



**JOSH MANDEL**  
STATE TREASURER OF OHIO

September 26, 2013

To: Municipal Securities Rulemaking Board  
[www.emma.msrb.org](http://www.emma.msrb.org)

**RE: Annual Information Filing for the SIB Federal Title XXIII Transportation Infrastructure Bond Fund Program**

In accordance with the continuing disclosure agreement made pursuant to SEC Rule 15c2-12(b), the State of Ohio thus herein provides annual financial information and operating data regarding the State Economic Development Revenue Bonds (Federal Title XXIII Bond Fund Program) as of June 30, 4014. This information constitutes the annual information agreed to be provided under the continuing disclosure agreement for the Federal Title XXIII Bond Fund Program. No representation is made as to the materiality or completeness of that information. Other information relating to Fiscal Year 2014 or to subsequent periods may exist that an investor would consider to be important when making an investment decision. Further, no representation is made that this 2014 Annual Filing is indicative of financial or operating results of the Federal Title XXIII Bond Fund Program since June 30, 4014, or of future financial or operating results. **Please refer to Appendix I for a list of all the outstanding bonds and CUSIPs associated with this program.**

Any questions concerning this filing should be directed to Seth Metcalf, Deputy Treasurer & Executive Counsel, State Treasurer of Ohio at (614) 466-2191 or Dana Wasserman, Deputy Director, Office of Debt Management, State Treasurer of Ohio at (614) 752-8460.

Sincerely,

A handwritten signature in blue ink that reads "Josh Mandel".

Josh Mandel  
State Treasurer of Ohio

**OHIO DEPARTMENT OF TRANSPORTATION  
FEDERAL TITLE XXIII TRANSPORTATION INFRASTRUCTURE  
BOND FUND PROGRAM  
STATEMENT OF ANNUAL INFORMATION**

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**TABLE OF CONTENTS**

<b>INTRODUCTORY STATEMENT</b>	<b>2</b>
<b>FINANCIAL STATEMENTS OF THE STATE</b>	<b>2</b>
<b>FINANCIAL STATEMENTS OF THE SIB PROGRAM</b>	<b>2</b>
<b>SUMMARY STATUS OF THE PROGRAM</b>	<b>3</b>
<b>SUMMARY DESCRIPTION OF SECURITY &amp; RESERVES OF THE PROGRAM</b>	<b>4</b>
<b>SIMPLIFIED FLOW OF FUNDS</b>	<b>6</b>
<b>SCHEDULED FEDERAL TITLE XXIII DIRECT LOAN REPAYMENTS</b>	<b>7</b>
 <b>APPENDICES</b>	
<b>SUMMARY OF OUTSTANDING BONDS</b>	<b>Appendix I</b>
<b>DEBT SERVICE REQUIREMENTS ON OUTSTANDING BONDS</b>	<b>Appendix II</b>
<b>SUMMARY OF SECURITY AND DESCRIPTION OF PROJECTS</b>	<b>Appendix III</b>
<b>EXISTING FEDERAL SIB LOAN DESCRIPTIONS</b>	<b>Appendix IV</b>
<b>SIB TITLE XXIII &amp; FHWA LOAN PORTFOLIO HISTORY</b>	<b>Appendix V</b>
<b>AUDITED FINANCIAL STATEMENTS OF SIGNIFICANT OBLIGORS</b>	<b>Appendix VI</b>
<b>ODOT-STATE INFRASTRUCTURE BANK ANNUAL FINANCIAL REPORT</b>	<b>Appendix VII</b>

*Information included in the Statement of Annual Information has been provided by the ODOT from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of ODOT or the State. No representation is made that past experience, as illustrated by the financial and other information will necessarily continue to be repeated in the future. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents.*

## **INTRODUCTORY STATEMENT**

The Treasurer of the State of Ohio (the “State”) has issued Bonds<sup>1</sup> within the Federal Title XXIII Transportation Infrastructure Bond Fund Program (“Federal Title XXIII Program”) identified in Appendix I, pursuant to the Trust Indenture, dated as of July 1, 2008, between the State and the Bank of New York Mellon Trust Company, N.A., as Trustee, as supplemented and amended (the “Indenture”). In connection with the issuance of the Bonds and pursuant to SEC Rule 15c2-12 (the “Rule”) and the Indenture, the State agreed to provide or cause to be provided financial information and operating data (the “Annual Information”), audited financial statements and notices, in such manner as may be required for purposes of paragraph (b)(5)(i) of the Rule (the “Continuing Disclosure Agreement”). The State has prepared and is providing this Statement of Annual Information in accordance with its Continuing Disclosure Agreement of the type included in the disclosure document relating to each series of the Bonds.

## **FINANCIAL STATEMENTS OF THE STATE**

The audited financial statements for the State of Ohio for its fiscal year ending June 30, 2013 are publicly available on the Ohio Auditor of State website at <http://www.auditor.state.oh.us/>.

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<sup>1</sup> Any terms not defined herein have the meaning provided in the General Bond Order.

**SUMMARY STATUS OF THE FEDERAL TITLE XXIII PROGRAM**  
**As of June 30, 2014**

***Purpose of the Program***

The Federal Title XXIII Program was created to promote the development of eligible Title XXIII projects, which include State and Federal roadways, as well as transit projects. The State intends to accomplish this goal by enabling borrowers to benefit from the State's access to the national capital markets through the issuance of Bond Fund Bonds. The Treasurer of State of Ohio issues bonds on a project by project basis. The Bond Fund Bonds provide long-term, credit-enhanced, fixed-rate financing to the Contracting Parties.

***Current Rating***

The Federal Title XXIII Program is currently rated "AA" by Fitch Ratings.

***Key Facts***

- No Common Fund Bonds are in default.
- No Common Fund Bonds have ever been in default.
- No Program Reserves have ever been accessed to cure a Borrower default.
- Pledge of State Infrastructure Bank – Federal:
  - Encumbered cash of \$16,896,432;
  - Unencumbered cash of \$90,731,796; and
  - Scheduled Federal Title XXIII Direct Loan Repayments of \$61,351,065 over years 2014 through 2034.
- Cash Program Reserve of \$5,022,088<sup>2</sup>.
- Total Outstanding Bonds of \$12,315,000.
- The size of each bond issue ranges from \$3M to \$30M.
- Bondholders are paid semi-annually.

***History of Bond Issues***

Since 2008, the Bond Fund has completed two bond issues totaling \$16,875,000.

***Past Payment Issues***

No Contracting Party has ever failed to make their scheduled monthly payments.

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<sup>2</sup> Program Reserve investments were marked to market on 6/30/2014.

**SUMMARY DESCRIPTION OF SECURITY & RESERVES FOR FEDERAL TITLE XXIII PROGRAM**  
**As of June 30, 2014**

***State Infrastructure Bank – Federal***

The State Infrastructure Bank – Federal, including the Federal Direct Loan Program was created in 1996. The Ohio Department of Transportation capitalized the Federal Direct Loan Program with approximately \$87 million of Federal Highway Administration Funds. Since inception, the Federal Direct Loan Program has made 120 loans totaling \$353,456,531. As of June 30, 2014, 68 Federal Direct Loans totaling \$52,603,676 of principal were outstanding. Federal Direct Loan Program Repayments are expected to be used to make future Federal Direct Loans.

Funds in the State Infrastructure Bank – Federal Fund 2120, (the “State Infrastructure Bank – Federal”) as well as all current and future Federal Direct Loan Program Repayments are pledged as a reserve to secure Bond Fund Bonds; provided, however, that amounts in the State Infrastructure Bank – Federal may be, and are expected to be, expended or encumbered for any purpose consistent with and permitted by the Act, including new Federal Direct Loans, and may not be immediately available to pay bond debt service charges on the Bond Fund Bonds.

As of June 30, 2014, the State Infrastructure Bank – Federal assets include:

1. Cash balance of \$107,628,228, of which approximately \$16,896,432 is encumbered to identified borrowers; and,
2. Scheduled loan repayments of \$61,351,065.02 from 2014 through 2034. See Page 7 “Federal Direct Loan Repayments” herein.

***Federal Program Reserve Fund***

The Program Reserve Fund was initially funded in the amount of \$5,000,000 by the State with proceeds from the State of Ohio Taxable Transportation Project Revenue Bonds (Federal Title XXIII Transportation Infrastructure Bond Fund) Series 2008-1. As a condition to the issuance of any series of Bond Fund Bonds, the Program Reserve Fund balance must be equal to the Program Reserve Requirement. The Program Reserve Requirement is the greater of (a) \$5,000,000 or (b) five percent (5%) of the Outstanding Bonds.

***State Covenant Relating to the Rating***

The State has covenanted that while a Rating Service maintains a rating on any series of Bond Fund Bonds, to maintain a ratio of “Total Annual Cash Flows” to “Total Annual Debt Service” of not less than 1.20:1, unless the Rating Service agrees that maintenance of a ratio less than 1.20:1 will not result in a reduction of the rating then in effect.

***Covenant Relating to Insufficiency of Pledged Revenues***

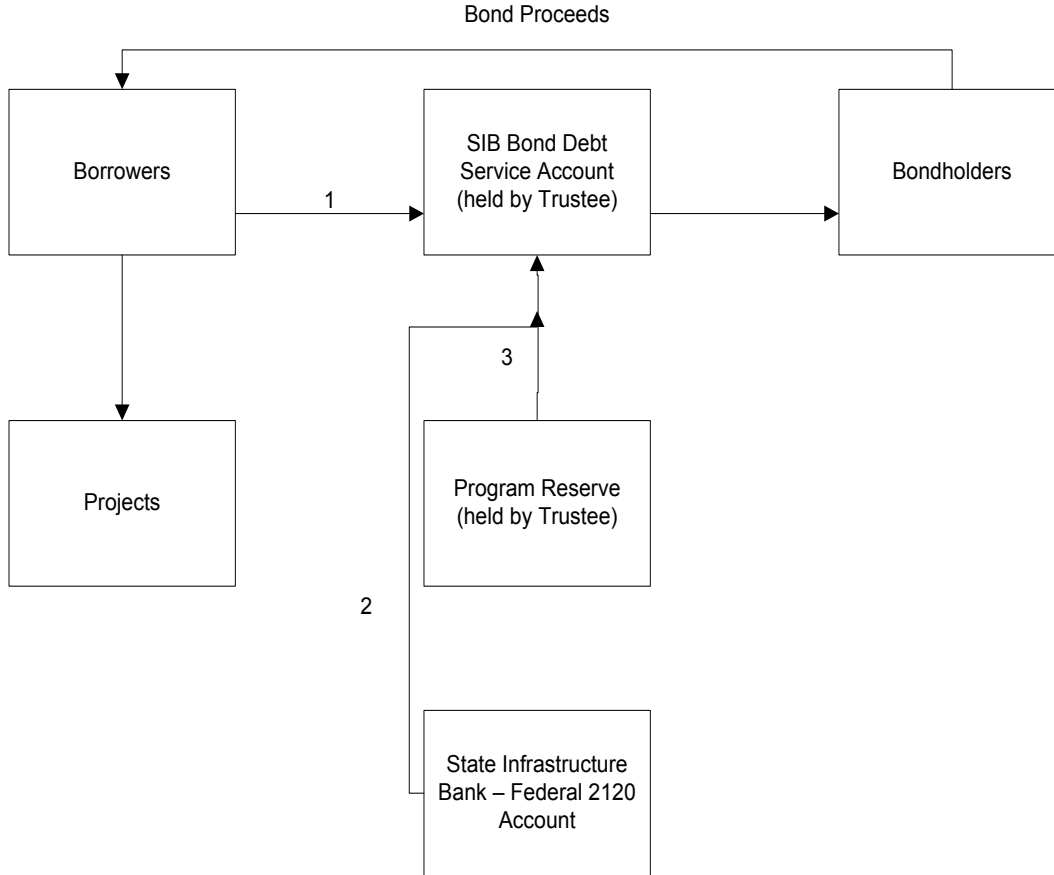
In the event the Pledged Revenues are insufficient to make payment of any Bond Service Charges when due and payable, or to maintain the Program Reserve Requirement in the Program Reserve Fund, the Director of Transportation will notify the Governor of the State (the “Governor”) of such insufficiency and will determine to what extent, if any, payment of Bond Service Charges may be made, or moneys may be restored to the Program Reserve Fund from lawfully available moneys previously appropriated to the Ohio Department of Transportation. If payment of Bond Service Charges are not made or the moneys are not immediately and fully restored to the Program Reserve Fund from such moneys, the Director is required to promptly submit a written request to both the Governor and to the Director of Budget and Management of the State. The Director will include with such requests a recommendation that the payment of Bond Service Charges and the replenishment of the Program Reserve Fund be made in the interest of maximizing the benefits of the State Infrastructure Bank – Federal.

The covenant described in the foregoing paragraph does not obligate or purport to obligate the State to pay the Bond Service Charges or to deposit moneys in the Program Reserve Fund other than from moneys that may be lawfully available and appropriated for that purpose during the then-current biennium.

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# FLOW OF FUNDS

## OHIO DEPARTMENT OF TRANSPORTATION State Infrastructure Bank Federal Bond Fund Program



### Flow of Funds:

1. Borrower makes scheduled semiannual debt service payments to the Trustee;

### If a Default Occurs:

2. Available Cash Fund within State Infrastructure Bank – Federal will be utilized;
3. Federal Program Reserve will be utilized.

Note: Collateral Proceeds Account or Bond Reserve Account, if any, will be used prior to all other funds if a default occurs.

**SCHEDULED FEDERAL TITLE XXIII DIRECT LOAN REPAYMENTS**

The Federal Direct Loan Repayments shown below are generated from Federal Direct Loans which were made under the Federal Direct Loan Program. This repayment stream, which is deposited into the State Infrastructure Bank –Federal, is pledged to the Federal Title XXIII Program.

The following table sets forth the scheduled Federal Direct Loan Repayments expected to be deposited in the State Infrastructure Bank – Federal from all loans outstanding under the Federal Direct Loan program as of June 30, 2014. No assurance is given that all Federal Direct Loan Repayments will be received as scheduled.

**Scheduled Repayment of the Existing Federal Title XXIII SIB Loan Portfolio<sup>(1)</sup>**  
As of June 30, 2014

<b>Calendar Year</b>	<b>Repayments</b>
2014	\$ 6,067,511.19
2015	9,042,782.58
2016	8,846,758.62
2017	9,155,744.81
2018	7,828,214.06
2019	5,020,030.03
2020	3,257,395.01
2021	2,834,625.42
2022	2,382,241.21
2023	2,005,115.11
2024	1,642,409.67
2025	1,536,562.34
2026	388,003.59
2027	388,003.59
2028	353,563.78
2029	133,635.39
2030	133,635.39
2031	133,635.39
2032	133,635.39
2033	67,190.07
2034	372.37
<b>Total</b>	<b>\$ 61,351,065.02</b>

<sup>(1)</sup>Represents principal and interest repayments from Federal Direct Loans. See Appendix IV – “Ohio Department of Transportation Existing Federal SIB Loan Borrower Description as of June 30, 2014” for further information regarding expected future payments.



**APPENDIX I**

**SUMMARY OF OUTSTANDING BONDS**

**As of June 30, 2014**

<b>Contracting Party/Bond Series</b>	<b>Purpose</b>	<b>CUSIP</b>	<b>Level of Government</b>	<b>Original Principal</b>	<b>Outstanding Principal</b>	<b>% of Bonds Outstanding</b>	<b>% of Total Bond Fund</b>	<b>Primary Reserve</b>	<b>Final Maturity</b>	<b>Maximum Annual Debt Service</b>
<b>Ohio Department of Transportation 2008-1</b>	<b>Fund Program Reserve</b>	67759TAM0	<b>State</b>	\$5,190,000	\$3,685,000	71.00%	29.92%	\$0	5/15/2023	\$551,656
<b>Hamilton County 2009-1</b>	<b>Intermodal Facility</b>	67759TAQ1, 67759TAX6, 67759TAR9, 67759TAY4, 67759TAS7, 67759TAZ1, 67759TAT5, 67759TBA5, 67759TAU2, 67759TBB3	<b>County</b>	\$11,685,000	\$8,630,000	73.86%	70.08%	\$0	5/15/2019	\$1,926,772
<b>Totals</b>				<b>\$16,875,000</b>	<b>\$12,315,000</b>		<b>100.00%</b>	<b>\$0</b>		

## APPENDIX II

### DEBT SERVICE REQUIREMENTS ON OUTSTANDING BONDS

The total of all Common Fund Bonds currently outstanding is \$12,315,000. The following table sets forth the debt service requirements for all outstanding Common Fund Bonds as of June 30, 2014.

<b>Date</b>	<b>Total Principal</b>	<b>Total Interest</b>	<b>Total Debt Service</b>
11/15/14	\$ 950,000.00	\$ 282,480.50	\$ 1,232,480.50
05/15/15	970,000.00	264,477.75	1,234,477.75
11/15/15	985,000.00	246,067.25	1,231,067.25
05/15/16	1,005,000.00	227,330.25	1,232,330.25
11/15/16	1,025,000.00	207,141.75	1,232,141.75
05/15/17	1,045,000.00	186,526.75	1,231,526.75
11/15/17	1,070,000.00	163,322.75	1,233,322.75
05/15/18	1,095,000.00	139,554.75	1,234,554.75
11/15/18	1,125,000.00	114,657.13	1,239,657.13
05/15/19	1,145,000.00	89,019.00	1,234,019.00
11/15/19	210,000.00	62,320.00	272,320.00
05/15/20	220,000.00	55,432.00	275,432.00
11/15/20	225,000.00	48,216.00	273,216.00
05/15/21	235,000.00	40,836.00	275,836.00
11/15/21	240,000.00	33,128.00	273,128.00
05/15/22	250,000.00	25,256.00	275,256.00
11/15/22	255,000.00	17,056.00	272,056.00
05/15/23	265,000.00	8,692.00	273,692.00
<b>Total</b>	<b>\$ 12,315,000.00</b>	<b>\$ 2,211,513.88</b>	<b>\$ 14,526,513.88</b>

**APPENDIX III**

**SUMMARY OF SECURITY AND DESCRIPTION OF PROJECT**

<b>Contracting Party</b>	<b>Reserve</b>	<b>Description of Security and Lien Position</b>	<b>Physical Description of the Project</b>
<b>Ohio Department of Transportation 2008-1</b>	<b>\$0</b>	<ul style="list-style-type: none"> <li>• Pledge of earnings received from the investments of the Program Reserve Bonds.</li> <li>• Pledge of the Federal Direct Loan Repayments received from the Federal Direct Loan Program.</li> <li>• Program Reserve Bonds are issued on parity basis and are secured equally and ratably with any other Federal Title XXIII Program Bond Fund Bonds hereafter issued.</li> </ul>	<ul style="list-style-type: none"> <li>• Fund the required Program Reserve for the Federal Title XXIII Program.</li> </ul>
<b>Hamilton County 2009-1</b>	<b>\$0</b>	<ul style="list-style-type: none"> <li>• County's Additional One-Half of One Percent (1/2%) Sales Tax received by the Subordinate Trustee.</li> <li>• Any earnings on the Subordinate Debt Service Reserve Fund.</li> <li>• Any other moneys deposited in the Subordinate Revenue Fund by the County including parking revenues of the County.</li> <li>• Only after and in subordination to the use of such subordinate revenues for non-subordinate purposes as outlined within the Official Statement.</li> </ul>	<ul style="list-style-type: none"> <li>• A segment of an intermodal transit facility containing approximately 1,075 public parking spaces.</li> <li>• Upon completion, the intermodal facility will link the Cincinnati riverfront transit center to the (i) City of Cincinnati's central business district, (ii) Paul Brown Stadium (Cincinnati Bengals of the National Football League) and (iii) Great American Ball Park (Cincinnati Reds of Major League Baseball).</li> </ul>

**APPENDIX IV**  
**Ohio Department of Transportation**  
**Existing Federal SIB Loan Borrower Description**  
**As of June 30, 2014**

<u>Loan</u>	<u>Borrower</u>	<u>GO</u> <u>Rating</u>	<u>Implied</u> <u>Rating*</u>	<u>Security or Repayment Sources</u>	<u>Outstanding</u> <u>Principal</u>
1	Cuyahoga County	Aa1	Aa2	Vehicle registration fees	\$ 3,344,194
2	City of Harrison	A2	A1	General revenue fund	\$ 149,264
3	City of Cleveland	A1	A2	Income tax receipts	\$ 1,504,996
4	City of Columbus	Aaa	Aa1	General revenue fund	\$ 5,877,327
5	City of Dover	Aa3	A2	Income tax receipts	\$ 608,423
6	City of Geneva	N/R	N/R	Motor vehicle gasoline tax receipts	\$ 113,330
7	WESTCO	N/R	N/R	Maintenance fees	\$ 85,448
8	City of Piqua	N/R	N/R	State income tax receipts	\$ 246,304
9	City of Barberton	Aa3	A2	Permissive license tax revenues	\$ 79,824
10	Harrison County	N/R	N/R	Gas tax, vehicle registration fees, property assessments, water and sewer fees	\$ 36,776
11	City of Uhrichsville	N/R	N/R	Capital improvement fund	\$ 144,364
12	City of Mentor on the Lake	N/R	N/R	General revenue fund	\$ 655,163
13	City of Mentor on the Lake	N/R	N/R	General revenue fund	\$ 16,373
14	City of Elyria	A1	A3	NOACA-STP funds	\$ 1,406,929
15	City of Newark	A1	A3	Vehicle registration fees, state gas tax receipts, TIF revenues	\$ 703,586
16	City of Lorain	A3	Baa2	Property and income tax receipts	\$ 47,403
17	City of Lorain	A3	Baa2	Property and income tax receipts	\$ 353,555
18	City of Youngstown	Baa1	Baa3	Waste water fund and water fund, non-tax revenues	\$ 616,791
19	City of Geneva	N/R	N/R	Motor vehicle gasoline tax and motor vehicle license tax receipts	\$ 15,542
20	City of Alliance	Aa3	A2	All legally available non-tax revenues	\$ 167,839
21	City of Pataskala	Aa3	A2	Permissive license tax receipts, City Street Fund, non-tax revenues	\$ 233,954
22	City of Cleveland Heights	Aa2	A1	Motor vehicle gasoline tax and motor vehicle license tax receipts	\$ 341,084
23	City of Gahanna	Aa1	Aa3	MORPC proceeds, backed by General Revenues of City	\$ 2,158,250
24	Montgomery County TID	N/R	N/R	TIF revenues and general revenues	\$ 2,370,964
25	City of East Liverpool	N/R	Ba3	Motor vehicle gas tax receipts	\$ 291,352

**APPENDIX IV**  
**Ohio Department of Transportation**  
**Existing Federal SIB Loan Borrower Description**  
**As of June 30, 2014**

<u>Loan</u>	<u>Borrower</u>	<u>GO</u> <u>Rating</u>	<u>Implied</u> <u>Rating*</u>	<u>Security or Repayment Sources</u>	<u>Outstanding</u> <u>Principal</u>
26	Montgomery County	Aa1	Aa3	Road A and G Fund	\$ 1,295,180
27	City of Zanesville	A1	A3	Motor vehicle gas tax receipts	\$ 75,729
28	Lawrence County	N/R	N/R	All legally available revenues of the Commission and the LEDC	\$ 874,966
29	Village of West Jefferson	N/R	N/R	All available non-tax revenues	\$ 375,459
30	City of Westlake	Aaa	Aa1	Gasoline tax, automobile registration fees and motor vehicle permissive tax receipts	\$ 10,000
31	City of Lorain	A3	Baa1	Income tax receipts	\$ 2,000
32	City of Lorain	A3	Baa1	Income tax receipts	\$ 976,112
33	City of Lorain	A3	Baa1	Income tax receipts	\$ 349,690
34	Franklin County	Aaa	Aa2	Water and sewer enterprise fund	\$ 322,000
35	City of Lorain	A3	Baa1	Income tax receipts tied to the City's Street Levy Fund	\$ 1,926,797
36	City of Coshocton	N/R	N/R	201 Street Fund - funded with income tax, gas tax and license fee receipts	\$ 161,600
37	Dayton Montgomery Port Authority	N/R	N/R	TIF revenues and non-tax revenue guarantee from Montgomery County	\$ 8,931,782
38	Village of McComb	N/R	N/R	All legally available revenues	\$ -
39	Montgomery County	Aa1	Aa3	Motor vehicle gas tax, motor vehicle license tax and permissive license tax receipts	\$ 6,000
40	Montgomery County	Aa1	Aa3	Motor vehicle gas tax, motor vehicle license tax and permissive license tax receipts	\$ 2,000
41	Montgomery County	Aa1	Aa3	Motor vehicle gas tax, motor vehicle license tax and permissive license tax receipts	\$ 6,000
42	City of Cincinnati	Aa2	Aa3	All legally available non-tax revenues	\$ -
43	City of Macedonia	Aa3	A2	City income tax receipts	\$ 2,000
44	City of New Philadelphia	A1	Baa1	Master capital projects fund - funded with 20% of annual income tax receipts	\$ -
45	City of Vandalia	Aa2	A1	Motor vehicle gas tax and motor vehicle license tax receipts	\$ -
46	City of Canton	A1	Baa1	City Capital Fund 4501 - funded with 20% of annual income tax receipts	\$ 8,000
47	Stark County	Aa3	A2	License plate fee tax receipts and gasoline tax receipts	\$ 553,062
48	KYOVA	N/R	N/R	Metropolitan Planning Organization Program Allocation	\$ 296,705
49	SCATS	N/R	N/R	Metropolitan Planning Organization Program Allocation	\$ 578,947
50	City of Huber Heights	Aa2	A1	TIF Revenues, Local Gov't Fund, Local Gov't Revenue Assistance Fund	\$ 1,180,393

**APPENDIX IV**  
**Ohio Department of Transportation**  
**Existing Federal SIB Loan Borrower Description**  
**As of June 30, 2014**

<u>Loan</u>	<u>Borrower</u>	<u>GO</u> <u>Rating</u>	<u>Implied</u> <u>Rating*</u>	<u>Security or Repayment Sources</u>	<u>Outstanding</u> <u>Principal</u>
51	City of Akron	Aa3	A1	Gasoline tax, motor vehicle license tax and non-tax revenues	\$ 264,925
52	Ross County	Aa2	A3	Vehicle gasoline tax receipts	\$ 57,515
53	City of Ashland	A1	A3	Gasoline tax revenues, motor vehicle license tax and non-tax revenues	\$ 98,424
54	City of Reynoldsburg	Aa2	A1	TIF Revenue and Non-Tax Revenues	\$ 38,491
55	TMACOG	N/R	N/R	Metropolitan Planning Organization Surface Transportation Program Allocation	\$ 2,940,002
56	City of Akron	Aa3	A2	City tax revenues & non-tax revenues	\$ 452,762
57	City of Akron - Projects (3)	Aa3	A2	Motor vehicle gas tax receipts	\$ 195,110
58	Mayfield Village	Aa2	A1	Special assessment, TIF revenues and non-tax revenues	\$ 203,587
59	City of Lancaster	Aa3	Aa3	Surface Transportation Program Allocation & Motor Vehicle Tax	\$ 251,883
60	City of East Liverpool	N/R	Ba3	Motor vehicle gasoline tax and motor vehicle license tax revenues	\$ 75,348
61	Hamilton County	Aa2	Aa2	Permissive Tax of the County	\$ 55,898
62	City of Conneaut	A1	Baa1	Gasoline tax revenue and motor vehicle license tax receipts	\$ 270,278
63	City of East Palestine	N/R	N/R	Motor vehicle gas tax receipts	\$ 18,811
64	City of Huber Heights	Aa2	A1	TIF Revenues, Local Gov't Fund, Local Gov't Revenue Assistance Fund	\$ 704,896
65	Great Lakes Science Center	N/R	N/R	Mortgage on the Parking Facility and Vehicle Parking Fees	\$ 1,260,495
66	City of Steubenville	A3	Baa2	MPO Pledge of annual allocation, private funds and City Non-Tax Revenues	\$ 616,376
67	Mayfield Village	Aa2	A1	TIF Revenues and Special Assessments	\$ 1,137,838
68	Muskingum County TID	N/R	N/R	TIF and Lease Payments, plus a reserve	\$ 4,457,577

\*Implied Rating represents an estimated rating of the security for the SIB Loan Agreement.

Total: \$ 52,603,676

**APPENDIX V**

**Ohio Department of Transportation  
SIB FEDERAL TITLE XXIII PROGRAM & FHWA PORTFOLIO HISTORY  
As of June 30, 2014**

Ohio Department of Transportation SIB Title 23 and FHWA Portfolio History as of June 30, 2014									
	Through 6/30/14								
For the Period:	CY 2014	CY 2013	CY 2012	CY 2011	CY 2010	CY 2009	CY 2008	CY 2007 - 1996	Total since Inception (1996)
Principal Collected	\$5,817,486	\$13,807,968	\$14,880,785	\$25,997,221	\$16,991,790	\$16,696,548	\$7,051,556	\$104,770,132	\$206,013,486
Interest Collected	692,075	1,735,661	2,346,333	2,597,556	1,816,392	2,229,923	2,054,019	11,916,787	25,388,746
Total P & I Collected:	\$6,509,561	\$15,543,629	\$17,227,118	\$28,594,777	\$18,808,182	\$18,926,471	\$9,105,575	\$116,686,920	\$231,402,232
<b>New Loans Originated:</b>									
Number:	10	9	2	4	4	4	6	81	120
Principal Authorized:	\$32,056,416	\$18,793,646	\$609,580	\$9,920,090	\$5,636,846	\$3,761,264	\$13,194,511	\$269,484,178	\$353,456,531
Average Loan Amount:	\$3,205,642	\$2,088,183	\$304,790	\$2,480,023	\$1,409,211	\$940,316	\$2,199,085	\$3,326,965	
Principal Released - Will not be Drawn <sup>2</sup> :									(\$57,851,328)
<b>Matured Loans:</b>									
Number:	1	0	1	4	1	0	0	7	14
Original Principal:	\$2,505,000	\$0	\$5,730,986	\$10,508,842	\$817,953	\$0	\$0	16,512,500	\$36,075,281
<b>Prepaid Loans:</b>									
Number:	0	2	3	3	9	5	1	15	38
Original Principal:	\$0	\$7,505,000	\$13,687,630	\$10,091,946	\$12,779,514	\$6,422,046	\$595,344	92,359,821	\$143,441,301
<b>Loans Written Off:</b>									
Number:	0	0	0	0	0	0	0	0	0
Principal:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Outstanding Loans:</b>									
Number:	68	59	52	54	57	63	64	59	
Principal:	\$52,603,676	\$50,412,027	\$46,856,234	\$67,017,522	\$82,646,698	\$91,797,346	\$85,710,767	\$75,005,709	
Principal Not Drawn Yet - Active Loans <sup>1</sup> :	\$36,988,041								
<b>Current Loans:</b>									
Number:	68	59	52	54	57	63	64	59	N/A
Principal:	\$52,603,676	\$50,412,027	\$46,856,234	\$67,017,522	\$82,646,698	\$91,797,346	\$85,710,767	\$75,005,709	N/A
<b>Delinquent Loans (60-120 days) as of End of Calendar Year:</b>									
Number:		0	0	0	0	0	0	0	N/A
Principal:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
<b>Delinquent Loans (Over 120 days) as of End of Calendar Year:</b>									
Number:		0	0	0	0	0	0	0	N/A
Principal:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
<sup>1</sup> Loan Principal committed to all outstanding loans that has not been drawn down as of June 30, 2014									
<sup>2</sup> Loan Principal on all loans that has been released (cancelled). Will not be drawn.									

**APPENDIX VI**  
**Audited Financial Statements of Significant Obligors**  
**Available As of June 30, 2014**

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Dave Yost • Auditor of State



HAMILTON COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	Under separate cover
Comprehensive Annual Financial Report .....	Under separate cover
Federal Awards Expenditures Schedule .....	1
Notes to Federal Awards Expenditures Schedule .....	11
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	15
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	17
Schedule of Findings and Questioned Costs.....	21
Schedule of Prior Audit Findings and Questioned Costs.....	25
Corrective Action Plan.....	27

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**COUNTY OF HAMILTON, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<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:				
School Breakfast Program	Juvenile Court	10.553	069690	\$54,898
National School Lunch Program	Juvenile Court	10.555	069690	107,186
	Developmental			
National School Lunch Program	Disabilities Services	10.555	067231	27,500
Total for CFDA 10.555				<u>134,686</u>
Total Ohio Department of Education—Nutrition Cluster				<u>189,584</u>
Pass through the Ohio Department of Job and Family Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Job and Family Services	10.561	G-1213-11-0046	4,567,264
Total U.S. Department of Agriculture				<u>4,756,848</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	Planning and Development	14.218		3,092,045
Emergency Solutions Grants Program	Planning and Development	14.231		276,856
Neighborhood Stabilization Program (Recovery Act Funded)	Planning and Development	ARRA-14.256		9,886,315
Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	Planning and Development	ARRA-14.257		282,974
Neighborhood Stabilization Program	Planning and Development	14.264		508,617
Home Investment Partnerships Program	Planning and Development	14.239		1,463,014
Pass through the City of Cincinnati:				
Home Investment Partnerships Program	Planning and Development	14.239	85X0109	310,675
Home Investment Partnerships Program	Planning and Development	14.239	15X2011-135	161,890
Total for CFDA 14.239				<u>1,935,579</u>
Total U.S. Department of Housing and Urban Development				<u>15,982,386</u>

(Continued)

**COUNTY OF HAMILTON, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	County of Hamilton Department or Board	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Bulletproof Vest Partnership Program	Sheriff	16.607		\$10,171
Public Safety Partnership and Community Policing Grants	Sheriff	ARRA-16.710		1,102,722
DNA Backlog Reduction Program	Coroner	16.741		147,761
Criminal and Juvenile Justice and Mental Health Collaboration Program	Juvenile Court	16.745		32,764
Recovery Act—Edward Byrne Memorial Competitive Grant Program	Juvenile Court	ARRA-16.808		30,531
Second Chance Act Prisoner Reentry Initiative	Administrator	16.812		425,789
Equitable Sharing Program	Sheriff	16.922		35,687
Pass through the Ohio Department of Youth Services:				
Juvenile Accountability Block Grants	Juvenile Court	16.523	2010-JB-011-A054	53,818
Pass through the Ohio Attorney General:				
Crime Victim Assistance	Prosecutor	16.575	2012VAGENE424	73,813
Crime Victim Assistance	Prosecutor	16.575	2013VAGENE424	20,674
Total for CFDA 16.575				94,487
Pass through the Ohio Office of Criminal Justice Services:				
Project Safe Neighborhoods	Prosecutor	16.609	2010-PS-PSN-320	34,897
Edward Byrne Memorial Justice Assistance Grant Program	Pretrial Services	16.738	2009-DJ-BX-0669	28,191
Edward Byrne Memorial Justice Assistance Grant Program	Pretrial Services	16.738	2010-DJ-BX-0260	106,121
Edward Byrne Memorial Justice Assistance Grant Program	Pretrial Services	16.738	2011-DJ-BX-3278	110,233
Total for CFDA 16.738				244,545
Paul Coverdell Forensic Sciences Improvement Grant Program	Coroner	16.742	2010-PC-NFS-7803	2,118
Paul Coverdell Forensic Sciences Improvement Grant Program	Coroner	16.742	2011-PC-NFS-7803	52,316
Total for CFDA 16.742				54,434
Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	Juvenile Court	ARRA-16.803	2009-RA-B01-2126	2,916
Pass through the City of Cincinnati:				
Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Governments	Sheriff	ARRA-16.804	2009-SB-B9-1187D	184,299
Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Governments	Pretrial Services	ARRA-16.804	2009-SB-B9-1187D	7,148
Total for CFDA 16.804				191,447
Total U.S. Department of Justice				2,461,969

(Continued)

**COUNTY OF HAMILTON, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<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 LABOR				
Pass through the Ohio Department of Job and Family Services:				
Employment Service/Wagner-Peyser Funded Activities	Job and Family Services	17.207	G-1213-15-5116	<u>\$28,359</u>
Workforce Investment Act Cluster:				
WIA Adult Program	Job and Family Services	17.258	G-1213-15-5116	
Program				1,973,541
Administrative				<u>179,127</u>
Total				<u>2,152,668</u>
WIA Youth Activities	Job and Family Services	17.259	G-1213-15-5116	
Program				1,797,724
Administrative				<u>200,600</u>
Total				<u>1,998,324</u>
WIA Dislocated Worker Formula Grants	Job and Family Services	17.278	G-1213-15-5116	
Program				1,258,427
Administrative				<u>155,727</u>
Total				<u>1,414,154</u>
Total Ohio Department of Job and Family Services—Workforce Investment Act Cluster				<u>5,565,146</u>
WIA Dislocated Workers	Job and Family Services	ARRA-17.277	G-1213-15-5116	<u>19,014</u>
Total U.S. Department of Labor				<u>5,612,519</u>

(Continued)

**COUNTY OF HAMILTON, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<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 TRANSPORTATION</b>				
Pass through the Ohio Department of Transportation:				
Highway Planning and Construction	Stadia	ARRA-20.205	PID86065	\$38,182
Highway Planning and Construction	Stadia	20.205	PID86065	222,693
Highway Planning and Construction	Stadia	20.205	PID86370	1,197,384
Highway Planning and Construction	Engineer	20.205	PID79749	23,796
Highway Planning and Construction	Engineer	20.205	PID81899	2,891
Highway Planning and Construction	Engineer	20.205	PID88870	2,706
Highway Planning and Construction	Engineer	20.205	PID90189	80,470
Highway Planning and Construction	Engineer	20.205	PID92284	39,486
Total for CFDA 20.205				<u>1,607,608</u>
Pass through the Ohio Department of Public Safety:				
Interagency Hazardous Materials Public Sector Training and Planning Grants	Emergency Management Agency	20.703	HM-HMP-0243-11-01-00	9,520
Interagency Hazardous Materials Public Sector Training and Planning Grants	Emergency Management Agency	20.703	HM-HMP-0004-09-01-00	2,640
Total for CFDA 20.703				<u>12,160</u>
Total U.S. Department of Transportation				<u>1,619,768</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>				
Direct Programs:				
Air Pollution Control Program Support	Environmental Services	66.001		<u>673,976</u>
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Environmental Services	66.034		<u>292,561</u>
Total U.S. Environmental Protection Agency				<u>966,537</u>
<b>U.S. DEPARTMENT OF ENERGY</b>				
Direct Program:				
Energy Efficiency and Conservation Block Grant Program (EECBG)	Planning and Development	ARRA-81.128		<u>3,169,802</u>
Total U.S. Department of Energy				<u>3,169,802</u>

(Continued)



**COUNTY OF HAMILTON, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<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 EDUCATION</b>				
Pass through Great Oaks Institute of Technology and Career Development:				
Adult Education—Basic Grants to States	Sheriff	84.002	2004077	<u>\$98,097</u>
Pass through the Ohio Department of Rehabilitations and Corrections:				
Title I State Agency Program for Neglected and Delinquent Children and Youth	Sheriff	84.013	2012-T1-ED-0009	<u>6,200</u>
Pass through the Ohio Department of Education:				
Special Education—Grants to States	Developmental Disabilities Services	84.027	067231	<u>226,564</u>
Pass through the Hamilton County Family and Children First Council:				
Special Education-Grants for Infants and Families	Developmental Disabilities Services	84.181	129480	<u>263,897</u>
Pass through the Ohio Rehabilitation Services Commission:				
Rehabilitation Services Demonstration and Training Programs	Developmental Disabilities Services	84.235	3100012	<u>158,353</u>
Total U.S. Department of Education				<u>753,111</u>
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>				
Pass through the Ohio Secretary of State:				
Help America Vote Act Requirements Payments	Board of Elections	90.401	04-SOS-HAVA-31	<u>20,527</u>
Total U.S. Election Assistance Commission				<u>20,527</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Direct Program:				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	Mental Health and Recovery Services Board	93.104		<u>2,042,571</u>
Pass through the Ohio Department of Mental Health:				
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Pretrial Services	93.243	VET-12-100-08-001	128,228
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Pretrial Services	93.243	VET-13-100-08-001	23,470
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Mental Health and Recovery Services Board	93.243	31-12864-SPFSIG-P-12-1191	89,074
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Mental Health and Recovery Services Board	93.243	31-12864-SPFSIG-P-13-1191	<u>45,216</u>
Total for CFDA 93.243				<u>285,988</u>

(Continued)

**COUNTY OF HAMILTON, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<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:				
Projects for Assistance in Transition from Homelessness (PATH)	Mental Health and Recovery Services Board	93.150	PATH 12-100-20-005	\$192,554
Projects for Assistance in Transition from Homelessness (PATH)	Mental Health and Recovery Services Board	93.150	PATH 13-100-20-005	98,360
Total for CFDA 93.150				<u>290,914</u>
Pass through the Ohio Department of Job and Family Services:				
Promoting Safe and Stable Families	Job and Family Services	93.556	G-1213-11-0046	484,586
Temporary Assistance for Needy Families	Job and Family Services	93.558	G-1213-11-0046	8,921,665
Child Support Enforcement	Job and Family Services	93.563	G-1213-11-0046	4,359,279
Refugee and Entrant Assistance—State Administered Programs	Job and Family Services	93.566	G-1213-11-0046	150,817
Child Care and Development Block Grant	Job and Family Services	93.575	G-1213-11-0046	2,537,367
Pass through the Ohio Secretary of State:				
Voting Access for Individuals with Disabilities—Grants to States	Board of Elections	93.617	06-SOS-HHHS-31	2,530
Pass through the Ohio Department of Job and Family Services:				
Children's Justice Grants to States	Job and Family Services	93.643	G-1213-11-0046	105
Stephanie Tubbs Jones Child Welfare Services Program	Job and Family Services	93.645	G-1213-11-0046	305,370
Foster Care—Title IV-E	Job and Family Services	93.658	G-1213-11-0046	6,561,649
Foster Care—Title IV-E	Juvenile Court	93.658	G-1213-06-0176	354,299
Total for CFDA 93.658				<u>6,915,948</u>
Adoption Assistance	Job and Family Services	93.659	G-1213-11-0046	4,872,140
Social Services Block Grant	Job and Family Services	93.667	G-1213-11-0046	8,669,288
Pass through the Ohio Department of Developmental Disabilities:				
Social Services Block Grant	Developmental Disabilities Services	93.667	3100012	619,008
Pass through the Ohio Department of Mental Health:				
Social Services Block Grant	Mental Health and Recovery Services Board	93.667	N/A	715,593
Total for CFDA 93.667				<u>10,003,889</u>
Pass through the Ohio Department of Job and Family Services:				
Chafee Foster Care Independence Program	Job and Family Services	93.674	G-1213-11-0046	235,359

(Continued)

**COUNTY OF HAMILTON, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<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 Job and Family Services:				
Children's Health Insurance Program	Job and Family Services	93.767	G-1213-11-0046	\$46,100
Pass through the Ohio Department of Mental Health:				
Children's Health Insurance Program	Mental Health and Recovery Services Board	93.767	N/A	16,621
Pass through the Ohio Department of Alcohol and Drug Addiction Services:				
Children's Health Insurance Program	Mental Health and Recovery Services Board	93.767	N/A	9,596
Total for CFDA 93.767				<u>72,317</u>
Pass through the Ohio Department of Job and Family Services:				
Medical Assistance Program	Job and Family Services	93.778	G-1213-11-0046	6,090,873
Pass through the Ohio Department of Mental Health:				
Medical Assistance Program	Mental Health and Recovery Services Board	93.778	N/A	127,474
Pass through the Ohio Department of Developmental Disabilities:				
Medical Assistance Program	Developmental Disabilities Services	93.778	3100012	1,080,437
Pass through the Ohio Department of Alcohol and Drug Addiction Services:				
Medical Assistance Program	Mental Health and Recovery Services Board	93.778	N/A	37,301
Total for CFDA 93.778				<u>7,336,085</u>
Pass through the Jewish Employment and Vocational Services:				
Money Follows the Person Rebalancing Demonstration	Developmental Disabilities Services	93.791	3100012	6,920
Pass through the Ohio Department of Mental Health:				
Block Grants for Community Mental Health Services	Mental Health and Recovery Services Board	93.958	N/A	305,410
Block Grants for Community Mental Health Services	Mental Health and Recovery Services Board	93.958	BG-12-430-08-009	25,000
Total for CFDA 93.958				<u>330,410</u>

(Continued)

**COUNTY OF HAMILTON, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<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 Alcohol and Drug Addiction Services:				
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	FY11: 2050C	\$13,786
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	FY12: 2080I, 2030M, 2000C, 2050C, 2030E	2,364,740
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	FY13: 2080I, 2030M, 2000C, 2050C, 2030E	1,031,808
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	31-1036-CFRO-T-12-0138	27,247
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	31-1036-CFRO-T-13-0138	27,228
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	31-10470-CPREV-P-12-0108	8,179
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	31-10470-CPREV-P-13-0108	8,174
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	31-13864-CMMCO-P-12-8992	15,438
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	31-13864-CMMCO-P-13-8992	15,428
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	31-1036-TASC-T-12-0728	185,570
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	31-1036-TASC-T-13-0728	181,272
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	31-1036-UMADAOP-P-12-9149	89,868
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	31-1036-UMADAOP-P-13-9149	89,808
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	31-1349-WOMEN-T-12-9046, 31-1358-WOMEN-T-12-9030, 31-1358-WOMEN-T-12-9036, 31-1367-WOMEN-T-12-9048, 31-2996-WOMEN-T-12-8992	548,402
Block Grants for Prevention and Treatment of Substance Abuse	Mental Health and Recovery Services Board	93.959	31-1349-WOMEN-T-13-9046, 31-1358-WOMEN-T-13-9030, 31-1358-WOMEN-T-13-9036, 31-1367-WOMEN-T-13-9048, 31-2996-WOMEN-T-13-8992	548,024
Total for CFDA 93.959				<u>5,154,972</u>
Total U.S. Department of Health and Human Services				<u>54,309,232</u>

(Continued)

**COUNTY OF HAMILTON, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<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 HOMELAND SECURITY Direct Program:				
Homeland Security Biowatch Program	Environmental Services	97.091		<u>\$284,704</u>
Pass through the Ohio Department of Public Safety:				
Disaster Grants—Public Assistance (Presidentially Declared Disasters)	Engineer	97.036	DR-061-U6RIQ	<u>291,599</u>
Hazard Mitigation Grant	Emergency Management Agency	97.039	FEMA-DR-4002.5-P-OH	<u>13,674</u>
Emergency Management Performance Grants	Emergency Management Agency	97.042	EMW-2011-EP-00003-S01	96,230
Emergency Management Performance Grants	Emergency Management Agency	97.042	EMW-2012-EP-00004-S01	<u>343,682</u>
Total for CFDA 97.042				<u>439,912</u>
Port Security Grant Program	Emergency Management Agency	97.056	2009-PU-T9-K016	<u>150,549</u>
Homeland Security Grant Program	Emergency Management Agency	97.067	EMW-2011-SS-00070	176,203
Homeland Security Grant Program	Emergency Management Agency	97.067	2008-GE-T8-0025	490
Homeland Security Grant Program	Emergency Management Agency	97.067	2009-SS-T9-0089	4,794,750
Homeland Security Grant Program	Emergency Management Agency	97.067	2010-SS-T0-0012	<u>2,155,721</u>
Total for CFDA 97.067				<u>7,127,164</u>
Total U.S. Department of Homeland Security				<u>8,307,602</u>
Total Federal Expenditures				<u><u>\$97,960,301</u></u>

(Concluded)

See Notes to Schedule of Expenditures of Federal Awards.

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**COUNTY OF HAMILTON, OHIO**

**Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2012**

- 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:

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Amounts Provided to Subrecipients</b>
Community Development Block Grants/Entitlement Grants	14.218	\$ 944,397
Emergency Shelter Grants Program	14.231	276,856
HOME Investment Partnerships Program	14.239	330,464
Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	ARRA-14.257	282,974
Second Chance Act Prisoner Reentry Initiative	16.812	350,926
WIA Adult Program	17.258	1,206,642
WIA Youth Activities	17.259	1,440,609
WIA Dislocated Workers	ARRA-17.277	19,014
WIA Dislocated Worker Formula Grants	17.278	836,010
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	1,636,001
Projects for Assistance in Transition from Homelessness (PATH)	93.150	290,914
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	93.243	134,290
Temporary Assistance for Needy Families	93.558	3,427,629
Social Services Block Grant	93.667	715,593
Children's Health Insurance Program	93.767	26,217
Medical Assistance Program	93.778	164,775
Block Grants for Community Mental Health Services	93.958	330,410
Block Grants for Prevention and Treatment of Substance Abuse	93.959	5,154,972
Port Security Grant Program	97.056	150,307
Homeland Security Grant Program	97.067	4,332,601

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. 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.

COUNTY OF HAMILTON, OHIO

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2012

4. **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, 2012, including delinquent loans of \$18,089:

Program Title	Federal CFDA Number	Loan Balances Outstanding
Community Development Block Grants/Entitlement Grants	14.218	\$ 360,653
HOME Investment Partnerships Program	14.239	17,851

5. **Enhanced Federal Matching Funds Reconciliation:** During the calendar year, the County received a refund for Enhanced Federal Matching Funds (eFMAP) from the American Recovery and Reinvestment Act for the Medicaid Program (CFDA #93.778) in the amount of \$7,840 from the Ohio Department of Developmental Disabilities (ODODD). This refund was a correction to the eFMAP percentage for four billing cycles during July and August 2009. This revenue is not listed on the County's Schedule of Expenditures of Federal Awards since the underlying expenses occurred in prior reporting.

6. **Cost Report Settlement:** During the calendar year, the County received notice of a liability owed to ODODD for the Medicaid program (CFDA #93.778) in the amount of \$9,461. This Cost Report liability was for settlement of the difference between the statewide payment rate and the rate calculated based upon actual expenditures for Medicaid services. This liability is not listed on the County's Schedule of Expenditures of Federal Awards since the underlying expenses occurred in prior reporting periods and the liability was invoiced by ODODD.

7. **Transfers between Federal Programs:** During 2012, the Ohio Department of Job and Family Services, on the County's behalf, made allowable transfers of \$4,898,197 from the Temporary Assistance for Needy Families (TANF) (93.558) program to the Social Services Block Grant (SSBG) (93.667) program. The Schedule shows the County spent \$8,921,665 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during 2012 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	\$ 13,819,862
Transfer to Social Services Block Grant	(4,898,197)
Total Temporary Assistance for Needy Families	<u>\$ 8,921,665</u>

8. **Reporting Receipts:** The County's Department of Developmental Disabilities reports revenues rather than expenditures for its grants.

9. **Nutrition Cluster:** Cash receipts from the U.S. Department of Agriculture are commingled with the State grants. It is assumed federal monies are spent first.

10. **Highway Planning and Construction CFDA 20.205:** During project closeout and reconciliation by Ohio Department of Transportation (ODOT), they identified differences in amounts reported in the County's prior-year federal schedule expenditures and amounts reimbursed to the County by ODOT. ODOT requested the County include expenditures incurred in prior years in addition to the amounts expended and reported in the Schedule. These expenditures were not reported in the prior-year Schedule(s) due to the reimbursement not being requested/received until later years when the projects were being completed. These reimbursements were not included in the current Schedule as they are



**COUNTY OF HAMILTON, OHIO**

**Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2012**

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not expenditures incurred and recorded in the current-year financial statements. The following reimbursements not previously reported are listed by Project ID (PID) below:

<b>PID</b>	<b>Prior-Year Expenditures</b>
81899	\$13,714
84786	426,495
86065	110,898
86370	675,227
90486	50,000
93076	110,300

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 25, 2014 which was adverse due to material misstatements of the fund balances presented in the governmental fund statements and the budgetary statements for the Public Assistance Fund and the Health and Human Services Levies Fund for the fiscal year ended December 31, 2012. We noted other auditors audited the financial statements of the Convention Facilities Authority of Hamilton County (discretely presented component unit) and the Metropolitan Sewer District (MSD) (major enterprise fund). We also noted the County adopted the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, and restated 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***

As part of our financial statement audit, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the County's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the County's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***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, opining 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

February 25, 2014



# Dave Yost • Auditor of State

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

Hamilton County  
138 East Court Street  
Cincinnati, Ohio 45202

To the Board of County Commissioners:

### ***Report on Compliance for Each Major Federal Program***

We have audited Hamilton County, Ohio (the County), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Hamilton County's major federal programs for the year ended December 31, 2012. The *Summary of Audit Results* in the accompanying schedule of findings identifies the County's major federal programs.

### ***Management's Responsibility***

The County's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the County's compliance for each of the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the County's major programs. However, our audit does not provide a legal determination of the County's compliance.

The County's basic financial statements include the operations of the Metropolitan Sewer District, which includes \$27,001,131 in federal awards which is not included in the County's Schedule of Federal Awards Expenditures for the year ended December 31, 2012. Our audit of Federal awards, described below, did not include the operations of Metropolitan Sewer District because the department engaged another auditor to audit its Federal award programs in accordance with OMB Circular A-133.

***Basis for Qualified Opinion on Temporary Assistance for Needy Families***

As described in finding 2012-001 in the accompanying schedule of findings, the County did not comply with requirements regarding Eligibility applicable to its Temporary Assistance for Needy Families major federal program. Compliance with this requirement is necessary, in our opinion, for the County to comply with requirements applicable to this program.

***Qualified Opinion on Temporary Assistance for Needy Families***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Temporary Assistance for Needy Families* paragraph, Hamilton County complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Temporary Assistance for Needy Families* for the year ended December 31, 2012.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, Hamilton County complied in all material respects with the requirements referred to above that could directly and materially affect each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings for the year ended December 31, 2012.

***Other Matters***

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

***Report on Internal Control Over Compliance***

The County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2012-001 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2012-002 to be a significant deficiency.

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

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133***

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely-presented component unit, each major fund and the aggregate remaining fund information of Hamilton County, Ohio, (the County) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 25, 2014, which we modified due to material misstatements of the fund balances the governmental fund and the budgetary statements presented for the Public Assistance Fund and the Health and Human Services Levies Fund at December 31, 2012. Our opinion also explained that the County adopted *Governmental Accounting Standard No. 63 and 65* during the year. We also noted that other auditors audited the financial statements of the Convention Facilities Authority of Hamilton County (discretely presented component unit) and the Metropolitan Sewer District (major enterprise fund), as described in our opinion on the County's financial statements. The report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported.

We conducted our audit to opine on the County's basic financial statements. The accompanying schedule of federal awards expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. Because of the aforementioned opinion modification, we are unable to express an opinion on the schedule.

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

February 25, 2014



**HAMILTON COUNTY**  
**SCHEDULE OF FINDINGS**  
**OMB CIRCULAR A -133 § .505**  
**DECEMBER 31, 2012**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Adverse – fund balances for the Public Assistance Fund and Health and Human Services Fund Unmodified – all other opinion units
<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 significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	Yes
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Qualified on Eligibility Requirement – Temporary Assistance for Needy Families Unmodified – Remaining Major Programs
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA, 10.561 Supplemental Nutrition Assistance Program CFDA 93.558, Temporary Assistance for Needy Families Cluster CFDA 93.658 Foster Care CFDA 93.659 Adoption Assistance CFDA 93.778 Medicaid Cluster (Title XIX)(JFS Only) CFDA 93.667 Social Services Block Grant CFDA 93.575 Child Care Development Block Grant CFDA 93.563 Child Support Enforcement CFDA 17.258, 17.259, 17.278 Workforce Investment Act Cluster CFDA 81.128 Energy Efficiency Conservation Block Grant (ARRA) CFDA 14.256 Neighborhood Stabilization Program (ARRA) CFDA 16.710 Public Safety Partnership and Community Policing Grants (ARRA)
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$2,938,809 Type B: > \$293,881
<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**

None

**3. FINDINGS FOR FEDERAL AWARDS**

**FINDING NUMBER 2012-001**

<b>Finding Number</b>	2012-001
<b>CFDA Title and Number</b>	93.558, 93.714 Temporary Assistance for Needy Families Cluster
<b>Federal Award Number / Year</b>	2012
<b>Federal Agency</b>	U.S. Department of Health and Human Services
<b>Pass-Through Agency</b>	Ohio Department of Job and Family Services

**Noncompliance/Material Weakness**

**45 CFR 263.2 (b)** lists the requirements for families to be eligible for the prevention, retention and contingency (PRC) benefits and services of the Temporary Assistance for Needy Families (TANF) Program. **Ohio Administrative Code 5101:1-24-20** lists additional guidelines when determining financial eligibility for prevention, retention, and contingency (PRC) benefits and services. In addition the County has developed a prevention, retention and contingency (PRC) plan for the TANF program. The plan states that Hamilton County Jobs and Family Services (HCJFS) will utilize the PRC Worksheet for determining TANF eligibility.

The Hamilton County Department of Job and Family Services (HCDJFS) Prevention, Retention, and Contingency (PRC) Plan administered as part of the Temporary Assistance to Needy Families (TANF) program (CFDA 93.558) requires that a case file be maintained and that eligibility for PRC be adequately documented and properly approved. PRC applications are required to be signed by both the applicants and HCDJFS supervisory personnel. In addition, supervisory personnel are required to sign PRC worksheets which assist to determine eligibility. Once eligibility for PRC is established, the person who determines eligibility will authorize and generate payments for assistance, goods and services.

In testing eligibility, we noted the following:

- Three of 60 case files (5%) could not be located
- Two of 60 case files in addition to the missing case files noted above (8% total) did not contain completed PRC Worksheets.

Failure to maintain case files and obtain proper approvals could result in an inability to substantiate payments made and in noncompliance and/or questioned costs if payments are made to persons who are ineligible for benefits.

We recommend that the HCDJFS take the necessary steps to ensure that PRC case files for eligibility are properly maintained. Also, we recommend all requisite signatures of the application and PRC worksheet by supervisory personnel be obtained prior to providing assistance or services.

**FINDING NUMBER 2012-001  
(Continued)**

**Officials' Response:**

Files were being scanned into ON-Base system at this time.

**FINDING NUMBER 2012-002**

<b>Finding Number</b>	2012-002
<b>CFDA Title and Number</b>	17.258, 17.259, 17.278 Workforce Investment Act Cluster
<b>Federal Award Number / Year</b>	2012
<b>Federal Agency</b>	U.S. Department of Labor
<b>Pass-Through Agency</b>	Ohio Department of Job and Family Services

**Significant Deficiency**

The Hamilton County Department of Job and Family Services (HCDJFS) administers the Workforce Investment Act (WIA) Cluster which receives funding under CFDA #17.258, 17.259, and CFDA #17.278. Established procedures require that a WIA individual application form should be approved as evidenced by signature of the caseworker and a HCDJFS supervisor. Once eligibility for WIA is established, the person who determines eligibility will authorize and generate payment for services.

In reviewing individual application forms, we noted two of 60 instances (3.33%) in which the individual application form was not signed by the caseworker and reviewed and signed by a HCDJFS supervisor.

Failure to obtain proper approvals of individual application forms could result in an inability to substantiate payments made and potential questioned costs if payments are made to persons who are ineligible for benefits.

We recommend that HCDJFS establish controls to help ensure that all individual WIA application forms are properly approved prior to providing assistance or services. Such controls might include procedures for periodic management review of case file documentation.

**Officials' Response:**

JFS will refresh managers and caseworkers to complete the application documents including necessary signatures.

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HAMILTON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
 OMB CIRCULAR A -133 § .315 (b)  
 DECEMBER 31, 2012

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 Services Special Audit for the period July 1, 2000 through June 30, 2004	<p>The special audit identified findings for adjustment affecting the following opinion units related to correct fund balances for undocumented interfund transfers, and amounts incorrectly paid from special funds during the period of audit (amounts in thousands):</p> <p>General Fund \$(1,752)                      Public Assistance Fund \$(35,050)                      Health &amp; Human Services                      Levies Fund \$40,658                      Remaining Fund Information \$(3,856)</p>	No	<p>Not corrected; reflected in audit opinion for the year ended December 31, 2012.</p> <p>The County is attempting to resolve the issue with the Ohio Department of Job &amp; Family Services and the Federal Department of Health and Human Services.</p>
2011-001	Finding for Recovery in the amount of \$2,400 issued against Michael Esposito of the Sheriff's Department in favor of the General Fund.	Yes	
2011-002	<p>Hamilton County Department of Job and Family Services – Excess Rent Costs – Allowable Costs/Cost Principles</p> <p>Lease agreements constitute “less-than-arm’s-length” agreements and are subject to the limitations of 2 CFR Part 225, App. B, Section 37.3.</p>	Yes	
2011-003	Citation of Ohio Administrative Code 5101:12-40 establish paternity and support obligation.	No	Partially corrected; reissued in Management Letter for 2012.
2011-004	Citation of 45 CFR sections 303.7(a) and 303.7(b)(2), (4), (5,) and (6) respectively (45 CFR sections 302.36 and 303.7) provide information in interstate cases to requesting state.	No	Partially corrected; reissued in Management Letter for 2012.
2011-005	Hamilton County Department of Job and Family Services – Random Moment Sampling (RMS) completion and review.	Yes	

2011-006	Hamilton County Job and Family Services – Discrepancies noted employee timesheets and payroll register.	Yes	
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Note: The report that contained the findings above for the year ended December 31, 2011 was issued in August 2013. Therefore, the comments could not be fully addressed in fiscal year 2012.

**HAMILTON COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A -133 § .315 (c)  
DECEMBER 31, 2012**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2012-001	In January 2012 our agency began scanning all incoming documents into our Document Imaging System in the Family and Adult Sections.	All documents began being scanned in January 2012 and will continue to be scanned throughout 2014.	Name: Jim Ashmore Title: Performance Improvement Section Chief
2012-002	JFS will refresh managers and caseworkers to complete the application documents including necessary signatures.	2014	Tim McCartney

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# **2012 Comprehensive Annual Financial Report**

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**For the year ended  
December 31, 2012**

**The County of  
Hamilton, Ohio**



**Issued by  
Dusty Rhodes  
Hamilton County  
Auditor**

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**2012 Comprehensive  
Annual Financial Report**  
*For the fiscal year ended  
December 31, 2012*

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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, 2012**

**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>	
INDEPENDENT AUDITOR'S REPORT . . . . .	9
MANAGEMENT'S DISCUSSION AND ANALYSIS . . . . .	15
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position . . . . .	38
Statement of Activities . . . . .	39
Fund Financial Statements:	
Balance Sheet—Governmental Funds . . . . .	40
Reconciliation of Balance Sheet—Governmental Funds—to Government-Wide Statement of Net Position	41
Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds . . . . .	42
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances— Governmental Funds—to Government-Wide Statement of Activities . . . . .	43
Statements of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual:	
General Fund . . . . .	44
Public Assistance—Special Revenue Fund . . . . .	45
Health and Human Services Levies—Special Revenue Fund . . . . .	46
Statement of Net Position—Proprietary Funds . . . . .	48
Statement of Revenues, Expenses and Changes in Fund Net Position—Proprietary Funds . . . . .	50
Statement of Cash Flows—Proprietary Funds . . . . .	52
Statement of Assets and Liabilities—Agency Funds . . . . .	54
Notes to the Basic Financial Statements . . . . .	56
SUPPLEMENTARY INFORMATION:	
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet—Nonmajor Governmental Funds . . . . .	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances— Nonmajor Governmental Funds . . . . .	106
Schedules of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual:	
General Fund . . . . .	108
Public Assistance—Special Revenue Fund . . . . .	114
Health and Human Services Levies—Special Revenue Fund . . . . .	115
Motor Vehicle Gas Tax—Special Revenue Fund . . . . .	116
Health and Community Services Nongrants—Special Revenue Fund . . . . .	118
Health and Community Services Grants—Special Revenue Fund . . . . .	120
Community Development Block Grants—Special Revenue Fund . . . . .	121
Bond Retirement—Debt Service Fund . . . . .	122
General Obligation Nonvoted—Debt Service Fund . . . . .	123
Special Assessments—Debt Service Fund . . . . .	124

Combining Statement of Net Position—Nonmajor Enterprise Funds. . . . .	126
Combining Statement of Revenues, Expenses and Changes in Fund Net Position— Nonmajor Enterprise Funds. . . . .	128
Combining Statement of Cash Flows—Nonmajor Enterprise Funds. . . . .	130
Combining Statement of Net Position—Internal Service Funds. . . . .	134
Combining Statement of Revenues, Expenses and Changes in Fund Net Position— Internal Service Funds. . . . .	135
Combining Statement of Cash Flows—Internal Service Funds. . . . .	136
Combining Statement of Assets and Liabilities—Agency Funds. . . . .	138
Combining Statement of Changes in Assets and Liabilities—Agency Funds. . . . .	139

**STATISTICAL SECTION**

**STATISTICAL SCHEDULES:**

Net Position by Component—Last Ten Fiscal Years . . . . .	143
Changes in Net Position—Last Ten Fiscal Years. . . . .	144
Fund Balances of Governmental Funds—Last Ten Fiscal Years . . . . .	146
Changes in Fund Balances of Governmental Funds—Last Ten Fiscal Years . . . . .	147
Assessed Value and Estimated Actual Value of Taxable Property—Last Ten Fiscal Years . . . . .	148
Property Tax Rates—Direct and Overlapping Governments—Last Ten Fiscal Years . . . . .	150
Principal Property Taxpayers . . . . .	152
Property Tax Levies and Collections—Real, Utility and Tangible Taxes—Last Ten Years . . . . .	153
Ratios of Outstanding Debt by Type—Last Ten Fiscal Years . . . . .	154
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 . . . . .	168

**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

February 25, 2014

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the County of Hamilton for the year ended December 31, 2012. This report contains the financial and statistical data that provide a complete and full disclosure of all material financial aspects of the County.

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

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

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

The basic financial statements of the County as of and for the year ended December 31, 2012, 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 407.4 square miles. The County encompasses 49 cities, villages and townships, of which Cincinnati is the largest. The County is the third largest in the State of Ohio in terms of population (802,374 per the 2010 U.S. Census). Located on the Ohio River, Hamilton County forms the core of the Greater Cincinnati Metropolitan Area, which also includes the counties of Brown, Butler, Clermont and Warren in Ohio; Dearborn, Franklin and Ohio Counties in Indiana; and Boone, Bracken, Campbell, Gallatin, Grant, Kenton and Pendleton Counties across the river in Kentucky. The metro area has a population of 2,130,151 which makes it the 27<sup>th</sup> largest metropolitan area in the country per the 2010 U.S. Census.

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

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

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

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

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

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

The annual budget is the starting point for the County's financial planning and control. The budgeting process is primarily the province of the Board of County Commissioners (BOCC). Initially, the County's Office of Budget and Strategic Initiatives released a General Fund forecast so that all County agencies would be aware of and prepared for the 2012 budget reductions. Prior to the County Administrator releasing a recommended budget in early October, departments had the opportunity to respond to the forecasts in work sessions with the BOCC. The BOCC typically adopts the final budget by December. If a

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

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

## **Factors Affecting Financial Condition**

### Local Economy

Hamilton County's economy represents a cross-section of the national economy, with a diversity that does not rely too heavily on any one sector. In 2012, Hamilton County's unemployment rate was 7.0, and the local growth in employment outpaced the rest of the country, which has not been the case historically.

The Cincinnati USA Regional Chamber and the Northern Kentucky Chamber of Commerce in their *2013 Regional Economic Outlook* report that an increasing number of positive signs indicate the economy is beginning to stabilize; however, even with an improved unemployment rate, the region's recovery from the recession continues to be modest.

### Long-Term Financial Planning

The County's top revenue sources for the General Fund continue to be impacted by the slow economic recovery in the region as well as State budget pressures; however, sales tax revenue increased by 2.4% in 2012, the first such increase in many years.

The original 2012 General Fund budget of \$206.7 million is structurally balanced, and reflects a decrease of \$3.9 million from that of 2011. This budget marks the lowest revenue and expenditure levels in the County since 1998.

General Fund revenue stagnation had another critical implication beyond its impact on the General Fund. The BOCC has also historically relied upon the annual sales tax growth rate of 3.0% in planning to meet the County's legal and/or political obligations associated with a special 0.5% additional sales tax initiated in the late 1990s to cover the costs of ambitious riverfront redevelopment efforts, obligations that include financing debt to cover the costs of building new major league football and baseball stadiums and related infrastructure, developing "The Banks" riverfront project begun in 2008, as well as covering the costs of the continued operation of those stadia and infrastructure and a property tax credit for people who own and occupy their own homes in Hamilton County. The lack of sales tax growth has resulted in a projected Sales Tax Fund deficit beginning in 2010 totaling approximately \$14 million. This deficit grows to over \$90 million in less than five years.

The BOCC addressed the 2010 deficit by using available fund balance in the Sales Tax Fund, a transfer from the Sales Tax Stabilization Fund, a transfer from the General Fund, and a reduction in project overhead costs for The Banks Riverfront Redevelopment project. In December 2009, the Commission approved a framework for permanently addressing the Sales Tax Fund deficit that includes dedicating a portion of the anticipated casino revenue beginning in 2013, anticipated lease concessions from the Cincinnati Reds and Cincinnati Bengals professional sports teams, and a new revenue stream.

In November 2012, the Commission took additional action, adopting a consensus approach to systematically address the structural imbalance in the sales tax fund. In this legislation, the Commission resolved (1) to approve a .25% increase in the permissive sales and use tax rate (subsequently approved in December 2012); (2) that the amount of the property tax rebate slated for elimination will work toward ensuring that net property taxes collected do not change (subsequent resolution in December 2012); (3) that the county Administrator is to work with the professional sports teams to gain commitments of revenue contributions and/or expense reductions; and (4) that beginning in 2014, at least \$1.5 million of casino revenue will be dedicated to economic development in high-priority sites.

While faced with the strains of the economy, the County is also trying to maintain a minimum General Fund reserve of 5% of ongoing General Fund expenditures, with the longer-term goal of a 15% reserve. The reserve balance in 2012 was approximately 14% of General Fund expenditures.

### Major Events and Initiatives

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

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

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

### **Acknowledgments**

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

Sincerely,

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

Dusty Rhodes  
Auditor

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# COUNTY OF HAMILTON, OHIO ELECTED OFFICIALS

As of December 31, 2012

## Board of County Commissioners

Gregory P. Hartmann, President  
Christopher Monzel  
Todd Portune

Dusty Rhodes  
Theresa Winkler  
Lakshmi K. Sammarco, M.D.  
Theodore B. Hubbard  
Joseph T. Deters  
Wayne Coates  
Simon L. Leis, Jr.  
Robert A. Goering

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

## Ohio Court of Appeals First District

Lee H. Hildebrandt, Jr., Presiding Judge  
Penelope R. Cunningham  
Patrick T. Dinkelacker

Patrick F. Fischer  
Sylvia Sieve Hendon  
J. Howard Sundermann

## Common Pleas Court Judges

### General Division

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

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

### Domestic Relations Division

Susan L. Tolbert, Administrative Judge  
Elizabeth B. Mattingly

Jon H. Sieve

### Probate Court Division

James C. Cissell, Presiding Judge

### Juvenile Court Division

John M. Williams, Presiding Administrative Judge

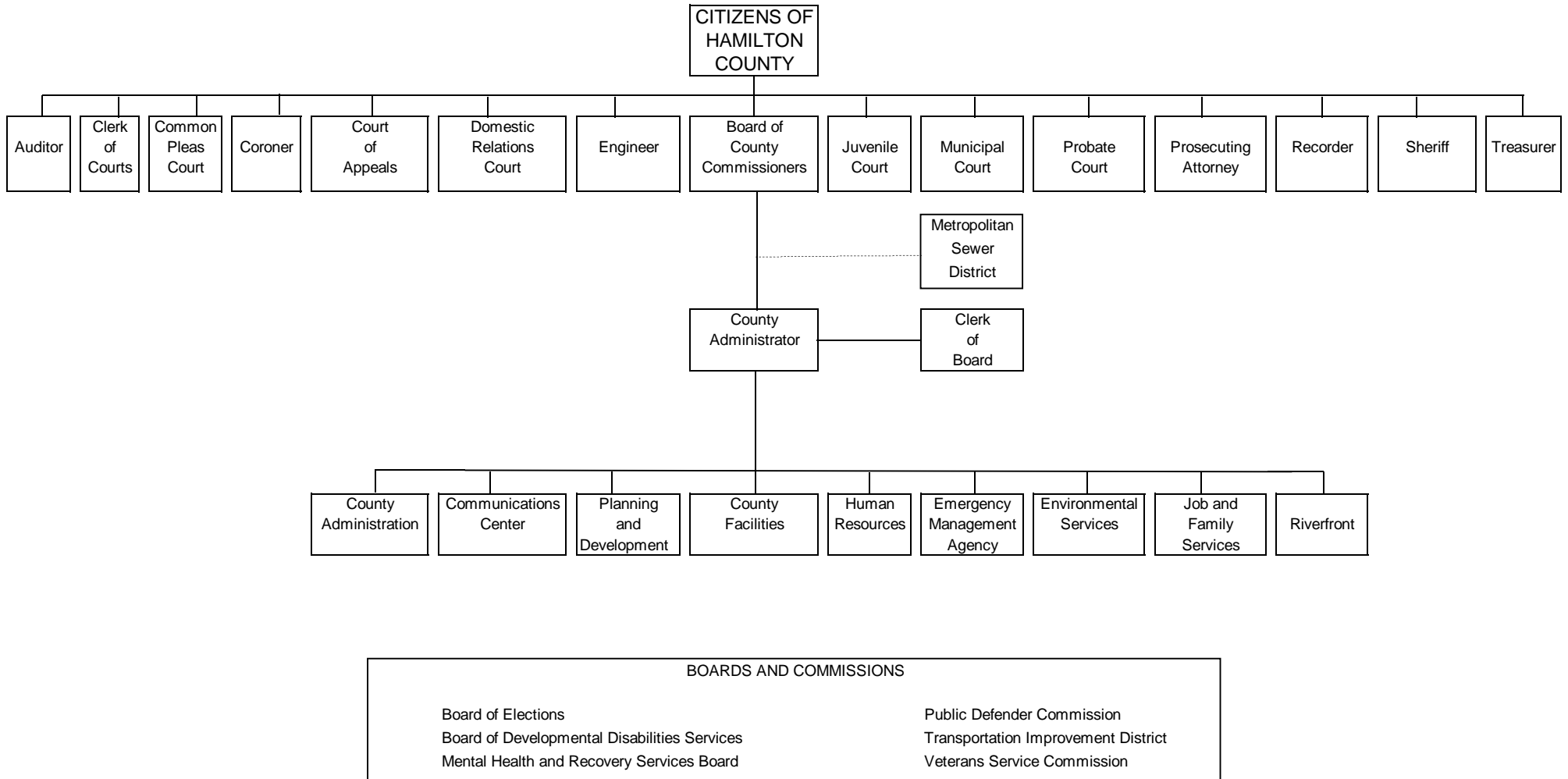
Tracie M. Hunter

## Hamilton County Municipal Court

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

Dwane Mallory  
William Mallory  
Melissa A. Powers  
Fanon A. Rucker  
Heather S. Russell  
Megan Shanahan  
Tyrone Yates

## ORGANIZATION CHART COUNTY OF HAMILTON, OHIO



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**Financial  
Section**

**The County of  
Hamilton, Ohio**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Hamilton County  
138 East Court Street  
Cincinnati, Ohio 45202

To the Board of County Commissioners:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Hamilton County, Ohio (the County), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We did not audit the financial statements of the Convention Facilities Authority for Hamilton County, which is the County's discretely presented component unit. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for the Convention Facilities Authority for Hamilton County, on the report of the other auditors. We also did not audit the financial statements of the Metropolitan Sewer District, which represents 71 percent, 88 percent, and 91 percent, respectively, of the assets, net position, and operating revenues for the business type activities – enterprise funds. Those statements, which were prepared by the Metropolitan Sewer District without adopting the provisions of Governmental Accounting Standard No 65, *Items Previously Reported as Assets and Liabilities*, were audited by other auditors, whose report has been furnished to us. The Hamilton County Auditor converted the financial statements to conform with Governmental Accounting Standard No 65, and we have applied audit procedures to the conversion adjustments. Our opinion, insofar as it relates to the amounts included for Metropolitan Sewer District, prior to these conversion adjustments, is based solely on the report of the other auditors. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the County's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Summary of Opinions***

<b>Opinion Unit</b>	<b>Type of Opinion</b>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Unit	Unmodified
General Fund	Unmodified
Public Assistance Fund	Adverse
Health and Human Services Levies Fund	Adverse
Metropolitan Sewer District Fund	Unmodified
Paul Brown Stadium Fund	Unmodified
Baseball Stadium Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

***Basis for Adverse Opinions on the Public Assistance and Health and Human Services Levies Governmental Opinion Units***

The Auditor of State issued a June 27, 2006 special audit report for the period July 1, 2000 through June 30, 2004 requiring the County to adjust payments recorded to the Health and Human Services Levies Fund that should have been charged to the Public Assistance Fund. The Auditor of State also issued an agreed upon procedures report for the period July 1, 2004 through December 31, 2006 requiring the County to adjust the fund balances. Additional information was provided during the course of our audit resulting in adjustments to the original adjustment amounts; however, the County continues to research this issue and has therefore not yet recorded adjustments for the remaining amounts:

	Opinion Unit (Amounts in Thousands)	
	Public Assistance	Health and Human Services Levies Fund
Cumulative Effect of Unrecorded Adjustments on the January 1, 2012 Balances	\$(35,050)	\$40,658

***Adverse Opinions***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on the Public Assistance and Health and Human Services Levies Governmental Opinion Units* paragraph, the financial statements referred to above do not present fairly the fund balances of the governmental fund and budgetary statements presented for the Public Assistance and the Health and Human Services Levies Opinion Units of Hamilton County, Ohio, as of December 31, 2012 in accordance with accounting principles generally accepted in the United States of America. However, these adjustments do not affect the results of operations for the year ended December 31, 2012. In our opinion, the financial statements of the Public Assistance Fund and the Health and Human Services Levies Fund present fairly the results of operations (including budgetary statement revenue and expenditure comparisons) for the year ended December 31, 2012.

***Unmodified Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund except for the Public Assistance Fund and the Health and Human Services Levies Fund, and the aggregate remaining fund information of Hamilton County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note II to the financial statements, during the year ended December 31, 2012, the County adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

Our audit was conducted to opine on the County's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements, individual fund statements and schedules, are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. Because of the adverse opinions paragraph, we are unable to express an opinion on fund balances related to statements and schedules presenting the Public Assistance Fund and the Health and Human Services Levies Fund. In our opinion, except for statements and schedules presenting the Public Assistance Fund and the Health and Human Services Levies Fund this information is fairly stated in all material respects in relation to the governmental activities, the business-type activities, the discretely presented component unit, the General Fund and the aggregate remaining fund information of Hamilton County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund.

We did not subject the introductory section and statistical information to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion or any other assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2014, 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 internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

February 25, 2014

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**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
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, 2012. 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 2012 are as follows:

- ❑ The net position of the County as of December 31, 2012, was \$1,546.0 million. Of the \$645.0 million in total net position of governmental activities, unrestricted net position of \$37.3 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ❑ Unrestricted net position in business-type activities was \$335.2 million as of December 31, 2012.
- ❑ In total, net position increased \$40.7 million in 2012. Net position of governmental activities decreased \$4.1 million. Net position of business-type activities increased \$44.8 million.
- ❑ The revenues of the governmental activities were \$767.6 million; \$393.3 million was from program revenues, and \$374.3 million was from general revenues. During this same period, expenses related to the governmental activities were \$771.7 million. The largest category of expenses was for health-related purposes in the amount of \$226.5 million.
- ❑ The 2012 revenues of the business-type activities were \$339.9 million—\$278.3 million from program revenues and \$61.6 million from general revenues. Expenses related to the business-type activities were \$295.1 million. The largest expenses were in the operations of Metropolitan Sewer District in the amount of \$189.9 million.
- ❑ General revenues accounted for \$435.9 million of total revenues for 2012. Program-specific revenues in the form of charges for services, grants and contributions accounted for \$671.6 million of total revenues of \$1,107.5 million in 2012.
- ❑ As of December 31, 2012, the County's governmental funds reported a combined fund balance of \$361.9 million, an increase of \$12.8 million compared to 2011. Approximately 13% of this amount (\$48.0 million) is available for spending at the government's discretion (unassigned fund balance).
- ❑ The fund balance of the County's General Fund decreased \$3.2 million in 2012.
- ❑ Unassigned fund balance for the General Fund was \$49.8 million in 2012, compared to \$56.4 million in 2011, a change of 12%. This unassigned fund balance represents 25% of General Fund expenditures and other financing uses.

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

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## **USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT**

### **Overview of the Financial Statements**

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

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

## **REPORTING HAMILTON COUNTY AS A WHOLE**

### **Government-Wide Financial Statements**

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

### **Statement of Net Position and Statement of Activities**

The Statement of Net Position 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 Position.** The Statement of Net Position presents information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference between all elements reported as net position. 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, 2012  
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 position and the change in net position. The change is important because it tells the reader whether, for the County as a whole, the financial position has improved or diminished. In evaluating the overall position of the County, nonfinancial information—such as changes in the County's tax or employment base, the condition of County capital assets, changing economic conditions, population and customer growth, and new or changed rules and regulations—also need to be considered.

All changes in net position 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 Position and the Statement of Activities, County functions are divided into the following two distinct kinds of activities:

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

The government-wide financial statements include not only the County itself (known as the primary government) but also any component units, if applicable. Component units are legally separate entities for which the primary government is financially accountable. For 2012, the Convention Facilities Authority (CFA) is a discretely presented component unit, and its financial data is reported on the government-wide statements.

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

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

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

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
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 and the Statement of Revenues, Expenditures and Changes in Fund Balances for the governmental funds provide reconciliations 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 and in the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Public Assistance fund and the Health and Human Services Levies fund, all of which are considered to be major governmental funds. Data from the other nonmajor governmental funds, which include special revenue, debt service and capital projects funds, are combined into a single, aggregate presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements in the supplementary information section of this report.

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

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

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
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. On the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position, proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The final required statement for proprietary funds is the Statement of Cash Flows. This statement reports cash receipts, cash payments and net changes in cash resulting from operations, investing and financing activities. This statement provides answers to such questions as where did cash come from, what was cash used for and what was the change in the cash balance during the reporting period.

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) located between the stadia; the Main Street Parking Garage fund, to account for the 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 accumulate and allocate costs internally between the County's various functions, or to account for operations that provide services to County departments, agencies or other governments on a cost-reimbursement basis. Because the services provided by the County's governmental internal service funds—the Workers' Compensation Reserve fund, the Auditor's Computer Center fund, the Multi-County System Agencies fund and the Medical Self-Insurance fund—benefit governmental functions, they have been included with governmental activities in the government-wide financial statements.

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, 2012  
UNAUDITED**

---

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

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

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

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

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

### **Other Information**

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

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

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

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

### **Net Position**

Net position may serve over time as a useful indicator of the County's financial position. At the end of 2012, Hamilton County was able to report positive balances in all categories of net position for the County as a whole and for its separate governmental and business-type activities.

Hamilton County's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$1,546.0 million in 2012. This represents \$645.0 million in governmental activities and \$901.0 million in business-type activities.

Overall expenses in governmental activities were up \$15.3 million in 2012 versus the prior year. The increase in revenues (\$6.4 million) helped offset the increased expenses, but the County's governmental net position still decreased \$4.1 million in 2012 (excluding transfers).

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

Table 1 provides a summary of the County's net position for fiscal year 2012.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2011*	2012	2011*	2012	2011*
<b>ASSETS</b>						
Current and Other Assets	\$ 720.0	\$ 724.1	\$ 497.6	\$ 490.9	\$1,217.6	\$1,215.0
Capital Assets, Net	362.5	397.0	2,056.6	1,992.8	2,419.1	2,389.8
<b>TOTAL ASSETS</b>	<u>1,082.5</u>	<u>1,121.1</u>	<u>2,554.2</u>	<u>2,483.7</u>	<u>3,636.7</u>	<u>3,604.8</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Charge on Refunding	0.9	0.8	25.2	28.1	26.1	28.9
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>0.9</u>	<u>0.8</u>	<u>25.2</u>	<u>28.1</u>	<u>26.1</u>	<u>28.9</u>
<b>LIABILITIES</b>						
Current and Other Liabilities	72.5	97.4	41.8	50.3	114.3	147.7
Long-Term Liabilities						
Due Within One Year	17.0	17.3	68.1	48.5	85.1	65.8
Due in More Than One Year	112.7	122.4	1,568.5	1,556.8	1,681.2	1,679.2
<b>TOTAL LIABILITIES</b>	<u>202.2</u>	<u>237.1</u>	<u>1,678.4</u>	<u>1,655.6</u>	<u>1,880.6</u>	<u>1,892.7</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes Not Levied to Finance Current Year Operations	236.2	235.7	-	-	236.2	235.7
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>236.2</u>	<u>235.7</u>	<u>-</u>	<u>-</u>	<u>236.2</u>	<u>235.7</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	287.9	314.3	557.8	554.0	845.7	868.3
Restricted for:						
Debt Service	11.2	14.3	8.0	8.0	19.2	22.3
Capital Projects	10.7	7.7	-	-	10.7	7.7
Special Revenue Funds	297.9	287.5	-	-	297.9	287.5
Unrestricted	37.3	25.3	335.2	294.2	372.5	319.5
<b>TOTAL NET POSITION</b>	<u>\$ 645.0</u>	<u>\$ 649.1</u>	<u>\$ 901.0</u>	<u>\$ 856.2</u>	<u>\$1,546.0</u>	<u>\$1,505.3</u>

\*As restated at note II B.

By far, the largest portion of the County's net position, \$845.7 million, reflects its investment in capital assets, which includes property, plant, equipment and infrastructure assets, net of

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

accumulated depreciation and less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position represents resources that are subject to external restrictions on how they may be used. Restricted net position was \$319.8 million of governmental activities and \$8.0 million of business-type activities in 2012. The remaining net position is 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 \$37.3 million of governmental activities and \$335.2 million of business-type activities in 2012.

As was also the case in 2011, a significant factor in 2012 governmental activities that affected the County's net position 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 \$29.4 million.

**Changes in Net Position**

Hamilton County's total revenues were \$1,107.5 million. Various taxes make up 35% of the County's revenue. Another 35% of the County's revenue comes from fees charged for services, and 27% is State and federal aid.

Table 2 below provides a summary of the County's revenues and expenses—the changes in net position—for fiscal year 2012.

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

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2012</b>	<b>2011*</b>	<b>2012</b>	<b>2011*</b>	<b>2012</b>	<b>2011*</b>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$119.4	\$115.5	\$271.1	\$257.8	\$390.5	\$373.3
Operating Grants and Contributions	273.3	262.9	-	-	273.3	262.9
Capital Grants and Contributions	0.6	1.1	7.2	29.8	7.8	30.9
General Revenues:						
Property Taxes	226.4	236.5	-	-	226.4	236.5
Sales and Use Taxes	72.9	75.3	50.0	50.5	122.9	125.8
Other Taxes	36.9	39.5	-	-	36.9	39.5
Grants and Entitlements	15.8	23.8	-	-	15.8	23.8
Unrestricted Investment Earnings	7.4	5.9	7.7	4.7	15.1	10.6
Gain on Sale of Capital Assets	12.5	0.1	0.1	0.2	12.6	0.3
Other	2.4	0.6	3.8	4.9	6.2	5.5
<b>TOTAL REVENUES</b>	<b>767.6</b>	<b>761.2</b>	<b>339.9</b>	<b>347.9</b>	<b>1,107.5</b>	<b>1,109.1</b>



**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

**EXPENSES**

Program Expenses:

General Government	\$139.6	\$ 97.9	\$ -	\$ -	\$139.6	\$ 97.9
Judicial	89.9	88.6	-	-	89.9	88.6
Public Safety	107.0	98.9	-	-	107.0	98.9
Social Services	143.9	140.0	-	-	143.9	140.0
Health	226.5	255.9	-	-	226.5	255.9
Public Works	37.7	48.7	-	-	37.7	48.7
Environmental Control	6.3	6.5	-	-	6.3	6.5
Economic Development	8.2	7.9	-	-	8.2	7.9
Parks and Recreation	7.8	7.7	-	-	7.8	7.7
Interest and Fiscal Charges	4.8	4.3	-	-	4.8	4.3
Metropolitan Sewer District	-	-	189.9	202.6	189.9	202.6
Paul Brown Stadium	-	-	44.4	46.1	44.4	46.1
Baseball Stadium	-	-	29.9	31.1	29.9	31.1
Riverfront Development	-	-	14.4	27.0	14.4	27.0
Main Street Parking Garage	-	-	0.9	1.0	0.9	1.0
Rotary Funds	-	-	8.2	8.3	8.2	8.3
Communications Center	-	-	7.4	7.1	7.4	7.1
<b>Total Program Expenses</b>	<b>771.7</b>	<b>756.4</b>	<b>295.1</b>	<b>323.2</b>	<b>1,066.8</b>	<b>1,079.6</b>
Indirect Expenses Allocation	3.0	4.6	-	-	3.0	4.6
Indirect Expenses Reimbursement	(3.0)	(4.6)	-	-	(3.0)	(4.6)
<b>TOTAL EXPENSES</b>	<b>771.7</b>	<b>756.4</b>	<b>295.1</b>	<b>323.2</b>	<b>1,066.8</b>	<b>1,079.6</b>
<b>Increase (Decrease) in Net Position Before Transfers</b>	<b>(4.1)</b>	<b>4.8</b>	<b>44.8</b>	<b>24.7</b>	<b>40.7</b>	<b>29.5</b>
Transfers	-	(1.3)	-	1.3	-	-
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>(4.1)</b>	<b>3.5</b>	<b>44.8</b>	<b>26.0</b>	<b>40.7</b>	<b>29.5</b>
<b>NET POSITION—BEGINNING OF YEAR</b>	<b>649.1</b>	<b>645.6</b>	<b>856.2</b>	<b>830.2</b>	<b>1,505.3</b>	<b>1,475.8</b>
<b>NET POSITION—END OF YEAR</b>	<b>\$645.0</b>	<b>\$649.1</b>	<b>\$901.0</b>	<b>\$856.2</b>	<b>\$1,546.0</b>	<b>\$1,505.3</b>

\*As restated at note II B.

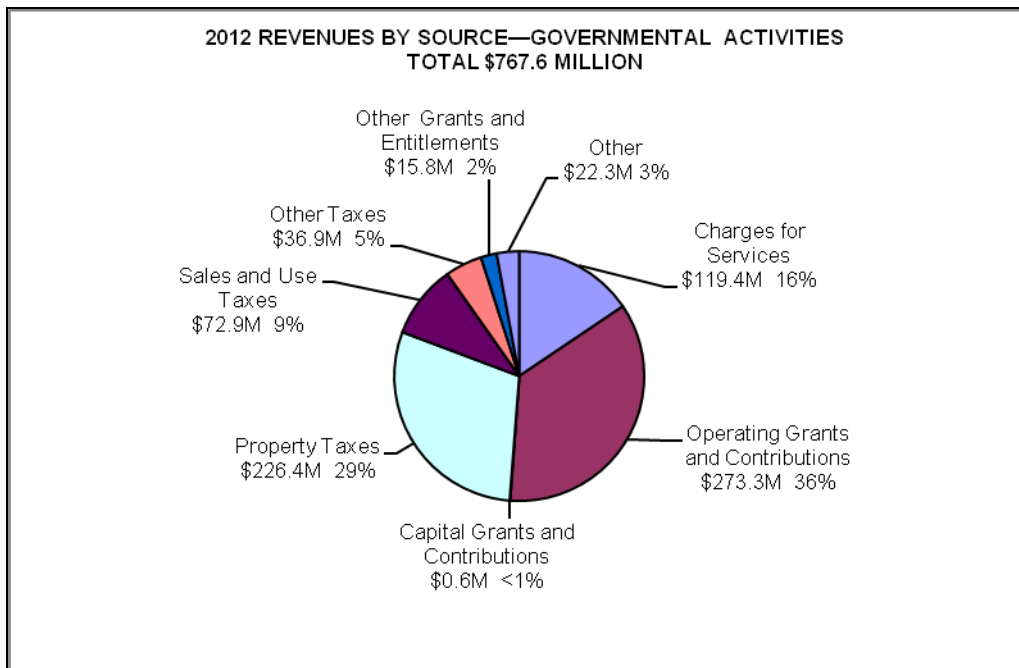
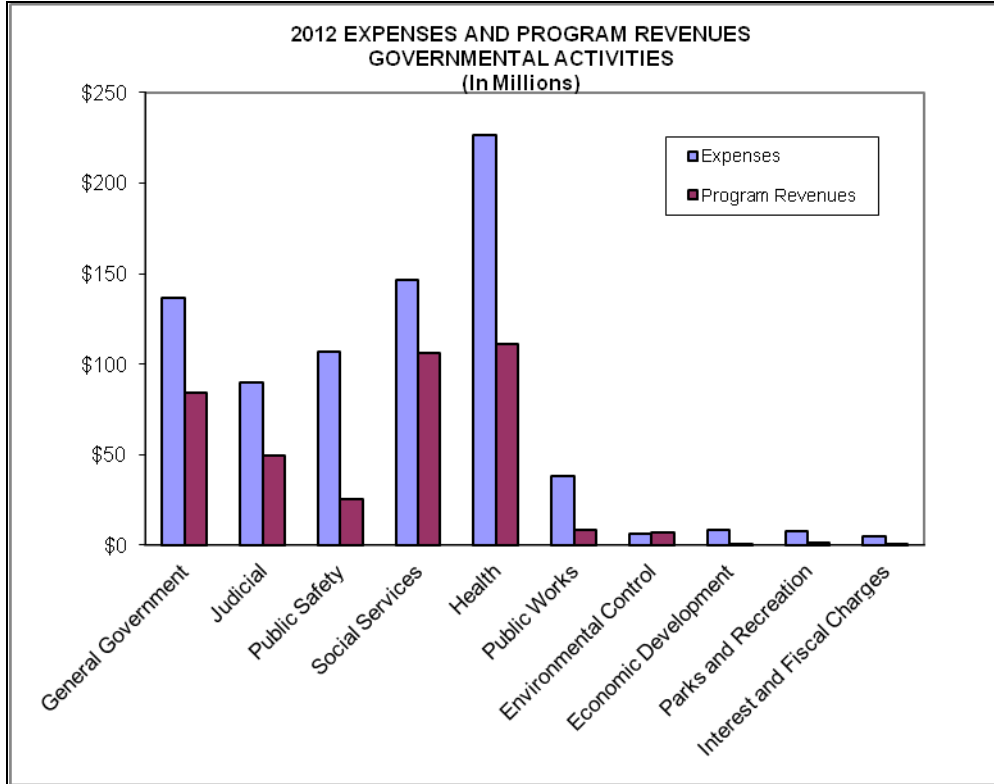
**Governmental Activities.** Governmental activities decreased Hamilton County's net position by \$4.1 million (less than 1% compared to 2011 total net position).

Tax revenue accounts were \$336.2 million, which was 44% of the \$767.6 million total revenue for governmental activity. While taxes overall declined from 2011, total governmental revenues increased, due to increased grant revenues and the gain on the sale of a County building. The County works to secure the maximum amount of grants and contributions that are provided by the State and federal governments. In 2012, these grants and contributions included \$273.3 million for operating grants and contributions, the largest program revenue, accounting for 36% of total governmental revenue.

The most significant of these intergovernmental contributions is accounted for through subsidies received to provide social services and health-related programs, though those subsidies decreased by \$7.5 million versus 2011. Approximately 73% of operating grants was allocated to social services or health programs in 2012.

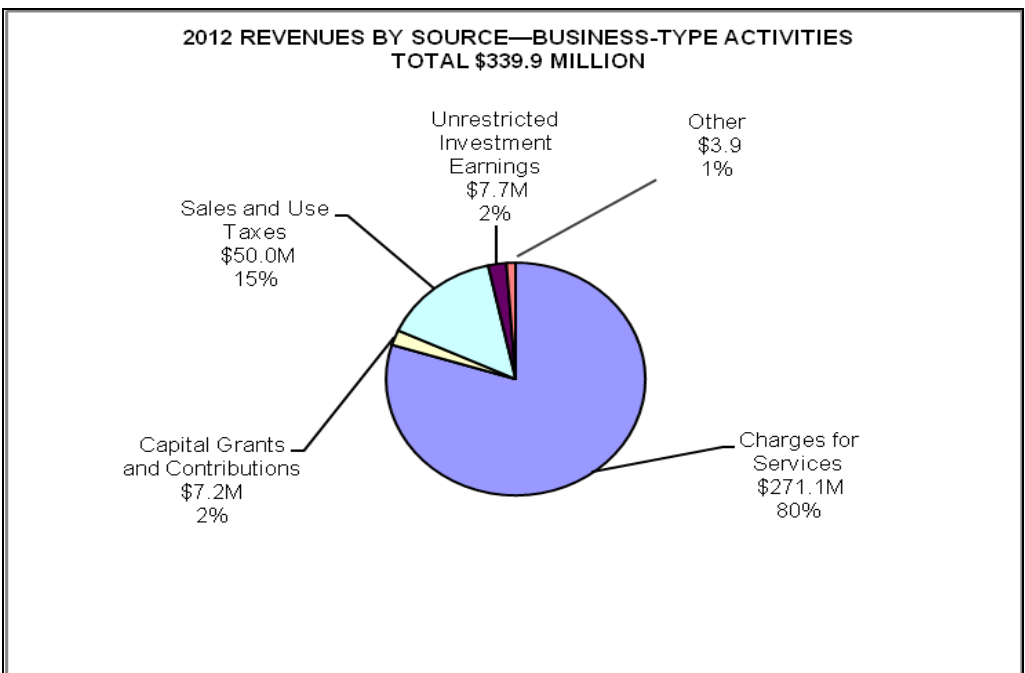
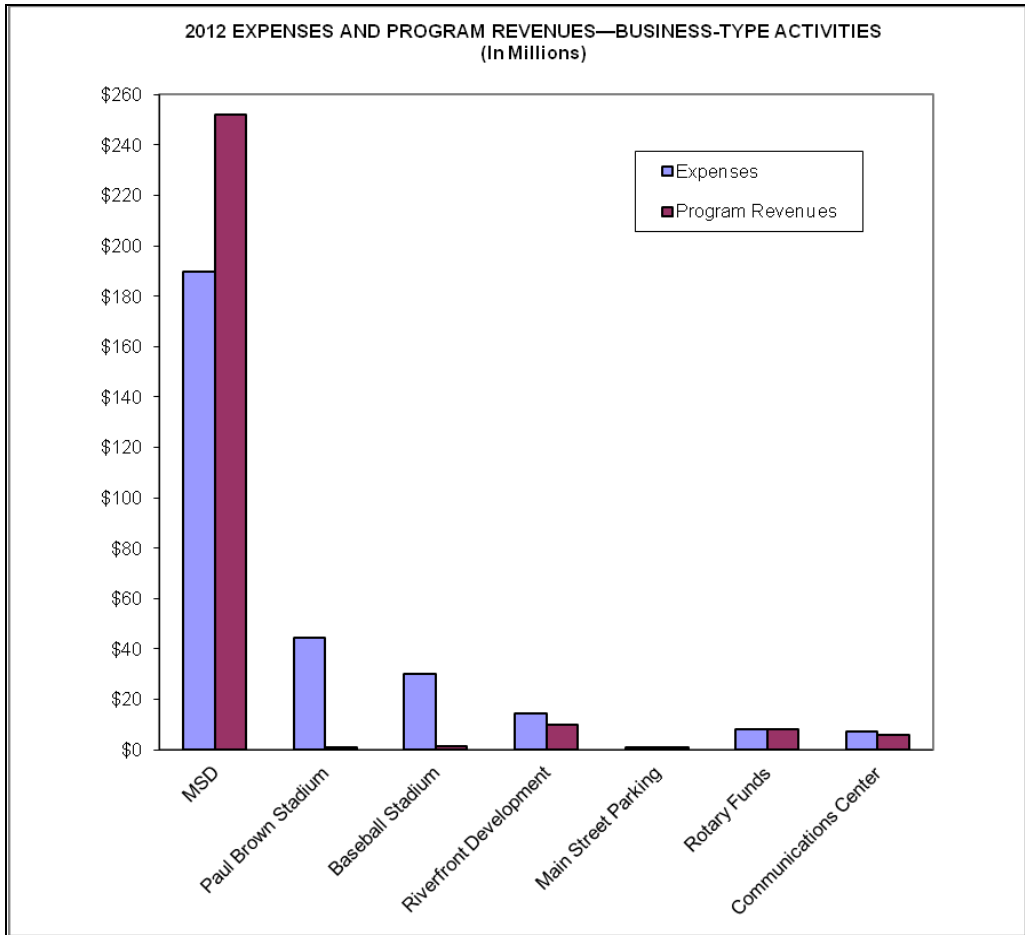
**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

Total expenses of the County's governmental activities were \$771.7 million in 2012. The health category accounts for \$226.5 million (29%) of the total expenses for governmental activities. Social services was the next largest program within the County, accounting for \$143.9 million (19%) of total expenses for governmental activities for the year.



**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

**Business-Type Activities.** Business-type activities increased Hamilton County's net position by \$44.8 million, or 3%, in 2012.



**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

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The County's direct charges to users of County business-type services, charges for services, were \$271.7 million or 80% of business-type activities' revenues in 2012. A significant portion of these charges, \$245.6 million, were Metropolitan Sewer District sewer service charges and surcharges that will provide for necessary operating expenses, annual debt support, support of the District's capital program and the satisfaction of bond covenants. The other major revenue source in 2012 was sales and use tax revenues of \$50.0 million.

Overall expenses of the County's business-type activities were \$295.1 million. Metropolitan Sewer District accounted for \$189.9 million (64%) of the total expenses for business-type activities in 2012. Paul Brown Stadium accounted for the next largest amount of business-type expenses at \$44.4 million (15%) of the 2012 total.

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

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

#### **Governmental Funds**

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

As the County completed the year, its governmental funds reported a combined ending fund balance of \$361.9. Approximately 13% of this amount (\$48.0 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form (\$8.8 million), (2) legally required to be maintained intact (\$5.3 million), (3) restricted for particular purposes (\$266.5 million), (4) committed for particular purposes (\$20.2 million), or (5) assigned for particular purposes (\$13.1 million).

**General Fund.** The General Fund is the chief operating fund of the County, available for any authorized purpose and used to account for all financial resources except those required to be accounted for in another fund. In 2012, unassigned fund balance of the General Fund was \$49.8 million, while total fund balance was \$72.3 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. In 2012, unassigned fund balance represents approximately 25% of the total General Fund expenditures and other financing uses, while total fund balance represents 36% of that same amount.

The fund balance of the County's General Fund decreased \$3.2 million during 2012. Expenditures increased \$24.1 million over 2011 levels, with increases in all three major categories of spending—general government, judicial and public safety. The most significant increase was in general government spending, largely due to costs associated with the presidential election (\$3.0 million) and a onetime nonoperating transfer from the General Fund to support property tax relief (\$10.5 million), the latter of which was not needed for transferring to cover debt service because the proceeds of the sale of a County building were available for that purpose.

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

---

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

*Public Assistance Fund.* The Public Assistance fund, an annually budgeted special revenue fund, is used to account for revenue from the federal, State and County governments and for expenditures used to provide services to eligible County residents. The fund balance of the Public Assistance fund increased by \$4.2 million in 2012. Revenues declined by \$11.8 million compared to 2011, mostly due to reduced State allocations, and expenditures declined by \$6.0 million.

*Health and Human Services Levies Fund.* The Health and Human Services Levies fund, an annually budgeted special revenue fund, is used to account for the revenue from health and human services levies. Levies and expenditures are determined by policies of the Board of County Commissioners. The fund balance of the County's Health and Human Services Levies fund increased by \$4.5 million in 2012, even though property tax collections and intergovernmental revenues decreased in 2012. The 2011 reappraisal resulted in lower property values, impacting effective rates and overall tax collections. Intergovernmental revenues decreased because the tangible personal property reimbursement from the State was reduced in 2012.

**Other Governmental Funds.** The fund balances of Other Governmental Funds—Nonmajor Governmental Funds—increased by \$7.3 million during 2012. Expenditures exceeded revenues by \$10.1 million, but net other financing sources and uses more than offset the amount expenditures exceeded revenues. This was due mostly to the sale of a County building, the proceeds for which were placed in the nonmajor debt service fund.

### **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 and deferred outflows of Metropolitan Sewer District exceeded liabilities by \$792.4 million in 2012. Of that net position, 63% reflects MSD's investment in capital assets, less any related debt used to acquire those assets that is still outstanding. These capital assets are used primarily in the collection and treatment of wastewater throughout the District's service area. The related debt will be repaid with resources provided by systems users through rates and fees. Net position increased \$73.3 million in 2012. The increase was a combination of income before contributions and contributions in the form of connection fees, assessments and developer contributions. Total revenues increased 6% (\$13.6 million), and expenses decreased less than 1% (\$0.3 million). Some of the major factors that contributed to these results are as follows:

- Operating revenues reflect an 8% rate increase implemented January 2012.
- Nonoperating revenues decreased related to the change in interest income.

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

---

- Operating expenses, excluding depreciation, decreased 9% (\$10.4 million) primarily because the increase in accrued pension liability for 2012 was significantly lower than the increase in 2011. A significant increase in health care costs in 2012 was more than offset by this decrease related to the pension accrual.
- Depreciation expense increased 11% (\$5.6 million) due to a significant number of large-dollar capital assets being placed in service during the year.
- Nonoperating expense increased 1% (\$0.5 million) due mainly to the change in fair value of investments.
- Capital contributions will fluctuate depending on building activity and assessment projects completed.

\*Source: Metropolitan Sewer District of Greater Cincinnati 2012 Audited Financial Statements and Hamilton County 2012 Audited Financial Statements

*Paul Brown Stadium Fund.* The Paul Brown Stadium fund is used to account for revenue received from stadium tenants and for the operation of Paul Brown Football Stadium. The fund net position of the Paul Brown Stadium fund was a negative \$76.0 million in 2012. Expenses exceeded revenues by \$11.3 million. As was the case in 2011, the significant factors contributing to the decrease in fund net position include depreciation expense on the stadium and interest expense on the related debt, with minimal operating revenue offset.

*Baseball Stadium Fund.* The Baseball Stadium fund is used to account for the operations of Great American Ball Park Baseball Stadium and the Cincinnati Reds Hall of Fame and Museum. The fund net position of the Baseball Stadium fund were \$49.5 million, a decrease of \$11.0 million compared to 2011. Similar to Paul Brown Stadium, the major factors contributing to the decrease in fund net position were depreciation expense and interest expense, in conjunction with minimal operating revenue offset. Revenues and expenditures are largely fixed amounts, as set forth in the ballpark lease. Operating costs are shared by the Cincinnati Reds and County sales tax.

*Other Enterprise Funds.* The fund net position of Other Enterprise Funds (nonmajor enterprise funds) decreased by \$6.2 million in 2012. As the phase I and II riverfront development projects are wrapping up, capital contributions are decreasing and depreciation expense is increasing. For more information related to the change in net position of Other Enterprise Funds, please refer to the Combining Statement of Revenues, Expenses and Changes in Fund Net Position found in this report in the section following the Notes to the Financial Statements.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

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

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

monitoring budget activity. All budgetary amendments and supplemental appropriations made during 2012 are included in the revised budget amounts presented in the budget-to-actual comparisons.

The final revised General Fund appropriations for 2012 were \$229.2 million. The County spent 98% of the amount appropriated in the General Fund during 2012. Expenditures in the areas of public safety and the court system combine for 67% of General Fund expenditures. The cost of employee wages and benefits continues to be the largest expenditure category, accounting for approximately 63% of expenditures.

The final revised estimated resources for the General Fund for 2012 were \$202.2 million. Actual General Fund revenues received were \$206.8 million, just over 2% greater than final budgeted General Fund revenues in 2012. One of the reasons revenues exceeded expectations was the greater-than-anticipated sales tax collections (\$2.6 million greater than budgeted), thanks to a bigger surge in local consumer purchases than predicted.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

Hamilton County invested \$2,419.1 million (net of accumulated depreciation) in 2012 in a broad range of capital assets, which include property, plant, equipment and infrastructure assets.

Net capital assets related to governmental activities amount to \$362.5 million. Net capital assets related to business-type activities amount to \$2,056.6 million and include \$1,371.6 million net capital assets of MSD.

Table 3 provides a summary of the County's capital assets, net of accumulated depreciation for fiscal year 2012.

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>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Land and Improvements	\$ 93.5	\$ 97.8	\$ 97.4	\$ 96.0	\$ 190.9	\$ 193.8
Buildings, Structures and Improvements	91.8	101.2	1,427.0	1,390.1	1,518.8	1,491.3
Infrastructure	155.1	175.0	-	-	155.1	175.0
Processing System	-	-	197.3	179.2	197.3	179.2
Furniture, Fixtures and Equipment	18.5	21.0	14.5	17.1	33.0	38.1
Construction in Progress	3.6	2.0	320.4	324.8	324.0	326.8
<b>TOTAL CAPITAL ASSETS, NET</b>	<b>\$362.5</b>	<b>\$397.0</b>	<b>\$ 2,056.6</b>	<b>\$ 2,007.2</b>	<b>\$ 2,419.1</b>	<b>\$ 2,404.2</b>

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

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

- Expenses of about \$152 million for Metropolitan Sewer District capital improvement projects and equipment replacement (including receipt of about \$6.3 million in capital contributions) with sewer replacements and improvement projects making up about 75% of the total;\*
- Completion of phase I and part of phase II on riverfront, resulted in additional building improvement capitalizations of \$3.2 million.
- Disposal of \$8.7 million in capital assets due to the sale of a building.

\*Source: Metropolitan Sewer District of Greater Cincinnati 2012 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 2013 through 2017.

*Hamilton County Capital Improvement Plan.* The 2013-2017 capital improvement plan includes \$174.6 million in approved and recommended capital improvement projects. Approved projects include The Banks Phases 1A and 2A (\$131.2 million) on the riverfront, to be paid for by the County, the developer contribution, the city of Cincinnati, State and federal grants, and the city of Cincinnati and Hamilton County tax increment financing.

Thirteen new projects totaling \$4.1 million have been recommended in the plan. Funding for the new projects will be provided by the General Fund.

*Metropolitan Sewer District Capital Plan.* MSD finances its construction program primarily through the issuance of revenue bonds. In addition, MSD will utilize low-interest loan programs through the State of Ohio where appropriate. The five-year capital plan contemplates issuing an average of \$200 million in debt each year to finance the capital improvement program. Each project must be individually approved before proceeding.\*

\*Source: Metropolitan Sewer District of Greater Cincinnati 2012 Audited Financial Statements

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

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

### **Long-Term Obligations**

Hamilton County's total long-term obligations outstanding at December 31, 2012, excluding premiums and discounts, were \$1,673.2 million (\$128.9 million related to governmental activities and \$1,544.3 million related to business-type activities). This includes liabilities for bonds, loans, capital leases, forgivable mortgages and loan, workers' compensation, and compensated absences.



**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

**Outstanding Debt Issues.** At the end of 2012, the County had a number of debt issues outstanding. These issues, excluding any unamortized discounts and premiums, included \$82.6 million of general obligation bonds, \$4.6 million of general obligation special assessment bonds, \$922.4 million of sewer revenue bonds and other obligations of MSD, \$18.1 million of parking garage adjustable rate revenue bonds, \$557.4 million of stadium sales tax bonds, and \$18.3 million in loans.

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

Table 4 provides a summary of the County's outstanding long-term bonds and loans for fiscal years 2012 and 2011.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
General Obligation Bonds—Unvoted	\$ 76.2	\$ 84.3	\$ 6.4	\$ 6.8	\$ 82.6	\$ 91.1
General Obligation Special Assessment Bonds	4.6	4.6	-	-	4.6	4.6
Metropolitan Sewer District Obligations	-	-	922.4	907.2	922.4	907.2
Adjustable Rate Revenue Bonds	-	-	18.1	19.0	18.1	19.0
Sales Tax Bonds	-	-	557.4	561.6	557.4	561.6
Loans	1.9	2.2	16.4	17.2	18.3	19.4
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 82.7</b>	<b>\$ 91.1</b>	<b>\$1,520.7</b>	<b>\$1,511.8</b>	<b>\$1,603.4</b>	<b>\$1,602.9</b>

**New and Defeased Debt.** During 2012, the County issued new bonds and partially defeased some bonds for the reasons listed below.

*Governmental Activities—Long-Term Debt.* Special Assessment Bonds (\$0.4 million) were issued for the purpose of constructing sewer improvements in anticipation of the collection of special assessments against the benefited properties. Energy Conservation Phase IA Limited Tax General Obligation Bonds were issued in the amount of \$9.4 million. Proceeds of the bonds will be used to acquire, construct and install energy conservation measures in various County buildings. Three series of Various Purpose Limited Tax General Obligation Bonds or Various Purpose Limited Tax General Obligation Refunding Bonds were partially defeased for a combined \$6.3 million due to the fact that a portion of the proceeds of each series of bonds was used to finance or refinance the acquisition or improvement of a building the County sold.

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

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

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

Sources: Hamilton County Office of Budget and Strategic Initiatives and Metropolitan Sewer District of Greater Cincinnati 2012 Audited Financial Statements

**Ratings**

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

**Insurers**

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

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

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

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

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

The total voted and unvoted non-exempt debt of the County that could be issued subject to the 3%, 1½% and 2½% limitation described above is \$454.7 million. The total County net debt subject to this limitation is \$69.6 million, leaving a borrowing capacity of \$385.1 million within the limitation from combined voted and unvoted non-exempt debt. The total County unvoted, non-exempt debt that could be issued subject to the 1% limitation is \$182.5 million. The total County debt subject to such limitation is \$69.6 million, leaving a borrowing capacity of \$112.9 million within the 1% limitation for unvoted non-exempt debt.

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

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**Other Long-Term Obligations.** The County's long-term obligations for 2012 also include compensated absences of \$39.3 million related to governmental activities and \$10.3 million related to business-type activities; forgivable loan contracts of \$4.9 million; various long-term leases for office space or equipment amounting to \$16.4 million; and workers' compensation of \$2.0 million. Additionally, MSD has reported a net pension obligation of \$32.5 million and a \$11.7 million obligation for other post-employment benefits.

Interest and fiscal charges for governmental activities were \$4.8 million, less than 1% of the total expenses in 2012.

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

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

The local economy is showing slow growth as the economy recovers from the recent recession. The region's economy is improving—and in some ways outpacing the nation and peer regions—but recovery is expected to continue to be slow but steady. Here are some highlights and recent trends of the region:

#### *Positives*

- ranked #4 in Top 10 Large Metro Area list
- 10 Fortune 500 headquarter companies
- great accessibility to customers and suppliers across the world
- #1 least costly location to do business in the U.S. of all large cities
- lowest business taxes in the nation
- increase in Gross Regional Product in 2012
- employment growth outpacing the rest of the country
- 7% growth in employment in healthcare sector in past five years
- manufacturing employment recovery exceeding national gains
- real estate closings up 17% over prior year
- #8 least expensive to live in U.S.

#### *Negatives*

- unemployment rate still high at about 7%
- construction sector of home sales still not rebounded to pre-recession employment level
- jobs regained in government sector lags gain in private sector
- negative population growth in Hamilton County since 2000
- foreclosure filings decreased 3% versus prior year but Hamilton County still among top 10 Ohio counties in foreclosures per 1,000 residents

For 2013 the Board of County Commissioners (BOCC) approved a total budget of \$1,053.5 million. General Fund appropriations are \$195.0 million, an \$11.8 million, or nearly 6%, decrease from the 2012 budget. The 2013 budget marks the lowest revenue and expenditure levels in the County since 1996. General fund employee positions are estimated to decrease by 80.7 positions from the 2012 budget, with the largest decreases expected in the Juvenile Court (-65.1) and County Facilities (-20.3).

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

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The BOCC focused on the following in developing the 2013 budget:

- supporting economic development and public safety
- addressing fiscal stability
- identifying cost-saving measures
- reducing property taxation

All 2013 budget forecasts were revenue driven. Economic indicators across many fronts project slow, uninterrupted growth in 2013. The following items address the revenue assumptions for five of the largest revenue categories in the General Fund:

- **Sales Tax**—General Fund sales tax performance during 2012 seemed to exhibit a return to economic growth, demonstrating a third consecutive annual increase and surpassing 2007 as the highest collection year. The 2013 budgeted amount assumes relatively level revenue, but controls for several months in 2012 with particularly strong growth, resulting in a decrease of nearly 2% from 2012 collections.
- **Property Taxes**—The General Fund property tax rate is limited to 2.26 mills and additional revenue is only realized through new development and periodic reappraisals. 2013 General Fund budgeted property tax revenue decreases \$0.7 million, largely due to more conservative collection estimates by the Auditor's Office. The next reappraisal will impact revenue in 2015.
- **Local Government Fund (LGF)**—This state revenue-sharing mechanism was reduced substantially in the state's 2012–13 biennium budget. The County's 2013 budget of \$10.8 million is a \$3.9 million decrease from 2012 collections, representing the remainder of the biennium reduction. The County's budget relies on the State not further reducing this revenue in the 2014–15 biennium, effective in July of this year.
- **Real Estate Transaction Fees**—The County's 2012 revenue in recording fees, conveyance fees and transfer taxes increased 13% from 2011 collections. For 2013, revenues are estimated to generate \$10.1 million, a decrease of \$1.1 million from 2012 collections, based on an uncertain real estate market, slowing refinancing activity and strong late-2012 performance that could not be factored into estimates.
- **Interest Earnings**—Continued low interest rates are expected for the foreseeable future, with the federal funds interest rate anticipated to remain less than 1% through 2013. Interest earnings are estimated at \$5.2 million per the Treasurer's Office. While 2012 did not exhibit the loss of previous years, it appears to be an investment-specific issue, not indicative of an economic trend.

These five revenue sources are estimated at \$131.2 million for 2013, or 68.2% of total General Fund revenues. The 2013 estimate for these revenue sources represents a \$44.9 million decrease from 2007 actual receipts. Adjusted for a lack of inflationary growth in these revenue sources, the decrease is \$68.9 million.

In addition to these major revenue sources, the 2013 budget also has a loss of \$1.0 million in casino revenue that will now support the stadium sales tax fund, and \$0.5 million in Auditor and Treasurer fees due to the elimination of the estate tax. A shift of operating expenses to restricted funds in the courts continues, even as it begins to strain balances, and the Clerk of Court's budget is dependent on a \$2.2 million transfer from the auto title fund. Finally, the General Fund assumes as much as \$2.7 million will be drawn from the County's budget stabilization fund to offset a pending 911 fee proposal that requires action by the state legislature.

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

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The total 2013 budget for the County's restricted funds is \$858.5 million, a \$30.2 million increase from 2012's original appropriations.

*Major Increases in Restricted Funds*

- MSD's operating budget (see below)
- supportive services for families and children to maximize federal revenues at Job and Family Services
- debt service schedules on riverfront stadium and parking debt

*Offsets for Increases in Restricted Funds*

- decreasing Mental Health and Senior Services property tax levies due to decreased property values
- Developmental Disabilities Services reorganization savings due to State revenue cuts
- reductions in costs of employee medical and workers' compensation insurance
- elevation of Medicaid programs to the State for Mental Health and Recovery Services Board

Further noteworthy discussion of restricted fund issues:

- *Job and Family Services (JFS)*. JFS continues to respond to residents' needs in a budget environment of flat or reduced funding from primarily federal and State sources. JFS staffing has decreased 53%, or 878 positions, since 2008, while requests for services have grown. Over the last four years, the Medicaid-eligible population has increased 38% and food stamp eligibility, 71%. A 2012 JFS operational review of children's services showed a need to increase staff levels (which was authorized by Commissioners) and a need to deploy tools like tablet computers to aid in the work of staff.
- *Metropolitan Sewer District (MSD)*. The 2013 MSD operating budget increases over \$35 million due to reallocating expenses from the capital plan that are more appropriately placed in the operating budget, thus saving debt expense on these items (\$14 million); additional debt service for financing the MSD Wet Weather Improvement Plan mandate by federal consent decree (\$13 million); and increased operating costs (\$8 million). The 2013 sewer rate increase was implemented at 5%, lower than the 8% projection from the previous year and the likely required increases in 2014 onward. In December 2012, the County Commissioners, through MSD, responded to federal regulators on two major consent decree milestones. The federal regulators will respond to the county in early 2013. The Commissioners continue to deliberate on a number of policy issues related to MSD's capital project management.
- *Stadium Sales Tax Fund*. The County Commissioners acted in December to maintain balance in the stadium sales tax fund during 2013 by reducing the annual property tax rebate on owner-occupied residential property, and by purchasing a surety to fund the required balance in the sales tax debt service reserve fund for one year.
- *Property Tax Levies*. 2013 property tax revenues decrease \$8.1 million from 2012 collections as the result of the continued phase-out of State property tax reimbursements (\$5.3 million) and revenue estimates at 96% of total collections (\$2.8 million). Commissioners maintained current millage rates for both levies renewed in 2012 (Mental Health and Senior Services)—resulting in no change to the overall property tax burden. During 2013 the Commissioners will set the millage rate for the Zoo levy, and the Tax Levy Review Committee (TLRC) will conduct the midpoint review of the Indigent Care levy. This levy was approved in 2011 for a three-year period, and the review continues the TLRC's charge to address the impacts of federal health care reform on county levies.

\* Sources: Hamilton County, Ohio, 2013 Budget in Brief; Metropolitan Sewer District of Greater Cincinnati 2012 Audited Financial Statements; [cincinnatiusa.org](http://cincinnatiusa.org); [policymattersohio.org](http://policymattersohio.org); [census.gov](http://census.gov)

**COUNTY OF HAMILTON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
UNAUDITED**

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

This list of currently known facts, decisions or conditions identifies information that management is aware of as of the date of the Auditor's report that have occurred subsequent to December 31, 2012. The issues identified here have had or are expected to have a material effect on financial position (net position) or results of operations (revenues, expenses and other changes in net position). Please see the Notes to the Basic Financial Statements for further information on the special audit of Hamilton County Department of Job and Family Services (note VI I).

- MSD issued \$258,695 in Sewer System Improvement and Refunding Revenue Bonds to (1) finance sewer system improvements and (2) advance refund outstanding amounts of the 2003 Series A Sewer System Improvement and Refunding Revenue Bonds.
- Special Assessment Bonds in the amount of \$182 were issued for the purpose of acquiring and constructing sewer system improvements.
- Riverfront Infrastructure Improvement general obligation bonds in the amount of \$19,030 were issued to be used to implement energy conservation measures in the stadia and riverfront parking garages.
- The Board of County Commissioners approved a 5% sewerage rate increase for MSD effective January 2013 and 6% effective January 2014.

\* Sources: Board of County Commissioners' meeting minutes and Metropolitan Sewer District of Greater Cincinnati 2012 Audited Financial Statements

**REQUESTS FOR INFORMATION**

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

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**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF NET POSITION**  
**December 31, 2012**  
(Amounts in Thousands)

	Primary Government			Component Unit Convention Facility Authority
	Governmental Activities	Business-Type Activities	Totals	
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 384,184	\$ 24,987	\$ 409,171	\$ 5,440
Cash and Cash Equivalents—Segregated Accounts	2,545	17,584	20,129	-
Accounts Receivable	3,762	45,541	49,303	-
Sales Tax Receivable	18,152	7,731	25,883	-
Interest Receivable	1,727	-	1,727	-
Intergovernmental Receivable	32,986	795	33,781	-
Real and Other Taxes Receivable	265,088	-	265,088	2,148
Internal Balances	498	(498)	-	-
Prepaid Expenses	-	1,352	1,352	1,168
Inventories	3,438	-	3,438	-
Restricted Assets:				
Cash and Cash Equivalents Held by the City of Cincinnati:				
Construction Account	-	71,026	71,026	-
Amount to Be Transferred to Surplus Account	-	73,070	73,070	-
Held by Trustees:				
Cash and Cash Equivalents	-	16,475	16,475	-
Investments—Held to Maturity	-	239,260	239,260	-
Special Assessments Receivable	6,159	-	6,159	-
Loans Receivable	1,463	-	1,463	-
Nondepreciable Capital Assets	96,885	417,783	514,668	-
Depreciable Capital Assets, Net	265,617	1,638,804	1,904,421	-
Other Long-Term Assets	-	258	258	-
<b>TOTAL ASSETS</b>	<b>1,082,504</b>	<b>2,554,168</b>	<b>3,636,672</b>	<b>8,756</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Charge on Refunding	947	25,182	26,129	248
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>947</b>	<b>25,182</b>	<b>26,129</b>	<b>248</b>
<b>LIABILITIES</b>				
Accounts Payable	25,719	4,514	30,233	-
Accrued Wages and Benefits Payable	5,849	1,497	7,346	-
Matured Compensated Absences Payable	1,744	-	1,744	-
Intergovernmental Payable	2,551	77	2,628	-
Accrued Interest Payable	306	5,684	5,990	315
Construction Accounts Payable	-	11,759	11,759	-
Retainage Payable	419	394	813	-
Due to Other Governments	-	-	-	3,686
Due to Component Unit	1,466	-	1,466	-
Unearned Revenue	25,035	17,850	42,885	-
Escheat	5,272	-	5,272	-
Estimated Future Claims	4,165	-	4,165	-
Long-Term Liabilities:				
Due Within One Year	16,962	68,071	85,033	2,515
Due in More Than One Year	112,714	1,568,526	1,681,240	77,933
<b>TOTAL LIABILITIES</b>	<b>202,202</b>	<b>1,678,372</b>	<b>1,880,574</b>	<b>84,449</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Not Levied to Finance Current-Year Operations	236,178	-	236,178	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>236,178</b>	<b>-</b>	<b>236,178</b>	<b>-</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	287,912	557,819	845,731	-
Restricted for:				
Debt Service	11,208	7,994	19,202	-
Capital Projects	10,695	-	10,695	-
Public Assistance	30,525	-	30,525	-
Health and Human Services Levies	178,819	-	178,819	-
Motor Vehicle Gas Tax	35,155	-	35,155	-
Health and Community Services Nongrants	48,598	-	48,598	-
Other Purposes	4,813	-	4,813	-
Unrestricted	37,346	335,165	372,511	(75,445)
<b>TOTAL NET POSITION</b>	<b>\$ 645,071</b>	<b>\$ 900,978</b>	<b>\$ 1,546,049</b>	<b>\$ (75,445)</b>

See accompanying notes to the basic financial statements.



**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

(Amounts in Thousands)

FUNCTION/PROGRAMS	Program Revenues					Net (Expense) Revenue and Changes in Net Position			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>Primary Government:</b>									
<b>Governmental Activities</b>									
General Government	\$ 139,552	\$ (3,016)	\$ 51,993	\$ 32,040	\$ -	\$ (52,503)	\$ -	\$ (52,503)	\$
Judicial	89,903	88	28,335	21,222	-	(40,434)	-	(40,434)	
Public Safety	106,958	63	15,407	10,095	158	(81,361)	-	(81,361)	
Social Services	143,950	2,355	5,850	100,114	-	(40,341)	-	(40,341)	
Health	226,480	36	11,091	100,275	-	(115,150)	-	(115,150)	
Public Works	37,656	191	3,388	4,693	405	(29,361)	-	(29,361)	
Environmental Control	6,337	273	3,198	3,537	-	125	-	125	
Economic Development	8,248	-	42	-	-	(8,206)	-	(8,206)	
Parks and Recreation	7,834	10	112	1,019	-	(6,713)	-	(6,713)	
Debt Service:									
Interest and Fiscal Charges	4,769	-	-	323	-	(4,446)	-	(4,446)	
<b>Total Governmental Activities</b>	<u>771,687</u>	<u>-</u>	<u>119,416</u>	<u>273,318</u>	<u>563</u>	<u>(378,390)</u>	<u>-</u>	<u>(378,390)</u>	
<b>Business-Type Activities</b>									
Metropolitan Sewer District	190,006	-	245,614	-	6,294	-	61,902	61,902	
Paul Brown Stadium	44,364	-	831	-	-	-	(43,533)	(43,533)	
Baseball Stadium	29,873	-	1,211	-	-	-	(28,662)	(28,662)	
Riverfront Development	14,356	-	8,895	-	881	-	(4,580)	(4,580)	
Main Street Parking Garage	861	-	913	-	-	-	52	52	
Rotary Funds	8,224	-	7,961	-	-	-	(263)	(263)	
Communications Center	7,448	-	5,675	-	-	-	(1,773)	(1,773)	
<b>Total Business-Type Activities</b>	<u>295,132</u>	<u>-</u>	<u>271,100</u>	<u>-</u>	<u>7,175</u>	<u>-</u>	<u>(16,857)</u>	<u>(16,857)</u>	
<b>Total Primary Government</b>	<u>\$ 1,066,819</u>	<u>\$ -</u>	<u>\$ 390,516</u>	<u>\$ 273,318</u>	<u>\$ 7,738</u>	<u>(378,390)</u>	<u>(16,857)</u>	<u>(395,247)</u>	
<b>Component Unit:</b>									
Convention Facility Authority	<u>\$ 7,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,341</u>				<u>(6,245)</u>
<b>General Revenues</b>									
Property Taxes						226,392	-	226,392	-
Sales and Use Taxes						72,929	49,981	122,910	-
Hotel Occupancy Taxes						-	-	-	8,728
Other Taxes						36,919	-	36,919	-
Grants and Entitlements not Restricted to Specific Programs						15,787	-	15,787	-
Gifts and Donations						86	-	86	-
Unrestricted Investment Earnings						7,443	7,698	15,141	-
Gain on Sale of Capital Assets						12,551	181	12,732	-
Other						2,280	3,782	6,062	-
Transfers						(18)	18	-	-
<b>Total General Revenues and Transfers</b>						<u>374,369</u>	<u>61,660</u>	<u>436,029</u>	<u>8,728</u>
<b>Change in Net Position</b>						<u>(4,021)</u>	<u>44,803</u>	<u>40,782</u>	<u>2,483</u>
<b>Net Position—Beginning (As Restated—Note II B)</b>						<u>649,092</u>	<u>856,175</u>	<u>1,505,267</u>	<u>(77,928)</u>
<b>Net Position—Ending</b>						<u>\$ 645,071</u>	<u>\$ 900,978</u>	<u>\$ 1,546,049</u>	<u>\$ (75,445)</u>

See accompanying notes to the basic financial statements.

**COUNTY OF HAMILTON, OHIO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2012**  
(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	\$ 61,556	\$ 30,882	\$ 166,631	\$ 107,075	\$ 366,144
Cash and Cash Equivalents—Segregated Accounts	-	-	538	2,007	2,545
Accounts Receivable	1,630	62	332	1,617	3,641
Sales Tax Receivable	16,686	-	-	1,466	18,152
Interest Receivable	1,727	-	-	-	1,727
Intergovernmental Receivable	3,015	1,891	11,370	16,710	32,986
Real and Other Taxes Receivable	39,685	-	215,452	9,951	265,088
Due from Other Funds	4,354	573	12	189	5,128
Inventories	-	-	-	3,438	3,438
Due from Advances to Other Funds	2,509	1,451	-	-	3,960
Special Assessments Receivable	-	-	-	6,159	6,159
Loans Receivable	1,463	-	-	-	1,463
<b>TOTAL ASSETS</b>	<b>\$ 132,625</b>	<b>\$ 34,859</b>	<b>\$ 394,335</b>	<b>\$ 148,612</b>	<b>\$ 710,431</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 4,090	\$ 3,203	\$ 11,701	\$ 6,669	\$ 25,663
Accrued Wages and Benefits Payable	3,118	800	1,015	886	5,819
Matured Compensated Absences Payable	1,001	127	206	410	1,744
Intergovernmental Payable	695	126	986	740	2,547
Retainage Payable	-	-	15	404	419
Due to Component Unit	-	-	-	1,466	1,466
Due to Other Funds	86	78	2,146	2,921	5,231
Advances from Other Funds	-	-	-	3,359	3,359
Unearned Revenue	4,895	-	92	20,048	25,035
Escheat	5,272	-	-	-	5,272
<b>TOTAL LIABILITIES</b>	<b>19,157</b>	<b>4,334</b>	<b>16,161</b>	<b>36,903</b>	<b>76,555</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes Not Levied to Finance Current-Year	36,823	-	199,355	-	236,178
Unavailable Revenue	4,325	-	22,611	8,861	35,797
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>41,148</b>	<b>-</b>	<b>221,966</b>	<b>8,861</b>	<b>271,975</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	9,244	1,451	-	3,438	14,133
Restricted	-	29,074	153,103	84,340	266,517
Committed	203	-	3,105	16,891	20,199
Assigned	13,110	-	-	-	13,110
Unassigned (Deficit)	49,763	-	-	(1,821)	47,942
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>72,320</b>	<b>30,525</b>	<b>156,208</b>	<b>102,848</b>	<b>361,901</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>	<b>\$ 132,625</b>	<b>\$ 34,859</b>	<b>\$ 394,335</b>	<b>\$ 148,612</b>	<b>\$ 710,431</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 POSITION**  
**DECEMBER 31, 2012**  
(Amounts in Thousands)

Total Governmental Funds Balances	\$	361,901
<p>Amounts reported for governmental activities in the Statement of Net Position 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	\$ 1,245,302	
Accumulated Depreciation	<u>(882,937)</u>	
Total		362,365
<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	18,959	
Grants	8,838	
Nongrants	1,841	
Special Assessments	<u>6,159</u>	
Total		35,797
<p>Internal service funds are used by management to charge the costs of workers' compensation, the Auditor's computer center, the Multi-County System Agencies, and medical self-insurance to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the Statement of Net Position.</p>		
		11,824
<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	(76,257)	
Deferred Amount on Refunding	947	
Unamortized Premium	(740)	
Special Assessment Bonds	(4,566)	
Loan Contracts	(3,778)	
State Loan	(2,993)	
Compensated Absences	(39,123)	
Accrued Interest Payable	(306)	
Total		<u>(126,816)</u>
Net Position of Governmental Activities	\$	<u>645,071</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, 2012**  
(Amounts in Thousands)

	General	Public Assistance	Health and Human Services Levies	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes and Special Assessments	\$ 36,022	\$ -	\$ 192,812	\$ 513	\$ 229,347
Sales and Use Tax	65,736	-	-	7,193	72,929
State Shared Taxes	15,131	-	-	21,788	36,919
Charges for Services	38,360	-	329	29,641	68,330
Licenses and Permits	2,375	-	-	4,598	6,973
Fines and Forfeitures	8,259	-	-	5,102	13,361
Intergovernmental	14,143	47,125	92,763	128,781	282,812
Investment Earnings	6,968	43	192	185	7,388
Other	10,952	1,722	10,456	9,275	32,405
<b>TOTAL REVENUES</b>	<u>197,946</u>	<u>48,890</u>	<u>296,552</u>	<u>207,076</u>	<u>750,464</u>
<b>EXPENDITURES</b>					
Current:					
General Government	56,456	-	2,264	56,750	115,470
Judicial	66,549	-	6,073	18,858	91,480
Public Safety	74,026	-	17,978	14,005	106,009
Social Services	1,304	45,587	80,099	15,056	142,046
Health	-	-	177,787	50,125	227,912
Public Works	524	-	-	25,522	26,046
Environmental Control	-	-	-	6,620	6,620
Economic and Community Development	1,781	-	-	6,453	8,234
Recreational Activities	-	-	7,845	-	7,845
Capital Outlay	-	-	-	8,431	8,431
Debt Service:					
Principal Retirement	-	-	-	11,439	11,439
Interest and Fiscal Charges	-	-	-	3,968	3,968
<b>TOTAL EXPENDITURES</b>	<u>200,640</u>	<u>45,587</u>	<u>292,046</u>	<u>217,227</u>	<u>755,500</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,694)</u>	<u>3,303</u>	<u>4,506</u>	<u>(10,151)</u>	<u>(5,036)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	2,770	838	-	2,179	5,787
Transfers Out	(3,289)	-	-	(2,516)	(5,805)
Proceeds from Sale of Bonds	-	-	-	9,773	9,773
Premium on Bonds Issued	-	-	-	175	175
Payment to Refunded Bonds Escrow Agent	-	-	-	(7,112)	(7,112)
Proceeds from Sale of Capital Assets	-	-	-	15,000	15,000
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<u>(519)</u>	<u>838</u>	<u>-</u>	<u>17,499</u>	<u>17,818</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,213)	4,141	4,506	7,348	12,782
<b>FUND BALANCES AT BEGINNING OF YEAR (AS RESTATED—NOTE II B)</b>	<u>75,533</u>	<u>26,384</u>	<u>151,702</u>	<u>95,500</u>	<u>349,119</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 72,320</u>	<u>\$ 30,525</u>	<u>\$ 156,208</u>	<u>\$ 102,848</u>	<u>\$ 361,901</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, 2012**

(Amounts in Thousands)

Net Change in Fund Balance—Total Governmental Funds	\$	12,782
<p>Amounts reported for governmental activities in the Statement of Activities are different from amounts reported in the governmental funds because of the following:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of the capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.</p>		
Capital Outlays	\$	8,504
Depreciation Expense	\$	(36,340)
Excess of Capital Outlays over Depreciation		(27,836)
<p>In the governmental funds, the proceeds from the sales of capital assets increase financial resources. In the Statement of Activities, however, the assets sold had been capitalized previously and have book values that need to be removed. The difference between the proceeds and the book values is the gain or loss that is recognized in the Statement of Activities. The change in net position differs from the change in fund balance by the net book values of the capital assets sold.</p>		
Reduction of Revenue for Proceeds Received on Sale of Capital Assets	(15,788)	
Gain Earned on Sale of Capital Assets	12,551	
Loss on Sale of Capital Assets	(3,508)	
Net Book Value of Capital Assets Sold		(6,745)
<p>Property taxes that will not be collected for several months after the County's fiscal year ends, not considered to be available revenues to pay for current-period expenditures, are deferred in the governmental funds. Similarly, certain other revenues that do not provide current financial resources are deferred and not reported as revenues in the governmental funds, but are included in the Statement of Activities.</p>		
Property Taxes	(2,893)	
Grants	6,698	
Nongrants	1,413	
Special Assessments	(62)	
Total Revenues		5,156
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds also report premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Debt Issued:		
Premium on Bonds	(175)	
General Obligation Bonds	(9,400)	
Special Assessment Bonds	(373)	
Principal Retirement	11,439	
Principal Defeased	6,265	
Total		7,756
<p>In the Statement of Activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is expensed when due.</p>		
		18
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.</p>		
State Loan Payable	341	
Compensated Absences Payable	1,112	
Amortization of Deferred Amount on Refundings	160	
Amortization of Premium on Bonds	328	
Amortization of Bond Issuance Costs	(460)	
Amortization of Mortgages Payable and Forgiveness of Loan Contracts	244	
Total		1,725
<p>The governmental internal services funds are used by management to charge the costs of workers' compensation, the Auditor's computer center, the Multi-County System Agencies, and medical self-insurance to individual funds. The net increases of these internal service funds are reported with governmental activities.</p>		
		3,123
Change in Net Position of Governmental Activities	\$	(4,021)

See accompanying notes to the basic financial statements.

**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

(Amounts in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes and Special Assessments	\$ 36,138	\$ 36,138	\$ 36,022	\$ (116)
Sales and Use Tax	64,050	64,050	66,663	2,613
State Shared Taxes	15,005	15,005	15,130	125
Charges for Services	44,064	44,064	46,609	2,545
Licenses and Permits	2,152	2,152	2,386	234
Fines and Forfeitures	8,368	8,368	8,366	(2)
Intergovernmental	16,338	16,338	14,203	(2,135)
Investment Earnings	5,616	5,616	6,523	907
Other	10,509	10,509	10,921	412
<b>TOTAL REVENUES</b>	202,240	202,240	206,823	4,583
<b>EXPENDITURES</b>				
Current:				
General Government	59,806	72,865	70,641	2,224
Judicial	72,657	73,661	73,166	495
Public Safety	75,975	78,649	76,857	1,792
Social Services	1,596	1,454	1,314	140
Public Works	562	562	524	38
Economic and Community Development	1,954	1,965	1,956	9
<b>TOTAL EXPENDITURES</b>	212,550	229,156	224,458	4,698
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(10,310)	(26,916)	(17,635)	9,281
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,914	1,914	3,060	1,146
Advances In	-	-	50	50
Transfers Out	(12,201)	(3,629)	(3,578)	51
Advances Out	-	-	(968)	(968)
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	(10,287)	(1,715)	(1,436)	279
<b>NET CHANGE IN FUND BALANCE</b>	(20,597)	(28,631)	(19,071)	9,560
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	50,048	50,048	50,048	-
Prior-Year Encumbrances Appropriated	15,516	15,516	15,516	-
<b>FUND BALANCE AT END OF YEAR</b>	\$ 44,967	\$ 36,933	\$ 46,493	\$ 9,560

See accompanying notes to the basic financial statements.

**COUNTY OF HAMILTON, OHIO  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL  
PUBLIC ASSISTANCE—SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012**

(Amounts in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 27,804	\$ 28,488	\$ 28,111	\$ (377)
Intergovernmental	52,632	52,632	57,400	4,768
Other	1,791	1,791	1,673	(118)
<b>TOTAL REVENUES</b>	82,227	82,911	87,184	4,273
<b>EXPENDITURES</b>				
Current:				
Social Services	79,186	83,633	79,106	4,527
<b>TOTAL EXPENDITURES</b>	79,186	83,633	79,106	4,527
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	3,041	(722)	8,078	8,800
<b>OTHER FINANCING SOURCES</b>				
Transfers In	838	838	838	-
Advances Out	-	-	(1,451)	(1,451)
<b>TOTAL OTHER FINANCING SOURCES</b>	838	838	(613)	(1,451)
<b>NET CHANGE IN FUND BALANCE</b>	3,879	116	7,465	7,349
<b>FUND BALANCE AT BEGINNING OF YEAR (AS RESTATED—NOTE II B)</b>	11,353	11,353	11,353	-
Prior-Year Encumbrances Appropriated	4,726	4,726	4,726	-
<b>FUND BALANCE AT END OF YEAR</b>	\$ 19,958	\$ 16,195	\$ 23,544	\$ 7,349

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, 2012**

(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	\$ 191,208	\$ 191,208	\$ 192,812	\$ 1,604
Charges for Services	-	-	6,671	6,671
Intergovernmental	94,829	109,522	90,384	(19,138)
Other	9,770	9,770	11,215	1,445
<b>TOTAL REVENUES</b>	<u>295,807</u>	<u>310,500</u>	<u>301,082</u>	<u>(9,418)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	2,718	2,497	2,497	-
Judicial	7,435	7,425	6,873	552
Public Safety	23,521	22,390	21,538	852
Social Services	117,945	141,129	102,203	38,926
Health	198,033	202,290	197,113	5,177
Recreational Activities	8,464	8,011	7,991	20
<b>TOTAL EXPENDITURES</b>	<u>358,116</u>	<u>383,742</u>	<u>338,215</u>	<u>45,527</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(62,309)</u>	<u>(73,242)</u>	<u>(37,133)</u>	<u>36,109</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	1,814	1,978	164
Transfers Out	(1,357)	(2,536)	(1,978)	558
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<u>(1,357)</u>	<u>(722)</u>	<u>-</u>	<u>722</u>
<b>NET CHANGE IN FUND BALANCE</b>	(63,666)	(73,964)	(37,133)	36,831
<b>FUND BALANCE AT BEGINNING OF YEAR (AS RESTATED—NOTE II B)</b>	151,614	151,614	151,614	-
Prior-Year Encumbrances Appropriated	20,639	20,639	20,639	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 108,587</u>	<u>\$ 98,289</u>	<u>\$ 135,120</u>	<u>\$ 36,831</u>

See accompanying notes to the basic financial statements.



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**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2012**

(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	\$ -	\$ 3,246	\$ 4,014
Cash and Cash Equivalents—Segregated Accounts	17,306	-	260
Restricted Cash, Cash Equivalents and Investments:			
Cash and Cash Equivalents Held by Trustees	3,080	8,340	5,055
MSD Construction Account Held by the City of Cincinnati	11,759	-	-
Accounts Receivable	44,833	204	11
Sales Tax Receivable	-	4,769	2,962
Intergovernmental Receivable	-	-	-
Due from Other Funds	-	-	-
Prepaid Expenses	1,352	-	-
<b>Total Current Assets</b>	<b>78,330</b>	<b>16,559</b>	<b>12,302</b>
Noncurrent Assets:			
Restricted Cash, Cash Equivalents and Investments:			
Held by the City of Cincinnati:			
Construction Account	59,267	-	-
Amount to Be Transferred to Surplus Account	73,070	-	-
Held by Trustees:			
Investments—Held to Maturity	239,260	-	-
<b>Total Restricted Assets</b>	<b>371,597</b>	<b>-</b>	<b>-</b>
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	6,364	67,916	17,685
Construction in Progress	320,353	-	-
<b>Total Nondepreciable Capital Assets</b>	<b>326,717</b>	<b>67,916</b>	<b>17,685</b>
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	1,294,889	379,178	351,731
Processing Systems	417,342	-	-
Furniture, Fixtures and Equipment	51,239	8,985	5,671
Less Accumulated Depreciation	(718,547)	(179,776)	(125,801)
<b>Total Depreciable Capital Assets, Net</b>	<b>1,044,923</b>	<b>208,387</b>	<b>231,601</b>
<b>Total Capital Assets, Net</b>	<b>1,371,640</b>	<b>276,303</b>	<b>249,286</b>
Other	258	-	-
<b>Total Noncurrent Assets</b>	<b>1,743,495</b>	<b>276,303</b>	<b>249,286</b>
<b>TOTAL ASSETS</b>	<b>1,821,825</b>	<b>292,862</b>	<b>261,588</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	3,019	12,013	10,150
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,019</b>	<b>12,013</b>	<b>10,150</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	3,465	409	34
Construction Accounts Payable	11,759	-	-
Due to Other Funds	-	-	-
Accrued Wages and Benefits Payable	1,256	41	1
Intergovernmental Payable	-	37	1
Unearned Revenue	-	8	3
Accrued Interest Payable	-	-	-
Accrued Interest Payable from Restricted Assets	3,080	1,684	830
Retainage Payable	-	-	260
Accrued Compensated Absences	3,796	-	-
Unearned Lease Rent Revenue	-	5	-
Current Portion of State Loans Payable	-	-	-
Current Portion of Long-Term Debt	47,935	7,009	6,511
Estimated Future Claims	-	-	-
<b>Total Current Liabilities</b>	<b>71,291</b>	<b>9,193</b>	<b>7,640</b>
Noncurrent Liabilities:			
Estimated Future Claims	-	-	-
Accrued Compensated Absences	5,384	269	-
Unearned Lease Rent Revenue	-	4,335	13,485
Advances from Other Funds	-	-	-
State Loans Payable	-	-	-
Long-Term Debt	911,561	367,114	201,064
Net Pension Obligation	32,463	-	-
Net Other Post Employment Benefit Obligation	11,735	-	-
<b>Total Noncurrent Liabilities</b>	<b>961,143</b>	<b>371,718</b>	<b>214,549</b>
<b>TOTAL LIABILITIES</b>	<b>1,032,434</b>	<b>380,911</b>	<b>222,189</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	495,513	(97,820)	41,711
Restricted for Debt Service	7,994	-	-
Unrestricted	288,903	21,784	7,838
<b>TOTAL NET POSITION</b>	<b>\$ 792,410</b>	<b>\$ (76,036)</b>	<b>\$ 49,549</b>

See accompanying notes to the basic financial statements.

Business-Type Activities—Enterprise Funds		Governmental Activities
Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 17,727	\$ 24,987	\$ 18,040
18	17,584	-
-	16,475	-
-	11,759	-
493	45,541	121
-	7,731	-
795	795	-
106	106	-
-	1,352	-
<u>19,139</u>	<u>126,330</u>	<u>18,161</u>
-	59,267	-
-	73,070	-
-	239,260	-
-	<u>371,597</u>	-
5,465	97,430	-
-	320,353	-
<u>5,465</u>	<u>417,783</u>	-
216,309	2,242,107	41
-	417,342	-
8,190	74,085	696
(70,606)	(1,094,730)	(600)
<u>153,893</u>	<u>1,638,804</u>	<u>137</u>
<u>159,358</u>	<u>2,056,587</u>	<u>137</u>
-	258	-
<u>159,358</u>	<u>2,428,442</u>	<u>137</u>
<u>178,497</u>	<u>2,554,772</u>	<u>18,298</u>
-	25,182	-
-	<u>25,182</u>	-
606	4,514	56
-	11,759	-
3	3	-
199	1,497	30
39	77	4
14	25	-
24	24	-
66	5,660	-
134	394	-
-	3,796	-
-	5	-
1,530	1,530	-
1,290	62,745	-
-	-	5,332
<u>3,905</u>	<u>92,029</u>	<u>5,422</u>
-	-	900
813	6,466	152
-	17,820	-
601	601	-
14,885	14,885	-
23,238	1,502,977	-
-	32,463	-
-	11,735	-
<u>39,537</u>	<u>1,586,947</u>	<u>1,052</u>
<u>43,442</u>	<u>1,678,976</u>	<u>6,474</u>
118,415	557,819	137
-	7,994	-
16,640	335,165	11,687
<u>\$ 135,055</u>	<u>\$ 900,978</u>	<u>\$ 11,824</u>

**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Amounts in Thousands)

	Business-Type Activities— Enterprise Funds		
	Metropolitan Sewer District	Paul Brown Stadium	Baseball Stadium
<b>OPERATING REVENUES</b>			
Charges for Services	\$ -	\$ 457	\$ 671
Lease Rent Revenue	-	374	540
Sewerage Service Charges	224,160	-	-
Sewerage Surcharges	21,454	-	-
Other	3,542	65	28
<b>TOTAL OPERATING REVENUES</b>	<u>249,156</u>	<u>896</u>	<u>1,239</u>
<b>OPERATING EXPENSES</b>			
Personnel Services	47,704	1,668	70
Utilities, Fuel and Supplies	19,481	3,468	955
Purchased Services	25,428	2,285	1,869
Claims	-	-	-
Depreciation and Amortization	54,823	14,011	13,322
Other	8,805	756	506
<b>TOTAL OPERATING EXPENSES</b>	<u>156,241</u>	<u>22,188</u>	<u>16,722</u>
<b>OPERATING INCOME (LOSS)</b>	<u>92,915</u>	<u>(21,292)</u>	<u>(15,483)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	8,560	12	13
Sales and Use Tax for Debt Service	-	19,120	10,978
Sales and Use Tax	-	13,044	6,659
Other Nonoperating Revenue	-	5	-
Other Nonoperating Expense	-	(6,268)	(4,648)
Interest Expense	(33,765)	(15,834)	(8,371)
Gain (Loss) on Retirement of Capital Assets	181	(38)	(107)
Fiscal Charges on Long-Term Debt	-	(36)	(25)
Change in Fair Value of Investments	(905)	(1)	1
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(25,929)</u>	<u>10,004</u>	<u>4,500</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>66,986</u>	<u>(11,288)</u>	<u>(10,983)</u>
Capital Contributions	6,294	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
<b>CHANGE IN NET POSITION</b>	<u>73,280</u>	<u>(11,288)</u>	<u>(10,983)</u>
<b>TOTAL NET POSITION—BEGINNING AS RESTATED (NOTE II B)</b>	<u>719,130</u>	<u>(64,748)</u>	<u>60,532</u>
<b>TOTAL NET POSITION—ENDING</b>	<u>\$ 792,410</u>	<u>\$ (76,036)</u>	<u>\$ 49,549</u>

See accompanying notes to the basic financial statements.

<b>Business-Type Activities— Enterprise Funds</b>		<b>Governmental Activities</b>
<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
\$ 23,387	\$ 24,515	\$ 45,336
57	971	-
-	224,160	-
-	21,454	-
106	3,741	-
<u>23,550</u>	<u>274,841</u>	<u>45,336</u>
12,753	62,195	1,209
787	24,691	-
5,496	35,078	4,645
-	-	36,222
9,250	91,406	25
1,717	11,784	165
<u>30,003</u>	<u>225,154</u>	<u>42,266</u>
<u>(6,453)</u>	<u>49,687</u>	<u>3,070</u>
-	8,585	27
-	30,098	-
180	19,883	-
36	41	-
(22)	(10,938)	-
(722)	(58,692)	-
-	36	-
(142)	(203)	-
18	(887)	26
<u>(652)</u>	<u>(12,077)</u>	<u>53</u>
<u>(7,105)</u>	<u>37,610</u>	<u>3,123</u>
881	7,175	-
870	870	-
<u>(852)</u>	<u>(852)</u>	<u>-</u>
<u>(6,206)</u>	<u>44,803</u>	<u>3,123</u>
<u>141,261</u>	<u>856,175</u>	<u>8,701</u>
<u>\$ 135,055</u>	<u>\$ 900,978</u>	<u>\$ 11,824</u>

**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(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>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers and Users	\$ 239,921	\$ 572	\$ 671
Lease Rent Revenue	-	-	-
Cash Received from Interfund Services Provided	-	-	-
Cash Payments to Suppliers for Goods and Services	(51,852)	(6,024)	(2,860)
Cash Payments for Claims	-	-	-
Cash Payments for Personnel Costs	(46,395)	(1,606)	(69)
Other Operating Revenues	3,069	115	25
Other Operating Expenses	-	(585)	(496)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>144,743</b>	<b>(7,528)</b>	<b>(2,729)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Sales and Use Tax	-	13,044	6,659
Other Nonoperating Revenue	-	5	-
Other Nonoperating Expense	-	(6,268)	(4,648)
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>-</b>	<b>6,781</b>	<b>2,011</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sales and Use Tax for Debt Service	-	17,756	9,873
Other Revenue	-	-	-
Principal Payments on Long-Term Debt	(42,479)	(180)	(946)
Interest Payments on Long-Term Debt	(38,118)	(16,843)	(8,339)
Fiscal Charges on Long-Term Debt	-	(36)	(25)
MSD Loan Proceeds	48,428	-	-
Transfer into Construction Account from Trustee Investment Account	102,180	-	-
Transfer from Operating Cash to Trustee Investment Account	(62,180)	-	-
Advance from Other Fund	-	-	-
Tap-in Fees	2,618	-	-
Capital Contributions	6,294	-	-
Acquisition and Construction of Property, Plant and Equipment	(123,119)	(182)	(138)
Gain on Sale of Property, Plant and Equipment	181	-	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(106,195)</b>	<b>515</b>	<b>425</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Government Securities	(132,682)	-	-
Interest on Investments and Pooled Cash and Investments	1,434	12	13
Change in Fair Value of Investments	(78)	(1)	1
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(131,326)</b>	<b>11</b>	<b>14</b>
Net Increase in Cash and Equity in Pooled Cash and Investments	(92,778)	(221)	(279)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>254,307</b>	<b>11,807</b>	<b>9,608</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 161,529</b>	<b>\$ 11,586</b>	<b>\$ 9,329</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 92,915	\$ (21,292)	\$ (15,483)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	54,823	14,011	13,322
Net Changes in Operating Assets and Liabilities:			
Accounts Receivable	(2,655)	107	(3)
Intergovernmental Receivables	-	-	-
Due from Other Funds	-	-	-
Other Assets	(642)	-	-
Operating Accounts Payable	(2,125)	(87)	(26)
Accrued Payroll and Other Related Withholdings	(1,331)	5	-
Intergovernmental Payable	-	(7)	1
Construction in Progress Reconciliation	1,174	-	-
Decrease in Claims Payable	-	-	-
Deferred Lease Rent Revenue	-	(321)	(540)
Deferred Revenue	-	5	-
Compensated Absences	-	51	-
Due to Other Funds	-	-	-
Estimated Future Claims	-	-	-
Net Pension Obligation	3,045	-	-
Net Other Post Employment Benefit Obligation	(461)	-	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 144,743</b>	<b>\$ (7,528)</b>	<b>\$ (2,729)</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Equity in Pooled Cash and Investments	\$ -	\$ 3,246	\$ 4,014
Cash and Cash Equivalents—Segregated Accounts	17,306	-	260
Restricted Cash and Cash Equivalents Held by Trustees	127	8,340	5,055
Construction Account Held by the City of Cincinnati	71,026	-	-
Amount to Be Transferred to Surplus Account Held by the City of Cincinnati	73,070	-	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 161,529</b>	<b>\$ 11,586</b>	<b>\$ 9,329</b>
<b>NONCASH INVESTING AND FINANCING TRANSACTIONS</b>			
Structures Donated as Contributed Capital in Aid of Construction	\$ 2,363	\$ -	\$ -
Acquisition and Construction of Capital Assets Paid Directly by WPCLF Loan Proceeds	30,720	-	-
Construction Accounts Payable Related to Acquisition of Capital Assets	11,759	-	-
<b>TOTAL NONCASH INVESTING AND FINANCING TRANSACTIONS</b>	<b>\$ 44,842</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to the basic financial statements.

<b>Business-Type Activities—Enterprise Funds</b>		<b>Governmental Activities</b>
<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
\$ 23,888	\$ 265,052	\$ -
57	57	-
-	-	45,343
(6,530)	(67,266)	(4,881)
-	-	(37,238)
(12,629)	(60,699)	(1,190)
123	3,332	-
(1,572)	(2,653)	-
<u>3,337</u>	<u>137,823</u>	<u>2,034</u>
180	19,883	-
22	27	-
(23)	(10,939)	-
870	870	-
(852)	(852)	-
<u>197</u>	<u>8,989</u>	<u>-</u>
-	27,629	-
14	14	-
(1,965)	(45,570)	-
(723)	(64,023)	-
(106)	(167)	-
-	48,428	-
-	102,180	-
-	(62,180)	-
601	601	-
-	2,618	-
4,783	11,077	-
(6,774)	(130,213)	(71)
-	181	-
<u>(4,170)</u>	<u>(109,425)</u>	<u>(71)</u>
-	(132,682)	-
-	1,459	27
18	(60)	26
<u>18</u>	<u>(131,283)</u>	<u>53</u>
(618)	(93,896)	2,016
<u>18,363</u>	<u>294,085</u>	<u>16,024</u>
<u>\$ 17,745</u>	<u>\$ 200,189</u>	<u>\$ 18,040</u>
\$ (6,453)	\$ 49,687	\$ 3,070
9,250	91,406	25
(23)	(2,574)	(89)
553	553	-
(12)	(12)	7
-	(642)	-
(97)	(2,335)	796
37	(1,289)	8
23	17	4
-	1,174	-
-	-	(903)
-	(861)	-
-	5	-
62	113	8
(3)	(3)	-
-	-	(892)
-	3,045	-
-	(461)	-
<u>3,337</u>	<u>137,823</u>	<u>2,034</u>
\$ 17,727	\$ 24,987	\$ 18,040
18	17,584	-
-	13,522	-
-	71,026	-
-	73,070	-
<u>\$ 17,745</u>	<u>\$ 200,189</u>	<u>\$ 18,040</u>
\$ -	\$ 2,363	\$ -
-	30,720	-
-	11,759	-
<u>\$ -</u>	<u>\$ 44,842</u>	<u>\$ -</u>

**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2012**  
(Amounts in Thousands)

	<b>Agency</b>
<b>ASSETS</b>	
Equity in Pooled Cash and Investments	\$ 75,778
Cash and Cash Equivalents—Segregated Accounts	28,776
Real and Other Taxes Receivable	1,265,978
<b>TOTAL ASSETS</b>	<b>\$ 1,370,532</b>
 <b>LIABILITIES</b>	
Intergovernmental Payable	\$ 56,102
Future Tax Collections to Be Distributed	1,265,978
Other Current Liabilities	48,452
<b>TOTAL LIABILITIES</b>	<b>\$ 1,370,532</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, 2012**  
(Dollar Amounts Expressed in Thousands)

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**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 as amended. 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,

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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

The *Hamilton County Family and Children First Council* was formed under Ohio Revised Code Section 121.37. The Council works in cooperation with several community partners to provide early intervention services for children in at-risk families. The Hamilton County Department of Job and Family Services serves as administrative agent for the Council.

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

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

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

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

**Jointly Governed Organizations.** Hamilton County Board of Developmental Disabilities is a member of the Southwest Ohio Regional Council of Governments formed by Hamilton, Clermont, Butler and Warren Counties. The purpose of this Council is to coordinate the powers and duties of the member counties to better serve and benefit persons with developmental disabilities. Hamilton County Mental Health and Recovery Services Board is a member of the Three C Recovery and Health Care Network Council of Governments, which was created by the Hamilton County Mental Health and Recovery Services Board; The Alcohol, Drug and Mental Health Board of Franklin County; and The Alcohol, Drug Addiction and Mental Health Services Board of Cuyahoga County. The purpose of this Council is for creating a Shared Health care and Recovery Enterprise System (SHARES) to support management of client enrollment, benefit management, provider contracting, payment processes and utilization management for the member boards. (See note VI C, Jointly Governed Organizations.) The Southwest Ohio Regional Transit Authority (SORTA) is jointly governed with the City of Cincinnati. The County has no

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

---

ongoing financial interest or responsibility in SORTA. Separate financial statements are available by contacting SORTA at 602 Main Street, Suite 1100, Cincinnati, Ohio 45202. Hamilton County and the City of Cincinnati also jointly govern the Southwest Ohio Region Workforce Investment Board (SWORWIB). While the County is the fiscal agent and administrative entity for this board, the County has no ongoing financial interest or responsibility to the board. Separate financial statements are available by contacting SWORWIB at 441 Vine Street, Suite 300, Cincinnati, Ohio 45202.

**Related Organizations.** The Board of County Commissioners is responsible for appointing the majority of the members of the Board of Building Appeals, Board of Building Standards, Community Development Advisory Committee, Local Corrections Planning Board, Elderly Services Programs Advisory Council, Hamilton County Hospital Commission, Public Defender Commission, Public Library of Cincinnati and Hamilton County and County Land Reutilization Corporation. Hamilton County Commissioners also appoint half of the board members for the Port of Greater Cincinnati Development Authority. The Hamilton County Probate Court Judge appoints the Board of Park Commissioners of the Hamilton County Park District. In none of the aforementioned instances does the County's accountability extend beyond making the appointments. These organizations do not have significant operational or financial relationships with the County.

**B. Basis of Presentation**

The financial statements of the County and CFA have been prepared in conformity with GAAP as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The 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 Position 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 Position 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 Position 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.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

---

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

**C. Fund Accounting**

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

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

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

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

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

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

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

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

The following are the County's major enterprise funds:

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

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

---

*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, (3) workers' compensation and (4) medical self-insurance.

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

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

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

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

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

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

---

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 V B). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County or CFA must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County or CFA on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales tax, local government funds, interest, fees and charges for services.

**Unearned Revenue.** Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue, as are some taxes and local government funds and, in the enterprise funds, lease revenue that must be recognized over the life of the lease.

**Deferred Inflows/Outflows of Resources.** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources include deferred charges on refundings. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized as interest expense over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance fiscal year 2013 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet and represents receivables that will not be collected within the available period. For the County, unavailable revenue includes delinquent property taxes, special assessments, loans, grants and entitlements not yet received though eligibility requirements have been met. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

#### **F. Budgetary Process**

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

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

---

The certificate of estimated resources may be amended during the year for projected increases or decreases in revenue. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. Modifications to the original budget are approved by the Board of County Commissioners throughout the year as allowed by State statute. All budgetary amendments and supplemental appropriations made during 2012 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.

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

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

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

State statutes authorize the County Treasurer to invest in obligations of the U.S. Treasury; obligations or securities issued by any government agency; certificates of deposit; bonds and other obligations of the State; and written repurchase agreements, where the institution agrees unconditionally to repurchase only securities of the U.S. Treasury or any other government agency. In 2012, 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, 2012. (See note V A for a detailed disclosure of cash, cash equivalents and investments held by the County.)

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

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

Cash resources of individual funds, including proprietary funds, are combined to form a pool of cash and investments that is managed by the County Treasurer. Individual fund integrity is maintained through the County's



**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

---

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 2012 amounted to \$6,523, which includes \$47 assigned from other County funds.

The County has segregated bank accounts for moneys held separate from the County's central bank accounts. Additionally, the Southwest Ohio Council of Governments and Three C Recovery and Health Care Network Council of Governments are currently holding deposits that belong to the County. These monies are presented as Cash and Cash Equivalents—Segregated Accounts.

**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.

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, 2012, are recorded as Prepaid Expenses using the consumption method. Under this method, a current asset is recorded for the prepaid amount and expenses are reflected in the year in which services are consumed.

**J. Interfund Transactions**

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

**K. Restricted Assets**

The Trust Agreement for MSD's Series A Revenue bonds (see note V F) requires the establishment of certain trust accounts, including a Bond Account, Bond Reserve Account, Replacement and Improvement Account and Surplus Account to be held by the trustee. The Bond Account will be used to accumulate periodic principal and interest payments. The Bond Reserve Account will be funded in an amount equal to the highest annual future debt service requirement. The Replacement and Improvement Account will be maintained with a balance of \$5,000. The Surplus Account is available to be used for any other sewer system purpose. The Trust Agreement also requires the creation of a Construction Account to be held by the City to pay for project costs. At December 31, 2012, the following balances (at fair value) were maintained in trust accounts for MSD:

Held by Trustees:	
Bond Retirement	\$ 7,994
Reserve	74,701
Replacement and Improvement	5,649
Surplus	153,996
Total	\$ 242,340

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

---

**L. Capital Assets**

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

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

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, 2012. Additionally, in the enterprise funds, this amount includes interest capitalized on debt during the period of construction. For 2012, the amount of capitalized interest was \$6,965 for MSD.

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

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

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

Any material gain or loss arising from the disposal of capital assets for proprietary funds has been credited or charged to income or expense of the respective fund. The net 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.

**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.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

---

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded as Matured Compensated Absences Payable in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported in governmental funds. For governmental funds, the portion of unpaid compensated absences expected to be paid within a year is noted next to the total Compensated Absences in the Long-Term Debt and Other Obligations table (see note V F). This amount is a portion of what is reported as Long-Term Liabilities Due Within One Year in the government-wide Statement of Net Position. 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. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally due for payment during the current year. Bonds and loans that will be paid from governmental funds are recognized as a liability in the fund financial statements when payment is due.

**O. Bond Premiums and Discounts**

On the government-wide financial statements (and in the enterprise funds), bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line (bonds outstanding) method, which approximates the effective interest method. Bond premiums/discounts are presented as additions/reductions to the face amount of bonds payable. On the governmental fund financial statements, premiums and discounts, as well as issuance costs, are recognized in the period in which the debt is issued. Bond premiums/discounts are reported as an Other Financing Source/Use. Issuance costs, even if withheld from the actual net proceeds received, are reported as Debt Service expenditures.

**P. Fund Balance**

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

*Nonspendable:* The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form (i.e., they are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact. The nonspendable fund balances include long-term loans receivable, materials and supplies inventory, unclaimed monies reduced by the amount of the estimated liability for payments to claimants, and interfund loans.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

---

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

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

*Assigned:* Assigned fund balance includes amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned amounts represent the remaining amount that is not restricted or committed. Assigned fund balance addresses the government's intent and should be expressed by the County Commissioners or a County official delegated that authority by resolution or by State statute. In the General Fund, assigned amounts represent encumbered amounts for outstanding obligations and the amount reserved for judgments and claims.

*Unassigned:* Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

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

**Q. Net Position**

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists 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 position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or CFA, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. MSD's restricted net position relates to debt service. MSD did not have net position restricted by enabling legislation. The County and CFA apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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

**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 2012 totaled \$7,175.

**T. Internal Activity**

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

**V. Basis of Budgeting**

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

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

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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

<u>Net Change in Fund Balance</u>	<u>General Fund</u>	<u>Public Assistance</u>	<u>Health and Human Services Levies</u>
<i>GAAP Basis</i>	\$ (3,213)	\$ 4,141	\$ 4,506
Increase (Decrease):			
Net Adjustment for Revenue Accruals	(2,704)	12,434	(2,401)
Net Adjustment for Expenditure Accruals	5,885	(442)	(8,114)
Net Adjustment for Unrealized Gains	(203)	(43)	(192)
Net Adjustment for Change in Segregated Cash	-	-	(309)
Net Adjustment for Change in Escheat Estimate	(356)	-	-
Net Adjustment for Change in Loans and Advances	(1,954)	(1,451)	-
Encumbrances	(16,526)	(7,174)	(30,623)
<i>Basis of Budgeting</i>	<u>\$ (19,071)</u>	<u>\$ 7,465</u>	<u>\$ (37,133)</u>

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

**A. Changes in Accounting Principles**

In 2012, the County implemented the following Governmental Accounting Standards Board (GASB) Statements:

- No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*
- No. 61, *The Financial Reporting Entity: Omnibus*
- No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*
- No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- No. 65, *Items Previously Reported as Assets and Liabilities*
- No. 66, *Technical Corrections—2012* (an Amendment of No. 10 and No. 62)

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the County's financial statements.

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The implementation of this statement did not result in any change in the County's financial statements.

GASB Statement No. 62 incorporates into GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the County's financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the County's 2012 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the County's 2012 financial statements. See note II B for the effect on beginning net position/fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the County's financial statements.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

In 2012, the County determined that the Workers' Compensation Reserve for Stadiums should be presented as governmental rather than business-type activities. The change was made because the stadium construction is finished and claims and fund balance are minimal and do not need to be presented separate from the activity of the other workers' compensation funds.

**B. Restatement of Fund Balances and Net Position**

As a result of the agreed-upon procedures (AUP) related to interfund transactions for the years 2004-2006, restatement of governmental fund balances was required as follows:

	Public Assistance Fund	Health and Human Services Levies Fund
December 31, 2011	\$ 38,226	\$ 139,860
Change Due to AUP	(11,842)	11,842
December 31, 2011, As Restated	<u>\$ 26,384</u>	<u>\$ 151,702</u>

Due to the implementation of GASB 65, beginning net position was adjusted to eliminate unamortized financing costs from the Statement of Net Position. Additionally, in the nonmajor Riverfront Development fund, Construction in Progress (CIP) that will not be capitalized has been removed from beginning net position:

	Metropolitan Sewer District	Paul Brown Stadium	Baseball Stadium	Other Enterprise Funds	Convention Facilities Authority
December 31, 2011	\$ 726,539	\$ (62,687)	\$ 62,390	\$ 156,219	\$ (77,398)
Remove Unamortized Finance Costs	(7,409)	(2,061)	(1,858)	(496)	(530)
Remove CIP Not Being Capitalized	-	-	-	(14,462)	-
December 31, 2011, As Restated	<u>\$ 719,130</u>	<u>\$ (64,748)</u>	<u>\$ 60,532</u>	<u>\$ 141,261</u>	<u>\$ (77,928)</u>

Reporting all workers' compensation funds as governmental activities resulted in the following restatement of beginning net position:

	Governmental Activities	Business-Type Activities
December 31, 2011	\$ 649,098	\$ 882,455
Change Due to Combining Workers' Compensation Funds	(6)	6
Change to Business-Type Activities per Note Above	-	(26,286)
December 31, 2011, As Restated	<u>\$ 649,092</u>	<u>\$ 856,175</u>

**III. FUND BALANCE**

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

Fund Balances	General	Public Assistance	Health and Human Services Levies	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>					
Materials and Supplies	\$ -	\$ -	\$ -	\$ 3,438	\$ 3,438
Loans Receivable	1,463	-	-	-	1,463
Advances to Other Funds	2,509	1,451	-	-	3,960
Escheat	5,272	-	-	-	5,272
Total Nonspendable	<u>9,244</u>	<u>1,451</u>	<u>-</u>	<u>3,438</u>	<u>14,133</u>

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

Restricted for					
Public Assistance	\$ -	\$ 29,074	\$ -	\$ -	\$ 29,074
Health and Human Services Levies	-	-	153,103	-	153,103
Motor Vehicle Gas Tax	-	-	-	25,383	25,383
Health and Community Services	-	-	-	48,598	48,598
Debt Service Payments	-	-	-	5,355	5,355
Other	-	-	-	5,004	5,004
Total Restricted	<u>-</u>	<u>29,074</u>	<u>153,103</u>	<u>84,340</u>	<u>266,517</u>
Committed					
Capital Projects	-	-	3,105	16,891	19,996
Other Purposes	203	-	-	-	203
Total Committed	<u>203</u>	<u>-</u>	<u>3,105</u>	<u>16,891</u>	<u>20,199</u>
Assigned					
Encumbrances	11,390	-	-	-	11,390
Other Purposes	1,720	-	-	-	1,720
Total Assigned	<u>13,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,110</u>
Unassigned (Deficit)	<u>49,763</u>	<u>-</u>	<u>-</u>	<u>(1,821)</u>	<u>47,942</u>
Total Fund Balance	<u>\$72,320</u>	<u>\$ 30,525</u>	<u>\$156,208</u>	<u>\$ 102,848</u>	<u>\$361,901</u>

The County has established by resolution, a reserve balance account within the General Fund to accumulate currently available resources for the purpose of mitigating the effects of cyclical changes in revenues and expenditures. The amount of money to be reserved in this account in any fiscal year shall not exceed 5% of the revenue credited in the preceding fiscal year to the General Fund. The resources reserved for stabilization may be used as determined by resolution of the Board of County Commissioners. Additions to the fund may be increased by resolution within the guidelines specified by Ohio Revised Code. This account had a balance of \$3,466 as of December 31, 2012, and is shown as unassigned in the General Fund.

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

#### **IV. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

At December 31, 2012, the following nonmajor grant fund groups had deficit fund balances:

<u>Fund Group</u>	<u>Fund Balance</u>
Health and Community Services Grants	\$ (686)
Public Safety Grants	(239)
Health Grants	(839)
Economic Development Grants	(57)

These deficits were caused by deferring revenue for which eligibility requirements had not yet been met and/or the time lag between reimbursements for grant expenditures versus when the expenditures were incurred.

The deficit net position of (\$76,036) 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.

#### **V. DETAILED NOTES ON ALL FUNDS**

##### **A. Deposits and Investments**

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

1. Active moneys are public moneys determined to be necessary to meet current demand upon the County treasury. Active moneys must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.



**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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2. 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:

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

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

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

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

**Cash on Hand.** At year-end, the County had \$747 in undeposited cash on hand. This amount is included on the Statement of Net Position 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 \$77,143 and the bank balance was \$78,339.

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County's policy for deposits is that any balance not covered by the Federal Deposit Insurance Corporation will be collateralized by the financial institutions with pledged securities. Of the year-end bank balance, \$5,108 was covered by federal depository insurance or by collateral held by the County's agent in the County's name. The remaining balance of \$73,231 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.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

**Investments—County.** At December 31, 2012, 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)	\$ 150,156	\$ 49,978	\$ 100,178	33.22
Federal National Mortgage Association (FNMA)	243,705	18,961	224,744	53.91
U.S. Treasury Notes	12,922	8,960	3,962	2.86
Sewer Special Assessment Bond	373	-	373	.08
Repurchase Agreements	28,956	24,966	3,990	6.40
Investment in STAR Ohio	1	1	-	-
Money Market Funds—Trustee	15,940	15,940	-	3.53
Total County Investments	<u>\$ 452,053</u>	<u>\$ 118,806</u>	<u>\$ 333,247</u>	<u>100.00</u>

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

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

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

**Concentration of Credit Risk.** The County's investment policy provides for diversification to avoid undue concentration in one type of securities. The County has invested more than 5% of the County's investments in the FHLB (33.22%), the FNMA (53.91%), and repurchase agreements (6.40%).

**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.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

At December 31, 2012, the carrying amount of MSD's deposits totaled \$161,402. Amounts held by the City are invested on MSD's behalf in accordance with the City's Municipal Code. These amounts are collateralized as part of the City's cash and investment balances.

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

For additional GASB 40 disclosure requirements, refer to the financial statements as of December 31, 2012, 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	\$ 161,402	39.98
U.S. Government Securities	242,213	59.99
Money Market Funds	127	.03
Total Investments	<u>\$ 403,742</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, 2012.

MSD has no policy that addresses interest rate risk.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

**Deposits—CFA.** At year-end, the carrying amount of CFA deposits held by the trustee totaled \$5,440 and the bank balance was \$5,440. The accounts are held in custodial accounts at The Bank of New York Mellon and are not collateralized.

**Investments—CFA.** The trustee for the CFA held no investments at December 31, 2012.

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	\$ 239,292	Equity in Pooled Cash and Investments	\$ 484,949
Carrying Amount of Investments	694,393	Cash and Cash Equivalents—Segregated Accounts	48,905
Total	\$ 933,685	Cash and Cash Equivalents—Restricted	160,571
		Investments—Restricted	239,260
		Total	\$ 933,685

**B. Receivables**

Receivables at December 31, 2012, consisted of taxes, interest, special assessments, accounts (billings for user-charged services, including unbilled utility services), loans, and intergovernmental receivables arising from grants, entitlements and shared revenues. All trade and property tax receivables, including those for MSD, are shown net of an allowance for uncollectibles. Receivables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectibility.

**Property Tax.** Property taxes include amounts levied against real, public utility and tangible (personal) property. The assessed value by property classification upon which the 2012 tax collection was based is as follows:

Real Property—2012 Valuation:	
Residential/Agricultural	\$ 12,749,397
Commercial/Industrial/Public Utilities	4,776,011
Public Utility Personal Property	723,511
Total Valuation	\$ 18,248,919

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 16.77 mills have been approved for health and hospitalization, law enforcement, developmental disabilities and health, children's services, zoological parks, senior services, family treatment services and the museum center.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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	
University Hospital	4.07	1.69	2.58	2014
Police Information Center	0.54	0.16	0.28	Continuing
Developmental Disabilities	4.13	3.91	4.13	2014
Mental Health	2.99	1.63	2.20	2012
Children's Services	2.77	1.86	2.51	2016
Zoo	0.46	0.35	0.42	2013
Senior Services	1.29	0.99	1.19	2012
Family Treatment Services	0.34	0.34	0.34	2014
Museum Center	0.18	0.17	0.18	2014
Total Voted Millage	16.77	11.10	13.83	

<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 29.11% of the ½ cent permissive sales tax receipts to reduce residential property taxes in the County. In 2012, this represented a 2.69% reduction for all owner-occupied homeowners in the County.

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

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

The tangible personal property tax for businesses was phased out over a three-year period starting in 2006 with the last tax due in 2008. Telecommunication companies have been paying the tangible personal property tax on a declining basis with the last tax due in 2010. The State has provided a reimbursement to the levies that were in effect prior to November 1, 2005, to help offset the loss in tax revenue from 2006 through 2010. The reimbursement is based on the 2004 tangible personal property valuation and will not completely offset the loss of revenue. A phase-out of the reimbursement began in 2011. Legislation passed in 2012 eliminated the reimbursement altogether for certain levies.

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.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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 2012:

General Fund	\$ 36,022
Health and Human Services Levies Fund	192,812
Nonmajor Special Revenue Funds	513
Total Property Tax Revenues	\$ 229,347

Property tax revenues include levies collected from both the current levy and delinquent levies. The cumulative delinquency as of December 31, 2012, was \$20,908 of real and public utility taxes and \$3,602 of tangible personal property taxes, for a total of \$24,510. The delinquent property tax revenue was not recorded in the financial statements due to the uncertainty of collection. Recording the delinquency would not have an impact on the fund balance of the County since it would be offset by a reserve for delinquent accounts.

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

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

**Intergovernmental.** State subsidies for local property tax reductions are recorded as Intergovernmental Receivable when measurable and Intergovernmental Revenues when measurable and available. Federal and State grants and assistance awards made on the basis of entitlement are recorded as Intergovernmental Receivable and Revenues when entitlement occurs. All other federal and State reimbursement-type grants are recorded as receivables and revenues when the related expenditures/expenses are incurred. A summary of the Intergovernmental Receivables for the year ended December 31, 2012, follows.

<u>Governmental Activities</u>	<u>Amount</u>
General Fund:	
Auditor—Casino Revenue	\$ 2,042
Board of Elections—Grants	3
Planning and Development—Miscellaneous Receipts	38
Sheriff—Miscellaneous Receipts	21
Emergency Management—Miscellaneous Receipts	5
Juvenile Courts—Grants	26
Juvenile Courts—Miscellaneous Receipts	19
Domestic Relations—Grants	26
Clerk Courts—Miscellaneous Receipts	5
Public Defender—Miscellaneous Receipts	830
General Fund Total	3,015

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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Public Assistance—Special Revenue Fund:	
Job and Family Services—Grants	\$ 1,877
Job and Family Services—Miscellaneous Receipts	14
Public Assistance Total	<u>1,891</u>
Health and Human Services Levies—Special Revenue Fund:	
Job and Family Services—Grants	4,290
Developmental Disabilities Services—Grants	6,627
Developmental Disabilities Service—Miscellaneous Receipts	453
Health and Human Services Levies Total	<u>11,370</u>
Nonmajor Special Revenue Funds:	
Job and Family Services—Grants	850
Planning and Development—Grants	2,824
Planning and Development—Miscellaneous Receipts	2
Sheriff—Grants	391
Prosecutor—Grants	21
Coroner—Grants	43
Emergency Management Agency—Grants	857
Juvenile Court—Grants	4,472
Municipal Court—Grants	135
Adult Probation—Grants	1,162
Engineer—Grants	475
Environmental Services—Grants	1,422
Environmental Services—Miscellaneous Receipts	6
Developmental Disabilities Services—Grants	170
Mental Health and Recovery Services Board—Grants	3,814
Mental Health and Recovery Services Board—Miscellaneous Receipts	16
Transportation Improvement District—Grants	50
Nonmajor Special Revenue Funds Total	<u>16,710</u>
Governmental Activities Total	<u>\$ 32,986</u>

<u>Business-Type Activities</u>	<u>Amount</u>
Nonmajor Enterprise Funds:	
Sheriff—Township Patrol Fees	\$ 794
Sheriff—Miscellaneous Receipts	1
Nonmajor Enterprise Funds Total	<u>795</u>
Business-Type Activities Total	<u>\$ 795</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 (\$379) are classified as Accounts Receivable on the Balance Sheet—Governmental Funds.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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 \$4,458 at December 31, 2012, and are included in Equity in Pooled Cash and Investments on the Balance Sheet—Governmental Funds.

**C. Restricted Assets**

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

Restricted Cash and Cash Equivalents:	
Held by the City of Cincinnati:	
Construction Account	\$ 71,026
Amount to Be Transferred to Surplus Account	73,070
Held by Trustees	<u>16,475</u>
Total Restricted Cash and Cash Equivalents	<u>160,571</u>
Restricted Investments:	
Held by Trustees—Held to Maturity	<u>239,260</u>
Total Restricted Assets	<u>\$ 399,831</u>

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2012 was as follows:

	Balance 1/1/2012	Additions	Reductions	Balance 12/31/2012
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 97,501	\$ -	\$ (4,237)	\$ 93,264
Construction in Progress	1,999	3,320	(1,698)	3,621
Total Capital Assets Not Being Depreciated	<u>99,500</u>	<u>3,320</u>	<u>(5,935)</u>	<u>96,885</u>
Capital Assets Being Depreciated:				
Land Improvements	330	-	-	330
Buildings, Structures and Improvements	379,454	2,353	(8,853)	372,954
Infrastructure	685,439	506	-	685,945
Furniture, Fixtures and Equipment	88,541	4,094	(2,710)	89,925
Total Capital Assets Being Depreciated	<u>1,153,764</u>	<u>6,953</u>	<u>(11,563)</u>	<u>1,149,154</u>
Less Accumulated Depreciation:				
Land Improvements	(52)	(20)	-	(72)
Buildings, Structures and Improvements	(278,261)	(9,464)	6,539	(281,186)
Infrastructure	(510,394)	(20,442)	-	(530,836)
Furniture, Fixtures and Equipment	(67,520)	(6,439)	2,516	(71,443)
Total Accumulated Depreciation	<u>(856,227)</u>	<u>(36,365)</u>	<u>9,055</u>	<u>(883,537)</u>
Capital Assets Being Depreciated, Net	<u>297,537</u>	<u>(29,412)</u>	<u>(2,508)</u>	<u>265,617</u>
Governmental Activities Capital Assets, Net	<u>\$ 397,037</u>	<u>\$ (26,092)</u>	<u>\$ (8,443)</u>	<u>\$ 362,502</u>



**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

Business-Type Activities

Capital Assets Not Being Depreciated:

Land	\$ 96,043	\$ 1,387	\$ -	\$ 97,430
Construction in Progress	310,358	161,353	(151,358)	320,353
Total Capital Assets Not Being Depreciated	<u>406,401</u>	<u>162,740</u>	<u>(151,358)</u>	<u>417,783</u>

Capital Assets Being Depreciated:

Buildings, Structures and Improvements	2,140,705	101,402	-	2,242,107
Processing System	384,890	39,609	(7,157)	417,342
Furniture, Fixtures and Equipment	72,697	2,685	(1,297)	74,085
Total Capital Assets Being Depreciated	<u>2,598,292</u>	<u>143,696</u>	<u>(8,454)</u>	<u>2,733,534</u>

Less Accumulated Depreciation:

Buildings, Structures and Improvements	(750,660)	(64,490)	-	(815,150)
Processing System	(205,707)	(14,331)	-	(220,038)
Furniture, Fixtures and Equipment	(55,629)	(5,030)	1,117	(59,542)
Total Accumulated Depreciation	<u>(1,011,996)</u>	<u>(83,851)</u>	<u>1,117</u>	<u>(1,094,730)</u>

Capital Assets Being Depreciated, Net	<u>1,586,296</u>	<u>59,845</u>	<u>(7,337)</u>	<u>1,638,804</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,992,697</u>	<u>\$ 222,585</u>	<u>\$ (158,695)</u>	<u>\$ 2,056,587</u>

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

Depreciation expense was charged to functions/funds as follows:

Governmental Activities

General Government	\$ 11,307
Judicial	273
Public Safety	3,451
Social Services	199
Health	749
Public Works	20,216
Environmental Control	145
Internal Service Funds—Charged to Functions Based on Usage	25
Total Depreciation Expense	<u>\$ 36,365</u>

Business-Type Activities

MSD	\$ 47,268
Paul Brown Stadium	14,011
Baseball Stadium	13,322
Nonmajor Enterprise Funds	9,250
Total Depreciation Expense	<u>\$ 83,851</u>

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

**E. Interfund Balances and Transfers**

Interfund balances at December 31, 2012, consisted of the following amounts and represent charges for services or reimbursable expenses except for the General Fund's coverage of the (\$2,224) negative cash balance for the Public Safety Grants (\$725) and the Economic Development Grants (\$1,499) nonmajor governmental funds.

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

Due to Other Funds	Due from Other Funds					Total
	General Fund	Public Assistance	Health and Human Services Levies	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ -	\$ -	\$ 28	\$ 58	\$ 86
Public Assistance	35	-	-	-	43	78
Health and Human Services Levies	1,998	36	-	112	-	2,146
Nonmajor Governmental Funds	2,318	537	12	49	5	2,921
Nonmajor Enterprise Funds	3	-	-	-	-	3
Total	\$ 4,354	\$ 573	\$ 12	\$ 189	\$ 106	\$ 5,234

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 \$3,960.

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

Included in the transfers out/in are residual equity transfers between fund groups. Residual transfers were made from the nonmajor Health and Community Services Nongrants fund group (\$650) and the nonmajor Rotary Funds (\$700) to the General Fund.

Interfund transfers for the year ended December 31, 2012, consisted of the following:

Transfers In	Transfers Out			Total
	General Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 2,070	\$ 700	\$ 2,770
Public Assistance	838	-	-	838
Nonmajor Governmental Funds	1,581	446	152	2,179
Nonmajor Enterprise Funds	870	-	-	870
Total	\$ 3,289	\$ 2,516	\$ 852	\$ 6,657

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

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

**F. Long-Term Debt and Other Obligations**

The long-term obligations of the County payable as of December 31, 2012, are as follows:

<b>Governmental Activities</b>	Maturity	Interest Rate %	Balance			Balance	Due in
<i>Long-Term Debt</i>			January 1	Additions	Reductions	December 31	One Year
<u>Year Issued/Purpose/Amount Issued</u>							
<u>General Obligation Bonds—Unvoted</u>							
2001 Various Purpose—\$9,050	2012	3.00-4.00	\$ 750	\$ -	\$ (750)	\$ -	\$ -
2001 Various Purpose—\$1,455	2021	3.00-5.00	870	-	(295)	575	55
2001 Water West Phase 2—\$1,660	2021	3.00-5.00	990	-	(80)	910	85
2004 Various Purpose Refunding—\$21,915	2015	1.70-4.00	6,310	-	(2,065)	4,245	2,105
2004 Various Purpose Refunding—\$16,115	2015	1.70-4.00	4,640	-	(1,515)	3,125	1,550
2004 Various Purpose Refunding—\$4,100	2015	1.70-4.00	1,185	-	(385)	800	395
2005 Various Purpose Refunding—\$28,715	2017	3.00-5.00	15,550	-	(3,750)	11,800	2,195
2006 Emergency Management and Operations Center—\$725	2025	4.00-4.50	585	-	(35)	550	30
2006 Emergency Services Communications System—\$19,520	2021	3.50-4.00	14,140	-	(1,195)	12,945	1,235
2007 Various Purpose Refunding—\$18,130	2024	3.75-4.15	13,255	-	(5,960)	7,295	1,740
2007 Communications Center—\$1,025	2016	3.75-4.00	560	-	(105)	455	105
2008 Various Purpose—\$8,795	2018	3.00-4.00	6,405	-	(830)	5,575	855
2009 Emergency System Alert—\$1,615	2024	2.00-4.25	1,425	-	(95)	1,330	95
2009 Urban Redevelopment —\$12,550	2039	1.875-6.8	12,010	-	(270)	11,740	275
2011 Energy Conservation —\$5,512	2040	2.40-5.25	5,512	-	-	5,512	269
2012 Energy Conservation Phase 1A—\$9,400	2027	2.0-3.125	-	9,400	-	9,400	400
Deferred Amounts:							
For Issuance Premiums			893	175	(328)	740	-
Total General Obligation Bonds—Unvoted			85,080	9,575	(17,658)	76,997	11,389
<u>Special Assessment Bonds</u>							
1993 Sewer District—\$600	2013	4.90-5.20	90	-	(45)	45	45
1994 Sewer District—\$175	2014	5.75	30	-	(10)	20	10
1995 Sewer District—\$210	2015	5.10-5.80	65	-	(15)	50	15
1996 Sewer District—\$445	2016	5.55-5.625	155	-	(25)	130	30
1997 Sewer District—\$340	2017	5.125-5.30	140	-	(20)	120	20
1998 Sewer District—\$705	2018	4.65-4.75	325	-	(40)	285	40
1999 Sewer District—\$170	2019	5.5	90	-	(10)	80	10
2000 Sewer District—\$545	2020	5.40-5.55	310	-	(30)	280	30
2001 Sewer District—\$150	2021	4.00-5.10	100	-	(10)	90	10
2002 Sewer District—\$295	2022	3.50-5.05	190	-	(15)	175	15
2003 Sewer District—\$460	2023	1.25-5.75	315	-	(20)	295	20
2004 Water and Sewer—\$625	2024	1.8-4.9	445	-	(30)	415	30
2005 Sewer District—\$110	2025	4.35-4.40	80	-	(5)	75	5
2006 Sewer District—\$76	2026	4.65-4.75	57	-	(4)	53	4
2007 Sewer District—\$750	2027	4.15-4.65	645	-	(30)	615	30
2008 Sewer District—\$262	2028	4.625-5.50	230	-	(10)	220	10
2009 Sewer District—\$710	2029	2.50-4.50	655	-	(30)	625	30
2010 Sewer District—\$387	2030	2.00-4.35	370	-	(15)	355	20
2011 Sewer District—\$275	2031	4.75	275	-	(10)	265	15
2012 Sewer District—\$275	2032	3.5	-	373	-	373	13
Total Special Assessment Bonds			4,567	373	(374)	4,566	402
Total Governmental Long-Term Debt			89,647	9,948	(18,032)	81,563	11,791
<u>Other Long-Term Liabilities</u>							
Compensated Absences			40,379	31,917	(33,021)	39,275	3,412
State Loans			2,237	-	(341)	1,896	349
Loan Contracts			3,954	-	(176)	3,778	175
Forgivable Mortgage			1,165	-	(68)	1,097	68
Claims Payable			2,342	4,400	(4,675)	2,067	1,167
Total Governmental Long-Term Liabilities			\$ 139,724	\$ 46,265	\$ (56,313)	\$ 129,676	\$ 16,962

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

<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>							
2010 Series A & B Revenue Bonds—\$130,675	2035	2.00-5.37	\$ 129,135	\$ -	\$ (3,275)	\$ 125,860	\$ 2,310
2009 Series A Revenue Bonds—\$149,815	2034	4.00-6.50	149,815	-	-	149,815	-
2007 Series A Revenue Bonds—\$72,385	2032	3.50-5.25	65,305	-	(1,950)	63,355	2,020
2006 Series A Revenue Bonds—\$83,045	2031	4.00-5.00	73,030	-	(2,290)	70,740	2,380
2005 Series A & B Revenue Bonds—\$170,560	2030	2.50-5.00	146,890	-	(2,560)	144,330	9,065
2004 Series A Revenue Bonds—\$46,385	2017	2.00-5.00	37,415	-	(6,165)	31,250	1,360
2003 Series A & B Revenue Bonds—\$215,575	2028	1.50-5.25	151,565	-	(18,585)	132,980	19,510
2001 Series A Revenue Bonds—\$76,000	2026	2.30-5.25	425	-	(425)	-	-
Ohio Water Development Authority Contracts (OWDA)—\$41,830	2016	2.00-7.49	267	-	(131)	136	-
Ohio Water and Sewer Rotary Commission	-	-	50	-	-	50	-
Ohio Public Works Commission (OPWC)	2041	0.00-3.00	2,639	-	(311)	2,328	317
Water Pollution Control Loan Fund (WPCLF) Construction Drawdown	2037	2.50-3.50	128,590	79,148	(6,212)	201,526	10,383
Capital Lease Payable—\$15,000	2029	2.00-5.00	13,900	-	(575)	13,325	590
Deferred Amounts:							
For Issuance Premiums			26,775	-	(2,974)	23,801	-
Total MSD Obligations			<u>925,801</u>	<u>79,148</u>	<u>(45,453)</u>	<u>959,496</u>	<u>47,935</u>
<u>Enterprise Fund Debt—Parking Facility</u>		Market Value Based					
2001 Parking Facility—\$24,500	2026		18,960	-	(815)	18,145	865
<u>Sales Tax Bonds</u>							
2000 Stadium Series B—\$349,992	2032	5.57	41,661	-	-	41,661	-
2006 Stadium Series A—\$452,270	2032	4.00-5.00	444,180	-	(1,125)	443,055	13,520
2011 Refunding Bonds A—\$72,665	2032	2.00-5.00	72,665	-	-	72,665	-
Deferred Amounts:							
For Issuance Discounts			(943)	-	-	(943)	-
For Issuance Premiums			27,477	-	(2,217)	25,260	-
Total Sales Tax Bonds			<u>585,040</u>	<u>-</u>	<u>(3,342)</u>	<u>581,698</u>	<u>13,520</u>
<u>General Obligation—Parking Facility</u>							
2007 Various Purpose Refunding—\$7,335	2024	3.75-4.15	6,800	-	(405)	6,395	425
Deferred Amounts:							
For Issuance Discounts			(14)	-	2	(12)	-
Total General Obligation Bonds			<u>6,786</u>	<u>-</u>	<u>(403)</u>	<u>6,383</u>	<u>425</u>
Total Business-Type Long-Term Debt			<u>1,536,587</u>	<u>79,148</u>	<u>(50,013)</u>	<u>1,565,722</u>	<u>62,745</u>
<i>Other Long-Term Liabilities</i>							
<u>Compensated Absences</u>			9,920	5,054	(4,712)	10,262	3,796
<u>Urban Redevelopment Loan</u>			5,475	-	-	5,475	-
<u>State Infrastructure Bank Loan</u>			11,685	-	(745)	10,940	1,530
<u>MSD Net Pension and Other Post-Employment Benefits Obligation</u>			41,614	2,584	-	44,198	-
Total Business-Type Long-Term Liabilities			<u>\$1,605,281</u>	<u>\$ 86,786</u>	<u>\$ (55,470)</u>	<u>\$ 1,636,597</u>	<u>\$ 68,071</u>
<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	\$ 59,925	\$ -	\$ (1,570)	\$ 58,355	\$ 1,635
2004 Second Lien Improvement Bonds—\$35,940	2033	2.00-5.25	19,610	-	(850)	18,760	880
Deferred Amounts:							
For Issuance Premium			3,424	-	(91)	3,333	-
Total CFA Obligations			<u>\$ 82,959</u>	<u>\$ -</u>	<u>\$ (2,511)</u>	<u>\$ 80,448</u>	<u>\$ 2,515</u>

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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
2013	\$ 11,389	\$ 3,205	\$ 402	\$ 212
2014	10,757	2,756	362	190
2015	8,062	2,329	363	174
2016	7,786	2,005	364	157
2017	7,626	1,690	344	140
2018-2022	16,373	5,381	1,388	482
2023-2027	7,524	3,215	965	203
2028-2032	2,385	1,951	378	35
2033-2037	2,970	1,092	-	-
2038-2042	1,385	142	-	-
Total	\$ 76,257	\$ 23,766	\$ 4,566	\$ 1,593

Year	Business-Type Activities					
	MSD*		General Obligation Bonds**		Sales Tax Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 47,935	\$ 44,050	\$ 1,290	\$ 298	\$ 13,520	\$ 25,137
2014	51,550	42,706	1,355	279	15,715	24,461
2015	58,243	41,326	1,430	261	19,720	23,686
2016	59,829	38,804	1,510	241	22,120	22,789
2017	61,885	36,291	1,585	221	22,005	21,783
2018-2022	224,320	149,257	9,320	747	122,482	119,060
2023-2027	250,296	97,114	8,050	122	139,682	133,075
2028-2032	202,002	39,583	-	-	202,137	67,814
2033-2037	43,304	4,280	-	-	-	-
2038-2042	42	-	-	-	-	-
Total	\$999,406	\$493,411	\$24,540	\$ 2,169	\$557,381	\$437,805

\*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 stadium 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, 2012, was 0.24%. Using this rate as a basis, the projected interest to be paid on this bond issue will be \$367.

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

Year	CFA	
	Improvement Bonds	
	Principal	Interest
2013	\$ 2,515	\$ 3,777
2014	2,625	3,667
2015	2,740	3,549
2016	2,865	3,426
2017	3,010	3,283
2018-2022	17,470	13,992
2023-2027	21,055	9,331
2028-2032	20,500	4,064
2033-2037	4,335	217
Total	\$ 77,115	\$ 45,306

**Long-Term Bonds.** All long-term bonds of the County are retired from the debt service funds except for debt payable from enterprise funds. General obligation bonds and notes are backed by the County's ability to levy a voted or unvoted property tax within limitations of State law. General obligation special assessment bonds are backed by the County's ability to levy an assessment against individual property owners within limitation of State

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

---

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 \$454,723. The total County net debt subject to this limitation is \$69,648, leaving a borrowing capacity of \$385,075 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 \$182,489. The total County debt subject to such limitation is \$69,648, leaving a borrowing capacity of \$112,841 within the 1.0% limitation for unvoted non-exempt debt.

**2012 General Obligation Bonds.** In May 2012, Energy Conservation Phase IA Limited Tax General Obligation Bonds were issued in the amount of \$9,400. Proceeds of the bonds will be used to acquire, construct and install energy conservation measures in various County buildings. The bonds carry an interest rate of 2.000-3.125% and have a final maturity date of December 1, 2027.

**2012 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 September 2012, new special assessment bonds were issued in the amount of \$373, with a final maturity date of December 1, 2032. These bonds carry an interest rate of 3.5%.

**2012 Partially Defeased Bonds.** In March 2012, the County partially defeased the 2001 and 2005 Various Purpose Limited Tax General Obligation Bonds and the 2007 Various Purpose Limited Tax General Obligation Refunding Bonds in the amounts of \$335, \$1,650 and \$4,280, respectively. A portion of the proceeds of each series of bonds were used to finance or refinance the acquisition or improvement of a building the Board of County Commissioners deemed should be sold; therefore the related portion of each issuance was defeased. Proceeds of the sale of the building plus the County's contribution were deposited into an escrow fund to be used toward the redemption and partial defeasance of the bonds. The liability for the defeased bonds has been removed from the Statement of Net Position. The defeasance resulted in the recognition of an accounting loss of \$783 in accordance with GASB 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. Since there was no new debt issued, the calculations for the difference in cash flows between old and new debt and the economic gain or loss are not applicable.

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

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

---

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

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

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

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

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

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

**Prior Defeased Debt.** In prior years, the County has defeased various general obligation serial bonds and revenue serial bonds through refinancing and operations. Separate irrevocable trust funds were established and funded to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and is not included in the financial statements. At December 31, 2012, \$5,680 general obligation bonds were considered defeased. For MSD, the amount of defeased debt outstanding was \$17,035. For CFA, the amount is \$11,255.

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

**Capital Lease.** MSD issued a capital lease for a new engineering building in 2010. The lease obligation meets the criteria of a capital lease as defined by Financial Accounting Standards Board guidance. The leased assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the lease.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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

Year Ending December 31	MSD
2013	\$ 1,115
2014	1,112
2015	1,115
2016	1,115
2017	1,112
2018–2022	5,570
2023–2027	5,569
2028–2032	2,227
Total Minimum Lease Payments	18,935
Less Amount Representing Interest	(5,610)
Present Value of Minimum Lease Payments	\$ 13,325

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

**Compensated Absences.** Employees with a minimum of one year of service become vested in accumulated unpaid vacation time. For County employees, Ohio law requires that vacation time not be accumulated for more than three years. Normally, all vacation time is to be taken in the year available unless administrative approval for carryover is obtained. Unpaid vacation time is payable upon termination of employment. In general, employees are eligible to be paid for unpaid overtime and unused compensatory time upon termination of employment. All sick, vacation and overtime/compensatory time payments are made at the employee's current wage rate. The liability is accrued by fund and is reported in the Statement of Net Position. 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, 2012, in accordance with GASB 16, the following liabilities associated with employees' compensated absences have been recognized in the government-wide Statement of Net Position:

Governmental Activities	Business-Type Activities
\$ 39,275	\$ 10,262

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

	MSD
Interest Incurred	\$ 41,127
Less Interest Capitalization	(6,965)
Interest Expense	\$ 34,162

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

**State Loans.** In August 2006, the Hamilton County Engineer's Office obtained an interest-free loan for \$1,553 from the Ohio Public Works Commission. Repayment of the loan commenced in 2009, with final maturity in 2028. In April 2005, the Engineer's Office obtained a loan for \$1,619 from the Ohio Department of Transportation. In subsequent years, additional disbursements were made, bringing the total loan amount to \$3,346. Repayment of the loan commenced in 2005. The original maturity date of 2009 was extended to 2015. The interest rate for the



**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

first 12 months was 0%. For the remaining years, the interest rate is 3%. The proceeds of both of these loans are being used to finance road improvement projects. The loans will be repaid from the County's permissive auto tax.

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

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

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

Year	Engineer		Riverfront Development	
	Principal	Interest	Principal	Interest
2013	\$ 349	\$ 19	\$ 1,530	\$ 383
2014	357	11	1,575	336
2015	221	2	2,107	442
2016	77	-	2,176	373
2017	77	-	2,256	296
2018–2022	388	-	5,541	518
2023–2027	388	-	1,230	39
2028–2032	39	-	-	-
Total	<u>\$ 1,896</u>	<u>\$ 32</u>	<u>\$16,415</u>	<u>\$ 2,387</u>

*Loan Contracts.* The County's loan contracts are made between the Hamilton County Mental Health and Recovery Services Board (MHR SB) and the Ohio Department of Mental Health (ODMH), for the purchase of and improvement to various properties in the County for use in providing mental health services. The terms of the contracts are essentially equivalent to a mortgage on the property, with MHR SB being obligated to provide mental health services for a period of 40 years from the inception of the contract. Should MHR SB discontinue mental health services at a particular facility, the balance of the contract would become due immediately. Failure to pay the balance could result in foreclosure by ODMH. The balance due is reduced on a month-by-month basis over the term of the contract as long as the facility is used for mental health services. The amount outstanding on these loan contracts at December 31, 2012, amounted to \$3,778. There is no interest charged on these obligations.

Year Ending December 31	Loan Contracts Forgiveness
2013	\$ 175
2014	175
2015	175
2016	176
2017	175
2018–2022	876
2023–2027	876
2028–2032	793
2033–2037	275
2038–2042	68
2043–2047	14
Total	<u>\$ 3,778</u>

*Forgivable Mortgage.* In 2003, a forgivable mortgage in the amount of \$1,697, to be used for improvement to a facility, was executed between Hamilton County Alcohol and Drug Addiction Services (now part of the Mental Health and Recovery Services Board—MHR SB) and Ohio Department of Alcohol and Drug Addiction Services (ODADAS). The contract provides that the property must be used to provide alcohol and other drug services for a period of 25 years from contract inception. Should MHR SB discontinue alcohol and other drug services at this

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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
2013	\$ 68
2014	68
2015	68
2016	68
2017	68
2018–2022	339
2023–2027	339
2028–2032	79
Total	\$ 1,097

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

**Conduit Debt Obligations.** Periodically, the County issues Hospital Facility, Health-Care System or Facility, Economic Development, Industrial Development, Multifamily Housing and Student Housing revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. These bonds are backed by the property financed and are payable solely from payment received on the underlying mortgage loans. The bonds do not constitute a debt or pledge of the full faith and credit of the County and, therefore, are not reported in the financial statements. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. As of December 31, 2012, the aggregate principal amount outstanding for these bonds was as follows:

Hospital Facilities	\$ 1,016,352
Health-Care Systems and Facilities	2,400
Economic Development	120,765
Industrial Development	84,830
Multifamily Housing	15,820
Student Housing	50,200
Total	\$ 1,290,367

**G. Leases**

**Operating Leases—Lessee.** At December 31, 2012, the County had entered into various long-term operating leases for office and storage space and for land for communications towers. The lease terms range from 2 years to perpetuity. Operating lease payments are recorded in the period they are paid. These payments are made from the General Fund and from the Public Assistance, Health and Human Services Levies and nonmajor special revenue funds. Sublease payments are made from nonmajor special revenue and enterprise funds.

Operating lease payments, excluding subleases, for 2012 amounted to \$1,459. Sublease payments totaled \$18. Future rental obligations are as follows:

Year Ending December 31	Operating Lease Payments	Sublease Payments
2013	\$ 1,315	\$ 28
2014	774	6
2015	400	6
2016	401	4
2017	171	-
2018-2022	16	-
Total	\$ 3,077	\$ 44

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

**Operating Leases—Lessor.** The County has contractual agreements for the rental of properties, including stadia, office space, group homes, land and communications towers, to commercial and not-for-profit enterprises. These rentals are reported as operating leases for accounting purposes. Total rent received in 2012 was \$507 in governmental funds and \$61 in business-type funds.

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

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

Future rental revenues for other leases are as follows:

Year Ending December 31	Operating Lease Payments	
	Business-Type Activities	Governmental Activities
2013	\$ 45	\$ 201
2014	38	174
2015	30	78
2016	7	-
Total	<u>\$ 120</u>	<u>\$ 453</u>

Assets and accumulated depreciation related to the operating leases, as of December 31, 2012, are included in the financial statements as follows:

	Business-Type Activities	Governmental Activities
Land	\$ 85,601	\$ 39
Buildings	731,651	3,328
Accumulated Depreciation	294,589	3,193

**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, 2012, follows.

<u>Condensed Statement of Net Position</u>	Riverfront Development	Main Street Parking Garage
	<b>Assets:</b>	
Current Assets	\$ 7,550	\$ 445
Capital Assets	135,370	7,066
Total Assets	<u>142,920</u>	<u>7,511</u>
<b>Liabilities:</b>		
Current Liabilities	3,168	509
Noncurrent Liabilities	32,165	5,958
Total Liabilities	<u>35,333</u>	<u>6,467</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	100,810	683
Unrestricted	6,777	361
Total Net Position	<u>\$ 107,587</u>	<u>\$ 1,044</u>

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

<u>Condensed Statement of Revenues, Expenses and Changes in Fund Net Position</u>	Riverfront Development	Main Street Parking Garage
Charges for Services	\$ 8,895	\$ 913
Other Operating Revenue	104	-
Depreciation and Amortization	(7,609)	(310)
Other Operating Expenses	(6,131)	(281)
Operating Income (Loss)	(4,741)	322
Nonoperating Revenues (Expenses):		
Sales and Use Tax	180	-
Change in Fair Value of Investments	7	-
Other Revenue	14	-
Interest Expense	(452)	(270)
Debt-Related Costs	(142)	-
Capital Contributions	881	-
Change in Net Position	(4,253)	52
Net Position at Beginning of Year (As Restated—See Note II B)	111,840	992
Net Position at End of Year	<u>\$ 107,587</u>	<u>\$ 1,044</u>

<u>Condensed Statement of Cash Flows</u>	Riverfront Development	Main Street Parking Garage
Net Cash Provided (Used) by:		
Operating Activities	\$ 2,766	\$ 556
Noncapital Financing Activities	179	-
Capital and Related Financing Activities	(3,937)	(674)
Investing Activities	7	-
Net Decrease	(985)	(118)
Cash and Cash Equivalents at Beginning of Year	8,535	437
Cash and Cash Equivalents at End of Year	<u>\$ 7,550</u>	<u>\$ 319</u>

**VI. OTHER INFORMATION**

**A. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage. The County purchases commercial insurance to cover losses due to theft of, damage to or destruction of assets and purchases general liability insurance for specific operations and professional liability insurance for certain operations. All other risks of loss are retained by the County. There has been no reduction in insurance coverage or limits from coverage provided in 2011. Over the past three years, claim amounts from risks covered by commercial insurance have not exceeded the specific policy's limit.

The County retains risk of loss related to court judgments resulting from tort and general liability claims of County officials and employees. A portion of the General Fund balance has been assigned for paying potential, court-ordered judgments, and at December 31, 2012, this amounted to \$1,720.

Beginning in 1990, the County established an internal service fund titled Workers' Compensation Reserve to account for and finance its workers' compensation claims risk. All departments of the County participate in the program and make per capita payments to the internal service fund. The claims liability reported in the workers' compensation internal service funds at December 31, 2012, is based on the requirements of Governmental Accounting Standards Board Statement No. 30, *Risk Financing Omnibus*, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The County uses a retrospectively rated program provided under the Bureau of Ohio Workers' Compensation to cover injured workers' claims.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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

Year	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
2011	\$ 7,046	\$ (2,173)	\$ (2,531)	\$ 2,342
2012	2,342	4,400	(4,675)	2,067

The County provides employees' health-care coverage through a self-insurance program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The County had two third-party administrators in 2012:

- Humana reviews all claims for Humana plans, which are then paid by the County. The County purchases stop-loss coverage of \$500 per employee and an aggregate limit of 120% of expected claims and a \$5,000 lifetime (per member) maximum.
- J&K Consultants reviews all claims for the Medical Expense Reimbursement Plan (MERP), which are then paid by the County. There is no stop-loss coverage for the MERP.

The County pays into the self-insurance internal service fund based on one of four plan options, according to the grid below (amounts not rounded). In 2012, the County collected the monthly value of plans twice, once in February and once in July. The premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

Medical Plan Name	Coverage Level	Monthly Administrative Fee Paid by County	Monthly Premium (Actuarial Value)	Monthly Employer Cost	Monthly Employee Contribution
CoverageFirst 2500	Single	\$51.56	\$394.07	\$376.26	\$17.81
	Double	58.76	788.14	746.64	41.50
	Family	66.70	1,237.67	1,168.15	68.53
CoverageFirst 1000	Single	51.56	422.22	385.95	36.26
	Double	58.76	844.44	759.94	84.50
	Family	66.70	1,326.84	1,187.24	139.60
POS 500	Single	51.56	487.79	353.65	134.14
	Double	58.76	974.42	662.29	312.13
	Family	66.70	1,530.66	1,015.09	515.57
Medical Expense Reimbursement Plan	Single	-	97.88	-	-
	Double	-	205.56	-	-
	Family	-	313.24	-	-

A portion of the claims liability (\$3,419) reported in the Medical Self- Insurance Fund at December 31, 2012, is estimated by the third-party administrator and is based on the requirements of GASB 30, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

---

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

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

<u>Year</u>	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2011	\$ 2,628	\$ 35,656	\$ (33,345)	\$ 4,939
2012	4,939	31,822	(32,596)	4,165

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 2012 were \$5,206. 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 2012 were \$2,075. In addition, the City's Municipal Garage provides gasoline and repairs vehicles for MSD. Fees for these services were \$1,622 for 2012.

**C. Jointly Governed Organizations**

The Southwest Ohio Council of Governments was created by the Board of Development Disabilities of Butler, Hamilton, Clermont, and Warren Counties. The Council consists of four members representing each of the four counties. Other County Boards of Development Disabilities may petition for membership to the Council; however, membership must be approved by a two-thirds vote of the Council members. The role of the Council is to coordinate the powers and duties of the member boards to better serve and benefit persons with developmental disabilities within the four counties. The council serves as its own taxing and debt issuance authority and is a jointly governed organization. In 2012, Hamilton County contributed \$88 to the council, and the council is currently holding \$474 in deposits that belong to the County and are represented by Cash and Cash Equivalents—Segregated Accounts—on the Statement of Net Position and the fund financial statements for the Health and Human Services Levies. Financial information for the Southwest Ohio Council of Governments may be obtained at 1910 Fairgrove Avenue, Suite E, Hamilton, Ohio 45011.

Hamilton County Mental Health and Recovery Services Board is a member of the Three C Recovery and Health Care Network Council of Governments (COG). The purpose of this Council is for creating a Shared Health care and Recovery Enterprise System (SHARES), to support management of client enrollment, benefit management, provider contracting, payment processes and utilization management for the member Boards, and for additional Boards which may join the COG in the future. The Three C Recovery and Health Care Network COG was created by the Hamilton County Mental Health and Recovery Services Board (Cincinnati); The Alcohol, Drug and Mental Health Board of Franklin County (Columbus); and The Alcohol, Drug Addiction and Mental Health Services Board

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

of Cuyahoga County (Cleveland). The COG consists of six members, two from each of the founding counties. Other Mental Health and/or Alcohol and other Drug County Boards may petition for membership to the COG; however, membership must be approved by a unanimous vote of all COG members in good standing at the time of the vote. In 2012, each member board contributed \$100 toward the operation of the COG. On December 31, 2012, the account balance of the COG was \$192, equally shared (\$64 each) by the three counties making up the COG. This amount is reported as Cash and Cash Equivalents—Segregated Accounts—on the Statement of Net Position and the fund financial statements for the Health and Human Services Levies. Financial information for the Three C Recovery and Health Care Network Council of Governments may be obtained at 2350 Auburn Avenue, Cincinnati, Ohio 45219.

**D. Significant Commitments and Contingent Liabilities**

The County has contracted construction commitments for the following:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Riverfront Development	\$ 189,012	\$ 8,055

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

General Fund	\$ 16,526
Public Assistance Fund	7,173
Health and Human Services Levies Fund	30,623
Nonmajor Governmental Funds	35,169
Total	<u>\$ 89,491</u>

The City of Cincinnati and the Board of County Commissioners of Hamilton County, Ohio, are parties to a Global Consent Decree, which was lodged in 2003 with the U.S. District Court for the Southern District of Ohio, Western Division. This decree focuses on combined sewer overflows, the implementation of the Sanitary Sewer Overflow Correction plan established in the Interim Partial Consent Decree, and other wet weather issues. The court approved the decrees on June 9, 2004. In August 2010, MSD's Revised Wet Weather Plan was approved by the federal government. The Plan commits MSD to complete a Phase 1 group of projects totaling \$1.145 billion (in 2006 dollars and including \$526 million that MSD has already spent on projects [amounts not rounded]) by 2018 before scheduling future work (Phase 2). The consent decree documents are posted on the MSD website, msdgc.org, under Consent Decree.

As part of MSD's capital improvement program, MSD has entered into a number of contracts for construction, design and other services. Commitments under these contracts aggregate approximately \$126 million as of December 31, 2012.

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.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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

**E. Deferred Compensation Plan**

Employees of the County may elect to participate in a deferred compensation plan administered by one of the following: (1) The Ohio Public Employees Deferred Compensation Plan; (2) ING Financial Services, Inc.; or (3) The County Commissioners Association of Ohio. Under these plans, employees could defer up to 25% of their annual salary not to exceed \$17,000 (amount not in thousands) in 2012. 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.

**F. Employee Retirement Systems and Plans**

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

**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.



**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

(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 2012 for the Hamilton County and MSD employees are as follows:

<u>Employees of the County</u>	<u>Retirement System</u>	<u>County Share</u>	<u>Employee Share</u>
Law Enforcement Officers	OPERS	18.10%	12.10%
Public Safety Officers	OPERS	18.10%	11.50%
All Other Eligible County	OPERS	14.00%	10.00%
County Board of DDS	STRS Ohio	14.00%	10.00%
MSD and Other Eligible County	CRS	18.00%	8.50%
MSD Other Eligible	OPERS	14.00%	10.00%

MSD's contribution rate for 2012 was not equal to the required contribution rate based on the City's actuarial report. MSD contributed 98% of the required contributions for 2012.

The County's contributions, representing 100% of employer contributions, for the year ended December 31, 2012, and for each of the two preceding years, are as follows:

<u>Fiscal Year</u>	<u>OPERS</u>	<u>STRS</u>	<u>CRS</u>
2010	\$ 29,574	\$ 853	\$ 6,013
2011	29,293	779	6,151
2012	28,192	678	6,893

**G. Other Post-Employment Benefits (OPEB)**

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

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

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
*(Dollar Amounts Expressed in Thousands)*

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

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

As noted above, in 2012, local government employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 18.10%. The ORC currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll for local employers and 18.10% of covered payroll for law and public safety employers. Active members do not make contributions to the post-employment benefit plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health-care benefits, based on authority granted by State statute. The portion of employer contributions allocated to the health-care plan was 4.0% of covered payroll for 2012. The County's actual contribution for the year ended December 31, 2012, used to fund OPEB, was \$7,098. The County's contribution for law enforcement and public safety officers for the year ended December 31, 2012, was \$740 to fund OPEB.

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

On September 19, 2012, the OPERS Board of Trustees adopted changes to the health care plan with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health-care changes, OPERS expects to be able to consistently allocate 4% of the employer contributions toward the health-care fund after the end of the transition period.

**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, 2012, the board allocated employer contributions equal to 1.00% of covered payroll to the Health-Care Reserve Fund. This totaled \$.05 million for the County in 2012.

**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.

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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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 actuarial assumptions used for the December 31, 2012 valuation included an assumption for hospital and surgical benefits recognizing adjusted premiums, based on experience from recent years, adjusted to current year by assumed annual increases in premium costs. The cost of coverage is recognized as an expense as claims are paid.

CRS has 3,343 active contributing participants of which 556 are MSD employees. For 2012, MSD's contribution was 20.3 percent of the total employers' contribution.

**H. Subsequent Events**

The following occurred since December 31, 2012:

- MSD issued \$258,695 in Sewer System Improvement and Refunding Revenue Bonds to (1) finance sewer system improvements and (2) advance refund outstanding amounts of the 2003 Series A Sewer System Improvement and Refunding Revenue Bonds.
- Special Assessment Bonds in the amount of \$182 were issued for the purpose of acquiring and constructing sewer system improvements.
- Riverfront Infrastructure Improvement general obligation bonds in the amount of \$19,030 were issued to be used to implement energy conservation measures in the stadia and riverfront parking garages.
- The Board of County Commissioners approved a 5% sewerage rate increase for MSD effective January 2013 and 6% effective January 2014.

**I. Contingent Liabilities—Special Audit**

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

One issue raised by the State Auditor in 2004 involved the transfer of funds between internal funds. At that time the State Auditor disclosed that she could not make any final determination because the rules and regulations of ODJFS were unclear and at that time ODJFS was unable to provide any additional assistance to the State Auditor. The issue of the transfer of funds by HCJFS has again been raised by the Office of the Auditor of State. This office, together with our outside consultant, is currently in discussions with the Office of the Auditor of State with regard to the resolution of this issue. The dollar balance of the transfer of funds issue has changed significantly since the issuance of the 2011 financial report. We will continue to work with the Auditor of State to resolve the transfer of funds issue.

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

Subsequent to the issuance of the draft audit report by ODJFS, the County participated in numerous meetings and reviews with ODJFS and, through Crowe-Chizek, now Crowe Horwath, LLP, the County's outside accounting firm

**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Dollar Amounts Expressed in Thousands)

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retained for the purpose of reviewing the draft audit report, responded to all of the issues raised by ODJFS and provided an explanation and detail of the revenues and expenditures.

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

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

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

In November of 2010, HCJFS received a copy of a draft report issued by the Department of Health and Human Services Office of Inspector General titled Review of Ohio Department of Job and Family Services Claims for Costs Reported by the Hamilton County Department of Job and Family Services. In December of 2010, Hamilton County, through the Office of the Prosecuting Attorney, forwarded correspondence to the Director of the Ohio Department of Job and Family Services offering assistance through the resolution phase of the audit. In February 2012, the Office of the Hamilton County Prosecuting Attorney received a copy of the final report. The final report recommended that the Ohio Department of Job and Family Services refund approximately \$59 million to the federal government, for county agency costs inappropriately claimed through the administrative cost pools. The original finding amount of approximately \$59 million has been reduced by the TANF portion of the finding. This had the effect of reducing the claimed amount to approximately \$35 million. The remaining portion of the finding has been appealed by ODJFS. All appeals and negotiations are being handled by ODJFS.

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

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

**COUNTY OF HAMILTON, OHIO**

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

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

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

**ANNUALLY BUDGETED**

<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>Health Grants</b>	<b>To account for revenue from the federal, State and County governments and expenditures used to provide health-related 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>
<b>Economic Development Grants</b>	<b>To account for revenue from the federal, State and County governments and expenditures used for economic development.</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).**



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**COUNTY OF HAMILTON, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AS OF DECEMBER 31, 2012**  
(Amounts in Thousands)

	Annually Budgeted				Special Revenue					Total Nonmajor Special Revenue Funds	
	Motor Vehicle Gas Tax	Health and Community Services Nongrants	Health and Community Services Grants	Community Development Block Grants	Judicial Services Grants	Public Safety Grants	Multiyear Budgeted				
							Health Grants	Environmental Control Grants	Economic Development Grants		
<b>ASSETS</b>											
Equity in Pooled Cash and Investments	\$ 31,356	\$ 48,271	\$ 30	\$ -	\$ 4,984	\$ -	\$ 635	\$ 2,927	\$ -	\$ -	\$ 88,203
Cash and Cash Equivalents—Segregated Accounts	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	29	1,098	-	-	4	-	2	99	385	-	1,617
Sales Taxes Receivable	-	1,466	-	-	-	-	-	-	-	-	1,466
Intergovernmental Receivable	475	1,026	-	-	5,769	1,312	3,874	1,428	2,826	-	16,710
Real and Other Taxes Receivable	9,951	-	-	-	-	-	-	-	-	-	9,951
Due from Other Funds	56	108	-	-	-	25	-	-	-	-	189
Inventories	3,438	-	-	-	-	-	-	-	-	-	3,438
Special Assessments Receivable	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 45,305</b>	<b>\$ 51,969</b>	<b>\$ 30</b>	<b>\$ -</b>	<b>\$ 10,757</b>	<b>\$ 1,337</b>	<b>\$ 4,511</b>	<b>\$ 4,454</b>	<b>\$ 3,211</b>	<b>\$ -</b>	<b>\$ 121,574</b>
<b>LIABILITIES</b>											
Accounts Payable	\$ 1,230	\$ 821	\$ 306	\$ -	\$ 473	\$ 218	\$ 1,624	\$ 24	\$ 907	\$ -	\$ 5,603
Accrued Wages and Benefits Payable	246	401	-	-	118	22	23	65	11	-	886
Matured Compensated Absences Payable	183	180	-	-	12	-	-	35	-	-	410
Intergovernmental Payable	62	276	-	-	17	6	3	12	364	-	740
Retainage Payable	-	-	-	-	-	-	-	-	-	-	-
Due to Component Unit	-	1,466	-	-	-	-	-	-	-	-	1,466
Due to Other Funds	48	227	403	-	14	728	-	-	1,501	-	2,921
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	8,381	-	7	-	6,238	58	3,137	2,150	77	-	20,048
<b>TOTAL LIABILITIES</b>	<b>10,150</b>	<b>3,371</b>	<b>716</b>	<b>-</b>	<b>6,872</b>	<b>1,032</b>	<b>4,787</b>	<b>2,286</b>	<b>2,860</b>	<b>-</b>	<b>32,074</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable Revenue	-	-	-	-	1,026	544	563	161	408	-	2,702
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,026</b>	<b>544</b>	<b>563</b>	<b>161</b>	<b>408</b>	<b>-</b>	<b>2,702</b>
<b>FUND BALANCES (DEFICITS)</b>											
Nonspendable	3,438	-	-	-	-	-	-	-	-	-	3,438
Restricted	25,383	48,598	-	-	2,859	-	-	2,007	-	-	78,847
Committed	6,334	-	-	-	-	-	-	-	-	-	6,334
Unassigned (Deficit)	-	-	(686)	-	-	(239)	(839)	-	(57)	-	(1,821)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>35,155</b>	<b>48,598</b>	<b>(686)</b>	<b>-</b>	<b>2,859</b>	<b>(239)</b>	<b>(839)</b>	<b>2,007</b>	<b>(57)</b>	<b>-</b>	<b>86,798</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>	<b>\$ 45,305</b>	<b>\$ 51,969</b>	<b>\$ 30</b>	<b>\$ -</b>	<b>\$ 10,757</b>	<b>\$ 1,337</b>	<b>\$ 4,511</b>	<b>\$ 4,454</b>	<b>\$ 3,211</b>	<b>\$ -</b>	<b>\$ 121,574</b>

	Debt Service			Capital Projects		Total Nonmajor Governmental Funds
	Bond Retirement	General Obligation Nonvoted	Special Assessments	Total Nonmajor Debt Service Funds	Project Accounting	
<b>ASSETS</b>						
Equity in Pooled Cash and Investments	\$ -	\$ 4,507	\$ 848	\$ 5,355	\$ 13,517	\$ 107,075
Cash and Cash Equivalents—Segregated Accounts	-	-	-	-	2,007	2,007
Accounts Receivable	-	-	-	-	-	1,617
Sales Taxes Receivable	-	-	-	-	-	1,466
Intergovernmental Receivable	-	-	-	-	-	16,710
Real and Other Taxes Receivable	-	-	-	-	-	9,951
Due from Other Funds	-	-	-	-	-	189
Inventories	-	-	-	-	-	3,438
Special Assessments Receivable	-	-	6,159	6,159	-	6,159
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 4,507</b>	<b>\$ 7,007</b>	<b>\$ 11,514</b>	<b>\$ 15,524</b>	<b>\$ 148,612</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 1,066	\$ 6,669
Accrued Wages and Benefits Payable	-	-	-	-	-	886
Compensated Absences Payable	-	-	-	-	-	410
Intergovernmental Payable	-	-	-	-	-	740
Retainage Payable	-	-	-	-	404	404
Due to Component Unit	-	-	-	-	-	1,466
Due to Other Funds	-	-	-	-	-	2,921
Advances from Other Funds	-	-	-	-	3,359	3,359
Unearned Revenue	-	-	-	-	-	20,048
Total Liabilities	-	-	-	-	4,829	36,903
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable Revenue	-	-	6,159	6,159	-	8,861
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>6,159</b>	<b>6,159</b>	<b>-</b>	<b>8,861</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	3,438
Restricted	-	4,507	848	5,355	138	84,340
Committed	-	-	-	-	10,557	16,891
Unassigned (Deficit)	-	-	-	-	-	(1,821)
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>4,507</b>	<b>848</b>	<b>5,355</b>	<b>10,695</b>	<b>102,848</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>	<b>\$ -</b>	<b>\$ 4,507</b>	<b>\$ 7,007</b>	<b>\$ 11,514</b>	<b>\$ 15,524</b>	<b>\$ 148,612</b>

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Amounts in Thousands)

	Annually Budgeted				Special Revenue					Total Nonmajor Special Revenue Funds
	Motor Vehicle Gas Tax	Health and Community Services Nongrants	Health and Community Services Grants	Community Development Block Grants	Judicial Services Grants	Public Safety Grants	Health Grants	Environmental Control Grants	Economic Development Grants	
<b>REVENUES</b>										
Property Taxes and Special Assessments	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10
Sales and Use Tax	-	6,453	-	-	-	-	-	-	-	6,453
State Shared Taxes	21,775	13	-	-	-	-	-	-	-	21,788
Charges for Services	3,970	25,157	78	-	67	-	-	369	-	29,641
Licenses and Permits	-	4,598	-	-	-	-	-	-	-	4,598
Fines and Forfeitures	236	4,866	-	-	-	-	-	-	-	5,102
Intergovernmental	4,824	15,478	5,614	10,919	14,105	9,957	50,738	3,373	12,683	127,691
Investment Earnings	102	(1)	-	(3)	21	-	(13)	8	-	114
Other	642	2,387	102	1,923	313	329	5	234	774	6,709
<b>TOTAL REVENUES</b>	<b>31,559</b>	<b>58,951</b>	<b>5,794</b>	<b>12,839</b>	<b>14,506</b>	<b>10,286</b>	<b>50,730</b>	<b>3,984</b>	<b>13,457</b>	<b>202,106</b>
<b>EXPENDITURES</b>										
Current:										
General Government	1,484	30,123	-	11,983	329	-	-	-	12,831	56,750
Judicial	-	8,076	337	-	10,438	7	-	-	-	18,858
Public Safety	-	4,344	99	-	-	9,562	-	-	-	14,005
Social Services	-	9,929	5,127	-	-	-	-	-	-	15,056
Health	-	6,457	-	-	-	-	43,668	-	-	50,125
Public Works	25,093	429	-	-	-	-	-	-	-	25,522
Environmental Control	-	2,700	-	-	-	-	-	3,920	-	6,620
Economic and Community Development	-	6,453	-	-	-	-	-	-	-	6,453
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>26,577</b>	<b>68,511</b>	<b>5,563</b>	<b>11,983</b>	<b>10,767</b>	<b>9,569</b>	<b>43,668</b>	<b>3,920</b>	<b>12,831</b>	<b>193,389</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>4,982</b>	<b>(9,560)</b>	<b>231</b>	<b>856</b>	<b>3,739</b>	<b>717</b>	<b>7,062</b>	<b>64</b>	<b>626</b>	<b>8,717</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	-	772	-	-	-	-	-	-	-	772
Transfers Out	-	(2,070)	-	-	-	-	-	-	-	(2,070)
Proceeds from Sale of Bonds	-	-	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-	-
Payment to Refunded Bonds Escrow Agent	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>-</b>	<b>(1,298)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,298)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>4,982</b>	<b>(10,858)</b>	<b>231</b>	<b>856</b>	<b>3,739</b>	<b>717</b>	<b>7,062</b>	<b>64</b>	<b>626</b>	<b>7,419</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>30,173</b>	<b>59,456</b>	<b>(917)</b>	<b>(856)</b>	<b>(880)</b>	<b>(956)</b>	<b>(7,901)</b>	<b>1,943</b>	<b>(683)</b>	<b>79,379</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 35,155</b>	<b>\$ 48,598</b>	<b>\$ (686)</b>	<b>\$ -</b>	<b>\$ 2,859</b>	<b>\$ (239)</b>	<b>\$ (839)</b>	<b>\$ 2,007</b>	<b>\$ (57)</b>	<b>\$ 86,798</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 Special Assessments	\$ -	\$ -	\$ 503	\$ 503	\$ -	\$ 513
Sales and Use Tax	-	740	-	740	-	7,193
State Shared Taxes	-	-	-	-	-	21,788
Charges for Services	-	-	-	-	-	29,641
Licenses and Permits	-	-	-	-	-	4,598
Fines and Forfeitures	-	-	-	-	-	5,102
Intergovernmental	-	323	-	323	767	128,781
Investment Earnings	-	-	-	-	71	185
Other	-	1,654	-	1,654	912	9,275
<b>TOTAL REVENUES</b>	<b>-</b>	<b>2,717</b>	<b>503</b>	<b>3,220</b>	<b>1,750</b>	<b>207,076</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	56,750
Judicial	-	-	-	-	-	18,858
Public Safety	-	-	-	-	-	14,005
Social Services	-	-	-	-	-	15,056
Health	-	-	-	-	-	50,125
Public Works	-	-	-	-	-	25,522
Environmental Control	-	-	-	-	-	6,620
Economic and Community Development	-	-	-	-	-	6,453
Capital Outlay	-	-	-	-	8,431	8,431
Debt Service:						
Principal Retirement	-	11,065	374	11,439	-	11,439
Interest and Fiscal Charges	-	3,750	218	3,968	-	3,968
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>14,815</b>	<b>592</b>	<b>15,407</b>	<b>8,431</b>	<b>217,227</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(12,098)</b>	<b>(89)</b>	<b>(12,187)</b>	<b>(6,681)</b>	<b>(10,151)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	1,348	59	1,407	-	2,179
Transfers Out	(300)	-	-	(300)	(146)	(2,516)
Proceeds from Sale of Bonds	-	-	-	-	9,773	9,773
Premium on Bonds Issued	-	175	-	175	-	175
Payment to Refunded Bonds Escrow Agent	-	(7,112)	-	(7,112)	-	(7,112)
Proceeds from Sale of Capital Assets	-	15,000	-	15,000	-	15,000
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>(300)</b>	<b>9,411</b>	<b>59</b>	<b>9,170</b>	<b>9,627</b>	<b>17,499</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(300)</b>	<b>(2,687)</b>	<b>(30)</b>	<b>(3,017)</b>	<b>2,946</b>	<b>7,348</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>300</b>	<b>7,194</b>	<b>878</b>	<b>8,372</b>	<b>7,749</b>	<b>95,500</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ -</b>	<b>\$ 4,507</b>	<b>\$ 848</b>	<b>\$ 5,355</b>	<b>\$ 10,695</b>	<b>\$ 102,848</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, 2012**  
(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	\$ 36,138	\$ 36,138	\$ 36,022	\$ (116)
Sales and Use Tax	64,050	64,050	66,663	2,613
State Shared Taxes	15,005	15,005	15,130	125
Charges for Services	44,064	44,064	46,609	2,545
Licenses and Permits	2,152	2,152	2,386	234
Fines and Forfeitures	8,368	8,368	8,366	(2)
Intergovernmental	16,338	16,338	14,203	(2,135)
Investment Earnings	5,616	5,616	6,523	907
Other	10,509	10,509	10,921	412
<b>TOTAL REVENUES</b>	<u>202,240</u>	<u>202,240</u>	<u>206,823</u>	<u>4,583</u>
<b>EXPENDITURES</b>				
Current:				
<b>GENERAL GOVERNMENT</b>				
County Commissioners/County Administration				
Personnel Services	3,548	3,491	3,385	106
Other Expenditures	838	1,873	1,753	120
Capital Outlay	8	8	8	-
<b>Total County Commissioners/County Administration</b>	<u>4,394</u>	<u>5,372</u>	<u>5,146</u>	<u>226</u>
County Facilities				
Personnel Services	5,673	5,619	5,478	141
Other Expenditures	18,822	18,118	18,008	110
Capital Outlay	113	108	98	10
<b>Total County Facilities</b>	<u>24,608</u>	<u>23,845</u>	<u>23,584</u>	<u>261</u>
Nondepartmentals				
Personnel Services	3,711	4,511	4,460	51
Other Expenditures	3,057	14,694	14,562	132
<b>Total Nondepartmentals</b>	<u>6,768</u>	<u>19,205</u>	<u>19,022</u>	<u>183</u>
Contracts and Subsidies				
Other Expenditures	-	47	46	1
Capital Outlay	1,092	1,043	1,038	5
<b>Total Contracts and Subsidies</b>	<u>1,092</u>	<u>1,090</u>	<u>1,084</u>	<u>6</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, 2012**  
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Administrative Services				
Other Expenditures	\$ 325	\$ 325	\$ 325	\$ -
<b>Total Administrative Services</b>	<u>325</u>	<u>325</u>	<u>325</u>	<u>-</u>
Auditor				
Personnel Services	1,359	1,359	1,339	20
Other Expenditures	927	908	903	5
<b>Total Auditor</b>	<u>2,286</u>	<u>2,267</u>	<u>2,242</u>	<u>25</u>
Treasurer				
Personnel Services	328	328	325	3
Other Expenditures	496	495	493	2
<b>Total Treasurer</b>	<u>824</u>	<u>823</u>	<u>818</u>	<u>5</u>
Recorder				
Personnel Services	1,350	1,350	1,332	18
Other Expenditures	91	16	13	3
Capital Outlay	-	324	296	28
<b>Total Recorder</b>	<u>1,441</u>	<u>1,690</u>	<u>1,641</u>	<u>49</u>
Board of Elections				
Personnel Services	5,957	5,727	5,177	550
Other Expenditures	4,301	4,301	3,760	541
Capital Outlay	65	420	396	24
<b>Total Board of Elections</b>	<u>10,323</u>	<u>10,448</u>	<u>9,333</u>	<u>1,115</u>
Human Resources				
Other Expenditures	116	116	116	-
<b>Total Human Resources</b>	<u>116</u>	<u>116</u>	<u>116</u>	<u>-</u>
Planning and Development				
Personnel Services	3,239	3,254	3,049	205
Other Expenditures	4,257	4,297	4,151	146
Capital Outlay	133	133	130	3
<b>Total Planning and Development</b>	<u>7,629</u>	<u>7,684</u>	<u>7,330</u>	<u>354</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>59,806</u>	<u>72,865</u>	<u>70,641</u>	<u>2,224</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, 2012**  
(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	\$ 15,058	\$ 13,058	\$ 13,019	\$ 39
Other Expenditures	4,226	6,103	6,101	2
Capital Outlay	30	-	-	-
<b>Total Juvenile Court</b>	<u>19,314</u>	<u>19,161</u>	<u>19,120</u>	<u>41</u>
Court of Appeals				
Other Expenditures	48	52	52	-
Capital Outlay	5	1	-	1
<b>Total Court of Appeals</b>	<u>53</u>	<u>53</u>	<u>52</u>	<u>1</u>
Court of Common Pleas				
Personnel Services	2,204	2,204	2,204	-
Other Expenditures	5,820	6,273	6,273	-
Capital Outlay	3	3	3	-
<b>Total Court of Common Pleas</b>	<u>8,027</u>	<u>8,480</u>	<u>8,480</u>	<u>-</u>
Municipal Court				
Personnel Services	4,716	4,851	4,841	10
Other Expenditures	25	11	11	-
<b>Total Municipal Court</b>	<u>4,741</u>	<u>4,862</u>	<u>4,852</u>	<u>10</u>
Domestic Relations				
Personnel Services	3,164	3,153	3,145	8
Other Expenditures	119	125	121	4
Capital Outlay	-	19	19	-
<b>Total Domestic Relations</b>	<u>3,283</u>	<u>3,297</u>	<u>3,285</u>	<u>12</u>
Probate Court				
Personnel Services	2,250	2,218	2,210	8
Other Expenditures	523	556	554	2
<b>Total Probate Court</b>	<u>2,773</u>	<u>2,774</u>	<u>2,764</u>	<u>10</u>
Clerk of Courts				
Personnel Services	8,042	8,561	8,542	19
Other Expenditures	2,586	2,711	2,580	131
Capital Outlay	25	123	96	27
<b>Total Clerk of Courts</b>	<u>10,653</u>	<u>11,395</u>	<u>11,218</u>	<u>177</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, 2012**  
(Amounts in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Defender				
Personnel Services	\$ 8,537	\$ 8,397	\$ 8,324	\$ 73
Other Expenditures	5,821	5,933	5,830	103
<b>Total Public Defender</b>	14,358	14,330	14,154	176
Court Reporters				
Personnel Services	2,371	2,371	2,345	26
Other Expenditures	75	85	84	1
Capital Outlay	24	14	14	-
<b>Total Court Reporters</b>	2,470	2,470	2,443	27
Adult Probation				
Personnel Services	6,407	6,232	6,198	34
Other Expenditures	470	509	502	7
Capital Outlay	108	98	98	-
<b>Total Adult Probation</b>	6,985	6,839	6,798	41
<b>TOTAL JUDICIAL</b>	72,657	73,661	73,166	495
<b>PUBLIC SAFETY</b>				
Communications Center				
Personnel Services	622	607	599	8
Other Expenditures	878	934	898	36
Capital Outlay	55	330	247	83
<b>Total Communications Center</b>	1,555	1,871	1,744	127
Sheriff				
Personnel Services	48,758	50,951	50,226	725
Other Expenditures	9,454	8,610	8,015	595
Capital Outlay	1,382	1,428	1,403	25
<b>Total Sheriff</b>	59,594	60,989	59,644	1,345
Prosecutor				
Personnel Services	10,303	11,087	10,996	91
Other Expenditures	591	591	471	120
Capital Outlay	60	60	27	33
<b>Total Prosecutor</b>	10,954	11,738	11,494	244

(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, 2012**  
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Coroner				
Personnel Services	\$ 3,012	\$ 3,243	\$ 3,237	\$ 6
Other Expenditures	300	254	254	-
<b>Total Coroner</b>	<u>3,312</u>	<u>3,497</u>	<u>3,491</u>	<u>6</u>
Emergency Management				
Personnel Services	138	138	117	21
Other Expenditures	422	416	367	49
<b>Total Emergency Management</b>	<u>560</u>	<u>554</u>	<u>484</u>	<u>70</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>75,975</u>	<u>78,649</u>	<u>76,857</u>	<u>1,792</u>
<b>SOCIAL SERVICES</b>				
Job and Family Services				
Other Expenditures	9	5	5	-
<b>Total Job and Family Services</b>	<u>9</u>	<u>5</u>	<u>5</u>	<u>-</u>
Veterans Service Commission				
Personnel Services	599	599	532	67
Other Expenditures	988	830	757	73
Capital Outlay	-	20	20	-
<b>Total Veterans Service Commission</b>	<u>1,587</u>	<u>1,449</u>	<u>1,309</u>	<u>140</u>
<b>TOTAL SOCIAL SERVICES</b>	<u>1,596</u>	<u>1,454</u>	<u>1,314</u>	<u>140</u>
<b>PUBLIC WORKS</b>				
Engineer				
Personnel Services	371	371	333	38
Other Expenditures	191	191	191	-
<b>Total Engineer</b>	<u>562</u>	<u>562</u>	<u>524</u>	<u>38</u>
<b>TOTAL PUBLIC WORKS</b>	<u>562</u>	<u>562</u>	<u>524</u>	<u>38</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, 2012**  
(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>ECONOMIC AND COMMUNITY DEVELOPMENT</b>				
Economic Development				
Personnel Services	\$ 226	\$ 237	\$ 228	\$ 9
Other Expenditures	1,728	1,728	1,728	-
<b>Total Economic and Community Development</b>	<u>1,954</u>	<u>1,965</u>	<u>1,956</u>	<u>9</u>
<b>TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT</b>	<u>1,954</u>	<u>1,965</u>	<u>1,956</u>	<u>9</u>
<b>TOTAL EXPENDITURES</b>	<u>212,550</u>	<u>229,156</u>	<u>224,458</u>	<u>4,698</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(10,310)</u>	<u>(26,916)</u>	<u>(17,635)</u>	<u>9,281</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,914	1,914	3,060	1,146
Advances In	-	-	50	50
Transfers Out	(12,201)	(3,629)	(3,578)	51
Advances Out	-	-	(968)	(968)
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<u>(10,287)</u>	<u>(1,715)</u>	<u>(1,436)</u>	<u>279</u>
<b>NET CHANGE IN FUND BALANCE</b>	(20,597)	(28,631)	(19,071)	9,560
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	50,048	50,048	50,048	-
Prior-Year Encumbrances Appropriated	<u>15,516</u>	<u>15,516</u>	<u>15,516</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 44,967</u>	<u>\$ 36,933</u>	<u>\$ 46,493</u>	<u>\$ 9,560</u>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**PUBLIC ASSISTANCE—SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

(Amounts in Thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Charges for Services	\$ 27,804	\$ 28,488	\$ 28,111	\$ (377)
Intergovernmental	52,632	52,632	57,400	4,768
Other	1,791	1,791	1,673	(118)
<b>TOTAL REVENUES</b>	<u>82,227</u>	<u>82,911</u>	<u>87,184</u>	<u>4,273</u>
<b>EXPENDITURES</b>				
Current:				
<b>SOCIAL SERVICES</b>				
Personnel Services	36,665	37,254	35,352	1,902
Other Expenditures	38,972	42,830	42,419	411
Capital Outlay	3,549	3,549	1,335	2,214
<b>TOTAL SOCIAL SERVICES</b>	<u>79,186</u>	<u>83,633</u>	<u>79,106</u>	<u>4,527</u>
<b>TOTAL EXPENDITURES</b>	<u>79,186</u>	<u>83,633</u>	<u>79,106</u>	<u>4,527</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,041</u>	<u>(722)</u>	<u>8,078</u>	<u>8,800</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	838	838	838	-
Advances Out	-	-	(1,451)	(1,451)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>838</u>	<u>838</u>	<u>(613)</u>	<u>(1,451)</u>
<b>NET CHANGE IN FUND BALANCE</b>	3,879	116	7,465	7,349
<b>FUND BALANCE AT BEGINNING OF YEAR (AS RESTATED—NOTE II B)</b>	11,353	11,353	11,353	-
Prior-Year Encumbrances Appropriated	4,726	4,726	4,726	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 19,958</u>	<u>\$ 16,195</u>	<u>\$ 23,544</u>	<u>\$ 7,349</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, 2012**

(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	\$ 191,208	\$ 191,208	\$ 192,812	\$ 1,604
Charges for Services	-	-	6,671	6,671
Intergovernmental	94,829	109,522	90,384	(19,138)
Other	9,770	9,770	11,215	1,445
<b>TOTAL REVENUES</b>	<u>295,807</u>	<u>310,500</u>	<u>301,082</u>	<u>(9,418)</u>
<b>EXPENDITURES</b>				
Current:				
<b>GENERAL GOVERNMENT</b>				
Other Expenditures	2,718	2,497	2,497	-
<b>TOTAL GENERAL GOVERNMENT</b>	<u>2,718</u>	<u>2,497</u>	<u>2,497</u>	<u>-</u>
<b>JUDICIAL</b>				
Personnel Services	274	277	276	1
Other Expenditures	7,161	7,148	6,597	551
<b>TOTAL JUDICIAL</b>	<u>7,435</u>	<u>7,425</u>	<u>6,873</u>	<u>552</u>
<b>PUBLIC SAFETY</b>				
Personnel Services	3,468	3,481	3,399	82
Other Expenditures	20,028	18,884	18,114	770
Capital Outlay	25	25	25	-
<b>TOTAL PUBLIC SAFETY</b>	<u>23,521</u>	<u>22,390</u>	<u>21,538</u>	<u>852</u>
<b>SOCIAL SERVICES</b>				
Personnel Services	7	8	7	1
Other Expenditures	117,938	141,121	102,196	38,925
<b>TOTAL SOCIAL SERVICES</b>	<u>117,945</u>	<u>141,129</u>	<u>102,203</u>	<u>38,926</u>
<b>HEALTH</b>				
Personnel Services	42,018	42,342	42,191	151
Other Expenditures	152,833	154,801	151,904	2,897
Capital Outlay	3,182	5,147	3,018	2,129
<b>TOTAL HEALTH</b>	<u>198,033</u>	<u>202,290</u>	<u>197,113</u>	<u>5,177</u>
<b>RECREATIONAL ACTIVITIES</b>				
Personnel Services	9	11	9	2
Other Expenditures	8,455	8,000	7,982	18
<b>TOTAL RECREATIONAL ACTIVITIES</b>	<u>8,464</u>	<u>8,011</u>	<u>7,991</u>	<u>20</u>
<b>TOTAL EXPENDITURES</b>	<u>358,116</u>	<u>383,742</u>	<u>338,215</u>	<u>45,527</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(62,309)</u>	<u>(73,242)</u>	<u>(37,133)</u>	<u>36,109</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	1,814	1,978	164
Transfers Out	(1,357)	(2,536)	(1,978)	558
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<u>(1,357)</u>	<u>(722)</u>	<u>-</u>	<u>722</u>
<b>NET CHANGE IN FUND BALANCE</b>	(63,666)	(73,964)	(37,133)	36,831
<b>FUND BALANCE AT BEGINNING OF YEAR (AS RESTATED—NOTE II B)</b>	151,614	151,614	151,614	-
Prior-Year Encumbrances Appropriated	20,639	20,639	20,639	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 108,587</u>	<u>\$ 98,289</u>	<u>\$ 135,120</u>	<u>\$ 36,831</u>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**MOTOR VEHICLE GAS TAX—SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(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	\$ 30	\$ 30	\$ 11	\$ (19)
State Shared Taxes	21,684	21,684	21,868	184
Charges for Services	4,180	4,180	3,998	(182)
Fines and Forfeitures	346	399	227	(172)
Intergovernmental	5,431	11,095	4,370	(6,725)
Investment Earnings	9	9	46	37
Other	1,283	1,474	431	(1,043)
<b>TOTAL REVENUES</b>	<u>32,963</u>	<u>38,871</u>	<u>30,951</u>	<u>(7,920)</u>
<b>EXPENDITURES</b>				
Current:				
<b>GENERAL GOVERNMENT</b>				
Personnel Services	1,264	1,264	1,201	63
Other Expenditures	161	181	117	64
Capital Outlay	85	84	81	3
<b>TOTAL GENERAL GOVERNMENT</b>	<u>1,510</u>	<u>1,529</u>	<u>1,399</u>	<u>130</u>
<b>PUBLIC WORKS</b>				
Personnel Services	11,147	10,962	9,073	1,889
Other Expenditures	8,629	9,535	7,881	1,654
Capital Outlay	14,583	24,009	17,241	6,768
<b>TOTAL PUBLIC WORKS</b>	<u>34,359</u>	<u>44,506</u>	<u>34,195</u>	<u>10,311</u>
<b>TOTAL EXPENDITURES</b>	<u>35,869</u>	<u>46,035</u>	<u>35,594</u>	<u>10,441</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,906)</u>	<u>(7,164)</u>	<u>(4,643)</u>	<u>2,521</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	26	6,383	6,674	291
Transfers Out	(4,282)	(6,682)	(6,674)	8
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<u>(4,256)</u>	<u>(299)</u>	<u>-</u>	<u>299</u>
<b>NET CHANGE IN FUND BALANCE</b>	(7,162)	(7,463)	(4,643)	2,820
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	16,678	16,678	16,678	-
Prior-Year Encumbrances Appropriated	8,814	8,814	8,814	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 18,330</u>	<u>\$ 18,029</u>	<u>\$ 20,849</u>	<u>\$ 2,820</u>

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**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**HEALTH AND COMMUNITY SERVICES NONGRANTS—SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

(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>				
Sales and Use Tax	\$ 6,000	\$ 6,310	\$ 6,305	\$ (5)
State Shared Taxes	-	-	13	13
Charges for Services	21,582	24,608	24,749	141
Licenses and Permits	4,329	4,329	4,623	294
Fines and Forfeitures	5,397	5,397	4,983	(414)
Intergovernmental	13,562	13,562	12,762	(800)
Investment Earnings	13	13	14	1
Other	13,991	13,991	5,572	(8,419)
<b>TOTAL REVENUES</b>	<u>64,874</u>	<u>68,210</u>	<u>59,021</u>	<u>(9,189)</u>
<b>EXPENDITURES</b>				
Current:				
<b>GENERAL GOVERNMENT</b>				
Personnel Services	6,291	6,291	5,044	1,247
Other Expenditures	7,585	27,089	25,681	1,408
Capital Outlay	41	115	21	94
<b>TOTAL GENERAL GOVERNMENT</b>	<u>13,917</u>	<u>33,495</u>	<u>30,746</u>	<u>2,749</u>
<b>JUDICIAL</b>				
Personnel Services	6,985	7,099	5,828	1,271
Other Expenditures	4,453	4,460	3,265	1,195
Capital Outlay	1,928	1,926	1,469	457
<b>TOTAL JUDICIAL</b>	<u>13,366</u>	<u>13,485</u>	<u>10,562</u>	<u>2,923</u>
<b>PUBLIC SAFETY</b>				
Personnel Services	1,618	1,620	1,509	111
Other Expenditures	3,351	3,353	2,780	573
Capital Outlay	386	356	227	129
<b>TOTAL PUBLIC SAFETY</b>	<u>5,355</u>	<u>5,329</u>	<u>4,516</u>	<u>813</u>
<b>SOCIAL SERVICES</b>				
Personnel Services	5,660	5,661	5,422	239
Other Expenditures	6,538	6,098	5,055	1,043
<b>TOTAL SOCIAL SERVICES</b>	<u>12,198</u>	<u>11,759</u>	<u>10,477</u>	<u>1,282</u>

(Continued)



**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**HEALTH AND COMMUNITY SERVICES NONGRANTS—SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

(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	\$ 61	\$ 60	\$ 60	\$ -
Other Expenditures	16,950	16,871	10,834	6,037
<b>TOTAL HEALTH</b>	<u>17,011</u>	<u>16,931</u>	<u>10,894</u>	<u>6,037</u>
<b>PUBLIC WORKS</b>				
Other Expenditures	325	325	265	60
Capital Outlay	18,504	18,483	379	18,104
<b>TOTAL PUBLIC WORKS</b>	<u>18,829</u>	<u>18,808</u>	<u>644</u>	<u>18,164</u>
<b>ENVIRONMENTAL CONTROL</b>				
Personnel Services	511	511	496	15
Other Expenditures	2,525	2,493	2,437	56
<b>TOTAL ENVIRONMENTAL CONTROL</b>	<u>3,036</u>	<u>3,004</u>	<u>2,933</u>	<u>71</u>
<b>ECONOMIC AND COMMUNITY DEVELOPMENT</b>				
Other Expenditures	6,000	6,310	6,304	6
<b>TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT</b>	<u>6,000</u>	<u>6,310</u>	<u>6,304</u>	<u>6</u>
<b>TOTAL EXPENDITURES</b>	<u>89,712</u>	<u>109,121</u>	<u>77,076</u>	<u>32,045</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(24,838)</u>	<u>(40,911)</u>	<u>(18,055)</u>	<u>22,856</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	828	828	772	(56)
Transfers Out	(1,300)	(2,070)	(2,070)	-
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<u>(472)</u>	<u>(1,242)</u>	<u>(1,298)</u>	<u>(56)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(25,310)	(42,153)	(19,353)	22,800
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	57,532	57,532	57,532	-
Prior-Year Encumbrances Appropriated	5,336	5,336	5,336	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 37,558</u>	<u>\$ 20,715</u>	<u>\$ 43,515</u>	<u>\$ 22,800</u>

**COUNTY OF HAMILTON, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL  
HEALTH AND COMMUNITY SERVICES GRANTS—SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012**

(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	\$ -	\$ -	\$ 90	\$ 90
Intergovernmental	6,147	9,087	5,480	(3,607)
Other	-	-	102	102
<b>TOTAL REVENUES</b>	<u>6,147</u>	<u>9,087</u>	<u>5,672</u>	<u>(3,415)</u>
<b>EXPENDITURES</b>				
Current:				
<b>JUDICIAL</b>				
Personnel Services	219	234	227	7
Other Expenditures	290	275	121	154
<b>TOTAL JUDICIAL</b>	<u>509</u>	<u>509</u>	<u>348</u>	<u>161</u>
<b>PUBLIC SAFETY</b>				
Personnel Services	35	35	14	21
Other Expenditures	29	103	87	16
<b>TOTAL PUBLIC SAFETY</b>	<u>64</u>	<u>138</u>	<u>101</u>	<u>37</u>
<b>SOCIAL SERVICES</b>				
Other Expenditures	5,615	8,556	5,300	3,256
<b>TOTAL SOCIAL SERVICES</b>	<u>5,615</u>	<u>8,556</u>	<u>5,300</u>	<u>3,256</u>
<b>TOTAL EXPENDITURES</b>	<u>6,188</u>	<u>9,203</u>	<u>5,749</u>	<u>3,454</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(41)</u>	<u>(116)</u>	<u>(77)</u>	<u>39</u>
<b>NET CHANGE IN FUND BALANCE</b>	(41)	(116)	(77)	39
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	95	95	95	-
Prior-Year Encumbrances Appropriated	12	12	12	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 66</u>	<u>\$ (9)</u>	<u>\$ 30</u>	<u>\$ 39</u>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANTS—SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(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>				
Intergovernmental	\$ 16,066	\$ 16,066	\$ 10,246	\$ (5,820)
Other	-	-	1,923	1,923
<b>TOTAL REVENUES</b>	<u>16,066</u>	<u>16,066</u>	<u>12,169</u>	<u>(3,897)</u>
<b>EXPENDITURES</b>				
Current:				
<b>GENERAL GOVERNMENT</b>				
Personnel Services	1,022	1,022	258	764
Other Expenditures	16,879	17,757	12,579	5,178
Capital Outlay	8	8	-	8
<b>TOTAL GENERAL GOVERNMENT</b>	<u>17,909</u>	<u>18,787</u>	<u>12,837</u>	<u>5,950</u>
<b>ECONOMIC AND COMMUNITY DEVELOPMENT</b>				
Personnel Services	52	52	52	-
Other Expenditures	33	33	-	33
<b>TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT</b>	<u>85</u>	<u>85</u>	<u>52</u>	<u>33</u>
<b>TOTAL EXPENDITURES</b>	<u>17,994</u>	<u>18,872</u>	<u>12,889</u>	<u>5,983</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,928)</u>	<u>(2,806)</u>	<u>(720)</u>	<u>2,086</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,928)	(2,806)	(720)	2,086
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	228	228	228	-
Prior-Year Encumbrances Appropriated	492	492	492	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ (1,208)</u>	<u>\$ (2,086)</u>	<u>\$ -</u>	<u>\$ 2,086</u>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**BOND RETIREMENT—DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(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>OTHER FINANCING USES</b>				
Transfers Out	\$ (300)	\$ (300)	\$ (300)	\$ -
<b>TOTAL OTHER FINANCING USES</b>	<u>(300)</u>	<u>(300)</u>	<u>(300)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(300)	(300)	(300)	-
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>300</u>	<u>300</u>	<u>300</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**GENERAL OBLIGATION NONVOTED—DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(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>				
Sales and Use Tax	\$ 740	\$ 740	\$ 740	\$ -
Intergovernmental	253	323	323	-
Other	2,178	2,177	7,804	5,627
<b>TOTAL REVENUES</b>	<u>3,171</u>	<u>3,240</u>	<u>8,867</u>	<u>5,627</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	11,425	11,425	11,065	360
Interest and Fiscal Charges	3,770	3,842	3,801	41
Fiscal Charges	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>15,195</u>	<u>15,267</u>	<u>14,866</u>	<u>401</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(12,024)</u>	<u>(12,027)</u>	<u>(5,999)</u>	<u>6,028</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	11,908	11,908	1,348	(10,560)
Premium on Bonds Issued	-	-	175	175
Payment to Refunded Bonds Escrow Agent	-	(7,200)	(7,112)	88
Proceeds from Sale of Capital Assets	-	10,604	15,000	4,396
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>11,908</u>	<u>15,312</u>	<u>9,411</u>	<u>(5,901)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(116)	3,285	3,412	127
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	927	927	927	-
Prior-Year Encumbrances Appropriated	117	117	117	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 928</u>	<u>\$ 4,329</u>	<u>\$ 4,456</u>	<u>\$ 127</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, 2012**  
(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	\$ 499	\$ 499	\$ 502	\$ 3
<b>TOTAL REVENUES</b>	<u>499</u>	<u>499</u>	<u>502</u>	<u>3</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	374	374	374	-
Interest and Fiscal Charges	223	223	218	5
<b>TOTAL EXPENDITURES</b>	<u>597</u>	<u>597</u>	<u>592</u>	<u>5</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(98)</u>	<u>(98)</u>	<u>(90)</u>	<u>8</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	56	56	60	4
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>56</u>	<u>56</u>	<u>60</u>	<u>4</u>
<b>NET CHANGE IN FUND BALANCE</b>	(42)	(42)	(30)	12
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>878</u>	<u>878</u>	<u>878</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 836</u>	<u>\$ 836</u>	<u>\$ 848</u>	<u>\$ 12</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 POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**DECEMBER 31, 2012**  
(Amounts in Thousands)

	<b>Business-Type Activities</b>		
	<b>Riverfront Development</b>	<b>Main Street Parking Garage</b>	<b>Sales Tax Stabilization</b>
<b>ASSETS</b>			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 7,532	\$ 319	\$ 6,670
Cash and Cash Equivalents—Segregated Accounts	18	-	-
Restricted Cash, Cash Equivalents and Investments:			
Accounts Receivable	-	83	-
Intergovernmental Receivable	-	-	-
Due from Other Funds	-	43	-
<b>Total Current Assets</b>	<b>7,550</b>	<b>445</b>	<b>6,670</b>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	3,638	1,827	-
<b>Total Nondepreciable Capital Assets</b>	<b>3,638</b>	<b>1,827</b>	<b>-</b>
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	185,374	9,273	-
Furniture, Fixtures and Equipment	-	-	-
Less Accumulated Depreciation	(53,642)	(4,034)	-
<b>Total Depreciable Capital Assets, Net</b>	<b>131,732</b>	<b>5,239</b>	<b>-</b>
<b>Total Capital Assets, Net</b>	<b>135,370</b>	<b>7,066</b>	<b>-</b>
<b>Total Noncurrent Assets</b>	<b>135,370</b>	<b>7,066</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>142,920</b>	<b>7,511</b>	<b>6,670</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	516	63	-
Due to Other Funds	-	-	-
Accrued Wages and Benefits Payable	23	-	-
Intergovernmental Payable	17	-	-
Unearned Revenue	14	-	-
Accrued Interest Payable	3	21	-
Accrued Interest Payable from Restricted Assets	66	-	-
Retainage Payable	134	-	-
Current Portion of State Loans Payable	1,530	-	-
Current Portion of Long-Term Debt	865	425	-
<b>Total Current Liabilities</b>	<b>3,168</b>	<b>509</b>	<b>-</b>
Noncurrent Liabilities:			
Accrued Compensated Absences	-	-	-
State Loans Payable	14,885	-	-
Long-Term Debt	17,280	5,958	-
Advances from Other Funds	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>32,165</b>	<b>5,958</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>35,333</b>	<b>6,467</b>	<b>-</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	100,810	683	-
Unrestricted	6,777	361	6,670
<b>TOTAL NET POSITION</b>	<b>\$ 107,587</b>	<b>\$ 1,044</b>	<b>\$ 6,670</b>



<b>Business-Type Activities</b>		
<b>Rotary Funds</b>	<b>Communications Center</b>	<b>Total Nonmajor Enterprise Funds</b>
\$ 477	\$ 2,729	\$ 17,727
-	-	18
-	410	493
795	-	795
-	63	106
<u>1,272</u>	<u>3,202</u>	<u>19,139</u>
-	-	5,465
-	-	<u>5,465</u>
-	21,662	216,309
40	8,150	8,190
<u>(38)</u>	<u>(12,892)</u>	<u>(70,606)</u>
<u>2</u>	<u>16,920</u>	<u>153,893</u>
<u>2</u>	<u>16,920</u>	<u>159,358</u>
<u>2</u>	<u>16,920</u>	<u>159,358</u>
<u>1,274</u>	<u>20,122</u>	<u>178,497</u>
1	26	606
-	3	3
47	129	199
7	15	39
-	-	14
-	-	24
-	-	66
-	-	134
-	-	1,530
-	-	1,290
<u>55</u>	<u>173</u>	<u>3,905</u>
242	571	813
-	-	14,885
-	-	23,238
-	601	601
<u>242</u>	<u>1,172</u>	<u>39,537</u>
<u>297</u>	<u>1,345</u>	<u>43,442</u>
2	16,920	118,415
975	1,857	16,640
<u>\$ 977</u>	<u>\$ 18,777</u>	<u>\$ 135,055</u>

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Amounts in Thousands)

	<u>Business-Type Activities</u>		
	<u>Riverfront Development</u>	<u>Main Street Parking Garage</u>	<u>Sales Tax Stabilization</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 8,895	\$ 913	\$ -
Lease Rent Revenue	-	-	-
Other	104	-	-
<b>TOTAL OPERATING REVENUES</b>	<u>8,999</u>	<u>913</u>	<u>-</u>
<b>OPERATING EXPENSES</b>			
Personnel Services	111	-	-
Utilities, Fuel and Supplies	499	28	-
Purchased Services	4,263	132	-
Depreciation and Amortization	7,609	310	-
Other	1,258	121	-
<b>TOTAL OPERATING EXPENSES</b>	<u>13,740</u>	<u>591</u>	<u>-</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(4,741)</u>	<u>322</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Sales and Use Tax	180	-	-
Other Non-Operating Revenues	36	-	-
Other Non-Operating Expenses	(22)	-	-
Interest Expense	(452)	(270)	-
Fiscal Charges on Long-Term Debt	(142)	-	-
Change in Fair Value of Investments	7	-	6
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(393)</u>	<u>(270)</u>	<u>6</u>
<b>(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(5,134)</u>	<u>52</u>	<u>6</u>
Capital Contributions	881	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
<b>CHANGE IN NET POSITION</b>	<u>(4,253)</u>	<u>52</u>	<u>6</u>
<b>TOTAL NET POSITION—BEGINNING AS RESTATED (NOTE II B)</b>	<u>111,840</u>	<u>992</u>	<u>6,664</u>
<b>TOTAL NET POSITION—ENDING</b>	<u>\$ 107,587</u>	<u>\$ 1,044</u>	<u>\$ 6,670</u>

**Business-Type Activities**

Rotary Funds	Communications Center	Total Nonmajor Enterprise Funds
\$ 7,961	\$ 5,618	\$ 23,387
-	57	57
2	-	106
<u>7,963</u>	<u>5,675</u>	<u>23,550</u>
8,101	4,541	12,753
33	227	787
59	1,042	5,496
6	1,325	9,250
25	313	1,717
<u>8,224</u>	<u>7,448</u>	<u>30,003</u>
<u>(261)</u>	<u>(1,773)</u>	<u>(6,453)</u>
-	-	180
-	-	36
-	-	(22)
-	-	(722)
-	-	(142)
(1)	6	18
<u>(1)</u>	<u>6</u>	<u>(652)</u>
<u>(262)</u>	<u>(1,767)</u>	<u>(7,105)</u>
-	-	881
-	870	870
(700)	(152)	(852)
<u>(962)</u>	<u>(1,049)</u>	<u>(6,206)</u>
<u>1,939</u>	<u>19,826</u>	<u>141,261</u>
<u>\$ 977</u>	<u>\$ 18,777</u>	<u>\$ 135,055</u>

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
(Amounts in Thousands)

	<b>Business-Type Activities</b>		
	<b>Riverfront Development</b>	<b>Main Street Parking Garage</b>	<b>Sales Tax Stabilization</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers and Users	\$ 8,895	\$ 807	\$ -
Lease Rent Revenue	-	-	-
Cash Payments to Suppliers for Goods and Services	(4,887)	(212)	-
Cash Payments for Personnel Costs	(100)	-	-
Other Operating Revenue	119	-	-
Other Operating Expenses	(1,261)	(39)	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>2,766</b>	<b>556</b>	<b>-</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Sales and Use Tax	180	-	-
Other Non-Operating Revenue	22	-	-
Other Non-Operating Expense	(23)	-	-
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>179</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Other Revenue	14	-	-
Principal Payments on Long-Term Debt	(1,560)	(405)	-
Interest Payments on Long-Term Debt	(454)	(269)	-
Fiscal Charges on Long-Term Debt	(106)	-	-
Advance from Other Fund	-	-	-
Capital Contributions	4,783	-	-
Acquisition and Construction of Property, Plant and Equipment	(6,614)	-	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(3,937)</b>	<b>(674)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Change in Fair Value of Investments	7	-	6
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>7</b>	<b>-</b>	<b>6</b>
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	(985)	(118)	6
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>8,535</b>	<b>437</b>	<b>6,664</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 7,550</b>	<b>\$ 319</b>	<b>\$ 6,670</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (4,741)	\$ 322	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	7,609	310	-
Net Changes in Operating Assets and Liabilities:			
Accounts Receivable	15	(83)	-
Intergovernmental Receivables	-	-	-
Due from Other Funds	-	(23)	-
Operating Accounts Payable	(127)	31	-
Accrued Payroll and Other Related Withholdings	8	-	-
Intergovernmental Payable	2	(1)	-
Compensated Absences	-	-	-
Due to Other Funds	-	-	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 2,766</b>	<b>\$ 556</b>	<b>\$ -</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Equity in Pooled Cash and Investments	\$ 7,532	\$ 319	\$ 6,670
Cash and Cash Equivalents—Segregated Accounts	18	-	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 7,550</b>	<b>\$ 319</b>	<b>\$ 6,670</b>

<b>Business-Type Activities</b>		
<b>Rotary Funds</b>	<b>Communications Center</b>	<b>Total Nonmajor Enterprise Funds</b>
\$ 8,514	\$ 5,672	\$ 23,888
-	57	57
(96)	(1,335)	(6,530)
(8,086)	(4,443)	(12,629)
4	-	123
(22)	(250)	(1,572)
<u>314</u>	<u>(299)</u>	<u>3,337</u>
-	-	180
-	-	22
-	-	(23)
-	870	870
(700)	(152)	(852)
<u>(700)</u>	<u>718</u>	<u>197</u>
-	-	14
-	-	(1,965)
-	-	(723)
-	-	(106)
-	601	601
-	-	4,783
-	(160)	(6,774)
<u>-</u>	<u>441</u>	<u>(4,170)</u>
(1)	6	18
<u>(1)</u>	<u>6</u>	<u>18</u>
(387)	866	(618)
864	1,863	18,363
<u>\$ 477</u>	<u>\$ 2,729</u>	<u>\$ 17,745</u>
\$ (261)	\$ (1,773)	\$ (6,453)
6	1,325	9,250
-	45	(23)
553	-	553
2	9	(12)
(1)	-	(97)
6	23	37
7	15	23
2	60	62
-	(3)	(3)
<u>\$ 314</u>	<u>\$ (299)</u>	<u>\$ 3,337</u>
\$ 477	\$ 2,729	\$ 17,727
-	-	18
<u>\$ 477</u>	<u>\$ 2,729</u>	<u>\$ 17,745</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>Medical Self-Insurance</b>	<b>To account for the financial activity of the County's health-care coverage for its employees.</b>

**COUNTY OF HAMILTON, OHIO  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2012**

(Amounts in Thousands)

	Governmental Activities				
	Workers' Compensation Reserve	Auditor's Computer Center	Multi-County System Agencies	Medical Self- Insurance	Total Governmental Activities
<b>ASSETS</b>					
Current Assets:					
Equity in Pooled Cash and Investments	\$ 6,516	\$ 1,654	\$ 1,114	\$ 8,756	\$ 18,040
Accounts Receivable	-	-	121	-	121
<b>Total Current Assets</b>	<u>6,516</u>	<u>1,654</u>	<u>1,235</u>	<u>8,756</u>	<u>18,161</u>
Noncurrent Assets:					
Capital Assets:					
Depreciable Capital Assets, Net:					
Buildings, Structures and Improvements	-	41	-	-	41
Furniture, Fixtures and Equipment	-	696	-	-	696
Less Accumulated Depreciation	-	(600)	-	-	(600)
Total Depreciable Capital Assets, Net	-	137	-	-	137
Total Capital Assets, Net	-	137	-	-	137
Total Noncurrent Assets	-	137	-	-	137
<b>TOTAL ASSETS</b>	<u>6,516</u>	<u>1,791</u>	<u>1,235</u>	<u>8,756</u>	<u>18,298</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	-	51	-	5	56
Accrued Wages and Benefits Payable	2	24	-	4	30
Intergovernmental Payable	-	4	-	-	4
Claims Payable	1,167	-	-	4,165	5,332
<b>Total Current Liabilities</b>	<u>1,169</u>	<u>79</u>	<u>-</u>	<u>4,174</u>	<u>5,422</u>
Noncurrent Liabilities:					
Claims Payable—Net of Current Portion	900	-	-	-	900
Accrued Compensated Absences	-	152	-	-	152
Total Noncurrent Liabilities	900	152	-	-	1,052
<b>TOTAL LIABILITIES</b>	<u>2,069</u>	<u>231</u>	<u>-</u>	<u>4,174</u>	<u>6,474</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	-	137	-	-	137
Unrestricted	4,447	1,423	1,235	4,582	11,687
<b>TOTAL NET POSITION</b>	<u>\$ 4,447</u>	<u>\$ 1,560</u>	<u>\$ 1,235</u>	<u>\$ 4,582</u>	<u>\$ 11,824</u>



**COUNTY OF HAMILTON, OHIO  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

(Amounts in Thousands)

	Governmental Activities				
	Workers' Compensation Reserve	Auditor's Computer Center	Multi-County System Agencies	Medical Self- Insurance	Total Governmental Activities
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 5,005	\$ 1,700	\$ -	\$ 38,631	\$ 45,336
<b>TOTAL OPERATING REVENUES</b>	<u>5,005</u>	<u>1,700</u>	<u>-</u>	<u>38,631</u>	<u>45,336</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	51	1,129	-	29	1,209
Purchased Services	1,494	169	11	2,971	4,645
Claims	4,400	-	-	31,822	36,222
Depreciation	-	25	-	-	25
Other	-	165	-	-	165
<b>TOTAL OPERATING EXPENSES</b>	<u>5,945</u>	<u>1,488</u>	<u>11</u>	<u>34,822</u>	<u>42,266</u>
<b>OPERATING INCOME (LOSS)</b>	(940)	212	(11)	3,809	3,070
<b>NONOPERATING REVENUES</b>					
Interest	-	-	-	27	27
Change in Fair Value of Investments	1	3	-	22	26
<b>TOTAL NONOPERATING INCOME</b>	<u>1</u>	<u>3</u>	<u>-</u>	<u>49</u>	<u>53</u>
<b>INCOME (LOSS)</b>	<u>(939)</u>	<u>215</u>	<u>(11)</u>	<u>3,858</u>	<u>3,123</u>
<b>CHANGE IN NET POSITION</b>	(939)	215	(11)	3,858	3,123
<b>NET POSITION—BEGINNING</b>	5,386	1,345	1,246	724	8,701
<b>NET POSITION—ENDING</b>	<u>\$ 4,447</u>	<u>\$ 1,560</u>	<u>\$ 1,235</u>	<u>\$ 4,582</u>	<u>\$ 11,824</u>

**COUNTY OF HAMILTON, OHIO  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Amounts in Thousands)**

	Governmental Activities				
	Workers' Compensation Reserve	Auditor's Computer Center	Multi-County System Agencies	Medical Self- Insurance	Total Governmental Activities
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Interfund Services Provided	\$ 5,005	\$ 1,700	\$ -	\$ 38,638	\$ 45,343
Cash Payments to Suppliers for Goods and Services	(1,494)	(288)	(132)	(2,967)	(4,881)
Cash Payments for Claims	(4,642)	-	-	(32,596)	(37,238)
Cash Payments for Personnel Costs	(51)	(1,114)	-	(25)	(1,190)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(1,182)</u>	<u>298</u>	<u>(132)</u>	<u>3,050</u>	<u>2,034</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and Construction of Property, Plant and Equipment	-	(71)	-	-	(71)
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>-</u>	<u>(71)</u>	<u>-</u>	<u>-</u>	<u>(71)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on Investments	-	-	-	27	27
Change in Fair Value of Investments	1	3	-	22	26
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>1</u>	<u>3</u>	<u>-</u>	<u>49</u>	<u>53</u>
Net Increase in Cash and Cash Equivalents	(1,181)	230	(132)	3,099	2,016
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>7,697</u>	<u>1,424</u>	<u>1,246</u>	<u>5,657</u>	<u>16,024</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 6,516</u>	<u>\$ 1,654</u>	<u>\$ 1,114</u>	<u>\$ 8,756</u>	<u>\$ 18,040</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating Income (Loss)	\$ (940)	\$ 212	\$ (11)	\$ 3,809	\$ 3,070
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	-	25	-	-	25
Net Changes in Operating Assets and Liabilities:					
Accounts Receivable	32	-	(121)	-	(89)
Due from Other Funds	-	-	-	7	7
Accounts Payable	-	46	-	750	796
Intergovernmental Payable	-	4	-	-	4
Decrease in Claims Payable	(903)	-	-	-	(903)
Accrued Payroll and Related Withholdings	1	3	-	4	8
Compensated Absences	-	8	-	-	8
Estimated Future Claims	628	-	-	(1,520)	(892)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (1,182)</u>	<u>\$ 298</u>	<u>\$ (132)</u>	<u>\$ 3,050</u>	<u>\$ 2,034</u>

**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, 2012**

(Amounts in Thousands)

	<b>Undivided Taxes</b>	<b>Other Agency</b>	<b>Total</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 46,208	\$ 29,570	\$ 75,778
Cash and Cash Equivalents—Segregated Accounts	-	28,776	28,776
Real and Other Taxes Receivable	1,265,978	-	1,265,978
<b>TOTAL ASSETS</b>	<b><u>\$ 1,312,186</u></b>	<b><u>\$ 58,346</u></b>	<b><u>\$ 1,370,532</u></b>
<b>LIABILITIES</b>			
Intergovernmental Payable	\$ 46,208	\$ 9,894	\$ 56,102
Future Tax Collections to Be Distributed	1,265,978	-	1,265,978
Other Current Liabilities	-	48,452	48,452
<b>TOTAL LIABILITIES</b>	<b><u>\$ 1,312,186</u></b>	<b><u>\$ 58,346</u></b>	<b><u>\$ 1,370,532</u></b>

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

(Amounts in Thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>UNDIVIDED TAXES</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 40,535	\$ 2,500,624	\$ 2,494,951	\$ 46,208
Real and Other Taxes Receivable	1,237,513	1,265,978	1,237,513	1,265,978
<b>TOTAL ASSETS</b>	<u>\$ 1,278,048</u>	<u>\$ 3,766,602</u>	<u>\$ 3,732,464</u>	<u>\$ 1,312,186</u>
<b>LIABILITIES</b>				
Intergovernmental Payable	\$ 40,535	\$ 2,500,624	\$ 2,494,951	\$ 46,208
Future Tax Collections to Be Distributed	1,237,513	1,265,978	1,237,513	1,265,978
<b>TOTAL LIABILITIES</b>	<u>\$ 1,278,048</u>	<u>\$ 3,766,602</u>	<u>\$ 3,732,464</u>	<u>\$ 1,312,186</u>
<b>OTHER AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 21,351	\$ 68,492	\$ 60,273	\$ 29,570
Cash and Cash Equivalents—Segregated Accounts	29,162	172,728	173,114	28,776
<b>TOTAL ASSETS</b>	<u>\$ 50,513</u>	<u>\$ 241,220</u>	<u>\$ 233,387</u>	<u>\$ 58,346</u>
<b>LIABILITIES</b>				
Intergovernmental Payable	\$ 10,128	\$ 118,663	\$ 118,897	\$ 9,894
Other Current Liabilities	40,385	122,557	114,490	48,452
<b>TOTAL LIABILITIES</b>	<u>\$ 50,513</u>	<u>\$ 241,220</u>	<u>\$ 233,387</u>	<u>\$ 58,346</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>
<b>Financial Trends</b> .....	143
These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b> .....	148
These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.	
<b>Debt Capacity</b> .....	154
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.	
<b>Demographic and Economic Information</b> .....	163
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.	
<b>Operating Information</b> .....	165
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.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year.

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

	FISCAL YEAR									
	2003	2004 <sup>(1)</sup>	2005 <sup>(1)</sup>	2006 <sup>(1)</sup>	2007	2008	2009	2010 <sup>(2)</sup>	2011 <sup>(2)</sup>	2012
<b>GOVERNMENTAL ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 557,463	\$ 521,079	\$ 498,840	\$ 465,681	\$ 452,453	\$ 417,001	\$ 379,653	\$ 350,462	\$ 314,319	\$ 287,912
Restricted	206,834	161,926	171,211	192,152	228,753	230,362	283,432	277,409	309,491	319,813
Unrestricted	12,247	510	61	8,442	(4,529)	(5,980)	(4,755)	17,777	25,282	37,346
<b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<u>\$ 776,544</u>	<u>\$ 683,515</u>	<u>\$ 670,112</u>	<u>\$ 666,275</u>	<u>\$ 676,677</u>	<u>\$ 641,383</u>	<u>\$ 658,330</u>	<u>\$ 645,648</u>	<u>\$ 649,092</u>	<u>\$ 645,071</u>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 528,028	\$ 562,425	\$ 513,763	\$ 522,180	\$ 468,326	\$ 518,371	\$ 506,395	\$ 476,830	\$ 553,915	\$ 557,819
Restricted	5,589	4,128	4,543	4,581	5,810	5,234	6,460	8,408	8,008	7,994
Unrestricted	221,749	173,355	223,663	219,627	297,381	267,350	317,285	344,945	294,252	335,165
<b>TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<u>\$ 755,366</u>	<u>\$ 739,908</u>	<u>\$ 741,969</u>	<u>\$ 746,388</u>	<u>\$ 771,517</u>	<u>\$ 790,955</u>	<u>\$ 830,140</u>	<u>\$ 830,183</u>	<u>\$ 856,175</u>	<u>\$ 900,978</u>
<b>PRIMARY GOVERNMENT</b>										
Net Investment in Capital Assets	\$ 1,085,491	\$ 1,083,504	\$ 1,012,603	\$ 987,861	\$ 920,779	\$ 935,372	\$ 886,048	\$ 827,292	\$ 868,234	\$ 845,731
Restricted	212,423	166,054	175,754	196,733	234,563	235,596	289,892	285,817	317,499	327,807
Unrestricted	233,996	173,865	223,724	228,069	292,852	261,370	312,530	362,722	319,534	372,511
<b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>	<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>	<u>\$ 1,488,470</u>	<u>\$ 1,475,831</u>	<u>\$ 1,505,267</u>	<u>\$ 1,546,049</u>

Source: Hamilton County Auditor's Finance Department.

<sup>(1)</sup> Unaudited. Due to the special audit of Hamilton County Job and Family Services, the 2004-2006 financial statement amounts were not audited in full. Agreed-upon procedures relative to fund balances were performed by the Auditor of State.

<sup>(2)</sup> As restated.

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

	FISCAL YEAR									
	2003	2004 <sup>(1)</sup>	2005 <sup>(1)</sup>	2006 <sup>(1)</sup>	2007	2008	2009	2010 <sup>(4)</sup>	2011 <sup>(4)</sup>	2012
<b>EXPENSES</b>										
<b>Governmental Activities</b>										
General Government	\$ 67,679	\$ 79,355	\$ 90,125	\$ 96,900	\$ 90,623	\$ 93,440	\$ 83,610	\$ 100,171	\$ 97,855	\$ 139,552
Judicial	114,395	120,913	121,593	121,663	121,578	118,827	101,347	91,320	88,641	89,903
Public Safety	105,239	102,452	123,107	131,933	123,099	117,497	101,128	101,631	98,943	106,958
Social Services	319,087	299,144	298,921	285,437	351,580	297,627	271,457	167,874	140,044	143,950
Health	233,129	249,589	238,203	249,097	239,911	247,755	252,592	250,968	255,933	226,480
Public Works	60,272	51,355	55,499	50,038	51,020	49,839	43,870	50,330	48,673	37,656
Environmental Control	5,731	6,587	6,321	6,603	5,811	7,479	7,077	6,720	6,508	6,337
Economic Development	25,089	25,994	26,024	18,343	6,068	7,505	6,799	7,527	7,848	8,248
Parks and Recreation	6,345	6,202	8,346	8,695	7,475	7,628	8,446	8,481	7,679	7,834
Interest and Fiscal Charges	8,175	6,832	5,738	5,710	4,960	4,649	4,880	4,689	4,330	4,769
<b>Total Governmental Activities Program Expenses</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>881,206</b>	<b>789,711</b>	<b>756,454</b>	<b>771,687</b>
Indirect Expenses Allocation <sup>(3)</sup>	3,078	3,255	5,454	6,181	4,565	11,173	6,849	5,212	4,569	3,016
Indirect Expenses Reimbursement <sup>(3)</sup>	(3,078)	(3,255)	(5,454)	(6,181)	(4,565)	(11,173)	(6,849)	(5,212)	(4,569)	(3,016)
<b>Total Governmental Activities Expenses</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>881,206</b>	<b>789,711</b>	<b>756,454</b>	<b>771,687</b>
<b>Business-Type Activities</b>										
Metropolitan Sewer District	129,764	143,682	140,037	152,267	155,209	159,071	167,871	194,947	202,666	190,006
Paul Brown Stadium <sup>(2)</sup>	48,826	47,802	48,774	46,954	40,517	41,980	39,836	45,582	46,063	44,364
Baseball Stadium <sup>(2)</sup>	18,768	25,885	27,076	26,580	26,436	28,071	25,932	29,671	31,056	29,873
Riverfront Development	7,646	9,098	10,642	11,475	13,524	11,649	9,771	41,780	27,025	14,356
Main Street Parking Garage	970	1,083	1,011	938	929	900	904	866	1,010	861
Rotary Funds	5,814	6,209	7,224	6,700	7,609	7,715	6,212	7,868	8,327	8,224
Communications Center <sup>(2)</sup>	6,054	6,636	7,180	7,453	6,714	7,183	8,034	7,004	7,107	7,448
Workers' Compensation Reserve for Stadiums <sup>(2)</sup>	249	661	294	161	167	-	-	-	-	-
<b>Total Business-Type Activities Expenses</b>	<b>218,091</b>	<b>241,056</b>	<b>242,238</b>	<b>252,528</b>	<b>251,105</b>	<b>256,569</b>	<b>258,560</b>	<b>327,718</b>	<b>323,254</b>	<b>295,132</b>
<b>Total Primary Government Expenses</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>\$ 1,208,815</b>	<b>\$ 1,139,766</b>	<b>\$ 1,117,429</b>	<b>\$ 1,079,708</b>	<b>\$ 1,066,819</b>
<b>PROGRAM REVENUES</b>										
<b>Governmental Activities</b>										
<b>Charges for Services</b>										
General Government	\$ 55,760	\$ 49,569	\$ 55,883	\$ 57,622	\$ 54,450	\$ 51,564	\$ 42,938	\$ 41,937	\$ 43,542	\$ 51,993
Judicial	35,099	35,373	39,141	36,089	36,191	37,118	24,723	28,518	28,240	28,335
Public Safety	14,748	13,566	17,252	14,798	14,985	16,944	16,245	16,139	15,365	15,407
Social Services	103,725	78,323	61,541	37,839	63,640	6,554	5,924	5,091	7,422	5,850
Health	18,582	19,142	22,084	27,987	9,507	9,738	6,579	8,188	12,164	11,091
Public Works	6,306	4,562	5,118	4,827	4,982	7,201	4,205	3,858	3,300	3,388
Environmental Control	3,424	3,272	3,390	3,449	3,547	3,722	3,536	3,502	3,278	3,198
Economic Development	823	601	721	559	417	1,706	(1,332)	43	39	42
Parks and Recreation	932	829	1,164	1,254	67	-	-	-	-	112
Interest and Fiscal Charges	-	-	-	-	-	-	-	3,180	2,174	-
Operating Grants and Contributions	314,352	295,519	370,522	390,553	377,578	358,919	388,627	266,818	262,874	273,318
Capital Grants and Contributions	1,913	4,851	1,857	5,212	8,982	2,000	1,796	3,443	1,098	563
<b>Total Governmental Activities Program Revenues</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>	<b>493,241</b>	<b>380,717</b>	<b>379,496</b>	<b>393,297</b>

	FISCAL YEAR									
	2003	2004 <sup>(1)</sup>	2005 <sup>(1)</sup>	2006 <sup>(1)</sup>	2007	2008	2009	2010 <sup>(4)</sup>	2011 <sup>(4)</sup>	2012
<b>Business-Type Activities</b>										
Charges for Services										
Metropolitan Sewer District	\$ 128,579	\$ 145,291	\$ 154,171	\$ 163,647	\$ 176,933	\$ 189,069	\$ 201,273	\$ 217,915	\$ 234,905	\$ 245,614
Paul Brown Stadium	371	804	837	856	840	672	774	809	832	831
Baseball Stadium	3,104	60	1,061	547	1,171	1,163	980	1,071	1,240	1,211
Riverfront Development	7,484	5,596	6,219	6,764	6,481	6,664	5,731	6,493	6,291	8,895
Main Street Parking Garage	769	930	841	897	870	913	758	722	785	913
Rotary Funds	5,991	6,587	6,813	7,222	7,354	7,843	6,238	9,376	8,214	7,961
Communications Center	4,883	4,738	4,693	5,134	4,633	5,518	4,962	5,250	5,555	5,675
Workers' Compensation Reserve for Stadiums <sup>(2)</sup>	400	622	300	160	167	-	-	-	-	-
Capital Grants and Contributions	48,110	29,694	27,633	26,083	21,234	25,075	12,385	23,684	29,751	7,175
<b>Total Business-Type Activities Program Revenues</b>	<u>199,691</u>	<u>194,322</u>	<u>202,568</u>	<u>211,310</u>	<u>219,683</u>	<u>236,917</u>	<u>233,101</u>	<u>265,320</u>	<u>287,573</u>	<u>278,275</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 755,355</u>	<u>\$ 699,929</u>	<u>\$ 781,241</u>	<u>\$ 791,499</u>	<u>\$ 794,029</u>	<u>\$ 732,383</u>	<u>\$ 726,342</u>	<u>\$ 646,037</u>	<u>\$ 667,069</u>	<u>\$ 671,572</u>
<b>NET EXPENSE</b>										
<b>Governmental Activities</b>	\$ (389,477)	\$ (442,816)	\$ (395,204)	\$ (394,230)	\$ (427,779)	\$ (456,780)	\$ (387,965)	\$ (408,994)	\$ (376,958)	\$ (378,390)
<b>Business-Type Activities</b>	(18,400)	(46,734)	(39,670)	(41,218)	(31,422)	(19,652)	(25,459)	(62,398)	(35,681)	(16,857)
<b>Total Primary Government Net Expense</b>	<u>\$ (407,877)</u>	<u>\$ (489,550)</u>	<u>\$ (434,874)</u>	<u>\$ (435,448)</u>	<u>\$ (459,201)</u>	<u>\$ (476,432)</u>	<u>\$ (413,424)</u>	<u>\$ (471,392)</u>	<u>\$ (412,639)</u>	<u>\$ (395,247)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
<b>Governmental Activities</b>										
Taxes										
Property Taxes	\$ 245,094	\$ 246,486	\$ 258,880	\$ 263,625	\$ 259,345	\$ 248,073	\$ 241,924	\$ 238,961	\$ 236,518	\$ 226,392
Sales and Use Taxes	61,104	63,891	63,428	64,701	66,671	64,923	67,072	72,029	75,345	72,929
Other Taxes	45,143	45,899	46,295	46,892	47,735	42,259	44,206	43,606	39,480	36,919
Grants and Entitlements not Restricted to Specific Programs	-	-	-	-	39,249	51,348	59,590	34,474	23,784	15,787
Gifts and Donations	-	-	-	-	-	-	-	82	314	86
Unrestricted Investment Earnings	14,685	12,952	14,198	20,262	22,676	16,733	8,124	7,277	5,899	7,443
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	1,546	98	12,551
Other Revenue	-	-	-	278	-	-	-	-	299	2,280
Transfers	(198)	(3,872)	(1,000)	(1,500)	847	(1,850)	(16,006)	(1,663)	(1,329)	(18)
<b>Total Governmental Activities</b>	<u>365,828</u>	<u>365,356</u>	<u>381,801</u>	<u>394,258</u>	<u>436,523</u>	<u>421,486</u>	<u>404,910</u>	<u>396,312</u>	<u>380,408</u>	<u>374,369</u>
<b>Business-Type Activities</b>										
Sales and Use Taxes	34,412	35,373	33,524	34,329	42,504	36,609	49,026	50,222	50,518	49,981
Unrestricted Investment Earnings	1,332	4,327	7,207	13,561	16,548	11,046	(391)	6,436	4,736	7,698
Gain on Sale of Capital Assets	62	-	-	-	-	-	-	126	217	181
Other Revenue	-	-	-	-	-	12	-	3,994	4,867	3,782
Transfers	198	3,872	1,000	1,500	(847)	1,850	16,006	1,663	1,329	18
<b>Total Business-Type Activities</b>	<u>36,004</u>	<u>43,572</u>	<u>41,731</u>	<u>49,390</u>	<u>58,205</u>	<u>49,517</u>	<u>64,641</u>	<u>62,441</u>	<u>61,667</u>	<u>61,660</u>
<b>Total Primary Government</b>	<u>\$ 401,832</u>	<u>\$ 408,928</u>	<u>\$ 423,532</u>	<u>\$ 443,648</u>	<u>\$ 494,728</u>	<u>\$ 471,003</u>	<u>\$ 469,551</u>	<u>\$ 458,753</u>	<u>\$ 442,075</u>	<u>\$ 436,029</u>
<b>CHANGE IN NET POSITION</b>										
<b>Governmental Activities</b>	\$ (23,649)	\$ (77,460)	\$ (13,403)	\$ 28	\$ 8,744	\$ (35,294)	\$ 16,945	\$ (12,682)	\$ 3,450	\$ (4,021)
<b>Business-Type Activities</b>	17,604	(3,162)	2,061	8,172	26,783	29,865	39,182	43	25,986	44,803
<b>Total Primary Government</b>	<u>\$ (6,045)</u>	<u>\$ (80,622)</u>	<u>\$ (11,342)</u>	<u>\$ 8,200</u>	<u>\$ 35,527</u>	<u>\$ (5,429)</u>	<u>\$ 56,127</u>	<u>\$ (12,639)</u>	<u>\$ 29,436</u>	<u>\$ 40,782</u>

Source: Hamilton County Auditor's Finance Department.

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

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

<sup>(2)</sup>Beginning in 2008, business-type internal service fund activity is consolidated with the activity of the appropriate business-type program.

<sup>(3)</sup>In 2008, 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.

<sup>(4)</sup>As restated.

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

	FISCAL YEAR									
	2003	2004 <sup>(1)</sup>	2005 <sup>(1)</sup>	2006 <sup>(1)</sup>	2007	2008	2009	2010 <sup>(2)</sup>	2011	2012
<b>GENERAL FUND</b>										
Nonspendable	\$ 13,232	\$ 9,408	\$ 10,006	\$ 8,975	\$ 8,413	\$ 6,358	\$ 6,010	\$ 6,208	\$ 7,646	\$ 9,244
Committed	-	-	-	-	-	-	-	-	284	203
Assigned	7,834	9,552	7,600	10,976	12,640	7,142	9,266	10,248	11,235	13,110
Unassigned	74,438	58,721	63,530	45,797	30,808	32,649	33,207	48,172	56,368	49,763
<b>TOTAL GENERAL FUND</b>	<u>\$ 95,504</u>	<u>\$ 77,681</u>	<u>\$ 81,136</u>	<u>\$ 65,748</u>	<u>\$ 51,861</u>	<u>\$ 46,149</u>	<u>\$ 48,483</u>	<u>\$ 64,628</u>	<u>\$ 75,533</u>	<u>\$ 72,320</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Nonspendable	\$ 1,881	\$ 2,032	\$ 2,248	\$ 2,406	\$ 2,033	\$ 3,026	\$ 3,671	\$ 2,948	\$ 3,575	\$ 4,889
Restricted	190,113	148,051	148,057	138,294	182,098	192,421	203,565	235,680	268,118	266,517
Committed	-	2,884	3,681	8,809	8,809	5,946	5,770	6,042	14,086	19,996
Unassigned	(5,479)	(10,801)	(11,686)	(12,820)	(16,491)	(10,391)	(9,810)	(7,553)	(12,193)	(1,821)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<u>\$ 186,515</u>	<u>\$ 142,166</u>	<u>\$ 142,300</u>	<u>\$ 136,689</u>	<u>\$ 176,449</u>	<u>\$ 191,002</u>	<u>\$ 203,196</u>	<u>\$ 237,117</u>	<u>\$ 273,586</u>	<u>\$ 289,581</u>

Source: Hamilton County Auditor's Finance Department.

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

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

<sup>(2)</sup>As restated.

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

	FISCAL YEAR									
	2003	2004 <sup>(1)</sup>	2005 <sup>(1)</sup>	2006 <sup>(1)</sup>	2007	2008	2009	2010 <sup>(2)</sup>	2011	2012
<b>REVENUES</b>										
Property Taxes and Assessments	\$ 245,094	\$ 244,761	\$ 258,873	\$ 262,442	\$ 256,338	\$ 248,088	\$ 240,272	\$ 235,018	\$ 239,045	\$ 229,347
Sales and Use Tax	61,104	63,891	63,428	64,701	66,671	64,923	67,072	72,029	75,345	72,929
State Shared Taxes	45,143	45,899	45,894	46,892	47,735	42,350	44,547	43,606	39,480	36,919
Charges for Services	167,323	140,052	134,880	105,840	140,506	84,229	67,139	64,735	68,331	68,330
Licenses and Permits	5,820	6,157	5,679	5,249	6,124	4,995	4,949	6,407	7,037	6,973
Fines and Forfeitures	11,719	11,130	12,065	12,057	13,336	13,658	12,748	14,506	13,402	13,361
Intergovernmental	341,445	327,881	391,115	397,862	421,612	422,222	409,901	348,584	301,778	282,812
Investment Earnings	13,104	12,805	12,083	21,919	26,498	19,701	6,906	7,245	5,883	7,388
Other	27,987	21,566	28,248	30,546	26,447	27,966	21,243	27,205	32,906	32,405
<b>TOTAL REVENUES</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>874,777</b>	<b>819,335</b>	<b>783,207</b>	<b>750,464</b>
<b>EXPENDITURES</b>										
Current:										
General Government	57,062	61,707	61,087	82,703	72,074	69,956	63,451	74,294	76,461	115,470
Judicial	114,561	120,279	121,479	121,974	121,535	118,073	100,058	93,168	90,909	91,480
Public Safety	99,528	101,805	122,068	130,385	121,060	114,554	97,363	100,538	100,813	106,009
Social Services	320,475	300,774	301,568	288,547	352,722	307,296	279,070	175,546	150,843	142,046
Health	234,699	249,790	238,833	249,324	240,811	247,499	251,313	252,088	255,974	227,912
Public Works	34,802	35,399	38,582	39,356	34,056	29,118	26,313	32,903	24,984	26,046
Environmental Control	6,903	6,751	6,825	7,239	6,028	7,715	7,246	7,114	7,109	6,620
Economic Development	25,282	26,047	26,340	18,886	6,175	7,527	6,963	7,534	7,945	8,234
Parks and Recreation	6,482	6,307	8,597	8,927	7,604	7,638	8,455	8,470	7,925	7,845
Capital Outlay	4,658	2,209	4,098	625	2,083	326	699	378	1,480	8,431
Debt Service:										
Principal Retirement	11,820	17,430	12,715	30,785	12,779	12,419	13,485	11,419	11,651	11,439
Interest and Fiscal Charges	8,220	7,148	5,786	5,650	5,030	4,489	4,951	4,541	4,197	3,968
<b>TOTAL EXPENDITURES</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>859,367</b>	<b>767,993</b>	<b>740,291</b>	<b>755,500</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</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>15,410</b>	<b>51,342</b>	<b>42,916</b>	<b>(5,036)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	35,030	45,551	20,136	44,992	28,311	28,906	21,429	24,449	15,185	5,787
Transfers Out	(35,228)	(47,833)	(21,136)	(46,492)	(27,464)	(30,756)	(37,435)	(26,112)	(16,514)	(5,805)
Proceeds of Refunding Bonds	-	42,130	28,715	-	18,130	-	-	-	-	-
Premium on Bonds Issued	-	951	1,482	202	193	112	249	-	-	175
Payment to Refunded Bonds Escrow Agent	-	(42,092)	(30,005)	-	(18,104)	-	-	-	-	(7,112)
Proceeds from Sale of Bonds	460	625	110	20,321	1,775	9,057	14,875	387	5,787	9,773
Other	-	-	-	278	(278)	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-	-	15,000
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>262</b>	<b>(668)</b>	<b>(698)</b>	<b>19,301</b>	<b>2,563</b>	<b>7,319</b>	<b>(882)</b>	<b>(1,276)</b>	<b>4,458</b>	<b>17,818</b>
<b>NET CHANGE IN FUND BALANCES</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>\$ 14,528</b>	<b>\$ 50,066</b>	<b>\$ 47,374</b>	<b>\$ 12,782</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	2.2%	2.7%	2.0%	3.8%	1.8%	1.8%	2.2%	2.1%	2.2%	2.1%

Source: Hamilton County Auditor's Finance Department.

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

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

<sup>(2)</sup>As restated.

**COUNTY OF HAMILTON, OHIO**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE**  
**OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
(Amounts in Thousands)

**ASSESSED VALUES**

Tax Year/ Collection Year	REAL PROPERTY					PERSONAL PROPERTY			TOTAL	Total Direct Tax Rate	Estimated Actual Taxable Value <sup>(2)(3)</sup>	Assessed Value as a Percentage of Actual Value <sup>(1)</sup>
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Public Utility Property	Tangible Property <sup>(3)</sup>	Public Utility Property	Tax Exempt Property	Taxable Assessed Value <sup>(1)</sup>			
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	18,677,052	20.03	55,246,408	33.81%
2005/2006	13,854,166	4,019,879	923,584	62,487	4,068	1,299,884	750,971	3,914,217	20,915,039	19.78	62,332,325	33.55%
2006/2007	13,921,087	4,017,471	922,763	60,717	4,019	1,002,703	718,505	4,245,482	20,647,265	19.15	63,101,926	32.72%
2007/2008	14,019,425	4,015,680	938,633	59,606	4,176	519,895	604,816	4,553,994	20,162,231	19.53	63,007,426	32.00%
2008/2009	14,206,751	4,300,440	990,862	59,429	7,148	61,888	608,626	4,760,067	20,235,144	19.60	57,734,995	35.05%
2009/2010	14,216,289	4,258,435	998,345	52,560	8,003	34,201	650,513	4,934,617	20,218,346	19.45	57,795,426	34.98%
2010/2011	14,158,842	4,074,153	989,564	53,209	8,000	-	683,436	5,088,595	19,967,204	19.45	56,463,352	35.36%
2011/2012	12,700,329	3,827,089	940,474	49,068	8,448	-	723,511	4,940,025	18,248,919	19.03	51,519,616	35.42%

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

<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.

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



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**COUNTY OF HAMILTON, OHIO  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

(RATE PER \$1,000 OF ASSESSED VALUE)

	TAX YEAR/COLLECTION YEAR									
	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012
<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)	0.15	0.15	0.15	0.14	0.13	0.13	0.14	-	-	-
Drake Hospital	1.59	1.59	0.84	0.84	0.84	0.84	0.84	-	-	-
For University of Cincinnati Hospital	5.39	5.39	5.39	5.32	4.49	4.49	4.49	4.49	4.49	4.07
For County Police Information Center	0.83	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54
For Developmental Disabilities Board	3.53	3.53	3.62	3.62	3.62	3.62	3.62	4.13	4.13	4.13
For Community Mental Health	2.74	2.74	2.74	2.74	2.74	2.99	2.99	2.99	2.99	2.99
For Support of Children Services	2.77	2.72	2.73	2.56	2.77	2.77	2.77	2.77	2.77	2.77
For Recreation/Zoological Purposes	0.42	0.40	0.40	0.40	0.40	0.40	0.46	0.46	0.46	0.46
For Senior Services	1.16	1.16	1.16	1.16	1.16	1.29	1.29	1.29	1.29	1.29
For Family Treatment & Services	-	-	-	-	-	-	-	0.34	0.34	0.34
For Museum Center <sup>(1)</sup>	-	-	0.20	0.20	0.20	0.20	0.20	0.18	0.18	0.18
Total Direct Rate	20.84	20.48	20.03	19.78	19.15	19.53	19.60	19.45	19.45	19.03
<b>TOWNSHIP RATES<sup>(2)</sup>:</b>										
Anderson	11.87	11.87	11.87	11.87	11.87	11.87	14.57	14.57	14.57	14.57
Anderson Township Park District	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28
Colerain	16.18	16.18	16.18	16.18	16.18	17.33	17.33	17.33	18.26	18.26
Columbia	17.96	21.26	21.26	21.26	14.76	14.76	14.76	14.76	14.76	17.01
Crosby	9.24	9.24	9.24	9.24	9.24	10.24	10.24	10.24	10.24	10.24
Delhi	19.46	20.46	20.46	26.34	26.34	26.34	26.34	26.34	26.34	26.34
Delhi Township Park District	1.00	-	-	-	-	-	-	-	-	-
Green	8.31	8.31	8.31	9.81	9.81	9.81	11.71	11.71	11.71	11.71
Harrison	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74	5.24	5.24
Miami	9.91	9.91	9.45	9.45	9.91	9.91	9.91	9.91	9.91	9.91
Springfield	20.30	20.30	20.30	20.30	20.30	20.30	20.30	22.80	22.80	22.80
Sycamore	7.75	7.75	7.75	7.75	8.75	8.75	8.75	8.75	8.75	8.75
Symmes	13.45	13.45	12.80	11.90	12.80	13.70	13.70	13.50	14.50	14.50
Whitewater	11.44	11.44	11.44	11.44	11.44	11.44	11.44	11.44	11.44	11.44
<b>SCHOOL DISTRICT RATES<sup>(2)</sup>:</b>										
Cincinnati	56.25	60.75	60.83	59.77	59.37	59.67	67.95	67.87	68.54	70.76
Deer Park	70.00	70.00	70.00	78.63	78.63	78.63	78.63	78.63	78.63	78.63
Finneytown	80.34	79.98	87.72	87.03	86.69	86.67	86.92	86.96	94.90	94.90
Forest Hills	55.87	55.87	55.84	55.66	61.36	61.46	61.65	61.65	61.65	61.65
Indian Hill	47.10	46.70	46.54	46.52	45.42	45.42	46.32	45.82	45.72	45.87
Lockland	37.09	52.69	52.69	52.69	52.09	51.59	51.59	50.79	48.59	48.59
Loveland	70.14	69.89	74.88	74.88	74.74	74.24	74.24	74.24	74.24	77.64
Madeira	79.47	79.47	86.34	85.67	94.77	94.77	95.39	94.02	94.02	101.27
Mariemont	85.42	90.85	90.78	90.57	90.37	97.87	97.87	97.72	106.47	106.97
Milford	63.20	69.10	69.10	69.10	69.10	69.10	74.60	74.60	74.60	75.05
Mt. Healthy	61.63	68.51	68.45	68.41	68.30	74.24	75.03	74.95	74.93	75.74
North College Hill	57.47	57.47	57.47	61.37	61.37	65.36	66.05	65.97	66.00	66.07
Northwest	49.64	49.64	49.64	49.64	49.50	53.39	53.56	53.57	53.60	54.22
Norwood	49.90	50.96	51.08	48.75	48.77	49.40	48.17	49.23	49.11	59.09
Oak Hills	46.74	46.68	46.68	46.68	46.35	46.35	45.90	45.83	45.80	46.02
Princeton	45.79	49.03	49.03	49.03	49.03	49.03	48.99	48.99	50.48	50.83
Reading	57.18	57.18	64.08	64.08	64.08	64.08	64.08	69.79	69.90	70.67
St. Bernard	43.07	44.24	44.63	40.73	46.93	49.17	53.20	52.87	53.01	58.68
Southwest	47.44	47.25	47.08	46.68	45.30	45.30	45.14	44.98	44.68	44.18
Sycamore	60.49	60.40	65.90	65.80	65.79	65.79	65.77	65.77	66.38	66.45
Three Rivers	39.95	39.95	39.95	44.90	44.90	44.90	44.90	44.90	49.87	49.87
Winton Woods	70.08	70.08	78.03	78.03	78.03	78.03	78.03	85.93	86.03	87.32
Wyoming	70.08	78.93	78.93	88.68	87.91	87.87	87.87	87.84	87.84	88.58
Great Oaks Joint Vocational	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Butler Tech Joint Vocational	-	-	-	-	-	-	-	1.93	1.93	1.93

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

CITY & VILLAGE RATES <sup>2)</sup> :	TAX YEAR/COLLECTION YEAR									
	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012
Addyston	5.59	5.59	7.59	7.59	7.59	7.59	7.59	7.59	7.59	7.59
Amberley	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Arlington Heights	9.52	9.52	9.52	9.52	11.52	11.52	11.52	11.52	11.52	11.52
Blue Ash	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Cheviot	12.42	12.42	12.22	14.52	14.52	14.52	14.52	20.13	20.13	20.13
Cincinnati	10.63	10.36	10.34	10.19	9.93	9.89	9.89	9.82	10.07	10.50
Cleves	13.66	13.66	13.66	13.33	12.99	12.99	12.99	12.99	6.99	10.09
Deer Park	3.55	3.55	3.55	3.55	3.55	10.45	10.45	10.45	10.45	10.45
Elmwood Place	17.78	17.78	7.78	17.78	17.78	17.78	17.78	17.78	17.78	17.78
Evendale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fairfax	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76
Fairfield	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94
Forest Park	12.76	12.76	12.76	12.76	12.76	12.76	12.76	12.76	12.76	12.76
Glendale	22.61	22.23	21.83	21.39	21.18	21.03	20.08	20.08	20.08	20.08
Golf Manor	24.52	24.52	24.52	30.52	38.52	38.52	38.52	38.52	38.52	38.52
Greenhills	27.98	27.33	28.72	28.63	28.23	28.23	27.88	27.83	32.73	33.58
Harrison	13.00	13.00	13.00	13.00	13.00	13.00	11.19	14.50	14.50	14.50
Indian Hill	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Lincoln Heights	26.33	26.33	26.33	28.33	28.33	35.33	35.33	35.33	39.33	40.73
Lockland	6.02	6.02	6.02	6.02	7.52	7.52	7.52	7.52	7.52	7.52
Loveland	12.00	12.00	11.00	12.00	10.35	10.35	10.35	10.35	10.35	10.35
Madeira	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Mariemont	12.44	14.37	14.37	14.37	14.37	14.37	14.37	14.37	14.37	14.37
Milford	12.00	12.00	12.00	12.00	11.80	11.80	11.80	11.80	11.80	11.80
Montgomery	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05
Mt. Healthy	8.11	8.11	11.11	11.11	11.11	11.11	11.11	11.11	11.11	11.11
Newtown	10.37	10.37	7.87	5.87	2.37	2.37	2.37	2.37	2.37	2.37
North Bend	10.09	10.09	10.09	10.09	10.09	10.09	10.09	10.09	10.09	10.09
North College Hill	7.98	7.98	7.98	7.98	7.98	7.98	7.98	7.98	7.98	7.98
Norwood	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40
Reading	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52
St. Bernard	2.28	2.28	4.28	11.28	11.28	11.28	11.28	11.28	11.28	11.28
Sharonville	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Silverton	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15
Springdale	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Terrace Park	14.86	14.86	19.84	19.78	11.80	11.67	12.09	8.59	11.34	11.34
Woodlawn	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08
Wyoming	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
<b>SPECIAL DISTRICT RATES<sup>2)</sup>:</b>										
Deer Park/Silverton Joint Fire District	6.50	6.50	6.50	6.50	6.40	6.40	6.40	6.40	6.40	6.40
Eastern Joint Ambulance District	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Little Miami Joint Fire District	2.50	2.50	2.50	2.50	9.75	9.75	9.75	12.05	12.05	12.05
Western Joint Ambulance District	1.25	1.25	1.25	1.25	2.25	2.25	2.25	2.25	2.25	2.25
Hamilton County Park District	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Public Library of Cincinnati & Hamilton County	-	-	-	-	-	-	-	1.00	1.00	1.00

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

Note: 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.

The County's special revenue levy property tax rates may be increased only by a majority vote of the County's residents.

The bond retirement rate is adjusted annually to meet the principal and interest payments required each year.

A state-mandated County-wide property reappraisal was implemented in 2011.

<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, 2012**

(Amounts in Thousands)

Name of Taxpayer	COLLECTION YEAR 2012			COLLECTION YEAR 2003		
	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.)	\$597,829	1	3.28%	\$514,046	1	2.77%
City of Cincinnati	85,130	2	0.47%	69,474	6	0.37%
Procter & Gamble	77,774	3	0.43%	182,585	2	0.98%
Duke Realty Ohio	30,026	4	0.16%	77,059	4	0.42%
4600 Smith Road Holdings (formerly Cincinnati Trophy)	29,677	5	0.16%	—		—
Fifth Third Bank	27,252	6	0.15%	—		—
Emery Realty Inc.	26,646	7	0.15%	31,255	10	0.17%
OTR	21,525	8	0.12%	—		—
Dayton Power & Light	20,294	9	0.11%	—		—
Columbia Development Corp.	20,448	10	0.11%	—		—
Cincinnati Bell Telephone	—		—	160,258	3	0.86%
Ford Motor Company	—		—	74,224	5	0.40%
Concordia Properties	—		—	57,029	7	0.31%
Hamilton County	—		—	54,116 <sup>(1)</sup>	8	0.00%
Cognis Corporation	—		—	46,914	9	0.25%
<b>Totals</b>	<b>\$936,601</b>		<b>5.14%</b>	<b>\$1,266,960</b>		<b>6.53%</b> <sup>(2)</sup>

Source: Hamilton County Auditor's Office.

(1) Real property for Hamilton County includes value of \$39,285,750 for the Great American Ball Park. The majority of this value will be exempted.

(2) Total excludes the Hamilton County Commissioners, for which a majority of the value will be exempted.

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

<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>
2002/2003	\$ 276,021,171	\$ 22,495,097	\$ 298,516,268	\$ 263,874,726	95.60%	\$ 10,000,935	\$ 273,875,661	99.22%
2003/2004	273,222,115	32,541,628	305,763,743	258,444,557	94.59%	12,981,829	271,426,386	99.34%
2004/2005	288,178,852	28,464,904	316,643,756	273,199,691	94.80%	13,903,872	287,103,563	99.63%
2005/2006	282,849,186	28,038,048	310,887,234	268,658,332	94.98%	14,813,792	283,472,124	100.22%
2006/2007	275,879,899	31,265,406	307,145,305	259,830,004	94.18%	17,578,853	277,408,857	100.55%
2007/2008	272,851,350	28,852,892	301,704,242	259,904,717	95.26%	13,535,836	273,440,553	100.22%
2008/2009	268,405,061	24,986,543	293,391,604	255,494,652	95.19%	11,893,488	267,388,140	99.62%
2009/2010	268,360,431	23,906,442	292,266,873	250,349,774	93.29%	9,796,207	260,145,981	96.94%
2010/2011	269,901,539	23,031,728	292,933,267	256,290,793	94.96%	11,297,992	267,588,785	99.14%
2011/2012	258,680,233	20,673,734	279,353,967	247,079,287	95.52%	11,218,173	258,297,460	99.85%
<b>Totals</b>	<b>\$ 2,734,349,837</b>	<b>\$ 264,256,422</b>	<b>\$ 2,998,606,259</b>	<b>\$ 2,593,126,533</b>		<b>\$ 127,020,977</b>	<b>\$ 2,720,147,510</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)</sup>	Per Capita <sup>(1)</sup>
	General Obligation Bonds Voted	General Obligation Bonds Unvoted	Special Assessment Bonds	General Obligation Notes	Loan Contracts	State Loans	Metropolitan Sewer District Revenue Bonds	Parking Facility Revenue Bonds	Sales Tax Bonds	Parking Facility General Obligation Bonds	Metropolitan Sewer District Loans	Riverfront Development State Loans			
2003	\$ 15,110	\$ 117,450	\$ 3,805	\$ 19,490	\$ 5,381	\$ -	\$ 490,975	\$ 24,020	\$ 616,222	\$ 9,120	\$ 17,735	\$ -	\$ 1,319,308	4.19%	\$ 1,557
2004	12,790	104,280	4,160	19,490	5,535	-	472,985	23,510	610,122	8,855	23,850	-	1,285,577	3.88%	1,518
2005	10,400	94,790	3,970	19,490	5,353	1,619	536,335	22,970	606,122	8,580	28,503	-	1,338,132	3.95%	1,580
2006	7,930	106,475	3,781	-	5,221	1,359	596,250	22,395	590,802	8,290	29,344	-	1,371,847	3.82%	1,618
2007	5,380	97,990	4,252	-	6,465	3,225	642,570	21,785	581,712	8,265	27,717	-	1,399,361	3.80%	1,635
2008	2,740	97,320	4,200	-	4,791	3,543	613,745	21,140	571,737	7,920	46,170	-	1,373,306	3.66%	1,609
2009	-	101,050	4,600	-	4,661	3,144	733,325	20,455	560,922	7,560	44,718	17,160	1,497,595	4.13%	1,751
2010	-	89,995	4,623	-	4,468	2,607	787,100	19,730	558,782	7,190	93,817	17,160	1,585,472	4.31%	1,976
2011	-	84,187	4,567	-	3,954	2,237	753,580	18,960	558,507	6,800	131,546	17,160	1,581,498	4.21%	1,976
2012	-	76,257	4,566	-	3,778	1,896	718,330	18,145	557,381	6,395	204,040	16,415	1,607,203	4.06%	2,004

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.

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

(Amounts in Thousands)

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Debt Limitation of Assessed Valuation</b>	\$ 462,125	\$ 466,596	\$ 465,426	\$ 521,376	\$ 514,682	\$ 502,556	\$ 504,379	\$ 503,958	\$ 497,680	\$ 454,723
<b>Total Net Debt Applicable to Debt Limitation</b>	117,956	105,615	78,554	93,289	85,365	84,827	88,756	80,541	71,537	69,648
<b>Legal Debt Margin Remaining</b>	<u>\$ 344,169</u>	<u>\$ 360,981</u>	<u>\$ 386,872</u>	<u>\$ 428,087</u>	<u>\$ 429,317</u>	<u>\$ 417,729</u>	<u>\$ 415,623</u>	<u>\$ 423,417</u>	<u>\$ 426,143</u>	<u>\$ 385,075</u>
<b>Total Net Debt Applicable to Debt Limitation as a Percentage of Debt Limitation</b>	25.52%	22.64%	16.88%	17.89%	16.59%	16.88%	17.60%	15.98%	14.37%	15.32%

**Legal Debt Margin Calculation for Fiscal Year 2012—Total Debt Limit**

<b>Assessed Valuation</b>	\$ 18,248,919
<b>Debt Limitation of Assessed Valuation<sup>(1)</sup></b>	454,723
<b>Debt Applicable to Limit: Outstanding Debt</b>	1,590,591
<b>Less: Debt Exempt from Calculation</b>	
Metropolitan Sewer District Bonds	718,330
Metropolitan Sewer District Loans	204,040
Special Assessments	4,566
Juvenile Youth Center	2,115
Waterline West Phase I	935
Alms & Doepke Building	3,691
Waterline West Phase II	910
Sales Tax Supported Bonds	557,381
Parking Garage Revenue Bond	18,145
Urban Redevelopment	5,475
<b>Total Debt Exempt from Calculation</b>	<u>1,515,588</u>
<b>Less: Available Funds in Debt Service Funds as of December 31, 2012</b>	<u>(5,355)</u>
<b>Total Net Debt Applicable to Debt Limitation</b>	<u>69,648</u>
<b>Legal Debt Margin Remaining</b>	<u>\$ 385,075</u>

Source: Hamilton County Auditor's Finance Department.

<sup>(1)</sup>The debt limitation is the sum of the following:

three percent (3%) of the first \$100,000,000 of the assessed valuation  
plus one and a half percent (1.5%) of such valuation of \$100,000,000 and not in excess of \$300,000,000  
plus two and a half percent (2.5%) of such valuation in excess of \$300,000,000

\$ 3,000
3,000
448,723
<u>\$ 454,723</u>



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

(Amounts in Thousands)

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Debt Limitation of Assessed Valuation</b>	\$ 185,450	\$ 187,238	\$ 186,771	\$ 209,150	\$ 206,473	\$ 201,622	\$ 202,351	\$ 202,183	\$ 199,672	\$ 182,489
<b>Total Net Debt Applicable to Debt Limitation</b>	102,846	92,825	68,154	84,359	79,985	82,087	88,756	80,541	71,537	69,648
<b>Legal Debt Margin Remaining</b>	<u>\$ 82,604</u>	<u>\$ 94,413</u>	<u>\$ 118,617</u>	<u>\$ 124,791</u>	<u>\$ 126,488</u>	<u>\$ 119,535</u>	<u>\$ 113,595</u>	<u>\$ 121,642</u>	<u>\$ 128,135</u>	<u>\$ 112,841</u>
<b>Total Net Debt Applicable to Debt Limitation as a Percentage of Debt Limitation</b>	55.46%	49.58%	36.49%	40.33%	38.74%	40.71%	43.86%	39.84%	35.83%	38.17%

**Legal Debt Margin Calculation for Fiscal Year 2012—Unvoted Debt Limit**

<b>Assessed Valuation</b>	\$ 18,248,919
<b>Debt Limitation of Assessed Valuation<sup>(1)</sup></b>	182,489
<b>Debt Applicable to Limit: Outstanding Debt</b>	1,590,591
<b>Less: Debt Exempt from Calculation</b>	
Metropolitan Sewer District Bonds	718,330
Metropolitan Sewer District Loans	204,040
Special Assessments	4,566
Juvenile Youth Center	2,115
Waterline West Phase I	935
Alms & Doepke Building	3,691
Waterline West Phase II	910
Sales Tax Supported Bonds	557,381
Parking Garage Revenue Bond	18,145
Urban Redevelopment	5,475
<b>Total Debt Exempt from Calculation</b>	<u>1,515,588</u>
<b>Less: Available Funds in Debt Service Funds as of December 31, 2012</b>	<u>(5,355)</u>
<b>Total Net Debt Applicable to Debt Limitation</b>	<u>69,648</u>
<b>Legal Debt Margin Remaining</b>	<u>\$ 112,841</u>

Source: Hamilton County Auditor's Finance Department.

<sup>(1)</sup>The debt limitation is one percent of the total assessed valuation.

**COUNTY OF HAMILTON, OHIO  
 PLEDGED REVENUE COVERAGE—METROPOLITAN SEWER DISTRICT  
 LAST TEN FISCAL YEARS**

(Amounts in Thousands)

**SEWER REVENUE BONDS**

Fiscal Year	Sewerage Charges and Other	Less: Operating Expenses	Revenues Transferred to Surplus <sup>(1)</sup>	Net Revenue Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2003	\$ 138,388	\$ 79,995	\$ 4,612	\$ 63,005	\$ 16,930	\$ 24,235	1.53
2004	154,440	87,670	8,710	75,480	17,480	24,531	1.80
2005	166,749	88,115	11,241	89,875	20,285	22,938	2.08
2006	181,167	97,005	9,049	93,211	23,130	26,218	1.89
2007	197,583	103,531	10,438	104,490	26,065	29,119	1.89
2008	202,406	101,033	15,716	117,089	28,825	31,037	1.96
2009	209,073	103,825	18,100	123,348	30,235	31,391	2.00
2010	227,040	120,368	18,418	125,090	31,845	37,546	1.80
2011	244,254	111,823	31,090	163,521	33,520	40,635	2.21
2012	260,388	101,418	36,535	195,505	35,250	38,553	2.65

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  
PLEGGED 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</b>	<b>Interest</b>	
2003	\$ 5,021	\$ 3,416	\$ 1,605	\$ 480	\$ 260	2.17
2004	5,596	3,603	1,993	510	285	2.51
2005	6,219	4,307	1,912	540	550	1.75
2006	6,764	4,372	2,392	575	855	1.67
2007	6,481	4,503	1,978	610	816	1.39
2008	6,664	4,299	2,365	645	474	2.11
2009 <sup>(2)(3)</sup>	5,731	3,641	2,090	685	93	2.69
2010	6,612	4,680	1,932	725	49	2.50
2011	6,482	4,667	1,815	770	36	2.25
2012	9,179	6,032	3,147	815	33	3.71

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

<sup>(3)</sup>In October 2009, the County secured a loan for \$5,475 from the State of Ohio for riverfront development. The loan is secured by shared TIF (Tax Increment Financing) revenues of the County and the City of Cincinnati. The loan will be repaid in 2015–2024. Loan interest rates are 0% for the first five years and 3% thereafter.

SPECIAL ASSESSMENT BONDS				SALES TAX BONDS <sup>(4)</sup>						
Special Assessment	Debt Service		Coverage	Sales Tax	Paul Brown Stadium		Baseball Stadium		Coverage	
	Principal	Interest		Collections <sup>(4)</sup>	Debt Service		Debt Service			
Collections	Principal	Interest	Coverage	Collections <sup>(4)</sup>	Principal <sup>(5)</sup>	Interest	Principal	Interest	Coverage	
\$ 456	\$ 250	\$ 201	1.01	\$ 60,385	\$ 1,273	\$ 16,591	\$ 3,602	\$ 4,893	2.29	
501	285	210	1.01	63,435	2,021	18,793	4,079	10,794	1.78	
481	300	217	0.93	64,030	1,325	18,691	2,675	10,589	1.92	
491	265	201	1.05	64,022	1,698	18,631	3,427	10,468	1.87	
468	279	191	1.00	66,232	2,567	17,243	6,523	9,063	1.87	
485	314	217	0.91	65,381	2,955	17,522	7,019	9,002	1.79	
467	310	216	0.89	60,630	3,219	17,372	7,595	8,659	1.65	
512	364	225	0.87	62,172	2,140	17,201	-	8,269	2.25	
498	331	224	0.90	65,044	73,418	15,752	1,273	8,285	0.66	
502	374	216	0.85	66,642	180	16,843	945	8,339	2.53	

<sup>(4)</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>(5)</sup>2011 includes payment of principal on refunded bonds.

**COUNTY OF HAMILTON, OHIO**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

(Amounts in Thousands, Except Per Capita Amount)

<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</b>	<b>Per Capita<sup>(2)</sup></b>
2003	\$ 141,680	\$ 7,502	\$ 134,178	0.25%	\$ 158.33
2004	125,925	6,237	119,688	0.22%	141.36
2005	113,770	3,978	109,792	0.20%	129.60
2006	122,695	3,123	119,572	0.19%	141.06
2007	111,635	2,161	109,474	0.17%	127.90
2008	107,980	2,164	105,816	0.17%	123.98
2009	108,610	2,094	106,516	0.18%	124.57
2010	97,185	2,059	95,126	0.16%	118.56
2011	90,987	8,255	82,732	0.15%	103.37
2012	82,652	5,303	77,349	0.15%	96.44

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 148 for property value data.

<sup>(2)</sup>Population data can be found in the Schedule of Demographic and Economic Statistics on page 163.

**COUNTY OF HAMILTON, OHIO  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population<sup>(1)</sup></b>	<b>Personal Income<sup>(2)</sup></b> (Amounts in Thousands)	<b>Per Capita Personal Income</b>	<b>Annual Average Unemployment Rate<sup>(3)</sup></b>	<b>Median Age<sup>(4)</sup></b>
2003	847,484	\$ 31,468,832	\$ 37,132	5.40%	36.5
2004	846,707	33,147,641	39,149	5.50%	36.7
2005	847,182	33,918,902	40,037	5.40%	37.6
2006	847,656	35,914,206	42,369	5.00%	37.8
2007	855,928	36,835,038	43,035	5.00%	38.0
2008	853,508	37,484,285	43,918	5.60%	38.6
2009	855,062	36,248,694	42,393	8.90%	36.8
2010	802,374	36,770,921	45,828	9.50%	37.1
2011	800,362	37,522,065	46,881	8.60%	37.3
2012	802,038	39,631,501	49,413	7.00%	37.3

Data Sources:

<sup>(1)</sup>U.S. Department of Commerce, Bureau of the Census, 2003–2012 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, 2003–2012 American FactFinder Fact Sheets

**COUNTY OF HAMILTON, OHIO  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<b>Name of Employer<sup>(1)(2)</sup></b>	<b>2012</b>			<b>2003<sup>(3)</sup></b>		
	<b>Number of Employees<sup>(1)</sup></b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Kroger Company	20,646	1	5.55%	13,000	3	3.25%
University of Cincinnati	15,329	2	4.12%	15,400	1	3.85%
Cincinnati Children's Hospital Medical Center	12,564	3	3.38%	7,029	9	1.76%
Procter & Gamble Company	12,000	4	3.23%	13,000	4	3.25%
TriHealth Incorporated	10,400	5	2.80%	7,055	8	1.76%
Catholic Health Partners/Mercy Health Partners	8,940	6	2.40%	6,785	10	1.70%
UC Health (fna: Health Alliance of Greater Cincinnati Inc.)	8,670	7	2.33%	13,139	2	3.28%
General Electric Aviation	7,500	8	2.02%	6,500		1.62%
Fifth Third Bancorp	7,180	9	1.93%	7,800	5	1.95%
Archdiocese of Cincinnati	7,000	10	1.88%	-		0.00%
City of Cincinnati	-		-	7,223	7	1.81%
Cincinnati Public Schools	-		-	7,335	6	1.83%
<b>Total Principal Employers</b>	<b>110,229</b>		<b>29.64%</b>	<b>104,266</b>		<b>26.06%</b>
<b>Total County Employed<sup>(2)</sup></b>	<b>371,900</b>			<b>400,100</b>		

Data Sources:

<sup>(1)</sup>Cincinnati Business Courier 2013 Book of Lists

<sup>(2)</sup>Ohio Department of Job and Family Services, Labor Market Information

<sup>(3)</sup>Cincinnati Business Courier 2004 Book of Lists



**COUNTY OF HAMILTON, OHIO  
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009 <sup>(14)</sup>	2010 <sup>(16)</sup>	2011 <sup>(16)</sup>	2012
General Government <sup>(1)(2)(10)(13)</sup>	471.33	488.51	477.45	478.27	494.52	522.21	499.69	427.13	413.50	417.02
Judicial <sup>(2)(10)(13)(16)</sup>	1,722.81	1,727.74	1,725.57	1,719.26	1,686.15	1,672.62	1,450.13	1,298.06	1,115.30	1,109.65
Public Safety <sup>(2)(10)</sup>	1,183.61	1,179.35	1,185.81	1,230.90	1,202.36	1,170.15	950.33	963.21	1,007.99	1,045.23
Social Services <sup>(2)(10)(16)</sup>	1,665.65	1,665.90	1,660.65	1,660.65	1,680.65	1,637.65	1,445.80	949.69	817.69	801.56
Health <sup>(2)(7)(9)</sup>	719.51	710.56	725.05	648.76	648.66	654.67	659.76	678.45	630.18	630.84
Public Works <sup>(15)</sup>	234.31	235.31	235.31	231.65	231.65	220.65	191.60	208.20	209.05	210.20
Environmental Control <sup>(2)</sup>	61.83	62.41	62.41	61.89	59.59	59.59	59.90	55.35	10.27	9.06
Economic and Community Development <sup>(2)(8)(15)</sup>	27.50	27.50	28.50	7.50	7.50	6.25	14.19	0.29	-	-
Recreational Activities <sup>(4)(5)</sup>	-	-	-	-	-	-	1.00	0.10	4.19	5.20
Metropolitan Sewer District <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-
Paul Brown Stadium <sup>(4)</sup>	27.60	27.60	27.55	28.55	29.50	28.01	27.81	26.22	26.21	26.60
Baseball Stadium <sup>(5)</sup>	5.00	3.50	2.85	2.85	1.75	1.00	1.00	1.07	0.47	-
Riverfront Development <sup>(6)</sup>	-	-	-	-	-	-	-	2.47	0.60	0.87
Main Street Parking Garage <sup>(6)</sup>	-	-	-	-	-	-	-	-	-	-
Rotary Funds <sup>(11)</sup>	103.00	107.00	107.00	109.00	107.00	108.00	106.00	103.00	35.00	-
Communications Center	90.00	90.00	91.00	91.00	93.00	94.00	93.00	91.00	84.00	76.42
Workers' Compensation Reserve for Stadiums <sup>(12)(17)</sup>	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-
<b>Total</b>	<b>6,314.15</b>	<b>6,327.38</b>	<b>6,331.15</b>	<b>6,272.28</b>	<b>6,244.33</b>	<b>6,176.80</b>	<b>5,502.21</b>	<b>4,806.24</b>	<b>4,356.45</b>	<b>4,332.65</b>

Sources: Hamilton County, Ohio 2001-2012 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 this agency 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>Great American Ball Park baseball stadium personnel are managed by the Cincinnati Reds.

<sup>(6)</sup>Parking facilities personnel services are provided via management contract.

<sup>(7)</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>(8)</sup>In 2006, the Section 8 housing program transferred to the Cincinnati Metropolitan Housing Authority.

<sup>(9)</sup>During 2006, the department functions of Treatment Alternatives to Street Crime transitioned to community-based agencies.

<sup>(10)</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>(11)</sup>The County is fully reimbursed for Sheriff's Township Patrol services.

<sup>(12)</sup>Employees who service the Workers' Compensation Reserve for Stadiums internal service fund are employed by the Board of County Commissioners.

<sup>(13)</sup>Court of Appeals staff are employees of the State of Ohio.

<sup>(14)</sup>The 675 positions reduced in 2009 resulted primarily from budget reductions shared across most departments.

<sup>(15)</sup>In 2009, Community Development, Building Inspections, Public Works, Regional Planning and Regional Zoning combined to form the Planning and Development Department (General Government).

<sup>(16)</sup>The 696 positions reduced in 2010 and the 450 in 2011 resulted primarily from budget reductions in the Judicial and Social Services functions.

**COUNTY OF HAMILTON, OHIO  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

FUNCTION/PROGRAM	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>										
General Government										
Auditor										
Non-Exempt Property Conveyances	21,682	23,112	23,304	22,132	19,509	16,772	15,060	14,649	14,349	14,333
Exempt Property Conveyances	13,569	12,800	12,501	12,079	11,974	11,038	10,217	9,403	10,066	10,688
Parcels Assessed or Reappraised at Market Value	348,919	340,438 <sup>(3)</sup>	341,932 <sup>(2)</sup>	343,479	345,712	347,481 <sup>(1)</sup>	347,587	348,148	348,360	348,362
Dog and Kennel Licenses Issued	61,349	61,229	58,744	57,764	56,781	58,942	61,833	59,316	60,298	59,045
Weights and Measures Inspections and Tests Performed	32,711	33,612	38,822	33,757	47,867	31,837	38,983	14,365	- <sup>(14)</sup>	-
Board of Elections										
Voter Registrations and Changes Processed	55,000	185,066 <sup>(4)</sup>	49,893	77,300	52,283	177,515	50,294	43,490	82,037	146,758
Building Inspections										
Building Inspections Performed	23,538	22,396	22,688	21,184	22,171	21,098	18,893	13,566	12,708	12,699
Building Permits Issued	5,343	7,266	6,933	4,847	4,402	3,960	9,361	10,125	9,942	9,263
Recorder										
Deeds Filed	40,338	38,550	36,013	34,272	31,314	27,952	25,206	23,758	22,788	24,053
Mortgages Filed	118,445	79,432	66,813	59,443	47,849	36,771	43,031	39,184	35,862	42,425
Treasurer										
Tax Bills Processed	284,000	284,500	283,500	285,000	283,000	285,000	289,000	286,500	291,600	294,700
Judicial										
Court of Appeals										
Overall New Cases <sup>(5)</sup>	1,013	949	1,036	1,121	931	1,326	947	872	899	915
Criminal New Cases <sup>(5)</sup>	607	566	641	670	591	971	587	521	480	506
Civil New Cases <sup>(5)</sup>	300	233	239	291	227	221	229	234	276	266
Court of Common Pleas										
Overall New Cases <sup>(5)</sup>	22,725	23,556	23,995	24,819	25,329	25,229	24,845	24,455	23,041	22,447
Criminal New Cases <sup>(5)</sup>	10,221	10,518	10,173	10,722	11,024	10,287	9,224	9,078	9,072	8,920
Civil New Cases <sup>(5)</sup>	12,504	13,038	13,822	14,097	14,305	14,942	15,621	15,377	13,969	13,527
Court of Domestic Relations										
Overall New Cases <sup>(5)</sup>	13,570	13,817	9,216	9,526	8,356	7,837	7,560	6,699	6,479	6,061
Juvenile Court										
Overall New Cases <sup>(5)</sup>	41,640	46,217	47,668	48,647	40,204	37,681	33,199	30,681	28,355	28,109
Hearings Conducted	140,543	151,447	164,283	163,890	153,339	143,653	128,764	120,169	120,028	118,853
Municipal Court										
Overall New Cases <sup>(5)</sup>	336,053	349,017	319,191	312,927	320,351	354,811	332,902	319,097	316,812	206,611
Probate Court										
Overall New Cases <sup>(5)</sup>	6,564	6,715	6,508	6,829	6,584	6,697	6,564	6,458	6,606	6,632
Public Safety										
Coroner										
Autopsies Performed	1,102	1,090	1,032	997	1,026	1,000	898	860	922	909
Prosecutor										
Criminal Misdemeanor and Felony Arraignments	39,975	42,364	42,982	43,000	43,200	43,300	44,184	40,719	41,426	39,384
Formal Opinions and Letters of Advice to County Agencies	101	104	107	102	100	105	49	37	42	26
Property Foreclosure Cases	2,200	2,961	3,300	3,750	3,750	3,750	4,767	7,843	5,848	5,833
Sheriff										
Inmates Housed	42,710	43,748	44,468	50,727	49,921	46,000	42,000	40,000	38,626	36,653
Prisoners Transported	4,593	4,851	4,916	4,815	4,815	4,482	3,615	3,333	3,059	3,077
Courtroom Security Provided (Hours)	43,922	51,364	49,842	51,576	53,123	51,928	46,126	43,960	55,472	55,038
Major Crime Cases Investigated	3,015	3,229	3,776	4,120	4,125	4,130	7,245	6,835	6,713	6,260
Social Services										
Job and Family Services—DJFS (Human Services)										
Cash Assistance Recipients (Monthly Average)	20,284	21,001	20,043	17,045	17,169	17,644	26,496	25,301	20,326	17,570
Food Stamp Assistance Recipients (Monthly Average)	63,341	70,245	74,898	77,123	72,419	76,057	119,189	137,148	129,281	135,280
Medicaid Participants (Monthly Average)	116,803	121,472	120,348	121,084	127,242	128,259	142,116	156,494	154,768	171,131
Subsidized Child Care Recipients (Monthly Average 2006-2009)	27,707	25,666	25,124	12,999	12,986	14,121	14,034	15,451	19,292	88,652
Children's Services Recipients	18,584	16,108	15,679	17,460	17,717	16,469	15,422	15,831	16,964	16,912
Child Support Collections (Millions)	\$ 153.8	\$ 154.9	\$ 152.4	\$ 155.0	\$ 142.0	\$ 154.6	\$ 143.0	\$ 126.0	\$ 129.6	\$ 129.6
Workforce Development Admissions (Includes Reapplications) <sup>(6)</sup>	12,540	12,972	13,430	3,182	3,602	3,278	5,129	13,810	14,500	28,738
Health										
Board of Mental Retardation										
Eligible Individuals Served <sup>(7)</sup>	5,185	5,344	5,679	5,638	7,243	7,931	16,051	15,443	16,585 <sup>(15)</sup>	16,689

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Works										
County Engineer										
Bridges Constructed/Repaired	3	3	5	8	3	11	2	6	2	2
Landslides Stabilized	3	4	4	1	1	2	-	-	5	8
Roads Resurfaced (Number)	32	41	28	20	20	- <sup>(8)</sup>	21	24	4	11
Roads Resurfaced (Miles)	24	33	18	14	10	- <sup>(8)</sup>	12	18	3	8
Public Works										
Permits Processed for Storm Review and FEMA Regulations	2,686	2,399	2,395	2,048	1,879	2,000	1,461	1,783	1,610	1,732
Environmental Control										
Environmental Services										
Material Recycled (Tons)	38,000	33,004	34,342	33,496	31,985	34,500	36,615	39,885	45,498	43,590
<b>FUNCTION/PROGRAM</b>										
<b>Business-Type Activities</b>										
Metropolitan Sewer District										
Sewer Connections	225,285	225,971	225,889	228,512	229,226	229,943	228,133	229,452	231,100	229,808
Wastewater Collected and Treated (Millions of Gallons)	79,317	81,143	74,010 <sup>(9)</sup>	67,966	66,038	67,264	60,800	58,746	73,008	54,785
Paul Brown Stadium										
Game Attendance (Total)	479,488	524,248	524,468	527,870	526,320	516,663	575,718	482,917	394,009	489,504
Game Attendance (Average)	59,936	65,531	65,559	65,984	65,790	64,583	63,969	60,365	49,251	61,188
Baseball Stadium										
Game Attendance (Total)	2,355,259	2,287,250	1,943,157	2,134,607	2,058,593	2,058,632	1,747,919	2,060,550	2,213,498	2,347,251
Game Attendance (Average)	29,077	28,238	23,696	26,353	25,415	25,415	21,579	25,439	27,327	28,978
Riverfront Development										
Parking Spaces Managed	5,541	6,309 <sup>(10)</sup>	6,317	6,317	6,317	6,317	6,317	7,077	7,641	7,768
Main Street Parking Garage										
Parking Spaces Managed	700	700	700	700	700	700	700	700	694	694
Rotary Funds										
Sheriff's Road Patrol Division										
Townships Served	8	8	8	7	7	7	7	6	7	7
Central Warrants/Identification Division										
Expungements Processed	1,702	1,855	1,338	2,095	2,184	2,565	1,846	1,862	2,847	3,566
Warrants/Capias Processed	95,885	116,900	131,166	138,090	144,059	147,637	184,546	185,012	155,464	143,354
Offender Fingerprints Processed	43,563	58,400	62,780	58,806	54,693	49,945	46,561	45,442	53,796	49,785
Public Fingerprint Services Provided	13,380	18,530	14,350	14,498	15,755	27,079	26,240	20,537	19,215	26,240
Communications Center										
Emergency 911 Telephone Calls Processed	927,869 <sup>(11)</sup>	919,841	897,327	899,202	900,000	902,000	766,452	589,542	745,139	688,817
Police, Fire and Rescue Unit Calls Processed	460,767	445,286	450,875	555,777	585,000	587,000	598,359	580,428	570,475	547,852
Workers' Compensation Reserve for Stadiums										
Claims Managed	30 <sup>(13)</sup>	35 <sup>(13)</sup>	16 <sup>(13)</sup>	10 <sup>(13)</sup>	5 <sup>(13)</sup>	8 <sup>(13)</sup>	6 <sup>(13)</sup>	5 <sup>(13)</sup>	4 <sup>(12)</sup>	4 <sup>(12)</sup>

Sources: Hamilton County, Ohio, 2001-2012 Budgets  
Hamilton County Auditor  
Various Hamilton County Departments  
Hamilton County Job and Family Services, 1996-2005  
Supreme Court of Ohio  
<http://www.hcjfs.hamilton-co.org>, 2006-2010  
<http://www.hcso.org/GeneralInformation/AnnualReport.pdf>  
<http://www.sconet.state.oh.us/Publications/default.asp>  
<http://www.bengals.com/team/history>  
<http://www.baseball-reference.com/teams/CIN/attend.html>

<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 that connects to the Secretary of State's statewide voter registration database.

<sup>(5)</sup>The number includes new cases docketed, transferred in or reactivated as reported to the Supreme Court of Ohio.

<sup>(6)</sup>Southwest Ohio Career Resource network became The Super Jobs Center in April of 2005; services changeover affected total individuals placed.

<sup>(7)</sup>For fiscal years 2000-2008, the number of eligible individuals served is an unduplicated count of individuals served per year and does not represent the number of services provided to those individuals.

For fiscal years 2009-2010, the number of eligible individuals served includes some individuals who received more than one service per year.

<sup>(8)</sup>No resurfacing occurred due to budget constraints.

<sup>(9)</sup>Yearly rainfall levels result in variances in amounts of wastewater collected and treated.

<sup>(10)</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>(11)</sup>In April of 2003, the County brought on line a state-of-the-art 800 MHz public safety radio system that enables local law enforcement officials to talk to each other when on scene.

<sup>(12)</sup>The number represents management of workers' compensation claims for Paul Brown Stadium and Great American Ball Park.

<sup>(13)</sup>The number represents management of workers' compensation claims for Great American Ball Park.

<sup>(14)</sup>Compilation of Activity Report ended in 2011.

<sup>(15)</sup>Revised figure.

**COUNTY OF HAMILTON, OHIO  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b><u>FUNCTION/PROGRAM</u></b>	<b>FISCAL YEAR</b>									
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b><u>Governmental Activities</u></b>										
General Government										
Properties <sup>(1)(8)</sup>	9	8	7	6	8	8	8	8	8	5
Judicial										
Properties <sup>(1)</sup>	11	11	10	10	10	10	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)	1	1	1	1	1	1	1	1
Emergency Warning Sirens	188	188	189	189	195	195	195	195	199	199
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	3	3	3	3
Social Services										
Job and Family Services										
Properties <sup>(1)</sup>	3	4	4	4	4	4	4	4	3	3
Health										
Developmental Disabilities Services (DDS)										
Properties <sup>(1)</sup>	12	12	12	13	13	13	13	12	12	12
Mental Health and Recovery Services Board <sup>(5)</sup>										
Properties <sup>(1)</sup>	70	70	69	64	64	62	64	64	63	63
Public Works										
Maintenance Facility	1	1	1	1	1	1	1	1	1	1
Maintenance Vehicles and Equipment	23	23	30	30	30	30	29	30	31	31
County Engineer										
County Roads Maintained (Miles)	504	504	504	504	504	544	544	532	532	504
Maintenance Facilities	6	6	6	6	6	6	6	6	6	6

<u>FUNCTION/PROGRAM</u>	<u>FISCAL YEAR</u>									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b><u>Business-Type Activities</u></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	2,994	2,994	2,994	2,990
Paul Brown Stadium <sup>(6)</sup>										
Paul Brown Football Stadium	1	1	1	1	1	1	1	1	1	1
Parking Garage	1	1	1	1	1	1	1	1	1	1
Baseball Stadium <sup>(6)</sup>										
Great American Ballpark Baseball Stadium	1	1	1	1	1	1	1	1	1	1
Hall of Fame Museum	<sup>(6)</sup>	1	1	1	1	1	1	1	1	1
Team Store	<sup>(6)</sup>	1	1	1	1	1	1	1	1	1
Riverfront Development										
Parking Garages	3	3	3	3	3	3	3	3	4	4
Surface Parking Lots	5	5	5	5	5	5	5	5	5	5
Main Street Parking Garage										
Alms & Doepke Parkhaus Parking Garage	1	1	1	1	1	1	1	1	1	1
Communications Center										
911 Communications Center	1	1	1	1	1	1	1	1	1	1
Radio Towers <sup>(7)</sup>	15	15	15	15	15	15	15	15	15	15
Emergency Alert System	-	-	-	-	-	-	-	-	1	1

Sources: Hamilton County, Ohio, 2000-2008 Budgets  
Hamilton County Auditor  
Various Hamilton County Departments

Note: No capital asset indicators are available for the following functions/programs:  
(1) the Environmental Control, Economic Development and Parks and Recreation functions  
(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, formerly a leased property, closed in December 2008. 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. In March of 1996, Hamilton County voters approved a half-cent sales tax increase to build new stadiums for both the Cincinnati Bengals and the Cincinnati Reds. 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.

<sup>(8)</sup>Hamilton County sold Drake Hospital and the former Kahn's Meat Packing Facilities in 2012.

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# Dave Yost • Auditor of State

## HAMILTON COUNTY FINANCIAL CONDITION

### HAMILTON COUNTY

#### CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MARCH 18, 2014

**APPENDIX VII**  
**Ohio Department of Transportation**  
**ODOT-STATE INFRASTRUCTURE BANK ANNUAL FINANCIAL REPORT**  
**Available As of June 30, 2014**

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# OHIO DEPARTMENT OF TRANSPORTATION

State Infrastructure Bank

## Annual Financial Report Federal Fiscal Year 2013

(October 2012 - September 2013)



John Kasich, Ohio Governor

Jerry Wray, ODOT Director



**INTRODUCTION** ..... 1

**ORGANIZATIONAL CHART** ..... 2

**FINANCIAL SECTION**

    Statement of Revenues and Expenditures..... 3

    Balance Sheet..... 3

**LOAN/BOND SECTION**

    Franklin County ..... 4

    City of Coshocton ..... 5

    Lorain County ..... 6

    Twinsburg Township ..... 7

    Village of McComb ..... 8

    City of Lorain ..... 9

    City of Lorain ..... 10

    City of Lorain ..... 11

    City of Lorain ..... 12

    Erie-Ottawa Regional Airport Authority..... 13

    City of Westlake ..... 14

    Dayton-Montgomery County Port Authority ..... 15

**ACTIVE PROJECT LIST** ..... 16-18

**GRAPHS**

    SIB Balances Available to Loan ..... 19

    State Infrastructure Bank Loans/Bonds ..... 20

    Modes of Loans/Bonds..... 21

**SIB PROJECT INFO**

    State Infrastructure Bank Projects ..... 22

    State Infrastructure Bank Projects Map ..... 23

**SIB PROJECT MAPS**

    SIB Loans/Bonds by ODOT District ..... 24

    SIB Loan/Bond Locations..... 25

**SIB ANNUAL STATEMENT DISTRIBUTION LIST**..... 26

## **State Infrastructure Bank Annual Financial Report**

The Ohio Department of Transportation is pleased to present the Federal Fiscal Year (FFY) 2013 State Infrastructure Bank (SIB) Annual Financial Report.

This report contains a financial statement of the SIB and summaries for loans that were approved by the loan committee during the federal fiscal year (October 2012-September 2013).

The portfolio of the FFY 2013 SIB had twelve loans totaling \$30.8 million. Since the beginning of the program, the Ohio SIB has issued 150 loans and 3 bond issuances totaling \$457.8 million.

The Ohio SIB has been audited for State Fiscal Year 2012 by the State of Ohio Auditor's office and complies with the Single Audit Act.

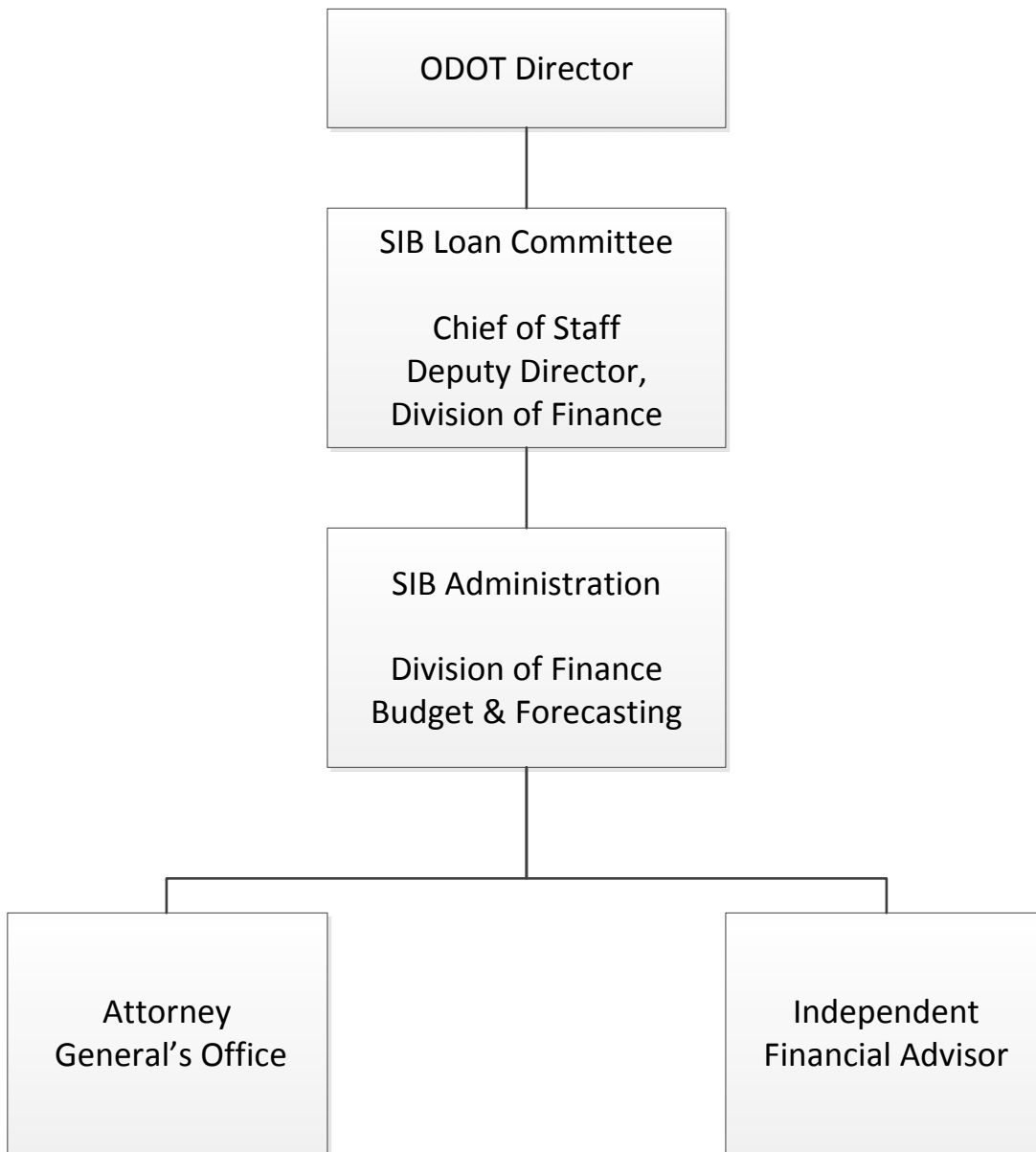
To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the Ohio State Infrastructure Bank.



# Ohio Department of Transportation

## State Infrastructure Bank

### Organizational Chart



OHIO DEPARTMENT OF TRANSPORTATION  
STATE INFRASTRUCTURE BANK  
FUNDS 2120 AND 2130  
COMBINED STATEMENT OF REVENUES AND EXPENDITURES IN FUND BALANCES  
FOR FEDERAL YEAR ENDING SEPTEMBER 30, 2013

<b><u>Beginning Cash Balance</u></b>		\$127,572,172
<b><u>Revenues</u></b>		
Investment Earnings		350,354
Principal Loan Repayment (FHWA)		3,468,085
Interest Payment on Loan (FHWA)		481,827
Principal Loan Repayment (GRF)		2,066,694
Interest Payment on Loan (GRF)		444,997
Principal Loan Repayment (2nd Generation)		15,940,912
Interest Payment on Loan (2nd Generation)		1,722,128
Principal Loan Repayment (State Motor Fuel)		3,107,236
Interest Payment on Loan (State Motor Fuel)		239,221
Administrative Fees		43,073
<b>Total Revenues</b>		\$27,864,528
<b><u>Expenditures</u></b>		
Administrative		4,000
Federal Highway Funds		1,898,733
General Revenue Funds		2,391,190
Motor Fuel Tax Funds		492,295
Second Generation/Title 23 Funds		992,835
<b>Total Expenditures</b>		\$5,779,052
<b><u>Ending Cash Balance</u></b>		\$149,657,648

STATE INFRASTRUCTURE BANK  
BALANCE SHEET FOR FUNDS 2120 AND 2130  
FOR FEDERAL YEAR ENDING SEPTEMBER 30, 2013

**Assets and Other Debits:**

<b><u>Assets:</u></b>	
Uncommitted Cash	\$106,093,917
Cash Reserve - Current Year Debt Service - Title 23 & GRF	\$1,085,855
Cash Reserve for Approved Loans Already Encumbered	9,523,063
Cash Reserve for Approved Loans Not Yet Encumbered	32,954,813
<b>Total Cash on Hand:</b>	\$149,657,648

<b><u>Receivables:</u></b>	
Loans Already Disbursed	
Principal Due	\$68,261,089
Interest Due	9,744,128
Administrative Fees	88,336
<b>Total:</b>	\$78,093,553

**Total Assets:** \$227,751,201

**Equity:**

<b><u>Original Seed Money:</u></b>	
Federal	\$87,000,000
GRF	40,000,000
Motor Fuel Tax	10,000,000
<b>Total:</b>	\$137,000,000

Investment Earnings	\$53,986,738
Interest from Loans	36,764,463

**Total Equity:** \$227,751,201



**LOAN AGREEMENT SUMMARY**

**PROJECT CHARACTERISTICS**

Name of Project: West Broad Street Reconstruction

This project entails the widening of a 7,300 foot portion of U.S. Route 40 (West Broad Street) from the present varying number of lanes to a five lane roadway. The reconstruction will include new curb and gutters, sidewalks, storm sewer and median islands. A relocation of the waterline will require approximately 2,000 linear feet of infrastructure and associated fittings, valves and other related apparatuses.

Borrower: Franklin County  
 Total Project Cost: \$4,412,339  
 Construction/Procurement Date: April 2013  
 Project Completion Date: June 2014  
 PID Identification: 83018  
 STIP Identification: 2012stipID1693FDCO  
 SIB Identification: 130007

**LOAN CHARACTERISTICS**

Date of Loan: March 11, 2013  
 Amount of Loan: \$402,000  
 Interest Rate: 3%  
 Term: 10 years  
 Purpose of Loan: Construction of waterline infrastructure for road project  
 Primary Repayment Source: Water and Sewer Fund  
 SIB Funding Source: Federal 80%  
 Motor Fuel Tax 20%

**TOTAL FUNDING SOURCES**

Safety Funds \$1,582,207  
 Preservation Funds \$2,037,310  
 Enhancement Funds \$ 390,822



**LOAN AGREEMENT SUMMARY**

**PROJECT CHARACTERISTICS**

Name of Project: Chestnut Street Repaving

The project includes pavement planning, resurfacing, spot pavement repair, and the installation of curb ramps for approximately 9,900 feet from the N. Third Street to the East Corporation line of the city. Chestnut Street is the main thruway in Coshocton.

Borrower: City of Coshocton  
 Total Project Cost: \$1,161,977  
 Construction/Procurement Date: June 2013  
 Project Completion Date: October 2013  
 PID Identification: 91966  
 STIP Identification: 2012AM04ID0416FDCO  
 SIB Identification: 130010

**LOAN CHARACTERISTICS**

Date of Loan: June 3, 2013  
 Amount of Loan: \$202,000  
 Interest Rate: 3%  
 Term: 15 years  
 Purpose of Loan: Construction  
 Primary Repayment Source: City Street Fund  
 SIB Funding Source: Federal 80%  
 Motor Fuel Tax 20%

**TOTAL FUNDING SOURCES**

Small Cities Fund \$862,344  
 Local Funds \$ 97,633





**LOAN AGREEMENT SUMMARY**

**PROJECT CHARACTERISTICS**

---

Name of Project: Redfern Road Bridge

The project involves the replacement of an existing 38 foot single span steel beam located just east of State Route 252 on Redfern Road in Columbia Township, Lorain County, Ohio. The existing 38 foot single span steel beam bridge will be replaced with a new superstructure two-lane bridge. The bridge had been closed to all through traffic due to the failure of the steel beam ends at the west abutment.

Borrower:	Lorain County
Total Project Cost:	\$202,000
Construction/Procurement Date:	September 2013
Project Completion Date:	December 2013
PID Identification:	96368
STIP Identification:	na
SIB Identification:	130011

**LOAN CHARACTERISTICS**

---

Date of Loan:	August, 2013
Amount of Loan:	\$202,000
Interest Rate:	3%
Term:	10 years
Purpose of Loan:	Construction
Primary Repayment Source:	Motor Vehicle Gasoline Tax
SIB Funding Source:	Motor Fuel Tax

**TOTAL FUNDING SOURCES**

---



**LOAN AGREEMENT SUMMARY**

**PROJECT CHARACTERISTICS**

Name of Project: Heights Road Reconstruction Project

The township borrowed monies for a four phase multi-million, multi-year reconstruction project, to replace inferior and poorly constructed roads with improper drainage and no pedestrian circulation. The new roads will conform to current County design standards and include curb, gutter, storm sewers, and sidewalks on both sides of all streets.

Project Sponsor: Twinsburg Township  
 Total Project Cost: \$4,508,000  
 Construction/Procurement Date: September 2013  
 Project Completion Date: December 2014  
 PID Identification: 95359  
 STIP Identification: na  
 SIB Identification: 130008

**LOAN CHARACTERISTICS**

Date of Loan: April 24, 2013  
 Amount of Loan: \$2,932,478  
 Interest Rate: 3%  
 Term: 10 years  
 Purpose of Loan: Construction  
 Primary Repayment Source: General Revenue Fund  
 SIB Funding Source: GRF - \$1,232,478  
 Motor Fuel Tax - \$1,700,000

**TOTAL FUNDING SOURCES**

Ohio Public Works Commission Grants \$1,575,522



**LOAN AGREEMENT SUMMARY**

**PROJECT CHARACTERISTICS**

---

Name of Project: Oliver Street Reconstruction

The loan proceeds will be used on the final phase of Oliver Street reconstruction in the Village. The project includes improvements to the curbs, gutters and repaving of the street and sidewalks.

Project Sponsor: Village of McComb  
 Total Project Cost: \$482,000  
 Construction/Procurement Date: September 2013  
 Project Completion Date: August 2014  
 PID Identification: 96765  
 STIP Identification: na  
 SIB Identification: 140003

**LOAN CHARACTERISTICS**

---

Date of Loan: September 26, 2013  
 Amount of Loan: \$482,000  
 Interest Rate: 3%  
 Term: 15 years  
 Purpose of Loan: Construction  
 Primary Repayment Source: Village Street Maintenance & Repair Fund  
 Special Assessment Street Maintenance Fund  
 SIB Funding Source: Motor Fuel Tax

**TOTAL FUNDING SOURCES**

---



**LOAN AGREEMENT SUMMARY**

**PROJECT CHARACTERISTICS**

---

Name of Project: 5 local roads; improvements and repairs

The loan is for roadway repairs and improvements on 1) Falbo Avenue from W. 30<sup>th</sup> Street to Tower Boulevard, 2) W. 34<sup>th</sup> Street from Falbo Avenue to Amherst Avenue, 3) Cooper Foster Park Road from Oberlin Avenue to South Broadway, 4) Pearl Avenue from North Ridge Road to West 36<sup>th</sup> Street, and 5) Tower Boulevard from Oberlin Avenue to Falbo Avenue. This is a continuing program to bring the City's roads up to an acceptable level of service.

Project Sponsor:	City of Lorain
Total Project Cost:	\$2,458,000
Construction/Procurement Date:	June 2013
Project Completion Date:	September 2014
PID Identification:	96106
STIP Identification:	na
SIB Identification:	130009

**LOAN CHARACTERISTICS**

---

Date of Loan:	December 22, 2011
Amount of Loan:	\$2,458,000
Interest Rate:	3%
Term:	15 years
Purpose of Loan:	Construction
Primary Repayment Source:	Street Levy Income Taxes
SIB Funding Source:	Title 23 Account

**TOTAL FUNDING SOURCES**

---



**LOAN AGREEMENT SUMMARY**

**PROJECT CHARACTERISTICS**

Name of Project: 12 local roadways improvement projects

The project purpose is to rehabilitate or repair twelve local roadways in the City of Lorain. The roads in the city are in an accelerated state of deterioration and this loan assists in the continuing city program to bring the roads to an acceptable level of service.

Borrower: City of Lorain  
 Total Project Cost: \$1,598,489  
 Construction/Procurement Date: November 2012  
 Project Completion Date: May 2014  
 PID Identification: 94662  
 STIP Identification: na  
 SIB Identification: 130004

**LOAN CHARACTERISTICS**

Date of Loan: February 8, 2013  
 Amount of Loan: \$448,489  
 Interest Rate: 3%  
 Term: 10 years  
 Purpose of Loan: Construction  
 Primary Repayment Source: Income Tax and Property Tax Revenues  
 SIB Funding Source: General Revenue Fund

**TOTAL FUNDING SOURCES**

Ohio Public Works Commission grant \$750,000  
 Ohio Public Works Commission loan \$300,000  
 Local Storm Sewer Fund \$100,000



**LOAN AGREEMENT SUMMARY**

**PROJECT CHARACTERISTICS**

Name of Project: Rehabilitation of Washington and Reid Avenues

The project is the rehabilitation and repair of Washington and Reid Avenues within the City of Lorain. The roadways have an accelerated state of deterioration. Along with the rehabilitation, the water lines will be moved from the street to the tree lawns. The project is a continuation of the city's efforts to bring city roads up to an acceptable level of service.

Borrower: City of Lorain  
 Total Project Cost: \$8,237,826  
 Construction/Procurement Date: June 2013  
 Project Completion Date: December 2014  
 PID Identification: 94661  
 STIP Identification: na  
 SIB Identification: 130005

**LOAN CHARACTERISTICS**

Date of Loan: February 8, 2013  
 Amount of Loan: \$1,630,076  
 Interest Rate: 3%  
 Term: 10 years  
 Purpose of Loan: Construction  
 Primary Repayment Source: Income Tax and Property Tax revenues  
 SIB Funding Source: Title 23

**TOTAL FUNDING SOURCES**

Ohio Public Works Commission Grant \$ 750,000  
 Ohio Public Works Commission Loan \$ 300,000  
 Local Water Utility Fund \$5,557,750



**LOAN AGREEMENT SUMMARY**

**PROJECT CHARACTERISTICS**

Name of Project: State Route 611

The purpose of the project is to resurface State Route 611 from U.S. Route 6 to Root Road within the City of Lorain. The ODOT District 3 office determined that the pavement condition rating was low enough to warrant the rehabilitation, reconstruction, and resurfacing of the roadway.

Borrower: City of Lorain  
 Total Project Cost: \$2,017,389  
 Construction/Procurement Date: May 2013  
 Project Completion Date: October 2013  
 PID Identification: 84839  
 STIP Identification: 2012stipID0686FDCO  
 SIB Identification: 130006

**LOAN CHARACTERISTICS**

Date of Loan: February 8, 2013  
 Amount of Loan: \$848,963  
 Interest Rate: 3%  
 Term: 10 years  
 Purpose of Loan: Construction  
 Primary Repayment Source: Income Tax and Property Tax Revenues  
 SIB Funding Source: Federal 80%  
 Motor Fuel Tax 20%

**TOTAL FUNDING SOURCES**

ODOT System Preservation Funds \$1,168,426



**LOAN AGREEMENT SUMMARY**

**PROJECT CHARACTERISTICS**

Name of Project: Four Airport Projects

The loan funds will cover four projects at the airport 1) the construction of a taxiway to support new private development of 14 hangars and the addition of an aviation museum (150x150 hangar), 2) the construction of a customs building, 3) the upgrade of an existing hangar, and 4) the renovation of an existing building to hangar space.

Borrower: Erie-Ottawa Regional Airport Authority  
 Total Project Cost: \$985,750  
 Construction/Procurement Date: September 2013  
 Project Completion Date: April 2014  
 PID Identification: 96809  
 STIP Identification: na  
 SIB Identification: 140002

**LOAN CHARACTERISTICS**

Date of Loan: Closing Pending  
 Amount of Loan: \$985,750  
 Interest Rate: 3%  
 Term: 20 years  
 Purpose of Loan: Construction and Preliminary Engineering  
 Primary Repayment Source: Five Lease Agreements of the airport  
 Secondary Repayment Source: Ottawa County will pledge non-tax revenues  
 SIB Funding Source: General Revenue Fund

**TOTAL FUNDING SOURCES**





**LOAN AGREEMENT SUMMARY**

**PROJECT CHARACTERISTICS**

Name of Project: Crocker Park Expansion  
I-90/State Route 254-Detroit Road/Crocker Road

The city plans to construct a number of public road improvements near the interchange in connection with the construction of the new corporate headquarters facility for American Greetings. The improvements will be to Crocker Road, Main Street, and Corporate Avenue. In addition, a parking garage will be constructed.

Borrower: City of Westlake  
 Total Project Cost: \$52,031,648  
 Construction/Procurement Date: March 2014  
 Project Completion Date: October 2014  
 PID Identification: 94623  
 STIP Identification: n/a  
 SIB Identification: 130003

**LOAN CHARACTERISTICS**

Date of Loan: Closing Pending  
 Amount of Loan: \$8,510,000  
 Interest Rate: 3%  
 Term: 20 years  
 Purpose of Loan: Construction  
 Primary Repayment Source: Tax Increment Financing Revenues  
 Secondary Repayment Source: Senior pledge of Gasoline Tax, Automobile Registration Fees, Motor Vehicle permissive tax  
 SIB Funding Source: Title 23  
 General Revenue Fund

**TOTAL FUNDING SOURCES**

City bond issuance proceeds \$39,521,648  
 Development 629 Grant \$ 1,000,000  
 American Greetings \$ 3,000,000



**LOAN AGREEMENT SUMMARY**

**PROJECT CHARACTERISTICS**

Name of Project: Dog Leg Road Improvement & Relocation  
"Project Titan"

Loan proceeds will be used for roadway improvements and new construction of Dog Leg Road and Jackson Road. The construction of the new road will connect US-40 and Old Springfield Road West of the Dayton International Airport. The existing roadway will be widened and reconstructed. All segments of the new construction and improvements will have curb and gutter and storm sewers.

Borrower: Dayton-Montgomery County Port Authority  
 Total Project Cost: \$13,210,000  
 Construction/Procurement Date: July 2013  
 Project Completion Date: August 2014  
 PID Identification: 92587  
 STIP Identification: n/a  
 SIB Identification: 140001

**LOAN CHARACTERISTICS**

Date of Loan: Closing Pending  
 Amount of Loan: \$11,710,000  
 Interest Rate: 3%  
 Term: 12 years  
 Purpose of Loan: Construction  
 Primary Repayment Source: Tax Increment Financing Revenues  
 Secondary Repayment Source: Senior pledge of Gasoline Tax, Automobile  
 Registration Fees, Motor Vehicle permissive tax  
 SIB Funding Source: Title 23

**TOTAL FUNDING SOURCES**

Montgomery County ED/GE Grant \$500,000  
 Ohio Development 629 Grant \$250,000  
 ODOT Grant – Jobs and Commerce \$250,000  
 ODOT TID Grant \$500,000





Ohio Department of Transportation  
State Infrastructure Bank  
Active Project List ending September 30, 2013

Borrower	Project	Loan / Bond		Loan / Bond Disbursements	Funds Available	Interest Rate	Loan Term Number
		Amount	Disbursements				
Akron Canton Airport Authority	Terminal expansion project	\$6,845,000.00	\$6,845,000.00	\$0.00	\$0.00	3.99%	10 2006-2
Akron Canton Regional Airport Authority	Parking lot construction	\$3,108,000.00	\$2,935,423.12	\$172,576.88	\$0.00	3.00%	10 120003
Akron, City of	US 224 improvements	\$4,323,000.00	\$4,323,000.00	\$0.00	\$0.00	3.00%	10 SB0412
Akron, City of	Cascade Bikeway	\$2,197,000.00	\$2,197,000.00	\$0.00	\$0.00	3.00%	10 SB0417
Akron, City of	Bettes Corners Bridge, Carnegie Bridge, S. Hawkins	\$3,435,500.00	\$3,435,500.00	\$0.00	\$0.00	3.00%	10 SB0418
Alliance, City of	MLK Viaduct Project	\$169,839.36	\$169,839.36	\$0.00	\$0.00	3.00%	10 100005
Ashland, City of	US Route 250 full-depth replacement	\$500,000.00	\$481,057.31	\$0.00	\$0.00	3.00%	10 SB0414
Barberton, City of	State Route 619	\$441,748.00	\$196,377.68	\$0.00	\$0.00	3.00%	10 070008
Canton, City of	Market Street improvements from 2nd St. to 6th St.	\$1,200,000.00	\$1,200,000.00	\$0.00	\$0.00	3.00%	20 SB9807
Cleveland Heights, City of	Taylor Road rehabilitation	\$7,266,000.00	\$306,942.63	\$6,959,057.37	\$0.00	3.00%	10 110002
Cleveland, City of	Fulton Road bridge replacement	\$2,100,000.00	\$2,100,000.00	\$0.00	\$0.00	3.00%	10 060010
Columbus, City of	Main Street bridge replacement	\$15,001,134.00	\$10,758,372.66	\$0.00	\$0.00	3.00%	10 060012
Conneaut, City of	Parrish Road Railroad grade separation	\$564,996.81	\$564,996.81	\$0.00	\$0.00	3.00%	10 SB0502
Coshocton, City of	Chestnut Street repaving	\$202,000.00	\$120,878.18	\$81,121.82	\$0.00	3.00%	12 130010
Cuyahoga County	Crocker Stearns Road	\$8,005,000.00	\$5,126,202.27	\$0.00	\$0.00	3.00%	10 060001
Dayton Montgomery County Port Authority	Austin Road interchange parking garage	\$3,610,000.00	\$3,610,000.00	\$0.00	\$0.00	3.00%	10 100004
Dayton Montgomery Port Authority	Dog Leg Road improvements	\$11,710,000.00	\$0.00	\$11,710,000.00	\$0.00	3.00%	12 140001
Dover, City of	Tuscarawas Avenue bridge	\$1,868,675.00	\$996,657.24	\$0.00	\$0.00	3.00%	10 070001
East Liverpool, City of	State Route 39 resurfacing and local road improvements	\$490,136.00	\$427,681.24	\$62,454.76	\$0.00	3.00%	10 110006
East Liverpool, City of	St. Clair Avenue reconstruction	\$1,081,283.00	\$1,081,283.00	\$0.00	\$0.00	3.00%	10 SB0425
East Palestine, City of	Local street improvements, West North Ave., Grant St.	\$730,746.00	\$712,661.43	\$0.00	\$0.00	3.00%	10 SB0503
Elyria, City of	SR 57 rehab - City portion	\$3,252,000.00	\$3,223,213.10	\$28,786.90	\$0.00	3.00%	10 070813
Erie Ottawa Regional Airport Authority	4 airport hangar projects	\$985,750.00	\$0.00	\$985,750.00	\$0.00	3.00%	20 140002
Fairfield County Airport	Land acquisition for future airport expansion and safety	\$684,528.00	\$684,528.00	\$0.00	\$0.00	3.00%	10 090003
Franklin County	West Broad Street reconstruction	\$402,000.00	\$388,934.45	\$13,065.55	\$0.00	3.00%	10 130007
Gahanna, City of	Tech Center Drive extension and structure over I-270	\$6,347,508.00	\$5,228,016.56	\$0.00	\$0.00	3.00%	5 110004
Geneva, City of	Austin Road RR grade crossing separation	\$427,000.00	\$314,067.60	\$0.00	\$0.00	3.00%	10 070003
Geneva, City of	North Eagle Street rehabilitation	\$74,350.36	\$37,100.18	\$0.00	\$0.00	3.00%	5 100002
Great Lakes Science Center	Construction of an intermodal parking facility	\$7,825,000.00	\$7,616,977.01	\$0.00	\$0.00	3.00%	20 SB9703
Hamilton County	"The Banks" intermodal garage construction	\$11,685,000.00	\$11,681,379.58	\$0.00	\$0.00	3.97%	10 2009-1
Hamilton County	US 22/3 Montgomery Road project	\$3,926,000.00	\$2,988,996.13	\$937,003.87	\$0.00	3.00%	10 SB0501
Harmony Township	Rehabilitation of three township roads	\$232,000.00	\$232,000.00	\$0.00	\$0.00	3.00%	7 090001
Harrison County	CR 29 reconstruct	\$125,788.48	\$125,788.48	\$0.00	\$0.00	3.00%	10 070009
Harrison, City of	New Haven Road widening over I-74	\$547,245.00	\$547,245.00	\$0.00	\$0.00	3.00%	10 060007
Huber Heights, City of	I-70/SR 202 interchange construction	\$2,059,000.00	\$2,059,000.00	\$0.00	\$0.00	3.00%	27 SB0410
Huber Heights, City of	SR 201/I-70 interchange project	\$1,504,000.00	\$807,775.29	\$0.00	\$0.00	3.00%	27 SB0510
Jefferson, Village of	West Mulberry Street extension (SR 307)	\$448,200.00	\$448,200.00	\$0.00	\$0.00	3.00%	10 070005
Johnstown, Village of	Industrial Park extension of Commerce Drive	\$622,000.00	\$622,000.00	\$0.00	\$0.00	3.00%	10 060008

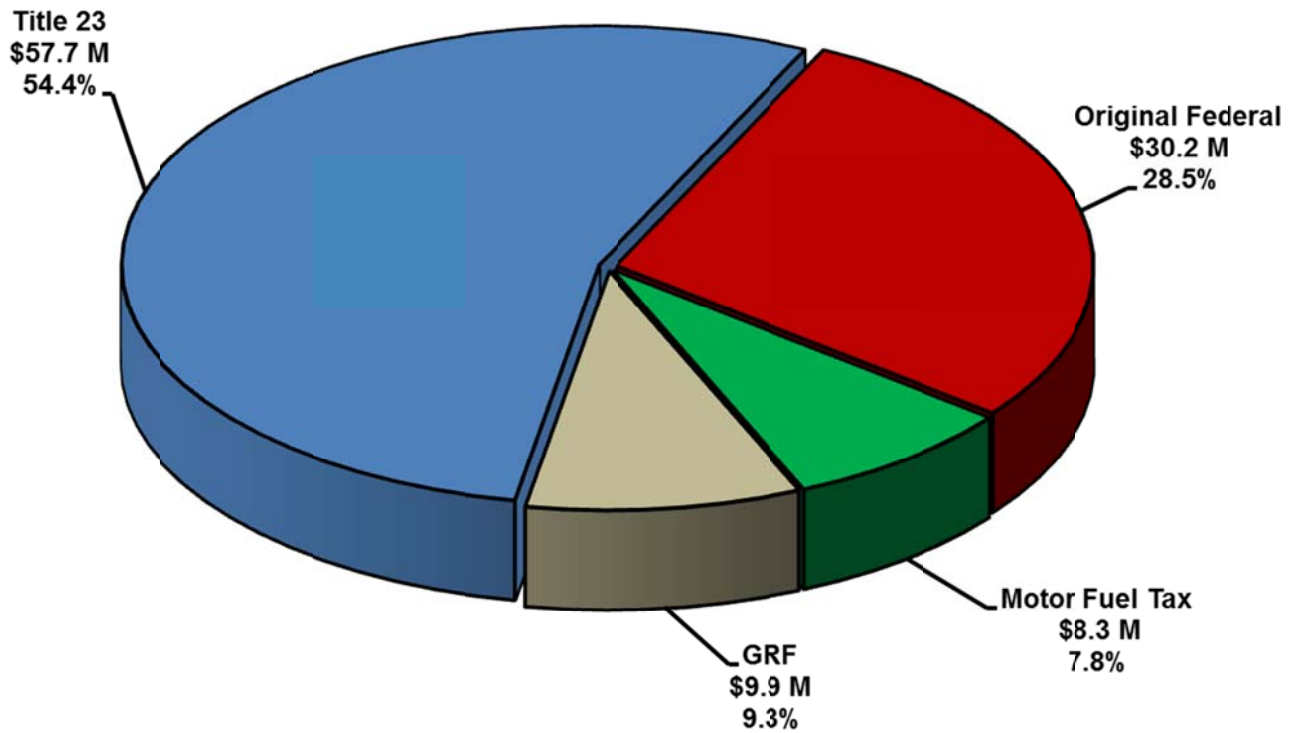
Borrower	Project	Loan / Bond		Funds		Interest		Loan Number
		Amount	Disbursements	Available	Rate	Term		
KYOVA	Chesapeake bypass construction	\$2,203,520.00	\$2,203,520.00	\$0.00	2.00%	10	S80402	
Lake Township	State Route 619	\$2,006,000.00	\$0.00	\$2,006,000.00	3.00%	10	130002	
Lancaster, City of	Improvements to US 33	\$2,020,000.00	\$1,754,781.06	\$0.00	3.00%	10	S80421	
Lawrence County Economic Development/KYOVA	Crane foundation construction	\$2,088,000.00	\$0.00	\$2,088,000.00	3.00%	10	120002	
Lorain County	Redfern Road Bridge	\$202,000.00	\$2,000.00	\$200,000.00	3.00%	10	130011	
Lorain, City of	East 36th Street & local roadways	\$438,482.00	\$438,482.00	\$0.00	3.00%	7	060011	
Lorain, City of	10 local roads rehabilitation	\$302,000.00	\$302,000.00	\$0.00	3.00%	10	080001	
Lorain, City of	North Ridge Road rehabilitation	\$72,635.97	\$72,635.97	\$0.00	3.00%	10	090002	
Lorain, City of	State Route 58 and various local roadways rehab	\$1,166,785.95	\$1,166,785.95	\$0.00	3.00%	10	090007	
Lorain, City of	West 38th, West 39th and Oberlin Avenue rehabilitations	\$409,572.00	\$304,555.73	\$105,016.27	3.00%	10	110003	
Lorain, City of	Rehabilitation of 12 local roads	\$448,489.00	\$378,179.64	\$70,309.36	3.00%	10	130004	
Lorain, City of	Washington & Reid Avenue rehabilitation	\$1,630,076.00	\$6,000.00	\$1,624,076.00	3.00%	10	130005	
Lorain, City of	State Route 611 resurfacing	\$848,963.00	\$149,632.42	\$699,330.58	3.00%	10	130006	
Lorain, City of	Rehabilitation and repair of 5 city roads	\$2,458,000.00	\$8,000.00	\$2,450,000.00	3.00%	15	130009	
Marion, City of	Construction of a new industrial park road	\$2,025,000.00	\$2,020,033.08	\$0.00	3.00%	15	S89802	
Mayfield Village	Completion of SR 90 new road connector	\$3,990,000.00	\$3,990,000.00	\$0.00	3.00%	10	S80419	
Mayfield Village	Construction of new road for Progressive Insurance	\$4,883,268.00	\$3,445,274.65	\$0.00	3.00%	20	S89907	
McComb, Village of	Oliver Street Reconstruction	\$482,000.00	\$2,000.00	\$480,000.00	3.00%	15	140003	
Mentor on the Lake, City of	SR 283 (Andrews Road) - NOACA portion	\$1,842,140.00	\$1,842,140.00	\$0.00	3.00%	5	070A10	
Mentor on the Lake, City of	SR 283 (Andrews Road) - City portion	\$752,000.00	\$751,800.00	\$0.00	3.00%	10	070B10	
Montgomery County	Austin Pike	\$2,508,000.00	\$0.00	\$2,508,000.00	3.00%	10	110007	
Montgomery County TID	Byers Road relocation	\$2,510,990.00	\$2,510,990.00	\$0.00	3.00%	10	110005	
Muskingum County TID	SR 60 improvements	\$11,060,000.00	\$11,060,000.00	\$0.00	3.00%	20	S89908	
Newark, City of	Newark-Waterworks SR 13 Reconstruction	\$3,010,000.00	\$2,129,147.30	\$0.00	3.00%	10	080003	
Pataskala, City of	Summit Road South rehabilitation	\$317,000.00	\$247,771.32	\$0.00	3.00%	10	110001	
Paulding County	CR 144 widening and rehabilitation	\$125,000.00	\$121,398.21	\$0.00	3.00%	10	S80309	
Piqua, City of	CR 25A widening & reconstruction	\$1,192,090.30	\$1,192,090.30	\$0.00	3.00%	10	070006	
Reynoldsburg, City of	US 40/Taylor Road traffic signal improvements	\$250,000.00	\$239,105.00	\$0.00	3.00%	10	S80415	
Ross County	SR 207 environmental	\$875,000.00	\$824,981.49	\$0.00	3.00%	10	S80413	
SCATS	Shuffel Road interchange	\$9,760,000.00	\$9,392,435.59	\$0.00	3.00%	10	S80403	
Stark County	Cleveland Avenue widening	\$5,405,000.00	\$3,649,201.16	\$0.00	3.00%	10	S80308	
Steubenville, City of	State Route 43 widening	\$2,282,292.00	\$2,257,851.16	\$0.00	3.25%	25	S89809	
TMACOG	Martin Luther King Jr. bridge project	\$4,547,300.00	\$4,505,000.00	\$0.00	3.00%	10	S80416	
Toledo, City of	Marina District; Riverside Drive	\$5,010,000.00	\$3,194,079.61	\$1,815,920.39	3.00%	10	080002	
Toledo-Lucas County PA	Toledo Express Airport rental car facility	\$2,010,000.00	\$2,010,000.00	\$0.00	3.00%	7	090004	
Toledo-Lucas County PA	Parking Garages purchase	\$9,430,000.00	\$9,430,000.00	\$0.00	3.97%	20	2011-1	
Twinsburg Township	Heights Road reconstruction	\$2,932,478.00	\$303,628.99	\$2,628,849.01	3.00%	10	130008	
Uhrichsville, City of	North Water Street project	\$735,054.18	\$735,054.18	\$0.00	3.00%	10	070012	
University Heights, City of	University Heights roadway reconstruction	\$682,000.00	\$577,844.93	\$0.00	3.00%	10	090009	



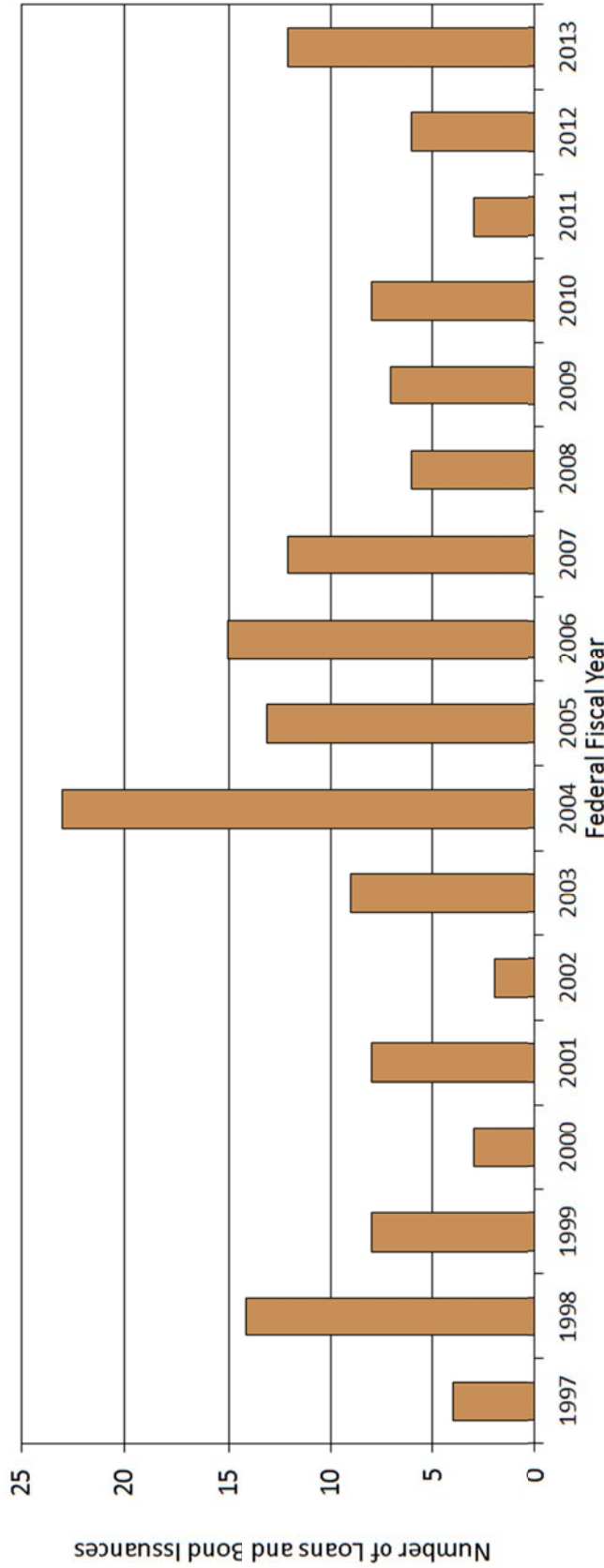
Borrower	Project	Loan / Bond		Loan / Bond		Funds		Interest		Loan Number
		Amount	Disbursements	Available	Rate	Term				
Warren County	US 22/3 Right of Way	\$2,505,000.00	\$1,505,000.00	\$1,000,000.00	3.00%	4	SB0508			
West Jefferson, Village of	State Route 29 and I-70 interchange roundabout	\$500,000.00	\$2,000.00	\$498,000.00	3.00%	10	130001			
WESTCO	USR 36 Railroad bridge and grade separation	\$365,943.00	\$365,943.00	\$0.00	3.00%	8	070004			
Westlake, City of	State Route 254/Crocker Road Improvements	\$8,510,000.00	\$0.00	\$8,510,000.00	3.00%	20	1E+05			
Youngstown, City of	Brier Hill Industrial Park	\$2,626,090.00	\$1,801,341.82	\$824,748.18	3.00%	10	100001			
Zanesville, City of	State Street Bridge	\$109,580.00	\$75,728.73	\$0.00	3.00%	10	120001			
Zanesville, City of	State Route 146	\$5,010,000.00	\$4,641,113.28	\$0.00	3.00%	27	SB0423			
		<u>\$230,535,177.41</u>	<u>\$166,203,620.88</u>	<u>\$48,458,066.94</u>						



**SIB Balances Available  
as of September 30, 2013  
Total Available to Lend: \$106.1 M**



State Infrastructure Bank Loans and Bonds



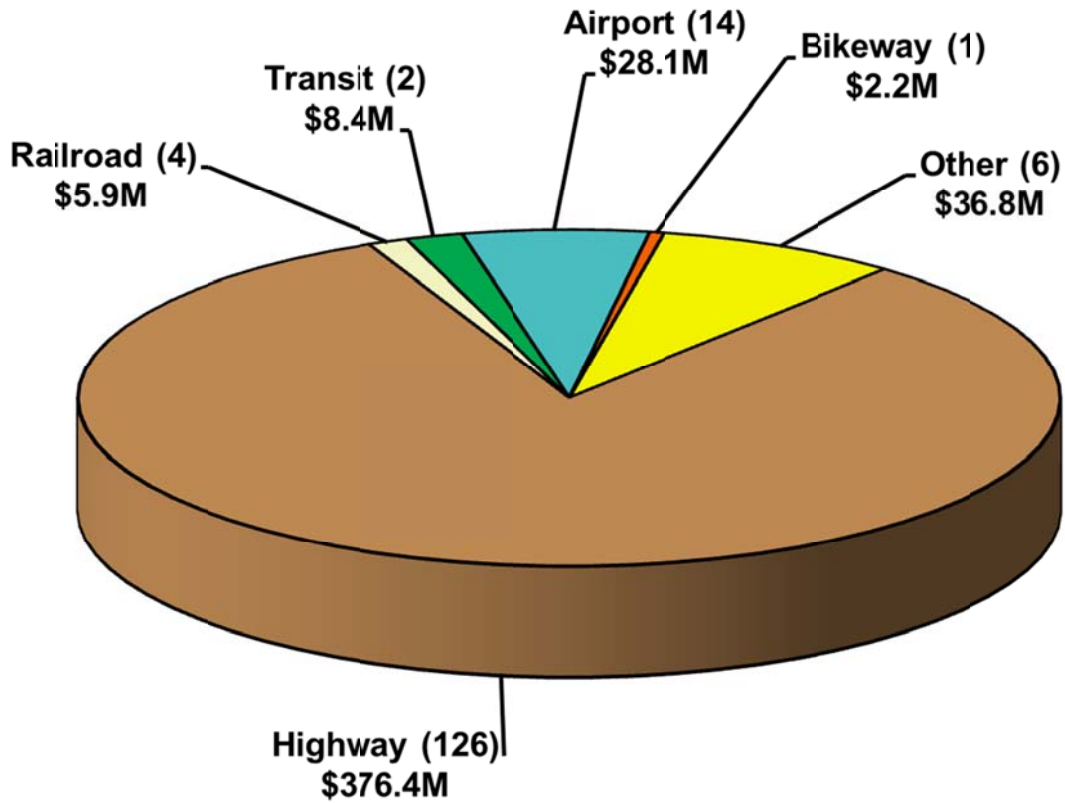
Federal Fiscal Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
# of Loans	4	14	8	3	8	2	9	23	13	15	11	6	6	8	3	5	12	150
\$ of Approved Loans (in millions)	\$42.8	\$47.7	\$30.2	\$26.0	\$14.3	\$12.4	\$21.2	\$55.2	\$31.7	\$46.7	\$21.1	\$9.0	\$8.6	\$18.6	\$5.5	\$7.8	\$30.8	\$429.9
# of Bonds											1		1			1		3
\$ of Approved Bonds (in millions)											\$6.8		\$11.7			\$9.4		\$28.0

**Number of Loans: 150**  
**Number of Bonds: 3**  
**Total: 153**

**Amount of Approved Loans: \$429.9**  
**Amount of Approved Bond: \$28.0**  
**Total: \$457.8**



**Modes of SIB Loans and Bonds approved as of September 30, 2013**





## STATE INFRASTRUCTURE BANK (SIB) PROJECTS

SIB projects include those found below and are depicted on the map on the following page.

Chestnut Street – City of Coshocton (Coshocton County)

The loan funds were used as the city's local share for the Chestnut Street repaving project. The project includes pavement planning, resurfacing, spot pavement repair, and the installation of curb ramps for approximately 9,900 feet through the city. Other sources on the ODOT let project included small city and CDBG funding.

Total Project Costs: \$1,161,977

SIB Loan Amount: \$202,000

Heights Road - Twinsburg Township (Summit County)

SIB loan funds were used by Twinsburg Township to finance four phases of a multi-year, multi-phase, road reconstruction project. The reconstruction replaces inferior and poorly constructed roads with improper drainage and no pedestrian circulation. The new roads include curb, gutter, storm sewers, and sidewalks on both sides of all phases of the project. The Township received grants from the Ohio Public Works Commission for the four phases of the project.

Total Project Costs: \$4,508,000

SIB Loan Amount: \$2,932,478

Promenade Park – City of Toledo (Lucas County)

This project is for the expansion and improvement of Promenade Park. It is anticipated that there will be economic development and the job creation of 260 jobs with the revitalization of the downtown waterfront. Some of the improvements include connecting multi-use trails and river access points, bicycle facilities and streetscape.

Total Project Costs: \$6,000,000

SIB Loan Amount: \$2,201,732

I-70/State Route 29 – Village of West Jefferson (Madison County)

The Design Build project is for improvements to the I-70 westbound exit and entrance ramps at State Route 29, along with the widening and reconstruction of the road. The project also includes the construction of a 204 foot, expandable two-lane roundabout at the north ramp terminal, pavement widening, and improvements to the I-70 eastbound exit ramp. With the project, logistics of State Route 29 will improve opening the corridor to rail transportation from Norfolk Southern rail spurs. There are four companies with warehouse/distribution centers located adjacent to the interchange and the flow of truck traffic will be eased with these improvements.

There are several different funding sources with this project and it is a public/private partnership. Local developers committed to \$3.5m for the improvements. The other funding participants included a grant from ODOT Jobs & Commerce in the amount of \$140,000 and a grant from the Ohio Department of Development.

Total Project Costs: \$5,104,394.55

SIB Loan Amount: \$500,000

Local Roads – City of Lorain (Lorain County)

The City of Lorain obtained a SIB loan to assist with the rehabilitation and replacement of 12 local roads. The roadways have reached an accelerated state of deterioration and this is a continuing program to bring the city's roads up to an acceptable level of service. The city has successfully used the State Infrastructure Bank program several times to fund road improvement projects.

Total Project Costs: \$ 1,598,489

SIB Loan Amount: \$448,489



# STATE INFRASTRUCTURE BANK PROJECTS

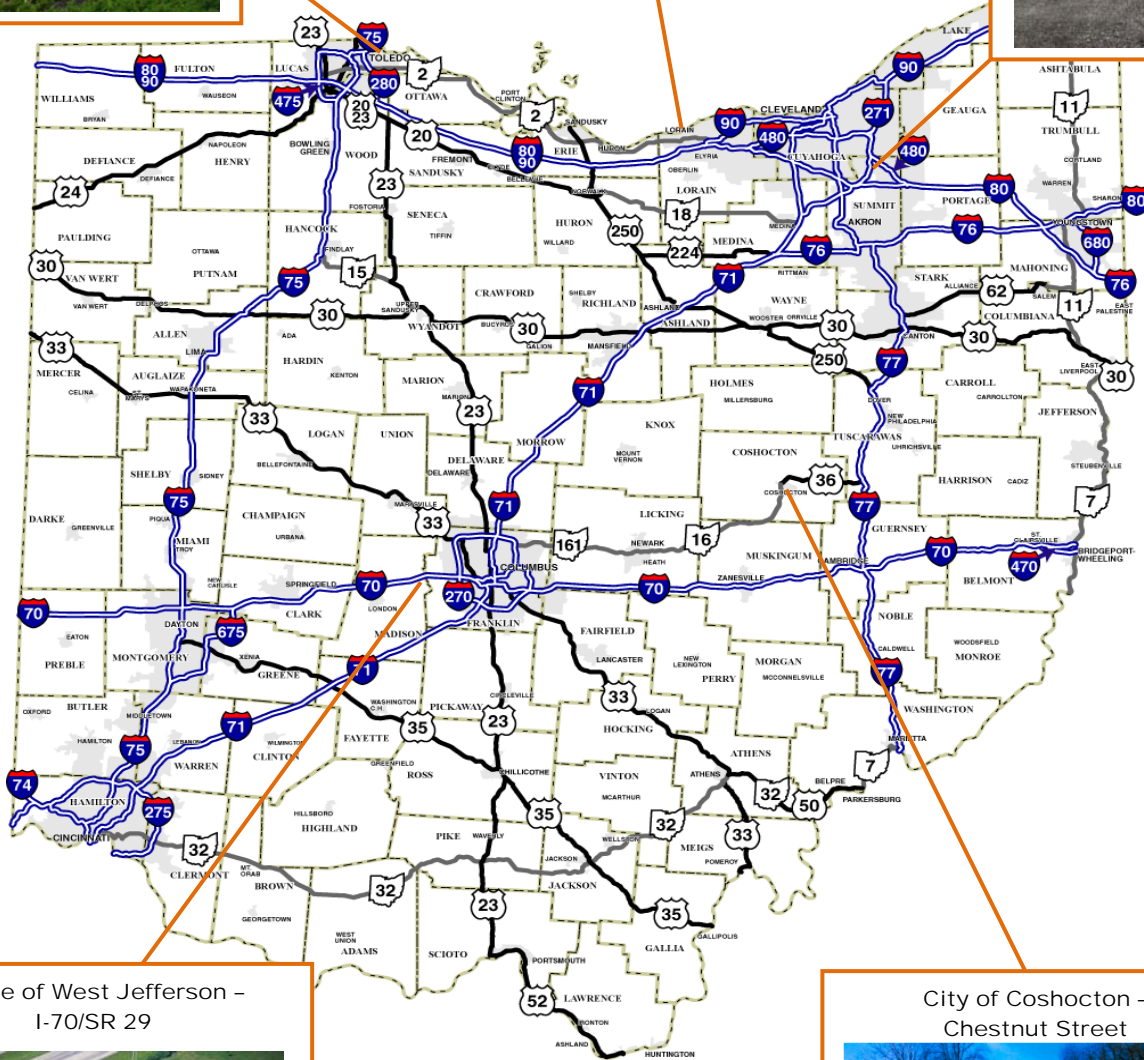
City of Toledo - Promenade Park



City of Lorain - Local Roads



Twinsburg Township - Heights Road



Village of West Jefferson - I-70/SR 29



City of Coshocton - Chestnut Street



**SIB LOANS AND BOND ISSUES SINCE PROGRAM INCEPTION  
APPROVED, ACTIVE AND PAID OFF LOANS AND BONDS  
as of September 30, 2013**

ODOT District	District Location	Loans	Bonds	Authorized Amount	% of Funds loaned/bonded	Approved Loans *	Active Loans	Active Bonds	Paid off Loans
1	Lima	5		\$4,130,464	0.90%		2		3
2	Bowling Green	11	1	\$34,073,050	7.44%	1	3	1	7
3	Ashland	15		\$12,924,377	2.82%		11		4
4	Akron/Canton	29	1	\$69,729,879	15.23%	1	15	1	13
5	Jacksontown	13		\$40,100,108	8.76%		9		4
6	Columbus	9		\$43,477,116	9.50%		6		3
7	Dayton	16		\$38,709,933	8.46%	2	7		7
8	Cincinnati	9	1	\$79,038,245	17.26%		3	1	6
9	Chillicothe	5		\$8,282,770	1.81%		3		2
10	Marietta	6		\$6,881,070	1.50%				6
11	New Philadelphia	13		\$12,485,626	2.73%		7		6
12	Cleveland	19		\$107,994,088	23.59%	1	9		9
<b>Total State</b>		<b>150</b>	<b>3</b>	<b>\$457,826,725</b>	<b>100.00%</b>	<b>5</b>	<b>75</b>	<b>3</b>	<b>70</b>

Average loan amount is \$2,865,778

Average bond amount is \$9,320,000

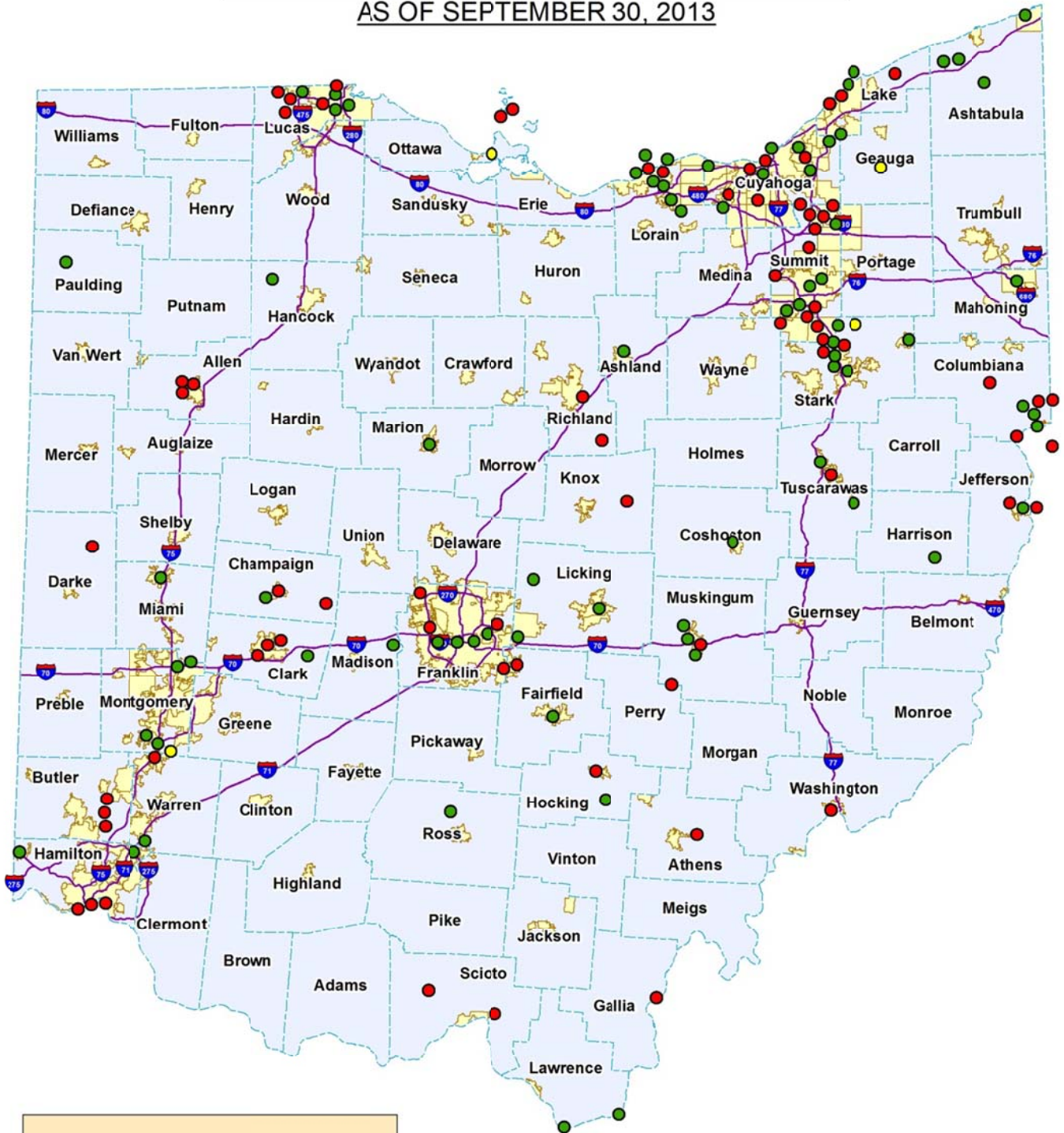
\* Approved loans means the SIB loan committee has approved but closing documents have not been executed

**Districts**



# SIB LOAN/BOND LOCATIONS

AS OF SEPTEMBER 30, 2013



**Color**

- Paid Off
- Active - Loan Finalized
- Approved - Loan Not Yet Finalized

**SIB ANNUAL STATEMENT DISTRIBUTION LIST**

Federal Highway Administration Washington office (3)

Federal Highway Administration Ohio office (2)

State of Ohio, Attorney General's office

State of Ohio, Office of Budget and Management

State of Ohio, Department of Transportation (10)

State of Ohio, Treasurer's office

Huntington National Bank

The Bank of New York Mellon Trust Company

Michael DiPerna, DiPerna Economic Development Advisors

