



ALL ABOUT THE MONEY

Popular Annual Financial Report for the Year Ended December 31, 2021

City of Hamilton
BUTLER COUNTY OHIO



Letter from the Finance Director



The Department of Finance is proud to present the City of Hamilton's Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2021. The PAFR summarizes the City's financial activities from a more detailed report called the Annual Comprehensive Financial Report (Annual Report). The Annual Report contains financial statements prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by Clark, Schaefer, Hackett and Company, an independent auditing firm.

The 2021 Annual Report received an unmodified (clean) opinion and the PAFR uses that same information presented in a more reader-friendly format. The City of Hamilton's 2021 Annual Report is available on the City of Hamilton's website: <http://www.hamilton-city.org>.

Public service is a special trust. The Department of Finance plays an important role in the public service. The Department of Finance has stewardship over citizens' shared financial resources. These resources make possible the services that are essential to the safety, livability, and vitality of our communities.

The Department of Finance has a deep and abiding desire to show that we are worthy of the trust

that has been bestowed upon us. We strive to show it to the citizens of Hamilton. The City of Hamilton continues to strive toward awareness, accountability, and transparency in all of our financial information to our citizens.

In 2021, the City received awards for the 2020 Annual Report, 2020 Popular Annual Financial Report, and 2021 Annual Budget Book from the Government Finance Officers Association (GFOA); awards which we have collectively coined as the “Triple Crown”. This is the eighth year in a row the City of Hamilton has accomplished this achievement. The attainment of these three awards represents a significant accomplishment by a government and its management.

2021 was a year of substantial growth and development for the

City, from companies such as ThyssenKrupp Bilstein, Vinylmax, ODW Logistics and 80 Acres Farms. The highly anticipated Spooky Nook at Champion Mill, the largest indoor sports complex in North America, is slated to open in 2022.

I am excited about the future of our great City and proud to have the opportunity to serve our citizens as we continue to make Hamilton a safe and great place to live, work, and play.

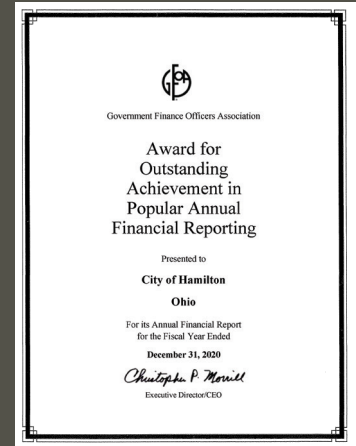
Regards,



Dave Jones, CPA
Finance Director

Last year The Government Finance Officers Association of the United States and Canada (GFOA) awarded Hamilton the Award for Outstanding Achievement in Popular Annual Financial Reporting. This award is a prestigious national award recognizing the highest standards for preparation of state and local government popular reports.

In order to receive this award a government unit must publish a Popular Annual Financial Report, whose contents exemplify the standards of creativity, presentation, understandability and reader appeal set by the GFOA.



Hamilton At a Glance



GFOA Award Winning
Including an award-winning
Budget, Popular Annual
Financial Report, and
Annual Report.

General Fund revenues in 2021 increased \$11,536,023, or approximately 28%, when compared with the previous year. An increase in intergovernmental revenues can be attributed to revenue replacement funding received from the State and Local Fiscal Recovery Fund, as part of the American Rescue Plan Act.

The City again saw an increase in income tax revenue in 2021, with tax collections increasing \$652,567, or 2.8% compared to 2020. An increase in all other revenue can be attributed to refunds received from the Ohio Bureau of Worker's Compensation.

General Fund expenditures increased \$10,943,261, or approximately 35% from the prior year. An increase in general government can be attributed to outlays made for the purchase of the former Beckett Paper Mill property as well as grants made to the Hamilton Community Improvement Corporation. A portion of police and fire wages were paid from the Coronavirus Relief Fund in the prior year, which contributed to a subsequent increase in security of persons and property in 2021. Also contributing to an increase in security of persons and property was a decrease in reimbursements to the General Fund from several public safety funds.

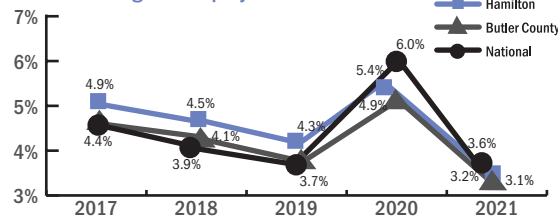
Readers interested in more detailed GAAP-based information are encouraged to read the Annual Report, which is available on the City's website.

General Fund Balance

2014	\$11,757,651
2015	\$13,902,495
2016	\$9,136,820
2017	\$7,887,121
*2018	\$16,470,149
2019	\$17,041,141
2020	\$25,362,198
2021	\$32,240,042

*Restated

Annual Average Unemployment 2017 - 2021



Source: US Department of Labor

Population 1980 - 2020

2020 - 62.2k

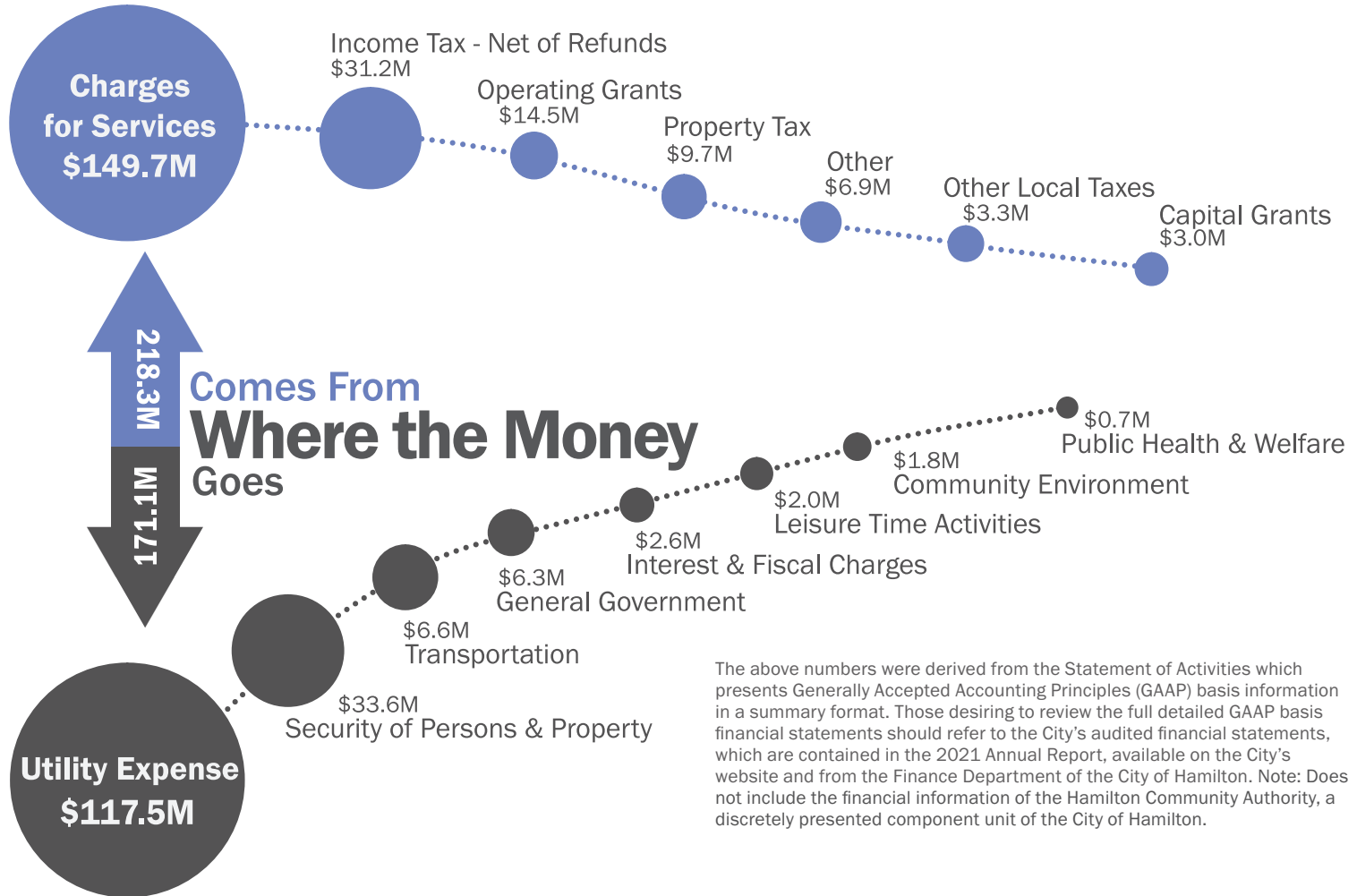
2010 - 62.5k

2000 - 60.7k

1990 - 61.4k

1980 - 63.2k

Source: US Census



The above numbers were derived from the Statement of Activities which presents Generally Accepted Accounting Principles (GAAP) basis information in a summary format. Those desiring to review the full detailed GAAP basis financial statements should refer to the City's audited financial statements, which are contained in the 2021 Annual Report, available on the City's website and from the Finance Department of the City of Hamilton. Note: Does not include the financial information of the Hamilton Community Authority, a discretely presented component unit of the City of Hamilton.

Real Estate Summary

The City of Hamilton receives a portion of the real estate taxes collected on all real property located within the City. These tax dollars support public safety services such as those provided by police and fire departments, as well as many other critical government functions. Shown on the following pages are a series of graphs and charts depicting key elements of real estate relating to the City of Hamilton.

My Property Tax Goes to:

Hamilton City Schools	64.3%
City of Hamilton	19.0%
Butler County	10.6%
Butler County JVSD	3.8%
Lane Public Library	1.2%
MetroParks	1.1%

An Average Home Pays:

Based on a \$100,000 Home

Hamilton City Schools	\$1,009
City of Hamilton	\$298
Butler County	\$167
Butler County JVSD	\$59
Lane Public Library	\$19
MetroParks	\$17
TOTAL:	\$1,569

Understanding Levies

A levy is the tax placed on a property. It is based on the amount charged per \$1,000 of taxable property value also known as 'millage'. Amounts collected for levies other than general operating must be used for those specific purposes. The "burden" is the amount of tax paid as adjusted for rollbacks and exemptions. The "Effective Tax Rate" is the rate charged against the portion of a home's value that is taxable or "assessed."

Name of Levy	Gross Rate	Effective Rate
General Operating	3.21	3.21
Fire Pension	0.30	0.30
Police Pension	0.30	0.30
Total Inside Millage	3.81	3.81
Charter Fire	1.00	1.00
Police	1.00	0.77
Fire & EMS	1.00	0.77
Street Levy	3.90	3.37
Total Hamilton Real Estate Tax Levy	10.71	9.72

Source: Butler County Auditor

Property Values

The following charts show property values over the past five years used to calculate real estate taxes. These taxes come from properties in five major classifications: residential, agricultural, commercial, industrial, and public utility. The values shown represent “assessed value,” or that portion of the property value that is taxed. Since tax collections are received on the prior year’s values, there is a delay in the impact to the City’s finances for large changes in real estate values. In 2020, the Butler County Auditor increased the assessed valuation, which resulted in increased property tax collections in 2021.

Tax Year	Collection Year	Residential & Agricultural Real Estate	Commercial & Industrial Real Estate	Public Utility Property	Total
2021	2022	683,653,080	248,217,620	10,228,090	942,098,790
2020	2021	681,790,020	247,130,080	6,520,190	935,440,290
2019	2020	588,275,470	210,980,120	5,848,920	805,104,510
2018	2019	586,807,330	201,309,420	5,738,750	793,855,500
2017	2018	587,269,920	202,385,580	5,309,340	794,964,840

Tax Payer	Type of Business	2021 Assessed Valuation*	% of Total Valuation
1. Duke Energy	Utility	7,806,420	0.83%
2. Colonial Senior Services	Healthcare	6,930,770	0.74%
3. Hamilton Community Authority	Government	5,279,630	0.56%
4. Pedcor Investments	Investments	5,257,090	0.56%
5. Bethesda Hospital	Healthcare	4,714,150	0.50%
6. Shadow Creek Apartments	Real Estate	4,666,710	0.50%
7. AHP Knollwood Crossing	Real Estate	4,377,180	0.46%
8. Tippmann Realty	Real Estate	4,037,460	0.43%
9. Wish Village Apartments	Real Estate	3,585,800	0.38%
10. Clover Communities Hamilton	Real Estate	3,505,610	0.37%
	Subtotal	50,160,820	5.33%
	All Others	891,937,970	94.67%
	Total	\$942,098,790	100.00%

* Assessed value is the portion of property value that is taxed. For commercial and industrial properties, it is generally 35% of the appraised property value, although there are exemptions for some properties. Amounts are for the collection year ending December 31, 2022 (Tax Year 2021). Source: Butler County Auditor

Department Costs & Debt Summary

Who Spends the Money (General Fund)

\$52.8 million in dollars spent & obligations represented below



*The City's contribution to support the Hamilton Parks Conservancy is included under special appropriations.

Above shows a summary comparison of total actual dollars spent plus obligations for all the various departments within the General Fund of the City, excluding transfers and advances (loans) to other funds. These amounts are based upon actual cash expenditures plus obligations outstanding on 12/31/2021 (non-GAAP Budgetary Basis). Readers interested in more detailed GAAP-based information are encouraged to read the Annual Report available on the City's website or by contacting the Finance Department at the City of Hamilton.

Hamilton has employed a variety of financing techniques for capital improvements, as described below:

Notes Payable

Bond Anticipation Notes are instruments due in one year or less, and are issued to raise money for City projects. These notes are usually converted into bonds at the completion of the projects.

Special Assessments

These debts are issued to finance improvements for property owners, who re-pay the City over a period of time.

General Obligation

General Obligation Bonds are long-term debts that are paid from the City's available resources and for which the City pledges its full faith and credit. These debts include the Parking, Golf, and One Renaissance Center Bonds.

Special Obligation

Special Obligation bonds are not a general obligation of the City. The holders of the bonds do not have the right to have taxes levied by the City for the payment of principal and

interest. Bonds are payable solely from and secured by specifically pledged funds.

OWDA/OPWC Loans

OWDA/OPWC Loans are zero to low interest loans made to the City for Water and/or Sewer projects by the Ohio Water Development Authority and Ohio Public Works Commission.

Utility Revenue

Utility Revenue Bonds are special limited obligations issued to pay for improvements of our utility systems and for which revenues of the systems are used to repay the bonds. These bonds include the Gas, Electric, Water, and Wastewater bonds.

Notes: Numbers rounded for presentation

** Principal amounts; the City's payment obligation is limited to utility revenues. These bonds are denoted above as Utility Revenue Bonds.

Debt Activity (in 1000s)	Balance at December 31, 2020	Net Debt Added (Issued)	Net Debt Repaid (Retired)	Balance at December 31, 2021
Income Tax Revenue Bonds	9,508	-	(768)	8,740
Special Assessment Bonds	110	-	(80)	30
General Obligation Bond	15,680	1,000	(1,705)	14,975
Water System Bonds**	28,085	-	(915)	27,170
Gas System Bonds**	5,775	-	(620)	5,155
Electric System Bonds**	38,255	-	(1,240)	37,015
Wastewater System Bonds**	38,020	-	(1,935)	36,085
OWDA/OPWC Loans	16,231	3,846	(435)	19,642
Special Obligation Non-Tax Revenue Bonds	31,900	-	-	31,900
Totals:	\$183,564	\$4,846	(\$7,698)	\$180,712

Historical Debt (in 1000s)	2021	2020	2019	2018	2017
Utility Revenue Bonds**	105,425	110,135	114,770	107,625	63,280
General Obligation Bonds	14,975	15,680	13,975	14,645	3,185
Special Obligation Non-Tax Revenue Bonds	31,900	31,900	-	-	-
OWDA/OPWC Loans	19,642	16,231	13,902	12,297	9,231
Special Assessment Bonds	30	110	210	305	470
Income Tax Revenue Bonds	8,740	9,508	10,266	20,916	22,790
Long Term Notes Payable	-	-	3,893	-	-
Total:	\$180,712	\$183,564	\$157,016	\$155,788	\$98,956

Activities Statement & Net Position

Our Activities and Net Position tables offer a detailed snapshot of what we have on hand as well as how money moves through our organization. These numbers reflect, in aggregate, the details provided in our Annual Report. For more details on our assets, liabilities, revenues, and expenses check out the Annual Report which can be found under the Finance section of the Government tab on the City's website.

Note: Does not include the financial information of the Hamilton Community Authority, a discretely presented component unit of the City of Hamilton.

Financial Benefits (In 1000s)

	2021	2020
Cash	\$44,787	\$20,596
Investments	\$98,901	\$124,993
Receivables	\$65,368	\$53,017
Property & Equipment	\$451,535	\$430,075
Other Assets	\$27,416	\$27,902
Total:	\$688,007	\$656,583

Financial Burdens (In 1000s)

Amounts Owed to Employees & Vendors	\$14,373	\$15,111
Long Term Debt Outstanding	\$305,448	\$343,956
Other Liabilities	\$58,090	\$34,570
Total:	\$377,911	\$393,637

Benefits Over Burdens: \$310,096 \$262,946

Sources of Revenue (in 1000s)		2021	2020
Pro-gram	Charges for Service	\$149,695	\$143,716
	Operating Grants	\$14,462	\$9,409
	Capital Grants	\$2,972	\$3,107
General	Income Tax - Net of Refunds	\$31,245	\$30,414
	Property Taxes	\$9,711	\$5,918
	Grants/Contributions	\$3,066	\$2,543
	Other Local Taxes	\$3,301	\$3,163
	Investment Earnings	(\$485)	\$2,129
	Miscellaneous	\$4,293	\$3,723
	Total:	\$218,260	\$204,122
	Uses and Expenses (in 1000s)		
	Security of Persons/Property	\$33,589	\$35,595
	Public Health/Welfare	\$713	\$2,349
	Leisure Time Activities	\$2,013	\$2,232
	Community Environment	\$1,819	\$9,914
	Basic Utility Service	\$7,558	\$9,878
	Transportation	\$6,621	\$5,555
	General Government	\$6,246	\$7,266
	Interest on Debt	\$2,636	\$2,751
	Utility Expense	\$109,916	\$132,770
	Total:	\$171,111	\$208,310
Total Sources Over (Under) Uses		\$47,149	(\$4,188)

Readers of the City of Hamilton's Financial Activity Statement and Financial Position Statement should keep in mind that both statements present GAAP-basis information in a summary format. Those desiring to review the full detailed GAAP basis financial statements should refer to the City's audited financial statements, which are contained in the 2021 Annual Report, available on the City's website and from the Finance Department of the City of Hamilton. The amounts shown were derived by employing the same method of accounting as the 2021 and 2020 audited financial statements.

Benefits over Burdens represents the difference between the financial benefits and financial burdens of the City, providing a Net Worth of Hamilton. The Financial Position Statement, known in accounting terms as the "Balance Sheet," reports the benefits (assets) available to provide services, while Burdens (liabilities) are the amounts for which the City must pay in the future.

Note: Rounded figures are presented. Does not include the financial information of the Hamilton Community Authority, a discretely presented component unit of the City of Hamilton.

Note: Security of Persons & Property decreased on a full-accrual basis due to significant changes in Other Post-employment Benefits calculated statewide for all Police and Fire Pension entities in the State of Ohio. For a clearer picture on the City's spending on public safety, the Annual Report includes Budget and Actual statements on a non-GAAP budgetary basis for the General Fund (2020 - \$27,975,930 vs. 2021 - \$30,984,117).



Contact Us

Emergency - Dial 911

General - 513.785.7000

Utilities - 513.785.7100

Parks - 513.785.7055

Finance - 513.785.7170

City of Hamilton, Ohio
345 High Street
Hamilton, Ohio 45011

311 Request System

Ever had questions about a program or notice a streetlight that is out? The City of Hamilton has an online 311 service request system which can help you get connected with the people who can answer your questions. This system will take down your request or question and even allow you to see live updates on the progress of the request. Try it and see for yourself by going to: hamilton-oh.gov