



Mary Taylor, CPA  
Auditor of State



**HAMILTON COUNTY**  
**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report..... Under separate cover	
Comprehensive Annual Financial Report ..... Under separate cover	
Schedule of Expenditures of Federal Awards.....	1
Notes to Schedule of Expenditures of Federal Awards .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing</i> Standards.....	9
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	11
Schedule of Findings.....	15
Schedule of Prior Audit Findings.....	23

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**HAMILTON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>County of Hamilton Department or Board</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass through the Ohio Department of Education:				
Nutrition Cluster:				
	River City			
School Breakfast Program	Correctional Center	10.553	135285	\$9,967
School Breakfast Program	Juvenile Court	10.553	068114	54,831
School Breakfast Program	Juvenile Court	10.553	069690	69,202
Total for CFDA 10.553				<u>134,000</u>
	River City			
National School Lunch Program	Correctional Center	10.555	135285	21,740
National School Lunch Program	Juvenile Court	10.555	068114	98,256
National School Lunch Program	Juvenile Court	10.555	069690	131,475
	Mental Retardation and Developmental Disabilities			
National School Lunch Program		10.555	067231	32,337
Total for CFDA 10.555				<u>283,808</u>
Total Ohio Department of Education—Nutrition Cluster				<u>417,808</u>
Total U.S. Department of Agriculture				<u>417,808</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	Community Development	14.218		<u>3,660,396</u>
Emergency Shelter Grants Program	Community Development	14.231		149,080
Pass through the Ohio Department of Development:				
Emergency Shelter Grants Program	Job and Family Services	14.231	N-07-249-1	<u>90,000</u>
Total for CFDA 14.231				<u>239,080</u>
Direct Programs:				
Supportive Housing Program	Mental Health and Recovery Services Board	14.235		371,548
Supportive Housing Program	Job and Family Services	14.235		<u>80,678</u>
Total for CFDA 14.235				<u>452,226</u>
HOME Investment Partnerships Program	Community Development	14.239		1,719,822
Pass through the City of Cincinnati:				
HOME Investment Partnerships Program	Community Development	14.239	85X0109	<u>14,902</u>
Total for CFDA 14.239				<u>1,734,724</u>
Total U.S. Department of Housing and Urban Development				<u>6,086,426</u>

(Continued)

**HAMILTON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>County of Hamilton Department or Board</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Public Safety Partnership and Community Policing Grants	Sheriff	16.710		\$629,099
Forensic DNA Backlog Reduction Program	Coroner	16.741		<u>26,274</u>
Criminal and Juvenile Justice and Mental Health Collaboration Program	Juvenile Court	16.745		<u>149,790</u>
Pass through the Ohio Department of Youth Services:				
Juvenile Accountability Block Grants	Juvenile Court	16.523	2007-JB-011-A054	47,327
Juvenile Accountability Block Grants	Juvenile Court	16.523	2006-JB-001-B053	<u>14,279</u>
Total for CFDA 16.523				<u>61,606</u>
Pass through the Ohio Attorney General:				
Crime Victim Assistance	Prosecutor	16.575	2007VAGENE424T	72,342
Crime Victim Assistance	Prosecutor	16.575	2008VAGENE424T	<u>21,702</u>
Total for CFDA 16.575				<u>94,044</u>
Pass through the Ohio Office of Criminal Justice Services:				
Residential Substance Abuse Treatment for State Prisoners	Administrator	16.593	2007-RS-SAT-125	20,400
Residential Substance Abuse Treatment for State Prisoners	Administrator	16.593	2008-RS-SAT-125	<u>30,478</u>
Total for CFDA 16.593				<u>50,878</u>
Community Prosecution and Project Safe Neighborhoods	Prosecutor	16.609	2007-PS-PSN-320	<u>57,738</u>
Edward Byrne Memorial Justice Assistance Grant Program	Administrator	16.738	2007-JG-C01-6273	49,915
Pass through the City of Cincinnati:				
Edward Byrne Memorial Justice Assistance Grant Program	Pretrial Services	16.738	2006-DJ-BX-0957	203,668
Edward Byrne Memorial Justice Assistance Grant Program	Pretrial Services	16.738	2007-DJ-BX-1160	<u>391</u>
Total for CFDA 16.738				<u>253,974</u>
Pass through the Ohio Office of Criminal Justice Services:				
Paul Coverdell Forensic Sciences Improvement Grant Program	Coroner	16.742	2007-PC-NFS-7803	36,801
Paul Coverdell Forensic Sciences Improvement Grant Program	Coroner	16.742	2008-PC-NFS-7803	11,589
Paul Coverdell Forensic Sciences Improvement Grant Program	Coroner	16.742	2007-CD-BX-0112	<u>70,073</u>
Total for CFDA 16.742				<u>118,463</u>
Total U.S. Department of Justice				<u>1,441,866</u>

(Continued)

**HAMILTON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>County of Hamilton Department or Board</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>U.S. DEPARTMENT OF LABOR</b>				
Pass through the Ohio Department of Job and Family Services:				
Employment Service/Wagner-Peyser Funded Activities	Job and Family Services	17.207	G-67-15-1006	<u>\$5,602</u>
Workforce Investment Act Cluster:				
WIA Adult Program	Job and Family Services	17.258	G-67-15-1006	3,101,015
Program Administrative				<u>174,467</u>
Total				<u>3,275,482</u>
WIA Youth Activities	Job and Family Services	17.259	G-67-15-1006	2,014,057
Program Administrative				<u>174,467</u>
Total				<u>2,188,524</u>
WIA Dislocated Workers	Job and Family Services	17.260	G-67-15-1006	2,171,370
Program Administrative				<u>174,467</u>
Total				<u>2,345,837</u>
Total Ohio Department of Job and Family Services—Workforce Investment Act Cluster				<u>7,809,843</u>
Work Incentive Grants	Job and Family Services	17.266	G-67-15-1006	<u>10,659</u>
Total U.S. Department of Labor				<u>7,826,104</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Direct Program:				
Federal Transit—Capital Investment Grants	Public Works	20.500		<u>1,562,476</u>
Pass through the Ohio Department of Transportation:				
Highway Planning and Construction	Engineer	20.205	PID22970	2,256
Highway Planning and Construction	Engineer	20.205	PID22972	2,911
Highway Planning and Construction	Engineer	20.205	PID79749	695,602
Pass through the Ohio Office of Public Safety:				
Highway Planning and Construction	Sheriff	20.205	GG-2008-31-00-00-00438-00	4,598
Highway Planning and Construction	Sheriff	20.205	GG-2009-31-00-00-00566-00	<u>2,623</u>
Total for CFDA 20.205				<u>707,990</u>
Total U.S. Department of Transportation				<u>2,270,466</u>
<b>U.S. DEPARTMENT OF VETERANS AFFAIRS</b>				
Direct Program:				
VA Homeless Providers Grant and Per Diem Program	Job and Family Services	64.024		<u>52,165</u>
Total U.S. Department of Veterans Affairs				<u>52,165</u>

(Continued)

**HAMILTON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>County of Hamilton Department or Board</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct Programs:				
Air Pollution Control Program Support	Environmental Services	66.001		<u>\$638,376</u>
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	Environmental Services	66.034		<u>363,542</u>
Total U.S. Environmental Protection Agency				<u>1,001,918</u>
U.S. DEPARTMENT OF EDUCATION				
Pass through the Ohio Department of Rehabilitations and Corrections:				
Adult Education—Basic Grants to States	Sheriff	84.002	146191 AB-S1-2008	47,509
Adult Education—Basic Grants to States	Sheriff	84.002	65201 AB-S1-2009	53,808
	River City			
Adult Education—Basic Grants to States	Correctional Center	84.002	2008-PRSC-0006	17,502
	River City			
Adult Education—Basic Grants to States	Correctional Center	84.002	2009-PRSC-0006	<u>16,038</u>
Total for CFDA 84.002				<u>134,857</u>
Title I Program for Neglected and Delinquent Children	Sheriff	84.013	65201 AB-S-1-2008	16,077
Title I Program for Neglected and Delinquent Children	Sheriff	84.013	65201 AB-S1-2009	5,713
Title I Program for Neglected and Delinquent Children	River City			
Title I Program for Neglected and Delinquent Children	Correctional Center	84.013	2008-TI-ED-008	11,080
	River City			
Title I Program for Neglected and Delinquent Children	Correctional Center	84.013	2009-TI-ED-009	<u>7,750</u>
Total for CFDA 84.013				<u>40,620</u>
Pass through the Ohio Department of Education:				
	Mental Retardation and Developmental Disabilities			
Special Education—Grants to States		84.027	067231	<u>276,549</u>
Pass through the Ohio Department of Alcohol and Drug Addiction Services:				
	Mental Health and Recovery Services Board			
Safe and Drug-Free Schools and Communities—State Grants		84.186	Board Area 31	<u>183,612</u>
Total U.S. Department of Education				<u>635,638</u>

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**HAMILTON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>County of Hamilton Department or Board</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass through the Ohio Department of Health:				
Acquired Immunodeficiency Syndrome (AIDS) Activity	Job and Family Services	93.118	03110022TB0109	<u>\$65,100</u>
Pass through the Ohio Department of Mental Health:				
Projects for Assistance in Transition from Homelessness (PATH)	Mental Health and Recovery Services Board	93.150	OCRS-PATH-08-03	138,633
Projects for Assistance in Transition from Homelessness (PATH)	Mental Health and Recovery Services Board	93.150	OCRS-PATH-09-03	<u>66,233</u>
Total for CFDA 93.150				<u>204,866</u>
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Mental Health and Recovery Services Board	93.243		<u>7,967</u>
Promoting Safe and Stable Families	Mental Health and Recovery Services Board	93.556	Board Area 31	<u>183,704</u>
Social Services Block Grant	Mental Health and Recovery Services Board	93.667	MH-21	933,496
Pass through the Ohio Department of Mental Retardation and Developmental Disabilities:				
Social Services Block Grant	Mental Retardation and Developmental Disabilities	93.667	3100012	<u>578,192</u>
Total for CFDA 93.667				<u>1,511,688</u>
Pass through the Ohio Department of Mental Health:				
State Children's Insurance Program	Mental Health and Recovery Services Board	93.767	Board Area 31	1,912,218
Pass through the Ohio Department of Alcohol and Drug Addiction Services:				
State Children's Insurance Program	Mental Health and Recovery Services Board	93.767	Board Area 31	<u>495,958</u>
Total for CFDA 93.767				<u>2,408,176</u>
Pass through the Ohio Department of Mental Health:				
Medical Assistance Program	Mental Health and Recovery Services Board	93.778	Board Area 31	21,690,824
Pass through the Ohio Department of Mental Retardation and Developmental Disabilities:				
Medical Assistance Program	Mental Retardation and Developmental Disabilities	93.778	3100012	8,968,436
Pass through the Ohio Department of Alcohol and Drug Addiction Services:				
Medical Assistance Program	Mental Health and Recovery Services Board	93.778	Board Area 31	<u>2,236,457</u>
Total for CFDA 93.778				<u>32,895,717</u>

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**HAMILTON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>County of Hamilton Department or Board</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
Pass through the Ohio Department of Mental Health:				
Block Grants for Community Mental Health Services	Mental Health and Recovery Services Board	93.958	Board Area 31	<u>\$670,260</u>
Pass through the Ohio Department of Alcohol and Drug Addiction Services:				
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	Board Area 31	<u>5,693,693</u>
Total U.S. Department of Health and Human Services				<u>43,641,171</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Direct Program:				
Homeland Security Biowatch Program	Environmental Services	97.091		<u>157,871</u>
Pass through the United Way of America:				
Emergency Food and Shelter National Board Program	Job and Family Services	97.024	675600-006	<u>20,233</u>
Pass through the Ohio Office of Public Safety:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Planning & Development	97.036	061-99061	87,054
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Planning & Development	97.036	061-UBQWW-00	3,621
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Emergency Management Agency	97.036	061-09EE1	1,301
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Environmental Services	97.036	061-UPX94-00	<u>203,523</u>
Total for CFDA 97.036				<u>295,499</u>
Pass through the Ohio Emergency Management Agency:				
Emergency Management Performance Grants	Emergency Management Agency	97.042	2007-EM-E7-0085	32,431
Emergency Management Performance Grants	Emergency Management Agency	97.042	2008-EM-E8-0002	160,930
Emergency Management Performance Grants	Emergency Management Agency	97.042	2009-EP-E9-0061	<u>52,126</u>
Total for CFDA 97.042				<u>245,487</u>
Homeland Security Grant Program	Emergency Management Agency	97.067	See note 6.	3,974,782
Homeland Security Grant Program	Emergency Management Agency	97.067	2007-GE-T7-0030	<u>382,913</u>
Total for CFDA 97.067				<u>4,357,695</u>
Total U.S. Department of Homeland Security				<u>5,076,785</u>
Total Federal Expenditures				<u>\$68,450,347</u>

See Notes to Schedule of Expenditures of Federal Awards.

**HAMILTON COUNTY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

Program Title	Federal CFDA Number	Amounts Provided to Subrecipients
Community Development Block Grants/Entitlement Grants	14.218	\$ 1,441,601
Emergency Shelter Grants Program	14.231	149,080
Supportive Housing Program	14.235	371,548
HOME Investment Partnerships Program	14.239	1,559,195
Residential Substance Abuse Treatment for State Prisoners	16.593	50,878
Edward Byrne Memorial Justice Assistance Grant Program	16.738	49,915
Safe and Drug-Free Schools and Communities—State Grants	84.186	183,612
Projects for Assistance in Transition from Homelessness (PATH)	93.150	204,866
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	93.243	7,967
Promoting Safe and Stable Families	93.556	183,704
Social Services Block Grant	93.667	694,674
State Children's Insurance Program	93.767	1,833,783
Medical Assistance Program	93.778	15,064,096
Block Grants for Community Mental Health Services	93.958	670,260
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2,679,705
Urban Areas Security Initiative	97.008	1,845,876
Homeland Security Grant Program	97.067	166,972

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

3. **Loan Programs:** The County has established loan programs to provide low-interest loans to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development grants money for these loans to the County. The initial loan of this money is recorded as an expenditure on the Schedule. Loans repaid, including interest, may be used for allowable activities. The County had the following loan balances outstanding at December 31, 2008, including delinquent loans of \$193,782:

Program Title	Federal CFDA Number	Loan Balances Outstanding
Community Development Block Grant	14.218	\$ 816,618
HOME Investment Partnerships Program	14.239	41,053

**HAMILTON COUNTY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

4. **Matching Requirements:** Certain federal programs require the County to contribute nonfederal funds (matching funds) to support the federally funded programs. The County has complied with the matching requirements (if applicable) for the major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings. Expenditures of matching funds are not included in the Schedule.
  
5. **State Department of Job and Family Services Funding:** The Schedule does not include U.S. Department of Health and Human Services funding from the Ohio Department of Job and Family Services (ODJFS) to Hamilton County. Federal grants received from ODJFS are audited in conjunction with the State of Ohio audit.
  
6. **U.S. Department of Homeland Security:** The County reported the following federal programs for the Homeland Security Cluster on the Schedule of Expenditures of Federal Awards. These amounts were all expended by the Hamilton County Emergency Management Agency. Several programs for fiscal years 2005 and 2006 were incorporated into the Homeland Security Grant Program (97.067) in accordance with the guidance from the U.S. Department of Homeland Security:

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
Urban Areas Security Initiative	97.008	2005-GE-T5-0001	\$ 167,212
Urban Areas Security Initiative	97.008	2006-TU-T6-0051	3,365,153
Citizen Corps	97.053	2006-GC-T6-0051	1,304
State Homeland Security Program (SHSP)	97.073	2006-GE-T6-0051	441,113
Total			\$ 3,974,782



# Mary Taylor, CPA

Auditor of State

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

Hamilton County  
138 East Court Street  
Cincinnati, Ohio 45202

To the Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hamilton County, Ohio (the County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 6, 2010. We rendered an adverse opinion on financial statements of the Governmental Activities, General Fund, Public Assistance Fund, Health and Human Services Levies Fund, and remaining fund information. In addition, had we not rendered an adverse opinion on these funds, we would have disclaimed an opinion because we were unable to obtain sufficient evidence to support these funds' January 1, 2008 balances. We also disclaimed an opinion on the budgetary comparisons for the General Fund, Public Assistance Fund, and Health and Human Services Levies Fund. Other auditors audited the financial statements of the Convention Facility Authority (discretely presented component unit) and the Metropolitan Sewer District (major enterprise fund), as described in our opinion on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported.

### **Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the County's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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We consider findings 2008-002 and 2008-003 described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the County's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the County's management in a separate letter dated October 6, 2010.

### **Compliance and Other Matters**

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2008-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the County's management in a separate letter dated October 6, 2010.

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

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



**Mary Taylor, CPA**  
Auditor of State

October 6, 2010



# Mary Taylor, CPA

Auditor of State

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

Hamilton County  
138 East Court Street  
Cincinnati, Ohio 45202

To the Board of County Commissioners:

### Compliance

We have audited the compliance of Hamilton County, Ohio (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2008. The summary of auditor's results section of the accompanying schedule of findings and questioned costs identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, Hamilton County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2008.

However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that OMB Circular A-133 requires us to report, which is described in the accompanying schedule of findings and questioned costs as item 2008-004.

In a separate letter to the County's management dated October 6, 2010, we reported other matters related to federal noncompliance not requiring inclusion in this report.

### **Internal Control Over Compliance**

The County's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that the County's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the County's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

However, we noted matters involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the County's management in a separate letter dated October 6, 2010.

### **Federal Awards Expenditures Schedule**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Hamilton County, Ohio as of and for the year ended December 31, 2008. We rendered an adverse opinion on financial statements of the governmental activities, General Fund, Public Assistance Fund, Health and Human Services Levies Fund, and remaining fund information. In addition, had we not rendered an adverse opinion on these funds, we would have disclaimed an opinion because we were unable to obtain sufficient evidence to support these funds' January 1, 2008 balances. We also disclaimed an opinion on the budgetary comparisons for the General Fund, Public Assistance Fund, and Health and Human Services Levies Fund. The accompanying federal awards expenditures schedule (schedule) provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the procedures applied to the basic financial statements; however, because of the aforementioned adverse opinions and disclaimers of opinions, we are unable to express an opinion on the schedule.

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



Hamilton County  
Independent Accountants' Report On Compliance With Requirements  
Applicable To Each Major Federal Program And On Internal Control Over  
Compliance In Accordance With OMB Circular A-133  
Page 3

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

October 6, 2010

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HAMILTON COUNTY  
 SCHEDULE OF FINDINGS  
 OMB CIRCULAR A -133 § .505  
 DECEMBER 31, 2008

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Adverse/Disclaimer
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Medical Assistance Program – 93.778 Block Grants for Prevention and Treatment of Substance Abuse – 93.959 Community Development Block Grant/Entitlement – 14.218 State Children's Insurance Program – 93.767 <u><b>WIA Cluster</b></u> WIA-Adult Program – 17.258 WIA-Youth Activities – 17.259 WIA-Dislocated Workers – 17.260 <u><b>Homeland Security Cluster</b></u> Homeland Security Grant Program – 97.067 Urban Areas Security Initiative – 97.008
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$2, 053,510 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

**FINDING NUMBER 2008-001**

**Finding For Recovery repaid under audit**

Section 5.7 of the Hamilton County Board of County Commissioners Policy Manual states that upon retirement from active County Service, pursuant to Chapter 145 of the Ohio Revised Code, and with ten or more years of public service with the County, the State, any political subdivision of the State, or any combination thereof, the retiring employee shall be entitled to a lump-sum payment for his/her accrued, but unused sick leave credit, on the basis of one (1) hour's pay for each two (2) hours of accrued sick leave credit.

William G. Morgan retired from the Engineer's office on April 30, 2009 and received a lump sum payment for his accrued but unused sick leave totaling 217.82 hours. During audit testing of Mr. Morgan's sick leave pay out it was determined that his sick leave balance was overstated by 26.5 hours, resulting in an overpayment of 13.25 hours, due to used but unrecorded sick leave. The following dates outline the used but unrecorded sick leave hours:

- On September 22 and 23, 2008, Mr. Morgan requested and used 18 hours of sick leave. However, the amounts were input into the system at 8 hours per day, or 16 hours used, instead of 18 hours used, resulting in 2 hours of sick leave used but not recorded.
- On June 11, 2008, Mr. Morgan used 9 hours of sick leave but the amount was never entered into the leave system.
- On May 28 and 29, 2008, Mr. Morgan requested and used 6.5 and 9 hours of sick leave respectively but the amounts were never entered into the leave system.

Accordingly, Mr. Morgan received an overpayment of 13.25 hours of sick leave, totaling \$438.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against William G. Morgan, in the amount of \$438 and in favor of Hamilton County, roads and bridges fund, in the amount of \$438.

The Engineer's office did not have a review and approval process in place for leave payouts after they are calculated by their personnel department and prior to submission to the County Auditor's office for processing. This resulted in an error in the payout amount of Mr. Morgan's sick leave due to undetected errors in his balance. The Engineer's office should implement review and approval procedures for leave payout balances to reduce the risk of errors and overpayments.

Mr. Morgan repaid the \$438 overpayment and the amount was paid into the County on October 11, 2010.

**Officials' Response:**

The overpayment appeared to be a result of errors involving 5 time card entries as noted in the Audit Report. The time card and Sick Leave Request Form documentation prepared and submitted by Mr. Morgan were not consistent for dates 05/28/2008 and 06/11/2008, which caused discrepancy. The time cards and sick leave documents submitted by Mr. Morgan for dates 05/29/2008, 09/22/2008 and 09/28/2008 appeared to be consistent. Therefore the resultant discrepancy is thought to be result of data transfer error.

**FINDING NUMBER 2008-001  
(Continued)**

The Hamilton County Engineer's Office had a reporting and review process in place in 2008 that involved supervisors and the HCE Personnel Department. This system made use of paper time cards that had to be transported from different HCE departments located at different sites to the HCE Personnel Department in downtown Cincinnati. Although it is believed that the reported Morgan incident is isolated, the review process used in 2008 was recognized as needing improvement due to the fact it relied on hard copy time card source documents that often had to be transported from one site to another.

A computerized time card system has been in place since March of 2009 in an attempt to provide improved efficiency. This system allows for the employees to enter their time data directly including sick time, vacation time and compensation time. Supervisors have immediate access to the computerized time card data entered by their respective employees and must approve the entered data for final acceptance. Thus, both the HCE Personnel Department and the supervisors can more efficiently and accurately review time card data for consistency with other source documents like Sick Leave Request Forms.

In addition to the computerized time card system noted above, the County Engineer's Office has taken other corrective actions to improve accuracy. All Sick Leave Request Forms are currently being reviewed by the HCE Personnel Department to ensure compliance with the computerized time card system. Furthermore, a review will also be conducted on the time card data as well as Sick Leave Request Form data of any employee announcing an intention to retire.

**FINDING NUMBER 2008-002**

**Significant Deficiency**

**Manual Checks – Treasurer's Office**

Proper controls over checks must exist to enable the Treasurer's office to record and report its transactions, and maintain accountability for the related obligations. Cash handling policies and procedures should be established to ensure proper controls. Under current policies and procedures, the Treasurer's office writes manual checks between internal Treasurer accounts to: split payments (when people pay both real and personal property tax in the same transaction); move tax-related overpayments to the National City Account for repayments, and; move money to/from the Treasurer's Optional Payment (TOPS) account. These manual checks are written out of a Treasurer's Fifth Third Bank checking account.

During testing of the manual checks in the Treasurer's Fifth Third Checking Account, we noted the following conditions:

- 14 of the 53 voided checks totaling \$115,545 were voided on the corresponding check stub but not entered into the system as voided.
- 2 of the 53 voided checks totaling \$634 did not document a reason for issuing the void.
- 39 of 53 voided checks totaling \$710,491 were not entered into FoxPro, the computer system used by the Treasurer's office, when originally issued.

In addition, we selected manual checks payable to the Treasurer's office for proper endorsement and noted seven of 447 (2%) checks payable to the Treasurer tested, totaling \$49,094, were without an endorsement.

**FINDING NUMBER 2008-002  
(Continued)**

The Treasurer's Office endorsed a large quantity of checks from their Fifth Third checking account as "Pay Any Bank, Robert A. Goering". An endorsed "For Deposit Only" check permits deposit only in the account of the payee; however, "Pay Any Bank" could be interpreted as allowing the bearer to deposit it in any bank account, including one that is not the County's. These checks were issued to either "County Treasurer, Robert A. Goering", or to "National City Bank", and were not being deposited daily into the bank. We noted the following days elapsing between the issuance of a check payable to the Treasurer's office or the National City bank account and the check clearing the bank:

- Thirty-four of 447 (8%) checks payable to the Treasurer's office in 2008 totaling \$319,572 did not clear the bank within 5 days. Of the checks clearing after 5 days, the average check amount was \$9,399 and the average number of days to clear was 9.1 days, ranging from 6 to 25 days.
- Eleven of 68 (16%) reissued checks, totaling \$94,306, were reissued more than five days after the date of the original voided check. The average number of days was 24.64, ranging from 7 to 46 days. The average amount of the checks was \$8,573.34.
- Nineteen of 68 (28%) reissued checks, totaling \$39,133, cleared the bank more than five days after being the date reissued. The average number of days was 23.05, ranging from 6 to 95 days. The average amount of the checks was \$2,060.
- Thirty-two of 81 (40%) checks deposited to the National City Bank account tested, totaling \$50,855, were deposited more than five days after the check date. The average number of days was 9.56, ranging from 6 days to 28 days. The average amount of the checks was \$1,589.

We recommend that the County improve current procedures to process split payments, overpayments, and TOPS payments. Procedures should allow for the posting of multiple tax types in one batch, allow for payment plans, and allow overages to be posted to the taxpayer accounts to be returned to the taxpayer through County Auditor warrant. We recommend that the County implement interim controls over the current system to improve the timeliness, accuracy and accountability of the manual checks.

Failure to properly account for voided checks could lead to difficulties reconciling bank statements to financial records, misstated financial statements, or misappropriation of assets without timely detection. The County should maintain documentation supporting the reasons for voiding checks.

Failure to monitor the endorsement of checks could result in checks being cashed by unauthorized individuals and result in misappropriation of assets. We recommend that the County implement procedures to better monitor the endorsement of manual checks. We recommend the Treasurer's office deposit all checks issued to themselves daily to reduce the risk involved in safeguarding assets.

**Officials' Response:**

<sup>1st</sup> Bullet Point: During the regular course of business, manual checks were issued to make the related split payments (real or personal property, tax-related overpayments). At the time of payment into the tax system the original check would again need to be split to enable proper payment. While resplitting, the original check would be voided and new checks equaling the original check amount would be issued without properly crediting and debiting the system for the identical amounts for a cleaner audit trail. Since the issuance of the 2007 State Audit Report procedures have been put into place, i.e. depositing the original check into our bank account and issuing the new split checks with an additional corresponding entry into the accounting system. This new procedure will make for a cleaner audit trail, and fully addresses the State Auditor finding.

**FINDING NUMBER 2008-002  
(Continued)**

2<sup>nd</sup> Bullet Point: New procedures have eliminated voided checks except in situations where the original check is incorrectly written at the time of issuance. In those situations an explanation for the void is now required on the check stub. This fully addresses the State Auditor finding.

3<sup>rd</sup> Bullet Point: Originally issued checks were voided and new checks issued without properly crediting and debiting the system for a cleaner audit trail. Previously stated procedures have since been put into place to make for a cleaner audit trail, and fully address the State Auditor finding.

1<sup>st</sup> Paragraph: Many of the manual checks are written to make TOP (escrow) payments. These checks are amongst hundreds of other checks that are bundled to make payments to MVP (Real Estate Tax System). When they are given to the head cashier for deposit into the bank they are endorsed through a machine in their department. While running a large volume of checks through the endorsing machine, at times the machine will inadvertently pull two checks through at once, therefore not endorsing one of the checks. There are instances when the endorsement will be very faint and is unnoticeable on the imaged return check included in the monthly bank statements when in fact the endorsement is legible on the original. The cashiers routinely check the consistency of the endorsement and call for maintenance when needed. These procedures fully address the State Auditor finding.

2<sup>nd</sup> Paragraph: The "Pay Any Bank, Robert A. Goering" endorsement has been used for the last 18 years without an issue. Upon consulting with our bank it has been determined that the "For Deposit Only" endorsement would be better; therefore, we have been using the "For Deposit Only" endorsement since the issuance of the 2007 State Audit Report. These procedures fully address the State Auditor finding.

The 5/3<sup>rd</sup> checking account is balanced monthly. Any outstanding check(s) made payable to the Treasurer's office are accounted for and the related taxpayers check(s) are deposited and posted to the proper fund.

In house checks made payable to National City Bank are used to write refund checks to taxpayers for overpayments. Previously the in house checks had been deposited once a week into the Treasurer's bank account after preparing and processing multiple bundles of overpayments. Since the issuance of the 2007 State Audit Report we have been depositing the checks after each bundle is prepared which eliminates any delay in depositing checks.

End of Finding Number 2008-002: Currently the MVP (real estate, personal property, manufactured homes and TOP escrow) system is not capable of accepting multiple payment types. To change this would require Manatron to rewrite the whole cashier system which would be very costly if it is even possible. By not having taxpayers overpayments go into a surplus account the taxpayer receives their refund within three weeks instead of many months. Manual checks not only reduce additional county department workload but also provides a timely refund to the taxpayers of Hamilton County. With the current implemented controls there is timeliness, accuracy and accountability of the manual checks. These procedures fully address the State Auditor finding.

**Auditor of State Conclusion:**

The new procedures indicated as being put in place by the Treasurer's Office following the 2007 (opinion date August 28, 2009) audit have not been audited as of December 31, 2008.

## FINDING NUMBER 2008-003

### Significant Deficiency

#### Treasurer's Office Reconciliation

The monthly bank reconciliation process is an important tool to help management determine the completeness and accuracy of recorded transactions and verify that recorded transactions reflect the related activity in the financial institution. The reconciliation provides management with useful information to assist in: identifying and investigating differences between the bank account balances and the accounting system book balances; detecting errors, and irregularities; detecting improper or incorrect postings to the accounting records; and detecting unauthorized transaction in the bank account. Accurate and timely monthly bank reconciliations are an essential component of sound internal controls, accurate financial reporting and sound financial decisions.

The Treasurer's office lacked accurate and timely fund balance to bank reconciliations. At December 31, 2008, the Treasurer's office had a list of reconciling items totaling \$250,660 of fund balance totals greater than bank account totals; however, they were unable provide documentation to support this amount. The Treasurer's office recorded the amounts of the unsupported reconciling items on their reconciliations as "adjustments". According to the Treasurer's Office and dates on the list of reconciling items, the unsupported reconciling items recorded as adjustments on the reconciliation consist of activity that occurred prior to March 28, 2006, when several unknown adjustments were combined.

On April 7, 2008, unknown adjustments from March 26, 2006 and January 17, 2008 were combined to the unknown adjustment amount of \$250,660. The County does not maintain a running total or list of items that constitutes the unknown adjustment amount.

We also noted that there is no independent review and approval of adjustments made to Treasurer's books or taxpayer accounts. The Treasurer's Office did not report non sufficient fund checks (NSF) to the County Auditor's Office for adjustment of the revenue reported.

The lack of timely and accurate reconciliations increases the risk that errors, theft and fraud could occur and not be detected in a timely manner.

We recommend that the Treasurer's Office improve the reconciliation procedures and resolve reconciling items in a timely manner:

- All reconciling items should be substantiated by supporting documentation.
- Reconciling items requiring adjustments to the bank and book balances should be addressed in a timely manner, and reported to the county auditor for adjustment to the books.
- Reconciling items requiring adjustments to the bank and book balances should be approved and agreed to by an employee other than the employee making the adjustment.
- We recommend the County develop procedures for addressing NSF checks in a timely manner.
- Implement supervisory review of adjustments posted to taxpayer accounts for validity of the adjustment to prevent unallowable adjustments being made.
- Continue to research, document and resolve reconciling items with no supporting documentation.



**FINDING NUMBER 2008-003  
 (Continued)**

**Officials Response:**

The Treasurer’s Office discovered the errors (after internal controls brought the matter to our attention. Two county employees were fired, the County Prosecutor notified, independent audit run, and new safeguards implemented. Since the issuance of the 2007 State Audit Report (August 2009) all the recommendations of the state have been put into place. These procedures fully address the State Auditor finding.

**Auditor of State Conclusion:**

The new procedures indicated as being put in place by the Treasurer’s Office following the 2007 (opinion date August 28, 2009) audit have not been audited as of December 31, 2008.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**FINDING NUMBER 2008-004**

<b>CFDA Title and Number</b>	Community Development Block Grant/Entitlement – 14.218 Home Investment Partnerships Program – 14.239
<b>Federal Award Number / Year</b>	2008
<b>Federal Agency</b>	U.S. Department of Housing and Urban Development
<b>Pass-Through Agency</b>	Ohio Department of Development

**Noncompliance/Questioned Cost**

**Community Development Block Grant**

**2 C.F.R. Part 225, Appendix A, Section (E)(2)(a)** states, that typical costs chargeable to Federal awards are: compensation of employees for the time devoted and identified specifically to the performance of those awards.

During 2008, the County’s Community Development department had a total payroll of \$343,975 available for reimbursement between the Community Development Block Grant (Entitlement Program) and HOME program. However, the County was reimbursed by the CDBG (Entitlement Program) and HOME grant for payroll expenditures totaling \$427,909, which was an overpayment of \$83,934.

Because the costs described above were not related to compensation of employees for the time devoted and identified specifically to the performance of those awards, we are questioning expenses totaling \$83,934 that were reimbursed to the County by HUD for their Entitlement grant. Failure to comply with grant requirements could result in future questioned costs and potential loss of federal financial assistance.

Failure to comply with grant requirements could result in future questioned costs and potential loss of federal financial assistance.

**FINDING NUMBER 2008-004  
(Continued)**

**Officials' Response:**

The Draft 2008 Audit report for Community Development identifies \$83,934 of questioned costs related to drawdowns of payroll expenses. An explanation of the process for paying of salaries and other administrative expenses, related to the Federal Drawdown system and the County's Performance financial system, will help clarify that these expenses were legitimate.

The salaries of Community Development staff are initially paid out of the CDBG administrative grant through the Auditor's Performance system, as that grant has all Administrative expenses for the office in specific line items. HUD requires that when staff members work on more than one program (or grant), their time must be paid out of the grants using one of two methods. The first method can be used if staff work primarily on one program (more than 50% of time), and then their salary can be charged to that program entirely. Secondly, we can use the timesheet method, where timesheets are kept for all programs, and the salaries are paid according to the time spent on each program. In 2008, the Community Development office used the "majority of time" method, and then in 2009 switched to the "timesheet" method. During 2008, there were 3 staff persons who worked primarily on the HOME Program, and as such, their salaries and PERS were paid out of the HOME Grant. Each pay period, the Accountant calculated the pay associated with these 3 staff persons, and then reimbursed the CDBG Grant for the payroll that was already paid from CDBG in the County's Performance System.

Funds are drawn down from the HUD system, IDIS, after the expenses are verified, to pay into the Grant. This is accomplished through a drawdown from IDIS, from the CDBG Program Grant. Then, once the HOME reimbursements are verified, these funds are drawn down from the HOME Program grant. However, once these funds are received, the funds cannot be paid back into the IDIS system into CDBG, as the system would consider it Program Income, instead of reimbursements. Program Income is treated differently than reimbursements, and is accounted for in the Program reports. Due to this inability to reimburse the funds into IDIS, the Accountant used these funds as a line of credit to pay other administrative expenses that came due, until the credit was exhausted. Then the new expenses were accumulated, until a new drawdown was needed. There were times when only the net amount of the CDBG personnel costs were drawn down, if the Accountant had time to reflect the reimbursements before the drawdown of CDBG was done, but this did not occur on a regular basis. As all administrative costs for CDBG are charged to a single activity in the HUD system, using the reimbursement from HOME for the other CDBG administrative expenses is allowed.

In 2009 and later, when the Community Development office changed to the timesheet method, the drawdowns were done after the reimbursements were calculated, and as such, the funds drawn down from the CDBG grant were only for the payroll associated with that grant.

All expenses paid out of the CDBG and HOME programs are reflected on the internal ledgers kept in the office, and these ledgers clearly reflect the drawdowns and expenditures, showing no excess in income received through the drawdowns.

**Auditor of State Conclusion:**

The County submitted expenses to HUD for reimbursement twice: Once through their HOME Investment Partnership Program grant and secondly through their CDBG Entitlement grant. Upon review of Community Development's payroll records it was determined that they were eligible to be reimbursed for payroll expenses totaling \$343,975 for the CDBG Entitlement grant. However, the County was reimbursed by HUD for expenses totaling \$427,909 which resulted in an overpayment of \$83,934 in the CDBG Entitlement grant, due to the County submitting expenses twice for reimbursement. There was no authoritative guidance supplied to support this practice.

HAMILTON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
 OMB CIRCULAR A -133 § .315 (b)  
 DECEMBER 31, 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain</b>
Hamilton County Department of Job and Family Service Special Audit for the period July1, 2000 through June 30, 2004 –	The special audit identified the findings for adjustment affecting the following opinion units related required to correct fund balances for undocumented / unsupported interfund transfers, and amounts incorrectly paid from special funds during the period of the audit (amounts in thousands):  General Fund \$(1,752) Public Assistance Fund (138,890) Health and Human Services Levies Fund 149,890 Remaining Fund Information (9,248)	No	Not corrected; reflected in the audit opinion for the year ended December 31, 2008.  The County is currently attempting to resolve this issue with the Ohio Department of Job and Family Services and the Federal Department of Health and Human Services
2007-001	Noncompliance – ORC, 5705.39 Appropriations in Excess of Estimated Resources on an interim basis.	Yes	
2007-002	Noncompliance – ORC, 5705.41B Expenditures plus encumbrances exceeding appropriations.	Yes	
2007-003	Significant Deficiency – Treasurer’s Office controls over manual checks.	No	Partially corrected. Reissued as Finding 2008-002.
2007-004	Significant Deficiency – Treasurer’s Office Reconciliation.	No	Reissued as Finding 2008-003.
2007-005	Noncompliance/Significant Deficiency -- ORC, 149.351(A). Destruction of records.	No	Partially corrected. Reissued as management letter comment.
2007-006	Significant Deficiency – Central Riverfront Area lack of controls over parking receipts.	No	Partially corrected. Reissued as management letter comment.
2007-007	Material Weakness – Failure to properly report and classify interfund reimbursements.	No	Partially corrected. Reissued as management letter comment.
2007-008	Significant Deficiency - Calculation of Shared Costs by PCASA to PA fund.	Yes	

Hamilton County  
 Schedule of Prior Audit Findings  
 Page 2

2007-009	Significant Deficiency/Finding for Adjustment – Hillcrest Services Reimbursements calculated incorrectly.	No	Partially Corrected Prior Year Finding for Adjustment not made.
2007-010	Noncompliance/Finding for Adjustment – Indirect Costs Prosecutor Children Services Board. Incorrect amounts charged as indirect costs.	No	Partially Corrected Prior Year Finding for Adjustment not made.
2007-011	Federal Noncompliance/Questioned Cost – Community Development Block Grant questioned costs relating to reimbursements to the County by the Housing and Urban Development for the entitlement grant.	No	Reissued as Finding 2008-004.

The 2007 financial statement audit was finalized August 28, 2009; therefore, certain issues identified in 2007 could not be corrected by Hamilton County in 2008. As a result, there are several 2007 issues repeated in the 2008 Schedule of Findings and Questioned Costs.

# **2008 Comprehensive Annual Financial Report**

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**For the year ended  
December 31, 2008**

**The County of  
Hamilton, Ohio**



**Issued by  
Dusty Rhodes  
Hamilton County  
Auditor**

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**2008 Comprehensive  
Annual Financial Report**  
*For the fiscal year ended  
December 31, 2008*

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*Issued by*

**Dusty Rhodes**

**Auditor  
Hamilton County, Ohio**

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**COUNTY OF HAMILTON, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Year Ended December 31, 2008**

**TABLE OF CONTENTS**

<b>INTRODUCTORY SECTION</b>	<b><u>PAGE</u></b>
LETTER OF TRANSMITTAL . . . . .	1
LIST OF ELECTED OFFICIALS . . . . .	6
ORGANIZATION CHART . . . . .	7
<b>FINANCIAL SECTION</b>	
REPORT OF INDEPENDENT AUDITORS . . . . .	10
MANAGEMENT'S DISCUSSION AND ANALYSIS . . . . .	14
<b>BASIC FINANCIAL STATEMENTS:</b>	
Government-Wide Financial Statements:	
Statement of Net Assets . . . . .	37
Statement of Activities . . . . .	38
Fund Financial Statements:	
Balance Sheet—Governmental Funds . . . . .	39
Reconciliation of Balance Sheet—Governmental Funds—to Government-Wide Statement of Net Assets. . . . .	40
Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds . . . . .	41
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances— Governmental Funds—to Government-Wide Statement of Activities . . . . .	42
Statements of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual:	
General Fund . . . . .	43
Public Assistance—Special Revenue Fund . . . . .	44
Health and Human Services Levies—Special Revenue Fund . . . . .	45
Statement of Net Assets—Proprietary Funds . . . . .	47
Reconciliation of Statement of Net Assets—Proprietary Funds to Government-Wide Statement of Net Assets . . . . .	
Statement of Revenues, Expenses and Changes in Fund Net Assets—Proprietary Funds . . . . .	51
Reconciliation of Statement of Revenues, Expenses and Changes in Fund Net Assets— Proprietary Funds—to Government-Wide Statement of Activities . . . . .	
Statement of Cash Flows—Proprietary Funds . . . . .	55
Statement of Assets and Liabilities—Agency Funds . . . . .	57
Notes to the Basic Financial Statements . . . . .	59
<b>SUPPLEMENTARY INFORMATION:</b>	
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet—Nonmajor Governmental Funds . . . . .	99
Combining Statement of Revenues, Expenditures and Changes in Fund Balances— Nonmajor Governmental Funds . . . . .	101
Schedules of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual:	
General Fund . . . . .	103
Public Assistance—Special Revenue Fund . . . . .	108
Health and Human Services Levies—Special Revenue Fund . . . . .	109
Motor Vehicle Gas Tax—Special Revenue Fund . . . . .	110
Health and Community Services Nongrants—Special Revenue Fund . . . . .	111
Health and Community Services Grants—Special Revenue Fund . . . . .	113



Community Development Block Grants—Special Revenue Fund. . . . .	114
Bond Retirement—Debt Service Fund. . . . .	115
General Obligation Nonvoted—Debt Service Fund. . . . .	116
Special Assessments—Debt Service Fund. . . . .	117
Combining Statement of Net Assets—Nonmajor Enterprise Funds. . . . .	119
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets— Nonmajor Enterprise Funds. . . . .	121
Combining Statement of Cash Flows—Nonmajor Enterprise Funds. . . . .	123
Combining Statement of Net Assets—Internal Service Funds. . . . .	127
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets— Internal Service Funds. . . . .	129
Combining Statement of Cash Flows—Internal Service Funds. . . . .	131
Combining Statement of Assets and Liabilities—Agency Funds. . . . .	135
Combining Statement of Changes in Assets and Liabilities—Agency Funds. . . . .	136
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source. . . . .	139
Schedule by Function and Activity. . . . .	140
Schedule of Changes by Function and Activity. . . . .	141

**STATISTICAL SECTION**

**STATISTICAL SCHEDULES:**

Net Assets by Component—Last Seven Fiscal Years . . . . .	145
Changes in Net Assets—Last Seven Fiscal Years . . . . .	146
Fund Balances of Governmental Funds—Last Ten Fiscal Years . . . . .	148
Changes in Fund Balances of Governmental Funds—Last Ten Fiscal Years . . . . .	149
Assessed Value and Estimated Actual Value of Taxable Property—Last Ten Fiscal Years . . . . .	150
Property Tax Rates—All Direct and Overlapping Governments—Last Ten Years . . . . .	151
Principal Property Taxpayers . . . . .	153
Property Tax Levies and Collections—Real, Utility and Tangible Taxes—Last Ten Years . . . . .	154
Ratios of Outstanding Debt by Type—Last Ten Fiscal Years . . . . .	155
Legal Debt Margin Information—Total Debt Limit—Last Ten Fiscal Years . . . . .	156
Legal Debt Margin Information—Unvoted Debt Limit—Last Ten Fiscal Years . . . . .	157
Pledged Revenue Coverage—Metropolitan Sewer District—Last Ten Fiscal Years . . . . .	158
Pledged Revenue Coverage—Last Ten Fiscal Years . . . . .	160
Ratios of Net General Bonded Debt Outstanding—Last Ten Fiscal Years . . . . .	162
Demographic and Economic Statistics—Last Ten Fiscal Years . . . . .	163
Principal Employers—Current Year and Nine Years Ago . . . . .	164
Full-Time Equivalent County Government Employees by Function/Program—Last Ten Fiscal Years . . . . .	165
Operating Indicators by Function/Program—Last Ten Fiscal Years . . . . .	166
Capital Asset Statistics by Function—Last Ten Fiscal Years . . . . .	170

**Introductory  
Section**

**The County of  
Hamilton, Ohio**

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# County of Hamilton

DUSTY RHODES  
— AUDITOR —

COUNTY ADMINISTRATION BUILDING  
138 EAST COURT STREET  
CINCINNATI, OHIO 45202

October 6, 2010

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

I am pleased to present the Comprehensive Annual Financial Report of the County of Hamilton for the year ended December 31, 2008. This report, for the year ended December 31, 2008, contains the financial and statistical data that provide a complete and full disclosure of all material financial aspects of the County. The responsibility for the accuracy of all data presented, its completeness, and fairness of presentation rests with the County Auditor's Office and, specifically, the Department of Finance.

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

This report represents the financial activity of the County in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources, and is consistent with the reporting model as promulgated by GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

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

The basic financial statements of the County as of and for the year ended December 31, 2008, included in this CAFR have been audited by the Ohio Auditor of State. The independent auditor's report is located at the front of the financial section of this report.

GAAP requires that management provide a Management's Discussion and Analysis (MD&A), a narrative introduction, overview and analysis to accompany the basic financial statements. The MD&A complements this letter and should be read in conjunction with it. The MD&A appears immediately after the independent auditor's report.

## Reporting Entity

County of Hamilton was named for the former Secretary of the Treasury Alexander Hamilton, and was created by proclamation of Arthur St. Clair, Governor of the Northwest Territory, on January 2, 1790. The County was the second county formed in the State of Ohio, with Cincinnati as the County seat. The County is situated in the extreme southwestern corner of the State and covers an area of 412.81 square miles. The County encompasses 49 cities, villages and townships, of which Cincinnati is the largest. The County is the third largest in the State of Ohio in terms of population (845,303 per the 2000 U.S. Census). Located on the Ohio River, Hamilton County forms the core of the Greater Cincinnati Metropolitan Area, which also includes the counties of Warren, Clermont, Brown and Butler in Ohio; Dearborn and Ohio Counties in Indiana; and Kenton, Campbell, Gallatin, Grant, Pendleton and Boone Counties across the river in Kentucky. The metro area has a population of 1,979,202, which makes it the 24<sup>th</sup> largest metropolitan area in the country per the 2000 U.S. Census.

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

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

The County Auditor is also elected and serves as both the chief fiscal officer for the County and the real property assessor for all political subdivisions within the County. As chief fiscal officer, the Auditor is responsible for maintaining the County's centralized accounting, payroll and benefits systems; for preparing the Comprehensive Annual Financial Report; and for issuing warrants and processing payments made on behalf of County agencies. The Auditor prepares the general tax list of the County, calculates the voted and unvoted tax rates for real estate and personal property and, once collected, distributes the tax receipts to the appropriate political subdivisions and agencies within the County. As real property assessor, the Auditor is responsible for a full reappraisal of more than 340,000 parcels of real property in the County every six years, with an interim update three years later.

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

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

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

The annual budget is the starting point for the County's financial planning and control. The budgeting process is primarily the province of the Board of County Commissioners (BOCC). In the spring of the calendar year, agencies submit their capital requests for review for the following year (i.e., the year being budgeted). In July and August, agencies submit to the Office of Budget and Strategic Initiatives (BSI) their goals/objectives/performance measures along with personnel and operational expense requests for resources necessary to accomplish them. Based on its review of these materials, BSI makes budget recommendations to the County Administrator in October and November. In November, the County Administrator in turn makes his recommendations to the BOCC. After the BOCC conducts a public

hearing on the budget, it typically adopts the final budget in December. But if a final budget is not adopted before January 1, the start of the County's fiscal year, then the BOCC must adopt a temporary appropriation measure, and then approve the final budget by April 1.

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

### **Factors Affecting Financial Condition**

#### Local Economy

Hamilton County's economy represents a cross-section of the national economy, with a diversity that does not rely too heavily on any one sector. Consequently, Hamilton County's unemployment rate of 5.6 in 2008 continued to track the national figure of 5.8, a relationship that has been present historically.

Home loan foreclosures have negatively impacted the economy nationally, and the results were no different in Hamilton County. Since 1995, when Hamilton County saw 1,300 foreclosure filings, the number of such filings in the County has skyrocketed. In 2006, the number of annual foreclosure filings had reached 5,876, in 2007 the number was 6,416 and in 2008 the foreclosure filings totaled 6,674.

The Greater Cincinnati Chamber of Commerce, and its business and community leaders, in their 2008 *Economic Outlook* report look optimistically to the area's major assets—a diverse economy, competitive cost structure, skilled workforce, and ready transportation access to national and regional markets—to help drive the local economy to new success by providing a favorable environment for attracting new businesses and a solid basis for growth. Foreign investment in the local economy is substantial; more than 300 firms are presently owned by companies in Asia (especially Japan), Europe (especially France, Germany and the United Kingdom), Canada, South America and Africa. Further, the Greater Cincinnati area claims a top 10 rating in the number of Fortune 500 firms per million residents.

Nevertheless, the area also faces a significant challenge as the population of the urban core—the City of Cincinnati and Hamilton County—shrinks, while suburban counties gain. The perception of a crime problem in downtown Cincinnati, a substantial tax burden in Hamilton County in relation to that of neighboring counties, and weak urban school systems relative to those in suburban areas are believed to be the reason for individuals leaving this area.

#### Long-Term Financial Planning

The Department of Administrative Services (DAS) conducted a thorough review of revenue sources as a part of the development of the 2008 budget.

Since 2000, General Fund revenue has declined significantly. Interest earnings have declined dramatically during this period, dropping off 45% since 2001, an annual loss of about \$14.7 million to the General Fund. According to DAS, this trend is likely to continue beyond 2008. DAS's current projections also indicate declining Recorder's revenue, down from previous all-time highs. In addition, the State has taken action to reduce Local Government Fund (LGF) allocations. The LGF accounts for \$24.3 million, or 10.3%, of General Fund revenue.

But chief among the causes for the declining General Fund revenue are a depressed real estate market and the continued decline in sales tax revenues and interest rates on investments.

The original 2008 General Fund budget of \$271.6 million (excluding prior-year encumbrances and including transfers) is structurally balanced, reflecting an increase of \$20.4 million, or 7.5%, from that of 2007. These increases were a result of an additional pay date, presidential-year election, separation payouts for positions eliminated and additional costs with regard to the special audit of Job and Family Services (see below). However, due to lagging revenues, Commissioners in July passed a resolution implementing a 6% across-the-board reduction in appropriations.

The sales tax revenue decline, mentioned above, has another critical implication beyond its impact on the General Fund. The BOCC has also historically relied upon the annual sales tax growth rate of 3% in planning to meet the County's legal and/or political obligations associated with a special 0.5% additional sales tax initiated in the late 1990s to cover the costs of ambitious riverfront redevelopment efforts, obligations that include financing debt to cover the costs of building new major league football and baseball stadiums and related infrastructure, as well as the costs of the continued operation of those stadiums and infrastructure and a property tax credit for people who own and occupy their own homes in Hamilton County. Due to lack of growth in sales tax the County payments to the Cincinnati Public Schools pledged as compensation for property tax revenues lost when the County acquired privately held land on the riverfront were restructured to begin again in 2010. But with the County not realizing 3% growth in sales tax revenues from 1999 to 2007, and despite aggressive debt management, serious concerns have arisen regarding whether or not over the next several years the County will be able to meet all of the previously enumerated legal and/or political obligations associated with riverfront redevelopment. Further, this decreased sales tax revenue growth had been a significant factor in delaying plans to establish "The Banks," an important development project described below.

### Major Events and Initiatives

The continuing downturn of the economy has resulted in planned layoffs, the reorganization of various departments and the closing of the Queensgate jail in 2009.

In November of 2007, the Hamilton County Board of Commissioners and Cincinnati City Council approved a series of development agreements and had secured loans and grants from the State and federal government to move the long-awaited Banks project to reality. The Banks project will create a vibrant riverfront with a variety of residential options, entertainment venues that include restaurants and bars, riverfront office and hospitality space, and an expansive green riverfront park. The Banks will be developed under an aggressive economic inclusion policy, will bring more than \$600 million in private investment to the riverfront and will become a regional economic force.

The Banks project will drive economic growth by leveraging private investment to create hundreds of new jobs. The project will also help make downtown Cincinnati a more competitive and attractive location by providing new sites for business development and expansion. In constructing the project, the County and City are also establishing policies and goals designed to encourage small business opportunities and workforce development. Due to these inclusion policies, the community will not only build an exciting new destination and neighborhood on the riverfront but will also build the capacity of small businesses and the skills of individual workers. The developer estimates ground will be broken on the project in the first half of 2009 with construction starting soon thereafter.

There were also significant developments that did not relate to the riverfront. Late in 2004, the Ohio Auditor of State and the Ohio Department of Job and Family Services announced that they would conduct a special audit of Hamilton County's Department of Job and Family Services. That special audit is ongoing and has resulted in the County's not having completed audits for the years 2004 through 2006, since any liability related to the audit has yet to be finalized. For more information on the special audit, see the final section of the MD&A in this report.

## Acknowledgments

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

Sincerely,

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

Dusty Rhodes  
Auditor



# COUNTY OF HAMILTON, OHIO ELECTED OFFICIALS

As of December 31, 2008

## Board of County Commissioners

Todd Portune, President  
Pat DeWine  
David Pepper

Dusty Rhodes  
Gregory P. Hartmann  
O'dell M. Owens, M.D., M.P.H.  
William W. Brayshaw  
Joseph T. Deters  
Rebecca Prem Groppe  
Simon L. Leis, Jr.  
Robert A. Goering

**Auditor**  
**Clerk of Courts**  
**Coroner**  
**Engineer**  
**Prosecutor**  
**Recorder**  
**Sheriff**  
**Treasurer**

## Ohio Court of Appeals First District

J. Howard Sundermann, Presiding Judge  
Penelope R. Cunningham  
Patrick T. Dinkelacker

Sylvia Sieve Hendon  
Lee H. Hildebrandt, Jr.  
Mark P. Painter

## Common Pleas Court Judges

### General Division

Norbert A. Nadel, Presiding Judge  
Kim Wilson Burke  
Ethna M. Cooper  
David P. Davis  
Dennis S. Helmick  
Charles J. Kubicki, Jr.  
Jody Luebbers  
William L. Mallory

Melba D. Marsh  
Steven E. Martin  
Beth A. Myers  
Frederick D. Nelson  
Robert P. Ruehlman  
John Andrew West  
Ralph E. Winkler  
Robert C. Winkler

### Domestic Relations Division

Susan L. Tolbert, Administrative Judge  
Elizabeth B. Mattingly

Ronald A. Panioto

### Probate Court Division

James C. Cissell, Presiding Administrative Judge

### Juvenile Court Division

Thomas R. Lipps, Presiding Administrative Judge

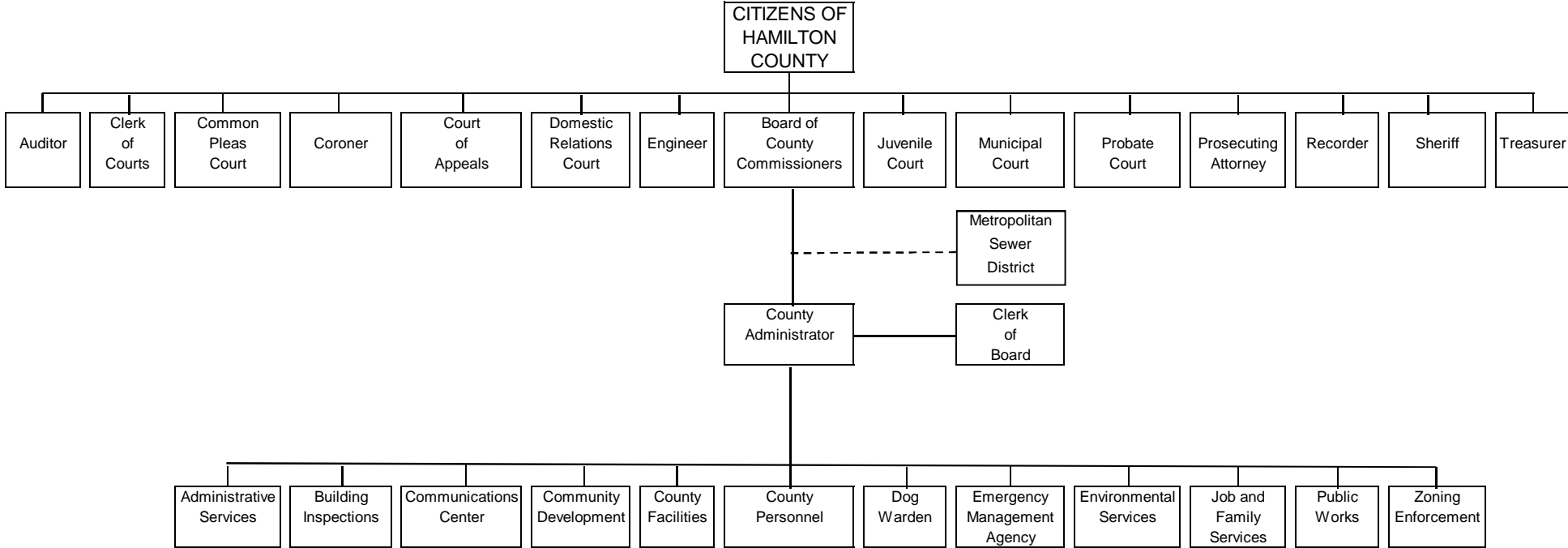
Karla J. Grady

## Hamilton County Municipal Court

Heather S. Russell, Presiding Judge  
Lisa C. Allen  
Nadine L. Allen  
Richard A. Bernat  
Theodore N. Berry  
Bernard A. Bouchard  
Cheryl D. Grant

Bradley J. Greenberg  
Dwane Mallory  
Russell J. Mock II  
Melissa A. Powers  
Fanon A. Rucker  
Julia A. Stautberg  
David C. Stockdale

**ORGANIZATION CHART  
COUNTY OF HAMILTON, OHIO**



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

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**Financial  
Section**

**The County of  
Hamilton, Ohio**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Hamilton County  
 138 East Court Street  
 Cincinnati, Ohio 45202

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hamilton County, Ohio (the County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Convention Facility Authority, which is the County's discretely presented component unit. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for the Convention Facility Authority, on the report of the other auditors. We also did not audit the financial statements of Metropolitan Sewer District, which represent 62 percent of assets, 76 percent of net assets, and 89 percent of operating revenues for the business type activities – enterprise funds. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for business type activities – enterprise funds, on the report of the other auditors.

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

The Auditor of the State of Ohio issued a June 27, 2006 special audit report for the period July 1, 2000 through June 30, 2004 and also issued a finding for adjustment in the audit report for the period ending December 31, 2007 requiring adjustments. The County has not yet recorded these adjustments:

Opinion Unit (amounts in thousands)			
General	Public Assistance	Health and Human Services Levies Fund	Remaining Fund Information

Cumulative Effect of Unrecorded Adjustments on January 1, 2008 Fund Balances	\$(1,752)	\$(131,748)	\$142,748	\$(9,248)
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For our audit of the year ended December 31, 2007, we were unable to obtain audited financial statements or other sufficient evidence to support the January 1, 2007 balances for governmental activities, major governmental funds and remaining fund information. As a result, we are also unable to obtain sufficient evidence to support the January 1, 2008 balances for governmental activities, major governmental funds and remaining fund information.

As disclosed in Note V H to the financial statements, the Ohio Department of Job and Family Services (ODJFS) issued a May 1, 2008 limited review report for the period July 1, 2001 through June 30, 2004 that identified amounts due from the Hamilton County Department of Job and Family Services to the State of Ohio. The County has not recorded a liability related to the ODJFS report. County management indicated that any amount ultimately due from the County General Fund is undeterminable at this time, and that the County will continue to vigorously defend the County's position.

In our opinion, because of the effects of unrecorded adjustments as discussed in the third paragraph, the financial statements referred to in the first paragraph do not present fairly the financial position of the General Fund, Public Assistance Fund, Health and Human Service Levies Fund, and Remaining Fund Information at December 31, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, had there not been departures from U.S. generally accepted accounting principles as discussed in paragraph three, we would be unable to express an opinion on the financial statements of the General Fund, Public Assistance Fund, Health and Human Services Levy Fund and Remaining Fund Information for 2008 because, as described in paragraph four, we were unable to obtain sufficient evidence to support the January 1, 2008 balances for the aforementioned funds and remaining fund information.

Also, in our opinion, because of the effects of any unrecorded adjustments as might have been necessary had we been able to obtain sufficient evidence to support the January 1, 2008 governmental activity net assets as described in paragraph four, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of Hamilton County, Ohio, as of December 31, 2008 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, we are unable to express an opinion on the budgetary comparisons for the General Fund, Public Assistance Fund, and the Health and Human Services Levies Fund for the year ended December 31, 2008 because as described in paragraph four, we were unable to obtain sufficient evidence to support the January 1, 2008 balances for these funds.

Also in our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and major enterprise funds and the discretely-presented component unit of Hamilton County, Ohio as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2010, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We did not audit and do not express an opinion on this information.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. We are unable to express an opinion on this information in relation to the basic financial statements taken as a whole because as described in paragraph three, certain major fund balances were materially misstated as of January 1 and December 31, 2008, and as described in paragraph four, we were unable to obtain sufficient evidence to support the January 1, 2008 balances for governmental activities, and remaining fund information. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

October 6, 2010

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**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

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The discussion and analysis of Hamilton County's financial performance provides an overall review of the County's financial activities for the fiscal year ended December 31, 2008. The intent of this discussion and analysis is to present a narrative overview of the County's financial performance as a whole. Readers should also review the transmittal letter, at the front of this report, and the County's financial statements and notes, which follow this section, to enhance their understanding of the County's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2008 are as follows:

- The net assets of the County as of December 31, 2008 were \$1,432.4 million. Though total net assets of governmental activities are \$641.4 million, all of those net assets are either restricted as to the purposes they can be used for or are invested in capital assets. Consequently, unrestricted net assets showed a \$6.0 million deficit at the end of the year. Although unrestricted net assets is negative, the County has enough current and other assets to meet 2009 obligations as they become due. Unrestricted net assets in business-type activities were \$267.4 million as of December 31, 2008.
- In total, net assets decreased \$5.4 million in 2008. Net assets of governmental activities decreased \$35.3 million. Net assets of business-type activities increased \$29.9 million.
- The revenues of the governmental activities were \$918.9 million; \$495.5 million was from program revenues and \$423.4 million was from general revenues. During this same period, expenses related to the governmental activities were \$952.3 million. The largest category of expenses was social services in the amount of \$297.6 million.
- The 2008 revenues of the business-type activities were \$284.6 million—\$236.9 million from program revenues and \$47.7 million from general revenues. Expenses related to the business-type activities were \$256.6 million. The largest expenses were in the operations of Metropolitan Sewer District in the amount of \$159.1 million.
- General revenues accounted for \$471.1 million of total revenues for 2008. Program-specific revenues in the form of charges for services, grants and contributions accounted for \$732.4 million of total revenues of \$1,203.5 million in 2008.
- As of December 31, 2008, the County's governmental funds reported a combined fund balance of \$237.2 million. Of this amount, \$199.2 million (unreserved fund balance) is available for spending on behalf of the County's citizens.
- Among major funds, the General Fund had \$232.9 million in revenues in 2008. The General Fund had \$232.8 million in expenditures. Factoring in net transfers out of \$5.8 million, for combined General Fund expenditures and other financing uses of \$238.6, there was a decrease of \$5.7 million in the General Fund's balance in 2008.
- Unreserved fund balance for the General Fund was \$37.1 million in 2008. This represents 16% of General Fund expenditures and other financing uses.
- Net assets for the enterprise funds increased \$29.9 million in 2008. The increases are attributable to capital contributions, which exceed net operating and nonoperating revenues and expenses.
- Hamilton County's total debt decreased by \$26.4 million in 2008. The key factor for the decrease was that no new debt was issued for the business-type activities.

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

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**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

**Overview of the Financial Statements**

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

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

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

**REPORTING HAMILTON COUNTY AS A WHOLE**

**Government-Wide Financial Statements**

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

**Statement of Net Assets and Statement of Activities**

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

- **Statement of Net Assets.** The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. This statement provides information about the nature and amounts of investments in resources (assets) and the obligations to County creditors (liabilities), and supplies the basis for evaluating the County's capital structure.

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

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- **Statement of Activities.** The Statement of Activities provides information about all of the County's current-year revenues and expenses, and measures the success of the County's operations over the past year. Use of the accrual basis of accounting for financial reporting means all current-year revenues and expenses are reported regardless of when cash is received or paid.

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

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

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

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

The government-wide financial statements include not only the County itself (known as the primary government) but also any component units, if applicable. Component units are legally separate entities for which the primary government is financially accountable. For 2008, the Convention Facilities Authority (CFA) is a discretely presented component unit, and its financial data is reported on the government-wide statements. The CFA was created for the purpose of financing the Cincinnati Convention Center (now known as the Duke Energy Center) renovation and expansion. Separately audited financial information for CFA is reported distinctly from the financial information presented for the primary government. For more information regarding CFA, see the Notes to the Financial Statements, Part I, Section A, of this report.

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

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

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

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**REPORTING HAMILTON COUNTY'S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements**

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

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

**Governmental Funds, Proprietary Funds and Fiduciary Funds**

All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources (cash and other financial assets that can readily be converted to cash flow in and out), as well as on balances of spendable resources available at the end of the fiscal year. Governmental fund statements explain how services were financed in the short term, as well as what dollars remain for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

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

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

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

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

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

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

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

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

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

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

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

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

#### **Notes to the Financial Statements**

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

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

#### **Other Information**

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

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

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Hamilton County first presented its financial statements using the new reporting model required by the Governmental Accounting Standards Board, including its Statement No. 34 (GASB 34), *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, in 2002. This reporting model significantly changed both the recording and the presentation of financial data. A comparative analysis of current-year and prior-year financial data is included in this report.

#### **Net Assets**

Net assets—the difference between assets and liabilities—may serve over time as a useful indicator of the County's financial position. At the end of 2008, Hamilton County was able to report positive balances in all three categories of net assets for the County as a whole and for its business-type activities. In the governmental activities, though total net assets are \$641.4 million, all of those net assets are either restricted as to the purposes they can be used for or are invested in capital assets. Consequently, unrestricted net assets showed a \$6.0 million deficit at the end of the year. Although unrestricted net assets is negative, the County has enough current and other assets to meet 2009 obligations as they become due. One significant item that adversely affected the resources that are available was the decline of tax revenues and investment income in 2008 versus the prior year.

Hamilton County's assets exceeded liabilities by \$1,432.4 million in 2008. This represents \$641.4 million in governmental activities and \$791.0 million in business-type activities.

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

Table 1 below provides a summary of the County's net assets for fiscal year 2008.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
<b>ASSETS</b>						
Current and Other Assets	\$ 647.2	\$ 649.2	\$ 409.4	\$ 445.3	\$1,056.6	\$1,094.5
Capital Assets, Net	512.4	548.5	1,734.0	1,683.0	2,246.4	2,231.5
<b>TOTAL ASSETS</b>	<u>1,159.6</u>	<u>1,197.7</u>	<u>2,143.4</u>	<u>2,128.3</u>	<u>3,303.0</u>	<u>3,326.0</u>
<b>LIABILITIES</b>						
Current and Other Liabilities	362.2	362.3	49.8	39.8	412.0	402.1
Long-Term Liabilities						
Due Within One Year	16.7	16.1	45.0	45.8	61.7	61.9
Due in More Than One Year	139.3	142.6	1,257.6	1,271.2	1,396.9	1,413.8
<b>TOTAL LIABILITIES</b>	<u>518.2</u>	<u>521.0</u>	<u>1,352.4</u>	<u>1,356.8</u>	<u>1,870.6</u>	<u>1,877.8</u>
<b>NET ASSETS</b>						
Invested in Capital Assets,						
Net of Related Debt	417.0	452.5	518.4	468.3	935.4	920.8
Restricted for:						
Debt Service	7.9	7.9	5.2	5.8	13.1	13.7
Capital Projects	0.3	-	-	-	0.3	-
Special Revenue Funds	222.2	220.8	-	-	222.2	220.8
Unrestricted	(6.0)	(4.5)	267.4	297.4	261.4	292.9
<b>TOTAL NET ASSETS</b>	<u>\$ 641.4</u>	<u>\$ 676.7</u>	<u>\$ 791.0</u>	<u>\$ 771.5</u>	<u>\$1,432.4</u>	<u>\$1,448.2</u>

By far, the largest portion of the County's net assets in 2008, \$935.4 million, reflects its investment in capital assets, which includes property, plant, equipment and infrastructure assets, net of accumulated depreciation and less any related debt used to acquire those assets that is still outstanding. In governmental activities, this portion of net assets is \$417.0 million, and in business-type activities the amount is \$518.4 million for 2008. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

One significant factor in governmental activities that affected the County's net assets invested in capital assets, net of related debt, was that capital outlay budgets were reduced to bare minimums to keep spending in line with reduced revenues, resulting in depreciation in excess of acquisitions by \$31.6 million. The increase in this component of net assets in business-type activities is largely due to new construction on the Banks project on the Riverfront and MSD's capital improvement projects.

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. Restricted net assets were \$230.4 million of governmental activities and \$5.2 million of business-type activities in 2008. The remaining net assets are unrestricted and may be used to meet the County's ongoing obligations to its citizens and creditors and for business-type activities. Unrestricted assets were (\$6.0) million of governmental activities. Unrestricted assets were \$267.4 million of business-type activities.

**Changes in Net Assets**

Hamilton County's total revenues were \$1,203.5 million. Approximately 33% of the County's revenue comes from some type of tax. Other major revenue sources are fees charged for services (29% of total revenues) and federal and State aid (36% of total revenues).

Table 2 below provides a summary of the County's revenues and expenses—the changes in net assets—for fiscal years 2008 and 2007.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$134.6	\$187.8	\$211.8	\$198.5	\$346.4	\$386.3
Operating Grants and Contributions	358.9	377.5	-	-	358.9	377.5
Capital Grants and Contributions	2.0	9.0	25.1	21.2	27.1	30.2
General Revenues:						
Property Taxes	248.1	259.3	-	-	248.1	259.3
Sales and Use Taxes	64.9	66.7	36.6	42.5	101.5	109.2
Motor Fuel Taxes	13.5	15.9	-	-	13.5	15.9
Other Taxes	28.8	31.8	-	-	28.8	31.8
Grants and Entitlements not Restricted to Specific Programs*	51.4	-	-	-	51.4	-
Unrestricted Investment Earnings	15.4	20.6	8.9	16.2	24.3	36.8
Increase in Fair Value of Equity in Pooled Cash and Investments**	1.5	2.1	0.3	0.3	1.8	2.4
Decrease in Fair Value of Equity in Pooled Cash and Investments	(0.2)	-	-	-	(0.2)	-
Change in Fair Value of MSD Investments	-	-	1.9	-	1.9	-
Other Revenue	-	39.3	-	-	-	39.3
<b>TOTAL REVENUES</b>	<b>918.9</b>	<b>1,010.0</b>	<b>284.6</b>	<b>278.7</b>	<b>1,203.5</b>	<b>1,288.7</b>

\*Reclassified from Other Revenue in 2008.  
\*\*Net Increase in 2007.



**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

**EXPENSES**

Program Expenses:

General Government	93.5	90.6	-	-	93.5	90.6
Judicial	118.8	121.6	-	-	118.8	121.6
Public Safety	117.5	123.1	-	-	117.5	123.1
Social Services	297.6	351.6	-	-	297.6	351.6
Health	247.8	239.9	-	-	247.8	239.9
Public Works	49.8	51.0	-	-	49.8	51.0
Environmental Control	7.5	5.8	-	-	7.5	5.8
Economic Development	7.5	6.1	-	-	7.5	6.1
Parks and Recreation	7.6	7.4	-	-	7.6	7.4
Interest and Fiscal Charges	4.7	5.0	-	-	4.7	5.0
Metropolitan Sewer District	-	-	159.1	155.2	159.1	155.2
Paul Brown Stadium	-	-	42.0	40.5	42.0	40.5
Baseball Stadium	-	-	28.1	26.5	28.1	26.5
Riverfront Development	-	-	11.6	13.5	11.6	13.5
Main Street Parking Garage	-	-	0.9	0.9	0.9	0.9
Rotary Funds	-	-	7.7	7.6	7.7	7.6
Communications Center	-	-	7.2	6.7	7.2	6.7
Workers' Compensation Reserve for Stadiums	-	-	-	0.2	-	0.2
<b>Total Program Expenses</b>	<b>952.3</b>	<b>1,002.1</b>	<b>256.6</b>	<b>251.1</b>	<b>1,208.9</b>	<b>1,253.2</b>
Indirect Expenses Allocation	11.2	4.6	-	-	11.2	4.6
Indirect Expenses Reimbursement	(11.2)	(4.6)	-	-	(11.2)	(4.6)
<b>TOTAL EXPENSES</b>	<b>952.3</b>	<b>1,002.1</b>	<b>256.6</b>	<b>251.1</b>	<b>1,208.9</b>	<b>1,253.2</b>
<b>Increase (Decrease) in Net Assets Before Transfers</b>	<b>(33.4)</b>	<b>7.9</b>	<b>28.0</b>	<b>27.6</b>	<b>(5.4)</b>	<b>35.5</b>
Transfers	(1.9)	0.8	1.9	(0.8)	-	-
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(35.3)</b>	<b>8.7</b>	<b>29.9</b>	<b>26.8</b>	<b>(5.4)</b>	<b>35.5</b>
<b>NET ASSETS—BEGINNING OF YEAR*</b>	<b>676.7</b>	<b>668.0</b>	<b>761.1</b>	<b>744.7</b>	<b>1,437.8</b>	<b>1,412.7</b>
<b>NET ASSETS—END OF YEAR</b>	<b>\$641.4</b>	<b>\$676.7</b>	<b>\$791.0</b>	<b>\$771.5</b>	<b>\$1,432.4</b>	<b>\$1,448.2</b>

\*As restated for 2008.

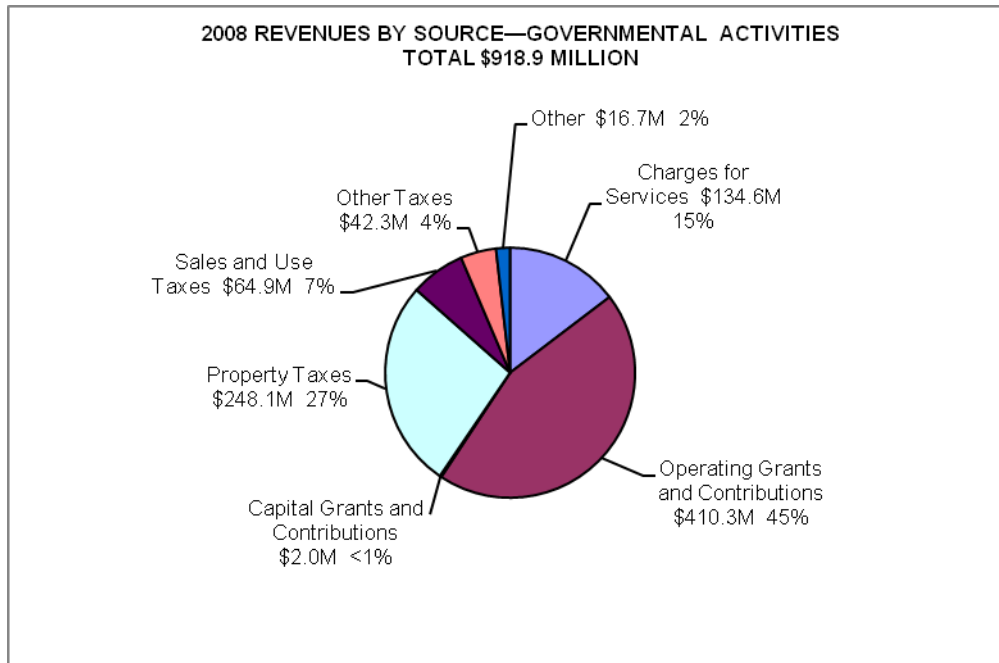
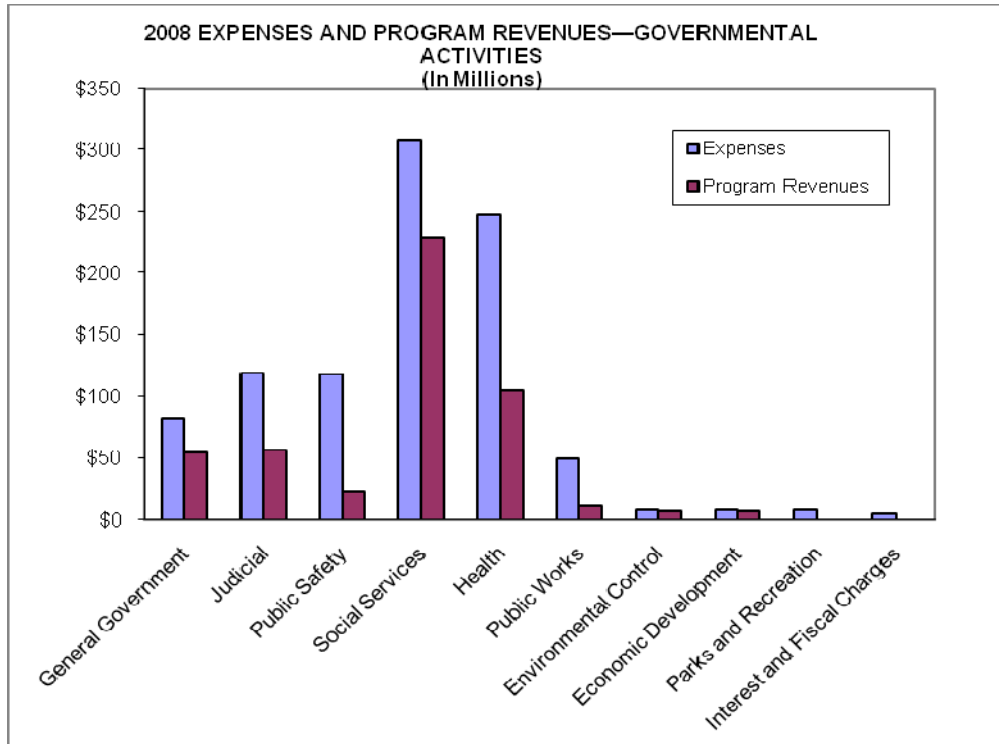
**Governmental Activities.** Governmental activities decreased Hamilton County's net assets by \$35.3 million (2%).

Tax revenue accounts were \$355.3 million of the \$918.9 total revenue for governmental activity, or 39% of total revenue. The slow economy continues, with sales tax revenue falling behind last year by \$1.8 million.

Total expenses of the County's governmental activities were \$952.3 million in 2008. Social Services accounts for \$297.6 million, 32% of governmental expenses in 2008. Health was the next largest program within the County, accounting for \$247.8 million (26%) of total expenses for governmental activities for 2008.

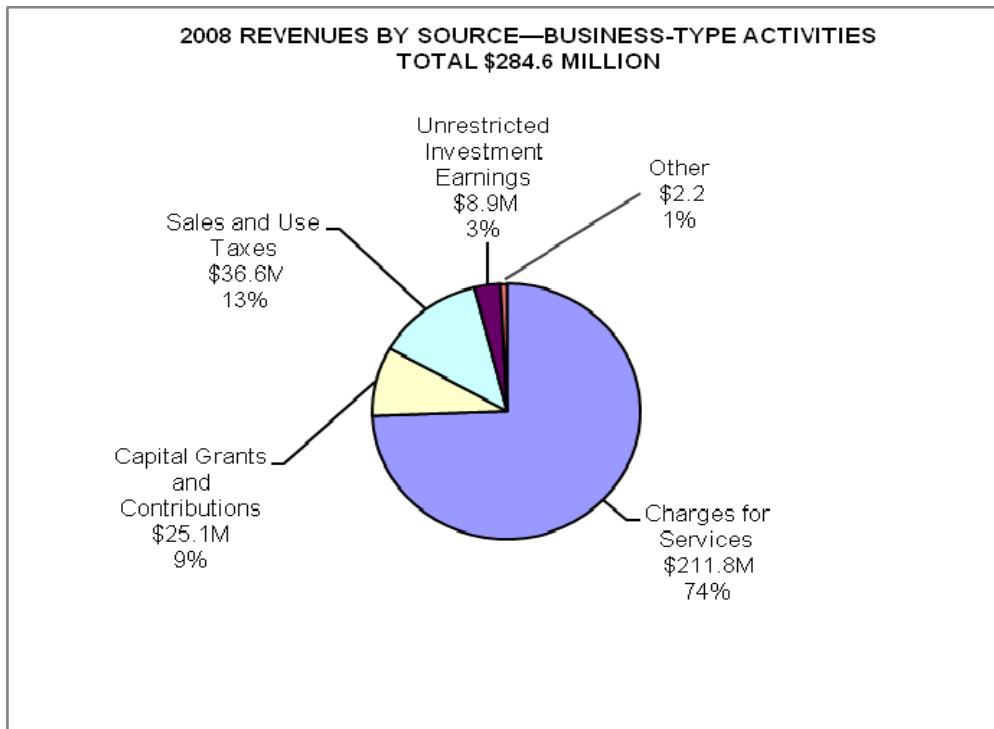
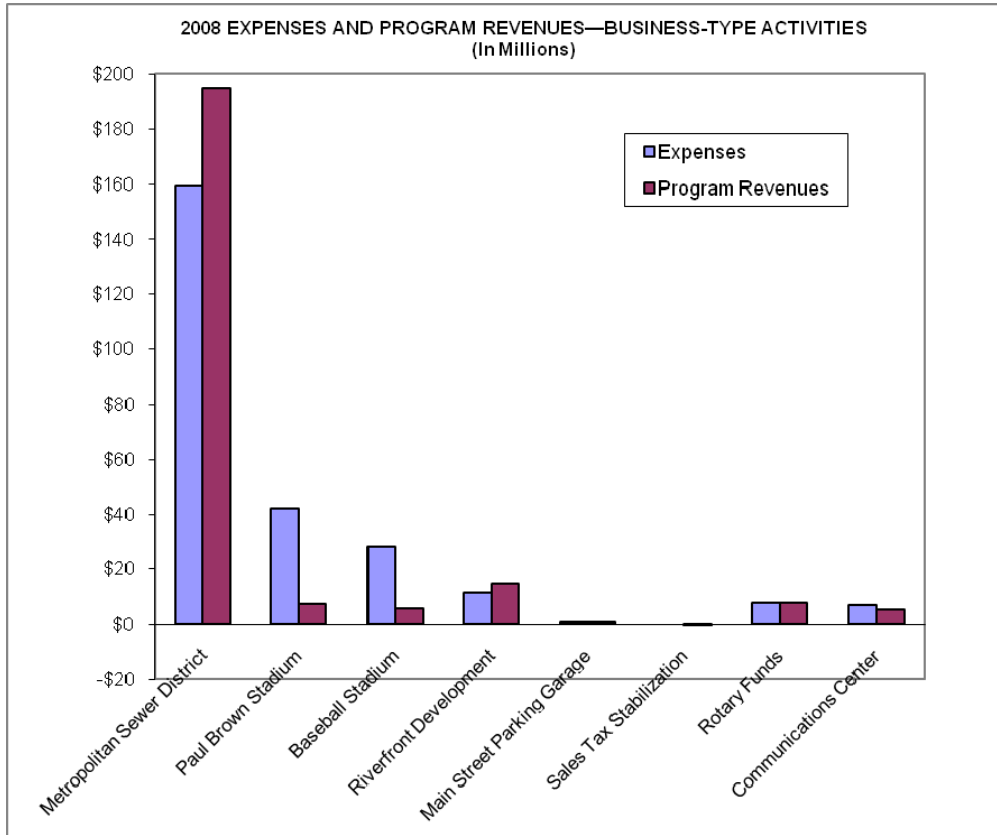
**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

Program revenues were \$495.5 million in 2008. The County has exercised an aggressive strategy to secure the maximum amount of grants and contributions that are provided by the State and federal governments. In 2008, these grants and contributions included \$358.9 million for operating grants and contributions, the largest program revenue, accounting for 39% of total governmental revenue. The most significant of these intergovernmental contributions is accounted for through subsidies received to provide social service programs. Approximately 62% of intergovernmental revenue was allocated to these programs in 2008.



**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

**Business-Type Activities.** Business-type activities increased Hamilton County's net assets by \$29.9 million or 2% in 2008.



**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

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The County's direct charges to users of County business-type services, Charges for Services, were \$211.8 million or 75% of business-type activities' revenues in 2008. A significant portion of these charges were Metropolitan Sewer District sewer service charges and surcharges (which reflect a 12% sewerage rate increase effective January 2008) that will provide for necessary operating expenses, annual debt support, support of the District's capital program and the satisfaction of bond covenants. Other major revenue sources in 2008 were capital grants and contributions of \$25.1 million, sales and use tax revenues of \$36.6 million and investment earnings of \$8.9 million.

Overall expenses of the County's business-type activities were \$256.6 million in 2008. Metropolitan Sewer District accounts for \$159.1 million (62%) of the total expenses. Paul Brown Stadium and the Baseball Stadium account for the next largest business-type expenses, at \$42.0 million (16%) and \$28.1 million (11%), respectively.

### **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

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

#### **Governmental Funds**

The focus of Hamilton County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of December 31, 2008, the County reported a combined ending fund balance of \$237.2 million in its governmental funds. Of this, \$199.2 million constitutes unreserved fund balance, which is available for spending for its citizens. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for other purposes, which include (1) a reserve for judgments and claims—\$0.9 million; (2) advances to other funds—\$0.7 million; (3) liquidation of prior-year contracts and purchase orders—\$32.1 million; (4) a reserve for inventories—\$3.0 million; and (5) receivables due from the Village of Woodlawn for repayment of a loan to construct a community center and the County Engineer for a road project—\$1.3 million.

Most governmental fund balances are not reserved in the governmental fund statements but may be reported as restricted net assets on the Statement of Net Assets. Restricted net assets represent amounts that are not appropriable, or are legally segregated for a specific purpose mandated by the source of the resources, such as the State government, the federal government or a tax levy.

**General Fund.** The General Fund is the chief operating fund of the County, available for any authorized purpose and used to account for all financial resources except those required to be accounted for in another fund. In 2008, unreserved fund balance of the General Fund was \$37.1 million, while total fund balance was \$46.1 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. In 2008, unreserved fund balance represents approximately 16% of the total General Fund expenditures and other financing uses, while total fund balance represents 19% of that same amount.

The fund balance of the County's General Fund decreased \$5.7 million during 2008. A significant factor that contributed to the decrease was an \$18.8 million (7%) decrease in revenues. Due to the down economy, all types of taxes, as well as investment income, declined versus 2007. Since budgeted and actual expenditures reflected this expected downturn in revenues, the impact on the fund balance (11%) was well below the fund balance decrease in 2007 (21%).

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

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

*Public Assistance Fund.* The Public Assistance fund, an annually budgeted special revenue fund, is used to account for revenue from the federal, State and County governments and for expenditures used to provide services to eligible County residents. The fund balance of the Public Assistance fund decreased \$9.2 million in 2008. The change in intergovernmental revenues, which was (\$16.4) million, was mostly due to reduced State allocations.

*Health and Human Services Levies Fund.* The Health and Human Services Levies fund, an annually budgeted special revenue fund, is used to account for the revenue from health and human services levies. Levies and expenditures are determined by policies of the Board of County Commissioners. The fund balance of the County's Health and Human Services Levies fund increased \$13.9 million in 2008. Revenues exceeded expenditures by \$18.3 million in 2008 because (a) the Children's Services levy received revenues based on estimated expenditures that exceeded actual costs, (b) revenues from a late 2007 voted levy increase for mental health services were received in 2008 but not appropriated (authorized for expenditure) until 2009 and (c) timing variances between State and County expenditures in the mental healthy levy due to differing fiscal years resulted in a variance in State funding allocations between years.

**Other Governmental Funds.** The fund balances of Other Governmental Funds—Nonmajor Governmental Funds—increased by \$9.9 million during 2008. The major factor contributing to the increase in the fund balance was the issuance of bonds for \$9.1 million.

### **Proprietary Funds**

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

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

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

The fund assets of Metropolitan Sewer District exceeded liabilities by \$597.8 million in 2008. Over half (57%) of the District's net assets (\$339.7 million) reflect its investment in capital assets used primarily in the collection and treatment of wastewater throughout the District's service area, less any related debt used to acquire those assets that is still outstanding. The related debt will be repaid with resources provided by systems users through rates and fees. Net assets increased \$46.0 million in 2008, with revenues exceeding expenses by \$40.4 million. The net asset increase was a combination of income before contributions and contributions in the form of connection fees, assessments and developer contributions. Capital contributions fluctuate depending on building activity and assessment projects.

Total operating revenues were \$189.1 million and total operating expenses were \$133.1 million in 2008. Operating revenues reflect a 12% sewerage rate increase implemented in January 2008. Nonoperating revenues were \$10.5 million and nonoperating expenses were \$26.1 million.

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

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*Paul Brown Stadium Fund.* The Paul Brown Stadium fund is used to account for revenue received from stadium tenants and for the operation of Paul Brown Football Stadium. The fund net assets of the Paul Brown Stadium fund were a negative \$33.6 million in 2008. Expenses exceeded revenues by \$20.7 million. Factors contributing to the decrease in fund net assets include depreciation expense on the stadium with minimal revenue offset and reduced sales tax revenues.

*Baseball Stadium Fund.* The Baseball Stadium fund is used to account for revenue received for the operations of Great American Ball Park Baseball Stadium and the Cincinnati Reds Hall of Fame and Museum. The fund net assets of the Baseball Stadium fund were \$104.1 million in 2008, a decrease of (\$5.8) million compared to 2007, as expenses exceeded revenues by \$10.5 million. As was the case with Paul Brown Stadium, the major factors contributing to the decrease in fund net assets were depreciation expense on the stadium with minimal revenue offset and reduced sales tax revenues. Revenues and expenditures are largely fixed amounts, as set forth in the ballpark lease. Operating costs are shared by the Cincinnati Reds and County sales tax.

**Other Enterprise Funds.** The fund net assets of Other Enterprise Funds—Nonmajor Enterprise Funds—increased by \$2.9 million in 2008. Though operating and nonoperating expenses exceeded revenues by \$6.2 million, capital contributions and transfers in were in excess of the net expenses. For more information related to the change in net assets of Other Enterprise Funds—Nonmajor Enterprise Funds, please refer to the Combining Statement of Revenues, Expenses and Changes in Fund Net Assets found in this report in the section following the Notes to the Financial Statements.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

The adopted budget may be amended in one of three ways: (1) transfer of funds between funds, departments or appropriation levels, all of which must be approved by the BOCC; (2) additional appropriations, which also require BOCC approval; and (3) transfers within appropriated levels, which require County Administrator approval. (With regard to this latter category, however, such transfers within appropriated levels are not necessary since agencies may legally spend within their total budget for a given appropriation level without further approval.) The Budget and Research Division of the Office of Budget and Strategic Initiatives reviews departmental requests for transfers and supplemental appropriations throughout the year and assists departments in monitoring budget activity. All budgetary amendments and supplemental appropriations made during 2008 are included in the revised budget amounts presented in the budget-to-actual comparisons.

The final revised General Fund appropriations for 2008 were \$271.5 million. This included \$10.0 million in onetime expenditures and \$7.6 million in consolidated support functions that will be fully reimbursed. Minus this \$17.6 million, the General Fund budget increase was \$2.9 million (1%), which maintained the General Fund spending level within the BOCC's overall goal of keeping spending within the rate of inflation, estimated at 3% for 2008.

Balancing the original 2008 General Fund budget required \$14.8 million in expenditure reductions from departments' initial requests. During 2008, departments' appropriations within the General Fund were reduced an additional 6%.

The County spent 98% of the final amount appropriated in the General Fund during 2008.

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

Public safety and judicial administration account for 71% of the County's General Fund budget. The cost of employee wages and benefits continues to be the largest expenditure category, accounting for approximately 68% of expenditures.

The final revised estimated resources for the General Fund for 2008 were \$263.8 million. Actual General Fund revenues received were \$252.9 million, or 4% lower than final budgeted General Fund revenues. Significant portions of the revenue shortfall were related to the down economy: \$3.2 million in investment income, \$2.2 million in sales tax collections, and \$1.8 million due to a decline in real estate transfer tax revenues and fees collected by the Auditor's and Recorder's Offices.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

Hamilton County invested \$2,246.4 million (net of accumulated depreciation) in 2008, in a broad range of capital assets, which include property, plant, equipment and infrastructure.

Net capital assets related to governmental activities amount to \$512.4 million. Net capital assets related to business-type activities amount to \$1,734.0 million and include \$953.0 million net capital assets of MSD.

Table 3 provides a summary of the County's capital assets, net of accumulated depreciation for fiscal year 2008.

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

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Land and Improvements	\$ 98.8	\$ 98.8	\$ 96.0	\$ 96.0	\$ 194.8	\$ 194.8
Buildings, Structures and Improvements	147.3	154.9	1,139.8	1,165.6	1,287.1	1,320.5
Infrastructure	228.3	251.9	-	-	228.3	251.9
Processing System	-	-	109.0	117.3	109.0	117.3
Furniture, Fixtures and Equipment	30.8	34.7	25.9	27.3	56.7	62.0
Construction in Progress	7.2	8.1	363.3	276.8	370.5	284.9
<b>TOTAL CAPITAL ASSETS, NET</b>	<b><u>\$512.4</u></b>	<b><u>\$548.4</u></b>	<b><u>\$ 1,734.0</u></b>	<b><u>\$ 1,683.0</u></b>	<b><u>\$ 2,246.4</u></b>	<b><u>\$ 2,231.4</u></b>

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

- Metropolitan Sewer District capital improvement projects totaling about \$100 million (including receipt of \$5.6 million in capital contributions) with sewer replacements and improvement projects making up about 75% of the total;\*
- startup of construction for the Banks project on the Riverfront (\$9.2 million);

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

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- completion of \$2.7 million in new roadway projects by the Hamilton County Engineer's Office, with construction in progress as of the end of the current year at \$6.3 million, and with total costs in 2008 of \$2.4 million, paid for with \$1.2 million each of Hamilton County funding and Ohio Public Works Commission (OPWC) funding; and
- renovation of buildings, resulting in \$3.2 million in new or converted construction in progress costs.

\*Source: Metropolitan Sewer District of Greater Cincinnati 2008 Audited Financial Statements

**Five-Year Capital Plans.** The Hamilton County and Metropolitan Sewer District five-year capital plans were submitted and accepted for the years 2008 through 2012.

*Hamilton County Capital Improvement Plan.* The 2008–2012 capital improvement plan includes \$333.6 million in approved and recommended capital improvement projects. Approved projects include the Banks development (\$82.0 million), to be paid for by the developer contribution, the city of Cincinnati, State and federal grants and the city of Cincinnati and Hamilton County tax increment financing, and the Museum Center Phase 1 (\$6.6 million), to be funded by levy dollars and private funding.

*Metropolitan Sewer District Capital Plan.* As part of the MSD capital improvement program, MSD has entered into a number of contracts for construction, design and other services. Commitments under these contracts aggregate to approximately \$129 million as of December 31, 2008.\*\*

\*Source: Hamilton County Ohio 2008 Budget, Capital Improvement Program

\*\*Source: Metropolitan Sewer District of Greater Cincinnati 2008 Audited Financial Statements

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

**Museum Center.** The following information pertains to the capital asset for which Hamilton County assumes the responsibility for the payment of the related debt but for which the County does not hold title.

*Museum Center—Voted Debt.* After taxpayers voted in a levy to fund the Museum Center, Hamilton County issued the related debt in the County's name. Hamilton County assumes responsibility for the debt payments; however, Hamilton County does not have title to the Museum Center.

Additional information regarding the Museum Center can be found later in this report in the section of the Notes to the Basic Financial Statements titled Long-Term Debt and Other Obligations.

### **Long-Term Debt**

Hamilton County's total long-term debt outstanding for bond issuances at December 31, 2008, was \$1,390.1 million (\$103.9 million related to governmental activities and \$1,286.2 million related to business-type activities). The County's total long-term debt decreased a net amount of \$26.4 million in 2008. Most of the decrease (\$23.3 million) was due to the fact that while the business-type funds continued to pay down debt from prior years, they did not issue new bonds in 2008.



**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

Table 4 provides a comparative summary of the County's outstanding bond issuances for fiscal year 2008.

Table 4  
**HAMILTON COUNTY'S  
OUTSTANDING BOND ISSUANCES AT YEAR-END**  
(In Millions)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
General Obligation Bonds—Voted	\$ 2.7	\$ 5.4	\$ -	\$ -	\$ 2.7	\$ 5.4
General Obligation Bonds—Unvoted	97.0	97.4	7.8	8.1	104.8	105.5
General Obligation Special Assessment Bonds	4.2	4.2	-	-	4.2	4.2
Metropolitan Sewer District Obligations	-	-	684.0	695.7	684.0	695.7
Adjustable Rate Revenue Bonds	-	-	21.1	21.8	21.1	21.8
Sales Tax Bonds	-	-	573.3	583.9	573.3	583.9
<b>TOTAL LONG-TERM DEBT</b>	<b>\$103.9</b>	<b>\$107.0</b>	<b>\$1,286.2</b>	<b>\$1,309.5</b>	<b>\$1,390.1</b>	<b>\$1,416.5</b>

**Outstanding Debt Issues.** At the end of 2008, the County had a number of bond issues outstanding. These issues, net of applicable unamortized amounts, included \$107.5 million of general obligation bonds, \$4.2 million of general obligation special assessment bonds, \$684.0 million of sewer revenue bonds and other obligations of MSD, \$21.1 million of parking garage adjustable rate revenue bonds, and \$573.3 million of stadium sales tax bonds.

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

**New Debt.** During 2008, the County issued new debt for the purposes listed below.

*Governmental Activities—Governmental Long-Term Debt.* General obligation bonds were issued September 1, 2008, for \$8.8 million. The bond proceeds were used to reimburse the General Fund for amounts advanced for a court-approved settlement (\$8.0 million) and to purchase heating, air-conditioning and ventilation equipment for the Communications Center (\$0.8 million). General Obligation Special Assessment Bonds (\$0.3 million), dated September 1, 2008, were issued for the purpose of constructing sewer improvements at eleven locations in anticipation of the collection of special assessments against the benefited properties.\*

\*Source: Original Bond Documents

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

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

County Debt	Bond Rating			Insurer
	Moody's	Standard & Poor's (S&P)	Fitch	
General Obligation	Aa2			
MSD Revenue <sup>1</sup>	Aa3	AA		FGIC, MBIA
Sales Tax—Riverfront (1998) <sup>2</sup>	Aa3	AA	AA	MBIA
Sales Tax—Riverfront (2000) <sup>2</sup>	A2		A+	AMBAC
Sales Tax—Riverfront (2006) <sup>2</sup>	A2		A+	AMBAC
Riverfront Parking Revenue (2001) <sup>3</sup>	Aaa			

\*Source: Hamilton County Ohio 2008 Budget, Debt Service Section

**Ratings**

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

**Insurers**

AMBAC—American Municipal Bond Assurance Corporation  
 FGIC—Financial Guaranty Insurance Company  
 MBIA—Municipal Bond Investors Assurance

**Notes**

- <sup>1</sup>The MSD revenue bond ratings above are the underlying ratings. The insured ratings are Aaa by Moody's and AAA by S&P.  
<sup>2</sup>The 1998 sales tax bonds were re-rated by Moody's in 2000 when their lien was closed off. The County did not obtain a rating from S&P for the 2000 bonds. In 2002, S&P re-rated the 1998 bonds. The sales tax bonds are insured and are rated Aaa by Moody's and AAA by S&P and Fitch.  
<sup>3</sup>The riverfront parking revenue debt is variable rate with a letter of credit. The rating is that of JPMorgan Chase Bank, the letter of credit bank.

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

The total voted and unvoted non-exempt debt of the County that could be issued subject to the 3%, 1½% and 2½% limitation described above is \$502.5 million. The total County net debt subject to this limitation is \$84.8 million, leaving a borrowing capacity of \$417.7 million within the limitation from combined voted and unvoted non-exempt debt. The total County unvoted, non-exempt debt that could be issued subject to the 1% limitation is \$201.6 million. The total County debt subject to such limitation is \$82.1 million, leaving a borrowing capacity of \$119.5 million within the 1% limitation for unvoted non-exempt debt.

**Other Long-Term Obligations.** The County's long-term obligations also include compensated absences of \$42.4 million in 2008 related to governmental activities, (compared to \$42.0 million in 2007), and \$8.4 million in 2008 related to business-type activities, (compared to \$7.5 million in 2007); forgivable loan contracts of \$6.2 million in 2008 (compared to \$6.5 million in 2007); State loans of \$3.5 million in 2008 (compared to \$3.2 million in 2007); and various long-term operating leases for office and storage space amounting to \$3.9 million in 2008 (compared to \$6.1 million in 2007).

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

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

Interest and fiscal charges were \$4.6 million or approximately 1% of total governmental activities' expenses in 2008.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES\***

The local economy has historically tracked the nation very closely. Recently, the region has experienced slower growth. Promoting the expansion of existing businesses as well as attracting new businesses and fostering in-migration must be the points of focus for the region. Here are some highlights of the region:

**Positives**

- relatively low cost of business
- affordable housing
- a major transportation hub, including a world-class international airport
- skilled labor force
- continued acceleration of business expansions and relocations
- expansion of entertainment districts and downtown living opportunities
- rated one of the Most Livable Cities by Partners for Livable Communities
- ranked seventh on the list of *Esquire Magazine's* "Top 10 Cities That Rock"
- rated seventh lowest area for cost of operating a corporate headquarters
- ranked among the top ten in the location of Fortune 500 headquarters

**Negatives**

- reduction in manufacturing employment—down 19% from 1999
- higher costs of travel impacting transportation sector
- low growth in employment and population
- higher tax rates affecting business competitiveness
- erosion of urban core in population and jobs
- inadequate opportunities for young workers

Continued successful local economic expansion will require attention to the costs of doing business here versus other locations and a focus on attracting those businesses that have a greater impact on employment and wages. Controlling tax rates is becoming more important. Efforts to provide the infrastructure that attracts high wage and high job growth business clusters will continue to move the area forward.

Hamilton County's diversified economy, competitive cost structure, skilled workforce, international airport, and easy access to national and regional markets continue to provide a great environment for attracting new businesses and a strong foundation for future growth.

The annual average unemployment rate for Hamilton County for 2008 was 5.6%. This compares favorably to the State's average unemployment rate of 6.6% and tracks closely with the national average rate of 5.8%.<sup>1</sup>

The County Commission authorized a balanced budget of \$1.2 billion for 2009. The 2009 budget was developed in an environment of declines in revenue sources and increased costs for operational necessities, such as health care, utilities and labor.

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\* Information presented in this section was gathered from the Hamilton County, Ohio, 2009 Budget in Brief, or Cincinnati USA Partnership's *Economic Outlook 2008*, unless otherwise noted.

<sup>1</sup> Ohio Bureau of Employment Services

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

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The BOCC focused on the following in developing the 2009 budget:

- achieving a balanced budget and replenishing County reserves without tax rate increases;
- achieving efficiencies through consolidation and eliminating duplicative activities;
- looking long term toward sustainable revenue sources by growing the tax base through business development and retention and through improving County housing stock; and
- reducing crime and maintaining the quality of life in County neighborhoods.

The total General Fund budget is \$239.4 million for 2009, which represents a \$32.2 million (12%) decrease from the 2008 General Fund approved appropriation. Approximately 70% of General Fund expenditures are in the areas of public safety and the court system. The 2009 budget includes a net reduction of 674.6 full-time positions across all funds. Actual personnel reductions may vary, depending on how departments choose to absorb budget reductions.

The County faces particular fiscal challenges caused by revenue declines in the following areas:

- Real estate transaction taxes—The downturn in the housing market has resulted in decreased sales volume and a lower value per transaction.
- Sales tax—Given recent retail sales declines, the 2009 budget for sales tax is \$1.5 million less than 2008 collections and \$2.5 million less than 2007.
- Interest earnings—Returns on the County investments have declined along with the federal funds rate. The 2009 budgeted interest earnings are \$6.7 million below 2007 actual amounts.
- Property tax—General Fund property tax revenue is budgeted at \$1.0 million less than 2007 revenue.

These four revenue sources combined with Local Government Fund revenue from the State and building inspection fees make up 68% of the total General Fund revenue that is budgeted at \$16.1 million less than 2007. There is an added challenge in that some onetime revenues for 2008 are not available in 2009, so the 2009 budget accounts for two years' worth of decline or no growth in key revenue streams.

To balance the 2009 General Fund budget, the following reductions and consolidations were applied to the preliminary 2009 budget recommendations for departments reporting to the BOCC:

- closed the Queensgate jail (\$10.7 million);
- significantly shifted the cost of the Sheriff's township patrols to the townships (\$5.8 million);
- reduced Juvenile Court levy funding (\$4.0 million) due to reductions from the State to the Department of Job and Family Services;
- reduced County Facilities budget (\$3.7 million);
- reduced budgets of County courts (\$0.9 million); and
- eliminated salary and benefits for five positions in County Administration (\$.4 million) consolidated building and storm water inspection, planning and zoning, sewer district oversight, and community development (\$0.2 million).

Additionally, the preliminary budgets of all other departments, which are under their own independently elected officials, were reduced by \$7.1 million.

Significant County-wide General Fund reductions included (a) \$4.0 million in adjustments to employee health and dental plans, (b) \$2.9 million in capital outlay and (c) \$1.4 million in overtime and temporary employee compensation.

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

---

Budgeted revenue was increased by upping stormwater fees, 911 dispatch fees for user agencies, building inspection fees, coronary laboratory fees, and an assessment for the Miami Conservancy District.

The total 2009 budget for the County's restricted funds is \$966.8 million, remaining nearly level from 2008's appropriations of \$968.1 million. The following issues are of note related to special revenue funds:

- HCDJFS State funding is being reduced over the next few years.
- The 2009 budget reflects the closure of two satellite auto title offices, which in recent years have had declining revenues and increasing expenditures.
- The City of Cincinnati and the County are still working to finalize the elements of the Global Consent Decree involving MSD, which calls for significant capital investment over the next 20 years.
- The Stadium Sales Tax fund is facing a deficit. Actual sales tax receipts have not kept up with projections, there have been unanticipated payments on legal claims to contractors for the baseball stadium, and there is uncertainty as to whether the State will fulfill its funding commitment to the projects.

**CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS\***

This list of currently known facts, decisions or conditions identifies information that management is aware of as of the date of the Auditor's report that have occurred either between December 31, 2003, and December 31, 2006, or subsequent to December 31, 2008. At the end of 2008, the special audit of Hamilton County Department of Job and Family Services (HCDJFS) has not been finalized. This special audit affects financial reports dated 2004 and later, and the financial audits of the County for years 2004, 2005 and 2006 have not been finalized. Therefore, significant events outlined below date back to year-end 2003, since 2003's audit was the last one finalized before the start of the special audit. Activities that have already been included with the audited financials for 2007 or 2008 are not included in this list. The issues identified here have had or are expected to have a material effect on financial position (net assets) or results of operations (revenues, expenses and other changes in net assets). For further information on the special audit of HCDJFS and the items listed below, see the Notes to the Basic Financial Statements.

- The City of Cincinnati and the Board of County Commissioners of Hamilton County, Ohio, are parties to an Interim Partial Consent Decree on Sanitary Sewer Overflows, which was lodged in February 2002 with the U.S. District Court for the Southern District of Ohio, Western Division. This decree provides for, among other things, the scheduled elimination of sixteen "highly active" sanitary sewer overflows. This decree is being contested by a third party. In December 2003, a Global Consent Decree was lodged with the U.S. District Court for the Southern District of Ohio, Western Division. This decree focuses on combined sewer overflows, the implementation of the Sanitary Sewer Overflow Correction plan established in the Interim Partial Consent Decree, and other wet weather issues. The court approved the decrees in June 2004. In 2009, MSD's Revised Wet Weather Plan was conditionally approved by the federal government. The Plan commits MSD to complete a Phase 1 group of projects totaling \$1.145 billion (in 2006 dollars and including \$300 million that MSD has already spent on projects [amounts not rounded]) by 2018 before scheduling future work (Phase 2). The consent decree documents are posted on the MSD website, [msdgc.org](http://msdgc.org), under Consent Decree.<sup>1</sup>

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\* Information presented in this section was taken from the Board of County Commissioners meeting minutes, unless otherwise noted.

<sup>1</sup> Metropolitan Sewer District of Greater Cincinnati 2008 Audited Financial Statements

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

---

- The County issued the following debt in the years 2004–2006:
  - \$42.1 million and \$28.7 million Various Purpose Limited Tax General Obligation Refunding Bonds,
  - \$0.7 million Emergency Management and Operations Center General Obligation Bonds,
  - \$19.5 million Emergency Services Communications System General Obligation Bonds,
  - \$0.6 million and \$0.1 million Water and Sewer Special Assessment Bonds,
  - \$0.1 million Sewer System Special Assessment Bonds,
  - \$452.3 million Ohio Sales Tax Bonds,
  - \$46.4 million and \$87.0 million Sewer System Refunding Revenue Bonds for MSD, and
  - \$83.6 million and \$83.0 million Sewer System Improvement Revenue Bonds for MSD.
  
- In 2004, the County redeemed \$5.6 million of the 1993 Courthouse Improvement Refunding general obligation bond issue, which represents a redemption price of 101% of the principal amount of the outstanding debt plus accrued interest to the date of redemption. .
  
- In 2009, the County issued \$1.6 million Emergency Alert System General Obligation Bonds, \$12.5 million Urban Redevelopment Limited Tax General Obligation Bonds, and \$0.7 million Sewer District Special Assessment Bonds.
  
- In 2010, the County issued \$3.9 million Sewer District Special Assessment Bonds.
  
- In February 2009, the County paid the final \$4 million owed for the 2008 settlement of the case of Cheshier v Neyer, C-1-01-566, in the United States District Court for the Southern District of Ohio. This case involved photographs taken of the deceased at the County morgue, and the settlement was for \$8 million.
  
- In 2004–2006, there were real property acquisitions totaling \$2.8 million, plus land obtained in a swap with the City of Cincinnati. The County received \$6.8 million plus swapped land for disposed real properties.
  
- A 2004 litigation settlement awarded the County \$14.2 million. Settlements of claims against the County resulted in payments of \$10.9 million in 2004–2006.
  
- In 2005, 2006 and 2009, the Board of County Commissioners approved sewerage rate increases for MSD of 12%, 4% and 12%, respectively.
  
- Changes to MSD's retirement system (City of Cincinnati Retirement System), approved in 2009, include (a) increased out-of-pocket medical costs for some retirees, (b) increased contribution to the plan for current employees and (c) a change in retirement and early-retirement ages for newer City employees.

## **REQUESTS FOR INFORMATION**

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

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**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF NET ASSETS**  
**December 31, 2008**  
(Amounts in Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Convention Facility Authority
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 267,664	\$ 24,300	\$ 291,964	\$ 5,646
Cash and Cash Equivalents—Segregated Accounts	176	17,229	17,405	-
Accounts Receivable	5,497	32,791	38,288	-
Lease Rent Receivable (net of allowance for uncollectibles)	-	450	450	-
Sales Tax Receivable	-	7,369	7,369	-
Interest Receivable	2,910	-	2,910	58
Intergovernmental Receivable	88,468	2,074	90,542	-
Real and Other Taxes Receivable	269,858	-	269,858	1,939
Internal Balances	1,269	(1,269)	-	-
Prepaid Expenses	-	1,604	1,604	1,291
Inventories	3,026	-	3,026	-
Due from Advances to Other Funds	700	-	700	-
Restricted Assets:				
Cash and Cash Equivalents Held by the City of Cincinnati:				
Construction Account	-	30,264	30,264	-
Amount to Be Transferred to Surplus Account	-	31,432	31,432	-
Held by Trustees:				
Cash and Cash Equivalents	-	40,260	40,260	-
Investments—Held to Maturity	-	210,935	210,935	-
Special Assessments Receivable	5,842	-	5,842	-
Loans to Political Subdivisions and Other Funds	1,233	-	1,233	-
Nondepreciable Capital Assets	105,959	459,288	565,247	-
Depreciable Capital Assets, Net	406,472	1,274,705	1,681,177	-
Unamortized Financing Cost	520	11,322	11,842	846
Other Long-Term Assets	-	686	686	-
<b>TOTAL ASSETS</b>	<b>1,159,594</b>	<b>2,143,440</b>	<b>3,303,034</b>	<b>9,780</b>
<b>LIABILITIES</b>				
Accounts Payable	54,985	10,604	65,589	-
Accrued Wages and Benefits Payable	4,593	2,200	6,793	-
Matured Compensated Absences Payable	601	2,977	3,578	-
Intergovernmental Payable	3,722	1	3,723	-
Accrued Interest Payable	356	6,408	6,764	339
Construction Accounts Payable	-	10,570	10,570	-
Retainage Payable	252	467	719	-
Due to Other Governments	-	-	-	3,692
Due to Component Unit	1,315	-	1,315	-
Advances from Other Funds	700	-	700	-
Loans from Other Funds	900	-	900	-
Deferred Revenue	284,383	16,365	300,748	-
Escheat	4,425	-	4,425	-
Estimated Future Claims	5,967	213	6,180	-
Long-Term Liabilities:				
Due Within One Year	16,753	45,024	61,777	2,235
Due in More Than One Year	139,259	1,257,656	1,396,915	87,873
<b>TOTAL LIABILITIES</b>	<b>518,211</b>	<b>1,352,485</b>	<b>1,870,696</b>	<b>94,139</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	417,001	518,371	935,372	-
Restricted for:				
Debt Service	7,887	5,234	13,121	-
Capital Projects	274	-	274	-
Special Revenue Funds	222,201	-	222,201	-
Unrestricted	(5,980)	267,350	261,370	(84,359)
<b>TOTAL NET ASSETS</b>	<b>\$ 641,383</b>	<b>\$ 790,955</b>	<b>\$ 1,432,338</b>	<b>\$ (84,359)</b>

See accompanying notes to the basic financial statements.



**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

FUNCTION/PROGRAMS	Program Revenues					Net (Expense) Revenue and Changes in Net Assets			Component Unit Convention Facility Authority
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
						Governmental Activities	Business-Type Activities	Total	
<b>Governmental Activities</b>									
General Government	\$ 93,440	\$ (11,173)	\$ 51,564	\$ 3,375	\$ 102	\$ (27,226)	\$ -	\$ (27,226)	\$
Judicial	118,827	109	37,118	19,570	-	(62,248)	-	(62,248)	
Public Safety	117,497	-	16,944	6,266	63	(94,224)	-	(94,224)	
Social Services	297,627	10,500	6,554	222,881	-	(78,692)	-	(78,692)	
Health	247,755	31	9,738	95,288	547	(142,213)	-	(142,213)	
Public Works	49,839	158	7,201	2,532	1,288	(38,976)	-	(38,976)	
Environmental Control	7,479	329	3,722	3,701	-	(385)	-	(385)	
Economic Development	7,505	36	1,706	5,185	-	(650)	-	(650)	
Parks and Recreation	7,628	10	-	121	-	(7,517)	-	(7,517)	
Debt Service:									
Interest	4,572	-	-	-	-	(4,572)	-	(4,572)	
Fiscal Charges	77	-	-	-	-	(77)	-	(77)	
<b>Total Governmental Activities</b>	<u>952,246</u>	<u>-</u>	<u>134,547</u>	<u>358,919</u>	<u>2,000</u>	<u>(456,780)</u>	<u>-</u>	<u>(456,780)</u>	
<b>Business-Type Activities</b>									
Metropolitan Sewer District	159,071	-	189,069	-	5,601	-	35,599	35,599	
Paul Brown Stadium	41,980	-	672	-	6,968	-	(34,340)	(34,340)	
Baseball Stadium	28,071	-	1,163	-	4,702	-	(22,206)	(22,206)	
Riverfront Development	11,649	-	6,664	-	7,896	-	2,911	2,911	
Main Street Parking Garage	900	-	913	-	-	-	13	13	
Sales Tax Stabilization	-	-	-	-	(92)	-	(92)	(92)	
Rotary Funds	7,715	-	7,843	-	-	-	128	128	
Communications Center	7,183	-	5,518	-	-	-	(1,665)	(1,665)	
<b>Total Business-Type Activities</b>	<u>256,569</u>	<u>-</u>	<u>211,842</u>	<u>-</u>	<u>25,075</u>	<u>-</u>	<u>(19,652)</u>	<u>(19,652)</u>	
<b>Total Primary Government</b>	<u>\$ 1,208,815</u>	<u>\$ -</u>	<u>\$ 346,389</u>	<u>\$ 358,919</u>	<u>\$ 27,075</u>	<u>(456,780)</u>	<u>(19,652)</u>	<u>(476,432)</u>	
<b>Component Unit:</b>									
Convention Facility Authority	<u>\$ 7,895</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,343</u>				<u>(6,552)</u>
<b>General Revenues</b>									
Property Taxes						248,073	-	248,073	-
Sales and Use Taxes						64,923	36,609	101,532	-
Motor Fuel Taxes						13,436	-	13,436	-
Hotel Occupancy Taxes						-	-	-	8,342
Other Taxes						28,823	-	28,823	-
Grants and Entitlements not Restricted to Specific Programs						51,348	-	51,348	-
Unrestricted Investment Earnings						15,441	8,923	24,364	-
Increase in Fair Value of Equity in Pooled Cash and Investments						1,462	292	1,754	-
Decrease in Fair Value of Equity in Pooled Cash and Investments						(170)	(30)	(200)	-
Change in Fair Value of MSD Investments						-	1,861	1,861	-
Other Revenue						-	12	12	-
Transfers (Note IV E)						(1,850)	1,850	-	-
<b>Total General Revenues and Transfers</b>						<u>421,486</u>	<u>49,517</u>	<u>471,003</u>	<u>8,342</u>
<b>Change in Net Assets</b>						<u>(35,294)</u>	<u>29,865</u>	<u>(5,429)</u>	<u>1,790</u>
<b>Net Assets—Beginning, as restated (Note II)</b>						<u>676,677</u>	<u>761,090</u>	<u>1,437,767</u>	<u>(86,149)</u>
<b>Net Assets—Ending</b>						<u>\$ 641,383</u>	<u>\$ 790,955</u>	<u>\$ 1,432,338</u>	<u>\$ (84,359)</u>

See accompanying notes to the basic financial statements.

**COUNTY OF HAMILTON, OHIO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2008  
(Amounts in Thousands)**

	General	Public Assistance	Health and Human Services Levies	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Equity in Pooled Cash and Investments	\$ 21,229	\$ 16,521	\$ 149,354	\$ 73,623	\$ 260,727
Cash and Cash Equivalents—Segregated Accounts	-	-	-	176	176
Accounts Receivable	783	348	1,807	2,557	5,495
Interest Receivable	2,910	-	-	-	2,910
Intergovernmental Receivable	24,305	17,045	10,859	36,251	88,460
Real and Other Taxes Receivable	44,101	-	213,571	12,186	269,858
Due from Other Funds	17,554	2,062	1,610	778	22,004
Inventories	-	-	-	3,026	3,026
Due from Advances to Other Funds	700	-	-	-	700
Special Assessments Receivable	-	-	-	5,842	5,842
Loans to Political Subdivisions or Other Funds	1,233	-	-	-	1,233
<b>TOTAL ASSETS</b>	<b>\$ 112,815</b>	<b>\$ 35,976</b>	<b>\$ 377,201</b>	<b>\$ 134,439</b>	<b>\$ 660,431</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 4,677	\$ 11,058	\$ 24,795	\$ 12,435	\$ 52,965
Accrued Wages and Benefits Payable	2,365	879	578	752	4,574
Matured Compensated Absences Payable	128	105	106	262	601
Intergovernmental Payable	230	381	1,188	1,923	3,722
Retainage Payable	30	-	46	176	252
Due to Component Unit	-	-	-	1,315	1,315
Due to Other Funds	137	2,396	4,955	13,889	21,377
Advances from Other Funds	-	-	-	700	700
Loans from Other Funds	-	-	-	900	900
Deferred Revenue	54,674	8,777	222,064	46,934	332,449
Escheat	4,425	-	-	-	4,425
<b>TOTAL LIABILITIES</b>	<b>66,666</b>	<b>23,596</b>	<b>253,732</b>	<b>79,286</b>	<b>423,280</b>
<b>FUND BALANCES</b>					
Reserved for:					
Judgments and Claims	925	-	-	-	925
Advances to Other Funds	700	-	-	-	700
Encumbrances	6,218	5,544	6,020	14,275	32,057
Inventories	-	-	-	3,026	3,026
Loans	1,233	-	-	-	1,233
Unreserved:					
Designated for Capital Outlay	-	-	5,672	-	5,672
Undesignated, Reported in:					
General Fund	37,073	-	-	-	37,073
Special Revenue Funds	-	6,836	111,777	35,416	154,029
Debt Service Funds	-	-	-	2,164	2,164
Capital Projects Fund	-	-	-	272	272
<b>TOTAL FUND BALANCES</b>	<b>46,149</b>	<b>12,380</b>	<b>123,469</b>	<b>55,153</b>	<b>237,151</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 112,815</b>	<b>\$ 35,976</b>	<b>\$ 377,201</b>	<b>\$ 134,439</b>	<b>\$ 660,431</b>

See accompanying notes to the basic financial statements.

**COUNTY OF HAMILTON, OHIO**  
**RECONCILIATION OF BALANCE SHEET—GOVERNMENTAL FUNDS**  
**TO GOVERNMENT-WIDE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2008**  
(Amounts in Thousands)

Total Governmental Funds Balances	\$	237,151
<p>Amounts reported for governmental activities in the Statement of Net Assets are different from the amounts reported in the governmental funds because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets	\$	1,246,879
Accumulated Depreciation		<u>(734,648)</u>
Total		512,231
<p>Other long-term assets that are not available to pay for current-period expenditures are deferred in the funds but not in the governmental activities.</p>		
Property Taxes		19,165
Other Taxes		341
Grants		18,412
Nongrants		4,306
Special Assessments		<u>5,842</u>
Total		48,066
<p>Unamortized bond issuance costs associated with the bond refunding, reported as expenditures in the governmental fund, are deferred in the Statement of Net Assets.</p>		
		520
<p>Internal service funds are used by management to charge the costs of workers' compensation, the Auditor's computer center, and the Multi-County System Agencies to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the Statement of Net Assets.</p>		
		(387)
<p>Long-term liabilities, including bonds and notes payable, loans and loan contracts, compensated absences, and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds but are included in governmental activities.</p>		
General Obligation Bonds and Notes		(100,060)
Deferred Amount on Refunding		1,905
Unamortized Premium		(1,577)
Special Assessment Bonds		(4,200)
Loan Contracts		(4,791)
State Loan		(4,912)
Compensated Absences		(42,207)
Accrued Interest Payable		(356)
Total		<u>(156,198)</u>
Net Assets of Governmental Activities	\$	<u><u>641,383</u></u>

See accompanying notes to the basic financial statements.

**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	General	Public Assistance	Health and Human Services Levies	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes and Assessments	\$ 40,936	\$ -	\$ 204,307	\$ 2,845	\$ 248,088
Sales and Use Tax	64,923	-	-	-	64,923
State Shared Taxes	21,969	-	-	20,381	42,350
License and Permits	1,864	-	-	3,131	4,995
Charges for Services	49,658	204	253	34,114	84,229
Fines and Forfeitures	10,694	-	-	2,964	13,658
Investment Earnings	16,657	147	1,620	1,277	19,701
Intergovernmental	18,437	174,962	105,804	123,019	422,222
Other	7,771	2,417	5,937	11,841	27,966
<b>TOTAL REVENUES</b>	<u>232,909</u>	<u>177,730</u>	<u>317,921</u>	<u>199,572</u>	<u>928,132</u>
<b>EXPENDITURES</b>					
Current:					
General Government	46,905	-	6,374	16,677	69,956
Judicial	90,920	-	5,701	21,452	118,073
Public Safety	90,992	-	14,107	9,455	114,554
Social Services	1,368	188,056	86,519	31,353	307,296
Health	-	-	179,239	68,260	247,499
Public Works	1,935	-	-	27,183	29,118
Environmental Control	-	-	-	7,715	7,715
Economic Development	686	-	-	6,841	7,527
Parks and Recreation	-	-	7,638	-	7,638
Capital Outlay	-	-	-	326	326
Debt Service:					
Principal Retirement	-	-	-	12,419	12,419
Interest	-	-	-	4,338	4,338
Bond Issuance Costs	-	-	-	74	74
Fiscal Charges	-	-	-	77	77
<b>TOTAL EXPENDITURES</b>	<u>232,806</u>	<u>188,056</u>	<u>299,578</u>	<u>206,170</u>	<u>926,610</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>103</u>	<u>(10,326)</u>	<u>18,343</u>	<u>(6,598)</u>	<u>1,522</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	8,017	1,106	1,332	18,451	28,906
Transfers Out	(13,832)	-	(5,768)	(11,156)	(30,756)
Premium on Bonds Issued	-	-	-	112	112
Net Proceeds from Sale of Bonds	-	-	-	9,057	9,057
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<u>(5,815)</u>	<u>1,106</u>	<u>(4,436)</u>	<u>16,464</u>	<u>7,319</u>
<b>NET CHANGE IN FUND BALANCES</b>	(5,712)	(9,220)	13,907	9,866	8,841
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>51,861</u>	<u>21,600</u>	<u>109,562</u>	<u>45,287</u>	<u>228,310</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 46,149</u>	<u>\$ 12,380</u>	<u>\$ 123,469</u>	<u>\$ 55,153</u>	<u>\$ 237,151</u>

See accompanying notes to the basic financial statements.

**COUNTY OF HAMILTON, OHIO**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS**  
**TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

Net Change in Fund Balance—Total Governmental Funds \$ 8,841

Amounts reported for governmental activities in the Statement of Activities are different from amounts reported in the governmental funds because of the following:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of the capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital Outlays	\$ 7,349	
Depreciation Expense	(43,000)	
Excess of Capital Outlays over Depreciation		(35,651)

Reduction of Revenue for Proceeds Received on Sale of Capital Assets	(28)	
Gain Earned on Sale of Capital Assets	27	
Loss on Sale of Capital Assets	(356)	
Net Book Value of Capital Assets Sold		(357)

Property taxes that will not be collected for several months after the County's fiscal year ends, not considered to be available revenues to pay for current-period expenditures, are deferred in the governmental funds. Similarly, certain other revenues that do not provide current financial resources are deferred and not reported as revenues in the governmental funds, but are included in the Statement of Activities.

Property Taxes	89	
Other Taxes	(91)	
Grants	(14,031)	
Nongrants	3,788	
Special Assessments	(104)	
Total Revenues		(10,349)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Governmental funds also report issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Debt Issued:		
Premium on Bonds	(112)	
General Obligation Bonds	(8,795)	
Special Assessment Bonds	(262)	
Principal Retirement	12,419	
Bonds Issuance Costs	74	
Total		3,324

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is expensed when due. 5

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.

State Loan Payable	(318)	
Compensated Absences Payable	(414)	
Amortization of Deferred Amount on Refundings	(470)	
Amortization of Premium on Bonds	340	
Amortization of Bond Issuance Costs	(109)	
Amortization of Mortgages Payable for Forgiveness of Loan Contracts	305	
Total		(666)

The governmental internal services funds are used by management to charge the costs of workers' compensation, the Auditor's computer center and the Multi-County System Agencies to individual funds. The net increases of these internal service funds are reported with governmental activities. (441)

Change in Net Assets of Governmental Activities \$ (35,294)

See accompanying notes to the basic financial statements.

**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Taxes and Special Assessments	\$ 41,228	\$ 41,228	\$ 40,937	\$ (291)
Sales and Use Tax	67,600	67,600	65,427	(2,173)
State Shared Taxes	25,226	25,226	24,574	(652)
License and Permits	2,776	2,776	1,863	(913)
Charges for Services	54,561	54,561	52,756	(1,805)
Fines and Forfeitures	10,713	10,713	10,618	(95)
Investment Earnings	18,532	18,532	15,363	(3,169)
Intergovernmental	30,784	30,784	30,216	(568)
Other	12,426	12,426	11,113	(1,313)
<b>TOTAL REVENUES</b>	<u>263,846</u>	<u>263,846</u>	<u>252,867</u>	<u>(10,979)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	67,850	70,736	67,140	3,596
Judicial	102,124	100,458	98,175	2,283
Public Safety	96,237	96,068	95,416	652
Social Services	1,423	1,423	1,379	44
Public Works	1,924	1,974	1,917	57
Economic Development	870	820	818	2
<b>TOTAL EXPENDITURES</b>	<u>270,428</u>	<u>271,479</u>	<u>264,845</u>	<u>6,634</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(6,582)</u>	<u>(7,633)</u>	<u>(11,978)</u>	<u>(4,345)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	8,017	8,017
Transfers Out	(14,438)	(13,862)	(13,832)	30
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<u>(14,438)</u>	<u>(13,862)</u>	<u>(5,815)</u>	<u>8,047</u>
<b>NET CHANGE IN FUND BALANCE</b>	(21,020)	(21,495)	(17,793)	3,702
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	18,529	18,529	18,529	-
Prior-Year Encumbrances Appropriated	15,254	15,254	15,254	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 12,763</u>	<u>\$ 12,288</u>	<u>\$ 15,990</u>	<u>\$ 3,702</u>

See accompanying notes to the basic financial statements.

**COUNTY OF HAMILTON, OHIO  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL  
PUBLIC ASSISTANCE—SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for Services	\$ 40,943	\$ 40,943	\$ 40,594	\$ (349)
Intergovernmental	163,063	198,063	166,910	(31,153)
Other	2,164	2,164	2,210	46
<b>TOTAL REVENUES</b>	<u>206,170</u>	<u>241,170</u>	<u>209,714</u>	<u>(31,456)</u>
<b>EXPENDITURES</b>				
Current:				
Social Services	220,255	250,879	244,177	6,702
<b>TOTAL EXPENDITURES</b>	<u>220,255</u>	<u>250,879</u>	<u>244,177</u>	<u>6,702</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(14,085)</u>	<u>(9,709)</u>	<u>(34,463)</u>	<u>(24,754)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	1,432	1,432	1,106	(326)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>1,432</u>	<u>1,432</u>	<u>1,106</u>	<u>(326)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(12,653)	(8,277)	(33,357)	(25,080)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	27,425	27,425	27,425	-
Prior-Year Encumbrances Appropriated	9,993	9,993	9,993	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 24,765</u>	<u>\$ 29,141</u>	<u>\$ 4,061</u>	<u>\$ (25,080)</u>

See accompanying notes to the basic financial statements.

**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**HEALTH AND HUMAN SERVICES LEVIES—SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Taxes and Special Assessments	\$ 199,571	\$ 202,612	\$ 204,307	\$ 1,695
Charges for Services	16,000	16,000	16,109	109
Intergovernmental	106,109	122,779	104,684	(18,095)
Other	5,484	5,484	5,723	239
<b>TOTAL REVENUES</b>	<u>327,164</u>	<u>346,875</u>	<u>330,823</u>	<u>(16,052)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	4,696	7,720	7,131	589
Judicial	6,499	6,797	6,782	15
Public Safety	20,281	16,417	15,657	760
Social Services	119,388	131,271	111,089	20,182
Health	195,009	191,811	181,122	10,689
Parks and Recreation	7,973	7,903	7,741	162
<b>TOTAL EXPENDITURES</b>	<u>353,846</u>	<u>361,919</u>	<u>329,522</u>	<u>32,397</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(26,682)</u>	<u>(15,044)</u>	<u>1,301</u>	<u>16,345</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	1,332	1,332
Transfers Out	(6,072)	(6,072)	(5,768)	304
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<u>(6,072)</u>	<u>(6,072)</u>	<u>(4,436)</u>	<u>1,636</u>
<b>NET CHANGE IN FUND BALANCE</b>	(32,754)	(21,116)	(3,135)	17,981
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	109,464	109,464	109,464	-
Prior-Year Encumbrances Appropriated	20,285	20,285	20,285	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 96,995</u>	<u>\$ 108,633</u>	<u>\$ 126,614</u>	<u>\$ 17,981</u>

See accompanying notes to the basic financial statements.



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**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2008**  
(Amounts in Thousands)

	<b>Business-Type Activities—Enterprise Funds</b>		
	<b>Metropolitan Sewer District</b>	<b>Paul Brown Stadium</b>	<b>Baseball Stadium</b>
<b>ASSETS</b>			
Current Assets:			
Equity in Pooled Cash and Investments	\$ -	\$ 1,164	\$ 9,756
Cash and Cash Equivalents—Segregated Accounts	16,874	-	306
Restricted Cash, Cash Equivalents and Investments:			
Cash and Cash Equivalents Held by Trustees	2,489	2,073	1,802
MSD Construction Account Held by the City of Cincinnati	10,570	-	-
Accounts Receivable	32,590	201	-
Lease Rent Receivable (net of allowance for uncollected lease rent)	-	450	-
Sales Tax Receivable	-	4,118	3,251
Intergovernmental Receivable	-	-	-
Due from Other Funds	-	-	2
Prepaid Expenses	1,602	-	-
<b>Total Current Assets</b>	<b>64,125</b>	<b>8,006</b>	<b>15,117</b>
Noncurrent Assets:			
Restricted Cash, Cash Equivalents and Investments:			
Held by the City of Cincinnati:			
Construction Account	19,694	-	-
Amount to Be Transferred to Surplus Account	31,432	-	-
Held by Trustees:			
Cash and Cash Equivalents	33,896	-	-
Investments—Held to Maturity	210,935	-	-
<b>Total Restricted Assets</b>	<b>295,957</b>	<b>-</b>	<b>-</b>
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	4,977	67,916	17,685
Construction in Progress	353,601	-	-
<b>Total Nondepreciable Capital Assets</b>	<b>358,578</b>	<b>67,916</b>	<b>17,685</b>
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	839,541	379,178	353,692
Processing Systems	271,126	-	-
Furniture, Fixtures and Equipment	41,067	11,168	9,003
Less Accumulated Depreciation	(557,272)	(125,499)	(75,104)
<b>Total Depreciable Capital Assets, Net</b>	<b>594,462</b>	<b>264,847</b>	<b>287,591</b>
<b>Total Capital Assets, Net</b>	<b>953,040</b>	<b>332,763</b>	<b>305,276</b>
Unamortized Financing Costs	5,785	3,181	2,139
Other	686	-	-
<b>Total Noncurrent Assets</b>	<b>1,255,468</b>	<b>335,944</b>	<b>307,415</b>
<b>TOTAL ASSETS</b>	<b>1,319,593</b>	<b>343,950</b>	<b>322,532</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	4,043	1,003	950
Construction Accounts Payable	10,570	-	-
Due to Other Funds	-	-	-
Accrued Wages and Benefits Payable	2,055	24	1
Intergovernmental Payable	-	-	-
Deferred Revenue	-	-	-
Accrued Interest Payable	-	-	-
Accrued Interest Payable from Restricted Assets	2,489	2,073	1,802
Retainage Payable	-	-	306
Accrued Compensated Absences	2,969	1	-
Deferred Lease Rent Revenue	-	-	-
Current Portion of Long-Term Debt	33,164	3,219	7,596
<b>Total Current Liabilities</b>	<b>55,290</b>	<b>6,320</b>	<b>10,655</b>
Noncurrent Liabilities:			
Estimated Future Claims	-	-	-
Accrued Compensated Absences	4,627	163	-
Deferred Lease Rent Revenue	-	5,170	11,143
Long-Term Debt	650,835	365,862	196,634
Net Pension Obligation	7,559	-	-
Net Other Post Employment Benefit Obligation	3,499	-	-
<b>Total Noncurrent Liabilities</b>	<b>666,520</b>	<b>371,195</b>	<b>207,777</b>
<b>TOTAL LIABILITIES</b>	<b>721,810</b>	<b>377,515</b>	<b>218,432</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	339,661	(36,318)	101,046
Restricted for Debt Service	5,234	-	-
Unrestricted	252,888	2,753	3,054
<b>TOTAL NET ASSETS</b>	<b>\$ 597,783</b>	<b>\$ (33,565)</b>	<b>\$ 104,100</b>

Net assets reported for business-type activities in the government-wide Statement of Net Assets are different from enterprise fund net assets because the business-type net assets include those of 1 internal service fund:

Net assets of business-type activities:

See accompanying notes to the basic financial statements.

<b>Business-Type Activities—Enterprise Funds</b>		
<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
\$ 13,266	\$ 24,186	\$ 7,051
49	17,229	-
-	6,364	-
-	10,570	-
-	32,791	2
-	450	-
-	7,369	-
2,074	2,074	8
127	129	637
2	1,604	-
<u>15,518</u>	<u>102,766</u>	<u>7,698</u>
-	19,694	-
-	31,432	-
-	33,896	-
-	210,935	-
-	295,957	-
5,465	96,043	-
9,644	363,245	-
<u>15,109</u>	<u>459,288</u>	<u>-</u>
160,430	1,732,841	41
-	271,126	-
6,390	67,628	595
(39,015)	(796,890)	(436)
<u>127,805</u>	<u>1,274,705</u>	<u>200</u>
<u>142,914</u>	<u>1,733,993</u>	<u>200</u>
217	11,322	-
-	686	-
<u>143,131</u>	<u>2,041,958</u>	<u>200</u>
<u>158,649</u>	<u>2,144,724</u>	<u>7,898</u>
4,521	10,517	2,107
-	10,570	-
1,393	1,393	-
120	2,200	19
1	1	-
50	50	-
44	44	-
-	6,364	-
161	467	-
7	2,977	-
2	2	-
1,045	45,024	-
<u>7,344</u>	<u>79,609</u>	<u>2,126</u>
-	-	6,180
590	5,380	170
-	16,313	-
27,887	1,241,218	-
-	7,559	-
-	3,499	-
<u>28,477</u>	<u>1,273,969</u>	<u>6,350</u>
<u>35,821</u>	<u>1,353,578</u>	<u>8,476</u>
113,982	518,371	200
-	5,234	-
8,846	267,541	(778)
<u>\$ 122,828</u>	<u>791,146</u>	<u>\$ (578)</u>
	(191)	
	<u>\$ 790,955</u>	

**COUNTY OF HAMILTON, OHIO**  
**RECONCILIATION OF STATEMENT OF NET ASSETS—PROPRIETARY FUNDS**  
**TO GOVERNMENT-WIDE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2008**  
(Amounts in Thousands)

	Total Enterprise Funds	Business-Type Activities Internal Service Funds	Business-Type Activities Statement of Net Assets
<b>ASSETS</b>			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 24,186	\$ 114	\$ 24,300
Cash and Cash Equivalents —Segregated Accounts	17,229	-	17,229
Restricted Cash, Cash Equivalents and Investments:			
Cash and Cash Equivalents Held by Trustees	6,364	-	6,364
MSD Construction Account Held by the City of Cincinnati	10,570	-	10,570
Accounts Receivable	32,791	-	32,791
Lease Rent Receivable (net of allowance for uncollectibles)	450	-	450
Sales Tax Receivable	7,369	-	7,369
Intergovernmental Receivable	2,074	-	2,074
Due from Other Funds	129	-	129
Prepaid Expenses	1,604	-	1,604
<b>Total Current Assets</b>	<b>102,766</b>	<b>114</b>	<b>102,880</b>
Noncurrent Assets:			
Restricted Cash, Cash Equivalents and Investments:			
Held by the City of Cincinnati:			
Construction Account	19,694	-	19,694
Amount to Be Transferred to Surplus Account	31,432	-	31,432
Held by Trustees:			
Cash and Cash Equivalents	33,896	-	33,896
Investments—Held to Maturity	210,935	-	210,935
<b>Total Restricted Assets</b>	<b>295,957</b>	<b>-</b>	<b>295,957</b>
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	96,043	-	96,043
Construction in Progress	363,245	-	363,245
<b>Total Nondepreciable Capital Assets</b>	<b>459,288</b>	<b>-</b>	<b>459,288</b>
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	1,732,841	-	1,732,841
Processing Systems	271,126	-	271,126
Furniture, Fixtures and Equipment	67,628	-	67,628
Less Accumulated Depreciation	(796,890)	-	(796,890)
<b>Total Depreciable Capital Assets, Net</b>	<b>1,274,705</b>	<b>-</b>	<b>1,274,705</b>
<b>Total Capital Assets, Net</b>	<b>1,733,993</b>	<b>-</b>	<b>1,733,993</b>
Unamortized Financing Costs	11,322	-	11,322
Other	686	-	686
<b>Total Noncurrent Assets</b>	<b>2,041,958</b>	<b>-</b>	<b>2,041,958</b>
<b>TOTAL ASSETS</b>	<b>2,144,724</b>	<b>114</b>	<b>2,144,838</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	10,517	87	10,604
Construction Accounts Payable	10,570	-	10,570
Due to Other Funds	1,393	5	1,398
Accrued Wages and Benefits Payable	2,200	-	2,200
Intergovernmental Payable	1	-	1
Deferred Revenue	50	-	50
Accrued Interest Payable	44	-	44
Accrued Interest Payable from Restricted Assets	6,364	-	6,364
Retainage Payable	467	-	467
Accrued Compensated Absences	2,977	-	2,977
Deferred Lease Rent Revenue	2	-	2
Current Portion of Long-Term Debt	45,024	-	45,024
<b>Total Current Liabilities</b>	<b>79,609</b>	<b>92</b>	<b>79,701</b>
Noncurrent Liabilities:			
Estimated Future Claims	-	213	213
Accrued Compensated Absences	5,380	-	5,380
Deferred Lease Rent Revenue	16,313	-	16,313
Long-Term Debt	1,241,218	-	1,241,218
Net Pension Obligation	7,559	-	7,559
Net Other Post Employment Benefit Obligation	3,499	-	3,499
<b>Total Noncurrent Liabilities</b>	<b>1,273,969</b>	<b>213</b>	<b>1,274,182</b>
<b>TOTAL LIABILITIES</b>	<b>1,353,578</b>	<b>305</b>	<b>1,353,883</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	518,371	-	518,371
Restricted for Debt Service	5,234	-	5,234
Unrestricted	267,541	(191)	267,350
<b>TOTAL NET ASSETS</b>	<b>\$ 791,146</b>	<b>\$ (191)</b>	<b>\$ 790,955</b>

See accompanying notes to the basic financial statements.

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**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	Business-Type Activities— Enterprise Funds		
	Metropolitan Sewer District	Paul Brown Stadium	Baseball Stadium
<b>OPERATING REVENUES</b>			
Charges for Services	\$ -	\$ 321	\$ 520
Lease Rent Revenue	-	321	643
Sewerage Service Charges	169,571	-	-
Sewerage Surcharges	15,754	-	-
Other	3,744	30	-
<b>TOTAL OPERATING REVENUES</b>	<u>189,069</u>	<u>672</u>	<u>1,163</u>
<b>OPERATING EXPENSES</b>			
Personnel Services	43,932	1,702	137
Utilities, Fuel and Supplies	22,935	3,618	783
Costs of Goods and Services	-	-	-
Depreciation and Amortization	-	14,535	13,514
Depreciation and Amortization—MSD	32,064	-	-
Purchased Services	25,219	4,028	1,782
Litigation Judgment Expense	-	-	900
Other	8,947	966	1,660
<b>TOTAL OPERATING EXPENSES</b>	<u>133,097</u>	<u>24,849</u>	<u>18,776</u>
<b>OPERATING INCOME (LOSS)</b>	<u>55,972</u>	<u>(24,177)</u>	<u>(17,613)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	8,545	55	202
Sales and Use Tax	-	20,516	16,093
Other Revenue	-	-	12
Loss on Disposal of Property, Plant and Equipment	-	(57)	-
Interest Expense	(26,087)	(16,841)	(9,193)
Net Gain/Loss on Sale of MSD Property, Plant And Equipment	113	-	-
Bond Issuance Costs	-	(231)	(98)
Increase in Fair Value of Equity in Pooled Cash and Investments	-	14	118
Decrease in Fair Value of Equity in Pooled Cash and Investments	-	(3)	(12)
Change in Fair Value of MSD Investments	1,861	-	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(15,568)</u>	<u>3,453</u>	<u>7,122</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>40,404</u>	<u>(20,724)</u>	<u>(10,491)</u>
Capital Contributions	5,601	6,968	4,702
Transfers In	-	500	-
Transfers Out	-	-	-
<b>CHANGE IN NET ASSETS</b>	<u>46,005</u>	<u>(13,256)</u>	<u>(5,789)</u>
<b>TOTAL NET ASSETS—BEGINNING, AS RESTATED (NOTE II)</b>	<u>551,778</u>	<u>(20,309)</u>	<u>109,889</u>
<b>TOTAL NET ASSETS—ENDING</b>	<u>\$ 597,783</u>	<u>\$ (33,565)</u>	<u>\$ 104,100</u>

Change in net assets reported for business-type activities in the government-wide Statement of Activities is different from enterprise fund change in net assets because the net revenue (expense) of 1 internal service fund is reported with business-type activities.

Change in net assets of business-type activities:

See accompanying notes to the basic financial statements.

<b>Business-Type Activities— Enterprise Funds</b>		
<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
\$ 20,918	\$ 21,759	\$ 20,076
20	984	-
-	169,571	-
-	15,754	-
-	3,774	-
<u>20,938</u>	<u>211,842</u>	<u>20,076</u>
12,462	58,233	1,289
667	28,003	-
-	-	19,229
7,125	35,174	71
-	32,064	-
5,965	36,994	-
-	900	-
333	11,906	-
<u>26,552</u>	<u>203,274</u>	<u>20,589</u>
<u>(5,614)</u>	<u>8,568</u>	<u>(513)</u>
121	8,923	-
-	36,609	-
-	12	-
-	(57)	(11)
(875)	(52,996)	-
-	113	-
(17)	(346)	-
159	291	85
(15)	(30)	(10)
-	1,861	-
<u>(627)</u>	<u>(5,620)</u>	<u>64</u>
<u>(6,241)</u>	<u>2,948</u>	<u>(449)</u>
7,804	25,075	-
2,203	2,703	-
(853)	(853)	-
2,913	29,873	(449)
<u>119,915</u>	<u>29,873</u>	<u>(129)</u>
<u>\$ 122,828</u>	<u>\$ 29,865</u>	<u>(578)</u>
	(8)	
	<u>\$ 29,865</u>	

**COUNTY OF HAMILTON, OHIO**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS—PROPRIETARY FUNDS**  
**TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	Total Enterprise Funds	Business-Type Activities Internal Service Fund Allocations	Business-Type Activities Statement of Activities
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 21,759	\$ -	\$ 21,759
Lease Rent Revenue	984	-	984
Sewerage Service Charges	169,571	-	169,571
Sewerage Surcharges	15,754	-	15,754
Other	3,774	-	3,774
<b>TOTAL OPERATING REVENUES</b>	<u>211,842</u>	<u>-</u>	<u>211,842</u>
<b>OPERATING EXPENSES</b>			
Personnel Services	58,233	-	58,233
Utilities, Fuel and Supplies	28,003	-	28,003
Costs of Goods and Services	-	9	9
Depreciation and Amortization	35,174	-	35,174
Depreciation and Amortization—MSD	32,064	-	32,064
Purchased Services	36,994	-	36,994
Litigation Judgment Expense	900	-	900
Other	11,906	-	11,906
<b>TOTAL OPERATING EXPENSES</b>	<u>203,274</u>	<u>9</u>	<u>203,283</u>
<b>OPERATING INCOME (LOSS)</b>	<u>8,568</u>	<u>(9)</u>	<u>8,559</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	8,923	-	8,923
Sales and Use Tax	36,609	-	36,609
Other Revenue	12	-	12
Loss on Disposal of Property, Plant and Equipment	(57)	-	(57)
Interest Expense	(52,996)	-	(52,996)
Net Gain/Loss on Sale of MSD Property, Plant And Equipment	113	-	113
Bond Issuance Costs	(346)	-	(346)
Increase in Fair Value of Equity in Pooled Cash and Investments	291	1	292
Decrease in Fair Value of Equity in Pooled Cash and Investments	(30)	-	(30)
Change in Fair Value of MSD Investments	1,861	-	1,861
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(5,620)</u>	<u>1</u>	<u>(5,619)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>2,948</u>	<u>(8)</u>	<u>2,940</u>
Capital Contributions	25,075	-	25,075
Transfers In	2,703	-	2,703
Transfers Out	(853)	-	(853)
<b>CHANGE IN NET ASSETS</b>	<u>29,873</u>	<u>(8)</u>	<u>29,865</u>
<b>NET ASSETS AT BEGINNING OF YEAR, AS REPORTED</b>	766,849	(183)	766,666
<b>PRIOR PERIOD ADJUSTMENT</b>	(5,576)	-	(5,576)
<b>TOTAL NET ASSETS—BEGINNING, AS RESTATED (NOTE II)</b>	<u>761,273</u>	<u>(183)</u>	<u>761,090</u>
<b>TOTAL NET ASSETS—ENDING</b>	<u>\$ 791,146</u>	<u>\$ (191)</u>	<u>\$ 790,955</u>

See accompanying notes to the basic financial statements.



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**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	<b>Business-Type Activities—Enterprise Funds</b>		
	<b>Metro Sewer District</b>	<b>Paul Brown Stadium</b>	<b>Baseball Stadium</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers and Users	\$ 186,145	\$ 1,308	\$ 3,020
Cash Received from Interfund Services Provided	-	-	-
Cash Payments to Suppliers for Goods and Services	(57,984)	(7,857)	(2,453)
Cash Payments for Interfund Services Provided	-	-	-
Cash Payments for Personnel Costs	(38,391)	(1,670)	(143)
Cash Payment for Litigation Judgment	-	-	(900)
Other Operating Revenues	602	3	-
Other Operating Expenses	-	(550)	(1,574)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>90,372</b>	<b>(8,766)</b>	<b>(2,050)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from Other Funds	-	500	-
Transfers to Other Funds	-	-	-
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>-</b>	<b>500</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sales and Use Tax	-	20,493	16,047
Other Revenue	-	-	12
Principal Payments on Long-Term Debt	(31,907)	(2,955)	(7,019)
Interest Payments on Long-Term Debt	(31,834)	(17,522)	(9,002)
Loan Proceeds	21,283	-	-
Transfer into Construction Account from Trustee Investment Account	87,782	-	-
Transfer from Operating Cash to Trustee Investment Account	(20,877)	-	-
Tap-in Fees	3,024	-	-
Capital Contributions	5,601	6,942	4,702
Deduction from Capital Contributions	-	-	-
Acquisition and Construction of Property, Plant and Equipment	(105,267)	(32)	(1,291)
Net Gain/Loss on Sale of MSD Property, Plant And Equipment	113	-	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(72,082)</b>	<b>6,926</b>	<b>3,449</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Government Securities	(4,656)	-	-
Interest on Investments and Pooled Cash and Investments	4,625	60	202
Increase in Fair Value of Equity in Pooled Cash and Investments	-	14	118
Decrease in Fair Value of Equity in Pooled Cash and Investments	-	(3)	(12)
Change in Fair Value of MSD Cash Equivalents—Segregated Accounts	181	-	-
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>150</b>	<b>71</b>	<b>308</b>
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	18,440	(1,269)	1,707
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>96,515</b>	<b>4,506</b>	<b>10,157</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 114,955</b>	<b>\$ 3,237</b>	<b>\$ 11,864</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 55,972	\$ (24,177)	\$ (17,613)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	32,064	14,535	13,514
Net Changes in Operating Assets and Liabilities:			
Accounts Receivable	820	23	-
Lease Rent Receivable	-	50	-
Intergovernmental Receivables	-	-	-
Due from Other Funds	-	1	(2)
Prepaid Expenses	-	-	-
Other Assets	(3,142)	-	-
Operating Accounts Payable	(883)	191	200
Accrued Payroll and Other Related Withholdings	(242)	(36)	(6)
Intergovernmental Payable	-	-	-
Deferred Lease Rent Revenue	-	629	1,857
Deferred Revenue	-	-	-
Compensated Absences	-	36	-
Due to Other Funds	-	(18)	-
Estimated Future Claims	-	-	-
Net Pension Obligation	3,643	-	-
Net Other Post Employment Benefit Obligation	2,140	-	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 90,372</b>	<b>\$ (8,766)</b>	<b>\$ (2,050)</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Equity in Pooled Cash and Investments	\$ -	\$ 1,164	\$ 9,756
Cash and Cash Equivalents—Segregated Accounts	16,874	-	306
Cash and Cash Equivalents Held by Trustees	36,385	2,073	1,802
Construction Account Held by the City of Cincinnati	30,264	-	-
Amount to Be Transferred to Surplus Account Held by the City of Cincinnati	31,432	-	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 114,955</b>	<b>\$ 3,237</b>	<b>\$ 11,864</b>
<b>NONCASH INVESTING AND FINANCING TRANSACTIONS</b>			
Structures Donated as Contributed Capital in Aid of Construction	\$ 2,556	\$ -	\$ -
Furniture, Fixtures and Equipment Donated as Contributed Capital	-	26	-
<b>TOTAL NONCASH INVESTING AND FINANCING TRANSACTIONS</b>	<b>\$ 2,556</b>	<b>\$ 26</b>	<b>\$ -</b>

See accompanying notes to the basic financial statements.

**Business-Type Activities—Enterprise Funds**

Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 20,452	\$ 210,925	\$ -
-	-	20,062
(7,678)	(75,972)	(11,338)
-	-	(7,507)
(12,470)	(52,674)	(1,303)
-	(900)	-
-	605	-
(218)	(2,342)	-
<u>86</u>	<u>79,642</u>	<u>(86)</u>
2,203	2,703	-
(853)	(853)	-
<u>1,350</u>	<u>1,850</u>	<u>-</u>
-	36,540	-
-	12	-
(990)	(42,871)	-
(804)	(59,162)	-
-	21,283	-
-	87,782	-
-	(20,877)	-
-	3,024	-
8,993	26,238	-
(1,362)	(1,362)	-
(5,071)	(111,661)	(68)
-	113	-
<u>766</u>	<u>(60,941)</u>	<u>(68)</u>
-	(4,656)	-
124	5,011	-
159	291	85
(15)	(30)	(10)
-	181	-
<u>268</u>	<u>797</u>	<u>75</u>
2,470	21,348	(79)
10,845	122,023	7,130
<u>\$ 13,315</u>	<u>\$ 143,371</u>	<u>\$ 7,051</u>
\$ (5,614)	\$ 8,568	\$ (513)
7,125	67,238	71
2	845	28
-	50	-
(491)	(491)	(8)
(46)	(47)	(4)
(2)	(2)	-
-	(3,142)	-
(915)	(1,407)	972
(167)	(451)	(5,993)
1	1	-
-	2,486	-
50	50	-
13	49	5,979
130	112	(62)
-	-	(556)
-	3,643	-
-	2,140	-
<u>\$ 86</u>	<u>\$ 79,642</u>	<u>\$ (86)</u>
\$ 13,266	\$ 24,186	\$ 7,051
49	17,229	-
-	40,260	-
-	30,264	-
-	31,432	-
<u>\$ 13,315</u>	<u>\$ 143,371</u>	<u>\$ 7,051</u>
\$ -	\$ 2,556	\$ -
-	26	-
<u>\$ -</u>	<u>\$ 2,582</u>	<u>\$ -</u>

**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2008**  
(Amounts in Thousands)

	<b>Agency</b>
<b>ASSETS</b>	
Equity in Pooled Cash and Investments	\$ 90,800
Cash and Cash Equivalents—Segregated Accounts	22,244
Real and Other Taxes Receivable	1,186,786
<b>TOTAL ASSETS</b>	<b>\$ 1,299,830</b>
 <b>LIABILITIES</b>	
Intergovernmental Payable	\$ 84,147
Future Tax Collections to Be Distributed	1,186,786
Other Current Liabilities	28,897
<b>TOTAL LIABILITIES</b>	<b>\$ 1,299,830</b>

See accompanying notes to the basic financial statements.

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**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(Dollar Amounts Expressed in Thousands)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

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

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

County, however, is not otherwise accountable for these entities. Accordingly, only the cash for the following boards and commissions that is being held by the County Treasurer is reflected in accompanying agency funds statements:

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

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

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

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

**Related Organizations.** The Board of County Commissioners is responsible for appointing the majority of the members of the boards of the Elderly Services Programs Advisory Council, Hamilton County Hospital Commission, Public Library of Cincinnati and Hamilton County, and Southwest Ohio Regional Transit Authority (SORTA). Hamilton County Commissioners also appoint half of the board members for the Port of Greater Cincinnati Development Authority. The Hamilton County Probate Court Judge appoints the members of the Hamilton County Park District. In none of the aforementioned instances does the County's accountability extend beyond making the appointments. These organizations do not have significant operational or financial relationships with the County.

## **B. Basis of Presentation**

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

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

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

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

**Fund Financial Statements.** During the year, in order to aid financial management and to demonstrate legal compliance, the County segregates in separate funds the transactions related to certain County functions or activities. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are segregated into their governmental and business-type components in the combining statements. The total for all internal service funds is presented in a separate column on the face of the proprietary fund statements. Separate financial statements are provided for the agency funds, even though they are not included in the government-wide statements.

### C. Fund Accounting

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

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

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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



The other governmental funds of the County account for grants and other resources with uses restricted to particular purposes.

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

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

The following are the County's major enterprise funds:

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

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

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

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

**Fiduciary Funds.** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. The County's fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. These funds account for (1) assets held by the County as agent for the entities described in note I A as Fiscal Agent Related Entities and (2) various taxes, assessments and state shared resources collected on behalf of other local governments.

#### **D. Measurement Focus**

**Government-Wide Financial Statements.** The government-wide financial statements are prepared using the *economic resources* measurement focus. All assets and all liabilities associated with the operation of the County and its component unit are included on the Statement of Net Assets.

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

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

Flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

## **E. Basis of Accounting**

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

**Revenues—Exchange and Non-exchange Transactions.** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. *Measurable* means the amount of the transaction can be determined, and *available* means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Hamilton County considers revenues available if they are expected to be received within 60 days of year-end.

Non-exchange transactions, in which the County or CFA receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see note IV B). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County or CFA must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County or CFA on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales tax, local government funds, interest, fees and charges for services.

**Deferred Revenue.** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The County's deferred revenue components are as follows: (1) property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, (2) grants and entitlements received before eligibility requirements have been met, (3) revolving loan funds used in the County's Housing Rehab Program and (4) lease revenue that must be recognized over the life of the lease.

On governmental fund financial statements, receivables that will not be collected within the available period are also reported as deferred revenue. These include (1) an intergovernmental loan receivable, (2) delinquent property taxes, (3) grants for which eligibility requirements have been met, (4) special assessments, (5) a mortgage receivable and (6) other miscellaneous receivables not meeting revenue recognition criteria.

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

## **F. Budgetary Process**

The County is required by Ohio law to adopt annual budgets for the General Fund, some special revenue funds and all debt service funds. Under the direction of the County Administrator, staff of the Commissioners' Office and County Administration Department prepares the budget and issues a separate budgetary report. The budgetary process begins at least six months prior to the calendar year for which the budget is to be adopted, with the County certifying the proposed budget to the County Auditor by July 20. By January 1, the County Commissioners may adopt annual or temporary measures using, in part, the official certificate of estimated resources approved by the County Budget Commission and the tax rates certified by the County Auditor. By April 1, the County

Commissioners must adopt an annual appropriation resolution. Modifications to the original budget are approved by the Board of County Commissioners throughout the year as allowed by state statute.

All budgetary amendments and supplemental appropriations made during 2008 are included in the revised budget amounts presented in the budget-to-actual comparisons. The County maintains budgetary control within an organizational unit and fund by not permitting expenditures and encumbrances to exceed appropriations within three major categories—Personnel Services, Other Expenditures and Capital Outlay.

The budgetary process does not include annual budgeting for certain grants and the Capital Projects funds. For these funds, appropriations are made on a multiyear basis with the free balance and encumbrances being reappropriated annually. The administrative control is on a grant or project basis and, therefore, comparisons with annually appropriated funds do not provide meaningful data. The County adopts annual budgets for proprietary funds; however, budgetary data is not presented for proprietary funds due to the nature of the funds, where demand for goods and services largely determines the level of revenues and expenses. There is no legal requirement to report on such budgets.

### **G. Cash, Cash Equivalents and Investments**

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

State statutes authorize the County Treasurer to invest in obligations of the U.S. Treasury; obligations or securities issued by any government agency; certificates of deposit; bonds and other obligations of the State; and written repurchase agreements, where the institution agrees unconditionally to repurchase only securities of the U.S. Treasury or any other government agency. In 2008, investments were limited to federal securities, repurchase agreements, STAR Ohio and money market funds. Investments in STAR Ohio, an investment pool managed by the State Treasurer's Office, are valued at STAR Ohio's share price, which is the price for which the investment could be sold on December 31, 2008. (See note IV A for a detailed disclosure of cash, cash equivalents and investments held by the County.)

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

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

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

Under existing Ohio statutes, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during 2008 amounted to \$15,363, which includes \$197 assigned from other County funds.

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

## H. Inventories

Inventories of governmental funds are valued at cost. Costs are determined by the first-in, first-out (FIFO) method. The costs of inventory items are recognized as expenditures in the governmental funds when consumed. Recorded inventories in the governmental fund types are equally offset by a fund balance reserve, which indicates that they do not constitute expendable available resources even though they are a component of net current assets.

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

## I. Prepaid Expenses

MSD payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as Prepaid Expenses using the consumption method. Under this method, a current asset is recorded for the prepaid amount and expenses are reflected in the year in which services are consumed.

## J. Interfund Transactions

On fund financial statements, receivables resulting from interfund loans are classified as Due from Advances to Other Funds or as Loans to Political Subdivisions or Other Funds. Payables resulting from interfund loans are classified as Advances from Other Funds or as Loans from Other Funds. Advances and loans between funds are offset by a fund balance reserve account to indicate that they are not available for appropriation and are not expendable available financial resources.

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

## K. Restricted Assets

The Trust Agreement for Series A Revenue bonds (see note IV F) requires the establishment of certain trust accounts, including a Bond Account, Bond Reserve Account, Replacement and Improvement Account and Surplus Account to be held by the trustee. The Bond Account will be used to accumulate periodic principal and interest payments. The Bond Reserve Account will be funded in an amount equal to the highest annual future debt service requirement. The Replacement and Improvement Account will be maintained with a balance of \$5,000. The Surplus Account is available to be used for any other sewer system purpose. The Trust Agreement also requires the creation of a Construction Account to be held by the City to pay for project costs. At December 31, 2008, the following balances (at fair value) were maintained in trust accounts for MSD:

Held by Trustees:	
Reserve	\$ 65,031
Replacement and Improvement	5,588
Bond Retirement	5,234
Surplus	171,467
Total	<u>\$ 247,320</u>

## L. Capital Assets

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

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

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Construction in progress includes the cost of in-force labor and costs incurred for projects not placed in use as of December 31, 2008. Additionally, in the enterprise funds, this amount includes interest capitalized on debt during the period of construction. There was no interest capitalized in 2008.

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

Capital assets are depreciated except for land, some land improvements and construction in progress. Depreciation is computed using the straight-line method over the following useful lives:

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

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

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

#### **M. Compensated Absences**

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

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

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

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

## **N. Accrued Liabilities and Long-Term Obligations**

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

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

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

## **O. Unamortized Financing Costs**

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

## **P. Fund Balance Reserves**

The County reserves those portions of fund equity that are legally segregated for a specific future use or that do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity that is available for appropriation in future periods. Fund equity reserves have been established for judgments and claims, future obligations, advances to other funds, encumbrances, inventories and loans.

## **Q. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets in Invested in Capital Assets, Net of Related Debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or CFA, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County and CFA apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

## **R. Operating Revenues and Expenses**

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

## **S. Capital Contributions**

Capital contributions in proprietary fund financial statements arise from outside contributions of capital assets, from grants or outside contributions of resources restricted to capital acquisition and construction, or from transfers from governmental funds. These assets, which are recorded at their fair market values on the dates contributed, are not subject to repayment. Capital contributions in 2008 totaled \$25,075.

## T. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Transfers In and Transfers Out. Interfund transfers are reported as Other Financing Sources (Uses) in governmental funds and after Nonoperating Revenues (Expenses) in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

## U. Estimates

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

## II. RESTATEMENT OF NET ASSETS

Prior-period adjustments were required for business-type activities. Each of these adjustments reduced the beginning net assets for 2008. The first of these was for the Metropolitan Sewer District fund, whose (\$3,916) adjustment was to account for the net pension obligation and (\$1,359) was for the net other post-employment benefit obligation. The Baseball Stadium's adjustment of (\$301) was due to construction in progress from prior to 2008 having not been capitalized in an earlier year. Riverfront Development's restatement was because of an unrecorded accrual in 2007 for (\$175). In the capital assets for the Communications Center, (\$4,376) in unrecorded prior-year disposals were posted. In the fund for Workers' Compensation Reserve for Stadiums, (\$300) in anticipated expenses did not occur, so accrued funds were not transferred from the Baseball Stadium fund.

The effect of these restatements is as follows:

	Metropolitan Sewer District	Baseball Stadium	Riverfront Development	Communications Center	Workers' Compensation Reserve for Stadiums	Business-Type Activities
Beginning Net Assets, As Previously Reported	\$ 557,053	\$110,190	\$ 92,071	\$ 24,614	\$ 117	\$ 784,045
Net Pension Obligation	(3,916)	-	-	-	-	(3,916)
Net Other Post-Employment Benefit Obligation	(1,359)	-	-	-	-	(1,359)
Adjustment for CIP	-	(301)	-	-	-	(301)
Adjustment for Accruals	-	-	(175)	-	(300)	(475)
Adjustment for Capital Asset Disposals	-	-	-	(4,376)	-	(4,376)
Beginning Net Assets, As Restated	<u>\$ 551,778</u>	<u>\$109,889</u>	<u>\$ 91,896</u>	<u>\$ 20,238</u>	<u>\$ (183)</u>	<u>\$ 773,618</u>

## III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. Basis of Budgeting

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

1. Outstanding year-end encumbrances and prior-year appropriations are treated as expenditures (budget) as opposed to reservations of fund balances (GAAP).
2. Revenues are recorded when received (budget) as opposed to when susceptible to accrual (GAAP).
3. Expenditures are recorded when paid (budget) as opposed to when the liability is incurred (GAAP).
4. Advances in and out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

- Reimbursements from funds responsible for particular expenditures to the funds that initially paid for them are presented for budgetary purposes and removed on the GAAP financial statements.

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

	General Fund	Public Assistance	Health and Human Services Levies
<u>Net Change in Fund Balance</u>			
<i>GAAP Basis</i>	\$ (5,712)	\$ (9,220)	\$ 13,907
Increase (Decrease):			
Net Adjustment for Revenue Accruals	7,729	(8,544)	(2,327)
Net Adjustment for Expenditure Accruals	(7,252)	(3,185)	7,847
Net Adjustment for Unrealized Gains	(1,216)	(147)	(1,620)
Net Adjustment for Change in Escheat Estimate	692	-	-
Encumbrances	(12,034)	(12,261)	(20,942)
<i>Basis of Budgeting</i>	<u>\$ (17,793)</u>	<u>\$ (33,357)</u>	<u>\$ (3,135)</u>

## B. Accountability

At December 31, 2008, the nonmajor Judicial Services Grants and Social Service Grants fund groups had deficit fund balances of (\$1,631) and (\$8,760), respectively. These deficits were caused by deferring revenue for which eligibility requirements had not yet been met.

The deficit net assets of (\$33,565) in the Paul Brown Stadium enterprise fund is due to the outstanding debt on the capital assets exceeding the cost of the assets net of depreciation. The deficit net assets of (\$2,429) in the Workers' Compensation Reserve internal service fund was caused by underbilling of charges to other County departments. County Administration plans to resolve the deficit through future years' billings. The (\$186) deficit unrestricted net assets in the Workers' Compensation Reserve for Stadiums internal service fund was because reimbursements had not been received for some eligible claims.

## IV. DETAILED NOTES ON ALL FUNDS

### A. Deposits and Investments

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

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

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

- U.S. Treasury notes, bills, bonds or other obligations or securities issued by the U.S. Treasury or any other obligation guaranteed as to principal and interest by the United States;
- bonds, notes, debentures or any other obligations or securities issued directly by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association and Student Loan Marketing Association;
- written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed 30 days;
- bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
- time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;



6. no-load money market mutual funds consisting exclusively of obligations described in item 1 or 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. the State Treasurer's investment pool (STAR Ohio);
8. securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in item 1 or 2 above or cash or both securities and cash, equal value for equal value;
9. high-grade commercial paper for a period not to exceed 270 days in an amount not to exceed (a) 10% of the aggregate value of the issuing corporation's outstanding commercial paper or (b) 25% of the County's total average portfolio; or
10. bankers' acceptances for a period not to exceed 180 days and in an amount not to exceed 25% of the County's total average portfolio.

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

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

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

**Cash on Hand.** At year-end, the County had \$1,737 in undeposited cash on hand. This amount is included on the Statement of Net Assets of the County as part of Equity in Pooled Cash and Investments.

**Deposits—County.** At year-end, the County's carrying amount of deposits was \$77,524 and the bank balance was \$70,991.

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County's policy for deposits is that any balance not covered by the Federal Deposit Insurance Corporation will be collateralized by the financial institutions with pledged securities. Of the year-end bank balance, \$2,581 was covered by federal depository insurance or by collateral held by the County's agent in the County's name. The remaining balance of \$68,410 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the County's name.

**Investments—County.** At December 31, 2008, investment balances were as follows:

<u>Investments</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		<u>% of Portfolio</u>
		<u>Less Than 1 Year</u>	<u>1–5 Years</u>	
Federal Home Loan Bank (FHLB)	\$ 160,560	\$ 4,967	\$ 155,593	48.63
Federal National Mortgage Association (FNMA)	102,864	17,885	84,979	31.16
U.S. Treasury Notes	31,699	29,694	2,005	9.60
Repurchase Agreements	31,000	18,000	13,000	9.39
Investment in STAR Ohio	155	155	-	0.05
Money Market Funds—Trustee	3,875	3,875	-	1.17
<b>Total County Investments</b>	<b>\$ 330,153</b>	<b>\$ 74,576</b>	<b>\$ 255,577</b>	<b>100.00</b>

STAR Ohio allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. STAR Ohio funds are invested in U.S. government and agency securities, collateralized repurchase agreements with eligible Ohio financial institutions and eligible bankers' acceptances and commercial paper. The fair value of the County's position in the pool is the same as the value of the pool shares.

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

were rated Aaa and AAA by Moody's Investors Service and Standard and Poor's. Investments in STAR Ohio were rated AAA by Standard & Poor's. The County's investments in money market funds were rated Aaa and AAA by Moody's and Standard and Poor's.

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

*Concentration of Credit Risk.* The County's investment policy provides for diversification to avoid undue concentration in one type of securities. The County has invested more than 5% of the County's investments in the FHLB (48.63%), the FNMA (31.16%), U.S. Treasury Notes (9.60%) and repurchase agreements (9.39%).

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

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

At December 31, 2008, the carrying amount of MSD's deposits totaled \$78,570. Amounts held by the City are invested on MSD's behalf in accordance with the City's Municipal Code. These amounts are collateralized as part of the City's cash and investment balances.

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

For additional GASB 40 disclosure requirements, refer to the financial statements as of December 31, 2008, for the City of Cincinnati.

**Investments—MSD.** State Statute and board Resolutions authorize MSD to invest in obligations of the U.S. Treasury, its agencies or its instrumentalities; certificates of deposit; repurchase agreements; money market deposit accounts; municipal depository funds; super NOW accounts; sweep accounts; separate trading of registered interest and principal of securities; mutual funds; bonds and other obligations of the State; and the State Treasurer's investment pool. The following investment policies are the same for MSD as defined in the County's

investment policy above: (1) limitations on repurchase agreements, (2) prohibited investments, and (3) guidelines governing dealers and payments. Investments made by MSD are summarized below:

<u>Investments</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Investments Held by the City of Cincinnati	\$ 78,570	24.11
U.S. Government Securities	210,935	64.73
Money Market Funds	36,385	11.16
Total Investments	<u>\$ 325,890</u>	<u>100.00</u>

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

*Concentration of Credit Risk:* MSD uses the City of Cincinnati's investment policy, which addresses concentration of credit risk by requiring investments to be diversified to reduce risk of loss resulting from over-concentration of assets in a specific issue or class of security. The table above includes the percentage of each investment type held by MSD at December 31, 2008.

MSD has no policy that addresses interest rate risk.

**Deposits—CFA.** At year-end, the carrying amount of CFA deposits held by the trustee totaled \$5,646 and the bank balance was \$5,646. The accounts are held in custodial accounts at The Bank of New York and are not collateralized.

**Investments—CFA.** The trustee for the CFA held no investments at December 31, 2008.

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

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

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

Carrying Amount of Deposits	\$ 157,831	Equity in Pooled Cash and Investments	\$ 382,764
Carrying Amount of Investments	<u>577,473</u>	Cash and Cash Equivalents—Segregated Accounts	39,649
Total	<u>\$ 735,304</u>	Cash and Cash Equivalents—Restricted	101,956
		Investments—Restricted	<u>210,935</u>
		Total	<u>\$ 735,304</u>

## B. Receivables

Receivables at December 31, 2008, consisted of taxes, interest, special assessments, accounts (billings for user-charged services, including unbilled utility services), loans, lease rent, and intergovernmental receivables arising from grants, entitlements and shared revenues. All trade and property tax receivables, including those for MSD, are shown net of an allowance for uncollectibles. Receivables are recorded on the County's financial statements to

the extent that the amounts are determined to be material and substantiated, not only by supporting documentation but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectibility.

**Property Tax.** Property taxes include amounts levied against real, public utility and tangible (personal) property. The assessed value by property classification upon which the 2008 tax collection was based is as follows:

Real Property—2008 Valuation:		
Residential/Agricultural		\$ 14,079,032
Commercial/Industrial/Public Utilities		4,958,488
Tangible Personal Property—2008 Valuation:		
Tangible Personal Property		519,652
Public Utility Personal Property		604,816
Total Valuation		<u>\$ 20,161,988</u>

Ohio law prohibits taxation of property by all overlapping taxing authorities in excess of 10 mills per dollar of assessed value without a vote of the people. Presently, the County levies 2.26 mills of this 10-mill limit for its General Fund. In addition to the 2.26 mills, voted levies in the amount of 17.27 mills have been approved for debt service, health and hospitalization, law enforcement, mental retardation and health, children's services, zoological parks, senior services and the museum center.

A summary of the voted levies follows:

Purpose	Voter Authorized Rate <sup>(1)</sup>	Rates Levied for Current Year Collection <sup>(2)</sup>		Final Collection Year
		Residential/Agricultural	Commercial/Industrial	
Debt Service (Museum Center)	0.13	0.13	0.13	2009
Drake Center	0.84	0.70	0.80	2009
University Hospital	4.49	1.60	2.55	2011
Police Information Center	0.54	0.15	0.26	Continuing
Mental Retardation	3.62	3.03	3.43	2009
Mental Health	2.99	1.48	2.04	2012
Children's Services	2.77	1.66	2.30	2011
Zoo	0.40	0.26	0.33	2008
Senior Services	1.29	0.90	1.10	2012
Museum Center	0.20	0.17	0.19	2009
Total Voted Millage	<u>17.27</u>	<u>10.08</u>	<u>13.13</u>	

<sup>(1)</sup>dollar amount per \$1,000 of assessed valuation

<sup>(2)</sup>reduction factors applied to levies

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

The County Commissioners allocated approximately 30% of the ½ cent permissive sales tax receipts to reduce residential property taxes in the County. In 2008, this represented a 3% reduction for all owner-occupied homeowners in the County.

Taxes collected on real property (other than public utilities) in one calendar year are levied on the preceding calendar year's assessed values as of January 1 of that preceding year, the lien date. Assessed values are established the preceding year by the County Auditor at 35% of appraised market value. A physical reappraisal of all real property is required every six years, with a statistical update every third year. The last physical reappraisal was completed during 2005.

The County Treasurer bills and collects real property taxes on behalf of all taxing districts in the County, including the County. Taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20 of the following year. The County's practice is to extend the December 31 due date to January. Unpaid taxes become delinquent after

December 31 of the year they are due with penalties and interest assessed. Foreclosure proceedings may be initiated by the County Prosecutor if delinquent taxes are not paid within one year.

Personal property taxes, other than for public utilities, are a self-assessed tax. Each business lists its tangible personal property as of December 31 or the end of its fiscal year. A lien for taxes accrues against this personal property on the following January 1. The taxes are calculated using the full tax rates in effect for the current calendar year. Effective January 1, 2005, any new machinery equipment placed in service is exempt from taxation. Existing tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxes at 6.25% of its true value. Business inventories are assessed for ad valorem taxes at 6.25% of average value. Each business receives a \$10,000 (amount not in thousands) exemption in assessed value that is reported. The reduction in tax dollars resulting from the exemption is reimbursed by the State to the appropriate taxing authorities. Under current statutes, the exemption reimbursement was phased out and ended in 2008. Amounts paid by multicounty taxpayers are due September 20. Single-county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable September 20. Taxpayers are eligible to file for an extension until June 15.

The state budget bill (HB66) phases out the tangible personal property tax on general businesses, including manufacturer and merchant inventory, manufacturing machinery and equipment, and furniture and fixtures. This phase-out started in 2006, with the last tax due in 2008. The State has provided a reimbursement to the levies that were in effect prior to November 1, 2005, to help offset the loss in tax revenue from 2006 through 2010. The reimbursement is based on the 2004 tangible personal property valuation and will not completely offset the loss of revenue. The reimbursement will then be phased out beginning in 2011.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the collection year, the lien date. The majority of public utility tangible personal property currently is assessed at 25% of its true value. Public utility taxes are payable on the same date as real property taxes described previously.

The County Auditor periodically remits to the taxing districts their portions of the taxes collected. The final settlements of real and public utility property taxes are made in April and August and tangible taxes in August and October for the first and second halves of the year, respectively. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. The County accrues property taxes as receivables since they can be measured and recorded when levied and recognized as deferred revenue since they are collected in advance of the year for which they are levied. Property taxes are recognized as revenue in the year for which they are levied.

Property tax revenues were recorded in the following funds in 2008:

General Fund	\$ 40,936
Health and Human Services Levies Fund	204,307
Nonmajor Special Revenue Funds	3
Nonmajor Debt Service Funds	<u>2,842</u>
Total Property Tax Revenues	<u><u>\$ 248,088</u></u>

Property tax revenues include levies collected from both the current levy and delinquent levies. The cumulative delinquency as of December 31, 2008, was \$21,279 of real and public utility taxes and \$6,141 of tangible personal property taxes, for a total of \$27,420. The delinquent property tax revenue was not recorded in the financial statements due to the uncertainty of collection. Recording the delinquency would not have an impact on the fund balance of the County since it would be offset by a reserve for delinquent accounts.

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

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

**Intergovernmental.** State subsidies for local property tax reductions are recorded as Intergovernmental Receivable when measurable and Intergovernmental Revenues when measurable and available. Federal and

State grants and assistance awards made on the basis of entitlement are recorded as Intergovernmental Receivable and Revenues when entitlement occurs. All other federal and State reimbursement-type grants are recorded as receivables and revenues when the related expenditures/expenses are incurred. A summary of the principal items of Intergovernmental Receivable for the year ended December 31, 2008, follows.

<u>Governmental Activities</u>	<u>Amount</u>
General Fund:	
County Permissive Sales Tax	\$ 10,164
Income Tax Local Government	10,825
County Administration—Lodging Tax	17
Real Estate Fees	37
Juvenile Court—Educational Subsidy	424
Clerk of Courts—Federal Grant	8
Board of Elections—Election Expense Reimbursement	34
Facilities—Miscellaneous Reimbursements	1
Planning and Development—Miscellaneous Receipts	10
Sheriff—Miscellaneous Receipts and Reimbursements	100
Juvenile Court—Miscellaneous Receipts and Reimbursements	71
Probate Court—Miscellaneous Receipts	106
Clerk of Courts—Miscellaneous Receipts	1,024
Public Defender—Miscellaneous Receipts and Reimbursements	1,484
General Fund Total	<u>24,305</u>
Public Assistance—Special Revenue Fund:	
Job and Family Services—Federal and State Grants	17,029
Job and Family Services—Miscellaneous Receipts	16
Public Assistance Total	<u>17,045</u>
Health and Human Services Levies—Special Revenue Fund:	
Facilities—State Grants	153
Job and Family Services—Federal and State Grants	1,672
Board of Mental Retardation and Developmental Disabilities—Federal, State and Health Grants	8,897
Board of Mental Retardation and Developmental Disabilities—Miscellaneous Reimbursements	137
Health and Human Services Levies Total	<u>10,859</u>
Nonmajor Special Revenue Funds:	
Motor Vehicle Tax	270
County Administration—Lodging Tax	1,315
Auto and Boat Titles	133
Communications Center—Communication Services	442
Job and Family Services—Federal and State Grants	133
Planning and Development/Community Development—Federal Grants	20
Sheriff—Federal and State Grants	73
Prosecutor—Federal Grants	65
Coroner—State Grants	24
Emergency Management Agency—Federal Grants	433
River City Correctional Center—Federal Grants	2,751
Juvenile Court—Federal and State Grants	939
Adult Probation—State Grants	1,140
Engineer—Federal Grants	190
Environmental Services—Federal and State Grants	2,062
Mental Health and Recovery Services Board—Federal and State Grants	25,303
Transportation Improvement District—State Grants	250
Job and Family Services—Miscellaneous Receipts and Reimbursements	11
Dog Warden—Miscellaneous Receipts	2
Planning and Development—Miscellaneous Reimbursements	3
Sheriff—Miscellaneous Reimbursements	25
Prosecutor—Miscellaneous Receipts	7
Juvenile Court—Miscellaneous Receipts and Reimbursements	31
Common Pleas Court—Miscellaneous Receipts	204
Municipal Court—Miscellaneous Receipts	31
Domestic Relations Court—Miscellaneous Receipts	10

Probate Court—Miscellaneous Receipts	25
Clerk of Courts—Miscellaneous Receipts	14
Adult Probation—Miscellaneous Receipts and Reimbursements	7
Engineer—Miscellaneous Receipts and Reimbursements	314
Environmental Services—Miscellaneous Receipts and Reimbursements	20
Mental Health and Recovery Services Board—Miscellaneous Receipts	4
Nonmajor Special Revenue Funds Total	<u>36,251</u>
Governmental Activities Total	<u>\$ 88,460</u>

<u>Business-Type Activities</u>	<u>Amount</u>
Nonmajor Enterprise Funds:	
Riverfront Development—Federal Grants	\$ 173
Communications Center—Communication Services	341
Sheriff—Township Patrol Fees	1,535
Communications Center—Miscellaneous Receipts	14
Sheriff—Miscellaneous Reimbursements	11
Nonmajor Enterprise Funds Total	<u>2,074</u>
Internal Service Funds:	
Workers' Compensation Reserve—Miscellaneous Reimbursements	8
Internal Service Funds Total	<u>8</u>
Business-Type Activities Total	<u>\$ 2,082</u>

**Loans.** The Hamilton County Housing Rehab Program provides low-interest loans to income-qualifying homeowners to provide an affordable means for making major repairs on their homes. The program is funded by the Board of County Commissioners through the Hamilton County Community Block Grant Program, with funds from the U.S. Department of Housing and Urban Development. Funds from loan repayments by previous program recipients are made available for use through a revolving loan fund. These loans (\$858) are classified as Accounts Receivable on the Balance Sheet—Governmental Funds.

In 2002, the County Commissioners adopted the Home Improvement Program (HIP). HIP allows homeowners in Hamilton County to borrow money from banks to repair or remodel their homes or rental property at interest rates 3% below the lowest rate the banks would normally offer. These loans are collateralized by Hamilton County certificates of deposit (CDs). These CDs totaled \$12,779 at December 31, 2008, and are included in Equity in Pooled Cash and Investments on the Balance Sheet—Governmental Funds.

In 2003, the County loaned \$2,000 to the Village of Woodlawn for the purpose of constructing a community center. The Village will repay the loan in annual payments from 2003 to 2009 at an interest rate of 3%. The receivable as of December 31, 2008, is \$333 and is reported as Loans to Political Subdivisions or Other Funds in the Balance Sheet—Governmental Funds.

In 2007, the County Administrator entered into a loan agreement with the County Engineer. The five-year loan of \$900 at 0% interest is to cover funding shortages for a road project. The receivable as of December 31, 2008, is \$900 and is reported as Loans to Political Subdivisions or Other Funds in the Balance Sheet—Governmental Funds.

### C. Restricted Assets

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

Restricted Cash and Cash Equivalents:	
Held by the City of Cincinnati:	
Construction Account	\$ 30,264
Amount to Be Transferred to Surplus Account	31,432
Held by Trustees	40,260
Total Restricted Cash and Cash Equivalents	<u>101,956</u>
Restricted Investments:	
Held by Trustees—Held to Maturity	210,935
Total Restricted Assets	<u>\$ 312,891</u>

## D. Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

	Balance 1/1/2008	Additions	Reductions	Balance 12/31/2008
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 98,724	\$ 16	\$ (7)	\$ 98,733
Construction in Progress	8,125	3,113	(4,012)	7,226
Total Capital Assets Not Being Depreciated	<u>106,849</u>	<u>3,129</u>	<u>(4,019)</u>	<u>105,959</u>
Capital Assets Being Depreciated:				
Land Improvements	98	-	-	98
Buildings, Structures and Improvements	388,522	2,622	(43)	391,101
Infrastructure	664,141	2,658	-	666,799
Furniture, Fixtures and Equipment	95,182	3,020	(14,644)	83,558
Total Capital Assets Being Depreciated	<u>1,147,943</u>	<u>8,300</u>	<u>(14,687)</u>	<u>1,141,556</u>
Less Accumulated Depreciation:				
Land Improvements	(19)	(5)	-	(24)
Buildings, Structures and Improvements	(233,602)	(10,258)	21	(243,839)
Infrastructure	(412,273)	(26,231)	-	(438,504)
Furniture, Fixtures and Equipment	(60,445)	(6,577)	14,305	(52,717)
Total Accumulated Depreciation	<u>(706,339)</u>	<u>(43,071)</u>	<u>14,326</u>	<u>(735,084)</u>
Capital Assets Being Depreciated, Net	441,604	(34,771)	(361)	406,472
Governmental Activities Capital Assets, Net	<u>\$ 548,453</u>	<u>\$ (31,642)</u>	<u>\$ (4,380)</u>	<u>\$ 512,431</u>
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 96,043	\$ -	\$ -	\$ 96,043
Construction in Progress	276,832	124,905	(38,492)	363,245
Total Capital Assets Not Being Depreciated	<u>372,875</u>	<u>124,905</u>	<u>(38,492)</u>	<u>459,288</u>
Capital Assets Being Depreciated:				
Buildings, Structures and Improvements	1,707,047	30,795	(5,001)	1,732,841
Processing System	269,811	2,020	(705)	271,126
Furniture, Fixtures and Equipment	67,872	3,110	(3,354)	67,628
Total Capital Assets Being Depreciated	<u>2,044,730</u>	<u>35,925</u>	<u>(9,060)</u>	<u>2,071,595</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(541,435)	(52,203)	625	(593,013)
Processing System	(152,537)	(9,584)	-	(162,121)
Furniture, Fixtures and Equipment	(40,611)	(4,256)	3,111	(41,756)
Total Accumulated Depreciation	<u>(734,583)</u>	<u>(66,043)</u>	<u>3,736</u>	<u>(796,890)</u>
Capital Assets Being Depreciated, Net	1,310,147	(30,118)	(5,324)	1,274,705
Business-Type Activities Capital Assets, Net	<u>\$ 1,683,022</u>	<u>\$ 94,787</u>	<u>\$ (43,816)</u>	<u>\$ 1,733,993</u>

Construction in Progress includes assets that upon completion will be transferred to the General Fund or to the nonmajor Motor Vehicle Gas Tax or nonmajor Health and Community Services governmental fund; or to the MSD, Baseball Stadium or nonmajor Riverfront Development enterprise fund.

Depreciation expense was charged to functions/funds as follows:

<u>Governmental Activities</u>	
General Government	\$ 11,735
Judicial	443
Public Safety	2,991
Social Services	535
Health	574
Public Works	26,621
Environmental Control	99
Economic Development	2
Internal Service Funds—Charged to Functions Based on Usage	71
Total Depreciation Expense	<u>\$ 43,071</u>



<u>Business-Type Activities</u>	
MSD	\$ 31,051
Paul Brown Stadium	14,353
Baseball Stadium	13,514
Nonmajor Enterprise Funds	7,125
Total Depreciation Expense	<u>\$ 66,043</u>

### E. Interfund Balances and Transfers

Interfund balances at December 31, 2008, consisted of the following amounts and represent charges for services or reimbursable expenses except for the General Fund's coverage of negative cash balances within the following nonmajor governmental funds: Health and Community Services Nongrants (\$663), Judicial Services Grants (\$617), Social Service Grants (\$11,232) and Environmental Control Grants (\$37).

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

<u>Due to Other Funds</u>	<u>Due from Other Funds</u>							<u>Total</u>
	<u>General Fund</u>	<u>Public Assistance</u>	<u>Health and Human Services Levies</u>	<u>Nonmajor Governmental Funds</u>	<u>Baseball Stadium</u>	<u>Nonmajor Enterprise Funds</u>	<u>Internal Service Funds</u>	
General Fund	\$ -	\$ -	\$ 1	\$ 13	\$ 2	\$ 121	\$ -	\$ 137
Public Assistance	933	-	1,134	329	-	-	-	2,396
Health and Human Services Levies	2,146	1,858	-	314	-	-	637	4,955
Nonmajor Governmental Funds	13,097	204	475	107	-	6	-	13,889
Nonmajor Enterprise Funds	1,378	-	-	15	-	-	-	1,393
Total	<u>\$ 17,554</u>	<u>\$ 2,062</u>	<u>\$ 1,610</u>	<u>\$ 778</u>	<u>\$ 2</u>	<u>\$ 127</u>	<u>\$ 637</u>	<u>\$22,770</u>

Advances to/from balances are amounts that are owed, other than charges for goods and services rendered, by a particular fund to another fund and that are not due within one year. At year-end, these advances totaled \$700, which was advanced from the General Fund to a nonmajor governmental fund.

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

Included in the transfers out/in are residual equity transfers between funds. Residual transfers were made between funds in the Health and Human Services Levies fund group (\$119); from the nonmajor Health and Community Services Grants special revenue fund group to the nonmajor Environmental Control Grants fund group (\$10); from the nonmajor Capital Projects fund group to the General Fund (\$17); from the nonmajor Riverfront Development enterprise fund group to the Paul Brown Stadium enterprise fund group (\$500); and between funds in the nonmajor Riverfront Development enterprise fund group (\$353).

Interfund transfers for the year ended December 31, 2008, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>				<u>Total</u>
	<u>General Fund</u>	<u>Health and Human Services Levies</u>	<u>Nonmajor Governmental Funds</u>	<u>Nonmajor Enterprise Funds</u>	
General Fund	\$ -	\$ -	\$ 8,017	\$ -	\$ 8,017
Public Assistance	1,106	-	-	-	1,106
Health and Human Services Levies	-	1,332	-	-	1,332
Nonmajor Governmental Funds	10,876	4,436	3,139	-	18,451
Paul Brown Stadium	-	-	-	500	500
Nonmajor Enterprise Funds	1,850	-	-	353	2,203
Total	<u>\$13,832</u>	<u>\$ 5,768</u>	<u>\$ 11,156</u>	<u>\$ 853</u>	<u>\$31,609</u>

Due to Other Governments represents project costs due to the City and residual amounts due to the City and County by the CFA. Project costs to the City are reimbursed monthly.

## F. Long-Term Debt and Other Obligations

The long-term obligations of the County payable as of December 31, 2008, are as follows:

<b>Governmental Activities</b>		<b>Maturity</b>	<b>Interest Rate %</b>	<b>Balance</b>			<b>Balance</b>	<b>Due in</b>
				<b>January 1</b>	<b>Additions</b>	<b>Reductions</b>	<b>December 31</b>	<b>One Year</b>
<i>Long-Term Debt</i>								
<u>Year Issued/Purpose/Amount Issued</u>								
<u>General Obligation Bonds—Voted</u>								
2001 Museum Center—\$19,545	2009	3.00-4.00	\$ 5,380	\$ -	\$ (2,640)	\$ 2,740	\$ 2,740	
<u>General Obligation Bonds—Unvoted</u>								
1998 Courthouse Improvement—\$16,045	2018	4.75-4.90	750	-	(750)	-	-	
1998 Building Improvement—\$12,495	2018	4.80-5.00	585	-	(585)	-	-	
2001 Various Purpose—\$9,050	2012	3.00-4.00	3,895	-	(805)	3,090	795	
2001 Various Purpose—\$1,455	2021	3.00-5.00	1,130	-	(60)	1,070	65	
2001 Water West Phase 2—\$1,660	2021	3.00-5.00	1,290	-	(70)	1,220	75	
2004 Various Purpose Refunding—\$21,915	2015	1.70-4.00	14,250	-	(1,950)	12,300	1,970	
2004 Various Purpose Refunding—\$16,115	2015	1.70-4.00	10,480	-	(1,435)	9,045	1,450	
2004 Various Purpose Refunding—\$4,100	2015	1.70-4.00	2,670	-	(365)	2,305	365	
2005 Various Purpose Refunding—\$28,715	2017	3.00-5.00	24,805	-	(2,205)	22,600	2,265	
2006 Emergency Management and Operations Center—\$725	2025	4.00-4.50	700	-	(30)	670	25	
2006 Emergency Services Communications System—\$19,520	2021	3.50-4.00	18,515	-	(1,035)	17,480	1,075	
2007 Various Purpose Refunding—\$18,130	2024	3.75-4.15	17,980	-	(85)	17,895	1,475	
2007 Communications Center—\$1,025	2016	3.75-4.00	940	-	(90)	850	95	
2008 Various Purpose—\$8,795	2018	3.00-4.00	-	8,795	-	8,795	780	
Deferred Amounts:								
For Issuance Premiums			1,805	112	(340)	1,577	-	
For Refundings			(2,375)	-	470	(1,905)	-	
Total General Obligation Bonds—Unvoted			97,420	8,907	(9,335)	96,992	10,435	
<u>Special Assessment Bonds</u>								
1988 Sewer District—\$416	2008	7.25	25	-	(25)	-	-	
1990 Sewer District—\$410	2010	6.9	100	-	(30)	70	35	
1993 Sewer District—\$600	2013	4.90-5.20	245	-	(35)	210	40	
1994 Sewer District—\$175	2014	5.75	65	-	(10)	55	10	
1995 Sewer District—\$210	2015	5.10-5.80	115	-	(10)	105	10	
1996 Sewer District—\$445	2016	5.55-5.625	255	-	(25)	230	20	
1997 Sewer District—\$340	2017	5.125-5.30	215	-	(15)	200	20	
1998 Sewer District—\$705	2018	4.65-4.75	465	-	(30)	435	35	
1999 Sewer District—\$170	2019	5.5	130	-	(10)	120	10	
2000 Sewer District—\$545	2020	5.40-5.55	410	-	(25)	385	25	
2001 Sewer District—\$150	2021	4.00-5.10	120	-	(5)	115	5	
2002 Sewer District—\$295	2022	3.50-5.05	240	-	(15)	225	10	
2003 Sewer District—\$460	2023	1.25-5.75	395	-	(20)	375	20	
2004 Water and Sewer—\$625	2024	1.8-4.9	550	-	(25)	525	25	
2005 Sewer District—\$110	2025	4.35-4.40	100	-	(5)	95	5	
2006 Sewer District—\$76	2026	4.65-4.75	72	-	(4)	68	3	
2007 Sewer District—\$750	2027	4.15-4.65	750	-	(25)	725	25	
2008 Sewer District—\$262	2028	4.625-5.50	-	262	-	262	12	
Total Special Assessment Bonds			4,252	262	(314)	4,200	310	
Total Governmental Long-Term Debt			107,052	9,169	(12,289)	103,932	13,485	
<i>Other Long-Term Liabilities</i>								
<u>Compensated Absences</u>								
			41,951	30,417	(29,991)	42,377	2,378	
<u>State Loans</u>								
			3,225	882	(564)	3,543	631	
<u>Loan Contracts</u>								
			5,028	-	(237)	4,791	191	
<u>Forgivable Mortgage</u>								
			1,437	-	(68)	1,369	68	
Total Governmental Long-Term Liabilities			\$ 158,693	\$ 40,468	\$ (43,149)	\$ 156,012	\$ 16,753	

<b>Business-Type Activities</b>		Maturity	Interest Rate %	Balance January 1	Additions	Reductions	Balance December 31	Due in One Year
<i>Long-Term Debt</i>								
<u>Year Issued/Purpose/Amount Issued</u>								
<u>MSD Obligations</u>								
2007 Series A Revenue Bonds—\$72,385	2032	3.50-5.25	\$ 72,385	-	\$ (1,615)	\$ 70,770	\$ 1,760	
2006 Series A Revenue Bonds—\$83,045	2031	4.00-5.00	81,335	-	(1,955)	79,380	2,035	
2005 Series A & B Revenue Bonds—\$170,560	2030	2.50-5.00	166,500	-	(7,235)	159,265	7,575	
2004 Series A Revenue Bonds—\$46,385	2017	2.00-5.00	41,875	-	(2,200)	39,675	2,260	
2003 Series B Revenue Bonds—\$55,510	2028	5.00	51,670	-	-	51,670	-	
2003 Series A Revenue Bonds—\$160,065	2028	1.50-5.25	154,505	-	(1,475)	153,030	1,500	
2001 Series A Revenue Bonds—\$76,000	2026	2.30-5.25	32,505	-	(1,585)	30,920	1,660	
2000 Series A Revenue Bonds—\$40,085	2025	4.50-5.75	6,345	-	(1,145)	5,200	1,205	
1997 Series A Revenue Bonds—\$105,245	2017	3.85-5.13	11,595	-	-	11,595	-	
1993 Series A Revenue Bonds—\$171,790	2016	2.45-5.60	23,855	-	(11,615)	12,240	12,240	
Ohio Water Development Authority Contracts (OWDA)—\$41,830	2019	2.00-7.49	747	-	(114)	633	118	
Ohio Water and Sewer Rotary Commission	-	-	50	-	-	50	-	
Ohio Public Works Commission (OPWC)	2017	3.54-4.80	3,491	-	(283)	3,208	288	
Water Pollution Control Loan Fund (WPCLF) Construction Drawdown	2018	0.00-3.00	23,429	21,283	(2,433)	42,279	2,523	
Deferred Amounts:								
For Issuance Discounts			(111)	-	63	(48)	-	
For Issuance Premiums			32,699	-	(3,053)	29,646	-	
For Refundings			(7,168)	-	1,654	(5,514)	-	
Total MSD Obligations			695,707	21,283	(32,991)	683,999	33,164	
<u>Enterprise Fund Debt—Parking Facility</u>								
2001 Parking Facility—\$24,500	2026	Market Based	21,785	-	(645)	21,140	685	
<u>Sales Tax Bonds</u>								
1998 Football Project Series A—\$71,610	2027	3.95-4.75	19,675	-	-	19,675	-	
2000 Stadium Series B—\$349,992	2032	5.57	112,312	-	(8,000)	104,312	8,760	
2006 Stadium Series A—\$452,270	2032	4.00-5.00	449,725	-	(1,975)	447,750	2,055	
Deferred Amounts:								
For Issuance Discounts			(2,242)	-	104	(2,138)	-	
For Issuance Premiums			29,130	-	(1,834)	27,296	-	
For Refundings			(24,670)	-	1,086	(23,584)	-	
Total Sales Tax Bonds			583,930	-	(10,619)	573,311	10,815	
<u>General Obligation—Parking Facility</u>								
1998 Parking Facility—\$10,090	2024	4.15-5.00	985	-	(315)	670	330	
2007 Various Purpose Refunding—\$7,335	2024	3.75-4.15	7,280	-	(30)	7,250	30	
Deferred Amounts:								
For Issuance Discounts			(22)	-	2	(20)	-	
For Issuance Premiums			4	-	(2)	2	-	
For Refundings			(165)	-	55	(110)	-	
Total General Obligation Bonds			8,082	-	(290)	7,792	360	
Total Business-Type Long-Term Debt			1,309,504	21,283	(44,545)	1,286,242	45,024	
<i>Other Long-Term Liabilities</i>								
<u>Compensated Absences</u>								
			7,533	5,164	(4,340)	8,357	2,977	
Total Business-Type Long-Term Liabilities			\$1,317,037	\$ 26,447	\$(48,885)	\$1,294,599	\$ 48,001	
<b>Convention Facilities Authority</b>								
		Maturity	Interest Rate %	Balance January 1	Additions	Reductions	Balance December 31	Due in One Year
<i>Long-Term Debt</i>								
<u>Year Issued/Purpose/Amount Issued</u>								
<u>CFA Obligations</u>								
2004 First Lien Improvement Bonds—\$70,065	2033	2.00-5.00	\$ 65,805	\$ -	\$ (1,415)	\$ 64,390	\$ 1,450	
2004 Second Lien Improvement Bonds—\$35,940	2033	2.00-5.25	22,805	-	(770)	22,035	785	
Deferred Amounts:								
For Issuance Premium			3,765	-	(82)	3,683	-	
Total CFA Obligations			\$ 92,375	\$ -	\$(2,267)	\$ 90,108	\$ 2,235	

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

Year	Governmental Activities			
	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2009	\$ 13,175	\$ 4,060	\$ 310	\$ 210
2010	10,690	3,508	334	191
2011	10,955	3,110	289	175
2012	11,060	2,707	319	161
2013	10,630	2,267	324	146
2014-2018	37,760	5,492	1394	506
2019-2023	5,685	511	874	210
2024-2028	105	7	356	43
Total	<u>\$100,060</u>	<u>\$21,662</u>	<u>\$4,200</u>	<u>\$ 1,642</u>

Year	Business-Type Activities					
	MSD*		General Obligation Bonds**		Sales Tax Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 33,164	\$ 31,539	\$ 1,045	\$ 569	\$ 10,815	\$ 26,031
2010	35,261	30,328	1,095	545	2,140	25,471
2011	37,933	29,630	1,160	520	3,400	25,354
2012	39,602	27,842	1,220	497	2,420	25,185
2013	41,234	26,004	1,290	472	14,625	25,066
2014-2018	204,283	99,612	7,555	1,937	102,640	112,572
2019-2023	124,108	62,188	9,820	1,074	120,432	124,875
2024-2028	140,242	31,343	5,875	155	125,380	150,704
2029-2033	49,171	4,893	-	-	189,885	23,570
Total	<u>\$704,998</u>	<u>\$343,379</u>	<u>\$ 29,060</u>	<u>\$ 5,769</u>	<u>\$571,737</u>	<u>\$538,828</u>

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

\*\*Adjustable Rate Parking System Revenue Bonds, in the amount of \$24,500, were issued to pay the costs of making improvements and enlargements to the County's above-ground parking structures and surface parking lots in the Cincinnati central riverfront area, near the stadiums and at the US Bank Arena. The interest rate is to be determined at the close of business each Wednesday. The interest rate at the close of business on December 31, 2008, was 1.2%. Using this rate as a basis, the projected interest to be paid on this bond issue will be \$2,800.

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

Year	CFA	
	Improvement Bonds	
	Principal	Interest
2009	\$ 2,235	\$ 4,056
2010	2,300	3,994
2011	2,355	3,935
2012	2,420	3,870
2013	2,515	3,777
2014-2018	14,400	17,057
2019-2023	18,350	13,108
2024-2028	22,145	8,311
2029-2033	19,705	3,052
Total	<u>\$ 86,425</u>	<u>\$ 61,160</u>

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

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

The Uniform Bond Law of the State of Ohio provides that the total net indebtedness created or incurred by any county shall never exceed a sum equal to 3.0% of the first \$100,000 or part of the tax list, plus 1.5% of the tax list in excess of \$100,000 and not in excess of \$300,000, plus 2.5% of the tax list in excess of \$300,000. In addition, the net indebtedness created or incurred by any county without vote of the electors shall never exceed a sum equal to 1.0% of the tax list of the county. Contained in the Uniform Bond Law of the State of Ohio are exceptions

for debt limitations. Among the kinds of debt exempted are debt issued for special assessments, sewer works, self-supported revenue bonds and jail facilities.

The total voted and unvoted non-exempt debt of the County that could be issued subject to the 3.0%, 1.5% and 2.5% limitation described above is \$502,556. The total County net debt subject to this limitation is \$84,827, leaving a borrowing capacity of \$417,729 within the limitation from combined voted and unvoted non-exempt debt. The total County unvoted, non-exempt debt that could be issued subject to the 1.0% limitation is \$201,622. The total County debt subject to such limitation is \$82,087, leaving a borrowing capacity of \$119,535 within the 1.0% limitation for unvoted non-exempt debt.

**2008 General Obligation Bonds.** In September 2008, new general obligation bonds were issued in the amount of \$8,795. The bonds were used (1) to reimburse the General Fund for amounts advanced for a court-approved settlement and (2) for Communications Center improvements. These bonds carry interest rates ranging from 3% to 4% and have a final maturity date of December 1, 2018.

**2008 Special Assessment Bonds.** Outstanding special assessment bonds consist of water and sewer line improvements, which are payable from the proceeds of tax assessments against the individual property owners. The full faith and credit of the County as additional security also backs these bonds. In 2008, new special assessment bonds were issued in the amount of \$262, with a final maturity date of December 1, 2028. These bonds carry interest rates ranging from 4.625% to 5.500%.

**Series A and B Revenue Bonds.** In 2007, 2000 and 1997, MSD issued County of Hamilton, Ohio, Series A Sewer System Improvement Revenue Bonds. In 2006, 2005 and 2004, MSD issued County of Hamilton, Ohio, Series A Sewer System Refunding Revenue bonds. In 2005, MSD also issued Series B Sewer System Improvement Revenue Bonds. In 2003, 2001, 1995 and 1993, MSD issued County of Hamilton, Ohio, Series A Sewer System Improvement and Refunding Revenue bonds. In 2003, MSD also issued County of Hamilton, Ohio, Series B Sewer System Improvement and Refunding Revenue bonds. The proceeds of all of these bonds were used to permanently fund certain previous capital expenditures, provide funds for new projects, defease portions of previous Series A bond issues, fund the new bond reserve requirements and pay the costs of issuance.

The 2007, 2006, 2005, 2004, 2003, 2001, 2000, 1997 and 1993 bonds may be redeemed prior to their maturities in accordance with provisions of the bond resolutions. The redemption process for the bonds includes declining premiums up to 2% of principal. Under the terms of the amended revenue bond trust indenture, MSD has agreed to certain covenants, among other things to restrict additional borrowing, maintain rates sufficient to meet debt service requirements and maintain specified balances under trust agreements. The revenue bond issues contain covenants that require MSD to maintain a maximum level of debt service coverage of 125%.

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

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

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

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

**Prior Defeased Debt.** In prior years, the County has defeased various general obligation serial bonds and revenue serial bonds through refinancing and operations. Separate irrevocable trust funds were established and funded to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and is not included in the financial statements. At December 31, 2008, \$3,225 general obligation bonds, \$2,940 voted debt and \$243,475 of sales tax-supported bonds were considered defeased. For MSD, the amount of defeased debt outstanding was \$46,345. For CFA, the amount is \$11,255.

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

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

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

At December 31, 2008, in accordance with GASB 16, the following liabilities associated with employees’ compensated absences have been recognized in the government-wide Statement of Net Assets:

<u>Liability</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Vacation Leave	\$ 16,822	\$ 3,449
Sick Leave	24,889	4,604
Compensatory Time	666	304
Totals	<u>\$ 42,377</u>	<u>\$ 8,357</u>

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

	<u>MSD</u>
Interest Incurred	\$ 31,435
Less Interest Capitalization	(5,348)
Interest Expense	<u>\$ 26,087</u>

**Other Long-Term Obligations.** Other long-term obligations of the County consist of (1) two loans from the State of Ohio for road improvement projects, (2) a loan from the State of Ohio for acquiring a building and land, (3) loan contracts for the purchase of and improvement to various properties in the County, and (4) a forgivable mortgage for renovation work on a building. These are reported as part of Long-Term Liabilities in the government-wide Statement of Net Assets.

**State Loans.** In August 2006, the Hamilton County Engineer’s Office obtained an interest-free loan for \$1,553 from the Ohio Public Works Commission. Repayment of the loan commenced in 2008, with final maturity in 2028. In April 2005, the Engineer’s Office obtained a loan for \$1,619 from the Ohio Department of Transportation. In subsequent years, additional disbursements were made, bringing the total loan amount to \$3,363. Repayment of the loan commenced in 2006. The original maturity date of 2009 was extended to 2015. The interest rate for the first 12 months was 0%. For the remaining years, the interest rate is 3%. The proceeds of both of these loans are being used to finance road improvement projects. The loans will be repaid from the County’s permissive auto tax.

In April 2001, the County’s agency for Alcohol and Drug Addiction Services (now part of the Mental Health and Recovery Services Board—MHR SB) purchased property for \$600 and financed it with an interest-free loan from the State’s Department of Administrative Services. After initial payments of \$60 and \$135 in 2001 and 2002, respectively, the terms call for annual installments through 2012.

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

Year	Engineer		MHRSB
	Principal	Interest	Principal
2009	\$ 591	\$ 45	\$ 40
2010	451	63	41
2011	334	34	40
2012	342	27	41
2013	349	19	
2014–2018	577	13	
2019–2023	388	-	
2024–2028	349	-	
Total	<u>\$ 3,381</u>	<u>\$ 201</u>	<u>\$ 162</u>

*Loan Contracts.* The County’s loan contracts are made between the Hamilton County Mental Health and Recovery Services Board (MHRSB) and the Ohio Department of Mental Health (ODMH), for the purchase of and improvement to various properties in the County for use in providing mental health services. The terms of the contracts are essentially equivalent to a mortgage on the property, with MHRSB being obligated to provide mental health services for a period of 40 years from the inception of the contract. Should MHRSB discontinue mental health services at a particular facility, the balance of the contract would become due immediately. Failure to pay the balance could result in foreclosure by ODMH. The balance due is reduced on a month-by-month basis over the term of the contract as long as the facility is used for mental health services. The amount outstanding on these loan contracts at December 31, 2008, amounted to \$4,791. There is no interest charged on these obligations.

Year Ending December 31	Loan Contracts Forgiveness
2009	\$ 191
2010	191
2011	191
2012	191
2013	191
2014–2018	956
2019–2023	956
2024–2028	956
2029–2033	724
2034–2038	178
2039–2043	59
2044–2048	7
Total	<u>\$ 4,791</u>

*Forgivable Mortgage.* In 2003, a forgivable mortgage in the amount of \$1,697, to be used for improvement to a facility, was executed between Hamilton County Alcohol and Drug Addiction Services (now part of the Mental Health and Recovery Services Board—MHRSB) and Ohio Department of Alcohol and Drug Addiction Services (ODADAS). The contract provides that the property must be used to provide alcohol and other drug services for a period of 25 years from contract inception. Should MHRSB discontinue alcohol and other drug services at this facility, the balance of the contract would become due immediately. The balance on the mortgage will be reduced each month through February 2029. There is no interest charged on this obligation.

Year Ending December 31	Mortgage Forgiveness
2009	\$ 68
2010	68
2011	68
2012	68
2013	68
2014–2018	339
2019–2023	339
2024–2028	339
2029–2033	12
Total	<u>\$ 1,369</u>

**Conduit Debt Obligations.** Periodically, the County issues Hospital Facility, Health-Care System or Facility, Economic Development, Industrial Development, Air-Quality Development, Multifamily Housing and Student Housing revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. These bonds are backed by the property financed and are payable solely from payment received on the underlying mortgage loans. The bonds do not constitute a debt or pledge of the full faith and credit of the County and, therefore, are not reported in the financial statements. Upon

repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. As of December 31, 2008, the aggregate principal amount outstanding for these bonds was as follows:

Hospital Facilities	\$ 887,391
Health-Care Systems and Facilities	87,885
Economic Development	136,255
Industrial Development	2,400
Air-Quality Development	174
Multifamily Housing	23,440
Student Housing	49,475
Total	<u>\$ 1,187,020</u>

## G. Leases

**Operating Leases—Lessee.** At December 31, 2008, the County had entered into various long-term operating leases for office and storage space and for land for communications towers. The lease terms range from 1 year to perpetuity. Operating lease payments are recorded in the period they are paid. These payments are made from the General Fund and from the Public Assistance, Health and Human Services Levies and nonmajor special revenue funds. Sublease payments are made from nonmajor special revenue and enterprise funds. Operating lease payments, excluding subleases, for 2008 amounted to \$883. Sublease payments totaled \$106. Future rental obligations are as follows:

Year Ending December 31	Operating Lease Payments	Sublease Payments
2009	\$ 990	\$ 61
2010	799	6
2011	717	6
2012	540	6
2013	409	6
2014–2018	329	16
Total	<u>\$ 3,784</u>	<u>\$ 101</u>

**Operating Leases—Lessor.** The County has contractual agreements for the rental of properties, including stadiums, office space, group homes, land and communications towers, to commercial and not-for-profit enterprises. These rentals are reported as operating leases for accounting purposes. Total rent received in 2008 was \$1,363 in governmental funds and \$3,539 in business-type funds.

In June of 1999, the County entered into a 35-year lease agreement with the Cincinnati Reds. Terms of the lease state that the Reds will pay the County \$2,500 a year for the first 9 years, beginning in 2003, and \$1 (amount not in thousands) a year for the remaining 26 years. The following is the schedule of future rentals:

Year Ending December 31	Operating Lease Payments
2009	\$ 2,500
2010	2,500
2011	2,500
Remaining Years	-
Total	<u>\$ 7,500</u>

In May of 1997, the County entered into a contract that binds the Cincinnati Bengals from the date of the newly constructed stadium to June 30, 2026. The Bengals in turn agreed to pay the County rent for the first 9 years after the stadium was completed. The following schedule reflects future rentals:

Year Ending December 31	Operating Lease Payments
2009	\$ 900
Total	<u>\$ 900</u>



Future rental revenues for other leases are as follows:

Year Ending December 31	Operating Lease Payments	
	Business-Type Activities	Governmental Activities
2009	\$ 44	\$ 1,322
2010	29	1,218
2011	23	1,123
2012	9	1,120
2013	1	1,100
2014–2018	-	5,397
2019–2023	-	630
Total	\$ 106	\$ 11,910

Assets and accumulated depreciation related to the operating leases, as of December 31, 2008, are included in the financial statements as follows:

	Business-Type Activities	Governmental Activities
Land	\$ 85,614	\$ 2,621
Buildings	733,417	11,702
Accumulated Depreciation	200,695	10,949

## H. Segment Information

The Riverfront Development and Main Street Parking Garage funds, reported as nonmajor enterprise funds, have one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt. Riverfront Development accounts for the redevelopment of the County's scenic riverfront. The Main Street Parking Garage affords citizens downtown parking. Summary financial information for these funds, for the year ended December 31, 2008, follows.

	Riverfront Development	Main Street Parking Garage
<u>Condensed Statement of Net Assets</u>		
Assets:		
Current Assets	\$ 5,050	\$ 173
Capital Assets	114,970	8,307
Unamortized Financing Costs	144	73
Total Assets	120,164	8,553
Liabilities:		
Current Liabilities	5,349	414
Noncurrent Liabilities	20,455	7,432
Total Liabilities	25,804	7,846
Net Assets:		
Invested in Capital Assets, Net of Related Debt	93,830	515
Unrestricted	530	192
Total Net Assets	\$ 94,360	\$ 707

	Riverfront Development	Main Street Parking Garage
<u>Condensed Statement of Revenues, Expenses and Changes in Fund Net Assets</u>		
Charges for Services	\$ 6,664	\$ 893
Lease Rent Revenue	-	20
Depreciation and Amortization	(5,745)	(309)
Other Operating Expenses	(5,404)	(199)
Operating Income (Loss)	(4,485)	405
Nonoperating Revenues (Expenses):		
Interest Expense	(492)	(383)
Bond Issuance Costs	(8)	(9)
Net Increase in Fair Value of Equity in Pooled Cash and Investments	53	2
Capital Contributions	7,896	-
Transfers In	353	-
Transfers Out	(853)	-
Change in Net Assets	2,464	15
Net Assets at Beginning of Year	91,896	692
Net Assets at End of Year	\$ 94,360	\$ 707

<u>Condensed Statement of Cash Flows</u>	Riverfront Development	Main Street Parking Garage
Net Cash Provided (Used) by:		
Operating Activities	\$ 372	\$ 701
Noncapital Financing Activities	(500)	-
Capital and Related Financing Activities	1,533	(675)
Investing Activities	53	2
Net Increase	1,458	28
Cash and Cash Equivalents at Beginning of Year	3,419	145
Cash and Cash Equivalents at End of Year	<u>\$ 4,877</u>	<u>\$ 173</u>

## V. OTHER INFORMATION

### A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage. The County purchases commercial insurance to cover losses due to theft of, damage to or destruction of assets and purchases general liability insurance for specific operations and professional liability insurance for certain operations. All other risks of loss are retained by the County. There has been no reduction in insurance coverage or limits from coverage provided in 2007. Over the past three years, claim amounts from risks covered by commercial insurance have not exceeded the specific policy's limit.

The County retains risk of loss related to court judgments resulting from tort and general liability claims of County officials and employees. A designation of the General Fund balance has been established to pay potential, court-ordered judgments, and at December 31, 2008, this amounted to \$925.

Beginning in 1990, the County established an internal service fund titled Workers' Compensation Reserve to account for and finance its workers' compensation claims risk. The County uses a cost-guaranteed program provided under the Bureau of Ohio Workers' Compensation to cover injured workers' claims. All departments of the County participate in the program and make per capita payments to the internal service fund.

Changes in the balances of workers' compensation claims liabilities during the past two years are as follows:

	2008	2007
Unpaid Claims at Beginning of Year	\$ 6,736	\$ 8,924
Incurred Claims (Including IBNRs)	7,041	2,021
Claim Payments	(7,507)	(4,164)
Unpaid Claims at End of Year	6,270	6,781
Less: Claims Payable, Current	(90)	(45)
Estimated Future Claims	<u>\$ 6,180</u>	<u>\$ 6,736</u>

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

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

### B. Related Party Transactions

Cincinnati Water Works provides billing and collection services on customers' accounts for MSD. Fees for these services for 2008 were \$5,308. Fees are also paid to other municipalities and villages within the County for collection of sewerage bills.

The City provides overhead services to MSD, such as check disbursement and investment and legal services. The fees for these services for 2008 were \$2,220. In addition, the City's Municipal Garage provides gasoline and repairs vehicles for MSD. Fees for these services were \$1,595 for 2008.

**C. Commitments and Contingent Liabilities**

The County has contracted construction commitments for the following:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Riverfront Development	\$ 142,777	\$ 12,919

The City of Cincinnati and the Board of County Commissioners of Hamilton County, Ohio, are parties to an Interim Partial Consent Decree on Sanitary Sewer Overflows, which was lodged on February 15, 2002, with the U.S. District Court for the Southern District of Ohio, Western Division. This decree provides for, among other things, the scheduled elimination of 16 "highly active" sanitary sewer overflows. On December 4, 2003, a Global Consent Decree was lodged with the U.S. District Court for the Southern District of Ohio, Western Division. This decree focuses on combined sewer overflows, the implementation of the Sanitary Sewer Overflow Correction plan established in the Interim Partial Consent Decree, and other wet weather issues. The court approved the decrees on June 9, 2004. On June 5, 2009, MSD's Revised Wet Weather Plan was conditionally approved by the federal government. The Plan commits MSD to complete a Phase 1 group of projects totaling \$1.145 billion (in 2006 dollars and including \$300 million that MSD has already spent on projects [amounts not rounded]) by 2018 before scheduling future work (Phase 2). The consent decree documents are posted on the MSD website, msdgc.org, under Consent Decree.

MSD is involved in litigation with the City of Loveland, Ohio, regarding termination of the 1985 agreement. MSD is also involved in various other lawsuits. The outcomes of these lawsuits is undeterminable at this time.

As part of MSD's capital improvement program, MSD has entered into a number of contracts for construction, design and other services. Commitments under these contracts aggregate approximately \$129,000 as of December 31, 2008.

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

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

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County Prosecuting Attorney that resolution of these matters will not have a material adverse effect on the financial condition of the County.

**D. Deferred Compensation Plan**

Employees of the County may elect to participate in a deferred compensation plan administered by one of the following: (1) The Ohio Public Employees Deferred Compensation Plan; (2) ING Financial Services, Inc.; or (3) The County Commissioners Association of Ohio. Under these plans, employees could defer up to 25% of their annual salary not to exceed \$15,000 (amount not in thousands) in 2008. The deferred amounts, as well as any income related to the deferral, are not subject to federal or State income tax until actually received by the employee. In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and Internal Revenue Code Section 457, assets of the

aforementioned plans were placed in trust for the exclusive benefit of the participants and beneficiaries during 1999. The amounts held in all three plans are no longer reported as assets of the County.

**E. Employee Retirement Systems and Plans**

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

OPERS administers three separate pension plans: (1) The Traditional Pension Plan is a cost-sharing, multiple-employer, defined-benefit pension plan. (2) The Member-Directed Plan is a defined-contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and vested employer contributions plus any investment earnings thereon. (3) The Combined Plan is a cost-sharing, multiple-employer, defined-benefit pension plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan. OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension Plan and the Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits.

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

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

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

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

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

The Ohio Revised Code provides OPERS and STRS Ohio statutory authority for employee and employer contributions. The Cincinnati Municipal Code provides this authority for CRS. The required, actuarially determined contribution rates for 2008 for the Hamilton County and MSD employees are as follows:

<u>Employees of the County</u>	<u>Retirement System</u>	<u>County Share</u>	<u>Employee Share</u>
Law Enforcement Officers	OPERS	17.40%	10.10%
Public Safety Officers	OPERS	17.40%	9.75%
All Other Eligible County	OPERS	14.00%	10.00%
County Board of MRDD/Juvenile Court	STRS Ohio	14.00%	10.00%
MSD and Other Eligible County	CRS	17.00%	7.00%
MSD Other Eligible	OPERS	14.00%	10.00%

MSD's contribution rate for 2008 was not equal to the required contribution rate based on the City's actuarial report. MSD contributed 95% of the required contributions for 2008.

The County's contributions, representing 100% of employer contributions, for the year ended December 31, 2008, and for each of the two preceding years, are as follows:

<u>Fiscal Year</u>	<u>OPERS</u>	<u>STRS</u>	<u>CRS</u>
2006	\$35,184	\$856	\$4,612
2007	35,710	864	6,029
2008	37,396	927	4,567

#### **F. Other Post-Employment Benefits (OPEB)**

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

**OPERS.** OPERS provides post-retirement health-care coverage to age and service retirees with 10 or more years of qualifying State service credit and to primary survivor recipients of such retirees. Health-care coverage for disability recipients and primary survivor recipients is available. The 2008 employer contribution rate for the County, exclusive of law enforcement officers and public safety officers, was 14.00% of covered payroll. For both the law enforcement and public safety divisions, the 2008 employer rate was 17.40%.

For 2008, the employer contributions allocated to the health-care plan was 7%. The OPERS Retirement Board is also authorized to establish rules for payment of a portion of the health-care benefits provided, by the retiree or the surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The County's contribution for these County employees, for the year ended December 31, 2008, was \$18,698 to fund post-employment benefits. The County's contribution for law enforcement officers and public safety officers for the year ended December 31, 2008, was \$1,541 to fund post-employment benefits.

The OPEB is advance funded on an actuarially determined basis. The principal assumptions and calculations were based on the latest actuarial review as of December 31, 2007:

*Funding Method.* An individual entry age 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 the unfunded actuarial accrued liability.

*Asset Valuation Method.* 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, not to exceed a 12% corridor.

*Investment Return.* The most recent information available indicates that the investment assumption rate for 2007 was 6.5%.

*Active Employee Total Payroll.* An annual payroll increase of 4.0% is compounded annually, and 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 4.0% base increase were assumed to range from 0.5% to 6.3%.

*Health Care.* Health-care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.5% to 5.0% for the next 7 years. In subsequent years (8 and beyond), health-care costs were assumed to increase at 4.0% (the projected wage inflation rate).

At December 31, 2006 (latest available), the actuarial value of the Retirement System's net asset value available for OPEB was \$12.8 billion and the actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.8 billion and \$17.0 billion, respectively. At December 31, 2008, there were 363,504 active participants contributing to the Traditional Pension and Combined Plans.

On September 9, 2004, the OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health-care coverage to improve the financial solvency of the Health Care Fund in response to rapidly increasing health-care costs. As an additional component of HCPP, member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which will allow additional funds to be allocated to the health-care plan.

In addition to adopting the HCPP, the OPERS Board created a separate investment pool for health-care assets to further improve the solvency of the Health Care Fund.

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

Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to a Health-Care Reserve Fund, from which health-care benefits are paid. For STRS Ohio's fiscal year ended June 30, 2008, the board allocated employer contributions equal to 1.00% of covered payroll to the Health-Care Reserve Fund. This totaled \$.07 million for the County in 2008. The balance in the Health-Care Reserve Fund was \$3.70 billion on June 30, 2008.

For the fiscal year ended June 30, 2008, net health-care costs paid by STRS Ohio were \$325.8 million. There were 126,506 eligible benefit recipients.

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

The health-care coverage provided by CRS is advance funded on an actuarially determined basis as a portion of the employer contribution requirement to the System. The Cincinnati Municipal Code provides authority for employer contributions. The County's cost to fund health-care coverage was \$.85 million in 2008.

The actuarial assumptions used for the December 31, 2008, valuation included an assumption for hospital and surgical benefits recognizing adjusted premiums based on experience for recent years adjusted to current year by assumed annual increases in premium costs. The cost of OPEBs is recognized as an expense as claims are paid. The actuarial value of the System's net assets available for OPEB at December 31, 2008, was \$689 million. The actuarially accrued liability based on the actuarial cost method was \$998 million. The unfunded actuarially accrued liability for post-employment benefits at December 31, 2008, was \$310 million to be amortized over 15 years. CRS had 4,549 active contributing participants, of which 526 are MSD employees.

## **G. Significant Events from Unaudited Years and Years Subsequent to 2008**

Due to the special audit of Hamilton County Job and Family Services described in note V I, the County's financial audits for the years 2004 through 2006 have not been finalized. Accordingly, events described here date back to December 31, 2003; however, any 2007–2008 significant events that are already reflected in those years' financial statements and notes are not repeated in the following list.

- The following debt issuances were approved by the County Commissioners:
  - 2004—\$42,130 Various Purpose Limited Tax General Obligation Refunding Bonds used to advance refund \$40,475 in outstanding general obligation bonds on four debt issuances; \$625 Water and Sewer Special Assessment Bonds used for water and sewer line improvements and \$46,385 Sewer System Refunding Revenue Bonds for MSD used to advance refund \$46,895 in outstanding revenue bonds on three debt issuances;

- 2005—\$28,715 Various Purpose Limited Tax General Obligation Refunding Bonds used to advance refund \$28,180 in outstanding general obligation bonds on four debt issuances; \$110 Sewer System Special Assessment Bonds used for sewer line improvements; \$86,960 Sewer System Refunding Revenue Bonds used to advance refund \$86,925 in outstanding revenue bonds on three debt issuances; and \$83,600 Sewer System Improvement Revenue Bonds for MSD used to permanently fund certain previous capital expenditures, fund the new bond reserve requirements and pay the cost of issuance;
  - 2006—\$725 Emergency Management and Operations Center General Obligation Bonds used to pay a portion of the costs to construct and improve office facilities for the Emergency Management Agency and the Emergency Operations Center and to equip those facilities; \$19,520 Emergency Services Communications System General Obligation Bonds used to acquire an 800 megahertz radio system and retire maturing notes heretofore issued for this purpose; \$76 Water and Sewer Special Assessment Bonds used to construct certain water and sewer system improvements; \$452,270 Ohio Sales Tax Bonds used to advance refund \$462,465 in outstanding sales tax bonds on three debt issuances, fund a reserve and pay costs of issuance; and \$83,045 Sewer System Improvement Revenue Bonds for MSD used to permanently fund certain previous capital expenditures, fund the new bond reserve requirements and pay the cost of issuance;
  - 2009—\$1,615 Emergency Alert System General Obligation Bonds to be used to acquire and install a voice/tone alerting system for fire and emergency medical services, \$12,550 Urban Redevelopment Limited Tax General Obligation Bonds to be used to fund The Banks economic development project on the City's riverfront, and \$710 Sewer District Special Assessment Bonds to be used to construct certain sewer system improvements.
  - 2010—\$387 Sewer District Special Assessment Bonds to be used to construct certain sewer system improvements.
- In 2004, the County redeemed the 1993 Courthouse Improvement Refunding bond issue at a redemption price of 101% of the principal amount plus accrued interest to the date of redemption (\$5,687).
  - In 2004–2006, there were several real property acquisitions: building and land to be used for Super Jobs Center (\$300), land being used for parking lot and land under County's Hillcrest School (part of swap with City for County property), and building and land to be used for administrative offices for the Board of Mental Retardation and Developmental Disabilities (\$2,500). During that same period, the County disposed the following real property for the amounts indicated: three land parcels and buildings used for office space (\$4,413 plus land obtained from swap with City), home and land used for residence services for Mental Health and Recovery Services Board clients (\$122), and Educational Services Center building (\$2,299).
  - In 2004, the County settled all claims relating to the design and construction of Paul Brown Stadium. The litigation settlement awarded the County was \$1,425, which was accounted for as a reduction of the constructed cost of the Stadium.
  - In 2005, the County settled all claims that involved a dispute between the parties related to riverfront redevelopment. In addition to \$2,800 paid in 2004 related to this issue, in 2005, the County paid \$1,450 to Arena Management Holdings LLC for the purpose of Arena-related operations and improvements, signing a new parking lease agreement and funding part of the construction costs for new parking lots near the Arena.
  - In 2005, the County settled a civil lawsuit regarding disputes related to contracted costs for the installation of portions of the Sound/MATV/BPM Systems for the Paul Brown Stadium Project. Per the Settlement Agreement, in 2005, the County issued checks totaling \$700 to Great American Insurance Company.
  - In 2006, the County settled a civil lawsuit regarding claims for injuries and damages arising from occurrences from 1991 to 2002 in which the then-Hamilton County Coroner or members of his staff retained whole organs for the purpose of examination and testing without notification to the next-of-kin and an opportunity to recover the retained organ. In 2006, the County issued a check for \$6,000 to the Hainey Class Action Qualified Settlement Fund.

- The Board of County Commissioners approved a 12% sewerage rate increase for MSD effective March 2005, 4% effective January 2006 and 12% effective January 2009.
- On June 9, 2009, the City of Cincinnati's City Council approved changes to the City of Cincinnati Retirement System (CRS), which includes MSD. The approved changes include (1) requiring retirees who aren't disabled and make more than \$30,000 in pension benefits to pay a \$100 deductible and \$1,000 out-of-pocket maximum each for medical care and prescriptions (amounts not rounded); (2) increasing the amount current employees contribute from the current 7% by ½% a year, to 9% in 2012; and (3) raising the retirement age from 60 to 65 and the early-retirement age from 55 to 60 for employees hired after December 20, 2008.

#### **H. Contingent Liabilities—Special Audit**

In late 2004, the Ohio Department of Job and Family Services (ODJFS) commenced a special audit of the Hamilton County Job and Family Services (HCJFS). The audit focused on the use of federal funds utilized in programs administered by the Hamilton County Department of Jobs and Family Services (HCJFS) and the relationship of the costs pools that were utilized in administering the programs.

ODJFS issued a draft audit report in September 2006 to HCJFS. The audit report of ODJFS covered the time period of July 1, 2000, through June 30, 2004. The summary of findings in the draft audit report addressed expenditures of approximately \$1.8 billion, which amount represented a multiple of the total expenditures of HCJFS during the period in question. In doing so, the draft audit report issued by ODJFS specifically cautioned that "the dollar amount of questioned costs or findings may not represent the dollar amount subject to recovery." A review of the draft audit report makes it clear that there are numerous duplications of costs and expenditures.

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

In May 2008 ODJFS then issued a Limited Review Report, which again addressed several issues with regard to expenditures by HCJFS. The Limited Review Report continued to address issues raised in the Draft Audit Report. It is the understanding of the County that the Limited Review Report is not a final report. The Limited Review Report also contained portions of the responses of HCJFS that were prepared by the County together with its outside accounting firm. The Limited Review Report reduced the potential financial findings against the County to a dollar figure of approximately \$215 million. The County was subsequently advised in a meeting that the potential findings were in an approximate dollar amount of \$135 million. The Limited Review Report continued to report findings that were a duplication of costs and expenditures by HCJFS. In its Limited Review Report ODJFS stated "...these figures do not represent the total recoverable amounts. Those amounts, in reality, will be significantly lower" (Limited Review Report, page 9). The County continues its disagreement with the preliminary findings of ODJFS.

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

ODJFS, subsequent to May 2008, requested the assistance of the United States Department of Health and Human Services (HHS) to audit the records of HCJFS with particular regard to expenditures in federally funded programs. HHS commenced its audit of the programs established through ODJFS in which HCJFS participated in September 2008. To the present date, no formal report has been provided by HHS to ODJFS or HCJFS. In several meetings involving HHS, ODJFS and HCJFS, the auditors from HHS have disclosed that they have audited the federally funded programs involved in the ODJFS Limited Review Report. HHS has indicated that it has questioned the charges to certain cost pools maintained by HCJFS that involve outside vendors providing contract social services to HCJFS. The charges to the costs pool of HCJFS were questioned because such charges were based upon random moment sampling (RMS) studies performed by HCJFS employees and submitted to ODJFS. There was no separate RMS performed by employees of the outside contracting vendors providing the social services to HCJFS. HCJFS had utilized its internal RMS studies and applied the same to outside vendors at the direction of ODJFS.

HHS has not provided a time table for the completion of its report, nor has it indicated that the County will have any liability to HHS. In terms of direct liability, ODJFS would have the first responsibility for the payment of any sums to



HHS because of the relationship between HHS and ODJFS. Further, HHS has indicated that there are several different scenarios that could be involved with regard to the eventual obligation for the repayment of any federal funds that were not properly expended. The scenarios include a sharing of the payment obligation between ODJFS and HCJFS and/or the recoding and further adjustment of expenditures to fall within allowable federal expenditures and/or the adjustment of funds to be received in the future.

The County's financial obligation, and any impact on the County General Fund, is unknown at this time, and any attempt to quantify the number would be speculative. The County legal and accounting team will continue to vigorously defend the County's position on this matter.

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**COUNTY OF HAMILTON, OHIO**

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

**COUNTY OF HAMILTON, OHIO**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING FINANCIAL STATEMENTS**  
**NONMAJOR SPECIAL REVENUE FUNDS**

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

**ANNUALLY BUDGETED**

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

**MULTIYEAR BUDGETED**

<b>Judicial Services Grants</b>	<b>To account for revenue from the federal, State and County governments and expenditures used to provide legal services to eligible County residents.</b>
<b>Public Safety Grants</b>	<b>To account for revenue from the federal, State and County governments and expenditures thereof as prescribed under the various public safety functions.</b>
<b>Social Service Grants</b>	<b>To account for revenue from the federal, State and County governments and expenditures used to provide social services to eligible County residents.</b>
<b>Environmental Control Grants</b>	<b>To account for revenue from the federal, State and County governments and expenditures for the purpose of environmental protection for the community.</b>

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

**COMBINING FINANCIAL STATEMENTS**

**NONMAJOR DEBT SERVICE FUNDS**

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

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

**NONMAJOR CAPITAL PROJECTS FUND**

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

**COUNTY OF HAMILTON, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AS OF DECEMBER 31, 2008  
(Amounts in Thousands)**

	Annually Budgeted				Special Revenue				Total Nonmajor Special Revenue Funds
	Motor Vehicle Gas Tax	Health and Community Services Nongrants	Health and Community Services Grants	Community Development Block Grants	Multiyear Budgeted				
					Judicial Services Grants	Public Safety Grants	Social Service Grants	Environmental Control Grants	
<b>ASSETS</b>									
Equity in Pooled Cash and Investments	\$ 15,732	\$ 46,821	\$ 2,844	\$ 504	\$ 2,565	\$ 8	\$ 895	\$ 1,762	\$ 71,131
Cash and Cash Equivalents—Segregated Accounts	176	-	-	-	-	-	-	-	176
Accounts Receivable	51	1,521	10	940	-	-	15	20	2,557
Intergovernmental Receivable	584	2,460	354	18	5,563	59	25,327	1,886	36,251
Real and Other Taxes Receivable	9,454	-	-	-	-	-	-	-	9,454
Due from Other Funds	84	694	-	-	-	-	-	-	778
Inventories	3,026	-	-	-	-	-	-	-	3,026
Special Assessments Receivable	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 29,107</b>	<b>\$ 51,496</b>	<b>\$ 3,208</b>	<b>\$ 1,462</b>	<b>\$ 8,128</b>	<b>\$ 67</b>	<b>\$ 26,237</b>	<b>\$ 3,668</b>	<b>\$ 123,373</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts Payable	\$ 294	\$ 2,427	\$ 1,957	\$ 342	\$ 489	\$ -	\$ 6,887	\$ 24	\$ 12,420
Accrued Wages and Benefits Payable	149	329	8	6	177	-	45	38	752
Matured Compensated Absences Payable	17	244	-	-	1	-	-	-	262
Intergovernmental Payable	1,000	756	10	64	91	-	1	1	1,923
Retainage Payable	176	-	-	-	-	-	-	-	176
Due to Component Unit	-	1,315	-	-	-	-	-	-	1,315
Due to Other Funds	75	1,573	202	36	734	-	11,232	37	13,889
Advances from Other Funds	-	700	-	-	-	-	-	-	700
Loans from Other Funds	900	-	-	-	-	-	-	-	900
Deferred Revenue	8,391	997	853	924	8,267	59	16,832	2,037	38,360
Total Liabilities	11,002	8,341	3,030	1,372	9,759	59	34,997	2,137	70,697
<b>FUND BALANCES</b>									
Reserved for Encumbrances	5,905	6,908	718	-	637	-	5	61	14,234
Reserved for Inventories	3,026	-	-	-	-	-	-	-	3,026
Unreserved, Undesignated	9,174	36,247	(540)	90	(2,268)	8	(8,765)	1,470	35,416
<b>TOTAL FUND BALANCES</b>	<b>18,105</b>	<b>43,155</b>	<b>178</b>	<b>90</b>	<b>(1,631)</b>	<b>8</b>	<b>(8,760)</b>	<b>1,531</b>	<b>52,676</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 29,107</b>	<b>\$ 51,496</b>	<b>\$ 3,208</b>	<b>\$ 1,462</b>	<b>\$ 8,128</b>	<b>\$ 67</b>	<b>\$ 26,237</b>	<b>\$ 3,668</b>	<b>\$ 123,373</b>

	Debt Service				Capital Projects	
	Bond Retirement	General Obligation Nonvoted	Special Assessments	Total Nonmajor Debt Service Funds	Project Accounting	Total Nonmajor Governmental Funds
<b>ASSETS</b>						
Equity in Pooled Cash and Investments	\$ 381	\$ 953	\$ 881	\$ 2,215	\$ 277	\$ 73,623
Cash and Cash Equivalents—Segregated Accounts	-	-	-	-	-	176
Accounts Receivable	-	-	-	-	-	2,557
Intergovernmental Receivable	-	-	-	-	-	36,251
Real and Other Taxes Receivable	2,732	-	-	2,732	-	12,186
Due from Other Funds	-	-	-	-	-	778
Inventories	-	-	-	-	-	3,026
Special Assessments Receivable	-	-	5,842	5,842	-	5,842
<b>TOTAL ASSETS</b>	<b>\$ 3,113</b>	<b>\$ 953</b>	<b>\$ 6,723</b>	<b>\$ 10,789</b>	<b>\$ 277</b>	<b>\$ 134,439</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ 12	\$ -	\$ 12	\$ 3	\$ 12,435
Accrued Wages and Benefits Payable	-	-	-	-	-	752
Compensated Absences Payable	-	-	-	-	-	262
Intergovernmental Payable	-	-	-	-	-	1,923
Retainage Payable	-	-	-	-	-	176
						1,315
Due to Other Funds	-	-	-	-	-	13,889
Advances from Other Funds	-	-	-	-	-	700
Loans from Other Funds	-	-	-	-	-	900
Deferred Revenue	2,732	-	5,842	8,574	-	46,934
Total Liabilities	2,732	12	5,842	8,586	3	79,286
<b>FUND BALANCES</b>						
Reserved for Encumbrances	-	39	-	39	2	14,275
Reserved for Inventories	-	-	-	-	-	3,026
Unreserved, Undesignated	381	902	881	2,164	272	37,852
<b>TOTAL FUND BALANCES</b>	<b>381</b>	<b>941</b>	<b>881</b>	<b>2,203</b>	<b>274</b>	<b>55,153</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,113</b>	<b>\$ 953</b>	<b>\$ 6,723</b>	<b>\$ 10,789</b>	<b>\$ 277</b>	<b>\$ 134,439</b>

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	Annually Budgeted				Special Revenue				Total Nonmajor Special Revenue Funds
	Motor Vehicle Gas Tax	Health and Community Services Nongrants	Health and Community Services Grants	Community Development Block Grants	Judicial Services Grants	Public Safety Grants	Social Service Grants	Environmental Control Grants	
<b>REVENUES</b>									
Property Taxes and Assessments	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3
State Shared Taxes	20,381	-	-	-	-	-	-	-	20,381
License and Permits	-	3,131	-	-	-	-	-	-	3,131
Charges for Services	4,573	28,716	428	-	-	-	-	397	34,114
Fines and Forfeitures	389	2,574	1	-	-	-	-	-	2,964
Investment Earnings	351	816	31	18	28	-	10	19	1,273
Intergovernmental	2,126	19,115	10,062	5,166	16,895	123	65,724	3,532	122,743
Other	1,231	5,598	294	391	303	-	7	127	7,951
<b>TOTAL REVENUES</b>	<b>29,054</b>	<b>59,950</b>	<b>10,816</b>	<b>5,575</b>	<b>17,226</b>	<b>123</b>	<b>65,741</b>	<b>4,075</b>	<b>192,560</b>
<b>EXPENDITURES</b>									
Current:									
General Government	-	16,672	-	-	5	-	-	-	16,677
Judicial	-	8,636	378	-	12,438	-	-	-	21,452
Public Safety	-	4,180	723	-	4,091	123	204	134	9,455
Social Services	-	23,194	8,021	-	138	-	-	-	31,353
Health	-	5,482	-	-	-	-	62,778	-	68,260
Public Works	25,251	1,932	-	-	-	-	-	-	27,183
Environmental Control	-	3,566	214	-	-	-	-	3,935	7,715
Economic Development	-	1,315	-	5,526	-	-	-	-	6,841
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-	-
Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>25,251</b>	<b>64,977</b>	<b>9,336</b>	<b>5,526</b>	<b>16,672</b>	<b>123</b>	<b>62,982</b>	<b>4,069</b>	<b>188,936</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,803</b>	<b>(5,027)</b>	<b>1,480</b>	<b>49</b>	<b>554</b>	<b>-</b>	<b>2,759</b>	<b>6</b>	<b>3,624</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	1,501	5,264	-	-	-	-	-	10	6,775
Transfers Out	(1,501)	(824)	(10)	-	-	-	-	-	(2,335)
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-
Net Proceeds from Sale of Bonds	-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>-</b>	<b>4,440</b>	<b>(10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>4,440</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>3,803</b>	<b>(587)</b>	<b>1,470</b>	<b>49</b>	<b>554</b>	<b>-</b>	<b>2,759</b>	<b>16</b>	<b>8,064</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>14,302</b>	<b>43,742</b>	<b>(1,292)</b>	<b>41</b>	<b>(2,185)</b>	<b>8</b>	<b>(11,519)</b>	<b>1,515</b>	<b>44,612</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 18,105</b>	<b>\$ 43,155</b>	<b>\$ 178</b>	<b>\$ 90</b>	<b>\$ (1,631)</b>	<b>\$ 8</b>	<b>\$ (8,760)</b>	<b>\$ 1,531</b>	<b>\$ 52,676</b>



	Debt Service				Capital Projects	
	Bond Retirement	General Obligation Nonvoted	Special Assessments	Total Nonmajor Debt Service Funds	Project Accounting	Total Nonmajor Governmental Funds
<b>REVENUES</b>						
Property Taxes and Assessments	\$ 2,357	\$ -	\$ 485	\$ 2,842	\$ -	\$ 2,845
State Shared Taxes	-	-	-	-	-	20,381
License and Permits	-	-	-	-	-	3,131
Charges for Services	-	-	-	-	-	34,114
Fines and Forfeitures	-	-	-	-	-	2,964
Investment Earnings	-	2	-	2	2	1,277
Intergovernmental	276	-	-	276	-	123,019
Other	-	3,890	-	3,890	-	11,841
<b>TOTAL REVENUES</b>	<b>2,633</b>	<b>3,892</b>	<b>485</b>	<b>7,010</b>	<b>2</b>	<b>199,572</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	16,677
Judicial	-	-	-	-	-	21,452
Public Safety	-	-	-	-	-	9,455
Social Services	-	-	-	-	-	31,353
Health	-	-	-	-	-	68,260
Public Works	-	-	-	-	-	27,183
Environmental Control	-	-	-	-	-	7,715
Economic Development	-	-	-	-	-	6,841
Capital Outlay	-	-	-	-	326	326
Debt Service:						
Principal Retirement	2,640	9,465	314	12,419	-	12,419
Interest	209	3,912	217	4,338	-	4,338
Bond Issuance Costs	-	74	-	74	-	74
Fiscal Charges	36	32	9	77	-	77
<b>TOTAL EXPENDITURES</b>	<b>2,885</b>	<b>13,483</b>	<b>540</b>	<b>16,908</b>	<b>326</b>	<b>206,170</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(252)</b>	<b>(9,591)</b>	<b>(55)</b>	<b>(9,898)</b>	<b>(324)</b>	<b>(6,598)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	9,756	63	9,819	1,857	18,451
Transfers Out	-	-	-	-	(8,821)	(11,156)
Premium on Bonds Issued	-	112	-	112	-	112
Net Proceeds from Sale of Bonds	-	-	-	-	9,057	9,057
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>-</b>	<b>9,868</b>	<b>63</b>	<b>9,931</b>	<b>2,093</b>	<b>16,464</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(252)</b>	<b>277</b>	<b>8</b>	<b>33</b>	<b>1,769</b>	<b>9,866</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>633</b>	<b>664</b>	<b>873</b>	<b>2,170</b>	<b>(1,495)</b>	<b>45,287</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 381</b>	<b>\$ 941</b>	<b>\$ 881</b>	<b>\$ 2,203</b>	<b>\$ 274</b>	<b>\$ 55,153</b>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Property Taxes and Special Assessments	\$ 41,228	\$ 41,228	\$ 40,937	\$ (291)
Sales and Use Tax	67,600	67,600	65,427	(2,173)
State Shared Taxes	25,226	25,226	24,574	(652)
License and Permits	2,776	2,776	1,863	(913)
Charges for Services	54,561	54,561	52,756	(1,805)
Fines and Forfeitures	10,713	10,713	10,618	(95)
Investment Earnings	18,532	18,532	15,363	(3,169)
Intergovernmental	30,784	30,784	30,216	(568)
Other	12,426	12,426	11,113	(1,313)
<b>TOTAL REVENUES</b>	<u>263,846</u>	<u>263,846</u>	<u>252,867</u>	<u>(10,979)</u>
<b>EXPENDITURES</b>				
Current:				
<b>GENERAL GOVERNMENT</b>				
County Commissioners/County Administration				
Personnel Services	2,993	3,024	2,976	48
Other Expenditures	1,970	1,912	1,887	25
Capital Outlay	2	2	-	2
<b>Total County Commissioners</b>	<u>4,963</u>	<u>4,936</u>	<u>4,863</u>	<u>73</u>
Human Services				
Personnel Services	2,193	2,259	2,220	39
Other Expenditures	823	641	586	55
<b>Total County Personnel</b>	<u>3,016</u>	<u>2,912</u>	<u>2,818</u>	<u>94</u>
Administrative Services				
Other Expenditures	953	1,095	1,095	-
Capital Outlay	6	6	6	-
<b>Total Administrative Services</b>	<u>959</u>	<u>1,101</u>	<u>1,101</u>	<u>-</u>
County Facilities				
Personnel Services	\$ 8,729	\$ 8,683	\$ 8,381	\$ 302
Other Expenditures	25,431	22,191	19,460	2,731
Capital Outlay	167	162	145	17
<b>Total County Facilities</b>	<u>34,327</u>	<u>31,036</u>	<u>27,986</u>	<u>3,050</u>

(Continued)

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Building Commissioner				
Personnel Services	1,702	1,767	1,765	2
Other Expenditures	459	340	337	3
<b>Total Building Commissioner</b>	<u>2,161</u>	<u>2,107</u>	<u>2,102</u>	<u>5</u>
Rural Zoning Commission				
Personnel Services	394	386	386	-
Other Expenditures	20	15	14	1
<b>Total Rural Zoning Commission</b>	<u>414</u>	<u>401</u>	<u>400</u>	<u>1</u>
Auditor				
Personnel Services	1,900	1,900	1,801	99
Other Expenditures	2,456	2,046	1,939	107
<b>Total Auditor</b>	<u>4,356</u>	<u>3,946</u>	<u>3,740</u>	<u>206</u>
Treasurer				
Personnel Services	782	760	746	14
Other Expenditures	589	572	571	1
<b>Total Treasurer</b>	<u>1,371</u>	<u>1,332</u>	<u>1,317</u>	<u>15</u>
Recorder				
Personnel Services	2,022	2,072	2,062	10
Other Expenditures	270	130	130	-
Capital Outlay	10	6	6	-
<b>Total Recorder</b>	<u>2,302</u>	<u>2,208</u>	<u>2,198</u>	<u>10</u>
Board of Zoning Appeals				
Personnel Services	70	70	70	-
Other Expenditures	5	4	3	1
<b>Total Board of Zoning Appeals</b>	<u>75</u>	<u>74</u>	<u>73</u>	<u>1</u>
Board of Elections				
Personnel Services	5,247	6,454	6,443	11
Other Expenditures	3,906	3,567	3,566	1
Capital Outlay	266	260	260	-
<b>Total Board of Elections</b>	<u>9,419</u>	<u>10,281</u>	<u>10,269</u>	<u>12</u>
Nondepartmental Accounts				
Personnel Services	980	1,149	1,078	71
Other Expenditures	3,337	9,087	9,033	54
Capital Outlay	170	166	162	4
<b>Total Nondepartmental Accounts</b>	<u>4,487</u>	<u>10,402</u>	<u>10,273</u>	<u>129</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>67,850</u>	<u>70,736</u>	<u>67,140</u>	<u>3,596</u>

(Continued)

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>JUDICIAL</b>				
Juvenile Court				
Personnel Services	\$ 27,421	\$ 26,486	\$ 25,217	\$ 1,269
Other Expenditures	7,126	7,675	7,415	260
<b>Total Juvenile Court</b>	<u>34,547</u>	<u>34,161</u>	<u>32,632</u>	<u>1,529</u>
Court of Appeals				
Other Expenditures	86	82	74	8
Capital Outlay	9	8	8	-
<b>Total Court of Appeals</b>	<u>95</u>	<u>90</u>	<u>82</u>	<u>8</u>
Court of Common Pleas				
Personnel Services	4,388	4,118	3,894	224
Other Expenditures	5,105	5,722	5,722	-
<b>Total Court of Common Pleas</b>	<u>9,493</u>	<u>9,840</u>	<u>9,616</u>	<u>224</u>
Municipal Court				
Personnel Services	6,929	6,715	6,696	19
Other Expenditures	1,211	989	962	27
<b>Total Municipal Court</b>	<u>8,140</u>	<u>7,704</u>	<u>7,658</u>	<u>46</u>
Adult Probation				
Personnel Services	8,083	8,259	8,246	13
Other Expenditures	1,033	800	752	48
<b>Total Adult Probation</b>	<u>9,116</u>	<u>9,059</u>	<u>8,998</u>	<u>61</u>
Domestic Relations				
Personnel Services	4,676	4,426	4,410	16
Other Expenditures	186	107	106	1
Capital Outlay	4	4	4	-
<b>Total Domestic Relations</b>	<u>4,866</u>	<u>4,537</u>	<u>4,520</u>	<u>17</u>
Probate Court				
Personnel Services	2,742	2,600	2,595	5
Other Expenditures	575	470	463	7
<b>Total Probate Court</b>	<u>3,317</u>	<u>3,070</u>	<u>3,058</u>	<u>12</u>
Clerk of Courts				
Personnel Services	13,135	12,570	12,344	226
Other Expenditures	2,955	2,838	2,818	20
Capital Outlay	52	52	52	-
<b>Total Clerk of Courts</b>	<u>16,142</u>	<u>15,460</u>	<u>15,214</u>	<u>246</u>

(Continued)

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Public Defender				
Personnel Services	6,771	6,919	6,919	-
Other Expenditures	6,800	6,733	6,727	6
Capital Outlay	24	20	20	-
<b>Total Public Defender</b>	<u>13,595</u>	<u>13,672</u>	<u>13,666</u>	<u>6</u>
Court Reporters				
Personnel Services	\$ 2,591	\$ 2,657	\$ 2,647	\$ 10
Other Expenditures	220	206	83	123
Capital Outlay	2	2	1	1
<b>Total Court Reporters</b>	<u>2,813</u>	<u>2,865</u>	<u>2,731</u>	<u>134</u>
<b>TOTAL JUDICIAL</b>	<u>102,124</u>	<u>100,458</u>	<u>98,175</u>	<u>2,283</u>
<b>PUBLIC SAFETY</b>				
Communications Center				
Personnel Services	872	824	812	12
Other Expenditures	1,384	861	824	37
Capital Outlay	232	235	230	5
<b>Total Communications Center</b>	<u>2,488</u>	<u>1,920</u>	<u>1,866</u>	<u>54</u>
Sheriff				
Personnel Services	63,506	65,087	64,714	373
Other Expenditures	12,660	12,100	12,018	82
Capital Outlay	480	364	349	15
<b>Total Sheriff</b>	<u>76,646</u>	<u>77,551</u>	<u>77,081</u>	<u>470</u>
Prosecutor				
Personnel Services	12,705	12,207	12,111	96
Other Expenditures	474	579	547	32
Capital Outlay	19	19	19	-
<b>Total Prosecutor</b>	<u>13,198</u>	<u>12,805</u>	<u>12,677</u>	<u>128</u>
Coroner				
Personnel Services	3,347	3,443	3,443	-
Other Expenditures	508	299	299	-
Capital Outlay	50	50	50	-
<b>Total Coroner</b>	<u>3,905</u>	<u>3,792</u>	<u>3,792</u>	<u>-</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>96,237</u>	<u>96,068</u>	<u>95,416</u>	<u>652</u>

(Continued)

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>SOCIAL SERVICES</b>				
Soldiers Relief				
Personnel Services	533	509	504	5
Other Expenditures	886	905	866	39
Capital Outlay	4	9	9	-
<b>Total Soldiers Relief</b>	<u>1,423</u>	<u>1,423</u>	<u>1,379</u>	<u>44</u>
<b>TOTAL SOCIAL SERVICES</b>	<u>1,423</u>	<u>1,423</u>	<u>1,379</u>	<u>44</u>
<b>PUBLIC WORKS</b>				
Public Works				
Personnel Services	881	973	958	15
Other Expenditures	110	92	75	17
<b>Total Public Works</b>	<u>991</u>	<u>1,065</u>	<u>1,033</u>	<u>32</u>
Engineer				
Other Expenditures	\$ 933	\$ 909	\$ 884	\$ 25
<b>Total Engineer</b>	<u>933</u>	<u>909</u>	<u>884</u>	<u>25</u>
<b>TOTAL PUBLIC WORKS</b>	<u>1,924</u>	<u>1,974</u>	<u>1,917</u>	<u>57</u>
<b>ECONOMIC DEVELOPMENT</b>				
Economic Development				
Personnel Services	37	37	35	2
Other Expenditures	833	783	783	-
<b>Total Economic Development</b>	<u>870</u>	<u>820</u>	<u>818</u>	<u>2</u>
<b>TOTAL ECONOMIC DEVELOPMENT</b>	<u>870</u>	<u>820</u>	<u>818</u>	<u>2</u>
<b>TOTAL EXPENDITURES</b>	<u>270,428</u>	<u>271,479</u>	<u>264,845</u>	<u>6,634</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(6,582)</u>	<u>(7,633)</u>	<u>(11,978)</u>	<u>(4,345)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	8,017	8,017
Transfers Out	(14,438)	(13,862)	(13,832)	30
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<u>(14,438)</u>	<u>(13,862)</u>	<u>(5,815)</u>	<u>8,047</u>
<b>NET CHANGE IN FUND BALANCE</b>	(21,020)	(21,495)	(17,793)	3,702
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	18,529	18,529	18,529	-
Prior-Year Encumbrances Appropriated	15,254	15,254	15,254	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 12,763</u>	<u>\$ 12,288</u>	<u>\$ 15,990</u>	<u>\$ 3,702</u>

**COUNTY OF HAMILTON, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL  
PUBLIC ASSISTANCE—SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Charges for Services	\$ 40,943	\$ 40,943	\$ 40,594	\$ (349)
Intergovernmental	163,063	198,063	166,910	(31,153)
Other	2,164	2,164	2,210	46
<b>TOTAL REVENUES</b>	<u>206,170</u>	<u>241,170</u>	<u>209,714</u>	<u>(31,456)</u>
<b>EXPENDITURES</b>				
Current:				
<b>SOCIAL SERVICES</b>				
Personnel Services	70,061	70,061	67,336	2,725
Other Expenditures	149,070	179,752	176,350	3,402
Capital Outlay	1,124	1,066	491	575
<b>TOTAL SOCIAL SERVICES</b>	<u>220,255</u>	<u>250,879</u>	<u>244,177</u>	<u>6,702</u>
<b>TOTAL EXPENDITURES</b>	<u>220,255</u>	<u>250,879</u>	<u>244,177</u>	<u>6,702</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(14,085)</u>	<u>(9,709)</u>	<u>(34,463)</u>	<u>(24,754)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	1,432	1,432	1,106	(326)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>1,432</u>	<u>1,432</u>	<u>1,106</u>	<u>(326)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(12,653)	(8,277)	(33,357)	(25,080)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	27,425	27,425	27,425	-
Prior-Year Encumbrances Appropriated	9,993	9,993	9,993	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 24,765</u>	<u>\$ 29,141</u>	<u>\$ 4,061</u>	<u>\$ (25,080)</u>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**HEALTH AND HUMAN SERVICES LEVIES—SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Taxes and Special Assessments	\$ 199,571	\$ 202,612	\$ 204,307	\$ 1,695
Charges for Services	16,000	16,000	16,109	109
Intergovernmental	106,109	122,779	104,684	(18,095)
Other	5,484	5,484	5,723	239
<b>TOTAL REVENUES</b>	<u>327,164</u>	<u>346,875</u>	<u>330,823</u>	<u>(16,052)</u>
<b>EXPENDITURES</b>				
Current:				
<b>GENERAL GOVERNMENT</b>				
Personnel Services	12	12	10	2
Other Expenditures	4,085	5,777	5,525	252
Capital Outlay	599	1,931	1,596	335
<b>TOTAL GENERAL GOVERNMENT</b>	<u>4,696</u>	<u>7,720</u>	<u>7,131</u>	<u>589</u>
<b>JUDICIAL</b>				
Personnel Services	256	256	254	2
Other Expenditures	6,243	6,541	6,528	13
<b>TOTAL JUDICIAL</b>	<u>6,499</u>	<u>6,797</u>	<u>6,782</u>	<u>15</u>
<b>PUBLIC SAFETY</b>				
Personnel Services	2,835	2,835	2,297	538
Other Expenditures	17,383	13,520	13,339	181
Capital Outlay	63	62	21	41
<b>TOTAL PUBLIC SAFETY</b>	<u>20,281</u>	<u>16,417</u>	<u>15,657</u>	<u>760</u>
<b>SOCIAL SERVICES</b>				
Personnel Services	776	274	274	-
Other Expenditures	118,612	130,997	110,815	20,182
<b>TOTAL SOCIAL SERVICES</b>	<u>119,388</u>	<u>131,271</u>	<u>111,089</u>	<u>20,182</u>
<b>HEALTH</b>				
Personnel Services	40,645	40,669	40,668	1
Other Expenditures	152,524	149,220	138,872	10,348
Capital Outlay	1,840	1,922	1,582	340
<b>TOTAL HEALTH</b>	<u>195,009</u>	<u>191,811</u>	<u>181,122</u>	<u>10,689</u>
<b>PARKS AND RECREATION</b>				
Other Expenditures	7,670	7,600	7,582	18
Capital Outlay	303	303	159	144
<b>TOTAL PARKS AND RECREATION</b>	<u>7,973</u>	<u>7,903</u>	<u>7,741</u>	<u>162</u>
<b>TOTAL EXPENDITURES</b>	<u>353,846</u>	<u>361,919</u>	<u>329,522</u>	<u>32,397</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(26,682)</u>	<u>(15,044)</u>	<u>1,301</u>	<u>16,345</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	1,332	1,332
Transfers Out	(6,072)	(6,072)	(5,768)	304
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<u>(6,072)</u>	<u>(6,072)</u>	<u>(4,436)</u>	<u>1,636</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(32,754)</u>	<u>(21,116)</u>	<u>(3,135)</u>	<u>17,981</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	109,464	109,464	109,464	-
Prior-Year Encumbrances Appropriated	20,285	20,285	20,285	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 96,995</u>	<u>\$ 108,633</u>	<u>\$ 126,614</u>	<u>\$ 17,981</u>



**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL**  
**MOTOR VEHICLE GAS TAX—SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Taxes and Special Assessments	\$ 11	\$ 11	\$ 3	\$ (8)
State Shared Taxes	21,633	21,633	21,531	(102)
Charges for Services	1,826	2,542	4,588	2,046
Fines and Forfeitures	441	441	367	(74)
Investment Earnings	350	350	179	(171)
Intergovernmental	300	1,539	2,168	629
Other	1,486	1,486	1,338	(148)
<b>TOTAL REVENUES</b>	<u>26,047</u>	<u>28,002</u>	<u>30,174</u>	<u>2,172</u>
<b>EXPENDITURES</b>				
Current:				
<b>PUBLIC WORKS</b>				
Personnel Services	12,907	12,543	11,018	1,525
Other Expenditures	6,572	6,771	6,183	588
Capital Outlay	12,020	20,701	17,502	3,199
<b>TOTAL PUBLIC WORKS</b>	<u>31,499</u>	<u>40,015</u>	<u>34,703</u>	<u>5,312</u>
<b>TOTAL EXPENDITURES</b>	<u>31,499</u>	<u>40,015</u>	<u>34,703</u>	<u>5,312</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(5,452)</u>	<u>(12,013)</u>	<u>(4,529)</u>	<u>7,484</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	1,501	1,501
Transfers Out	-	(1,501)	(1,501)	-
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<u>-</u>	<u>(1,501)</u>	<u>-</u>	<u>1,501</u>
<b>NET CHANGE IN FUND BALANCE</b>	(5,452)	(13,514)	(4,529)	8,985
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	7,202	7,202	7,202	-
Prior-Year Encumbrances Appropriated	5,194	5,194	5,194	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 6,944</u>	<u>\$ (1,118)</u>	<u>\$ 7,867</u>	<u>\$ 8,985</u>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**HEALTH AND COMMUNITY SERVICES NONGRANTS—SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
License and Permits	\$ 3,054	\$ 3,054	\$ 2,965	\$ (89)
Charges for Services	26,962	27,434	28,413	979
Fines and Forfeitures	1,968	1,968	2,551	583
Investment Earnings	440	440	316	(124)
Intergovernmental	20,936	22,270	18,851	(3,419)
Other	7,229	7,229	5,040	(2,189)
<b>TOTAL REVENUES</b>	<b>60,589</b>	<b>62,395</b>	<b>58,136</b>	<b>(4,259)</b>
<b>EXPENDITURES</b>				
Current:				
<b>GENERAL GOVERNMENT</b>				
Personnel Services	6,410	6,150	5,255	895
Other Expenditures	18,395	18,742	17,171	1,571
Capital Outlay	356	356	306	50
<b>TOTAL GENERAL GOVERNMENT</b>	<b>25,161</b>	<b>25,248</b>	<b>22,732</b>	<b>2,516</b>
<b>JUDICIAL</b>				
Personnel Services	4,718	4,260	4,004	256
Other Expenditures	5,206	6,381	4,966	1,415
Capital Outlay	2,094	1,904	861	1,043
<b>TOTAL JUDICIAL</b>	<b>12,018</b>	<b>12,545</b>	<b>9,831</b>	<b>2,714</b>
<b>PUBLIC SAFETY</b>				
Personnel Services	1,492	1,548	1,408	140
Other Expenditures	3,108	3,276	2,878	398
Capital Outlay	39	39	7	32
<b>TOTAL PUBLIC SAFETY</b>	<b>4,639</b>	<b>4,863</b>	<b>4,293</b>	<b>570</b>
<b>SOCIAL SERVICES</b>				
Personnel Services	13,702	13,702	13,235	467
Other Expenditures	12,532	12,503	10,836	1,667
<b>TOTAL SOCIAL SERVICES</b>	<b>26,234</b>	<b>26,205</b>	<b>24,071</b>	<b>2,134</b>

(Continued)

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**HEALTH AND COMMUNITY SERVICES NONGRANTS—SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>HEALTH</b>				
Personnel Services	\$ 60	\$ 136	\$ 136	\$ -
Other Expenditures	5,497	5,892	5,167	725
<b>TOTAL HEALTH</b>	<u>5,557</u>	<u>6,028</u>	<u>5,303</u>	<u>725</u>
<b>PUBLIC WORKS</b>				
Personnel Services	492	562	557	5
Other Expenditures	17,640	1,111	1,021	90
Capital Outlay	956	17,419	2,007	15,412
<b>TOTAL PUBLIC WORKS</b>	<u>19,088</u>	<u>19,092</u>	<u>3,585</u>	<u>15,507</u>
<b>ENVIRONMENTAL CONTROL</b>				
Personnel Services	557	557	515	42
Other Expenditures	2,508	2,754	2,738	16
Capital Outlay	12	12	9	3
<b>TOTAL ENVIRONMENTAL CONTROL</b>	<u>3,077</u>	<u>3,323</u>	<u>3,262</u>	<u>61</u>
<b>TOTAL EXPENDITURES</b>	<u>95,774</u>	<u>97,304</u>	<u>73,077</u>	<u>24,227</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(35,185)</u>	<u>(34,909)</u>	<u>(14,941)</u>	<u>19,968</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,908	5,908	5,264	(644)
Transfers Out	(824)	(824)	(824)	-
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<u>5,084</u>	<u>5,084</u>	<u>4,440</u>	<u>(644)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(30,101)	(29,825)	(10,501)	19,324
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	42,331	42,331	42,331	-
Prior-Year Encumbrances Appropriated	3,779	3,779	3,779	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 16,009</u>	<u>\$ 16,285</u>	<u>\$ 35,609</u>	<u>\$ 19,324</u>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL**  
**HEALTH AND COMMUNITY SERVICES GRANTS—SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for Services	\$ 430	\$ 430	\$ 426	\$ (4)
Fines and Forfeitures	1	1	1	-
Intergovernmental	9,409	12,889	11,333	(1,556)
Other	15	94	270	176
<b>TOTAL REVENUES</b>	<u>9,855</u>	<u>13,414</u>	<u>12,030</u>	<u>(1,384)</u>
<b>EXPENDITURES</b>				
Current:				
<b>JUDICIAL</b>				
Personnel Services	303	303	268	35
Other Expenditures	120	120	114	6
<b>TOTAL JUDICIAL</b>	<u>423</u>	<u>423</u>	<u>382</u>	<u>41</u>
<b>PUBLIC SAFETY</b>				
Personnel Services	42	42	7	35
Other Expenditures	1,678	469	411	58
Capital Outlay	248	1,368	1,356	12
<b>TOTAL PUBLIC SAFETY</b>	<u>1,968</u>	<u>1,879</u>	<u>1,774</u>	<u>105</u>
<b>SOCIAL SERVICES</b>				
Other Expenditures	9,136	10,551	7,968	2,583
<b>TOTAL SOCIAL SERVICES</b>	<u>9,136</u>	<u>10,551</u>	<u>7,968</u>	<u>2,583</u>
<b>ENVIRONMENTAL CONTROL</b>				
Other Expenditures	138	581	572	9
<b>TOTAL ENVIRONMENTAL CONTROL</b>	<u>138</u>	<u>581</u>	<u>572</u>	<u>9</u>
<b>TOTAL EXPENDITURES</b>	<u>11,665</u>	<u>13,434</u>	<u>10,696</u>	<u>2,738</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,810)</u>	<u>(20)</u>	<u>1,334</u>	<u>1,354</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	-	-	(10)	(10)
<b>TOTAL OTHER FINANCING USES</b>	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>(10)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,810)	(20)	1,324	1,344
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	203	203	203	-
Prior-Year Encumbrances Appropriated	219	219	219	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ (1,388)</u>	<u>\$ 402</u>	<u>\$ 1,746</u>	<u>\$ 1,344</u>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANTS—SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 14	\$ 14
Intergovernmental	5,134	5,412	5,150	(262)
Other	450	450	386	(64)
<b>TOTAL REVENUES</b>	<u>5,584</u>	<u>5,862</u>	<u>5,550</u>	<u>(312)</u>
<b>EXPENDITURES</b>				
Current:				
<b>ECONOMIC DEVELOPMENT</b>				
Personnel Services	898	503	280	223
Other Expenditures	15,646	8,961	5,301	3,660
Capital Outlay	15	4	1	3
<b>TOTAL ECONOMIC DEVELOPMENT</b>	<u>16,559</u>	<u>9,468</u>	<u>5,582</u>	<u>3,886</u>
<b>TOTAL EXPENDITURES</b>	<u>16,559</u>	<u>9,468</u>	<u>5,582</u>	<u>3,886</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(10,975)</u>	<u>(3,606)</u>	<u>(32)</u>	<u>3,574</u>
<b>NET CHANGE IN FUND BALANCE</b>	(10,975)	(3,606)	(32)	3,574
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	488	488	488	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ (10,487)</u>	<u>\$ (3,118)</u>	<u>\$ 456</u>	<u>\$ 3,574</u>

**COUNTY OF HAMILTON, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL  
BOND RETIREMENT—DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Taxes and Special Assessments	\$ 2,358	\$ 2,358	\$ 2,358	\$ -
Intergovernmental	208	208	275	67
<b>TOTAL REVENUES</b>	<u>2,566</u>	<u>2,566</u>	<u>2,633</u>	<u>67</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	2,640	2,640	2,640	-
Interest	209	209	209	-
Fiscal Charges	31	40	36	4
<b>TOTAL EXPENDITURES</b>	<u>2,880</u>	<u>2,889</u>	<u>2,885</u>	<u>4</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(314)</u>	<u>(323)</u>	<u>(252)</u>	<u>71</u>
<b>NET CHANGE IN FUND BALANCE</b>	(314)	(323)	(252)	71
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>632</u>	<u>632</u>	<u>632</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 318</u>	<u>\$ 309</u>	<u>\$ 380</u>	<u>\$ 71</u>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL**  
**GENERAL OBLIGATION NONVOTED—DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 2	\$ 2
Other	3,890	3,890	3,912	22
<b>TOTAL REVENUES</b>	<u>3,890</u>	<u>3,890</u>	<u>3,914</u>	<u>24</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	9,640	9,583	9,465	118
Interest	3,980	3,954	3,911	43
Bond Issuance Costs	-	74	74	-
Fiscal Charges	89	89	84	5
<b>TOTAL EXPENDITURES</b>	<u>13,709</u>	<u>13,700</u>	<u>13,534</u>	<u>166</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(9,819)</u>	<u>(9,810)</u>	<u>(9,620)</u>	<u>190</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	9,808	9,808	9,756	(52)
Premium on Bonds Issued	-	-	112	112
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>9,808</u>	<u>9,808</u>	<u>9,868</u>	<u>60</u>
<b>NET CHANGE IN FUND BALANCE</b>	(11)	(2)	248	250
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	648	648	648	-
Prior-Year Encumbrances Appropriated	10	10	10	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 647</u>	<u>\$ 656</u>	<u>\$ 906</u>	<u>\$ 250</u>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**SPECIAL ASSESSMENTS—DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Taxes and Special Assessments	\$ 574	\$ 574	\$ 485	\$ (89)
<b>TOTAL REVENUES</b>	<u>574</u>	<u>574</u>	<u>485</u>	<u>(89)</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	314	314	314	-
Interest	217	217	217	-
Fiscal Charges	5	14	14	-
<b>TOTAL EXPENDITURES</b>	<u>536</u>	<u>545</u>	<u>545</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>38</u>	<u>29</u>	<u>(60)</u>	<u>(89)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	55	55	63	8
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>55</u>	<u>55</u>	<u>63</u>	<u>8</u>
<b>NET CHANGE IN FUND BALANCE</b>	93	84	3	(81)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>877</u>	<u>877</u>	<u>877</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 970</u>	<u>\$ 961</u>	<u>\$ 880</u>	<u>\$ (81)</u>



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

**COMBINING FINANCIAL STATEMENTS**

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

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

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**DECEMBER 31, 2008**  
(Amounts in Thousands)

	<u>Business-Type Activities</u>		
	<u>Riverfront Development</u>	<u>Main Street Parking Garage</u>	<u>Sales Tax Stabilization</u>
<b>ASSETS</b>			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 4,828	\$ 173	\$ 6,844
Cash and Cash Equivalents—Segregated Accounts	49	-	-
Prepaid Expenses	-	-	-
Intergovernmental Receivable	173	-	-
Due from Other Funds	-	-	-
<b>Total Current Assets</b>	<u>5,050</u>	<u>173</u>	<u>6,844</u>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	3,638	1,827	-
Construction in Progress	9,644	-	-
<b>Total Nondepreciable Capital Assets</b>	<u>13,282</u>	<u>1,827</u>	<u>-</u>
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	129,495	9,273	-
Furniture, Fixtures and Equipment	-	-	-
Less Accumulated Depreciation	(27,807)	(2,793)	-
<b>Total Depreciable Capital Assets, Net</b>	<u>101,688</u>	<u>6,480</u>	<u>-</u>
<b>Total Capital Assets, Net</b>	<u>114,970</u>	<u>8,307</u>	<u>-</u>
Unamortized Financing Costs	144	73	-
<b>Total Noncurrent Assets</b>	<u>115,114</u>	<u>8,380</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>120,164</u>	<u>8,553</u>	<u>6,844</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	4,467	26	-
Due to Other Funds	15	-	-
Accrued Wages and Benefits	3	-	-
Intergovernmental Payable	-	-	-
Deferred Revenue	-	-	-
Accrued Interest Payable	18	26	-
Retainage Payable	161	-	-
Accrued Compensated Absences	-	-	-
Deferred Lease Rent Revenue	-	2	-
Current Portion of Long-Term Debt	685	360	-
<b>Total Current Liabilities</b>	<u>5,349</u>	<u>414</u>	<u>-</u>
Noncurrent Liabilities:			
Accrued Compensated Absences	-	-	-
Long-Term Debt	20,455	7,432	-
<b>Total Noncurrent Liabilities</b>	<u>20,455</u>	<u>7,432</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>25,804</u>	<u>7,846</u>	<u>-</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	93,830	515	-
Unrestricted	530	192	6,844
<b>TOTAL NET ASSETS</b>	<u>\$ 94,360</u>	<u>\$ 707</u>	<u>\$ 6,844</u>

<b>Business-Type Activities</b>		
<b>Rotary Funds</b>	<b>Communications Center</b>	<b>Total Nonmajor Enterprise Funds</b>
\$ 527	\$ 894	\$ 13,266
-	-	49
2	-	2
1,546	355	2,074
49	78	127
<u>2,124</u>	<u>1,327</u>	<u>15,518</u>
-	-	5,465
-	-	9,644
-	-	<u>15,109</u>
-	21,662	160,430
40	6,350	6,390
(16)	(8,399)	(39,015)
<u>24</u>	<u>19,613</u>	<u>127,805</u>
<u>24</u>	<u>19,613</u>	<u>142,914</u>
-	-	217
<u>24</u>	<u>19,613</u>	<u>143,131</u>
<u>2,148</u>	<u>20,940</u>	<u>158,649</u>
1	27	4,521
1,374	4	1,393
32	85	120
-	1	1
50	-	50
-	-	44
-	-	161
3	4	7
-	-	2
-	-	1,045
<u>1,460</u>	<u>121</u>	<u>7,344</u>
208	382	590
-	-	27,887
<u>208</u>	<u>382</u>	<u>28,477</u>
1,668	503	35,821
24	19,613	113,982
456	824	8,846
<u>\$ 480</u>	<u>\$ 20,437</u>	<u>\$ 122,828</u>

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	<b>Business-Type Activities</b>		
	<b>Riverfront Development</b>	<b>Main Street Parking Garage</b>	<b>Sales Tax Stabilization</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 6,664	\$ 893	\$ -
Lease Rent Revenue	-	20	-
<b>TOTAL OPERATING REVENUES</b>	<u>6,664</u>	<u>913</u>	<u>-</u>
<b>OPERATING EXPENSES</b>			
Personnel Services	3	-	-
Utilities, Fuel and Supplies	301	31	-
Depreciation and Amortization	5,745	309	-
Purchased Services	5,019	148	-
Other	81	20	-
<b>TOTAL OPERATING EXPENSES</b>	<u>11,149</u>	<u>508</u>	<u>-</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(4,485)</u>	<u>405</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	-	-	121
Interest Expense	(492)	(383)	-
Bond Issuance Costs	(8)	(9)	-
Increase in Fair Value of Equity in Pooled Cash and Investments	58	2	82
Decrease in Fair Value of Equity in Pooled Cash and Investments	(5)	-	(9)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(447)</u>	<u>(390)</u>	<u>194</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(4,932)</u>	<u>15</u>	<u>194</u>
Capital Contributions	7,896	-	(92)
Transfers In	353	-	-
Transfers Out	(853)	-	-
<b>CHANGE IN NET ASSETS</b>	2,464	15	102
<b>TOTAL NET ASSETS—BEGINNING, AS RESTATED (NOTE II)</b>	<u>91,896</u>	<u>692</u>	<u>6,742</u>
<b>TOTAL NET ASSETS—ENDING</b>	<u>\$ 94,360</u>	<u>\$ 707</u>	<u>\$ 6,844</u>

<b>Business-Type Activities</b>		
<b>Rotary Funds</b>	<b>Communications Center</b>	<b>Total Nonmajor Enterprise Funds</b>
\$ 7,843	\$ 5,518	\$ 20,918
-	-	20
<u>7,843</u>	<u>5,518</u>	<u>20,938</u>
7,596	4,863	12,462
28	307	667
5	1,066	7,125
53	745	5,965
33	199	333
<u>7,715</u>	<u>7,180</u>	<u>26,552</u>
<u>128</u>	<u>(1,662)</u>	<u>(5,614)</u>
-	-	121
-	-	(875)
-	-	(17)
6	11	159
(1)	-	(15)
<u>5</u>	<u>11</u>	<u>(627)</u>
<u>133</u>	<u>(1,651)</u>	<u>(6,241)</u>
-	-	7,804
-	1,850	2,203
-	-	(853)
133	199	2,913
<u>347</u>	<u>20,238</u>	<u>119,915</u>
<u>\$ 480</u>	<u>\$ 20,437</u>	<u>\$ 122,828</u>

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	<b>Business-Type Activities</b>	
	<b>Riverfront Development</b>	<b>Main Street Parking Garage</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers and Users	\$ 6,665	\$ 914
Cash Payments to Suppliers for Goods and Services	(6,293)	(188)
Cash Payments for Personnel Costs	-	-
Other Operating Expense	-	(25)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>372</u>	<u>701</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers from Other Funds	353	-
Transfers to Other Funds	(853)	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(500)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal Payments on Long-Term Debt	(645)	(345)
Interest Payments on Long-Term Debt	(474)	(330)
Capital Contributions	8,993	-
Deduction from Capital Contributions	(1,270)	-
Acquisition and Construction of Property, Plant and Equipment	(5,071)	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>1,533</u>	<u>(675)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments and Pooled Cash and Investments	-	-
Increase in Fair Value of Equity in Pooled Cash and Investments	58	2
Decrease in Fair Value of Equity in Pooled Cash and Investments	(5)	-
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>53</u>	<u>2</u>
Net Increase in Cash and Equity in Pooled Cash and Investments	1,458	28
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>3,419</u>	<u>145</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 4,877</u>	<u>\$ 173</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (4,485)	\$ 405
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	5,745	309
Net Changes in Operating Assets and Liabilities:		
Accounts Receivable	1	-
Intergovernmental Receivables	-	-
Due from Other Funds	-	1
Prepaid Expenses	-	-
Operating Accounts Payable	(874)	(14)
Accrued Payroll and Other Related Withholdings	3	-
Intergovernmental Payable	-	-
Compensated Absences	-	-
Due to Other Funds	(18)	-
Deferred Revenue	-	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 372</u>	<u>\$ 701</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>		
Equity in Pooled Cash and Investments	\$ 4,828	\$ 173
Cash and Cash Equivalents—Segregated Accounts	49	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>\$ 4,877</u>	<u>\$ 173</u>

<b>Business-Type Activities</b>			
<b>Sales Tax Stabilization</b>	<b>Rotary Funds</b>	<b>Communications Center</b>	<b>Total Nonmajor Enterprise Funds</b>
\$ -	\$ 7,707	\$ 5,166	\$ 20,452
-	(86)	(1,111)	(7,678)
-	(7,493)	(4,977)	(12,470)
-	(33)	(160)	(218)
<u>-</u>	<u>95</u>	<u>(1,082)</u>	<u>86</u>
-	-	1,850	2,203
-	-	-	(853)
<u>-</u>	<u>-</u>	<u>1,850</u>	<u>1,350</u>
-	-	-	(990)
-	-	-	(804)
-	-	-	8,993
(92)	-	-	(1,362)
-	-	-	(5,071)
<u>(92)</u>	<u>-</u>	<u>-</u>	<u>766</u>
124	-	-	124
82	6	11	159
(9)	(1)	-	(15)
<u>197</u>	<u>5</u>	<u>11</u>	<u>268</u>
105	100	779	2,470
6,739	427	115	10,845
<u>\$ 6,844</u>	<u>\$ 527</u>	<u>\$ 894</u>	<u>\$ 13,315</u>
\$ -	\$ 128	\$ (1,662)	\$ (5,614)
-	5	1,066	7,125
-	1	-	2
-	(136)	(355)	(491)
-	(49)	2	(46)
-	(2)	-	(2)
-	(3)	(24)	(915)
-	(50)	(120)	(167)
-	-	1	1
-	7	6	13
-	144	4	130
-	50	-	50
<u>\$ -</u>	<u>\$ 95</u>	<u>\$ (1,082)</u>	<u>\$ 86</u>
\$ 6,844	\$ 527	\$ 894	\$ 13,266
-	-	-	49
<u>\$ 6,844</u>	<u>\$ 527</u>	<u>\$ 894</u>	<u>\$ 13,315</u>

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

**COMBINING FINANCIAL STATEMENTS**

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

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

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2008**  
(Amounts in Thousands)

	Governmental Activities			
	Workers' Compensation Reserve	Auditor's Computer Center	Multi-County System Agencies	Total Governmental Activities
<b>ASSETS</b>				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 3,532	\$ 1,344	\$ 2,061	\$ 6,937
Accounts Receivable	2	-	-	2
Intergovernmental Receivable	8	-	-	8
Due from Other Funds	-	-	637	637
<b>Total Current Assets</b>	<b>3,542</b>	<b>1,344</b>	<b>2,698</b>	<b>7,584</b>
Noncurrent Assets:				
Depreciable Capital Assets, Net:				
Buildings, Structures and Improvements	-	41	-	41
Furniture, Fixtures and Equipment	-	595	-	595
Less Accumulated Depreciation	-	(436)	-	(436)
Total Depreciable Capital Assets, Net	-	200	-	200
Total Capital Assets, Net	-	200	-	200
Total Noncurrent Assets	-	200	-	200
<b>TOTAL ASSETS</b>	<b>3,542</b>	<b>1,544</b>	<b>2,698</b>	<b>7,784</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	3	5	2,012	2,020
Accrued Wages and Benefits Payable	1	18	-	19
<b>Total Current Liabilities</b>	<b>4</b>	<b>23</b>	<b>2,012</b>	<b>2,039</b>
Noncurrent Liabilities:				
Estimated Future Claims	5,967	-	-	5,967
Accrued Compensated Absences	-	170	-	170
<b>Total Noncurrent Liabilities</b>	<b>5,967</b>	<b>170</b>	<b>-</b>	<b>6,137</b>
<b>TOTAL LIABILITIES</b>	<b>5,971</b>	<b>193</b>	<b>2,012</b>	<b>8,176</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	-	200	-	200
Unrestricted	(2,429)	1,151	686	(592)
<b>TOTAL NET ASSETS</b>	<b>\$ (2,429)</b>	<b>\$ 1,351</b>	<b>\$ 686</b>	<b>\$ (392)</b>

<b>Business-Type Activities</b>		
<b>Workers' Compensation Reserve for Stadiums</b>		<b>Totals</b>
\$	114	\$ 7,051
	-	2
	-	8
	-	637
	<u>114</u>	<u>7,698</u>
	-	41
	-	595
	-	(436)
	-	200
	-	200
	-	200
	<u>114</u>	<u>7,898</u>
	87	2,107
	-	19
	<u>87</u>	<u>2,126</u>
	213	6,180
	-	170
	<u>213</u>	<u>6,350</u>
	300	8,476
	-	200
	(186)	(778)
\$	<u>(186)</u>	<u>(578)</u>

**COUNTY OF HAMILTON, OHIO  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

	Governmental Activities			
	Workers' Compensation Reserve	Auditor's Computer Center	Multi-County System Agencies	Total Governmental Activities
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 6,737	\$ 1,800	\$ 11,537	\$ 20,074
<b>TOTAL OPERATING REVENUES</b>	<u>6,737</u>	<u>1,800</u>	<u>11,537</u>	<u>20,074</u>
<b>OPERATING EXPENSES</b>				
Personnel Services	61	1,228	-	1,289
Costs of Goods and Services	7,020	367	11,836	19,223
Depreciation	-	71	-	71
<b>TOTAL OPERATING EXPENSES</b>	<u>7,081</u>	<u>1,666</u>	<u>11,836</u>	<u>20,583</u>
<b>OPERATING INCOME (LOSS)</b>	(344)	134	(299)	(509)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Increase in Fair Value of Equity in Pooled Cash and Investments	43	16	25	84
Decrease in Fair Value of Equity in Pooled Cash and Investments	(6)	(2)	(2)	(10)
Loss on Disposal of Property, Plant and Equipment	-	(11)	-	(11)
<b>TOTAL NONOPERATING EXPENSES</b>	<u>37</u>	<u>3</u>	<u>23</u>	<u>63</u>
<b>INCOME (LOSS)</b>	<u>(307)</u>	<u>137</u>	<u>(276)</u>	<u>(446)</u>
<b>CHANGE IN NET ASSETS</b>	(307)	137	(276)	(446)
<b>TOTAL NET ASSETS—BEGINNING, AS RESTATED (NOTE II)</b>	<u>(2,122)</u>	<u>1,214</u>	<u>962</u>	<u>54</u>
<b>TOTAL NET ASSETS—ENDING</b>	<u>\$ (2,429)</u>	<u>\$ 1,351</u>	<u>\$ 686</u>	<u>\$ (392)</u>

<b>Business-Type Activities</b>		
<b>Workers' Compensation Reserve for Stadiums</b>		<b>Totals</b>
\$	2	\$ 20,076
	<u>2</u>	<u>20,076</u>
	-	1,289
	6	19,229
	-	71
	<u>6</u>	<u>20,589</u>
	(4)	(513)
	1	85
	-	(10)
	-	(11)
	<u>1</u>	<u>64</u>
	(3)	(449)
	(3)	(449)
	(183)	(129)
\$	<u>(186)</u>	<u>(578)</u>

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(Amounts in Thousands)

	Governmental Activities			
	Workers' Compensation Reserve	Auditor's Computer Center	Multi-County System Agencies	Total Governmental Activities
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Interfund Services Provided	\$ 6,727	\$ 1,800	\$ 11,533	\$ 20,060
Cash Payments to Suppliers for Goods and Services	-	(410)	(10,928)	(11,338)
Cash Payments for Interfund Services Provided	(7,501)	-	-	(7,501)
Cash Payments for Personnel Costs	(62)	(1,241)	-	(1,303)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(836)</u>	<u>149</u>	<u>605</u>	<u>(82)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Property, Plant and Equipment	-	(68)	-	(68)
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>-</u>	<u>(68)</u>	<u>-</u>	<u>(68)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in Fair Value of Equity in Pooled Cash and Investments	43	16	25	84
Decrease in Fair Value of Equity in Pooled Cash and Investments	(6)	(2)	(2)	(10)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>37</u>	<u>14</u>	<u>23</u>	<u>74</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(799)	95	628	(76)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	4,331	1,249	1,433	7,013
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 3,532</u>	<u>\$ 1,344</u>	<u>\$ 2,061</u>	<u>\$ 6,937</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ (344)	\$ 134	\$ (299)	\$ (509)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	-	71	-	71
Net Changes in Operating Assets and Liabilities:				
Accounts Receivable	28	-	-	28
Intergovernmental Receivables	(8)	-	-	(8)
Due from Other Funds	-	-	(4)	(4)
Operating Accounts Payable	(18)	(43)	970	909
Accrued Payroll and Related Withholdings	(5,968)	(25)	-	(5,993)
Compensated Absences	5,967	12	-	5,979
Due to Other Funds	-	-	(62)	(62)
Estimated Future Claims	(493)	-	-	(493)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (836)</u>	<u>\$ 149</u>	<u>\$ 605</u>	<u>\$ (82)</u>

<b>Business-Type Activities</b>			
<b>Workers' Compensation Reserve for Stadiums</b>		<b>Totals</b>	
\$	2	\$	20,062
	-		(11,338)
	(6)		(7,507)
	-		(1,303)
	(4)		(86)
	-		(68)
	-		(68)
	1		85
	-		(10)
	1		75
	(3)		(79)
	117		7,130
\$	114	\$	7,051
\$	(4)	\$	(513)
	-		71
	-		28
	-		(8)
	-		(4)
	63		972
	-		(5,993)
	-		5,979
	-		(62)
	(63)		(556)
\$	(4)	\$	(86)

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**COUNTY OF HAMILTON, OHIO  
AGENCY FUNDS**

**COMBINING FINANCIAL STATEMENTS**

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

**Undivided Tax**

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

**Other Agency Funds**

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

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2008**  
(Amounts in Thousands)

	<u>Undivided Taxes</u>	<u>Other Agency</u>	<u>Total</u>
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 74,390	\$ 16,410	\$ 90,800
Cash and Cash Equivalents—Segregated Accounts	-	22,244	22,244
Real and Other Taxes Receivable	1,186,786	-	1,186,786
<b>TOTAL ASSETS</b>	<u>\$1,261,176</u>	<u>\$ 38,654</u>	<u>\$1,299,830</u>
<b>LIABILITIES</b>			
Intergovernmental Payable	\$ 74,390	\$ 9,757	\$ 84,147
Future Tax Collections to Be Distributed	1,186,786	-	1,186,786
Other Current Liabilities	-	28,897	28,897
<b>TOTAL LIABILITIES</b>	<u>\$1,261,176</u>	<u>\$ 38,654</u>	<u>\$1,299,830</u>

**COUNTY OF HAMILTON, OHIO  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b>UNDIVIDED TAXES</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 68,752	\$ 1,614,827	\$ 1,609,189	\$ 74,390
Real and Other Taxes Receivable	1,104,453	1,186,786	1,104,453	1,186,786
<b>TOTAL ASSETS</b>	<b><u>\$ 1,173,205</u></b>	<b><u>\$ 2,801,613</u></b>	<b><u>\$ 2,713,642</u></b>	<b><u>\$ 1,261,176</u></b>
<b>LIABILITIES</b>				
Intergovernmental Payable	\$ 68,752	\$ 1,614,827	\$ 1,609,189	\$ 74,390
Future Tax Collections to Be Distributed	1,104,453	1,186,786	1,104,453	1,186,786
<b>TOTAL LIABILITIES</b>	<b><u>\$ 1,173,205</u></b>	<b><u>\$ 2,801,613</u></b>	<b><u>\$ 2,713,642</u></b>	<b><u>\$ 1,261,176</u></b>
<b>OTHER AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 18,942	\$ 116,576	\$ 119,108	\$ 16,410
Cash and Cash Equivalents—Segregated Accounts	24,518	172,855	175,129	22,244
<b>TOTAL ASSETS</b>	<b><u>\$ 43,460</u></b>	<b><u>\$ 289,431</u></b>	<b><u>\$ 294,237</u></b>	<b><u>\$ 38,654</u></b>
<b>LIABILITIES</b>				
Intergovernmental Payable	\$ 7,989	\$ 137,072	\$ 135,304	\$ 9,757
Other Current Liabilities	35,471	169,607	176,181	28,897
<b>TOTAL LIABILITIES</b>	<b><u>\$ 43,460</u></b>	<b><u>\$ 306,679</u></b>	<b><u>\$ 311,485</u></b>	<b><u>\$ 38,654</u></b>

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**COUNTY OF HAMILTON, OHIO  
CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS**

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS BY SOURCE**  
**DECEMBER 31, 2008**

(Amounts in Thousands)

---

<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	
Land	\$ 96,669
Land Improvements	2,064
Land Improvements Depreciable	98
Buildings, Structures and Improvements	391,060
Infrastructure	666,799
Furniture, Fixtures and Equipment	82,963
Construction in Progress	7,226
<b>TOTAL</b>	<b><u>\$ 1,246,879</u></b>
<b>INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE</b>	
General Fund Revenues	\$ 146,112
Special Revenue Fund Revenues	825,788
Capital Projects:	
General Obligation Bonds	204,299
Federal and State Grants	43,539
Donations	27,141
<b>TOTAL</b>	<b><u>\$ 1,246,879</u></b>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY**  
**DECEMBER 31, 2008**  
(Amounts in Thousands)

<b>Function and Activity</b>	<b>Land and Land Improvements</b>	<b>Land Improvements Depreciable</b>	<b>Buildings, Structures and Improvements</b>	<b>Furniture, Fixtures and Equipment</b>	<b>Infrastructure</b>	<b>Totals</b>
General Government	\$ 29,940	\$ -	\$ 374,954	\$ 21,392	\$ -	\$ 426,286
Judicial	9	-	716	11,063	-	11,788
Public Safety	46	-	46	26,016	-	26,108
Social Services	55	-	846	7,337	-	8,238
Health	786	11	13,911	4,116	-	18,824
Public Works	67,897	87	579	11,514	666,799	746,876
Environmental Control	-	-	8	1,499	-	1,507
Economic Development	-	-	-	26	-	26
Construction in Progress	-	-	527	187	6,512	7,226
<b>Total</b>	<b>\$ 98,733</b>	<b>\$ 98</b>	<b>\$ 391,587</b>	<b>\$ 83,150</b>	<b>\$ 673,311</b>	<b>\$ 1,246,879</b>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY**  
**YEAR ENDED DECEMBER 31, 2008**

(Amounts in Thousands)

<b>Function and Activity</b>	<b>Balance at Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance at End of Year</b>
General Government	\$ 425,513	\$ 1,561	\$ 788	\$ 426,286
Judicial	18,233	190	6,635	11,788
Public Safety	31,391	1,131	6,414	26,108
Social Services	8,085	254	101	8,238
Health	16,751	2,262	189	18,824
Public Works	744,236	2,784	144	746,876
Environmental Control	1,466	166	125	1,507
Economic Development	29	-	3	26
Construction in Progress	8,125	3,113	4,012	7,226
<b>Total</b>	<u>\$ 1,253,829</u>	<u>\$ 11,461</u>	<u>\$ 18,411</u>	<u>\$ 1,246,879</u>



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**Statistical  
Section**

**The County of  
Hamilton, Ohio**

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**COUNTY OF HAMILTON, OHIO  
STATISTICAL SECTION**

**STATISTICAL SCHEDULES**

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

**CONTENTS**

	<b>PAGE</b>
<p><b>Financial Trends</b>.....</p> <p style="padding-left: 40px;">These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.</p>	145
<p><b>Revenue Capacity</b>.....</p> <p style="padding-left: 40px;">These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.</p>	150
<p><b>Debt Capacity</b>.....</p> <p style="padding-left: 40px;">These schedules represent information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.</p>	155
<p><b>Demographic and Economic Information</b>.....</p> <p style="padding-left: 40px;">These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.</p>	163
<p><b>Operating Information</b>.....</p> <p style="padding-left: 40px;">These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.</p>	165

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

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

	FISCAL YEAR						
	2002	2003	2004 <sup>(1)</sup>	2005 <sup>(1)</sup>	2006 <sup>(1)</sup>	2007	2008
<b>GOVERNMENTAL ACTIVITIES</b>							
Invested in capital assets, net of related debt	\$ 192,051	\$ 557,463	\$ 521,079	\$ 498,840	\$ 465,681	\$ 452,453	\$ 417,001
Restricted	207,590	206,834	161,926	171,211	192,152	228,753	230,362
Unrestricted	17,459	12,247	510	61	8,442	(4,529)	(5,980)
<b>TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS</b>	<u>\$ 417,100</u>	<u>\$ 776,544</u>	<u>\$ 683,515</u>	<u>\$ 670,112</u>	<u>\$ 666,275</u>	<u>\$ 676,677</u>	<u>\$ 641,383</u>
 <b>BUSINESS-TYPE ACTIVITIES</b>							
Invested in capital assets, net of related debt	\$ 496,643	\$ 528,028	\$ 562,425	\$ 513,763	\$ 522,180	\$ 468,326	\$ 518,371
Restricted	4,565	5,589	4,128	4,543	4,581	5,810	5,234
Unrestricted	236,554	221,749	173,355	223,663	219,627	297,381	267,350
<b>TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS</b>	<u>\$ 737,762</u>	<u>\$ 755,366</u>	<u>\$ 739,908</u>	<u>\$ 741,969</u>	<u>\$ 746,388</u>	<u>\$ 771,517</u>	<u>\$ 790,955</u>
 <b>PRIMARY GOVERNMENT</b>							
Invested in capital assets, net of related debt	\$ 688,694	\$ 1,085,491	\$ 1,083,504	\$ 1,012,603	\$ 987,861	\$ 920,779	\$ 935,372
Restricted	212,155	212,423	166,054	175,754	196,733	234,563	235,596
Unrestricted	254,013	233,996	173,865	223,724	228,069	292,852	261,370
<b>TOTAL PRIMARY GOVERNMENT NET ASSETS</b>	<u>\$ 1,154,862</u>	<u>\$ 1,531,910</u>	<u>\$ 1,423,423</u>	<u>\$ 1,412,081</u>	<u>\$ 1,412,663</u>	<u>\$ 1,448,194</u>	<u>\$ 1,432,338</u>

Source: Hamilton County Auditor's Finance Department.

<sup>(1)</sup> Unaudited. Due to the ongoing special audit of Hamilton County Job and Family Services, the 2004-2006 financial statement amounts have not been finalized.

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

	FISCAL YEAR						
	2002	2003	2004 <sup>(1)</sup>	2005 <sup>(1)</sup>	2006 <sup>(1)</sup>	2007	2008
<b>EXPENSES</b>							
<b>Governmental Activities</b>							
General Government	\$ 68,904	\$ 67,679	\$ 79,355	\$ 90,125	\$ 96,900	\$ 90,623	\$ 93,440
Judicial	112,921	114,395	120,913	121,593	121,663	121,578	118,827
Public Safety	90,065	105,239	102,452	123,107	131,933	123,099	117,497
Social Services	315,605	319,087	299,144	298,921	285,437	351,580	297,627
Health	233,986	233,129	249,589	238,203	249,097	239,911	247,755
Public Works	27,519	60,272	51,355	55,499	50,038	51,020	49,839
Environmental Control	6,462	5,731	6,587	6,321	6,603	5,811	7,479
Economic Development	20,852	25,089	25,994	26,024	18,343	6,068	7,505
Parks and Recreation	6,689	6,345	6,202	8,346	8,695	7,475	7,628
Interest	8,753	8,167	6,781	5,688	5,634	4,896	4,572
Fiscal Charges	5	8	51	50	76	64	77
<b>Total Governmental Activities Program Expenses</b>	<b>891,761</b>	<b>945,141</b>	<b>948,423</b>	<b>973,877</b>	<b>974,419</b>	<b>1,002,125</b>	<b>952,246</b>
Indirect Expenses Allocation <sup>(4)</sup>	3,052	3,078	3,255	5,454	6,181	4,565	11,173
Indirect Expenses Reimbursement <sup>(4)</sup>	-	(3,078)	(3,255)	(5,454)	(6,181)	(4,565)	(11,173)
<b>Total Governmental Activities Expenses</b>	<b>894,813</b>	<b>945,141</b>	<b>948,423</b>	<b>973,877</b>	<b>974,419</b>	<b>1,002,125</b>	<b>952,246</b>
<b>Business-Type Activities</b>							
Metropolitan Sewer District	124,452	129,764	143,682	140,037	152,267	155,209	159,071
Paul Brown Stadium <sup>(3)</sup>	45,496	48,826	47,802	48,774	46,954	40,517	41,923
Baseball Stadium <sup>(3)</sup>	478	18,768	25,885	27,076	26,580	26,436	28,071
Cinergy Field <sup>(2)</sup>	4,845	-	-	-	-	-	-
Riverfront Development	2,460	7,646	9,098	10,642	11,475	13,524	11,649
Main Street Parking Garage	1,038	970	1,083	1,011	938	929	900
Rotary Funds	5,372	5,814	6,209	7,224	6,700	7,609	7,715
Communications Center <sup>(3)</sup>	5,058	6,054	6,636	7,180	7,453	6,714	7,183
Workers' Compensation Reserve for Stadiums <sup>(3)</sup>	450	249	661	294	161	167	-
<b>Total Business-Type Activities Expenses</b>	<b>189,649</b>	<b>218,091</b>	<b>241,056</b>	<b>242,238</b>	<b>252,528</b>	<b>251,105</b>	<b>256,512</b>
<b>Total Primary Government Expenses</b>	<b>\$ 1,084,462</b>	<b>\$ 1,163,232</b>	<b>\$ 1,189,479</b>	<b>\$ 1,216,115</b>	<b>\$ 1,226,947</b>	<b>\$ 1,253,230</b>	<b>\$ 1,208,758</b>
<b>PROGRAM REVENUES</b>							
<b>Governmental Activities</b>							
Charges for Services							
General Government	\$ 52,162	\$ 55,760	\$ 49,569	\$ 55,883	\$ 57,622	\$ 54,450	\$ 51,564
Judicial	36,835	35,099	35,373	39,141	36,089	36,191	37,118
Public Safety	13,496	14,748	13,566	17,252	14,798	14,985	16,944
Social Services	93,576	103,725	78,323	61,541	37,839	63,640	6,554
Health	18,639	18,582	19,142	22,084	27,987	9,507	9,738
Public Works	4,937	6,306	4,562	5,118	4,827	4,982	7,201
Environmental Control	3,462	3,424	3,272	3,390	3,449	3,547	3,722
Economic Development	716	823	601	721	559	417	1,706
Parks and Recreation	764	932	829	1,164	1,254	67	-
Operating Grants and Contributions	323,814	314,352	295,519	370,522	390,553	377,578	358,919
Capital Grants and Contributions	1,968	1,913	4,851	1,857	5,212	8,982	2,000
<b>Total Governmental Activities Program Revenues</b>	<b>550,369</b>	<b>555,664</b>	<b>505,607</b>	<b>578,673</b>	<b>580,189</b>	<b>574,346</b>	<b>495,466</b>

(Continued)

	FISCAL YEAR						
	2002	2003	2004 <sup>(1)</sup>	2005 <sup>(1)</sup>	2006 <sup>(1)</sup>	2007	2008
<b>Business-Type Activities</b>							
Charges for Services							
Metropolitan Sewer District	\$ 121,447	\$ 128,579	\$ 145,291	\$ 154,171	\$ 163,647	\$ 176,933	189,069
Paul Brown Stadium	1,097	371	804	837	856	840	672
Baseball Stadium	7	3,104	60	1,061	547	1,171	1,163
Cinergy Field <sup>(2)</sup>	4,596	-	-	-	-	-	-
Riverfront Development	5,364	7,484	5,596	6,219	6,764	6,481	6,664
Main Street Parking Garage	829	769	930	841	897	870	913
Rotary Funds	5,488	5,991	6,587	6,813	7,222	7,354	7,843
Communications Center	4,243	4,883	4,738	4,693	5,134	4,633	5,518
Workers' Compensation Reserve for Stadiums <sup>(3)</sup>	450	400	622	300	160	167	-
Operating Grants and Contributions	-	-	-	-	-	-	-
Capital Grants and Contributions	40,607	48,110	29,694	27,633	26,083	21,234	25,075
<b>Total Business-Type Activities Program Revenues</b>	<u>184,128</u>	<u>199,691</u>	<u>194,322</u>	<u>202,568</u>	<u>211,310</u>	<u>219,683</u>	<u>236,917</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 734,497</u>	<u>\$ 755,355</u>	<u>\$ 699,929</u>	<u>\$ 781,241</u>	<u>\$ 791,499</u>	<u>\$ 794,029</u>	<u>\$ 732,383</u>
<b>NET (EXPENSE)/REVENUE</b>							
<b>Governmental Activities</b>	\$ (344,444)	\$ (389,477)	\$ (442,816)	\$ (395,204)	\$ (394,230)	\$ (427,779)	\$ (456,780)
<b>Business-Type Activities</b>	(5,521)	(18,400)	(46,734)	(39,670)	(41,218)	(31,422)	(19,595)
<b>Total Primary Government Net Expense</b>	<u>\$ (349,965)</u>	<u>\$ (407,877)</u>	<u>\$ (489,550)</u>	<u>\$ (434,874)</u>	<u>\$ (435,448)</u>	<u>\$ (459,201)</u>	<u>\$ (476,375)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>							
<b>Governmental Activities</b>							
Taxes							
Property Taxes	\$ 237,171	\$ 245,094	\$ 246,486	\$ 258,880	\$ 263,625	\$ 259,345	\$ 248,073
Sales and Use Taxes	60,007	61,104	63,891	63,428	64,701	66,671	64,923
Motor Fuel Taxes	14,487	13,547	14,349	14,390	14,748	15,932	13,436
Other Taxes	32,580	31,596	31,550	31,905	32,144	31,803	28,823
Grants and Entitlements not Restricted to Specific Programs	-	-	-	-	-	39,249	51,348
Unrestricted Investment Earnings	21,040	17,227	13,537	16,947	19,875	20,609	15,441
Net Increase (Decrease) in Fair Value of Equity in							
Pooled Cash and Investments	1,902	(2,542)	(585)	(2,749)	387	2,067	1,292
Other Revenue	-	-	-	-	278	-	-
Transfers	(641)	(198)	(3,872)	(1,000)	(1,500)	847	(1,850)
<b>Total Governmental Activities</b>	<u>366,546</u>	<u>365,828</u>	<u>365,356</u>	<u>381,801</u>	<u>394,258</u>	<u>436,523</u>	<u>421,486</u>
<b>Business-Type Activities</b>							
Sales and Use Taxes	31,456	34,412	35,373	33,524	34,329	42,504	36,609
Unrestricted Investment Earnings	5,468	5,034	4,303	6,673	12,936	16,234	8,923
Increase in Fair Value of Equity in Pooled Cash and Investments <sup>(3)</sup>	1,780	165	54	-	293	317	292
Decrease in Fair Value of Equity in Pooled Cash and Investments	(3,667)	(1,787)	(165)	(347)	(287)	-	(30)
Change in Fair Value of MSD Investments	2,493	(2,080)	135	881	619	(3)	1,861
Other Revenue	130	-	-	-	-	-	12
Other Expenses	(69)	-	-	-	-	-	-
Gain on Sale of Capital Assets	95	62	-	-	-	-	-
Loss on Sale of Capital Assets	(75)	-	-	-	-	-	(57)
Transfers	641	198	3,872	1,000	1,500	(847)	1,850
<b>Total Business-Type Activities</b>	<u>38,252</u>	<u>36,004</u>	<u>43,572</u>	<u>41,731</u>	<u>49,390</u>	<u>58,205</u>	<u>49,460</u>
<b>Total Primary Government</b>	<u>\$ 404,798</u>	<u>\$ 401,832</u>	<u>\$ 408,928</u>	<u>\$ 423,532</u>	<u>\$ 443,648</u>	<u>\$ 494,728</u>	<u>\$ 470,946</u>
<b>CHANGE IN NET ASSETS</b>							
<b>Governmental Activities</b>	\$ 22,102	\$ (23,649)	\$ (77,460)	\$ (13,403)	\$ 28	\$ 8,744	\$ (35,294)
<b>Business-Type Activities</b>	32,731	17,604	(3,162)	2,061	8,172	26,783	29,865
<b>Total Primary Government</b>	<u>\$ 54,833</u>	<u>\$ (6,045)</u>	<u>\$ (80,622)</u>	<u>\$ (11,342)</u>	<u>\$ 8,200</u>	<u>\$ 35,527</u>	<u>\$ (5,429)</u>

Source: Hamilton County Auditor's Finance Department.

<sup>(1)</sup> Unaudited. Due to the ongoing special audit of Hamilton County Job and Family Services, the 2004-2006 financial statement amounts have not been finalized.

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

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

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



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

(Modified Accrual Basis of Accounting)  
(Amounts in Thousands)

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004 <sup>(1)</sup>	2005 <sup>(1)</sup>	2006 <sup>(1)</sup>	2007	2008
<b>GENERAL FUND</b>										
Reserved	\$ 14,296	\$ 16,436	\$ 17,285	\$ 38,988	\$ 46,484	\$ 44,919	\$ 43,680	\$ 45,041	\$ 18,979	\$ 9,076
Unreserved	32,813	50,068	77,614	62,939	49,020	32,762	37,456	19,057	32,882	37,073
<b>TOTAL GENERAL FUND</b>	<u>\$ 47,109</u>	<u>\$ 66,504</u>	<u>\$ 94,899</u>	<u>\$101,927</u>	<u>\$ 95,504</u>	<u>\$ 77,681</u>	<u>\$ 81,136</u>	<u>\$ 64,098</u>	<u>\$ 51,861</u>	<u>\$ 46,149</u>
 <b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved	\$ 41,560	\$ 48,920	\$ 34,869	\$ 29,988	\$ 35,593	\$ 47,773	\$ 34,515	\$ 36,623	\$ 32,523	\$ 28,865
Unreserved, Reported in:										
Designated for Capital Outlay	-	-	-	-	-	-	3,681	8,809	8,809	5,672
Special Revenue Funds	115,529	112,255	127,224	147,496	147,306	85,537	102,418	89,670	134,489	154,029
Debt Service Funds	6,847	6,872	7,931	9,932	7,502	6,237	3,978	3,123	2,161	2,164
Capital Projects Fund	12,547	3,255	14,358	(1,833)	(3,886)	2,619	(2,292)	(1,536)	(1,533)	272
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<u>\$176,483</u>	<u>\$171,302</u>	<u>\$184,382</u>	<u>\$185,583</u>	<u>\$186,515</u>	<u>\$142,166</u>	<u>\$142,300</u>	<u>\$136,689</u>	<u>\$176,449</u>	<u>\$191,002</u>

Source: Hamilton County Auditor's Finance Department.

<sup>(1)</sup> Unaudited. Due to the ongoing special audit of Hamilton County Job and Family Services, the 2004-2006 financial statement amounts have not been finalized.

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

(Modified Accrual Basis of Accounting)

(Amounts in Thousands)

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004 <sup>(1)</sup>	2005 <sup>(1)</sup>	2006 <sup>(1)</sup>	2007	2008
<b>REVENUES</b>										
Property Taxes and Assessments	\$ 208,529	\$ 223,472	\$ 219,331	\$ 237,171	\$ 245,094	\$ 244,761	\$ 258,873	\$ 262,442	\$ 256,338	\$ 248,088
Sales and Use Tax	68,878	71,634	73,431	60,007	61,104	63,891	63,428	64,701	66,671	64,923
State Shared Taxes	47,306	44,976	56,244	46,109	45,143	45,899	45,894	46,892	47,735	42,350
License and Permits	5,256	4,532	5,101	5,691	5,820	6,157	5,679	5,249	6,124	4,995
Charges for Services	72,532	115,399	100,079	150,719	167,323	140,052	134,880	105,840	140,506	84,229
Fines and Forfeitures	12,279	11,172	10,560	10,318	11,719	11,130	12,065	12,057	13,336	13,658
Investment Earnings	23,256	39,978	27,862	24,197	13,104	12,805	12,083	21,919	26,498	19,701
Intergovernmental	328,544	342,828	346,982	350,207	341,445	327,881	391,115	397,862	421,612	422,222
Other	20,735	22,188	24,049	28,456	27,987	21,566	28,248	30,546	26,447	27,966
<b>TOTAL REVENUES</b>	<b>787,315</b>	<b>876,179</b>	<b>863,639</b>	<b>912,875</b>	<b>918,739</b>	<b>874,142</b>	<b>952,265</b>	<b>947,508</b>	<b>1,005,267</b>	<b>928,132</b>
<b>EXPENDITURES</b>										
Current:										
General Government	48,069	53,959	48,673	56,465	57,062	61,707	61,087	82,703	72,074	69,956
Judicial	102,033	102,331	107,804	111,739	114,561	120,279	121,479	121,974	121,535	118,073
Public Safety	73,552	76,519	88,000	89,680	99,528	101,805	122,068	130,385	121,060	114,554
Social Services	259,745	322,686	316,184	316,232	320,475	300,774	301,568	288,547	352,722	307,296
Health	188,636	208,856	198,632	233,948	234,699	249,790	238,833	249,324	240,811	247,499
Public Works	29,484	29,770	29,855	30,426	34,802	35,399	38,582	39,356	34,056	29,118
Environmental Control	5,200	4,836	5,965	6,615	6,903	6,751	6,825	7,239	6,028	7,715
Economic Development	15,614	14,181	16,947	21,008	25,282	26,047	26,340	18,886	6,175	7,527
Parks and Recreation	6,217	6,409	6,217	6,828	6,482	6,307	8,597	8,927	7,604	7,638
Capital Outlay	15,427	9,716	2,385	11,010	4,658	2,209	4,098	625	2,083	326
Debt Service:										
Principal Retirement	16,865	16,575	42,975	11,540	11,820	17,430	12,715	30,785	12,779	12,419
Interest	11,040	10,116	9,237	8,804	8,212	6,859	5,557	5,419	4,741	4,338
Bond Issuance Costs	-	-	-	-	-	238	179	155	225	74
Fiscal Charges	210	32	621	5	8	51	50	76	64	77
<b>TOTAL EXPENDITURES</b>	<b>772,092</b>	<b>855,986</b>	<b>873,495</b>	<b>904,300</b>	<b>924,492</b>	<b>935,646</b>	<b>947,978</b>	<b>984,401</b>	<b>981,957</b>	<b>926,610</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>15,223</b>	<b>20,193</b>	<b>(9,856)</b>	<b>8,575</b>	<b>(5,753)</b>	<b>(61,504)</b>	<b>4,287</b>	<b>(36,893)</b>	<b>23,310</b>	<b>1,522</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	40,347	27,589	58,531	28,429	35,030	45,551	20,136	44,992	28,311	28,906
Transfers Out	(40,347)	(27,589)	(58,531)	(29,070)	(35,228)	(47,833)	(21,136)	(46,492)	(27,464)	(30,756)
Proceeds of Refunding Bonds	-	-	-	-	-	42,130	28,715	-	18,130	-
Premium on Bonds Issued	-	-	-	-	-	951	1,482	202	193	112
Payment to Refunded Bonds Escrow Agent	-	-	-	-	-	(42,092)	(30,005)	-	(18,104)	-
Net Proceeds from Sale of Notes	2,175	545	19,490	-	-	-	-	-	-	-
Net Proceeds from Sale of Bonds	-	-	31,860	295	460	625	110	20,321	1,775	9,057
Capital Leases	30	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	278	(278)	-
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>2,205</b>	<b>545</b>	<b>51,350</b>	<b>(346)</b>	<b>262</b>	<b>(668)</b>	<b>(698)</b>	<b>19,301</b>	<b>2,563</b>	<b>7,319</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 17,428</b>	<b>\$ 20,738</b>	<b>\$ 41,494</b>	<b>\$ 8,229</b>	<b>\$ (5,491)</b>	<b>\$ (62,172)</b>	<b>\$ 3,589</b>	<b>\$ (17,592)</b>	<b>\$ 25,873</b>	<b>\$ 8,841</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	(2)	(2)	(2)	2.3%	2.2%	2.7%	2.0%	3.8%	1.8%	1.8%

Source: Hamilton County Auditor's Finance Department.

<sup>(1)</sup> Unaudited. Due to the ongoing special audit of Hamilton County Job and Family Services, the 2004-2006 financial statement amounts have not been finalized.

<sup>(2)</sup> Information not available.

**COUNTY OF HAMILTON, OHIO**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE**  
**OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
(Amounts in Thousands)

Tax Year/ Collection Year	ASSESSED VALUES					ASSESSED VALUES			TOTAL	Total Direct Tax Rate	Estimated Actual Taxable Value <sup>(2)</sup>	Assessed Value as a Percentage of Actual Value <sup>(1)</sup>
	REAL PROPERTY					PERSONAL PROPERTY						
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Public Utility Property	Tangible Property	Public Utility Property	Tax Exempt Property				
1998/1999	8,437,262	2,999,017	734,211	27,130	7,805	2,105,777	1,040,198	2,282,072	15,351,400	18.51	45,376,147	33.83%
1999/2000	9,920,386	3,436,051	781,105	37,882	17,749	2,080,609	1,040,467	2,570,819	17,314,249	19.80	50,955,293	33.98%
2000/2001	10,030,006	3,431,862	798,879	34,208	17,482	2,120,376	977,417	2,698,690	17,410,230	18.89	51,329,015	33.92%
2001/2002	10,124,753	3,511,724	802,633	33,489	16,435	2,054,198	718,507	2,916,247	17,261,738	20.44	51,051,043	33.81%
2002/2003	11,350,856	3,829,020	856,460	37,706	14,656	1,712,460	743,825	3,130,002	18,544,983	20.84	54,590,609	33.97%
2003/2004	11,423,713	3,882,535	869,278	37,852	4,137	1,750,930	755,400	3,258,651	18,723,845	20.48	55,459,296	33.76%
2004/2005	11,543,391	3,761,655	872,915	38,513	4,162	1,698,978	757,438	3,495,870	18,677,051	20.03	55,246,408	33.81%
2005/2006	13,854,166	4,019,879	923,584	62,487	4,068	1,299,884	750,971	3,914,217	20,915,039	19.78	62,332,325	33.55%
2006/2007	13,921,087	4,017,471	922,763	60,717	4,019	1,002,703	718,505	4,245,482	20,647,265	19.15	63,101,926 <sup>(3)</sup>	32.72%
2007/2008	14,019,425	4,015,680	938,633	59,606	4,176	519,895	604,816	4,553,994	20,162,231	19.53	63,007,426	32.00%

Source: Hamilton County Auditor's Finance Department.

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

<sup>(1)</sup>Excludes tax-exempt property.

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

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

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

<sup>(3)</sup>Updated information provided.

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

	TAX YEAR/COLLECTION YEAR									
	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
<b>HAMILTON COUNTY DIRECT RATES:</b>										
General Operating	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26
Debt (Bond Retirement)	0.18	0.18	0.17	0.16	0.15	0.15	0.15	0.14	0.13	0.13
Drake Hospital	1.76	1.59	1.59	1.59	1.59	1.59	0.84	0.84	0.84	0.84
For University of Cincinnati Hospital	4.73	4.73	4.73	5.39	5.39	5.39	5.39	5.32	4.49	4.49
For County Police Information Center	0.83	0.83	0.83	0.83	0.83	0.54	0.54	0.54	0.54	0.54
For Care and Training Mentally Retarded	2.73	3.53	3.53	3.53	3.53	3.53	3.62	3.62	3.62	3.62
For Community Mental Health	2.47	2.47	2.47	2.47	2.74	2.74	2.74	2.74	2.74	2.99
For Support of Children Services	2.11	2.77	1.87	2.77	2.77	2.72	2.73	2.56	2.77	2.77
For Recreation/Zoological Purposes	0.42	0.42	0.42	0.42	0.42	0.40	0.40	0.40	0.40	0.40
For Senior Services	1.02	1.02	1.02	1.02	1.16	1.16	1.16	1.16	1.16	1.29
For Museum Center <sup>(1)</sup>	-	-	-	-	-	-	0.20	0.20	0.20	0.20
Total Direct Rate	18.51	19.80	18.89	20.44	20.84	20.48	20.03	19.78	19.15	19.53
<b>TOWNSHIP RATES<sup>(2)</sup>:</b>										
Anderson	9.90	9.90	9.90	11.87	11.87	11.87	11.87	11.87	11.87	11.87
Anderson Township Park District	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28
Colerain	12.34	10.84	15.18	15.18	16.18	16.18	16.18	16.18	16.18	17.33
Columbia	17.96	17.96	17.96	17.96	17.96	21.26	21.26	21.26	14.76	14.76
Crosby	9.24	9.24	9.24	9.24	9.24	9.24	9.24	9.24	9.24	10.24
Delhi	19.46	19.46	19.46	19.46	19.46	20.46	20.46	26.34	26.34	26.34
Delhi Township Park District	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Green	8.81	8.81	8.81	8.31	8.31	8.31	8.31	9.81	9.81	9.81
Harrison	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74
Miami	6.45	6.45	7.45	7.45	9.91	9.91	9.45	9.45	9.91	9.91
Springfield	14.30	14.30	14.30	20.30	20.30	20.30	20.30	20.30	20.30	20.30
Sycamore	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	8.75	8.75
Symmes	11.90	11.75	11.75	11.75	13.45	13.45	12.80	11.90	12.80	13.70
Whitewater	10.84	10.84	10.84	10.84	11.44	11.44	11.44	11.44	11.44	11.44
<b>SCHOOL DISTRICT RATES<sup>(2)</sup>:</b>										
Cincinnati	53.13	51.94	56.93	57.15	56.25	60.75	60.83	59.77	59.37	59.67
Deer Park	62.01	62.01	70.00	70.00	70.00	70.00	70.00	78.63	78.63	78.63
Finneytown	72.39	72.39	72.39	80.34	80.34	79.98	87.72	87.03	86.69	86.67
Forest Hills	51.37	51.16	50.97	50.97	55.87	55.87	55.84	55.66	61.36	61.46
Indian Hill	42.92	42.92	47.10	47.10	47.10	46.70	46.54	46.52	45.42	45.42
Lockland	57.96	56.59	55.95	37.69	37.09	52.69	52.69	52.69	52.09	51.59
Loveland	64.21	63.79	70.14	70.14	70.14	69.89	74.88	74.88	74.74	74.24
Madeira	72.13	71.71	80.22	80.04	79.47	79.47	86.34	85.67	94.77	94.77
Mariemont	84.92	82.92	85.15	85.67	85.42	90.85	90.78	90.57	90.37	97.87
Milford	59.10	59.10	59.10	63.20	63.20	69.10	69.10	69.10	69.10	69.10
Mt. Healthy	61.98	61.85	61.66	61.71	61.63	68.51	68.45	68.41	68.30	74.24
North College Hill	53.57	57.47	57.47	57.47	57.47	57.47	57.47	61.37	61.37	65.36
Northwest	50.18	50.13	49.80	49.80	49.64	49.64	49.64	49.64	49.50	53.39
Norwood	48.82	48.57	52.80	52.95	49.90	50.96	51.08	48.75	48.77	49.40
Oak Hills	46.97	46.97	46.97	46.97	46.74	46.68	46.68	46.68	46.35	46.35
Princeton	42.24	46.19	46.19	46.19	45.79	49.03	49.03	49.03	49.03	49.03
Reading	57.18	57.18	57.18	57.18	57.18	57.18	64.08	64.08	64.08	64.08
St. Bernard	34.97	34.97	43.25	43.86	43.07	44.24	44.63	40.73	46.93	49.17
Southwest	48.22	48.22	47.88	47.75	47.44	47.25	47.08	46.68	45.30	45.30
Sycamore	61.53	60.84	60.84	60.84	60.49	60.40	65.90	65.80	65.79	65.79
Three Rivers	37.48	37.26	39.95	39.95	39.95	39.95	39.95	44.90	44.90	44.90
Winton Woods	70.08	70.08	70.08	70.08	70.08	70.08	78.03	78.03	78.03	78.03
Wyoming	73.18	71.03	70.39	70.29	70.08	78.93	78.93	88.68	87.91	87.87
Great Oaks Joint Vocational	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70

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

	TAX YEAR/COLLECTION YEAR									
	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
<b>CITY &amp; VILLAGE RATES<sup>(2)</sup>:</b>										
Addyston	7.59	7.59	5.59	5.59	5.59	5.59	7.59	7.59	7.59	7.59
Amberley	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Arlington Heights	10.82	10.82	10.82	10.82	9.52	9.52	9.52	9.52	11.52	11.52
Blue Ash	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Cheviot	12.82	12.66	12.62	12.56	12.42	12.42	12.22	14.52	14.52	14.52
Cincinnati	11.46	10.90	10.76	10.76	10.63	10.36	10.34	10.19	9.93	9.89
Cleves	20.71	20.71	17.41	13.66	13.66	13.66	13.66	13.33	12.99	12.99
Deer Park	4.50	3.55	3.55	3.55	3.55	3.55	3.55	3.55	3.55	10.45
Elmwood Place	17.78	17.78	17.78	17.78	17.78	17.78	7.78	17.78	17.78	17.78
Evendale	3.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fairfax	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76
Fairfield	4.54	4.54	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94
Forest Park	8.01	8.01	8.01	12.76	12.76	12.76	12.76	12.76	12.76	12.76
Glendale	19.66	21.93	21.65	21.55	22.61	22.23	21.83	21.39	21.18	21.03
Golf Manor	19.42	19.42	25.32	24.52	24.52	24.52	24.52	30.52	38.52	38.52
Greenhills	26.47	25.99	25.99	25.93	27.98	27.33	28.72	28.63	28.23	28.23
Harrison	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Indian Hill	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Lincoln Heights	20.08	20.08	20.08	24.58	26.33	26.33	26.33	28.33	28.33	35.33
Lockland	6.02	6.02	6.02	6.02	6.02	6.02	6.02	6.02	7.52	7.52
Loveland	10.00	10.00	10.00	12.00	12.00	12.00	11.00	12.00	10.35	10.35
Madeira	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Mariemont	12.44	12.44	12.44	12.44	12.44	14.37	14.37	14.37	14.37	14.37
Milford	12.60	12.60	12.00	12.00	12.00	12.00	12.00	12.00	11.80	11.80
Montgomery	9.15	10.75	10.75	10.05	10.05	10.05	10.05	10.05	10.05	10.05
Mt. Healthy	7.11	6.61	8.11	8.11	8.11	8.11	11.11	11.11	11.11	11.11
Newtown	8.87	6.87	6.87	6.87	10.37	10.37	7.87	5.87	2.37	2.37
North Bend	14.88	10.38	10.09	10.09	10.09	10.09	10.09	10.09	10.09	10.09
North College Hill	7.98	7.98	7.98	7.98	7.98	7.98	7.98	7.98	7.98	7.98
Norwood	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40
Reading	1.76	1.76	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52
St. Bernard	2.28	2.28	2.28	2.28	2.28	2.28	4.28	11.28	11.28	11.28
Sharonville	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Silverton	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15
Springdale	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Terrace Park	14.86	14.86	14.86	14.86	14.86	14.86	19.84	19.78	11.80	11.67
Woodlawn	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08
Wyoming	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
<b>SPECIAL DISTRICT RATES<sup>(2)</sup>:</b>										
Deer Park/Silverton Joint Fire District	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.40	6.40
Eastern Joint Ambulance District	2.20	2.20	2.20	3.00	3.00	0.00	0.00	0.00	0.00	0.00
Little Miami Joint Fire District	0.00	0.00	0.00	2.50	2.50	2.50	2.50	2.50	9.75	9.75
Western Joint Ambulance District	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	2.25	2.25
Hamilton County Park District	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03

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

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

<sup>(1)</sup>2005 was the first year of the levy.

<sup>(2)</sup>Overlapping rates are those of local governments that apply to property owners within Hamilton County. Not all overlapping rates apply to all Hamilton County property owners.

**COUNTY OF HAMILTON, OHIO  
PRINCIPAL PROPERTY TAXPAYERS  
DECEMBER 31, 2008**

(Amounts in Thousands)

Name of Taxpayer	COLLECTION YEAR 2008			COLLECTION YEAR 1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Ohio, Inc. (formerly Cinergy Corp.)	\$597,931	1	2.97%	\$738,870	1	4.81%
Procter & Gamble Company	97,103	2	0.48%	249,188	2	1.62%
City of Cincinnati	87,232	3	0.43%	—		—
Cincinnati Bell Telephone	64,459	4	0.32%	225,394	3	1.47%
Duke Realty Ohio	61,475	5	0.30%	69,900	5	0.46%
Tri County Mall LLC	50,400	6	0.25%	—		—
Northgate Partners LLC	32,466	7	0.16%	—		—
Emery Realty, Incorporated	29,159	8	0.14%	—		—
OTR	26,250	9	0.13%	—		—
Columbia Development Corp.	24,240	10	0.12%	—		—
General Electric	—		—	96,911	4	0.63%
Ford Motor Company	—		—	67,776	6	0.44%
Concordia Properties	—		—	52,824	7	0.34%
Henkel Corporation	—		—	38,581	8	0.25%
OTR				33,473	9	0.22%
DPL Incorporated				31,828	10	0.21%
<b>Totals</b>	<b>\$ 1,070,715</b>		<b>5.31%</b>	<b>\$1,604,745</b>		<b>10.45%</b>

Source: Hamilton County Auditor's Office.

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

<b>Tax Year/ Collection Year</b>	<b>Current Levy</b>	<b>Delinquent Levy</b>	<b>Total Levy</b>	<b>Current Collection</b>	<b>Current Levy Collected</b>	<b>Delinquent Collection</b>	<b>Total Collection</b>	<b>Total Collections as a Percent of Current Levy</b>
1998/1999	231,626,984	14,571,999	246,198,983	222,395,602	96.01%	7,863,237	230,258,839	99.41%
1999/2000	256,562,242	15,348,143	271,910,385	248,346,113	96.80%	8,201,461	256,547,574	99.99%
2000/2001	258,587,877	17,663,002	276,250,879	250,641,616	96.93%	9,753,318	260,394,934	100.70%
2001/2002	267,344,070	19,860,313	287,204,383	256,462,254	95.93%	9,852,828	266,315,082	99.62%
2002/2003	276,021,171	22,495,097	298,516,268	263,874,726	95.60%	10,000,935	273,875,661	99.22%
2003/2004	273,222,115	32,541,628	305,763,743	258,444,557	94.59%	12,981,829	271,426,386	99.34%
2004/2005	288,178,852	28,464,904	316,643,756	273,199,691	94.80%	13,903,872	287,103,563	99.63%
2005/2006	282,849,186	28,038,048	310,887,234	268,658,332	94.98%	14,813,792	283,472,124	100.22%
2006/2007	275,879,899	31,265,406	307,145,305	259,830,004	94.18%	17,578,853	277,408,857	100.55%
2007/2008	272,851,350	28,852,892	301,704,242	259,904,717	95.26%	13,535,836	273,440,553	100.22%
<b>Totals</b>	<b>\$ 2,683,123,746</b>	<b>\$ 239,101,432</b>	<b>\$ 2,922,225,178</b>	<b>\$ 2,561,757,612</b>		<b>\$ 118,485,961</b>	<b>\$ 2,680,243,573</b>	

Source: Hamilton County Auditor's Finance Department.

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

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

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

(Amounts in Thousands, Except Per Capita Amount)

Fiscal Year	GOVERNMENTAL ACTIVITIES							BUSINESS-TYPE ACTIVITIES							Total Primary Government	Percentage of Personal Income <sup>(1)(2)</sup>	Per Capita <sup>(1)(2)</sup>
	General Obligation Bonds Voted	General Obligation Bonds Unvoted	Special Assessment Bonds	General Obligation Notes	Loan Contracts	State Loans	Capital Leases	Metropolitan Sewer District Revenue Bonds	Parking Facility Revenue Bonds	Sales Tax Bonds	Parking Facility General Obligation Bonds	Metropolitan Sewer District Loans					
1999	22,680	157,835	3,450	-	6,027	-	206	362,670	-	344,465	10,090	16,568	923,991	3.31%	1,087		
2000	20,960	145,440	3,700	-	5,885	-	25	390,270	-	623,107	9,860	18,313	1,217,560	4.22%	1,440		
2001	19,545	135,885	3,555	19,490	5,743	-	-	436,805	24,500	622,847	9,625	18,891	1,296,886	4.35%	1,527		
2002	17,360	126,770	3,605	19,490	5,601	-	-	420,885	24,500	621,097	9,380	17,953	1,266,641	4.12%	1,493		
2003	15,110	117,450	3,805	19,490	5,381	-	-	490,975	24,020	616,222	9,120	17,735	1,319,308	4.19%	1,557		
2004	12,790	104,280	4,160	19,490	5,535	-	-	472,985	23,510	610,122	8,855	23,850	1,285,577	3.88%	1,518		
2005	10,400	94,790	3,970	19,490	5,353	1,619	-	536,335	22,970	606,122	8,580	28,503	1,338,132	3.95%	1,580		
2006	7,930	106,475	3,781	-	5,221	1,359	-	596,250	22,395	590,802	8,290	29,344	1,371,847	3.82%	1,618		
2007	5,380	97,990	4,252	-	6,465	3,225	-	642,570	21,785	581,712	8,265	27,717	1,399,361	3.80%	1,635		
2008	2,740	97,320	4,200	-	4,791	3,543	-	613,745	21,140	571,737	7,920	46,170	1,373,306	3.66%	1,609		

Source: Hamilton County Auditor's Finance Department.

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

<sup>(1)</sup>See the Schedule of Demographic and Economic Statistics on page 163 for personal income and population data.

<sup>(2)</sup>Updated information provided.



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

(Amounts in Thousands)

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limitation of Assessed Valuation	\$ 382,285	\$ 429,856	\$ 433,756	\$ 430,052	\$ 462,125	\$ 466,596	\$ 465,426	\$ 521,376	\$ 514,682	\$ 502,556
Total Net Debt Applicable to Debt Limitation	<u>132,950</u>	<u>122,853</u>	<u>135,193</u>	<u>124,458</u>	<u>117,956</u>	<u>105,615</u>	<u>78,554</u>	<u>93,289</u>	<u>85,365</u>	<u>84,827</u>
Legal Debt Margin Remaining	<u>\$ 249,335</u>	<u>\$ 307,003</u>	<u>\$ 298,563</u>	<u>\$ 305,594</u>	<u>\$ 344,169</u>	<u>\$ 360,981</u>	<u>\$ 386,872</u>	<u>\$ 428,087</u>	<u>\$ 429,317</u>	<u>\$ 417,729</u>
Total Net Debt Applicable to Debt Limitation as a Percentage of Debt Limitation	34.78%	28.58%	31.17%	28.94%	25.52%	22.64%	16.88%	17.89%	16.59%	16.88%

**Legal Debt Margin Calculation for Fiscal Year 2008—Total Debt Limit<sup>(1)</sup>**

Assessed Valuation	\$ 20,162,231
Debt Limitation of Assessed Valuation <sup>(1)</sup>	502,556
<b>Debt Applicable to Limit: Outstanding Debt</b>	<b>1,364,972</b>
<b>Less: Debt Exempt from Calculation</b>	
Metropolitan Sewer District Bonds	613,745
Metropolitan Sewer District Loans	46,170
Special Assessments	4,200
Museum Center	-
Juvenile Youth Center	6,125
Waterline West Phase I	2,115
Alms & Doepke Building	11,490
Waterline West Phase II	1,220
Sales Tax Supported Bonds	571,737
Parking Garage Revenue Bond	21,140
<b>Total Debt Exempt from Calculation</b>	<b>1,277,942</b>
<b>Less: Available Funds in Debt Service Funds as of December 31, 2008</b>	<b>(2,203)</b>
<b>Total Net Debt Applicable to Debt Limitation</b>	<b>84,827</b>
<b>Legal Debt Margin Remaining</b>	<b>\$ 417,729</b>

Source: Hamilton County Auditor's Finance Department.

<sup>(1)</sup>The debt limitation is a total of a sum equal to the following:

three percent (3%) of the first \$100,000,000 of the assessed valuation,	\$ 3,000
plus one and a half percent (1.5%) of such valuation of \$100,000,000 and not in excess of \$300,00,000,	3,000
plus two and a half percent (2.5%) of such valuation in excess of 300,000,000.	<u>496,556</u>
	<u>\$ 502,556</u>

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

(Amounts in Thousands)

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Debt Limitation of Assessed Valuation</b>	\$ 153,514	\$ 173,314	\$ 174,102	\$ 172,621	\$ 185,450	\$ 187,238	\$ 186,771	\$ 209,150	\$ 206,473	\$ 201,622
<b>Total Net Debt Applicable to Debt Limitation</b>	110,270	101,893	115,648	107,098	102,846	92,825	68,154	84,359	79,985	82,087
<b>Legal Debt Margin Remaining</b>	<u>\$ 43,244</u>	<u>\$ 71,421</u>	<u>\$ 58,454</u>	<u>\$ 65,523</u>	<u>\$ 82,604</u>	<u>\$ 94,413</u>	<u>\$ 118,617</u>	<u>\$ 124,791</u>	<u>\$ 126,488</u>	<u>\$ 119,535</u>
<b>Total Net Debt Applicable to Debt Limitation as a Percentage of Debt Limitation</b>	71.83%	58.79%	66.43%	62.04%	55.46%	49.58%	36.49%	40.33%	38.74%	40.71%

**Legal Debt Margin Calculation for Fiscal Year 2008—Unvoted Debt Limit<sup>(1)</sup>**

<b>Assessed Valuation</b>	\$ 20,162,231
<b>Debt Limitation of Assessed Valuation<sup>(1)</sup></b>	201,622
<b>Debt Applicable to Limit:</b>	
<b>Outstanding Debt</b>	1,364,972
<b>Less: Debt Exempt from Calculation</b>	
Metropolitan Sewer District Bonds	613,745
Metropolitan Sewer District Loans	46,170
Special Assessments	4,200
Museum Center	2,740
Juvenile Youth Center	6,125
Waterline West Phase I	2,115
Alms & Doepke Building	11,490
Waterline West Phase II	1,220
Sales Tax Supported Bonds	571,737
Parking Garage Revenue Bond	21,140
<b>Total Debt Exempt from Calculation</b>	<u>1,280,682</u>
<b>Less: Available Funds in Debt Service Funds as of December 31, 2008</b>	<u>(2,203)</u>
<b>Total Net Debt Applicable to Debt Limitation</b>	<u>82,087</u>
<b>Legal Debt Margin Remaining</b>	<u>\$ 119,535</u>

Source: Hamilton County Auditor's Finance Department.

<sup>(1)</sup>The debt limitation is one percent of the total assessed valuation \$ 201,622

**COUNTY OF HAMILTON, OHIO**  
**PLEDGED REVENUE COVERAGE—METROPOLITAN SEWER DISTRICT**  
**LAST TEN FISCAL YEARS**

(Amounts in Thousands)

Fiscal Year	SEWER REVENUE BONDS						
	Sewerage Charges and Other	Less: Operating Expenses	Revenues Transferred to Surplus <sup>(1)</sup>	Net Revenue Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
1999	115,016	63,379	5,272	56,909	11,865	19,882	1.79
2000	120,602	67,507	5,117	58,212	12,475	20,358	1.77
2001	127,707	70,312	5,350	62,745	13,950	20,793	1.81
2002	130,997	75,436	3,186	58,747	15,920	22,951	1.51
2003	138,388	79,995	4,612	63,005	16,930	24,235	1.53
2004	154,440	87,670	8,710	75,480	17,480	24,531	1.80
2005	166,749	88,115	11,241	89,875	20,285	22,938	2.08
2006	181,167	97,005	9,049	93,211	23,130	26,218	1.89
2007	197,583	103,531	10,438	104,490	26,065	29,119	1.89
2008	202,406	101,033	15,716	117,089	28,825	31,037	1.96

Source: Audited MSD financial reports.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements. Sewerage Charges and Other includes sewerage service charges, sewer surcharges, all other operating revenues, interest income, capitalized interest income and tap-in/connection fees. Operating expenses do not include interest, depreciation or amortization expenses.

<sup>(1)</sup>Half of pledged revenues are transferred to a surplus account.

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**COUNTY OF HAMILTON, OHIO  
PLEGDED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

(Amounts in Thousands)

<b>ADJUSTABLE RATE PARKING SYSTEM REVENUE BONDS</b>						
<b>Fiscal Year</b>	<b>Parking Service Charges and Other<sup>(1)</sup></b>	<b>Less: Operating Expenses</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal<sup>(2)</sup></b>	<b>Interest</b>	
1999	-	-	-	-	-	-
2000	-	-	-	-	-	-
2001	-	-	-	-	-	-
2002	5,650	1,592	4,058	-	338	12.01
2003	5,021	3,416	1,605	480	260	2.17
2004	5,596	3,603	1,993	510	285	2.51
2005	6,219	4,307	1,912	540	550	1.75
2006	6,764	4,372	2,392	575	855	1.67
2007	6,481	4,503	1,978	610	816	1.39
2008	6,664	4,299	2,365	645	474	2.11

Source: Audited Hamilton County financial statements.

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

<sup>(1)</sup>Parking Service Charges and Other includes charges for services and sales and use tax revenues.

Operating Expenses do not include interest, depreciation or amortization expenses.

<sup>(2)</sup>2002 was the first full year of operations for the parking garage and the first year of debt service requirements.

No principal payments were scheduled in this period.

**SPECIAL ASSESSMENT BONDS**

**SALES TAX BONDS<sup>(3)</sup>**

Special Assessment	Debt Service			Coverage	Sales Tax Collections <sup>(3)</sup>	Paul Brown Stadium Debt Service		Baseball Stadium Debt Service		Coverage
	Principal	Interest	Collections			Principal <sup>(4)</sup>	Interest	Principal <sup>(5)</sup>	Interest	
597	340	233	1.04	59,638	-	-	-	-	-	-
547	285	208	1.11	60,704	-	4,855	-	-	-	12.50
487	295	214	0.96	59,107	-	18,311	-	-	-	3.23
411	240	202	0.93	60,298	2,010	16,673	-	-	-	3.23
456	250	201	1.01	60,385	1,273	16,591	3,602	4,893	-	2.29
501	285	210	1.01	63,435	2,021	18,793	4,079	10,794	-	1.78
481	300	217	0.93	64,030	1,325	18,691	2,675	10,589	-	1.92
491	265	201	1.05	64,022	1,698	18,631	3,427	10,468	-	1.87
468	279	191	1.00	66,232	2,567	17,243	6,523	9,063	-	1.87
485	314	217	0.91	65,381	2,955	17,522	7,019	9,002	-	1.79

<sup>(3)</sup>On March 19, 1996, voters of Hamilton County approved a ½% increase in the County's general sales tax. The County Commissioners approved by resolution that this additional tax be used for the development of the riverfront area, including construction of the football and baseball stadiums—Paul Brown Stadium and Great American Ball Park. The sales tax bonds are not a general obligation of the County. They are secured by the County's pledge and assignment of the revenue from the additional ½% sales tax.

<sup>(4)</sup>2000 was the first full year of operations for the football stadium (Paul Brown Stadium) and the first year of debt service requirements. No principal payments were scheduled in 2000 or 2001.

<sup>(5)</sup>2003 was the first full year of operations for the baseball stadium (Great American Ball Park) and the first year of debt service requirements.

**COUNTY OF HAMILTON, OHIO**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

(Amounts in Thousands, Except Per Capita Amount)

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value<sup>(1)</sup> of Property<sup>(3)</sup></b>	<b>Per Capita<sup>(2)(3)</sup></b>
1999	190,605	6,847	183,758	0.40%	216.21
2000	176,260	6,872	169,388	0.33%	200.39
2001	165,055	7,931	157,124	0.31%	184.98
2002	153,510	9,932	143,578	0.28%	169.25
2003	141,680	7,502	134,178	0.25%	158.33
2004	125,925	6,237	119,688	0.22%	141.36
2005	113,770	3,978	109,792	0.20%	129.60
2006	122,695	3,123	119,572	0.19%	141.06
2007	111,635	2,161	109,474	0.17%	127.90
2008	107,980	2,164	105,816	0.17%	123.98

Source: Hamilton County Auditor's Finance Department.

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

<sup>(1)</sup>See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 150 for property value data.

<sup>(2)</sup>Population data can be found in the Schedule of Demographic and Economic Statistics on page 163.

<sup>(3)</sup>Updated information provided.

**COUNTY OF HAMILTON, OHIO  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population<sup>(1)(5)</sup></b>	<b>Personal Income<sup>(2)(5)</sup></b> (Amounts in 000s)	<b>Per Capita Personal Income<sup>(2)(5)</sup></b>	<b>Annual Average Unemployment Rate<sup>(3)(5)</sup></b>	<b>Median Age<sup>(4)(5)</sup></b>
1999	849,917	27,907,074	32,835	3.60%	35.5
2000	845,303	28,823,717	34,099	3.70%	35.5
2001	849,398	29,798,516	35,082	4.00%	36.3
2002	848,344	30,727,789	36,221	5.40%	36.1
2003	847,484	31,468,832	37,132	5.40%	36.5
2004	846,707	33,147,641	39,149	5.50%	36.7
2005	847,182	33,918,902	40,037	5.40%	37.6
2006	847,656	35,914,206	42,369	5.00%	37.8
2007	855,928	36,835,038	43,035	5.00%	38.0
2008	853,508	37,484,285	43,918	5.60%	38.6

Data Sources:

<sup>(1)</sup>U. S. Department of Commerce, Bureau of the Census, 2000 Census and Midyear Population Estimates.

<sup>(2)</sup>U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

<sup>(3)</sup>Ohio Department of Job and Family Services, Labor Market Information.

<sup>(4)</sup>U. S. Department of Commerce, Bureau of the Census, 2000–2008 American FactFinder Fact Sheets;  
Hamilton County, Ohio 1999 Comprehensive Annual Financial Report.

<sup>(5)</sup>Updated information provided.



**COUNTY OF HAMILTON, OHIO  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Name of Employer <sup>(1)(2)</sup>	2008			1999		
	Number of Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment <sup>(3)</sup>	Number of Employees <sup>(2)</sup>	Rank	Percentage of Total County Employment <sup>(3)</sup>
Kroger Company	15,600	1	3.55%	10,444	5	2.42%
University of Cincinnati	15,539	2	3.54%	13,452	4	3.11%
Procter & Gamble Company	12,900	3	2.94%	15,500	1	3.59%
Cincinnati Children's Hospital Medical Center	10,347	4	2.35%	–		–
TriHealth Incorporated	9,850	5	2.24%	7,455	9	1.73%
Health Alliance of Greater Cincinnati	9,475	6	2.16%	14,100	2	3.26%
Fifth Third Bancorp	7,633	7	1.74%	–		–
Archdiocese of Cincinnati	7,500	8	1.71%	–		–
General Electric Aviation (Aircraft Engines)	7,400	9	1.68%	7,500	7	1.74%
Mercy Health Partners	7,261	10	1.65%			
Greater Cincinnati Federal Government Employees	–		–	13,595	3	3.15%
City of Cincinnati	–		–	7,670	6	1.78%
Cincinnati Public Schools	–		–	7,469	8	1.73%
Hamilton County	–		–	5,710	10	1.32%
<b>Total Principal Employers</b>	<b>103,505</b>		<b>23.55%</b>	<b>102,895</b>		<b>23.82%</b>
<b>Total County Employed<sup>(3)</sup></b>	<b>439,500</b>			<b>432,000</b>		

Data Sources:

<sup>(1)</sup>Cincinnati Business Courier 2009 Book of Business Lists.

<sup>(2)</sup>Cincinnati Business Courier 2000 Book of Business Lists.

<sup>(3)</sup>Ohio Department of Job & Family Services, Labor Market Information.

**COUNTY OF HAMILTON, OHIO**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>FULL-TIME EQUIVALENT EMPLOYEES</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government <sup>(1)(11)(13)</sup>	471.11	475.67	487.20	486.60	471.33	488.51	477.45	478.27	494.52	522.21
Judicial <sup>(2)(11)</sup>	1,684.13	1,710.47	1,729.97	1,731.69	1,722.81	1,727.74	1,725.57	1,719.26	1,686.15	1,672.62
Public Safety <sup>(2)(11)</sup>	1,137.61	1,168.55	1,174.55	1,174.35	1,183.61	1,179.35	1,185.81	1,230.90	1,202.36	1,170.15
Social Services <sup>(2)(11)</sup>	1,582.15	1,592.65	1,599.65	1,602.65	1,665.65	1,665.90	1,660.65	1,660.65	1,680.65	1,637.65
Health <sup>(2)(6)(10)</sup>	689.85	703.74	699.64	697.36	719.51	710.56	725.05	648.76	648.66	654.67
Public Works	230.25	232.96	233.35	234.63	234.31	235.31	235.31	231.65	231.65	220.65
Environmental Control <sup>(2)</sup>	60.00	61.70	61.49	61.14	61.83	62.41	62.41	61.89	59.59	59.59
Economic Development <sup>(2)(9)</sup>	-	19.40	23.00	26.00	27.50	27.50	28.50	7.50	7.50	6.25
Recreational Activities <sup>(4)(5)(6)</sup>	-	-	-	-	-	-	-	-	-	-
Metropolitan Sewer District <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-
Paul Brown Stadium <sup>(4)</sup>	-	26.40	26.65	27.72	27.60	27.60	27.55	28.55	29.50	28.01
Cinergy Field <sup>(5)</sup>	4.35	2.35	2.35	2.25	-	-	-	-	-	-
Baseball Stadium <sup>(5)(6)</sup>	-	-	-	-	5.00	3.50	2.85	2.85	1.75	1.00
Riverfront Development <sup>(7)</sup>	-	2.75	2.50	2.75	-	-	-	-	-	-
Main Street Parking Garage <sup>(7)</sup>	-	-	-	-	-	-	-	-	-	-
Rotary Funds <sup>(12)</sup>	97.00	95.00	96.00	99.00	103.00	107.00	107.00	109.00	107.00	108.00
Communications Center	90.00	90.00	90.00	86.00	90.00	90.00	91.00	91.00	93.00	94.00
Workers' Compensation Reserve for Stadiums <sup>(13)</sup>	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Total</b>	<u>6,048.45</u>	<u>6,183.64</u>	<u>6,228.35</u>	<u>6,234.14</u>	<u>6,314.15</u>	<u>6,327.38</u>	<u>6,331.15</u>	<u>6,272.28</u>	<u>6,244.33</u>	<u>6,176.80</u>

Sources: Hamilton County, Ohio 1999-2008 Budgets, Budgeted FTEs, Actual FTEs if presented  
Hamilton County, Ohio Department of Budget and Strategic Initiatives

Method: An FTE is the equivalent of one full-time employee. To calculate a percentage of an FTE, for each employee a ratio is derived by dividing expected hours to be worked by 2,080 hours per year.

<sup>(1)</sup>Employees of certain agencies subsidized by the General Fund are included.

<sup>(2)</sup>Employees funded by grants are included in certain departmental FTE counts.

<sup>(3)</sup>Personnel in these agencies are employed by the City of Cincinnati.

<sup>(4)</sup>Paul Brown Stadium personnel are managed in part by Hamilton County and in part by Paul Brown Stadium, Ltd.

<sup>(5)</sup>During 1996, Hamilton County assumed ownership and responsibility for Cinergy Field (formerly Riverfront Stadium), the home of both the Cincinnati Reds and the Cincinnati Bengals. Built in 1969, Cinergy Field was imploded in December of 2002 to make room for the nearly completed Great American Ball Park located immediately next door on the riverfront.

<sup>(6)</sup>Great American Ballpark baseball stadium personnel are managed by the Cincinnati Reds.

<sup>(7)</sup>Parking facilities personnel services are provided via management contract.

<sup>(8)</sup>During 2006, the Alcohol and Drug Addiction Services and Community Mental Health Boards merged to form the Mental Health and Recovery Services Board.

<sup>(9)</sup>In 2006, the Section 8 housing program transferred to the Cincinnati Metropolitan Housing Authority.

<sup>(10)</sup>During 2006, the department functions of Treatment Alternatives to Street Crime transitioned to community-based agencies.

<sup>(11)</sup>During 2007, the budget and small business sections transferred from Administrative Services to County Administration, the facilities maintenance section of Juvenile Court transferred to County Facilities, and the child support legal services section of the Prosecutor transferred to Job and Family Services.

<sup>(12)</sup>The County is fully-reimbursed for Sheriff's Township Patrol services.

<sup>(13)</sup>Employees who service the Workers' Compensation Reserve for Stadiums business-type internal service fund are employed by the Board of County Commissioners.

**COUNTY OF HAMILTON, OHIO  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

FUNCTION/PROGRAM	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Governmental Activities</b>										
General Government										
Auditor										
Non-Exempt Property Conveyances	20,532	19,123	19,804	20,485	21,682	23,112	23,304	22,132	19,509	16,772
Exempt Property Conveyances	12,498	12,093	11,917	13,415	13,569	12,800	12,501	12,079	11,974	11,038
Parcels Assessed or Reappraised at Market Value	341,568 <sup>(2)</sup>	342,942	345,267	348,296 <sup>(1)</sup>	348,919	340,438 <sup>(3)</sup>	341,932 <sup>(2)</sup>	343,479	345,712	347,481 <sup>(1)</sup>
Dog and Kennel Licenses Issued	57,674	61,000	62,957	62,576	61,349	61,229	58,744	57,764	56,781	58,942
Weights and Measures Inspections and Tests Performed	34,886	41,332	42,955	29,770	32,711	33,612	38,822	33,757	47,867	31,837
Board of Elections										
Voter Registrations and Changes Processed	75,000	85,000	60,000	65,000	55,000	185,066 <sup>(4)</sup>	49,893	77,300	52,283	177,515
Building Inspections										
Building Inspections Performed	17,000	17,430	19,200	20,960	23,538 <sup>(5)</sup>	22,396	22,688	21,184	22,171	21,098
Building Permits Issued	4,745	4,496	4,437	4,717	5,343	7,266	6,933	4,847	4,402	3,960
Recorder										
Deeds Filed	39,728	37,455	40,205	39,990	40,338	38,550	36,013	34,272	31,314	27,952
Mortgages Filed	71,359	57,248	82,538	97,299	118,445	79,432	66,813	59,443	47,849	36,771
Treasurer										
Tax Bills Processed	284,000	284,000	282,000	284,000	284,000	284,500	283,500	285,000	283,000	285,000
Judicial										
Court of Appeals										
Overall New Cases <sup>(6)</sup>	944	888	817	894	1,013	949	1,036	1,121	931	1,326
Criminal New Cases <sup>(6)</sup>	519	518	427	462	607	566	641	670	591	971
Civil New Cases <sup>(6)</sup>	265	261	261	299	300	233	239	291	227	221
Court of Common Pleas										
Overall New Cases <sup>(6)</sup>	15,892	17,115	18,847	21,053	22,725	23,556	23,995	24,819	25,329	25,229
Criminal New Cases <sup>(6)</sup>	7,338	7,921	8,202	9,263	10,221	10,518	10,173	10,722	11,024	10,287
Civil New Cases <sup>(6)</sup>	8,554	9,194	10,645	11,790	12,504	13,038	13,822	14,097	14,305	14,942
Court of Domestic Relations										
Overall New Cases <sup>(6)</sup>	7,918	12,923	13,534	13,399	13,570	13,817	9,216	9,526	8,356	7,837
Juvenile Court										
Overall New Cases <sup>(6)</sup>	40,203	38,981	44,132	45,620	41,640	46,217	47,668	48,647	40,204	37,681
Hearings Conducted	132,584	130,390	132,886	140,959	140,543	151,447	164,283	163,890	153,339	143,653
Municipal Court										
Overall New Cases <sup>(6)</sup>	254,089	257,301	255,606	276,739	336,053	349,017	319,191	312,927	320,351	354,811
Probate Court										
Overall New Cases <sup>(6)</sup>	7,273	6,987	6,954	6,744	6,564	6,715	6,508	6,829	6,584	6,697

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Coroner										
Autopsies Performed	992	966	981	1,033	1,102	1,090	1,032	997	1,026	1,000
Prosecutor										
Criminal Misdemeanor and Felony Arraignments	28,000	28,150	28,150	37,716	39,975	42,364	42,982	43,000	43,200	43,300
Formal Opinions and Letters of Advice to County Agencies	130	140	150	145	101	104	107	102	100	105
Property Foreclosure Cases	2,500	2,500	2,500	2,300	2,200	2,961	3,300	3,750	3,750	3,750
Sheriff										
Inmates Housed	52,432	50,766	42,407	44,453	42,710	43,748	44,468	50,727	49,921	46,000
Prisoners Transported	3,928	4,870	3,676	4,217	4,593	4,851	4,916	4,815	4,815	4,482
Courtroom Security Provided (Hours)	37,296	38,860	36,702	41,112	43,922	51,364	49,842	51,576	53,123	51,928
Major Crime Cases Investigated	2,656	2,877	2,926	2,850	3,015	3,229	3,776	4,120	4,125	4,130
Social Services										
Job and Family Services—DJFS (Human Services)										
Cash Assistance Recipients (Monthly Average)	21,420	21,208	20,710	18,750	20,284	21,001	20,043	17,045	17,169	17,644
Food Stamp Assistance Recipients (Monthly Average)	20,916	20,460	49,355	58,295	63,341	70,245	74,898	77,123	72,419	76,057
Medicaid Participants (Monthly Average)	77,917	82,765	93,376	92,473	116,803	121,472	120,348	121,084	127,242	128,259
Subsidized Child Care Recipients (Monthly Average 2006-2008)	24,498	24,628	26,548	28,185	27,707	25,666	25,124	12,999	12,986	14,121
Children's Services Recipients	17,686	17,228	18,608	17,758	18,584	16,108	15,679	17,460	17,717	n/a
Child Support Collections (Millions)	\$ 138.6	\$ 143.3	\$ 153.9	\$ 154.2	\$ 153.8	\$ 154.9	\$ 152.4	\$ 155.0	\$ 142.0	\$ 154.6
Workforce Development Admissions (Includes Reapplications) <sup>(7)</sup>	5,805	6,592	4,734	7,727	12,540	12,972	13,430	3,182	3,602	3,278
Health										
Board of Mental Retardation										
Eligible Individuals Served <sup>(8)</sup>	3,583	3,712	4,087	4,331	5,185	5,344	5,679	5,638	7,243	7,931
Public Works										
County Engineer										
Bridges Constructed/Repaired	12	9	5	9	3	3	5	8	3	11
Landslides Stabilized	4	5	5	2	3	4	4	1	1	2
Roads Resurfaced (Number)	6	11	22	11	32	41	28	20	20	- <sup>(9)</sup>
Roads Resurfaced (Miles)	8	9	23	9	24	33	18	14	10	- <sup>(9)</sup>
Public Works										
Permits Processed for Storm Review and FEMA Regulations	3,000	2,559	2,770	2,617	2,686	2,399	2,395	2,048	1,879	2,000
Environmental Control										
Environmental Services										
Material Recycled (Tons)	39,749	38,170	36,000	36,000	38,000	33,004	34,342	33,496	31,985	34,500

FUNCTION/PROGRAM	FISCAL YEAR										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
<b>Business-Type Activities</b>											
Metropolitan Sewer District											
Sewer Connections	225,840	223,691	224,686	224,795	225,285	225,971	225,889	228,512	229,226	229,943	
Wastewater Collected and Treated (Millions of Gallons)	64,170	62,672	63,648	73,211	79,317	81,143	74,010 <sup>(9)</sup>	67,966	66,038	67,264	
Paul Brown Stadium											
Game Attendance (Total)	404,679	469,992	454,938	422,235	479,488	524,248	524,468	527,870	526,320	516,663	
Game Attendance (Average)	50,585	58,749	56,867	52,779	59,936	65,531	65,559	65,984	65,790	64,583	
Baseball Stadium											
Game Attendance (Total)	2,061,222	2,577,371	1,879,757	1,855,787	2,355,259	2,287,250	1,943,157	2,134,607	2,058,593	2,058,632	
Game Attendance (Average)	25,137	31,431	23,207	22,911	29,077	28,238	23,696	26,353	25,415	25,415	
Riverfront Development											
Parking Spaces Managed	n/a	n/a	n/a	6,674 <sup>(10)</sup>	5,541 <sup>(10)</sup>	6,309 <sup>(11)</sup>	6,317	6,317	6,317	6,317	
Main Street Parking Garage											
Parking Spaces Managed	700	700	700	700	700	700	700	700	700	700	
Rotary Funds											
Sheriff's Road Patrol Division											
Townships Served	8	8	8	8	8	8	8	7	7	7	
Central Warrants/Identification Division											
Expungements Processed	726	480	1,464	1,727	1,702	1,855	1,338	2,095	2,184	2,565	
Warrants/Capias Processed	87,909	96,685	76,244	81,473	95,885	116,900	131,166	138,090	144,059	147,637	
Offender Fingerprints Processed	29,159	26,113	24,413	42,511	43,563	58,400	62,780	58,806	54,693	49,945	
Public Fingerprint Services Provided	9,456	10,729	11,382	12,927	13,380	18,530	14,350	14,498	15,755	27,079	
Communications Center											
Emergency 911 Telephone Calls Processed	876,449	885,088	913,954	904,652	927,869 <sup>(12)</sup>	919,841	897,327	899,202	900,000	902,000	
Police, Fire and Rescue Unit Calls Processed	381,657	413,653	444,835	443,367	460,767	445,286	450,875	578,628	585,000	587,000	
Workers' Compensation Reserve for Stadiums											
Claims Managed	110 <sup>(13)</sup>	450 <sup>(13)</sup>	450 <sup>(13)</sup>	130 <sup>(13)</sup>	30 <sup>(14)</sup>	35 <sup>(14)</sup>	16 <sup>(14)</sup>	10 <sup>(14)</sup>	5 <sup>(14)</sup>	8 <sup>(14)</sup>	

Sources: Hamilton County, Ohio 1997-2008 Budgets  
Hamilton County Auditor  
Various Hamilton County Departments  
Hamilton County Job and Family Services, 1996-2005  
Supreme Court of Ohio  
<http://www.hcjfs.hamilton-co.org>, 2006-2008  
<http://www.hcso.org/GeneralInformation/AnnualReport.pdf>  
<http://www.sconet.state.oh.us/Publications/default.asp>  
<http://www.bengals.com/team/history>  
<http://www.baseball-reference.com/teams/CIN/attend.html>

<sup>(1)</sup>Triennial reassessment, payable following year. Ohio law requires a mid-cycle value adjustment three years after the mass reappraisal to update the six-year mass reappraisal so values change gradually.

<sup>(2)</sup>Mass reappraisal, payable following year. Ohio law requires counties to revalue all real property every three years. The Auditor's Office is responsible for setting the value of properties, not the assessment of taxes.

<sup>(3)</sup>The decrease in parcels is due to the consolidation and a change of accounting method of TIF and exempt real estate parcels in a new system.

<sup>(4)</sup>In August of 2004, the Board of Elections purchased and installed a new voter registration system which connects to the Secretary of State's statewide voter registration database.

<sup>(5)</sup>The increase in inspections is due to the boom in construction resulting from near-record low interest rates.

<sup>(6)</sup>The number includes new cases docketed, transferred in or reactivated as reported to the Supreme Court of Ohio.

<sup>(7)</sup>Southwest Ohio Career Resource network became The Super Jobs Center in April of 2005; services changeover affected total individuals placed.

<sup>(8)</sup>The number of eligible individuals served is an unduplicated count of individuals served per year and does not represent the number of services provided to those individuals.

<sup>(9)</sup>Yearly rainfall levels result in variances in amounts of wastewater collected and treated.

<sup>(10)</sup>In 2003, the final demolition of the Cinergy Field Garage took place and two ballpark garages became operational following completion of Phase I construction: (1) the Ballpark Garage—564 spaces, and (2) the Central Riverfront Garage—579 spaces.

<sup>(11)</sup>2004 saw the completion of two Phase II portions of garage construction: (1) the garage at the Great American Ball Park, with the addition of 343 spaces, totaling 907 spaces, and (2) the Central Riverfront Garage, located in Block 3 of the riverfront, with the addition of 110 spaces, totaling 698 spaces.

<sup>(12)</sup>In April of 2003, the County brought online a state-of-the-art 800 MHz public safety radio system which enables local law enforcement officials to talk to each other when on-scene.

<sup>(13)</sup>The number represents management of workers' compensation claims for Paul Brown Stadium and Great American Ballpark.

<sup>(14)</sup>The number represents management of workers' compensation claims for Great American Ballpark.

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**COUNTY OF HAMILTON, OHIO  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<u>FUNCTION/PROGRAM</u>	<u>FISCAL YEAR</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b><u>Governmental Activities</u></b>										
General Government										
Properties <sup>(1)</sup>	8	8	8	9	9	8	7	6	8	8
Judicial										
Properties <sup>(1)</sup>	11	11	11	11	11	11	10	10	10	10
Public Safety										
Coroner										
Properties <sup>(1)</sup>	1	1	1	1	1	1	1	1	1	1
Emergency Management										
Office Building <sup>(2)</sup>	(2)	(2)	(2)	(2)	(2)	(2)	1	1	1	1
Emergency Warning Sirens	182	182	185	186	188	188	189	189	195	195
Sheriff										
District Patrol Headquarters <sup>(3)</sup>	5	5	5	5	5	5	5	5	5	5
Detention Facilities <sup>(4)</sup>	4	4	4	4	4	4	4	4	4	4
Social Services										
Job and Family Services (Human Services)										
Properties <sup>(1)</sup>	3	3	3	3	3	4	4	4	4	4
Health										
Mental Retardation and Developmental Disabilities Board (MR/DD)										
Properties <sup>(1)</sup>	11	12	12	12	12	12	12	13	13	13
Mental Health and Recovery Services Board <sup>(5)</sup>										
Properties <sup>(1)</sup>	65	65	68	68	70	70	69	64	64	62
Public Works										
Maintenance Facility	1	1	1	1	1	1	1	1	1	1
Maintenance Vehicles and Equipment	23	23	23	23	23	23	30	30	30	30
County Engineer										
County Roads Maintained (Miles)	510	510	504	504	504	504	504	504	504	544
Maintenance Facilities	4	4	5	5	6	6	6	6	6	6

FUNCTION/PROGRAM	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Business-Type Activities</b>										
Metropolitan Sewer District										
Major Wastewater Treatment Plants	7	7	7	7	7	7	7	7	7	7
Combined and Sanitary Sewers (Miles)	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050
Cinergy Field <sup>(6)</sup>	1	1	1	1	(6)	(6)	(6)	(6)	(6)	(6)
Paul Brown Stadium <sup>(6)</sup>										
Paul Brown Football Stadium	(6)	1	1	1	1	1	1	1	1	1
Parking Garage	(6)	1	1	1	1	1	1	1	1	1
Baseball Stadium <sup>(6)</sup>										
Great American Ballpark Baseball Stadium	(6)	(6)	(6)	(6)	1	1	1	1	1	1
Hall of Fame Museum	(6)	(6)	(6)	(6)	(6)	1	1	1	1	1
Team Store	(6)	(6)	(6)	(6)	(6)	1	1	1	1	1
Riverfront Development										
Parking Garages	n/a	1	1	1	3	3	3	3	3	3
Surface Parking Lots	n/a	5	5	5	5	5	5	5	5	5
Main Street Parking Garage										
Alms & Doepke Parkhaus Parking Garage	n/a	1	1	1	1	1	1	1	1	1
Communications Center										
911 Communications Center	1	1	1	1	1	1	1	1	1	1
Radio Towers <sup>(7)</sup>	5	5	5	5	15	15	15	15	15	15

Sources: Hamilton County, Ohio 1997-2008 Budgets  
Hamilton County Auditor  
Various Hamilton County Departments

Note: No capital asset indicators are available for the following functions/programs:  
(1) the Environmental Control, Economic Development and Parks and Recreation functions, or  
(2) the Rotary and Workers' Compensation Reserve for Stadiums funds.

<sup>(1)</sup>Improved real properties are primarily buildings, County-owned unless otherwise indicated, presented in the function of the primary use(r).

<sup>(2)</sup>The permanent Emergency Management Agency (EMA) office building, formerly housed in trailers at the Communications Center, was completed in 2005. EMA shares space with the Homeland Security Division. The office building is leased from the City of Cincinnati.

<sup>(3)</sup>Three District Patrol Headquarters are owned by townships. The Sheriff provides contracted police services.

<sup>(4)</sup>The Queensgate Correctional Facility is a leased property. The lease terminated 12/31/08.

<sup>(5)</sup>During 2006, the Alcohol and Drug Addiction Services and Community Mental Health Boards merged to form the Mental Health and Recovery Services Board.

<sup>(6)</sup>In 1996, Hamilton County assumed ownership and responsibility for Cinergy Field (formerly Riverfront Stadium), the home of both the Cincinnati Reds and the Cincinnati Bengals. Cincinnati Reds. Paul Brown Stadium, the new home of the Cincinnati Bengals football team, opened in August of 2000. Cinergy Field was demolished in 2002. Great American Ball Park, the new home field for the Cincinnati Reds baseball team, opened for the 2003 baseball season. During 2004, the Great American Ball Park Phase II construction continued, which included completion of the Team Store and the Hall of Fame Museum.

<sup>(7)</sup>Hamilton County installed a new radio system in 2003, with a total of 15 tower sites. Ten of the towers are County-owned; the other five towers are leased.



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**Mary Taylor, CPA**  
Auditor of State

**HAMILTON COUNTY**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 16, 2010**