,942	13,930,309
Materials and Supplies	464,899	439,078	-	903,977
Contractual Services	184,048	1,015,791	-	1,199,839
Depreciation	57,460	-	-	57,460
Other Operating Expenses	12,166	184,176	-	196,342
Total Operating Expenses	1,404,170	5,790,815	9,092,942	16,287,927
Operating Loss	(16,288)	(888,324)	71,408	(833,204)
Non-Operating Revenues:				
Investment Earnings	247	-	476	723
Net Income (Loss)	(16,041)	(888,324)	71,884	(832,481)
Retained Earnings (Deficit) Beginning of Year	148,625	888,324	(71,884)	965,065
Retained Earnings End of Year	\$ 132,584	\$ -	\$ -	\$ 132,584

**THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Fleet Maintenance	Central Service	Central Benefits	Totals
Increase (Decrease) in Cash and Cash Equivalents				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$ 1,551,810	\$ 5,542,178	\$ 8,748,048	\$ 15,842,036
Cash Paid for Employee Services and Benefits	(684,559)	(4,050,670)	(8,892,072)	(13,627,301)
Cash Paid to Suppliers for Goods and Services	(601,577)	(1,491,508)	-	(2,093,085)
Other Operating Revenues	11,655	-	-	11,655
Net Cash Provided by (Used for) Operating Activities	277,329	-	(144,024)	133,305
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(97,292)	-	-	(97,292)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(97,292)	-	-	(97,292)
<u>Cash Flows from Investing Activities:</u>				
Purchase of Investments	(174,011)	-	(334,618)	(508,629)
Sale of Investments	18,530	-	454,122	472,652
Net Cash Provided By Investing Activities	(155,481)	-	119,504	(35,977)
Net Increase (Decrease) in Cash and Cash Equivalents	24,556	-	(24,520)	36
Cash and Cash Equivalents at Beginning of Year	3,177	-	77,853	81,030
Cash and Cash Equivalents at End of Year	<u>\$ 27,733</u>	<u>\$ -</u>	<u>\$ 53,333</u>	<u>\$ 81,066</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ (16,288)	\$ (888,324)	\$ 71,408	\$ (833,204)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation Expense	57,460	-	-	57,460
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	-	15	-	15
Decrease in Due From Other Funds	175,583	639,672	(416,302)	398,953
(Increase) Decrease in Materials and Supplies Inventories	3,956	-	-	3,956
(Increase) in Prepaid Items	-	(5,444)	(35,864)	(41,308)
Increase in Intergovernmental Payables	4,231	25,414	-	29,645
Increase (Decrease) in Accounts Payables	37,827	120,602	236,734	395,163
Increase in Accrued Wages and Benefits	4,164	31,626	-	35,790
Increase in Compensated Absences Payable	10,396	76,439	-	86,835
Total Adjustments	293,617	888,324	(215,432)	966,509
Net Cash Provided by (Used for) Operating Activities	<u>\$ 277,329</u>	<u>\$ -</u>	<u>\$ (144,024)</u>	<u>\$ 133,305</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, 2001

FLEET MAINTENANCE FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
Revenues:				
Charges for Services	\$ 2,332,557	\$ 2,332,557	\$ 1,551,810	\$ (780,747)
Other Operating Revenues	-	-	11,655	11,655
Total Revenues	2,332,557	2,332,557	1,563,465	(769,092)
Expenses:				
Personal Services	870,134	870,135	684,923	185,212
Contractual Services	399,315	431,616	256,917	174,699
Materials and Supplies	496,012	451,701	427,548	24,153
Capital Outlay	625,392	637,391	143,462	493,929
Other Operating Expenses	4,000	4,000	3,816	184
Total Expenses	2,394,853	2,394,843	1,516,666	878,177
Excess of Revenues Over Expenses	(62,296)	(62,286)	46,799	(109,085)
Fund Equity (Deficit) at Beginning of Year	(40,589)	(40,589)	(40,589)	-
Prior Year Encumbrances	62,296	62,296	62,296	-
Fund Equity (Deficit) at End of Year	\$ (40,589)	\$ (40,579)	\$ 68,506	\$ (109,085)

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, 2001

CENTRAL SERVICES FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Charges for Services	\$ 6,196,140	\$ 6,327,281	\$ 5,542,178	\$ (785,103)
Total Revenues	6,196,140	6,327,281	5,542,178	(785,103)
<u>Expenses:</u>				
Personal Services	4,574,810	4,498,570	4,058,140	440,430
Contractual Services	1,788,197	1,679,948	1,397,293	282,655
Materials and Supplies	204,974	183,883	184,368	(485)
Capital Outlay	126,494	464,061	471,961	(7,900)
Other Operating Expenses	25,800	25,750	18,617	7,133
Total Expenses	6,720,275	6,852,212	6,130,379	721,833
Excess (Deficiency) of Revenues Over (Under) Expenses	(524,135)	(524,931)	(588,201)	63,270
Fund Equity (Deficit) at Beginning of Year	(524,135)	(524,135)	(524,135)	-
Prior Year Encumbrances	524,135	524,135	524,135	-
Fund Equity (Deficit) at End of Year	<u>\$ (524,135)</u>	<u>\$ (524,931)</u>	<u>\$ (588,201)</u>	<u>\$ 63,270</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, 2001

CENTRAL BENEFITS FUND

	Budget		Actual	Variance Positive (Negative)
	Initial	Final		
<u>Revenues:</u>				
Other Operating Revenues	\$ 8,400,000	\$ 8,850,000	\$ 8,748,162	\$ (101,838)
Total Revenues	8,400,000	8,850,000	8,748,162	(101,838)
<u>Expenses:</u>				
Personal Services	8,475,000	8,925,000	8,899,072	25,928
Total Expenses	8,475,000	8,925,000	8,899,072	25,928
Deficiency of Revenues Under Expenses	(75,000)	(75,000)	(150,910)	(75,910)
Fund Equity at Beginning of Year	456,861	456,861	456,861	-
Prior Year Encumbrances	75,000	75,000	75,000	-
Fund Equity at End of Year	<u>\$ 456,861</u>	<u>\$ 456,861</u>	<u>\$ 380,951</u>	<u>\$ (75,910)</u>

NONEXPENDABLE TRUST 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.

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
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 2001**

	Nonexpendable Trust Fund			Agency Funds		
	Benninghoffen Trust	Travel Advance	Employee Taxes and Benefits	Ohio Board of Building Standards Assessments	Miscellaneous Collections for Others	Tax Collections
Assets:						
Cash and Cash Equivalents	\$ 421	\$ 2,497	\$ 23,325	\$ 130	\$ 1,038	\$ 82,802
Investments	80,183	15,670	146,346	812	6,510	519,520
Receivables (net of allowances for doubtful accounts)	-	-	-	-	-	-
Taxes-Real & Personal Property Accounts	-	4,873	-	-	-	-
Interest	349	-	-	-	-	-
Total Assets	\$ 80,953	\$ 23,040	\$ 169,671	\$ 942	\$ 7,548	\$ 602,322
Liabilities and Fund Equity:						
Liabilities:						
Due to Other Funds	\$ -	\$ 23,040	\$ -	\$ -	\$ -	\$ -
Intergovernmental Payable	-	-	169,671	942	7,548	602,322
Due to Others	-	-	-	-	-	-
Total Liabilities	-	23,040	169,671	942	7,548	602,322
Fund Equity:						
Reserved for Endowments	80,953	-	-	-	-	-
Total Fund Equity	80,953	-	-	-	-	-
Total Liabilities and Fund Equity	\$ 80,953	\$ 23,040	\$ 169,671	\$ 942	\$ 7,548	\$ 602,322

**THE CITY OF HAMILTON, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 2001**

Butler County Annexation Tax	Fire Damage Deposit Escrow	Municipal Court	Rounding Up Utility Account	Convention and Visitor's Bureau	Hamilton Central Business Special Improvement District	Joint Economic Development District	Totals
\$ 5,402	\$ 10,544	\$ 433,641	\$ 91	\$ 94	\$ -	\$ 1,145	\$ 561,130
33,892	67,293	-	570	589	-	7,254	878,639
-	-	-	-	-	34,050	-	34,050
-	-	-	-	-	-	-	4,873
-	-	-	-	-	-	-	349
<u>\$ 39,294</u>	<u>\$ 77,837</u>	<u>\$ 433,641</u>	<u>\$ 661</u>	<u>\$ 683</u>	<u>\$ 34,050</u>	<u>\$ 8,399</u>	<u>\$ 1,479,041</u>
\$ -	\$ -	\$ 85,194	\$ -	\$ -	\$ -	\$ -	\$ 108,234
39,294	-	-	-	-	34,050	-	853,827
-	77,837	348,447	661	683	-	8,399	436,027
<u>39,294</u>	<u>77,837</u>	<u>433,641</u>	<u>661</u>	<u>683</u>	<u>34,050</u>	<u>8,399</u>	<u>1,398,088</u>
-	-	-	-	-	-	-	80,953
-	-	-	-	-	-	-	80,953
<u>\$ 39,294</u>	<u>\$ 77,837</u>	<u>\$ 433,641</u>	<u>\$ 661</u>	<u>\$ 683</u>	<u>\$ 34,050</u>	<u>\$ 8,399</u>	<u>\$ 1,479,041</u>

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance December 31, 2000	Additions	Deductions	Balance December 31, 2001
<u>Travel Advance Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 2,599	\$ 2,497	\$ 2,599	\$ 2,497
Investments	15,157	15,670	15,157	15,670
Accounts Receivable	5,284	4,873	5,284	4,873
Total Assets	<u>\$ 23,040</u>	<u>\$ 23,040</u>	<u>\$ 23,040</u>	<u>\$ 23,040</u>
Liabilities:				
Due to Other Funds	\$ 23,040	\$ 23,040	\$ 23,040	\$ 23,040
Total Liabilities	<u>\$ 23,040</u>	<u>\$ 23,040</u>	<u>\$ 23,040</u>	<u>\$ 23,040</u>
<u>Employee Taxes and Benefits Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 40,592	\$ 23,325	\$ 40,592	\$ 23,325
Investments	236,717	146,346	236,717	146,346
Due from Other Funds	23	-	23	-
Total Assets	<u>\$ 277,332</u>	<u>\$ 169,671</u>	<u>\$ 277,332</u>	<u>\$ 169,671</u>
Liabilities:				
Intergovernmental Payable	\$ 277,332	\$ 169,671	\$ 277,332	\$ 169,671
Total Liabilities	<u>\$ 277,332</u>	<u>\$ 169,671</u>	<u>\$ 277,332</u>	<u>\$ 169,671</u>
<u>Ohio Board of Building Standards Assessment Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 46	\$ 130	\$ 46	\$ 130
Investments	267	812	267	812
Total Assets	<u>\$ 313</u>	<u>\$ 942</u>	<u>\$ 313</u>	<u>\$ 942</u>
Liabilities:				
Intergovernmental Payable	\$ 313	\$ 942	\$ 313	\$ 942
Total Liabilities	<u>\$ 313</u>	<u>\$ 942</u>	<u>\$ 313</u>	<u>\$ 942</u>
<u>Miscellaneous Collections for Others Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 1,105	\$ 1,038	\$ 1,105	\$ 1,038
Investments	6,443	6,510	6,443	6,510
Total Assets	<u>\$ 7,548</u>	<u>\$ 7,548</u>	<u>\$ 7,548</u>	<u>\$ 7,548</u>
Liabilities:				
Intergovernmental Payable	\$ 7,548	\$ 7,548	\$ 7,548	\$ 7,548
Total Liabilities	<u>\$ 7,548</u>	<u>\$ 7,548</u>	<u>\$ 7,548</u>	<u>\$ 7,548</u>

THE CITY OF HAMILTON! OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance December 31, 2000	Additions	Deductions	Balance December 31, 2001
<u>Tax Collection Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 68,976	\$ 82,802	\$ 68,976	\$ 82,802
Investments	402,239	519,520	402,239	519,520
Total Assets	<u>\$ 471,215</u>	<u>\$ 602,322</u>	<u>\$ 471,215</u>	<u>\$ 602,322</u>
Liabilities:				
Due to Other Funds	\$ 43,214	\$ -	\$ 43,214	\$ -
Intergovernmental Payable	428,001	602,322	428,001	602,322
Total Liabilities	<u>\$ 471,215</u>	<u>\$ 602,322</u>	<u>\$ 471,215</u>	<u>\$ 602,322</u>
<u>Butler County Annexation Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 4,963	\$ 5,402	\$ 4,963	\$ 5,402
Investments	28,943	33,892	28,943	33,892
Total Assets	<u>\$ 33,906</u>	<u>\$ 39,294</u>	<u>\$ 33,906</u>	<u>\$ 39,294</u>
Liabilities:				
Intergovernmental Payable	\$ 33,906	\$ 39,294	\$ 33,906	\$ 39,294
Total Liabilities	<u>\$ 33,906</u>	<u>\$ 39,294</u>	<u>\$ 33,906</u>	<u>\$ 39,294</u>
<u>Fire Damage Deposit Escrow Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 15,025	\$ 10,544	\$ 15,025	\$ 10,544
Investments	87,621	67,293	87,621	67,293
Total Assets	<u>\$ 102,646</u>	<u>\$ 77,837</u>	<u>\$ 102,646</u>	<u>\$ 77,837</u>
Liabilities:				
Due to Others	\$ 102,646	\$ 77,837	\$ 102,646	\$ 77,837
Total Liabilities	<u>\$ 102,646</u>	<u>\$ 77,837</u>	<u>\$ 102,646</u>	<u>\$ 77,837</u>
<u>Municipal Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 363,204	\$ 433,641	\$ 363,204	\$ 433,641
Total Assets	<u>\$ 363,204</u>	<u>\$ 433,641</u>	<u>\$ 363,204</u>	<u>\$ 433,641</u>
Liabilities:				
Due to Other Funds	\$ 106,121	\$ 85,194	\$ 106,121	\$ 85,194
Due to Others	257,083	348,447	257,083	348,447
Total Liabilities	<u>\$ 363,204</u>	<u>\$ 433,641</u>	<u>\$ 363,204</u>	<u>\$ 433,641</u>

THE CITY OF HAMILTON, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance December 31, 2000	Additions	Deductions	Balance December 31, 2001
<u>Convention and Visitor's Bureau</u>				
Assets:				
Cash and Cash Equivalents	\$ -	\$ 94	\$ -	\$ 94
Investments	-	589	-	589
Total Assets	<u>\$ -</u>	<u>\$ 683</u>	<u>\$ -</u>	<u>\$ 683</u>
Liabilities:				
Due to Others	\$ -	\$ 683	\$ -	\$ 683
Total Liabilities	<u>\$ -</u>	<u>\$ 683</u>	<u>\$ -</u>	<u>\$ 683</u>
<u>Hamilton Central Business Special Improvement District</u>				
Assets:				
Taxes Receivable	\$ -	\$ 34,050	\$ -	\$ 34,050
Total Assets	<u>\$ -</u>	<u>\$ 34,050</u>	<u>\$ -</u>	<u>\$ 34,050</u>
Liabilities:				
Intergovernmental Payable	\$ -	\$ 34,050	\$ -	\$ 34,050
Total Liabilities	<u>\$ -</u>	<u>\$ 34,050</u>	<u>\$ -</u>	<u>\$ 34,050</u>
<u>Joint Economic Development District Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 3,953	\$ 1,239	\$ 3,953	\$ 1,239
Investments	23,054	7,843	23,054	7,843
Total Assets	<u>\$ 27,007</u>	<u>\$ 9,082</u>	<u>\$ 27,007</u>	<u>\$ 9,082</u>
Liabilities:				
Due to Others	\$ 27,007	\$ 9,082	\$ 27,007	\$ 9,082
Total Liabilities	<u>\$ 27,007</u>	<u>\$ 9,082</u>	<u>\$ 27,007</u>	<u>\$ 9,082</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$ 500,577	\$ 560,803	\$ 500,577	\$ 560,803
Investments	801,108	799,045	801,108	799,045
Taxes Receivable	-	34,050	-	34,050
Accounts Receivable	5,284	4,873	5,284	4,873
Due from Other Funds	23	-	23	-
Total Assets	<u>\$ 1,306,992</u>	<u>\$ 1,398,771</u>	<u>\$ 1,306,992</u>	<u>\$ 1,398,771</u>
Liabilities:				
Due to Other Funds	\$ 172,375	\$ 108,234	\$ 172,375	\$ 108,234
Intergovernmental Payable	747,100	819,777	747,100	819,777
Due to Others	387,517	470,760	387,517	470,760
Total Liabilities	<u>\$ 1,306,992</u>	<u>\$ 1,398,771</u>	<u>\$ 1,306,992</u>	<u>\$ 1,398,771</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Funds.

CITY OF HAMILTON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2001

General Fixed Assets:

Land	\$16,174,672
Buildings and Improvements	31,296,988
Machinery and Equipment	15,797,538
Construction in Progress	562,790
Other Real Estate Held for Development	3,710,434
Infrastructure	<u>156,230,615</u>
 Total General Fixed Assets	 <u><u>\$223,773,037</u></u>

Investment in General Fixed Assets from:

General Fund	\$4,571,574
Special Revenue Funds	32,041,852
Capital Projects Funds	166,993,004
Enterprise Funds	8,578,120
Federal Grants	5,020,793
Donations	<u>6,567,694</u>
 Total Investment in General Fixed Assets	 <u><u>\$223,773,037</u></u>

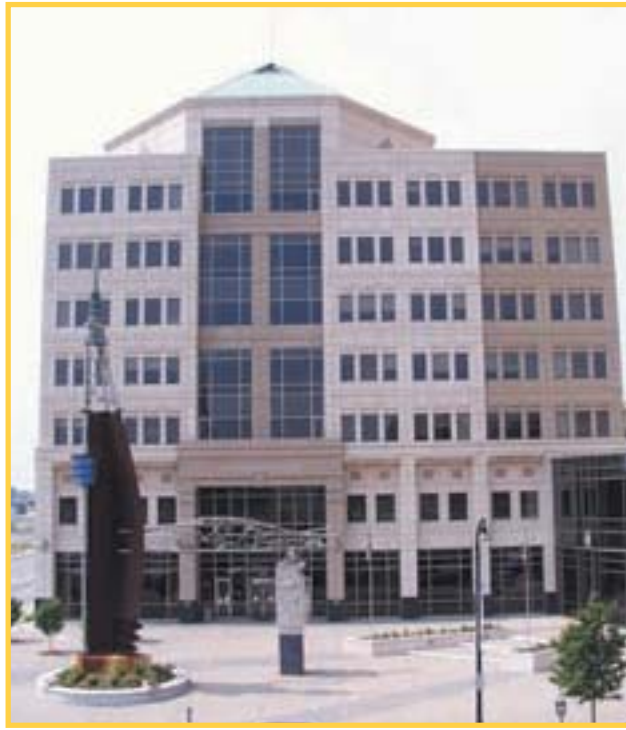
THE CITY OF HAMILTON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 2001

Function and Activity	Land	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Total
Judicial and Executive	\$3,837,953	\$22,610,375	\$3,124,746	\$6,053	\$29,579,127
Highways and Streets	0	273,146	2,988,338	248,432	3,509,916
Public Safety	989,261	3,743,053	7,155,007	0	11,887,321
Public Health and Welfare	5,433	0	263,825	0	269,258
Culture and Recreation	7,673,622	4,670,414	2,168,619	308,305	14,820,960
Community Environment	3,668,403	0	97,003	0	3,765,406
General Fixed Assets	<u>\$16,174,672</u>	<u>\$31,296,988</u>	<u>\$15,797,538</u>	<u>\$562,790</u>	<u>\$63,831,988</u>
Other Real Estate Held for Development					<u>\$3,710,434</u>
Infrastructure					<u>\$156,230,615</u>
Grand Total General Fixed Assets					<u>\$223,773,037</u>

THE CITY OF HAMILTON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
DECEMBER 31, 2001

Function and Activity	December 31, 2000	Transfers	Additions	Deletions	December 31, 2001
Judicial and Executive	\$10,082,937	(\$698)	\$19,587,755	\$90,868	\$29,579,126
Highways and Streets	3,343,677	(2,219)	225,755	57,297	3,509,916
Public Safety	11,485,110	698	690,630	289,118	11,887,320
Public Health and Welfare	260,896	2,219	43,096	36,952	269,259
Culture and Recreation	14,179,363	0	738,766	97,169	14,820,960
Community Environment	3,758,230	0	7,176	0	3,765,406
General Fixed Assets	<u>43,110,213</u>	<u>0</u>	<u>21,293,178</u>	<u>571,403</u>	<u>63,831,988</u>
Other Real Estate Held for Developm	<u>3,710,434</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,710,434</u>
Infrastructure	<u>153,976,673</u>	<u>0</u>	<u>2,253,942</u>	<u>0</u>	<u>156,230,615</u>
Total General Fixed Assets	<u>\$200,797,320</u>	<u>\$0</u>	<u>\$23,547,120</u>	<u>\$571,403</u>	<u>\$223,773,037</u>





STATISTICAL



STATISTICAL TABLES

The following unaudited Statistical Tables present certain additional financial and non-financial data.

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)	Debt Service	Total
1992	\$13,917,243	\$640,658	\$1,123,050	\$1,087,899	\$2,125,005	\$3,070,715	\$9,023,309	\$1,892,025	\$20,840,011	\$53,719,915
1993	13,587,021	632,800	1,151,682	1,306,353	2,088,808	2,256,845	9,394,991	1,887,406	20,971,272	53,277,178
1994	14,468,796	2,913,613	1,397,297	0	4,819,135	1,238,846	9,958,161	3,040,982	3,625,981	41,462,811
1995	15,624,439	3,073,314	1,485,478	66,066	5,900,557	1,071,857	9,170,916	1,070,189	3,182,977	40,645,793
1996	15,716,657	3,017,153	1,468,547	61,924	6,784,559	342,109	8,779,209	1,696,716	3,061,114	40,927,988
1997	18,885,473	1,038,463	1,386,498	3,273,987	3,264,559	5,399,901	3,541,693	1,956,916	585,447	39,332,937
1998	20,917,547	929,468	1,450,428	3,857,752	3,417,779	3,798,017	3,492,456	2,516,661	629,772	41,009,880
1999	22,079,479	1,154,362	1,500,132	3,879,197	3,158,679	3,918,044	3,533,137	3,614,661	4,508,442	47,346,133
2000	22,349,299	1,215,849	1,599,615	3,640,741	2,796,244	3,350,283	3,841,536	2,866,976	832,265	42,492,808
2001	22,798,051	2,161,815	1,415,071	3,746,743	3,389,930	2,730,692	3,928,799	23,306,559	1,421,468	64,899,128

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

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

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

Year	Taxes	Inter-Governmental Revenue	Charges for Services	Licenses and Permits	Investment Earnings	Fines and Forfeitures	All Other (2)	Total
1992	\$24,595,082	\$4,327,201	\$2,925,421	\$622,693	\$103,167	\$695,847	\$22,502,407	\$55,771,818
1993	25,925,714	3,400,246	4,518,765	664,243	314,331	514,687	22,343,297	57,681,283
1994	15,368,366	4,142,285	4,515,569	600,926	253,422	608,297	483,196	25,972,061
1995	15,528,335	4,282,817	5,195,183	599,973	511,457	662,971	150,780	26,931,516
1996	16,059,615	4,601,477	4,426,482	606,551	552,151	615,249	245,099	27,106,624
1997	18,966,520	11,471,057	6,942,969	1,017,654	899,697	892,594	688,179	40,878,670
1998	19,602,814	12,017,253	7,286,856	1,019,662	1,220,528	916,683	895,279	42,959,075
1999	21,248,690	9,806,368	8,174,945	1,293,759	989,936	1,017,607	1,077,633	43,608,938
2000	20,895,497	10,713,545	8,056,032	960,091	1,056,397	1,171,498	1,037,049	43,890,109
2001	21,886,425	11,599,589	8,849,078	1,312,984	918,035	1,147,797	1,040,689	46,754,597

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

(2) Includes Special Assessment Revenue

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

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
1992	\$2,426,247	\$2,389,030	\$91,256	\$2,480,286	102.23%	\$97,442	4.02%
1993	2,422,831	2,367,786	81,165	2,448,951	101.08%	71,327	2.94%
1994	2,699,976	2,572,493	56,676	2,629,169	97.38%	142,134	5.26%
1995	2,717,436	2,696,442	76,578	2,773,020	102.05%	86,550	3.18%
1996	3,049,455	2,914,580	84,427	2,999,007	98.35%	136,978	4.49%
1997	2,715,612	2,650,487	92,675	2,743,162	101.01%	109,428	4.03%
1998	2,915,612	2,718,937	110,001	2,828,938	97.03%	196,102	6.73%
1999	2,985,053	2,928,559	122,993	3,051,552	102.23%	129,603	4.34%
2000	3,363,382	3,271,126	130,947	3,402,073	101.15%	90,912	2.70%
2001	3,432,023	3,498,609	127,505	3,626,114	105.66%	103,179	3.01%

Source: Butler County Auditor

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

<u>Year Paid</u>	<u>Amount</u>
1992	\$497,377
1993	459,700
1994	486,598
1995	476,494
1996	485,725
1997	532,307
1998	409,138
1999	556,065
2000	434,993
2001	633,901

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	
1992	\$450,376,680	\$1,286,790,514	\$28,121,020	\$31,955,705	\$99,377,577	\$382,221,450	\$577,875,277	\$1,700,967,669	33.97%
1993	504,321,010	1,440,917,171	28,486,820	32,371,386	92,514,316	370,057,264	625,322,146	1,843,345,822	33.92%
1994	508,531,960	1,452,948,457	28,643,430	32,549,352	94,840,921	379,363,684	632,016,311	1,864,861,493	33.89%
1995	524,709,430	1,499,169,800	26,260,830	29,841,852	93,278,298	373,113,192	644,248,558	1,902,124,844	33.87%
1996	542,950,510	1,551,287,171	24,232,980	27,537,477	98,464,254	393,857,016	665,647,744	1,972,681,665	33.74%
1997	568,209,450	1,623,455,571	23,056,940	26,201,068	116,728,432	466,913,728	707,994,822	2,116,570,368	33.45%
1998	579,622,630	1,656,064,657	22,567,390	25,644,761	81,266,104	325,064,416	683,456,124	2,006,773,835	34.06%
1999	657,229,440	1,877,798,400	21,454,090	24,379,648	108,159,070	432,636,280	786,842,600	2,334,814,327	33.70%
2000	674,764,310	1,927,898,029	18,059,140	20,521,750	111,312,933	445,251,732	804,136,383	2,393,671,511	33.59%
2001	690,521,670	1,972,919,057	16,165,160	18,369,500	112,737,677	450,950,708	819,424,507	2,442,239,264	33.55%

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				Total City	Hamilton City School District		Butler County
	General Fund	Police Pension Fund	Fire Pension Fund	Miami Conservancy Fund		School District	Butler County	
1992	4.21	0.30	0.30	0.30	5.11	36.91	7.45	
1993	4.21	0.30	0.30	0.30	5.11	36.91	7.45	
1994	4.21	0.30	0.30	0.30	5.11	43.81	7.44	
1995	4.21	0.30	0.30	0.30	5.11	43.81	7.45	
1996	4.21	0.30	0.30	0.30	5.11	43.81	7.44	
1997	4.21	0.30	0.30	0.25	5.06	43.81	8.44	
1998	4.21	0.30	0.30	0.25	5.06	43.81	8.45	
1999	4.21	0.30	0.30	0.25	5.06	43.81	8.44	
2000	4.21	0.30	0.30	0.25	5.06	48.21	8.45	
2001	4.21	0.30	0.30	0.25	5.06	48.21	8.44	

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
1992	\$141,448	\$123,060	87.0%
1993	161,638	142,103	87.9%
1994	149,046	135,014	90.6%
1995	155,527	142,475	91.6%
1996	257,325	213,543	83.0%
1997	337,449	271,821	80.6%
1998	398,531	329,817	82.8%
1999	421,687	397,229	94.2%
2000	515,884	471,352	91.4%
2001	591,153	520,791	88.1%

Source: Butler County Auditor

**THE CITY OF HAMILTON/ OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2001**

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$819,424,507	\$819,424,507
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	86,039,573	45,068,348
Applicable City Debt Outstanding (2)	13,938,000	13,938,000
Less: Applicable Debt Service Fund Amounts	(303,282)	(303,282)
Net Indebtedness Subject to Limitation	13,634,718	13,634,718
Legal Debt Margin	\$72,404,855	\$31,433,630

- (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.

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
1992	62,314	\$577,878,277	\$1,525,500	\$275,158	\$1,250,342	0.22%	\$20.07
1993	62,278	625,322,146	1,384,000	284,803	1,099,197	0.18%	17.65
1994	62,558	632,016,311	1,930,000	283,344	1,646,656	0.26%	26.32
1995	62,117	644,248,558	1,675,000	319,084	1,355,916	0.21%	21.83
1996	61,833	665,647,744	1,410,000	367,136	1,042,864	0.16%	16.87
1997	61,100	707,994,822	1,135,000	414,740	720,260	0.10%	11.79
1998	61,100	683,456,124	845,000	459,894	385,106	0.06%	6.30
1999	61,810	786,842,600	3,905,000	460,275	3,444,725	0.44%	55.73
2000	60,690	804,136,383	3,640,000	501,743	3,138,257	0.39%	51.71
2001	60,690	819,424,507	3,365,000	303,282	3,061,718	0.37%	50.45

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
1992	\$141,500	\$142,999	\$284,499	\$53,719,915	0.53%
1993	141,500	212,416	353,916	53,277,178	0.66%
1994	1,384,000 (1)	109,841	1,493,841	41,462,811	3.60%
1995	255,000	84,983	339,983	40,645,793	0.84%
1996	265,000	75,290	340,290	40,927,988	0.83%
1997	275,000	64,478	339,478	39,332,937	0.86%
1998	290,000	52,490	342,490	41,009,880	0.84%
1999	440,000	160,077	600,077	47,346,133	1.27%
2000	265,000	179,640	444,640	42,492,808	1.05%
2001	275,000	168,228	443,228	64,899,128	0.68%

(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, 2001**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Hamilton</u>	<u>Amount Applicable to City of Hamilton</u>
Direct			
City of Hamilton	\$13,634,718	100.00%	\$13,634,718
Overlapping Political Subdivisions			
Hamilton City School District	1,850,000	100.00%	1,850,000
Butler County	15,060,000	13.23%	1,992,438
		Subtotal	3,842,438
		Total	<u>\$17,477,156</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)
1992	\$23,194,386	\$20,694,688	\$2,499,698	\$0	0.00%
1993	24,641,183	21,760,939	2,880,244	0	0.00%
1994	23,671,505	19,916,867	3,754,638	1,410,284	2.66%
1995	23,423,461	18,747,975	4,675,486	1,771,993	2.64%
1996	25,905,396	22,452,558	3,452,838	1,755,044	1.97%
1997	25,125,121	22,386,943	2,738,178	1,771,384	1.55%
1998	20,689,395	17,784,751	2,904,644	1,757,241	1.65%
1999	19,044,722	15,301,145	3,743,577	1,771,241	2.11%
2000	23,638,431	20,683,361	2,955,070	1,751,866	1.69%
2001	31,784,477	25,467,356	6,317,121	1,403,844	4.50%

(1) Gross revenues include total operating revenues plus investment earnings
(2) Direct operating expenses include total operating expenses less depreciation
(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)
1992	\$39,222,890	\$21,214,427	\$18,008,463	\$12,102,750	1.49%
1993	44,833,608	26,325,023	18,508,585	14,672,181	1.26%
1994	40,165,086	24,320,192	15,844,894	13,180,484	1.20%
1995	42,881,644	23,281,958	19,599,686	13,065,778	1.50%
1996	42,508,123	25,902,788	16,605,335	13,474,296	1.23%
1997	41,872,341	25,137,850	16,734,491	13,437,022	1.25%
1998	46,193,083	28,323,561	17,869,522	14,708,761	1.21%
1999	45,550,193	28,847,567	16,702,626	14,714,560	1.14%
2000	49,147,330	27,817,326	21,330,004	14,536,132	1.47%
2001	52,584,410	34,295,218	18,289,192	14,813,659	1.23%

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

* Calculated in accordance with bond indenture.

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

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement (3)	Coverage (4)
1992	\$9,733,866	\$6,126,254	\$3,607,612	\$3,372,708	1.07%
1993	10,832,588	6,135,956	4,696,632	3,679,318	1.28%
1994	10,762,199	6,068,384	4,693,815	3,449,123	1.36%
1995	12,624,010	7,381,012	5,242,998	3,722,497	1.41%
1996	12,693,385	7,446,434	5,246,951	4,336,510	1.21%
1997	13,697,927	8,387,526	5,310,401	4,198,946	1.26%
1998	13,791,322	9,041,396	4,749,926	4,226,462	1.12%
1999	15,887,109	9,770,557	6,116,552	4,295,970	1.42%
2000	16,850,978	8,836,068	8,014,910	4,270,489	1.88%
2001	17,415,954	9,073,991	8,341,963	4,375,033	1.91%

(1) Gross revenues include total operating revenues plus investment earnings
(2) Direct operating expenses include total operating expenses less depreciation
(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 HAMILTONI 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)
1992	\$7,064,176	\$7,153,771	(\$89,595)	\$0	0.00%
1993	9,222,403	7,206,702	2,015,701	0	0.00%
1994	9,092,248	7,482,489	1,609,759	0	0.00%
1995	11,675,796	7,709,494	3,966,302	0	0.00%
1996	11,051,432	7,725,555	3,325,877	0	0.00%
1997	11,823,735	8,129,627	3,694,108	542,489	6.81%
1998	12,266,144	7,596,718	4,669,426	2,101,185	2.22%
1999	12,955,842	4,828,167	8,127,675	2,133,672	3.81%
2000	12,676,574	7,891,123	4,785,451	2,101,003	2.28%
2001	12,410,728	7,815,190	4,595,538	2,139,291	2.15%

- (1) Gross revenues include total operating revenues plus investment earnings
- (2) Direct operating expenses include total operating expenses less depreciation
- (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)
1992	62,314	303,652	6.6%	16,750	10,700
1993	62,278	308,767	6.5%	16,750	10,755
1994	62,558	315,933	5.3%	16,046	10,611
1995	62,117	319,665	4.0%	16,578	10,474
1996	61,833	323,579	4.1%	16,115	10,344
1997	61,100	328,263	3.5%	18,051	10,152
1998	61,100	331,065	3.3%	21,995	10,103
1999	61,810	334,011	3.2%	21,144	10,029
2000	60,690	332,807	3.5%	21,144	9,381
2001	60,690	332,807	3.3%	21,144	9,244

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
1992	473	\$9,502,667	280	\$14,667,635
1993	449	10,156,113	318	16,662,650
1994	497	14,042,863	325	33,878,637
1995	360	9,195,900	375	29,958,447
1996	458	12,550,042	343	30,334,552
1997	472	11,778,788	248	20,279,706
1998	498	15,934,533	311	35,895,828
1999	298	13,618,767	297	55,584,172
2000	385	20,498,066	366	52,709,312
2001	339	9,379,336	326	19,759,001

Source: City of Hamilton Building Department

**THE CITY OF HAMILTON! OHIO
PRINCIPAL TAXPAYERS (PROPERTY TAX)
DECEMBER 31, 2001**

	Taxpayer	Type of Business	2000 Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1	Smart Paper, LLC	Manufacturing	\$34,236,170	4.18%
2	Cincinnati Bell Telephone	Utility	10,232,470	1.25%
3	Thaneland Corporation	Manufacturing	9,228,990	1.13%
4	Meijer Inc.	Retail	6,748,860	0.82%
5	Cincinnati Gas & Electric	Utility	5,827,200	0.71%
6	First National Bank	Financial Institution	5,401,350	0.66%
7	Hoesch Suspensions	Manufacturing	5,172,189	0.63%
8	Berkeley Square	Retirement Community	5,047,110	0.62%
9	Mosler Inc.*	Manufacturing	4,790,910	0.58%
10	GE Engine Services	Manufacturing	3,751,540	0.46%
11	Hamilton Crossings	Retail	3,683,950	0.45%
		Sub - total	94,120,739	11.49%
		All Others	725,303,768	88.51%
		Total	\$819,424,507	100.00%

* Company declared bankruptcy in 2001.

** See Introductory Section for an update

Based on valuation of property taxes levied in 2000

Source: Butler County Auditor - Land and Buildings

**THE CITY OF HAMILTON/ OHIO
PRINCIPAL TAXPAYERS (INCOME TAX)
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

* See Introductory Section for an update
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
1992	\$12,323,452	\$1,987,654	\$1,590,123	\$15,901,229
1993	12,933,373	2,086,028	1,668,822	\$16,688,223
1994	12,952,615	2,089,131	1,671,305	\$16,713,051
1995	13,687,489	2,207,660	1,766,128	\$17,661,277
1996	14,028,222	2,262,616	1,810,093	\$18,100,931
1997	14,365,434	2,317,006	1,853,604	\$18,536,044
1998	15,276,222	2,463,907	1,971,125	\$19,711,254
1999	16,154,694	2,605,596	2,084,477	\$20,844,767
2000	15,999,528	2,580,569	2,064,455	\$20,644,552
2001	15,978,811	2,577,228	2,061,782	\$20,617,821

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

* - Voter Approved	0.80%
January 1, 1966	0.20%
June 1, 1970*	0.50%
June 1, 1984*	0.25%
June 1, 1990*	0.25%
Total Rate	<u>2.00%</u>

**THE CITY OF HAMILTON! OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2001**

	Employer	Type of Business	Number of Employees
1	Fort Hamilton Hospital	Healthcare	1200
2	Hamilton City School District	Education	1150
3	Butler County	Government	900
4	City of Hamilton	Government	715*
5	Smart Paper, LLC	Manufacturing	600
6	Valeo Climate Control	Manufacturing	365
7	Meijer, Inc.	Retail/Service	325
8	Ohio Casualty Group	Insurance	250
9	The Kroger Co.	Groceries	250
10	General Electric	Manufacturing	240
11	First National Bank of SW Ohio	Financial	230
12	International Paper	Manufacturing	230
13	Hamilton Fixture	Manufacturing	200
14	Miami University (Hamilton Campus)	Education	180

* City of Hamilton employs 686 permanent full-time, 4 permanent part-time, 29 temporary full-time and 35 temporary part-time

**THE CITY OF HAMILTON! OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2001**

Date of Incorporation
Latest Charter Effective
Form of Government

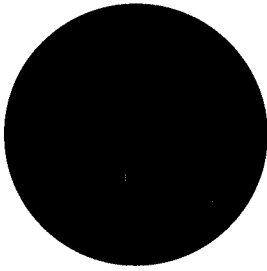
1810
January 1, 2001
Council/Mayor

Area (square miles)	21.5		
<u>Facilities and Services:</u>			
Miles of Streets	204		
Number of Street Lights	9,015		
<u>Police Services:</u>			
Number of Stations	1		
Number of Sworn Police Officers	118		
Number of Police Cruisers	38		
Number of Calls Answered	74,267		
Number of Law Violations:			
Misdemeanor Arrests	6,066		
Felony Arrests	1,218		
Traffic Citations Issued	15,240		
Parking Tickets Written	2,545		
<u>Fire/Emergency Medical Services:</u>			
Number of Stations	6		
Number of Officers, Firefighters/Paramedics	104		
Number of Calls Answered	9462		
Number of Inspections	2657		
<u>Health Care:</u>			
Number of Hospitals	2		
Number of Patient Beds	407		
<u>Education:</u>			
Elementary Schools	14		
Students	5,178		
Instructors	349		
Secondary Schools	4		
Students	4,203		
Instructors	238		
Colleges	1		
Students	2,713		
<u>Recreation and Culture:</u>			
Number of Parks	56		
Park Area (acres)	1,320		
<u>Number of Ball Fields:</u>			
Lighted	8		
Unlighted	34		
<u>Number of Tennis Courts:</u>			
Lighted	2		
Unlighted	5		
Number of Swimming Pools	5		
Number of Golf Courses	2		
Libraries	1		
<u>Parking:</u>			
Off Street Parking Garages	2		
Parking Levels	6.5		
Parking Spaces	756		
Average Daily Cars Parked	439		
Parking/Meters - On Street and Lots	944		

Source: Hamilton City Department Heads



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Department of Finance

City of Hamilton! Ohio
One Renaissance Center
345 High Street, Hamilton! Ohio 45011
Telephone 513 785-7150
Fax 513 785-7160

June 27, 2002

To Whom It May Concern:

The City of Hamilton, Ohio has issued a Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2001. Individuals desiring a copy of the CAFR may obtain the report by contacting Mr. George M. Gordon, Acting Director of Finance, at (513) 785-7170 or by requesting one by letter at the following address:

Mr. George M. Gordon
Acting Director of Finance
345 High Street
7th Floor
Hamilton, Ohio 45011

Sincerely,

George M. Gordon
Acting Director of Finance

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City of Hamilton! Ohio

*Office of Management and Budget Circular
A-133 Reports for the Year Ended
December 31, 2001*

CITY OF HAMILTON! OHIO

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of City Council
City of Hamilton! Ohio and
Jim Petro, Auditor of State of Ohio

We have audited the accompanying general purpose financial statements of the City of Hamilton! Ohio as of December 31, 2001, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the City of Hamilton! Ohio. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the City of Hamilton! Ohio as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 to the general purpose financial statements, the City changed its method of accounting and reporting for infrastructure. In addition, as discussed in Notes 3 and 18, in 2001 the City changed its method of accounting and reporting for non-exchange transactions to conform with Governmental Accounting Standards Board Statements No. 33 and 36.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Hamilton! Ohio, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. This schedule is the responsibility of the management of the City of Hamilton! Ohio. Such information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2002, on our consideration of the City of Hamilton! Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and 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.

Deloitte & Touche LLP

May 29, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS

The following General Purpose Financial Statements, along with the notes to the General Purpose Financial Statements, present an overview of the City's financial position at December 31, 2001 and the results of operations and cash flows of its proprietary and nonexpendable Trust Funds for the year then ended.

**THE CITY OF HAMILTON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001**

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
Assets and Other Debits:				
Assets:				
Cash and Cash Equivalents	\$ 606,303	\$ 1,913,198	\$ 40,959	\$ 542,269
Investments	3,799,278	6,228,083	257,355	3,407,178
Receivables (net of allowance for doubtful accounts):				
Taxes-Real & Personal Property	2,323,230	1,397,920	381,120	146,800
Taxes-Municipal Income	2,957,952	477,089	-	381,671
Accounts	1,461,563	1,433,637	-	-
Interest	172,653	11,325	4,967	-
Notes	-	740,424	-	-
Due from Other Funds	203,908	-	-	-
Interfund Receivable	580,977	-	-	-
Inventory of Supplies at Cost	5,555	40,832	-	-
Prepaid Items	472,251	46,435	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
Investments	-	-	-	310,572
Bond Issuance Costs	-	-	-	-
Fixed Assets	-	-	-	-
Construction in Progress	-	-	-	-
Less: Accumulated Depreciation	-	-	-	-
Other Real Estate Held for Development	-	-	-	-
Infrastructure	-	-	-	-
Other Debits:				
Amount Available in				
Debt Service Fund	-	-	-	-
Amount to be Provided for				
General Long-Term Obligations	-	-	-	-
Total Assets and Other Debits	\$ 12,583,670	\$ 12,288,943	\$ 684,401	\$ 4,788,490

See accompanying notes to the general purpose financial statements

**THE CITY OF HAMILTON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001**

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$ 4,650,538	\$ 81,066	\$ 561,130	\$ -	\$ -	\$ 8,395,463
29,204,188	509,352	878,639	-	-	44,284,073
-	-	34,050	-	-	4,283,120
-	-	-	-	-	3,816,712
12,554,214	-	4,873	-	-	15,454,287
664,398	-	349	-	-	853,692
-	-	-	-	-	740,424
20,000	1,633,834	-	-	-	1,857,742
-	-	-	-	-	580,977
1,269,930	9,826	-	-	-	1,326,143
945,480	41,308	-	-	-	1,505,474
22,636,273	-	-	-	-	22,946,845
16,060,376	-	-	-	-	16,060,376
3,005,362	-	-	-	-	3,005,362
576,066,606	302,480	-	63,269,198	-	639,638,284
7,805,277	-	-	562,790	-	8,368,067
(261,045,490)	(179,722)	-	-	-	(261,225,212)
-	-	-	3,710,434	-	3,710,434
-	-	-	156,230,615	-	156,230,615
-	-	-	-	303,281	303,281
-	-	-	-	32,846,441	32,846,441
<u>\$ 413,837,152</u>	<u>\$ 2,398,144</u>	<u>\$ 1,479,041</u>	<u>\$ 223,773,037</u>	<u>\$ 33,149,722</u>	<u>\$ 704,982,600</u>

(continued)

**THE CITY OF HAMILTON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001**

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
Liabilities, Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$ 558,291	\$ 690,945	\$ -	\$ 198,220
Accrued Wages and Benefits	928,094	72,768	-	-
Accrued Liabilities	559,137	90,183	-	72,147
Due to Other Funds	307,929	115,674	-	-
Intergovernmental Payable	837,296	26,515	-	-
Interfund Payable	-	-	-	580,977
Due to Others	-	-	-	-
Judgements Payable	22,000	-	-	-
Accrued Interest Payable	-	77,105	-	171,253
Customer Deposits Payable	-	-	-	-
Deferred Revenue	3,695,798	2,657,455	381,120	146,800
General Obligation Notes Payable	-	3,420,000	-	7,153,000
Special Assessment Notes Payable	-	-	-	1,835,000
Compensated Absences Payable	1,194,028	97,841	-	-
General Obligation Bonds Payable	-	-	-	-
Special Assessment Bonds Payable with governmental commitment	-	-	-	-
Ohio Water Development Authority Loans Payable	-	-	-	-
Revenue Bonds Payable	-	-	-	-
Total Liabilities	8,102,573	7,248,486	381,120	10,157,397
Equity and Other Credits:				
Investment in General Fixed Assets	-	-	-	-
Contributed Capital	-	-	-	-
Retained Earnings:				
Unreserved	-	-	-	-
Fund Balance:				
Reserved for Encumbrances	-	1,870,071	-	1,117,530
Reserved for Supplies Inventory	5,555	40,832	-	-
Reserved for Prepaid Items	472,251	46,435	-	-
Reserved for Debt Service	-	-	303,281	-
Reserved for Notes Receivable	-	740,424	-	-
Reserved for Endowments	-	-	-	-
Unreserved:				
Undesignated (Deficit)	4,003,291	2,342,695	-	(6,486,437)
Total Equity (Deficit) and Other Credits	4,481,097	5,040,457	303,281	(5,368,907)
Total Liabilities, Equity and Other Credits	\$ 12,583,670	\$ 12,288,943	\$ 684,401	\$ 4,788,490

See accompanying notes to the general purpose financial statements

**THE CITY OF HAMILTON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001**

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$ 5,807,949	\$ 1,245,315	\$ -	\$ -	\$ -	\$ 8,500,720
560,565	162,217	-	-	-	1,723,644
-	-	-	-	-	721,467
1,325,905	-	108,234	-	-	1,857,742
89,766	29,645	853,827	-	-	1,837,049
-	-	-	-	-	580,977
1,831	-	436,027	-	-	437,858
-	-	-	-	-	22,000
4,100,946	-	-	-	-	4,349,304
871,118	-	-	-	-	871,118
8,860	-	-	-	-	6,890,033
-	-	-	-	-	10,573,000
-	-	-	-	-	1,835,000
3,925,411	828,383	-	-	4,469,722	10,515,385
2,600,807	-	-	-	25,755,000	28,355,807
-	-	-	-	-	-
-	-	-	-	2,925,000	2,925,000
8,159,483	-	-	-	-	8,159,483
286,849,694	-	-	-	-	286,849,694
<u>314,302,335</u>	<u>2,265,560</u>	<u>1,398,088</u>	<u>-</u>	<u>33,149,722</u>	<u>377,005,281</u>
-	-	-	223,773,037	-	223,773,037
34,889,200	-	-	-	-	34,889,200
64,645,617	132,584	-	-	-	64,778,201
-	-	-	-	-	2,987,601
-	-	-	-	-	46,387
-	-	-	-	-	518,686
-	-	-	-	-	303,281
-	-	80,953	-	-	740,424
-	-	-	-	-	80,953
-	-	-	-	-	(140,451)
<u>99,534,817</u>	<u>132,584</u>	<u>80,953</u>	<u>223,773,037</u>	<u>-</u>	<u>327,977,319</u>
<u>\$ 413,837,152</u>	<u>\$ 2,398,144</u>	<u>\$ 1,479,041</u>	<u>\$ 223,773,037</u>	<u>\$ 33,149,722</u>	<u>\$ 704,982,600</u>



THE CITY OF HAMILTON, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	Governmental Fund Types				Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	
Revenues:					
Income Taxes					
Property and Other Taxes	\$ 15,167,786	\$ 2,467,158	\$ -	\$ 1,973,893	\$ 19,608,837
Intergovernmental	4,123,580	127,901	-	145,449	4,396,930
Charges for Services	4,900,062	6,699,527	-	413,680	12,013,269
Licenses and Permits	6,425,048	2,424,030	-	-	8,849,078
Investment Earnings	928,392	384,592	-	-	1,312,984
Fines and Forfeitures	688,328	197,753	31,954	7,407	925,442
Special Assessments	994,407	153,390	-	-	1,147,797
All Other Revenues	-	-	383,638	200,539	584,177
	490,892	165,387	772	656,349	1,313,400
Total Revenues	33,718,495	12,619,738	416,364	3,397,317	50,151,914
Expenditures:					
Current:					
Security of Persons and Property	19,257,980	3,540,071	-	-	22,798,051
Public Health and Welfare	1,168,595	993,220	-	-	2,161,815
Leisure Time Activities	1,415,071	-	-	-	1,415,071
Community Environment	977,302	2,769,441	-	-	3,746,743
Basic Utility Services	1,291,081	2,098,849	-	-	3,389,930
Transportation	-	2,730,692	-	-	2,730,692
General Government	3,928,799	-	-	-	3,928,799
Other Expenditures	4,213,908	238,080	-	-	4,451,988
Capital Outlay	-	18,854,571	-	2,987,259	21,841,830
Debt Service:	-	-	-	-	-
Principal Retirement	-	-	736,816	-	736,816
Interest and Fiscal Charges	-	360,831	323,821	461,756	1,146,408
Total Expenditures	32,252,736	31,585,755	1,060,637	3,449,015	68,348,143
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,465,759	(18,966,017)	(644,273)	(51,698)	(18,196,229)
Other Financing Sources (Uses):					
Proceeds of Bonds	-	22,390,000	-	1,290,000	23,680,000
Sale of Fixed Assets	11,945	-	-	326,655	338,600
Operating Transfers - In	289,527	728,706	445,811	8,623,603	10,087,647
Operating Transfers - Out	(904,875)	(3,429,150)	-	(5,839,115)	(10,173,140)
Total Other Financing Sources (Uses)	(603,403)	19,689,556	445,811	4,401,143	23,933,107
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	862,356	723,539	(198,462)	4,349,445	5,736,878
Fund Balances (Deficit) at Beginning of Year - Restated	3,619,794	4,315,581	501,743	(9,718,352)	(1,281,234)
Increase (Decrease) in Inventory	(1,053)	1,337	-	-	284
Fund Balances (Deficit) at End of Year	\$ 4,481,097	\$ 5,040,457	\$ 303,281	\$ (5,368,907)	\$ 4,455,928

See accompanying notes to the general purpose financial statements

THE CITY OF HAMILTON! OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>General Fund</i>			Variance Positive (Negative)
	Initial Budget	Final Budget	Actual	
Revenues:				
Property and Other Local Taxes	\$ 3,250,047	\$ 5,781,025	\$ 4,123,580	\$ (1,657,445)
Income Taxes	15,290,750	15,290,750	15,333,242	42,492
Intergovernmental	5,335,703	5,378,703	4,900,062	(478,641)
Charges for Services	5,789,785	6,680,910	6,425,048	(255,862)
Licenses and Permits	985,658	1,071,443	892,895	(178,548)
Investment Earnings	919,500	919,500	771,696	(147,804)
Fines and Forfeitures	1,018,300	1,018,300	994,407	(23,893)
Special Assessment	-	-	-	-
Other All Revenue	135,750	139,350	519,075	379,725
Total Revenues	<u>32,725,493</u>	<u>36,279,981</u>	<u>33,960,005</u>	<u>(2,319,976)</u>
Expenditures:				
Current				
Security of Persons and Property	19,777,820	20,403,420	19,612,821	790,599
Public Health and Welfare	1,293,135	1,322,987	1,198,683	124,304
Leisure Time Activities	1,760,458	1,793,432	1,435,739	357,693
Community Environment	1,133,049	1,133,050	1,026,839	106,211
Basic Utility Services	1,280,536	1,280,537	1,102,093	178,444
Transportation	-	-	-	-
General Government	4,365,438	4,365,440	3,907,763	457,677
Other Expenditures	2,905,542	4,725,544	4,367,918	357,626
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>32,515,978</u>	<u>35,024,410</u>	<u>32,651,856</u>	<u>2,372,554</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	209,515	1,255,571	1,308,149	52,578
Other Financing Sources (Uses):				
Sale of Fixed Assets	11,945	-	11,945	11,945
Proceeds From Sale of Bonds	-	-	-	-
Proceeds From Sale of Notes	-	-	-	-
Operating Transfers - In	322,587	285,525	289,527	4,002
Operating Transfers - Out	(1,707,064)	(1,240,435)	(1,036,320)	204,115
Total Other Financing Sources (Uses)	<u>(1,372,532)</u>	<u>(954,910)</u>	<u>(734,848)</u>	<u>220,062</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,163,017)	300,661	573,301	272,640
Fund Balances at Beginning of Year	2,830,180	2,830,180	2,830,180	-
Prior Year Encumbrances Appropriated	924,768	924,768	924,768	-
Fund Balances (Deficit) at End of Year	<u>\$ 2,591,931</u>	<u>\$ 4,055,609</u>	<u>\$ 4,328,249</u>	<u>\$ 272,640</u>

See accompanying notes to the general purpose financial statements

THE CITY OF HAMILTON, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

Special Revenue Funds			
Initial Budget	Final Budget	Actual	Variance Positive (Negative)
\$ 101,700	\$ 101,700	\$ 127,901	\$ 26,201
2,466,250	2,466,250	2,493,845	27,595
4,897,526	8,929,846	6,812,946	(2,116,900)
2,308,590	2,654,319	2,398,897	(255,422)
392,500	392,500	386,291	(6,209)
50,000	58,232	177,208	118,976
262,400	226,400	153,390	(73,010)
-	-	-	-
432,700	432,700	158,766	(273,934)
<u>10,911,666</u>	<u>15,261,947</u>	<u>12,709,244</u>	<u>(2,552,703)</u>
4,558,302	4,712,784	4,112,141	600,643
206,753	1,055,196	1,020,841	34,355
-	-	-	-
6,081,301	8,855,532	3,675,039	5,180,493
2,421,304	2,421,304	2,259,472	161,832
4,196,291	4,207,922	3,880,957	326,965
3,000	3,000	-	3,000
-	345,700	170,064	175,636
-	18,864,617	18,854,571	10,046
-	-	-	-
-	354,656	275,453	79,203
<u>17,466,951</u>	<u>40,820,711</u>	<u>34,248,538</u>	<u>6,572,173</u>
(6,555,285)	(25,558,764)	(21,539,294)	4,019,470
-	-	-	-
22,390,000	22,360,408	22,390,000	29,592
400,000	400,000	-	(400,000)
1,280,396	730,820	681,259	(49,561)
(223,053)	(108,878)	(129,150)	(20,272)
<u>23,847,343</u>	<u>23,382,350</u>	<u>22,942,109</u>	<u>(440,241)</u>
17,292,058	(2,176,414)	1,402,815	3,579,229
2,021,065	2,021,065	2,021,065	-
2,113,149	2,113,149	2,113,149	-
<u>\$ 21,426,272</u>	<u>\$ 1,957,800</u>	<u>\$ 5,537,029</u>	<u>\$ 3,579,229</u>

(continued)

THE CITY OF HAMILTON, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

Debt Service Fund				
	Initial Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Income Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Permits	-	-	-	-
Investment Earnings	30,000	30,000	34,327	4,327
Fines and Forfeitures	-	-	-	-
Special Assessment	-	400,000	383,638	(16,362)
Other All Revenue	500	500	772	272
Total Revenues	30,500	430,500	418,737	(11,763)
Expenditures:				
Current				
Security of Persons and Property	-	-	-	-
Public Health and Welfare	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	-	-
Other Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	17,140,000	17,140,000	17,601,816	(461,816)
Interest and Fiscal Charges	901,921	1,526,921	1,042,765	484,156
Total Expenditures	18,041,921	18,666,921	18,644,581	22,340
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,011,421)	(18,236,421)	(18,225,844)	10,577
Other Financing Sources (Uses):				
Sale of Fixed Assets	-	-	-	-
Proceeds From Sale of Bonds	2,580,000	1,290,000	1,290,000	-
Proceeds From Sale of Notes	24,056,000	11,883,000	12,173,000	290,000
Operating Transfers - In	9,435,677	5,093,921	4,566,756	(527,165)
Operating Transfers - Out	-	-	-	-
Total Other Financing Sources (Uses)	36,071,677	18,266,921	18,029,756	(237,165)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	18,060,256	30,500	(196,088)	(226,588)
Fund Balances at Beginning of Year	495,932	495,932	495,932	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balances (Deficit) at End of Year	\$ 18,556,188	\$ 526,432	\$ 299,844	\$ (226,588)

See accompanying notes to the general purpose financial statements

**THE CITY OF HAMILTON, OHIO
 COMBINED STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2001**

Capital Projects Funds			
Initial Budget	Final Budget	Actual	Variance Positive (Negative)
\$ 160,000	\$ 160,000	\$ 145,449	\$ (14,551)
1,973,000	1,973,000	1,995,243	22,243
2,370,634	2,370,634	331,688	(2,038,946)
240,000	240,000	-	(240,000)
-	-	-	-
-	-	3,608	3,608
-	-	-	-
300,000	300,000	200,539	(99,461)
-	333,670	656,349	322,679
<u>5,043,634</u>	<u>5,377,304</u>	<u>3,332,876</u>	<u>(2,044,428)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
7,493,881	7,970,953	4,978,220	2,992,733
-	-	-	-
<u>7,493,881</u>	<u>7,970,953</u>	<u>4,978,220</u>	<u>2,992,733</u>
(2,450,247)	(2,593,649)	(1,645,344)	948,305
1,616,310	963,000	326,655	(636,345)
-	-	-	-
5,755,000	2,930,000	3,525,000	595,000
1,854,818	1,340,668	1,001,550	(339,118)
(11,170,405)	(5,312,179)	(5,459,115)	(146,936)
<u>(1,944,277)</u>	<u>(78,511)</u>	<u>(605,910)</u>	<u>(527,399)</u>
(4,394,524)	(2,672,160)	(2,251,254)	420,906
1,562,432	1,562,432	1,562,432	-
3,777,881	3,777,881	3,777,881	-
<u>\$ 945,789</u>	<u>\$ 2,668,153</u>	<u>\$ 3,089,059</u>	<u>\$ 420,906</u>



THE CITY OF HAMILTON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Fund	
<u>Operating Revenues:</u>				
Charges for Services	\$ 109,130,002	\$ 6,278,718	\$ -	\$ 115,408,720
Other Operating Revenues	1,463,416	9,176,005	-	10,639,421
Total Operating Revenues	110,593,418	15,454,723	-	126,048,141
<u>Operating Expenses:</u>				
Personal Services	14,888,548	13,930,309	-	28,818,857
Contractual Services	7,543,061	1,199,839	-	8,742,900
Materials and Supplies	3,765,866	903,977	-	4,669,843
Purchase of Gas and Electric	37,901,395	-	-	37,901,395
Depreciation	15,714,440	57,460	-	15,771,900
Other Operating Expenses	13,072,885	196,342	4,760	13,273,987
Total Operating Expenses	92,886,195	16,287,927	4,760	109,178,882
Operating Income (Loss)	17,707,223	(833,204)	(4,760)	16,869,259
<u>Non-Operating Revenues (Expenses):</u>				
Investment Earnings	3,933,669	723	7,897	3,942,289
Interest and Fiscal Charges	(19,326,196)	-	-	(19,326,196)
Loss on Disposal of Fixed Assets	(372,874)	-	-	(372,874)
Total Non-Operating Revenues (Expenses)	(15,765,401)	723	7,897	(15,756,781)
Income (Loss) Before Operating Transfers	1,941,822	(832,481)	3,137	1,112,478
<u>Operating Transfers:</u>				
Operating Transfers In	85,493	-	-	85,493
Net Income (Loss)	2,027,315	(832,481)	3,137	1,197,971
Add: Depreciation Charged to Contributed Capital	1,124,611	-	-	1,124,611
Retained Earnings Beginning of Year	61,493,691	965,065	77,816	62,536,572
Retained Earnings End of Year	\$ 64,645,617	\$ 132,584	\$ 80,953	\$ 64,859,154

See accompanying notes to the general purpose financial statements

CITY OF HAMILTON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	ENTERPRISE FUNDS			Variance Positive (Negative)
	Initial Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 114,051,907	\$ 118,051,907	\$ 114,347,548	\$ (3,704,359)
Interest	2,955,000	2,955,000	4,108,306	1,153,306
Other Operating Revenues	164,150	164,150	1,428,584	1,264,434
Proceeds of Notes	6,400,000	7,600,000	1,200,000	(6,400,000)
Sale of Fixed Assets	162,200	162,200	19,078	(143,122)
Total Revenues	<u>123,733,257</u>	<u>128,933,257</u>	<u>121,103,516</u>	<u>(7,829,741)</u>
Expenses:				
Personal Services	16,491,917	16,518,902	14,694,734	1,824,168
Contractual Services	14,604,487	14,958,485	11,651,369	3,307,116
Materials and Supplies	5,745,395	5,369,401	3,976,262	1,393,139
Capital Outlay	24,356,575	25,358,389	15,656,942	9,701,447
Purchased Gas and Electric	43,671,110	47,620,168	49,959,164	(2,338,996)
Other Operating Expenses	12,118,684	12,136,748	11,685,378	451,370
Deposits Refunded	64,100	64,100	2,081	62,019
Debt Service:				
Principal Retirement	8,018,846	9,218,846	9,218,846	-
Interest and Fiscal Charges	24,067,944	24,067,943	18,756,830	5,311,113
Total Expenses	<u>149,139,058</u>	<u>155,312,982</u>	<u>135,601,606</u>	<u>19,711,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	(25,405,801)	(26,379,725)	(14,498,090)	11,881,635
Operating Transfers - In	25,200	145,200	85,493	(59,707)
Excess (Deficiency) of Revenues and Transfers Over (Under) Expenses	(25,380,601)	(26,234,525)	(14,412,597)	11,821,928
Fund Equity Beginning of Year	57,631,820	57,631,820	57,631,820	-
Prior Year Encumbrances Appropriated	10,249,728	10,249,728	10,249,728	-
Fund Equity (Deficit) at End of Year	<u>\$ 42,500,947</u>	<u>\$ 41,647,023</u>	<u>\$ 53,468,951</u>	<u>\$ 11,821,928</u>

See accompanying notes to the general purpose financial statements

CITY OF HAMILTON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

INTERNAL SERVICE FUNDS			
Initial Budget	Final Budget	Actual	Variance Positive (Negative)
\$ 8,528,697	\$ 8,659,838	\$ 7,093,988	\$ (1,565,850)
-	-	-	-
8,400,000	8,850,000	8,759,817	(90,183)
-	-	-	-
-	-	-	-
<u>16,928,697</u>	<u>17,509,838</u>	<u>15,853,805</u>	<u>(1,656,033)</u>
13,919,944	14,293,705	13,642,135	651,570
2,187,512	2,111,564	1,654,210	457,354
700,986	635,584	611,916	23,668
751,886	1,101,452	615,423	486,029
-	-	-	-
29,800	29,750	22,433	7,317
-	-	-	-
-	-	-	-
<u>17,590,128</u>	<u>18,172,055</u>	<u>16,546,117</u>	<u>1,625,938</u>
(661,431)	(662,217)	(692,312)	(30,095)
-	-	-	-
(661,431)	(662,217)	(692,312)	(30,095)
(107,863)	(107,863)	(107,863)	-
<u>661,431</u>	<u>661,431</u>	<u>661,431</u>	<u>-</u>
<u>\$ (107,863)</u>	<u>\$ (108,649)</u>	<u>\$ (138,744)</u>	<u>\$ (30,095)</u>

THE CITY OF HAMILTON, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Fund	
Increase (Decrease) in Cash and Cash Equivalents				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$ 114,347,548	\$ 15,842,036	\$ -	\$ 130,189,584
Cash Paid for Employee Services and Benefits	(15,141,725)	(13,627,301)	-	(28,769,026)
Cash Paid to Suppliers for Goods and Services	(70,024,515)	(2,093,085)	-	(72,117,600)
Other Operating Revenues	1,428,584	11,655	-	1,440,239
Other Operating Expenses	(2,096)	-	(4,760)	(6,856)
Net Cash Provided by (Used for) Operating Activities	30,607,796	133,305	(4,760)	30,736,341
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Transfers-in from Other Funds	85,493	-	-	85,493
Net Cash Provided by Noncapital Financing Activities	85,493	-	-	85,493
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds of General Obligation Notes	1,200,000	-	-	1,200,000
Proceeds from Sale of Assets	19,078	-	-	19,078
Acquisition and Construction of Assets	(7,400,343)	(97,292)	-	(7,497,635)
Principal Paid on General Obligation Notes	(2,100,000)	-	-	(2,100,000)
Principal Paid on General Obligation Bonds	(175,000)	-	-	(175,000)
Principal Paid on Mortgage Revenue Bonds	(6,460,000)	-	-	(6,460,000)
Principal Paid on Ohio Water Development Authority Loans	(483,845)	-	-	(483,845)
Interest Paid on All Debt	(18,756,831)	-	-	(18,756,831)
Net Cash Used for Capital and Related Financing Activities	(34,156,941)	(97,292)	-	(34,254,233)
<u>Cash Flows from Investing Activities:</u>				
Purchase of Investments	(45,368,401)	(508,629)	(76,999)	(45,954,029)
Sale of Investments	63,841,142	472,652	77,110	64,390,904
Interest and Dividends	4,210,045	-	7,897	4,217,942
Net Cash Provided By (Used for) Investing Activities	22,682,786	(35,977)	8,008	22,654,817
Net Increase in Cash and Cash Equivalents	19,219,134	36	3,248	19,222,418
Cash and Cash Equivalents at Beginning of Year	8,067,677	81,030	357	8,149,064
Cash and Cash Equivalents at End of Year	\$ 27,286,811	\$ 81,066	\$ 3,605	\$ 27,371,482

See accompanying notes to the general purpose financial statements

THE CITY OF HAMILTON! OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Fund	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: Operating Income (Loss)	\$ 17,707,223	\$ (833,204)	\$ (4,760)	\$ 16,869,259
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation Expense	15,714,440	57,460	-	15,771,900
Change in Assets and Liabilities:				
Decrease in Accounts Receivable	5,188,940	15	-	5,188,955
Decrease in Due From Other Funds	493	398,953	-	399,446
(Increase) Decrease in Materials and Supplies Inventories	(24,459)	3,956	-	(20,503)
(Increase) in Prepaid Items	(228,888)	(41,308)	-	(270,196)
Increase in Intergovernmental Payables	89,766	29,645	-	119,411
Increase (Decrease) in Accounts Payables	(7,665,157)	395,163	-	(7,269,994)
Increase in Accrued Wages and Benefits	90,696	35,790	-	126,486
Increase in Compensated Absences Payable	221,440	86,835	-	308,275
Increase in Customer Deposits	95,461	-	-	95,461
(Decrease) in Due to Other Funds	(576,870)	-	-	(576,870)
(Decrease) in Deferred Revenue	(3,135)	-	-	(3,135)
(Decrease) in Due to Others	(2,154)	-	-	(2,154)
Total Adjustments	12,900,573	966,509	-	13,867,082
Net Cash Provided by (Used for) Operating Activities	<u>\$ 30,607,796</u>	<u>\$ 133,305</u>	<u>\$ (4,760)</u>	<u>\$ 30,736,341</u>

THE CITY OF HAMILTON! OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2001

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 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, which is more fully discussed in Note 23 to the general purpose financial statements.

The City is governed by a seven member council elected by voters of 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, and the Finance Director, who acts as the Chief Financial Officer. The City Manager also appoints 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 control 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, account groups, 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 and certain social services, 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, parking facilities, athletic facilities and two golf courses, all of which are reported as enterprise funds.

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

A. Reporting Entity (Continued)

The general purpose financial statements of the City of Hamilton comply with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. The reporting entity is composed of the primary government, component units and other organizations. The primary government includes all funds, organizations, activities and component units for which the City (the primary government) is financially accountable and that are not legally separate.

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

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

Butler County, Ohio

Butler County Joint Vocational School District

Hamilton City School District

Lane Public Library

Greater Hamilton Convention and Visitor's Bureau

Hamilton Chamber of Commerce

Hamilton Central Business Special Improvement District

The City participates in two governmental joint ventures, the Hamilton-Indian Springs Joint Economic Development District (JEDD) and the Ohio Municipal Electric Generation Agency (OMEGA) JV2. The city also participates in the following jointly governed organizations: American Municipal Power (AMP) Ohio, Inc., the Economic Development Association of Butler County (EDABC), the Transportation Improvement District (TID) of Butler County, the Butler County Emergency Management Agency (EMA), the Hamilton Community Improvement Corporation (CIC), the Hamilton Economic Development Corporation (HEDC), the Center for Local Governments, and the Ohio-Kentucky-Indiana Regional Council of Governments (OKI). These organizations are presented in Note 21 to the general purpose 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, 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 21 to the general purpose financial statements. Accordingly, the activity of the JEDD is presented as an agency fund within the City's financial statements.

B. Basis of Presentation – Fund Accounting

The City maintains an accounting system using funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Conversely, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types which in turn are summarized in the general purpose financial statements. As follows is a description of the categories and fund types used by the City.

Governmental Fund Types

Governmental funds are those funds through which most governmental functions are typically financed. The acquisition, use and balance of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's governmental fund types:

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

B. Basis of Presentation – Fund Accounting (Continued)

General Fund – This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the limitations of the City Charter.

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund – This fund is used for the accumulation of resources for, and the payment of, general obligation and special assessment long-term principal and interest (other than those accounted for in the proprietary funds).

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

Proprietary Funds

All proprietary funds are accounted for on an “economic resources” measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, whereby the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City maintains separate enterprise funds for its gas, electric, water, wastewater, parking, golf and sports arena.

Internal Service Funds - These funds are used to account for the financing of services provided by one department to other departments or agencies of the governmental unit or to other governmental units on a cost-reimbursement basis.

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

B. Basis of Presentation – Fund Accounting (Continued)

Fiduciary Funds

Trust and Agency Funds – These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City maintains a nonexpendable trust fund and agency funds. The nonexpendable trust fund is accounted for in essentially the same manner as the proprietary funds since capital maintenance is critical. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt of the City except those accounted for in the proprietary funds.

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. Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. Certain of the City's accounting policies are described as follows.

A. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Measurement Focus and Basis of Accounting (Continued)

All proprietary funds and the nonexpendable trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components (see Note 3). Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurement made.

The modified accrual basis of accounting is used for reporting purposes by the governmental fund types and agency funds. Under this method of accounting, the City recognizes revenue in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is considered to be 60 days after year-end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, state-levied locally shared taxes (including gasoline tax), fines, licenses and permits, amounts due from other funds for goods or services, and income tax withheld by employers.

The City reports deferred revenue in its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 2001, whose availability is undeterminable and which are intended to finance 2002 operations, have been recorded as a receivable and deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred if reasonable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The cost of accumulated unpaid vacation is reported as fund liabilities in the period in which it will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 5). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements including 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.

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized in the period incurred, if measurable. Unbilled service charges receivable are recognized as revenue at year-end.

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 governmental funds are 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 2001, while the original budget column reflects the amounts in the original official certificate of estimated resources.

3. Appropriations

Prior to January 1, 2001, a temporary appropriation ordinance to control expenditures could be passed on or about January 1 of each year for the period January 1 through February 28, and an annual appropriation ordinance was to be passed by March 1 of each year for the period January 1 through December 31. The Charter effective January 1, 2001, requires the annual appropriation ordinance to be adopted before year-end. 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 2001, several supplemental appropriations were necessary to budget the use of contingency funds, intergovernmental grant proceeds and capital improvement projects.

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 in the accompanying general purpose 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 combined statement of revenues, expenditures, and changes in fund balances, budget and actual (budget basis), all governmental fund types 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 and as note disclosure for the proprietary fund types (GAAP basis).
- d) Proceeds from and principal payments on short-term obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
- e) For enterprise funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- f) The City pays short and long-term debt from the Debt Service Fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt Service Fund resources used to pay both principal and interest has been allocated accordingly.

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

Excess (Deficiency) of Revenues and Other Financing Sources
 Over (Under) Expenditures and Other Financing Uses
 All Governmental Fund Types

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis	\$862,356	\$723,539	\$(198,462)	\$4,349,445
Adjustments:				
Revenue Accruals	241,510	89,506	2,373	(64,441)
Expenditure Accruals	40,792	(2,618,039)	(718,944)	(730,017)
Encumbrances	(439,912)	(44,744)	-	(799,188)
Debt Principal Retirement	-	-	(16,865,000)	-
Proceeds from Sale of Debt	-	-	13,463,000	2,235,000
Transfers	(131,445)	3,252,553	4,120,945	(7,242,053)
Budget Basis	\$573,301	\$1,402,815	\$(196,088)	\$(2,251,254)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Income (Loss)/Excess (Deficiency) of Revenues
 Over (Under) Expenses and Operating Transfers
 Proprietary Fund Types

	Enterprise Funds	Internal Service Funds
GAAP Basis	\$2,027,315	\$(832,481)
Adjustments:		
Revenue Accruals	5,323,392	398,359
Expenditure Accruals	(7,059,028)	(218,358)
Encumbrances	(15,057,266)	-
Capital Outlay	(7,400,343)	(97,292)
Depreciation	15,714,440	57,460
Debt Principal Retirement	(9,218,846)	-
Proceeds from Sale of Debt	1,200,000	-
Transfers	57,739	-
Budget Basis	<u>\$ (14,412,597)</u>	<u>\$ (692,312)</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 general purpose 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

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the City Charter and ordinances and revenue bond indentures. 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 2001. 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, 2001.

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. Fixed Assets and Depreciation

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

1. Property, Plant and Equipment – General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. These assets do not represent financial resources available for expenditure. Contributed fixed assets are recorded at fair market value at the date received. In 2001, the City changed its method of accounting for infrastructure assets and capitalized infrastructure costs (see Notes 3 & 10).

The City has elected not to depreciate the fixed assets in the General Fixed Assets Account Group.

2. Property, Plant and Equipment – Proprietary Funds

Property, plant and equipment acquired by the proprietary funds are stated at cost or estimated historical cost. Contributed fixed assets are recorded at fair market value at the date received.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Long-Term Obligations

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

Obligation	Fund
General Obligation Bonds	Debt Service Fund, Parking Fund, Golf Fund, Central Park Sports Arena 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 statute. Vacation earned in a calendar year must be used during the following year. Vacation time cannot carry over into the subsequent year, unless written permission is granted from the City Manager. Therefore, no long-term liability for vacation time is accrued in the General Long-Term Obligations Account Group. At termination of 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 probably and can be reasonably determined. For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The remaining portion of the liability is reported in the General Long-Term Obligations Account Group.

I. Pensions

The provisions for pension costs is 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:

- Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating Transfers In" by the recipient fund and "Operating Transfers Out" by the disbursing fund.

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, notes receivable, and endowments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Contributed Capital

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from donations or restricted grants are closed to contributed capital. (See Note 18)

M. Restricted Assets

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

N. Interfund Assets/Liabilities

Receivables and payable resulting from transactions between funds for services provided or goods received are classified as “Due from other funds” or “Due to other funds” on the balance sheet. Short-term interfund loans for a negative cash balance in a fund are classified as “Interfund Receivables” and “Interfund Payables.”

O. Accounting 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.

P. Total Columns on the General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned “Totals (Memorandum Only)” to indicate they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY

Fund Balance Deficits

The following funds had deficit fund balance/retained earnings amounts as of December 31, 2001:

Fund Type/Fund	Fund Balance Deficit
Special Revenue Funds:	
Miami Conservancy	\$100,143
Capital Projects Funds:	
Capital Projects	835,005
Special Assessment	401,843
MITIE	685,207
Hamilton Enterprise Park	4,484,066
Central Business District	
Streetscape Improvements	703,033
Issue II Projects	379,404
Total Capital Projects	<u>7,488,558</u>
Total All Funds	<u>\$7,588,701</u>

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

Deficits occurring in the Capital Projects, Special Assessment, MITIE, Hamilton Enterprise Park and Central Business District Streetscape Improvements 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.

None of the deficits in any of these funds exist under the budgetary basis of accounting.

Contrary to Section 5705.41(B) Ohio Revised Code, the Gas fund had appropriations in excess of estimated resources plus available balances for the year ended December 31, 2001.

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY (Continued)

Change in Accounting Principles

For fiscal year 2001, the City implemented GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," and GASB Statement No. 36, "Recipient Reporting for Certain Shared Non-exchange Revenues," an amendment of GASB No. 33, which changes how the City reports certain types of revenues. The following is the effect the implementation had on the fund balances at December 31, 2001:

	General	Special Revenue	Capital Projects
Fund Balance at December 31, 2000	\$2,551,365	\$4,143,253	\$(9,856,214)
GASB Statements No. 33 and No. 36	1,068,429	172,328	137,862
Fund Balance at December 31, 2000 - restated	\$3,619,794	\$4,315,581	\$(9,718,352)

Restatement of General Fixed Assets

Prior to 2001, the City reported public domain or infrastructure general fixed assets, consisting of roads, storm sewers, bridges, culverts, and other ancillary assets, as expenditures in governmental funds and did not capitalize the related costs in the general fixed assets account group. The method for accounting for such infrastructure costs was changed for the year 2001. The City continues to report such costs as expenditures in the governmental funds but now capitalizes the related costs into the general fixed asset account group. The cumulative effect of this change in accounting principle is reflected in this note.

General fixed assets and investment in general fixed assets increased from December 31, 2000 to January 1, 2001 by \$153,976,674 from \$46,820,649 to \$200,797,323. The increase is due to a change in accounting principle whereby the City capitalizes the cost of infrastructure assets. Such infrastructure assets were valued at historical cost where available and estimated where not available based upon current expenditure amounts adjusted by the consumer price index. The categories of infrastructure assets capitalized and their related amounts were as follows:

Category	Amount Capitalized
Streets	\$121,832,984
Bridges	3,873,053
Culverts	524,435
Storm Sewer	26,107,942
Construction in Process	1,638,260
Total	\$153,976,674

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

- Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

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

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

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

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

Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,*" collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

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

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.

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

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

Investments:

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

A. Deposits

At year end the carrying amount of the City's deposits was \$25,258,305 and the bank balance was \$25,629,225. Federal depository insurance covered \$428,012 of the bank balance. All remaining Deposits were classified as Category 3. In addition, the City had \$4,179 cash on hand.

B. Investments

The City's investments at December 31, 2001 are summarized below:

Categorized Investments	Category 1	Category 2	Fair Value
City of Hamilton Bonds	\$190,000	N/A	\$190,000
U.S. Government Securities	44,094,073	N/A	44,094,073
 Investments Held in Trust:			
U.S. Government Securities	<u>N/A</u>	<u>16,060,376</u>	<u>16,060,376</u>
Total Categorized Investments	<u>44,284,073</u>	<u>16,060,376</u>	<u>60,344,449</u>
 <u>Non-Categorized Investments</u>			
STAR Ohio	<u>N/A</u>	<u>N/A</u>	<u>6,079,824</u>
Total Non-Categorized Investments	<u>N/A</u>	<u>N/A</u>	<u>6,079,824</u>
Total Investments	<u>\$44,284,073</u>	<u>\$16,060,376</u>	<u>\$66,424,273</u>

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

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

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

C. Reconciliation of Cash, Cash Equivalents and Investments

	Cash and Cash Equivalents*	<u>Investments</u>
Per GASB Statement No. 9 Investments:	\$31,342,308	\$60,344,449
STAR Ohio	<u>(6,079,824)</u>	<u>6,079,824</u>
Per GASB Statement No. 3	<u>\$25,262,484</u>	<u>\$66,424,273</u>

* Includes cash on hand.

NOTE 5 – TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2001 were levied after October 1, 2000 on assessed values as of January 1, 2000, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed for tax year 1997. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semi-annually, the first payment is due by February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

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

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 31st 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.

NOTE 5 – TAXES (Continued)

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, 2001 was \$5.06 per \$1,000 of assessed value. The assessed value upon which the 2001 receipts were based was \$819,424,507. This amount constitutes \$690,521,670 in real property assessed value, \$16,165,160 in public utility assessed value and \$112,737,677 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 .506% (5.06 mills) of assessed value.

B. Income Tax

The City levies a tax of 2.0% on all salaries, wages, commissions and other 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, 2001 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.

Enterprise fund receivables at December 31, 2001, are presented net of allowances for doubtful accounts. Accounts receivable in the Parking Fund was \$1,792 and accounts receivable and accrued interest in the Golf Course Fund were \$225 and \$4,967, respectively. To better detail the accounts receivable balances in the Utility Enterprise Funds, the following schedule identifies and reconciles these amounts as of December 31, 2001 as follows:

	Gas	Electric	Water	Wastewater
Earned and unbilled consumer accounts	\$2,252,148	\$3,115,332	\$389,586	\$414,956
Earned and billed consumer accounts	4,024,674	5,542,949	1,437,697	1,877,759
Other	622	12,439	15,632	3,632
Less allowance for uncollectible accounts	(2,292,213)	(2,893,100)	(510,926)	(838,990)
Accounts Receivable	3,985,231	5,777,620	1,331,989	1,457,357
Accrued Interest Receivable	92,470	201,175	169,861	195,925
Total Receivables :	\$4,077,701	\$5,978,795	\$1,501,850	\$1,653,282

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, 2001. 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 and collateralized by a third mortgage on the property. No additional interest payment was received for the year ended December 31, 2001.

In September 2001, the Hamiltonian ceased making both loan and mortgage payments to the City, citing a lack of positive cash flow and business downturn due to the events of September 11, 2001. The Hamiltonian and the City of Hamilton are currently negotiating new terms to both the loan and mortgage allowing for the capitalization of unpaid interest and increased time within the re-payment schedule. The collectability of the note and mortgage, in management's estimation, have not been impaired due to the value of the underlying collateral and the Hamiltonian's desire to renegotiate the debts. A new loan and mortgage is expected to be in place by July 2002.

NOTE 8 – OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2001:

Fund	Transfers In	Transfers Out
General Fund	\$289,527	\$904,875
Special Revenue Funds:		
Ohio Renaissance Center	-	2,900,000
Public Safety/Health Income Tax	-	27,843
Municipal Income Tax Aggregation/Verification	-	86,334
Brownsfield Improvement	3,588	-
Safety Services	221,497	14,973
Street Maintenance	32,474	400,000
Transit System	446,000	-
Miami Conservancy	25,147	-
Total Special Revenue Funds	728,706	3,429,150
Debt Service Fund	445,811	-
Capital Projects Funds:		
Hamilton Capital Improvement	400,000	1,732,101
Capital Projects	3,865,331	-
Special Assessment	2,831,003	2,833,588
MITIE	44,765	463,059
Hamilton Enterprise Park	489,778	244,889
Central Business District Streetscape Improvement	759,740	332,492
Issue II Projects	232,986	232,986
Total Capital Projects Funds	8,623,603	5,839,115
Enterprise Fund		
Parking	85,493	-
Total All Funds	\$10,173,140	\$10,173,140

NOTE 9 – INTERFUND TRANSACTIONS

The composition of interfund balances as of December 31, 2001, is as follows:

Fund	Interfund Receivable	Interfund Payable	Due from Other Funds	Due to Other Funds
General Fund	\$580,977	\$-	\$203,908	\$307,929
Special Revenue Funds:				
Community Development Block Grant	-	-	-	115,674
Capital Projects Funds:				
Hamilton Enterprise Park	-	201,573		
Issue II Projects	-	379,404		
Total Capital Projects Funds	-	580,977	-	-
Enterprise Funds:				
Gas	-	-	5,000	331,476
Electric	-	-	5,000	331,476
Water	-	-	5,000	331,476
Wastewater	-	-	5,000	331,477
Total Enterprise Funds	-	-	20,000	1,325,905
Internal Service Funds				
Fleet Management	-	-	94,186	-
Central Services	-	-	1,123,346	-
Central Benefits	-	-	416,302	-
Total Internal Service Funds	-	-	1,633,834	-
Agency Funds:				
Travel Advance	-	-	-	23,040
Municipal Court	-	-	-	85,194
Total Agency Funds	-	-	-	108,234
Total All Funds	\$580,977	\$580,977	\$1,857,742	\$1,857,742

NOTE 10 – FIXED ASSETS

A. General Fixed Assets

Summary by Category of Changes in General Fixed Assets:

Category	December 31, 2000 as Restated	Additions	Deletions	December 31, 2001
Land	\$15,839,942	\$334,730	\$ -	\$16,174,672
Buildings and Improvements	12,020,567	19,276,421	-	31,296,988
Machinery and Equipment	14,880,305	1,488,636	571,403	15,797,538
Construction in Progress	369,401	495,711	302,322	562,790
Other Real Estate Held for Development	3,710,434	-	-	3,710,434
Infrastructure	153,976,674	2,253,941	-	156,230,615
Total General Fixed Assets	\$200,797,323	\$23,849,439	\$873,725	\$223,773,037

Summary by Category and Investment at December 31, 2001:

General Fixed Assets		Investment in General Fixed Assets	
Land	\$16,174,672	General Fund	\$4,571,574
Buildings and Improvements	31,296,988	Special Revenue Funds	32,041,852
Machinery and Equipment	15,797,538	Capital Project Funds	166,993,004
Construction in Progress	562,790	Enterprise Funds	8,578,120
Other Real Estate Held for Development	3,710,434	Federal Grants	5,020,794
Infrastructure	156,230,615	Donated	6,567,693
Total	\$223,773,037	Total	\$223,773,037

B. Infrastructure

Summary by Category of Changes in Infrastructure at December 31, 2001

Category	December 31, 2000 as Restated	Additions	Deletions	December 31, 2001
Streets	\$121,832,984	\$1,648,745	\$ -	\$123,481,729
Bridges	3,873,053	20,000	-	3,893,053
Culverts	524,435	-	-	524,435
Storm Sewer	26,107,942	-	-	26,107,942
Construction in Progress	1,638,260	585,196	-	2,223,456
Total Infrastructure	\$153,976,674	\$2,253,941		\$156,230,615

For the year 2001, the City has capitalized the cost of infrastructure assets, both current and historical (see Note 3). The effect as of the beginning of the year is reflected in the restated 2000 column above.

NOTE 10 – FIXED ASSETS (Continued)

C. Enterprise Fixed Assets By Class

Summary by Category and Asset Type as of December 31, 2001

Gas Fund			
Category	Cost	Accumulated Depreciation	Net
Land	\$92,101	\$0	\$92,101
Buildings & Improvements	418,587	(147,958)	270,629
Machinery and Equipment	56,316,247	(17,935,637)	38,380,610
Construction in Progress	443,346	0	443,346
	<u>\$57,270,281</u>	<u>(\$18,083,595)</u>	<u>\$39,186,686</u>
Electric Fund			
Category	Cost	Accumulated Depreciation	Net
Land	\$1,547,563	\$0	\$1,547,563
Buildings & Improvements	14,412,711	(4,938,685)	9,474,026
Machinery and Equipment	315,471,399	(171,326,917)	144,144,482
Construction in Progress	4,768,390	0	4,768,390
	<u>\$336,200,063</u>	<u>(\$176,265,602)</u>	<u>\$159,934,461</u>
Water Fund			
Category	Cost	Accumulated Depreciation	Net
Land	\$2,737,609	\$0	\$2,737,609
Buildings & Improvements	19,545,211	(6,473,603)	13,071,608
Machinery and Equipment	71,868,561	(19,766,140)	52,102,421
Construction in Progress	1,780,603	0	1,780,603
	<u>\$95,931,984</u>	<u>(\$26,239,743)</u>	<u>\$69,692,241</u>

NOTE 10 – FIXED ASSETS (Continued)

Wastewater Fund

Category	Cost	Accumulated Depreciation	Net
Land	\$6,080,342	\$0	\$6,080,342
Buildings & Improvements	53,071,695	(27,072,633)	25,999,062
Machinery and Equipment	24,875,067	(7,679,471)	17,195,596
Construction in Progress	812,938	0	812,938
	<u>\$84,840,042</u>	<u>(\$34,752,104)</u>	<u>\$50,087,938</u>

Parking Fund

Category	Cost	Accumulated Depreciation	Net
Land	\$1,291,724	\$-	\$1,291,724
Buildings & Improvements	2,212,000	(2,212,000)	-
Machinery and Equipment	239,464	(193,676)	45,788
Construction in Progress	-	-	-
	<u>\$3,743,188</u>	<u>(\$2,405,676)</u>	<u>\$1,337,512</u>

Golf Course

Category	Cost	Accumulated Depreciation	Net
Land	\$1,802,909	\$-	\$1,802,909
Buildings & Improvements	2,578,366	(1,845,808)	732,558
Machinery and Equipment	812,983	(763,885)	49,098
	<u>\$5,194,258</u>	<u>(\$2,609,693)</u>	<u>\$2,584,565</u>

Central Park Sports Arena

Category	Cost	Accumulated Depreciation	Net
Land	\$-	\$-	\$-
Buildings & Improvements	630,395	(627,405)	2,990
Machinery and Equipment	61,672	(61,672)	-
Construction in Progress	-	-	-
	<u>\$692,067</u>	<u>(\$689,077)</u>	<u>\$2,990</u>

NOTE 10 – FIXED ASSETS (Continued)

Total Enterprise Funds			
Category	Cost	Accumulated Depreciation	Net
Land	\$13,552,248	\$-	\$13,552,248
Buildings & Improvements	92,868,965	(43,318,090)	49,550,875
Machinery and Equipment	469,645,393	(217,727,400)	251,917,993
Construction in Progress	7,805,277	-	7,805,277
	<u>\$583,871,883</u>	<u>(\$261,045,490)</u>	<u>\$322,826,393</u>

D. Internal Service Fixed Assets

Summary by Category as of December 31, 2001

Category	Fleet Maintenance
Machinery and Equipment	\$302,480
Property, Plant, and Equipment	302,480
Less: Accumulated Depreciation	(179,722)
Net Property, Plant, and Equipment	<u>\$122,758</u>

*The Fleet Maintenance fund is the only internal service fund with fixed assets.

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) 466-2085 or 1-800-222-7377.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees other than law enforcement. The 2001 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.25% to fund the pension and 4.3% to fund health care. The 2000 and 1999 employer contribution rates were 10.84% and 13.55% respectively. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2001, 2000 and 1999 were \$3,225,352, \$2,562,725 and \$3,285,924 respectively, which were equal to the required contributions for each year. 98 percent has been contributed in 2001 with the remainder being reported as a liability within the respective funds.

The PERS of Ohio provides post-employment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. 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 2001 employer contribution rate (identified above) that was used to fund health care for the year 2001 was 4.3% of covered payroll which amounted to \$1,023,543.

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, 2000. 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 unfounded 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 2000 was 7.75%. An annual increase of 4.75% 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 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 411,076. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 2000 is \$11,735.9 million. The actuarially accrued liability and the unfounded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

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, 2001, 2000 and 1999 were \$1,209,695, \$1,141,716, and \$1,107,245 for police and \$1,351,915, \$1,356,694, and \$1,301,843 for firefighters, respectively, which were equal to the required contributions for each year. 72 and 73 percent have been contributed for police and fire, respectively, in 2001 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 of 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.

The portion of the 2001 covered payroll that was used to fund post-employment health care benefits was \$465,267 representing 7.50% of covered payroll for police and \$422,473 representing 7.50% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 2000, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,851 for police and 10,037 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, 2000 were \$106,106,054, which was net of member contributions of \$5,657,431.

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 balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

At December 31, 2001, the total accumulated unpaid sick leave time recorded in the General Long-Term Obligations Account Group was:

Sick Leave	\$4,469,722
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The compensated absences attributable to the enterprise funds and the internal service funds have been recorded within the respective fund and are not included in the figures presented above.

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. Shown below is the short-term (less than one year) bond anticipation notes and line of credit activity for the City for the year ending December 31, 2001:

NOTE 13 – NOTES PAYABLE (Continued)

	Balance December 31, 2000	Issued	(Retired)	Balance December 31, 2001
Special Revenue Notes Payable:				
3.07% Westview/Timberman Storm Sewer	\$140,000	\$120,000	(\$140,000)	\$120,000
3.07% New London Road Improvement	0	800,000	(400,000)	400,000
3.40% Bldg. Leasehold Improvement - ORC	2,300,000	2,300,000	(2,300,000)	2,300,000
3.40% Furniture, Fixt. & Eqpt. - ORC	600,000	600,000	(600,000)	600,000
Total Special Revenue Notes Payable	3,040,000	3,820,000	(3,440,000)	3,420,000
Capital Projects Notes Payable:				
5.52% Parking Garage Project	1,650,000	1,400,000	(1,650,000)	1,400,000
3.07% Roadway Improvement T.I.F. II	440,000	380,000	(440,000)	380,000
3.07% Hamilton Enterprise Park R.E.Acq.	2,890,000	5,780,000	(5,780,000)	2,890,000
3.07% Hamilton Ent. Park Infrastructure	1,000,000	1,000,000	(1,000,000)	1,000,000
3.07% Hamilton Ent. Park Infrastructure - B	350,000	350,000	(350,000)	350,000
3.07% Ham. Ent. Park Infrastructure - BCRTA	250,000	250,000	(250,000)	250,000
3.07% S.E. Busn. District Streetscape	625,000	563,000	(625,000)	563,000
3.07% Central Bus. District Streetscape - B	360,000	320,000	(360,000)	320,000
5.27% Central Business District Streetscape	260,000	0	(260,000)	0
Total Capital Projects Notes Payable	7,825,000	10,043,000	(10,715,000)	7,153,000
Enterprise Notes Payable:				
5.00% Electric System Improvement	900,000	0	(900,000)	0
Total Enterprise Notes Payable	900,000	0	(900,000)	0
Special Assessments Notes Payable:				
2.25% 2000 S.W. & Resurfacing	550,000	550,000	(550,000)	550,000
2.25% 2001 Resurfacing	0	750,000	0	750,000
2.25% S.E. Busn. District Streetscape	135,000	135,000	(135,000)	135,000
2.25% Shaffer Creek Sanit. Sewer	350,000	350,000	(350,000)	350,000
4.49% 1999 Resurfacing	625,000	0	(625,000)	0
4.49% Westview/Timberman	470,000	0	(470,000)	0
4.49% Wash. Blvd./Stalheber Rd.	530,000	0	(530,000)	0
2.25% Main Street - Phase IV	50,000	50,000	(50,000)	50,000
Total Special Assessments Notes Payable	2,710,000	1,835,000	(2,710,000)	1,835,000
Total Notes Payable	\$14,475,000	\$15,698,000	(\$17,765,000)	\$12,408,000

NOTE 13 – NOTES PAYABLE (Continued)

The following describes a short-term line of credit employed by the Gas Fund during 2001. Pertinent information is as follows:

	Issue Date	Balance December 31, 2000	Issued	(Retired)	Balance December 31, 2001
Enterprise Line of Credit :					
7.50% Gas Line of Credit	02/26/01	\$0	\$1,200,000	\$(1,200,000)	\$0
Total Enterprise Line of Credit		\$0	\$1,200,000	\$(1,200,000)	\$0

In February 2001, the City entered into an agreement with Fifth/Third Bank allowing for the Gas Fund to “draw-down” upon a commercial line of credit to pay the costs of natural gas acquisition and transmittal. The purpose was to assist in mitigating the effect of timing differences between payments to gas suppliers and receipts of payments from customers during a period of price spikes and unusually cold weather. In total, the City used \$1,200,000 of the available credit line for a period of nine days at an annual rate of 7.5%. The interest paid on this debt was not considered tax exempt.

NOTE 14 – LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2001 were as follows:

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2000	Issued (Retired)	Balance December 31, 2001
General Long-Term Debt:						
General Obligation Bonds:						
1994	3% - 4.75%	Low Level Dam	2002	\$370,000	(\$180,000)	\$190,000
2001	5.00%	One Renaissance Center	2026	0	22,390,000	22,390,000
1999	4.96%	Police & Fire Pension Refunding	2021	3,270,000	(95,000)	3,175,000
		Total General Obligation Bonds		3,640,000	22,115,000	25,755,000
Special Assessment Bonds:						
1992	5.750%	Main St. Area Streetscape - Phase I	2001	850	(850)	0
1994	5.250%	Main St. Area Streetscape - Phase II	2001	9,245	(9,245)	0
1995	5.000%	Main St. Area Streetscape - Phase III	2001	16,951	(16,951)	0
1996	5.000%	1994 Misc. Sidewalk Program	2001	12,500	(12,500)	0
1996	5.000%	1995 Sidewalk, Curb & Gutter – I	2001	21,500	(21,500)	0
1996	5.000%	1995 Sidewalk, Curb & Gutter – II	2001	27,000	(27,000)	0
1997	4.150%	1996 Resurfacing & Sidewalk	2001	107,792	(107,792)	0
1997	5.150%	Infrastructure (Shelter Mgt.)	2001	100,978	(100,978)	0
1998	4.670%	Various Purpose Series 1998	2018	1,110,000	(95,000)	1,015,000
2000	5.340%	Various Purpose Series 2000	2020	690,000	(70,000)	620,000
2001	4.950%	Various Purpose Series 2001	2021	0	1,290,000	1,290,000
		Total Special Assessment Bonds (with Governmental Commitment)		2,096,816	828,184	2,925,000
Other Long-Term Obligations:						
Compensated Absences						
				4,192,016	277,706	4,469,722
Total General Long-Term Debt and Other Long-Term Obligations				\$9,928,832	\$23,220,890	\$33,149,722

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

Issue Date	Interest Rate	Description	Maturity Date	Balance December 31, 2000	Issued (Retired)	Balance December 31, 2001
Enterprise Funds						
General Obligation Bonds:						
1992	6.00%	Parking Improvement	2012	\$865,000	(\$50,000)	\$815,000
1997	4.99%	Golf	2012	1,945,000	(125,000)	1,820,000
		Less Bond Discount		(40,341)	6,148	(34,193)
		Total General Obligation Bonds		2,769,659	(168,852)	2,600,807
Ohio Water Development Authority Loans (OWDA):						
1988	8.480%	OWDA - 1988	2013	8,571,573	(412,090)	8,159,483
1996	6.320%	OWDA - 1996	2001	71,755	(71,755)	0
		Total Ohio Water Development Authority Loans		8,643,328	(483,845)	8,159,483
Mortgage Revenue Bonds:						
1993	3.2% - 5.15%	Gas System Series	2023	17,585,000	(640,000)	16,945,000
		Less Bond Discount		(593,326)	45,316	(548,010)
		Sub-Total Gas Revenue Bonds		16,991,674	(594,684)	16,396,990
1992	3% - 6.3%	Electric System Series A	2023	175,200,000	(3,775,000)	171,425,000
		Electric System Series B	2025	24,535,000	0	24,535,000
		Less Bond Discount		(5,296,320)	321,477	(4,974,843)
		Sub-Total Electric Revenue Bonds		194,438,680	(3,453,523)	190,985,157
1991	5.1% - 6.4%	Water System Series	2021	53,070,000	(1,285,000)	51,785,000
		Less Bond Discount		(1,193,011)	91,420	(1,101,591)
		Sub-Total Water Revenue Bonds		51,876,989	(1,193,580)	50,683,409
1996	4% - 6%	1996 Wastewater Series	2021	8,565,000	(225,000)	8,340,000
1998	5.10%	1998 Wastewater Series	2023	21,170,000	(535,000)	20,635,000
		Less Bond Discount		(205,696)	14,834	(190,862)
		Sub-Total Wastewater Revenue Bonds		29,529,304	(745,166)	28,784,138
		Total Mortgage Revenue Bonds		292,836,647	(5,986,953)	286,849,694
		Total Enterprise Long-Term Debt		\$304,249,634	(\$6,639,650)	\$297,609,984

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

The principal amount of the City's special assessment bonds outstanding was \$2,925,000. Special assessment bonds are general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$303,281 in the Debt Service Fund at December 31, 2001 is reserved for the retirement of outstanding special assessment bonds.

During 2001, the City issued a new Various Purpose Series 2001 Special Assessment Bond in the amount of \$1,290,000. These bonds, along with payments made by homeowners of benefited property, funded four special assessment projects and permanently financed three outstanding bond anticipation notes.

Outstanding general obligation bonds are direct obligations of the City for which the full faith and credit of the City resources are pledged; such bonds are payable from taxes levied on all taxable property within the City. Outstanding general obligation bonds totaled \$25,755,000 at December 31, 2001 and includes a new \$22,390,000 general obligation bond issued to purchase the One Renaissance Center which is more fully described in Note 24 to the 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 payments of principal and interest are guaranteed by the insurer. In addition, all property of Electric and Water facilities have been pledged as collateral on these bonds.

As of December 31, 2001, the City had a total and unvoted debt margin of \$72,404,855 and \$31,433,630, respectively.

A. Future Long-Term Financing Requirements

A summary of the City's long-term debt funding requirements as of December 31, 2001 is represented in the following schedules. Principal, interest and total debt service is provided individually for the One Renaissance Center General Obligation Bond, Parking, Golf, all other General Obligation Bonds, Special Assessment Bonds, OWDA Loans, as well as Gas, Electric, Water and Wastewater Revenue Bonds. The Electric and Water Revenue Bonds have also pledged a mortgage upon all property in addition to the pledge on revenues. Total principal, interest and total debt service is also provided for General Obligation and Revenue Bonds. Special Assessment and OWDA Loans are already provided in total and therefore have no cumulative total summary.

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

	Golf			Parking		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2002	\$130,000	\$87,700	\$217,700	\$55,000	\$48,900	\$103,900
2003	135,000	82,045	217,045	55,000	45,600	100,600
2004	140,000	76,105	216,105	60,000	42,300	102,300
2005	150,000	69,805	219,805	65,000	38,700	103,700
2006	155,000	62,905	217,905	70,000	34,800	104,800
2007-2011	900,000	194,015	1,094,015	410,000	106,800	516,800
2012-2016	210,000	10,920	220,920	100,000	6,000	106,000
	<u>\$1,820,000</u>	<u>\$583,495</u>	<u>\$2,403,495</u>	<u>\$815,000</u>	<u>\$323,100</u>	<u>\$1,138,100</u>

	One Renaissance Center			All Other General Obligation Bonds		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2002	\$405,000	\$1,178,156	\$1,583,156	\$290,000	\$156,195	\$446,195
2003	550,000	1,034,950	1,584,950	105,000	143,365	248,365
2004	565,000	1,020,650	1,585,650	110,000	139,218	249,218
2005	580,000	1,004,265	1,584,265	115,000	134,818	249,818
2006	600,000	985,995	1,585,995	120,000	130,218	250,218
2007-2011	3,340,000	4,584,580	7,924,580	680,000	572,346	1,252,346
2012-2016	4,120,000	3,803,463	7,923,463	855,000	406,773	1,261,773
2017-2021	5,375,000	2,586,239	7,961,239	1,090,000	170,943	1,260,943
2022-2026	6,855,000	1,062,000	7,917,000	-	-	-
Totals	<u>\$22,390,000</u>	<u>\$17,260,297</u>	<u>\$39,650,297</u>	<u>\$3,365,000</u>	<u>\$1,853,876</u>	<u>\$5,218,876</u>

Total General Obligation Bonds			
	Principal	Interest	Total Debt Service
2002	\$880,000	\$1,470,951	\$2,350,951
2003	845,000	1,305,960	2,150,960
2004	875,000	1,278,273	2,153,273
2005	910,000	1,247,588	2,157,588
2006	945,000	1,213,918	2,158,918
2007-2011	5,330,000	5,457,745	10,787,745
2012-2016	5,285,000	4,227,155	9,512,155
2017-2021	6,465,000	2,757,180	9,222,180
2022-2026	6,855,000	1,062,000	7,917,000
	<u>\$28,390,000</u>	<u>\$20,020,768</u>	<u>\$48,410,768</u>

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

Years	Special Assessment Bonds			OWDA Loans		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2002	\$275,000	\$150,476	\$425,476	\$447,035	\$691,924	\$1,138,959
2003	295,000	125,450	420,450	484,944	654,015	1,138,958
2004	250,000	114,375	364,375	526,067	612,892	1,138,959
2005	255,000	104,560	359,560	570,678	568,281	1,138,958
2006	175,000	94,190	269,190	619,071	519,888	1,138,959
2007-2011	505,000	394,050	899,050	3,977,706	1,717,091	5,694,797
2012-2016	625,000	260,338	885,338	1,533,983	174,457	1,708,440
2017-2021	545,000	82,465	627,465	-	-	-
Totals	<u>\$2,925,000</u>	<u>\$1,325,904</u>	<u>\$4,250,904</u>	<u>\$8,159,483</u>	<u>\$4,938,548</u>	<u>\$13,098,031</u>

	Gas Revenue Bonds			Electric Mortgage Revenue Bonds		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2002	\$670,000	\$835,060	\$1,505,060	\$3,980,000	\$11,801,543	\$15,781,543
2003	695,000	805,580	1,500,580	4,200,000	11,582,643	15,782,643
2004	730,000	775,000	1,505,000	4,440,000	11,343,243	15,783,243
2005	760,000	742,150	1,502,150	4,695,000	11,087,943	15,782,943
2006	795,000	707,190	1,502,190	4,970,000	10,812,111	15,782,111
2007-2011	4,605,000	2,916,237	7,521,237	29,785,000	49,126,619	78,911,619
2012-2016	5,895,000	1,617,207	7,512,207	39,880,000	39,027,525	78,907,525
2017-2021	2,795,000	211,250	3,006,250	53,375,000	25,538,625	78,913,625
2022-2025	-	-	-	50,635,000	7,805,235	58,440,235
	<u>\$16,945,000</u>	<u>\$8,609,674</u>	<u>\$25,554,674</u>	<u>\$195,960,000</u>	<u>\$178,125,487</u>	<u>\$374,085,487</u>

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

	<u>Water Mortgage Revenue Bonds</u>			<u>Wastewater Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2002	\$1,360,000	\$3,269,775	\$4,629,775	\$795,000	\$1,500,965	\$2,295,965
2003	1,445,000	3,186,815	4,631,815	830,000	1,466,255	2,296,255
2004	1,535,000	3,097,225	4,632,225	865,000	1,429,145	2,294,145
2005	1,630,000	3,000,520	4,630,520	905,000	1,389,610	2,294,610
2006	1,735,000	2,896,200	4,631,200	950,000	1,347,315	2,297,315
2007-2011	10,485,000	12,666,600	23,151,600	5,480,000	5,999,718	11,479,718
2012-2016	14,255,000	8,895,915	23,150,915	7,055,000	4,433,510	11,488,510
2017-2021	19,340,000	3,803,940	23,143,940	9,170,000	2,306,903	11,476,903
2022-2025	-	-	-	2,925,000	230,100	3,155,100
Totals	\$51,785,000	\$40,816,990	\$92,601,990	\$28,975,000	\$20,103,521	\$49,078,521

	<u>Total Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2002	\$6,805,000	\$17,407,343	\$24,212,343
2003	7,170,000	17,041,293	24,211,293
2004	7,570,000	16,644,613	24,214,613
2005	7,990,000	16,220,223	24,210,223
2006	8,450,000	15,762,816	24,212,816
2007-2011	50,355,000	70,709,174	121,064,174
2012-2016	67,085,000	53,974,158	121,059,158
2017-2021	84,680,000	31,860,718	116,540,718
2022-2025	53,560,000	8,035,335	61,595,335
	\$293,665,000	\$247,655,672	\$541,320,672

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.

NOTE 17 – SEGMENT INFORMATION

The key financial information for the year ended December 31, 2001 for the enterprise activities is as follows:

	Gas	Electric	Water	Wastewater
Operating Revenues	\$28,823,243	\$51,548,421	\$16,772,242	\$11,682,515
Depreciation	1,768,261	9,746,742	1,796,096	2,286,365
Operating Income	1,748,162	7,731,651	6,414,293	1,714,281
Net Non-Operating Activity	(643,053)	(11,122,724)	(2,564,017)	(1,305,790)
Operating Transfer In	-	-	-	-
Net Income (Loss)	1,105,109	(3,391,073)	3,850,276	408,491
Property, Plant and Equipment:				
Additions	555,169	3,749,840	2,162,824	911,804
Disposals	116,640	602,623	58,494	11,021
Total Assets	51,628,150	200,130,008	88,973,921	68,748,692
Net Working Capital	5,515,856	9,185,144	9,660,282	11,123,617
Bonds, Notes and Loans Payable	16,396,990	190,985,157	50,683,409	36,943,621
Total Equity	31,409,026	1,574,890	35,617,240	29,506,101
Encumbrances at 12/31/01	4,421,679	5,267,631	3,199,051	2,148,288

	Parking	Golf Course	Sports Arena	Total
Operating Revenues	\$628,233	\$1,066,212	\$72,552	\$110,593,418
Depreciation	30,418	73,950	12,608	15,714,440
Operating Income (Loss)	(16,144)	90,639	24,341	17,707,223
Net Non-Operating Activity	(51,205)	(78,612)	-	(15,765,401)
Operating Transfers In	85,493	-	-	85,493
Net Income (Loss)	18,144	12,027	24,341	2,027,315
Property, Plant and Equipment:				
Additions	-	20,706	-	7,400,343
Disposals	-	-	-	788,778
Total Assets	1,358,155	2,914,029	84,197	413,837,152
Net Working Capital	(171,953)	190,441	81,068	35,584,455
Bonds, Notes and Loans Payable	815,000	1,785,807	-	297,609,984
Total Equity	350,559	992,943	84,058	99,534,817
Encumbrances at 12/31/01	18,031	2,586	-	15,057,266

NOTE 18 – CONTRIBUTED CAPITAL

A schedule of changes in contributed capital is presented below:

	Gas	Electric	Water	Wastewater	Parking	Total
Balance at 12/31/00	\$1,729,661	\$6,613,567	\$13,211,892	\$11,965,756	\$2,492,935	\$36,013,811
Reductions:						
Depreciation on Fixed Assets	(54,749)	(174,041)	(326,540)	(569,281)	0	(1,124,611)
Balance at 12/31/01	<u>\$1,674,912</u>	<u>\$6,439,526</u>	<u>\$12,885,352</u>	<u>\$11,396,475</u>	<u>\$2,492,935</u>	<u>\$34,889,200</u>

For the fiscal year ended December 31, 2001, no additions to contributed capital were recorded. With the affect of GASB Statement No. 33, such additions to contributed capital will now be reported as a non-operating revenue.

NOTE 19 – CONTRACTUAL COMMITMENTS

As of December 31, 2001, 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, 2001:

Description	Remaining Contractual Commitment
Southern Appalachian Coal	\$2,273,983
Cincinnati Bulk Terminals	1,699,590
Byrnes Conway Company	1,020,090
Demmy Construction	772,120
R. E. Holland Excavating	626,918
Kelley & Carpenter Roofing	435,768
Dravo Lime Company	<u>263,609</u>
Total	<u>\$7,092,078</u>

NOTE 20 – 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 20 – CONTINGENCIES (Continued)

The City is party to certain litigations with Butler County over matters relating to the contract under which the City sells surplus water to the County. The County's claims include allegations of over billing, failures to perform and improper allocation of certain general and administrative charges of the City and expenses of the City's utility systems. Since that time, and on April 26, 2002 the legislative bodies of the City and the County directed the entering into of a settlement memorandum with the intent to resolve all issues currently in litigation. However, should this agreement be the subject of successful attack in a subsequent determination, it could be necessary for the City to increase taxes to pay any judgment against the City and such increase could be material (See Note 25).

B. Federal and State Grants

For the period January 1, 2001 to December 31, 2001, 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 21 – 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 various 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 21 – 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.

Dated January 1, 2001, AMP-OHIO on behalf of OMEGA JV2 participants issued \$50,260,000 of Distributive Generation Bonds, supported by financing participant payments. The issuance of the bonds retired \$50,000,000 of AMP-OHIO, Inc.'s Distributive Generation Notes, financing the remaining un-funded portion of the project and pay issuance costs. The Bonds do not represent an obligation on behalf of the financing participants to levy or pledge any form of taxation nor any mortgage on or interest in the project or the City's electric system or fund.

While the City made no payments to OMEGA JV2 in 2000, the following amounts were expended by the Electric Fund and recorded within the Purchase of Electric expense account to the OMEGA JV2 in 2001:

Annual Capacity	\$1,161,715
Power Purchases	460,928
Working Capital	<u>48,198</u>
Total Payments – OMEGA JV2 – 2001	<u>\$1,670,841</u>

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

NOTE 21 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS

C. Economic Development Association of Butler County, Inc.

The Economic Development Association of Butler County (EDABC) was created by resolution of the County Commissioners and organized as a non –profit corporation under Internal Revenue Code Section 501(c)(6). The EDABC is a jointly governed organization and was created to promote economic development in the County. Membership in the EDABC consists of Butler County, five cities including the City of Hamilton, two townships and all five chambers of commerce in Butler County. The Board of Trustees oversees the operation of the Association. The continued existence of the EDABC is not dependent upon the City’s continued participation and the City of Hamilton has no equity interest in the EDABC. Complete financial statements can be obtained from the EDABC, 315 High Street, Hamilton, Ohio 45011.

D. Transportation Improvement District of Butler County

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

E. Butler County Emergency Management Agency

The Butler County Emergency Management Agency (EMA) is a jointly governed organization whose membership consists of Butler County, five cities including the City of Hamilton, and seven villages. The EMA was created by a countywide agreement with the Butler County Commissioners and is intended to provide cooperative effort between all local governments to manage disaster relief and coordinate with the Federal Emergency Management Agency (FEMA) in times of crisis. The twenty-six members of the advisory council comprise one County Commissioner and the chief official of each of the local government members. The continued existence of the Butler County Emergency Management Agency is not dependent upon the City’s continued participation and the City of Hamilton has no equity interest in the Butler County EMA. Complete financial statements can be obtained from the Butler County Emergency Management Agency, 200 N. “F” Street, Hamilton, Ohio 45013.

NOTE 21 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS

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. A surplus distribution representing year 2000 net collections occurred in November 2001, with the City of Hamilton receiving \$12,320.

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 2001. 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 21 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS

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 2001. Information can be obtained from the Center by writing to Lee Meyer, Director of the Center for Local Governments, 4144 Crossgate Drive, Cincinnati, OH 45236.

NOTE 21 – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS

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, comprehensive planning within the OKI Region. 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 2001. To obtain financial information, write to Barry Blank, Director of Finance and Admin. Of the Ohio-Kentucky-Indiana Regional Council of governments at 801-B, W. Eighth Street, Suite 400, Cincinnati, OH 45203.

NOTE 22 – 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.

During 2001, the Electric Fund purchased \$949,665 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.

The Water and Wastewater Funds purchased electric services from the Electric Fund in the amount of \$656,000 and \$460,000, respectively during 2001. These amounts are recorded in the Water and Wastewater Fund as contractual services and as Charges for Services in the Electric Fund.

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 2001, and the estimated operating cost of supplying these free services was \$1,130,040 for the year ending December 31, 2001.

NOTE 22 – 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:

	Gas	Electric	Water	Wastewater
Administrative cost (Gen. Fund)	\$898,795	\$939,780	\$898,610	\$744,545
Central Service charges	1,221,375	1,392,409	1,290,035	1,203,930
Fleet Maintenance Chargebacks	189,250	189,470	185,115	1,640
Total	\$2,309,420	\$2,521,659	\$2,373,760	\$1,950,115

NOTE 23 – NEW CITY CHARTER

By a vote of the electors in the November 2000 general election, a revised City Charter was enacted which amended parts of the original Charter which was originally adopted in 1926. The new Charter became effective on January 1, 2001. Previously, the top seven candidates obtaining votes in a general election were elected to City Council, with the top two candidates becoming Mayor and Vice-Mayor, and all Council members serving two-year terms. Under the provisions of the amended Charter, the Mayor is elected by a popular vote from a field of mayoral candidates, while the remaining six Council members are elected from a separate field of council candidates. The Council candidate receiving the highest number of votes shall become the Vice-Mayor. The Mayor and members of Council will be elected to staggered four-year terms under the new Charter. No raise in Council pay was provided as a function of the Charter change. The new Charter also now provides that, a permanent full-year appropriation measure must be adopted prior to January 1st of the subsequent budget year. On December 12, 2001, the City Council of Hamilton approved by ordinance the budget and appropriations for the year 2002.

NOTE 24 – PURCHASE OF ONE RENAISSANCE CENTER

In 1999, the City of Hamilton began its service as contracting agent for Butler County, Ohio to build an office building which was to be constructed and known as the Government Services Center. Corporex, Inc. was chosen as primary contractor to build the Government Services Center. Design specifications allowed the company to construct a companion, seven story pre-cast office building known as One Renaissance Center (ORC). The City of Hamilton agreed to lease space from the company’s real estate management firm known as One Renaissance Hamilton, Inc. The ORC was completed in April 2000 and city offices were relocated to the site throughout the remainder of that year. Other tenants including a restaurant, print shop and the Ohio Bureau of Worker’s Compensation would locate to the ORC during 2000 as well.

NOTE 24 – PURCHASE OF ONE RENAISSANCE CENTER (Continued)

In mid 2001, the City of Hamilton was named as a defendant in a lawsuit brought by One Renaissance Hamilton, Inc. The substance of that lawsuit claimed that the City had failed in its responsibilities as a tenant to the plaintiff. Throughout the fall of 2001, negotiations to settle the lawsuit were undertaken and eventually reached.

Dated September 15, 2001, the City issued General Obligation Bonds totaling \$22,390,000. The bonds were issued in two series: Series A of \$19,320,000 and Series B of \$3,070,000. In addition to the full Faith and credit of the City, the bonds contained an additional pledge of income tax revenues and lease payments for the repayment of the bonds.

The bonds were issued pursuant to a no-fault, final judgment from the Butler County Court of Common Pleas. The purpose of the bonds was to provide funding to pay a \$602,400 judgment to One Renaissance Hamilton, Inc., to fund the purchase of One Renaissance Center, to permanently finance, as well as capitalize interest, two bond anticipation notes of \$2,300,000 and \$600,000 originally issued to provide funding for leasehold improvements, furniture and fixtures for One Renaissance Center, and pay issuance costs.

The following provides a summary of the sources and uses of funds associated with the One Renaissance Center Acquisition Bonds:

Sources:	
Par Amount - Series A	\$19,320,000
Par Amount - Series B	3,070,000
Original Issue Premium/ Accrued Interest	348,479
Total Sources	<u>\$22,738,479</u>
Uses:	
Building Acquisition	\$18,349,617
Payment of Judgment	602,400
Note Repayment	2,998,600
Issuance Cost/Accrued Interest	787,862
Total Uses	<u>\$22,738,479</u>

The bond anticipation notes permanently financed through the issuance of the Series B bonds were retired at maturity in April 2002 (See Note 25).

NOTE 25 – SUBSEQUENT EVENTS

A. Dismissal of Water Lawsuit & Refunding of Outstanding Water Revenue Bonds

In April 2002, the Hamilton City Council and Board of Butler County Commissioners agreed during a jointly held meeting to settle their differences in regard to lawsuits brought by each entity for the supply and purchase of surplus water by the County from the City (See Note 20). The substance of that settlement was for the County to receive reduced water rates under a tiered structure with a requirement to purchase an average eight (8) million gallons of water per day with additional gallons purchased at a reduced rate. In accordance with the settlement agreement, the County is required to assume 74% of the outstanding Water System Mortgage Revenue Bonds after liquidation of the City's Water Revenue Bond Debt Service Reserve Fund. The City will also advance refund the remaining outstanding debt not assumed by the County. Shown below is a brief synopsis of the tentative estimated transaction:

Outstanding Water Revenue Bonds (Face Value)	\$51,785,000
Call Premium & Accrued Interest	1,725,986
Amount Needed to Call Outstanding Bonds	<u>\$53,510,986</u>
County Portion to affect refunding (74%)	\$39,598,130
City Portion to affect refunding (26%)	<u><u>\$13,912,856</u></u>

The estimated sizing of the City's portion of the Advance Refunding Water Bonds is expected to be as follows:

City Portion to affect Refunding (26%)	\$13,912,856
Liquidated Restricted Cash & Investments	(1,689,179)
Net Proceeds Required to Advance Refund	<u>\$12,223,677</u>
Cost of Issuance	456,323
Estimated New Advance Refunding Bonds	<u><u>\$12,680,000</u></u>

B. Closure of the Electric System to Competition

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

NOTE 25 – SUBSEQUENT EVENTS (Continued)

C. General Obligation Bonds

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

Sources:

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

Uses:

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

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

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

NOTE 25 – SUBSEQUENT EVENTS (Continued)

D. Other Bond Anticipation Note Activity

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

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



**Schedule of Expenditures
Of Federal Awards and Other
A-133 Reports**

CITY OF HAMILTON! OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2001

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Grantor Number	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
Community Development Block Grant	14.219		\$2,363,666
Home Program	14.239		513,085
Total U.S. Department of Housing and Urban Development			<u>2,876,751</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Programs:			
Law Enforcement Block Grant	16.592		231,166
Weed and Seed Grant	16.595		215,938
Bulletproof Vest Program	16.607		10,405
Total U.S. Department of Justice			<u>457,509</u>
U.S. DEPARTMENT OF HEALTH			
Passed through to Ohio Department of Health - Immunization Action Plan	93.268	182-B	<u>52,443</u>
U.S. BUREAU OF ALCOHOL, TOBACCO & FIREARMS			
Pass through Ohio Department of Alcohol, Tobacco & Firearms - Gang Resistance Education and Training Grant (GREAT)	21.053	ATC000028	<u>21,703</u>
TOTAL			<u><u>\$3,408,406</u></u>

The community development loans outstanding at December 31, 2001 totaled \$399,717 under CFDA 14.219 and \$296,500 under CFDA 14.239.

See notes to the Schedule of Expenditures of Federal Awards.

CITY OF HAMILTON! OHIO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2001

1. The accompanying 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 general purpose financial statements.
2. 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.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and Members of The City Council
City of Hamilton! Ohio and
Jim Petro, Auditor of State of Ohio

We have audited the financial statements of the City of Hamilton! Ohio (the "City") as of and for the year ended December 31, 2001, and have issued our report thereon dated May 29, 2002. 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'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'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 operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City Council, management of the City, Auditor of State of Ohio, 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.

Deloitte & Touche LLP

May 29, 2002



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM

The Honorable Mayor and Members of The City Council
City of Hamilton! Ohio and
Jim Petro, Auditor of State of Ohio

COMPLIANCE

We have audited the compliance of the City of Hamilton! Ohio (the "City") 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, 2001. The City'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 its major federal programs are 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 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; 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, the City 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, 2001.

INTERNAL CONTROL OVER COMPLIANCE

The management of the City is responsible for establishing and maintaining effective internal 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.

This report is intended solely for the information and use of the City Council and management of the City, Auditor of State of Ohio, 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.

Deloitte & Touche LLP

May 29, 2002

CITY OF HAMILTON! OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2001

PART I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____yes _____X no

Reportable condition(s) identified not considered to be material weaknesses? _____yes _____X N/A

Noncompliance material to financial statements noted? _____yes _____X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? _____yes _____X no

Reportable condition(s) identified not considered to be material weakness(es)? _____yes _____X N/A

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (Section .510(a))? _____yes _____X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster Number</u>
<u>14.219</u>	<u>Community Development Block Grant</u>
<u>14.239</u>	<u>Home Program</u>

Dollar threshold used to distinguish between Type A and Type B programs

\$300,000

Auditee qualified as low-risk auditee? _____X yes _____no

CITY OF HAMILTON! OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2001

PART II – FINANCIAL STATEMENT FINDINGS SECTION

No matters are reportable.

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No matters are reportable.

CITY OF HAMILTON! OHIO

STATUS OF PRIOR YEAR COMMENTS ON INTERNAL CONTROL AND LEGAL COMPLIANCE FOR THE YEAR ENDED DECEMBER 31, 2001

There were no significant or material comments on internal control and legal compliance included in the prior year reports.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF HAMILTON

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 8, 2002**