

# **2007 Comprehensive Annual Financial Report**

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**For the year ended  
December 31, 2007**

**The County of  
Hamilton, Ohio**



**Issued by  
Dusty Rhodes  
Hamilton County  
Auditor**



**2007 Comprehensive  
Annual Financial Report**  
*For the fiscal year ended  
December 31, 2007*

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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, 2007**

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**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

August 28, 2009

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

I am pleased to present the Comprehensive Annual Financial Report of the County of Hamilton for the year ended December 31, 2007. 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), as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. This report represents the financial activity of the County in conformity with GAAP 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 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.

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 Expenditures of Federal Awards, the independent accountants' report on internal control and compliance with applicable laws and regulations, and a schedule of findings and questioned costs, is included in a separately issued audit report.

The basic financial statements of the County as of and for the year ended December 31, 2007, 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 407.36 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 (842,369 per the U.S. Department of Commerce, Bureau of the Census, 2000 Census and Midyear Population Estimates). Located on the Ohio River, Hamilton County forms the core of the Greater Cincinnati Metropolitan Area, which also includes the counties of Warren, Clermont, Brown and Butler in Ohio; Dearborn and Ohio Counties in Indiana; and Kenton, Campbell, Gallatin, Grant, Pendleton and Boone Counties across the river in Kentucky. The metro area has a population of 1,979,202, which makes it the 24<sup>th</sup> largest metropolitan area in the country per the 2000 U.S. Census.

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

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

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

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

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

Included in the financial statements that follow is the reporting for a component unit of Hamilton County, the Convention Facilities Authority (CFA) for Hamilton County, Ohio. 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 CFA. 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). See the Notes to the Basic Financial Statements for additional information about 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) and, in 2007, was administered by the Department of Administrative Services (DAS). (Effective in 2008, DAS is no longer a separate department but is part of the Department of Commissioners and County Administration.) In the spring of the calendar year, agencies submit their capital requests for review for the following year (i.e., the year being budgeted). In July and August, agencies submit to DAS their goals/objectives/performance measures along with personnel and operational expense requests for resources necessary to accomplish them. Based on its review of these materials, DAS makes budget recommendations to the County Administrator in October and November. In November, the County Administrator in turn makes his recommendations to the BOCC. After the BOCC conducts a public hearing on the budget, it typically adopts the final budget in December. But if a final budget is not adopted before January 1, the start of the County's fiscal year, then the BOCC must adopt a temporary appropriation measure and approve the final budget by April 1.

The appropriated budget is prepared by (1) fund, (2) agency/function and (3) appropriation level (personnel services, other expenditures and capital outlay), otherwise known as the legal level of budgetary control (the level at which agencies may not overspend appropriations without BOCC authorization). The adopted budget may be amended in one of three ways: (1) transfer of funds between funds, departments or appropriation levels, all of which must be approved by the BOCC; (2) additional

appropriations, which also require BOCC approval; and (3) transfers within appropriated levels, which require County Administrator approval. (With regard to this latter category, however, such transfers within appropriated levels are not necessary since agencies may legally spend within their total budget for a given appropriation level without further approval.) Budget-to-actual comparisons are provided in this report for the General Fund and each annually budgeted major special revenue fund, and are included as part of the basic governmental fund financial statements. In the supplementary information section, budgetary comparisons are presented at the legal level of budgetary control for all governmental funds with legally adopted annual budgets (i.e., the General Fund, some special revenue funds and all debt service funds).

## **Factors Affecting Financial Condition**

### Local Economy

Hamilton County's economy represents a cross section of the national economy, with a diversity that does not rely too heavily on any one sector. Consequently, Hamilton County's unemployment rate of 5.0% in 2007 continued to track closely to the national figure of 4.6%, a relationship that has been present historically.

Home loan foreclosures have negatively impacted the economy nationally, and the results were no different in Hamilton County. In the last twelve years, the number of foreclosure filings in Hamilton County has skyrocketed by more than 400%. In 1995, Hamilton County saw 1,300 foreclosure filings, in 2006 the number of annual foreclosure filings reached 5,876, and for 2007, the amount was 6,416.

The Greater Cincinnati Chamber of Commerce and its business and community leaders, in their *2007 Economic Outlook* report, look optimistically to the area's major assets—a diverse economy, competitive cost structure, skilled workforce and ready transportation access to national and regional markets—to help drive the local economy to new success by providing a favorable environment for attracting new businesses and a solid basis for growth. Foreign investment in the local economy is substantial; more than three hundred firms are presently owned by companies in Asia (especially Japan), Europe (especially France, Germany and the United Kingdom), Canada, South America and Africa. Further, the Greater Cincinnati area claims a top-ten rating in the number of Fortune 500 firms per million residents.

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

### Long-Term Financial Planning

The Department of Administrative Services (DAS) conducted a thorough review of revenue sources as a part of the development of the 2007 budget. Since 2000, General Fund revenue has declined significantly. Chief among the causes for the declining General Fund revenue are a depressed real estate market and the continued decline in sales tax revenues. Interest earnings declined dramatically during this period, dropping 45% since 2001, an annual loss of about \$14.7 million to the General Fund. (Though this trend had been expected to continue through 2007, interest earnings actually exceeded expectations in 2007 due to higher interest rates.) DAS's current projections also indicate declining Recorder's revenue, down from previous all-time highs. In addition, the State has taken action to reduce Local Government Fund (LGF) allocations. The LGF accounts for \$21.3 million, or 13.1%, of General Fund revenue.

The 2007 General Fund budget of \$287.1 million is structurally balanced. In order to balance the budget, taking the declining revenues into account, reduced appropriations were necessary. These reductions were achieved by, among other things, adjusting the workforce attrition expected from agencies to a historically manageable 4%; requiring agencies to reduce nonpersonnel and noncapital expenditures by 3%; and cost savings realized through implementation of a leveraged, centralized purchasing program. To boost revenues, the County Treasurer sold approximately two thousand delinquent tax land liens in late October 2008, the value of which was approximately \$8 million dollars. The General Fund received 4% of those revenues.

Another consideration in the County's budget process is the General Fund's Reserve for Budget Stabilization. Contingency funds are set aside each year to cover emergencies for the General Fund. The policy of the board of County Commissioners is to use contingencies only in cases where an appropriations increase cannot be accommodated by an increase in revenue or if the actual revenue collected does not meet projections. On January 1, 2007, the reserve to cover emergencies was \$24.8 million, but due to the fact that the actual revenue collected did not meet the amount projected and an increase to appropriations was necessary, the amount of the reserve was depleted by \$22.8 million in 2007.

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

#### Major Events and Initiatives

The Auditor's Office has implemented several new initiatives on its website that will ease taxpayers' and other interested parties' access to forms and information: (1) The website now includes the application form for the homestead exemption form, a form needed by a greater number of taxpayers than in recent years, due to the expansion of the homestead exemption program in 2007 in the State of Ohio. (2) Since July 2007, the Auditor's website has included a download from the County's accounting system that lists vendor payments made by the Auditor's Office. In 2009, a similar County-wide report was added to the Commissioners' website. (3) In the second quarter of 2008, the County Auditor began posting the cash balance of the County's General Fund (updated several times daily) on his website. (4) Also in 2008, the Auditor added a feature to his website that allows residents to compute the amount of transfer tax. (5) A final 2008 website enhancement is the inclusion of the new form that landlords are required to submit regarding their rental properties.

There were a number of important events for Hamilton County during 2007, many of which pertained to the ongoing riverfront redevelopment efforts. The remaining major segment of the County's riverfront redevelopment effort is The Banks, a mixed-use commercial office space/residential/retail/lodging district on the riverfront between the stadiums, which is viewed as being a critical component in returning downtown Cincinnati's vitality. However, at the end of 2007, that project remained only in the planning stages as sales tax revenues remained significantly lower than projections, as described above, and alternative funding had not yet been finalized that would allow the development to proceed. In 2008, construction on the development began.

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

In August 2007, the case of *Chesher v Neyer*, C-1-01-566, in the United States District Court for the Southern District of Ohio, was settled. This case involved photographs taken of the deceased at the County morgue, and the settlement was for \$8 million dollars. The County paid half of the settlement in 2007 and half in 2008.

## Acknowledgments

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

Sincerely,

A handwritten signature in black ink that reads "Dusty Rhodes". The signature is stylized with a cursive, somewhat bold font.

Dusty Rhodes  
Auditor

# COUNTY OF HAMILTON, OHIO ELECTED OFFICIALS

As of December 31, 2007

## Board of County Commissioners

Todd Portune, President  
Pat DeWine  
David Pepper

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

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

## Ohio Court of Appeals First District

Mark P. Painter, Presiding Judge  
Penelope R. Cunningham  
Patrick T. Dinkelacker

Sylvia Sieve Hendon  
Lee H. Hildebrandt, Jr.  
J. Howard Sundermann

## Common Pleas Court Judges

### General Division

David P. Davis, Presiding Judge  
Kim Wilson Burke  
Ethna M. Cooper  
Dennis S. Helmick  
Charles J. Kubicki, Jr.  
William L. Mallory  
Melba D. Marsh  
Steven E. Martin

Beth A. Myers  
Norbert A. Nadel  
Frederick D. Nelson  
Robert P. Ruehlman  
Alex M. Triantafilou  
John Andrew West  
Ralph E. Winkler  
Robert C. Winkler

### Domestic Relations Division

Susan L. Tolbert, Administrative Judge  
Elizabeth B. Mattingly

Ronald A. Panioto

### Probate Court Division

James C. Cissell, Presiding Administrative Judge

### Juvenile Court Division

Thomas R. Lipps, Presiding Administrative Judge

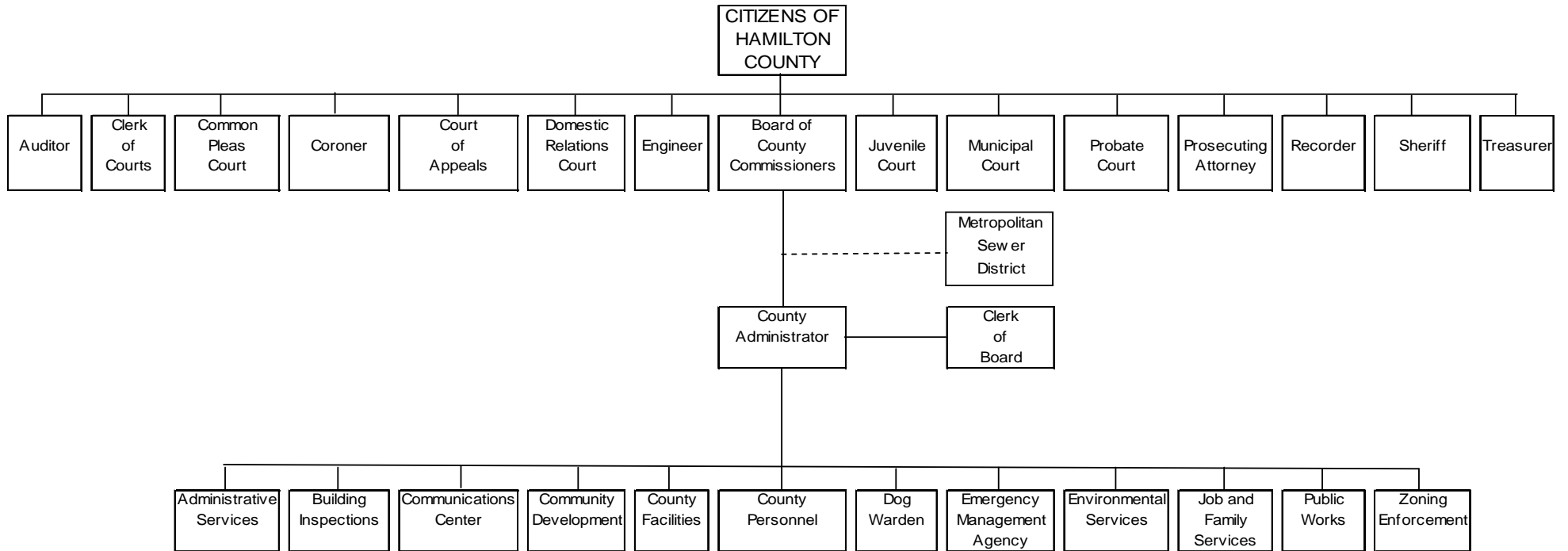
Karla J. Grady

## Hamilton County Municipal Court

John H. Burlew, Presiding Judge  
Lisa C. Allen  
Nadine L. Allen  
Richard A. Bernat  
Theodore N. Berry  
Bernard A. Bouchard  
Cheryl D. Grant

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

## ORGANIZATION CHART COUNTY OF HAMILTON, OHIO



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

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**Financial  
Section**

**The County of  
Hamilton, Ohio**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Hamilton County  
 138 East Court Street  
 Cincinnati, Ohio 45202

To the County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hamilton County, Ohio (the County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Convention Facility Authority, which is the County's discretely presented component unit. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for the Convention Facility Authority, on the report of the other auditors. We also did not audit the financial statements of Metropolitan Sewer District, which represent 60.0 percent of assets, 72.2 percent of net assets, and 89.2 percent of operating revenues for the business type activities – enterprise funds. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for business type activities – enterprise funds, on the report of the other auditors.

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

The Auditor of the State of Ohio issued a June 27, 2006 special audit report for the period July 1, 2000 through June 30, 2004 requiring the following adjustments that the County has not yet recorded (amounts in thousands):

	Opinion Unit			
	General	Public Assistance	Health and Human Services Levies Fund	Remaining Fund Information
Adjustments not recorded by the County affecting January 1, 2007 fund balance	\$(1,752)	\$(138,890)	\$149,890	\$(9,248)

During 2007, the County recorded reimbursements and allocation of overhead expenditures as expenditures in the fund incurring the initial expenditure; then the County recorded an expenditure in the fund making the reimbursement and revenue in the fund receiving the reimbursement. The County did not eliminate these reimbursements as required by generally accepted accounting principles, which resulted in the following overstated revenues and expenses/expenditures in both the government wide and fund financial statements:

*Government Wide Financial Statements*

<i>Account</i>	<i>Adjustments not recorded by the County for the year ended December 31, 2007 (amounts in 000's)</i>
Revenues:	
Program Revenues:	
Charges for Services	\$(52,302)
Intergovernmental Revenue	(8,102)
Other Revenue	(897)
Expenses:	
General Government	(3,261)
Public Safety	(715)
Health	(549)
Social Services	(56,746)
Debt Service	(30)

*Fund Financial Statements*

<i>Account</i>	<i>Adjustments not recorded by the County for the year ended December 31, 2007 (amounts in 000's)</i>			
	General Fund	Public Assistance Fund	Health and Human Services Levies Fund	Remaining Fund Information
Revenues:				
Charges for Services	\$2,057	(\$38,087)	(\$16,272)	
Intergovernmental Revenue	(4,220)			(3,882)
Other Revenue	(1,813)		(2,936)	\$3,852
Expenditures:				
General Government	(3,261)			
Public Safety	(715)			
Health			(488)	(61)
Social Services		(38,087)	(18,720)	61
Debt Service				(30)

During 2007, the County also recorded interfund transfers that in our opinion were not allowed based on Ohio law and federal program requirements, and represented reimbursements for which County management could not identify the original funding source. The County did not adjust the 2007 financial statement to correct these transfers, which resulted in the following overstated revenues and expenses/expenditures and fund balances in both the government wide and fund financial statements:

*Government Wide Financial Statements*

<i>Account</i>	<i>Adjustments not recorded by the County for the year ended December 31, 2007 (amounts in 000's)</i>
Revenues:	
Intergovernmental Revenue	(7,015)
Expenses:	
Social Services	(7,015)

*Fund Financial Statements*

<i>Account</i>	<i>Adjustments not recorded by the County for the year ended December 31, 2007 (amounts in 000's)</i>	
	Public Assistance Fund	Health and Human Services Levies Fund
Revenues:		
Intergovernmental Revenue		(\$7,015)
Expenditures:		
Social Services	(\$7,142)	127
Fund Balance at December 31	7,142	(7,142)

We were unable to obtain audited financial statements or other sufficient evidence to support the January 1, 2007 balances for governmental activities, major governmental funds and remaining fund information.

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

In our opinion, because of the effects of unrecorded adjustments as discussed in the third, fourth and fifth paragraphs, the financial statements referred to in the first paragraph do not present fairly the financial position of the General Fund, Public Assistance Fund, Health and Human Services Levies Fund, and Remaining Fund Information at December 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, had there not been departures from U.S. generally accepted accounting principles as discussed in paragraphs three, four and five, we would be unable to express an opinion on the financial statements of the General Fund, Public Assistance Fund, Health and Human Services Levy Fund, and remaining fund information for 2007 because, as described in paragraph six, we were unable to obtain sufficient evidence to support the January 1, 2007 fund balances for the aforementioned funds and remaining fund information.

Also in our opinion, because of the effects of unrecorded adjustments as discussed in the fourth and fifth paragraphs, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of Hamilton County, Ohio, as of December 31, 2007 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, had there not been departures from U.S. generally accepted accounting

principles as discussed in paragraphs four and five, we would be unable to express an opinion on the financial statements for governmental activities for 2007 because, as described in paragraph six, we were unable to obtain sufficient evidence to support the January 1, 2007 governmental activity net assets.

In addition, we are unable to express an opinion on the budgetary comparisons for the General Fund, Public Assistance Fund, and the Health and Human Services Levies Fund for the year ended December 31, 2007 because as described in paragraph six, we were unable to obtain sufficient evidence to support the January 1, 2007 balances for these funds.

Also in our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and major enterprise funds and the discretely-presented component unit of Hamilton County, Ohio, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2009, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. We are unable to express an opinion on this information in relation to the basic financial statements taken as a whole because as described in paragraph six, we were unable to obtain sufficient evidence to support the January 1, 2007 balances for governmental activities, and remaining fund information. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



**Mary Taylor, CPA**  
Auditor of State

August 28, 2009

**COUNTY OF HAMILTON, OHIO  
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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, 2007. 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.

An important item of note is that the audit of the 2006 financial statements and, therefore, 2007 beginning fund balances has not yet been finalized. This is due to the ongoing special audit of Hamilton County Department of Job and Family Services and the uncertainty of the impact of the special audit on the financial reports. Therefore, this document does not include comparative numbers and comments.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2007 are as follows:

- ❑ The net assets of the County as reported for 2007 were \$1,448.2 million. Of this amount, unrestricted net assets of governmental activities of (\$4.5) million in 2007 may be used to meet the County's ongoing obligations to citizens and creditors. Unrestricted net assets in business-type activities amount to \$297.4 million in 2007.
- ❑ The net assets of the County increased \$35.5 million in 2007. Net assets of governmental activities increased \$8.7 million, and net assets of business-type activities increased \$26.8 million.
- ❑ General revenues accounted for \$494.7 million (38.4%) of total revenues of \$1,288.7 million for 2007. Program-specific revenues in the form of charges for services, grants and contributions accounted for \$794.0 million (61.6%) of total revenues.
- ❑ The County had \$1,002.1 million in expenses related to governmental activities in 2007. Of these expenses \$574.3 million were offset by program-specific charges for services, grants or contributions in 2007. General revenues (primarily taxes) of \$435.7 million were adequate to provide for these programs in 2007.
- ❑ As of December 31, 2007, the County's governmental funds reported a combined ending fund balance of \$228.3 million. Of this amount, \$176.8 million is available for spending (unreserved fund balance) on behalf of the County's citizens
- ❑ Among major funds, the General Fund had \$251.7 million in revenues and \$254.6 million in expenditures in 2007. Factoring in net transfers out of \$10.9 million, for a combined General Fund expenditures and other financing uses of \$265.5, there was a decrease of \$13.8 million in the General Fund's balance in 2007.
- ❑ Unreserved fund balance reported for the General Fund was \$32.9 million in 2007. This represents 12.3% of General Fund expenditures and other financing uses, which total \$265.5 million for 2007.
- ❑ Net assets for the enterprise funds increased \$26.8 million in 2007. The increases are attributable to capital contributions, which exceed net operating and nonoperating revenues and expenses.
- ❑ Hamilton County's total debt increased by \$25.8 million in 2007. The key factor for the 2007 increases was an increase in Metropolitan Sewer District obligations as reported in note IV F of the Notes to the Basic Financial Statements on pages 75–81.

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- The County's general obligation debt decreased by \$10.9 million due to an advance refunding.

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

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

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

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

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

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

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

This document contains information about the separate funds used by Hamilton County to account for services and programs provided to 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 Assets and the Statement of Activities—are designed to provide readers with a broad overview of the County's finances.

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

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

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



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

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

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

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

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

The government-wide financial statements include not only the County itself (known as the primary government) but also any component units—legally separate entities for which the primary government is financially accountable. For 2007, the Convention Facilities Authority (CFA) is a discretely presented component unit, and its financial data is reported on the government-wide statements. Separately-audited financial information for CFA is reported distinctly from the financial information presented for the primary government. The CFA was created for the purpose of financing the Cincinnati Convention Center (now known as the Duke Energy Center) renovation and expansion.

For more information regarding CFA, see notes I A, B, E, G, O, Q and R; IV A, B, E and F; and V C of the Notes to the Basic Financial Statements on pages 55–85 of this report.

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

The government-wide financial statements can be found on pages 35–36 of this report.

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

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

The County is required by Ohio law to adopt budgets for the General Fund, the 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

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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 on pages 37–43 of this report.

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

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

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

- ❖ *Enterprise Funds.* Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County maintains eight enterprise funds: the Metropolitan Sewer District of Greater Cincinnati (MSD) fund, to account for sewer services provided to County residents; the Paul Brown Stadium fund, to account for revenues received from stadium tenants and for the operation of Paul Brown Football Stadium; the Baseball Stadium fund, to account for the revenues and expenses associated with the operations of the Great American Ball Park Baseball Stadium and the Cincinnati Reds Hall of Fame and Museum; the Riverfront Development fund, to account for revenues received for construction and for operations of riverfront developments; the Main Street Parking Garage fund, to account for revenues received for the operations of the Main Street Parking Garage (the Alms & Doepke Parkhaus); the Sales Tax Stabilization fund, to account for revenues set aside as a reserve to meet 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. Financial information for all other nonmajor enterprise funds is combined in total in one column.

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

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- ♦ Business-type internal service funds are used to report assets and liabilities within the business-type activities column of the Statement of Net Assets if enterprise funds are the predominant or only participant. The Workers' Compensation Reserve for Stadiums fund meets this criterion.

The basic proprietary fund financial statements can be found on pages 44–53 of this report.

**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 on page 54 of this report.

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

The financial statements also include notes that explain certain information in the financial statements and provide more detailed data that is essential to fully understand information provided in the government-wide and fund financial statements.

The Notes to the Basic Financial Statements begin on page 55.

### **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 begins on page 93.

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

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

### **Net Assets**

Net assets—the difference between assets and liabilities—may serve over time as a useful indicator of the County's financial position. At the end of 2007, Hamilton County was able to report positive balances in all three categories of net assets, both for the County as a whole as well as for its separate governmental and business-type activities. County-wide assets exceeded liabilities by \$1,448.2 million—\$676.7 million in governmental activities and \$771.5 million in business-type activities.

The County's 2007 financial statements reflect the application of a prior-period adjustment that increased the beginning balance of net assets for the Riverfront Development nonmajor enterprise fund by \$0.2 million. The restatement of net assets was due to implementation of GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. For more information regarding the prior-period adjustment, see note II B of the Notes to the Basic Financial Statements on page 64 of this report.

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Table 1 below provides a summary of the County's net assets as reported for fiscal year 2007.

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	<b>2007</b>	<b>2007</b>	<b>2007</b>
<b>ASSETS</b>			
Current and Other Assets	\$ 649.2	\$ 445.3	\$ 1,094.5
Capital Assets, Net	<u>548.5</u>	<u>1,683.0</u>	<u>2,231.5</u>
<b>TOTAL ASSETS</b>	<u>1,197.7</u>	<u>2,128.3</u>	<u>3,326.0</u>
<b>LIABILITIES</b>			
Current and Other Liabilities	362.3	39.8	402.1
Long-Term Liabilities			
Due Within One Year	16.1	45.8	61.9
Due in More Than One Year	<u>142.6</u>	<u>1,271.2</u>	<u>1,413.8</u>
<b>TOTAL LIABILITIES</b>	<u>521.0</u>	<u>1,356.8</u>	<u>1,877.8</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	452.5	468.3	920.8
Restricted for:			
Debt Service	7.9	5.8	13.7
Special Revenue Funds	220.8	-	220.8
Unrestricted	<u>(4.5)</u>	<u>297.4</u>	<u>292.9</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 676.7</u>	<u>\$ 771.5</u>	<u>\$ 1,448.2</u>

By far, the largest portion of the County's net assets in 2007 reflects its investment in capital assets, which includes property, plant, equipment and infrastructure assets, net of accumulated depreciation and less any related debt used to acquire those assets that is still outstanding. For 2007, the net assets invested in capital assets, net of related debt, were \$920.8 million (63.6%) (\$452.5 million [66.9%] in governmental activities and \$468.3 million [60.7%] in business-type activities). 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.

Significant contributing factors affecting the County's net assets invested in capital assets, net of related debt, were reduced infrastructure assets of \$25.5 million and increased construction in progress of \$48.1 million in business-type activities, as well as an increase in associated debt of \$36.4 million in business-type activities.

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An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. Restricted net assets reported for 2007 were \$234.5 million or 16.2% of net assets (\$228.7 million [33.8%] in governmental activities and \$5.8 million [0.8%] in business-type activities).

The remaining net assets are unrestricted and may be used to meet the County's ongoing obligations to its citizens and creditors and for business-type activities. Unrestricted assets for 2007 were \$292.9 million or 20.2% of net assets, which includes a negative \$4.5 million or (0.7%) of governmental activities and \$297.4 million or 38.5% of business-type activities.

**Changes in Net Assets**

Of Hamilton County's total revenues of \$1,288.7 million, nearly \$416.2 million—32 cents of every dollar raised—comes from some type of tax. Another \$386.3 million of the County's revenue comes from fees charged for services. Most of the remaining \$407.7 million of the County's revenue is State and federal aid.

The majority of the County's expenses in governmental activities (\$591.5 million [59.0%]) are in Social Services and Health functions. MSD expenses (\$155.2 million [61.8%]) account for the largest portion of business-type activities.

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

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	<b>2007</b>	<b>2007</b>	<b>2007</b>
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 187.8	\$ 198.5	\$ 386.3
Operating Grants and Contributions	377.5	-	377.5
Capital Grants and Contributions	9.0	21.2	30.2
General Revenues:			
Property Taxes	259.3	-	259.3
Sales and Use Taxes	66.7	42.5	109.2
Motor Fuel Taxes	15.9	-	15.9
Other Taxes	31.8	-	31.8
Unrestricted Investment Earnings	20.6	16.2	36.8
Net Increase in Fair Value of Equity in Pooled Cash and Investments	2.1	0.3	2.4
Other Revenue	39.3	-	39.3
<b>TOTAL REVENUES</b>	<b>1,010.0</b>	<b>278.7</b>	<b>1,288.7</b>

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**EXPENSES**

Program Expenses:

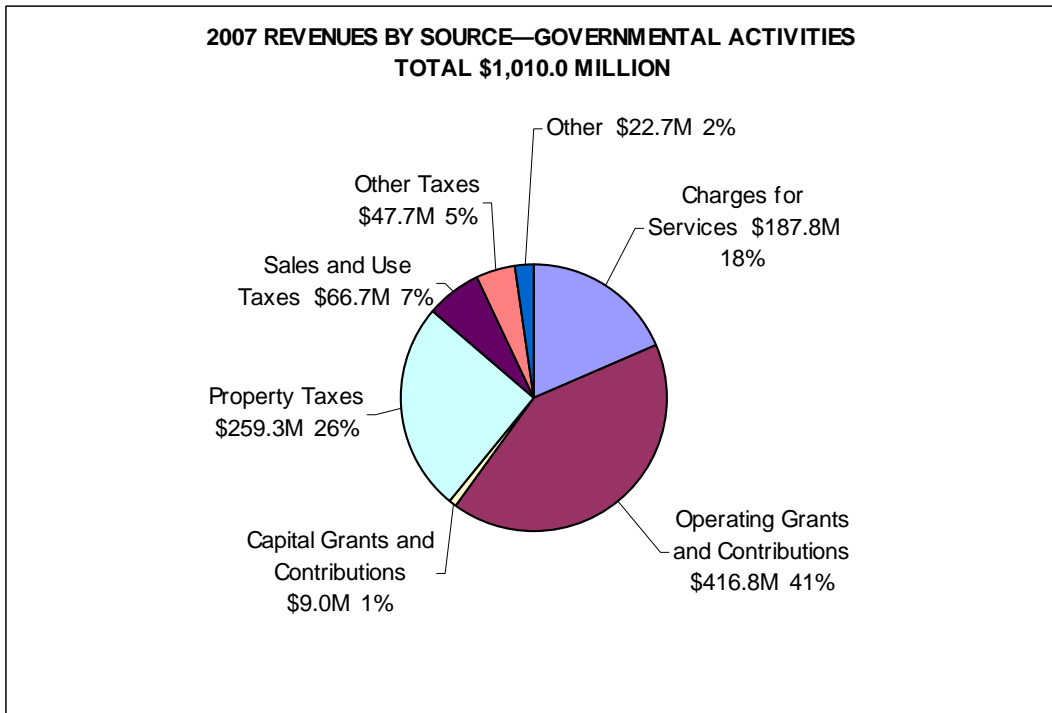
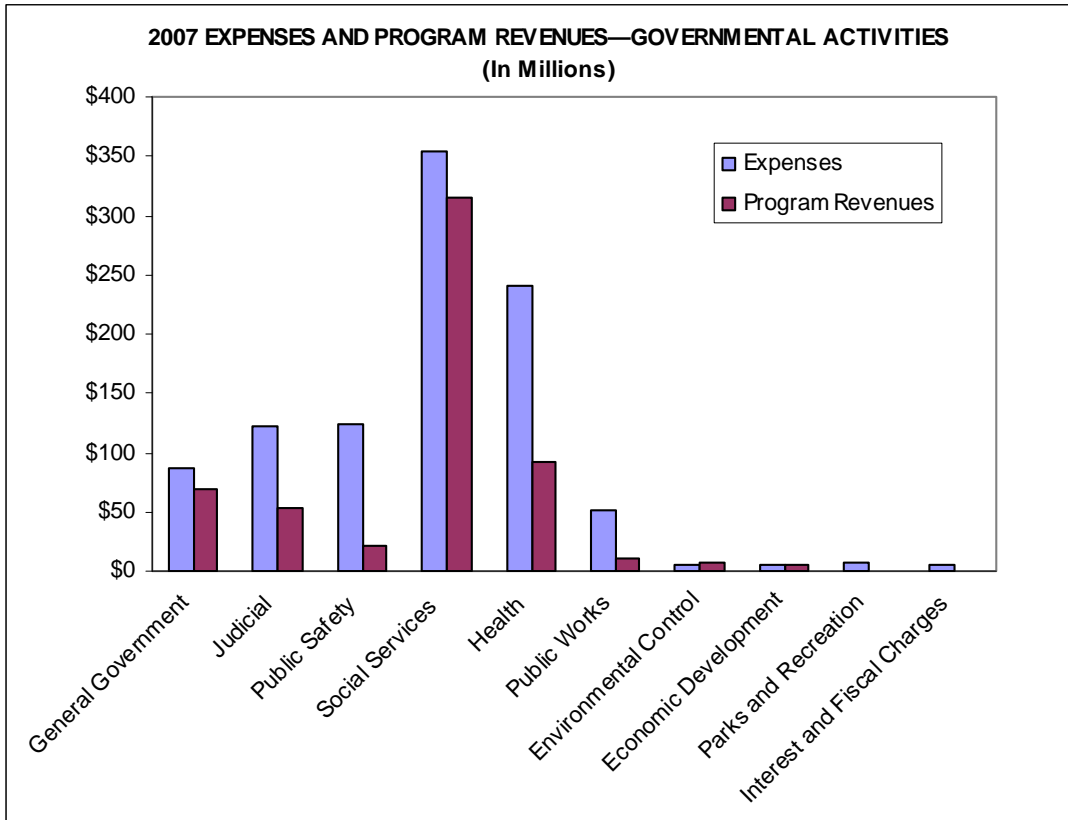
General Government	90.6	-	90.6
Judicial	121.6	-	121.6
Public Safety	123.1	-	123.1
Social Services	351.6	-	351.6
Health	239.9	-	239.9
Public Works	51.0	-	51.0
Environmental Control	5.8	-	5.8
Economic Development	6.1	-	6.1
Parks and Recreation	7.4	-	7.4
Interest and Fiscal Charges	5.0	-	5.0
Metropolitan Sewer District	-	155.2	155.2
Paul Brown Stadium	-	40.5	40.5
Baseball Stadium	-	26.5	26.5
Riverfront Development	-	13.5	13.5
Main Street Parking Garage	-	0.9	0.9
Rotary Funds	-	7.6	7.6
Communications Center	-	6.7	6.7
Workers' Compensation Reserve for Stadiums	-	0.2	0.2
<b>TOTAL EXPENSES</b>	<u>1,002.1</u>	<u>251.1</u>	<u>1,253.2</u>
<b>Increase in Net Assets Before Transfers</b>	7.9	27.6	35.5
Transfers	<u>0.8</u>	<u>(0.8)</u>	<u>-</u>
<b>INCREASE IN NET ASSETS</b>	8.7	26.8	35.5
<b>NET ASSETS—BEGINNING OF YEAR</b>	<u>668.0</u>	<u>744.7</u>	<u>1,412.7</u>
<b>NET ASSETS—END OF YEAR</b>	<u>\$ 676.7</u>	<u>\$ 771.5</u>	<u>\$ 1,448.2</u>

**Governmental Activities.** Governmental activities increased Hamilton County's net assets by \$8.7 million. Tax revenue accounts for \$373.7 million (37.0%) of the \$1,010.0 million total revenue for governmental activities.

Total expenses of the County's governmental activities were \$1,002.1 million in 2007. Social Services accounts for \$351.6 million (35.1%) of the total expenses. Health was the next largest program within the governmental activities, accounting for \$239.9 million (23.9%) of these expenses.

Program revenues were \$574.3 million in 2007. The County has exercised an aggressive strategy to secure the maximum amount of grants and contributions that are provided by the State and federal governments. In 2007, grants and contributions provided by the State and federal governments included \$377.5 million for operating grants and contributions, the largest program revenue, accounting for 37.3% of total governmental revenue. Operating and capital grants combined to make up 38.2% of governmental activities' revenues in 2007. The most significant of these intergovernmental contributions is accounted for through subsidies received to provide social service programs. Approximately 65.2% of intergovernmental revenue was allocated to these programs in 2007.

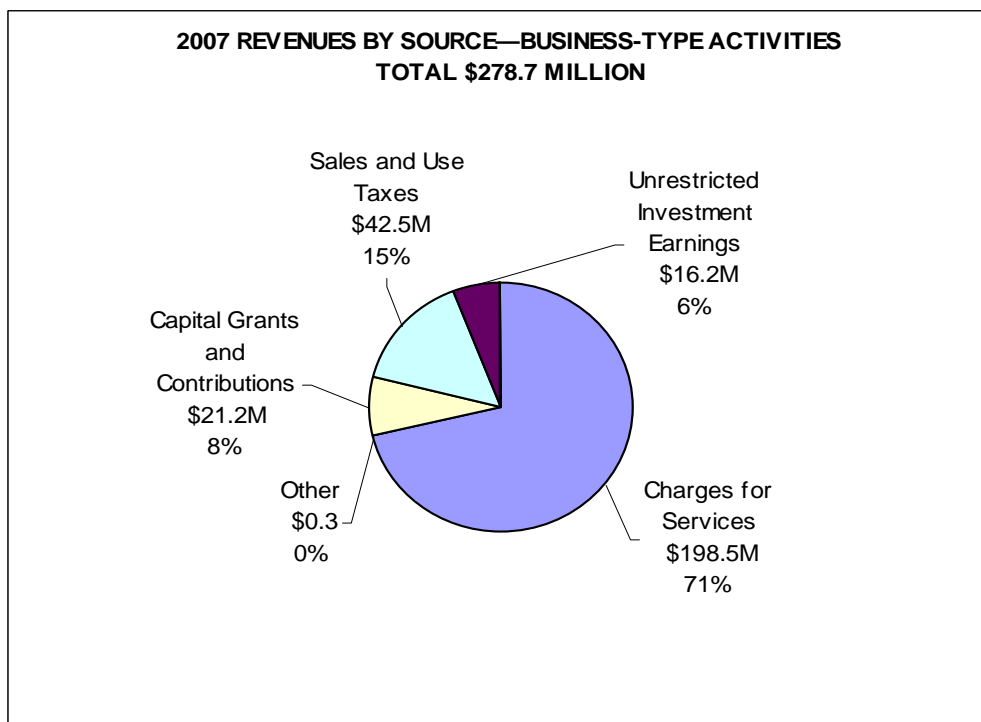
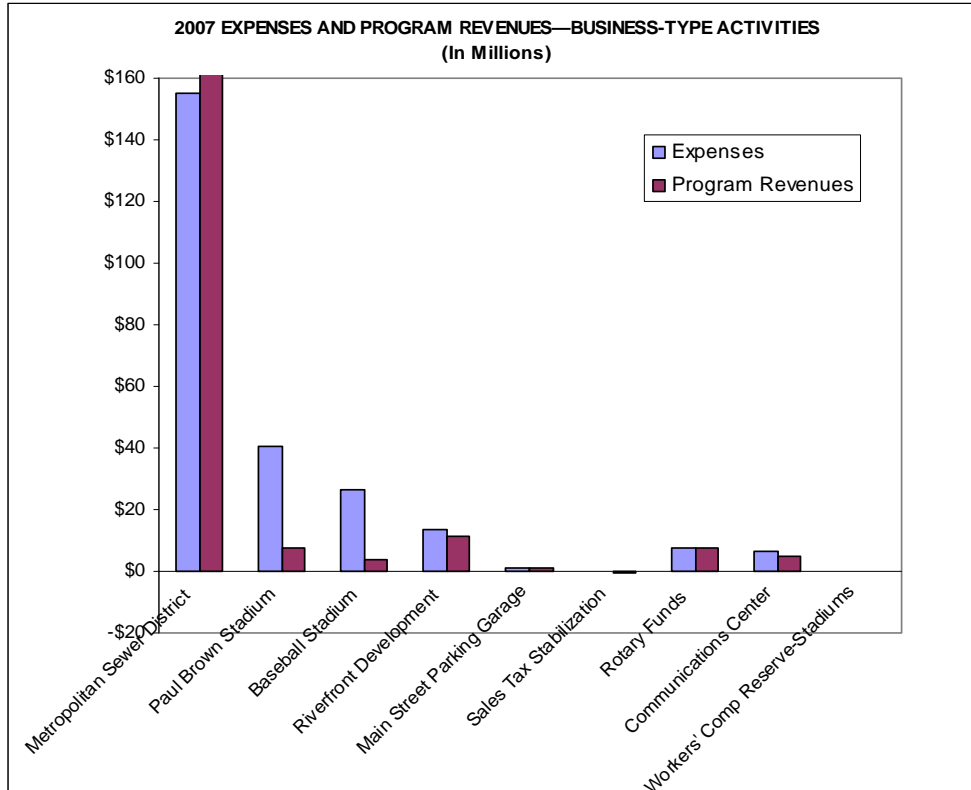
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**Business-Type Activities.** Business-type activities increased Hamilton County's net assets by \$26.8 million in 2007. Major factors contributing to the increase in the net assets of business-type activities include MSD's increase in service fees of \$13.3 million, an \$8.2 million increase in sales and use tax, and \$3.3 million more in investment earnings.



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The County's direct charges to users of County business-type services, Charges for Services, were \$198.5 million (71.2%) of business-type revenues in 2007. A significant portion of these charges were Metropolitan Sewer District sewer service charges and surcharges (which reflect an 8.6% sewerage rate increase effective January 9, 2007) that will provide for necessary operating expenses, annual debt support, support of the District's capital program and the satisfaction of bond covenants. Other major revenue sources in 2007 were capital grants and contributions of \$21.2 million, sales and use tax revenues of \$42.5 million and investment earnings of \$16.2 million.

Overall expenses of the County's business-type activities were \$251.1 million for 2007. Metropolitan Sewer District accounts for \$155.2 million (61.8%) of the total expenses for business-type activities. Paul Brown Stadium and the Baseball Stadium account for the next largest business-type expenses, at \$40.5 million (16.1%) and \$26.5 million (10.6%), respectively. (See page 25-26 for further discussion of the business-type activities' expenses.)

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

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

#### **Governmental Funds**

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

As the County completed the year 2007, its governmental funds reported a combined ending fund balance of \$228.3 million. Approximately \$176.8 million (77.4%) of this amount constitutes unreserved fund balance, which is available for spending for its citizens. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for other purposes, which include (1) a reserve for judgments and claims—\$5.2 million; (2) future obligations—\$2.0 million; (3) advances to other funds—\$2.8 million; (4) liquidation of prior-year contracts and purchase orders—\$37.9 million; (5) a reserve for inventories—\$2.0 million; and (6) receivables due from the Village of Woodlawn for repayment of a loan to construct a community center and the County Engineer for a loan for a road project—\$1.6 million.

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

**General Fund.** The General Fund is the chief operating fund of the County, available for any authorized purpose and used to account for all financial resources except those required to be accounted for in another fund. In 2007, unreserved fund balance of the General Fund was \$32.9 million, while total fund balance was \$51.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. In 2007, unreserved fund balance represents 12.3% of the total General Fund expenditures and other financing uses, while total fund balance represents 19.4% of that same amount.

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The fund balance of the County's General Fund decreased \$13.8 million during 2007. Expenditures exceeded revenues by \$2.9 million. A significant factor that contributed to the decreased General Fund balance in 2007 was increased spending in Public Safety expenditures due to the added focus on Public Safety programs in 2007, such as increased Prosecutor detective hours, full-year funding of the Over-the-Rhine probation substation and an additional mental health services position for jail diversion.

**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 \$11.9 million in 2007. Revenues exceeded expenditures by \$10.4 million in 2007, mostly due to a greater than usual closeout adjustment of prior-year activity in 2007.

*Health and Human Services Levies Fund.* The Health and Human Services Levies fund, an annually budgeted special revenue fund, is used to account for revenues 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 \$25.1 million in 2007. Revenues exceeded expenditures by \$32.0 million. Charges for services totaling \$17.3 million due to an accounting change that transfers revenue dollars to follow the expenditures was the largest factor contributing to the increase in fund balance.

**Other Governmental Funds.** The fund balances of Other Governmental Funds—Nonmajor Governmental Funds—increased by \$2.7 million during 2007. Expenditures exceeded revenues by \$16.1 million. The major factors contributing to the increase in the fund balances of Nonmajor Governmental Funds were reduced expenditures for a couple large Public Safety grants, fewer capital projects, and reduced Economic Development expenditures due to the transfer of the County's Housing Choice Voucher Program (Section 8) to the Cincinnati Metropolitan Housing Authority.

### **Proprietary Funds**

The proprietary funds include the enterprise funds and the internal service funds. The proprietary funds financial statements 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.

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The fund assets of Metropolitan Sewer District exceeded liabilities by \$557.1 million in 2007. Nearly half (48.8%) of the District's net assets (\$271.8 million) reflect its investment in capital assets used primarily in the collection and treatment of wastewater throughout the District's service area, less any related debt used to acquire those assets that is still outstanding. The related debt will be repaid with resources provided by systems users through rates and fees. Net assets increased \$43.9 million in 2007, with revenues exceeding expenses by \$36.8 million. The increase was a combination of income before contributions and contributions in the form of connection fees, assessments and developer contributions. Capital contributions fluctuate depending on building activity and assessment projects.

Total operating revenues were \$176.9 million and total operating expenses were \$129.8 million in 2007. Operating revenues reflect an 8.6% sewerage rate increase implemented January 9, 2007. Nonoperating revenues were \$15.1 million, and nonoperating expenses were \$25.5 million.

*Paul Brown Stadium Fund.* The Paul Brown Stadium fund is used to account for revenues received from stadium tenants and for the operation of Paul Brown Football Stadium. The fund net assets of the Paul Brown Stadium fund were a negative \$20.3 million in 2007; operating expenses exceeded revenues by \$23.0 million. Factors contributing to the decrease in fund net assets include depreciation expense on the stadium with minimal revenue offset, increased stadium utility expenditures and increases in insurance costs.

*Baseball Stadium Fund.* The Baseball Stadium fund is used to account for the revenues and expenses associated with the operations of the Great American Ball Park Baseball Stadium and the Cincinnati Reds Hall of Fame and Museum. The 2007 fund net assets of the Baseball Stadium fund were \$110.2 million, and operating expenses exceeded operating revenues by \$15.8 million. The major factors contributing to the decrease in fund net assets were the same as those for Paul Brown Stadium, i.e., depreciation expense on the stadium with minimal revenue offset, increased stadium utility expenditures and increases in insurance costs. Revenues and expenditures are largely fixed amounts, as set forth in the ballpark lease. Operating costs are shared by the Cincinnati Reds and County sales tax.

*Other Enterprise Funds.* The fund net assets of Other Enterprise Funds—Nonmajor Enterprise Funds—decreased by \$5.1 million in 2007. Operating expenditures exceeded operating revenues by \$8.2 million. Factors contributing to the decrease in fund net assets include the following: Riverfront Development operating expenses exceeded revenues by \$6.2 million, which included \$2.6 million in litigation judgment expenses; and there was no General Fund subsidy in 2007 for the Communications Center fund. For more details related to the change in net assets of Other Enterprise Funds—Nonmajor Enterprise Funds, please refer to the Combining Statement of Revenues, Expenses and Changes in Fund Net Assets on pages 118–119.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

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The adopted budget may be amended in one of three ways: (1) transfer of moneys 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 the County Administrator's approval. (With regard to this latter category, however, such transfers within appropriated levels are not necessary since agencies may legally spend within their total budget for a given appropriation level without further approval.) The Budget and Research division reviews departmental requests for transfers and supplemental appropriations throughout the year and assists departments in monitoring budget activity. All budgetary amendments and supplemental appropriations made during 2007 are included in the revised budget amounts presented in the budget-to-actual comparisons.

While the 2007 budget was balanced without a tax increase or layoffs, the General Fund still faces significant challenges as we continue to see stagnant or declining revenue in many areas. Nearly 75% of General Fund expenditures are in the Public Safety and Judicial functions. Expenditures in these categories have grown steadily over the past five years, while other categories have remained constant or declined. The cost of employee wages and benefits continues to be the largest expenditure category, accounting for approximately 70% of expenditures.

The County made several revisions to the original appropriations approved by the County Commissioners. Overall these changes resulted in a net increase from the original budget of \$21.5 million in the General Fund. The largest increase—\$9.4 million—occurred in the Public Safety function. The final revised General Fund appropriations for 2007 were \$274.7 million. This spending level in the General Fund met with the BOCC's overall goal of keeping spending within the rate of inflation, estimated at 3% annually in the County's five-year plan. The County spent 98.1% of the amount appropriated in the General Fund during 2007.

The final budgeted revenues for the General Fund for 2007 were \$250.5 million. Actual General Fund revenues received were \$243.1 million, 3.0% lower than final budgeted General Fund revenues. A portion of the revenue shortfall consisted of \$2.8 million in Charges for Services, resulting from a decline in real estate transfer tax revenues and fees collected by the Auditor's and Recorder's Offices. Another large variance in Charges for Services was \$3.7 million in Juvenile Court, which was a result of recording only half the usual reimbursements from the Court's Hillcrest Division because of a timing issue in posting the reimbursements. The \$5.7 million variance in Other revenue was mostly offset in Charges for Services because of a change in the accounting for the Sheriff's reimbursement for providing security for the Court of Domestic Relations. Investment earnings exceeded expectations due to higher interest rates in 2007.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

Hamilton County invested \$2,231.4 million (net of accumulated depreciation) in 2007 in a broad range of capital assets, which include property, plant, equipment and infrastructure. Net capital assets related to governmental activities amount to \$548.4 million, and those related to business-type activities amount to \$1,683.0 million and include \$872.7 million net capital assets of MSD.

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Table 3 provides a summary of the County's capital assets, net of accumulated depreciation, for fiscal year 2007.

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>2007</b>	<b>2007</b>	
Land and Improvements	\$ 98.8	\$ 96.0	\$ 194.8
Buildings, Structures and Improvements	154.9	1,165.6	1,320.5
Infrastructure	251.9	-	251.9
Processing System	-	117.3	117.3
Furniture, Fixtures and Equipment	34.7	27.3	62.0
Construction in Progress	8.1	276.8	284.9
<b>TOTAL CAPITAL ASSETS, NET</b>	<b>\$ 548.4</b>	<b>\$ 1,683.0</b>	<b>\$ 2,231.4</b>

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

- completion of about \$67 million Metropolitan Sewer District capital improvement projects (including receipt of about \$7 million in capital contributions) with sewer replacements and improvement projects making up about 75% of the total;\*
- completion of bridge replacement or improvement projects by the Hamilton County Engineer's Office, at \$1.0 million total final cost, funded by Hamilton County, with construction in progress as of the end of the current year totaling \$8.1 million;
- completion of \$0.9 million new roadway projects by the Hamilton County Engineer's Office, with construction in progress as of the end of the current year at \$6.5 million, and with total costs in 2007 of \$4.5 million, paid for with \$2.5 million Hamilton County funding and \$2.0 million Ohio Public Works Commission (OPWC) funding;
- completion of the MR/DD administration building, resulting in the conversion of construction in progress costs of \$3.9 million; and
- completion of six minor building improvement projects, resulting in the conversion of construction in progress costs of \$2.0 million.

\*Source: Metropolitan Sewer District of Greater Cincinnati 2007 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 2007 through 2011.

**Hamilton County Capital Improvement Plan.** The 2007 capital improvement plan includes \$843.4 million in approved and recommended capital improvement projects, including Great American

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Ball Park and riverfront development (\$487.1 million), funded through a variety of sources, including contributions from private sources, State of Ohio funding and the proceeds of sales tax bonds; the proposed jail (\$225.2 million), for which the funding plan is being revised since the proposed sales tax for this purpose was defeated by voters; and The Banks development (\$82.0 million), to be paid for by the developer contribution, the city of Cincinnati, State and federal grants and the city of Cincinnati and Hamilton County tax increment financing. Five new projects totaling \$12.0 million have been added to the plan. Funding for the new projects has been provided from various restricted funds by the agencies requesting the capital improvements, with the exception of the Eastdale Storm Sewer improvement (\$.06 million), which was funded from the General Fund during 2006.\*

*Metropolitan Sewer District Capital Plan.* As part of the MSD capital improvement program, MSD has entered into a number of contracts for construction, design and other services. Commitments under these contracts aggregate to approximately \$115 million as of December 31, 2007. MSD finances its construction primarily through the issuance of revenue bonds and will utilize low-interest loan programs through the State of Ohio in appropriate circumstances. Each project must be individually approved before proceeding.\*\*

\*Source: Hamilton County Ohio 2007 Budget, Capital Improvement Program

\*\*Source: Metropolitan Sewer District of Greater Cincinnati 2007 Audited Financial Statements

Additional information regarding the County's capital assets can be found in note IV D of the Notes to the Basic Financial Statements on pages 72–73 of this report.

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

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

*Convention Center—General Obligation Debt.* Hamilton County Commissioners sold a bond issue to fund the Convention Center debt. Hamilton County assumes responsibility for the related debt payments; however, Hamilton County does not have title to the Convention Center.

Additional information regarding the Museum Center and the Convention Center can be found in note IV F of the Notes to the Basic Financial Statements on pages 75–81 of this report.

### **Long-Term Debt**

Hamilton County's total long-term debt outstanding at December 31, 2007, was \$1,416.5 million (\$107.0 million related to governmental activities and \$1,309.5 million related to business-type activities). Total governmental long-term debt decreased \$10.7 million in 2007. The decrease resulted from an advance refunding and the reduction of the principal of general obligation unvoted bonds that were issued for various purposes, such as building improvements and acquisitions. Total business-type long-term debt increased \$36.4 million in 2007. The increase was due to a \$46.9 million increase in Metropolitan Sewer District obligations resulting from the issuance of new bonds.

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Table 4 provides a summary of the County's outstanding long-term debt for fiscal year 2007.

Table 4

**HAMILTON COUNTY'S  
OUTSTANDING LONG-TERM DEBT AT YEAR-END**  
(In Millions)

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

**Outstanding Debt Issues.** At the end of 2007, the County had a number of debt issues outstanding. These issues, net of applicable unamortized discounts, included \$110.9 million of general obligation voted and unvoted bonds, \$4.2 million of general obligation special assessment bonds, \$695.7 million of sewer revenue bonds and other obligations of MSD, \$21.8 million of parking garage adjustable rate revenue bonds, and \$583.9 million of stadium sales tax bonds.

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

**New Debt.** During 2007, the County issued new debt for the purposes listed below.

**Governmental Activities—Governmental Long-Term Debt.** In January 2007, the County issued \$25.5 million in general obligation bonds to advance refund outstanding principal amounts totaling \$24.7 million of building and parking facility bonds. In April 2007, new general obligation bonds were issued in the amount of \$1.0 million for the purpose of acquiring and financing emergency equipment and a boiler at the Communications Center. General obligation special assessment bonds (\$0.7 million), dated September 1, 2007, were issued for the purpose of constructing sewer improvements at seven locations in anticipation of the collection of special assessments against the benefited properties.\*

\*Source: Original Bond Documents

**Business-Type Activities—MSD Revenue Bonds.** Effective December 20, 2007, MSD issued \$72.4 million Series A County of Hamilton, Ohio, Sewer System Improvement and Refunding Revenue Bonds, dated June 1, 2007. The proceeds from the 2007 bonds were used to permanently fund certain previous capital expenditures, fund the new bond reserve requirement and pay for the cost of issuance.\*

\*Source: Metropolitan Sewer District of Greater Cincinnati 2007 Audited Financial Statements



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

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

\*Source: Hamilton County Ohio 2007 Budget, Debt Service Section

**Ratings**

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

**Insurers**

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

**Notes**

- <sup>1</sup>The MSD revenue bond ratings above are the underlying ratings. The insured ratings are Aaa by Moody's and AAA by S&P.  
<sup>2</sup>The 1998 sales tax bonds were re-rated by Moody's in 2000 when their lien was closed off. The County did not obtain a rating from S&P for the 2000 bonds. In 2006, S&P re-rated the 1998 bonds. The sales tax bonds are insured and are rated Aaa by Moody's and AAA by S&P and Fitch.  
<sup>3</sup>The riverfront parking revenue debt is variable rate with a letter of credit. The rating is that of JPMorgan Chase Bank, the letter of credit bank.

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

The total voted and unvoted non-exempt debt of the County that could be issued subject to the 3%, 1½% and 2½% limitation described above is \$514.7 million. The total County net debt subject to this limitation is \$85.3 million, leaving a borrowing capacity of \$429.4 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 \$206.5 million. The total County debt subject to such limitation is \$79.9 million, leaving a borrowing capacity of \$126.6 million within the 1% limitation for unvoted non-exempt debt.

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

For more information regarding the County's debt, see note IV F of the Notes to the Basic Financial Statements on pages 75–81 of this report.

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Interest and fiscal charges were \$5.0 million or 0.5% of the total governmental activities' expenses in 2007.

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

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

***Positives***

- Relatively low cost of business
- A major transportation hub, including a world-class international airport
- Skilled labor force—above-average number of college graduates relative to the nation
- Acceleration of business expansions in the manufacturing, bio-medical, computer, financial and distribution industries
- New focus on downtown with revitalization of Fountain Square
- Initiation of The Banks project getting riverfront development active again
- Continued new retail construction in Kenwood, Norwood and Newport
- More positive positioning in the global market

***Negatives***

- Reduction in manufacturing employment—down 18% from July 1999 (loss of 27,000 jobs)
- Higher costs of travel impacting transportation sector
- Low growth in employment and population
- Higher tax rates affecting business competitiveness
- Erosion of urban core in population and jobs
- Difficulty with sales tax revenues in light of tax rate increases

The Hamilton County area boasts a top-ten ranking in number of Fortune 500 firms per million residents. Continued successful local economic expansion will require attention to the costs of doing business here versus other locations and a focus on attracting those businesses that have a greater impact on employment and wages. Controlling tax rates is becoming more important. Efforts to provide the infrastructure that attracts high wage and high job growth business clusters will continue to move the area forward. Policy makers should investigate the creation of a more "elastic" form of government.

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

The annual average unemployment rate for Hamilton County for 2007 was 5.0%, which remains unchanged from a rate of 5.0% a year ago. This compares favorably to the State's 2007 average unemployment rate of 5.6% and compares unfavorably to the national 2007 average rate of 4.6%.<sup>1</sup>

The 2008 budget required serious examination as to funding priorities and reflects significant reductions in the following areas: Ohio State Extension Service, Emergency Management Agency, Partnership for Greater Cincinnati, Miami Conservancy District, Regional Planning Commission and Hamilton County Community Development. Additionally, the following programs were eliminated or suspended: Employee Tuition Assistance Program, Home Improvement Loan

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\* Information presented in this section was gathered from the Hamilton County, Ohio, 2008 Budget in Brief and the Hamilton County, Ohio, 2008 Budget, unless otherwise noted.

<sup>1</sup> Ohio Department of Job and Family Services

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Program and Reverse Commute Bus Service. Also, there are no salary increases budgeted for nonunion staff and 101 General Fund positions have been eliminated.

On the revenue side, the following enhancements are included in the 2008 budget: Aging real property tax liens will be sold in 2008, municipalities will be charged for jail costs for municipal code violations, the County will sell excess property, an inmate reception fee will be implemented and dog Warden boarding fees will be increased to reduce the General Fund subsidy. We also asked our employees to pay a greater share of the cost of health insurance by continuing to offer benefit plans that encourage sound decisions in accessing employer-sponsored health insurance.

Some of the other factors considered in preparing Hamilton County's budget for the 2008 fiscal year are listed below:

- Fiscal stewardship—provide a balanced budget and replenish County reserves;
- Criminal justice reform and public safety—continue support of the Criminal Justice Commission, evaluate and expand the intake and assessments efforts, and implement additional actions to continue the success in this area in 2007;
- Quality of life—increase access and capacity for key social services programs, initiate an environmental agenda, collaborate with local schools on issues of mutual interest, continue progress toward a regional transportation approach and help homeowners avoid foreclosure and enhance their properties;
- Stagnant or declining revenues in many areas, such as consumer spending and the housing market; and
- Rising expenditures in labor, health care and commodity prices.

The County Commission authorized a balanced budget of \$1.2 billion for 2008, an increase of \$0.8 billion over the 2007 adopted budget. The increase is primarily attributable to a \$49 million increase in voted property tax levies consistent with previously approved levy plans and voter approval of the Mental Health levy and the Senior Services levy in November 2007. A \$29 million increase is within the Metropolitan Sewer District to comply with the terms of the Global Consent Decree to address combined sewer and sanitary sewer overflows. The budget also includes \$1.2 billion of entitlements (mostly Medicaid related) that are not appropriated but pass directly from the State to recipients.

The total General Fund budget is \$271.6 million for 2008, which represents a \$5.9 million (2.2%) increase from the 2007 General Fund approved appropriation. Accounting for budget increases associated with reimbursed work from the Department of Job and Family Services and presidential election year costs, the approved 2008 general fund budget reflects a \$3.6 million (1.4%) decrease from the estimated 2007 expenditures. Approximately 71.2% of General Fund expenditures are in the areas of public safety and the court system. Expenditures in these categories have grown steadily over the past five years, while other categories have experienced decreases. As a point of reference, the General Fund has 68 fewer positions in 2008 than five years ago and the entire General Fund budget has risen less than the rate of inflation.

The County faces particular fiscal challenges in the following areas:

- Through the systematic assessment of each part of the criminal justice system, the Criminal Justice Commission has brought further attention to the challenge of aging correctional facilities whose replacement or renovation is still without a funding source.
- Tight budgets in recent years have resulted in deferred investments in capital maintenance, capital equipment, information technology, and human capital (i.e., salary adjustments not keeping pace with inflation). Continued disinvestment will cost the county in the long term.

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- Work on The Banks project has commenced, but many County financial and human resources will be required to ensure the project meets its time lines.
- Stadium-riverfront funding faces a projected deficit in 2011.

**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 since the date of the most recently audited financial report and that were not reflected in 2007 activities. As previously noted, the special audit of Hamilton County Department of Job and Family Services (HCDJFS) has not been finalized. Since this special audit affects financial reports dated 2004 and later, the financial audits of the County for years 2004, 2005 and 2006 have not been finalized. Therefore, significant events outlined below date back to December 31, 2003, since that was the date of the most recent finalized financial audit. The issues identified here have had or are expected to have a material effect on financial position (net assets) or results of operations (revenues, expenses and other changes in net assets). For further information on the special audit of HCDJFS and the items listed below, see pages 88–91 of the Notes to the Basic Financial Statements.

- The County issued the following debt since 2003 (excludes 2007 issuances reported in Note IV F): \$70.8 million Various Purpose Limited Tax General Obligation Refunding Bonds, \$0.7 million Emergency Management and Operations Center General Obligation Bonds, \$19.5 million Emergency Services Communications System General Obligation Bonds, \$8.8 million Various Purpose General Obligation Bonds, \$1.6 million Emergency Alert System General Obligation Bonds, \$0.7 million Water and Sewer Special Assessment Bonds, \$0.1 million Sewer System Special Assessment Bonds, \$0.3 million Sewer District Special Assessment Bonds, \$452.3 million Ohio Sales Tax Bonds, \$12.5 million Urban Redevelopment Limited Tax General Obligation Bonds, \$133.4 million Sewer System Refunding Revenue Bonds for MSD and \$166.6 million Sewer System Improvement Revenue Bonds for MSD.
- The County redeemed \$5.6 million and advance refunded \$68.7 million of outstanding general obligation debt. MSD revenue bonds of \$133.8 million and sales tax bonds of \$462.5 million were also advance refunded.
- In 2004–2006, there were real property acquisitions totaling \$2.8 million, plus land obtained in a swap with the City of Cincinnati. The County received \$6.8 million plus swapped land for disposed real properties.
- A 2004 litigation settlement awarded the County \$14.2 million. Settlements of claims against the County resulted in payments of \$18.9 million in 2004–2008.
- In 2005, 2006 and 2008, the Board of County Commissioners approved sewerage rate increases for MSD of 12%, 4% and 12%, respectively.
- In 2008, departments' appropriations within the General Fund were reduced by 6%.

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

**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF NET ASSETS**  
**December 31, 2007**  
(Amounts in Thousands)

	Primary Government			Component Unit
	Governmental	Business-Type	Totals	Convention
	Activities	Activities		Facility
				Authority
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 271,089	\$ 21,572	\$ 292,661	\$ 4,915
Cash and Cash Equivalents—Segregated Accounts	118	16,564	16,682	-
Accounts Receivable	2,703	32,117	34,820	472
Lease Rent Receivable	-	500	500	-
Sales Tax Receivable	-	7,300	7,300	-
Interest Receivable	2,833	8	2,841	211
Intergovernmental Receivable	102,182	1,410	103,592	-
Real and Other Taxes Receivable	256,233	-	256,233	2,002
Internal Balances	1,164	(1,164)	-	-
Prepaid Expenses	-	4,564	4,564	1,316
Inventories	2,033	-	2,033	-
Due from Advances to Other Funds	2,772	-	2,772	-
Restricted Assets:				
Cash and Cash Equivalents Held by the City of Cincinnati:				
Construction Account	-	20,866	20,866	-
Amount to Be Transferred to Surplus Account	-	20,877	20,877	-
Held by Trustees:				
Cash and Cash Equivalents	-	42,261	42,261	-
Investments—Held to Maturity	-	265,924	265,924	-
Special Assessments Receivable	5,946	-	5,946	-
Loans to Political Subdivisions or Other Funds	1,567	-	1,567	-
Nondepreciable Capital Assets	106,849	372,875	479,724	-
Depreciable Capital Assets, Net	441,604	1,310,147	1,751,751	-
Unamortized Financing Cost	555	11,736	12,291	865
Other Long-Term Assets	-	798	798	-
<b>TOTAL ASSETS</b>	<b>1,197,648</b>	<b>2,128,355</b>	<b>3,326,003</b>	<b>9,781</b>
<b>LIABILITIES</b>				
Accounts Payable	55,988	8,241	64,229	-
Accrued Wages and Benefits Payable	12,583	2,640	15,223	-
Accrued Interest Payable	361	6,569	6,930	343
Construction Accounts Payable	-	7,913	7,913	-
Retainage Payable	133	333	466	-
Due to Other Governments	-	-	-	3,212
Advances from Other Funds	2,772	-	2,772	-
Loans from Other Funds	900	-	900	-
Deferred Revenue	279,007	13,829	292,836	-
Escheat	4,074	-	4,074	-
Estimated Future Claims	6,460	276	6,736	-
Long-Term Liabilities:				
Due Within One Year	16,090	45,830	61,920	2,185
Due in More Than One Year	142,603	1,271,207	1,413,810	90,190
<b>TOTAL LIABILITIES</b>	<b>520,971</b>	<b>1,356,838</b>	<b>1,877,809</b>	<b>95,930</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	452,453	468,326	920,779	-
Restricted for:				
Debt Service	7,935	5,810	13,745	-
Capital Projects	-	-	-	344
Special Revenue Funds	220,818	-	220,818	-
Unrestricted	(4,529)	297,381	292,852	(86,493)
<b>TOTAL NET ASSETS</b>	<b>\$ 676,677</b>	<b>\$ 771,517</b>	<b>\$ 1,448,194</b>	<b>\$ (86,149)</b>
See accompanying notes to the basic financial statements.				

**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(Amounts in Thousands)

FUNCTION/PROGRAMS	Program Revenues					Net (Expense) Revenue and Changes in Net Assets			Component Unit Convention Facility Authority
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
						Governmental Activities	Business-Type Activities	Total	
<b>Governmental Activities</b>									
General Government	\$ 90,623	\$ (4,565)	\$ 54,450	\$ 9,703	\$ 4,035	\$ (17,870)	\$ -	\$ (17,870)	\$
Judicial	121,578	231	36,191	17,590	-	(68,028)	-	(68,028)	
Public Safety	123,099	261	14,985	4,547	1,437	(102,391)	-	(102,391)	
Social Services	351,580	3,118	63,640	251,859	-	(39,199)	-	(39,199)	
Health	239,911	250	9,507	81,258	1,448	(147,948)	-	(147,948)	
Public Works	51,020	180	4,982	4,299	2,062	(39,857)	-	(39,857)	
Environmental Control	5,811	325	3,547	3,260	-	671	-	671	
Economic Development	6,068	71	417	4,936	-	(786)	-	(786)	
Parks and Recreation	7,475	129	67	126	-	(7,411)	-	(7,411)	
Debt Service:									
Interest	4,896	-	-	-	-	(4,896)	-	(4,896)	
Fiscal Charges	64	-	-	-	-	(64)	-	(64)	
<b>Total Governmental Activities</b>	<b>1,002,125</b>	<b>-</b>	<b>187,786</b>	<b>377,578</b>	<b>8,982</b>	<b>(427,779)</b>	<b>-</b>	<b>(427,779)</b>	
<b>Business-Type Activities</b>									
Metropolitan Sewer District	155,209	-	176,933	-	7,081	-	28,805	28,805	
Paul Brown Stadium	40,517	-	840	-	6,545	-	(33,132)	(33,132)	
Baseball Stadium	26,436	-	1,171	-	2,759	-	(22,506)	(22,506)	
Riverfront Development	13,524	-	6,481	-	5,120	-	(1,923)	(1,923)	
Main Street Parking Garage	929	-	870	-	-	-	(59)	(59)	
Sales Tax Stabilization	-	-	-	-	(271)	-	(271)	(271)	
Rotary Funds	7,609	-	7,354	-	-	-	(255)	(255)	
Communications Center	6,714	-	4,633	-	-	-	(2,081)	(2,081)	
Workers' Compensation Reserve for Stadiums	167	-	167	-	-	-	-	-	
<b>Total Business-Type Activities</b>	<b>251,105</b>	<b>-</b>	<b>198,449</b>	<b>-</b>	<b>21,234</b>	<b>-</b>	<b>(31,422)</b>	<b>(31,422)</b>	
<b>Total Primary Government</b>	<b>\$ 1,253,230</b>	<b>\$ -</b>	<b>\$ 386,235</b>	<b>\$ 377,578</b>	<b>\$ 30,216</b>	<b>(427,779)</b>	<b>(31,422)</b>	<b>(459,201)</b>	
<b>Component Unit:</b>									
Convention Facility Authority	\$ 10,045	\$ -	\$ -	\$ -	\$ 2,283				(7,762)
	<b>General Revenues</b>								
	Property Taxes					259,345	-	259,345	-
	Sales and Use Taxes					66,671	42,504	109,175	-
	Motor Fuel Taxes					15,932	-	15,932	-
	Hotel Occupancy Taxes					-	-	-	8,061
	Other Taxes					31,803	-	31,803	-
	Grants and Entitlements not Restricted to Specific Programs					39,249	-	39,249	-
	Unrestricted Investment Earnings					20,609	16,234	36,843	-
	Increase in Fair Value of Equity in Pooled Cash and Investments					2,067	317	2,384	-
	Change in Fair Value of MSD Investments					-	(3)	(3)	-
	Transfers (Note IV E)					847	(847)	-	-
	<b>Total General Revenues and Transfers</b>					<b>436,523</b>	<b>58,205</b>	<b>494,728</b>	<b>8,061</b>
	<b>Change in Net Assets</b>					<b>8,744</b>	<b>26,783</b>	<b>35,527</b>	<b>299</b>
	<b>Net Assets—Beginning, as restated (Note II B)</b>					<b>667,933</b>	<b>744,734</b>	<b>1,412,667</b>	<b>(86,448)</b>
	<b>Net Assets—Ending</b>					<b>\$ 676,677</b>	<b>\$ 771,517</b>	<b>\$ 1,448,194</b>	<b>\$ (86,149)</b>

See accompanying notes to the basic financial statements.

**COUNTY OF HAMILTON, OHIO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2007**  
(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	\$ 26,395	\$ 37,470	\$ 129,927	\$ 70,284	\$ 264,076
Cash and Cash Equivalents—Segregated Accounts	-	-	-	118	118
Accounts Receivable	264	51	687	1,671	2,673
Interest Receivable	2,832	-	-	1	2,833
Intergovernmental Receivable	19,167	20,417	10,696	51,902	102,182
Real and Other Taxes Receivable	42,929	-	210,403	2,901	256,233
Due from Other Funds	18,840	1,847	-	167	20,854
Inventories	-	-	-	2,033	2,033
Due from Advances to Other Funds	2,772	-	-	-	2,772
Special Assessments Receivable	-	-	-	5,946	5,946
Loans to Political Subdivisions or Other Funds	1,567	-	-	-	1,567
<b>TOTAL ASSETS</b>	<b>\$ 114,766</b>	<b>\$ 59,785</b>	<b>\$ 351,713</b>	<b>\$ 135,023</b>	<b>\$ 661,287</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 8,006	\$ 9,463	\$ 18,174	\$ 19,234	\$ 54,877
Accrued Wages and Benefits Payable	6,695	2,414	1,566	1,863	12,538
Retainage Payable	-	-	15	118	133
Due to Other Funds	104	6,127	4,066	9,964	20,261
Advances from Other Funds	-	-	-	2,772	2,772
Loans from Other Funds	-	-	-	900	900
Deferred Revenue	44,026	20,181	218,330	54,885	337,422
Escheat	4,074	-	-	-	4,074
<b>TOTAL LIABILITIES</b>	<b>62,905</b>	<b>38,185</b>	<b>242,151</b>	<b>89,736</b>	<b>432,977</b>
<b>FUND BALANCES</b>					
Reserved for:					
Judgments and Claims	5,173	-	-	-	5,173
Future Obligations	2,000	-	-	-	2,000
Advances to Other Funds	2,772	-	-	-	2,772
Encumbrances	7,467	6,086	13,295	11,109	37,957
Inventories	-	-	-	2,033	2,033
Loans	1,567	-	-	-	1,567
Unreserved:					
Designated for Capital Outlay	-	-	8,809	-	8,809
Undesignated, Reported in:					
General Fund	32,882	-	-	-	32,882
Special Revenue Funds	-	15,514	87,458	31,517	134,489
Debt Service Funds	-	-	-	2,161	2,161
Capital Projects Fund	-	-	-	(1,533)	(1,533)
<b>TOTAL FUND BALANCES</b>	<b>51,861</b>	<b>21,600</b>	<b>109,562</b>	<b>45,287</b>	<b>228,310</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 114,766</b>	<b>\$ 59,785</b>	<b>\$ 351,713</b>	<b>\$ 135,023</b>	<b>\$ 661,287</b>
See accompanying notes to the basic financial statements.					

**COUNTY OF HAMILTON, OHIO**  
**RECONCILIATION OF BALANCE SHEET—GOVERNMENTAL FUNDS**  
**TO GOVERNMENT-WIDE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2007**  
(Amounts in Thousands)

Total Governmental Funds Balances		\$ 228,310
Amounts reported for governmental activities in the Statement of Net Assets are different from the amounts reported in the governmental funds because of the following:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets	\$ 1,253,829	
Accumulated Depreciation	(705,590)	
Total		548,239
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.		
Property Taxes	19,076	
Other Taxes	432	
Grants	32,443	
Nongrants	518	
Special Assessments	5,946	
Total		58,415
Unamortized bond issuance costs associated with the bond refunding, reported as expenditures in the governmental fund, are deferred in the Statement of Net Assets.		
		555
Internal service funds are used by management to charge the costs of workers' compensation, the Auditor's computer center, and the Multi-County System Agencies to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the Statement of Net Assets.		
		54
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.		
General Obligation Bonds and Notes	(103,370)	
Deferred Amount on Refunding	2,375	
Unamortized Premium	(1,805)	
Special Assessment Bonds	(4,252)	
Loan Contracts	(6,465)	
State Loan	(3,225)	
Compensated Absences	(41,793)	
Accrued Interest Payable	(361)	
Total		(158,896)
Net Assets of Governmental Activities		<u>\$ 676,677</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, 2007**

(Amounts in Thousands)

	General	Public Assistance	Health and Human Services Levies	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes and Assessments	\$ 42,762	\$ -	\$ 210,636	\$ 2,940	\$ 256,338
Sales and Use Tax	66,671	-	-	-	66,671
State Shared Taxes	24,553	-	-	23,182	47,735
License and Permits	2,915	-	-	3,209	6,124
Charges for Services	52,422	39,107	17,343	31,634	140,506
Fines and Forfeitures	10,507	-	-	2,829	13,336
Investment Earnings	22,647	301	1,505	2,045	26,498
Intergovernmental	20,215	191,358	92,720	117,319	421,612
Other	8,975	1,911	8,093	7,468	26,447
<b>TOTAL REVENUES</b>	<b>251,667</b>	<b>232,677</b>	<b>330,297</b>	<b>190,626</b>	<b>1,005,267</b>
<b>EXPENDITURES</b>					
Current:					
General Government	54,826	-	3,428	13,820	72,074
Judicial	97,136	-	4,967	19,432	121,535
Public Safety	98,374	-	12,807	9,879	121,060
Social Services	1,302	222,286	97,441	31,693	352,722
Health	-	-	172,067	68,744	240,811
Public Works	2,159	-	-	31,897	34,056
Environmental Control	-	-	-	6,028	6,028
Economic Development	820	-	-	5,355	6,175
Parks and Recreation	-	-	7,604	-	7,604
Capital Outlay	-	-	-	2,083	2,083
Debt Service:					
Principal Retirement	-	-	-	12,779	12,779
Interest	-	-	-	4,741	4,741
Refunding Bond Issuance Costs	-	-	-	225	225
Fiscal Charges	-	-	-	64	64
<b>TOTAL EXPENDITURES</b>	<b>254,617</b>	<b>222,286</b>	<b>298,314</b>	<b>206,740</b>	<b>981,957</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,950)</b>	<b>10,391</b>	<b>31,983</b>	<b>(16,114)</b>	<b>23,310</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	851	1,553	1,764	24,143	28,311
Transfers Out	(11,788)	-	(8,619)	(7,057)	(27,464)
Proceeds of Refunding Bonds	-	-	-	18,130	18,130
Premium on Refunding Bonds Issued	-	-	-	193	193
Payment to Refunded Bonds Escrow Agent	-	-	-	(18,104)	(18,104)
Other	-	-	-	(278)	(278)
Net Proceeds from Sale of Bonds	-	-	-	1,775	1,775
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>(10,937)</b>	<b>1,553</b>	<b>(6,855)</b>	<b>18,802</b>	<b>2,563</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(13,887)</b>	<b>11,944</b>	<b>25,128</b>	<b>2,688</b>	<b>25,873</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>65,748</b>	<b>9,656</b>	<b>84,434</b>	<b>42,599</b>	<b>202,437</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 51,861</b>	<b>\$ 21,600</b>	<b>\$ 109,562</b>	<b>\$ 45,287</b>	<b>\$ 228,310</b>

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, 2007**

(Amounts in Thousands)

Net Change in Fund Balance—Total Governmental Funds		\$ 25,873
Amounts reported for governmental activities in the Statement of Activities are different from amounts reported in the governmental funds because of the following:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of the capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		
Capital Outlays	\$ 21,568	
Depreciation Expense	(42,953)	
Excess of Capital Outlays over Depreciation		(21,385)
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 assets differs from the change in fund balance by the net book values of the capital assets sold.		
Reduction of Revenue for Proceeds Received on Sale of Capital Assets	(15)	
Gain Earned on Sale of Capital Assets	26	
Loss on Sale of Capital Assets	(230)	
Net Book Value of Capital Assets Sold		(219)
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.		
Intergovernmental Loan Receivable	(33)	
Property Taxes	2,780	
Grants	(5,290)	
Nongrants	(16)	
Special Assessments	227	
Total Revenues		(2,332)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Governmental funds also report issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Debt Issued:		
General Obligation Refunding Bonds	(18,130)	
Premium on Refunding Bonds	(193)	
General Obligation Bonds	(1,025)	
Special Assessment Bonds	(750)	
Principal Retirement	12,779	
Payment to Refunded Bonds Escrow Agent	18,104	
Refunding Bonds Issuance Costs	225	
Total		11,010
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is expensed when due.		
		112
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.		
State Loan Payable	(1,866)	
Compensated Absences Payable	(2,608)	
Amortization of Deferred Amount on Refundings	(510)	
Amortization of Premium on Refunding Bonds	358	
Amortization of Refunding Bond Issuance Costs	(115)	
Amortization of Mortgages Payable for Forgiveness of Loan Contracts	(1,244)	
Total		(5,985)
The governmental internal services funds are used by management to charge the costs of workers' compensation, the Auditor's computer center and the Multi-County System Agencies to individual funds. The net increases of these internal service funds are reported with governmental activities.		
		1,670
Change in Net Assets of Governmental Activities		\$ 8,744
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, 2007**

(Amounts in Thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes and Special Assessments	\$ 41,458	\$ 41,458	\$ 42,763	\$ 1,305
Sales and Use Tax	64,748	64,748	66,382	1,634
State Shared Taxes	27,143	27,143	25,148	(1,995)
License and Permits	2,701	2,701	2,923	222
Charges for Services	54,172	54,172	47,846	(6,326)
Fines and Forfeitures	9,448	9,448	10,497	1,049
Investment Earnings	18,491	18,491	20,874	2,383
Intergovernmental	20,231	20,231	20,273	42
Other	12,151	12,151	6,407	(5,744)
<b>TOTAL REVENUES</b>	<b>250,543</b>	<b>250,543</b>	<b>243,113</b>	<b>(7,430)</b>
<b>EXPENDITURES</b>				
Current:				
General Government	58,406	68,037	64,828	3,209
Judicial	98,116	100,594	99,497	1,097
Public Safety	92,149	101,528	100,683	845
Social Services	1,283	1,310	1,300	10
Public Works	2,158	2,133	2,084	49
Economic Development	1,111	1,127	1,112	15
<b>TOTAL EXPENDITURES</b>	<b>253,223</b>	<b>274,729</b>	<b>269,504</b>	<b>5,225</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(2,680)</b>	<b>(24,186)</b>	<b>(26,391)</b>	<b>(2,205)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	600	600	851	251
Transfers Out	(11,741)	(12,388)	(11,788)	600
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>(11,141)</b>	<b>(11,788)</b>	<b>(10,937)</b>	<b>851</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(13,821)</b>	<b>(35,974)</b>	<b>(37,328)</b>	<b>(1,354)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>17,205</b>	<b>17,205</b>	<b>17,205</b>	<b>-</b>
Prior-Year Encumbrances Appropriated	38,652	38,652	38,652	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 42,036</b>	<b>\$ 19,883</b>	<b>\$ 18,529</b>	<b>\$ (1,354)</b>
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, 2007**

(Amounts in Thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 31,021	\$ 31,021	\$ 37,341	\$ 6,320
Intergovernmental	153,446	184,239	191,377	7,138
Other	2,483	2,483	1,896	(587)
<b>TOTAL REVENUES</b>	<b>186,950</b>	<b>217,743</b>	<b>230,614</b>	<b>12,871</b>
<b>EXPENDITURES</b>				
Current:				
Social Services	200,338	228,894	223,431	5,463
<b>TOTAL EXPENDITURES</b>	<b>200,338</b>	<b>228,894</b>	<b>223,431</b>	<b>5,463</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(13,388)</b>	<b>(11,151)</b>	<b>7,183</b>	<b>18,334</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	1,432	1,432	1,553	121
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>1,432</b>	<b>1,432</b>	<b>1,553</b>	<b>121</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(11,956)</b>	<b>(9,719)</b>	<b>8,736</b>	<b>18,455</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>9,632</b>	<b>9,632</b>	<b>9,632</b>	<b>-</b>
Prior-Year Encumbrances Appropriated	9,057	9,057	9,057	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 6,733</b>	<b>\$ 8,970</b>	<b>\$ 27,425</b>	<b>\$ 18,455</b>
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, 2007**

(Amounts in Thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes and Special Assessments	\$ 200,526	\$ 200,526	\$ 210,636	\$ 10,110
Charges for Services	3,167	3,167	17,343	14,176
Intergovernmental	100,698	100,698	92,970	(7,728)
Other	10,046	7,796	8,055	259
<b>TOTAL REVENUES</b>	<b>314,437</b>	<b>312,187</b>	<b>329,004</b>	<b>16,817</b>
<b>EXPENDITURES</b>				
Current:				
General Government	3,672	3,652	3,530	122
Judicial	6,285	6,081	6,011	70
Public Safety	18,395	18,391	17,882	509
Social Services	109,126	104,122	100,652	3,470
Health	190,372	186,183	175,974	10,209
Parks and Recreation	8,438	8,512	8,401	111
<b>TOTAL EXPENDITURES</b>	<b>336,288</b>	<b>326,941</b>	<b>312,450</b>	<b>14,491</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(21,851)</b>	<b>(14,754)</b>	<b>16,554</b>	<b>31,308</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	1,764	1,764
Transfers Out	(6,869)	(6,869)	(8,619)	(1,750)
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>(6,869)</b>	<b>(6,869)</b>	<b>(6,855)</b>	<b>14</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(28,720)</b>	<b>(21,623)</b>	<b>9,699</b>	<b>31,322</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>76,403</b>	<b>76,403</b>	<b>76,403</b>	<b>-</b>
Prior-Year Encumbrances Appropriated	23,362	23,362	23,362	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 71,045</b>	<b>\$ 78,142</b>	<b>\$ 109,464</b>	<b>\$ 31,322</b>

See accompanying notes to the basic financial statements.

**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2007**  
(Amounts in Thousands)

	Business-Type Activities—Enterprise Funds		
	Metropolitan Sewer District	Paul Brown Stadium	Baseball Stadium
<b>ASSETS</b>			
Current Assets:			
Equity in Pooled Cash and Investments	\$ -	\$ 2,448	\$ 8,187
Cash and Cash Equivalents—Segregated Accounts	16,231	-	308
Restricted Cash, Cash Equivalents and Investments:			
Cash and Cash Equivalents Held by Trustees	2,821	2,058	1,662
MSD Construction Account Held by the City of Cincinnati	7,913	-	-
Accounts Receivable	31,770	224	121
Lease Rent Receivable	-	500	-
Sales Tax Receivable	-	4,095	3,205
Interest Receivable	-	5	-
Intergovernmental Receivable	-	-	-
Due from Other Funds	-	1	20
Prepaid Expenses	4,564	-	-
<b>Total Current Assets</b>	<b>63,299</b>	<b>9,331</b>	<b>13,503</b>
Noncurrent Assets:			
Restricted Cash, Cash Equivalents and Investments:			
Held by the City of Cincinnati:			
Construction Account	12,953	-	-
Amount to Be Transferred to Surplus Account	20,877	-	-
Held by Trustees:			
Cash and Cash Equivalents	35,720	-	-
Investments—Held to Maturity	265,924	-	-
<b>Total Restricted Assets</b>	<b>335,474</b>	<b>-</b>	<b>-</b>
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	4,977	67,916	17,685
Construction in Progress	273,101	-	1,012
<b>Total Nondepreciable Capital Assets</b>	<b>278,078</b>	<b>67,916</b>	<b>18,697</b>
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	812,974	379,178	351,951
Processing Systems	269,811	-	-
Furniture, Fixtures and Equipment	38,854	11,349	9,003
Less Accumulated Depreciation	(527,056)	(111,146)	(61,590)
<b>Total Depreciable Capital Assets, Net</b>	<b>594,583</b>	<b>279,381</b>	<b>299,364</b>
<b>Total Capital Assets, Net</b>	<b>872,661</b>	<b>347,297</b>	<b>318,061</b>
Unamortized Financing Costs	5,853	3,412	2,237
Other	798	-	-
<b>Total Noncurrent Assets</b>	<b>1,214,786</b>	<b>350,709</b>	<b>320,298</b>
<b>TOTAL ASSETS</b>	<b>1,278,085</b>	<b>360,040</b>	<b>333,801</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	5,485	812	849
Construction Accounts Payable	7,913	-	-
Due to Other Funds	-	18	300
Accrued Wages and Benefits Payable	2,285	61	7
Accrued Interest Payable	-	-	-
Accrued Interest Payable from Restricted Assets	2,821	2,058	1,662
Retainage Payable	-	-	308
Accrued Compensated Absences	3,206	-	-
Deferred Lease Rent Revenue	-	-	-
Current Portion of Long-Term Debt	31,655	2,956	7,019
<b>Total Current Liabilities</b>	<b>53,365</b>	<b>5,905</b>	<b>10,145</b>
Noncurrent Liabilities:			
Estimated Future Claims	-	-	-
Accrued Compensated Absences	3,615	128	-
Deferred Lease Rent Revenue	-	4,541	9,286
Long-Term Debt	664,052	369,775	204,180
<b>Total Noncurrent Liabilities</b>	<b>667,667</b>	<b>374,444</b>	<b>213,466</b>
<b>TOTAL LIABILITIES</b>	<b>721,032</b>	<b>380,349</b>	<b>223,611</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	271,762	(25,434)	106,862
Restricted for Debt Service	5,810	-	-
Unrestricted	279,481	5,125	3,328
<b>TOTAL NET ASSETS</b>	<b>\$ 557,053</b>	<b>\$ (20,309)</b>	<b>\$ 110,190</b>
Net assets reported for business-type activities in the government-wide Statement of Net Assets are different from enterprise fund net assets because the business-type net assets include those of 1 internal service fund:			
Net assets of business-type activities:			
See accompanying notes to the basic financial statements.			

	<b>Business-Type Activities—Enterprise Funds</b>		
	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 10,820	\$ 21,455	\$ 7,130
Cash and Cash Equivalents—Segregated Accounts	25	16,564	-
Restricted Cash, Cash Equivalents and Investments:			
Cash and Cash Equivalents Held by Trustees	-	6,541	-
MSD Construction Account Held by the City of Cincinnati	-	7,913	-
Accounts Receivable	2	32,117	30
Lease Rent Receivable	-	500	-
Sales Tax Receivable	-	7,300	-
Interest Receivable	3	8	-
Intergovernmental Receivable	1,410	1,410	-
Due from Other Funds	81	102	933
Prepaid Expenses	-	4,564	-
<b>Total Current Assets</b>	<b>12,341</b>	<b>98,474</b>	<b>8,093</b>
Noncurrent Assets:			
Restricted Cash, Cash Equivalents and Investments:			
Held by the City of Cincinnati:			
Construction Account	-	12,953	-
Amount to Be Transferred to Surplus Account	-	20,877	-
Held by Trustees:			
Cash and Cash Equivalents	-	35,720	-
Investments—Held to Maturity	-	265,924	-
<b>Total Restricted Assets</b>	<b>-</b>	<b>335,474</b>	<b>-</b>
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	5,465	96,043	-
Construction in Progress	2,719	276,832	-
<b>Total Nondepreciable Capital Assets</b>	<b>8,184</b>	<b>372,875</b>	<b>-</b>
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	162,944	1,707,047	-
Processing Systems	-	269,811	-
Furniture, Fixtures and Equipment	8,666	67,872	963
Less Accumulated Depreciation	(34,791)	(734,583)	(749)
<b>Total Depreciable Capital Assets, Net</b>	<b>136,819</b>	<b>1,310,147</b>	<b>214</b>
<b>Total Capital Assets, Net</b>	<b>145,003</b>	<b>1,683,022</b>	<b>214</b>
Unamortized Financing Costs	234	11,736	-
Other	-	798	-
<b>Total Noncurrent Assets</b>	<b>145,237</b>	<b>2,031,030</b>	<b>214</b>
<b>TOTAL ASSETS</b>	<b>157,578</b>	<b>2,129,504</b>	<b>8,307</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	1,071	8,217	1,135
Construction Accounts Payable	-	7,913	-
Due to Other Funds	1,248	1,566	62
Accrued Wages and Benefits Payable	287	2,640	45
Accrued Interest Payable	28	28	-
Accrued Interest Payable from Restricted Assets	-	6,541	-
Retainage Payable	25	333	-
Accrued Compensated Absences	4	3,210	-
Deferred Lease Rent Revenue	2	2	-
Current Portion of Long-Term Debt	990	42,620	-
<b>Total Current Liabilities</b>	<b>3,655</b>	<b>73,070</b>	<b>1,242</b>
Noncurrent Liabilities:			
Estimated Future Claims	-	-	6,736
Accrued Compensated Absences	580	4,323	158
Deferred Lease Rent Revenue	-	13,827	-
Long-Term Debt	28,877	1,266,884	-
<b>Total Noncurrent Liabilities</b>	<b>29,457</b>	<b>1,285,034</b>	<b>6,894</b>
<b>TOTAL LIABILITIES</b>	<b>33,112</b>	<b>1,358,104</b>	<b>8,136</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	115,136	468,326	214
Restricted for Debt Service	-	5,810	-
Unrestricted	9,330	297,264	(43)
<b>TOTAL NET ASSETS</b>	<b>\$ 124,466</b>	<b>771,400</b>	<b>\$ 171</b>
Net assets reported for business-type activities in the government-wide Statement of Net Assets are different from enterprise fund net assets because the business-type net assets include those of 1 internal service fund: 117			
Net assets of business-type activities:		<b>\$ 771,517</b>	

<b>COUNTY OF HAMILTON, OHIO</b>			
<b>RECONCILIATION OF STATEMENT OF NET ASSETS—PROPRIETARY FUNDS</b>			
<b>TO GOVERNMENT-WIDE STATEMENT OF NET ASSETS</b>			
<b>DECEMBER 31, 2007</b>			
<b>(Amounts in Thousands)</b>			
	<b>Total</b>	<b>Business-Type</b>	<b>Business-Type</b>
	<b>Enterprise</b>	<b>Activities</b>	<b>Activities</b>
	<b>Funds</b>	<b>Internal Service</b>	<b>Statement of</b>
		<b>Funds</b>	<b>Net Assets</b>
<b>ASSETS</b>			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 21,455	\$ 117	\$ 21,572
Cash and Cash Equivalents —Segregated Accounts	16,564	-	16,564
Restricted Cash, Cash Equivalents and Investments:			
Cash and Cash Equivalents Held by Trustees	6,541	-	6,541
MSD Construction Account Held by the City of Cincinnati	7,913	-	7,913
Accounts Receivable	32,117	-	32,117
Lease Rent Receivable	500	-	500
Sales Tax Receivable	7,300	-	7,300
Interest Receivable	8	-	8
Intergovernmental Receivable	1,410	-	1,410
Due from Other Funds	102	300	402
Prepaid Expenses	4,564	-	4,564
<b>Total Current Assets</b>	<b>98,474</b>	<b>417</b>	<b>98,891</b>
Noncurrent Assets:			
Restricted Cash, Cash Equivalents and Investments:			
Held by the City of Cincinnati:			
Construction Account	12,953	-	12,953
Amount to Be Transferred to Surplus Account	20,877	-	20,877
Held by Trustees:			
Cash and Cash Equivalents	35,720	-	35,720
Investments—Held to Maturity	265,924	-	265,924
<b>Total Restricted Assets</b>	<b>335,474</b>	<b>-</b>	<b>335,474</b>
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	96,043	-	96,043
Construction in Progress	276,832	-	276,832
<b>Total Nondepreciable Capital Assets</b>	<b>372,875</b>	<b>-</b>	<b>372,875</b>
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	1,707,047	-	1,707,047
Processing Systems	269,811	-	269,811
Furniture, Fixtures and Equipment	67,872	-	67,872
Less Accumulated Depreciation	(734,583)	-	(734,583)
<b>Total Depreciable Capital Assets, Net</b>	<b>1,310,147</b>	<b>-</b>	<b>1,310,147</b>
<b>Total Capital Assets, Net</b>	<b>1,683,022</b>	<b>-</b>	<b>1,683,022</b>
Unamortized Financing Costs	11,736	-	11,736
Other	798	-	798
<b>Total Noncurrent Assets</b>	<b>2,031,030</b>	<b>-</b>	<b>2,031,030</b>
<b>TOTAL ASSETS</b>	<b>2,129,504</b>	<b>417</b>	<b>2,129,921</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	8,217	24	8,241
Construction Accounts Payable	7,913	-	7,913
Due to Other Funds	1,566	-	1,566
Accrued Wages and Benefits Payable	2,640	-	2,640
Accrued Interest Payable	28	-	28
Accrued Interest Payable from Restricted Assets	6,541	-	6,541
Retainage Payable	333	-	333
Accrued Compensated Absences	3,210	-	3,210
Deferred Lease Rent Revenue	2	-	2
Current Portion of Long-Term Debt	42,620	-	42,620
<b>Total Current Liabilities</b>	<b>73,070</b>	<b>24</b>	<b>73,094</b>
Noncurrent Liabilities:			
Estimated Future Claims	-	276	276
Accrued Compensated Absences	4,323	-	4,323
Deferred Lease Rent Revenue	13,827	-	13,827
Long-Term Debt	1,266,884	-	1,266,884
<b>Total Noncurrent Liabilities</b>	<b>1,285,034</b>	<b>276</b>	<b>1,285,310</b>
<b>TOTAL LIABILITIES</b>	<b>1,358,104</b>	<b>300</b>	<b>1,358,404</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	468,326	-	468,326
Restricted for Debt Service	5,810	-	5,810
Unrestricted	297,264	117	297,381
<b>TOTAL NET ASSETS</b>	<b>\$ 771,400</b>	<b>\$ 117</b>	<b>\$ 771,517</b>
See accompanying notes to the basic financial statements.			



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**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(Amounts in Thousands)

	Business-Type Activities— Enterprise Funds		
	Metropolitan Sewer District	Paul Brown Stadium	Baseball Stadium
<b>OPERATING REVENUES</b>			
Charges for Services	\$ -	\$ 326	\$ 528
Lease Rent Revenue	-	321	643
Sewerage Service Charges	156,742	-	-
Sewerage Surcharges	16,115	-	-
Other	4,076	193	-
<b>TOTAL OPERATING REVENUES</b>	<b>176,933</b>	<b>840</b>	<b>1,171</b>
<b>OPERATING EXPENSES</b>			
Personnel Services	41,591	1,616	163
Utilities, Fuel and Supplies	21,025	3,598	744
Costs of Goods and Services	-	-	-
Depreciation	-	14,709	13,495
Depreciation and Amortization—MSD	31,507	-	-
Purchased Services	26,961	3,062	1,030
Litigation Judgment Expense	-	-	-
Other	8,679	857	1,529
<b>TOTAL OPERATING EXPENSES</b>	<b>129,763</b>	<b>23,842</b>	<b>16,961</b>
<b>OPERATING INCOME (LOSS)</b>	<b>47,170</b>	<b>(23,002)</b>	<b>(15,790)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	15,061	178	694
Sales and Use Tax	-	24,023	18,481
Loss on Disposal of Property, Plant and Equipment	-	-	-
Interest Expense	(25,486)	(16,445)	(9,377)
Net Gain/Loss on Sale of MSD Property, Plant And Equipment	40	-	-
Bond Issuance Costs	-	(230)	(98)
Increase in Fair Value of Equity in Pooled Cash and Investments	-	48	101
Change in Fair Value of MSD Investments	(3)	-	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(10,388)</b>	<b>7,574</b>	<b>9,801</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>36,782</b>	<b>(15,428)</b>	<b>(5,989)</b>
Capital Contributions	7,081	6,545	2,759
Transfers In	-	154	-
Transfers Out	-	-	-
<b>CHANGE IN NET ASSETS</b>	<b>43,863</b>	<b>(8,729)</b>	<b>(3,230)</b>
<b>TOTAL NET ASSETS—BEGINNING, AS RESTATED (NOTE II B)</b>	<b>513,190</b>	<b>(11,580)</b>	<b>113,420</b>
<b>TOTAL NET ASSETS—ENDING</b>	<b>\$ 557,053</b>	<b>\$ (20,309)</b>	<b>\$ 110,190</b>

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

Change in net assets of business-type activities:

See accompanying notes to the basic financial statements.



**COUNTY OF HAMILTON, OHIO**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS—PROPRIETARY FUNDS**  
**TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

(Amounts in Thousands)

	<b>Total Enterprise Funds</b>	<b>Business-Type Activities Internal Service Funds</b>	<b>Business-Type Activities Statement of Activities</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 20,172	\$ 167	\$ 20,339
Lease Rent Revenue	984	-	984
Sewerage Service Charges	156,742	-	156,742
Sewerage Surcharges	16,115	-	16,115
Other	4,269	-	4,269
<b>TOTAL OPERATING REVENUES</b>	<b>198,282</b>	<b>167</b>	<b>198,449</b>
<b>OPERATING EXPENSES</b>			
Personnel Services	55,522	-	55,522
Utilities, Fuel and Supplies	25,954	-	25,954
Costs of Goods and Services	-	167	167
Depreciation	35,318	-	35,318
Depreciation and Amortization—MSD	31,507	-	31,507
Purchased Services	35,595	-	35,595
Litigation Judgment Expense	2,590	-	2,590
Other	11,654	-	11,654
<b>TOTAL OPERATING EXPENSES</b>	<b>198,140</b>	<b>167</b>	<b>198,307</b>
<b>OPERATING LOSS</b>	<b>142</b>	<b>-</b>	<b>142</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	16,234	-	16,234
Sales and Use Tax	42,504	-	42,504
Interest Expense	(52,491)	-	(52,491)
Net Gain/Loss on Sale of MSD Property, Plant And Equipment	40	-	40
Bond Issuance Costs	(347)	-	(347)
Increase in Fair Value of Equity in Pooled Cash and Investments	315	2	317
Change in Fair Value of MSD Investments	(3)	-	(3)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>6,252</b>	<b>2</b>	<b>6,254</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>6,394</b>	<b>2</b>	<b>6,396</b>
Capital Contributions	21,234	-	21,234
Transfers In	154	-	154
Transfers Out	(1,001)	-	(1,001)
<b>CHANGE IN NET ASSETS</b>	<b>26,781</b>	<b>2</b>	<b>26,783</b>
<b>TOTAL NET ASSETS—BEGINNING, AS RESTATED (NOTE II B)</b>	<b>744,619</b>	<b>115</b>	<b>744,734</b>
<b>TOTAL NET ASSETS—ENDING</b>	<b>\$ 771,400</b>	<b>\$ 117</b>	<b>\$ 771,517</b>
See accompanying notes to the basic financial statements.			

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**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(Amounts in Thousands)

	Business-Type Activities—Enterprise Funds		
	Metro Sewer District	Paul Brown Stadium	Baseball Stadium
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers and Users	\$ 174,853	\$ 1,430	\$ 3,028
Cash Received from Interfund Services Provided	-	-	-
Cash Payments to Suppliers for Goods and Services	(55,465)	(6,965)	(1,883)
Cash Payments for Interfund Services Provided	-	-	-
Cash Payments for Personnel Costs	(41,043)	(1,584)	(162)
Cash Payment for Litigation Judgment	-	-	-
Other Operating Revenues	4,229	212	-
Other Operating Expenses	-	(914)	(1,444)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>82,574</b>	<b>(7,821)</b>	<b>(461)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from Other Funds	-	154	-
Transfers to Other Funds	-	-	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>-</b>	<b>154</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sales and Use Tax	-	20,187	15,889
Principal Payments on Long-Term Debt	(28,033)	(2,567)	(6,523)
Interest Payments on Long-Term Debt	(29,369)	(17,486)	(9,454)
Loan Proceeds	246	-	-
Revenue Bond Proceeds	75,942	-	-
Revenue Bond Issuance Costs	(473)	-	-
Tap-in Fees	3,401	-	-
Capital Contributions	7,081	6,545	2,759
Acquisition and Construction of Property, Plant and Equipment	(83,540)	(7)	(1,037)
Net Gain/Loss on Sale of MSD Property, Plant And Equipment	63	-	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(54,682)</b>	<b>6,672</b>	<b>1,634</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Government Securities	(443,053)	-	-
Maturity or Redemption of Governmental Securities	423,216	-	-
Interest on Investments and Pooled Cash and Investments	15,061	184	694
Increase in Fair Value of Equity in Pooled Cash and Investments	-	48	101
Change in Fair Value of MSD Cash Equivalents—Segregated Accounts	(546)	-	-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(5,322)</b>	<b>232</b>	<b>795</b>
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	22,570	(763)	1,968
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>73,945</b>	<b>5,269</b>	<b>8,189</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 96,515</b>	<b>\$ 4,506</b>	<b>\$ 10,157</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 47,170	\$ (23,002)	\$ (15,790)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	31,507	14,709	13,495
Net Changes in Operating Assets and Liabilities:			
Accounts Receivable	1,996	29	-
Lease Rent Receivable	-	50	-
Intergovernmental Receivables	-	-	-
Due from Other Funds	-	(1)	-
Other Assets	(320)	-	-
Operating Accounts Payable	1,674	(361)	(24)
Accrued Payroll and Other Related Withholdings	702	8	1
Litigation Judgment Payable	-	-	-
Deferred Lease Rent Revenue	-	729	1,857
Compensated Absences	(155)	1	-
Due to Other Funds	-	18	-
Estimated Future Claims	-	-	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 82,574</b>	<b>\$ (7,820)</b>	<b>\$ (461)</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Equity in Pooled Cash and Investments	\$ -	\$ 2,448	\$ 8,187
Cash and Cash Equivalents—Segregated Accounts	16,231	-	308
Cash and Cash Equivalents Held by Trustees	38,541	2,058	1,662
Construction Account Held by the City of Cincinnati	20,866	-	-
Amount to Be Transferred to Surplus Account Held by the City of Cincinnati	20,877	-	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 96,515</b>	<b>\$ 4,506</b>	<b>\$ 10,157</b>
<b>NONCASH INVESTING AND FINANCING TRANSACTIONS</b>			
Structures Donated as Contributed Capital in Aid of Construction	\$ 2,566	\$ -	\$ -
<b>TOTAL NONCASH INVESTING AND FINANCING TRANSACTIONS</b>	<b>\$ 2,566</b>	<b>\$ -</b>	<b>\$ -</b>
See accompanying notes to the basic financial statements.			

	Business-Type Activities—Enterprise Funds		
	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers and Users	\$ 19,625	\$ 198,936	\$ -
Cash Received from Interfund Services Provided	-	-	10,497
Cash Payments to Suppliers for Goods and Services	(5,085)	(69,398)	(5,257)
Cash Payments for Interfund Services Provided	-	-	(4,164)
Cash Payments for Personnel Costs	(11,685)	(54,474)	(1,154)
Cash Payment for Litigation Judgment	(3,391)	(3,391)	-
Other Operating Revenues	-	4,441	-
Other Operating Expenses	(330)	(2,688)	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(866)</b>	<b>73,426</b>	<b>(78)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from Other Funds	-	154	-
Transfers to Other Funds	(1,001)	(1,001)	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(1,001)</b>	<b>(847)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sales and Use Tax	-	36,076	-
Principal Payments on Long-Term Debt	(7,970)	(45,093)	-
Interest Payments on Long-Term Debt	(1,354)	(57,663)	-
Loan Proceeds	-	246	-
Revenue Bond Proceeds	7,225	83,167	-
Revenue Bond Issuance Costs	-	(473)	-
Tap-in Fees	-	3,401	-
Capital Contributions	4,849	21,234	-
Acquisition and Construction of Property, Plant and Equipment	(1,766)	(86,350)	(64)
Net Gain/Loss on Sale of MSD Property, Plant And Equipment	-	63	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>984</b>	<b>(45,392)</b>	<b>(64)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Government Securities	-	(443,053)	-
Maturity or Redemption of Governmental Securities	-	423,216	-
Interest on Investments and Pooled Cash and Investments	321	16,260	-
Increase in Fair Value of Equity in Pooled Cash and Investments	166	315	107
Change in Fair Value of MSD Cash Equivalents—Segregated Accounts	-	(546)	-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>487</b>	<b>(3,808)</b>	<b>107</b>
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	(396)	23,379	(35)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>11,241</b>	<b>98,644</b>	<b>7,165</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 10,845</b>	<b>\$ 122,023</b>	<b>\$ 7,130</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (8,236)	\$ 142	\$ 1,570
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	7,114	66,825	78
Net Changes in Operating Assets and Liabilities:			
Accounts Receivable	(2)	2,023	(24)
Lease Rent Receivable	-	50	-
Intergovernmental Receivables	286	286	-
Due from Other Funds	4	3	(631)
Other Assets	-	(320)	-
Operating Accounts Payable	290	1,579	1,050
Accrued Payroll and Other Related Withholdings	27	738	6
Litigation Judgment Payable	(800)	(800)	-
Deferred Lease Rent Revenue	-	2,586	-
Compensated Absences	14	(140)	(1)
Due to Other Funds	435	453	62
Estimated Future Claims	-	-	(2,188)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (868)</b>	<b>\$ 73,425</b>	<b>\$ (78)</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Equity in Pooled Cash and Investments	\$ 10,820	\$ 21,455	\$ 7,130
Cash and Cash Equivalents—Segregated Accounts	25	16,564	-
Cash and Cash Equivalents Held by Trustees	-	42,261	-
Construction Account Held by the City of Cincinnati	-	20,866	-
Amount to Be Transferred to Surplus Account Held by the City of Cincinnati	-	20,877	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 10,845</b>	<b>\$ 122,023</b>	<b>\$ 7,130</b>
<b>NONCASH INVESTING AND FINANCING TRANSACTIONS</b>			
Structures Donated as Contributed Capital in Aid of Construction	\$ -	\$ 2,566	\$ -
<b>TOTAL NONCASH INVESTING AND FINANCING TRANSACTIONS</b>	<b>\$ -</b>	<b>\$ 2,566</b>	<b>\$ -</b>

**COUNTY OF HAMILTON, OHIO**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2007**  
(Amounts in Thousands)

		<b>Agency</b>
<b>ASSETS</b>		
Equity in Pooled Cash and Investments	\$	87,694
Cash and Cash Equivalents—Segregated Accounts		24,518
Real and Other Taxes Receivable		1,104,453
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>1,216,665</b>
<b>LIABILITIES</b>		
Intergovernmental Payable	\$	76,741
Future Tax Collections to Be Distributed		1,104,453
Other Current Liabilities		35,471
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>1,216,665</b>
See accompanying notes to the basic financial statements.		



**COUNTY OF HAMILTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(Dollar Amounts Expressed in Thousands)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

As required by generally accepted accounting principles (GAAP), the financial statements present activities of the County's primary government and its component unit. The primary government, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, includes all funds, departments, boards, districts and commissions for which the County's elected officials are financially accountable and which are not legally separate entities. The discretely presented component unit is a legally separate organization for which the County is considered financially accountable, as defined by GASB 14 and amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The component unit's financial activities are reported in a separate column in the government-wide financial statements to emphasize that the entity is legally separate from the County.

**Discretely Presented Component Unit.** The Convention Facilities Authority (CFA) for Hamilton County, Ohio, is an up to 11-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 6 members. The City of Cincinnati may appoint 3 members, and the remaining 2 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 Cincinnati Convention Center (now known as the Duke Energy Center) renovation and expansion. No financial activity took place until the revenue bonds were sold in 2004. The County is considered financially accountable for the CFA because the County appoints a voting majority of the CFA's governing body and the County has the ability to impose its will on the CFA. The CFA is not, however, fiscally dependent on the County. Complete financial statements for the CFA may be obtained at its administrative offices: Convention Facilities Authority, Cincinnati USA Convention and Visitors Bureau, 525 Vine Street, Suite 1500, Cincinnati, Ohio 45202.

**Fiscal Agent Related Entities.** As counties are structured in Ohio, the County Auditor and County Treasurer serve as fiscal officer and custodian of funds, respectively, for various non-County entities. As fiscal officer, the Auditor maintains the accounts and certifies the availability of appropriated funds prior to the processing of warrants for payment. As custodian of funds, the Treasurer invests public moneys held on deposit in the County treasury and redeems the Auditor's warrants. In the case of the separate districts and commissions listed below, the County Auditor and County Treasurer serve as statutory fiscal agent and custodian of funds, respectively. The County, however, is not otherwise accountable for these entities. Accordingly, only the cash for the following boards and commissions that is being held by the County Treasurer is reflected in accompanying agency funds statements:

The *Hamilton County Family and Children First Council* was formed through a planning grant from the State of Ohio. This Council is charged with the task of reviewing existing programs that serve children and families and modifying those programs as needed to improve services delivery systems and ensure that the programs reinforce each other. The County Board of Commissioners appointed an Executive Committee for the Council and delegated administrative powers to the Committee.

The *Hamilton County General Health District* provides public health services for the prevention or restriction of disease. The 5-member Board of Health is elected by the District Advisory Council, which consists of the President of the Board of County Commissioners, the chief executive of each municipal corporation not constituting a city health district and the chairman of the board of township trustees of each township. The Health District appoints the Health Commissioner and can hire and fix compensation of

employees. The Health District is dependent on the County to provide facilities and legal counsel and to act as a custodian for its funds. The budget is approved by the Health District, which is responsible for fiscal management through its authority to enter into contracts and prepare certain financial reports.

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

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

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

## **B. Basis of Presentation**

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

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

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

The Statement of Net Assets presents the financial condition of the County's governmental and business-type activities and the component unit's activities at year-end. The Statement of Activities presents a comparison

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

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

### C. Fund Accounting

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

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

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

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

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

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

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

*Enterprise* funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board of County Commissioners has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management

accountability. The expenses of providing goods and services primarily or solely to the general public are financed or recovered primarily through user charges.

The following are the County's major enterprise funds:

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

*Paul Brown Stadium* fund accounts for (1) revenue received from stadium tenants and (2) the operations of the stadium.

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

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

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

#### D. Measurement Focus

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

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

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

#### E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the *accrual* basis of accounting. Governmental funds use the *modified accrual* basis of accounting. Proprietary and fiduciary funds use the *accrual*

basis of accounting. Differences in the accrual basis and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and the presentation of expenses versus expenditures.

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

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

**Deferred Revenue.** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The County's deferred revenue components are as follows: (1) property taxes for which there is an enforceable legal claim as of December 31, 2007, but which were levied to finance year 2007 operations, (2) grants and entitlements received before eligibility requirements have been met, (3) revolving loan funds used in the County's Housing Rehab Program and (4) lease revenue that must be recognized over the life of the lease.

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

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

## **F. Budgetary Process**

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

All budgetary amendments and supplemental appropriations made during 2007 are included in the revised budget amounts presented in the budget-to-actual comparisons. The County maintains budgetary control within an organizational unit and fund by not permitting expenditures and encumbrances to exceed appropriations within three major categories—Personnel Services, Other Expenditures and Capital Outlay.

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

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

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

State statutes authorize the County Treasurer to invest in obligations of the U.S. Treasury; obligations or securities issued by any government agency; certificates of deposit; bonds and other obligations of the State; and written repurchase agreements, where the institution agrees unconditionally to repurchase only securities of the U.S. Treasury or any other government agency. In 2007, 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, 2007. (See note IV A for a detailed disclosure of cash, cash equivalents and investments held by the County.)

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

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

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

Under existing Ohio statutes, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during 2007 amounted to \$20,874, which includes \$410 assigned from other County funds.

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

### **H. Inventories**

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

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

## I. Prepaid Expenses

MSD payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as Prepaid Expenses using the consumption method. Under this method, a current asset is recorded for the prepaid amount and expenses are reflected in the year in which services are consumed.

## J. Interfund Transactions

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

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

## K. Restricted Assets

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.

The Trust Agreement for Series A Revenue bonds (see note IV F) requires the establishment of certain trust accounts, including a Bond Account, Bond Reserve Account, Replacement and Improvement Account and Surplus Account to be held by the trustee. The Bond Account will be used to accumulate periodic principal and interest payments. The Bond Reserve Account will be funded in an amount equal to the highest annual future debt service requirement. The Replacement and Improvement Account will be maintained with a balance of \$5,000. The Surplus Account is available to be used for any other sewer system purpose. The Trust Agreement also requires the creation of a Construction Account to be held by the City to pay for project costs. At December 31, 2007, the following balances (at fair value) were maintained in trust accounts for MSD:

Held by Trustees:	
Reserve	\$ 63,922
Replacement and Improvement	5,466
Bond Retirement	5,810
Surplus	<u>229,267</u>
Total	<u>\$ 304,465</u>

## L. Capital Assets

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

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

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Construction in progress includes the cost of in-force labor and costs incurred for projects not placed in use as of December 31, 2007. Additionally, in the enterprise funds, this amount includes interest capitalized on debt during the period of construction.

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

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

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

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

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

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

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

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

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

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

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

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

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



## **O. Unamortized Financing Costs**

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

## **P. Fund Balance Reserves**

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

## **Q. Net Assets**

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

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

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

## **S. Capital Contributions**

Capital Contributions in proprietary fund financial statements arise from outside contributions of capital assets, from tap-in fees to the extent they exceed the cost of the connection to the system, 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.

## **T. Interfund Activity**

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

**U. Estimates**

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

**II. CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE**

**A. Change in Accounting Principles**

The County has implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, for affected assets put into use in 2007.

**B. Restatement of Net Assets**

Due to implementation of GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, the prior-year net assets for the Riverfront Development nonmajor enterprise fund were restated, as detailed below:

	Riverfront Development
Net Assets, December 31, 2006	\$ 93,947
Net Effect of GASB 23	160
Net Assets, December 31, 2006	<u>\$ 94,107</u>

**III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Basis of Budgeting**

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

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

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

	General Fund	Public Assistance	Health and Human Services Levies
<u>Net Change in Fund Balance</u>			
<i>GAAP Basis</i>	\$ (13,887)	\$ 11,944	\$ 25,128
Increase (Decrease):			
Net Adjustment for Revenue Accruals	(7,087)	(1,686)	93
Net Adjustment for Expenditure Accruals	1,750	8,772	6,267
Net Adjustment for Unrealized Gains	(2,038)	(301)	(1,505)
Net Adjustment for Change in Escheat Estimate	162	-	-
Loans to Other Funds	(900)	-	-
Ending Balance in Reserve for Budget Stabilization	(2,000)	-	-
Encumbrances	(13,328)	(9,993)	(20,284)
<i>Basis of Budgeting</i>	<u>\$ (37,328)</u>	<u>\$ 8,736</u>	<u>\$ 9,699</u>

## **B. Accountability**

At December 31, 2007, the nonmajor Health and Community Services Grants, Judicial Services Grants, and Social Service Grants fund groups had deficit fund balances of (\$1,292), (\$2,185) and (\$11,519), respectively. These deficits were caused by deferring revenue for which eligibility requirements had not yet been met. The nonmajor Capital Projects fund had a deficit fund balance of (\$1,495). Hamilton County initially finances capital projects with advances from the General Fund and determines final funding at the conclusion of a project. The funding source to pay the advances has not yet been determined for projects in progress. Thus, the final funding has not been provided to this fund, which resulted in a deficit fund balance.

The deficit unrestricted net assets of (\$2,122) in the Workers' Compensation Reserve nonmajor business-type fund was caused by underbilling of charges to other County departments. County Administration plans to resolve the deficit through future years' billings. The (\$441) deficit unrestricted net assets in the Communications Center nonmajor business-type fund was because the fund did not receive a General Fund subsidy in 2007.

## **IV. 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.
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 are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also 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 \$648 in undeposited cash on hand. This amount is included on the Statement of Net Assets of the County as part of Equity in Pooled Cash and Investments.

**Deposits—County.** At year-end, the County’s carrying amount of deposits was \$77,408 and the bank balance was \$86,227.

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event of a bank failure, the County’s deposits may not be returned to it. The County’s policy for deposits is that any balance not covered by the Federal Deposit Insurance Corporation will be collateralized by the financial institutions with pledged securities. Of the year-end bank balance, \$2,709 was covered by federal depository insurance or by collateral held by the County’s agent in the County’s name. The remaining balance of \$83,518 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution’s trust department or agent but not in the County’s name.

**Investments—County.** At December 31, 2007, investment balances were as follows:

Investments	Fair Value	Investment Maturities		% of Portfolio
		Less Than 1 Year	1–5 Years	
Federal Home Loan Bank (FHLB)	\$ 164,453	\$ 60,684	\$ 103,769	49.68
Federal National Mortgage Association (FNMA) Repurchase Agreements	87,682	22,893	64,789	26.49
Investment in STAR Ohio	75,000	75,000	-	22.66
Money Market Funds—Trustee	134	134	-	0.04
Total County Investments	\$ 330,989	\$ 162,431	\$ 168,558	100.00

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

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

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

*Concentration of Credit Risk.* The County's investment policy provides for diversification to avoid undue concentration in one type of securities. The County has invested more than 5% of the County's investments in the FHLB (49.68%), the FNMA (26.49%) and repurchase agreements (22.66%).

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

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

At December 31, 2007, the carrying amount of MSD's deposits totaled \$57,974. Amounts held by the City are invested on MSD's behalf in accordance with the City's Municipal Code. These amounts are collateralized as part of the City's cash and investment balances.

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

For additional GASB 40 disclosure requirements, refer to the financial statements as of December 31, 2007, 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	\$ 57,974	16.00
U.S. Government Securities	265,924	73.37
Money Market Funds	38,541	10.63
Total Investments	<u>\$ 362,439</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, 2007.

MSD has no policy that addresses interest rate risk.

**Deposits—CFA.** At year-end, the carrying amount of CFA deposits held by the trustee totaled \$4,915 and the bank balance was \$4,915. These were originally held in custodial accounts at J. P. Morgan and Co. until JPMorgan Chase and The Bank of New York merged as of December 11, 2006. The accounts are held in custodial accounts at The Bank of New York and are not collateralized.

**Investments—CFA.** The trustee for the CFA held no investments at December 31, 2007.

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	\$ 136,030	Equity in Pooled Cash and Investments	\$ 380,355
Carrying Amount of Investments	635,453	Cash and Cash Equivalents—Segregated Accounts	41,200
Total	<u>\$ 771,483</u>	Cash and Cash Equivalents—Restricted	84,004
		Investments—Restricted	265,924
		Total	<u>\$ 771,483</u>

## B. Receivables

Receivables at December 31, 2007, consisted of taxes, interest, special assessments, accounts (billings for user-charged services, including unbilled utility services), loans, lease rent, and intergovernmental receivables arising from grants, entitlements and shared revenues. All trade and property tax receivables, including those for MSD, are shown net of an allowance for uncollectibles. Receivables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectibility.

**Property Tax.** Property taxes include amounts levied against real, public utility and tangible (personal) property. The assessed value by property classification upon which the 2007 tax collection was based is as follows:

Real Property—2007 Valuation:	
Residential/Agricultural	\$ 13,981,804
Commercial/Industrial/Public Utilities	4,944,253
Tangible Personal Property—2007 Valuation:	
Tangible Personal Property	1,002,703
Public Utility Personal Property	718,505
Total Valuation	<u>\$ 20,647,265</u>

Ohio law prohibits taxation of property by all overlapping taxing authorities in excess of 10 mills per dollar of assessed value without a vote of the people. Presently, the County levies 2.26 mills of this 10-mill limit for its

General Fund. In addition to the 2.26 mills, voted levies in the amount of 16.89 mills have been approved for debt service, health and hospitalization, law enforcement, mental retardation and health, children's services, zoological parks, senior services and the museum center.

A summary of the voted levies follows:

Purpose	Voter Authorized Rate <sup>(1)</sup>	Rates Levied for Current Year Collection <sup>(2)</sup>		Final Collection Year
		Residential/Agricultural	Commercial/Industrial	
Debt Service (Museum Center)	0.13	0.13	0.13	2009
Drake Center	0.84	0.70	0.80	2009
University Hospital	4.49	1.60	2.55	2011
Police Information Center	0.54	0.15	0.26	Continuing
Mental Retardation	3.62	3.03	3.44	2009
Mental Health	2.74	1.23	1.79	2007
Children's Services	2.77	1.66	2.31	2011
Zoo	0.40	0.26	0.33	2008
Senior Services	1.16	0.77	0.98	2007
Museum Center	0.20	0.17	0.19	2009
<b>Total Voted Millage</b>	<b>16.89</b>	<b>9.70</b>	<b>12.78</b>	

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

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

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

The County Commissioners allocated approximately 30% of the ½ cent permissive sales tax receipts to reduce residential property taxes in the County. In 2007, this represented a 3% reduction for all owner-occupied homeowners in the County.

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

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

Personal property taxes, other than for public utilities, are a self-assessed tax. Each business lists its tangible personal property as of December 31 or the end of its fiscal year. A lien for taxes accrues against this personal property on the following January 1. The taxes are calculated using the full tax rates in effect for the current calendar year. Effective January 1, 2005, any new machinery equipment placed in service is exempt from taxation. Existing tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxes at 12.5% of its true value. Business inventories are assessed for ad valorem taxes at 12.5% of average value. Each business receives a \$10,000 (amount not in thousands) exemption in assessed value that is reported. The reduction in tax dollars resulting from the exemption is reimbursed by the State to the appropriate taxing authorities. Under current statutes, the exemption reimbursement is being phased out and will end in 2008. Amounts paid by multicounty taxpayers are due September 20. Single-county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable September 20. Taxpayers are eligible to file for an extension until June 15.

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

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

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

Property tax revenues were recorded in the following funds in 2007:

General Fund	\$ 42,762
Health and Human Services Levies Fund	210,636
Nonmajor Special Revenue Funds	6
Nonmajor Debt Service Funds	2,934
Total Property Tax Revenues	<u>\$ 256,338</u>

Property tax revenues include levies collected from both the current levy and delinquent levies. The cumulative delinquency as of December 31, 2007, was \$19,617 of real and public utility taxes and \$7,946 of tangible personal property taxes, for a total of \$27,563. The delinquent property tax revenue was not recorded in the financial statements due to the uncertainty of collection. Recording the delinquency would not have an impact on the fund balance of the County since it would be offset by a reserve for delinquent accounts.

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

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

**Intergovernmental.** State subsidies for local property tax reductions are recorded as Intergovernmental Receivable when measurable and Intergovernmental Revenues when measurable and available. Federal and State grants and assistance awards made on the basis of entitlement are recorded as Intergovernmental Receivable and Revenues when entitlement occurs. All other federal and State reimbursement-type grants are recorded as receivables and revenues when the related expenditures/expenses are incurred. A summary of the principal items of Intergovernmental Receivable for the year ended December 31, 2007, follows.

<u>Governmental Activities</u>	<u>Amount</u>
General Fund:	
County Permissive Sales Tax	\$ 10,668
Income Tax Local Government	4,473
Real Estate Fees	59
Rent of Land & Buildings	81
Juvenile Court—Educational Subsidy	484
Juvenile Court—State Children's Service Subsidy	500
Probate Court—Reimbursement from State Probate	98
County Administration—Miscellaneous Receipts and Reimbursements	493



Rural Zoning Commission—Miscellaneous Receipts	1
Board of Zoning Appeals—Miscellaneous Receipts	1
Public Works—Miscellaneous Receipts	2
Personnel—Miscellaneous Reimbursements	6
Sheriff—Miscellaneous Receipts and Reimbursements	104
Juvenile Court—Miscellaneous Receipts and Reimbursements	90
Probate Court—Miscellaneous Receipts	47
Clerk of Courts—Miscellaneous Receipts	970
Public Defender—Miscellaneous Receipts and Reimbursements	1,090
General Fund Total	<u>19,167</u>
Public Assistance—Special Revenue Fund:	
Job and Family Services—Federal and State Grants	20,389
Job and Family Services—Miscellaneous Receipts	28
Public Assistance Total	<u>20,417</u>
Health and Human Services Levies—Special Revenue Fund:	
Job and Family Services—Federal Grants	3,408
Job and Family Services—State Children’s Service Subsidy	1,172
Job and Family Services—Support of Children	113
Board of Mental Retardation and Developmental Disabilities—Federal, State and Health Grants	5,344
Board of Mental Retardation and Developmental Disabilities—Miscellaneous Reimbursements	593
Mental Health and Recovery Services Board—Miscellaneous Reimbursements	66
Health and Human Services Levies Total	<u>10,696</u>
Nonmajor Special Revenue Funds:	
Motor Vehicle License Tax	2,128
County Permissive Auto Tax City	354
County Permissive Auto Tax County	226
Auto and Boat Titles	150
Communications Center—Communication Services	92
Job and Family Services—Federal Grants	1,570
Sheriff—Federal and State Grants	762
Prosecutor—Federal Grants	120
Coroner—Federal and State Grants	49
Emergency Management Agency—Federal Grants	10,444
Children’s Trust Fund—State Grants	138
River City Correctional Center—State Grants	3,044
Juvenile Court—Federal Grants	288
Adult Probation—State Grants	1,136
Environmental Services—Federal and State Grants	1,732
Mental Health and Recovery Services Board—Federal and State Grants	27,676
County Administration—Miscellaneous Receipts	1,390
Public Works—Miscellaneous Reimbursements	12
Community Development—Miscellaneous Reimbursements	1
Dog Warden—Miscellaneous Receipts	2
Prosecutor—Miscellaneous Receipts	6
Juvenile Court—Miscellaneous Receipts	3
Common Pleas Court—Miscellaneous Receipts	183
Municipal Court—Miscellaneous Receipts	27
Probate Court—Miscellaneous Receipts	22
Clerk of Courts—Miscellaneous Receipts	15
Engineer—Miscellaneous Receipts and Reimbursements	244
Debt Service—Miscellaneous Reimbursements	22
Environmental Services—Miscellaneous Receipts and Reimbursements	18
Mental Health and Recovery Services Board—Miscellaneous Receipts	3
Hospital Commission—Miscellaneous Receipts	45
Nonmajor Special Revenue Funds Total	<u>51,902</u>
Governmental Activities Total	<u>\$ 102,182</u>

<u>Business-Type Activities</u>	<u>Amount</u>
Nonmajor Enterprise Funds:	
Sheriff—Township Patrol Fees	\$ 1,263
Sheriff— Miscellaneous Reimbursements	147
Business-Type Activities Total	<u>\$ 1,410</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 (\$1,064) are classified as Accounts Receivable on the Balance Sheet—Governmental Funds.

In 2002, the County Commissioners adopted the Home Improvement Program (HIP). HIP allows homeowners in Hamilton County to borrow money from banks to repair or remodel their homes or rental property at interest rates 3% below the lowest rate the banks would normally offer. These loans are collateralized by Hamilton County certificates of deposit (CDs). These CDs totaled \$13,098 at December 31, 2007, and are included in Equity in Pooled Cash and Investments on the Balance Sheet—Governmental Funds.

In 2003, the County loaned \$2,000 to the Village of Woodlawn for the purpose of constructing a community center. The Village will repay the loan in annual payments from 2003 to 2009 at an interest rate of 3%. The receivable as of December 31, 2007, is \$667 and is reported as Loans to Political Subdivisions or Other Funds in the Balance Sheet—Governmental Funds.

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

### C. Restricted Assets

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

Restricted Cash and Cash Equivalents:	
Held by the City of Cincinnati:	
Construction Account	\$ 20,866
Amount to Be Transferred to Surplus Account	20,877
Held by Trustees	<u>42,261</u>
Total Restricted Cash and Cash Equivalents	<u>84,004</u>
Restricted Investments:	
Held by Trustees—Held to Maturity	<u>265,924</u>
Total Restricted Assets	<u>\$ 349,928</u>

### D. Capital Assets

Capital asset activity for the year ended December 31, 2007, was as follows:

	Balance 1/1/2007	Additions	Reductions	Balance 12/31/2007
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 97,345	\$ 1,388	\$ (9)	\$ 98,724
Construction in Progress	<u>10,519</u>	<u>12,895</u>	<u>(15,289)</u>	<u>8,125</u>
Total Capital Assets Not Being Depreciated	<u>107,864</u>	<u>14,283</u>	<u>(15,298)</u>	<u>106,849</u>
Capital Assets Being Depreciated:				
Land Improvements	98	-	-	98
Buildings, Structures and Improvements	379,420	9,136	(34)	388,522
Infrastructure	662,251	1,890	-	664,141
Furniture, Fixtures and Equipment	<u>88,412</u>	<u>11,468</u>	<u>(4,698)</u>	<u>95,182</u>
Total Capital Assets Being Depreciated	<u>1,130,181</u>	<u>22,494</u>	<u>(4,732)</u>	<u>1,147,943</u>

Less Accumulated Depreciation:				
Land Improvements	(14)	(5)	-	(19)
Buildings, Structures and Improvements	(223,665)	(9,952)	15	(233,602)
Infrastructure	(384,889)	(27,384)	-	(412,273)
Furniture, Fixtures and Equipment	(59,401)	(5,690)	4,646	(60,445)
Total Accumulated Depreciation	<u>(667,969)</u>	<u>(43,031)</u>	<u>4,661</u>	<u>(706,339)</u>
Capital Assets Being Depreciated, Net	<u>462,212</u>	<u>(20,537)</u>	<u>(71)</u>	<u>441,604</u>
Governmental Activities Capital Assets, Net	<u>\$ 570,076</u>	<u>\$ (6,254)</u>	<u>\$ (15,369)</u>	<u>\$ 548,453</u>
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 96,043	\$ -	\$ -	\$ 96,043
Construction in Progress	<u>228,758</u>	<u>80,829</u>	<u>(32,755)</u>	<u>276,832</u>
Total Capital Assets Not Being Depreciated	<u>324,801</u>	<u>80,829</u>	<u>(32,755)</u>	<u>372,875</u>
Capital Assets Being Depreciated:				
Buildings, Structures and Improvements	1,683,676	23,371	-	1,707,047
Processing System	266,033	4,437	(659)	269,811
Furniture, Fixtures and Equipment	<u>65,023</u>	<u>3,334</u>	<u>(485)</u>	<u>67,872</u>
Total Capital Assets Being Depreciated	<u>2,014,732</u>	<u>31,142</u>	<u>(1,144)</u>	<u>2,044,730</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(489,561)	(51,874)	-	(541,435)
Processing System	(143,547)	(8,990)	-	(152,537)
Furniture, Fixtures and Equipment	<u>(36,101)</u>	<u>(4,972)</u>	<u>462</u>	<u>(40,611)</u>
Total Accumulated Depreciation	<u>(669,209)</u>	<u>(65,836)</u>	<u>462</u>	<u>(734,583)</u>
Capital Assets Being Depreciated, Net	<u>1,345,523</u>	<u>(34,694)</u>	<u>(682)</u>	<u>1,310,147</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,670,324</u>	<u>\$ 46,135</u>	<u>\$ (33,437)</u>	<u>\$ 1,683,022</u>

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

Depreciation expense was charged to functions/funds as follows:

<u>Governmental Activities</u>	
General Government	\$ 11,550
Judicial	483
Public Safety	1,849
Social Services	689
Health	400
Public Works	27,890
Environmental Control	90
Economic Development	2
Internal Service Funds—Charged to Functions Based on Usage	78
Total Depreciation Expense	<u>\$ 43,031</u>
<u>Business-Type Activities</u>	
MSD	\$ 30,518
Paul Brown Stadium	14,709
Baseball Stadium	13,495
Nonmajor Enterprise Funds	7,114
Total Depreciation Expense	<u>\$ 65,836</u>

## E. Interfund Balances and Transfers

Interfund balances at December 31, 2007, consisted of the following amounts and represent charges for services or reimbursable expenses except for the General Fund's coverage of negative cash balances within the following nonmajor governmental funds: Health and Community Services Grants (\$1,701), Judicial Services Grants (\$689), Social Service Grants (\$7,284) and Environmental Control Grants (\$173).

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	Nonmajor Governmental Funds	Paul Brown Stadium	Baseball Stadium	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ 2	\$ 28	\$ -	\$ -	\$ 74	\$ -	\$ 104
Public Assistance	6,125	-	2	-	-	-	-	6,127
Health and Human Services Levies	1,542	1,777	114	-	-	-	633	4,066
Nonmajor Governmental Funds	9,916	6	15	-	20	7	-	9,964
Paul Brown Stadium	18	-	-	-	-	-	-	18
Baseball Stadium	-	-	-	-	-	-	300	300
Nonmajor Enterprise Funds	1,239	-	8	1	-	-	-	1,248
Internal Service Funds	-	62	-	-	-	-	-	62
Total	\$ 18,840	\$ 1,847	\$ 167	\$ 1	\$ 20	\$ 81	\$ 933	\$ 21,889

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 \$2,772, which was advanced from the General Fund to a nonmajor governmental fund.

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

Included in the transfers out/in are residual equity transfers between funds. Residual transfers were made between funds in the nonmajor Judicial Services Grants special revenue fund group (\$1,155); between funds in the nonmajor Social Service Grants special revenue fund group (\$1,346); from the Health and Human Services Levies fund group to the nonmajor Health and Community Services nongrants special revenue fund group (\$6,238); from the nonmajor Health and Community Services nongrants special revenue fund group to the Health and Human Services Levies fund group (\$1,139); from the nonmajor Health and Community Services Grants special revenue fund group to the General Fund (\$4); from the nonmajor Judicial Services Grants special revenue fund group to the nonmajor Health and Community Services Nongrants special revenue fund group (\$101); from the nonmajor Social Service Grants special revenue fund group to the nonmajor Health and Community Services Nongrants special revenue fund group (\$481); from the nonmajor Capital Projects fund group to the Public Assistance fund group (\$121); from the nonmajor Riverfront Development enterprise fund group to the Paul Brown Stadium enterprise fund group (\$154); and from the nonmajor Communications Center enterprise fund group to the General Fund (\$247).

Interfund transfers for the year ended December 31, 2007, consisted of the following:

Transfers In	Transfers Out				Total
	General Fund	Health and Human Services Levies	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ -	\$ -	\$ 4	\$ 851
Public Assistance	1,432	-	-	121	1,553
Health and Human Services Levies	-	625	1,139	-	1,764
Nonmajor Governmental Funds	10,356	7,994	5,793	-	24,143
Paul Brown Stadium	-	-	-	154	154
Total	\$ 11,788	\$ 8,619	\$ 7,057	\$ 1,001	\$ 28,465

Due to Other Governments represents project costs due to the City by the CFA, which reimburses the City monthly.

## F. Long-Term Debt and Other Obligations

The long-term obligations of the County payable as of December 31, 2007, are as follows:

Governmental Activities	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>General Obligation Bonds—Voted</u>							
2001 Museum Center—\$19,545	2009	3.00-4.00	\$ 7,930	\$ -	\$ (2,550)	\$ 5,380	\$ 2,640
<u>General Obligation Bonds—Unvoted</u>							
1986 Administration Building—\$9,900	2007	5.875	495	-	(495)	-	-
1987 Courthouse Improvement—\$2,000	2007	5.75	100	-	(100)	-	-
1996 Various Purpose—\$5,990	2016	4.80-5.00	295	-	(295)	-	-
1996 Building Improve. Series 1996—\$2,650	2011	5.25-5.35	180	-	(180)	-	-
1998 Courthouse Improvement—\$16,045	2018	4.75-4.90	11,490	-	(10,740)	750	750
1998 Building Improvement—\$12,495	2018	4.80-5.00	8,800	-	(8,215)	585	585
2001 Various Purpose—\$9,050	2012	3.00-4.00	4,715	-	(820)	3,895	805
2001 Various Purpose—\$1,455	2021	3.00-5.00	1,190	-	(60)	1,130	60
2001 Water West Phase 2—\$1,660	2021	3.00-5.00	1,355	-	(65)	1,290	70
2004 Various Purpose Refunding—\$21,915	2015	1.70-4.00	16,185	-	(1,935)	14,250	1,950
2004 Various Purpose Refunding—\$16,115	2015	1.70-4.00	11,905	-	(1,425)	10,480	1,435
2004 Various Purpose Refunding—\$4,100	2015	1.70-4.00	3,030	-	(360)	2,670	365
2005 Various Purpose Refunding—\$28,715	2017	3.00-5.00	26,490	-	(1,685)	24,805	2,205
2006 Emergency Management and Operations Center—\$725	2025	4.00-4.50	725	-	(25)	700	30
2006 Emergency Services Communications System—\$19,520	2021	3.50-4.00	19,520	-	(1,005)	18,515	1,035
2007 Various Purpose Refunding—\$18,130	2024	3.75-4.15	-	18,130	(150)	17,980	85
2007 Communications Center—\$1,025	2016	3.75-4.00	-	1,025	(85)	940	90
Deferred Amounts:							
For Issuance Premiums			1,970	193	(358)	1,805	-
For Refundings			(2,471)	(414)	510	(2,375)	-
Total General Obligation Bonds—Unvoted			105,974	18,934	(27,488)	97,420	9,465
<u>Special Assessment Bonds</u>							
1987 Sewer District—\$395	2007	7.125	15	-	(15)	-	-
1988 Sewer District—\$416	2008	7.25	45	-	(20)	25	25
1990 Sewer District—\$410	2010	6.9	130	-	(30)	100	30
1993 Sewer District—\$600	2013	4.90-5.20	280	-	(35)	245	35
1994 Sewer District—\$175	2014	5.75	75	-	(10)	65	10
1995 Sewer District—\$210	2015	5.10-5.80	125	-	(10)	115	10
1996 Sewer District—\$445	2016	5.55-5.625	275	-	(20)	255	25
1997 Sewer District—\$340	2017	5.125-5.30	230	-	(15)	215	15
1998 Sewer District—\$705	2018	4.65-4.75	495	-	(30)	465	30
1999 Sewer District—\$170	2019	5.5	135	-	(5)	130	10
2000 Sewer District—\$545	2020	5.40-5.55	430	-	(20)	410	25
2001 Sewer District—\$150	2021	4.00-5.10	125	-	(5)	120	5
2002 Sewer District—\$295	2022	3.50-5.05	250	-	(10)	240	15
2003 Sewer District—\$460	2023	1.25-5.75	415	-	(20)	395	20
2004 Water and Sewer—\$625	2024	1.8-4.9	575	-	(25)	550	25
2005 Sewer District—\$110	2025	4.35-4.40	105	-	(5)	100	5
2006 Sewer District—\$76	2026	4.65-4.75	76	-	(4)	72	4
2007 Sewer District—\$750	2027	4.15-4.65	-	750	-	750	25
Total Special Assessment Bonds			3,781	750	(279)	4,252	314
Total Governmental Long-Term Debt			117,685	19,684	(30,317)	107,052	12,419
<i>Other Long-Term Liabilities</i>							
<u>Compensated Absences</u>							
			39,344	29,509	(26,902)	41,951	2,281
<u>State Loans</u>							
			1,359	2,806	(940)	3,225	1,129
<u>Loan Contracts</u>							
			5,221	-	(193)	5,028	193
<u>Forgivable Mortgage</u>							
			-	1,697	(260)	1,437	68
Total Governmental Long-Term Liabilities			\$ 163,609	\$ 53,696	\$ (58,612)	\$ 158,693	\$ 16,090

<b>Business-Type Activities</b>		Maturity	Interest Rate %	Balance January 1	Additions	Reductions	Balance December 31	Due in One Year
<i>Long-Term Debt</i>								
<u>Year Issued/Purpose/Amount Issued</u>								
<u>MSD Obligations</u>								
2007 Series A Revenue Bonds—\$72,385	2032	3.50-5.25	\$ -	\$ 72,385	\$ -	\$ 72,385	\$ 1,615	
2006 Series A Revenue Bonds—\$83,045	2031	4.00-5.00	83,045	-	(1,710)	81,335	1,955	
2005 Series A & B Revenue Bonds—\$170,560	2030	2.00-5.00	168,680	-	(2,180)	166,500	7,235	
2004 Series A Revenue Bonds—\$46,385	2017	2.00-5.00	44,135	-	(2,260)	41,875	2,200	
2003 Series B Revenue Bonds—\$55,510	2028	5.00	51,670	-	-	51,670	-	
2003 Series A Revenue Bonds—\$160,065	2028	1.50-5.25	155,845	-	(1,340)	154,505	1,475	
2001 Series A Revenue Bonds—\$76,000	2026	2.30-5.25	34,030	-	(1,525)	32,505	1,585	
2000 Series A Revenue Bonds—\$40,085	2025	4.50-5.75	7,440	-	(1,095)	6,345	1,145	
1997 Series A Revenue Bonds—\$105,245	2017	3.85-5.13	16,525	-	(4,930)	11,595	-	
1993 Series A Revenue Bonds—\$171,790	2016	2.45-5.60	34,880	-	(11,025)	23,855	11,615	
Ohio Water Development Authority Contracts (OWDA)—\$41,830	2019	2.00-7.49	857	-	(110)	747	114	
Ohio Water and Sewer Rotary Commission	-	-	50	-	-	50	-	
Ohio Public Works Commission (OPWC)	2017	3.54-4.80	3,769	-	(278)	3,491	283	
Water Pollution Control Loan Fund (WPCLF) Construction Drawdown	2018	0.00-3.00	24,668	246	(1,485)	23,429	2,433	
Deferred Amounts:								
For Issuance Discounts			(201)	-	90	(111)	-	
For Issuance Premiums			32,208	3,378	(2,887)	32,699	-	
For Refundings			(8,822)	-	1,654	(7,168)	-	
Total MSD Obligations			648,779	76,009	(29,081)	695,707	31,655	
<u>Enterprise Fund Debt—Parking Facility</u>								
2001 Parking Facility—\$24,500	2026	Market Value Based	22,395	-	(610)	21,785	645	
<u>Sales Tax Bonds</u>								
1998 Football Project Series A—\$71,610	2027	3.95-4.75	19,675	-	-	19,675	-	
2000 Stadium Series B—\$349,992	2032	5.57	118,857	-	(6,545)	112,312	8,000	
2006 Stadium Series A—\$452,270	2032	4.00-5.00	452,270	-	(2,545)	449,725	1,975	
Deferred Amounts:								
For Issuance Discounts			(2,355)	-	113	(2,242)	-	
For Issuance Premiums			30,920	-	(1,790)	29,130	-	
For Refundings			(25,756)	-	1,086	(24,670)	-	
Total Sales Tax Bonds			593,611	-	(9,681)	583,930	9,975	
<u>General Obligation—Parking Facility</u>								
1998 Parking Facility—\$10,090	2024	4.15-5.00	8,290	-	(7,305)	985	315	
2007 Various Purpose Refunding—\$7,335	2024	3.75-4.15	-	7,335	(55)	7,280	30	
Deferred Amounts:								
For Issuance Discounts			-	(24)	2	(22)	-	
For Issuance Premiums			44	-	(40)	4	-	
For Refundings			-	(220)	55	(165)	-	
Total General Obligation Bonds			8,334	7,091	(7,343)	8,082	345	
Total Business-Type Long-Term Debt			1,273,119	83,100	(46,715)	1,309,504	42,620	
<i>Other Long-Term Liabilities</i>								
<u>Compensated Absences</u>								
			7,673	4,625	(4,765)	7,533	3,210	
Total Business-Type Long-Term Liabilities			\$1,280,792	\$ 87,725	\$(51,480)	\$1,317,037	\$ 45,830	
<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	\$ 67,190	\$ -	\$ (1,385)	\$ 65,805	\$ 1,415	
2004 Second Lien Improvement Bonds—\$35,940	2033	2.00-5.25	34,815	-	(12,010)	22,805	770	
Deferred Amounts:								
For Issuance Premium			4,306	-	(541)	3,765	-	
Total CFA Obligations			\$ 106,311	\$ -	\$(13,936)	\$ 92,375	\$ 2,185	

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
2008	\$ 12,105	\$ 4,120	\$ 314	\$ 218
2009	12,395	3,690	298	193
2010	9,895	3,235	324	179
2011	10,140	2,861	279	162
2012	10,230	2,483	309	149
2013-2017	38,960	6,626	1,414	525
2018-2022	9,490	900	909	220
2023-2027	155	14	405	48
Total	<u>\$103,370</u>	<u>\$23,929</u>	<u>\$4,252</u>	<u>\$ 1,694</u>

Year	Business-Type Activities					
	MSD*		General Obligation Bonds**		Sales Tax Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 31,655	\$ 32,881	\$ 990	\$ 1,079	\$ 9,975	\$ 26,524
2009	33,164	31,466	1,045	1,042	10,815	26,031
2010	34,877	30,042	1,095	1,004	2,140	25,470
2011	37,454	29,213	1,160	963	3,400	25,354
2012	39,108	27,441	1,220	921	2,420	25,185
2013-2017	220,899	108,303	7,170	3,909	93,375	117,097
2018-2022	115,858	66,353	9,320	2,478	118,813	118,649
2023-2027	136,578	37,192	8,050	679	141,642	133,331
2028-2032	74,050	8,441	-	-	199,132	67,711
Total	<u>\$723,643</u>	<u>\$371,332</u>	<u>\$ 30,050</u>	<u>\$ 12,075</u>	<u>\$581,712</u>	<u>\$565,352</u>

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

\*\*Adjustable Rate Parking System Revenue Bonds, in the amount of \$24,500, were issued to pay the costs of making improvements and enlargements to the County's above-ground parking structures and surface parking lots in the Cincinnati central riverfront area, near the stadiums and at the US Bank Arena. The interest rate is to be determined at the close of business each Wednesday. The interest rate at the close of business on December 29, 2007, was 3.44%. Using this rate as a basis, the projected interest to be paid on this bond issue will be \$8,776.

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

Year	CFA	
	Improvement Bonds	
	Principal	Interest
2008	\$ 2,185	\$ 4,110
2009	2,235	4,056
2010	2,300	3,994
2011	2,355	3,935
2012	2,420	3,870
2013-2017	13,755	17,701
2018-2022	17,470	13,991
2023-2027	21,055	9,332
2028-2032	20,500	4,064
2033-2037	4,335	217
Total	<u>\$ 88,610</u>	<u>\$ 65,270</u>

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

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

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

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

The total voted and unvoted non-exempt debt of the County that could be issued subject to the 3.0%, 1.5% and 2.5% limitation described above is \$514,682. The total County net debt subject to this limitation is \$85,328, leaving a borrowing capacity of \$429,354 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 \$206,473. The total County debt subject to such limitation is \$79,948, leaving a borrowing capacity of \$126,525 within the 1.0% limitation for unvoted non-exempt debt.

**2007 General Obligation Bonds.** In April 2007, new general obligation bonds were issued in the amount of \$1,025 for the purpose of acquiring and financing emergency equipment and a boiler at the Communications Center. These bonds carry interest rates ranging from 3.75% to 4.00% and have a final maturity date of December 1, 2016.

**2007 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 2007, new special assessment bonds were issued in the amount of \$750, with a final maturity date of December 1, 2027. These bonds carry interest rates ranging from 4.15% to 4.65%.

**General Obligation Bonds—Advance Refunding and In-Substance Defeasance.** In January 2007, the County issued \$25,465 in bonds with interest rates ranging from 3.75% to 4.15% to advance refund outstanding principal amounts of (1) \$7,660, of \$8,800 in outstanding principal, of the Building Improvement Series 1998 bond issue, originally issued for \$12,495; (2) \$10,030, of \$11,490 in outstanding principal, of the Courthouse Improvement Series 1998 bond issue, originally issued for \$16,045; and (3) \$7,005, of \$8,290 in outstanding principal, of the Parking Facility Series 1998 bond issue, originally issued for \$10,090. The net proceeds of the 2007 bond issue were deposited in an irrevocable escrow account with an escrow trustee. These proceeds were then used to purchase U.S. government securities. These securities will be applied to refunding the principal, premium and interest to redemption with respect to amounts outstanding on the refunded bonds described above. As a result, the refunded bonds are considered defeased and the liability for these bonds has been removed from the balance sheet. Consequently, the County has, in effect, reduced its aggregate debt service payments by \$1,572 over 18 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$1,167.

<u>Sources of Funds</u>		<u>Uses of Funds</u>	
Refunding Bond Proceeds	\$ 25,465	Escrow Securities	\$ 25,329
Premium on Refunding Bonds	169	Issuance Costs	305
Accrued Interest on Refunding Bonds	90	Accrued Interest on Refunding Bonds	90
Total Sources	<u>\$ 25,724</u>	Total Uses	<u>\$ 25,724</u>

**Series A and B Revenue Bonds.** MSD issued \$72,385 Series A Sewer System Improvement Revenue Bonds dated December 1, 2007. The proceeds from the 2007 Series A bonds were used to permanently fund certain previous capital expenditures, fund the new bond reserve requirements and pay the cost of issuance. The 2007 Series A bonds are special obligations of MSD, payable solely from the net revenues of MSD, and were issued on parity with the 1993, 1995, 1997, 2000, 2001, 2003 Series A, 2003 Series B, 2004, 2005 Series A, 2005 Series B and 2006 bonds, secured equally and ratably under the Trust Agreement.

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

The 2007, 2006, 2005, 2004, 2003, 2001, 2000, 1997 and 1993 bonds may be redeemed prior to their maturities in accordance with provisions of the bond resolutions. The redemption process for the bonds includes declining premiums up to 2% of principal. Under the terms of the amended revenue bond trust indenture, MSD has agreed



to certain covenants, among other things to restrict additional borrowing, maintain rates sufficient to meet debt service requirements and maintain specified balances under trust agreements. The revenue bond issues contain covenants that require MSD to maintain a maximum level of debt service coverage of 125%.

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

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

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

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

**Prior Defeased Debt.** In prior years, the County has defeased various general obligation serial bonds and revenue serial bonds through refinancing and operations. Separate irrevocable trust funds were established and funded to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and is not included in the financial statements. At December 31, 2007, \$11,035 (\$4,030 from prior years plus \$7,005 from 2007) general obligation bonds, \$5,700 voted debt and \$462,750 of sales tax-supported bonds were considered defeased. For MSD, the amount of defeased debt outstanding was \$46,345.

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

**Revenue Bonds—Advance Refunding and In-Substance Defeasance.** In August 2007, CFA issued \$11,915 in defeasance obligations resulting in an in-substance defeasance of \$11,255 of its revenue bonds. Securities will be held in an escrow trust agreement with the Bank of New York with various maturity dates through 2014 at interest rates of 3.72%–4.44%. The final draw will be in 2014 on the bond's call date. The refunded bonds are considered defeased, and the liability for these bonds has been removed from the statement of net assets. Consequently, the CFA has obtained an economic gain (difference between the present values of the old and new debt service payments) of \$770. The reacquisition price to defease the bonds exceeded the net carrying amount of the defeased bonds by \$288. This amount is reported in the Statement of Net Assets and amortized over the remaining life of the old bonds. The remaining debt at December 31, 2007, was \$22,805.

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

At December 31, 2007, in accordance with GASB 16, the following liabilities associated with employees' compensated absences have been recognized in the government-wide Statement of Net Assets:

<u>Liability</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Vacation Leave	\$ 16,725	\$ 3,303
Sick Leave	24,429	3,936
Compensatory Time	797	294
Totals	<u>\$ 41,951</u>	<u>\$ 7,533</u>

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

	<u>MSD</u>
Interest Incurred	\$ 29,150
Less Interest Capitalization	<u>(3,664)</u>
Interest Expense	<u>\$ 25,486</u>

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

**State Loans.** In August 2006, the Hamilton County Engineer's Office obtained an interest-free loan for \$1,553 from The Ohio Public Works Commission. Repayment of the loan is expected to commence 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 2007, the loan was increased by \$653. Repayment of the loan commenced in 2006, with final maturity in 2009. The interest rate for the first 12 months was 0%. For months 13 to 48, the interest rate is 3%. The proceeds of both of these loans are being used to finance road improvement projects. The loans will be repaid from the County's permissive auto tax.

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

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

<u>Year</u>	<u>Engineer</u>		<u>MHR SB</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2008	\$ 483	\$ 22	\$ 41
2009	568	15	41
2010	575	7	40
2011	78		40
2012	77		40
2013–2017	388		
2018–2022	388		
2023–2027	388		
2028–2032	78		
Total	<u>\$ 3,023</u>	<u>\$ 44</u>	<u>\$ 202</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, 2007, amounted to \$5,028. There is no interest charged on these obligations.

Year Ending December 31	Loan Contracts Forgiveness
2008	\$ 193
2009	193
2010	193
2011	193
2012	193
2013–2017	962
2018–2022	962
2023–2027	962
2028–2032	694
2033–2037	347
2038–2041	78
2042–2047	58
Total	<u>\$ 5,028</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 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. MHR SB has a related receivable for \$606 that is held by ODADAS to cover continued improvements to the alcohol and other drug facility.

Year Ending December 31	Mortgage Forgiveness
2008	\$ 68
2009	68
2010	68
2011	68
2012	68
2013–2017	339
2018–2022	339
2023–2027	339
2028–2032	80
Total	<u>\$ 1,437</u>

**Conduit Debt Obligations.** Periodically, the County issues Hospital Facility, Health-Care System or Facility, Economic Development, Industrial Development, Air-Quality Development, Multifamily Housing and Student Housing revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. These bonds are backed by the property financed and are payable solely from payment received on the underlying mortgage loans. The bonds do not constitute a debt or pledge of the full faith and credit of the County and, therefore, are not reported in the financial statements. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. As of December 31, 2007, the aggregate principal amount outstanding for these bonds was as follows:

Hospital Facilities	\$ 926,321
Health-Care Systems and Facilities	120,185
Economic Development	101,120
Industrial Development	2,900
Air-Quality Development	300
Multifamily Housing	23,860
Student Housing	103,755
Total	<u>\$ 1,278,441</u>

## G. Leases

**Operating Leases—Lessee.** At December 31, 2007, the County had entered into various long-term operating leases for office and storage space and for land for communications towers. The lease terms range from 1 to 8 years. 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 2007 amounted to \$2,919. Sublease payments totaled \$125. Future rental obligations are as follows:

Year Ending December 31	Operating Lease Payments	Sublease Payments
2008	\$ 3,012	\$ 117
2009	1,085	61
2010	419	6
2011	412	6
2012	347	6
2013–2017	614	21
Total	<u>\$ 5,889</u>	<u>\$ 217</u>

**Operating Leases—Lessor.** The County has contractual agreements for the rental of properties, including stadiums, office space, group homes, land and communications towers, to commercial and not-for-profit enterprises. These rentals are reported as operating leases for accounting purposes. Total rent received in 2007 was \$3,120 in governmental funds and \$3,628 in business-type funds.

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

Year Ending December 31	Operating Lease Payments
2008	\$ 2,500
2009	2,500
2010	2,500
2011	2,500
Remaining Years	-
Total	<u>\$ 10,000</u>

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

Year Ending December 31	Operating Lease Payments
2008	\$ 1,000
2009	900
Total	<u>\$ 1,900</u>

Future rental revenues for other leases are as follows:

Year Ending December 31	Operating Lease Payments	
	Business-Type Activities	Governmental Activities
2008	\$ 48	\$ 1,985
2009	32	1,248
2010	17	1,185
2011	11	1,131
2012	-	1,155
2013–2017	-	6,027
2018–2022	-	2,619
Total	<u>\$ 108</u>	<u>\$ 15,350</u>

Assets and accumulated depreciation related to the operating leases, as of December 31, 2007, are included in the financial statements as follows:

	Business-Type Activities	Governmental Activities
Land	\$ 86,614	\$ 2,810
Buildings	731,832	16,913
Accumulated Depreciation	165,281	15,136

## 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, as of and for the year ended December 31, 2007, follows.

<u>Condensed Statement of Net Assets</u>	Riverfront Development	Main Street Parking Garage
Assets:		
Current Assets	\$ 3,420	\$ 146
Capital Assets	111,303	8,616
Unamortized Financing Costs	152	82
Total Assets	<u>114,875</u>	<u>8,844</u>
Liabilities:		
Due to Other Funds	18	-
Other Current Liabilities	1,646	415
Noncurrent Liabilities	21,140	7,737
Total Liabilities	<u>22,804</u>	<u>8,152</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	89,518	534
Unrestricted	2,553	158
Total Net Assets	<u>\$ 92,071</u>	<u>\$ 692</u>

<u>Condensed Statement of Revenues, Expenses and Changes in Fund Net Assets</u>	Riverfront Development	Main Street Parking Garage
Charges for Services	\$ 6,481	\$ 850
Lease Rent Revenue	-	20
Depreciation and Amortization	(5,607)	(310)
Other Operating Expenses	(7,093)	(241)
Operating Income (Loss)	(6,219)	319
Nonoperating Revenues (Expenses):		
Interest Expense	(816)	(367)
Bond Issuance Costs	(8)	(11)
Net Increase in Fair Value of Equity in Pooled Cash and Investments	41	2
Capital Contributions	5,120	-
Transfers Out	(154)	-
Change in Net Assets	(2,036)	(57)
Net Assets at Beginning of Year	94,107	749
Net Assets at End of Year	<u>\$ 92,071</u>	<u>\$ 692</u>

<u>Condensed Statement of Cash Flows</u>	Riverfront Development	Main Street Parking Garage
Net Cash Provided (Used) by:		
Operating Activities	\$ (1,076)	\$ 635
Noncapital Financing Activities	(154)	-
Capital and Related Financing Activities	1,928	(673)
Investing Activities	41	2
Net Increase (Decrease)	739	(36)
Cash and Cash Equivalents at Beginning of Year	2,680	181
Cash and Cash Equivalents at End of Year	<u>\$ 3,419</u>	<u>\$ 145</u>

## V. OTHER INFORMATION

### A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and

environmental damage. The County purchases commercial insurance to cover losses due to theft of, damage to or destruction of assets and purchases general liability insurance for specific operations and professional liability insurance for certain operations. All other risks of loss are retained by the County. There has been no reduction in insurance coverage or limits from coverage provided in 2006. Over the past three years, claim amounts from risks covered by commercial insurance have not exceeded the specific policy's limit.

The County retains risk of loss related to court judgments resulting from tort and general liability claims of County officials and employees. A designation of the General Fund balance has been established to pay potential, court-ordered judgments, and at December 31, 2007, this amounted to \$1,173.

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

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

	<u>2007</u>	<u>2006</u>
Unpaid Claims at Beginning of Year	\$ 8,924	\$ 8,790
Incurred Claims (Including IBNRs)	2,021	3,691
Claim Payments	<u>(4,164)</u>	<u>(3,513)</u>
Unpaid Claims at End of Year	6,781	8,968
Less: Claims Payable, Current	(45)	(44)
Estimated Future Claims	<u>\$ 6,736</u>	<u>\$ 8,924</u>

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

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

## **B. Related Party Transactions**

Cincinnati Water Works provides billing and collection services on customers' accounts for MSD. Fees for these services for 2007 were \$5,192. 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 2007 were \$2,270. In addition, the City's Municipal Garage provides gasoline and repairs vehicles for MSD. Fees for these services were \$1,474 for 2007.

## **C. Commitments and Contingent Liabilities**

The County has contracted construction commitments for the following:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Riverfront Development	\$ 133,364	\$ 1,748

The City of Cincinnati and the Board of County Commissioners of Hamilton County, Ohio, are parties to an Interim Partial Consent Decree on Sanitary Sewer Overflows, which was lodged on February 15, 2002, with the U.S. District Court for the Southern District of Ohio, Western Division. This decree provides for, among other things, the scheduled elimination of 16 "highly active" sanitary sewer overflows. On December 4, 2003, a Global Consent Decree was lodged with the U.S. District Court for the Southern District of Ohio, Western Division. This decree focuses on combined sewer overflows, the implementation of the Sanitary Sewer Overflow Correction plan established in the Interim Partial Consent Decree, and other wet weather issues. The court approved the decrees

on June 9, 2004. It is estimated that the program, still to be approved, will cost about \$2,500,000 through 2035 measured in 2008 dollars. 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 \$115,000 as of December 31, 2007.

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

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

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County Prosecuting Attorney that resolution of these matters will not have a material adverse effect on the financial condition of the County. See note V I regarding the ongoing special audit of Hamilton County Job and Family Services.

#### **D. Deferred Compensation Plan**

Employees of the County may elect to participate in a deferred compensation plan administered by one of the following: (1) The Ohio Public Employees Deferred Compensation Plan; (2) ING Financial Services, Inc.; or (3) The County Commissioners Association of Ohio. Under these plans, employees could defer up to 25% of their annual salary not to exceed \$15,000 (amount not in thousands) in 2007. The deferred amounts, as well as any income related to the deferral, are not subject to federal or State income tax until actually received by the employee. In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and Internal Revenue Code Section 457, assets of the aforementioned plans were placed in trust for the exclusive benefit of the participants and beneficiaries during 1999. The amounts held in all three plans are no longer reported as assets of the County.

#### **E. Employee Retirement Systems and Plans**

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

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

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

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

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

All three plans issue separate financial reports to the public that include financial statements and required supplemental information. These reports may be obtained by contacting each system as follows: Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, telephone (800) 222-7377; State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215, telephone (800) 227-7877; and 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 2007 for the Hamilton County and MSD employees are as follows:

<u>Employees of the County</u>	<u>Retirement System</u>	<u>County Share</u>	<u>Employee Share</u>
Law Enforcement Officers	OPERS	17.17%	10.10%
Public Safety Officers	OPERS	17.17%	9.75%
All Other Eligible County	OPERS	13.85%	9.50%
County Board of MRDD/Juvenile Court	STRS Ohio	14.00%	10.00%
MSD and Other Eligible County	CRS	21.77%	7.00%
MSD Other Eligible	OPERS	13.85%	9.50%

The County's contributions, representing 100% of employer contributions, for the year ended December 31, 2007, and for each of the two preceding years, are as follows:

<u>Fiscal Year</u>	<u>OPERS</u>	<u>STRS</u>	<u>CRS</u>
2005	32,988	872	2,932
2006	35,184	856	4,612
2007	35,710	864	6,029

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

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

**OPERS.** OPERS provides post-retirement health-care coverage to age and service retirees with 10 or more years of qualifying State service credit and to primary survivor recipients of such retirees. Health-care coverage for disability recipients and primary survivor recipients is available. The 2007 employer contribution rate for the County, exclusive of law enforcement officers and public safety officers, was 13.85% of covered payroll. For both the law enforcement and public safety divisions, the 2007 employer rate was 17.17%.

For 2007, the employer contributions allocated to the health-care plan from January 1, 2007, through June 30, 2007, and from July 1, 2007, through December 31, 2007, were 5% and 6%, respectively. The OPERS Retirement Board is also authorized to establish rules for payment of a portion of the health-care benefits provided, by the



retiree or the surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The County's contribution for these County employees, for the year ended December 31, 2007, was \$12,592 to fund post-employment benefits. The County's contribution for law enforcement officers and public safety officers for the year ended December 31, 2007, was \$1,211 to fund post-employment benefits.

The OPEB is advance funded on an actuarially determined basis. The principal assumptions and calculations were based on the latest actuarial review as of December 31, 2006:

*Funding Method.* An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.

*Asset Valuation Method.* All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets, not to exceed a 12% corridor.

*Investment Return.* The most recent information available indicates that the investment assumption rate for 2006 was 6.5%.

*Active Employee Total Payroll.* An annual payroll increase of 4.0% is compounded annually, and is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases over and above the 4.0% base increase were assumed to range from 0.5% to 6.3%.

*Health Care.* Health-care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.5% to 5.0% for the next 8 years. In subsequent years (9 and beyond), health-care costs were assumed to increase at 4.0% (the projected wage inflation rate).

At December 31, 2006 (latest available), the actuarial value of the Retirement System's net asset value available for OPEB was \$12.0 billion and the actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$30.7 billion and \$18.7 billion, respectively. At December 31, 2007, there were 374,979 active participants contributing to the Traditional Pension and Combined Plans.

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

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

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

Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to a Health-Care Reserve Fund, from which health-care benefits are paid. For STRS Ohio's fiscal year ended June 30, 2007, the board allocated employer contributions equal to 1.00% of covered payroll to the Health-Care Reserve Fund. This totaled \$.06 million for the County in 2007. The balance in the Health-Care Reserve Fund was \$4.10 billion on June 30, 2007.

For the fiscal year ended June 30, 2007, net health-care costs paid by STRS Ohio were \$301.9 million. There were 122,934 eligible benefit recipients.

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

The health-care coverage provided by CRS is advance funded on an actuarially determined basis as a portion of the employer contribution requirement to the System. The Cincinnati Municipal Code provides authority for employer contributions. The County's cost to fund health-care coverage was \$4.4 million in 2007.

The actuarial assumptions used for the December 31, 2007, valuation included an assumption for hospital and surgical benefits recognizing adjusted premiums based on experience for recent years adjusted to current year by assumed annual increases in premium costs. The cost of OPEBs is recognized as an expense as claims are paid. The actuarial value of the System's net assets available for OPEB at December 31, 2007, was \$835 million. The actuarially accrued liability based on the actuarial cost method was \$922 million. The unfunded actuarially accrued liability for post-employment benefits at December 31, 2007, was \$86 million to be amortized over 15 years. CRS had 4,483 active contributing participants, of which 497 are MSD employees.

## **G. Events Subsequent to Most Recently Issued Audited Financial Reports**

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

- The following debt issuances were approved by the County Commissioners:
  - 2004—\$42,130 Various Purpose Limited Tax General Obligation Refunding Bonds used to advance refund \$40,475 in outstanding general obligation bonds on four debt issuances; \$625 Water and Sewer Special Assessment Bonds used for water and sewer line improvements and \$46,385 Sewer System Refunding Revenue Bonds for MSD used to advance refund \$46,895 in outstanding revenue bonds on three debt issuances;
  - 2005—\$28,715 Various Purpose Limited Tax General Obligation Refunding Bonds used to advance refund \$28,180 in outstanding general obligation bonds on four debt issuances; \$110 Sewer System Special Assessment Bonds used for sewer line improvements; \$86,960 Sewer System Refunding Revenue Bonds used to advance refund \$86,925 in outstanding revenue bonds on three debt issuances; and \$83,600 Sewer System Improvement Revenue Bonds for MSD used to permanently fund certain previous capital expenditures, fund the new bond reserve requirements and pay the cost of issuance;
  - 2006—\$725 Emergency Management and Operations Center General Obligation Bonds used to pay a portion of the costs to construct and improve office facilities for the Emergency Management Agency and the Emergency Operations Center and to equip those facilities; \$19,520 Emergency Services Communications System General Obligation Bonds used to acquire an 800 megahertz radio system and retire maturing notes heretofore issued for this purpose; \$76 Water and Sewer Special Assessment Bonds used to construct certain water and sewer system improvements; \$452,270 Ohio Sales Tax Bonds used to advance refund \$462,465 in outstanding sales tax bonds on three debt issuances, fund a reserve and pay costs of issuance; and \$83,045 Sewer System Improvement Revenue Bonds for MSD used to permanently fund certain previous capital expenditures, fund the new bond reserve requirements and pay the cost of issuance;
  - 2008—\$8,795 Various Purpose General Obligation Bonds used (1) to reimburse the General Fund for amounts advanced for a court-approved settlement and (2) for Communications Center improvements; and \$262 Sewer District Special Assessment Bonds used to construct certain sewer system improvements; and
  - 2009—\$1,615 Emergency Alert System General Obligation Bonds to be used to acquire and install a voice/tone alerting system for fire and emergency medical services and \$12,550 Urban

Redevelopment Limited Tax General Obligation Bonds to be used to fund The Banks economic development project on the City's riverfront.

- In 2004, the County redeemed the 1993 Courthouse Improvement Refunding bond issue at a redemption price of 101% of the principal amount plus accrued interest to the date of redemption (\$5,687).
- In 2004–2006, there were several real property acquisitions: building and land to be used for Super Jobs Center (\$300), land being used for parking lot and land under County's Hillcrest School (part of swap with City for County property), and building and land to be used for administrative offices for the Board of Mental Retardation and Developmental Disabilities (\$2,500). During that same period, the County disposed the following real property for the amounts indicated: three land parcels and buildings used for office space (\$4,413 plus land obtained from swap with City), home and land used for residence services for Mental Health and Recovery Services Board clients (\$122), and Educational Services Center building (\$2,299).
- In 2004, the County settled all claims relating to the design and construction of Paul Brown Stadium. The litigation settlement awarded the County was \$1,425, which was accounted for as a reduction of the constructed cost of the Stadium.
- In 2005, the County settled all claims that involved a dispute between the parties related to riverfront redevelopment. In addition to \$2,800 paid in 2004 related to this issue, in 2005, the County paid \$1,450 to Arena Management Holdings LLC for the purpose of Arena-related operations and improvements, signing a new parking lease agreement and funding part of the construction costs for new parking lots near the Arena.
- In 2005, the County settled a civil lawsuit regarding disputes related to contracted costs for the installation of portions of the Sound/MATV/BPM Systems for the Paul Brown Stadium Project. Per the Settlement Agreement, in 2005, the County issued checks totaling \$700 to Great American Insurance Company.
- In 2006, the County settled a civil lawsuit regarding claims for injuries and damages arising from occurrences from 1991 to 2002 in which the then-Hamilton County Coroner or members of his staff retained whole organs for the purpose of examination and testing without notification to the next-of-kin and an opportunity to recover the retained organ. In 2006, the County issued a check for \$6,000 to the Hainey Class Action Qualified Settlement Fund.
- In 2007, the case of Chesher v Neyer, C-1-01-566, was settled. This case involved photographs taken of the deceased at the County morgue, and the settlement was for \$8,000. The County paid \$4,000 in 2007 and the additional \$4,000 in February 2008.
- The Board of County Commissioners approved a 12% sewerage rate increase for MSD effective March 2005, 4% effective January 2006 and 12% effective January 2008.
- In July 2008, due to the continuing financial problems facing the County, the County Commissioners passed a resolution to reduce all departments' appropriations within the General Fund by 6%.

#### **H. Material Noncompliance**

Contrary to Ohio law, the County did not comply with some budgetary requirements and had appropriations in excess of estimated resources in 12 funds at interim periods during the year. At year-end, two enterprise funds had expenditures plus encumbrances that exceeded appropriations.

Contrary to Ohio law, three County departments were unable to provide certain documents requested for audit in a timely manner.

Contrary to requirements relating to federal awards, there were several occurrences of federal shared cost pools being charged instead of charging a program directly; charges to shared cost pools that, though typical, were not adequately documented with written agreements; or cost pools being inconsistently charged.

Contrary to requirements relating to federal awards, expenses totaling \$80 were reimbursed to the County by HUD for its CDBG Entitlement grant that were not related to the compensation of employees for the time devoted and identified specifically to the performance of those awards.

The County will work to more closely monitor budgetary controls, adhere to document retention schedules, appropriately charge costs directly to programs or to shared cost pools, and comply with federal awards.

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

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

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

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

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

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

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

HHS has not provided a time table for the completion of its report, nor has it indicated that the County will have any liability to HHS. In terms of direct liability, ODJFS would have the first responsibility for the payment of any sums to HHS because of the relationship between HHS and ODJFS. Further, HHS has indicated that there are several different scenarios that could be involved with regard to the eventual obligation for the repayment of any federal funds that were not properly expended. The scenarios include a sharing of the payment obligation between

ODJFS and HCJFS and/or the recoding and further adjustment of expenditures to fall within allowable federal expenditures and/or the adjustment of funds to be received in the future.

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

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**COUNTY OF HAMILTON, OHIO**

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

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

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

**ANNUALLY BUDGETED**

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

**MULTIYEAR BUDGETED**

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



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

**NONMAJOR DEBT SERVICE FUNDS**

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

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

**NONMAJOR CAPITAL PROJECTS FUND**

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

**COUNTY OF HAMILTON, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AS OF DECEMBER 31, 2007**

(Amounts in Thousands)

	Annually Budgeted				Special Revenue				Total Nonmajor Special Revenue Funds
	Motor Vehicle Gas Tax	Health and Community Services Nongrants	Health and Community Services Grants	Community Development Block Grants	Multiyear Budgeted				
					Judicial Services Grants	Public Safety Grants	Social Service Grants	Environmental Control Grants	
<b>ASSETS</b>									
Equity in Pooled Cash and Investments	\$ 12,412	\$ 46,874	\$ 2,126	\$ 489	\$ 2,325	\$ 8	\$ 1,161	\$ 2,092	\$ 67,487
Cash and Cash Equivalents—Segregated Accounts	118	-	-	-	-	-	-	-	118
Accounts Receivable	115	315	1	1,076	8	-	153	3	1,671
Interest Receivable	-	-	-	1	-	-	-	-	1
Intergovernmental Receivable	2,952	1,950	2,283	1	15,210	59	27,725	1,700	51,880
Real and Other Taxes Receivable	432	-	-	-	-	-	-	-	432
Due from Other Funds	23	111	-	-	18	-	-	-	152
Inventories	2,033	-	-	-	-	-	-	-	2,033
Special Assessments Receivable	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 18,085</b>	<b>\$ 49,250</b>	<b>\$ 4,410</b>	<b>\$ 1,567</b>	<b>\$ 17,561</b>	<b>\$ 67</b>	<b>\$ 29,039</b>	<b>\$ 3,795</b>	<b>\$ 123,774</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts Payable	\$ 1,918	\$ 3,864	\$ 2,574	\$ 447	\$ 1,439	\$ -	\$ 8,898	\$ 32	\$ 19,172
Accrued Wages and Benefits Payable	397	882	12	15	336	-	113	108	1,863
Retainage Payable	118	-	-	-	-	-	-	-	118
Due to Other Funds	3	55	1,701	-	720	-	7,284	176	9,939
Advances from Other Funds	-	700	-	-	-	-	-	-	700
Loans from Other Funds	900	-	-	-	-	-	-	-	900
Deferred Revenue	447	7	1,415	1,064	17,251	59	24,263	1,964	46,470
Total Liabilities	3,783	5,508	5,702	1,526	19,746	59	40,558	2,280	79,162
<b>FUND BALANCES</b>									
Reserved for Encumbrances	4,287	2,936	218	-	3,361	-	-	260	11,062
Reserved for Inventories	2,033	-	-	-	-	-	-	-	2,033
Unreserved, Undesignated	7,982	40,806	(1,510)	41	(5,546)	8	(11,519)	1,255	31,517
<b>TOTAL FUND BALANCES</b>	<b>14,302</b>	<b>43,742</b>	<b>(1,292)</b>	<b>41</b>	<b>(2,185)</b>	<b>8</b>	<b>(11,519)</b>	<b>1,515</b>	<b>44,612</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 18,085</b>	<b>\$ 49,250</b>	<b>\$ 4,410</b>	<b>\$ 1,567</b>	<b>\$ 17,561</b>	<b>\$ 67</b>	<b>\$ 29,039</b>	<b>\$ 3,795</b>	<b>\$ 123,774</b>

	Debt Service			Total Nonmajor Debt Service Funds	Capital Projects	Total Nonmajor Governmental Funds
	Bond Retirement	General Obligation Nonvoted	Special Assessments	Total Nonmajor Debt Service Funds	Project Accounting	Total Nonmajor Governmental Funds
<b>ASSETS</b>						
Equity in Pooled Cash and Investments	\$ 633	\$ 660	\$ 878	\$ 2,171	\$ 626	\$ 70,284
Cash and Cash Equivalents—Segregated Accounts	-	-	-	-	-	118
Accounts Receivable	-	-	-	-	-	1,671
Interest Receivable	-	-	-	-	-	1
Intergovernmental Receivable	-	22	-	22	-	51,902
Real and Other Taxes Receivable	2,469	-	-	2,469	-	2,901
Due from Other Funds	-	15	-	15	-	167
Inventories	-	-	-	-	-	2,033
Special Assessments Receivable	-	-	5,946	5,946	-	5,946
<b>TOTAL ASSETS</b>	<b>\$ 3,102</b>	<b>\$ 697</b>	<b>\$ 6,824</b>	<b>\$ 10,623</b>	<b>\$ 626</b>	<b>\$ 135,023</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ 13	\$ -	\$ 13	\$ 49	\$ 19,234
Accrued Wages and Benefits Payable	-	-	-	-	-	1,863
Retainage Payable	-	-	-	-	-	118
Due to Other Funds	-	20	5	25	-	9,964
Advances from Other Funds	-	-	-	-	2,072	2,772
Loans from Other Funds	-	-	-	-	-	900
Deferred Revenue	2,469	-	5,946	8,415	-	54,885
Total Liabilities	2,469	33	5,951	8,453	2,121	89,736
<b>FUND BALANCES</b>						
Reserved for Encumbrances	-	9	-	9	38	11,109
Reserved for Inventories	-	-	-	-	-	2,033
Unreserved, Undesignated	633	655	873	2,161	(1,533)	32,145
<b>TOTAL FUND BALANCES</b>	<b>633</b>	<b>664</b>	<b>873</b>	<b>2,170</b>	<b>(1,495)</b>	<b>45,287</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,102</b>	<b>\$ 697</b>	<b>\$ 6,824</b>	<b>\$ 10,623</b>	<b>\$ 626</b>	<b>\$ 135,023</b>

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

(Amounts in Thousands)

	Annually Budgeted				Special Revenue				Total Nonmajor Special Revenue Funds
					Multiyear Budgeted				
	Motor Vehicle Gas Tax	Health and Community Services Nongrants	Health and Community Services Grants	Community Development Block Grants	Judicial Services Grants	Public Safety Grants	Social Service Grants	Environmental Control Grants	
<b>REVENUES</b>									
Property Taxes and Assessments	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6
State Shared Taxes	23,182	-	-	-	-	-	-	-	23,182
License and Permits	-	3,209	-	-	-	-	-	-	3,209
Charges for Services	1,983	28,868	384	-	-	-	399	-	31,634
Fines and Forfeitures	464	2,364	1	-	-	-	-	-	2,829
Investment Earnings	595	1,254	39	61	39	-	4	24	2,016
Intergovernmental	5,376	20,024	7,477	4,875	16,266	184	55,460	3,532	113,194
Other	1,439	5,351	-	414	150	-	-	92	7,446
<b>TOTAL REVENUES</b>	<b>33,045</b>	<b>61,070</b>	<b>7,901</b>	<b>5,350</b>	<b>16,455</b>	<b>184</b>	<b>55,464</b>	<b>4,047</b>	<b>183,516</b>
<b>EXPENDITURES</b>									
Current:									
General Government	-	13,803	-	-	17	-	-	-	13,820
Judicial	-	6,387	401	-	12,644	-	-	-	19,432
Public Safety	-	4,793	1,709	-	3,024	111	144	98	9,879
Social Services	-	23,175	8,239	-	279	-	-	-	31,693
Health	-	11,411	-	-	-	-	57,333	-	68,744
Public Works	29,612	2,285	-	-	-	-	-	-	31,897
Environmental Control	-	2,320	-	-	-	-	-	3,708	6,028
Economic Development	-	-	-	5,355	-	-	-	-	5,355
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Refunding Bond Issuance Costs	-	-	-	-	-	-	-	-	-
Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>29,612</b>	<b>64,174</b>	<b>10,349</b>	<b>5,355</b>	<b>15,964</b>	<b>111</b>	<b>57,477</b>	<b>3,806</b>	<b>186,848</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,433</b>	<b>(3,104)</b>	<b>(2,448)</b>	<b>(5)</b>	<b>491</b>	<b>73</b>	<b>(2,013)</b>	<b>241</b>	<b>(3,332)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	10,769	27	-	1,155	-	1,346	-	13,297
Transfers Out	(864)	(1,949)	(4)	-	(1,256)	-	(1,827)	-	(5,900)
Proceeds of Refunding Bonds	-	-	-	-	-	-	-	-	-
Premium on Refunding Bonds Issued	-	-	-	-	-	-	-	-	-
Payment to Refunded Bonds Escrow Agent	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Net Proceeds from Sale of Bonds	-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>(864)</b>	<b>8,820</b>	<b>23</b>	<b>-</b>	<b>(101)</b>	<b>-</b>	<b>(481)</b>	<b>-</b>	<b>7,397</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,569</b>	<b>5,716</b>	<b>(2,425)</b>	<b>(5)</b>	<b>390</b>	<b>73</b>	<b>(2,494)</b>	<b>241</b>	<b>4,065</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>11,733</b>	<b>38,026</b>	<b>1,133</b>	<b>46</b>	<b>(2,575)</b>	<b>(65)</b>	<b>(9,025)</b>	<b>1,274</b>	<b>40,547</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 14,302</b>	<b>\$ 43,742</b>	<b>\$ (1,292)</b>	<b>\$ 41</b>	<b>\$ (2,185)</b>	<b>\$ 8</b>	<b>\$ (11,519)</b>	<b>\$ 1,515</b>	<b>\$ 44,612</b>

	Debt Service			Capital Projects		
	Bond Retirement	General Obligation Nonvoted	Special Assessments	Total Nonmajor Debt Service Funds	Project Accounting	Total Nonmajor Governmental Funds
<b>REVENUES</b>						
Property Taxes and Assessments	\$ 2,466	\$ -	\$ 468	\$ 2,934	\$ -	\$ 2,940
State Shared Taxes	-	-	-	-	-	23,182
License and Permits	-	-	-	-	-	3,209
Charges for Services	-	-	-	-	-	31,634
Fines and Forfeitures	-	-	-	-	-	2,829
Investment Earnings	-	-	-	-	29	2,045
Intergovernmental	234	3,891	-	4,125	-	117,319
Other	-	22	-	22	-	7,468
<b>TOTAL REVENUES</b>	<b>2,700</b>	<b>3,913</b>	<b>468</b>	<b>7,081</b>	<b>29</b>	<b>190,626</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	13,820
Judicial	-	-	-	-	-	19,432
Public Safety	-	-	-	-	-	9,879
Social Services	-	-	-	-	-	31,693
Health	-	-	-	-	-	68,744
Public Works	-	-	-	-	-	31,897
Environmental Control	-	-	-	-	-	6,028
Economic Development	-	-	-	-	-	5,355
Capital Outlay	-	-	-	-	2,083	2,083
Debt Service:						
Principal Retirement	2,550	9,950	279	12,779	-	12,779
Interest	298	4,252	191	4,741	-	4,741
Refunding Bond Issuance Costs	-	225	-	225	-	225
Fiscal Charges	38	19	7	64	-	64
<b>TOTAL EXPENDITURES</b>	<b>2,886</b>	<b>14,446</b>	<b>477</b>	<b>17,809</b>	<b>2,083</b>	<b>206,740</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(186)</b>	<b>(10,533)</b>	<b>(9)</b>	<b>(10,728)</b>	<b>(2,054)</b>	<b>(16,114)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	9,768	66	9,834	1,012	24,143
Transfers Out	-	-	-	-	(1,157)	(7,057)
Proceeds of Refunding Bonds	-	18,130	-	18,130	-	18,130
Premium on Refunding Bonds Issued	-	193	-	193	-	193
Payment to Refunded Bonds Escrow Agent	-	(18,104)	-	(18,104)	-	(18,104)
Other	-	(278)	-	(278)	-	(278)
Net Proceeds from Sale of Bonds	-	-	-	-	1,775	1,775
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>-</b>	<b>9,709</b>	<b>66</b>	<b>9,775</b>	<b>1,630</b>	<b>18,802</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(186)</b>	<b>(824)</b>	<b>57</b>	<b>(953)</b>	<b>(424)</b>	<b>2,688</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>819</b>	<b>1,488</b>	<b>816</b>	<b>3,123</b>	<b>(1,071)</b>	<b>42,599</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 633</b>	<b>\$ 664</b>	<b>\$ 873</b>	<b>\$ 2,170</b>	<b>\$ (1,495)</b>	<b>\$ 45,287</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, 2007**

(Amounts in Thousands)

	Budgeted Amounts			Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
<b>REVENUES</b>					
Property Taxes and Special Assessments	\$ 41,458	\$ 41,458	\$ 42,763	\$ 1,305	
Sales and Use Tax	64,748	64,748	66,382	1,634	
State Shared Taxes	27,143	27,143	25,148	(1,995)	
License and Permits	2,701	2,701	2,923	222	
Charges for Services	54,172	54,172	47,846	(6,326)	
Fines and Forfeitures	9,448	9,448	10,497	1,049	
Investment Earnings	18,491	18,491	20,874	2,383	
Intergovernmental	20,231	20,231	20,273	42	
Other	12,151	12,151	6,407	(5,744)	
<b>TOTAL REVENUES</b>	<b>250,543</b>	<b>250,543</b>	<b>243,113</b>	<b>(7,430)</b>	
<b>EXPENDITURES</b>					
Current:					
<b>GENERAL GOVERNMENT</b>					
County Commissioners					
Personnel Services	780	786	786	-	
Other Expenditures	7	5	2	3	
<b>Total County Commissioners</b>	<b>787</b>	<b>791</b>	<b>788</b>	<b>3</b>	
County Administrator					
Personnel Services	1,759	1,563	1,559	4	
Other Expenditures	3,706	2,111	2,064	47	
Capital Outlay	27	17	9	8	
<b>Total County Administrator</b>	<b>5,492</b>	<b>3,691</b>	<b>3,632</b>	<b>59</b>	
County Personnel					
Personnel Services	1,053	1,067	979	88	
Other Expenditures	679	550	518	32	
Capital Outlay	12	12	12	-	
<b>Total County Personnel</b>	<b>1,744</b>	<b>1,629</b>	<b>1,509</b>	<b>120</b>	
Administrative Services					
Personnel Services	789	840	834	6	
Other Expenditures	2,136	1,860	1,795	65	
Capital Outlay	22	28	26	2	
<b>Total Administrative Services</b>	<b>2,947</b>	<b>2,728</b>	<b>2,655</b>	<b>73</b>	
				(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, 2007**

(Amounts in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
County Buildings				
Personnel Services	\$ 6,166	\$ 7,041	\$ 6,781	\$ 260
Other Expenditures	17,946	17,607	16,947	660
Capital Outlay	113	113	92	21
Total County Buildings	24,225	24,761	23,820	941
Building Commissioner				
Personnel Services	1,717	1,769	1,759	10
Other Expenditures	379	377	363	14
Capital Outlay	11	11	11	-
Total Building Commissioner	2,107	2,157	2,133	24
Rural Zoning Commission				
Personnel Services	419	409	392	17
Other Expenditures	19	18	16	2
Capital Outlay	1	1	1	-
Total Rural Zoning Commission	439	428	409	19
Auditor				
Personnel Services	2,148	2,098	1,818	280
Other Expenditures	2,687	2,627	2,214	413
Capital Outlay	33	31	17	14
Total Auditor	4,868	4,756	4,049	707
Treasurer				
Personnel Services	871	854	839	15
Other Expenditures	571	568	566	2
Capital Outlay	9	7	7	-
Total Treasurer	1,451	1,429	1,412	17
Recorder				
Personnel Services	2,066	2,145	2,132	13
Other Expenditures	287	210	159	51
Capital Outlay	47	42	38	4
Total Recorder	2,400	2,397	2,329	68
Board of Zoning Appeals				
Personnel Services	92	93	84	9
Other Expenditures	7	7	6	1
Total Board of Zoning Appeals	99	100	90	10
Board of Elections				
Personnel Services	4,245	4,280	4,247	33
Other Expenditures	2,061	2,051	1,701	350
Total Board of Elections	6,306	6,331	5,948	383
Nondepartmental Accounts				
Personnel Services	750	2,190	2,144	46
Other Expenditures	4,527	14,478	13,739	739
Capital Outlay	264	171	171	-
Total Nondepartmental Accounts	5,541	16,839	16,054	785
<b>TOTAL GENERAL GOVERNMENT</b>	<b>58,406</b>	<b>68,037</b>	<b>64,828</b>	<b>3,209</b>

(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, 2007**

(Amounts in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>JUDICIAL</b>				
Juvenile Court				
Personnel Services	\$ 26,621	\$ 26,943	\$ 26,910	\$ 33
Other Expenditures	4,461	4,342	4,339	3
Capital Outlay	95	95	95	-
Total Juvenile Court	31,177	31,380	31,344	36
Court of Appeals				
Other Expenditures	81	80	73	7
Capital Outlay	27	27	18	9
Total Court of Appeals	108	107	91	16
Court of Common Pleas				
Personnel Services	4,641	4,748	4,747	1
Other Expenditures	5,874	6,058	6,030	28
Total Court of Common Pleas	10,515	10,806	10,777	29
Municipal Court				
Personnel Services	6,575	6,775	6,775	-
Other Expenditures	1,053	1,133	1,131	2
Capital Outlay	6	6	6	-
Total Municipal Court	7,634	7,914	7,912	2
Adult Probation				
Personnel Services	8,694	8,842	8,652	190
Other Expenditures	1,203	1,195	1,028	167
Total Adult Probation	9,897	10,037	9,680	357
Domestic Relations				
Personnel Services	4,680	4,668	4,575	93
Other Expenditures	724	734	702	32
Capital Outlay	22	22	19	3
Total Domestic Relations	5,426	5,424	5,296	128
Probate Court				
Personnel Services	2,656	2,504	2,482	22
Other Expenditures	658	637	607	30
Total Probate Court	3,314	3,141	3,089	52
Clerk of Courts				
Personnel Services	12,621	12,785	12,640	145
Other Expenditures	3,220	3,198	3,049	149
Capital Outlay	101	94	94	-
Total Clerk of Courts	15,942	16,077	15,783	294
Public Defender				
Personnel Services	6,228	6,682	6,588	94
Other Expenditures	6,065	6,438	6,356	82
Capital Outlay	52	48	48	-
Total Public Defender	12,345	13,168	12,992	176

(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, 2007**

(Amounts in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	Court Reporters			
Personnel Services	\$ 1,701	\$ 2,484	\$ 2,481	\$ 3
Other Expenditures	53	52	52	-
Capital Outlay	4	4	-	4
Total Court Reporters	1,758	2,540	2,533	7
<b>TOTAL JUDICIAL</b>	98,116	100,594	99,497	1,097
<b>PUBLIC SAFETY</b>				
Communications Center				
Personnel Services	748	736	736	-
Other Expenditures	1,933	1,428	1,240	188
Capital Outlay	192	464	357	107
Total Communications Center	2,873	2,628	2,333	295
Sheriff				
Personnel Services	60,512	63,308	63,058	250
Other Expenditures	11,290	17,773	17,744	29
Capital Outlay	837	848	841	7
Total Sheriff	72,639	81,929	81,643	286
Prosecutor				
Personnel Services	12,049	12,320	12,187	133
Other Expenditures	547	539	482	57
Capital Outlay	80	81	57	24
Total Prosecutor	12,676	12,940	12,726	214
Coroner				
Personnel Services	3,332	3,398	3,351	47
Other Expenditures	499	510	507	3
Capital Outlay	130	123	123	-
Total Coroner	3,961	4,031	3,981	50
<b>TOTAL PUBLIC SAFETY</b>	92,149	101,528	100,683	845
<b>SOCIAL SERVICES</b>				
Soldiers Relief				
Personnel Services	456	472	472	-
Other Expenditures	823	838	828	10
Capital Outlay	4	-	-	-
Total Soldiers Relief	1,283	1,310	1,300	10
<b>TOTAL SOCIAL SERVICES</b>	1,283	1,310	1,300	10
<b>PUBLIC WORKS</b>				
Public Works				
Personnel Services	1,102	1,091	1,067	24
Other Expenditures	129	115	90	25
Capital Outlay	14	14	14	-
Total Public Works	1,245	1,220	1,171	49

(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, 2007**

(Amounts in Thousands)

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	<b>Positive (Negative)</b>
Engineer				
Other Expenditures	\$ 913	\$ 913	\$ 913	\$ -
<b>Total Engineer</b>	<b>913</b>	<b>913</b>	<b>913</b>	<b>-</b>
<b>TOTAL PUBLIC WORKS</b>	<b>2,158</b>	<b>2,133</b>	<b>2,084</b>	<b>49</b>
<b>ECONOMIC DEVELOPMENT</b>				
Community Development				
Personnel Services	54	53	42	11
Other Expenditures	20	21	20	1
Capital Outlay	1	1	1	-
<b>Total Community Development</b>	<b>75</b>	<b>75</b>	<b>63</b>	<b>12</b>
Economic Development				
Other Expenditures	1,036	1,052	1,049	3
<b>Total Economic Development</b>	<b>1,036</b>	<b>1,052</b>	<b>1,049</b>	<b>3</b>
<b>TOTAL ECONOMIC DEVELOPMENT</b>	<b>1,111</b>	<b>1,127</b>	<b>1,112</b>	<b>15</b>
<b>TOTAL EXPENDITURES</b>	<b>253,223</b>	<b>274,729</b>	<b>269,504</b>	<b>5,225</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(2,680)</b>	<b>(24,186)</b>	<b>(26,391)</b>	<b>(2,205)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	600	600	851	251
Transfers Out	(11,741)	(12,388)	(11,788)	600
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>(11,141)</b>	<b>(11,788)</b>	<b>(10,937)</b>	<b>851</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(13,821)</b>	<b>(35,974)</b>	<b>(37,328)</b>	<b>(1,354)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>17,205</b>	<b>17,205</b>	<b>17,205</b>	<b>-</b>
Prior-Year Encumbrances Appropriated	38,652	38,652	38,652	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 42,036</b>	<b>\$ 19,883</b>	<b>\$ 18,529</b>	<b>\$ (1,354)</b>

**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, 2007**

(Amounts in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 31,021	\$ 31,021	\$ 37,341	\$ 6,320
Intergovernmental	153,446	184,239	191,377	7,138
Other	2,483	2,483	1,896	(587)
<b>TOTAL REVENUES</b>	<b>186,950</b>	<b>217,743</b>	<b>230,614</b>	<b>12,871</b>
<b>EXPENDITURES</b>				
Current:				
<b>SOCIAL SERVICES</b>				
Personnel Services	69,747	65,615	65,298	317
Other Expenditures	129,472	162,485	157,367	5,118
Capital Outlay	1,119	794	766	28
<b>TOTAL SOCIAL SERVICES</b>	<b>200,338</b>	<b>228,894</b>	<b>223,431</b>	<b>5,463</b>
<b>TOTAL EXPENDITURES</b>	<b>200,338</b>	<b>228,894</b>	<b>223,431</b>	<b>5,463</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(13,388)</b>	<b>(11,151)</b>	<b>7,183</b>	<b>18,334</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	1,432	1,432	1,553	121
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>1,432</b>	<b>1,432</b>	<b>1,553</b>	<b>121</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(11,956)</b>	<b>(9,719)</b>	<b>8,736</b>	<b>18,455</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>9,632</b>	<b>9,632</b>	<b>9,632</b>	<b>-</b>
Prior-Year Encumbrances Appropriated	9,057	9,057	9,057	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 6,733</b>	<b>\$ 8,970</b>	<b>\$ 27,425</b>	<b>\$ 18,455</b>

**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, 2007**

(Amounts in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	<b>REVENUES</b>			
Property Taxes and Special Assessments	\$ 200,526	\$ 200,526	\$ 210,636	\$ 10,110
Charges for Services	3,167	3,167	17,343	14,176
Intergovernmental	100,698	100,698	92,970	(7,728)
Other	10,046	7,796	8,055	259
<b>TOTAL REVENUES</b>	<b>314,437</b>	<b>312,187</b>	<b>329,004</b>	<b>16,817</b>
<b>EXPENDITURES</b>				
Current:				
<b>GENERAL GOVERNMENT</b>				
Personnel Services	13	15	15	-
Other Expenditures	3,659	3,012	2,965	47
Capital Outlay	-	625	550	75
<b>TOTAL GENERAL GOVERNMENT</b>	<b>3,672</b>	<b>3,652</b>	<b>3,530</b>	<b>122</b>
<b>JUDICIAL</b>				
Other Expenditures	6,285	6,081	6,011	70
<b>TOTAL JUDICIAL</b>	<b>6,285</b>	<b>6,081</b>	<b>6,011</b>	<b>70</b>
<b>PUBLIC SAFETY</b>				
Personnel Services	2,284	2,286	2,206	80
Other Expenditures	15,541	15,520	15,294	226
Capital Outlay	570	585	382	203
<b>TOTAL PUBLIC SAFETY</b>	<b>18,395</b>	<b>18,391</b>	<b>17,882</b>	<b>509</b>
<b>SOCIAL SERVICES</b>				
Personnel Services	680	745	706	39
Other Expenditures	108,446	103,377	99,946	3,431
<b>TOTAL SOCIAL SERVICES</b>	<b>109,126</b>	<b>104,122</b>	<b>100,652</b>	<b>3,470</b>
<b>HEALTH</b>				
Personnel Services	36,820	38,167	35,262	2,905
Other Expenditures	149,020	143,263	136,186	7,077
Capital Outlay	4,532	4,753	4,526	227
<b>TOTAL HEALTH</b>	<b>190,372</b>	<b>186,183</b>	<b>175,974</b>	<b>10,209</b>
<b>PARKS AND RECREATION</b>				
Other Expenditures	7,959	8,033	7,922	111
Capital Outlay	479	479	479	-
<b>TOTAL PARKS AND RECREATION</b>	<b>8,438</b>	<b>8,512</b>	<b>8,401</b>	<b>111</b>
<b>TOTAL EXPENDITURES</b>	<b>336,288</b>	<b>326,941</b>	<b>312,450</b>	<b>14,491</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(21,851)</b>	<b>(14,754)</b>	<b>16,554</b>	<b>31,308</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	1,764	1,764
Transfers Out	(6,869)	(6,869)	(8,619)	(1,750)
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>(6,869)</b>	<b>(6,869)</b>	<b>(6,855)</b>	<b>14</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(28,720)</b>	<b>(21,623)</b>	<b>9,699</b>	<b>31,322</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>76,403</b>	<b>76,403</b>	<b>76,403</b>	<b>-</b>
Prior-Year Encumbrances Appropriated	23,362	23,362	23,362	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 71,045</b>	<b>\$ 78,142</b>	<b>\$ 109,464</b>	<b>\$ 31,322</b>

**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, 2007**

(Amounts in Thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes and Special Assessments	\$ 10	\$ 10	\$ 6	\$ (4)
State Shared Taxes	21,810	21,810	21,619	(191)
Charges for Services	2,477	2,584	1,974	(610)
Fines and Forfeitures	407	407	464	57
Investment Earnings	353	353	430	77
Intergovernmental	1,220	6,906	6,141	(765)
Other	1,509	1,509	1,320	(189)
<b>TOTAL REVENUES</b>	<b>27,786</b>	<b>33,579</b>	<b>31,954</b>	<b>(1,625)</b>
<b>EXPENDITURES</b>				
Current:				
<b>PUBLIC WORKS</b>				
Personnel Services	12,512	12,168	11,021	1,147
Other Expenditures	8,104	7,371	5,474	1,897
Capital Outlay	20,109	21,780	18,556	3,224
<b>TOTAL PUBLIC WORKS</b>	<b>40,725</b>	<b>41,319</b>	<b>35,051</b>	<b>6,268</b>
<b>TOTAL EXPENDITURES</b>	<b>40,725</b>	<b>41,319</b>	<b>35,051</b>	<b>6,268</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(12,939)</b>	<b>(7,740)</b>	<b>(3,097)</b>	<b>4,643</b>
<b>OTHER FINANCING USES</b>				
Transfers Out	-	(864)	(864)	-
<b>TOTAL OTHER FINANCING USES</b>	<b>-</b>	<b>(864)</b>	<b>(864)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(12,939)</b>	<b>(8,604)</b>	<b>(3,961)</b>	<b>4,643</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>4,532</b>	<b>4,532</b>	<b>4,532</b>	<b>-</b>
Prior-Year Encumbrances Appropriated	6,631	6,631	6,631	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ (1,776)</b>	<b>\$ 2,559</b>	<b>\$ 7,202</b>	<b>\$ 4,643</b>

**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, 2007**

(Amounts in Thousands)

	Budgeted Amounts			Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
	<b>REVENUES</b>				
License and Permits	\$ 3,144	\$ 3,159	\$ 3,230	\$ 71	
Charges for Services	19,139	19,190	21,354	2,164	
Fines and Forfeitures	2,019	2,019	2,352	333	
Investment Earnings	325	325	613	288	
Intergovernmental	21,361	21,361	20,024	(1,337)	
Other	10,898	10,898	11,885	987	
<b>TOTAL REVENUES</b>	<b>56,886</b>	<b>56,952</b>	<b>59,458</b>	<b>2,506</b>	
<b>EXPENDITURES</b>					
Current:					
<b>GENERAL GOVERNMENT</b>					
Personnel Services	5,880	5,967	5,113	854	
Other Expenditures	10,098	10,584	9,288	1,296	
Capital Outlay	86	79	77	2	
<b>TOTAL GENERAL GOVERNMENT</b>	<b>16,064</b>	<b>16,630</b>	<b>14,478</b>	<b>2,152</b>	
<b>JUDICIAL</b>					
Personnel Services	3,426	3,505	3,345	160	
Other Expenditures	3,047	3,576	2,905	671	
Capital Outlay	2,230	2,229	1,825	404	
<b>TOTAL JUDICIAL</b>	<b>8,703</b>	<b>9,310</b>	<b>8,075</b>	<b>1,235</b>	
<b>PUBLIC SAFETY</b>					
Personnel Services	1,188	1,204	1,195	9	
Other Expenditures	3,744	3,800	3,460	340	
Capital Outlay	53	53	33	20	
<b>TOTAL PUBLIC SAFETY</b>	<b>4,985</b>	<b>5,057</b>	<b>4,688</b>	<b>369</b>	
<b>SOCIAL SERVICES</b>					
Personnel Services	12,390	13,541	13,095	446	
Other Expenditures	15,616	14,615	10,148	4,467	
<b>TOTAL SOCIAL SERVICES</b>	<b>28,006</b>	<b>28,156</b>	<b>23,243</b>	<b>4,913</b>	
				(Continued)	

**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**HEALTH AND COMMUNITY SERVICES NONGRANTS—SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

(Amounts in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	<b>HEALTH</b>			
Personnel Services	\$ -	\$ 60	\$ 60	\$ -
Other Expenditures	6,342	12,530	11,169	1,361
<b>TOTAL HEALTH</b>	6,342	12,590	11,229	1,361
<b>PUBLIC WORKS</b>				
Personnel Services	596	603	486	117
Other Expenditures	979	1,595	1,567	28
Capital Outlay	20	1,756	1,744	12
<b>TOTAL PUBLIC WORKS</b>	1,595	3,954	3,797	157
<b>ENVIRONMENTAL CONTROL</b>				
Personnel Services	526	533	483	50
Other Expenditures	2,520	2,510	2,424	86
Capital Outlay	18	19	11	8
<b>TOTAL ENVIRONMENTAL CONTROL</b>	3,064	3,062	2,918	144
<b>TOTAL EXPENDITURES</b>	68,759	78,759	68,428	10,331
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(11,873)	(21,807)	(8,970)	12,837
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	8,489	15,242	10,769	(4,473)
Transfers Out	(810)	(810)	(1,949)	(1,139)
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	7,679	14,432	8,820	(5,612)
<b>NET CHANGE IN FUND BALANCE</b>	(4,194)	(7,375)	(150)	7,225
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	39,690	39,690	39,690	-
Prior-Year Encumbrances Appropriated	2,791	2,791	2,791	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 38,287</u>	<u>\$ 35,106</u>	<u>\$ 42,331</u>	<u>\$ 7,225</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, 2007**

(Amounts in Thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 380	\$ 380	\$ 398	\$ 18
Fines and Forfeitures	1	1	1	-
Intergovernmental	6,802	6,940	7,058	118
<b>TOTAL REVENUES</b>	<b>7,183</b>	<b>7,321</b>	<b>7,457</b>	<b>136</b>
<b>EXPENDITURES</b>				
Current:				
<b>JUDICIAL</b>				
Personnel Services	260	260	257	3
Other Expenditures	148	148	143	5
<b>TOTAL JUDICIAL</b>	<b>408</b>	<b>408</b>	<b>400</b>	<b>8</b>
<b>PUBLIC SAFETY</b>				
Personnel Services	41	41	28	13
Other Expenditures	160	160	116	44
Capital Outlay	1,987	1,987	1,869	118
<b>TOTAL PUBLIC SAFETY</b>	<b>2,188</b>	<b>2,188</b>	<b>2,013</b>	<b>175</b>
<b>SOCIAL SERVICES</b>				
Other Expenditures	6,782	7,730	7,607	123
<b>TOTAL SOCIAL SERVICES</b>	<b>6,782</b>	<b>7,730</b>	<b>7,607</b>	<b>123</b>
<b>ENVIRONMENTAL CONTROL</b>				
Other Expenditures	26	148	-	148
<b>TOTAL ENVIRONMENTAL CONTROL</b>	<b>26</b>	<b>148</b>	<b>-</b>	<b>148</b>
<b>TOTAL EXPENDITURES</b>	<b>9,404</b>	<b>10,474</b>	<b>10,020</b>	<b>454</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,221)</b>	<b>(3,153)</b>	<b>(2,563)</b>	<b>590</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	50	50	27	(23)
Transfers Out	(15)	(15)	(4)	11
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>35</b>	<b>35</b>	<b>23</b>	<b>(12)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,186)</b>	<b>(3,118)</b>	<b>(2,540)</b>	<b>578</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>1,545</b>	<b>1,545</b>	<b>1,545</b>	<b>-</b>
Prior-Year Encumbrances Appropriated	1,198	1,198	1,198	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 557</b>	<b>\$ (375)</b>	<b>\$ 203</b>	<b>\$ 578</b>



**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, 2007**

(Amounts in Thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 58	\$ 58
Intergovernmental	4,733	7,078	4,837	(2,241)
Other	500	500	405	(95)
<b>TOTAL REVENUES</b>	<b>5,233</b>	<b>7,578</b>	<b>5,300</b>	<b>(2,278)</b>
<b>EXPENDITURES</b>				
Current:				
<b>ECONOMIC DEVELOPMENT</b>				
Personnel Services	486	486	289	197
Other Expenditures	5,274	6,925	5,164	1,761
Capital Outlay	3	3	3	-
<b>TOTAL ECONOMIC DEVELOPMENT</b>	<b>5,763</b>	<b>7,414</b>	<b>5,456</b>	<b>1,958</b>
<b>TOTAL EXPENDITURES</b>	<b>5,763</b>	<b>7,414</b>	<b>5,456</b>	<b>1,958</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(530)</b>	<b>164</b>	<b>(156)</b>	<b>(320)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(530)</b>	<b>164</b>	<b>(156)</b>	<b>(320)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>644</b>	<b>644</b>	<b>644</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 114</b>	<b>\$ 808</b>	<b>\$ 488</b>	<b>\$ (320)</b>

**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, 2007**

(Amounts in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	<b>REVENUES</b>			
Property Taxes and Special Assessments	\$ 2,394	\$ 2,394	\$ 2,466	\$ 72
Intergovernmental	209	209	234	25
<b>TOTAL REVENUES</b>	<b>2,603</b>	<b>2,603</b>	<b>2,700</b>	<b>97</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	2,550	2,550	2,550	-
Interest	298	298	298	-
Fiscal Charges	34	41	38	3
<b>TOTAL EXPENDITURES</b>	<b>2,882</b>	<b>2,889</b>	<b>2,886</b>	<b>3</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(279)</b>	<b>(286)</b>	<b>(186)</b>	<b>100</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(279)</b>	<b>(286)</b>	<b>(186)</b>	<b>100</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>818</b>	<b>818</b>	<b>818</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 539</b>	<b>\$ 532</b>	<b>\$ 632</b>	<b>\$ 100</b>

**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, 2007**

(Amounts in Thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 3,924	\$ 3,924	\$ 3,891	\$ (33)
<b>TOTAL REVENUES</b>	3,924	3,924	3,891	(33)
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	8,945	9,950	9,950	-
Interest	3,692	4,511	4,252	259
Refunding Bond Issuance Costs	225	225	205	20
Fiscal Charges	60	55	47	8
<b>TOTAL EXPENDITURES</b>	12,922	14,741	14,454	287
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(8,998)	(10,817)	(10,563)	254
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	8,016	9,840	9,768	(72)
Refunding Bonds Issued	29,000	29,000	18,130	(10,870)
Premium on Bonds Issued	-	-	193	193
Payment to Refunded Bonds Escrow Agent	(28,378)	(28,378)	(18,104)	10,274
Other	(278)	(278)	(278)	-
<b>TOTAL OTHER FINANCING SOURCES</b>	8,360	10,184	9,709	(475)
<b>NET CHANGE IN FUND BALANCE</b>	(638)	(633)	(854)	(221)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	862	862	862	-
Prior-Year Encumbrances Appropriated	640	640	640	-
<b>FUND BALANCE AT END OF YEAR</b>	\$ 864	\$ 869	\$ 648	\$ (221)

**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, 2007**

(Amounts in Thousands)

	Budgeted Amounts			Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
	<b>REVENUES</b>				
Property Taxes and Special Assessments	\$ 477	\$ 477	\$ 468	\$ (9)	
<b>TOTAL REVENUES</b>	<b>477</b>	<b>477</b>	<b>468</b>	<b>(9)</b>	
<b>EXPENDITURES</b>					
Debt Service:					
Principal Retirement	279	279	279	-	
Interest	191	191	191	-	
Fiscal Charges	5	5	1	4	
<b>TOTAL EXPENDITURES</b>	<b>475</b>	<b>475</b>	<b>471</b>	<b>4</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2</b>	<b>2</b>	<b>(3)</b>	<b>(5)</b>	
<b>OTHER FINANCING SOURCES</b>					
Transfers In	55	55	66	11	
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>55</b>	<b>55</b>	<b>66</b>	<b>11</b>	
<b>NET CHANGE IN FUND BALANCE</b>	<b>57</b>	<b>57</b>	<b>63</b>	<b>6</b>	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>814</b>	<b>814</b>	<b>814</b>	<b>-</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 871</b>	<b>\$ 871</b>	<b>\$ 877</b>	<b>\$ 6</b>	

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

**COMBINING FINANCIAL  
STATEMENTS**

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

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

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**DECEMBER 31, 2007**  
(Amounts in Thousands)

	Business-Type Activities		
	Riverfront Development	Main Street Parking Garage	Sales Tax Stabilization
<b>ASSETS</b>			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 3,394	\$ 145	\$ 6,739
Cash and Cash Equivalents—Segregated Account	25	-	-
Accounts Receivable	1	-	-
Interest Receivable	-	-	3
Intergovernmental Receivable	-	-	-
Due from Other Funds	-	1	-
<b>Total Current Assets</b>	<b>3,420</b>	<b>146</b>	<b>6,742</b>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable Capital Assets:			
Land and Improvements	3,638	1,827	-
Construction in Progress	2,719	-	-
<b>Total Nondepreciable Capital Assets</b>	<b>6,357</b>	<b>1,827</b>	<b>-</b>
Depreciable Capital Assets, Net:			
Buildings, Structures and Improvements	127,008	9,273	-
Furniture, Fixtures and Equipment	-	-	-
Less Accumulated Depreciation	(22,062)	(2,484)	-
<b>Total Depreciable Capital Assets, Net</b>	<b>104,946</b>	<b>6,789</b>	<b>-</b>
<b>Total Capital Assets, Net</b>	<b>111,303</b>	<b>8,616</b>	<b>-</b>
Unamortized Financing Costs	152	82	-
<b>Total Noncurrent Assets</b>	<b>111,455</b>	<b>8,698</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>114,875</b>	<b>8,844</b>	<b>6,742</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	976	40	-
Due to Other Funds	18	-	-
Accrued Wages and Benefits	-	-	-
Accrued Interest Payable	-	28	-
Retainage Payable	25	-	-
Accrued Compensated Absences	-	-	-
Deferred Lease Rent Revenue	-	2	-
Current Portion of Long-Term Debt	645	345	-
<b>Total Current Liabilities</b>	<b>1,664</b>	<b>415</b>	<b>-</b>
Noncurrent Liabilities:			
Accrued Compensated Absences	-	-	-
Long-Term Debt	21,140	7,737	-
<b>Total Noncurrent Liabilities</b>	<b>21,140</b>	<b>7,737</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>22,804</b>	<b>8,152</b>	<b>-</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	89,518	534	-
Unrestricted	2,553	158	6,742
<b>TOTAL NET ASSETS</b>	<b>\$ 92,071</b>	<b>\$ 692</b>	<b>\$ 6,742</b>



**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(Amounts in Thousands)

	Business-Type Activities		
	Riverfront Development	Main Street Parking Garage	Sales Tax Stabilization
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 6,481	\$ 850	\$ -
Lease Rent Revenue	-	20	-
<b>TOTAL OPERATING REVENUES</b>	<b>6,481</b>	<b>870</b>	<b>-</b>
<b>OPERATING EXPENSES</b>			
Personnel Services	-	-	-
Utilities, Fuel and Supplies	264	31	-
Depreciation and Amortization	5,607	310	-
Purchased Services	4,046	185	-
Litigation Judgment Expense	2,590	-	-
Other	193	25	-
<b>TOTAL OPERATING EXPENSES</b>	<b>12,700</b>	<b>551</b>	<b>-</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(6,219)</b>	<b>319</b>	<b>-</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	-	-	301
Interest Expense	(816)	(367)	-
Bond Issuance Costs	(8)	(11)	-
Increase in Fair Value of Equity in Pooled Cash and Investments	41	2	98
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(783)</b>	<b>(376)</b>	<b>399</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>(7,002)</b>	<b>(57)</b>	<b>399</b>
Capital Contributions	5,120	-	(271)
Transfers Out	(154)	-	-
<b>CHANGE IN NET ASSETS</b>	<b>(2,036)</b>	<b>(57)</b>	<b>128</b>
<b>TOTAL NET ASSETS—BEGINNING, AS RESTATED (NOTE II B)</b>	<b>94,107</b>	<b>749</b>	<b>6,614</b>
<b>TOTAL NET ASSETS—ENDING</b>	<b>\$ 92,071</b>	<b>\$ 692</b>	<b>\$ 6,742</b>





**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(Amounts in Thousands)

	Business-Type Activities		
	Riverfront Development	Main Street Parking Garage	Sales Tax Stabilization
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers and Users	\$ 6,480	\$ 872	\$ -
Cash Payments to Suppliers for Goods and Services	(4,165)	(221)	-
Cash Payments for Personnel Costs	-	-	-
Cash Payment for Litigation Judgement	(3,391)	-	-
Other Operating Expense	-	(16)	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(1,076)</b>	<b>635</b>	<b>-</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to Other Funds	(154)	-	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(154)</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal Payments on Long-Term Debt	(610)	(7,360)	-
Interest Payments on Long-Term Debt	(816)	(538)	-
Revenue Bond Proceeds	-	7,225	-
Capital Contributions	5,120	-	(271)
Acquisition and Construction of Property, Plant and Equipment	(1,766)	-	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>1,928</b>	<b>(673)</b>	<b>(271)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments and Pooled Cash and Investments	-	-	321
Increase in Fair Value of Equity in Pooled Cash and Investments	41	2	98
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>41</b>	<b>2</b>	<b>419</b>
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	739	(36)	148
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>2,680</b>	<b>181</b>	<b>6,591</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 3,419</b>	<b>\$ 145</b>	<b>\$ 6,739</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (6,219)	\$ 319	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	5,607	310	-
Net Changes in Operating Assets and Liabilities:			
Accounts Receivable	(1)	-	-
Intergovernmental Receivables	-	-	-
Due from Other Funds	-	-	-
Operating Accounts Payable	321	4	-
Accrued Payroll and Other Related Withholdings	-	-	-
Compensated Absences	-	-	-
Due to Other Funds	16	-	-
Litigation Judgment Payable	(800)	-	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (1,076)</b>	<b>\$ 633</b>	<b>\$ -</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Equity in Pooled Cash and Investments	\$ 3,394	\$ 145	\$ 6,739
Cash and Cash Equivalents—Segregated Accounts	25	-	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 3,419</b>	<b>\$ 145</b>	<b>\$ 6,739</b>

	Business-Type Activities		
	Rotary Funds	Communications Center	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers and Users	\$ 7,229	\$ 5,044	\$ 19,625
Cash Payments to Suppliers for Goods and Services	(140)	(559)	(5,085)
Cash Payments for Personnel Costs	(6,969)	(4,716)	(11,685)
Cash Payment for Litigation Judgement	-	-	(3,391)
Other Operating Expense	(30)	(284)	(330)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>90</b>	<b>(515)</b>	<b>(866)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to Other Funds	(600)	(247)	(1,001)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(600)</b>	<b>(247)</b>	<b>(1,001)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal Payments on Long-Term Debt	-	-	(7,970)
Interest Payments on Long-Term Debt	-	-	(1,354)
Revenue Bond Proceeds	-	-	7,225
Capital Contributions	-	-	4,849
Acquisition and Construction of Property, Plant and Equipment	-	-	(1,766)
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>984</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments and Pooled Cash and Investments	-	-	321
Increase in Fair Value of Equity in Pooled Cash and Investments	13	12	166
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>13</b>	<b>12</b>	<b>487</b>
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	(497)	(750)	(396)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>924</b>	<b>865</b>	<b>11,241</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 427</b>	<b>\$ 115</b>	<b>\$ 10,845</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (255)	\$ (2,081)	\$ (8,236)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	6	1,191	7,114
Net Changes in Operating Assets and Liabilities:			
Accounts Receivable	(1)	-	(2)
Intergovernmental Receivables	(121)	407	286
Due from Other Funds	-	4	4
Operating Accounts Payable	3	(38)	290
Accrued Payroll and Other Related Withholdings	7	20	27
Compensated Absences	27	(13)	14
Due to Other Funds	424	(5)	435
Litigation Judgment Payable	-	-	(800)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 90</b>	<b>\$ (515)</b>	<b>\$ (868)</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Equity in Pooled Cash and Investments	\$ 427	\$ 115	\$ 10,820
Cash and Cash Equivalents—Segregated Accounts	-	-	25
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 427</b>	<b>\$ 115</b>	<b>\$ 10,845</b>

**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.**

**Workers' Compensation Reserve**

**To provide self-insurance to the County through a retrospective rating plan with the State of Ohio for workers' compensation.**

**Auditor's Computer Center**

**To account for the financial activity relating to the data processing center.**

**Multi-County System Agencies**

**To account for the financial activity of the managed care group involved in treating and caring for foster care children.**

**Workers' Compensation Reserve for Stadiums**

**To provide the insurance to the labor force constructing Great American Ball Park Baseball Stadium.**

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**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2007**

(Amounts in Thousands)

	Governmental Activities			
	Workers' Compensation Reserve	Auditor's Computer Center	Multi-County System Agencies	Total Governmental Activities
<b>ASSETS</b>				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 4,331	\$ 1,249	\$ 1,433	\$ 7,013
Accounts Receivable	30	-	-	30
Due from Other Funds	-	-	633	633
<b>Total Current Assets</b>	<b>4,361</b>	<b>1,249</b>	<b>2,066</b>	<b>7,676</b>
Noncurrent Assets:				
Capital Assets:				
Furniture, Fixtures and Equipment	-	963	-	963
Less Accumulated Depreciation	-	(749)	-	(749)
Total Depreciable Capital Assets, Net	-	214	-	214
Total Capital Assets, Net	-	214	-	214
Total Noncurrent Assets	-	214	-	214
<b>TOTAL ASSETS</b>	<b>4,361</b>	<b>1,463</b>	<b>2,066</b>	<b>7,890</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	21	48	1,042	1,111
Due to Other Funds	-	-	62	62
Accrued Wages and Benefits Payable	2	43	-	45
<b>Total Current Liabilities</b>	<b>23</b>	<b>91</b>	<b>1,104</b>	<b>1,218</b>
Noncurrent Liabilities:				
Estimated Future Claims	6,460	-	-	6,460
Accrued Compensated Absences	-	158	-	158
<b>Total Noncurrent Liabilities</b>	<b>6,460</b>	<b>158</b>	<b>-</b>	<b>6,618</b>
<b>TOTAL LIABILITIES</b>	<b>6,483</b>	<b>249</b>	<b>1,104</b>	<b>7,836</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	-	214	-	214
Unrestricted	(2,122)	1,000	962	(160)
<b>TOTAL NET ASSETS</b>	<b>\$ (2,122)</b>	<b>\$ 1,214</b>	<b>\$ 962</b>	<b>\$ 54</b>



**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

(Amounts in Thousands)

	Governmental Activities			
	Workers' Compensation Reserve	Auditor's Computer Center	Multi-County System Agencies	Total Governmental Activities
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 2,054	\$ 2,047	\$ 6,860	\$ 10,961
<b>TOTAL OPERATING REVENUES</b>	<b>2,054</b>	<b>2,047</b>	<b>6,860</b>	<b>10,961</b>
<b>OPERATING EXPENSES</b>				
Personnel Services	2	1,157	-	1,159
Costs of Goods and Services	1,786	468	5,900	8,154
Depreciation	-	78	-	78
<b>TOTAL OPERATING EXPENSES</b>	<b>1,788</b>	<b>1,703</b>	<b>5,900</b>	<b>9,391</b>
<b>OPERATING INCOME</b>	<b>266</b>	<b>344</b>	<b>960</b>	<b>1,570</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Increase in Fair Value of Equity in Pooled Cash and Investments	89	14	2	105
Loss on Disposal of Property, Plant and Equipment	-	(5)	-	(5)
<b>TOTAL NONOPERATING REVENUES</b>	<b>89</b>	<b>9</b>	<b>2</b>	<b>100</b>
<b>INCOME (LOSS)</b>	<b>355</b>	<b>353</b>	<b>962</b>	<b>1,670</b>
<b>CHANGE IN NET ASSETS</b>	<b>355</b>	<b>353</b>	<b>962</b>	<b>1,670</b>
<b>TOTAL NET ASSETS—BEGINNING</b>	<b>(2,477)</b>	<b>861</b>	<b>-</b>	<b>(1,616)</b>
<b>TOTAL NET ASSETS—ENDING</b>	<b>\$ (2,122)</b>	<b>\$ 1,214</b>	<b>\$ 962</b>	<b>\$ 54</b>





**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(Amounts in Thousands)

	Governmental Activities			
	Workers' Compensation Reserve	Auditor's Computer Center	Multi-County System Agencies	Total Governmental Activities
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Interfund Services Provided	\$ 2,054	\$ 2,049	\$ 6,227	\$ 10,330
Cash Payments to Suppliers for Goods and Services	-	(461)	(4,796)	(5,257)
Cash Payments for Interfund Services Provided	(3,997)	-	-	(3,997)
Cash Payments for Personnel Costs	-	(1,154)	-	(1,154)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(1,943)</b>	<b>434</b>	<b>1,431</b>	<b>(78)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Property, Plant and Equipment	-	(64)	-	(64)
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>-</b>	<b>(64)</b>	<b>-</b>	<b>(64)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in Fair Value of Equity in Pooled Cash and Investments	89	14	2	105
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>89</b>	<b>14</b>	<b>2</b>	<b>105</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,854)	384	1,433	(37)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>6,185</b>	<b>865</b>	<b>-</b>	<b>7,050</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 4,331</b>	<b>\$ 1,249</b>	<b>\$ 1,433</b>	<b>\$ 7,013</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating Income	\$ 266	\$ 344	\$ 960	\$ 1,570
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	-	78	-	78
Net Changes in Operating Assets and Liabilities:				
Accounts Receivable	(24)	-	-	(24)
Due from Other Funds	-	2	(633)	(631)
Operating Accounts Payable	(17)	7	1,042	1,032
Accrued Payroll and Related Withholdings	2	4	-	6
Compensated Absences	-	(1)	-	(1)
Due to Other Funds	-	-	62	62
Estimated Future Claims	(2,170)	-	-	(2,170)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (1,943)</b>	<b>\$ 434</b>	<b>\$ 1,431</b>	<b>\$ (78)</b>



**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, 2007**

(Amounts in Thousands)

	Undivided Taxes	Other Agency	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 68,752	\$ 18,942	\$ 87,694
Cash and Cash Equivalents—Segregated Accounts	-	24,518	24,518
Real and Other Taxes Receivable	1,104,453	-	1,104,453
<b>TOTAL ASSETS</b>	<b>\$ 1,173,205</b>	<b>\$ 43,460</b>	<b>\$ 1,216,665</b>
<b>LIABILITIES</b>			
Intergovernmental Payable	\$ 68,752	\$ 7,989	\$ 76,741
Future Tax Collections to Be Distributed	1,104,453	-	1,104,453
Other Current Liabilities	-	35,471	35,471
<b>TOTAL LIABILITIES</b>	<b>\$ 1,173,205</b>	<b>\$ 43,460</b>	<b>\$ 1,216,665</b>

**COUNTY OF HAMILTON, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

(Amounts in Thousands)

	Beginning Balance	Additions	Deductions	Ending Balance
<b>UNDIVIDED TAXES</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 73,680	\$ 1,631,471	\$ 1,636,399	\$ 68,752
Real and Other Taxes Receivable	1,092,529	1,104,453	1,092,529	1,104,453
<b>TOTAL ASSETS</b>	<b>\$ 1,166,209</b>	<b>\$ 2,735,924</b>	<b>\$ 2,728,928</b>	<b>\$ 1,173,205</b>
<b>LIABILITIES</b>				
Intergovernmental Payable	\$ 73,680	\$ 1,631,471	\$ 1,636,399	\$ 68,752
Future Tax Collections to Be Distributed	1,092,529	1,104,453	1,092,529	1,104,453
<b>TOTAL LIABILITIES</b>	<b>\$ 1,166,209</b>	<b>\$ 2,735,924</b>	<b>\$ 2,728,928</b>	<b>\$ 1,173,205</b>
<b>OTHER AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 20,224	\$ 170,828	\$ 172,110	\$ 18,942
Cash and Cash Equivalents—Segregated Accounts	22,873	191,640	189,995	24,518
<b>TOTAL ASSETS</b>	<b>\$ 43,097</b>	<b>\$ 362,468</b>	<b>\$ 362,105</b>	<b>\$ 43,460</b>
<b>LIABILITIES</b>				
Intergovernmental Payable	\$ 7,000	\$ 150,216	\$ 149,227	\$ 7,989
Other Current Liabilities	36,097	215,932	216,558	35,471
<b>TOTAL LIABILITIES</b>	<b>\$ 43,097</b>	<b>\$ 366,148</b>	<b>\$ 365,785</b>	<b>\$ 43,460</b>

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

<b>COUNTY OF HAMILTON, OHIO</b>		
<b>SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF</b>		
<b>GOVERNMENTAL FUNDS BY SOURCE</b>		
<b>DECEMBER 31, 2007</b>		
<b>(Amounts in Thousands)</b>		
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land		\$ 96,660
Land Improvements		2,064
Land Improvements Depreciable		98
Buildings, Structures and Improvements		388,522
Infrastructure		664,141
Furniture, Fixtures and Equipment		94,219
Construction in Progress		8,125
<b>TOTAL</b>		<b>\$ 1,253,829</b>
<b>INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE</b>		
General Fund Revenues		\$ 145,193
Special Revenue Fund Revenues		834,860
Capital Projects:		
General Obligation Bonds		204,299
Federal and State Grants		42,999
Donations		26,478
<b>TOTAL</b>		<b>\$ 1,253,829</b>



**COUNTY OF HAMILTON, OHIO**  
**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY**  
**DECEMBER 31, 2007**

(Amounts in Thousands)

Function and Activity	Land and Land Improvements	Land Improvements Depreciable	Buildings, Structures and Improvements	Furniture, Fixtures and Equipment	Infrastructure	Totals
General Government	\$ 29,931	\$ -	\$ 374,346	\$ 21,236	\$ -	\$ 425,513
Judicial	9	-	716	17,508	-	18,233
Public Safety	46	-	46	31,299	-	31,391
Social Services	55	-	846	7,184	-	8,085
Health	786	11	11,981	3,973	-	16,751
Public Works	67,897	87	579	11,532	664,141	744,236
Environmental Control	-	-	8	1,458	-	1,466
Economic Development	-	-	-	29	-	29
Construction in Progress	-	-	1,131	334	6,660	8,125
<b>Total</b>	<b>\$ 98,724</b>	<b>\$ 98</b>	<b>\$ 389,653</b>	<b>\$ 94,553</b>	<b>\$ 670,801</b>	<b>\$ 1,253,829</b>

<b>COUNTY OF HAMILTON, OHIO</b>				
<b>SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF</b>				
<b>GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY</b>				
<b>YEAR ENDED DECEMBER 31, 2007</b>				
<b>(Amounts in Thousands)</b>				
	<b>Balance at</b>			<b>Balance at</b>
<b>Function and Activity</b>	<b>Beginning</b>	<b>Additions</b>	<b>Deductions</b>	<b>End of Year</b>
	<b>of Year</b>			
General Government	\$ 420,432	\$ 6,241	\$ 1,160	\$ 425,513
Judicial	19,008	845	1,620	18,233
Public Safety	23,562	8,799	970	31,391
Social Services	7,719	590	224	8,085
Health	12,405	4,511	165	16,751
Public Works	741,769	2,764	297	744,236
Environmental Control	1,501	114	149	1,466
Economic Development	29	-	-	29
Construction in Progress	10,519	12,895	15,289	8,125
<b>Total</b>	<b>\$ 1,236,944</b>	<b>\$ 36,759</b>	<b>\$ 19,874</b>	<b>\$ 1,253,829</b>

**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.

<b>CONTENTS</b>	<b>PAGE</b>
<p><b>Financial Trends</b>.....</p> <p style="padding-left: 40px;">These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.</p>	<p>133</p>
<p><b>Revenue Capacity</b>.....</p> <p style="padding-left: 40px;">These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.</p>	<p>138</p>
<p><b>Debt Capacity</b>.....</p> <p style="padding-left: 40px;">These schedules represent information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.</p>	<p>143</p>
<p><b>Demographic and Economic Information</b>.....</p> <p style="padding-left: 40px;">These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.</p>	<p>150</p>
<p><b>Operating Information</b>.....</p> <p style="padding-left: 40px;">These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.</p>	<p>152</p>

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

**COUNTY OF HAMILTON, OHIO**  
**NET ASSETS BY COMPONENT**  
**LAST SIX FISCAL YEARS**

(Accrual Basis of Accounting)  
(Amounts in Thousands)

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

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

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

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

(Continued)



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

**COUNTY OF HAMILTON, OHIO**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

(Modified Accrual Basis of Accounting)  
(Amounts in Thousands)

	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004 <sup>(1)</sup>	2005 <sup>(1)</sup>	2006 <sup>(1)</sup>	2007
<b>GENERAL FUND</b>										
Reserved	\$ 8,379	\$ 14,296	\$ 16,436	\$ 17,285	\$ 38,988	\$ 46,484	\$ 44,919	\$ 43,680	\$ 45,041	\$ 18,979
Unreserved	62,904	32,813	50,068	77,614	62,939	49,020	32,762	37,456	19,057	32,882
<b>TOTAL GENERAL FUND</b>	<b>\$ 71,283</b>	<b>\$ 47,109</b>	<b>\$ 66,504</b>	<b>\$ 94,899</b>	<b>\$101,927</b>	<b>\$ 95,504</b>	<b>\$ 77,681</b>	<b>\$ 81,136</b>	<b>\$ 64,098</b>	<b>\$ 51,861</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved	\$ 41,009	\$ 41,560	\$ 48,920	\$ 34,869	\$ 29,988	\$ 35,593	\$ 47,773	\$ 34,515	\$ 36,623	\$ 32,523
Unreserved, Reported in:										
Designated for Capital Outlay	-	-	-	-	-	-	-	3,681	8,809	8,809
Special Revenue Funds	107,758	115,529	112,255	127,224	147,496	147,306	85,537	102,418	89,670	134,489
Debt Service Funds	6,876	6,847	6,872	7,931	9,932	7,502	6,237	3,978	3,123	2,161
Capital Projects Fund	4,091	12,547	3,255	14,358	(1,833)	(3,886)	2,619	(2,292)	(1,536)	(1,533)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$159,734</b>	<b>\$176,483</b>	<b>\$171,302</b>	<b>\$184,382</b>	<b>\$185,583</b>	<b>\$186,515</b>	<b>\$142,166</b>	<b>\$142,300</b>	<b>\$136,689</b>	<b>\$176,449</b>

Source: Hamilton County Auditor's Finance Department.

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

**COUNTY OF HAMILTON, OHIO**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

(Modified Accrual Basis of Accounting)

(Amounts in Thousands)

	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004 <sup>(1)</sup>	2005 <sup>(1)</sup>	2006 <sup>(1)</sup>	2007
<b>REVENUES</b>										
Property Taxes and Assessments	\$ 197,977	\$ 208,529	\$ 223,472	\$ 219,331	\$ 237,171	\$ 245,094	\$ 244,761	\$ 258,873	\$ 262,442	\$ 256,338
Sales and Use Tax	72,736	68,878	71,634	73,431	60,007	61,104	63,891	63,428	64,701	66,671
State Shared Taxes	44,295	47,306	44,976	56,244	46,109	45,143	45,899	45,894	46,892	47,735
License and Permits	4,959	5,256	4,532	5,101	5,691	5,820	6,157	5,679	5,249	6,124
Charges for Services	71,287	72,532	115,399	100,079	150,719	167,323	140,052	134,880	105,840	140,506
Fines and Forfeitures	11,343	12,279	11,172	10,560	10,318	11,719	11,130	12,065	12,057	13,336
Investment Earnings	27,997	23,256	39,978	27,862	24,197	13,104	12,805	12,083	21,919	26,498
Intergovernmental	260,623	328,544	342,828	346,982	350,207	341,445	327,881	391,115	397,862	421,612
Other	18,278	20,735	22,188	24,049	28,456	27,987	21,566	28,248	30,546	26,447
<b>TOTAL REVENUES</b>	<b>709,495</b>	<b>787,315</b>	<b>876,179</b>	<b>863,639</b>	<b>912,875</b>	<b>918,739</b>	<b>874,142</b>	<b>952,265</b>	<b>947,508</b>	<b>1,005,267</b>
<b>EXPENDITURES</b>										
Current:										
General Government	68,494	48,069	53,959	48,673	56,465	57,062	61,707	61,087	82,703	72,074
Judicial	79,613	102,033	102,331	107,804	111,739	114,561	120,279	121,479	121,974	121,535
Public Safety	58,848	73,552	76,519	88,000	89,680	99,528	101,805	122,068	130,385	121,060
Social Services	197,499	259,745	322,686	316,184	316,232	320,475	300,774	301,568	288,547	352,722
Health	182,320	188,636	208,856	198,632	233,948	234,699	249,790	238,833	249,324	240,811
Public Works	24,189	29,484	29,770	29,855	30,426	34,802	35,399	38,582	39,356	34,056
Environmental Control	5,697	5,200	4,836	5,965	6,615	6,903	6,751	6,825	7,239	6,028
Economic Development	14,669	15,614	14,181	16,947	21,008	25,282	26,047	26,340	18,886	6,175
Parks and Recreation	-	6,217	6,409	6,217	6,828	6,482	6,307	8,597	8,927	7,604
Capital Outlay	24,715	15,427	9,716	2,385	11,010	4,658	2,209	4,098	625	2,083
Debt Service:										
Principal Retirement	19,290	16,865	16,575	42,975	11,540	11,820	17,430	12,715	30,785	12,779
Interest	11,391	11,040	10,116	9,237	8,804	8,212	6,859	5,557	5,419	4,741
Refunding Bond Issuance Costs	-	-	-	-	-	-	238	179	155	225
Fiscal Charges	12	210	32	621	5	8	51	50	76	64
<b>TOTAL EXPENDITURES</b>	<b>686,737</b>	<b>772,092</b>	<b>855,986</b>	<b>873,495</b>	<b>904,300</b>	<b>924,492</b>	<b>935,646</b>	<b>947,978</b>	<b>984,401</b>	<b>981,957</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>22,758</b>	<b>15,223</b>	<b>20,193</b>	<b>(9,856)</b>	<b>8,575</b>	<b>(5,753)</b>	<b>(61,504)</b>	<b>4,287</b>	<b>(36,893)</b>	<b>23,310</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	71,015	40,347	27,589	58,531	28,429	35,030	45,551	20,136	44,992	28,311
Transfers Out	(71,907)	(40,347)	(27,589)	(58,531)	(29,070)	(35,228)	(47,833)	(21,136)	(46,492)	(27,464)
Proceeds of Refunding Bonds	-	-	-	-	-	-	42,130	28,715	-	18,130
Premium on Refunding Bonds Issued	-	-	-	-	-	-	951	1,482	202	193
Payment to Refunded Bonds Escrow Agent	-	-	-	-	-	-	(42,092)	(30,005)	-	(18,104)
Net Proceeds from Sale of Notes	2,890	2,175	545	19,490	-	-	-	-	-	-
Net Proceeds from Sale of Bonds	28,540	-	-	31,860	295	460	625	110	20,321	1,775
Capital Leases	286	30	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	278	(278)
<b>TOTAL OTHER FINANCING SOURCES (USES), NET</b>	<b>30,824</b>	<b>2,205</b>	<b>545</b>	<b>51,350</b>	<b>(346)</b>	<b>262</b>	<b>(668)</b>	<b>(698)</b>	<b>19,301</b>	<b>2,563</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 53,582</b>	<b>\$ 17,428</b>	<b>\$ 20,738</b>	<b>\$ 41,494</b>	<b>\$ 8,229</b>	<b>\$ (5,491)</b>	<b>\$ (62,172)</b>	<b>\$ 3,589</b>	<b>\$ (17,592)</b>	<b>\$ 25,873</b>

<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	(2)	(2)	(2)	(2)	2.3%	2.2%	2.7%	2.0%	3.8%	1.8%
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Source: Hamilton County Auditor's Finance Department.

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

<sup>(2)</sup> Information not available.

**COUNTY OF HAMILTON, OHIO**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE**  
**OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

(Amounts in Thousands)

ASSESSED VALUES												
Tax Year/ Collection Year	REAL PROPERTY					PERSONAL PROPERTY			TOTAL	Total Direct Tax Rate	Estimated Actual Taxable Value <sup>(2)</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	Public Utility Property	Tax Exempt Property	Taxable Assessed Value <sup>(1)</sup>			
1997/1998	\$ 8,368,021	\$ 2,964,698	\$ 728,437	\$ 27,355	\$ 7,980	\$ 2,074,756	\$ 1,022,980	\$ 2,204,292	\$ 15,194,227	17.98	\$ 44,906,386	33.84%
1998/1999	8,437,262	2,999,017	734,211	27,130	7,805	2,105,777	1,040,198	2,282,072	15,351,400	18.51	45,376,147	33.83%
1999/2000	9,920,386	3,436,051	781,105	37,882	17,749	2,080,609	1,040,467	2,570,819	17,314,249	19.80	50,955,293	33.98%
2000/2001	10,030,006	3,431,862	798,879	34,208	17,482	2,120,376	977,417	2,698,690	17,410,230	18.89	51,329,015	33.92%
2001/2002	10,124,753	3,511,724	802,633	33,489	16,435	2,054,198	718,507	2,916,247	17,261,738	20.44	51,051,043	33.81%
2002/2003	11,350,856	3,829,020	856,460	37,706	14,656	1,712,460	743,825	3,130,002	18,544,983	20.84	54,590,609	33.97%
2003/2004	11,423,713	3,882,535	869,278	37,852	4,137	1,750,930	755,400	3,258,651	18,723,845	20.48	55,459,296	33.76%
2004/2005	11,543,391	3,761,655	872,915	38,513	4,162	1,698,978	757,438	3,495,870	18,677,051	20.03	55,246,408	33.81%
2005/2006	13,854,166	4,019,879	923,584	62,487	4,068	1,299,884	750,971	3,914,217	20,915,039	19.78	62,332,325	33.55%
2006/2007	13,921,087	4,017,471	922,763	60,717	4,019	1,002,703	718,505	4,245,482	20,647,265	19.15	60,859,208	33.93%
Source: Hamilton County Auditor's Finance Department.												
Note: Property in Hamilton County is reassessed every six years. In Ohio, taxable assessed value is 35% of appraised market value. Estimated actual value is calculated by dividing assessed value by that percent. Tax rates are per \$1,000 of assessed valuation. According to Ohio law, tax exempt property is classified separately and is not included in residential, commercial or industrial properties until it is no longer exempt and its use is determined at a later date.												
<sup>(1)</sup> Excludes tax-exempt property.												
<sup>(2)</sup> Beginning in tax year 2002, percentages for valuing estimated actual value of Tangible Personal properties vary by class and type. Beginning in tax year 1990, percentages for valuing estimated actual value of Public Utility properties vary by class, type and age.												

**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									
	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
<b>HAMILTON COUNTY DIRECT RATES:</b>										
General Operating	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26
Debt (Bond Retirement)	0.18	0.18	0.18	0.17	0.16	0.15	0.15	0.15	0.14	0.13
Drake Hospital	1.76	1.76	1.59	1.59	1.59	1.59	1.59	0.84	0.84	0.84
For University of Cincinnati Hospital	4.73	4.73	4.73	4.73	5.39	5.39	5.39	5.39	5.32	4.49
For County Police Information Center	0.54	0.83	0.83	0.83	0.83	0.83	0.54	0.54	0.54	0.54
For Care and Training Mentally Retarded	2.73	2.73	3.53	3.53	3.53	3.53	3.53	3.62	3.62	3.62
For Community Mental Health	1.99	2.47	2.47	2.47	2.47	2.74	2.74	2.74	2.74	2.74
For Support of Children Services	2.77	2.11	2.77	1.87	2.77	2.77	2.72	2.73	2.56	2.77
For Recreation/Zoological Purposes	0.00	0.42	0.42	0.42	0.42	0.42	0.40	0.40	0.40	0.40
For Senior Services	1.02	1.02	1.02	1.02	1.02	1.16	1.16	1.16	1.16	1.16
For Museum Center <sup>(1)</sup>	-	-	-	-	-	-	-	0.20	0.20	0.20
Total Direct Rate	17.98	18.51	19.80	18.89	20.44	20.84	20.48	20.03	19.78	19.15
<b>TOWNSHIP RATES<sup>(2)</sup>:</b>										
Anderson	8.90	9.90	9.90	9.90	11.87	11.87	11.87	11.87	11.87	11.87
Anderson Township Park District	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28
Colerain	12.34	12.34	10.84	15.18	15.18	16.18	16.18	16.18	16.18	16.18
Columbia	17.96	17.96	17.96	17.96	17.96	17.96	21.26	21.26	21.26	14.76
Crosby	9.24	9.24	9.24	9.24	9.24	9.24	9.24	9.24	9.24	9.24
Delhi	19.46	19.46	19.46	19.46	19.46	19.46	20.46	20.46	26.34	26.34
Delhi Township Park District	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Green	8.81	8.81	8.81	8.81	8.31	8.31	8.31	8.31	9.81	9.81
Harrison	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74
Miami	6.85	6.45	6.45	7.45	7.45	9.91	9.91	9.45	9.45	9.91
Springfield	14.30	14.30	14.30	14.30	20.30	20.30	20.30	20.30	20.30	20.30
Sycamore	7.60	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	8.75
Symmes	11.00	11.90	11.75	11.75	11.75	13.45	13.45	12.80	11.90	12.80
Whitewater	10.84	10.84	10.84	10.84	10.84	11.44	11.44	11.44	11.44	11.44
<b>SCHOOL DISTRICT RATES<sup>(2)</sup>:</b>										
Cincinnati	53.13	53.13	51.94	56.93	57.15	56.25	60.75	60.83	59.77	59.37
Deer Park	62.01	62.01	62.01	70.00	70.00	70.00	70.00	70.00	78.63	78.63
Finneytown	72.39	72.39	72.39	72.39	80.34	80.34	79.98	87.72	87.03	86.69
Forest Hills	51.37	51.37	51.16	50.97	50.97	55.87	55.87	55.84	55.66	61.36
Indian Hill	44.51	42.92	42.92	47.10	47.10	47.10	46.70	46.54	46.52	45.42
Lockland	59.07	57.96	56.59	55.95	37.69	37.09	52.69	52.69	52.69	52.09
Loveland	59.58	64.21	63.79	70.14	70.14	70.14	69.89	74.88	74.88	74.74
Madeira	72.13	72.13	71.71	80.22	80.04	79.47	79.47	86.34	85.67	94.77
Mariemont	74.97	84.92	82.92	85.15	85.67	85.42	90.85	90.78	90.57	90.37
Milford	59.10	59.10	59.10	59.10	63.20	63.20	69.10	69.10	69.10	69.10
Mt. Healthy	54.99	61.98	61.85	61.66	61.71	61.63	68.51	68.45	68.41	68.30
North College Hill	53.57	53.57	57.47	57.47	57.47	57.47	57.47	57.47	61.37	61.37
Northwest	50.18	50.18	50.13	49.80	49.80	49.64	49.64	49.64	49.64	49.50
Norwood	48.90	48.82	48.57	52.80	52.95	49.90	50.96	51.08	48.75	48.77
Oak Hills	46.97	46.97	46.97	46.97	46.97	46.74	46.68	46.68	46.68	46.35
Princeton	42.24	42.24	46.19	46.19	46.19	45.79	49.03	49.03	49.03	49.03
Reading	57.18	57.18	57.18	57.18	57.18	57.18	57.18	64.08	64.08	64.08
St. Bernard	35.72	34.97	34.97	43.25	43.86	43.07	44.24	44.63	40.73	46.93
Southwest	44.74	48.22	48.22	47.88	47.75	47.44	47.25	47.08	46.68	45.30
Sycamore	54.14	61.53	60.84	60.84	60.84	60.49	60.40	65.90	65.80	65.79
Three Rivers	37.54	37.48	37.26	39.95	39.95	39.95	39.95	39.95	44.90	44.90
Winton Woods	62.13	70.08	70.08	70.08	70.08	70.08	70.08	78.03	78.03	78.03
Wyoming	64.98	73.18	71.03	70.39	70.29	70.08	78.93	78.93	88.68	87.91
Great Oaks Joint Vocational	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70

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

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

	TAX YEAR/COLLECTION YEAR									
	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
<b>CITY &amp; VILLAGE RATES<sup>(2)</sup>:</b>										
Addyston	7.59	7.59	7.59	5.59	5.59	5.59	5.59	7.59	7.59	7.59
Amberley	4.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Arlington Heights	10.82	10.82	10.82	10.82	10.82	9.52	9.52	9.52	9.52	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	12.84	12.82	12.66	12.62	12.56	12.42	12.42	12.22	14.52	14.52
Cincinnati	11.46	11.46	10.90	10.76	10.76	10.63	10.36	10.34	10.19	9.93
Cleves	23.71	20.71	20.71	17.41	13.66	13.66	13.66	13.66	13.33	12.99
Deer Park	7.20	4.50	3.55	3.55	3.55	3.55	3.55	3.55	3.55	3.55
Elmwood Place	17.78	17.78	17.78	17.78	17.78	17.78	17.78	7.78	17.78	17.78
Evendale	3.34	3.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fairfax	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76
Fairfield	4.54	4.54	4.54	5.94	5.94	5.94	5.94	5.94	5.94	5.94
Forest Park	8.01	8.01	8.01	8.01	12.76	12.76	12.76	12.76	12.76	12.76
Glendale	22.34	19.66	21.93	21.65	21.55	22.61	22.23	21.83	21.39	21.18
Golf Manor	19.42	19.42	19.42	25.32	24.52	24.52	24.52	24.52	30.52	38.52
Greenhills	26.22	26.47	25.99	25.99	25.93	27.98	27.33	28.72	28.63	28.23
Harrison	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Indian Hill	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Lincoln Heights	20.08	20.08	20.08	20.08	24.58	26.33	26.33	26.33	28.33	28.33
Lockland	6.02	6.02	6.02	6.02	6.02	6.02	6.02	6.02	6.02	7.52
Loveland	10.00	10.00	10.00	10.00	12.00	12.00	12.00	11.00	12.00	10.35
Madeira	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Marionmont	12.44	12.44	12.44	12.44	12.44	12.44	14.37	14.37	14.37	14.37
Milford	12.60	12.60	12.60	12.00	12.00	12.00	12.00	12.00	12.00	11.80
Montgomery	9.15	9.15	10.75	10.75	10.05	10.05	10.05	10.05	10.05	10.05
Mt. Healthy	7.11	7.11	6.61	8.11	8.11	8.11	8.11	11.11	11.11	11.11
Newtown	8.87	8.87	6.87	6.87	6.87	10.37	10.37	7.87	5.87	2.37
North Bend	17.88	14.88	10.38	10.09	10.09	10.09	10.09	10.09	10.09	10.09
North College Hill	7.98	7.98	7.98	7.98	7.98	7.98	7.98	7.98	7.98	7.98
Norwood	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40
Reading	1.76	1.76	1.76	3.52	3.52	3.52	3.52	3.52	3.52	3.52
St. Bernard	2.28	2.28	2.28	2.28	2.28	2.28	2.28	4.28	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	11.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15
Springdale	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Terrace Park	14.86	14.86	14.86	14.86	14.86	14.86	14.86	19.84	19.78	11.80
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	0.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.40
Eastern Joint Ambulance District	2.20	2.20	2.20	2.20	3.00	3.00	0.00	0.00	0.00	0.00
Little Miami Joint Fire District	0.00	0.00	0.00	0.00	2.50	2.50	2.50	2.50	2.50	9.75
Western Joint Ambulance District	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	2.25
Hamilton County Park District	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Source: Hamilton County Auditor's Finance Department—Tax Year Data.										
Note: (1) The Ohio Constitution permits local governments, as a group within a taxing district, to levy up to 10 mills without a vote of the electorate. These levies, collectively called inside millage levies because they fall within the 10-mill limit, are also known as unvoted levies. The allocation of inside millage between entities is set by statute.										
(2) The County's special revenue levy property tax rates may be increased only by a majority vote of the County's residents.										
(3) The bond retirement rate is adjusted annually to meet the principal and interest payments required each year.										
(4) A state-mandated County-wide property reappraisal was implemented in 2005.										
<sup>(1)</sup> 2005 was the first year of the levy.										
<sup>(2)</sup> Overlapping rates are those of local governments that apply to property owners within Hamilton County. Not all overlapping rates apply to all Hamilton County property owners.										

**COUNTY OF HAMILTON, OHIO  
PRINCIPAL PROPERTY TAXPAYERS**

**DECEMBER 31, 2007**

(Amounts in Thousands)

Name of Taxpayer	COLLECTION YEAR 2007			COLLECTION YEAR 1998		
	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.)	\$598,048	1	2.90%	\$ 754,851	1	4.97%
Procter & Gamble Company	116,061	2	0.56%	299,984	2	1.97%
City of Cincinnati	87,761	3	0.43%	–		–
Cincinnati Bell Telephone	78,991	4	0.38%	221,917	3	1.46%
Duke Realty Ohio	65,882	5	0.32%	65,758	5	0.43%
Thor Gallery at Tri-County	62,545	6	0.30%	–		–
Northgate Partners	33,229	7	0.16%	–		–
HK New Plan Exchange	32,299	8	0.16%	–		–
Carew Realty Incorporated	29,159	9	0.14%	–		–
General Electric	27,497	10	0.13%	95,594	4	0.63%
Ford Motor Company	–		–	60,456	6	0.40%
Concordia Properties	–		–	52,824	7	0.35%
Henkel Corporation	–		–	39,742	8	0.26%
DPL Incorporated	–		–	31,206	9	0.21%
OTR	–		–	27,300	10	0.18%
<b>Totals</b>	<b>\$ 1,131,472</b>		<b>5.48%</b>	<b>\$ 1,649,632</b>		<b>10.86%</b>

Source: Hamilton County Auditor's Office.

**COUNTY OF HAMILTON, OHIO**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**REAL, UTILITY AND TANGIBLE TAXES**  
**LAST TEN YEARS**  
(Amounts not in 000s)

<b>Tax Year/ Collection Year</b>	<b>Current Levy</b>	<b>Delinquent Levy</b>	<b>Total Levy</b>	<b>Current Collection</b>	<b>Current Levy Collected</b>	<b>Delinquent Collection</b>	<b>Total Collection</b>	<b>Total Collections as a Percent of Current Levy</b>
1997/1998	\$ 220,496,384	\$ 14,765,863	\$ 235,262,247	\$ 214,905,508	97.46%	\$ 7,860,933	\$ 222,766,441	101.03%
1998/1999	231,626,984	14,571,999	246,198,983	222,395,602	96.01%	7,863,237	230,258,839	99.41%
1999/2000	256,562,242	15,348,143	271,910,385	248,346,113	96.80%	8,201,461	256,547,574	99.99%
2000/2001	258,587,877	17,663,002	276,250,879	250,641,616	96.93%	9,753,318	260,394,934	100.70%
2001/2002	267,344,070	19,860,313	287,204,383	256,462,254	95.93%	9,852,828	266,315,082	99.62%
2002/2003	276,021,171	22,495,097	298,516,268	263,874,726	95.60%	10,000,935	273,875,661	99.22%
2003/2004	273,222,115	32,541,628	305,763,743	258,444,557	94.59%	12,981,829	271,426,386	99.34%
2004/2005	288,178,852	28,464,904	316,643,756	273,199,691	94.80%	13,903,872	287,103,563	99.63%
2005/2006	282,849,186	28,038,048	310,887,234	268,658,332	94.98%	14,813,792	283,472,124	100.22%
2006/2007	275,879,899	31,265,406	307,145,305	259,830,004	94.18%	17,578,853	277,408,857	100.55%
<b>Totals</b>	<b>\$ 2,630,768,780</b>	<b>\$ 225,014,403</b>	<b>\$ 2,855,783,183</b>	<b>\$ 2,516,758,403</b>		<b>\$ 112,811,058</b>	<b>\$ 2,629,569,461</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)

GOVERNMENTAL ACTIVITIES									BUSINESS-TYPE ACTIVITIES							Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
Fiscal Year	General Obligation Bonds Voted	General Obligation Bonds Unvoted	Special Assessment Bonds	General Obligation Notes	Bond Anticipation Notes Unvoted	Loan Contracts	State Loans	Capital Leases	Metropolitan Sewer District Revenue Bonds	Parking Facility Revenue Bonds	Sales Tax Bonds	Parking Facility General Obligation Bonds	Metropolitan Sewer District Loans					
1998	\$ 24,305	\$ 169,845	\$ 3,625	\$ -	\$ 2,175	\$ 4,742	\$ -	\$ 472	\$ 374,545	\$ -	\$ 344,465	\$ 10,090	\$ 18,345	\$ 952,609	3.51%	\$ 1,113		
1999	22,680	157,835	3,450	-	-	6,027	-	206	362,670	-	344,465	10,090	16,568	923,991	3.37%	1,087		
2000	20,960	145,440	3,700	-	-	5,885	-	25	390,270	-	623,107	9,860	18,313	1,217,560	4.30%	1,440		
2001	19,545	135,885	3,555	19,490	-	5,743	-	-	436,805	24,500	622,847	9,625	18,891	1,296,886	4.45%	1,527		
2002	17,360	126,770	3,605	19,490	-	5,601	-	-	420,885	24,500	621,097	9,380	17,953	1,266,641	4.22%	1,493		
2003	15,110	117,450	3,805	19,490	-	5,381	-	-	490,975	24,020	616,222	9,120	17,735	1,319,308	4.32%	1,556		
2004	12,790	104,280	4,160	19,490	-	5,535	-	-	472,985	23,510	610,122	8,855	23,850	1,285,577	3.97%	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	3.97%	1,579		
2006	7,930	106,475	3,781	-	-	5,221	1,359	-	596,250	22,395	590,802	8,290	29,344	1,371,847	3.90%	1,619		
2007	5,380	97,990	4,252	-	-	6,465	3,225	-	642,570	21,785	581,712	8,265	27,717	1,399,361	3.84%	1,661		

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 150 for personal income and population data.

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

(Amounts in Thousands)

	FISCAL YEAR											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
<b>Debt Limitation of Assessed Valuation</b>	\$ 376,615	\$ 378,356	\$ 382,285	\$ 429,856	\$ 433,756	\$ 430,052	\$ 462,125	\$ 466,596	\$ 465,426	\$ 521,376	\$ 514,682	
<b>Total Net Debt Applicable to Debt Limitation</b>	112,749	140,402	132,950	122,853	135,193	124,458	117,956	105,615	78,554	93,289	85,365	
<b>Legal Debt Margin Remaining</b>	\$ 263,866	\$ 237,954	\$ 249,335	\$ 307,003	\$ 298,563	\$ 305,594	\$ 344,169	\$ 360,981	\$ 386,872	\$ 428,087	\$ 429,317	
<b>Total Net Debt Applicable to Debt Limitation as a Percentage of Debt Limitation</b>	29.94%	37.11%	34.78%	28.58%	31.17%	28.94%	25.52%	22.64%	16.88%	17.89%	16.59%	
<b>Legal Debt Margin Calculation for Fiscal Year 2007—Total Debt Limit<sup>(1)</sup></b>												
											<b>Assessed Valuation</b>	\$ 20,647,265
											<b>Debt Limitation of Assessed Valuation<sup>(1)</sup></b>	514,682
											<b>Debt Applicable to Limit: Outstanding Debt</b>	1,389,671
											<b>Less: Debt Exempt from Calculation</b>	
											Metropolitan Sewer District Bonds	642,570
											Metropolitan Sewer District Loans	27,717
											Special Assessments	4,252
											Museum Center	-
											Juvenile Youth Center	7,100
											Waterline West Phase I	2,385
											Alms & Doepke Building	13,362
											Waterline West Phase II	1,290
											Sales Tax Supported Bonds	581,712
											Parking Garage Revenue Bond	21,785
											<b>Total Debt Exempt from Calculation</b>	1,302,173
											<b>Less: Available Funds in Debt Service Funds as of December 31, 2007</b>	(2,133)
											<b>Total Net Debt Applicable to Debt Limitation</b>	85,365
											<b>Legal Debt Margin Remaining</b>	\$ 429,317
Source: Hamilton County Auditor's Finance Department.												
<sup>(1)</sup> The debt limitation is a total of a sum equal to the following:												
three percent (3%) of the first \$100,000,000 of the assessed valuation,											\$ 3,000	
plus one and a half percent (1.5%) of such valuation of \$100,000,000 and not in excess of \$300,000,000											3,000	
plus two and a half percent (2.5%) of such valuation in excess of 300,000,000.											508,682	
											<b>\$ 514,682</b>	

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

(Amounts in Thousands)

	FISCAL YEAR										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Debt Limitation of Assessed Valuation</b>	\$ 151,246	\$ 151,942	\$ 153,514	\$ 173,314	\$ 174,102	\$ 172,621	\$ 185,450	\$ 187,238	\$ 186,771	\$ 209,150	\$ 206,473
<b>Total Net Debt Applicable to Debt Limitation</b>	89,594	116,097	110,270	101,893	115,648	107,098	102,846	92,825	68,154	84,359	79,985
<b>Legal Debt Margin Remaining</b>	\$ 61,652	\$ 35,845	\$ 43,244	\$ 71,421	\$ 58,454	\$ 65,523	\$ 82,604	\$ 94,413	\$ 118,617	\$ 124,791	\$ 126,488
<b>Total Net Debt Applicable to Debt Limitation as a Percentage of Debt Limitation</b>	59.24%	76.41%	71.83%	58.79%	66.43%	62.04%	55.46%	49.58%	36.49%	40.33%	38.74%
<b>Legal Debt Margin Calculation for Fiscal Year 2007—Unvoted Debt Limit<sup>(1)</sup></b>											
											\$ 20,647,265
											206,473
											1,389,671
											642,570
											27,717
											4,252
											5,380
											7,100
											2,385
											13,362
											1,290
											581,712
											21,785
											1,307,553
											(2,133)
											79,985
											\$ 126,488

Source: Hamilton County Auditor's Finance Department.

<sup>(1)</sup>The debt limitation is one percent of the total assessed valuation. \$ 206,473

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

(Amounts in Thousands)

<b>SEWER REVENUE BONDS</b>							
<b>Fiscal Year</b>	<b>Sewerage Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Revenues Transferred to Surplus<sup>(1)</sup></b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service</b>		<b>Coverage</b>
					<b>Principal</b>	<b>Interest</b>	
1998	\$ 118,495	\$ 66,605	\$ 4,912	\$ 56,802	\$ 11,290	\$ 20,453	1.79
1999	115,016	63,379	5,272	56,909	11,865	19,882	1.79
2000	120,602	67,507	5,117	58,212	12,475	20,358	1.77
2001	127,707	70,312	5,350	62,745	13,950	20,793	1.81
2002	130,997	75,436	3,186	58,747	15,920	22,951	1.51
2003	138,388	79,995	4,612	63,005	16,930	24,235	1.53
2004	154,440	87,670	8,710	75,480	17,480	24,531	1.80
2005	166,749	88,115	11,241	89,875	20,285	22,938	2.08
2006	181,167	97,005	9,049	93,211	23,130	26,218	1.89
2007	197,583	98,256	10,438	109,765	26,065	29,119	1.99

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<sup>(2)</sup></b>	<b>Interest</b>	
1998	\$ -	\$ -	\$ -	\$ -	\$ -	-
1999	-	-	-	-	-	-
2000	-	-	-	-	-	-
2001	-	-	-	-	-	-
2002	5,650	1,592	4,058	-	338	12.01
2003	5,021	3,416	1,605	480	260	2.17
2004	5,596	3,603	1,993	510	285	2.51
2005	6,219	4,307	1,912	540	550	1.75
2006	6,764	4,372	2,392	575	855	1.67
2007	6,481	4,503	1,978	610	816	1.39
Source: Audited Hamilton County financial statements.						
Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.						
<sup>(1)</sup> Parking Service Charges and Other includes charges for services and sales and use tax revenues. Operating Expenses do not include interest, depreciation or amortization expenses.						
<sup>(2)</sup> 2002 was the first full year of operations for the parking garage and the first year of debt service requirements. No principal payments were scheduled in this period.						

SPECIAL ASSESSMENT BONDS				SALES TAX BONDS <sup>(3)</sup>					
Special Assessment Collections	Debt Service		Coverage	Sales Tax Collections <sup>(3)</sup>	Paul Brown Stadium Debt Service		Baseball Stadium Debt Service		Coverage
	Principal	Interest			Principal <sup>(4)</sup>	Interest	Principal <sup>(5)</sup>	Interest	
\$ 571	\$ 305	\$ 216	1.10	\$ 55,484	\$ -	\$ -	\$ -	\$ -	-
597	340	233	1.04	59,638	-	-	-	-	-
547	285	208	1.11	60,704	-	4,855	-	-	12.50
487	295	214	0.96	59,107	-	18,311	-	-	3.23
411	240	202	0.93	60,298	2,010	16,673	-	-	3.23
456	250	201	1.01	60,385	1,273	16,591	3,602	4,893	2.29
501	285	210	1.01	63,435	2,021	18,793	4,079	10,794	1.78
481	300	217	0.93	64,030	1,325	18,691	2,675	10,589	1.92
491	265	201	1.05	64,022	1,698	18,631	3,427	10,468	1.87
468	279	191	1.00	66,232	2,567	17,243	6,523	9,063	1.87
<sup>(3)</sup> On March 19, 1996, voters of Hamilton County approved a ½% increase in the County's general sales tax. The County Commissioners approved by resolution that this additional tax be used for the development of the riverfront area, including construction of the football and baseball stadiums—Paul Brown Stadium and Great American Ball Park. The sales tax bonds are not a general obligation of the County. They are secured by the County's pledge and assignment of the revenue from the additional ½% sales tax.									
<sup>(4)</sup> 2000 was the first full year of operations for the football stadium (Paul Brown Stadium) and the first year of debt service requirements. No principal payments were scheduled in 2000 or 2001.									
<sup>(5)</sup> 2003 was the first full year of operations for the baseball stadium (Great American Ball Park) and the first year of debt service requirements.									

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

(Amounts in Thousands, Except Per Capita Amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value <sup>(1)</sup> of Property	Per Capita <sup>(2)</sup>
1998	\$ 204,240	\$ 6,876	\$ 197,364	0.44%	\$ 230.57
1999	190,605	6,847	183,758	0.40%	216.21
2000	176,260	6,872	169,388	0.33%	200.39
2001	165,055	7,931	157,124	0.31%	184.96
2002	153,510	9,932	143,578	0.28%	169.20
2003	141,680	7,502	134,178	0.25%	158.27
2004	125,925	6,237	119,688	0.22%	141.30
2005	113,770	3,978	109,792	0.20%	129.59
2006	122,695	3,123	119,572	0.19%	141.11
2007	111,635	2,161	109,474	0.18%	129.96
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 138 for property value data.					
<sup>(2)</sup> Population data can be found in the Schedule of Demographic and Economic Statistics on page 150.					



**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 000s)	<b>Per Capita Personal Income<sup>(2)</sup></b>	<b>Annual Average Unemployment Rate<sup>(3)</sup></b>	<b>Median Age<sup>(4)</sup></b>
1998	855,976	\$ 27,144,490	\$ 31,712	3.60%	35.1
1999	849,917	27,420,292	32,262	3.60%	35.5
2000	845,303	28,329,667	33,514	3.70%	35.5
2001	849,507	29,136,541	34,298	4.00%	35.5
2002	848,546	30,010,701	35,367	5.40%	35.5
2003	847,765	30,556,012	36,043	5.40%	35.5
2004	847,040	32,376,348	38,223	5.50%	36.7
2005	847,204	33,375,936	39,395	5.50%	36.7
2006	847,368	34,774,050	41,038	5.00%	37.8
2007	842,369	36,488,577	43,317	5.00%	37.8

Data Sources:

<sup>(1)</sup>U. S. Department of Commerce, Bureau of the Census, 2000 Census and Midyear Population Estimates.

<sup>(2)</sup>U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

<sup>(3)</sup>Ohio Department of Job and Family Services, Labor Market Information.

<sup>(4)</sup>U. S. Department of Commerce, Bureau of the Census, 2000, 2004 and 2006 American FactFinder Fact Sheets;

Hamilton County, Ohio 1997–2000 Comprehensive Annual Financial Reports.

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

Name of Employer <sup>(1)(2)</sup>	2007			1998		
	Number of Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment <sup>(3)</sup>	Number of Employees <sup>(2)</sup>	Rank	Percentage of Total County Employment <sup>(3)</sup>
	University of Cincinnati	15,864	1	3.83%	14,390	2
Kroger Company	15,600	2	3.76%	10,439	5	2.49%
Health Alliance of Greater Cincinnati	14,785	3	3.57%	12,410	4	2.96%
Procter & Gamble Company	12,315	4	2.97%	15,000	1	3.58%
Cincinnati Children's Hospital Medical Center	9,464	5	2.28%	7,785		1.86%
TriHealth Incorporated	9,400	6	2.27%	7,457	8	1.78%
Fifth Third Bank	7,645	7	1.84%	–		–
General Electric Aviation (Aircraft Engines)	7,400	8	1.79%	8,000	6	1.91%
Mercy Health Partners	6,948	9	1.68%	8,200		1.96%
United States Postal Service	6,379	10	1.54%	–		–
Greater Cincinnati Federal Government Employees	–		–	13,595	3	3.24%
City of Cincinnati	–		–	7,512	7	1.79%
Cincinnati Public Schools	–		–	7,046	9	1.68%
Cincinnati Bell Incorporated	–		–	7,000	10	1.67%
<b>Total Principal Employers</b>	<b>105,800</b>		<b>25.53%</b>	<b>118,834</b>		<b>28.36%</b>
<b>Total County Employed<sup>(3)</sup></b>	<b>414,400</b>			<b>419,000</b>		
Data Sources:						
<sup>(1)</sup> Cincinnati Business Courier 2008 Book of Business Lists.						
<sup>(2)</sup> Cincinnati Business Courier 1999 Book of Business Lists.						
<sup>(3)</sup> Ohio Department of Job & Family Services, Labor Market Information.						

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

	FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Function/Program</b>										
General Government <sup>(1)(2)(13)</sup>	482.51	471.11	475.67	487.20	486.60	471.33	488.51	477.45	478.27	494.52
Judicial <sup>(2)(3)(4)(13)</sup>	1,597.58	1,684.13	1,710.47	1,729.97	1,731.69	1,722.81	1,727.74	1,725.57	1,719.26	1,686.15
Public Safety <sup>(3)(13)</sup>	1,128.95	1,137.61	1,168.55	1,174.55	1,174.35	1,183.61	1,179.35	1,185.81	1,230.90	1,202.36
Social Services <sup>(3)(13)</sup>	1,627.16	1,582.15	1,592.65	1,599.65	1,602.65	1,665.65	1,665.90	1,660.65	1,660.65	1,680.65
Health <sup>(3)(10)(12)</sup>	689.10	689.85	703.74	699.64	697.36	719.51	710.56	725.05	648.76	648.66
Public Works	230.25	230.25	232.96	233.35	234.63	234.31	235.31	235.31	231.65	231.65
Environmental Control <sup>(3)</sup>	58.30	60.00	61.70	61.49	61.14	61.83	62.41	62.41	61.89	59.59
Economic Development <sup>(3)(11)</sup>	-	-	19.40	23.00	26.00	27.50	27.50	28.50	7.50	7.50
Recreational Activities <sup>(6)(7)(8)</sup>	-	-	-	-	-	-	-	-	-	-
Metropolitan Sewer District <sup>(5)</sup>	-	-	-	-	-	-	-	-	-	-
Paul Brown Stadium <sup>(6)</sup>	-	-	26.40	26.65	27.72	27.60	27.60	27.55	28.55	29.50
Cinergy Field <sup>(7)</sup>	3.85	4.35	2.35	2.35	2.25	-	-	-	-	-
Baseball Stadium <sup>(7)(8)</sup>	-	-	-	-	-	5.00	3.50	2.85	2.85	1.75
Riverfront Development <sup>(9)</sup>	-	-	2.75	2.50	2.75	-	-	-	-	-
Main Street Parking Garage <sup>(9)</sup>	-	-	-	-	-	-	-	-	-	-
Rotary Funds	96.00	97.00	95.00	96.00	99.00	103.00	107.00	107.00	109.00	107.00
Communications Center	85.00	90.00	90.00	90.00	86.00	90.00	90.00	91.00	91.00	93.00
Workers' Compensation Reserve for Stadiums	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Total</b>	<b>6,000.70</b>	<b>6,048.45</b>	<b>6,183.64</b>	<b>6,228.35</b>	<b>6,234.14</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>

Sources: Hamilton County, Ohio 1997-2008 Budgets, Budgeted FTEs, Actual FTEs if presented  
Hamilton County, Ohio Department of Budget and Strategic Initiatives

Method: An FTE is the equivalent of one full-time employee. To calculate a percentage of an FTE, for each employee a ratio is derived by dividing expected hours to be worked by 2,080 hours per year.

<sup>(1)</sup>Employees of certain agencies subsidized by the General Fund are included.

<sup>(2)</sup>In 1998, the Microfilm Division transferred from Administrative Services to Clerk of Courts.

<sup>(3)</sup>Employees funded by grants are included in certain departmental FTE counts.

<sup>(4)</sup>In 1998, River City Correctional Center became operational.

<sup>(5)</sup>Metropolitan Sewer District personnel are employees of the City of Cincinnati.

<sup>(6)</sup>Paul Brown Stadium personnel are managed in part by Hamilton County and in part by Paul Brown Stadium, Ltd.

<sup>(7)</sup>During 1996, Hamilton County assumed ownership and responsibility for Cinergy Field (formerly Riverfront Stadium), the home of both the Cincinnati Reds and the Cincinnati Bengals. Built in 1969, Cinergy Field was imploded in December of 2002 to make room for the nearly completed Great American Ball Park located immediately next door on the riverfront.

<sup>(8)</sup>Great American Ballpark baseball stadium personnel are managed by the Cincinnati Reds.

<sup>(9)</sup>Parking facilities personnel services are provided via management contract.

<sup>(10)</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>(11)</sup>In 2006, the Section 8 housing program transferred to the Cincinnati Metropolitan Housing Authority.

<sup>(12)</sup>During 2006, the department functions of Treatment Alternatives to Street Crime transitioned to community-based agencies.

<sup>(13)</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.

**COUNTY OF HAMILTON, OHIO**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

FUNCTION/PROGRAM	FISCAL YEAR										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
<b>Governmental Activities</b>											
General Government											
Auditor											
Non-Exempt Property Conveyances	19,580	20,532	19,123	19,804	20,485	21,682	23,112	23,304	22,132	19,509	
Exempt Property Conveyances	12,563	12,498	12,093	11,917	13,415	13,569	12,800	12,501	12,079	11,974	
Parcels Assessed or Reappraised at Market Value	338,794	341,568 <sup>(2)</sup>	342,942	345,267	348,296 <sup>(1)</sup>	348,919	340,438 <sup>(3)</sup>	341,932 <sup>(2)</sup>	343,479	345,712	
Dog and Kennel Licenses Issued	57,442	57,674	61,000	62,957	62,576	61,349	61,229	58,744	57,764	56,781	
Weights and Measures Inspections and Tests Performed	44,676	34,886	41,332	42,955	29,770	32,711	33,612	38,822	33,757	47,867	
Board of Elections											
Voter Registrations and Changes Processed	79,276	75,000	85,000	60,000	65,000	55,000	185,066 <sup>(4)</sup>	49,893	77,300	52,283	
Building Inspections											
Building Inspections Performed	18,013	17,000	17,430	19,200	20,960	23,538 <sup>(5)</sup>	22,396	22,688	21,184	22,171	
Building Permits Issued	4,770	4,745	4,496	4,437	4,717	5,343	7,266	6,933	4,847	4,402	
Recorder											
Deeds Filed	38,539	39,728	37,455	40,205	39,990	40,338	38,550	36,013	34,272	31,314	
Mortgages Filed	80,190	71,359	57,248	82,538	97,299	118,445	79,432	66,813	59,443	47,849	
Treasurer											
Tax Bills Processed	281,000	284,000	284,000	282,000	284,000	284,000	284,500	283,500	285,000	283,000	
Judicial											
Court of Appeals											
Overall New Cases <sup>(6)</sup>	1,059	944	888	817	894	1,013	949	1,036	1,121	931	
Criminal New Cases <sup>(6)</sup>	609	519	518	427	462	607	566	641	670	591	
Civil New Cases <sup>(6)</sup>	350	265	261	261	299	300	233	239	291	227	
Court of Common Pleas											
Overall New Cases <sup>(6)</sup>	14,635	15,892	17,115	18,847	21,053	22,725	23,556	23,995	24,819	25,329	
Criminal New Cases <sup>(6)</sup>	6,680	7,338	7,921	8,202	9,263	10,221	10,518	10,173	10,722	11,024	
Civil New Cases <sup>(6)</sup>	7,955	8,554	9,194	10,645	11,790	12,504	13,038	13,822	14,097	14,305	
Court of Domestic Relations											
Overall New Cases <sup>(6)</sup>	8,007	7,918	12,923	13,534	13,399	13,570	13,817	9,216	9,526	8,356	
Juvenile Court											
Overall New Cases <sup>(6)</sup>	44,519	40,203	38,981	44,132	45,620	41,640	46,217	47,668	48,647	40,204	
Hearings Conducted	137,356	132,584	130,390	132,886	140,959	140,543	151,447	164,283	163,890	153,339	
Municipal Court											
Overall New Cases <sup>(6)</sup>	268,302	254,089	257,301	255,606	276,739	336,053	349,017	319,191	312,927	320,351	
Probate Court											
Overall New Cases <sup>(6)</sup>	8,367	7,273	6,987	6,954	6,744	6,564	6,715	6,508	6,829	6,584	

		FISCAL YEAR									
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>FUNCTION/PROGRAM</b>											
Public Safety											
	Coroner										
	Autopsies Performed	959	992	966	981	1,033	1,102	1,090	1,032	997	1,026
	Prosecutor										
	Criminal Misdemeanor and Felony Arraignments	27,500	28,000	28,150	28,150	37,716	39,975	42,364	42,982	43,000	43,200
	Formal Opinions and Letters of Advice to County Agencies	126	130	140	150	145	101	104	107	102	100
	Property Foreclosure Cases	2,100	2,500	2,500	2,500	2,300	2,200	2,961	3,300	3,750	3,750
	Sheriff										
	Inmates Housed	50,823	52,432	50,766	42,407	44,453	42,710	43,748	44,468	50,727	49,921
	Prisoners Transported	3,313	3,928	4,870	3,676	4,217	4,593	4,851	4,916	4,815	4,815
	Courtroom Security Provided (Hours)	38,846	37,296	38,860	36,702	41,112	43,922	51,364	49,842	51,576	53,123
	Major Crime Cases Investigated	2,834	2,656	2,877	2,926	2,850	3,015	3,229	3,776	4,120	4,125
Social Services											
	Job and Family Services—DJFS (Human Services)										
	Cash Assistance Recipients (Monthly Average)	26,156	21,420	21,208	20,710	18,750	20,284	21,001	20,043	17,045	17,169
	Food Stamp Assistance Recipients (Monthly Average)	23,565	20,916	20,460	49,355	58,295	63,341	70,245	74,898	77,123	72,419
	Medicaid Participants (Monthly Average)	68,147	77,917	82,765	93,376	92,473	116,803	121,472	120,348	121,084	127,242
	Subsidized Child Care Recipients (Monthly Average 2006-2008)	21,127	24,498	24,628	26,548	28,185	27,707	25,666	25,124	12,999	12,986
	Children's Services Recipients	19,876	17,686	17,228	18,608	17,758	18,584	16,108	15,679	17,460	17,717
	Child Support Collections (Millions)	\$ 137.0	\$ 138.6	\$ 143.3	\$ 153.9	\$ 154.2	\$ 153.8	\$ 154.9	\$ 152.4	\$ 155.0	\$ 142.0
	Workforce Development Admissions (Includes Reapplications) <sup>(7)</sup>	7,258	5,805	6,592	4,734	7,727	12,540	12,972	13,430	3,182	3,602
Health											
	Board of Mental Retardation										
	Eligible Individuals Served <sup>(6)</sup>	2,393	3,583	3,712	4,087	4,331	5,185	5,344	5,679	5,638	7,243
Public Works											
	County Engineer										
	Bridges Constructed/Repaired	5	12	9	5	9	3	3	5	8	3
	Landslides Stabilized	3	4	5	5	2	3	4	4	1	1
	Roads Resurfaced (Number)	17	6	11	22	11	32	41	28	20	20
	Roads Resurfaced (Miles)	11	8	9	23	9	24	33	18	14	10
	Public Works										
	Permits Processed for Storm Review and FEMA Regulations	3,107	3,000	2,559	2,770	2,617	2,686	2,399	2,395	2,048	1,879
Environmental Control											
	Environmental Services										
	Material Recycled (Tons)	258	39,749	38,170	36,000	36,000	38,000	33,004	34,342	33,496	31,985

FUNCTION/PROGRAM	FISCAL YEAR										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
<b>Business-Type Activities</b>											
Metropolitan Sewer District											
Sewer Connections	227,821	225,840	223,691	224,686	224,795	225,285	225,971	225,889	228,512	229,226	
Wastewater Collected and Treated (Millions of Gallons)	70,930	64,170	62,672	63,648	73,211	79,317	81,143	74,010 <sup>(9)</sup>	67,966	66,038	
Paul Brown Stadium											
Game Attendance (Total)	444,340	404,679	469,992	454,938	422,235	479,488	524,248	524,468	527,870	526,320	
Game Attendance (Average)	55,543	50,585	58,749	56,867	52,779	59,936	65,531	65,559	65,984	65,790	
Baseball Stadium											
Game Attendance (Total)	1,793,649	2,061,222	2,577,371	1,879,757	1,855,787	2,355,259	2,287,250	1,943,157	2,134,607	2,058,593	
Game Attendance (Average)	22,144	25,137	31,431	23,207	22,911	29,077	28,238	23,696	26,353	25,415	
Riverfront Development											
Parking Spaces Managed	n/a	n/a	n/a	n/a	6,674 <sup>##</sup>	5,541 <sup>##</sup>	6,309 <sup>##</sup>	6,317	6,317	6,317	
Main Street Parking Garage											
Parking Spaces Managed	n/a	700	700	700	700	700	700	700	700	700	
Rotary Funds											
Sheriff's Road Patrol Division											
Townships Served	10	8	8	8	8	8	8	8	7	7	
Central Warrants/Identification Division											
Expungements Processed	776	726	480	1,464	1,727	1,702	1,855	1,338	2,095	2,184	
Warrants/Capias Processed	104,211	87,909	96,685	76,244	81,473	95,885	116,900	131,166	138,090	144,059	
Offender Fingerprints Processed	23,983	29,159	26,113	24,413	42,511	43,563	58,400	62,780	58,806	54,693	
Public Fingerprint Services Provided	-	9,456	10,729	11,382	12,927	13,380	18,530	14,350	14,498	15,755	
Communications Center											
Emergency 911 Telephone Calls Processed	856,451	876,449	885,088	913,954	904,652	927,869 <sup>##</sup>	919,841	897,327	899,202	900,000	
Police, Fire and Rescue Unit Calls Processed	381,374	381,657	413,653	444,835	443,367	460,767	445,286	450,875	578,628	585,000	
Workers' Compensation Reserve for Stadiums											
Claims Managed	n/a	110 <sup>##</sup>	450 <sup>##</sup>	450 <sup>##</sup>	130 <sup>##</sup>	30 <sup>##</sup>	35 <sup>##</sup>	16 <sup>##</sup>	10 <sup>##</sup>	5 <sup>##</sup>	
Sources: Hamilton County, Ohio 1997-2008 Budgets											
Hamilton County Auditor											
Various Hamilton County Departments											
Hamilton County Job and Family Services, 1996-2005											
Supreme Court of Ohio											
<a href="http://www.hcjfs.hamilton-co.org">http://www.hcjfs.hamilton-co.org</a> , 2006-2008											
<a href="http://www.sconet.state.oh.us/Publications/default.asp">http://www.sconet.state.oh.us/Publications/default.asp</a>											
<a href="http://www.bengals.com/team/history">http://www.bengals.com/team/history</a>											
<a href="http://www.baseball-reference.com/teams/CIN/attend.html">http://www.baseball-reference.com/teams/CIN/attend.html</a>											
<sup>(1)</sup> Triennial reassessment, payable following year. Ohio law requires a mid-cycle value adjustment three years after the mass reappraisal to update the six-year mass reappraisal so values change gradually.											
<sup>(2)</sup> Mass reappraisal, payable following year. Ohio law requires counties to revalue all real property every three years. The Auditor's Office is responsible for setting the value of properties, not the assessment of taxes.											
<sup>(3)</sup> The decrease in parcels is due to the consolidation and a change of accounting method of TIF and exempt real estate parcels in a new system.											
<sup>(4)</sup> In August of 2004, the Board of Elections purchased and installed a new voter registration system which connects to the Secretary of State's statewide voter registration database.											
<sup>(5)</sup> The increase in inspections is due to the boom in construction resulting from near-record low interest rates.											
<sup>(6)</sup> The number includes new cases docketed, transferred in or reactivated as reported to the Supreme Court of Ohio.											
<sup>(7)</sup> Southwest Ohio Career Resource network became The Super Jobs Center in April of 2005; services changeover affected total individuals placed.											
<sup>(8)</sup> The number of eligible individuals served is an unduplicated count of individuals served per year and does not represent the number of services provided to those individuals.											
<sup>(9)</sup> Yearly rainfall levels result in variances in amounts of wastewater collected and treated.											
<sup>(10)</sup> In 2003, the final demolition of the Cinergy Field Garage took place and two ballpark garages became operational following completion of Phase I construction: (1) the Ballpark Garage—564 spaces, and (2) the Central Riverfront Garage—579 spaces.											
<sup>(11)</sup> 2004 saw the completion of two Phase II portions of garage construction: (1) the garage at the Great American Ball Park, with the addition of 343 spaces, totaling 907 spaces, and (2) the Central Riverfront Garage, located in Block 3 of the riverfront, with the addition of 110 spaces, totaling 698 spaces.											
<sup>(12)</sup> In April of 2003, the County brought online a state-of-the-art 800 MHz public safety radio system which enables local law enforcement officials to talk to each other when on-scene.											
<sup>(13)</sup> The number represents management of workers' compensation claims for Paul Brown Stadium and Great American Ballpark.											
<sup>(14)</sup> The number represents management of workers' compensation claims for Great American Ballpark.											

**COUNTY OF HAMILTON, OHIO**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

FUNCTION/PROGRAM		FISCAL YEAR									
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Governmental Activities</b>											
General Government											
	Properties <sup>(1)</sup>	8	8	8	8	9	9	8	7	6	8
Judicial											
	Properties <sup>(1)</sup>	10	11	11	11	11	11	11	10	10	10
Public Safety											
	Coroner										
	Properties <sup>(1)</sup>	1	1	1	1	1	1	1	1	1	1
	Emergency Management										
	Office Building <sup>(2)</sup>	(2)	(2)	(2)	(2)	(2)	(2)	(2)	1	1	1
	Emergency Warning Sirens	182	182	182	185	186	188	188	189	189	195
	Sheriff										
	District Patrol Headquarters <sup>(3)</sup>	5	5	5	5	5	5	5	5	5	5
	Detention Facilities <sup>(4)</sup>	4	4	4	4	4	4	4	4	4	4
Social Services											
	Job and Family Services (Human Services)										
	Properties <sup>(1)</sup>	3	3	3	3	3	3	4	4	4	4
	County Vehicles	16	18	18	18	18	24	22	22	21	21
Health											
	Mental Retardation and Developmental Disabilities Board (MR/DD)										
	Properties <sup>(1)</sup>	11	11	12	12	12	12	12	12	13	13
	Mental Health and Recovery Services Board <sup>(5)</sup>										
	Properties <sup>(1)</sup>	65	65	65	68	68	70	70	69	64	64
Public Works											
	Maintenance Facility	1	1	1	1	1	1	1	1	1	1
	Maintenance Vehicles and Equipment	23	23	23	23	23	23	23	30	30	30
	County Engineer										
	County Roads Maintained (Miles)	510	510	510	504	504	504	504	504	504	504
	Maintenance Facilities	4	4	4	5	5	6	6	6	6	6

		FISCAL YEAR									
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>FUNCTION/PROGRAM</b>											
<b>Business-Type Activities</b>											
Metropolitan Sewer District											
	Major Wastewater Treatment Plants	7	7	7	7	7	7	7	7	7	7
	Combined and Sanitary Sewers (Miles)	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050
Cinergy Field <sup>(6)</sup>											
		1	1	1	1	1	(6)	(6)	(6)	(6)	(6)
Paul Brown Stadium <sup>(6)</sup>											
	Paul Brown Football Stadium	(6)	(6)	1	1	1	1	1	1	1	1
	Parking Garage	(6)	(6)	1	1	1	1	1	1	1	1
Baseball Stadium <sup>(6)</sup>											
	Great American Ballpark Baseball Stadium	(6)	(6)	(6)	(6)	(6)	1	1	1	1	1
	Hall of Fame Museum	(6)	(6)	(6)	(6)	(6)	(6)	1	1	1	1
	Team Store	(6)	(6)	(6)	(6)	(6)	(6)	1	1	1	1
Riverfront Development											
	Parking Garages	n/a	n/a	1	1	1	3	3	3	3	3
	Surface Parking Lots	n/a	n/a	5	5	5	5	5	5	5	5
Main Street Parking Garage											
	Alms & Doepke Parkhaus Parking Garage	n/a	n/a	1	1	1	1	1	1	1	1
Communications Center											
	911 Communications Center	1	1	1	1	1	1	1	1	1	1
	Radio Towers <sup>(7)</sup>	5	5	5	5	5	15	15	15	15	15
Sources: Hamilton County, Ohio 1997-2008 Budgets											
Hamilton County Auditor											
Various Hamilton County Departments											
Note: No capital asset indicators are available for the following functions/programs:											
(1) the Environmental Control, Economic Development and Parks and Recreation functions, or											
(2) the Rotary and Workers' Compensation Reserve for Stadiums funds.											
<sup>(1)</sup> Improved real properties are primarily buildings, County-owned unless otherwise indicated, presented in the function of the primary use(r).											
<sup>(2)</sup> The permanent Emergency Management Agency (EMA) office building, formerly housed in trailers at the Communications Center, was completed in 2005. EMA shares space with the Homeland Security Division.											
<sup>(3)</sup> Three District Patrol Headquarters are owned by townships. The Sheriff provides contracted police services.											
<sup>(4)</sup> The Queensgate Correctional Facility is a leased property.											
<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. Paul Brown Stadium, the new home of the Cincinnati Bengals football team, opened in August of 2000. Cinergy Field was demolished in 2002. Great American Ball Park, the new home field for the Cincinnati Reds baseball team, opened for the 2003 baseball season. During 2004, the Great American Ball Park Phase II construction continued, which included completion of the Team Store and the Hall of Fame Museum.											
<sup>(7)</sup> Hamilton County installed a new radio system in 2003, with a total of 15 tower sites. Ten of the towers are County-owned; the other five towers are leased.											