

# Preble County, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2004

Issued by:  
County Auditor's Office

Harold E. Yoder  
Preble County Auditor



PREBLE COUNTY, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2004

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**Preble County Auditor**  
**HAROLD E. "HAL" YODER**  
Courthouse, 2nd Floor  
Eaton, Ohio 45320



Phone: (937) 456-8148

Fax: (937) 456-8108

July 15, 2005

The Citizens of Preble County  
and  
Preble County Board of Commissioners  
100 East Main Street  
Eaton, Ohio 45320

As Auditor of Preble County, I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of Preble County for the year ended December 31, 2004. The CAFR was prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental entities, and represents a significant achievement brought about by the combined efforts of many County departments.

Responsibility for both the accuracy of the data, and the completeness of the presentation, including all disclosures, rests with the management of the County, and in particular the office of the County Auditor. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and operation of the various funds of the County.

This CAFR is divided into three sections as follows:

1. The Introductory Section contains the table of contents, this letter of transmittal, a GFOA Certificate of Achievement, a list of elected officials and the County's organization chart.
2. The Financial Section begins with the Independent Accountants' Report and includes Management's Discussion and Analysis, the basic financial statements and notes that provide an overview of the County's financial position and operating results, the combining statements of nonmajor funds, and other schedules that provide detailed information relative to the basic financial statements.
3. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

## **THE COUNTY**

The County was formed by an Act of the Ohio General Assembly on February 15, 1808, and was named for Revolutionary War Naval Commander, Edward Preble.

The elected three-member Board of County Commissioners functions as both the legislative and the executive branch of the County. Each Commissioner serves a four-year term. In addition to the County Auditor, who serves as chief fiscal officer, there are seven elected administrative officials, each of whom operate independently as set forth by Ohio law. These officials are: Treasurer, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, and Sheriff. These elected officials serve four-year terms. The Common Pleas Court - Domestic Relations Court Judge and the Juvenile Court - Probate Court Judge are elected on a County-wide basis to oversee the County's judicial system. Judges are elected to six-year terms.

### **Reporting Entity and Services**

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For Preble County, this includes the Preble County Board of Mental Retardation and Developmental Disabilities, Preble County Community Development, and the departments and activities that are directly operated by the elected County officials. The County also operates and maintains a wastewater treatment system and landfill.

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

The Preble County Library Board and the Preble Metropolitan Housing Authority were determined to be related organizations of the County. The Preble County Emergency Management Agency was determined to be a joint venture and the County Risk Sharing Authority, Inc. was determined to be a risk sharing pool. The County Commissioner's Association of Ohio Workers' Compensation Group Rating Program provided by The County Commissioner's Association of Ohio Service Corporation (CCAOSC) was determined to be an insurance purchasing pool.



## **ECONOMIC CONDITIONS AND OUTLOOK**

The County is an agriculturally rich county, with approximately 77 percent or 203,000 acres of County land used for agriculture. The County currently produces corn and soybeans. Ohio Agriculture Statistics for 2004, state that the 1,060 farms in the County average 192 acres per farm. The average corn yield in 2004 was approximately 89 bushels per acre, with soybeans averaging approximately 27 bushels per acre.

The County's location and transportation routes have contributed greatly to growth in population and industry. The County is conveniently located near State Route 127 and Interstate 70. The County's financial base includes a diverse range of manufacturing and utility companies. The County population has risen nearly 70 percent since 1940; that is well ahead of the pace of most of the Midwest and Ohio.

The County has a positive economic outlook with several manufacturing companies continuing to expand their facilities in the County. These companies include (1) Proctor and Gamble (pet foods), (2) North American Nutrition (feed and trucking), (3) Neaton Auto Products Manufacturing, Inc. (auto parts), (4) Henny-Penny Corporation (food service equipment), and (5) Parker Hannifin Corporation (hydraulic fittings manufacturer).

## **MAJOR INITIATIVES**

### **Landfill**

The financial stability of the Preble County Landfill was greatly improved in 2004. Many options were taken into account, and many public meetings held. In general, it was determined that most County residents were in favor of using the landfill only for Preble County waste. The user charges for all improved parcels of property were increased to insure financial stability. Collection of this increased charge began in 2004.

### **Geographical Information System**

The County has implemented a fully functional Geographical Information System (GIS). The Preble County GIS was awarded the 2001 Best Practice Award by the Ohio Geographically Referenced Information Program which is a State office made to oversee County GIS programs in the State of Ohio.

With the completion of the County's digital tax maps, geographic positioned road centerlines, digital pictures of structures, geographic located addresses, and digital aerial photography, the hope is to help save lives by giving dispatchers a map tool to speed response time. The Auditor will use the GIS to more accurately tax property, and the Engineer will use the GIS to help with road and bridge maintenance and planning. Additionally, many other County departments, Villages, and the City of Eaton will use the GIS for various purposes.

## **FINANCIAL INFORMATION**

### **Internal Controls**

The management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### **Budgetary Controls**

In addition, the County maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions in the annual appropriated budget approved by the Board of County Commissioners. Activities of all funds except Agency Funds are included in the annual appropriation budget. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the object level. The County also maintains an encumbrance accounting system as one technique for accomplishing budgetary control. Encumbered amounts outstanding at year-end carry forward to the subsequent year as an authority for expenditure.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

### **Financial Condition**

This is the second year the County has prepared financial statements following *GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments."* GASB 34 creates new basic financial statements for reporting on the County's financial activities as follows:

Government-Wide financial statements – These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

Fund financial statements – These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary funds use the accrual basis of accounting.

Statements of budgetary comparisons – These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the County. This discussion follows the Independent Accountants' Report, providing an assessment of the County's finances for 2004.

## **CASH MANAGEMENT**

The County Treasurer is required by State law to collect certain taxes and to distribute them to various governmental units. The Treasurer is the disbursing agent for expenditures authorized by the Board of Commissioners. The Treasurer must make daily reports showing receipts, payments and balances to the County Auditor, and the books of accounts must always balance with those of the County Auditor. The Treasurer deposits inactive County funds in commercial banks and savings and loans and invests in Federal National Mortgage Association Notes, Federal Home Loan Mortgage Company Notes, Federal Home Loan Bank Notes, and STAROhio. The County pools its cash, other than cash held in segregated accounts and cash with fiscal agents, for investment purposes. For 2004, interest is distributed to the general, special revenue, capital projects, and enterprise funds.

A majority of the County's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of the public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions.

## **RISK MANAGEMENT**

During 2004, the County participated in the County Risk Sharing Authority, Inc. (CORSA), a risk sharing pool, for liability, property, and law enforcement coverage. See Note 11 for additional information.

## **INDEPENDENT AUDIT**

An audit team from the Office of the Auditor of State Betty Montgomery has performed this year's audit. The results of the audit are presented in the Independent Accountants' Report.

## **AWARDS**


The County prepared its first CAFR in 1988 in accordance with the program guidelines for the Certificate of Achievement for Excellence in Financial Reporting (Certificate) awarded by the Government Finance Officers Association of the United States and Canada (GFOA). Each annual report must satisfy both generally accepted accounting principles and disclose applicable legal compliance requirements. The County has been awarded the Certificate for the years ended December 31, 1988 – 2003.

A Certificate of Achievement is valid for one year. We believe that our current report continues to conform to the Certificate of Achievement program requirements; thus, we are submitting it to GFOA for review.

## **ACKNOWLEDGMENTS**

The preparation of the CAFR was made possible by the dedicated service of the entire staff of the County Auditor's office. I would also like to express my appreciation to the County Board of Commissioners and all other County Departments for their support in the preparation of this Comprehensive Annual Financial Report.

Sincerely,



Harold E. Yoder  
Preble County Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Preble County,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Ziehl*

President

*Jeffrey R. Emer*

Executive Director

**PREBLE COUNTY, OHIO**

**ELECTED OFFICIALS**

**DECEMBER 31, 2004**

**Board of County Commissioners**

David Wesler  
William B. Withrow  
Jane Marshall

**Auditor**

Harold E. Yoder

**Clerk of Common Pleas Court**

Christopher B. Washington

**Coroner**

Dr. John Vosler

**Common Pleas Court**

David Abruzzo – General  
Wilfred G. Dues - Probate and Juvenile

**Engineer**

J. Stephen Simmons

**Prosecuting Attorney**

Martin P. Votel

**Recorder**

William J. Spahr

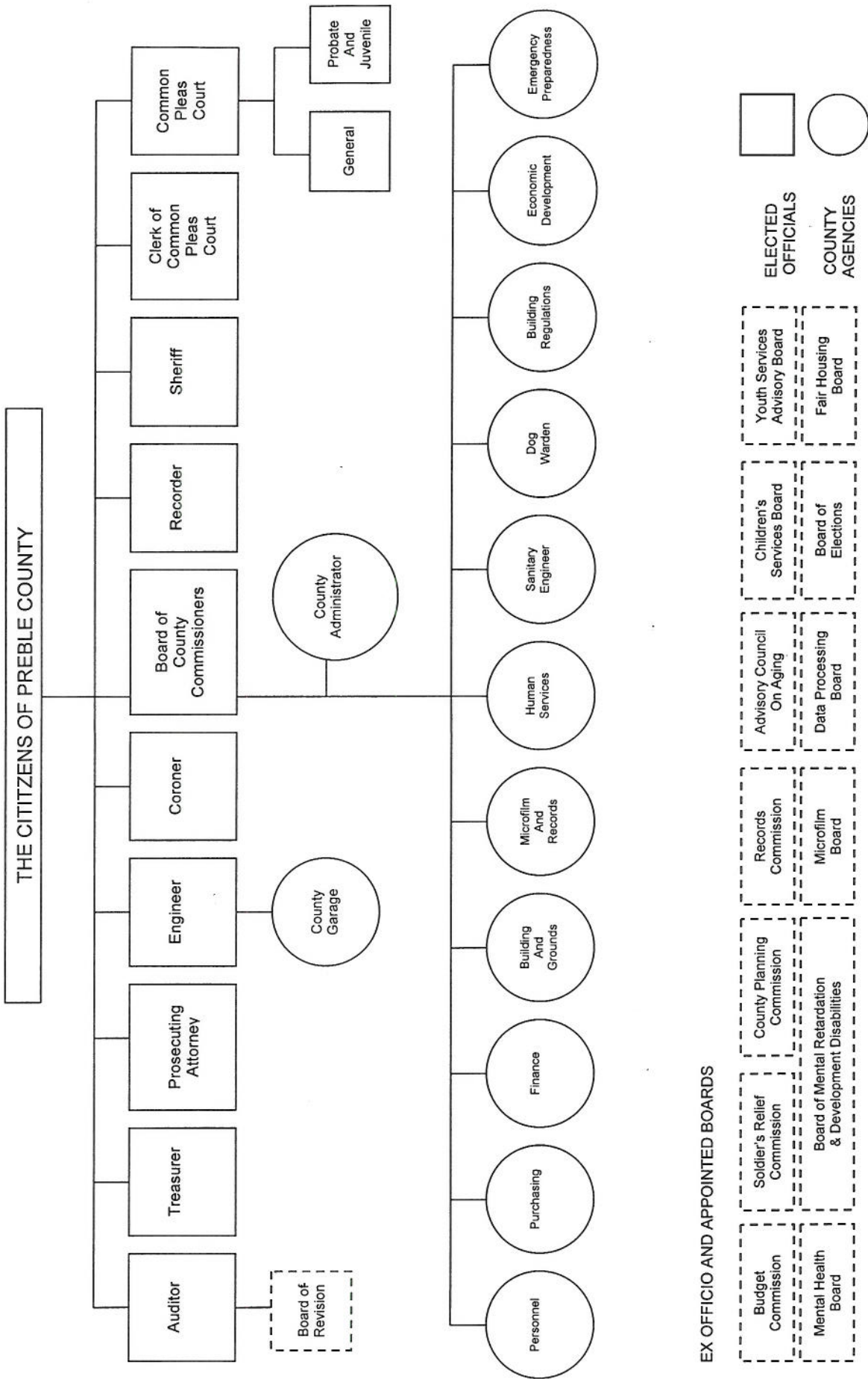
**Sheriff**

Michael L. Simpson

**Treasurer**

Brenda K. White

# PREBLE COUNTY GOVERNMENT ORGANIZATION CHART



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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Preble County  
100 East Main Street  
Eaton, Ohio 45320

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Preble County, Ohio (the County), as of and for the year ended December 31, 2004, 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 component unit (L & M Products), which represents 100 percent of the component unit column. 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 component unit (L & M Products), on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. The other auditors audited the financial statements of the component unit (L & M Products) in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*. 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 that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Preble County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General, Motor Vehicle and Gas Tax, Human Services, Community Mental Health, and Mental Retardation Levy funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Landfill fund had an accumulated deficit of \$2,657,434 as of December 31, 2004. This deficit and management's plan in regard to this matter is described in Note 5 to the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2005, 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 have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements, and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We and the other auditors subjected the combining and individual fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, based on our audit and the report of the other auditors, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We and the other auditors 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.



**Betty Montgomery**  
Auditor of State

July 15, 2005

**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

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The discussion and analysis of Preble County's financial performance provides an overall review of the County's financial activities for the year ended December 31, 2004. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the transmittal letter, and the basic financial statements to enhance their understanding.

**FINANCIAL HIGHLIGHTS**

1. The assets of the County exceeded its liabilities at the close of the year ended December 31, 2004, by \$19,249,051 (net assets).
2. The County's total net assets increased by \$5,143,189, which represents a 36.5% increase from 2003.
3. At the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$8,027,659, a decrease of \$341,439 from the prior year. Of this amount, \$6,673,590 is unreserved, undesignated.
4. At the end of the current year, unreserved fund balance for the General Fund was \$2,140,304, which represents a 20.1% decrease over the prior year, and represents 23.0% of total General Fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis introduces you to Preble County's basic financial statements, which are made up of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Other supplementary information is also contained within this report, including the combining financial statements, individual fund schedules, and statistical information.

Government-wide Financial Statements

Preble County's government-wide financial statements include a statement of net assets and a statement of activities, which report on the financial activities of the Preble County government as a whole, giving the reader a summary of County finances with a view of the bottom-line results of the County's operations.

Additionally, these statements are prepared using the economic resources measurement focus and the accrual basis of accounting, similar to financial statements prepared in the private sector. As a result, all assets and liabilities of the County are accrued, and revenues and expenses are reported in the current year regardless of when the resulting cash flows occur.

**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

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The County's financial activities are identified in the government-wide financial statements as governmental activities or business-type activities. Governmental activities constitute the majority of the County's operations and are financed primarily by operating grants, taxes, charges for services, capital grants, and other intergovernmental revenues. The County's governmental activities are accounted for in the governmental funds and are classified in the following major functions:

*Legislative and Executive* – general government operations including the offices of the commissioners, auditor, treasurer, prosecutor, recorder, budget commission, the data processing department, rural zoning department, the board of elections, maintenance department, and microfilm department.

*Judicial* – court related activities including the operations of the common pleas court, probate court, juvenile court, common pleas referee, municipal court, jury commission, adult probation department, court of appeals, law library, and clerk of courts.

*Public Safety* – activities associated with the protection of the public including the sheriff's operations, office of the coroner, building regulations, workhouse and disaster services.

*Public Works* – activities associated with maintaining County roads and bridges and sanitation and drainage systems.

*Health* – activities related to serving the public health, including activities provided by the dog warden, Board of Mental Retardation and Developmental Disabilities, Mental Health Board, and the Alcohol and Drug Addiction Services Board.

*Human Services* – activities related to the provisions of various forms of services and assistance, to individuals, children and families, including services provided by the Veteran's Services Board, Children Services Board, Child Support Enforcement Agency, and the Department of Job and Family Services.

*Business-type activities* are those activities accounted for in enterprise funds, including the County's sewer and landfill. Business-type activities rely on user fees and other charges to wholly, or to a large extent, fund their operations.

The statement of net assets reports all assets and liabilities of the County, with net assets being the difference between the two. This statement is useful when evaluating the financial condition of the County. Monitoring the changes to net assets over time is one indication of whether the County's financial condition is improving or deteriorating.

**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

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The statement of activities reports for the current fiscal year the changes to the County's net assets, which is the difference between revenues and expenses. However, the format of this statement departs from a more traditional "revenues less expenses equals change in net assets" format you may see in the private sector.

Generally, private sector goals are to generate income, or simply put, maximize revenues. As such, private sector operating statements present revenues first. Expenses, which reduce revenues, are presented next as a deduction against those revenues.

Public sector goals are different in that servicing the needs of the citizens, or spending, is what drives the financial activities and dictates the level of resources which dictate the level of resources that are required to be raised.

In the County's statement of activities, resources used to fund service activities are identified as either program revenues (resources obtained from outside the County, such as fees, charges for services, grants and restricted interest) or general revenues (all non-program revenues, including taxes). Preble County operations have also been classified into distinct governmental or business-type service activities. These activities are reported in a format that allows the reader to see the extent to which each activity is supported or self-financed by program revenues or draws on the general resources of the County. The statement of activities is therefore useful in assessing the level of self-sufficiency of the various governmental or business-type activities versus management established performance benchmarks.

The financial activities of L & M Products, Inc., a component unit of the County, are presented in a separate column on the statement of net assets, and as a separately identified activity on the statement of activities. While the County provides a significant amount of services and resources to L & M Products, Inc., this discrete presentation is made in order to emphasize that it is a legally separate organization from Preble County. However, the focus of the government-wide financial statements remains clearly on Preble County as the primary government.

The government-wide financial statements begin on page 17 of this report.

**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

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Fund Financial Statements

A fund is an accounting term referring to a segregated group of accounts used to account for and to assist with the management of financial resources received. Various funds may be established to account for specific activities or objectives of the County, and to demonstrate compliance with finance related legal requirements associated with those resources.

Fund financial statements report additional and more detailed information about the County with an emphasis on major funds. Major funds are those governmental or enterprise funds that have been determined to be the most significant based on a defined set of financial criteria, as well as any other funds deemed to be particularly important to readers because of public interest or to ensure consistency between years. Information is presented separately in the fund financial statements for each of the major funds. Information for all non-major funds is aggregated and presented in a separate column of the fund financial statements. Detailed data for each of the non-major funds are provided in the combining statements and individual fund schedules that follow the basic financial statements.

All funds of Preble County are classified into one of three fund categories, either governmental, proprietary, or fiduciary.

*Governmental Funds:* – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, but use a different measurement focus. Government fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting, a short-term view focusing on the flow of monies into and out of the funds and the year-end balances available for near-future spending. This is in contrast to the government-wide financial statements that incorporate a longer-term focus. A reconciliation included in the governmental fund financial statements compares the governmental funds' information with the governmental activities' information as reported in the government-wide financial statements.

Most of the County's services are reported in governmental funds, the following of which are considered major funds: General, Motor Vehicle and Gas Tax, Human Services, Community Mental Health, and Mental Retardation Levy. The basic governmental fund financial statements begin on page 20 of this report.

*Proprietary Funds.* The County uses two types of proprietary funds - enterprise funds and internal service funds. Since the proprietary fund financial statements are prepared using the same measurement focus and basis of accounting as the government-wide financial statements, they provide the same type of information, only in greater detail.

**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

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Enterprise funds are used to account for the County's sewer and landfill operations, which are the business-type activities as reported in the government-wide financial statements. Internal service funds are used to account for the financing of services provided by one department to other departments in the County on a cost-reimbursement basis. The County uses internal service funds to account for its self-insurance of employee health benefits program. Since these programs mostly benefit governmental rather than business functions, they have been included in the governmental activities in the government-wide financial statements. The basic proprietary fund financial statements begin on page 32 of this report.

*Fiduciary Funds.* Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for outside parties and are accounted for in a manner similar to proprietary funds. Fiduciary funds are not presented in the government-wide financial statements as their resources are not available to support the County's governmental or business-type activities. The fiduciary fund financial statements begin on page 36 of this report.

#### Notes to the Financial Statements

The notes to the financial statements are an integral part of the basic financial statements, providing additional important disclosures essential for a complete understanding of the financial data reported in the government-wide and fund financial statements. The notes to the financial statements begin on page 38 of this report.

#### Summary

To summarize, the government-wide financial statements report the County's activities as a whole, using longer-term, economic resources measurement focus while the fund financial statements report financial activities in more detail, with a shorter-term focus and emphasis on major funds. More simply, the primary focus of government-wide financial statements is demonstrating *operational accountability*, while the primary focus of fund financial statements is *fiscal accountability*. Preble County management believes these basic financial statements provide the reader with the best information yet available to assess the level of the County's fiscal and operational accountability, both near-term and long-term.

**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

**THE COUNTY AS A WHOLE**

As stated previously, the statement of net assets looks at the County as a whole. Table 1 provides a summary of the County's net assets for 2004 compared to 2003.

Table 1  
Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2004	2003	2004	2003	2004	2003
<b>Assets</b>						
Current and Other						
Assets	\$18,923,397	\$18,982,323	\$2,473,299	\$1,650,528	\$21,396,696	\$20,632,851
Capital Assets	12,602,561	10,686,908	2,361,573	1,059,785	14,964,134	11,746,693
<b>Total Assets</b>	<b>31,525,958</b>	<b>29,669,231</b>	<b>4,834,872</b>	<b>2,710,313</b>	<b>36,360,830</b>	<b>32,379,544</b>
<b>Liabilities</b>						
Long-Term Liabilities	3,987,893	4,365,281	6,287,757	6,364,384	10,275,650	10,729,665
Other Liabilities	6,084,983	7,264,412	751,146	279,605	6,836,129	7,544,017
<b>Total Liabilities</b>	<b>10,072,876</b>	<b>11,629,693</b>	<b>7,038,903</b>	<b>6,643,989</b>	<b>17,111,779</b>	<b>18,273,682</b>
<b>Net Assets</b>						
Invested in Capital						
Assets, Net of						
Related Debt	8,086,383	5,718,611	1,874,232	690,478	9,960,615	6,409,089
Restricted	10,267,282	9,222,769	0	0	10,267,282	9,222,769
Unrestricted (Deficit)	3,099,417	3,098,158	(4,078,263)	(4,624,154)	(978,846)	(1,525,996)
<b>Total Net Assets</b>	<b>\$21,453,082</b>	<b>\$18,039,538</b>	<b>(\$2,204,031)</b>	<b>(\$3,933,676)</b>	<b>\$19,249,051</b>	<b>\$14,105,862</b>



**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

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Government-wide Financial Analysis

Total net assets increased \$5,143,189. Net assets of the County's governmental activities increased by \$3,413,544, with unrestricted net assets increasing \$1,259. Long-term debt was paid at maturity without being refinanced for the Court Computerization, and Gradall Acquisition Note. In 2004, the L & M Expansion, Jefferson House and Job & Family Expansion projects were completed and renovations began to the Commission Office with anticipation of completion in 2005. Additional infrastructure for bridge replacement and centerline projects were completed in 2004.

The net assets of the County's business-type activities increased by \$1,729,645, while also reporting an operating gain during 2004. Current assets increased by \$822,771. This increase was mainly due to an increase in cash and cash equivalents from additional grants received during 2004. Accounts receivable also increased significantly, because of Landfill rate increases. The County strives to control operation expenses for business-type activities in order to maintain stability in charges for services.

Table 2 shows the changes in net assets for the year ended December 31, 2004 and 2003.

**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

Table 2  
Changes in Net Assets

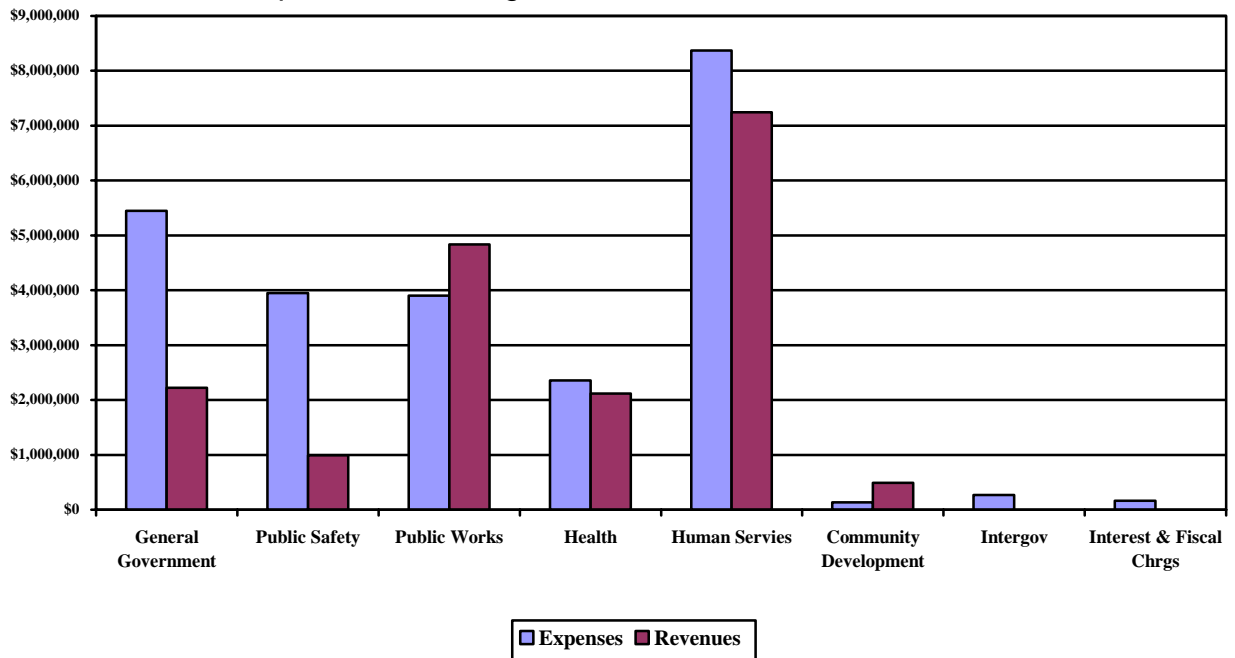
	Governmental Activities		Business-Type Activities		Totals	
	2004	2003	2004	2003	2004	2003
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$3,808,939	\$4,386,447	\$3,168,764	\$2,809,945	\$6,977,703	\$7,196,392
Operating Grants, Contributions, and Interest	13,860,468	11,503,363	45,000	36,000	13,905,468	11,539,363
Capital Grants, Contributions, and Interest	512,997	613,166	600,000	0	1,112,997	613,166
<b>Total Program Revenues</b>	<b>18,182,404</b>	<b>16,502,976</b>	<b>3,813,764</b>	<b>2,845,945</b>	<b>21,996,168</b>	<b>19,348,921</b>
General Revenues:						
Property Taxes	3,700,756	3,458,313	0	0	3,700,756	3,458,313
Permissive Sales Tax	4,150,454	4,002,410	0	0	4,150,454	4,002,410
Grants and Entitlements	1,292,091	1,292,547	0	0	1,292,091	1,292,547
Interest	206,911	160,541	2,689	2,537	209,600	163,078
Other	473,037	93,878	150,282	93,176	623,319	187,054
<b>Total General Revenues</b>	<b>9,823,249</b>	<b>9,007,689</b>	<b>152,971</b>	<b>95,713</b>	<b>9,976,220</b>	<b>9,103,402</b>
<b>Total Revenues</b>	<b>28,005,653</b>	<b>25,510,665</b>	<b>3,966,735</b>	<b>2,941,658</b>	<b>31,972,388</b>	<b>28,452,323</b>
<b>Program Expenses</b>						
General Government						
Legislative and Executive	3,638,126	3,650,259	0	0	3,638,126	3,650,259
Judicial	1,809,888	1,769,771	0	0	1,809,888	1,769,771
Public Safety	3,950,235	4,221,470	0	0	3,950,235	4,221,470
Public Works	3,901,296	4,712,095	0	0	3,901,296	4,712,095
Health	2,354,935	2,630,328	0	0	2,354,935	2,630,328
Human Services	8,371,298	8,043,728	0	0	8,371,298	8,043,728
Community and Economic						
Development	134,390	515,767	0	0	134,390	515,767
Intergovernmental	270,562	277,162	0	0	270,562	277,162
Interest and Fiscal Charges	161,379	146,030	0	0	161,379	146,030
Sewer	0	0	38,225	56,433	38,225	56,433
Landfill	0	0	2,198,865	2,626,601	2,198,865	2,626,601
<b>Total Expenses</b>	<b>24,592,109</b>	<b>25,966,610</b>	<b>2,237,090</b>	<b>2,683,034</b>	<b>26,829,199</b>	<b>28,649,644</b>
<b>Change in Net Assets</b>	<b>\$3,413,544</b>	<b>(\$455,945)</b>	<b>\$1,729,645</b>	<b>\$258,624</b>	<b>\$5,143,189</b>	<b>(\$197,321)</b>

**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

Governmental Activities

The County's governmental activity expenses exceeded program revenues in 2004 by \$6,409,705 and, with an infusion of \$9,823,249 of general revenues, resulted in a \$3,413,544 increase to net assets. Total net assets used in governmental activities have now reached \$21,453,082. General government expenses of \$5,448,014 represent 22.15% of total governmental activity. The decrease in expenses was due to 8% reductions for all appropriations in July, 2003 and frozen budgets implemented in 2004 for all appropriations, except for raises.

Table 3 Expenses and Program Revenues - Governmental Activities

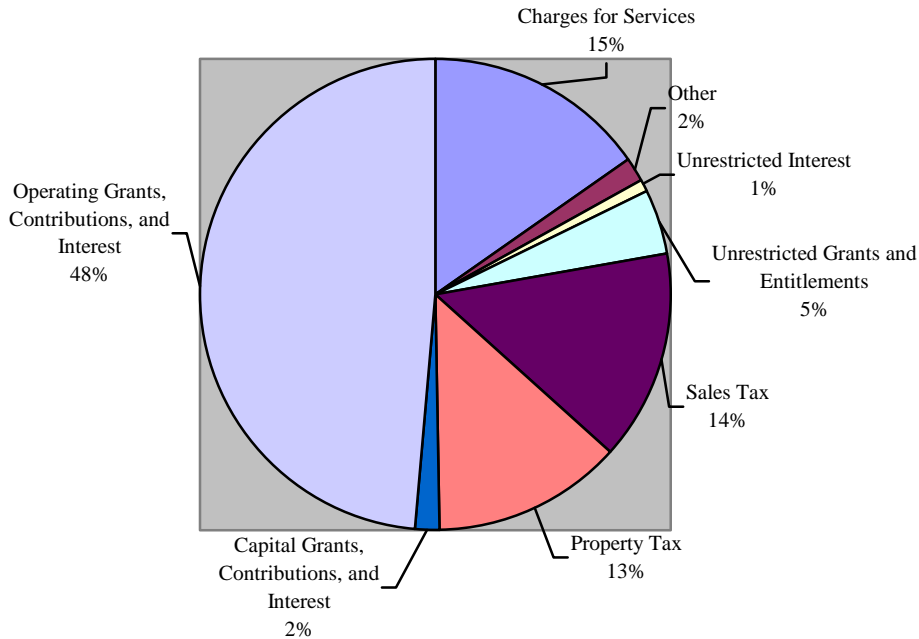


Program revenues constitute 64.9% of total revenues associated with governmental activities. Of the general revenues, 79.9% come from property taxes or sales taxes. Table 3 provides a comparison of governmental activity expenses with program revenues. Table 4, on the next page, provides a breakdown of the sources of governmental activity revenues.

**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

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Table 4  
Revenues by Source - Governmental Activities



**Business-type Activities**

The County's sewer and landfill system operations constitute the only business-type activities. Net assets of the business-type activities increased \$1,729,645 in 2004, a 43.9% increase over 2004. This increase was mainly due to a \$600,000 grant awarded to the Preble County Sewer District # 3 and Landfill rate increases.

**FUND ANALYSIS**

As mentioned above, various funds have been established to account for specific County activities or objectives. A summary of the most significant fiscal activity in the County's funds follows.

*Governmental funds:* The focus of the 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 financial requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

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At end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$8,027,659, a decrease of \$341,439 in comparison with the prior year. Approximately 83.1% of this total amount (\$6,673,590) constitutes unreserved fund balance. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to either liquidate purchase orders of the prior period (\$1,354,069) or a variety of other restricted purposes.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2,140,304, while the total fund balance declined to \$2,333,128, a decrease of \$470,215. The decrease was primarily due to the increase in expenditures from a pay raise for all employees. 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. Unreserved fund balance represents 23.0% to total General Fund expenditures, while total fund balance represents 25.1% of that same amount.

The Motor Vehicle and Gas Tax Fund revenues exceeded expenditures by \$394,752; however, the excess was not enough to cover the deficit fund balance of \$423,753 at the beginning of the year. The increase in fund balance was mainly due to an increase in intergovernmental revenue because of the 2003 County Flood Repairs Grant. This project takes place at various sites where significant flood damage occurred in June, 2003.

The Human Services Fund revenues and other financing sources exceeded expenditures by \$144,480 leaving a balance of \$18,985. The increase in charges for services was due to shared administrative charges from the Children Services and Children Services Enforcement Agency. A transfer in from the General Fund also contributed to the increase.

The Community Mental Health Fund revenues exceeded expenditures, increasing the year-end fund balance by \$175,965 to \$987,904. A key factor in this increase was due to contracts for the Jefferson House construction project which were completed in 2004.

The Mental Retardation Levy Fund revenues and other financing sources exceeded expenditures increasing the year-end fund balance by \$412,423 to \$1,483,348. A key factor in this increase was due to entitlements exceeding budget expectations.

*Proprietary Funds:* The proprietary funds' financial statements provide the same information as seen in the government-wide financial statements only in more detail. A summary of financial activity occurring in the landfill and sewer enterprise funds follows.

**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

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Operating results for the County-owned landfill were favorable in 2004, largely due to support by user charges. After many public meetings were held and options taken into account, in general, it was determined that most County residents were in favor of using the landfill only for Preble County waste. The charge for all parcels with either residences or businesses has been increased to insure financial stability. Each year the County will review and determine the charge to users. The County strives to control operation expenses for business-type activities in order to maintain stability in charges for services.

**GENERAL FUND BUDGET ANALYSIS**

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The County's budget is adopted at the object level (personal services, materials and supplies, charges and services, capital purchases, and other.) Before the budget is adopted the County Commissioners review detailed budget worksheets of each function within the General Fund and then adopts the budget on an object level basis.

The General Fund's original budgeted revenues were \$9,140,920. The final budgeted amount was \$9,147,020, a less than 1% increase.

During 2004, there were numerous revisions to the General Fund budgeted expenditures. In July, 2003 departments operating within the General Fund, were asked to reduce their appropriations by 8%. In 2004, "frozen" budgets were instituted to hold the line, and potentially reverse the downward movement of the General Fund balance with the exception of 2.4% cost of living pay increases granted to all employees. The net effect of the revisions was still an increase in budgeted expenditures of \$578,210 to cover the pay increases.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets

Preble County's total investment in capital assets for governmental and business-type activities (net of accumulated depreciation) amounts to \$12,602,561 and \$2,361,573, an increase of 17.9% and 122.8% from 2003.

**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

Table 5  
Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2004	2003	2004	2003	2004	2003
Land	\$1,933,674	\$1,933,674	\$277,213	\$277,213	\$2,210,887	\$2,210,887
Construction in Progress	612,772	911,008	963,241	63,360	1,576,013	974,368
Buildings, Structures, and Improvements	7,684,244	6,588,788	124,565	148,491	7,808,809	6,737,279
Furniture, Fixtures, and Equipment	1,701,035	935,866	996,554	570,721	2,697,589	1,506,587
Infrastructure	670,836	317,572	0	0	670,836	317,572
<b>Totals</b>	<b>\$12,602,561</b>	<b>\$10,686,908</b>	<b>\$2,361,573</b>	<b>\$1,059,785</b>	<b>\$14,964,134</b>	<b>\$11,746,693</b>

At year-end, the County had completed construction projects for the Health Department renovations, Municipal Court renovations, and the EMA building, which was a key factor in the significant increase.

The significant increase in construction in progress for business-type activities was due to the West Elkton sewer project.

During 2004, the County changed the useful life for the asset classes because the useful life of the assets was more than the original estimates; therefore, depreciation expense for the current year decreased significantly.

See Note 10 of the notes to the basic financial statements for more detailed capital assets information.

Debt

At December 31, 2004, Preble County had \$8,699,449 in debt outstanding.

**PREBLE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

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Table 6  
Outstanding Debt at Year-end

	Governmental Activities		Business-Type Activities	
	2004	2003	2004	2003
Short-Term Notes	\$1,357,000	\$1,455,000	\$0	\$0
Long-Term Notes	0	65,000	247,460	305,947
General Obligation Bonds	3,181,362	3,557,555	3,432,840	3,636,826
Loans Payable	0	0	421,609	369,394
Capital Lease	59,178	0	0	0
Totals	<u>\$4,597,540</u>	<u>\$5,077,555</u>	<u>\$4,101,909</u>	<u>\$4,312,167</u>

All general obligation note issues will be paid through the debt service funds with property tax revenues and transfers from various funds. The County's overall legal debt margin was \$16,993,948 as of December 31, 2004. The more restrictive unvoted legal debt margin was \$7,397,579 as of the same date. See Notes 16 and 17 of the notes to the basic financial statements for more detailed information.

**CONTACTING THE COUNTY AUDITOR'S OFFICE**

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 the Preble County Auditor, 100 East Main Street, Eaton, Ohio 45320.



PREBLE COUNTY, OHIO  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2004

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		L & M Products
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$8,784,082	\$1,477,872	\$10,261,954	\$0
Cash and Cash Equivalents in Segregated Accounts	110,404	0	110,404	129,196
Cash and Cash Equivalents with Fiscal Agents	12,170	0	12,170	0
Cash and Cash Equivalents with Trustee	0	725,534	725,534	0
Accrued Interest Receivable	31,078	0	31,078	0
Accounts Receivable	125,212	351,714	476,926	15,863
Permissive Sales Tax Receivable	633,654	0	633,654	0
Due from Other Governments	5,175,784	103,000	5,278,784	0
Internal Balances	272,820	(272,820)	0	0
Prepaid Items	11,378	0	11,378	2,501
Materials and Supplies Inventory	172,673	1,160	173,833	0
Property Taxes Receivable	3,455,702	0	3,455,702	0
Special Assessments Receivable	138,440	0	138,440	0
Restricted Cash - MRDD Endowment	0	0	0	2,669
Advance Deposits	0	0	0	186
Deferred Charges	0	86,839	86,839	0
Nondepreciable Capital Assets	2,546,446	1,240,454	3,786,900	0
Depreciable Capital Assets, Net	10,056,115	1,121,119	11,177,234	72,646
<i>Total Assets</i>	<u>31,525,958</u>	<u>4,834,872</u>	<u>36,360,830</u>	<u>223,061</u>
<b>Liabilities:</b>				
Accounts Payable	143,955	221,444	365,399	2,073
Accrued Salaries Payable	349,187	11,485	360,672	1,004
Payroll Taxes and Withholdings	0	0	0	125
Contracts Payable	504,433	412,511	916,944	0
Retainage Payable	2,055	14,594	16,649	0
Due to Other Governments	567,566	20,908	588,474	0
Accrued Interest Payable	21,943	2,204	24,147	0
Matured Compensated Absences Payable	6,207	0	6,207	0
MRDD Endowment	0	0	0	2,669
Deferred Revenue	3,126,748	0	3,126,748	0
Claims Payable	5,889	0	5,889	0
Notes Payable	1,357,000	68,000	1,425,000	0
Long-Term Liabilities:		0		
Due Within One Year	933,473	256,348	1,189,821	0
Due in More Than One Year	3,054,420	6,031,409	9,085,829	0
<i>Total Liabilities</i>	<u>10,072,876</u>	<u>7,038,903</u>	<u>17,111,779</u>	<u>5,871</u>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	8,086,383	1,874,232	9,960,615	72,646
Restricted for:				
Other Purposes	8,900,214	0	8,900,214	0
Debt Service	639,928	0	639,928	0
Capital Projects	727,140	0	727,140	0
Unrestricted (Deficit)	3,099,417	(4,078,263)	(978,846)	144,544
<i>Total Net Assets</i>	<u>\$21,453,082</u>	<u>(\$2,204,031)</u>	<u>\$19,249,051</u>	<u>\$217,190</u>

See accompanying notes to the basic financial statements

PREBLE COUNTY, OHIO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
<b>Governmental Activities:</b>				
General Government:				
Legislative and Executive	\$3,638,126	\$1,424,168	\$9,978	\$0
Judicial	1,809,888	784,695	1,607	0
Public Safety	3,950,235	623,972	369,734	162
Public Works	3,901,296	285,373	4,321,976	512,835
Health	2,354,935	217,374	1,900,814	0
Human Services	8,371,298	473,357	6,769,089	0
Community and Economic Development	134,390	0	487,270	0
Intergovernmental	270,562	0	0	0
Interest and Fiscal Charges	161,379	0	0	0
<b>Total Governmental Activities</b>	<b>24,592,109</b>	<b>3,808,939</b>	<b>13,860,468</b>	<b>512,997</b>
<b>Business-Type Activities:</b>				
Sewer	38,225	21,052	0	600,000
Landfill	2,198,865	3,147,712	45,000	0
<b>Total Business-Type Activities</b>	<b>2,237,090</b>	<b>3,168,764</b>	<b>45,000</b>	<b>600,000</b>
<b>Total Primary Government</b>	<b>\$26,829,199</b>	<b>\$6,977,703</b>	<b>\$13,905,468</b>	<b>\$1,112,997</b>
<b>Component Unit:</b>				
L & M Products	\$1,826,063	\$178,155	\$1,625,080	\$0

**General Revenues:**

Property Taxes Levied for:  
 General Purposes  
 Community Mental Health  
 Children Services  
 Mental Retardation  
 Retirement of Debt  
 Permissive Sales Tax Levied for General Purposes  
 Grants and Entitlements not Restricted to Specific Programs  
 Unrestricted Investment Earnings  
 Other

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Primary Government Business-Type Activities	Total	Component Unit L & M Products
(\$2,203,980)	\$0	(\$2,203,980)	\$0
(1,023,586)	0	(1,023,586)	0
(2,956,367)	0	(2,956,367)	0
1,218,888	0	1,218,888	0
(236,747)	0	(236,747)	0
(1,128,852)	0	(1,128,852)	0
352,880	0	352,880	0
(270,562)	0	(270,562)	0
(161,379)	0	(161,379)	0
(6,409,705)	0	(6,409,705)	0
0	582,827	582,827	0
0	993,847	993,847	0
0	1,576,674	1,576,674	0
(6,409,705)	1,576,674	(4,833,031)	0
0	0	0	(22,828)
1,717,534	0	1,717,534	0
279,087	0	279,087	0
388,207	0	388,207	0
1,082,040	0	1,082,040	0
233,888	0	233,888	0
4,150,454	0	4,150,454	0
1,292,091	0	1,292,091	0
206,911	2,689	209,600	0
473,037	150,282	623,319	0
9,823,249	152,971	9,976,220	0
3,413,544	1,729,645	5,143,189	(22,828)
18,039,538	(3,933,676)	14,105,862	240,018
\$21,453,082	(\$2,204,031)	\$19,249,051	\$217,190

PREBLE COUNTY, OHIO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	General	Motor Vehicle and Gas Tax	Human Services
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,454,893	\$549,958	\$181,465
Cash and Cash Equivalents in Segregated Accounts	12,748	0	0
Receivables:			
Permissive Sales Tax	633,654	0	0
Property Taxes	1,564,118	0	0
Accounts	82,640	178	3,135
Special Assessments	0	0	0
Accrued Interest	31,078	0	0
Interfund	492,384	37,664	8,251
Due From Other Governments	589,918	1,775,417	54,375
Materials and Supplies Inventory	700	158,493	9,204
Prepaid Items	2,029	0	6,457
<b>Total Assets</b>	<b><u>\$4,864,162</u></b>	<b><u>\$2,521,710</u></b>	<b><u>\$262,887</u></b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts Payable	\$69,768	\$12,918	\$6,021
Contracts Payable	26,829	28,705	65,030
Retainage Payable	0	0	0
Accrued Salaries Payable	159,579	45,234	50,342
Due to Other Governments	264,052	62,394	69,170
Interfund Payable	24,840	3,471	297
Matured Compensated Absences Payable	0	6,207	0
Deferred Revenue	1,985,966	1,281,020	53,042
Notes Payable	0	1,100,000	0
Accrued Interest Payable	0	10,762	0
<b>Total Liabilities</b>	<b><u>2,531,034</u></b>	<b><u>2,550,711</u></b>	<b><u>243,902</u></b>
<b>Fund Balances:</b>			
Reserved for Encumbrances	192,824	69,531	40,617
Unreserved			
Undesignated (Deficit), Reported in:			
General Fund	2,140,304	0	0
Special Revenue Funds	0	(98,532)	(21,632)
Debt Service Funds	0	0	0
Capital Projects Funds	0	0	0
<b>Total Fund Balances (Deficit)</b>	<b><u>2,333,128</u></b>	<b><u>(29,001)</u></b>	<b><u>18,985</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$4,864,162</u></b>	<b><u>\$2,521,710</u></b>	<b><u>\$262,887</u></b>

See accompanying notes to the basic financial statements

Community Mental Health	Mental Retardation Levy	Other Governmental Funds	Total Governmental Funds
\$781,939	\$1,547,303	\$3,708,311	\$8,223,869
0	0	97,656	110,404
0	0	0	633,654
270,965	1,048,783	571,836	3,455,702
199	2,668	30,975	119,795
0	0	138,440	138,440
0	0	0	31,078
0	0	3,471	541,770
1,060,874	776,823	918,377	5,175,784
0	0	4,276	172,673
116	0	2,776	11,378
<u>\$2,114,093</u>	<u>\$3,375,577</u>	<u>\$5,476,118</u>	<u>\$18,614,547</u>
\$6,872	\$0	\$47,108	\$142,687
100,726	0	283,143	504,433
0	0	2,055	2,055
13,053	48,342	32,637	349,187
61,195	67,296	43,459	567,566
0	0	240,342	268,950
0	0	0	6,207
944,343	1,545,510	1,566,310	7,376,191
0	229,500	27,500	1,357,000
0	1,581	269	12,612
<u>1,126,189</u>	<u>1,892,229</u>	<u>2,242,823</u>	<u>10,586,888</u>
382,537	192,566	475,994	1,354,069
0	0	0	2,140,304
605,367	1,290,782	1,596,845	3,372,830
0	0	614,271	614,271
0	0	546,185	546,185
<u>987,904</u>	<u>1,483,348</u>	<u>3,233,295</u>	<u>8,027,659</u>
<u>\$2,114,093</u>	<u>\$3,375,577</u>	<u>\$5,476,118</u>	<u>\$18,614,547</u>

PREBLE COUNTY, OHIO  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2004

**Total Governmental Fund Balances** \$8,027,659

**Amounts reported for governmental activities in the  
statement of net assets are different because:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	1,933,674
Construction in Progress	612,772
Buildings, Structures, and Improvements	10,600,036
Furniture, Fixtures, and Equipment	6,627,163
Infrastructure	701,674
Accumulated Depreciation	<u>(7,872,758)</u>

Total Capital Assets 12,602,561

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.

570,643

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property and Other Taxes	346,477
Charges for Services	6,563
Fines and Forfeitures	19,432
Intergovernmental	3,723,911
Special Assessments	138,440
Accrued Interest	<u>14,620</u>

Total 4,249,443

Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Accrued Interest on Bonds	(9,331)
General Obligation Bonds	(3,181,362)
Capital Lease	(59,178)
Compensated Absences	<u>(747,353)</u>

Total (3,997,224)

Net Assets of Governmental Activities \$21,453,082

See accompanying notes to the basic financial statements

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PREBLE COUNTY, OHIO  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	General	Motor Vehicle and Gas Tax	Human Services
<b>Revenues:</b>			
Property Taxes	\$1,597,754	\$0	\$0
Permissive Sales Tax	4,150,454	0	0
Charges for Services	1,881,377	79,845	216,850
Licenses and Permits	3,210	0	0
Fines and Forfeitures	51,897	30,451	0
Intergovernmental	1,104,296	4,337,250	2,538,445
Special Assessments	0	0	0
Interest	204,953	11,234	0
Other	304,527	1,507	0
<b>Total Revenues</b>	<b>9,298,468</b>	<b>4,460,287</b>	<b>2,755,295</b>
<b>Expenditures:</b>			
Current:			
General Government:			
Legislative and Executive	3,106,127	0	0
Judicial	1,590,654	0	0
Public Safety	3,985,385	0	0
Public Works	0	3,991,502	0
Health	72,211	0	0
Human Services	266,649	0	2,720,002
Community and Economic Development	0	0	0
Capital Outlay	0	0	0
Intergovernmental	270,562	0	0
Debt Service:			
Principal Retirement	0	50,000	0
Interest and Fiscal Charges	0	24,033	0
<b>Total Expenditures</b>	<b>9,291,588</b>	<b>4,065,535</b>	<b>2,720,002</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>6,880</b>	<b>394,752</b>	<b>35,293</b>
<b>Other Financing Sources (Uses):</b>			
Inception of Capital Lease	0	0	0
Transfers - In	0	0	109,187
Transfers - Out	(477,095)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(477,095)</b>	<b>0</b>	<b>109,187</b>
<b>Net Change in Fund Balances</b>	<b>(470,215)</b>	<b>394,752</b>	<b>144,480</b>
Fund Balances (Deficit) at Beginning of Year - Restated (See Note 3)	2,803,343	(423,753)	(125,495)
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$2,333,128</b>	<b>(\$29,001)</b>	<b>\$18,985</b>

See accompanying notes to the basic financial statements



Community Mental Health	Mental Retardation Levy	Other Governmental Funds	Total Governmental Funds
\$272,836	\$1,056,685	\$687,929	\$3,615,204
0	0	0	4,150,454
138,304	23,222	1,103,384	3,442,982
0	0	87,126	90,336
0	0	62,910	145,258
2,230,004	2,275,023	2,297,860	14,782,878
0	0	119,441	119,441
0	0	3,367	219,554
304	11,205	155,494	473,037
<u>2,641,448</u>	<u>3,366,135</u>	<u>4,517,511</u>	<u>27,039,144</u>
0	0	451,492	3,557,619
0	0	270,664	1,861,318
0	0	361,866	4,347,251
0	0	222,715	4,214,217
2,205,381	0	129,895	2,407,487
260,102	3,009,069	2,383,499	8,639,321
0	0	134,390	134,390
0	0	1,398,311	1,398,311
0	0	0	270,562
0	14,322	430,000	494,322
0	3,821	96,240	124,094
<u>2,465,483</u>	<u>3,027,212</u>	<u>5,879,072</u>	<u>27,448,892</u>
<u>175,965</u>	<u>338,923</u>	<u>(1,361,561)</u>	<u>(409,748)</u>
0	73,500	0	73,500
0	0	362,717	471,904
0	0	0	(477,095)
<u>0</u>	<u>73,500</u>	<u>362,717</u>	<u>68,309</u>
175,965	412,423	(998,844)	(341,439)
<u>811,939</u>	<u>1,070,925</u>	<u>4,232,139</u>	<u>8,369,098</u>
<u>\$987,904</u>	<u>\$1,483,348</u>	<u>\$3,233,295</u>	<u>\$8,027,659</u>

PREBLE COUNTY, OHIO  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2004

**Net Change in Fund Balances - Total Governmental Funds** (\$341,439)

**Amounts reported for governmental activities in the statement of activities are different because:**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlay	2,179,038	
Depreciation	<u>(263,385)</u>	

Excess of Capital Outlay over Depreciation Expense	1,915,653
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Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability. (73,500)

Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

Note Principal Payments	65,000	
General Obligation Bond Principal Payments	415,000	
Capital Lease Principal Payments	<u>14,322</u>	

494,322

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds, when it is due and thus requires the use of current financial resources. In the statement of activities the additional amount of interest on the statement of activities is the result of the following:

Accretion of Capital Appreciation Bonds	(38,807)	
Decrease in Accrued Interest Payable	<u>1,522</u>	

(37,285)

The internal service fund used by management to charge the cost of insurance to individual funds is reported in the entity wide statement of activities. 493,911

Some revenues that will not be collected for several months after the County's year-end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amounts this year:

Property Taxes	85,552	
Charges for Services	55	
Fines and Forfeitures	1,252	
Intergovernmental Grants	861,840	
Special Assessments	15,852	
Interest	<u>1,958</u>	

966,509

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

These activities consist of:

Increase in Compensated Absences	<u>(4,627)</u>
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Change in Net Assets of Governmental Activities \$3,413,544

See accompanying notes to the basic financial statements

PREBLE COUNTY, OHIO  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$1,553,200	\$1,553,200	\$1,587,805	\$34,605
Permissive Sales Tax	3,900,000	3,900,000	4,170,905	270,905
Charges for Services	1,599,570	1,875,170	1,856,100	(19,070)
Licenses and Permits	4,500	4,500	3,185	(1,315)
Fines and Forfeitures	76,000	76,000	63,409	(12,591)
Intergovernmental	1,067,150	1,083,650	1,120,442	36,792
Interest	325,000	325,000	240,582	(84,418)
Other	615,500	329,500	249,176	(80,324)
<b>Total Revenues</b>	<b>9,140,920</b>	<b>9,147,020</b>	<b>9,291,604</b>	<b>144,584</b>
<b>Expenditures:</b>				
Current:				
General Government				
Legislative and Executive	3,042,930	3,351,438	3,209,807	141,631
Judicial	1,552,524	1,733,207	1,680,518	52,689
Public Safety	3,920,854	4,103,206	4,075,884	27,322
Public Works	24,840	24,840	24,840	0
Health	71,413	72,513	72,239	274
Human Services	384,416	289,983	283,179	6,804
Intergovernmental	272,696	272,696	272,562	134
<b>Total Expenditures</b>	<b>9,269,673</b>	<b>9,847,883</b>	<b>9,619,029</b>	<b>228,854</b>
Excess of Revenues Under Expenditures	(128,753)	(700,863)	(327,425)	373,438
<b>Other Financing Sources (Uses):</b>				
Advances - In	0	0	28,502	28,502
Advances - Out	0	0	(76,000)	(76,000)
Transfers - Out	(172,963)	(477,095)	(477,095)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(172,963)</b>	<b>(477,095)</b>	<b>(524,593)</b>	<b>(47,498)</b>
Net Change in Fund Balance	(301,716)	(1,177,958)	(852,018)	325,940
Fund Balance at Beginning of Year	1,439,932	1,439,932	1,439,932	0
Prior Year Encumbrances Appropriated	403,669	403,669	403,669	0
<b>Fund Balance at End of Year</b>	<b>\$1,541,885</b>	<b>\$665,643</b>	<b>\$991,583</b>	<b>\$325,940</b>

See accompanying notes to the basic financial statements

PREBLE COUNTY, OHIO  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)  
MOTOR VEHICLE AND GAS TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$65,000	\$65,000	\$43,778	(\$21,222)
Fines and Forfeitures	40,000	40,000	30,451	(9,549)
Intergovernmental	3,917,342	4,150,942	4,228,693	77,751
Interest	42,000	42,000	11,051	(30,949)
Other	15,000	15,000	1,507	(13,493)
<b>Total Revenues</b>	<b>4,079,342</b>	<b>4,312,942</b>	<b>4,315,480</b>	<b>2,538</b>
<b>Expenditures:</b>				
Current:				
Public Works	4,207,769	4,227,601	4,315,181	(87,580)
Debt Service:				
Principal Retirement	0	1,250,000	1,250,000	0
Interest and Fiscal Charges	0	18,240	18,240	0
<b>Total Expenditures</b>	<b>4,207,769</b>	<b>5,495,841</b>	<b>5,583,421</b>	<b>(87,580)</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(128,427)</b>	<b>(1,182,899)</b>	<b>(1,267,941)</b>	<b>(85,042)</b>
<b>Other Financing Sources (Uses):</b>				
Notes Issued	1,000,000	1,000,000	1,100,000	100,000
Transfers - Out	(1,309,240)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(309,240)</b>	<b>1,000,000</b>	<b>1,100,000</b>	<b>100,000</b>
<b>Net Change in Fund Balance</b>	<b>(437,667)</b>	<b>(182,899)</b>	<b>(167,941)</b>	<b>14,958</b>
Fund Balance at Beginning of Year	323,569	323,569	323,569	0
Prior Year Encumbrances Appropriated	254,768	254,768	254,768	0
<b>Fund Balance at End of Year</b>	<b>\$140,670</b>	<b>\$395,438</b>	<b>\$410,396</b>	<b>\$14,958</b>

See accompanying notes to the basic financial statements

PREBLE COUNTY, OHIO  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)  
HUMAN SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$343,000	\$354,800	\$278,300	(\$76,500)
Intergovernmental	2,998,744	3,234,609	2,490,870	(743,739)
Total Revenues	3,341,744	3,589,409	2,769,170	(820,239)
<b>Expenditures:</b>				
Current:				
Human Services	4,056,444	4,162,444	2,894,116	1,268,328
Excess of Revenues Under Expenditures	(714,700)	(573,035)	(124,946)	448,089
<b>Other Financing Sources (Uses):</b>				
Transfers - In	654,986	654,986	109,187	(545,799)
Transfers - Out	0	(53,000)	0	53,000
Total Other Financing Sources (Uses)	654,986	601,986	109,187	(492,799)
Net Change in Fund Balance	(59,714)	28,951	(15,759)	(44,710)
Fund Balance (Deficit) at Beginning of Year	(12,952)	(12,952)	(12,952)	0
Prior Year Encumbrances Appropriated	116,674	116,674	116,674	0
Fund Balance at End of Year	\$44,008	\$132,673	\$87,963	(\$44,710)

See accompanying notes to the basic financial statements

PREBLE COUNTY, OHIO  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)  
COMMUNITY MENTAL HEALTH FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$268,560	\$268,560	\$270,195	\$1,635
Charges for Services	0	8,900	139,234	130,334
Intergovernmental	296,055	2,285,113	2,003,458	(281,655)
Other	0	0	204	204
	<u>564,615</u>	<u>2,562,573</u>	<u>2,413,091</u>	<u>(149,482)</u>
Total Revenues				
<b>Expenditures:</b>				
Current:				
Health	594,191	3,006,140	2,837,368	168,772
Human Services	265,668	282,909	271,514	11,395
	<u>859,859</u>	<u>3,289,049</u>	<u>3,108,882</u>	<u>180,167</u>
Total Expenditures				
Net Change in Fund Balance	(295,244)	(726,476)	(695,791)	30,685
Fund Balance at Beginning of Year	284,540	284,540	284,540	0
Prior Year Encumbrances Appropriated	666,036	666,036	666,036	0
Fund Balance at End of Year	<u>\$655,332</u>	<u>\$224,100</u>	<u>\$254,785</u>	<u>\$30,685</u>

See accompanying notes to the basic financial statements

PREBLE COUNTY, OHIO  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)  
MENTAL RETARDATION LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$998,975	\$998,975	\$1,049,660	\$50,685
Charges for Services	21,000	20,800	21,453	653
Intergovernmental	2,059,429	2,059,429	2,215,171	155,742
Other	14,500	14,700	13,902	(798)
Total Revenues	<u>3,093,904</u>	<u>3,093,904</u>	<u>3,300,186</u>	<u>206,282</u>
<b>Expenditures:</b>				
Current:				
Human Services	3,229,689	3,371,658	3,217,603	154,055
Debt Service:				
Principal Retirement	230,000	255,000	255,000	0
Interest and Fiscal Charges	0	2,907	2,907	0
Total Expenditures	<u>3,459,689</u>	<u>3,629,565</u>	<u>3,475,510</u>	<u>154,055</u>
Excess of Revenues Under Expenditures	(365,785)	(535,661)	(175,324)	360,337
<b>Other Financing Sources:</b>				
Notes Issued	195,000	229,500	229,500	0
Net Change in Fund Balance	(170,785)	(306,161)	54,176	360,337
Fund Balance at Beginning of Year	1,094,079	1,094,079	1,094,079	0
Prior Year Encumbrances Appropriated	166,670	166,670	166,670	0
Fund Balance at End of Year	<u>\$1,089,964</u>	<u>\$954,588</u>	<u>\$1,314,925</u>	<u>\$360,337</u>

See accompanying notes to the basic financial statements

PREBLE COUNTY  
STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS  
December 31, 2004

	Enterprise Funds			Internal Service Fund
	Sewer	Landfill	Total	
<b>Assets:</b>				
Current Assets				
Equity in Pooled Cash and Cash Equivalents	\$160,812	\$1,317,060	\$1,477,872	\$560,213
Cash and Cash Equivalents with Fiscal Agent	0	0	0	12,170
Accounts Receivable	6,442	345,272	351,714	5,417
Due from Other Governments	103,000	0	103,000	0
Interfund Receivable	14,564	0	14,564	0
Materials and Supplies Inventory	0	1,160	1,160	0
<b>Total Current Assets</b>	<b>284,818</b>	<b>1,663,492</b>	<b>1,948,310</b>	<b>577,800</b>
Non-current Assets				
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents with Trustee	0	725,534	725,534	0
Deferred Charges	0	86,839	86,839	0
Nondepreciable Capital Assets	963,241	277,213	1,240,454	0
Depreciable Capital Assets, Net	5,322	1,115,797	1,121,119	0
<b>Total Non-current Assets</b>	<b>968,563</b>	<b>2,205,383</b>	<b>3,173,946</b>	<b>0</b>
<b>Total Assets</b>	<b>1,253,381</b>	<b>3,868,875</b>	<b>5,122,256</b>	<b>577,800</b>
<b>Liabilities:</b>				
Current Liabilities				
Accounts Payable	0	221,444	221,444	1,268
Contracts Payable	363,599	48,912	412,511	0
Retainage Payable	14,594	0	14,594	0
Accrued Salaries Payable	75	11,410	11,485	0
Compensated Absences Payable	0	29,990	29,990	0
Due to Other Governments	101	20,807	20,908	0
Interfund Payable	0	287,384	287,384	0
Accrued Interest Payable	0	2,204	2,204	0
Claims Payable	0	0	0	5,889
OPWC Loans Payable	11,358	0	11,358	0
Notes Payable	0	68,000	68,000	0
General Obligation Bonds Payable	0	215,000	215,000	0
<b>Total Current Liabilities</b>	<b>389,727</b>	<b>905,151</b>	<b>1,294,878</b>	<b>7,157</b>
Long-Term Liabilities:				
OPWC Loans Payable	170,370	0	170,370	0
OWDA Loans Payable	239,881	0	239,881	0
Notes Payable	0	179,460	179,460	0
General Obligation Bonds Payable	0	3,217,840	3,217,840	0
Compensated Absences Payable	0	13,067	13,067	0
Landfill Closure and Postclosure Costs	0	1,485,257	1,485,257	0
Long-Term Liabilities Payable from Restricted Assets:	0	725,534	725,534	0
<b>Total Long-Term Liabilities</b>	<b>410,251</b>	<b>5,621,158</b>	<b>6,031,409</b>	<b>0</b>
<b>Total Liabilities</b>	<b>799,978</b>	<b>6,526,309</b>	<b>7,326,287</b>	<b>7,157</b>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	728,682	1,145,550	1,874,232	0
Unrestricted (Deficit)	(275,279)	(3,802,984)	(4,078,263)	570,643
<b>Total Net Assets (Deficit)</b>	<b>\$453,403</b>	<b>(\$2,657,434)</b>	<b>(\$2,204,031)</b>	<b>\$570,643</b>

See accompanying notes to the basic financial statements



PREBLE COUNTY, OHIO  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Enterprise Funds			Internal Service Fund
	Sewer	Landfill	Total	
<b>Operating Revenues:</b>				
Charges for Services	\$21,052	\$3,147,712	\$3,168,764	\$1,891,900
Other	0	15,282	15,282	0
<b>Total Operating Revenues</b>	<b>21,052</b>	<b>3,162,994</b>	<b>3,184,046</b>	<b>1,891,900</b>
<b>Operating Expenses:</b>				
Personal Services	2,240	435,656	437,896	0
Materials and Supplies	1,673	85,981	87,654	0
Charges and Services	21,059	1,225,755	1,246,814	193,795
Claims	0	0	0	1,209,385
Depreciation	78	71,918	71,996	0
Closure and Postclosure Care Costs	0	191,475	191,475	0
Miscellaneous	1,118	1,736	2,854	0
<b>Total Operating Expenses</b>	<b>26,168</b>	<b>2,012,521</b>	<b>2,038,689</b>	<b>1,403,180</b>
<b>Operating Income (Loss)</b>	<b>(5,116)</b>	<b>1,150,473</b>	<b>1,145,357</b>	<b>488,720</b>
<b>Non-Operating Revenues (Expenses):</b>				
Grants	0	45,000	45,000	0
Interest Revenue	0	2,689	2,689	0
Interest and Fiscal Charges	(12,057)	(186,344)	(198,401)	0
Other Non-Operating Revenue	135,000	0	135,000	0
<b>Total Non-Operating Revenues (Expenses)</b>	<b>122,943</b>	<b>(138,655)</b>	<b>(15,712)</b>	<b>0</b>
<b>Net Gain Before Contributions and Transfers</b>	<b>117,827</b>	<b>1,011,818</b>	<b>1,129,645</b>	<b>488,720</b>
Capital Contributions	600,000	0	600,000	0
Transfers - In	0	0	0	5,191
<b>Change in Net Assets</b>	<b>717,827</b>	<b>1,011,818</b>	<b>1,729,645</b>	<b>493,911</b>
<b>Net Assets (Deficit) Beginning of Year</b>	<b>(264,424)</b>	<b>(3,669,252)</b>	<b>(3,933,676)</b>	<b>76,732</b>
<b>Net Assets (Deficit) End of Year</b>	<b>\$453,403</b>	<b>(\$2,657,434)</b>	<b>(\$2,204,031)</b>	<b>\$570,643</b>

See accompanying notes to the basic financial statements

PREBLE COUNTY, OHIO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Enterprise Funds			Internal Service Fund
	Sewer	Landfill	Total	
<b>Increase in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities:</b>				
Cash Received From Customers	\$18,770	\$3,103,437	\$3,122,207	\$0
Cash Received From Other Operating Revenues	0	15,282	15,282	0
Cash Received From Other Non-Operating Revenues	135,000	0	135,000	0
Cash Received From Interfund Services Provided	0	0	0	1,916,508
Cash Payments for Employee Services and Benefits	(3,529)	(429,102)	(432,631)	0
Cash Payments to Suppliers	(53,859)	(1,230,521)	(1,284,380)	(193,082)
Cash Payments for Other Operating Expenses	(1,958)	0	(1,958)	0
Cash Payments for Claims	0	0	0	(1,458,080)
Net Cash Provided by Operating Activities	<u>94,424</u>	<u>1,459,096</u>	<u>1,553,520</u>	<u>265,346</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Grants	0	45,000	45,000	0
Advances - In	13,374	0	13,374	0
Advances - Out	(53,095)	0	(53,095)	0
Transfers - In	0	0	0	5,191
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(39,721)</u>	<u>45,000</u>	<u>5,279</u>	<u>5,191</u>
<b>Cash Flows Used for Capital and Related Financing Activities:</b>				
Grants	497,000	0	497,000	0
Acquisition of Capital Assets	(527,176)	(473,903)	(1,001,079)	0
Loan Proceeds	256,368	0	256,368	0
Loans Payable Principal Payments	(204,153)	0	(204,153)	0
Loans Payable Interest Payments	(12,057)	0	(12,057)	0
General Obligation Bond Principal Payments	0	(205,000)	(205,000)	0
General Obligation Bond Interest Payments	0	(189,952)	(189,952)	0
Notes Principal Payments	0	(305,947)	(305,947)	0
Notes Interest Payments	0	(4,559)	(4,559)	0
Proceeds of Notes	0	247,460	247,460	0
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>9,982</u>	<u>(931,901)</u>	<u>(921,919)</u>	<u>0</u>
<b>Cash Flows from Investing Activities:</b>				
Interest	<u>0</u>	<u>2,689</u>	<u>2,689</u>	<u>0</u>
Net Increase in Cash and Cash Equivalents	64,685	574,884	639,569	270,537
Cash and Cash Equivalents Beginning of Year	<u>96,127</u>	<u>1,467,710</u>	<u>1,563,837</u>	<u>301,846</u>
Cash and Cash Equivalents End of Year	<u>\$160,812</u>	<u>\$2,042,594</u>	<u>\$2,203,406</u>	<u>\$572,383</u>

(Continued)

PREBLE COUNTY, OHIO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)

	Enterprise Funds			Internal Service Fund
	Sewer	Landfill	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>				
Operating Income (Loss)	(\$5,116)	\$1,150,473	\$1,145,357	\$488,720
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>				
Depreciation	78	71,918	71,996	0
Landfill Closure and Postclosure Costs	0	191,475	191,475	0
Other Non-Operating Revenues	135,000	0	0	0
<b>Changes in Assets and Liabilities:</b>				
Decrease (Increase) in Accounts Receivable	(2,282)	(44,275)	(46,557)	24,608
Increase in Materials and Supplies Inventory	0	(1,160)	(1,160)	0
Increase (Decrease) in Accounts Payable	(840)	207,654	206,814	713
Decrease in Contracts Payable	(31,127)	(123,794)	(154,921)	0
Decrease in Accrued Salaries Payable	(58)	(7,076)	(7,134)	0
Increase (Decrease) in Due to Other Governments	(1,231)	3,725	2,494	0
Increase in Compensated Absences Payable	0	10,156	10,156	0
Decrease in Claims Payable	0	0	0	(248,695)
<b>Net Cash Provided by Operating Activities</b>	<b>\$94,424</b>	<b>\$1,459,096</b>	<b>\$1,418,520</b>	<b>\$265,346</b>

Noncash Capital Financing Activities

During 2004, the Sewer Fund received a one-time grant of \$600,000 for the construction of capital assets. At year-end, \$103,000 of that amount had not been received in cash.

The Sewer Fund also entered into contractual commitments to construct capital assets in the amount of \$197,709. All construction related to this contract has been completed at year-end; however no payments were made.

See Accompanying Notes to the Basic Financial Statements

PREBLE COUNTY, OHIO  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2004

	Private Purpose Trust	
	Scholarship and Trust	Agency
<b>Assets:</b>		
Equity in Pooled Cash and Cash Equivalents	\$39,372	\$2,428,779
Cash and Cash Equivalents in Segregated Accounts	0	766,182
Receivables:		
Property Taxes	0	35,338,349
Accounts	0	87,169
Special Assessments	0	973,119
Due from Other Governments	0	2,315,446
Total Assets	<u>39,372</u>	<u>\$41,909,044</u>
<b>Liabilities:</b>		
Accounts Payable	0	\$261
Accrued Salaries Payable	0	40,303
Due to Other Governments	0	38,361,214
Undistributed Monies	0	1,886,652
Deposits Held and Due to Others	0	1,620,614
Total Liabilities	<u>0</u>	<u>\$41,909,044</u>
<b>Net Assets:</b>		
Held in Trust for Scholarships	<u>\$39,372</u>	

See accompanying notes to the basic financial statements

PREBLE COUNTY, OHIO  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 PRIVATE PURPOSE TRUST FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Scholarship and Trust
<b>Additions:</b>	
Interest	\$107
<b>Deletions:</b>	
	0
Change in Net Assets	107
Net Assets Beginning of Year	39,265
Net Assets End of Year	\$39,372

See accompanying notes to the basic financial statements

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 1 - REPORTING ENTITY**

Preble County, Ohio (the "County"), was formed by an Act of the Ohio General Assembly in 1808. The County is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff, a Common Pleas Court-Domestic Relations Court Judge and a Juvenile Court-Probate Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budgeting and taxing authority, contracting body and the chief administrators of public services for the County, including each of these departments.

**Reporting Entity**

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this includes the Preble County Board of Mental Retardation and Developmental Disabilities, Preble County Community Development, Children Services Board, and the departments and activities that are directly operated by the elected County officials. The County also operates and maintains a wastewater treatment system and landfill.

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

**Discretely Presented Component Unit**

The component unit column in the entity-wide financial statements identifies the financial data of the County's discretely presented component unit, L & M Products. It is reported separately to emphasize that it is legally separate from the County.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 1 - REPORTING ENTITY (Continued)**

L & M Products - L & M Products (the "Workshop") is a legally separate, nongovernmental, not-for-profit corporation, served by a board whose members are elected at large from nominations submitted by a nominating committee appointed by the President. The Workshop, under contractual agreement with the Preble County Board of Mental Retardation and Developmental Disabilities (MRDD), provides sheltered employment for mentally retarded or handicapped individuals in the County. The Preble County Board of MRDD provides the Workshop with personnel necessary for the operation of the habilitation services provided to the clients, land and buildings for the operation of the center, maintenance and repair of the buildings and professional staff to supervise and train clients of L & M Products. Based on the significant services and resources provided by the County to the Workshop and the Workshop's sole purpose of providing assistance to the retarded and handicapped adults of the County, the Workshop is reflected as a component unit of the County. This is because the nature and significance of the relationship is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. L & M Products operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from L & M Products at 201 East Lexington Road, Eaton, Ohio 45320 (See Note 28).

As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the county treasury. In the case of the separate agencies, boards and commissions listed below, the County serves as fiscal agent but is not financially accountable for the activity. Accordingly, the following districts and agencies are presented as agency funds within the County's financial statements:

- Preble County General Health District
- Preble County Soil and Water Conservation District
- Preble County Disaster Services
- Preble County Emergency Planning Committee - Right to Know
- Preble County Council on Aging

The County participates in two organizations which are defined as related organizations, one organization which is defined as a joint venture, one organization that is defined as a risk sharing pool, and one organization which is defined as a group purchasing pool. These organizations are presented in Notes 19, 20, 21, and 22 of the basic financial statements. These organizations are:

Related Organizations:

- Preble County Library Board
- Preble Metropolitan Housing Authority

Joint Venture:

- Preble County Emergency Management Agency (EMA)

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 1 - REPORTING ENTITY (Continued)**

Risk Sharing Pool:  
County Risk Sharing Authority, Inc.

Group Purchasing Pool:  
County Commissioner's Association of Ohio Service Corporation

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statements issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The County has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business-type activities and to its enterprise funds. The more significant of the County's accounting policies are described below. Information regarding the Workshop is presented in Note 28.

**Basis of Presentation**

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which 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 except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.



**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The statement of net assets presents the financial condition of the governmental and business-type activities of the County 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 therefore clearly identifiable to a particular function. 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 which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business segment is self-financing or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds utilized by the County: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions 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 purpose 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:

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

General Fund - This fund accounts for all financial resources 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.

Motor Vehicle and Gas Tax Fund - This fund is used to account for revenue derived from motor vehicle licenses, gasoline taxes and interest. Expenditures in this fund are restricted by State law to County road and bridge repair and improvement programs.

Human Services Fund - This fund is used to account for various federal and State grants as well as mandated transfers from the General Fund used to provide public assistance to general relief recipients and to pay providers of medical assistance and certain public social services.

Community Mental Health Fund - This fund is used to account for money received from a County-wide property tax levy and federal and State grants that are expended primarily to pay the cost of contracts with local mental health agencies that provide services to the public.

Mental Retardation Levy - This fund is used to account for money received from a County-wide property tax levy and State grants and reimbursements used to provide services and care for the mentally handicapped and retarded.

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose.

**Proprietary Funds**

Proprietary funds focus on the determination of operating income, changes in net assets, financial position, and cash flows. The County has two enterprise funds and one internal service fund.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the County's major enterprise funds:

Sewer Fund - This fund is used to account for revenue received from user charges for sewer services provided to residents of the County.

Landfill Fund - This fund is used to account for fees collected by the waste disposal department for the dumping of waste. The costs of providing the services are financed primarily through these fees and user charges.

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Internal Service Fund – The Internal service fund is used to account for the financing of goods and services provided by one department to other departments within the County.

Employees Health Insurance - This fund is used to account for a County employees' self-insurance program for medical, dental, and vision coverage.

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 three types of trust funds should be used to report resources held and administered by the County when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's only trust fund is a private purpose trust which accounts for various college scholarship programs. The County has eighteen agency funds which are primarily established to account for the collection and distribution to other governments of various taxes, receipts and fees and to account for funds of various agencies for which the County is fiscal agent.

**Measurement Focus**

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total 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.

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, the proprietary funds are accounted for using 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 fund net assets. The statement of changes in fund net assets presents increases (e.g., revenues) and decreases (e.g., 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.

The private purpose trust fund is reported using the economic resources measurement focus.

**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; the proprietary funds and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in 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 the modified accrual basis, revenue is recorded in the 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 year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty days of year-end.

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales tax, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). On an accrual basis, revenue from permissive sales tax is recognized in the period when the exchange transaction on which the tax is imposed occurs (See Note 8). Revenue from grants, entitlements and donations is recognized in the 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 must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the 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: permissive sales tax, charges for services, interest, federal and State subsidies, grants, and State-levied locally shared taxes.

**Deferred Revenue**

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of December 31, 2004, but were levied to finance 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**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. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

To improve cash management, cash received by the County, except for cash held in segregated accounts or with a fiscal agent, is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Cash and cash equivalents that are held separately within departments of the County and not held by the County Treasurer are recorded on the financial statements as "Cash and Cash Equivalents in Segregated Accounts."

Cash and cash equivalents that are held by a third party administrator for employee's medical, dental, and vision claims are recorded as "Cash and Cash Equivalents with Fiscal Agents" on the financial statements.

During 2004, investments were limited to Federal National Mortgage Association (FNMA) Notes, Federal Home Loan Mortgage Company (FHLMC) Notes, Federal Home Loan Bank (FHLB) Notes, and STAROhio.

Investments are reported at fair value which is based on quoted market prices.

The County has invested funds in the State Treasury Assets Reserve of Ohio (STAROhio) during 2004. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2004.

Investments with an original maturity of three months or less at the time they are purchased by the County are reported as cash equivalents on the financial statements.

Following Ohio statutes, the County has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2004 amounted to \$204,953, which includes \$184,492 assigned from other County funds.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Interfund Receivables/Payables**

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund receivable and Interfund payable." Interfund balances are eliminated on the government-wide statement of net assets except for any net residual amounts due between governmental and business-type activities, which are presented as "Internal Balances."

**Materials and Supplies Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

Inventory consists of expendable supplies held for consumption.

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2004, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**Restricted Assets**

Restricted assets in the enterprise funds represent cash and cash equivalents which have been set aside to satisfy the Ohio Environmental Protection Agency's guidelines related to landfill closure and postclosure costs.

**Capital Assets**

General capital assets are capital assets that are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net assets and in the respective funds.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

All capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement costs back to the year of acquisition) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values on the date received. The County maintains a capitalization threshold of five thousand dollars. 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 expensed.

All capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacements. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings, Structures, and Improvements	20-100 years
Furniture, Fixtures, and Equipment	5-40 years
Infrastructure	10-50 years

The County's infrastructure system consists of guardrails, ditches, and bridges. The County only reports the amounts acquired after 2002. The County plans to phase in the prior years' amounts in future years.

**Compensated Absences**

Vacation and compensatory time 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 County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation and compensatory time when earned for all employees with more than one year of service.

Sick leave benefits are accrued using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end, taking into consideration any limits specified in the County's termination policy. The County records a liability for accumulated unused sick leave for all employees after 15 years of current service with the County.

The entire compensated absences liability is reported on the government-wide financial statements.



**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employees will be paid. In the enterprise funds, the entire amount of compensated absences is reported as a fund liability.

**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 the proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions, and compensated absences that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term notes, bonds, and capital leases are recognized as liabilities on the governmental fund financial statements when due.

**Bond Discounts/Issuance Costs/Compounded Interest on Capital Appreciation Bonds**

Bond discounts and issuance costs are deferred and amortized over the term of the bonds using the straight line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted over the term of the bonds. Bond discounts and the compounded interest on capital appreciation bonds are presented as a reduction/addition of the face amount of the bonds payable whereas issuance costs are recorded as deferred charges.

**Capital Contributions**

Contributions of capital arise from outside contributions of capital assets, grants, or outside contributions of resources restricted to capital acquisition and from construction or transfers of capital assets between governmental and business-type activities.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings 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 through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include funds for resident homes for the mentally retarded and developmentally disabled; the medical, financial, and social support of general relief recipients; the support and placement of children and County road and bridge repair/improvement programs.

The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for sewer services, waste disposal, and employees' medical, dental, and vision claims. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of these funds. Revenues and expenses that do not meet these definitions are reported as nonoperating.

**Interfund Transactions**

Transfers between governmental and business-type activities on the government-wide financial 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 interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance Reserves**

The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances are recorded as a reservation of fund balance.

**Estimates**

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

**Budgetary Process**

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of budgetary control is at the object level (personal services, materials and supplies, charges and services, capital purchases, and other).

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources in effect at the time final appropriations were passed by the County Commissioners.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Commissioners during the year.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

For 2004, the County has implemented *GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units,"* and *GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Post-Employment Benefit Expenditures/Expenses and Liabilities by Cost Sharing Employers."*

*GASB Statement No. 39* further defines the guidelines of *GASB Statement No. 14, "The Financial Reporting Entity"*. The implementation of this new statement had no effect on the County's financial statements for 2004.

*GASB Technical Bulletin No. 2004-2* addresses the amount that should be recognized as an expenditure/expense and as a liability for each period by employers participating in a cost-sharing multiple-employer pension and other post-employment benefit (OPEB) plans. The effect of this change resulted in the following restatement of fund balances:

	General	Motor Vehicle and Gas Tax	Human Services	Community Mental Health	Mental Retardation Levy	Nonmajor	Total
Fund Balance (Deficit), December 31, 2003	\$2,963,017	(\$385,056)	(\$75,291)	\$822,522	\$1,113,609	\$4,262,010	\$8,700,811
Intergovernmental Payable	(159,674)	(38,697)	(50,204)	(10,583)	(42,684)	(29,871)	(331,713)
Adjusted Fund Balance, (Deficit) December 31, 2003	<u>\$2,803,343</u>	<u>(\$423,753)</u>	<u>(\$125,495)</u>	<u>\$811,939</u>	<u>\$1,070,925</u>	<u>\$4,232,139</u>	<u>\$8,369,098</u>

**Change in Accounting Estimate**

The County changed the useful lives for all asset classes because the useful lives of the assets have turned out to be more than the original estimates.

**NOTE 4 - BUDGET TO GAAP RECONCILIATION**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis), for the General, Motor Vehicle and Gas Tax, Human Services, Community Mental Health, and Mental Retardation Levy Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 4 - BUDGET TO GAAP RECONCILIATION (Continued)**

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as a balance sheet transaction (GAAP basis).
5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. The amounts are included as revenue on the GAAP basis operating statements.
6. Cash that is held by agency funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (GAAP basis) in the appropriate County funds.
7. The change of fair value of investments is not included on the budget basis operating statement. This amount is included on the GAAP basis operating statement.
8. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 4 - BUDGET TO GAAP RECONCILIATION (Continued)**

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

	Net Change in Fund Balance				
	General	Motor Vehicle and Gas Tax	Human Services	Community Mental Health	Mental Retardation Levy
GAAP Basis	(\$470,215)	\$394,752	\$144,480	\$175,965	\$412,423
Revenue Accruals	(16,201)	(102,216)	13,875	(201,008)	(66,657)
Expenditure Accruals	19,866	(1,354,351)	(80,612)	(131,202)	(241,406)
Encumbrances	(347,307)	(113,535)	(93,502)	(512,197)	(192,570)
Advances	(47,498)	0	0	0	0
Note Proceeds	0	1,100,000	0	0	229,500
Note Principal Payments	0	(50,000)	0	0	(14,322)
Unrecorded Cash - 2003	106,217	813	0	0	0
Unrecorded Cash - 2004	(21,774)	(996)	0	0	0
Agency Fund Cash					
Allocation - 2003	10,609	(17,377)	0	(12,392)	(32,984)
Agency Fund Cash					
Allocation - 2004	(131,458)	(25,031)	0	(14,957)	(39,808)
Increase in Fair Value					
of Cash Equivalents - 2003	8,514	0	0	0	0
Increase in Fair Value					
of Cash Equivalents - 2004	37,229	0	0	0	0
Budget Basis	<u>(\$852,018)</u>	<u>(\$167,941)</u>	<u>(\$15,759)</u>	<u>(\$695,791)</u>	<u>\$54,176</u>

**NOTE 5 - COMPLIANCE AND ACCOUNTABILITY**

**Compliance**

The following account had expenditures plus encumbrances in excess of appropriations at the object level, the legal level of control, at December 31, 2004:

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 5 - COMPLIANCE AND ACCOUNTABILITY (Continued)**

<u>Fund</u>	<u>Expenditures and Encumbrances</u>	<u>Appropriations</u>	<u>Excess</u>
Motor Vehicle and Gas Tax Fund			
Public Works			
Charges and Services	\$1,340,691	\$1,464,995	(\$124,304)
Capital Purchases	389,967	397,719	(7,752)
Other	10,400	10,692	(292)

The County will monitor budgetary control more closely to ensure that all adjustments are filed with the County Auditor.

**Accountability**

The following funds had fund balance/net assets deficits at December 31, 2004:

	<u>Deficit</u>
Motor Vehicle and Gas Tax	\$29,001
Other Public Works	215,727
Landfill Enterprise Fund	2,657,434

The General Fund is liable for the deficit in the special revenue funds and will provide transfers when cash is required, not when accruals occur. The deficit in the Motor Vehicle and Gas Tax Special Revenue Fund was the result of the requirement to report bond anticipation notes in the fund which received the note proceeds. This deficit will be alleviated when the note is paid.

The County anticipates increased revenues and a corresponding decrease in the net assets deficit in future years for the landfill. In 2001, the County approved a user charge on each residential dwelling and commercial and industrial properties to finance landfill operations. Collections began in 2002, with the exception of improved parcels within the municipalities of Eldorado, Lewisburg, and West Alexandria. At that time, these municipalities preferred to directly bill their residents and have their waste disposed of at the landfill, generating additional revenue. Revenues from this user charge are expected to be \$865,000 annually. Beginning in 2004, all residential dwelling and commercial and industrial properties were charged this fee, which generated an amount of \$1,500,468. Also, EPA granted approval to the County in 2001 to expand the landfill, which generates additional revenue.

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 6 - DEPOSITS AND INVESTMENTS**

Monies held by the County are classified by State Statute into two categories, active and inactive. Active monies are public monies determined to be necessary to meet current demand upon the County treasury. Active monies 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.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer 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.

Monies held by the County, which are not considered active, are classified as inactive. Beginning June 15, 2004, inactive monies could be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury Bills, Notes, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above;
4. Bond and other obligations of the State of Ohio or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds;
7. The State Treasurer's investment pool (STAROhio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange similar securities or cash, equal value for equal value;



**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)**

9. Commercial paper notes, corporate notes and bankers acceptances; and
10. Debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County. Investments must be purchased with the expectation that they will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year-end, the County had \$10,559 in undeposited cash on hand which is included on the balance sheet of the County as part of "Equity in Pooled Cash and Cash Equivalents."

The following information classifies deposits and investments by categories of risk as defined in *GASB Statement No. 3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."*

**Deposits**

At year-end, the carrying amount of the County's deposits was \$3,192,955, and the bank balance was \$3,852,784. Of the bank balance, \$561,308 was covered by federal deposit insurance, and the remaining balance of \$3,291,476 was covered by \$1,500,000 of pledged collateral, and a \$3,000,000 letter of credit with Federal Home Loan Bank of Cincinnati listing Preble County as the beneficiary. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)**

**Investments**

*GASB Statement No. 3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements"* requires the County to categorize investments to give an indication of the level of risk assumed by the County at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held in the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name. STAROhio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Primary Government		Carrying/Fair Value
	Category 2	Unclassified	
Federal National Mortgage Association (FNMA) Notes	\$6,933,859	\$0	\$6,933,859
Federal Home Loan Mortgage Company (FHLMC) Notes	1,495,105	0	1,495,105
Federal Home Loan Bank (FHLB) Notes	1,284,011		1,284,011
STAROhio	0	1,427,906	1,427,906
	<u>\$9,712,975</u>	<u>\$1,427,906</u>	<u>\$11,140,881</u>

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in *GASB Statement No. 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting"*.

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)**

A reconciliation between the classifications of cash and cash equivalents and investments on the basic statements and the classifications of deposits and investments presented above per *GASB Statement No. 3* is as follows:

	Primary Government	
	Cash & Cash Equivalents/ Deposits	Investments
<i>GASB Statement No. 9</i>	\$14,344,395	\$0
Cash on Hand	(10,559)	0
Investments:		
Federal National Mortgage Association (FNMA) Note	(6,933,859)	\$6,933,859
Federal Home Loan Mortgage Company (FHLMC) Notes	(1,495,105)	1,495,105
Federal Home Loan Bank (FHLB) Notes	(1,284,011)	1,284,011
STAROhio	(1,427,906)	1,427,906
<i>GASB Statement No. 3</i>	\$3,192,955	\$11,140,881

**NOTE 7 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility and tangible personal property (other than public utility) located in the County. Property tax revenue received during 2004 for real and public utility property taxes represents collections of 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) are for 2004 taxes.

2004 real property taxes are levied after October 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 7- PROPERTY TAXES (Continued)**

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county 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 by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to each subdivision its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2004, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2004 operations, and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

**PREBLE COUNTY, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 7- PROPERTY TAXES (Continued)**

The full tax rate for all County operations for the year ended December 31, 2004, was \$7.18 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

Category	Assessed Value	Percent
Real Property	\$622,119,380	84.10%
Public Utility Property	40,304,990	5.45
Tangible Personal Property	77,333,530	10.45
Totals	<u>\$739,757,900</u>	<u>100.00%</u>

**NOTE 8 - PERMISSIVE SALES AND USE TAX**

The County Commissioners, by resolution, imposed a 1.5 percent continuing tax on all retail sales made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles. Vendor collections of the tax are paid to the State Treasurer by the twenty-third 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 forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited entirely to the General Fund.

**NOTE 9 - RECEIVABLES**

Receivables at December 31, 2004, consisted of taxes, charges for services, utility accounts, special assessments, interest on investments, interfund amounts and intergovernmental receivables arising from grants, entitlements and shared revenues. Utility accounts receivable at December 31, 2004, were \$351,714. All receivables are considered fully collectible. All will be collected within one year.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 9 - RECEIVABLES (Continued)**

A summary of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amount</u>
Local Government Revenue Assistance	\$100,807
Local Government	391,592
Homestead and Rollback	198,255
Gasoline Cents Per Gallon	443,935
Gasoline Excise Tax	556,638
Auto License	771,317
Community Development Block Grant	248,570
SAPT Block Grant	974,588
Mental Health State Subsidy	72,134
Mental Health Block Grant	599,511
Children Services	54,101
MRDD Operating Subsidy	117,507
VOCA Grant	45,623
CSEA	131,094
Youth Services Subsidy	133,378
Project Safe Neighborhoods	10,750
Child Support Enforcement	88,950
County Road 335/11/57 Guardrail Grant	171,658
Public Assistance	54,375
Miscellaneous	11,001
	<u>\$5,175,784</u>

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2004, was as follows:

	Balance At 12/31/2003	Additions	Deletions	Balance At 12/31/2004
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$1,933,674	\$0	\$0	\$1,933,674
Construction in Progress	911,008	673,259	(971,495)	612,772
Total Capital Assets Not Being Depreciated	<u>2,844,682</u>	<u>673,259</u>	<u>(971,495)</u>	<u>2,546,446</u>
Depreciable Capital Assets:				
Buildings, Structures, and Improvements	9,421,994	1,178,042	0	10,600,036
Furniture, Fixtures, and Equipment	5,926,500	915,130	(214,467)	6,627,163
Infrastructure	317,572	384,102	0	701,674
Total Depreciable Capital Assets	<u>15,666,066</u>	<u>2,477,274</u>	<u>(214,467)</u>	<u>17,928,873</u>
Less Accumulated Depreciation:				
Buildings, Structures, and Improvements	(2,833,206)	(82,586)	0	(2,915,792)
Furniture, Fixtures, and Equipment	(4,990,634)	(149,961)	214,467	(4,926,128)
Infrastructure	0	(30,838)	0	(30,838)
Total Accumulated Depreciation	<u>(7,823,840)</u>	<u>(263,385) *</u>	<u>214,467</u>	<u>(7,872,758)</u>
Depreciable Capital Assets, Net	<u>7,842,226</u>	<u>2,213,889</u>	<u>0</u>	<u>10,056,115</u>
Governmental Activities Capital Assets, Net	<u>\$10,686,908</u>	<u>\$2,887,148</u>	<u>(\$971,495)</u>	<u>\$12,602,561</u>
	Balance at 12/31/03	Additions	Deletions	Balance at 12/31/04
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$277,213	\$0	\$0	\$277,213
Construction in Progress	63,360	899,881	0	963,241
Total Capital Assets, Not Being Depreciated	<u>340,573</u>	<u>899,881</u>	<u>0</u>	<u>1,240,454</u>
Depreciable Capital Assets:				
Buildings, Structures, and Improvements	739,452	0	0	739,452
Furniture, Fixtures, and Equipment	1,238,459	473,903	0	1,712,362
Total Depreciable Capital Assets	<u>1,977,911</u>	<u>473,903</u>	<u>0</u>	<u>2,451,814</u>
Less Accumulated Depreciation:				
Buildings, Structures, and Improvements	(590,961)	(23,926)	0	(614,887)
Furniture, Fixtures, and Equipment	(667,738)	(48,070)	0	(715,808)
Total Accumulated Depreciation	<u>(1,258,699)</u>	<u>(71,996)</u>	<u>0</u>	<u>(1,330,695)</u>
Depreciable Capital Assets, Net	<u>719,212</u>	<u>401,907</u>	<u>0</u>	<u>1,121,119</u>
Business-Type Activities Capital Assets, Net	<u>\$1,059,785</u>	<u>\$1,301,788</u>	<u>\$0</u>	<u>\$2,361,573</u>

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 10 - CAPITAL ASSETS (Continued)**

\* Depreciation expense was charged to governmental programs as follows:

General Government	
Legislative and Executive	\$70,899
Judicial	3,794
Public Safety	53,140
Public Works	98,821
Health	167
Human Services	<u>36,564</u>
Total Depreciation Expense	<u><u>\$263,385</u></u>

**NOTE 11- RISK MANAGEMENT**

**Insurance**

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; and natural disasters. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, auto, and crime insurance, the County has addressed these various types of risk.

CORSA, a non-profit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty and crime insurance coverage for its members. CORSA was established May 12, 1987, and has grown to sixty members.

Insurance coverage provided includes the following:

General Liability (each occurrence)	\$1,000,000
Law Enforcement Liability (each occurrence)	1,000,000
Automobile Liability (each occurrence)	1,000,000
Errors and Omissions Liability (each occurrence)	1,000,000
Excess Liability	5,000,000
Property	45,586,975
Equipment	100,000,000
Crime	1,000,000
Uninsured/Underinsured Motorists	250,000
Stop Gap Liability	1,000,000



**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 11 - RISK MANAGEMENT (Continued)**

Settled claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in coverage from last year.

The County pays all elected officials' bonds by statute.

**Self Insurance**

The County is self-insured for employee medical, dental, vision and life insurance benefits. This plan provides medical plans with a \$250 deductible for single and a \$500 deductible for employee + 1 and families, dental plans with no deductible, and \$10,000 in accidental life insurance. A third party administrator, MCA Administrator, reviews all claims which are then paid by the County. The County purchases stop-loss coverage for claims in excess of \$70,000 per individual. The County contributed to the Employees Health Insurance Internal Service Fund \$404.20 per month for single employees, \$764.52 per month for employee + 1 and \$1,061.11 per month for family plans. This contribution is paid by the fund that pays the employee's salary and is based on historic cost information.

The liability for unpaid claims of \$5,889 reported in the fund at December 31, 2004, as estimated by an analysis of claim payments, is based on the requirements of *Governmental Accounting Standards Board Statement No. 30 "Risk Management Omnibus,"* which requires that a liability for claims, including incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the Fund's claim liability amount in 2003 and 2004 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2003	\$350,190	\$1,771,826	\$1,867,432	\$254,584
2004	254,584	1,209,385	1,458,080	5,889

Since November 1, 1984, Preble County had been self-funding its medical, dental, vision, and life insurance benefits with claims being processed by Millennium Care Administrations (MCA). On August 11, 2004, the County terminated its self-insurance plan and began purchasing coverage from Anthem Blue Cross Blue Shield to provide medical, dental and vision insurance and Sun Life for life insurance. Effective October 1, 2004, the Board of County Commissioners amended the monthly premiums with the Employer absorbing 88% of the cost.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 11 - RISK MANAGEMENT (Continued)**

**Workers' Compensation**

Workers' compensation benefits are provided through the State Bureau of Workers' Compensation. For 2004, the County participated in the County Commissioner's Association of Ohio Workers' Compensation Group Rating Program, provided by the County Commissioner's Association of Ohio Service Corporation (CCAOSC), a workers' compensation group purchasing pool (See Note 23). The intent of the CCAOSC is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the CCAOSC. Each participant pays its workers' compensation premium to the State based on the rate for the CCAOSC rather than its individual rate.

In order to allocate the savings derived by the formation of the CCAOSC, and to maximize the number of participants in the CCAOSC, annually the CCAOSC's executive committee calculates the total savings which accrued to the CCAOSC through its formation. This savings is then compared to the overall savings percentage of the CCAOSC. The CCAOSC's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the CCAOSC is limited to counties that can meet the CCAOSC's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the CCAOSC. Each year, the County pays an enrollment fee to the CCAOSC to cover the costs of administering the CCAOSC.

The County may withdraw from the CCAOSC if written notice is provided 60 days prior to the prescribed applicant deadline of the Ohio Bureau of Workers' Compensation. The participant is not relieved of the obligation to pay any amounts owed to the CCAOSC prior to withdrawal. Any participant leaving the CCAOSC allows representatives of the CCAOSC to access loss experience for three years following the last year of participation.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 12 - DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. 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 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, 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 and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The County's contribution rate for pension benefits for 2004 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the County's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$1,163,773, \$922,435, and \$895,759 respectively; 72.34 percent has been contributed for 2004 and 100 percent for 2003 and 2002. Contributions to the member-directed plan for 2004 were \$9,766 made by the County and \$6,126 made by the plan members.

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 13 - POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1.00 to 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$487,444. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 13 - POSTEMPLOYMENT BENEFITS (Continued)**

On September 9, 2004, the OPERS Retirement Board adopted a 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 fund in response to skyrocketing health care costs.

**NOTE 14 – OTHER EMPLOYEE BENEFITS**

**Compensated Absences**

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County. Unused vacation time may be accumulated, with the approval of the appointing authority, to a maximum of three one-year accruals. Accumulated, unused compensatory time is paid upon separation depending on the department policy. Accumulated, unused sick leave is paid at varying rates depending on length of service to employees who retire.

**Deferred Compensation Plan**

County employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan is created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency. Plan assets belong to the individual employees, and the County has no responsibility for the plan assets.

**Insurance**

Medical, dental, and vision insurance coverage are provided by Anthem Blue Cross Blue Shield and life insurance is provided by Sun Life.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 15 - CAPITAL LEASES – LESSEE DISCLOSURE**

During 2004, the County entered into a lease agreement for the purchase of a bus. This lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases"*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized in the statement of net assets for governmental activities in the amount of \$73,500, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net assets for governmental activities. Principal payments in fiscal year 2004 totaled \$14,322.

The assets acquired through capital leases are as follows:

	<u>Governmental</u>
Asset:	
Bus	\$73,500
Less: Accumulated Depreciation	(1,225)
Total	\$72,275

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2004.

Year Ending December 31,	<u>Total Payments</u>
2005	\$14,322
2006	14,322
2007	14,322
2008	23,000
Total	65,966
Less: Amount Representing Interest	(6,788)
Present Value of Minimum Lease Payments	\$59,178

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 16 - LONG-TERM OBLIGATIONS**

The schedule of changes in long-term obligations of the governmental activities of the County during 2004 follows:

Types / Issues	Balance 1/1/04	Issued	Retired	Balance 12/31/04	Due Within One Year
<b>Notes Payable:</b>					
2.25% Gradall Acquisition Note \$100,000	\$50,000	\$0	\$50,000	\$0	\$0
2.50% Court Computer Equipment Note \$25,000	15,000	0	15,000	0	0
<b>Total Notes Payable</b>	<b>65,000</b>	<b>0</b>	<b>65,000</b>	<b>0</b>	<b>0</b>
<b>General Obligation Bonds:</b>					
County Jail Refunding Bonds - Voted					
2.00 to 3.00% - Current Interest					
Bonds \$2,565,000	1,795,000	0	280,000	1,515,000	290,000
11.69 to 12.08% Original Issue on					
Capital Appreciation Bonds \$240,000	240,000	0	0	240,000	0
Accretion on Capital Appreciation Bonds	42,555	38,807	0	81,362	0
2.00 to 3.50% 2002 Various Purpose Bonds-					
Unvoted - \$1,440,000	1,325,000	0	125,000	1,200,000	125,000
4.40 to 6.15 % - 1996 Fairgrounds					
Project - Unvoted \$200,000	155,000	0	10,000	145,000	10,000
<b>Total General Obligation Bonds Payable</b>	<b>3,557,555</b>	<b>38,807</b>	<b>415,000</b>	<b>3,181,362</b>	<b>425,000</b>
<b>Other Long-Term Obligations:</b>					
Compensated Absences Payable	742,726	52,383	47,756	747,353	496,607
Capital Lease Payable	0	73,500	14,322	59,178	11,866
<b>Total Other Long-Term Obligations</b>	<b>742,726</b>	<b>125,883</b>	<b>62,078</b>	<b>806,531</b>	<b>508,473</b>
<b>Total - General Long-Term Obligations</b>	<b>\$4,365,281</b>	<b>\$164,690</b>	<b>\$542,078</b>	<b>\$3,987,893</b>	<b>\$933,473</b>

The Jail Refunding general obligation bonds will be paid from property taxes. The Fairgrounds and Various Purpose bonds will be paid from general revenues, including transfers from the General Fund, and monies received from the Preble County Agricultural Society. The maturity amount of the capital appreciation bonds is \$650,000.

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 16 - LONG-TERM OBLIGATIONS (Continued)**

Compensated absences will be paid from the General Fund, and the Motor Vehicle License and Gas Tax, Human Services, Community Mental Health, Mental Retardation Levy, Other Legislative and Executive, Ditch Maintenance, Other Public Works, Other Health and Other Human Services Funds.

Changes in the long-term obligations reported for business-type activities during 2004 were as follows:

	Balance 1/1/04	Increases	Decreases	Balance 12/31/04	Due Within One Year
<b>Notes Payable:</b>					
Landfill Compactor \$299,100	\$239,280	\$179,460	\$239,280	\$179,460	\$0
Landfill Construction \$200,000	66,667	0	66,667	0	0
<b>Total Notes Payable</b>	<b>305,947</b>	<b>179,460</b>	<b>305,947</b>	<b>179,460</b>	<b>0</b>
<b>Loans Payable:</b>					
5.28% - OWDA Loan \$142,459	120,493	16,487	136,980	0	0
0.00% - OWDA Loan \$22,595	15,815	0	15,815	0	0
0.00% - OWDA Loan \$50,000	40,000	0	40,000	0	0
0.00% - OWDA Loan \$820,238	0	239,881	0	239,881	0
0.00% - OPWC Loan \$227,160	193,086	0	11,358	181,728	11,358
<b>Total Loans Payable</b>	<b>369,394</b>	<b>256,368</b>	<b>204,153</b>	<b>421,609</b>	<b>11,358</b>
<b>General Obligation Bonds Payable:</b>					
3.75% to 5.50% - 1996 Landfill					
Improvement Bonds \$4,880,000	3,650,000	0	205,000	3,445,000	215,000
Discount on Debt Issue	(13,174)	0	(1,014)	(12,160)	
Compensated Absences	32,901	14,382	4,226	43,057	29,990
Landfill Closure and Postclosure	2,019,316	191,475	0	2,210,791	0
<b>Total – Business-type Activities</b>	<b>\$6,364,384</b>	<b>\$641,685</b>	<b>\$718,312</b>	<b>\$6,287,757</b>	<b>\$256,348</b>

The 2004 Landfill Compactor Note was issued on April 19, 2004, in the amount of \$179,460 for the purchase of a landfill compactor. The note was issued at a 1.27 percent interest rate and will reach maturity on April 19, 2005. This note was refinanced prior to the issuance of the 2003 statements and therefore was a long-term liability. The note will be paid through the Landfill Fund.



**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 16 - LONG-TERM OBLIGATIONS (Continued)**

The County has an OWDA Loan and an OPWC loan outstanding at December 31, 2004, in the amounts of \$239,881, and \$181,728 for a total of \$421,609. The County issued a new OWDA loan during 2004. The total amount of the loan is \$820,238, of which \$239,881 was received in 2004 with the remaining \$580,357 to be received during 2005. The loan was issued with an interest rate of 0 percent with final maturity on July 1, 2025. The loans were issued for the construction of the West Elkton sewer system and to refund the County's three outstanding OWDA loans at December 31, 2003. The County's total debt service payments decreased by \$22,440, as a result of the OWDA current refunding. The County also incurred an economic gain of (difference between the present values of the old and new debt service payments) in the same amount.

The OPWC loan bears an interest rate of 0 percent and is payable in semi-annual installments through 2021. The OPWC loan was originally received by the Village of West Elkton during 1994 and 1995 in the amount of \$299,755, and was assumed by the County in 2000, when the village could not repay the loan. Current operations of the Sewer Fund are expected to provide sufficient cash flows to fund debt service requirements.

Principal paid in 2004 for the Landfill Improvement General Obligation Bond was \$205,000, and the amortized bond discount for 2004 was \$1,014, and the unamortized amount is \$12,160. The bond was issued for the purpose of paying costs associated with expanding the landfill. The general obligation bond payable will be paid off with user charges which are received in the Landfill Enterprise Fund.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors should not exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt should not exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The effects of the debt limitations at December 31, 2004, are an overall legal debt margin of \$16,993,948 and an unvoted legal debt margin of \$7,397,579.

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 16 - LONG-TERM OBLIGATIONS (Continued)**

The following is a summary of the County's future annual debt service requirements, including interest, for long-term obligations:

Governmental Activities				
Year	General Obligation Serial Bonds		General Obligation Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2005	\$425,000	\$86,625	\$0	\$0
2006	430,000	77,755	0	0
2007	440,000	67,936	0	0
2008	450,000	56,594	0	0
2009	460,000	43,675	0	0
2010-2014	265,000	127,449	240,000	410,000
2015-2019	275,000	62,175	0	0
2020-2024	115,000	7,788	0	0
Totals	\$2,860,000	\$529,997	\$240,000	\$410,000

Business-Type Activities					
Year	Notes Payable		Loans Payable	General Obligation Bonds	
	Principal	Interest	Principal	Principal	Interest
2005	\$179,460	\$2,279	\$23,352	\$215,000	\$180,624
2006	0	0	23,352	225,000	170,628
2007	0	0	23,352	235,000	160,052
2008	0	0	23,352	250,000	148,656
2009	0	0	23,352	260,000	136,156
2010-2014	0	0	116,760	1,530,000	460,017
2015-2019	0	0	116,760	730,000	60,776
2020-2024	0	0	71,329	0	0
Totals	\$179,460	\$2,279	\$421,609	\$3,445,000	\$1,316,909

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 17 – SHORT-TERM OBLIGATIONS**

Changes in the short-term obligations during 2004 were as follows:

Fund Type/Fund/Issue	Interest Rate	Balance at January 1, 2004	Increases	Decreases	Balance at December 31, 2004
<u>Governmental</u>					
Motor Vehicle License and Gas Tax Flood Damage	1.27%	\$1,200,000	\$1,100,000	\$1,200,000	\$1,100,000
Mental Retardation Levy Mental Retardation Development	1.14%	255,000	229,500	255,000	229,500
Other Public Works Albert Ditch Construction	2.39%	0	27,500	0	27,500
<b>Total Governmental Funds</b>		<u>\$1,455,000</u>	<u>\$1,357,000</u>	<u>\$1,455,000</u>	<u>\$1,357,000</u>
<u>Business-Type Activities</u>					
Dump Truck Acquisition Note	1.27%	\$0	\$68,000	0	\$68,000

All of the notes are backed by the full faith and credit of the County and will mature within one year. The Flood Damage Note will be paid through the Motor Vehicle License and Gas Tax Fund. The Mental Retardation Development Note will be paid through the Mental Retardation Levy Fund. The Albert Ditch Construction Note will be paid from the Other Public Works Nonmajor Fund. The notes are issued in anticipation of long-term bond financing, and the County intends to refinance the notes until such bonds are issued. The liability for the notes is presented in the fund that received the note proceeds.

The Dump Truck Acquisition Note will be paid through the Landfill Fund. The County intends to pay the Note off when it matures on April 19, 2005.

**NOTE 18 - INTERFUND ASSETS/LIABILITES**

Interfund balances at December 31, 2004, consisted of the following amounts and result 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 system, and (3) payments between funds are made. All are expected to be paid within one year.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 18 - INTERFUND ASSETS/LIABILITIES (Continued)**

	Interfund Receivable					Total
	General Fund	Motor Vehicle and Gas Tax Fund	Human Services Fund	Nonmajor Governmental Funds	Sewer Enterprise Fund	
Interfund Payable						
General Fund	\$0	\$24,840		\$0	\$0	\$24,840
Motor Vehicle and Gas Tax Fund	0	0	0	3,471	0	3,471
Human Services Fund	0	297	0	0	0	297
Nonmajor Governmental Funds	0	0	0	0	0	0
Landfill Enterprise Fund	205,000	12,527	8,251	0	14,564	240,342
Total	<u>\$492,384</u>	<u>\$37,664</u>	<u>\$8,251</u>	<u>\$3,471</u>	<u>\$14,564</u>	<u>\$556,334</u>

Interfund transfers for the year ended December 31, 2004, consisted of the following:

	Transfers To			Total
	Internal Service Fund	Human Services Fund	Nonmajor Governmental Funds	
Transfers From				
General Fund	\$5,191	\$109,187	\$362,717	\$477,095

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 and 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.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 19 - RELATED ORGANIZATIONS**

**Preble County Library Board**

The Preble County Library Board is a related organization of the County. The County Officials (the Commissioners, the Probate Court and the Common Pleas Court) are responsible for appointing the trustees of the Library Board; however, the County Officials cannot influence the Library's operation nor does the Library represent a potential financial benefit or burden to the County. Although the County does serve as the taxing authority and may issue tax related debt on behalf of the Library Board, its role is limited to a ministerial function. Once the Library Board determines to present a levy to the voters, including the determination of the rate and duration, the County must place the levy on the ballot. The Library may issue debt and determines its own budget. During 2004, the County did not make any significant financial contributions to the operation of the Library. Financial information for the Library may be obtained by writing to Beverly Keefe, Treasurer of the Preble County Library Board, 450 S. Barron Street, Eaton, Ohio 45320.

**Preble Metropolitan Housing Authority**

The Preble Metropolitan Housing Authority (PMHA) is a related organization to the County. The general purpose of the PMHA is to provide decent, safe, and sanitary housing for qualified persons within the County. The ability to influence operations depends on the County's representation on the Board. The PMHA Board is composed of five representatives: one member appointed by the County Common Pleas Court Judge; one member appointed by the County Commissioners; one member appointed by the County Probate Court Judge; and two members appointed by the Mayor of Eaton. During 2004, the County did not make any significant financial contributions to the operation of the PMHA. Financial information may be obtained by writing to Alice Flora, Director of the Preble Metropolitan Housing Authority, 100 East Main Street, Eaton, Ohio 45320.

**NOTE 20 - JOINT VENTURE**

**Preble County Emergency Management Agency**

The Preble County Emergency Management Agency (EMA) is a joint venture between the County, the City of Eaton, and townships and villages within the County. The degree of control exercised by any participating government is limited to its representation on the Board.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 20 - JOINT VENTURE (Continued)**

The Board is composed of the following seven members: one County Commissioner representing the Board of County Commissioners; five chief executives representing the municipal corporations and townships entering into the agreement; and one non-elected representative. The County contributed \$20,849 for the operation of the agency during 2004.

The EMA is a joint venture because its continued existence depends on contributed funding by the County. The EMA is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Complete financial statements can be obtained from Charles Biggs, Director of the EMA located at 6818 US 127 North, Eaton, Ohio 45320.

**NOTE 21 – RISK SHARING POOL**

**County Risk Sharing Authority, Inc.**

The County Risk Sharing Authority, Inc. (CORSA) is a risk sharing pool among sixty counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the CORSA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgetary and financing of CORSA is limited to its voting authority and any representative it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payments of the certificates. The County does not have an equity interest in CORSA.

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 22 - GROUP PURCHASING POOL**

**County Commissioner's Association of Ohio Service Corporation**

The County is participating in the County Commissioner's Association of Ohio Workers' Compensation Group Rating Program as established under Section 4123.29 of the Ohio Revised Code. The County Commissioner's Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioner's Association of Ohio (CCAO) as a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates; approving the selection of a third party administrator; reviewing and approving proposed third party fees, fees for risk management services, and general management fees; determining ongoing responsibility of each participant; and performing any other acts and functions which may be delegated to it by the participating employers.

The group executive committee consists of seven members. Two members are the president and the treasurer of the CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member on the group executive committee in any year and each elected member shall be a County Commissioner.

**NOTE 23 - CLOSURE AND POSTCLOSURE COSTS**

State and federal laws and regulations require that the County place a final cover on its landfill when it stops accepting waste. These laws and regulations also require the County to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each year-end.

The \$2,210,791 reported as a landfill closure and postclosure care liability at December 31, 2004, represents the cumulative amount reported to date based on the use of 27.22 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$5,910,103 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2004. The County expects to close the landfill in the year 2044.

Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County is required by State and Federal laws and regulations to provide financial assurance for the closure and postclosure care liabilities.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 24 - CONTINGENT LIABILITIES**

**Litigation**

The County is involved in a number of claims and lawsuits which may be classified as routine litigation in which minimal non-material damages are being sought. In addition, the County is a defendant in numerous other claims and lawsuits ranging from tort liability to civil rights litigation in which the County believes the amounts claimed are overstated and not fair estimates of the ultimate settlements, if any, of these claims. Amounts paid by the County in 2004 for litigation that was settled were not material.

**Federal and State Grants**

The County participates in a number of Federal and State assisted grant programs. The major programs are: Community Development Block Grant; Ohio Department of Human Services; and Ohio Commission of Aging. These programs are subject to financial and compliance audits by grantors or representatives. At December 31, 2004, the audits of certain programs had not been completed. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The County believes that disallowed claims, if any, will not have a material adverse effect on the County's financial position.

**NOTE 25 - RELATED PARTY TRANSACTIONS**

L & M Products has entered into a contractual agreement with the Preble County Board of Mental Retardation/Developmental Disabilities (MRDD), whereby the MRDD provides sheltered employment for mentally retarded or handicapped individuals in the County. The MRDD provides the workshop with personnel necessary for the operation of the habilitation services to the client, land and buildings for the operation of the center, maintenance and repair of the buildings and professional staff to supervise and train clients of L & M Products.



**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 26 - CONTRACTUAL COMMITMENTS**

As of December 31, 2004, Preble County had contractual purchase commitments as follows:

<u>Company</u>	<u>Project</u>	<u>Amount</u>
Appraisal Research Corp.	Revaluation	\$91,764
Calvary Contracting Inc.	Remodeling-Comm/Hlth	12,126
Eastman and Smith	Professional Services	30,966
Floyd, Brown and Associates	Engineering Services	82,999
Malcolm Pirnie Inc.	Landfill	112,199
		<u>\$330,054</u>

**NOTE 27 – SUBSEQUENT EVENT**

During April and May 2005, the County issued short-term notes in the amounts of \$114,700 for a landfill compactor, \$78,230 for 9-1-1 console equipment, and \$40,642 for drainage backhoe equipment. The notes have interest rates of 2.5%, 2.92%, and 2.99%, respectively.

On June 1, 2005, the County issued landfill improvement bonds in the amount of \$3,195,000 for the purpose of refunding the 1996 Landfill Bond of which \$3,445,000 had been outstanding. The bonds will mature on December 1, 2016.

On June 1, 2005, the County also issued agricultural society refunding bonds in the amount of \$125,000 for the fairgrounds project of which \$145,000 had been outstanding. The bonds will mature on December 1, 2016.

On April 19, 2005, the County paid off the dump truck acquisition note of \$68,000.

**NOTE 28 - DISCRETELY PRESENTED COMPONENT UNIT**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION** - L & M Products (the “Company”) is incorporated as a not-for-profit organization under the laws of the State of Ohio.

**NATURE OF OPERATIONS** - The Company provides employment, training, and rehabilitation opportunities in support of the Preble County, Ohio, Board of Mental Retardation and Developmental Disabilities (MRDD Board) programs. The Company enters into month-to-month contracts for assembly of component parts for local businesses and operates a concession stand at Hueston Woods State Park. Excess net revenues generated by these operations are used to fund rehabilitative programs, including nursing services and a senior/retirement program.

**PREBLE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 28 - DISCRETELY PRESENTED COMPONENT UNIT (Continued)**

**BASIS OF ACCOUNTING** - The financial statements of the Company have been prepared on the accrual basis.

**BASIS OF PRESENTATION** – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) 117, Financial Statements of Not-for-Profit Organizations. Under SFAS 117, the Company is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**USE OF ESTIMATES** - The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**ACCOUNTS RECEIVABLE** - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from production contracts and other services. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable.

**PROPERTY AND EQUIPMENT** – Assets with a cost exceeding \$1,000 and a useful life exceeding one year, are recorded at cost; donated assets with a fair market value exceeding \$1,000 and a useful life exceeding one year are recorded at fair market value at the time of donation. Depreciation is computed principally using the straight-line methods over the estimated useful lives of the assets. Routine maintenance, repairs, and renewals are charged to income as incurred. Renewals and betterments that substantially increase the life of an asset are capitalized. At retirement or sale, the cost of assets, less the related accumulated depreciation, is removed from the accounts and resulting gains or losses are included in income.

**CONTRIBUTIONS** - Contributions, if any, are considered to be available for unrestricted use unless specifically restricted by the donor. Donated services, materials, and facilities are reflected as contributions in the accompanying statements at their estimated values at date of receipt. An equivalent expense is also recognized.

**ADVERTISING** - Advertising costs are expensed as incurred.

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 28 - DISCRETELY PRESENTED COMPONENT UNIT (Continued)**

FUNCTIONAL ALLOCATION OF EXPENSES – The costs of providing the various programs have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs benefited based upon usage by each program.

INCOME TAXES - The Company is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code, and does not currently conduct any activities which management believes would result in the imposition of the unrelated business income tax.

CASH AND CASH EQUIVALENTS - For purposes of reporting cash flows, the Company considers all checking accounts, savings accounts, and certificates of deposit to be cash equivalents.

**CONCENTRATIONS OF CREDIT RISK**

Financial instruments which subject the Company to concentrations of credit risk include cash accounts in financial institutions which may, from time to time, exceed federal insurance limits.

Two customers represent 83% of total assembly contract billings for 2004, and one customer represents 64% of accounts receivable at December 31, 2004.

**PROPERTY AND EQUIPMENT**

Property and equipment consists of:

2004	Cost	Accumulated Depreciation	Book Value
Leasehold Improvements	\$76,534	\$26,418	\$50,116
Vehicles	71,671	71,671	0
Machinery and Equipment	131,598	109,068	22,530
Total	<u>\$279,803</u>	<u>\$207,157</u>	<u>\$72,646</u>

These assets are subject to general restrictions imposed by law or by the terms of various grants regarding use and disposal of such assets.

**DONATED SERVICES AND FACILITIES**

The MRDD Board pays the salaries and benefits of the Company's non-client staff, and provides the facilities for the operations of the Company. The Company reimburses the MRDD Board for a portion of these costs. The reimbursements are reported in the financial statements as subcontract labor and occupancy expense in the management and general category. The unreimbursed value of these items is reported as a contribution at fair value, and a corresponding expense is recognized. The donated portion is computed as follows:

**PREBLE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 28 - DISCRETELY PRESENTED COMPONENT UNIT (Continued)**

	2004
<u>Donated Services</u>	
Salaries and benefits expense	
incurred by MRDD Board	\$1,434,980
Less payments from L&M Products	(9,329)
Value of MRDD Board Contribution	1,425,651
Other donated services	140
Value of all donated services	\$1,425,791
 <u>Donated Facilities</u>	
Costs paid by MRDD Board	\$112,969
Less payments from L&M Products	0
Estimated Equivalent Rental Value of Facilities	
Owned by MRDD Board	80,314
Value of facilities donated by MRDD Board	\$193,283

**RELATED PARTY TRANSACTIONS**

Two board members are employed by customers of the Company; another is employed by the MRDD Board. One board member is employed by a bank in which the Company maintains deposit accounts, and has a family member employed by the Company. Another board member received minimal compensation for services provided to the Company in 2004.

**MRDD ENDOWMENT FUND**

L&M Products is the funds custodian for an endowment fund established by the MRDD Board. As such, it collects contributions and the proceeds from fundraisers conducted by the MRDD board, and disburses funds pursuant to the terms of the endowment as requested by the MRDD Board. Activity for 2004 consists of:

Contributions	\$5,747
Interest Income	8
Purchase of fundraising supplies	(3,086)
Account balance, December 31, 2004	\$2,669

COMBINING FINANCIAL STATEMENTS  
AND  
INDIVIDUAL FUND SCHEDULES

PREBLE COUNTY, OHIO  
NONMAJOR FUND DESCRIPTIONS

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Special Revenue Funds

To account for the proceeds of specific revenue sources (other than for the private purpose trust or for major capital projects) that are legally restricted to expenditures for specific purposes.

Children Services

To account for various Federal and State grants, a county-wide tax levy, and Social Security payments. Major expenditures are for daily operations of the children's home, foster homes, emergency shelters, medical costs, counseling and contracted services with other agencies.

Other Legislative and Executive

To account for all other legislative and executive activities not presented on an individual basis.

Other Judicial

To account for all other judicial activities not presented on an individual basis.

Other Public Safety

To account for all other public safety activities not presented on an individual basis.

Other Public Works

To account for all other public works activities not presented on an individual basis.

Other Health

To account for all other health activities not presented on an individual basis.

Other Human Services

To account for all other human service activities not presented on an individual basis.

Other Community and Economic Development

To account for all other community and economic development activities not presented on an individual basis.

Debt Service Funds

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Special Assessment Bond Retirement

To account for the principal and interest payments of special assessment debt.

(continued)

PREBLE COUNTY, OHIO  
NONMAJOR FUND DESCRIPTIONS  
(Continued)

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General Obligation Bond Retirement

To account for principal and interest payments of general obligation bonds.

Capital Projects Funds

To account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Issue II

To account for capital grants received from the Ohio Public Works Commission for an improvement project for multiple bridge and culvert replacements. Budgetary information has not been presented for this fund because the County did not anticipate any revenues or expenditures in 2004 and none occurred. The budgetary fund balance was \$2,800 at December 31, 2004.

Permanent Improvement

To account for monies received from the sale of County property that are used for construction and improvements to County buildings.

Building Construction

To account for financing and construction of various buildings in the County.

Ditch and Guardrail Construction

To account for the construction and improvements of various ditches and guardrails in the County.

Road and Bridge Construction

To account for the construction and improvements of various roads and bridges in the County.

PREBLE COUNTY, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,430,846	\$614,615	\$662,850	\$3,708,311
Cash and Cash Equivalents in Segregated Accounts	97,656	0	0	97,656
Receivables:				
Property Taxes	367,947	203,889	0	571,836
Accounts	30,975	0	0	30,975
Special Assessments	130,101	0	8,339	138,440
Interfund	3,471	0	0	3,471
Due From Other Governments	733,570	13,149	171,658	918,377
Materials and Supplies Inventory	4,276	0	0	4,276
Prepaid Items	2,776	0	0	2,776
	<u>2,776</u>	<u>0</u>	<u>0</u>	<u>2,776</u>
Total Assets	<u>\$3,801,618</u>	<u>\$831,653</u>	<u>\$842,847</u>	<u>\$5,476,118</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts Payable	\$47,108	\$0	\$0	\$47,108
Contracts Payable	184,055	0	99,088	283,143
Retainage Payable	0	0	2,055	2,055
Accrued Salaries Payable	32,637	0	0	32,637
Due to Other Governments	43,459	0	0	43,459
Interfund Payable	225,778	0	14,564	240,342
Deferred Revenue	1,168,931	217,382	179,997	1,566,310
Notes Payable	27,500	0	0	27,500
Accrued Interest Payable	269	0	0	269
	<u>269</u>	<u>0</u>	<u>0</u>	<u>269</u>
Total Liabilities	<u>1,729,737</u>	<u>217,382</u>	<u>295,704</u>	<u>2,242,823</u>
<b>Fund Balances:</b>				
Reserved for Encumbrances	475,036	0	958	475,994
Unreserved				
Undesignated, Reported in:				
Special Revenue Funds	1,596,845	0	0	1,596,845
Debt Service Funds	0	614,271	0	614,271
Capital Projects Funds	0	0	546,185	546,185
	<u>0</u>	<u>0</u>	<u>546,185</u>	<u>546,185</u>
Total Fund Balances	<u>2,071,881</u>	<u>614,271</u>	<u>547,143</u>	<u>3,233,295</u>
Total Liabilities and Fund Balances	<u>\$3,801,618</u>	<u>\$831,653</u>	<u>\$842,847</u>	<u>\$5,476,118</u>



PREBLE COUNTY, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$459,692	\$228,237	\$0	\$687,929
Charges for Services	1,103,384	0	0	1,103,384
Licenses and Permits	87,126	0	0	87,126
Fines and Forfeitures	62,910	0	0	62,910
Intergovernmental	1,935,881	27,039	334,940	2,297,860
Special Assessments	112,964	0	6,477	119,441
Interest	3,205	0	162	3,367
Other	11,813	129,576	14,105	155,494
<b>Total Revenues</b>	<b>3,776,975</b>	<b>384,852</b>	<b>355,684</b>	<b>4,517,511</b>
<b>Expenditures:</b>				
Current:				
General Government:				
Legislative and Executive	451,492	0	0	451,492
Judicial	270,664	0	0	270,664
Public Safety	361,866	0	0	361,866
Public Works	222,715	0	0	222,715
Health	129,895	0	0	129,895
Human Services	2,383,499	0	0	2,383,499
Community and Economic Development	134,390	0	0	134,390
Capital Outlay	0	0	1,398,311	1,398,311
Debt Service:				
Principal Retirement	15,000	415,000	0	430,000
Interest and Fiscal Charges	553	95,687	0	96,240
<b>Total Expenditures</b>	<b>3,970,074</b>	<b>510,687</b>	<b>1,398,311</b>	<b>5,879,072</b>
Excess of Revenues Under Expenditures	(193,099)	(125,835)	(1,042,627)	(1,361,561)
<b>Other Financing Sources:</b>				
Transfers - In	362,717	0	0	362,717
Net Change in Fund Balances	169,618	(125,835)	(1,042,627)	(998,844)
Fund Balances at Beginning of Year	1,902,263	740,106	1,589,770	4,232,139
Fund Balances at End of Yea	<u>\$2,071,881</u>	<u>\$614,271</u>	<u>\$547,143</u>	<u>\$3,233,295</u>

PREBLE COUNTY, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2004

	Children Services	Other Legislative and Executive	Other Judicial
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$286,062	\$789,808	\$160,338
Cash and Cash Equivalents in Segregated Accounts	0	0	0
Receivables:			
Property Taxes	367,947	0	0
Accounts	0	0	13,613
Special Assessments	0	0	0
Interfund	0	0	0
Due from Other Governments	204,299	0	0
Materials and Supplies Inventory	0	0	0
Prepaid Items	0	2,776	0
	<u>\$858,308</u>	<u>\$792,584</u>	<u>\$173,951</u>
<b>Total Assets</b>	<b>\$858,308</b>	<b>\$792,584</b>	<b>\$173,951</b>
 <b>Liabilities and Fund Balances:</b>			
Accounts Payable	\$37,952	\$3,237	\$3,511
Contracts Payable	162,179	21,392	202
Accrued Salaries Payable	0	6,193	3,940
Due to Other Governments	0	8,683	6,106
Interfund Payable	8,251	12,527	0
Deferred Revenue	519,127	0	0
Notes Payable	0	0	0
Accrued Interest Payable	0	0	0
	<u>727,509</u>	<u>52,032</u>	<u>13,759</u>
<b>Total Liabilities</b>	<b>727,509</b>	<b>52,032</b>	<b>13,759</b>
 <b>Fund Balances:</b>			
Reserved for Encumbrances	186,155	76,379	16,695
Unreserved			
Undesignated (Deficit)	(55,356)	664,173	143,497
	<u>130,799</u>	<u>740,552</u>	<u>160,192</u>
<b>Total Fund Balances (Deficit)</b>	<b>130,799</b>	<b>740,552</b>	<b>160,192</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$858,308</b>	<b>\$792,584</b>	<b>\$173,951</b>

Other Public Safety	Other Public Works	Other Health	Other Human Services	Other Community and Economic Development	Total Nonmajor Special Revenue Funds
\$668,442	\$25,513	\$9,908	\$393,047	\$97,728	\$2,430,846
97,656	0	0	0	0	97,656
0	0	0	0	0	367,947
6,858	0	349	10,155	0	30,975
0	130,101	0	0	0	130,101
0	3,471	0	0	0	3,471
144,128	0	0	134,573	250,570	733,570
0	0	700	3,576	0	4,276
0	0	0	0	0	2,776
<u>\$917,084</u>	<u>\$159,085</u>	<u>\$10,957</u>	<u>\$541,351</u>	<u>\$348,298</u>	<u>\$3,801,618</u>
\$0	\$1,952	\$456	\$0	\$0	\$47,108
0	0	282	0	0	184,055
527	4,473	2,160	15,344	0	32,637
869	5,517	2,895	19,167	222	43,459
0	205,000	0	0	0	225,778
150,691	130,101	0	123,227	245,785	1,168,931
0	27,500	0	0	0	27,500
0	269	0	0	0	269
<u>152,087</u>	<u>374,812</u>	<u>5,793</u>	<u>157,738</u>	<u>246,007</u>	<u>1,729,737</u>
27,294	0	1,886	75,497	91,130	475,036
<u>737,703</u>	<u>(215,727)</u>	<u>3,278</u>	<u>308,116</u>	<u>11,161</u>	<u>1,596,845</u>
<u>764,997</u>	<u>(215,727)</u>	<u>5,164</u>	<u>383,613</u>	<u>102,291</u>	<u>2,071,881</u>
<u>\$917,084</u>	<u>\$159,085</u>	<u>\$10,957</u>	<u>\$541,351</u>	<u>\$348,298</u>	<u>\$3,801,618</u>

PREBLE COUNTY, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Children Services	Other Legislative and Executive	Other Judicial	Other Public Safety
<b>Revenues:</b>				
Property Taxes	\$379,461	\$80,231	\$0	\$0
Charges for Services	70,662	340,400	268,340	210,409
Licenses and Permits	0	0	0	24,810
Fines and Forfeitures	0	0	0	51,085
Intergovernmental	849,813	0	550	269,158
Special Assessments	0	0	0	0
Interest	0	0	0	3,205
Other	4,130	0	0	0
Total Revenues	<u>1,304,066</u>	<u>420,631</u>	<u>268,890</u>	<u>558,667</u>
<b>Expenditures:</b>				
Current:				
General Government				
Legislative and Executive	0	451,492	0	0
Judicial	0	0	270,664	0
Public Safety	0	0	0	361,866
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	1,589,096	0	0	0
Community and Economic Development	0	0	0	0
Debt Service:				
Principal Retirement	0	0	15,000	0
Interest and Fiscal Charges	0	0	284	0
Total Expenditures	<u>1,589,096</u>	<u>451,492</u>	<u>285,948</u>	<u>361,866</u>
Excess of Revenues Over (Under) Expenditures	(285,030)	(30,861)	(17,058)	196,801
<b>Other Financing Sources:</b>				
Transfers - In	<u>300,168</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	15,138	(30,861)	(17,058)	196,801
Fund Balances (Deficit) at Beginning of Year	<u>115,661</u>	<u>771,413</u>	<u>177,250</u>	<u>568,196</u>
Fund Balances (Deficit) at End of Year	<u>\$130,799</u>	<u>\$740,552</u>	<u>\$160,192</u>	<u>\$764,997</u>

<u>Other Public Works</u>	<u>Other Health</u>	<u>Other Human Services</u>	<u>Other Community and Economic Development</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$0	\$0	\$0	\$459,692
46,021	4,929	162,623	0	1,103,384
0	62,316	0	0	87,126
0	11,825	0	0	62,910
0	0	574,875	241,485	1,935,881
112,964	0	0	0	112,964
0	0	0	0	3,205
0	762	6,921	0	11,813
<u>158,985</u>	<u>79,832</u>	<u>744,419</u>	<u>241,485</u>	<u>3,776,975</u>
0	0	0	0	451,492
0	0	0	0	270,664
0	0	0	0	361,866
222,715	0	0	0	222,715
0	129,895	0	0	129,895
0	0	794,403	0	2,383,499
0	0	0	134,390	134,390
0	0	0	0	15,000
269	0	0	0	553
<u>222,984</u>	<u>129,895</u>	<u>794,403</u>	<u>134,390</u>	<u>3,970,074</u>
(63,999)	(50,063)	(49,984)	107,095	(193,099)
<u>0</u>	<u>39,943</u>	<u>22,606</u>	<u>0</u>	<u>362,717</u>
(63,999)	(10,120)	(27,378)	107,095	169,618
<u>(151,728)</u>	<u>15,284</u>	<u>410,991</u>	<u>(4,804)</u>	<u>1,902,263</u>
<u>(\$215,727)</u>	<u>\$5,164</u>	<u>\$383,613</u>	<u>\$102,291</u>	<u>\$2,071,881</u>

PREBLE COUNTY, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Special Assessment Bond Retirement	General Obligation Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues:</b>			
Property Taxes	\$0	\$228,237	\$228,237
Intergovernmental	0	27,039	27,039
Other	0	129,576	129,576
	<u>0</u>	<u>384,852</u>	<u>384,852</u>
Total Revenues	<u>0</u>	<u>384,852</u>	<u>384,852</u>
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	0	415,000	415,000
Interest and Fiscal Charges	401	95,286	95,687
	<u>401</u>	<u>510,286</u>	<u>510,687</u>
Total Expenditures	<u>401</u>	<u>510,286</u>	<u>510,687</u>
Net Change in Fund Balances	(401)	(125,434)	(125,835)
Fund Balances at Beginning of Year	<u>401</u>	<u>739,705</u>	<u>740,106</u>
Fund Balances at End of Year	<u><u>\$0</u></u>	<u><u>\$614,271</u></u>	<u><u>\$614,271</u></u>

PREBLE COUNTY, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 DECEMBER 31, 2004

	Issue II	Permanent Improvement	Building Construction	Ditch and Guardrail Construction	Total Nonmajor Capital Projects Funds
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$2,800	\$640,755	\$17,268	\$2,027	\$662,850
Receivables:					
Special Assessments	0	0	0	8,339	8,339
Due from Other Governments	0	0	0	171,658	171,658
<b>Total Assets</b>	<b>\$2,800</b>	<b>\$640,755</b>	<b>\$17,268</b>	<b>\$182,024</b>	<b>\$842,847</b>
<b>Liabilities and Fund Balances:</b>					
Contracts Payable	\$0	\$99,088	\$0	\$0	\$99,088
Retainage Payable	0	2,055	0	0	2,055
Interfund Payable	0	14,564	0	0	14,564
Deferred Revenue	0	0	0	179,997	179,997
<b>Total Liabilities</b>	<b>0</b>	<b>115,707</b>	<b>0</b>	<b>179,997</b>	<b>295,704</b>
Fund Balances:					
Reserved for Encumbrances	0	0	958	0	958
Unreserved:					
Undesignated	2,800	525,048	16,310	2,027	546,185
<b>Total Fund Balances</b>	<b>2,800</b>	<b>525,048</b>	<b>17,268</b>	<b>2,027</b>	<b>547,143</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$2,800</b>	<b>\$640,755</b>	<b>\$17,268</b>	<b>\$182,024</b>	<b>\$842,847</b>

PREBLE COUNTY, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Issue II	Permanent Improvement	Building Construction	Ditch and Guardrail Construction	Road and Bridge Construction	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>						
Intergovernmental	\$0	\$0	\$0	\$0	\$334,940	\$334,940
Special Assessments	0	0	0	6,477	0	6,477
Interest	0	0	162	0	0	162
Other	0	14,105	0	0	0	14,105
Total Revenues	0	14,105	162	6,477	334,940	355,684
<b>Expenditures:</b>						
Capital Outlay	0	991,788	51,463	13,708	341,352	1,398,311
Net Changes in Fund Balances	0	(977,683)	(51,301)	(7,231)	(6,412)	(1,042,627)
Fund Balances at Beginning of Year	2,800	1,502,731	68,569	9,258	6,412	1,589,770
Fund Balances at End of Year	<u>\$2,800</u>	<u>\$525,048</u>	<u>\$17,268</u>	<u>\$2,027</u>	<u>\$0</u>	<u>\$547,143</u>



## PREBLE COUNTY, OHIO AGENCY FUND DESCRIPTIONS

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To account for assets held by the County as an agent for individuals, private organizations, and/or other governmental units.

### Health

To account for the funds and subfunds of the Board of Health for which the County Auditor is the ex officio fiscal agent as required under Section 1515.23 of the Ohio Revised Code. The following funds are combined into the Health Fund:

- C&FHS Medicaid
- Preble County Child and Family Health Grant
- Preventive Health and Health Services
- Swimming Pool
- Immunization Action Plan
- Rural Health Outreach Demonstration Program
- Food Service
- Solid Waste
- Trailer Park
- Water Systems
- Women and Independent Children
- Welcome Home Newborn
- Family and Children's First Council
- Public Health Infrastructure
- Regular Children Passenger

### Payroll Distribution

To account for payroll taxes and other related payroll deductions accumulated from all funds for distribution to other governmental units and private organizations.

### Soil and Water Conservation

To account for the funds and subfunds of the Soil and Water Conservation District, established under Chapter 1515, Revised Code, for which the County Auditor is fiscal agent.

### Forfeited Land Sales

To account for receipts from a foreclosure sale. The money belongs to the individuals. The money is distributed to cover various real estate taxes.

### Disaster Services

Provides emergency management coordination for the County, bringing together volunteers and contractors from the private sector with emergency responders and other government officials. The County is serving as fiscal agent for this program.

(Continued)

PREBLE COUNTY, OHIO  
AGENCY FUND DESCRIPTIONS  
(Continued)

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Emergency Planning Committee - Right to Know

To account for revenue received through SARA Title III legislation regarding the public's right to know about local chemicals. It also provides hazardous materials training and equipment for emergency responders. The County is serving as fiscal agent for this organization.

Family and Children's First Council

To account for the activities for the family and children's first council.

Housing Trust

To account for additional service fees charged by the County Recorder payable to the State of Ohio.

Law Library

To account for a percent of all fines collected by the County distributed to the Law Library, as outlined by State statute. Annually, any unused monies are refunded to the various participating governments.

Undivided General Tax

To account for monies apportioned to local governments in the County (including Preble County itself). The following funds are included in this fund:

- Homestead and Rollback
- Undivided General Personal Tax
- Undivided General Personal Property Tax (Delinquent)
- Trailer Tax
- Cigarette Tax
- Estate Tax
- Out of County Estate Tax
- Auto Vehicle License Tax
- Treasurer of State
- Township Gas Tax
- Fines
- Out of County Ditches

Fines

To account for receipts from Municipal Court fines and costs that are distributed to other funds, i.e., Law Library, General Fund, Dog and Kennel and Motor Vehicle and Gas Tax. The Railroad Crossing Fund is included in this fund.

(Continued)

PREBLE COUNTY, OHIO  
AGENCY FUND DESCRIPTIONS  
(Continued)

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Local Government

To account for the collection of shared revenues within the State of Ohio that represent a portion of State income taxes, State sales taxes, and corporate franchise taxes. These monies are returned to the County and subsequently apportioned to various local governments on a monthly basis. These monies are allocated by the budget commission according to the alternate method.

Council on Aging

To account for receipts and distribution of tax revenue.

Sheriff Agency

To account for the activities of the inmate work release account and foreclosure account.

Alimony and Child Support

To account for the collection and distribution of alimony and child support payments.

County Court Agency

To account for Clerk of Courts fees, Probate Court fees, Juvenile Court fees, and County Municipal Court fees to be distributed to other governments.

Health and Life Insurance

To account for employee deductions and employer contributions accumulated from all funds for health and life insurance.

Undivided General Real Estate Escrow

To account for the receipt of the advance payment of real estate taxes from taxpayers that must be held in escrow by the County Treasurer.

PREBLE COUNTY, OHIO  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004

<b>HEALTH</b>	Beginning Balance 1/1/2004	Additions	Reductions	Ending Balance 12/31/2004
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$360,325	\$1,584,434	\$1,604,170	\$340,589
Receivables:				
Property Taxes	287,478	277,353	287,478	277,353
Accounts	2,000	0	2,000	0
Special Assessments	853	864	853	864
Due from Other Governments	15,655	15,026	15,655	15,026
Total Assets	<u>\$666,311</u>	<u>\$1,877,677</u>	<u>\$1,910,156</u>	<u>\$633,832</u>
<b>Liabilities:</b>				
Accrued Salaries Payable	\$48,754	\$30,124	\$48,754	\$30,124
Due to Other Governments	32,605	40,075	32,605	40,075
Deposits Held and Due to Others	584,952	1,959,036	1,980,355	563,633
Total Liabilities	<u>\$666,311</u>	<u>\$2,029,235</u>	<u>\$2,061,714</u>	<u>\$633,832</u>
<b>PAYROLL DISTRIBUTION</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$30,143</u>	<u>\$3,774,546</u>	<u>\$3,738,176</u>	<u>\$66,513</u>
<b>Liabilities:</b>				
Undistributed Money	<u>\$30,143</u>	<u>\$3,774,546</u>	<u>\$3,738,176</u>	<u>\$66,513</u>
<b>SOIL AND WATER CONSERVATION</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$23,650</u>	<u>\$286,859</u>	<u>\$263,963</u>	<u>\$46,546</u>
<b>Liabilities:</b>				
Accrued Salaries Payable	\$11,925	\$6,450	\$11,925	\$6,450
Due to Other Governments	7,932	8,307	7,932	8,307
Undistributed Money	3,793	306,716	278,720	31,789
Total Liabilities	<u>\$23,650</u>	<u>\$321,473</u>	<u>\$298,577</u>	<u>\$46,546</u>
<b>FORFEITED LAND SALES</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$29,042</u>	<u>\$0</u>	<u>\$0</u>	<u>\$29,042</u>
<b>Liabilities:</b>				
Deposits Held and Due to Others	<u>\$29,042</u>	<u>\$0</u>	<u>\$0</u>	<u>\$29,042</u>

(Continued)

PREBLE COUNTY, OHIO  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004  
 (Continued)

	Beginning Balance 1/1/2004	Additions	Reductions	Ending Balance 12/31/2004
<b>DISASTER SERVICES</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$81,573	\$400,728	\$396,350	\$85,951
<b>Liabilities:</b>				
Accounts Payable	\$45,417	\$261	\$45,417	\$261
Accrued Salaries Payable	3,731	2,130	3,731	2,130
Due to Other Governments	2,462	2,857	2,462	2,857
Undistributed Money	29,963	452,338	401,598	80,703
Total Liabilities	\$81,573	\$457,586	\$453,208	\$85,951
<b>EMERGENCY PLANNING COMMITTEE-RIGHT TO KNOW</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$46,602	\$18,436	\$13,976	\$51,062
<b>Liabilities:</b>				
Undistributed Money	\$46,602	\$18,436	\$13,976	\$51,062
<b>FAMILY AND CHILDREN'S FIRST COUNCIL</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$99,535	\$273,927	\$249,046	\$124,416
<b>Liabilities:</b>				
Accrued Salaries Payable	\$2,561	\$1,520	\$2,561	\$1,520
Due to Other Governments	1,833	2,037	1,833	2,037
Deposits Held and Due to Others	95,141	278,321	252,603	120,859
Total Liabilities	\$99,535	\$281,878	\$256,997	\$124,416
<b>HOUSING TRUST</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$80,791	\$289,672	\$307,954	\$62,509
<b>Liabilities:</b>				
Deposits Held and Due to Others	\$80,791	\$289,672	\$307,954	\$62,509
<b>LAW LIBRARY</b>				
<b>Assets:</b>				
Cash and Cash Equivalents in Segregated Accounts	\$38,988	\$178,607	\$217,595	\$0
<b>Liabilities:</b>				
Deposits Held and Due to Others	\$38,988	\$133,667	\$172,655	\$0

(Continued)

PREBLE COUNTY, OHIO  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004  
 (Continued)

UNDIVIDED GENERAL TAX	Beginning Balance 1/1/2004	Additions	Reductions	Ending Balance 12/31/2004
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,404,230	\$63,680,359	\$63,532,320	\$1,552,269
Receivables:				
Property Taxes	33,480,402	35,060,996	33,480,402	35,060,996
Accounts	11,133	8,780	11,133	8,780
Special Assessments	965,099	972,255	965,099	972,255
Due from Other Governments	1,686,309	1,773,404	1,686,309	1,773,404
Total Assets	<u>\$37,547,173</u>	<u>\$101,495,794</u>	<u>\$99,675,263</u>	<u>\$39,367,704</u>
<b>Liabilities:</b>				
Accrued Salaries Payable	\$136	\$79	\$136	\$79
Due to Other Governments	36,143,035	37,815,537	36,143,035	37,815,537
Undistributed Money	1,404,002	63,680,587	63,532,501	1,552,088
Total Liabilities	<u>\$37,547,173</u>	<u>\$101,496,203</u>	<u>\$99,675,672</u>	<u>\$39,367,704</u>
<b>FINES</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,115	\$139,740	\$139,740	\$1,115
Receivables:				
Accounts	11,115	0	11,115	0
Total Assets	<u>\$12,230</u>	<u>\$139,740</u>	<u>\$150,855</u>	<u>\$1,115</u>
<b>Liabilities:</b>				
Undistributed Money	<u>\$12,230</u>	<u>\$139,740</u>	<u>\$150,855</u>	<u>\$1,115</u>
<b>LOCAL GOVERNMENT</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$1,768,541	\$1,768,541	\$0
Due from Other Governments	525,684	492,401	525,684	492,401
Total Assets	<u>\$525,684</u>	<u>\$2,260,942</u>	<u>\$2,294,225</u>	<u>\$492,401</u>
<b>Liabilities:</b>				
Due to Other Governments	\$525,684	\$492,401	\$525,684	\$492,401
Undistributed Money	0	2,786,626	2,786,626	0
Total Liabilities	<u>\$525,684</u>	<u>\$3,279,027</u>	<u>\$3,312,310</u>	<u>\$492,401</u>
<b>COUNCIL ON AGING</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$711,877	\$688,866	\$23,011
Due from Other Governments	36,046	34,615	36,046	34,615
Total Assets	<u>\$36,046</u>	<u>\$746,492</u>	<u>\$724,912</u>	<u>\$57,626</u>
<b>Liabilities:</b>				
Undistributed Money	<u>\$36,046</u>	<u>\$746,492</u>	<u>\$724,912</u>	<u>\$57,626</u>

(Continued)

PREBLE COUNTY, OHIO  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004  
 (Continued)

	Beginning Balance 1/1/2004	Additions	Reductions	Ending Balance 12/31/2004
<b>SHERIFF AGENCY</b>				
<b>Assets:</b>				
Cash and Cash Equivalents in Segregated Accounts	\$375,177	\$2,679,093	\$2,739,220	\$315,050
<b>Liabilities:</b>				
Deposits Held and Due to Others	\$375,177	\$2,630,217	\$2,690,344	\$315,050
<b>ALIMONY AND CHILD SUPPORT</b>				
<b>Assets:</b>				
Cash and Cash Equivalents in Segregated Accounts	\$18,641	\$351,066	\$368,107	\$1,600
<b>Liabilities:</b>				
Deposits Held and Due to Others	\$18,641	\$351,066	\$368,107	\$1,600
<b>COUNTY COURT AGENCY</b>				
<b>Assets:</b>				
Cash and Cash Equivalents in Segregated Accounts	\$856,690	\$5,751,208	\$6,158,366	\$449,532
Receivables:				
Accounts	55,487	78,389	55,487	78,389
Total Assets	\$912,177	\$5,829,597	\$6,213,853	\$527,921
<b>Liabilities:</b>				
Deposits Held and Due to Others	\$912,177	\$5,847,777	\$6,232,033	\$527,921
<b>HEALTH AND LIFE INSURANCE</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$563,037	\$538,463	\$24,574
<b>Liabilities:</b>				
Undistributed Money	\$0	\$563,037	\$538,463	\$24,574
<b>UNDIVIDED GENERAL REAL ESTATE ESCROW</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$24,071	\$2,889	\$21,182
<b>Liabilities:</b>				
Undistributed Money	\$0	\$24,071	\$2,889	\$21,182

(Continued)

PREBLE COUNTY, OHIO  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 Total Assets  
 (Continued)

	Beginning Balance 1/1/2004	Additions	Reductions	Ending Balance 12/31/2004
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,157,006	\$73,516,227	\$73,244,454	\$2,428,779
Cash and Cash Equivalents in Segregated Accounts	1,289,496	8,959,974	9,483,288	766,182
Receivables:				
Property Taxes	33,767,880	35,338,349	33,767,880	35,338,349
Accounts	79,735	87,169	79,735	87,169
Special Assessments	965,952	973,119	965,952	973,119
Due from Other Governments	2,263,694	2,315,446	2,263,694	2,315,446
Total Assets	<u>\$40,523,763</u>	<u>\$121,190,284</u>	<u>\$119,805,003</u>	<u>\$41,909,044</u>
<b>Liabilities:</b>				
Accounts Payable	\$45,417	\$261	\$45,417	\$261
Accrued Salaries Payable	67,107	40,303	67,107	40,303
Due to Other Governments	36,713,551	38,361,214	36,713,551	38,361,214
Undistributed Money	1,562,779	72,492,589	72,168,716	1,886,652
Deposits Held and Due to Others	2,134,909	11,489,756	12,004,051	1,620,614
Total Liabilities	<u>\$40,523,763</u>	<u>\$122,384,123</u>	<u>\$120,998,842</u>	<u>\$41,909,044</u>



PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$1,553,200	\$1,587,805	\$34,605
Permissive Sales Tax	3,900,000	4,170,905	270,905
Charges for Services	1,875,170	1,856,100	(19,070)
Licenses and Permits	4,500	3,185	(1,315)
Fines and Forfeitures	76,000	63,409	(12,591)
Intergovernmental	1,083,650	1,120,442	36,792
Interest	325,000	240,582	(84,418)
Other	329,500	249,176	(80,324)
<b>Total Revenues</b>	<b>9,147,020</b>	<b>9,291,604</b>	<b>144,584</b>
<b>Expenditures:</b>			
Current:			
General Government			
Legislative and Executive			
County Commissioners			
Personal Services	347,929	346,095	1,834
Materials and Supplies	11,000	9,103	1,897
Charges and Services	285,094	264,796	20,298
Other	61,817	61,417	400
<b>Total County Commissioners</b>	<b>705,840</b>	<b>681,411</b>	<b>24,429</b>
Microfilm			
Personal Services	64,313	63,549	764
Materials and Supplies	4,192	3,749	443
Charges and Services	2,071	1,258	813
Other	13,452	9,970	3,482
<b>Total Microfilm</b>	<b>84,028</b>	<b>78,526</b>	<b>5,502</b>
County Auditor			
Personal Services	190,600	190,512	88
Materials and Supplies	4,227	2,943	1,284
Charges and Services	12,161	4,651	7,510
Other	2,482	1,756	726
<b>Total County Auditor</b>	<b>209,470</b>	<b>199,862</b>	<b>9,608</b>
County Treasurer			
Personal Services	64,276	62,987	1,289
Materials and Supplies	8,186	7,998	188
Charges and Services	12,061	11,774	287
Other	193	93	100
<b>Total County Treasurer</b>	<b>\$84,716</b>	<b>\$82,852</b>	<b>\$1,864</b>

(Continued)

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)

	Budget	Actual	Variance Positive (Negative)
Prosecutor			
Personal Services	\$519,421	\$486,100	\$33,321
Materials and Supplies	25,535	19,355	6,180
Charges and Services	24,406	21,953	2,453
Capital Purchases	19,596	19,586	10
Other	44,400	38,779	5,621
<b>Total Prosecutor</b>	<b>633,358</b>	<b>585,773</b>	<b>47,585</b>
Bureau of Inspection			
Charges and Services	147,926	134,001	13,925
Data Processing			
Personal Services	16,270	16,253	17
Materials and Supplies	11,571	8,701	2,870
Charges and Services	22,214	21,517	697
Other	6,845	3,051	3,794
<b>Total Data Processing</b>	<b>56,900</b>	<b>49,522</b>	<b>7,378</b>
Board of Elections			
Personal Services	92,153	91,238	915
Materials and Supplies	27,830	27,747	83
Charges and Services	83,421	77,003	6,418
Other	790	760	30
<b>Total Board of Elections</b>	<b>204,194</b>	<b>196,748</b>	<b>7,446</b>
Building Maintenance			
Personal Services	172,609	168,525	4,084
Materials and Supplies	19,024	18,658	366
Charges and Services	197,120	190,787	6,333
Capital Purchases	500	0	500
Other	500	0	500
<b>Total Building Maintenance</b>	<b>389,753</b>	<b>377,970</b>	<b>11,783</b>
Recorder			
Personal Services	112,661	111,564	1,097
Materials and Supplies	6,380	4,522	1,858
Charges and Services	2,653	1,976	677
<b>Total Recorder</b>	<b>121,694</b>	<b>118,062</b>	<b>3,632</b>
Rural Zoning			
Personal Services	10,500	10,000	500
Materials and Supplies	2,895	2,870	25
Charges and Services	3,147	3,068	79
Capital Purchases	550	486	64
Other	8,012	1,232	6,780
<b>Total Rural Zoning</b>	<b>\$25,104</b>	<b>\$17,656</b>	<b>\$7,448</b>

(Continued)

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)

	Budget	Actual	Variance Positive (Negative)
Insurance			
Charges and Services	\$688,455	\$687,424	\$1,031
<b>Total General Government Legislative and Executive</b>	<b>3,351,438</b>	<b>3,209,807</b>	<b>141,631</b>
General Government			
Judicial			
Appeals Court			
Other	25,284	24,054	1,230
Common Pleas Court			
Personal Services	113,630	106,010	7,620
Materials and Supplies	5,500	5,444	56
Charges and Services	15,329	14,203	1,126
Other	7,555	7,211	344
<b>Total Common Pleas Court</b>	<b>142,014</b>	<b>132,868</b>	<b>9,146</b>
Jury Commission			
Personal Services	600	600	0
Materials and Supplies	1,020	1,013	7
<b>Total Jury Commission</b>	<b>1,620</b>	<b>1,613</b>	<b>7</b>
Adult Probation			
Capital Purchases	16	0	16
Other	1,321	1,186	135
<b>Total Adult Probation</b>	<b>1,337</b>	<b>1,186</b>	<b>151</b>
Common Pleas Referee			
Personal Services	71,837	71,760	77
Juvenile Court			
Personal Services	353,171	346,386	6,785
Materials and Supplies	15,314	15,028	286
Charges and Services	123,447	111,641	11,806
Capital Purchases	26,757	24,546	2,211
Other	20,963	17,097	3,866
<b>Total Juvenile Court</b>	<b>539,652</b>	<b>514,698</b>	<b>24,954</b>
Probate Court			
Personal Services	95,828	95,034	794
Materials and Supplies	14,626	14,169	457
Charges and Services	3,914	3,174	740
Other	614	604	10
<b>Total Probate Court</b>	<b>\$114,982</b>	<b>\$112,981</b>	<b>\$2,001</b>

(Continued)

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)

	Budget	Actual	Variance Positive (Negative)
Clerk of Courts			
Personal Services	\$159,036	\$152,725	\$6,311
Materials and Supplies	7,487	6,762	725
Charges and Services	33,171	32,959	212
Other	1,088	1,088	0
Total Clerk of Courts	<u>200,782</u>	<u>193,534</u>	<u>7,248</u>
Municipal Court			
Personal Services	114,528	113,533	995
Charges and Services	2,000	1,069	931
Other	9,372	9,372	0
Total Municipal Court	<u>125,900</u>	<u>123,974</u>	<u>1,926</u>
Law Library			
Personal Services	16,984	16,000	984
Miscellaneous			
Personal Services	47,462	47,312	150
Charges and Services	383,294	382,461	833
Other	62,059	58,077	3,982
Total Miscellaneous	<u>492,815</u>	<u>487,850</u>	<u>4,965</u>
Total General Government Judicial	<u>1,733,207</u>	<u>1,680,518</u>	<u>52,689</u>
Public Safety			
Coroner			
Personal Services	51,757	51,131	626
Materials and Supplies	275	96	179
Charges and Services	46,063	44,356	1,707
Other	4,953	4,538	415
Total Coroner	<u>103,048</u>	<u>100,121</u>	<u>2,927</u>
Sheriff Dispatch			
Personal Services	373,177	371,973	1,204
Materials and Supplies	1,601	1,601	0
Charges and Services	3,090	2,827	263
Total Sheriff Dispatch	<u>377,868</u>	<u>376,401</u>	<u>1,467</u>
Sheriff			
Personal Services	2,640,045	2,629,353	10,692
Materials and Supplies	146,868	144,901	1,967
Charges and Services	474,193	467,367	6,826
Capital Purchases	138,996	136,819	2,177
Other	5,656	5,652	4
Total Sheriff	<u>\$3,405,758</u>	<u>\$3,384,092</u>	<u>\$21,666</u>

(Continued)

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)

	Budget	Actual	Variance Positive (Negative)
Building Regulations			
Personal Services	\$187,765	\$186,920	\$845
Materials and Supplies	1,532	1,528	4
Charges and Services	4,922	4,687	235
Other	1,467	1,289	178
Total Building Regulations	<u>195,686</u>	<u>194,424</u>	<u>1,262</u>
Disaster Services			
Charges and Services	<u>20,846</u>	<u>20,846</u>	<u>0</u>
Total Public Safety	<u>4,103,206</u>	<u>4,075,884</u>	<u>27,322</u>
Public Works			
Highways			
Charges and Services	<u>24,840</u>	<u>24,840</u>	<u>0</u>
Health			
Tuberculosis			
Charges and Services	288	288	0
Vital Statistics			
Charges and Services	<u>72,225</u>	<u>71,951</u>	<u>274</u>
Total Health	<u>72,513</u>	<u>72,239</u>	<u>274</u>
Human Services			
Soldier's Relief			
Personal Services	19,519	19,150	369
Materials and Supplies	5,352	5,110	242
Charges and Services	126,975	124,149	2,826
Other	13,000	12,719	281
Total Soldier's Relief	<u>164,846</u>	<u>161,128</u>	<u>3,718</u>
Veteran's Services			
Personal Services	92,027	90,134	1,893
Charges and Services	19,435	18,760	675
Other	13,675	13,157	518
Total Veteran's Services	<u>125,137</u>	<u>122,051</u>	<u>3,086</u>
Total Human Services	<u>\$289,983</u>	<u>\$283,179</u>	<u>\$6,804</u>

(Continued)

PREBLE COUNTY, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 (BUDGET BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2004  
 (Continued)

	Budget	Actual	Variance Positive (Negative)
Intergovernmental			
Agriculture			
Charges and Services	\$272,696	\$272,562	\$134
Total Expenditures	9,847,883	9,619,029	228,854
Excess of Revenues Under Expenditures	(700,863)	(327,425)	373,438
<b>Other Financing Sources (Uses):</b>			
Advances - In	0	28,502	28,502
Advances - Out	0	(76,000)	(76,000)
Transfers - Out	(477,095)	(477,095)	0
Total Other Financing Sources (Uses)	(477,095)	(524,593)	(47,498)
Net Change in Fund Balance	(1,177,958)	(852,018)	325,940
Fund Balance at Beginning of Year	1,439,932	1,439,932	0
Prior Year Encumbrances Appropriated	403,669	403,669	0
Fund Balance at End of Year	\$665,643	\$991,583	\$325,940

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
MOTOR VEHICLE AND GAS TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$65,000	\$43,778	(\$21,222)
Fines and Forfeitures	40,000	30,451	(9,549)
Intergovernmental	4,150,942	4,228,693	77,751
Interest	42,000	11,051	(30,949)
Other	<u>15,000</u>	<u>1,507</u>	<u>(13,493)</u>
Total Revenues	<u>4,312,942</u>	<u>4,315,480</u>	<u>2,538</u>
<b>Expenditures:</b>			
Current:			
Public Works			
Engineer			
Personal Services	1,741,089	1,725,750	15,339
Materials and Supplies	745,454	716,025	29,429
Charges and Services	1,340,691	1,464,995	(124,304)
Capital Purchases	389,967	397,719	(7,752)
Other	<u>10,400</u>	<u>10,692</u>	<u>(292)</u>
Total Engineer	<u>4,227,601</u>	<u>4,315,181</u>	<u>(87,580)</u>
Debt Service:			
Principal Retirement	1,250,000	1,250,000	0
Interest and Fiscal Charges	<u>18,240</u>	<u>18,240</u>	<u>0</u>
Total Debt Service	<u>1,268,240</u>	<u>1,268,240</u>	<u>0</u>
Total Expenditures	<u>5,495,841</u>	<u>5,583,421</u>	<u>(87,580)</u>
Excess of Revenues Under Expenditures	(1,182,899)	(1,267,941)	(85,042)
<b>Other Financing Sources:</b>			
Notes Issued	<u>1,000,000</u>	<u>1,100,000</u>	<u>100,000</u>
Net Change in Fund Balance	(182,899)	(167,941)	14,958
Fund Balance at Beginning of Year	323,569	323,569	0
Prior Year Encumbrances Appropriated	<u>254,768</u>	<u>254,768</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$395,438</u></u>	<u><u>\$410,396</u></u>	<u><u>\$14,958</u></u>

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
HUMAN SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$354,800	\$278,300	(\$76,500)
Intergovernmental	<u>3,234,609</u>	<u>2,490,870</u>	<u>(743,739)</u>
Total Revenues	<u>3,589,409</u>	<u>2,769,170</u>	<u>(820,239)</u>
<b>Expenditures:</b>			
Current:			
Human Services			
Public Assistance			
Personal Services	2,172,341	2,071,236	101,105
Materials and Supplies	58,927	53,589	5,338
Charges and Services	1,914,676	762,873	1,151,803
Other	<u>16,500</u>	<u>6,418</u>	<u>10,082</u>
Total Public Assistance	<u>4,162,444</u>	<u>2,894,116</u>	<u>1,268,328</u>
Excess of Revenues Under Expenditures	<u>(573,035)</u>	<u>(124,946)</u>	<u>448,089</u>
<b>Other Financing Sources (Uses):</b>			
Transfers - In	654,986	109,187	(545,799)
Transfers - Out	<u>(53,000)</u>	<u>0</u>	<u>53,000</u>
Total Other Financing Sources (Uses)	<u>601,986</u>	<u>109,187</u>	<u>(492,799)</u>
Net Changes in Fund Balance	28,951	(15,759)	(44,710)
Fund Balance (Deficit) at Beginning of Year	(12,952)	(12,952)	0
Prior Year Encumbrances Appropriated	<u>116,674</u>	<u>116,674</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$132,673</u></u>	<u><u>\$87,963</u></u>	<u><u>(\$44,710)</u></u>



PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
COMMUNITY MENTAL HEALTH FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$268,560	\$270,195	\$1,635
Charges for Services	8,900	139,234	130,334
Intergovernmental	2,285,113	2,003,458	(281,655)
Other	0	204	204
	<u>2,562,573</u>	<u>2,413,091</u>	<u>(149,482)</u>
<b>Total Revenues</b>			
<b>Expenditures:</b>			
Current:			
Health			
648 Board			
Personal Services	280,152	273,315	6,837
Materials and Supplies	11,435	10,011	1,424
Charges and Services	2,671,111	2,515,881	155,230
Capital Purchases	36,019	33,161	2,858
Other	7,423	5,000	2,423
	<u>3,006,140</u>	<u>2,837,368</u>	<u>168,772</u>
<b>Total 648 Board</b>			
Human Services			
Treatment Alternatives to Street Crime			
Personal Services	175,774	171,043	4,731
Materials and Supplies	5,100	4,773	327
Charges and Services	71,534	65,903	5,631
Capital Purchases	13,460	13,307	153
Other	17,041	16,488	553
	<u>282,909</u>	<u>271,514</u>	<u>11,395</u>
<b>Total Treatment Alternatives to Street Crime</b>			
<b>Total Expenditures</b>	<u>3,289,049</u>	<u>3,108,882</u>	<u>180,167</u>
<b>Net Change in Fund Balance</b>	(726,476)	(695,791)	30,685
Fund Balance at Beginning of Year	284,540	284,540	0
Prior Year Encumbrances Appropriated	666,036	666,036	0
<b>Fund Balance at End of Year</b>	<u>\$224,100</u>	<u>\$254,785</u>	<u>\$30,685</u>

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
MENTAL RETARDATION LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$998,975	\$1,049,660	\$50,685
Charges for Services	20,800	21,453	653
Intergovernmental	2,059,429	2,215,171	155,742
Other	<u>14,700</u>	<u>13,902</u>	<u>(798)</u>
Total Revenues	<u>3,093,904</u>	<u>3,300,186</u>	<u>206,282</u>
<b>Expenditures:</b>			
Current:			
Human Services			
Mental Retardation Levy			
Personal Services	2,043,574	1,957,854	85,720
Materials and Supplies	8,921	8,512	409
Charges and Services	964,953	910,999	53,954
Capital Purchases	<u>354,210</u>	<u>340,238</u>	<u>13,972</u>
Total Mental Retardation Levy	<u>3,371,658</u>	<u>3,217,603</u>	<u>154,055</u>
Debt Service			
Principal Retirement	255,000	255,000	0
Interest and Fiscal Charges	<u>2,907</u>	<u>2,907</u>	<u>0</u>
Total Debt Service	<u>257,907</u>	<u>257,907</u>	<u>0</u>
Total Expenditures	<u>3,629,565</u>	<u>3,475,510</u>	<u>154,055</u>
Excess of Revenues Under Expenditures	(535,661)	(175,324)	360,337
<b>Other Financing Sources:</b>			
Notes Issued	<u>229,500</u>	<u>229,500</u>	<u>0</u>
Net Change in Fund Balance	(306,161)	54,176	360,337
Fund Balance at Beginning of Year	1,094,079	1,094,079	0
Prior Year Encumbrances Appropriated	<u>166,670</u>	<u>166,670</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$954,588</u></u>	<u><u>\$1,314,925</u></u>	<u><u>\$360,337</u></u>

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL  
(BUDGET BASIS)  
SEWER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$20,500	\$18,770	(\$1,730)
Grants	600,000	497,000	(103,000)
Other	0	135,000	135,000
OWDA Loans Issued	<u>1,645,980</u>	<u>256,368</u>	<u>(1,389,612)</u>
Total Revenues	<u>2,266,480</u>	<u>907,138</u>	<u>(1,359,342)</u>
<b>Expenses:</b>			
Personal Services	4,031	3,640	391
Materials and Supplies	2,928	2,751	177
Charges and Services	596,311	170,502	425,809
Miscellaneous	2,846	2,426	420
Capital Outlay	1,448,666	509,703	938,963
Debt Service:			
Principal Retirement	204,153	204,153	0
Interest and Fical Charges	<u>17,858</u>	<u>12,057</u>	<u>5,801</u>
Total Expenses	<u>2,276,793</u>	<u>905,232</u>	<u>1,371,561</u>
Excess of Revenues Over (Under) Expenses	(10,313)	1,906	12,219
Advances - In	0	13,374	13,374
Advances - Out	<u>0</u>	<u>(53,095)</u>	<u>(53,095)</u>
Net Change in Fund Equity	(10,313)	(37,815)	(27,502)
Fund Equity at Beginning of Year	51,542	51,542	0
Prior Year Encumbrances Appropriated	<u>44,586</u>	<u>44,586</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$85,815</u></u>	<u><u>\$58,313</u></u>	<u><u>(\$27,502)</u></u>

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL  
(BUDGET BASIS)  
LANDFILL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$3,020,986	\$3,103,246	\$82,260
Grants	45,000	45,000	0
Interest	0	2,580	2,580
Notes Issued	387,460	247,460	(140,000)
Other	15,282	15,282	0
Total Revenues	<u>3,468,728</u>	<u>3,413,568</u>	<u>(55,160)</u>
<b>Expenses:</b>			
Personal Services	452,900	431,902	20,998
Materials and Supplies	121,141	104,554	16,587
Charges and Services	2,727,488	1,674,309	1,053,179
Capital Outlay	524,200	500,864	23,336
Debt Service:			
Principal Retirement	512,287	510,947	1,340
Interest and Fiscal Charges	194,511	194,511	0
Total Expenses	<u>4,532,527</u>	<u>3,417,087</u>	<u>1,115,440</u>
Excess of Revenues Under Expenses	(1,063,799)	(3,519)	1,060,280
Advances - In	75,000	0	(75,000)
Transfers - In	662,246	0	(662,246)
Transfers - Out	(175)	0	175
Net Change in Fund Equity	(326,728)	(3,519)	323,209
Fund Equity at Beginning of Year	1,012,958	1,012,958	0
Prior Year Encumbrances Appropriated	453,743	453,743	0
Fund Equity at End of Year	<u>\$1,139,973</u>	<u>\$1,463,182</u>	<u>\$323,209</u>

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
CHILDREN SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$361,200	\$375,398	\$14,198
Charges for Services	84,437	83,063	(1,374)
Intergovernmental	959,247	795,712	(163,535)
Other	<u>108</u>	<u>4,130</u>	<u>4,022</u>
Total Revenues	<u>1,404,992</u>	<u>1,258,303</u>	<u>(146,689)</u>
<b>Expenditures:</b>			
Current:			
Human Services			
Children Services Special Levy			
Materials and Supplies	11,000	10,832	168
Charges and Services	<u>1,686,692</u>	<u>1,666,552</u>	<u>20,140</u>
Total Expenditures	<u>1,697,692</u>	<u>1,677,384</u>	<u>20,308</u>
Excess of Revenues Under Expenditures	(292,700)	(419,081)	(126,381)
<b>Other Financing Sources:</b>			
Transfers - In	<u>150,101</u>	<u>300,168</u>	<u>150,067</u>
Net Change in Fund Balance	(142,599)	(118,913)	23,686
Fund Balance at Beginning of Year	186,293	186,293	0
Prior Year Encumbrances Appropriated	<u>9,516</u>	<u>9,516</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$53,210</u></u>	<u><u>\$76,896</u></u>	<u><u>\$23,686</u></u>

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
OTHER LEGISLATIVE AND EXECUTIVE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$69,000	\$80,231	\$11,231
Charges for Services	<u>324,000</u>	<u>340,400</u>	<u>16,400</u>
Total Revenues	<u>393,000</u>	<u>420,631</u>	<u>27,631</u>
<b>Expenditures:</b>			
Current:			
General Government			
Legislative and Executive			
Real Estate Assessment			
Personal Services	163,750	155,467	8,283
Materials and Supplies	32,734	23,842	8,892
Charges and Services	599,966	309,033	290,933
Other	<u>28,698</u>	<u>13,697</u>	<u>15,001</u>
Total Real Estate Assessment	<u>825,148</u>	<u>502,039</u>	<u>323,109</u>
Ohio Election Commission			
Charges and Services	<u>2,500</u>	<u>610</u>	<u>1,890</u>
Geographical Information System			
Personal Services	8,061	453	7,608
Materials and Supplies	5,000	1,113	3,887
Charges and Services	<u>12,000</u>	<u>4,410</u>	<u>7,590</u>
Total Geographical Information System	<u>25,061</u>	<u>5,976</u>	<u>19,085</u>
HAVA			
Charges and Services	727	727	0
Capital Purchases	<u>6,300</u>	<u>6,300</u>	<u>0</u>
Total HAVA	<u>7,027</u>	<u>7,027</u>	<u>0</u>
Delinquent Real Estate and Tax Collection			
Personal Services	25,559	23,709	1,850
Charges and Services	43,135	39,679	3,456
Other	<u>115</u>	<u>115</u>	<u>0</u>
Total Delinquent Real Estate and Tax Collection	<u>68,809</u>	<u>63,503</u>	<u>5,306</u>
Total Expenditures	<u>928,545</u>	<u>579,155</u>	<u>349,390</u>
Net Change in Fund Balance	(535,545)	(158,524)	377,021
Fund Balance at Beginning of Year	628,036	628,036	0
Prior Year Encumbrances Appropriated	<u>219,287</u>	<u>219,287</u>	<u>0</u>
Fund Balance at End of Year	<u>\$311,778</u>	<u>\$688,799</u>	<u>\$377,021</u>

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
OTHER JUDICIAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$327,341	\$272,518	(\$54,823)
Intergovernmental	10,750	550	(10,200)
<b>Total Revenues</b>	<b>338,091</b>	<b>273,068</b>	<b>(65,023)</b>
<b>Expenditures:</b>			
Current:			
General Government			
Judicial			
Court Computerization			
Charges and Services	137,403	96,133	41,270
Court Computerization-Legal Research			
Other	5,792	3,792	2,000
Probate Court - Conduct of Business			
Capital Outlay	600	345	255
Certificate of Title Administration			
Personal Services	154,108	151,199	2,909
Materials and Supplies	5,022	4,387	635
Charges and Services	24,433	23,365	1,068
Capital Purchases	56	56	0
<b>Total Certificate of Title Administration</b>	<b>183,619</b>	<b>179,007</b>	<b>4,612</b>
CASA/GAL Program			
Personal Services	19,878	9,695	10,183
Charges and Services	192	192	0
Capital Purchases	1,208	1,208	0
Other	968	198	770
<b>Total CASA/GAL Program</b>	<b>22,246</b>	<b>11,293</b>	<b>10,953</b>
<b>Total General Government - Judicial</b>	<b>349,660</b>	<b>290,570</b>	<b>59,090</b>
Debt Service:			
Principal Retirement	15,216	15,000	216
Interest and Fiscal Charges	284	284	0
<b>Total Debt Service</b>	<b>15,500</b>	<b>15,284</b>	<b>216</b>
<b>Total Expenditures</b>	<b>365,160</b>	<b>305,854</b>	<b>59,306</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(27,069)</b>	<b>(32,786)</b>	<b>(5,717)</b>
<b>Other Financing Sources:</b>			
Notes Issued	300	0	(300)
<b>Net Change in Fund Balance</b>	<b>(26,769)</b>	<b>(32,786)</b>	<b>(6,017)</b>
Fund Balance at Beginning of Year	155,191	155,191	0
Prior Year Encumbrances Appropriated	16,686	16,686	0
<b>Fund Balance at End of Year</b>	<b>\$145,108</b>	<b>\$139,091</b>	<b>(\$6,017)</b>

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
OTHER PUBLIC SAFETY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$115,000	\$118,901	\$3,901
Licenses and Permits	125,000	24,810	(100,190)
Fines and Forfeitures	1,000	932	(68)
Intergovernmental	277,052	316,031	38,979
Interest	6,000	2,995	(3,005)
<b>Total Revenues</b>	<u>524,052</u>	<u>463,669</u>	<u>(60,383)</u>
<b>Expenditures:</b>			
Current:			
Public Safety			
9-1-1 Emergency Services			
Personal Services	3,000	0	3,000
Materials and Supplies	1,000	0	1,000
Charges and Services	41,235	20,994	20,241
Capital Purchases	59,000	41,347	17,653
Other	1,600	994	606
<b>Total 9-1-1 Emergency Services</b>	<u>105,835</u>	<u>63,335</u>	<u>42,500</u>
Felony Delinquent Care and Custody			
Personal Services	58,240	47,091	11,149
Charges and Services	159,843	91,702	68,141
<b>Total Felony Delinquent Care and Custody</b>	<u>218,083</u>	<u>138,793</u>	<u>79,290</u>
Jail Inmates Commissary			
Materials and Supplies	8,761	7,566	1,195
Charges and Services	23,653	22,502	1,151
<b>Total Jail Inmates Commissary</b>	<u>32,414</u>	<u>30,068</u>	<u>2,346</u>
Concealed Handgun			
Materials and Supplies	10,000	0	10,000
Charges and Services	115,000	11,615	103,385
<b>Total Concealed Handgun</b>	<u>125,000</u>	<u>11,615</u>	<u>113,385</u>
Enforcement and Education			
Charges and Services	3,205	1,990	1,215
Traffic Safety Study			
Charges and Services	2,400	0	2,400
<b>Total Expenditures</b>	<u>486,937</u>	<u>245,801</u>	<u>241,136</u>
<b>Net Change in Fund Balance</b>	<u>37,115</u>	<u>217,868</u>	<u>180,753</u>
Fund Balance at Beginning of Year	413,637	413,637	0
Prior Year Encumbrances Appropriated	9,299	9,299	0
<b>Fund Balance at End of Year</b>	<u>\$460,051</u>	<u>\$640,804</u>	<u>\$180,753</u>



PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
OTHER PUBLIC WORKS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Charges for Services	\$20,000	\$46,411	\$26,411
Special Assessments	154,219	112,964	(41,255)
	<u>174,219</u>	<u>159,375</u>	<u>(14,844)</u>
Total Revenues			
<b>Expenditures:</b>			
Current:			
Public Works			
Ditch Maintenance			
Personal Services	173,408	159,711	13,697
Materials and Supplies	18,702	10,264	8,438
Charges and Services	50,337	44,855	5,482
Capital Purchases	32,726	23,749	8,977
Other	1,000	281	719
	<u>276,173</u>	<u>238,860</u>	<u>37,313</u>
Total Expenditures			
Excess of Revenues Under Expenditures	<u>(101,954)</u>	<u>(79,485)</u>	<u>22,469</u>
<b>Other Financing Sources (Uses):</b>			
Notes Issued	26,780	27,500	720
Advances - In	50,000	76,000	26,000
Advances - Out	0	(26,000)	(26,000)
	<u>76,780</u>	<u>77,500</u>	<u>720</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balance	(25,174)	(1,985)	23,189
Fund Balance at Beginning of Year	22,096	22,096	0
Prior Year Encumbrances Appropriated	3,078	3,078	0
	<u>\$0</u>	<u>\$23,189</u>	<u>\$23,189</u>
Fund Balance at End of Year			

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
OTHER HEALTH FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$4,200	\$4,760	\$560
Licenses and Permits	69,336	63,478	(5,858)
Fines and Forfeitures	12,000	12,131	131
Other	400	762	362
	<u>85,936</u>	<u>81,131</u>	<u>(4,805)</u>
Total Revenues			
<b>Expenditures:</b>			
Current:			
Health			
Dog and Kennel			
Personal Services	81,888	80,970	918
Materials and Supplies	2,200	2,184	16
Charges and Services	29,003	27,272	1,731
Capital Purchases	15,631	15,631	0
Other	3,308	3,206	102
	<u>132,030</u>	<u>129,263</u>	<u>2,767</u>
Total Dog and Kennel			
Marriage License			
Charges and Services	6,501	5,000	1,501
	<u>6,501</u>	<u>5,000</u>	<u>1,501</u>
Total Expenditures	<u>138,531</u>	<u>134,263</u>	<u>4,268</u>
Excess of Revenues Under Expenditures	(52,595)	(53,132)	(537)
<b>Other Financing Sources:</b>			
Transfers - In	39,943	39,943	0
	<u>39,943</u>	<u>39,943</u>	<u>0</u>
Net Changes in Fund Balance	(12,652)	(13,189)	(537)
Fund Balance at Beginning of Year	14,435	14,435	0
Prior Year Encumbrances Appropriated	4,863	4,863	0
	<u>4,863</u>	<u>4,863</u>	<u>0</u>
Fund Balance at End of Year	<u>\$6,646</u>	<u>\$6,109</u>	<u>(\$537)</u>

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
OTHER HUMAN SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$143,854	\$167,445	\$23,591
Intergovernmental	814,109	573,668	(240,441)
Other	<u>23,298</u>	<u>6,921</u>	<u>(16,377)</u>
Total Revenues	<u>981,261</u>	<u>748,034</u>	<u>(233,227)</u>
<b>Expenditures:</b>			
Current:			
Human Services			
Victim Witness			
Personal Services	85,696	85,469	227
Materials and Supplies	2,082	1,924	158
Charges and Services	23,374	18,848	4,526
Capital Purchases	3,036	3,036	0
Other	<u>1,480</u>	<u>1,480</u>	<u>0</u>
Total Victim Witness	<u>115,668</u>	<u>110,757</u>	<u>4,911</u>
Ohio Children's Trust			
Charges and Services	<u>15,000</u>	<u>12,625</u>	<u>2,375</u>
Child Support Enforcement			
Personal Services	421,327	406,864	14,463
Materials and Supplies	16,079	15,882	197
Charges and Services	<u>404,184</u>	<u>323,975</u>	<u>80,209</u>
Total Child Support Enforcement	841,590	746,721	94,869
Indigent Guardianship			
Charges and Services	<u>10,000</u>	<u>4,150</u>	<u>5,850</u>
Total Expenditures	<u>982,258</u>	<u>874,253</u>	<u>108,005</u>
Excess of Revenues Under Expenditures	(997)	(126,219)	(125,222)
<b>Other Financing Source:</b>			
Transfers - In	<u>1,966</u>	<u>22,606</u>	<u>20,640</u>
Net Change in Fund Balance	969	(103,613)	(104,582)
Fund Balance at Beginning of Year	377,956	377,956	0
Prior Year Encumbrances Appropriated	<u>44,054</u>	<u>44,054</u>	<u>0</u>
Fund Balance at End of Year	<u>\$422,979</u>	<u>\$318,397</u>	<u>(\$104,582)</u>

PREBLE COUNTY, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 (BUDGET BASIS)  
 OTHER COMMUNITY AND ECONOMIC DEVELOPMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	<u>\$280,631</u>	<u>\$280,700</u>	<u>\$69</u>
<b>Expenditures:</b>			
Current:			
Community and Economic Development CDBG			
Charges and Services	272,990	272,922	68
Community Corrections Planning Board Personal Services	<u>11,002</u>	<u>8,668</u>	<u>2,334</u>
Total Expenditures	<u>283,992</u>	<u>281,590</u>	<u>2,402</u>
Net Change in Fund Balance	(3,361)	(890)	2,471
Fund Balance (Deficit) at Beginning of Year	(39,316)	(39,316)	0
Prior Year Encumbrances Appropriated	<u>46,761</u>	<u>46,761</u>	<u>0</u>
Fund Balance at End of Year	<u>\$4,084</u>	<u>\$6,555</u>	<u>\$2,471</u>

PREBLE COUNTY, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 (BUDGET BASIS)  
 SPECIAL ASSESSMENT BOND RETIREMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>	\$0	\$0	\$0
<b>Expenditures:</b>			
Debt Service			
Interest and Fiscal Charges	401	401	0
Net Change in Fund Balance	(401)	(401)	0
Fund Balance at Beginning of Year	401	401	0
Fund Balance at End of Year	\$0	\$0	\$0

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
GENERAL OBLIGATION BOND RETIREMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$248,000	\$226,815	(\$21,185)
Intergovernmental	0	27,039	27,039
Other	19,078	129,576	110,498
	<u>267,078</u>	<u>383,430</u>	<u>116,352</u>
Total Revenues	<u>267,078</u>	<u>383,430</u>	<u>116,352</u>
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	415,000	415,000	0
Interest and Fiscal Charges	95,286	95,286	0
	<u>510,286</u>	<u>510,286</u>	<u>0</u>
Total Debt Service	<u>510,286</u>	<u>510,286</u>	<u>0</u>
Excess of Revenues Under Expenditures	(243,208)	(126,856)	116,352
<b>Other Financing Sources:</b>			
Transfers - In	167,258	0	(167,258)
	<u>167,258</u>	<u>0</u>	<u>(167,258)</u>
Net Change in Fund Balance	(75,950)	(126,856)	(50,906)
Fund Balance at Beginning of Year	733,417	733,417	0
Fund Balance at End of Year	<u>\$657,467</u>	<u>\$606,561</u>	<u>(\$50,906)</u>

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
PERMANENT IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Other	<u>\$14,105</u>	<u>\$14,105</u>	<u>\$0</u>
<b>Expenditures:</b>			
Capital Outlay			
Charges and Services	56,500	55,238	1,262
Capital Purchases	<u>1,072,653</u>	<u>925,240</u>	<u>147,413</u>
Total Expenditures	<u>1,129,153</u>	<u>980,478</u>	<u>148,675</u>
Excess of Revenues Under Expenditures	<u>(1,115,048)</u>	<u>(966,373)</u>	<u>148,675</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Capital Assets	135,000	0	(135,000)
Advances - In	0	53,095	53,095
Advances - Out	<u>(13,374)</u>	<u>(13,374)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>121,626</u>	<u>39,721</u>	<u>(81,905)</u>
Net Change in Fund Balance	(993,422)	(926,652)	66,770
Fund Balance at Beginning of Year	1,477,804	1,477,804	0
Prior Year Encumbrances Appropriated	<u>7,611</u>	<u>7,611</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$491,993</u></u>	<u><u>\$558,763</u></u>	<u><u>\$66,770</u></u>

PREBLE COUNTY, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 (BUDGET BASIS)  
 BUILDING CONSTRUCTION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Interest	<u>\$0</u>	<u>\$142</u>	<u>\$142</u>
<b>Expenditures:</b>			
Capital Outlay			
Charges and Services	8,718	7,134	1,584
Capital Purchases	<u>55,530</u>	<u>52,191</u>	<u>3,339</u>
Total Expenditures	<u>64,248</u>	<u>59,325</u>	<u>4,923</u>
Net Change in Fund Balance	(64,248)	(59,183)	5,065
Fund Balance at Beginning of Year	71,592	71,592	0
Prior Year Encumbrances Appropriated	<u>3,872</u>	<u>3,872</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$11,216</u></u>	<u><u>\$16,281</u></u>	<u><u>\$5,065</u></u>



PREBLE COUNTY, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 (BUDGET BASIS)  
 DITCH AND GUARDRAIL CONSTRUCTION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$191,658	\$0	(\$191,658)
Special Assessments	<u>6,197</u>	<u>6,477</u>	<u>280</u>
Total Revenues	<u>197,855</u>	<u>6,477</u>	<u>(191,378)</u>
<b>Expenditures:</b>			
Capital Outlay			
Charges and Services	20,472	476	19,996
Capital Purchases	<u>184,893</u>	<u>13,232</u>	<u>171,661</u>
Total Expenditures	<u>205,365</u>	<u>13,708</u>	<u>191,657</u>
Excess of Revenues Under Expenditures	(7,510)	(7,231)	279
<b>Other Financing Uses:</b>			
Advances - Out	<u>0</u>	<u>(2,502)</u>	<u>(2,502)</u>
Net Change in Fund Balance	(7,510)	(9,733)	(2,223)
Fund Balance at Beginning of Year	<u>11,760</u>	<u>11,760</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$4,250</u></u>	<u><u>\$2,027</u></u>	<u><u>(\$2,223)</u></u>

PREBLE COUNTY, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 (BUDGET BASIS)  
 ROAD AND BRIDGE CONSTRUCTION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	<u>\$554,213</u>	<u>\$341,352</u>	<u>(\$212,861)</u>
<b>Expenditures:</b>			
Capital Outlay			
Charges and Services	48,853	9,355	39,498
Capital Purchases	<u>446,089</u>	<u>331,997</u>	<u>114,092</u>
Total Expenditures	<u>494,942</u>	<u>341,352</u>	<u>153,590</u>
Net Change in Fund Balance	59,271	0	(59,271)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$59,271</u></u>	<u><u>\$0</u></u>	<u><u>(\$59,271)</u></u>

PREBLE COUNTY, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND EQUITY - BUDGET AND ACTUAL  
(BUDGET BASIS)  
EMPLOYEES HEALTH INSURANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$2,366,196	\$2,000,176	(\$366,020)
<b>Expenses:</b>			
Charges and Services	250,000	195,082	54,918
Claims	1,788,325	1,600,604	187,721
Total Expenses	2,038,325	1,795,686	242,639
Excess of Revenues Over Expenses	327,871	204,490	(123,381)
Transfers - In	3,000	5,191	2,191
Net Change in Fund Equity	330,871	209,681	(121,190)
Fund Equity at Beginning of Year	198,290	198,290	
Prior Year Encumbrances Appropriated	7,718	7,718	0
Fund Equity at End of Year	\$536,879	\$415,689	(\$121,190)

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STATISTICAL SECTION

THE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT  
SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL  
CAPACITY OF THE COUNTY

PREBLE COUNTY, OHIO  
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)  
LAST TEN YEARS

Year	General Government	Public Safety	Public Works	Health	Human Services	Community and Economic Development	Miscellaneous	Capital Outlay	Intergovernmental	Debt Service	Total
1995	\$3,388,433	\$2,562,664	\$3,137,801	\$1,676,373	\$6,951,626	\$222,674	\$273,999	\$268,066	\$0	\$486,014	\$18,967,650
1996	3,176,660	2,860,306	2,607,197	1,887,794	7,022,486	194,613	557,509	471,481	0	492,369	19,270,415
1997	3,933,614	3,202,474	3,062,046	1,980,154	7,642,402	160,762	285,068	79,344	234,720	502,940	21,083,524
1998	4,939,209	3,668,337	3,293,890	2,146,321	6,039,855	309,864	216,772	11,236	261,634	487,924	21,375,042
1999	5,242,641	4,364,072	3,622,233	2,100,113	6,265,276	572,144	246,961	701,495	266,110	478,674	23,859,719
2000	4,302,189	4,563,154	3,356,047	1,468,818	7,034,462	219,312	179,089	896,843	292,235	476,589	22,808,738
2001	4,538,539	4,597,401	3,630,173	1,865,454	8,092,728	226,321	400,789	936,874	251,489	486,212	25,025,980
2002	4,756,299	4,511,957	3,569,577	2,852,425	8,857,951	280,558	267,941	2,589,829	329,480	633,767	28,649,804
2003	4,840,066	4,182,682	4,651,339	2,690,693	8,187,333	515,767	351,325	656,020	277,162	634,629	26,987,016
2004	5,418,937	4,347,251	4,214,217	2,407,487	8,639,321	134,390	0	1,398,311	270,562	618,416	27,448,892

SOURCE: Preble County Auditor's Office

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

PREBLE COUNTY, OHIO  
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)  
LAST TEN YEARS

Year	Taxes	Charges for Services	Licenses and Permits	Fines and Forfeitures	Intergovernmental	Special Assessments	Interest	Gifts and Donations	Miscellaneous	Total
1995	\$8,788,798	\$3,278,668	\$55,380	\$124,115	\$6,382,796	\$134,708	\$518,864	\$0	\$698,737	\$19,992,066
1996	7,271,911	2,408,265	60,387	112,836	8,951,002	133,399	504,510	0	1,038,133	20,480,443
1997	7,783,850	3,748,717	60,519	192,963	9,322,979	185,249	664,276	0	166,555	22,125,108
1998	7,815,457	2,962,098	62,080	208,416	9,085,263	201,277	786,443	0	258,409	21,379,443
1999	8,220,292	2,821,500	65,859	149,220	11,046,409	214,445	646,994	7,803	265,247	23,437,769
2000	8,267,897	3,466,909	67,120	200,416	9,929,063	139,479	925,118	8,547	184,145	23,188,694
2001	6,841,179	3,310,274	63,313	208,089	13,234,029	131,503	765,092	0	382,135	24,935,614
2002	7,025,661	3,780,550	61,194	133,891	15,265,855	85,247	362,564	0	304,682	27,019,644
2003	7,510,784	3,732,003	65,716	210,371	13,110,189	126,703	227,428	0	363,087	25,346,281
2004	7,765,658	3,442,982	90,336	145,258	14,782,878	119,441	219,554	0	473,037	27,039,144

SOURCE: Preble County Auditor's Office

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

PREBLE COUNTY, OHIO  
 GOVERNMENT - WIDE EXPENSES BY PROGRAM - GOVERNMENTAL ACTIVITIES  
 LAST TWO YEARS (1)

Year	General Government	Public Safety	Public Works	Health	Human Services	Community and Economic Development	Other	Intergovernmental	Interest and Fiscal Charges	Total
2003	\$5,068,705	\$4,221,470	\$4,712,095	\$2,630,328	\$8,043,728	\$515,767	\$351,325	\$277,162	\$146,030	\$25,966,610
2004	5,448,014	3,950,235	3,901,296	2,354,935	8,371,298	134,390	0	270,562	161,379	24,592,109

SOURCE: Preble County Auditor's Office

(1) 2003 was the first year the County implemented GASB 34



PREBLE COUNTY, OHIO  
 GOVERNMENT - WIDE REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES  
 LAST TWO YEARS (1)

Year	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants Contributions, and Interest	Property Taxes	Permissive Sales Tax	Grants and Entitlements	Unrestricted Investment Earnings	Other	Total
2003	\$4,386,447	\$11,503,363	\$613,166	\$3,458,313	\$4,002,410	\$1,292,547	\$160,541	\$93,878	\$25,510,665
2004	3,808,939	13,860,468	512,997	3,700,756	4,150,454	1,292,091	206,911	473,037	28,005,653

SOURCE: Preble County Auditor's Office

(1) 2003 was the first year the County implemented GASB 34

PREBLE COUNTY, OHIO  
PROPERTY TAX LEVIES AND COLLECTIONS (1)  
LAST TEN YEARS

Collection Year	Total Current Tax Levy	Current Tax Collections	Percent of Total Tax Collections To Tax Levy	Delinquent Taxes Collected	Total Taxes Collected	Total Collections as a percent of Current Taxes Levied	Accumulated Delinquencies
1995	\$17,501,326	\$16,923,219	96.70%	\$655,554	\$17,578,773	100.44%	\$1,232,655
1996	17,660,029	15,967,880	90.42	610,659	16,578,539	93.88	1,256,452
1997	18,684,560	16,640,307	89.06	670,168	17,310,475	92.65	1,333,032
1998	18,944,704	18,640,060	98.39	658,260	19,298,320	101.87	1,232,645
1999	19,885,617	19,429,417	97.71	880,656	20,310,073	102.13	1,095,670
2000	2,924,594	2,839,626	97.09	90,581	2,930,207	100.19	154,172
2001	3,238,806	3,035,092	93.71	111,980	3,147,072	97.17	245,906
2002	3,881,668	3,528,898	90.91	255,646	3,784,544	97.50	343,030
2003	3,886,407	3,593,200	92.46	188,989	3,782,189	97.32	302,128
2004	3,897,801	3,547,389	91.01	162,940	3,710,329	95.19	285,369

SOURCE: Preble County Auditor's Office

(1) 1995 through 1999 include property tax levies and collections for all County districts.  
2000 through 2004 includes property tax levies and collections for the County itself.

PREBLE COUNTY, OHIO  
 ASSESSED VALUE AND ESTIMATED  
 TRUE VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS

Year	Real Property		Personal Property		Public Utility Property		Totals		Percentage of Assessed Value To Estimated True Value
	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	
1995	\$360,199,000	\$1,029,140,000	\$58,988,347	\$235,953,388	\$49,943,750	\$199,775,000	\$469,131,097	\$1,464,868,388	32.03%
1996	405,445,920	1,158,416,914	67,720,288	270,881,152	49,556,290	198,225,160	522,722,498	1,627,523,226	32.12
1997	417,422,840	1,192,636,686	72,609,640	290,438,560	47,954,760	191,819,040	537,987,240	1,674,894,286	32.12
1998	428,491,480	1,223,878,170	69,307,870	277,231,480	49,714,690	198,858,760	547,514,040	1,699,968,410	32.21
1999	527,731,770	1,507,381,370	67,982,700	271,930,800	49,940,120	200,353,640	645,654,590	1,979,665,810	32.61
2000	539,406,360	1,541,161,028	72,259,640	289,038,560	45,677,980	130,508,514	657,343,980	1,960,708,102	33.53
2001	549,811,270	1,570,889,342	77,869,080	311,476,320	39,348,060	157,392,240	667,028,410	2,039,757,902	32.70
2002	603,905,830	1,725,445,228	80,650,420	322,601,680	40,128,730	160,514,920	724,684,980	2,208,561,828	32.81
2003	612,615,800	1,750,330,856	76,932,310	307,729,240	39,588,480	158,353,920	729,136,590	2,216,414,016	32.90
2004	622,119,380	1,777,483,942	77,333,530	309,334,120	40,304,990	161,219,960	739,757,900	2,248,038,022	32.91

SOURCE: Preble County Auditor's Office

PREBLE COUNTY, OHIO  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUE)  
LAST TEN YEARS

Collection Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<u>County Entity</u>										
General Fund	\$2.80	\$2.80	\$2.80	\$2.80	\$2.80	\$2.45	\$2.45	\$2.45	\$2.45	\$2.45
Childrens Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mental 169-Special Levy	1.72	1.72	1.72	1.72	1.72	1.72	1.73	1.73	1.73	1.73
Mental Health Board #648	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Council on Aging	0.50	0.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00
Jail Construction	1.00	1.00	0.70	0.70	0.70	0.45	0.45	0.45	0.35	0.35
<b>Total County Entity</b>	<b>7.67</b>	<b>7.67</b>	<b>8.37</b>	<b>8.37</b>	<b>8.37</b>	<b>7.77</b>	<b>7.28</b>	<b>7.28</b>	<b>7.18</b>	<b>7.18</b>
<u>Other Entities:</u>										
Health District	0.30	0.30	0.30	0.30	0.30	0.30	0.60	0.60	0.60	0.60
<b>Total County-Wide Rates</b>	<b>7.97</b>	<b>7.97</b>	<b>8.67</b>	<b>8.67</b>	<b>8.67</b>	<b>8.07</b>	<b>7.88</b>	<b>7.88</b>	<b>7.78</b>	<b>7.78</b>
<u>School Districts</u>										
College Corner	41.45	40.65	32.10	32.10	32.10	32.10	32.10	32.10	32.10	32.10
Eaton City	34.40	33.90	33.20	33.20	33.20	33.20	38.60	38.60	38.60	38.30
National Trail	30.75	34.00	34.50	34.50	34.30	33.90	33.00	33.00	33.00	32.60
Preble Shawnee	25.50	25.00	22.50	22.50	25.49	25.49	25.49	25.49	25.49	22.99
Tri County North	42.95	42.70	43.47	41.17	40.85	40.55	39.75	39.75	38.95	37.95
Twin Valley	44.60	41.50	44.42	44.42	44.00	43.70	42.50	42.50	42.35	41.90
MVCTC	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58
<u>Townships</u>										
Dixon	5.30	5.30	5.30	5.30	5.30	5.80	5.80	5.80	5.80	5.80
Gaspar	1.70	2.70	2.70	2.70	2.70	2.70	4.80	4.80	4.80	4.80
Gratis	5.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	7.30
Harrison	5.55	5.55	6.55	6.55	6.55	6.80	6.80	6.80	6.80	5.20
Israel	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Jackson	4.70	4.70	4.95	4.95	4.95	4.95	4.95	4.95	4.95	5.70
Jefferson	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Lanier	4.20	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.20	6.20
Monroe	4.60	4.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60
Somers	7.70	7.70	7.70	7.70	7.70	7.70	6.70	6.70	6.70	6.70
Twin	5.62	5.62	6.12	6.12	6.12	6.12	6.12	6.12	6.12	6.12
Washington	8.20	8.20	8.20	8.20	8.20	8.20	9.20	9.20	9.20	9.20
<u>Municipalities</u>										
Camden	6.20	6.20	6.30	6.30	6.30	7.30	5.30	5.30	11.30	11.30
College Corner	14.40	14.40	14.40	14.40	14.40	14.40	14.40	14.40	14.40	14.40
Eaton	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60
Eldorado	6.84	6.84	6.84	6.84	6.84	6.84	6.84	6.84	6.84	6.84
Gratis	7.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80
Lewisburg	10.85	8.45	9.45	9.45	9.45	9.45	9.45	9.45	9.45	9.45
New Paris	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
Verona	8.30	8.30	13.30	13.30	13.30	14.30	14.30	14.30	14.30	14.30
West Alexandria	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80
West Elkton	10.10	10.10	11.10	11.10	11.10	11.10	11.10	11.10	11.10	11.10
West Manchester	7.15	9.15	11.15	11.15	11.10	11.15	11.15	11.15	9.15	7.40

Source: Preble County Auditor's Office

PREBLE COUNTY, OHIO  
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
LAST TEN YEARS

Collection Year	Current Billed (1)	Current Amount Collected	Percent Collected	Delinquent Assessments Collected	Total Assessments Collected	Delinquent Assessments Collected as a Percent of Total Assessments Collected	Total Collections as a Percent of Current Assessments Levied	Accumulated Delinquencies
1995	\$12,560	\$12,348	98.31%	\$217	\$12,565	1.73%	100.04%	\$348
1996	11,327	11,157	98.50	226	11,383	1.99	100.49	414
1997	0	0	0.00	42	42	100.00	100.00	372
1998	14,298	14,298	100.00	330	14,628	2.26	102.31	42
1999	6,852	6,852	100.00	0	6,852	0.00	100.00	46
2000	6,852	6,852	100.00	0	6,852	0.00	100.00	46
2001	13,701	11,177	81.58	46	11,223	0.41	81.91	2,524
2002	12,877	12,877	100.00	2,375	15,252	15.57	118.44	149
2003	6,182	4,017	64.98	0	4,017	0.00	64.98	2,165
2004	6,197	6,197	100.00	0	6,197	0.00	100.00	2,165

SOURCE: County Auditor, Preble County, Ohio

(1) Includes only special assessments for capital projects.

PREBLE COUNTY, OHIO  
RATIO OF NET GENERAL BONDED DEBT  
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA  
LAST TEN YEARS

Year	Population (1)	Assessed Value	Gross Bonded Debt (2)	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1995	40,113	\$469,131,097	\$4,585,000	\$644,999	\$3,940,001	.840%	\$98.22
1996	40,113	522,722,498	4,580,000	789,180	3,790,820	.725	94.50
1997	40,113	537,987,240	4,365,000	817,785	3,547,215	.659	88.43
1998	40,113	547,514,040	4,140,000	846,161	3,293,839	.602	82.11
1999	40,113	645,654,590	3,905,000	985,001	2,919,999	.452	72.79
2000	42,337	657,343,980	3,660,000	931,998	2,728,002	.415	64.44
2001	42,337	667,028,410	3,400,000	882,516	2,517,484	.377	59.46
2002	42,337	724,684,980	3,915,000	837,075	3,077,925	.425	72.70
2003	42,337	729,136,590	3,515,000	739,705	2,775,295	.381	65.55
2004	42,337	739,757,900	3,100,000	614,271	2,485,729	.336	58.71

(1) Source: 1990 and 2000 Census

(2) Includes only general obligation bonds supported by general revenue. Does not include general obligation bonds recorded in enterprise funds.

PREBLE COUNTY, OHIO  
 COMPUTATION OF LEGAL DEBT MARGIN  
 DECEMBER 31, 2004

	Total Debt Limit (1)	Total Unvoted Debt Limit (2)
Assessed Value of County, Collection Year 2004	\$739,757,900	\$739,757,900
Debt Limitation	16,993,948	7,397,579
Outstanding Debt:		
General Obligation Bonds and Notes	8,571,069	6,816,069
Total Outstanding Debt	8,571,069	6,816,069
Less Exempt Debt:		
2002 County Jail Project Current Interest Bonds	1,515,000	0
2002 County Jail Project Capital Appreciation Bonds	240,000	0
2002 Human Service Building Bonds	1,200,000	1,200,000
1996 Fairground Project Bonds	145,000	145,000
2004 OWDA Loan	239,881	239,881
2002 OPWC Loans	181,728	181,728
1996 Landfill Improvement Bonds	3,445,000	3,445,000
Mental Retardation Development Note	229,500	229,500
Flood Damage	1,100,000	1,100,000
Landfill Compactor Note	179,460	179,460
Albert Ditch Note	27,500	27,500
Dump Truck Acquisition Note	68,000	68,000
Total Exempt Debt	8,571,069	6,816,069
Total Net Debt Subject to Limitation	0	0
Total Legal Debt Margin (Debt Limitation minus Net Debt)	\$16,993,948	\$7,397,579

(1) The Debt Limitation is calculated as follows:

3% of first \$100,000,000 of assessed value	\$3,000,000
1 1/2% of next \$200,000,000 of assessed value	3,000,000
2 1/2% of amount of assessed value in excess of \$300,000,000	10,993,948
	\$16,993,948

(2) The Debt Limitation equals 1% of the assessed value.

SOURCE: Preble County Auditor's Office

PREBLE COUNTY, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 DECEMBER 31, 2004

Jurisdiction	Net Debt Outstanding (1)	Percentage Applicable to Preble County	Amount Applicable to Preble County
Direct Debt:			
County	\$3,181,362	100.00%	\$3,181,362
Overlapping Debt			
School Districts: (2)			
Eaton City	29,025,000	100.00	29,025,000
Preble Shawnee Local	3,480,900	96.10	3,345,145
Tri-County North Local	1,860,000	91.75	1,706,550
Twin Valley Local	3,270,000	100.00	3,270,000
National Trail Local	2,875,000	99.57	2,862,638
Total Overlapping Debt			40,209,333
Total Direct and Overlapping Debt			\$43,390,695

SOURCE: Preble County Auditor's Office

(1) Includes only general obligation bonds supported by general revenue. Does not include general obligation bonds recorded in Enterprise Funds.

(2) Includes only Preble County based schools. Does not include foreign school districts. Preble County portion of foreign school debt is immaterial.



PREBLE COUNTY, OHIO  
 PERCENT OF ANNUAL DEBT SERVICE FOR GENERAL BONDED  
 DEBT TO GENERAL GOVERNMENTAL EXPENDITURES  
 LAST TEN YEARS

Year	Debt Principal and Interest (1)	Total General Governmental Expenditures (2)	Ratio of Debt Principal and Interest to General Governmental Expenditures
1995	\$450,990	\$18,967,650	2.37%
1996	450,915	19,270,415	2.34
1997	463,983	21,083,524	2.20
1998	464,456	21,375,042	2.17
1999	464,041	23,859,719	1.94
2000	476,589	22,808,738	2.09
2001	486,212	25,025,980	1.94
2002	633,787	28,649,804	2.21
2003	634,629	26,987,016	2.35
2004	618,416	27,448,892	2.20

SOURCE: Preble County Auditor's Office

(1) Excluding general obligation debt reported in the Enterprise Funds

(2) Includes General, Special Revenue, Debt Service and Capital Projects Funds

PREBLE COUNTY, OHIO  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS

Year	Population (1)	School Enrollment (2)	Unemployment Rate Preble County (3)
1995	40,113	8,148	4.34%
1996	40,113	8,231	4.30
1997	40,113	8,228	4.10
1998	40,113	8,173	4.00
1999	40,113	8,057	4.10
2000	42,337	7,882	4.20
2001	42,337	7,918	4.50
2002	42,337	7,992	4.64
2003	42,337	7,490	6.00
2004	42,337	7,402	6.10

- SOURCE:
- (1) U.S. Bureau of the Census, both 1990 and 2000
  - (2) Preble County Educational Service Center
  - (3) Ohio Bureau of Employment Services

PREBLE COUNTY, OHIO  
PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN YEARS

Year	Assessed Values (1)	Bank Deposits at December 31, (2)	Building Permits Issued (3)
1995	\$469,131,097	\$121,157,000	287
1996	522,722,498	127,809,000	304
1997	537,987,240	138,869,000	274
1998	547,514,040	144,073,000	285
1999	645,654,590	151,057,000	253
2000	657,343,980	166,193,000	208
2001	667,028,410	171,949,000	245
2002	724,684,980	128,873,000	229
2003	729,136,590	195,713,000	193
2004	739,757,900	176,671,000	103

(1) See Assessed Value and Estimated True Value of Taxable Property Statistical Table

(2) SOURCE: Federal Reserve Bank of Cleveland; no main office in Preble County

(3) SOURCE: Building Inspection Department

PREBLE COUNTY, OHIO  
 PRINCIPAL TAXPAYERS  
 DECEMBER 31, 2004

Taxpayer	2004 Real Property Assessed Value	Percentage of Total Real Property
Proctor & Gamble	\$16,869,570	2.71 %
Dayton Power & Light	15,247,530	2.45
Neaton Auto Products	12,954,370	2.08
Parker Hannifin Corporation	8,266,700	1.33
Henny Penny Corporation	7,897,640	1.27
North American Nutrition	5,557,310	0.89
Texas Eastern	5,491,500	0.88
Lewisburg Container Company	5,462,510	0.88
Bullen Ultrasonics	4,724,930	0.76
United Telephone Company	4,138,000	0.67
	<u>\$86,610,060</u>	<u>13.92 %</u>

SOURCE: Preble County Auditor's Office

PREBLE COUNTY, OHIO  
 MISCELLANEOUS STATISTICS  
 DECEMBER 31, 2004

Year of Incorporation	1808
County Seat	City of Eaton
<u>County Employees:</u>	
Full-Time	345
Part-Time	61
<u>Number of Political Subdivisions Totally or Partially Within the County</u>	
Municipalities	11
Townships	12
School Districts	10
<u>Higher Educational Facilities Within 25 Miles of Preble County</u>	
Miami University	
University of Dayton	
Indiana University - Richmond	
Sinclair Community College	
Earlham College	
<u>Major Metropolitan Areas and     Neighboring Communities</u>	<u>Miles from County Seat</u>
Richmond, Indiana	13
Dayton, Ohio	24
Hamilton, Ohio	28
Cincinnati, Ohio	55
Indianapolis, Indiana	82
Columbus, Ohio	95
<u>Ten Largest Employers</u>	<u>Number of Employees</u>
Neaton Auto Products	780
Parker Hannifin Corporation	576
Henny Penny Corporation	467
North American Nutrition	276
Lewisburg Container Company	280
Zumstein Inc	250
Iams Company	185
Bullen Ultrasonics	130
Weyerhaeuser	108
Carlisle Engineered Products	100

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**Auditor of State  
Betty Montgomery**





**PREBLE COUNTY**  
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PREBLE COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2004

<b>FEDERAL GRANTOR</b> <b>Pass Through Grantor</b> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
<i>Passed Through Ohio Department Of Development:</i>			
Community Development Distress Block Grant	B-X-01-063-1	14.228	\$ 747
Community Development Block Grant	B-F-03-063-1	14.228	108,700
Community Development Block Grant	B-F-02-063-1	14.228	38,677
Water and Sanitary Sewer Competitive Grant	B-W-03-063-1	14.228	495,363
Total Community Development Block Grant			<u>643,487</u>
Total U.S. Department of Housing and Urban Development			<u>643,487</u>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
Department of Justice Forfeiture Funds	N/A	N/A	3,492
<i>Passed Through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	2003VEGENE199T	16.575	27,070
Crime Victim Assistance	2004VEGENE199T		9,310
Crime Victim Assistance	2003VEGENE504T		19,752
Crime Victim Assistance	2004VEGENE504T		7,256
Victims of Crime Act	2004VAGENE199T		1,400
Victims of Crime Act	2002VANGENE705		1,200
Total Crime Victim Assistance			<u>65,988</u>
Total Passed Through Ohio Attorney General's Office			<u>65,988</u>
<i>Passed Through Ohio Department of Youth Services:</i>			
Juvenile Accountability Incentive Block Grant (JAIBG)	2002-JB-003-A229	16.523	2,421
	2003-JB-003-A229		7,557
Total Juvenile Accountability Incentive Block Grant (JAIBG)			<u>9,978</u>
Total Passed Through Ohio Department of Youth Services			<u>9,978</u>
<i>Passed Through Ohio Office of Criminal Justice Services:</i>			
Reaching Youth to Prevent Violence (Project Safe Neighborhoods)	2003-PS-PSN-312	16.609	3,472
Total Passed Through Ohio Department of Criminal Justice Services			<u>3,472</u>
Total U.S. Department of Justice			<u>82,930</u>
<b><u>U.S. FEDERAL ELECTION COMMISSION</u></b>			
<i>Passed Through Ohio Secretary of State:</i>			
Help America Vote Act (HAVA)	N/A	N/A	7,027
Total U.S. Federal Election Commission			<u>7,027</u>
<b><u>U.S. DEPARTMENT OF FEDERAL HIGHWAY ADMINISTRATION</u></b>			
<i>Passed Through The Ohio Department of Transportation:</i>			
Highway Planning and Construction:			
Bridge Replacement	PID 24563	20.205	334,939
Bridge Replacement	PID 23141		6,412
Total Highway Planning and Construction			<u>341,351</u>
Total U.S. Department of Federal Highway Administration			<u>341,351</u>
<b><u>U.S. DEPARTMENT OF FEDERAL EMERGENCY MANAGEMENT ASSISTANCE</u></b>			
<i>Passed Through Ohio Department of Public Safety:</i>			
Emergency Management Performance Grant-FY 2004	EMC-2004-GR-7007	97.042	28,786
State Domestic Preparedness Equipment Program-FY 2001	2002-TE-CX-0049	97.004	61,225
State Domestic Preparedness Program - FY 2002	2002-TE-CX-0106	97.004	21,416
State Homeland Security Grant Program-Equipment Funds-Part I-FY 2003	2003-TE-TX-0199	97.004	78,000
State Homeland Security Grant Program-Equipment Funds-Part II-FY 2003	2003-MUP-30015	97.004	121,299
State Homeland Security Grant Program-Planning & Admin Funds-Part II-FY 2003	2003-MUP-30015	97.004	20,453
State Homeland Security Grant Program-Planning & Admin Funds-Part I-FY 2003	2003-TE-TX-0199	97.004	9,000
Total State Homeland Security Grant			<u>311,393</u>
Emergency Management Assistance-Mitigation Planning Grant	DR-1453.07P-OH	97.039	2,464
FEMA Community Emergency Response Team ( CERT) Grant-FY 2003	EMC-2003-GR-7066	97.054	7,020
Total Passed Through Ohio Department Public Safety			<u>349,663</u>
<i>Passed Through Ohio Emergency Management Agency:</i>			
Public Assistance Program-Record Snowfall Event (Preble County Sheriff)	135-0F7C6-00	97.036	1,603
Public Assistance Program-Record Snowfall Event (Preble County Engineer)	135-U312A-00	97.036	43,588
Total Public Assistance Program			<u>45,191</u>
Total U.S. Department of Federal Emergency Management Assistance			<u>394,854</u>

(Continued)

**PREBLE COUNTY**  
**FEDERAL AWARDS EXPENDITURES SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(Continued)

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i>	Pass Through	Federal	
Program Title	Entity Number	CFDA	Disbursements
<b><u>U.S. DEPARTMENT OF LABOR</u></b>			
<i>Passed Through The State of Ohio Job &amp; Family Services:</i>			
<i>Workforce Investment Act:</i>			
Workforce Investment Act - Adult		17.258	<u>32,198</u>
Workforce Investment Act - Youth		17.259	<u>33,021</u>
Workforce Investment Act - Dislocated Worker		17.260	70,111
Workforce Investment Act - Dislocated Worker Administrative			<u>14,366</u>
Total Workforce Investment Act - Dislocated Worker			<u>84,477</u>
<i>Total Passed Through The State of Ohio Job &amp; Family Services</i>			<u>149,696</u>
<i>Passed Through Montgomery County Department of Job &amp; Family Services:</i>			
<i>Workforce Investment Act:</i>			
Workforce Investment Act - Adult		17.258	29,995
Workforce Investment Act - Adult Administrative			<u>1,755</u>
Total Workforce Investment Act - Adult			<u>31,750</u>
Workforce Investment Act - Youth		17.259	27,092
Workforce Investment Act - Youth Administrative			<u>257</u>
Total Workforce Investment Act - Youth			<u>27,349</u>
Workforce Investment Act - Dislocated Worker		17.260	6,229
Workforce Investment Act - Dislocated Worker Administrative			<u>579</u>
Total Workforce Investment Act - Dislocated Worker			<u>6,808</u>
<i>Total Passed Through Montgomery County Department of Job &amp; Family Services</i>			<u>65,907</u>
Total Workforce Investment Act			<u>215,603</u>
Total U.S. Department of Labor			<u>215,603</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>			
Title XX Social Service Block Grant	N/A	93.667	36,121
<i>Passed Through Ohio Department of Mental Health:</i>			
Title XX Social Service Block Grant	N/A	93.667	28,811
Total Title XX Social Service Block Grant			<u>64,932</u>
<i>Passed Through Ohio Department of Mental Health:</i>			
Title XIX Medical Assistance Program	N/A	93.778	493,825
<i>Passed Through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Title XIX Medical Assistance Program	N/A	93.778	93,779
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>			
Title XIX Medical Assistance Program	N/A	93.778	745,991
Title XIX Medical Assistance Program -Target Case Management	N/A	93.778	<u>86,626</u>
			832,617
Total Title XIX Medical Assistance Program			<u>1,420,221</u>
<i>Passed Through Ohio Department of Mental Health:</i>			
Community Mental Service Block	N/A	93.958	28,665
Mental Health Block Grant # 4 (Jefferson House)	38-AD-BG-03-01		<u>77,383</u>
Total Block Grant			<u>106,048</u>
<i>Passed Through Ohio Department of Alcohol &amp; Drug Addiction Services:</i>			
Block Grant for the Prevention and Treatment of Substance Abuse	N/A	93.959	105,470
Total U.S. Department of Health and Human Services			<u>1,696,671</u>
<b>Total</b>			<u><u>\$ 3,381,923</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**PREBLE COUNTY**

**FISCAL YEAR ENDED DECEMBER 31, 2004  
NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - SUBRECIPIENTS**

The County passes-through certain Federal assistance received from the U.S. Department of Health and Human Services and the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note A, the County records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the County is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved.

**NOTE C – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

The Community Development Block Grant revolving loan program expenditures include loans to County residents based on income eligibility. These loans were used for the repair of private homes. Interest is not assessed on these loans. As of December 31, 2004, the balance of loans outstanding is \$139,418. The County is no longer taking applications for this program and recaptured funds are returned to the Ohio Department of Development if they exceed \$25,000 in one year. Recaptured amounts of less than \$25,000 may be retained by the County and used for general fund purposes the year after they are received. These loans are collateralized by mortgages on the property.

**NOTE D – THE HOME IMPROVEMENT PARTNERSHIP**

The Home Improvement Partnership program provided loans to County residents based on income eligibility. These loans were used to assist with the down payment for first-time home buyers and the rehabilitation of private residences. Interest is not assessed on these loans. As of December 31, 2004, the balance of loans outstanding is \$85,383. Preble County is no longer taking applications for this program and any recaptured funds are returned to the Ohio Department of Development. These loans are collateralized by mortgages on the property.

**NOTE E - MATCHING REQUIREMENTS**

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

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## Auditor of State Betty Montgomery

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

Preble County  
100 East Main Street  
Eaton, Ohio 45320

To the Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Preble County, Ohio (the County), as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 15, 2005, in which we noted that the Landfill Fund had an accumulated deficit of \$2,657,434 as of December 31, 2004, and which referenced the report of other auditors of the component unit (L & M Products). 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*. The financial statements of the component unit (L & M Products) were audited by other auditors in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*. Accordingly this report does not extend to that component unit.

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

In planning and performing our audit, we considered the County's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the County's management dated September 12, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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Preble County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required By *Government Auditing Standards*  
Page 2

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

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

**Betty Montgomery**  
Auditor of State

July 15, 2005





## **Auditor of State Betty Montgomery**

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

Preble County  
100 East Main Street  
Eaton, Ohio 45320

To the Board of County Commissioners:

#### **Compliance**

We have audited the compliance of Preble County, Ohio (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended December 31, 2004. The summary of auditor's results section of the accompanying schedule of findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2004.

#### **Internal Control Over Compliance**

The County's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### **Federal Awards Expenditures Schedule**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2004, and have issued our report thereon dated July 15, 2005, in which we noted that the Landfill Fund had an accumulated deficit of \$2,657,434 as of December 31, 2004, and which referenced the report of other auditors of the component unit (L & M Products). We did not audit the financial statements of the County's component unit (L & M Products), which were audited by other auditors. Our audit was performed to form opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Betty Montgomery**  
Auditor of State

September 12, 2005

**PREBLE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2004**

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

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	CFDA #97.004: State Domestic Preparedness Equipment Support Program CFDA #93.778: Title XIX: Medical Assistance Program
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.





**Auditor of State  
Betty Montgomery**

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**FINANCIAL CONDITION**

**PREBLE COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 4, 2005**