



**Auditor of State
Betty Montgomery**

CLERMONT COUNTY

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CLERMONT COUNTY

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

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Mental Health:</i>			
508Q CQRT	N/A	93.958	\$ 119,208
Consumer Recovery Handbook	N/A	93.958	5,195
ACT Center and Network	N/A	93.958	66,132
Network of Care for Mental Health	N/A	93.958	18,000
Total Block Grants for Community Mental Health Services			208,535
<i>Passed Through Ohio Department of Mental Health:</i>			
Medicaid Assistance Program (Title XIX)	N/A	93.778	2,994,471
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Medicaid Assistance Program (Title XIX)	N/A	93.778	1,790,879
Title XIX - Targeted Case Management	N/A	93.778	290,232
Title XIX - Service Coordination	N/A	93.778	23,351
Total Medical Assistance Program (Title XIX)			5,098,933
<i>Passed Through Ohio Department of Mental Health:</i>			
Social Services Block Grant (Title XX)	N/A	93.667	103,184
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Social Services Block Grant	N/A	93.667	120,099
Total Social Services Block Grant (Title XX)			223,283
<i>Passed through Ohio Department of Alcohol and Drug Addiction Services</i>			
Women's Outreach Services	N/A	93.959	79,903
TASC	N/A	93.959	259,569
Per Capita Treatment/Prevention	N/A	93.959	642,284
Total Block Grants for Prevention and Treatment of Substance Abuse			981,756
<i>Passed through Ohio Department of Job and Family Services</i>			
Child Abuse and Neglect State Grants	N/A	93.669	1,992
Independent Living	N/A	93.674	49,274
Consolidated Knowledge Development & Application (KD&A) Program	N/A	93.230	235,372
<i>Passed Through Ohio Department of Mental Health:</i>			
Benefit Planner Task Force	N/A	96.007	17,200
<i>Passed Through Ohio Department of Mental Health:</i>			
MHBG Child/Adol	N/A	93.929	34,286
MHBG Comm Plan	N/A	93.929	58,901
Total Mental Health Block Grants			93,187
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			6,909,532
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed through Ohio Department of Health</i>			
Special Education Grants for Infants and Families with Disabilities - Hearing Impaired	N/A	84.181	213,535
<i>Passed through Ohio Department of Alcohol and Drug Addiction Services</i>			
Safe & Drug Free Schools & Communities: State Grants	N/A	84.186A	54,463
Celebrating Families	N/A	84.186A	93,928
Total Safe & Drug Free Schools Grants			148,391
<i>Passed through Ohio Department of Education</i>			
Title V - Innovative Planning	N/A	84.298	1,425

(Continued)

CLERMONT COUNTY

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

Special Education: Grants to States	N/A	84.027	<u>47,889</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			411,240
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through the Ohio Department of Education</i>			
Nutrition Cluster			
National School Lunch Program	N/A	10.555	19,252
National School Breakfast Program	N/A	10.553	<u>10,091</u>
Total Nutrition Cluster			29,343
TOTAL U.S. DEPARTMENT OF AGRICULTURE			29,343
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed through Ohio Department of Public Safety</i>			
State and Community Highway Safety Grant	N/A	20.600	41,085
<i>Passed through Ohio Department of Transportation</i>			
Local Bridge Repair Project, CLE-CR181-0.32	N/A	20.205	250
Branch Hill Guinea Pike Imp. (Loveland Miamiville Rd)	PID 17573	20.205	473,467
Branch Hill Guinea Improvement @ Wards Corner & Cook	PID 10155	20.205	28,113
SR32/Olive Branch-Stonelick Rd.	PID 20056	20.205	<u>24,873</u>
Total Highway Planning & Construction			526,703
Federal Transit Formula Grant	N/A	20.507	212,438
Federal Transit Capital Investment Grant	N/A	20.500	<u>3,290</u>
Total Federal Transit Grants			215,728
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			783,516
<u>APPALACHIAN REGIONAL COMMISSION</u>			
<i>Passed through Ohio Department of Transportation</i>			
Colugh Pike/McMann Road Intersection	PID 17457	23.008	3,485
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Community Policing Grants (COPS Universal Hiring)	N/A	16.710	41,360
Law Enforcement Block Grant	N/A	16.592	12,866
<i>Passed through the Ohio Office of Criminal Justice Services</i>			
Juvenile Accountability Incentive Block Grant - Drug Court	N/A	16.523	40,215
Byrne Formula Grant Program (Drug Control & System Imp)	N/A	16.579	208,301
<i>Passed through the Ohio Attorney General</i>			
Crime Victim Assistance	N/A	16.575	<u>114,290</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			417,032
<u>U.S. DEPARTMENT OF LABOR</u>			
<i>Passed through the Ohio Department of Job and Family Services</i>			
Workforce Investment Act Cluster			
Adult	N/A	17.258	
Program			263,343
Administrative			<u>20,570</u>
Total			283,913
Youth Activities	N/A	17.259	
Program			331,693
Administrative			<u>27,155</u>
Total			358,848
Dislocated Worker	N/A	17.260	
Program			235,370
Administrative			<u>18,052</u>
Total			253,422

(Continued)

CLERMONT COUNTY

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

Total Workforce Investment Act Cluster			896,183
TOTAL U.S. DEPARTMENT OF LABOR			896,183
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>			
<i>Passed through Ohio Department of Development</i>			
Community Development Block Grant	N/A	14.228	1,129,100
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Passed through the Ohio Emergency Management Agency</i>			
State Domestic Preparedness Equipment Support Program	N/A	97.004	277,368
Hazardous Materials Assistance Program	N/A	97.021	4,686
Emergency Management Performance Grants	N/A	97.042	74,419
State and Local All Hazards Emergency Operations Planning	N/A	97.051	8,007
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			364,480
<u>GENERAL SERVICES ADMINISTRATION</u>			
<i>Passed through the Secretary of State of Ohio</i>			
Election Reform - Voter Registration System	N/A	39.011	5,312
TOTAL			\$ 10,949,223

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

CLERMONT COUNTY

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

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 – CHILD NUTRITION CLUSTER

Program regulations do not require the County to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

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

The County has established a revolving loan program to provide low-interest loans to persons from low income households for repairs to or replacement of septic systems, completion of septic system installations, or connection to the public sewer system. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by five-year mortgages on the property, amortized monthly. At December 31, 2004, the gross amount of loans outstanding under this program was \$127,713. There were no delinquent amounts due.

NOTE D - 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.

NOTE E - SUBRECIPIENTS

The County passes-through certain Federal assistance received from the Ohio Department of Mental Health and the Ohio Department of Drug and Alcohol and Drug Addiction Services to subrecipients. As described in Note A, the County records expenditures of Federal awards to subrecipients when paid in cash.

Funds passed through the Community Mental Health Board to providers are considered a subrecipient relationship and are included on the Schedule.

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.



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*

Clermont County
101 East Main Street
Batavia, Ohio 45103

To the Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clermont County, Ohio (the County), as of and for the fiscal year ended December 31, 2004, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 27, 2005. We did not audit the Business-Type Activities and the County Sewer District and County Water District major enterprise funds, and our opinion, insofar as it relates to the amounts included as Business-Type Activities and the County Sewer District and County Water District major enterprise funds, is based on the report of 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 the Comptroller General of the United States' *Government Auditing Standards*.

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.

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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Clermont 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 fiscal review committee, management, Board of County Commissioners, and 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

May 27, 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

Clermont County
101 East Main Street
Batavia, Ohio 45103

To the Board of County Commissioners:

Compliance

We have audited the compliance of Clermont 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 aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Clermont County, Ohio (the County), as of and for the year ended December 31, 2004, and have issued our report thereon dated May 27, 2005. We did not audit the Business-Type Activities and the County Sewer District and County Water District major enterprise funds, and our opinion, insofar as it relates to the amounts included as Business-Type Activities and the County Sewer District and County Water District major enterprise funds, is based on the report of 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 fiscal review committee, management, Board of County Commissioners, and federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

May 27, 2005

CLERMONT COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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):	Title XIX (Medicaid) - CFDA # 93.778 Community Development Block Grant – CFDA # 14.228 Workforce Investment Act Cluster – CFDA# 17.258, 17.259, 17260
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A > \$328,477 Type B - all other programs
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

CLERMONT COUNTY, OHIO



LINDA L. FRALEY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004**

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

Linda L. Fraley
Clermont County Auditor

Prepared by the Clermont County Auditor's Office

Charles F. Tilbury, Jr.
Chief Deputy Auditor

Christopher T. Mehlman
Deputy Auditor – Financial Operations

Jennifer A. Hartley
Deputy Auditor – Special Projects

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

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INTRODUCTORY SECTION

LINDA L. FRALEY

Clermont County Auditor

101 E. Main Street
Batavia, Ohio 45103-2961

To the Citizens and Board of Commissioners
of Clermont County, Ohio:

May 27, 2005

We are pleased to present this Comprehensive Annual Financial Report (CAFR) for Clermont County, Ohio. This report, for the year ended December 31, 2004, contains the financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the County. The responsibility for the accuracy of all data presented, its completeness, and fairness of presentation rests with the County Auditor's Office.

This report presents the financial activity of the County in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources, and is consistent with the new reporting model as promulgated by GASB Statement No. 34.

The CAFR is organized in three sections: the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section contains a letter of transmittal, organization chart, list of elected officials and a Certificate of Achievement for Excellence in Financial Reporting for the 2003 CAFR. The Financial Section includes the Independent Accountants' Report, 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 for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements. The Statistical Section provides selected financial, economic and demographic information which may be used to indicate trends for comparative fiscal periods.

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

While this report accurately presents the financial statements and statistics of Clermont County, it only reflects a small segment of the entire community - a community that includes many businesses, quality school systems, a fine park district, library system, Clermont College (a branch of the University of Cincinnati) and several industrial parks.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Clermont County's MD&A can be found immediately following the Independent Accountants' Report.

REPORTING ENTITY

Clermont County was formed by an action of Arthur St. Clair, the first governor of the Northwest Territory in 1800. The elected three-member Board of County Commissioners functions as the legislative and executive branch of the County. Each commissioner serves a term of four years. In addition to the County Auditor, who serves as chief fiscal officer, there are eight other elected administrative officials, each of whom operate independently as set forth by Ohio law. The officials are: Clerks of Courts-Common Pleas, Municipal Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff and Treasurer. All of these officials serve four-year terms. The following judges are elected on a countywide basis to oversee the County's judicial system: Three Common Pleas Court Judges, one Domestic Relations Court Judge, one Probate/Juvenile Court Judge and three Municipal Court Judges. Judges are elected to six year terms.

Clermont County provides general governmental services to its citizens which include: tax collection and distribution, public assistance, health assistance, community related services, civil and criminal justice systems, road and bridge maintenance, sewer and water line construction and maintenance and other general administrative support services. Clermont County also operates water supply and sewer treatment systems.

Clermont County's reporting entity has been defined in accordance with Governmental Accounting Standards Board Codification, Section 2100. The financial statements contained within this Comprehensive Annual Financial Report include all funds, agencies, boards and commissions for which the County elected officials are financially accountable. A complete discussion of the County's reporting entity is provided in Note A to the basic financial statements.

ECONOMIC CONDITION AND OUTLOOK

Summary of Local Economy

Clermont County continued its position of rapid growth in 2004. Woods and Poole, Inc. based in Washington, D.C., ranks Clermont County third in projected population growth in Ohio for the period 2000-2010, as compared to the other 88 counties in the State. Over the past six years, Clermont County has consistently been one of the fastest growing counties in Ohio, with a population of 193,674. Woods and Poole continues to project that Clermont will be the 5th fastest growing County in employment in the State through the year 2025 with a growth rate estimated at 1.73% annually. Growth components in which Clermont has consistently been at or near the top among Ohio counties include:

1. Population Growth
2. New Housing Starts
3. Retail Sales Growth
4. New Business Start Ups and Formations
5. Patent and Copyright Registrations

Woods and Poole, Inc. also projects Clermont County to be the third fastest growing County employment-wise in the State through the year 2005. The County unemployment rate of 6.6% at December 31, 2004 compares to 7.2% for the State of Ohio and 5.8% for the United States.

Clermont County's tax base includes 56 companies with 100 or more employees including Cinergy Corporation (Greater Cincinnati) - 4,700 employees, Cincinnati Bell Telephone (Greater Cincinnati) - 2,700 employees, 3M Precision Optics - 1,550 employees, Milacron - 1,360 employees, Batavia Transmissions LLC - 1,275 employees, The Midland Company - 750 employees, and International Paper- roughly 750 employees.

Clermont County has experienced substantial growth in the last two decades, aided by the completion of I-275 and the opening of I-471 between I-275 and downtown Cincinnati. With the increased accessibility, a pro-business environment and an abundance of low-cost available property, Clermont County continues to flourish in residential and commercial growth.

Clermont County's economy has experienced relative growth within the Cincinnati metropolitan economy. While the retail and service sectors have grown significantly, Clermont County still has a healthy industrial base. Currently there are more than 6,325 businesses located in Clermont County including 1,956 service businesses, 1,427 retail and wholesale enterprises, 793 construction related business and 337 manufacturing companies. Some of the largest employers in the County are Batavia Transmissions LLC, which operates an automotive transmission plant; 3M Precision Optics Inc. a producer of camera lenses, optical lenses, microscope lenses and flat screen televisions; Milacron, a producer of plastic machinery parts; Cinergy, a provider of utilities in the area; Clermont Mercy Hospital, which provides medical services for residents of the County; Midland Company, a major national insurance provider/underwriter; UGS, an engineering firm specializing in computer software design work; and International Paper. Many of the major employers in Clermont County are located in the western parts of the County in close proximity to Cincinnati. In the late 1980's and 1990's new office parks, shopping centers, and residential developments began to appear near the intersection of I-275 and State Route 32, the Appalachian Highway.

Park 50 TechneCenter has brought the County the distinction of having the largest high-tech research park in Ohio. Park 50 consists of more than 1.5 million square feet of office and research space housed in 33 buildings. The development is located on a 455-acre campus located at the intersection of I-275 and U.S. 50. Total employment in the park is more than 3,800. Since the first building in the park was occupied in 1978, it has grown to more than 145 companies. More than 50 percent of these are high-tech companies, including UGS, Siemons, CIMX Scanner Applications, Computer Technology Corporation, International TechneGroup Inc., PPG, MANTA Engineering, Rockwell Automation, Entek and Accu-Med Services. Park 50 also includes companies such as Bigg's Hyper Shoppes, Philip Morris, Union Carbide Corporation, Dow-Corning, and banks, insurance companies, brokerage companies and investment management firms. Park 50 TechneCenter development is also located within an Enterprise Zone.

Tipton Associates is also developing the Wards Corner Business Park. The parcel covers 77 acres, on 46 acres of which International Paper's world class research and development center is located. This center was completed in July 1997 and has resulted in more than 600 new jobs being brought to Clermont County. International Paper completed construction in 2002, on a new 85,000 square foot information technology center. An additional 15 acres has been developed with a 150,000 square foot executive building for Indiana Insurance. Six other buildings at this location vary from a class A office building (Lakeside Center) to several flex buildings housing office, light manufacturing, sales and distribution firms. An adjacent retail center has restaurants and retail shops. In addition, a new 85 room Hilton Garden Hotel recently opened in the vicinity.

The largest employment center in Clermont County is the Bach-Buxton, McMann, Clough Pike business corridor. Large employers in this area include Midland Companies, 3M Precision optics, L3 (KDI Precision Products), Sun Chemical, Rockwell Automation, Multi-Color, Tri-State Fabricators, Key Resins, Q.C. Industries, and Bachman's Mobilized Systems, Inc.. Employment, more than 4,000 in this area, is growing rapidly with recent infrastructure improvements.

Clermont County has a large and growing retail base. The Eastgate shopping area, located at the intersection of I-275 and State Route 32, continues development and improvements at a rapid pace. The Eastgate Mall contains about 60 smaller shops and merchants. The mall has four large department stores as anchors: JCPenney, Sears, Dillard's, and Kohl's. In 2004, the mall completed an \$18 million dollar renovation project, and most recently, Bigg's Place mall recently completed a \$6 million dollar upgrade.

Large discount retailers have located in the County to take advantage of the rapid population growth, housing increases and strong community demographics. These include companies such as Office Max, Circuit City, HHGregg, Wal-Mart, Meijer, Value City, Home Depot, Lowe's, K-Mart, Sam's Club, Dick's Sporting Goods, Best Buy, Michaels, Hobby Lobby, Bigg's, Sofa Express, PetsMart, Toys R' Us, Borders, Big Lots, Kroger, Thriftway, Furniture Fair, Oak Express, Bed Bath and Beyond, DSW Shoes and others.

Eastgate Pavilion, another retail shopping center on Eastgate Boulevard, was constructed and opened in 1995. This development includes a Value City department store, Dick's Sporting Goods, Best Buy, Bed Bath and Beyond, DSW Shoes, and PetsMart.

A second major and growing retail location is the Mulberry Square Shopping Center, developed by the Myers Cooper Company. Anchors in this shopping center off State Route 28 are Kroger and Sears. This center plus a Meijer's Square Store across the street with complementary retail establishments total over 530,000 square feet. Adjoining this development will be approximately 200,000 square feet of office space as well. A new Home Depot Store completed in 2000 was added to the retail area as well as Applebees and O'Charley's restaurants. A new Kohl's department Store was constructed in 2003.

The Clermont County Airport Industrial Park has 22 firms with over 1,500 employees. The airport area has another 170 acres immediately available for development with access, utilities and zoning appropriate for a variety of uses. Sporty's nationwide aircraft pilot supply catalogue house is the largest employer in the complex. Sporty's, with 120,000 square foot facility for sales and distribution, offers a full line of air services such as flight school, charters, fuel, equipment, repairs and maintenance. It is the largest supplier of private pilot goods and materials in the United States.

Light industries representing a diversified mix of local, national and foreign concerns are located in the County including Ellis & Watts (a subsidiary of Dynamics Corp of America), 3M Precision Optics, L3 (KDI Precision Products), Q.C. Industries, EEI, Inc, A&A Safety, Inc., General Data Company, Sun Chemical, LeBlond Makino, Stewart Film Screens, Sano, Mobilized Systems, Automated Machinery, Rockwell Automation, Tri-State Fabricators and Batavia Transmissions LLC. In 2003, Ford Motor Co. regained the majority share of the partnership with ZF, Friedrichshafen AG a major supplier of high quality, high technology transmissions. The partnership invested over \$650 million in the existing transmission plant, and increased employment during the contract to over 1500 at the end of 2003.

Clermont County Milford Commerce Park is a 250 acre mixed business development, which is designed for office, research, hotel, and light industrial purposes and it currently includes the Clermont Chamber of Commerce, Kerry Dodge, Husky Injection Molding, United Mercantile, Scanner Applications, Tri-State Juice Company, Walton Foods and New Creative Enterprise. The Parks' River's Edge complex is home to a \$14,000,000, 16 screen National Cinema complex as well as retail and restaurant facilities including Texas Roadhouse, United Dairy Farmers, Target Department Store, Ruby Tuesday Restaurant, Wendy's, Gold Star, Cracker Barrel Restaurant, Buffalo Wild Wings and a Red Robin Restaurant.

Another area of significant economic activity is located in the Village of Williamsburg and Williamsburg Township. Milacron, Georgia Pacific, Cincinnati Fiberglass and Dualite, Inc. are large employers in this part of east-central Clermont County. An application for foreign trade zone designation by Milacron for a 360 acre area was approved in 2000.

The largest number of businesses are located in the areas of Union, Miami, and Batavia Townships because of inherent economic advantages such as close proximity to I-275, a major regional highway that provides ready access to the Cincinnati/Northern Kentucky International Airport, the City of Cincinnati and major regional arterial highways. These established centers also have access to all major utilities and infrastructure necessary to support larger development projects.

Since the inception of the Rural Enterprise Zone Program, Clermont County has granted 143 tax abatements to attract new employment and capital investments. These 143 transactions have generated more than 6,308 new jobs, retained more than 15,780 jobs within the community and have resulted in more than \$2.0 billion being invested in Clermont County.

Future Economic Outlook

Clermont County has experienced rapid residential growth over the past decade. With an 18.5% population growth rate for the decade of the 1990's and an increase in every year of the new millennium for new housing starts, Clermont County has seen its property valuation distribution move from a 72%

residential / 28% commercial allocation to a 79% residential / 21% commercial distribution. As of year-end 2004, the average price of a residential transfer in Clermont County exceeded \$170,200. This increase in housing values coupled with Clermont County's rapid population growth means an expanding revenue base. Additionally, with the increase in the number of new businesses in Clermont County, the overall revenue stream from residential and commercial sources should continue to rise. The increased diversification of the County's tax base also serves to lessen any year-to-year fluctuations in revenues.

Although Clermont County has experienced growth in key economic development factors, Clermont County maintains an ultra conservative approach to spending while maximizing its local revenues. Current economic indicators show that the current economy should remain at its current pace. Given these conditions, and the upgrade and expansion of the retail base in the western corridor of the County, we anticipate over the next year a moderate increase in sales tax revenues. However, Clermont County will have to review alternative methods of intergovernmental funding, since the State of Ohio's fiscal condition continues to flutter and the County's portion of state-based program revenue will be affected by the fiscal year 2006 State budget bill.

Given these factors, Clermont County's General Fund year end fund balance continues to remain steady. Recent expenditures related to major capital improvements and self insurance reservation have cut into the General Fund balance, but the County continues to maintain a General Fund balance that should allow Clermont County to meet its General Fund expenditures without facing shortages in resources. As a result of prior years' conservative spending and steady fund balances, Clermont County was able to create a Budget Stabilization fund in 2002 to safeguard against future economic factors. The \$25.6 million unreserved fund balance on the modified accrual basis of accounting at December 31, 2004 represents 45.5% of 2004 General Fund expenditures and other financing uses.

The real property tax revenues of the General Fund are derived entirely from inside millage (unvoted millage). The revenue structure of the General Fund is balanced so that the operation of Clermont County is not overly dependent on one specific revenue source. This diversified revenue stream has provided an equitable means of generating revenues necessary for the operation of the offices administered by the elected officials, as well as for mandated contributions for welfare costs and discretionary grants to certain County organizations and special districts.

With the diverse Southwest Ohio economy, the prospects for 2005 and beyond still look promising. Clermont County's inclusion in the Greater Cincinnati Metropolitan area has been a key factor in the population growth that has been experienced in the past two decades. Clermont County will continue to provide this area with an environment that offers the benefits of small town and/or country living within minutes of a large urban environment.

MAJOR COUNTY INITIATIVES

Current Year Projects

Auditor: The Clermont County Auditor's office continued to support the strong real estate market in Clermont County. In 2004, the taxable value of real estate increased 3.1% to \$3.34 billion dollars, due primarily to new construction totaling \$95 million. Over 9,200 real estate parcels were conveyed with \$1.02 billion dollars paid by buyers to sellers. The Auditor real estate website, a comprehensive source of property data, taxes, and land information, averaged 74,000 on line visits per month in 2004. All property owners can view real estate valuation information via the Internet at www.clermontauditorrealestate.org.

Department of Job and Family Services

Children's Protective Services: Children's Protective Services received a faith-based grant to increase the number of foster and adoptive parents by building new partnerships and strengthening existing relationships. This initiative included an event sponsored by the faith community titled "If not

you, who? A Celebration of Clermont County's Children." Inquiries for foster care and adoption tripled after this event and there has been an overall increase in inquiries of 61%.

Child Support: Child Support Enforcement (CSE) collected \$34,856,026 in child support payments. They were one of six counties to successfully pilot and market Ohio e-Quick Pay; the fastest method now available for disbursement of child support payments. In the fall of 2004, the Ohio Family Support Association honored CSE with a Best Practice Award for case management procedures in order establishment.

Employment Services: Employment Services (ES) delivered Medicaid, Food Stamps, cash assistance and Child Care services to over 30,000 people. There are now more than 9,500 uninsured children covered by the Medicaid program. ES collected a total of \$295,923 in Public Assistance, Food Stamp and Child Care overpayments and successfully prosecuted 63 fraud offenders. ES also received a Certificate of Achievement Award from the Ohio Dept. of Job and Family Services for administering the Food Stamp program with a 94.81% payment accuracy rate.

Workforce Development: The One Stop workforce development system, administered by the Business and Workforce Resource Center (BWRC), with a little more than a year in its new facility has exceeded all expectations in providing an array of support services and resources to businesses and job seekers in the region. During 2004, the BWRC provided valuable services to major local businesses such as International Paper, 3M Precision Optics and others. The BWRC logged more than 20,000 visits by individuals seeking employment and training services during 2004. With its close relationship with the Clermont Chamber of Commerce and numerous other community partners, the BWRC is recognized as a premier One Stop operation in the State of Ohio.

Department of Environmental Quality: In 2004, Clermont County increased recycling, reduced litter, and provided education and awareness to area schools. A new, economical, "single stream" recycling program (paper, plastic, glass, and cans all go into one container) was introduced to County offices and 30 drop-off sites were established for residents and businesses throughout the County. The County teamed with various community organizations for neighborhood cleanups and the multi county East Fork Watershed Collaborative coordinated the East Fork River sweep. Several hundred presentations were made in area schools regarding recycling, litter prevention, and environmental education. Litter was removed from over 800 miles of roads utilizing the Municipal Court alternative sentencing program

Clermont County received national recognition and was awarded a \$250,000 grant by the U.S. Environmental Protection Agency to initiate a locally driven, multi county, watershed total maximum daily load (TMDL) allocation. This will be done by developing a unique model, using biological criteria and standard water quality criteria. Several water quality restoration projects were funded to restore and protect stream bank areas in the lower East Fork. USEPA established an experimental stream research facility in 2004 at the County owned artificial indoor stream facility near Milford. Clermont County has been selected to receive several million dollars in the coming year to purchase streamside riparian protection to enhance water quality.

Department of Community Planning and Development: The Board of County Commissioners strengthened its commitment to economic development in 2004 by creating a separate Office of Economic Development and hiring a new director to manage it. With booming residential growth in many parts of the county, the Board of Commissioners recognized the need to take a proactive approach to retaining, growing and attracting new businesses to ensure a healthy and balanced economic climate.

Veteran Services: World War II veterans got a long overdue memorial in our nation's capitol. The Veterans' Services Commission and the Office of Public Information worked together to document a number of local veterans as they reflected on their war years and traveled to Washington. The hour long video also encompassed footage from the various campaigns of World War II. A select number of the videos are available to local World War II veterans, free of charge.

Sheriff: The Clermont County Sheriff's Office received grant funds in the amount of \$46,193 for traffic enforcement efforts and participation in National Traffic Safety Campaigns. The Sheriff's Office has completed a third year in presenting the "Last Chance Driving Program" for teens. More than 1,400 teens have participated in this program aimed at making them more conscientious drivers. The Clermont County Jail booked 7,215 people in 2004. Over 370,000 inmate meals were served at a cost of \$.98 each. Construction is underway at the northern end of the maximum security section for a 192 bed addition, to be completed in January 2006. In addition, the Clermont County Narcotics Unit conducted over 917 investigations, and arrested over 158 mid to upper level narcotics traffickers.

Water and Sewer: On May 17, 2004, the County assumed public operation of its water treatment plants, distribution system, billing, and customer service functions. These activities were performed by Operations Management International since March 1, 2000 under private contract. The transition in May went smoothly with no reported disruption of service to our customers.

In August 2004, the Board of County Commissioners created the Clermont County Stormwater Department, which now operates under the Water and Sewer District. The goal of this new department is to address flooding issues and water quality problems related to stormwater runoff. Toward the end of 2004, the Stormwater Department began compiling an inventory of areas that are prone to flooding, and identifying potential improvement projects for 2005. The Stormwater Department also took the first steps in exploring the benefits of establishing a stormwater utility in Clermont County.

During 2004, the Clermont County Water & Sewer District contracted for over \$16.5 million of capital improvements. Some of these capital improvements were new water mains, elevated water storage tanks, painting of existing tanks, new sewer mains, and wastewater treatment plant upgrades. Most notably, the Sewer District began construction of a 2 million gallon elevated water storage tank at the intersection of Clough Pike and Glen Este-Withamsville Road in Union Township. In conjunction with the Union Township Trustees, this new water storage tank will also be home to a fire house in the base of the tank.

During the summer of 2004, three ground storage tanks at the Locust Corner booster station were restored and painted, extending their useful life by at least 25 years. Two elevated storage tanks were restored and painted as well. The 100,000 gallon tank at the intersection of White Oak Road and S.R. 125 and the 100,000 gallon tank in Owensville sport new logos that include the names of the townships in which they are located.

In 2004, the Sewer Department began a new televising/cleaning program for the collection system. Previously, the program focused on 100 miles cleaned and 50 miles televised to maintain proper operation. The new program focuses on making needed repairs, as they are found. During 2004, approximately 1,500,000 gallons per day of stormwater was removed from the Lower East Fork sanitary collection system. Also, many trouble spots were detected and eliminated through this program

Office of Technology Communication and Security: In May of 2004, the Clermont County Local Emergency Planning Commission held a full scale emergency disaster drill involving a multitude of first response agencies at the Batavia Transmissions LLC plant. This type of training enabled local agencies to work closely together as heavy snows and flooding ended 2004 and began 2005.

Treasurer: The Treasurer's Office collected \$168.5 million in real estate taxes in 2004, \$1.3 million in manufactured home taxes, and \$16.3 million in personal property taxes. A total of 41 real estate tax foreclosures were filed in 2004 and the county's real estate delinquency rate is 1.19%.

Municipal Court: A new Clermont County Municipal Court was dedicated in December 2004; Ohio Supreme Court Chief Justice Thomas Moyer presented the dedication address. The 53,000 square foot facility includes five courtrooms, state-of-the-art electronic security, and audio/video systems. The facility provides citizens with a one stop approach to doing business with the courts, housing the operations of the Municipal Court, the Municipal Court Clerk of Courts, the Municipal Court Probation Department, and the Municipal divisions for the Clermont County Prosecutor and Public Defender.

Common Pleas Court: The Common Pleas Court Adult Probation Department Intensive Treatment Program completed its first year of operation. A significant accomplishment was the development and sponsorship of the Criminal Justice/Mental Health Symposium that was held on October 15, 2004. The Symposium included over 115 criminal justice and mental health professionals and was designed to be a "kick-off" to the development of a Crisis Intervention Team (CIT) for Clermont County. The Intensive Treatment Program has networked with numerous mental health agencies to provide assistance to probationers suffering from mental illness.

In November of 2004, the Ohio Legislature voted on and approved the creation of a fourth Common Pleas judgeship. The election for this position will be held in 2006, with the new judge taking the bench in January 2007. Overall case filings have increased over 47 percent since the year 2000, necessitating the establishment of the fourth judgeship.

Clermont County was selected as the location for one of only two off-site court sessions held by the Ohio Supreme Court in 2004. This event, on April 28, 2004, marked the first time in 200 years the Supreme Court held session in Clermont County. Over 250 students from area high schools attended the proceedings to observe the workings of the judicial system, and later question the attorneys and justices about their duties.

Juvenile Court: A dedication ceremony was held in September 2004 for the new Clermont County Juvenile Detention Center. The 28,000 square foot facility was funded through the Ohio Department of Youth Services, bond proceeds, and the Clermont County general fund. The 36 bed center offers a broad range of educational and treatment programs, aimed at providing young people with skills and programs necessary to live within the laws of society.

Domestic Relations Court: The Clermont County Domestic Relations Court had a seven percent increase in filings for 2004. The Court heard over 1,000 complaints for divorce and petitions for dissolutions, almost 2,000 parenting and child support motions, and 833 petitions for civil protection orders. The Kids in Divorce Situations (KIDS) program was expanded from three to five sessions per program, due to its success, and at the request of participants. The KIDS program is funded by the Court and offered free of charge to families in high-conflict situations. Since the implementation of the KIDS program in September of 2001, 98 families have attended the program with 80 percent of participants successfully resolving their parenting disputes without a court trial.

Coroner: The Clermont County Coroner's Office has added a Mass Fatality Response Unit. This unit will be able to transport needed supplies to a mass disaster area and will complement a Mass Fatality Plan, currently being developed. Coroner Dr. Brian Treon and Chief Investigator Darrell Hawkins have conducted multiple training courses with law enforcement and fire/EMS departments to improve medico-legal death investigations.

Future Projects

Construction is underway on an expansion of Clermont County's jail. The maximum security section of the jail will be located at the north end portion of the existing structure. The \$11.5 million dollar project will include the addition of 192 beds and a tunnel connected to the newly created Clermont County Municipal Court Building. This state of the art facility will provide the County's residents with enhanced public safety and the court with a greater opportunity to house criminals. The project is financed by bond proceeds, a \$4.8 million dollar grant and funding from the General Fund. The expanded detention center is expected to be completed by the early part of 2006.

In conjunction with the Help America Vote Act, in 2003, the Secretary of State of Ohio approved the application of the Clermont County Board of Elections for grant monies to replace its current voting system. The Help America Vote Act requires "uniform and nondiscriminatory election technology." The replacement of the voting system should be implemented sometime in 2005.

FINANCIAL INFORMATION

Accounting System and Internal Control

Clermont County's accounting system is organized on a "fund" basis. Each fund is a distinct self balancing accounting entity. Clermont County's day-to-day accounting and budgetary records are maintained on a basis other than Generally Accepted Accounting Principles (GAAP). For financial reporting purposes, the accounting records are converted to the modified and full accrual basis for all applicable funds. On the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. On the full accrual basis, revenues are recognized when measurable and earned; expenses are recognized when incurred.

The basis of accounting and presentation of the various funds utilized by Clermont County are fully described in Note B of the basic financial statements. Additional budgetary information can be found in Note C.

In developing Clermont County's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the costs of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

Clermont County utilizes an accounting system, as well as a system of control, for capital assets and payroll. These systems, coupled with the auditing of each individual voucher prior to payment by the Auditor's office, ensure that the financial information generated is both accurate and reliable.

Budgetary Controls

The Board of County Commissioners adopted the 2004 annual budget for the County in December 2003. All disbursements and transfers of cash between funds require appropriation authority from the Commissioners. Budgets are controlled at the major object level within a department and fund. All purchase orders must be approved by department heads and submitted to the County Auditor for processing. The necessary funds are encumbered and the purchase order released to the vendors; those purchase orders which exceed the available appropriation are rejected until additional funds are secured.

Cash Management

Clermont County pools its cash to simplify cash management. All idle monies are invested, with the earnings allocated to the General Fund and other qualifying funds as prescribed by Ohio law. Clermont County invests primarily in treasury bills, treasury notes, federal agency notes, money market accounts, and the State Treasury Asset Reserve Program. Investments are reported at fair value which is based on quoted market prices. The County Treasurer makes such commitments of County resources only with federally insured financial institutions, and with the State of Ohio.

Certain deposits are collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the County's name. Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, 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 with a current market value at least equal to 105% of all public monies on deposit with the depository established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Risk Management

Clermont County is continuing its efforts to use alternative coverage to get the maximum amount of insurance coverage for the minimum amount of premiums. In 2004, Clermont County carried comprehensive general liability including law enforcement liability, blanket crime coverage, public officials liability insurance, fleet insurance, and a comprehensive boiler and machinery coverage.

Clermont County enforces a program permitting only those employees with "good driving records" to operate any County vehicle. An employee's driving record is validated through the Ohio Bureau of Motor Vehicles upon employment and is checked periodically after that.

Clermont County maintains a Workmen's Compensation Fund for the administration of a Workers' Compensation program to reduce employee risk, decrease Clermont County's workers' compensation liability and to measure and recover the cost of providing the program to departments of Clermont County.

Health Benefits

After ninety days of full time employment, each new employee is eligible for health care benefits provided by Clermont County. The County has elected to provide employees major medical, vision and hospitalization through a self-insured program. Clermont County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. Third party administrators, United Health and Dental Care Plus Insurance Companies, review all claims which are then paid by the County. Clermont County purchases stop-loss coverage of \$100,000 per employee and an aggregate limit of \$1,000,000. Clermont County pays into the self-insurance internal service fund \$623.90 for family coverage and \$343.18 for individual coverage per employee per month which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

INDEPENDENT AUDIT

Included in this report is an Auditor of State unqualified opinion rendered on Clermont County's financial position, and results of operations, as well as its existing assets and liabilities, as reported in the basic financial statements for the year ended December 31, 2004. An annual, independent audit of the County's financial statements is part of the annual preparation of a Comprehensive Annual Financial Report. This annual, independent audit continues to provide a review and comments which strengthen Clermont County's accounting and budgetary controls.

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Clermont County for its comprehensive annual financial report (CAFR) for the year ended December 31, 2003. This was the eighteenth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certification.

ACKNOWLEDGMENTS

Clermont County is proud to have been one of the first counties in Ohio to prepare a comprehensive financial report in conformity with generally accepted accounting principles (GAAP) and to implement the new reporting model as promulgated by GASB Statement No. 34 along with the precise guidelines established by the Government Finance Officers Association (GFOA).

The preparation of this report could not have been accomplished without the dedicated effort of a number of employees within the County Auditor's Office and the audit and local government services divisions of the Auditor of the State of Ohio. We also extend appreciation to the County's other elected officials and department heads for their contributions and continued support of this project.

I would especially like to recognize Charles F. Tilbury, Jr., Chief Deputy Auditor; Christopher T. Mehlman, Deputy Auditor of Financial Operations; Jennifer A. Hartley, Deputy Auditor of Special Projects and the County Auditor's finance department for their dedication toward the successful completion of this project.

Respectfully,

A handwritten signature in cursive script that reads "Linda L. Fraley". The ink is dark and the signature is fluid and legible.

Linda L. Fraley
Clermont County Auditor

**CLERMONT COUNTY, OHIO
ELECTED OFFICIALS**

BOARD OF COUNTY COMMISSIONERS:

Robert L. Proud President
Mary Walker Vice President
R. Scott Crowell III Member

OTHER ELECTED OFFICIALS:

Linda L. Fraley Auditor
Barbara Wiedenbein Clerk of Courts Common Pleas
Timothy Rudd Municipal Clerk of Court
Dr. Brian N. Treon Coroner
Patrick Manger Engineer
Donald W. White Prosecutor
Carolyn Green Recorder
Albert (Tim) Rodenberg, Jr. Sheriff
J. Robert True Treasurer

TWELFTH DISTRICT COURT OF APPEALS:

Stephen Powell Presiding Judge
Anthony Valen Judge
James E. Walsh Judge
William W. Young Judge

COMMON PLEAS COURT

General Division:

William Walker Administrative and Presiding Judge
Jerry R. McBride Judge
Robert P. Ringland Judge

Domestic Relations Division:

Michael J. Voris Judge

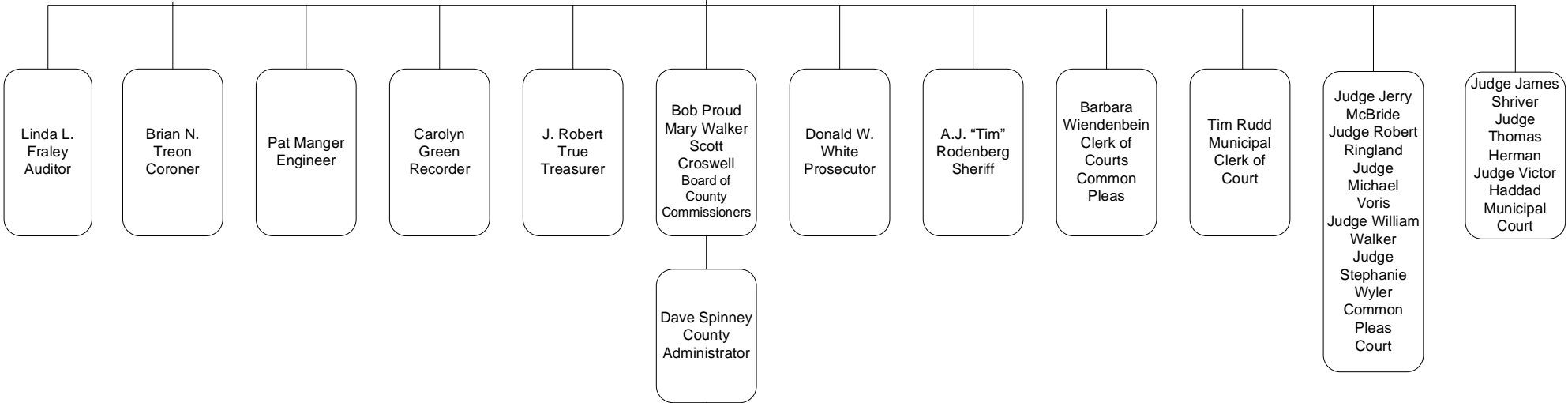
Juvenile and Probate Division:

Stephanie Wyler Judge

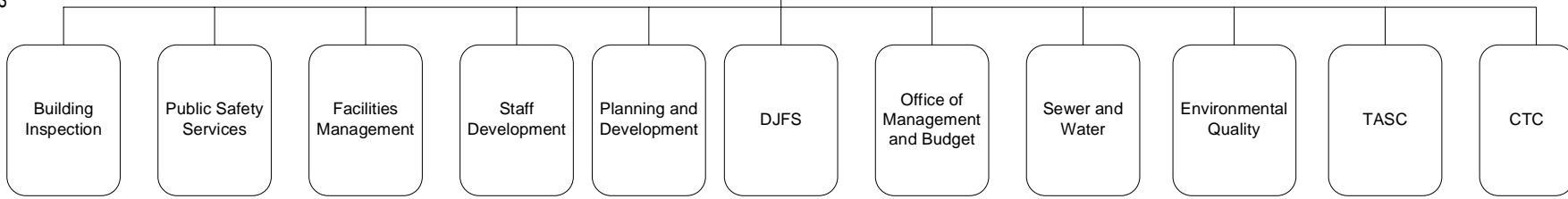
MUNICIPAL COURT

Victor M. Haddad Administrative Judge
Thomas R. Herman Judge
James A. Shriver Judge

The People of Clermont County



13



- County Commissions**
- Automatic Data Processing Board
 - Board of Elections
 - Board of Revision
 - Budget Commission
 - Record Commission
 - Veteran Service Commission

- County Boards and Affiliated Organizations**
- | | |
|---|---|
| <ul style="list-style-type: none"> Alcohol Drug Addiction and Mental Health Clerco, Inc. Metropolitan Housing Authority Agricultural Society Child Focus Clermont County Law Library Recovery Center Soil and Water Conservation District | <ul style="list-style-type: none"> Bd of Mental Retardation & Developmental Disabilities Convention and Visitor Bureau Park District Board of Health Clermont County Community Services, Inc. County Board of Education Senior Services, Inc. Adams, Brown, Clermont Solid Waste District |
|---|---|

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Clermont 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. Enos

Executive Director

FINANCIAL SECTION



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Clermont County
101 East Main Street
Batavia, Ohio 45103

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clermont County, Ohio (the County), as of and for the fiscal 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 Clermont County Sewer District and the Clermont County Water District, which represent all the assets and revenues of the business-type activities and the County Sewer District and County Water District major enterprise funds. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for the business-type activities and County Sewer District and County Water District major enterprise funds 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clermont 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 Fund, Social Services Fund, and Motor Vehicle and Gas Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 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.

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The Management 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 and statistical sections, combining and individual fund statements and schedules listed in the table of contents provide additional information and are not a required part of the basic financial statements. We 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, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory and statistical sections 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

May 27, 2005

Clermont County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2004
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The discussion and analysis of Clermont 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 of the County's financial performance.

Financial Highlights

Key financial highlights for 2004 are as follows:

- ◆ The assets of the County exceeded its liabilities at the close of the year ended December 31, 2004, by \$419.1 million (net assets). Of this amount, \$12.1 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors, and \$85.5 million is classified as unrestricted in the Water and Sewer activities.
- ◆ The County's total net assets increased by \$27.6 million, which represents a 7.0% increase from 2003.
- ◆ At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$62.8 million, an increase of \$1.2 million from the prior year. Of this amount, \$48.7 million is available for spending (unreserved fund balance) on behalf of its citizens.
- ◆ At the end of the current fiscal year, unreserved fund balance for the general fund was \$25.6 million, or 50.0% of total general fund expenditures and other financing uses.
- ◆ Clermont County's total debt decreased by \$13.1 million which represents a 24.3% decrease in debt related to governmental activities and a 2.3% decrease in debt related to business-type activities.
- ◆ In 2004, the County defeased \$9.0 million of the 2003 Road Improvement and Refunding Bond related to road improvements. The \$10.5 million in proceeds for the defeasance are from an agreement the County had with the Ohio Department of Transportation.

Using this Annual Financial Report

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column.

Clermont County, Ohio
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Reporting Clermont County as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the County's net assets and the change in those assets. This change in net assets is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, nonfinancial information such as changes in the County's tax base and the condition of County capital assets will also need to be evaluated.

In the Statement of Net Assets and the Statement of Activities, the County is divided into three kinds of activities:

- ◆ Governmental Activities-Most of the County's services are reported here including public safety, social services programs, administration, and all departments with the exception of our Water and Sewer funds.
- ◆ Business-Type Activities- These services have a charge based upon the amount of usage. The County charges fees to recoup the cost of the entire operation of our Water and Sewer Plants as well as all capital expenses associated with these facilities.
- ◆ Component Units-The County includes financial data of the County Board of Mental Retardation and Developmental Disabilities (MRDD) and the Mental Health and Recovery Board (MHRB) in its report. The component units are separate and may buy, sell, lease and mortgage property in their own name and can sue or be sued in their own name.

Reporting Clermont County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the County's major funds.

Based on restrictions on the use of monies, the County has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the County's most significant funds. In the case of Clermont County, our major funds are the General, Social Services, Motor Vehicle and Gas, Special Assessment Debt Service, and County Capital Improvements. The analysis of the County's major funds begins on page 23.

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Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The nonmajor governmental fund financial statements can be found on pages 80-86 of this report.

Proprietary Funds: The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water and Sewer operations. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance, fleet maintenance, telephone company and worker's compensation programs. The proprietary fund financial statements can be found on pages 35-38 of this report.

Fiduciary Funds: Are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds. The fiduciary fund financial statement can be found on page 39 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements begin on page 43 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules which begin on page 88 of this report.

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Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$419.1 million (\$184.2 million in governmental activities and \$234.9 million in business-type activities) as of December 31, 2004. The largest portion of the County's net assets (61.4%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 provides a summary of the County's net assets for 2004 compared to 2003.

Table 1
Net Assets
(In Millions)

	Governmental Activities (Restated)		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Assets						
Current & Other Assets	\$114.7	\$110.2	\$97.4	\$99.4	\$212.1	\$209.6
Capital Assets, Net	132.3	128.9	223.2	214.5	355.5	343.4
<i>Total Assets</i>	<u>247.0</u>	<u>239.1</u>	<u>320.6</u>	<u>313.9</u>	<u>567.6</u>	<u>553.0</u>
Liabilities						
Current & Other Liabilities	(24.9)	(25.5)	(4.8)	(3.9)	(29.7)	(29.4)
Long-Term Liabilities						
Due Within One Year	(6.0)	(6.3)	(4.0)	(4.2)	(10.0)	(10.5)
Due in More Than One Year	(31.9)	(43.0)	(76.9)	(78.6)	(108.8)	(121.6)
<i>Total Liabilities</i>	<u>(62.8)</u>	<u>(74.8)</u>	<u>(85.7)</u>	<u>(86.7)</u>	<u>(148.5)</u>	<u>(161.5)</u>
Net Assets						
Invested in Capital Assets Net of Debt	115.2	100.5	142.3	131.7	257.5	232.2
Restricted:						
Capital Projects	19.4	19.5	0.0	0.0	19.4	19.5
Debt Service	12.7	5.4	7.1	7.3	19.8	12.7
Other Purposes	24.8	20.9	0.0	0.0	24.8	20.9
Unrestricted	12.1	18.0	85.5	88.2	97.6	106.2
<i>Total Net Assets</i>	<u>\$184.2</u>	<u>\$164.3</u>	<u>\$234.9</u>	<u>\$227.2</u>	<u>\$419.1</u>	<u>\$391.5</u>

An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. In the current year, this represented \$64 million or 15.3% of net assets. \$97.6 million or 23.3% of net assets may be used to meet the County's ongoing obligations to its citizens and creditors and for Water and Sewer activities.

As of December 31, 2004, the County is able to report positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year. Total assets increased \$14.6 million overall. A \$12.1 million increase in net capital assets made up the majority of this change. Total liabilities decreased \$13.0 million which can be attributed to the defeasance of bonds during 2004.

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Table 2 below provides a summary of the changes in net assets for 2004 compared to 2003.

Table 2
Changes in Net Assets
(In Millions)

	Governmental Activities (Restated)		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
	Program Revenues:					
Charges for Services	\$23.6	\$22.9	\$25.0	\$24.3	\$48.6	\$47.2
Operating Grants, Contributions and Interest	30.8	34.3	0.0	0.0	30.8	34.3
Capital Grants and Contributions	11.2	10.8	7.1	7.8	18.3	13.3
General Revenues:						
Property Taxes	16.3	15.7	0.0	0.0	16.3	15.7
Sales Taxes	23.1	20.0	0.0	0.0	23.1	20.0
Other Taxes	0.4	0.4	0.0	0.0	0.4	0.4
Unrestricted Grants	5.8	5.9	0.0	0.0	5.8	5.9
Other	2.4	2.2	0.0	0.0	2.4	2.2
Water and Sewer	0.0	0.0	1.2	1.5	1.2	1.5
Total Revenues	113.6	112.2	33.3	33.6	146.9	140.5
Program Expenses						
General Government:						
Legislative and Executive	18.4	19.6	0.0	0.0	18.4	19.6
Judicial System	8.6	8.9	0.0	0.0	8.6	8.9
Public Safety	25.2	24.3	0.0	0.0	25.2	24.3
Public Works	7.8	13.4	0.0	0.0	7.8	13.4
Health	0.8	0.8	0.0	0.0	0.8	0.8
Human Services	29.7	29.9	0.0	0.0	29.7	29.9
Community Development	2.0	3.3	0.0	0.0	2.0	3.3
Transportation	1.6	1.8	0.0	0.0	1.6	1.8
Interest and Fiscal Charges	1.8	2.5	0.0	0.0	1.8	2.5
Water and Sewer	0.0	0.0	26.0	25.1	26.0	25.1
Total Expenses	95.9	104.5	26.0	25.1	121.9	129.6
<i>Increase in Net Assets before Transfers and Gain on Exchange of Capital Assets</i>	17.7	7.7	7.3	8.5	25.0	10.9
Transfers	(0.5)	(0.2)	0.5	0.2	0.0	0.0
Gain on Exchange of Capital Assets	2.6	0.0	0.0	0.0	2.6	0.0
Increase in Net Assets	\$19.8	\$7.5	\$7.8	\$8.7	\$27.6	\$10.9

Governmental Activities

The legislative and executive programs of the County represent the activities related to the governing body and other elected officials in the performance of their primary duties and subsidiary activities. These activities directly support other programs of the County and service its citizens. In 2004, this represented 19.2% of the County's total expenses. The County's elected officials and department heads worked with the County Commissioners to maintain effective programs for its citizens without increasing expenditures related to its programs.

The County's public safety programs continue to review and manage the security of the County and its citizens. Public safety programs increased spending by \$.9 million. In 2004, the County Sheriff's Office attended training on weapons of mass destruction. Bio-hazard equipment and protective suits were purchased for each agency mobile response units. The County's Sheriff's office and Board of County Commissioners strive to ensure that the public's safety is its first priority, whether that includes increased patrol, security for water and sewer functions, disaster scenarios, disaster recovery or expansion of existing jail facilities.

The County's public works programs continue to repair, improve, and maintain the roads and bridges of the County. At the end of 2003, several significant infrastructure capital assets were fully depreciated, and as a result, depreciation expense within the public works program decreased by \$1.9 million in 2004. In addition, major projects were completed at the beginning of 2004, and thus the reduction in normal

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overhead related to continual projects created a further decrease in public works expenditures. Interest expense decreased by \$.7 million because of the refunding of debt in 2003.

The \$2.6 million gain on the sale of capital assets is related to the agreement the County had with the Ohio Department of Transportation to exchange State Route 28 Bypass and receive 1.25 miles of State Route 28.

The County's aggressive strategy to secure the maximum amount of grants and contributions that are provided by the state and federal governments continues to be productive. The County continues to explore and acquire new intergovernmental revenue streams while maximizing its current intergovernmental allocations to better address program needs. Grants and state revenue related to the County's public works program, which included OPWC grants, federal and state highway safety and construction grants accounted for 14.5% of the County's intergovernmental revenue. A significant portion of these construction grants are in conjunction with the State Route 32/Olive Branch Interchange project and the Branch Hill Guinea Pike Improvement. To date, the County has expended over \$8.3 million on these projects. In addition, in 2004, the County spent \$1.1 million in federal dollars related to the Community Development Block Grant and Small Cities projects. Other significant grants include the Reclaim Ohio/Youth Services Subsidy which accounted for \$1.3 million, the Homeland Security Grants and Emergency Preparedness Grants for \$.4 million and the TASC New Life grant.

Business-Type Activities

In 2004, the County's Water and Sewer Systems funds' charges for services increased by \$.7 million and total expenses increased by \$.9 million. The County's Water and Sewer operations recorded a decrease of \$.9 million in net income from 2003. Capital contributions decreased by \$.7 million as a result of a decrease in system capacity charges. Of the \$7.1 million capital contribution, \$2.7 million represented non-cash or donated assets.

Effective May 2004, the Clermont County Commissioners executed a resolution that would mutually terminate an agreement with Operations Management International, Inc. (OMI) to operate and maintain the County's water treatment facilities, water distribution system and water and sewer's billing services. In recent years the Clermont County Water operations have undergone significant changes in regulatory requirements, permit costs and repairs. These additional costs and resources were not specified in the original contract with OMI, and it would have necessitated the rebidding or reclaiming of the water operations by the County.

Financial Analysis of the County's Funds

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

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 financing 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.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$62.8 million. Approximately \$48.7 million of this amount constitutes unreserved fund balance, which is available for spending for its citizens. \$2.3 million of the unreserved fund balance is designated for budget stabilization. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders at year end (\$13.9 million), and to account for the reservation of loans (\$.1 million). While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to

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restricted net assets on the Statement of Net Assets due to their being restricted for use for a particular purpose mandated by the source of the resources such as the state and federal governments or a tax levy.

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 \$25.6 million, while the total fund balance reached \$26.5 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 50.0% of the total general fund expenditures and other financing uses, while total fund balance represents 51.8% of that same amount.

The fund balance of the County's General Fund decreased by \$2.1 million during the current fiscal year with revenues exceeding expenditures by \$6.1 million. Key factors are as follows:

- ◆ The County's General Fund public safety programs represent activities related to the sheriff's office, adult detention, communication center, and homeland security. This program incurred cost increases related to activities that provide quality safety for the County and for its citizens.
- ◆ Transfers-out increased by \$3.3 million for the increase in capital expenditures and increase in health insurance costs.
- ◆ The County added a new department for the economic development of the County.
- ◆ In 2004, the County saw an increase in sales tax revenue of \$1.2 million.

In 2004, the Motor, Vehicle and Gas fund continued its construction and improvement of County's road and bridges. This resulted in an increase in grant revenue of \$1.5 million. The Motor, Vehicle and Gas fund received \$10.5 million from the Ohio Department of Transportation to exchange State Route 28 Bypass with the State for 1.25 miles of State Route 28 and to use the money to pay the remaining debt related to the improvements of the State Route 28 Bypass.

The Social Services fund reported a negative net change in fund balance in the amount of \$.1 million. This resulted from the deferral of revenue received from the State in advance of reimbursable program costs as a result of additional program services.

The Special Assessment Debt Service fund had an increase in assets and liabilities in the amount of \$2.5 million because of two new special assessment bonds issued. One in the amount of \$1.7 million for the Stonelick-Olive Branch Widening Project, and one in the amount of \$.5 for the North Afton Sewer Project.

General Fund Budgeting Highlights

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

During the course of 2004, the County amended its general fund budget numerous times, the most significant noted below. All recommendations for the budget came to the Office of Management and Budget for review before going to the Board of County Commissioners for adoption of a resolution on the change. The Board of County Commissioners also approves small interdepartmental budget changes that modify line items within departments within the same fund. With the General Fund supporting many of our major activities such as our public safety programs, as well as most legislative and executive activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending by

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individual departments. A summary of noted differences and explanations:

- ◆ Overall, General Fund activities' budgets stayed the same throughout the year, and actual expenditures remained less than the original appropriation by \$2.4 million.
- ◆ Transfers out budget was increased significantly during 2004 to account for debt service charges, matching portion of grants, legal requirements, capital expenditures, and increase in health insurance claims.

Capital Assets and Debt Administration

Capital Assets: The County's investment in capital assets for its governmental and business-type activities as of December 31, 2004, amounts to \$355.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, equipment and machinery, roads, highways, and bridges.

Note H (Capital Assets) provides capital asset activity during 2004.

Major capital asset events during the current year included the following:

- ◆ During 2004, the Clermont County Engineer's Office continued its replacement and improvement capital plan by replacing several deficient bridges and completed several roadway improvement projects. The overall cost for these projects was \$5.0 million. Various funding sources were used including Ohio Public Works Commission (OPWC), Ohio Department of Transportation (ODOT), Board of Clermont County Commissioners, and the County Engineer's funds.
- ◆ In 2004, approximately 25 miles of County roads were paved at a cost of \$1.2 million.
- ◆ Also in 2004, the new municipal court opened at 4430 SR 222 in Batavia. The \$9.3 million facility houses the operations of the Municipal Court, the Municipal Court Clerk of Courts, the Municipal Court Probation Department, and the Municipal divisions for the Clermont County Prosecutor and Public Defender.
- ◆ The property at 457 West Main Street in Batavia was purchased in the amount of \$.8 million for the development on the new One Stop for Auto Title, Deputy Registrar, and Driver's Examination.
- ◆ Received \$1.2 million of waterlines from developers.
- ◆ Received \$1.5 million of sewer lines from developers.
- ◆ 2004 also saw the completion of the Clough/Glen Este/Mt. Carmel Water Main (\$1.2 million) and the PUB Transmission Main (\$1.0 million). These improvement projects are for the continuing operation and maintenance of the water mains.

Long-term Debt: At the end of 2004, the County had general obligation debt outstanding of \$34.4 million. Of this amount, \$28.7 million comprises debt backed by the full faith and credit of the County, \$.3 million comprises of OPWC commitments to be repaid from Motor, Vehicle, and Gas fund and \$5.4 million is special assessment debt for which the County is liable in the event of default by the property owner subject to the assessment.

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The County's long-term general obligation debt decreased by \$11.2 million or 24.7% during the 2004 fiscal year, and the County's Water and Sewer debt decreased \$1.9 million or 2.3%. In December 2004, the County defeased \$9.0 million of the 2003 Road Improvement and Refunding related to road improvements as part of an agreement the County has with the Ohio Department of Transportation.

The County maintains an Aa3 rating from Moody's for general obligation debt. State statute limits the total amount of debt a governmental entity may issue. The current unvoted debt margin for the County is \$17.2 million. In addition to the bonded debt, the County's long-term obligations includes compensated absences. Additional information on the County's long-term debt can be found in Note I of this report. Interest and fiscal charges for 2004, were \$1.8 million or 1.9% of the total governmental activities expenses.

Economic Factors and Next Year's Budgets and Rates

The County has experienced rapid residential growth and an increase in property valuation over the past decade, and as a result sales and property tax collections which the County is reliant are roughly 57.0% of its operating budget. The increase in housing values and the County's rapid population growth means an expanding revenue base. Additionally with the increase in the number of new businesses in the County, the overall revenue stream from residential and commercial sources should continue to rise.

Although the County has experienced growth in key economic development factors, the County maintains a conservative approach to spending while maximizing its local revenues. Current economic indicators show that the current economy should remain at its current pace. Given these conditions and the upgrade and expansion of the retail base in the County, we anticipate over the next year a moderate increase in sales tax revenue. However, the County will have to review alternative methods of intergovernmental funding, since the State of Ohio's fiscal condition continues to remain uncertain and the County's portion of state-based program revenue will be affected by the fiscal year 2006 State budget bill.

Recent expenditures related to major capital improvements and self insurance reservation have cut into the General Fund balance, but the County continues to maintain a General Fund balance that should allow the County to meet its General Fund commitments without facing shortages in resources. As a result of prior years' conservative spending and steady fund balances, the County was able to create a Budget Stabilization fund in 2002 to safeguard against future economic factors. The \$25.6 million unreserved fund balance on the modified accrual basis of accounting at December 31, 2004 represents approximately 50% of 2004 General Fund expenditures and other financing uses.

All of these factors were considered in the preparation of the County's 2004 budget. In conjunction with current economic factors, the County has increased its 2005 budget for the County to continue providing public safety services, to continue improving its technology, and for the economic development of the County. The County is expecting to have to use part of its fund balance in the general fund for expenditures in 2005; however the County will be able to maintain a balance that allows the county to meet its expenditures without facing shortages in resources and maintaining its services without an additional burden to its citizens.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Linda L. Fraley, Clermont County Auditor, 101 East Main Street, Batavia, Ohio 45103, (513)732-7150, (email at lfraley@co.clermont.oh.us) or visit the County website at www.clermont.oh.us.

Clermont County, Ohio
Statement of Net Assets
December 31, 2004

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$69,632,833	\$6,363,928	\$75,996,761	\$9,039,536
Cash and Cash Equivalents in Segregated Accounts	0	3,955,059	3,955,059	78,931
Cash and Cash Equivalents with Fiscal & Escrow Agent	5,341	0	5,341	0
Investments in Segregated Accounts	0	62,619,226	62,619,226	0
Accounts Receivable	492,215	4,430,656	4,922,871	143,309
Accrued Interest Receivable	417,871	0	417,871	0
Intergovernmental Receivable	10,885,051	0	10,885,051	9,216,966
Taxes Receivable	20,954,632	0	20,954,632	8,257,817
Internal Balances	(216,807)	216,807	0	0
Prepaid Items	94,101	0	94,101	33,733
Inventory of Supplies at Cost	0	250,779	250,779	4,160
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	1,884	1,884	0
Cash and Cash Equivalents in Segregated Accounts	0	1,910,208	1,910,208	4,312
Investments in Segregated Accounts	0	8,009,229	8,009,229	0
Retainage Accounts	0	419,855	419,855	0
Accrued Interest	0	169,086	169,086	0
Grants Receivable	0	988,364	988,364	0
Loans Receivable	127,713	4,607,969	4,735,682	0
Unamortized Financing Costs	0	3,033,660	3,033,660	0
Special Assessments Receivable	12,291,981	0	12,291,981	0
Other Non-Current Receivables	0	455,626	455,626	0
Land and Construction in Progress	20,371,732	26,676,453	47,048,185	482,517
Depreciable Capital Assets, Net	111,869,931	196,496,864	308,366,795	6,227,752
Total Assets	246,926,594	320,605,653	567,532,247	33,489,033
Liabilities				
Accounts Payable	4,145,807	853,778	4,999,585	719,045
Contracts Payable	1,381,128	0	1,381,128	0
Accrued Wages and Benefits	1,600,186	453,848	2,054,034	339,098
Compensated Absences Payable	23,866	0	23,866	23,089
Intergovernmental Payable	320,031	0	320,031	58,302
Deferred Revenue	16,559,615	0	16,559,615	7,806,240
Matured Interest Payable	8,863	0	8,863	0
Accrued Interest Payable	139,462	0	139,462	602
Claims Payable	764,372	0	764,372	0
Payable from Restricted Assets:				
Accounts Payable	0	1,694,819	1,694,819	0
Accrued Interest Payable	0	1,250,031	1,250,031	0
Retainage Payable	0	419,855	419,855	0
Maintenance Bond Payable	0	77,080	77,080	0
Current Portion of Long-Term Debt	0	3,976,416	3,976,416	0
Long-Term Liabilities:				
Due Within One Year	5,969,724	0	5,969,724	385,317
Due In More Than One Year	31,880,960	76,938,152	108,819,112	984,772
Total Liabilities	62,794,014	85,663,979	148,457,993	10,316,465
Net Assets				
Invested in Capital Assets, Net of Related Debt	115,153,832	142,258,749	257,412,581	6,115,226
Restricted for:				
Capital Projects	19,397,921	0	19,397,921	935,140
Debt Service	12,735,050	7,145,557	19,880,607	880
Other Purposes (See Note B)	24,807,170	0	24,807,170	583,174
Component Unit	0	0	0	115,855
Unrestricted	12,038,607	85,537,368	97,575,975	15,422,293
Total Net Assets	\$184,132,580	\$234,941,674	\$419,074,254	\$23,172,568

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Activities
For the Year Ended December 31, 2004

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government								
Governmental Activities								
General Government								
Legislative and Executive	\$18,437,847	\$11,475,561	\$408,953	\$7,820	(\$6,545,513)	\$0	(\$6,545,513)	\$0
Judicial	8,647,801	2,915,205	194,435	2,294,069	(3,244,092)	0	(3,244,092)	0
Public Safety	25,170,615	4,529,226	3,492,812	38,000	(17,110,577)	0	(17,110,577)	0
Public Works	7,794,813	1,019,582	6,035,172	6,076,744	5,336,685	0	5,336,685	0
Health	802,748	648,468	125,254	0	(29,026)	0	(29,026)	0
Human Services	29,731,069	2,116,718	19,992,156	10,097	(7,612,098)	0	(7,612,098)	0
Community Development	1,965,475	26,043	54,018	2,780,216	894,802	0	894,802	0
Transportation	1,613,319	888,463	540,891	3,701	(180,264)	0	(180,264)	0
Interest and Fiscal Charges	1,753,528	0	0	0	(1,753,528)	0	(1,753,528)	0
<i>Total Governmental Activities</i>	<u>95,917,215</u>	<u>23,619,266</u>	<u>30,843,691</u>	<u>11,210,647</u>	<u>(30,243,611)</u>	<u>0</u>	<u>(30,243,611)</u>	<u>0</u>
Business-Type Activities								
Water	10,744,633	11,263,790	0	2,936,667	0	3,455,824	3,455,824	0
Sewer	15,247,825	13,704,733	0	4,205,810	0	2,662,718	2,662,718	0
<i>Total Business-Type Activities</i>	<u>25,992,458</u>	<u>24,968,523</u>	<u>0</u>	<u>7,142,477</u>	<u>0</u>	<u>6,118,542</u>	<u>6,118,542</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$121,909,673</u>	<u>\$48,587,789</u>	<u>\$30,843,691</u>	<u>\$18,353,124</u>	<u>(30,243,611)</u>	<u>6,118,542</u>	<u>(24,125,069)</u>	<u>0</u>
Component Units								
MRDD	\$14,252,589	\$1,902,500	\$4,625,956	\$0				(\$7,724,133)
MHRB	12,405,800	430,631	10,660,211	0				(1,314,958)
<i>Total Component Units</i>	<u>\$26,658,389</u>	<u>\$2,333,131</u>	<u>\$15,286,167</u>	<u>\$0</u>				<u>(\$9,039,091)</u>
General Revenues and Transfers and Special Items								
Property Taxes Levied for:								
General Purposes					7,055,983	0	7,055,983	0
Social Services					5,883,741	0	5,883,741	0
MRDD					0	0	0	6,388,130
MHRB					0	0	0	1,548,354
Capital Outlay					3,352,922	0	3,352,922	0
Lodging Tax					377,743	0	377,743	0
Sales Tax					23,082,898	0	23,082,898	0
Grants not Restricted to Specific Programs					5,822,265	0	5,822,265	1,972,685
Investment Earnings					2,347,773	737,271	3,085,044	0
Other Revenue					37,584	432,094	469,678	0
Gain on Exchange of Capital Asset (See Note S)					2,566,914	0	2,566,914	0
Transfers (See Note R)					(459,466)	459,466	0	0
<i>Total General Revenues and Transfers and Special Items</i>					<u>50,068,357</u>	<u>1,628,831</u>	<u>51,697,188</u>	<u>9,909,169</u>
Change in Net Assets					19,824,746	7,747,373	27,572,119	870,078
<i>Net Assets Beginning of Year (restated)</i>					<u>164,307,834</u>	<u>227,194,301</u>	<u>391,502,135</u>	<u>22,302,490</u>
<i>Net Assets End of Year</i>					<u>\$184,132,580</u>	<u>\$234,941,674</u>	<u>\$419,074,254</u>	<u>\$23,172,568</u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Balance Sheet
Governmental Funds
December 31, 2004

	General	Social Services	MV&G	Special Assessment Debt Service	County Capital Improvement
Assets					
Equity in Pooled Cash and Cash Equivalents	\$23,484,937	\$5,641,127	\$3,660,424	\$289,997	\$3,524,879
Cash and Cash Equivalents with Fiscal & Escrow Agent	0	0	0	2,819	0
Receivables:					
Taxes	7,547,002	6,303,693	0	0	3,593,811
Sales Taxes	3,313,287	0	196,839	0	0
Accounts	77,201	0	27,335	0	0
Special Assessments	0	0	0	7,486,883	0
Accrued Interest	374,286	0	18,388	0	0
Interfund	3,177,483	0	0	0	200,000
Intergovernmental	1,922,216	908,409	4,848,550	0	198,805
Prepaid Items	71,993	1,592	985	0	0
Loans Receivable	0	0	0	0	0
Total Assets	\$39,968,405	\$12,854,821	\$8,752,521	\$7,779,699	\$7,517,495
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$718,848	\$1,881,033	\$739,477	\$0	\$0
Contracts Payable	0	0	0	0	86,411
Accrued Wages and Benefits	1,024,116	300,101	111,415	0	0
Compensated Absences Payable	8,259	0	9,487	0	0
Intergovernmental Payable	216,650	48,976	18,624	0	0
Interfund Payable	216,807	500,000	0	0	0
Deferred Revenue	11,236,086	7,203,312	4,503,084	7,485,920	3,787,578
Matured Interest Payable	0	0	0	8,863	0
Total Liabilities	13,420,766	9,933,422	5,382,087	7,494,783	3,873,989
Fund Balances					
Reserved for Encumbrances	923,185	297,911	470,485	0	219,389
Reserved for Loans	0	0	0	0	0
Unreserved:					
Designated for Budget Stabilization	2,300,000	0	0	0	0
Undesignated, Reported in:					
General Fund	23,324,454	0	0	0	0
Special Revenue Funds	0	2,623,488	2,899,949	0	0
Debt Service Funds	0	0	0	284,916	0
Capital Projects Funds	0	0	0	0	3,424,117
Total Fund Balances	26,547,639	2,921,399	3,370,434	284,916	3,643,506
Total Liabilities and Fund Balances	\$39,968,405	\$12,854,821	\$8,752,521	\$7,779,699	\$7,517,495

See accompanying notes to the basic financial statements

Clermont County, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2004*

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$62,760,212
		Amounts reported for governmental activities in the statement of net assets are different because	
\$30,043,694	\$66,645,058		
2,522	5,341		
0	17,444,506	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	132,160,507
0	3,510,126		
120,216	224,752	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
4,805,098	12,291,981	Special Assessments	12,290,130
25,197	417,871	Investment Earnings	269,519
0	3,377,483	Intergovernmental Revenues	9,495,384
3,007,071	10,885,051	Property Taxes	860,481
17,336	91,906	Sales Tax	1,854,345
127,713	127,713	Charges for Services	28,123
<u>\$38,148,847</u>	<u>\$115,021,788</u>	Total	24,797,982
		Internal service funds are used by management to charge the costs of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	2,376,926
\$652,893	\$3,992,251		
1,294,717	1,381,128	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.	
150,050	1,585,682	General Obligation Bonds	(28,710,000)
6,120	23,866	Special Assessment Bonds	(5,401,000)
33,649	317,899	OPWC Loans	(312,831)
2,877,483	3,594,290	Accrued Interest	(139,462)
7,141,617	41,357,597	Compensated Absences	<u>(3,399,754)</u>
0	8,863	Total	<u>(37,963,047)</u>
<u>12,156,529</u>	<u>52,261,576</u>	Net Assets of Governmental Activities	<u>\$184,132,580</u>
12,007,426	13,918,396		
127,713	127,713		
0	2,300,000		
0	23,324,454		
9,929,842	15,453,279		
160,004	444,920		
3,767,333	7,191,450		
<u>25,992,318</u>	<u>62,760,212</u>		
<u>\$38,148,847</u>	<u>\$115,021,788</u>		

Clermont County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

	General	Social Services	MV & G	Special Assessment Debt Service	County Capital Improvement
Revenues					
Property and Other Taxes	\$28,025,359	\$5,885,951	\$2,112,498	\$0	\$3,354,149
Charges for Services	10,972,330	892,615	338,224	0	1,889
Licenses and Permits	1,389,452	50,142	47,175	0	0
Fines and Forfeitures	1,331,347	0	212,841	0	0
Intergovernmental	4,564,237	20,700,633	8,668,941	0	793,022
Special Assessments	0	0	20,095	624,566	0
Investment Earnings	2,413,729	0	119,467	2,819	0
Net Decrease in Fair Value of Investments	(372,419)	0	(18,296)	0	0
Other	824,023	39,800	363,034	0	27,075
<i>Total Revenues</i>	<u>49,148,058</u>	<u>27,569,141</u>	<u>11,863,979</u>	<u>627,385</u>	<u>4,176,135</u>
Expenditures					
Current:					
General Government					
Legislative and Executive	13,632,520	0	0	0	0
Judicial	7,664,865	0	0	0	0
Public Safety	19,948,700	0	0	0	0
Public Works	0	0	9,935,571	0	0
Health	154,520	0	0	0	0
Human Services	960,650	28,655,829	0	0	0
Community Development	675,541	0	0	0	0
Transportation	0	0	0	0	0
Capital Outlay	0	0	0	0	997,124
Intergovernmental	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	720,000	383,000	0
Interest and Fiscal Charges	0	0	146,090	192,179	0
<i>Total Expenditures</i>	<u>43,036,796</u>	<u>28,655,829</u>	<u>10,801,661</u>	<u>575,179</u>	<u>997,124</u>
Excess of Revenues Over (Under) Expenditures	<u>6,111,262</u>	<u>(1,086,688)</u>	<u>1,062,318</u>	<u>52,206</u>	<u>3,179,011</u>
Other Financing Sources (Uses)					
Transfers In	53,372	958,966	0	0	325,383
Transfers Out	(8,245,622)	0	(219,876)	0	(3,188,706)
Proceeds from the Sale of Capital Assets	31,869	635	18,630	0	0
Special Assessment Bonds Issued	0	0	0	0	0
Other Financing (Uses) - Discount	0	0	0	0	0
Payment to Defeased Bond Escrow Agent	0	0	(9,221,586)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(8,160,381)</u>	<u>959,601</u>	<u>(9,422,832)</u>	<u>0</u>	<u>(2,863,323)</u>
Special Item					
Proceeds from the Exchange of Infrastructure	0	0	10,500,000	0	0
Net Change in Fund Balances	(2,049,119)	(127,087)	2,139,486	52,206	315,688
Fund Balances at Beginning of Year	<u>28,596,758</u>	<u>3,048,486</u>	<u>1,230,948</u>	<u>232,710</u>	<u>3,327,818</u>
Fund Balances End of Year	<u>\$26,547,639</u>	<u>\$2,921,399</u>	<u>\$3,370,434</u>	<u>\$284,916</u>	<u>\$3,643,506</u>

See accompanying notes to the basic financial statements

Clermont 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*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	\$1,183,511
		Amounts reported for governmental activities in the statement of activities are different because	
\$377,743	\$39,755,700	Governmental funds report capital outlays as expenditures. However	
5,134,677	17,339,735	in the statement of activities, the cost of those assets is allocated	
320,807	1,807,576	over their estimated useful lives as depreciation expense. This is	
346,392	1,890,580	the amount by which capital outlays exceeded depreciation in the	
9,313,579	44,040,412	current period.	
573,363	1,218,024	Capital asset additions	18,612,096
240,109	2,776,124	Depreciation expense	<u>(7,310,584)</u>
(25,072)	(415,787)	Excess of capital outlay over depreciations	11,301,512
39,538	1,293,470	In the statement of activities, the loss on the disposal of capital	
		assets is reported. Conversely, governmental funds do not	
16,321,136	109,705,834	report any gain or loss on the disposal of capital assets.	(176,872)
		In the statement of activities, the gain on the exchange of a capital	
2,656,654	16,289,174	asset is reported. However, the proceeds from the exchange increase	
1,012,602	8,677,467	financial resources. Thus the change in net assets is the difference in	
3,683,227	23,631,927	the values of the assets exchanged.	(7,933,086)
33,864	9,969,435	In the statement of activities, donations of capital assets increase	
810,100	964,620	net assets, but do not appear in the governmental funds because	
0	29,616,479	they are not financial resources.	81,986
31,408	706,949	Because some property taxes will not be collected for several months	
1,421,673	1,421,673	after the County's fiscal year ends, they are not considered as	
10,982,871	11,979,995	"available" revenues in the governmental funds. Similarly, certain	
1,193,103	1,193,103	licenses and other revenues that do not provide current financial	
3,277,876	4,380,876	resources are not reported as revenues in the fund.	
1,521,053	1,859,322	Taxes	(2,413)
		Intergovernmental revenue	612,223
26,624,431	110,691,020	Special Assessments	1,944,053
(10,303,295)	(985,186)	Charges for services	(25,175)
		Investment earnings	(12,564)
9,535,855	10,873,576	All other revenue	<u>(31,460)</u>
(558,838)	(12,213,042)	Total revenue	2,484,664
19,149	70,283	The issuance of long-term debt provides current financial resources	
2,160,000	2,160,000	to government funds, while the repayment of the principal of long-term	
(534)	(534)	debt consumes the current financial resources of governmental funds.	
0	(9,221,586)	Neither transaction, however, has any effect on net assets.	
11,155,632	(8,331,303)	Repayment of Bond Principal	4,380,876
		Payment to Escrow Agent	9,221,586
0	10,500,000	Proceeds from sale of Bonds	<u>(2,160,000)</u>
852,337	1,183,511	In the statement of activities, interest is accrued on outstanding bonds,	
		whereas in governmental funds, interest is expensed when due.	106,328
25,139,981	61,576,701	Some expenses reported in the statement of activities do not require	
		the use of current financial resources and therefore are not reported	
\$25,992,318	\$62,760,212	as expenditures in governmental funds.	
		Compensated Absences Payable	319,551
		The internal service funds are used by management to charge	
		the costs of insurance and other services to individual funds. The	
		net revenue (expense) of the internal service funds are reported with	
		governmental activities.	<u>1,014,690</u>
		<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$19,824,746</u></u>

Clermont County, Ohio
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

General Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Taxes	\$27,424,413	\$27,424,413	\$28,109,769	\$685,356
Charges for services	10,859,734	10,859,734	10,914,015	54,281
Licenses and permits	1,313,800	1,313,800	1,386,426	72,626
Fines and forfeitures	1,472,100	1,472,100	1,333,245	(138,855)
Intergovernmental	4,455,669	4,455,669	4,509,579	53,910
Investment earnings	2,766,500	2,766,500	2,414,745	(351,755)
All other revenues	980,000	991,780	1,298,927	307,147
Total revenues	<u>49,272,216</u>	<u>49,283,996</u>	<u>49,966,706</u>	<u>682,710</u>
Expenditures:				
Current:				
General Government				
Legislative and executive	15,919,328	15,971,960	14,676,780	1,295,180
Judicial	7,986,327	8,086,511	7,797,594	288,917
Public safety	21,013,973	20,765,098	20,282,124	482,974
Health	546,161	375,329	369,236	6,093
Human services	1,059,274	1,059,274	947,834	111,440
Community development	633,702	933,427	711,707	221,720
Total expenditures	<u>47,158,765</u>	<u>47,191,599</u>	<u>44,785,275</u>	<u>2,406,324</u>
Excess of revenues over expenditures	<u>2,113,451</u>	<u>2,092,397</u>	<u>5,181,431</u>	<u>3,089,034</u>
Other financing sources (uses):				
Operating transfers in	40,406	40,406	53,372	12,966
Operating transfers (out)	(3,632,993)	(8,614,267)	(8,364,374)	249,893
Advances (out)	0	(1,280,663)	(1,280,663)	0
Proceeds of sale of capital assets	20,000	20,000	31,869	11,869
Total other financing sources (uses)	<u>(3,572,587)</u>	<u>(9,834,524)</u>	<u>(9,559,796)</u>	<u>274,728</u>
Net Change in Fund Balance	(1,459,136)	(7,742,127)	(4,378,365)	3,363,762
Fund balance at beginning of year	24,859,979	24,859,979	24,859,979	0
Prior year encumbrances appropriated	1,596,091	1,596,091	1,596,091	0
Fund balance at end of year	<u>\$24,996,934</u>	<u>\$18,713,943</u>	<u>\$22,077,705</u>	<u>\$3,363,762</u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

Social Services - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$6,325,300	\$6,325,300	\$5,896,089	(\$429,211)
Charges for services	855,200	855,200	892,615	37,415
Licenses and permits	56,000	56,000	50,334	(5,666)
Intergovernmental	22,060,761	22,666,561	20,700,633	(1,965,928)
Other revenues	518,900	518,900	520,957	2,057
Total revenues	<u>29,816,161</u>	<u>30,421,961</u>	<u>28,060,628</u>	<u>(2,361,333)</u>
Expenditures:				
Current:				
Human services	<u>31,703,871</u>	<u>30,930,712</u>	<u>29,284,774</u>	<u>1,645,938</u>
(Deficiency) of revenues (under) expenditures	<u>(1,887,710)</u>	<u>(508,751)</u>	<u>(1,224,146)</u>	<u>(715,395)</u>
Other financing sources (uses):				
Operating transfers in	6,030,418	6,355,418	6,389,779	34,361
Operating transfers (out)	(5,350,000)	(6,026,232)	(5,784,681)	241,551
Advances in	0	500,000	500,000	0
Proceeds from sale of capital assets	3,000	3,000	635	(2,365)
Total other financing sources (uses)	<u>683,418</u>	<u>832,186</u>	<u>1,105,733</u>	<u>273,547</u>
Net change in fund balance	(1,204,292)	323,435	(118,413)	(441,848)
Fund balance at beginning of year	3,586,804	3,586,804	3,586,804	0
Prior year encumbrances appropriated	<u>794,938</u>	<u>794,938</u>	<u>794,938</u>	<u>0</u>
Fund balance at end of year	<u>\$3,177,450</u>	<u>\$4,705,177</u>	<u>\$4,263,329</u>	<u>(\$441,848)</u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

Motor Vehicle and Gas Tax - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$1,960,000	\$2,085,000	\$2,108,041	\$23,041
Charges for services	226,100	365,400	342,878	(22,522)
Licenses and permits	43,000	51,000	46,740	(4,260)
Fines and forfeitures	175,000	197,000	201,166	4,166
Intergovernmental	6,250,150	8,573,200	9,271,157	697,957
Special assessments	18,500	18,500	20,095	1,595
Investment earnings	90,000	90,000	106,674	16,674
Other revenues	45,600	163,230	466,473	303,243
Total revenues	<u>8,808,350</u>	<u>11,543,330</u>	<u>12,563,224</u>	<u>1,019,894</u>
Expenditures:				
Current:				
Public works	<u>8,685,098</u>	<u>11,980,469</u>	<u>11,202,413</u>	<u>778,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>123,252</u>	<u>(437,139)</u>	<u>1,360,811</u>	<u>1,797,950</u>
Other financing sources(uses):				
Operating transfer in	1,000	1,000	0	(1,000)
Operating transfers (out)	(1,201,775)	(1,489,339)	(219,876)	1,269,463
Proceeds from the sale of capital assets	2,000	8,000	18,630	10,630
Payment to defeased bond escrow agent	0	(10,087,676)	(10,087,676)	0
Total other financing sources (uses)	<u>(1,198,775)</u>	<u>(11,568,015)</u>	<u>(10,288,922)</u>	<u>1,279,093</u>
Special item:				
Proceeds from the exchange of infrastructure	<u>0</u>	<u>10,500,000</u>	<u>10,500,000</u>	<u>0</u>
Net change in fund balance	(1,075,523)	(1,505,154)	1,571,889	3,077,043
Fund balance at beginning of year	457,686	457,686	457,686	0
Prior year encumbrances appropriated	<u>1,074,072</u>	<u>1,074,072</u>	<u>1,074,072</u>	<u>0</u>
Fund balance at end of year	<u>\$456,235</u>	<u>\$26,604</u>	<u>\$3,103,647</u>	<u>\$3,077,043</u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2004

	Business-Type Activities-Enterprise Funds			Governmental
	Water Fund	Sewer Fund	Total	Activities- Internal Service Funds
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$2,969,036	\$3,394,892	\$6,363,928	\$2,987,775
Cash and Cash Equivalents in Segregated Accounts	1,183,467	2,771,592	3,955,059	0
Investments in Segregated Accounts	18,881,731	43,737,495	62,619,226	0
<i>Receivables:</i>				
Accounts	1,821,751	2,608,905	4,430,656	267,463
Prepaid items	0	0	0	2,195
Inventory of Supplies at Cost	194,454	56,325	250,779	0
Total Current Assets	25,050,439	52,569,209	77,619,648	3,257,433
<i>Noncurrent Assets:</i>				
<i>Restricted Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	0	1,884	1,884	0
Cash and Cash Equivalents in Segregated Accounts	1,826,308	83,900	1,910,208	0
Investments in Segregated Accounts	2,806,906	5,202,323	8,009,229	0
Retainage Accounts	338,913	80,942	419,855	0
Accrued Interest	97,265	71,821	169,086	0
<i>Other Noncurrent Assets:</i>				
Grants Receivable	531,518	456,846	988,364	0
Loans Receivable	528,696	4,079,273	4,607,969	0
Unamortized financing costs	870,504	2,163,156	3,033,660	0
Interfund receivable	73,661	143,146	216,807	0
Other noncurrent receivables	455,626	0	455,626	0
Capital Assets, Net	97,232,837	125,940,480	223,173,317	81,156
Total Noncurrent Assets	104,762,234	138,223,771	242,986,005	81,156
Total Assets	129,812,673	190,792,980	320,605,653	3,338,589
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	347,661	506,117	853,778	153,556
Accrued Wages and Benefits	192,309	261,539	453,848	14,504
Intergovernmental Payable	0	0	0	2,132
Claims Payable	0	0	0	764,372
Total Current Liabilities	539,970	767,656	1,307,626	934,564
<i>Noncurrent Liabilities:</i>				
<i>Payable from Restricted Assets:</i>				
Accounts Payable	1,166,385	528,434	1,694,819	0
Accrued Interest Payable	632,252	617,779	1,250,031	0
Retainage Payable	338,913	80,942	419,855	0
Maintenance Bond Payable	38,540	38,540	77,080	0
Current Portion of Long-Term Obligations	1,963,217	2,013,199	3,976,416	0
Compensated Absences Due Within One Year	0	0	0	12,652
Compensated Absences Due Within More than One Year	0	0	0	14,447
<i>Long-Term Liabilities:</i>				
OWDA Notes Payable	0	1,304,402	1,304,402	0
OPWC Loans Payable	515,479	6,178,271	6,693,750	0
Revenue Bonds Payable	33,015,000	35,925,000	68,940,000	0
Total Noncurrent Liabilities	37,669,786	46,686,567	84,356,353	27,099
Total Liabilities	38,209,756	47,454,223	85,663,979	961,663
Net Assets				
Invested in Capital Assets, Net of Related Debt	61,739,141	80,519,608	142,258,749	81,156
Restricted for Debt Service	2,931,842	4,213,715	7,145,557	0
Unrestricted	26,931,934	58,605,434	85,537,368	2,295,770
Total Net Assets	\$91,602,917	\$143,338,757	\$234,941,674	\$2,376,926

See accompanying notes to the basic financial statements

Clermont County, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2004*

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Sewer Fund	Total	
Operating Revenues				
Charges for Services	\$10,537,795	\$13,527,194	\$24,064,989	\$11,671,534
New meters, services and reviews	725,995	177,539	903,534	0
Other Revenues	244,803	187,291	432,094	195,179
<i>Total Operating Revenues</i>	<u>11,508,593</u>	<u>13,892,024</u>	<u>25,400,617</u>	<u>11,866,713</u>
Operating Expenses				
Personal Services	1,662,806	2,700,962	4,363,768	602,744
Materials and Supplies	1,653,097	1,067,328	2,720,425	834,273
Contractual Services	621,052	438,678	1,059,730	723,877
Maintenance and Repair	862,807	1,117,582	1,980,389	268,145
Utilities	548,805	1,360,786	1,909,591	659,113
Claims	0	0	0	8,607,656
Depreciation	3,315,314	6,393,086	9,708,400	15,972
Other	43,285	14,072	57,357	20,243
<i>Total Operating Expenses</i>	<u>8,707,166</u>	<u>13,092,494</u>	<u>21,799,660</u>	<u>11,732,023</u>
<i>Operating Income/(Loss)</i>	<u>2,801,427</u>	<u>799,530</u>	<u>3,600,957</u>	<u>134,690</u>
Non-Operating Revenues (Expenses)				
Investment Income	511,602	698,388	1,209,990	0
Net Increase (Decrease) in Fair Value of Investments	(213,176)	(259,543)	(472,719)	0
Interest and Fiscal Charges	(2,037,467)	(2,155,331)	(4,192,798)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(1,739,041)</u>	<u>(1,716,486)</u>	<u>(3,455,527)</u>	<u>0</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>1,062,386</u>	<u>(916,956)</u>	<u>145,430</u>	<u>134,690</u>
Capital Contributions	2,936,667	4,205,810	7,142,477	0
Transfers In	0	459,466	459,466	880,000
<i>Change in Net Assets</i>	<u>3,999,053</u>	<u>3,748,320</u>	<u>7,747,373</u>	<u>1,014,690</u>
<i>Net Assets Beginning of Year</i>	<u>87,603,864</u>	<u>139,590,437</u>	<u>227,194,301</u>	<u>1,362,236</u>
<i>Net Assets End of Year</i>	<u>\$91,602,917</u>	<u>\$143,338,757</u>	<u>\$234,941,674</u>	<u>\$2,376,926</u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2004

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Sewer Fund	Total	
Cash Flows From Operating Activities:				
Receipts from Customers and Users	\$11,272,226	\$13,577,302	\$24,849,528	\$2,293,324
Cash received from Interfund Services Provided	0	0	0	9,046,037
Payments to Suppliers	(3,778,074)	(3,974,892)	(7,752,966)	(1,898,567)
Payments to Employees	(1,551,950)	(2,580,427)	(4,132,377)	(590,198)
Claims	0	0	0	(9,057,996)
Payments for Interfund Services Provided	0	0	0	(670,768)
Other Receipts	244,803	364,830	609,633	259,889
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>6,187,005</u>	<u>7,386,813</u>	<u>13,573,818</u>	<u>(618,279)</u>
Cash Flows from Noncapital Financing Activities:				
Transfer from Other Funds	0	0	0	880,000
<i>Net Cash Provided by Noncapital and Related Financing Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>880,000</u>
Cash Flows From Capital and Related Financing Activities:				
Principal and Interest Paid on Long-Term Debt	(3,468,560)	(3,484,832)	(6,953,392)	0
Construction/Acquisition of Capital Assets	(10,636,063)	(5,295,030)	(15,931,093)	0
Retainage Receipts	250,665	103,614	354,279	0
Retainage Payments	(225,787)	(295,984)	(521,771)	0
Maintenance Bond Receipts	12,140	12,140	24,280	0
Proceeds from Assessments	0	3,137	3,137	0
Cash Contributions from Developers	0	17,100	17,100	0
System Capacity Charges	1,580,687	2,349,100	3,929,787	0
Proceeds from Interfund Receivables	36,830	71,572	108,402	0
Proceeds from Grants	45,766	45,766	91,532	0
Transfers in from Other Funds	0	459,466	459,466	0
<i>Net Cash (Used for) Capital and Related Financing Activities</i>	<u>(12,404,322)</u>	<u>(6,013,951)</u>	<u>(18,418,273)</u>	<u>0</u>
Cash Flows From Investing Activities:				
Investment Purchases	(14,672,754)	(59,595,520)	(74,268,274)	0
Investment Sales	19,355,557	51,016,597	70,372,154	0
Interest Received on Investments	506,905	754,130	1,261,035	0
<i>Net Cash Provided by (Used for) Investing Activities</i>	<u>5,189,708</u>	<u>(7,824,793)</u>	<u>(2,635,085)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>(1,027,609)</u>	<u>(6,451,931)</u>	<u>(7,479,540)</u>	<u>261,721</u>
<i>Cash and Cash Equivalents January 1 (including \$1,557,270 and \$1,649,682 for the Water and Sewer Funds, respectively held in restricted accounts)</i>	<u>7,345,333</u>	<u>12,785,141</u>	<u>20,130,474</u>	<u>2,726,054</u>
<i>Cash and Cash Equivalents December 31 (including \$2,165,221 and \$166,726 for the Water and Sewer Funds, respectively held in restricted accounts)</i>	<u>\$6,317,724</u>	<u>\$6,333,210</u>	<u>\$12,650,934</u>	<u>\$2,987,775</u>

Continued

Clermont County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2004-Continued

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Sewer Fund	Total	
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Operating Income	\$2,801,427	\$799,530	\$3,600,957	\$134,690
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	3,315,314	6,393,086	9,708,400	15,972
Change in Assets and Liabilities				
(Increase) Decrease in Accounts Receivable	8,436	50,108	58,544	(267,463)
Decrease in Prepaid Items	0	0	0	7,237
(Increase) in Inventory	(1,348)	(50,276)	(51,624)	0
Increase (Decrease) in Accounts Payable	(47,680)	73,840	26,160	(70,921)
Increase in Accrued Wages and Related Expense	110,856	120,525	231,381	4,809
(Decrease) in Claims Payable	0	0	0	(450,340)
Increase in Intergovernmental Payable	0	0	0	1,990
Increase in Compensated Absences	0	0	0	5,747
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$6,187,005</u>	<u>\$7,386,813</u>	<u>\$13,573,818</u>	<u>(\$618,279)</u>
Non-Cash Transactions:				
Contributions	\$1,162,554	\$1,529,514	\$2,692,068	\$0
OPWC Loans Receivable	0	2,286,600	2,286,600	0
Net Increase in the Fair Value of Investments	(213,176)	(259,543)	(472,719)	0
<i>Total Non-Cash Transactions</i>	<u>\$949,378</u>	<u>\$3,556,571</u>	<u>\$4,505,949</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2004

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$11,828,530
Cash and Cash Equivalents in Segregated Accounts	563,940
Cash with Fiscal and Escrow Agents	634,902
Taxes Receivable	178,859,641
Intergovernmental Receivable	<u>503,382</u>
<i>Total Assets</i>	<u><u>\$192,390,395</u></u>
Liabilities	
Intergovernmental Payable	\$187,848,594
Other Liabilities	<u>4,541,801</u>
<i>Total Liabilities</i>	<u><u>\$192,390,395</u></u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Net Assets
Component Units
December 31, 2004

	MRDD	Mental Health Board	Component Unit Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,691,226	\$5,348,310	\$9,039,536
Cash and Cash Equivalents in Segregated Accounts	78,931	0	78,931
Receivables:			
Taxes	6,598,949	1,658,868	8,257,817
Accounts	48,839	94,470	143,309
Intergovernmental Receivable	3,888,266	5,328,700	9,216,966
Prepaid Items	26,449	7,284	33,733
Inventory of supplies at cost	4,160	0	4,160
Restricted Assets:			
Cash and Cash Equivalents in Segregated Accounts	4,312	0	4,312
Land and Land Improvements	281,189	201,328	482,517
Depreciable Capital Assets, Net	4,015,267	2,212,485	6,227,752
<i>Total Assets</i>	<u>18,637,588</u>	<u>14,851,445</u>	<u>33,489,033</u>
Liabilities			
Accounts Payable	228,098	490,947	719,045
Accrued Wages and Benefits	323,123	15,975	339,098
Compensated Absences Payable	23,089	0	23,089
Intergovernmental Payable	39,708	18,594	58,302
Deferred Revenue	6,232,104	1,574,136	7,806,240
Accrued Interest Payable	0	602	602
Long-Term Liabilities:			
Due Within One Year	349,001	36,316	385,317
Due In More Than One Year	358,956	625,816	984,772
<i>Total Liabilities</i>	<u>7,554,079</u>	<u>2,762,386</u>	<u>10,316,465</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	4,296,456	1,818,770	6,115,226
Restricted for:			
Capital Projects	935,140	0	935,140
Debt Service	0	880	880
Other Purposes	583,174	0	583,174
Clerco	115,855	0	115,855
Unrestricted	5,152,884	10,269,409	15,422,293
<i>Total Net Assets</i>	<u>\$11,083,509</u>	<u>\$12,089,059</u>	<u>\$23,172,568</u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Activities
Component Units
For the Year Ended December 31, 2004

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	MRDD	MHRB	Total
MRDD Component Unit							
Governmental Activities							
Human Services	\$14,252,589	\$1,902,500	\$4,625,956	\$0	(\$7,724,133)	\$0	(\$7,724,133)
MHRB Component Unit							
Governmental Activities							
Health	12,361,346	430,631	10,660,211	0	0	(1,270,504)	(1,270,504)
Interest and Fiscal Charges	44,454	0	0	0	0	(44,454)	(44,454)
<i>Total MHRB Component Unit</i>	\$12,405,800	\$430,631	\$10,660,211	\$0	\$0	(\$1,314,958)	(1,314,958)
Total Component Units	\$26,658,389	\$2,333,131	\$15,286,167	\$0			(\$9,039,091)
		General Revenues					
		Property Taxes			6,388,130	1,548,354	7,936,484
		Grants not Restricted to Specific Programs			1,637,787	334,898	1,972,685
		<i>Total General Revenues</i>			8,025,917	1,883,252	9,909,169
		Change in Net Assets			301,784	568,294	870,078
		<i>Net Assets Beginning of Year</i>			10,781,725	11,520,765	22,302,490
		<i>Net Assets End of Year</i>			\$11,083,509	\$12,089,059	\$23,172,568

See accompanying notes to the basic financial statements

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Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note A: Description of the County and Reporting Entity

Clermont County is a political subdivision of the State of Ohio. The County was formed by action of Arthur St. Clair, the first governor of the Northwest Territory in 1800. The three member Board of County Commissioners is the legislative and executive body of the County. The County Auditor is the chief fiscal officer. In addition, there are eight other elected administrative officials, each of whom is independent, as set forth in Ohio law. These officials are the Clerk of Common Pleas Court, Clerk of Municipal Court, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff and Treasurer. There are also five Common Pleas Court Judges, (one of whom is Domestic Relations Court Judge, and one whom is Judge of the Probate and Juvenile Courts) and three Municipal Court Judges elected on a County-wide basis to oversee the County's justice system.

Reporting Entity

As required by generally accepted accounting principles, the financial statements present Clermont County (the primary government) and its component units. The primary government includes all funds, departments, boards and agencies for which the County elected officials are financially accountable and are not legally separate from the County. The component units (discussed below) are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Discretely Presented Component Units

The component units' column in the government-wide financial statements includes the financial data of the County's component units. They are reported in a separate column to emphasize that they are legally separate from the County. The following boards are included as legally separate, discretely presented components of the County:

County Board of Mental Retardation and Developmental Disabilities (MRDD Board): The MRDD Board (including Clerco, Inc.) is responsible for providing educational and vocational services to mentally retarded and developmentally disabled children and adults. The County Commissioners appoint five members of the seven member MRDD Board. The remaining two members are appointed by the County Probate Court Judge. The County Commissioners approve the annual appropriations of the MRDD Board. The MRDD Board can sue or be sued in its own name. Clerco, Inc. is a program of rehabilitation for individuals whose capacity has been impaired because of mental retardation. The MRDD Board pays many of the expenses of Clerco, Inc. and the administrative and supervisory staff of Clerco, Inc. are considered employees of the MRDD Board.

Community Mental Health and Recovery Board (MHRB): The MHRB is responsible for a wide range of planning and coordination of various types of mental health services for residents of Clermont County. The Board is authorized to have eighteen members under the Ohio Revised Code, with ten appointed by the Board of County Commissioners, four appointed by the Ohio Department of Mental Health, and four appointed by the Ohio Department of Alcohol and Drug Addiction Services. The MHRB can buy, sell, lease and mortgage property in its own name and can sue or be sued in its own name. The County Commissioners approve the annual appropriation of the MHRB.

Copies of the component unit financial reports are on file at the Clermont County Auditor's Office, 101 E. Main Street, Batavia, Ohio 45103-2961.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note A: Description of the County and Reporting Entity (Continued)

Related Organizations:

Clermont County officials are also responsible for appointing the members and/or act as members on the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments or representing the following organizations:

Clermont County Law Library: The six member board of trustees are appointed by the Common Pleas Court Judge.

Public Library Board: The seven member board of library trustees are appointed by County officials. Three trustees are appointed by Judges of the Court of Common Pleas, and four trustees are appointed by the Board of County Commissioners.

Metropolitan Housing Authority: Three of the five board members are appointed by County officials. The Probate Court, Common Pleas Court and Board of County Commissioners appoint one board member each.

Clermont County Visitors' Bureau: The Board of County Commissioners appoint six of the nine directors.

Family and Children First Council: The operation of the Council is controlled by an advisory committee and the Clermont County Community Mental Health and Recovery Board. County Commissioners and the County Administrator are members of the committee.

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 their operations. Accordingly, the activity of the following districts are presented as agency funds within the County's financial statements.

- Soil and Water Conservation District
- Park District
- Clermont County Health District

Note B: Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with the 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 and interpretations 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 enterprise funds. The most significant of the County accounting policies are described below.

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.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note B: Summary of Significant Accounting Policies (Continued)

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 funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities for 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 for 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 business segment or governmental function 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. Internal service funds are combined and the totals are presented in a single column 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: governmental, proprietary and fiduciary.

Governmental Funds

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

General Fund

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

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note B: Summary of Significant Accounting Policies (Continued)

Social Service Special Revenue Fund

This fund administers human service programs under state and federal regulations. These programs include Aid to Dependent Children (ADC), Medicaid, Food Stamps, investigation of all reports of child abuse, neglect or dependency, foster care programs, adoption services, senior service programs, and job training services to economically disadvantaged residents.

Motor Vehicle and Gas Tax Fund

This fund accounts for monies received from state gasoline tax and motor vehicle registration fees designated for maintenance and repair of roads and bridges.

Special Assessment Debt Service Fund

This fund accounts for assessments collected from property owners to be used for the payment of principal and interest of the County's special assessment bonds.

County Capital Improvement Capital Projects Fund

This fund accounts for financial resources to be used for major capital improvement to existing County facilities.

Proprietary Funds

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

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods and services. The County maintains two Enterprise Funds which provide sanitary sewer and water distribution.

Internal Service Funds

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service funds report on self-insurance programs for employee medical benefits, worker's compensation, vehicle maintenance, and telephone services.

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. Agency funds are used to report resources held by the County in a purely custodial capacity. The county only fiduciary funds are agency funds. Agency funds typically involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations, or other governments. The County maintains five Agency Funds for undivided taxes, political subdivisions, court system outside accounts and other money being held in a custodial capacity.

Component Units

Component units are either legally separate organizations for which the elected officials of the County are financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Component unit disclosures represent a consolidation of various fund types.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note B: Summary of Significant Accounting Policies (Continued)

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 Activity presents increases (i.e. revenues) and decreases (i.e. 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. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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 accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the 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 a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within thirty days of year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the sale occurs. Revenue from property taxes are recognized in the fiscal year for which the taxes are levied (See Note G). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note B: Summary of Significant Accounting Policies (Continued)

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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes, sales tax, grants, interest, fees and charges for services.

Deferred Revenue

Deferred revenue arises 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 which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also 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 the governmental funds.

Cash and Cash Equivalents

Cash resources of the majority of individual funds are combined to form a pool of cash and investments which is managed by the County Treasurer. Interest earned on investments is accrued as earned and distributed to the General Fund and other qualifying funds utilizing a formula based on the average month end balance of cash and cash equivalents of all funds. During fiscal year 2004, investments were limited to treasury bills, treasury notes, federal agency notes, money market accounts and STAR Ohio. Investments are reported at fair value which is based on quoted market prices. Note F provides a detailed disclosure regarding cash, cash equivalents and investments held by the County. 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.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2004 amounted to \$2,413,729, which includes \$1,724,883 assigned from other County funds.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note B: Summary of Significant Accounting Policies (Continued)

Cash and Investments in Segregated Accounts

The County has segregated bank accounts for monies held separate from the County's central bank account. These depository accounts are presented in the Statement of Net Assets as "Cash and Cash Equivalents in Segregated Accounts" or "Investments in Segregated Accounts".

Cash with Fiscal Agent

The County has escrow bank accounts used for the payment of debt and for the collection of bond proceeds. These accounts are presented on the Combined Balance Sheet and the Statement of Net Assets as "Cash and Cash Equivalents with Fiscal and Escrow Agent".

Statement of Cash Flows

Funds included within the Treasurer's cash management pool and investments in segregated accounts (including restricted trustee and retainage accounts) with original maturities of 3 months or less when purchased are considered to be cash equivalents.

Cash and Investments Held by Trustee

Certain monies for the Water and Sewer District are held and invested by trustees. Certain component units also maintain separate bank accounts. These bank accounts and investments are represented by the "Cash and Cash Equivalents in Segregated Accounts", and "Investments in Segregated Accounts" restricted asset accounts.

Inventories and Prepaid Items

On government-wide financial statements inventories are presented at the lower of cost or market on a first-in, first-out basis (FIFO) and are expensed when used.

Inventory is reported in enterprise funds and component units and is valued at cost using the first-in, first-out (FIFO) method. Inventory is expensed when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method.

Interfund Transactions

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Restricted Assets

Restricted assets consist of certain trust accounts held by the Water and Sewer District which include a bond account, bond reserve account, replacement and improvement account, and a construction account. Cash and investments in the accounts are held by trustee financial institutions. The bond account is used to accumulate periodic principal and interest payments. The bond reserve account is to be funded in an amount equal to the maximum annual bond principal and interest requirement. The replacement and improvement account is to be maintained with a balance equal to the greater of five percent of the amount of bonds outstanding or \$2,000,000. The construction account is established to pay for project costs.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note B: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets constructed.

All reported 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 replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	20
Infrastructure	20-50
Vehicles	5-10
Furniture & Equipment	5-10

Loans Receivable

Loans receivable represent Ohio Public Works Commission (OPWC) loans where the Water and Sewer District has entered into a loan agreement but has not drawn down all loan proceeds due to the interim status of the related construction project. The loan terms require the Water and Sewer District to initiate loan payments even though the project is not completed and all loan proceeds have not been drawn down.

In addition, loans receivable represent low-interest loans for septic system development projects granted to eligible County residents under the Septic System Rehabilitation program.

Compensated Absences

Vacation, personal and compensatory benefits are accrued as a liability as the benefits are earned if the employees' right to receive compensation are attributable to services already rendered and it is probable that the employer will compensate employees for the benefits through time off or some other means. Sick leave benefits are accrued using the vesting method. The liability is based on sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note B: Summary of Significant Accounting Policies (Continued)

Ohio law requires that vacation time not be accumulated for more than three years plus current year accrual. Employees with a minimum of one year of service become vested in accumulated unpaid vacation time. Unused vacation is payable upon termination of employment. Unused sick time may be accumulated until retirement. Employees eligible to retire under a County recognized retirement plan, with a minimum of ten years of service, are paid one-fourth of accumulated sick time upon retirement. Such payment may not exceed the value of thirty days of accrued but unused sick leave. However, if employees earned sick leave prior to January 23, 1984, they are eligible for 100% conversion of this amount. All sick, vacation, personal and compensation payments are made at employees' current wage rates.

Self Insurance

The County is self-insured for employee health care benefits. The program is administered by United Health Care, which provides claims review and processing services. Each County department is charged for its proportionate share of covered employees. The County has recorded a liability for incurred but not paid and for incurred but unreported claims at year end based on an actuarial estimate by United Health Care.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the enterprise 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 obligation of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally due for payment during the current year. Bonds, long-term notes, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Fund Balance Reserves

The County reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods.

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 borrowing used for the acquisition, construction or improvements 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, laws, or regulations of other governments. The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Net assets restricted for other purposes are restricted by grantors and regulations of other governments. Most of net assets restricted for other purposes are restricted for public assistance money and motor vehicle and gas money.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note B: Summary of Significant Accounting Policies (Continued)

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 water distribution, waste water treatment, vehicle maintenance, telephone service and self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses which do not meet these criteria are considered non-operating and reported as such. All revenue of the Water and Sewer District are used as security for revenue bonds issued.

Capital Contributions

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants, other funds or outside contributions of resources restricted to capital acquisition and construction, and system capacity charges.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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.

Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each department. Any budgetary modifications at this level may only be made by resolution of the County Commissioners.

Tax Budget- A budget of estimated revenue and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note B: Summary of Significant Accounting Policies (Continued)

Estimated Resources- The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original appropriations were adopted. The amounts reported as the final budget amounts in the budgetary statements reflect the amounts in the final amended certificate issued during 2004.

Appropriations- A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period of January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, department, and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

Modifications to the original budget beyond the object level requires the approval of the Board of Commissioners. During the year, several supplemental appropriation resolutions were legally enacted by the County commissioners. Amendments to the original appropriation budget are described in Note T. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Encumbrances- As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits encumbrances plus expenditures from exceeding appropriations at the legal level of control.

Lapsing of Appropriations- At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbered appropriations are carried forward to the succeeding fiscal year and not re-appropriated.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE C: Budgetary Basis of Accounting

While the County is 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 Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general and each major special revenue fund is presented in the Basic Financial Statements to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances in and advances out are operating transactions (Budget) as opposed to balance sheets transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue funds.

**Net Change in Fund Balance
General and Major Special Revenue Funds**

	General	Social Service	MV & G
GAAP Basis	(\$2,049,119)	(\$127,087)	\$2,139,486
Net Adjustment for Revenue Accruals	906,825	491,487	699,245
Net Adjustment for Expenditure Accruals	(280,359)	10,109	(66,633)
Net Adjustment for Transfers In	0	5,430,814	0
Net Adjustment for Transfers Out	(118,752)	(5,784,681)	0
Net Adjustment for Advances	(1,280,663)	500,000	0
Excess of Revenue over Expenditures of Non-Budgeted Fund	(75,932)	0	0
Encumbrances	(1,480,365)	(639,055)	(1,200,209)
Budget Basis	(\$4,378,365)	(\$118,413)	\$1,571,889

NOTE D: Fund Deficits

The Storm Water Fund had a deficit fund balance at December 31, 2004 of \$32,451. The deficit in this fund was due to adjustments for advances made to the Storm Water Fund from the General Fund.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE E: Changes in Accounting Principles and Restatement of Prior Year Net Assets

Change in Accounting Principle

For calendar year 2004, the County has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures". GASB 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits. This statement applies to all state and local governments.

Restatement of Net Assets Restricted for Debt Service

In 2003, the County consolidated four bond issues into a single issue of the County, which was known as the "Various Purpose Refunding and Improvement General Obligation Bonds, Series 2003". The consolidated issue included two special assessment issues for the refunding and financing of outstanding bond anticipation notes associated with the Clepper Lane and Gate Drive road improvement projects and the initial financing of the Olive Branch-Stonelick Road Improvement. The issues were not included in the 2003 special assessments receivable and as such the issues had the following effects on net assets restricted for debt service as it was previously reported on December 31, 2003:

	Governmental Activities
Previously stated Net Assets at December 31, 2003	\$ 159,040,392
Special Assessments	5,267,442
Restated Net Assets at December 31, 2003	\$ 164,307,834

The effect of the adjustment on the change in net assets as previously reported for the year ended December 31, 2003 is as follows:

	Governmental Activities
Excess as previously reported	\$ 2,172,759
Special Assessments	5,267,442
Restated Amount at December 31, 2003	\$ 7,440,201

The noted changes had no effect on prior year fund equity.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE F: Deposits and Investments

The County maintains a cash and investment pool used by all funds and component units except the trustee held monies in Water and Sewer Funds and monies held by certain County departments in outside accounts. It is displayed on the statement of net assets as "Equity in pooled cash and cash equivalents".

Monies held by the County are classified by State Statute into two categories:

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.

Inactive deposits are public deposits that the County identified as not required for use within the current four-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Ohio Law permits inactive monies to be deposited or invested in the following:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in (1) or (2) above or cash or both securities and cash, equal value for equal value;

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE F: Deposits and Investments (Continued)

9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio;
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County's total average portfolio.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, 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 moneys deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At fiscal year end, the County had \$5,000 in un-deposited 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 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2004, \$42,388,596 of the County's bank balance of \$43,724,925 including \$8,738,365 from component units was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

Investments

As of December 31, 2004, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Treasury Bills	\$ 24,994,206	1.03
Treasury Notes	62,130,853	2.44
Federal Agency Notes	38,726,857	4.79
Money Market Accounts	4,850,267	0.00
STAR Ohio	4,200,000	0.00
Total Fair Value	<u>\$ 134,902,183</u>	
Portfolio Weighted Average Maturity		1.65

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE F: Deposits and Investments (Continued)

Interest rate risk - In accordance with the investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years.

Credit Risk – It is the County's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The County's investments in Federal Agencies and in the Money Market Funds were rated AAA by Standard & Poor's and Fitch Ratings and Aaa by Moody's Investors Service. Investments in STAR Ohio were rated AAA by Standard & Poor's.

Concentration of credit risk – The County's investment policy allows investments in Federal Agencies or Instrumentalities to be limited to 20 percent of the total investments in obligations of any one issuer. The County has invested more than 5 percent of the County's investments in the Federal Home Loan Bank (12.0%), the Federal Home Loan Mortgage (8.4%), and the Federal National Mortgage Association (5.8%).

Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the County's securities are either insured and registered in the name of the County or at least registered in the name of the County.

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. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash & Cash Equivalents	Investments
GASB Statement No. 9	104,439,259	70,628,455
Cash on Hand	(5,000)	0
Treasury Bills	(2,477,780)	2,477,780
Treasury Notes	(14,018,824)	14,018,824
Federal Agency Notes	(38,726,857)	38,726,857
Money Market Funds	(4,850,267)	4,850,267
STAR Ohio	(4,200,000)	4,200,000
GASB Statement No. 3	\$40,160,531	\$134,902,183

NOTE G: Receivables

Receivables at December 31, 2004, consisted of sales taxes, special assessments, accrued interest, accounts (billings for user charged services, including unbilled utility services, and rental payments), interfund and intergovernmental receivables arising from grants, entitlements and shared revenues. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE G: Receivables (Continued)

Property Taxes

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2004 were based, are as follows:

Real Property	\$3,339,934,710
Public Utility and Tangible Personal Property	<u>473,084,336</u>
Total Assessed Property Value	<u><u>\$3,813,019,046</u></u>

Real property taxes collected in 2004 were levied after October 1, 2003 on the assessed values of the preceding January 1, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in tax year 2002. Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 23% of true value. In 2004, each eligible business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State at 90%. Real property taxes are payable annually or semi-annually. In 2004, if paid annually, payment was due by February 9, 2004. If paid semi-annually, the first payment (at least ½ of amount billed) was due February 9, 2004 with the remainder due July 8, 2004.

The County Auditor distributes portions of the taxes collected to all taxing districts with periodic settlements of Real and Public Utility property taxes in February and August and Tangible Personal Property taxes in June and October for the first and second halves of the year, respectively. The County accrues billed but uncollected property taxes as receivables at their estimated net realizable value. On the modified accrual basis the delinquent taxes outstanding and available to the County within the first 30 days of 2004 were recorded as 2004 revenue, the remaining taxes receivable are offset by a credit to deferred revenue. Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills without a vote of the people. For 2004 collections, the County levied 2.10 mills of the 10 mill limit for the General Fund. The County also levied 1.0 mill for the County Capital Fund and .10 for the Park District. In addition to the 3.20 mills, 5.65 mills have been levied for voted millage.

A summary of voted millage follows:

	Voter Authorized	Rate Levied for	Rate Levied for Current	Final
	Rate (a)	Current Yr Collection (b) Res/Agr	Yr Collection (b) Other	
MRDD (Component Unit)	2.50	0.77	1.10	Continuing
MRDD (Component Unit)	0.75	0.75	0.75	2008
MHRB (Component Unit)	0.50	0.50	0.50	2006
Senior Citizens	1.10	1.00	1.00	2006
Children Services	0.80	0.80	0.80	2006
TOTAL	<u>5.65</u>	<u>3.82</u>	<u>4.15</u>	

(a) dollars per \$1,000 of assessed valuation.

(b) Ohio law provides for a reduction of certain voted levies to offset inflation in the value of real property. The levies are subject to this credit.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE G: Receivables (Continued)

Permissive Sales and Use Tax

The County is currently collecting 1% on retail sales made in the County. Vendor collections of the tax are paid to the State Treasurer by the twenty-fifth 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.

Intergovernmental

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Local Government	\$987,090
Local Government Revenue Assistance	373,312
Homestead and Rollback	959,751
Motor Vehicle License Tax	2,087,120
Motor Vehicle Gas Tax	1,013,131
Public Defender Assistance	102,542
Bridge Replacement Grants	1,099,825
Community Development Block Grant	235,829
Highway Planning & Construction Grants	648,473
Drug Prevention Grants	25,873
Juvenile Grants	41,783
VOTIS Sub-Grant	132,832
Miscellaneous Judicial Grants	161,903
Municipal Court Adult Probation Grants	75,257
Detention Center Grant	260,287
Ohio DJFS Grants	564,953
Reclaim Ohio Grant	963,582
Recycle Ohio Grant	5,977
TASC Grant	123,555
Homeland Security Grants	974,706
Emergency Preparedness Grants	47,270
Total Governmental Activities	<u><u>\$10,885,051</u></u>

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE H: Capital Assets

Primary Government capital asset activity for the year ended December 31, 2004, was as follows:

	Balance 12/31/2003	Additions	Reductions	Balance 12/31/2004
Governmental Activities				
Capital Assets not being depreciated:				
Land	\$3,663,555	\$436,550	\$0	\$4,100,105
Construction in Progress	16,834,535	15,238,525	(15,801,433)	16,271,627
Total Capital Assets at Historical Cost not being depreciated	<u>20,498,090</u>	<u>15,675,075</u>	<u>(15,801,433)</u>	<u>20,371,732</u>
Capital Assets being depreciated:				
Building and Improvements	41,834,322	12,005,085	0	53,839,407
Furniture, Fixtures, and Equipment	35,279,558	1,440,698	(923,270)	35,796,986
Infrastructure	127,581,684	6,471,871	(14,565,000)	119,488,555
Total Capital Assets at Historical cost being depreciated	<u>204,695,564</u>	<u>19,917,654</u>	<u>(15,488,270)</u>	<u>209,124,948</u>
Less Accumulated Depreciation:				
Building and Improvements	(14,640,467)	(1,338,147)	0	(15,978,614)
Furniture, Fixtures, and Equipment	(16,602,619)	(2,710,152)	746,397	(18,566,374)
Infrastructure	(64,966,472)	(3,278,257)	5,534,700	(62,710,029)
Total Accumulated Depreciation	<u>(96,209,558)</u>	<u>(7,326,556)</u>	<u>6,281,097</u>	<u>(97,255,017)</u>
Total Capital Assets, being depreciated, net	<u>108,486,006</u>	<u>12,591,098</u>	<u>(9,207,173)</u>	<u>111,869,931</u>
Governmental Activities Capital Assets, Net	<u>\$128,984,096</u>	<u>\$28,266,173</u>	<u>(\$25,008,606)</u>	<u>\$132,241,663</u>
	Balance 12/31/2003	Additions	Reductions	Balance 12/31/2004
Business-Type Activities				
Capital Assets not being depreciated:				
Land	\$4,568,377	\$145,482	\$0	\$4,713,859
Construction in Progress	12,365,483	15,016,588	(5,419,477)	21,962,594
Total Capital Assets at Historical Cost not being depreciated	<u>16,933,860</u>	<u>15,162,070</u>	<u>(5,419,477)</u>	<u>26,676,453</u>
Capital Assets being depreciated:				
Structure	144,459,439	1,306,825	0	145,766,264
Machinery and Equipment	17,371,481	459,846	0	17,831,327
Distributions Systems	69,332,563	4,342,887	0	73,675,450
Collections Systems	109,627,468	2,268,355	0	111,895,823
Autos and Trucks	1,894,945	241,017	(70,623)	2,065,339
Total Capital Assets at Historical cost being depreciated	<u>342,685,896</u>	<u>8,618,930</u>	<u>(70,623)</u>	<u>351,234,203</u>

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE H: Capital Assets (Continued)

	Balance 12/31/2003	Additions	Reductions	Balance 12/31/2004
Business-Type Activities				
Less Accumulated Depreciation:				
Structure	(69,169,450)	(4,776,439)	0	(73,945,889)
Machinery and Equipment	(12,336,301)	(939,697)	0	(13,275,998)
Distributions Systems	(21,547,338)	(1,442,032)	0	(22,989,370)
Collections Systems	(40,315,772)	(2,506,067)	0	(42,821,839)
Autos and Trucks	(1,730,701)	(44,165)	70,623	(1,704,243)
Total Accumulated Depreciation	<u>(145,099,562)</u>	<u>(9,708,400)</u>	<u>70,623</u>	<u>(154,737,339)</u>
Total Capital Assets, being depreciated, net	<u>197,586,334</u>	<u>(1,089,470)</u>	<u>0</u>	<u>196,496,864</u>
Business-Type Activities Capital Assets, Net	<u><u>\$214,520,194</u></u>	<u><u>\$14,072,600</u></u>	<u><u>(\$5,419,477)</u></u>	<u><u>\$223,173,317</u></u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities

General Government:

Legislative and Executive	\$1,409,300
Judicial	308,458
Public Safety	1,600,125
Public Works	3,267,455
Health	33,913
Human Services	222,139
Community Development	337,503
Transportation	<u>147,663</u>
Total Depreciation Expense Governmental Activities	<u><u>\$7,326,556</u></u>

Component Units' capital asset activity for the year ended December 31, 2004 was as follows:

	Balance 12/31/2003	Additions	Reductions	Balance 12/31/2004
Capital Assets not being depreciated:				
Land	<u>\$482,517</u>	<u>\$0</u>	<u>\$0</u>	<u>\$482,517</u>
Total Capital Assets at Historical Cost not being depreciated	<u>482,517</u>	<u>0</u>	<u>0</u>	<u>482,517</u>
Capital Assets being depreciated:				
Building and Improvements	11,101,080	0	0	11,101,080
Furniture, Fixtures, and Equipment	1,721,827	22,068	(192,764)	1,551,131
Total Capital Assets at Historical cost being depreciated	<u>12,822,907</u>	<u>22,068</u>	<u>(192,764)</u>	<u>12,652,211</u>
Less Accumulated Depreciation:				
Building and Improvements	(4,752,640)	(352,684)	0	(5,105,324)
Furniture, Fixtures, and Equipment	(1,411,875)	(92,671)	185,411	(1,319,135)
Total Accumulated Depreciation	<u>(6,164,515)</u>	<u>(445,355)</u>	<u>185,411</u>	<u>(6,424,459)</u>
Total Capital Assets, being depreciated, net	<u>6,658,392</u>	<u>(423,287)</u>	<u>(7,353)</u>	<u>6,227,752</u>
Capital Assets, Net	<u><u>\$7,140,909</u></u>	<u><u>(\$423,287)</u></u>	<u><u>(\$7,353)</u></u>	<u><u>\$6,710,269</u></u>

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE H: Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the component units as follows:

Health	\$92,482
Human Services	<u>352,873</u>
Total Depreciation Expense Component unit activities	<u><u>\$445,355</u></u>

NOTE I: Long-Term Debt and Obligations

Long-term debt and other obligations of the County at December 31, 2004 were as follows:

Governmental Activities

	Interest Rate %	Maturity	Balance 12/31/2003	Additions	Deletions	Balance 12/31/2004	Amounts Due in One Year
General Obligation Bonds							
1992 Correctional Facilities- \$7,310,000	3.0-6.0%	2009	\$1,320,000	\$0	\$190,000	\$1,130,000	\$200,000
1999 Communications Center- \$6,500,000	4.0-5.13%	2009	4,270,000	0	625,000	3,645,000	655,000
2001 Refunding Correctional Facilities-\$2,695,000	2.15-4.0%	2009	2,075,000	0	320,000	1,755,000	330,000
2001 Various Purposes - \$17,300,000	2.15-4.1%	2011	16,555,000	0	400,000	16,155,000	415,000
2003 Road Improvement & Refunding-\$14,950,000	1.15-4.375%	2023	14,950,000	0	10,215,000	4,735,000	470,000
2003 Building Construction Refunding - \$2,565,000	1.3-1.5%	2005	2,565,000		1,275,000	1,290,000	1,290,000
Total General Obligation Bonds			<u>\$41,735,000</u>	<u>\$0</u>	<u>\$13,025,000</u>	<u>\$28,710,000</u>	<u>\$3,360,000</u>

Ohio Public Works Commission

2002 Gibson Road Bridge Replacement-\$357,521			<u>\$330,707</u>	<u>\$0</u>	<u>\$17,876</u>	<u>\$312,831</u>	<u>\$17,876</u>
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Special Assessment Bonds with Governmental Commitment

1989 Water Line Extension - \$88,000	7.25-7.37%	2009	\$30,000	\$0	\$5,000	\$25,000	\$5,000
1990 Water Line Extension - \$167,700	7.25%	2010	85,000	0	10,000	75,000	10,000
1984 O'Bannonville Bonds - \$1,735,000	5.00%	2004	95,000	0	95,000	0	0
1990 Peggy Drive - \$85,000	7.12%	2010	43,000	0	5,000	38,000	5,000
1992 Waterline - \$97,300	5.875%	2012	45,000	0	5,000	40,000	5,000
1993 Murle Lane Sewer - \$93,000	5.50%	2013	50,000	0	5,000	45,000	5,000
1996 Mt. Zion Rd. Water Main - \$110,000	4.50%	2016	75,000	0	5,000	70,000	5,000

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE I: Long-Term Debt and Obligations (Continued)

Governmental Activities

	Interest Rate %	Maturity	Balance 12/31/2003	Additions	Deletions	Balance 12/31/2004	Amounts Due in One Year
Special Assessment Bonds with Governmental Commitment							
1998 Middle East Fork Sewer - \$1,165,000	4.75-5.25%	2017	765,000	0	80,000	685,000	80,000
1998 Bells Lane - \$405,000	4.50%	2008	225,000	0	40,000	185,000	45,000
1998 Ohio Water Project - \$185,000	4.90%	2018	160,000	0	5,000	155,000	10,000
1999 Woods Point - \$690,000	4.05-5.20%	2009	450,000	0	65,000	385,000	70,000
2000 Gibson Water - \$235,000	5.00-5.50%	2020	215,000	0	10,000	205,000	10,000
2000 State Route 125 Sewer - \$885,000	5.00-5.50%	2020	800,000	0	30,000	770,000	30,000
2001 Miamiville Road & Wards Corner Road - \$40,000	5.00%	2021	38,000	0	2,000	36,000	1,000
2002 Waterline Project - \$60,000	4.00-5.00%	2020	58,000	0	2,000	56,000	2,000
2002 Sanitary Sewer Project - \$260,000	4.00-5.00%	2020	250,000	0	10,000	240,000	12,000
2003 Various Purpose - \$240,000	2.00-4.75%	2023	240,000	0	9,000	231,000	8,000
2004 Olive Branch-Stonelick Widening - \$1,700,000	3.96%	2024	0	1,700,000	0	1,700,000	85,000
2004 North Afton Sewer - \$460,000	3.86%	2024	0	460,000	0	460,000	25,000
Total Special Assessment Bonds			\$3,624,000	\$2,160,000	\$383,000	\$5,401,000	\$413,000
Compensated Absences			\$3,740,657	\$1,643,714	\$1,957,518	\$3,426,853	\$2,178,848
Total Governmental Activities Long-Term Liabilities			\$49,430,364	\$3,803,714	\$15,383,394	\$37,850,684	\$5,969,724

Business-Type Activities

	Interest Rate %	Maturity	Balance 12/31/2003	Additions	Deletions	Balance 12/31/2004	Amounts Due in One Year
Sewer							
2003 Sewer System Refunding Revenue Bonds - \$39,345,000	2.0-4.9%	2024	\$39,345,000	\$0	\$1,785,000	\$37,560,000	\$1,635,000
Total Sewer Revenue Bonds			39,345,000	0	1,785,000	37,560,000	1,635,000
Ohio Water Development Authority Notes - \$2,900,437	5.2-6.5%	2014	1,593,605	0	140,775	1,452,830	148,428
OPWC Loans - \$5,149,610	2.00%	2023	4,245,972	2,286,600	124,530	6,408,042	229,771
Total Sewer			\$45,184,577	\$2,286,600	\$2,050,305	\$45,420,872	\$2,013,199

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE I: Long-Term Debt and Obligations (Continued)

	Interest Rate %	Maturity	Balance 12/31/2003	Additions	Deletions	Balance 12/31/2004	Amounts Due in One Year
Water							
2003 Waterworks System Refunding Revenue Bonds - \$37,020,000	1.2-5.25%	2018	\$37,020,000	\$0	\$2,055,000	\$34,965,000	\$1,950,000
Total Water Revenue Bonds			<u>37,020,000</u>	<u>0</u>	<u>2,055,000</u>	<u>34,965,000</u>	<u>1,950,000</u>
OPWC Loans - \$588,000	0.00%	2025	588,000		59,304	528,696	13,217
Total Water			<u>\$37,608,000</u>	<u>\$0</u>	<u>\$2,114,304</u>	<u>\$35,493,696</u>	<u>\$1,963,217</u>
Total Business-Type Activities			<u>\$82,792,577</u>	<u>\$2,286,600</u>	<u>\$4,164,609</u>	<u>\$80,914,568</u>	<u>\$3,976,416</u>

Annual debt service requirements for the County's long-term debt are as follows:

Year	GENERAL OBLIGATION BONDS		SPECIAL ASSESSMENT BONDS	
	Principal	Interest	Principal	Interest
2005	\$3,360,000	\$1,096,921	\$413,000	\$261,172
2006	3,535,000	1,001,333	431,000	225,591
2007	3,690,000	863,983	430,000	207,540
2008	3,910,000	724,246	398,000	188,886
2009	4,065,000	568,067	358,000	171,281
2010-2014	9,510,000	773,486	1,325,000	657,155
2015-2019	325,000	109,956	1,299,000	347,908
2020-2024	315,000	35,125	747,000	88,570
TOTAL	<u>\$28,710,000</u>	<u>\$5,173,117</u>	<u>\$5,401,000</u>	<u>\$2,148,103</u>

OPWC GIBSON ROAD BRIDGE PROJECTION LOAN

Year	Principal	Interest
2005	\$17,876	\$0
2006	17,876	0
2007	17,876	0
2008	17,876	0
2009	17,876	0
2010-2014	89,380	0
2015-2019	89,380	0
2020-2024	44,691	0
TOTAL	<u>\$312,831</u>	<u>\$0</u>

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE I: Long-Term Debt and Obligations (Continued)

Year	SEWER REVENUE BONDS		WATER REVENUE BONDS	
	Principal	Interest	Principal	Interest
2005	\$1,635,000	\$1,482,670	\$1,950,000	\$1,517,405
2006	1,665,000	1,449,970	2,005,000	1,458,905
2007	1,700,000	1,416,670	2,070,000	1,398,755
2008	1,750,000	1,365,670	2,125,000	1,343,900
2009	1,805,000	1,313,170	2,195,000	1,271,650
2010-2014	10,165,000	5,423,850	12,390,000	4,949,263
2015-2019	12,400,000	3,178,188	12,230,000	1,645,875
2020-2024	6,440,000	540,955	0	0
TOTAL	<u>\$37,560,000</u>	<u>\$16,171,143</u>	<u>\$34,965,000</u>	<u>\$13,585,753</u>

Year	OWDA LOANS		OPWC LOANS	
	Principal	Interest	Principal	Interest
2005	\$148,428	\$76,744	\$242,988	\$11,976
2006	156,498	68,673	331,580	10,851
2007	165,011	60,161	397,057	9,705
2008	173,988	51,184	398,227	8,535
2009	183,456	41,715	399,420	7,342
2010-2014	625,449	64,126	2,015,856	17,951
2015-2019	0	0	1,589,719	0
2020-2024	0	0	1,345,764	0
2025-2026	0	0	216,127	0
TOTAL	<u>\$1,452,830</u>	<u>\$362,603</u>	<u>\$6,936,738</u>	<u>\$66,360</u>

Compensated Absences

Internal Service Funds predominately serve the governmental funds. Accordingly compensated absences for them are included as part of the compensated absences totals for governmental activities. Compensated absences are generally liquidated by the general fund.

Special Assessment Debt

During 2004, the County issued two special assessment bonds. One special assessment bond is for the Olive Branch-Stonelick Road Widening and Lexington Run Improvements Project in the amount of \$1,700,000. The second special assessment bond is for the North Afton Sanitary Sewer Installation Project in the amount of \$460,000.

OPWC Loan

The County received a \$1,000,000 non-interest bearing loan due to the Ohio Public Works Commission for the O'Bannon Wastewater Treatment Plan Project. This loan requires semi-annual payments of \$25,000 commencing January 1, 2006 through July 1, 2025.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE I: Long-Term Debt and Obligations (Continued)

The County received a \$1,286,600 non-interest bearing loan due to the Ohio Public Works Commission for the Hall Run Sanitary Sewer Flow Equalization Project. The loan requires semi-annual payments of \$32,165 commencing January 1, 2007 through July 1, 2026.

During 2003, the County received a non-interest bearing loan of \$588,000 due to the Ohio Public Works Commission for specified water system construction costs. The County finalized the project in 2004 and as a result revised the final loan amount to \$528,696. The revised loan requires semi-annual payments of \$13,217 that commence on July 1, 2005 and continue through January 1, 2025.

Long-Term Bonds and Loans

All long-term debt issued for governmental purposes of the County and self-supporting, special assessment bonds with governmental commitment are retired from a Debt Service Fund. Revenue bonds are retired from the related Enterprise fund. However, each appropriate bond indenture provides for principal and interest to be paid from user charges. General obligation bonds and notes are secured by the County's ability to levy a voted or unvoted property tax within limitations of Ohio law. Special assessment debt is paid from the proceeds of assessments levied against benefited property owners. In the event that an assessed property owner fails to make payments, the County will be required to pay the related debt. Delinquent special assessments receivable is \$51,056 at December 31, 2004. The Ohio Water Development Authority (OWDA) and the Ohio Public Works Commission (OPWC) loans will be paid from revenues derived by the County from the operation of the water and sewer systems. Under the Uniform Bond Act of the Ohio Revised Code, the County has the capacity to issue \$17,200,194 of additional unvoted general obligation debt.

Defeased Debt

In prior years, the County defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements.

In 2004, the County defeased \$9,045,000 of the 2003 Road Improvement and Refunding Bond related to road improvements. The proceeds for the defeasance are from an agreement the County has with the Ohio Department of Transportation. The agreement stated the Ohio Department of Transportation pay the County \$10,500,000 to establish an escrow for the debt payments and exchange 1.25 miles of State Route 28 which is part of the state highway system for State Route 28 Bypass which is a part of the County highway system.

On December 31, 2004, \$10,110,000 general obligation bonds and \$650,000 of revenue bonds are considered defeased.

Leases: The County had no material capital or operating leases for the year ended December 31, 2004.

Revenue Bond Coverage: The County Water and Sewer funds are required under Revenue Bond Trust Indentures to maintain minimum debt service coverage ratios. For the 2004 fiscal year, the Water Fund and Sewer Fund were required to maintain 110% coverage ratios. The coverage ratios for 2004, based on operating income, system capacity charges and investment income and excluding depreciation for the Water Fund and Sewer Fund, were 214% and 303% respectively, which both met their legal requirements.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE I: Long-Term Debt and Obligations (Continued)

Component Units: The Community Mental Health and Recovery Board (MHRB) and Board of Mental Retardation and Developmental Disabilities (MRDD, including Clerco Inc.) are liable for the following long-term obligations. The MHRB loans are payable from debt service funds included in the component unit financial statements.

Long-term debt and other obligations of the component units at December 31, 2004 were as follows:

	Interest Rate %	Maturity	Balance 12/31/2003	Additions	Deletions	Balance 12/31/2004	Amounts Due in One Year
1991 MHRB FHA Loan- \$244,000	7.00%	2018	\$182,811	\$0	\$7,146	\$175,665	\$7,662
1996 MHRB FHA Loan- \$624,000	5.75%	2025	431,685	0	12,307	419,378	20,767
Compensated Absences			755,665	330,332	310,951	775,046	356,888
Total Long-term Obligations			<u>\$1,370,161</u>	<u>\$330,332</u>	<u>\$330,404</u>	<u>\$1,370,089</u>	<u>\$385,317</u>

Debt service requirements for component unit long-term debt are as follows:

MHRB LOANS

Year	Principal	Interest
2005	\$28,429	\$35,627
2006	30,209	33,847
2007	32,101	31,955
2008	34,113	29,943
2009	36,252	27,804
2010-2014	218,401	101,879
2015-2018	215,538	26,724
TOTAL	<u>\$595,043</u>	<u>\$287,779</u>

NOTE J: Conduit Debt Obligation

The County periodically has issued Hospital Facility, Economic Development, Industrial Development and Multi-Family Housing revenue bonds. The proceeds of these issues are used to acquire, construct, improve, expand and equip facilities associated with private-sector entities. Trustees make the principal and interest payments on the outstanding bonds. The issued bonds do not constitute a general obligation, debt or bonded indebtedness of the County nor is the full faith and credit or taxing power of the County pledged to make repayment. As of December 31, 2004, it is estimated that \$384,831,000 was still outstanding of previously issued bonds.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE K: Defined Benefit Pension Plans

Public Employees Retirement System:

All County full-time employees, other than teachers, participate in the Ohio Public Employees Retirement System (OPERS) which is a public employee retirement system created by the State of Ohio. OPERS administers three separate pension plans. The Traditional Pension 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. Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and employer contributions plus any investment earnings. The Combined Plan is a cost-sharing multiple-employer defined benefit pension plan where the contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan. OPERS, who administers the plan, provides retirement, disability, survivor, and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2004, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan. The employee contribution rate for 2004 was 8.5% for employees other than law enforcement. The law enforcement classification consists of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. Public safety division members contribute at 9%. The 2004 employer contribution rate was 13.55% of covered payroll. The 2004 employer contribution rate for both the law enforcement and public safety divisions was 16.70% of covered payroll. The County's contributions to PERS for the years ended December 31, 2004, 2003 and 2002 were \$7,304,304, \$6,885,599, and \$6,504,656 respectively, 100% has been contributed for the years 2004, 2003, and 2002.

State Teachers Retirement System

Certified teachers employed by the school for the Mental Retarded/Developmentally Disabled participate in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE K: Defined Benefit Pension Plans (Continued)

membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The employee contribution rate for 2004 was 10% for employees. The employer contribution rate for 2004 was 14% of covered payroll. The County's contributions to STRS for the years ended December 31, 2004, 2003, and 2002 were \$163,836, \$166,884, and \$197,907 respectively, 100% has been contributed for the years 2004, 2003 and 2002.

NOTE L: Post-Employment Benefits Other Than Pension Benefits

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to qualifying members of both the Traditional and the Combined Plans. Members of the Member-Directed Plan do not qualify for post-employment health care coverage. In order to qualify for post-retirement health care coverage, age and service retirees must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care based on authority granted by state statute. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2004 employer contribution rate was 13.55 % of covered payroll for employees not engaged in law enforcement, 4.00 % was the portion that was used to fund health care. For law enforcement employees, the employer contribution rate was 16.70% of which 4.00% was used to fund health care.

Assumptions and calculations were based on the System's latest Actuarial Review performed as of December 31, 2003. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2003 was 8.00%. An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase were assumed to range from .50% to 6.30%. Health care costs were assumed to increase at the project wage inflation rate plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years health care costs were assumed to increase at 4%.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE L: Post-Employment Benefits Other Than Pension Benefits (Continued)

At December 31, 2004, the total number of active contributing participants was 369,885. The 2004 rate of 4.00% was the actuarially determined contribution requirements for OPERS. As of December 31, 2003, the net assets available for future OPEB were \$10.5 billion. The County's actual contributions for 2004 which were used to fund OPEB were \$1,875,709 for employees other than law enforcement and \$179,534 for law enforcement employees. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively.

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 increasing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The HCPP incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

The State Teachers Retirement System (STRS) provides access to health care coverage to retirees who participated in the Defined Benefit or Combined Plans and their dependents. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS.

All benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contributions. The employer health care contributions were 1% for 2004. The County's actual contribution for 2004 which were used to fund the Health Care Reserve was \$11,703. As of June 30, 2004, eligible benefits recipients totaled 111,853. For the year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000.

NOTE M: Other Employee Benefits

County employees have the option of participating in four state-wide deferred compensation plans created in accordance with the Internal Revenue Code Section 457. Under this program, employees elect to have a portion of their pay deferred until a future time. According to this plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred pay and any income earned thereon is not subject to income tax until actually received by the employee. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employee or other beneficiary) must be held in a trust, custodial account, or annuity contract for the exclusive benefit of plan participants and their beneficiaries. Deferred amounts from the plan are not considered "made available" just because a trust, custodial account or annuity contract holds these amounts. The Plan Agreement states that the County and the plan administrators have no liability for losses under the plan with the exception of fraud or wrongful taking.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE N: Contingencies and Commitments

Consent Order Dated November 7, 1989:

The Office of the Ohio Attorney General has brought suit on behalf of the Environmental Protection Agency relating to violations of the NPDES permits issued to the County. A consent order was placed on record on November 7, 1989 establishing certain time frames for construction of improvements to the facilities and establishing certain landmark dates for the completion of interim work. Management believes that the County is currently in compliance with the consent order.

Other Civil Claims:

The County is a defendant in a number of claims and lawsuits which may be classified as routine litigation in which minimal nonmaterial damages are being sought. In addition, the County is a defendant in numerous other claims and lawsuits in which the County believes either they will prevail in the litigation or the amounts claimed are overstated and not fair estimates of the ultimate settlements, if any. Amounts paid by the County in 2004 for litigation settled were not material. There are no liabilities associated with any contingencies carried in the accompanying financial statements based upon the information disclosed in the above paragraph.

Construction Commitments:

As of December 31, 2004, the County had contractual commitments for construction projects as follows:

Project	Fund	Total Contracts	Completed to Date	Commitment Remaining
Road & Bridge Construction	M V & G	\$1,288,417	\$875,755	\$412,662
Road Improvement	Planning & Development Capital	2,284,762	379,389	1,905,373
Detention Construction	Detention Capital	11,457,214	1,358,403	10,098,811
Justice Buildings Construction	Justice Capital	6,095,052	5,953,134	141,918
Miscellaneous Construction	County Capital	192,536	11,317	181,219
Water	Water District	18,003,367	11,011,087	6,992,280
Sewer	Sewer District	7,638,509	5,280,705	2,357,804
Total		<u>\$46,959,857</u>	<u>\$24,869,790</u>	<u>\$22,090,067</u>

NOTE O: Contracted Operations

On February 10, 2000, the Board of County Commissioners approved a contract with a vendor the operation of the water system. The vendor is responsible for the daily operations of the distribution system as well as customer billing.

Effective May 17, 2004, the contract was terminated and operations of the water system reverted back to the District.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE P: Federal and State Grants

The County participates in a number of Federal and State assisted grant programs. The significant programs are: FEMA, Work Force Investment Act Grants, Community Development Block grants, Food Stamp Program, Highway planning construction, Transportation grants, Mental Health and Mental Disability grants. These programs are subject to financial and compliance audits by the Auditor of State under the Single Audit Act of 1984, Single Audit Act as amended in 1996 and OMB Circular A-133. At May 27, 2005, the audits of certain programs have been completed. Accordingly, the County's compliance with applicable grant regulations does not have a material adverse effect on the County's financial position.

NOTE Q: Interfund Receivables/Payables

Individual fund interfund assets/liabilities balances as of December 31, 2004, related to the primary government were as follows:

GOVERNMENTAL ACTIVITIES	ASSET	LIABILITY
	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$3,177,483	\$216,807
Social Service		500,000
County Capital Improvement	200,000	
Nonmajor Governmental Funds		2,877,483
BUSINESS-TYPE ACTIVITIES		
Water	73,661	0
Sewer	<u>143,146</u>	<u>0</u>
TOTAL	<u>\$3,594,290</u>	<u>\$3,594,290</u>

During 2004, the County General Fund and the County Capital Improvement Fund made advances to the Social Services Fund in the amount of \$500,000 and nonmajor governmental funds in the amount of \$2,877,483 in anticipation of intergovernmental grant revenue and charges for service revenue. In 1997, the County approved the sale of certain fixed assets of the Water and Sewer Funds to the General Fund of the County. Payments for the assets are to be made over a 10 year period. As of December 31, 2004, the sale of the assets resulted in the County General fund recognizing an interfund payable of \$216,807 and the Water and Sewer funds recognizing an interfund receivable in the amounts of \$73,661 and \$143,146 respectively.

NOTE R: Interfund Transactions

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payment become due, and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE R: Interfund Transactions (Continued)

A summary of transfers is as follows:

Transfer To	Transfer From				Total
	General	M V & G	County Capital	Nonmajor Governmental	
General	\$0	\$0	\$0	\$53,372	\$53,372
Social Services	958,966	0	0	0	958,966
County Capital	325,383	0	0	0	325,383
Nonmajor Governmental	6,081,273	219,876	3,188,706	46,000	9,535,855
Internal Service	880,000	0	0	0	880,000
Water	0	0	0	459,466	459,466
TOTALS	\$8,245,622	\$219,876	\$3,188,706	\$558,838	\$12,213,042

The County issued and sold \$460,000 of bonds in anticipation of special assessments levied for the purpose of construction of waterlines for various roads on November 1, 2004. The Water and Sewer Funds administrate the construction and maintenance of these projects. Consequently, the County's Capital Project Funds contributed \$459,466 to the Water Fund via transfers.

NOTE S: Special Item – Exchange of Infrastructure

In September 2004, the County entered into an agreement with the Ohio Department of Transportation to exchange the county owned State Route 28 Bypass, with a value of \$9,030,300 (net of accumulated depreciation), with the State of Ohio Director of Transportation to become part of the state roadway system for approximately 1.25 miles of State Route 28 (known as the Business Corridor), with a value of \$1,097,214, to become part of the county highway system. As part of the agreement, the Ohio Department of Transportation made a payment of \$10.5 million to the County to retire or escrow the debt related to State Route 28 Bypass. The gain on the exchange of assets is \$2,566,914.

NOTE T: Amendments to Original Appropriations Budget

Amendments beyond the object level must be approved by the Board of County Commissioners. In 2004, the original appropriation measure was increased and decreased by the Commissioners with the net effect as follows: General Fund, \$6,294,771; Special Revenue Funds, \$6,815,230; Capital Project Funds, \$3,763,160; and Debt Service Funds, (\$384,287).

NOTE U: Risk Management

The County is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Arthur J. Gallagher & Co. administers all County real and personal property, comprehensive general liability including law enforcement liability, blanket crime coverage, public officials' liability insurance, fleet insurance, and a comprehensive boiler and machinery coverage.

Other than blanket crime, coroner's professional liability and boiler and machinery, all coverage falls under the County's protected self-insurance program. St. Paul Fire & Marine Insurance Company provides an \$11,000,000 per occurrence limit Liability Package for general liability, automobile liability, law enforcement liability, public entity management liability and a \$2,000,000 limit for Employment Practices Liability. Travelers Indemnity Company provides a \$100,000,000 per occurrence limit for real

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE U: Risk Management (Continued)

and personal property coverage. Coverage in the protected self-insurance program is subject to the following per occurrence retentions/deductibles: Property - \$50,000 deductible; Automobile - \$25,000 retention; All Other Liability \$100,000 retention; Combined Maximum (Liability) - \$100,000 retention; Maximum per Year (Liability) - \$500,000 retention.

The United National Insurance Company provides fleet insurance coverage with \$1,000,000 liability limit subject to a \$1,000,000 property damage liability and comprehensive and collision coverage for certain vehicles subject to deductibles of \$25,000. 2004 fleet insurance was subject to a \$25,000 property damage liability and comprehensive and collision coverage. The Travelers Indemnity Company provides boiler and machinery coverage with limits up to \$50,000,000 subject to a \$10,000 deductible. The Travelers Casualty and Surety Company of America provides the County's crime insurance. The County is insured up to \$250,000 for dishonest acts of employees, and \$75,000 for theft or disappearance, or destruction of money and securities. Deductibles are \$1,000 employee dishonesty and \$1,000 money and securities. Crime insurance coverage remains the same with the exception of deductibles. Landmark America Insurance Company provides coroner's professional liability with a limit of \$1,000,000 subject to a \$10,000 deductible. Settled claims have not exceeded this commercial coverage in any of the past five years.

The County pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The County has elected to provide employees major medical, vision and hospitalization through a self-insured program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. A third party administrator, United Health Care and Dental Care Plus Insurance Companies, reviews all claims which are then paid by the County. The County purchases stop-loss coverage of \$100,000 per employee and an aggregate limit of \$1,000,000. The County pays into the self-insurance internal service fund \$623.90 for family coverage and \$343.18 for individual coverage per employee per month which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee and is based on historic cost information. The claims liability of \$764,372 reported in the Health Insurance fund at December 31, 2004, is estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be 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 claims liability amount in 2004 were:

	Claims Balance Beginning of Year	Current Year Claims and Changes in Claims Estimate	Claims Payments	Claims Balance at Year End
2003	\$481,175	\$7,579,248	(\$6,845,711)	\$1,214,712
2004	\$1,214,712	\$8,607,656	(\$9,057,996)	\$764,372

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CLERMONT COUNTY, OHIO
COMBINING FINANCIAL STATEMENTS
AND
SCHEDULES

**Clermont County
Combining Statements - Nonmajor Governmental Funds**

Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Health and Solid Waste District Fund - This fund is used to account for the County's dog and kennel registration program and solid waste management.

Real Estate Assessment Fund - This fund is used to account for the monies collected from tax settlements to finance the appraisal of real property and County Lodging tax collected to finance the Convention and Visitor's Bureau of the County.

Other Legislative Fund - This fund is used to account for the fees collected by the Certificate of Title office and supplemental fees collected by the Recorder.

Public Safety Fund - This fund is used to account for the fees and grants related to law enforcement, probation and community oriented policing.

Community Transportation Fund - This fund is used to account for the grants and fees collected to provide door to door public transit service for County residents.

Judicial Programs Fund - This fund is used to account for fees and grants to finance advocate, mediation and victim assistance.

Community Development Fund - This fund is used to account for federal development block grant monies and other developmental grants to fund local improvements to areas in the County with low to moderate income population.

Computer Legal Research Fund - This fund is used to account for court fees restricted to computer legal research of the court system.

Storm Water Fund – This fund is used to account for revenue received to address flooding problems and water quality problems from storm water runoff.

Nonmajor Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations which the County is obligated for the payment.

Continued

Clermont County
Combining Statements - Nonmajor Governmental Funds - Continued

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Public Safety Projects Fund - This fund is used to account for the financial sources to be used for the construction and renovation of major safety projects and the jail renovation project.

Social Services Projects Fund - This fund is used to account for the financial sources to be used for the renovation of the medical social service building.

Communication Center Projects Fund - This fund is used to account for the financial sources to be used for the acquisition, construction and improvement of the County's 911 emergency response systems.

Judicial Projects Fund – This fund is used to account for the financial resources to be used for the construction and renovation of judicial related facilities.

Community Development Projects Fund - This fund is used to account for the financial sources to be used for the acquisition and construction of infrastructure improvements and community development projects.

Road Assessment Projects Fund - This fund is used to account for the financial sources to be used for the acquisition, construction and improvements of county roads.

Clermont County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004

	Nonmajor Special Revenue Funds					
	Health and Solid Waste District	Real Estate Assessment	Other Legislative	Public Safety	Community Transportation	Judicial Programs
Assets						
Equity in Pooled Cash and Cash Equivalents	\$893,488	\$2,959,815	\$791,567	\$3,349,729	\$298,783	\$277,286
Cash and Cash Equivalents with Fiscal & Escrow Agent	0	0	0	0	0	0
Receivables:						
Accounts	20,250	2,182	32	32,598	56,547	480
Special Assessments	0	0	0	0	0	0
Accrued Interest	0	0	0	964	0	0
Intergovernmental	5,977	0	0	2,302,242	0	69,904
Prepaid Items	0	0	0	380	4,513	0
Loans Receivable	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$919,715</u>	<u>\$2,961,997</u>	<u>\$791,599</u>	<u>\$5,685,913</u>	<u>\$359,843</u>	<u>\$347,670</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$48,931	\$3,655	\$29,742	\$261,312	\$89,116	\$1,283
Contracts Payable	0	0	0	0	0	0
Accrued Wages and Benefits	2,271	30,803	20,105	54,273	27,405	10,012
Compensated Absences Payable	0	0	0	0	6,120	0
Intergovernmental Payable	339	4,510	2,914	9,155	2,532	1,480
Interfund payable	0	0	0	5,500	215,973	0
Deferred Revenue	5,977	0	13	1,861,091	0	61,577
Matured Interest Payable	0	0	0	0	0	0
<i>Total Liabilities</i>	<u>57,518</u>	<u>38,968</u>	<u>52,774</u>	<u>2,191,331</u>	<u>341,146</u>	<u>74,352</u>
Fund Balances						
Reserved for Encumbrances	125,765	95,422	110,116	339,881	4,545	5,235
Reserved for Loans	0	0	0	0	0	0
Unreserved:						
Undesignated, Reported in:						
Special Revenue Funds	736,432	2,827,607	628,709	3,154,701	14,152	268,083
Debt Service Funds	0	0	0	0	0	0
Capital Projects Funds	0	0	0	0	0	0
<i>Total Fund Balances</i>	<u>862,197</u>	<u>2,923,029</u>	<u>738,825</u>	<u>3,494,582</u>	<u>18,697</u>	<u>273,318</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$919,715</u>	<u>\$2,961,997</u>	<u>\$791,599</u>	<u>\$5,685,913</u>	<u>\$359,843</u>	<u>\$347,670</u>

						Nonmajor Capital Projects Funds	
Community Development	Computer Legal Research	Storm Water	County Debt Service	Public Safety Projects	Social Services Projects		
\$896,888	\$1,679,094	\$591,733	\$156,594	\$9,878,803	\$961,513		
0	0	0	2,522	0	0		
0	303	0	0	6,165	0		
0	0	0	4,805,098	0	0		
112	0	0	0	24,121	0		
235,829	0	0	0	393,119	0		
0	12,443	0	0	0	0		
127,713	0	0	0	0	0		
<u>\$1,260,542</u>	<u>\$1,691,840</u>	<u>\$591,733</u>	<u>\$4,964,214</u>	<u>\$10,302,208</u>	<u>\$961,513</u>		
\$188,500	\$30,050	\$304	\$0	\$0	\$0		
0	0	0	0	379,416	0		
1,004	4,177	0	0	0	0		
0	0	0	0	0	0		
146	3,383	9,190	0	0	0		
141,320	0	614,690	0	0	0		
72	0	0	4,804,210	408,677	0		
0	0	0	0	0	0		
<u>331,042</u>	<u>37,610</u>	<u>624,184</u>	<u>4,804,210</u>	<u>788,093</u>	<u>0</u>		
39,406	74,807	9,195	0	9,833,334	0		
127,713	0	0	0	0	0		
762,381	1,579,423	(41,646)	0	0	0		
0	0	0	160,004	0	0		
0	0	0	0	(319,219)	961,513		
<u>929,500</u>	<u>1,654,230</u>	<u>(32,451)</u>	<u>160,004</u>	<u>9,514,115</u>	<u>961,513</u>		
<u>\$1,260,542</u>	<u>\$1,691,840</u>	<u>\$591,733</u>	<u>\$4,964,214</u>	<u>\$10,302,208</u>	<u>\$961,513</u>		

Continued

Clermont County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004 -Continued

	Nonmajor Capital Projects Funds				Total NonMajor Governmental Funds
	Communication Center Projects	Judicial Projects	Community Development Projects	Road Assessment Projects	
Assets					
Equity in Pooled Cash and Cash Equivalents	\$1,389,055	\$1,939,606	\$3,979,740	\$0	\$30,043,694
Cash and Cash Equivalents with Fiscal & Escrow Agent	0	0	0	0	2,522
Receivables:					
Accounts	0	1,659	0	0	120,216
Special Assessments	0	0	0	0	4,805,098
Accrued Interest	0	0	0	0	25,197
Intergovernmental	0	0	0	0	3,007,071
Prepaid Items	0	0	0	0	17,336
Loans Receivable	0	0	0	0	127,713
<i>Total Assets</i>	<u>\$1,389,055</u>	<u>\$1,941,265</u>	<u>\$3,979,740</u>	<u>\$0</u>	<u>\$38,148,847</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$652,893
Contracts Payable	9,462	44,903	860,936	0	1,294,717
Accrued Wages and Benefits	0	0	0	0	150,050
Compensated Absences Payable	0	0	0	0	6,120
Intergovernmental Payable	0	0	0	0	33,649
Interfund payable	0	0	1,900,000	0	2,877,483
Deferred Revenue	0	0	0	0	7,141,617
Matured Interest Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>9,462</u>	<u>44,903</u>	<u>2,760,936</u>	<u>0</u>	<u>12,156,529</u>
Fund Balances					
Reserved for Encumbrances	175,833	146,910	1,046,977	0	12,007,426
Reserved for Loans	0	0	0	0	127,713
Unreserved					
Undesignated, Reported in:					
Special Revenue Funds	0	0	0	0	9,929,842
Debt Service Funds	0	0	0	0	160,004
Capital Projects Funds	1,203,760	1,749,452	171,827	0	3,767,333
<i>Total Fund Balances</i>	<u>1,379,593</u>	<u>1,896,362</u>	<u>1,218,804</u>	<u>0</u>	<u>25,992,318</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,389,055</u>	<u>\$1,941,265</u>	<u>\$3,979,740</u>	<u>\$0</u>	<u>\$38,148,847</u>

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Clermont 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				
	Health and Solid Waste District	Real Estate Assessment	Other Legislative	Public Safety	Community Transportation
Revenues					
Property and Other Taxes	\$0	\$377,743	\$0	\$0	\$0
Charges for Services	339,973	2,060,968	1,120,905	170,011	814,580
Licenses and Permits	215,257	695	0	104,855	0
Fines and Forfeitures	44,293	0	0	302,099	0
Intergovernmental	92,180	0	0	3,380,039	573,456
Special Assessments	0	0	0	0	0
Investment Earnings	0	10,594	0	5,374	0
Net Decrease in Fair Value of Investments	0	0	0	(959)	0
Other	305	212	0	15,874	3,209
<i>Total Revenues</i>	<u>692,008</u>	<u>2,450,212</u>	<u>1,120,905</u>	<u>3,977,293</u>	<u>1,391,245</u>
Expenditures					
Current:					
General Government					
Legislative and Executive	0	1,708,997	947,657	0	0
Judicial	0	0	0	0	0
Public Safety	0	0	0	3,683,227	0
Public Works	0	0	0	0	0
Health	810,100	0	0	0	0
Community Development	0	0	0	0	0
Transportation	0	0	0	0	1,421,673
Capital Outlay	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>810,100</u>	<u>1,708,997</u>	<u>947,657</u>	<u>3,683,227</u>	<u>1,421,673</u>
Excess of Revenues Over (Under) Expenditures	<u>(118,092)</u>	<u>741,215</u>	<u>173,248</u>	<u>294,066</u>	<u>(30,428)</u>
Other Financing Sources (Uses)					
Transfers In	0	0	50,000	371,962	0
Transfers Out	0	0	(50,000)	(3,372)	0
Proceeds from the Sale of Capital Assets	0	0	0	2,349	16,775
Special Assessment Bonds Issued	0	0	0	0	0
Other Financing (Uses) - Discount	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>370,939</u>	<u>16,775</u>
Net Change in Fund Balances	(118,092)	741,215	173,248	665,005	(13,653)
Fund Balances (Deficit) at Beginning of Year	<u>980,289</u>	<u>2,181,814</u>	<u>565,577</u>	<u>2,829,577</u>	<u>32,350</u>
Fund Balances (Deficit) End of Year	<u><u>\$862,197</u></u>	<u><u>\$2,923,029</u></u>	<u><u>\$738,825</u></u>	<u><u>\$3,494,582</u></u>	<u><u>\$18,697</u></u>

					Nonmajor Capital Projects Funds	
Judicial Programs	Community Development	Computer Legal Research	Storm Water	County Debt Service	Public Safety Projects	Social Services Projects
\$0	\$0	\$0	\$0	\$0	\$0	\$0
121,027	771	506,362	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
150,004	1,180,723	0	0	0	2,007,713	0
0	0	0	0	573,363	0	0
0	638	0	0	46,769	143,690	7,690
0	(112)	0	0	0	(24,001)	0
3,525	15,000	0	1,413	0	0	0
<u>274,556</u>	<u>1,197,020</u>	<u>506,362</u>	<u>1,413</u>	<u>620,132</u>	<u>2,127,402</u>	<u>7,690</u>
0	0	0	0	0	0	0
331,713	0	680,889	0	0	0	0
0	0	0	0	0	0	0
0	0	0	33,864	0	0	0
0	0	0	0	0	0	0
0	31,408	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	3,768,589	9,380
0	1,193,103	0	0	0	0	0
0	0	0	0	3,277,876	0	0
0	0	0	0	1,521,053	0	0
<u>331,713</u>	<u>1,224,511</u>	<u>680,889</u>	<u>33,864</u>	<u>4,798,929</u>	<u>3,768,589</u>	<u>9,380</u>
<u>(57,157)</u>	<u>(27,491)</u>	<u>(174,527)</u>	<u>(32,451)</u>	<u>(4,178,797)</u>	<u>(1,641,187)</u>	<u>(1,690)</u>
131,098	0	0	0	4,246,174	3,088,400	195,200
0	0	0	0	0	(46,000)	0
0	0	25	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>131,098</u>	<u>0</u>	<u>25</u>	<u>0</u>	<u>4,246,174</u>	<u>3,042,400</u>	<u>195,200</u>
73,941	(27,491)	(174,502)	(32,451)	67,377	1,401,213	193,510
199,377	956,991	1,828,732	0	92,627	8,112,902	768,003
<u>\$273,318</u>	<u>\$929,500</u>	<u>\$1,654,230</u>	<u>(\$32,451)</u>	<u>\$160,004</u>	<u>\$9,514,115</u>	<u>\$961,513</u>

Continued

Clermont County, Ohio

Combining Statement of Revenues, Expenditures and

Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2004 - Continued

	Nonmajor Capital Projects Funds				Total Nonmajor Governmental Funds
	Communication Center Projects	Judicial Projects	Community Development Projects	Road Assessment Projects	
Revenues					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$377,743
Charges for Services	0	0	80	0	5,134,677
Licenses and Permits	0	0	0	0	320,807
Fines and Forfeitures	0	0	0	0	346,392
Intergovernmental	0	0	1,929,464	0	9,313,579
Special Assessments	0	0	0	0	573,363
Investment Earnings	0	25,354	0	0	240,109
Net Decrease in Fair Value of Investments	0	0	0	0	(25,072)
Other	0	0	0	0	39,538
<i>Total Revenues</i>	<u>0</u>	<u>25,354</u>	<u>1,929,544</u>	<u>0</u>	<u>16,321,136</u>
Expenditures					
Current:					
General Government					
Legislative and Executive	0	0	0	0	2,656,654
Judicial	0	0	0	0	1,012,602
Public Safety	0	0	0	0	3,683,227
Public Works	0	0	0	0	33,864
Health	0	0	0	0	810,100
Community Development	0	0	0	0	31,408
Transportation	0	0	0	0	1,421,673
Capital Outlay	134,193	4,007,248	3,058,822	4,639	10,982,871
Intergovernmental	0	0	0	0	1,193,103
Debt Service:					
Principal Retirement	0	0	0	0	3,277,876
Interest and Fiscal Charges	0	0	0	0	1,521,053
<i>Total Expenditures</i>	<u>134,193</u>	<u>4,007,248</u>	<u>3,058,822</u>	<u>4,639</u>	<u>26,624,431</u>
Excess of Revenues Over (Under) Expenditures	<u>(134,193)</u>	<u>(3,981,894)</u>	<u>(1,129,278)</u>	<u>(4,639)</u>	<u>(10,303,295)</u>
Other Financing Sources (Uses)					
Transfers In	387,310	1,065,711	0	0	9,535,855
Transfers Out	0	0	(459,466)	0	(558,838)
Proceeds from the Sale of Capital Assets	0	0	0	0	19,149
Special Assessment Bonds Issued	0	0	2,160,000	0	2,160,000
Other Financing (Uses) - Discount	0	0	(534)	0	(534)
<i>Total Other Financing Sources (Uses)</i>	<u>387,310</u>	<u>1,065,711</u>	<u>1,700,000</u>	<u>0</u>	<u>11,155,632</u>
Net Change in Fund Balances	253,117	(2,916,183)	570,722	(4,639)	852,337
Fund Balances (Deficit) at Beginning of Year	1,126,476	4,812,545	648,082	4,639	25,139,981
Fund Balances (Deficit) End of Year	<u>\$1,379,593</u>	<u>\$1,896,362</u>	<u>\$1,218,804</u>	<u>\$0</u>	<u>\$25,992,318</u>

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

General Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Taxes	\$27,424,413	\$27,424,413	\$28,109,769	\$685,356
Charges for services	10,859,734	10,859,734	10,914,015	54,281
Licenses and permits	1,313,800	1,313,800	1,386,426	72,626
Fines and forfeitures	1,472,100	1,472,100	1,333,245	(138,855)
Intergovernmental	4,455,669	4,455,669	4,509,579	53,910
Investment earnings	2,766,500	2,766,500	2,414,745	(351,755)
Other revenues	980,000	991,780	1,298,927	307,147
Total revenues	<u>49,272,216</u>	<u>49,283,996</u>	<u>49,966,706</u>	<u>682,710</u>
Expenditures:				
Current:				
General Government				
Legislative and executive				
Commissioners				
Personal services	974,730	973,859	927,409	46,450
Purchased services	240,263	231,547	209,253	22,294
Materials and supplies	19,415	20,851	16,362	4,489
Maintenance and repair	10,149	9,294	6,551	2,743
Utilities	17,228	18,228	17,728	500
Total Commissioners	<u>1,261,785</u>	<u>1,253,779</u>	<u>1,177,303</u>	<u>76,476</u>
Department of Personnel				
Personal services	311,973	296,973	239,646	57,327
Purchased services	12,286	23,950	20,693	3,257
Materials and supplies	7,461	8,309	7,652	657
Maintenance and repair	2,928	5,015	5,015	0
Utilities	3,340	3,490	3,490	0
Total Department of Personnel	<u>337,988</u>	<u>337,737</u>	<u>276,496</u>	<u>61,241</u>
Department of Management & Budget				
Personal services	302,980	302,980	266,925	36,055
Purchased services	43,866	39,084	26,032	13,052
Materials and supplies	8,202	7,021	5,098	1,923
Maintenance and repair	17,917	17,917	8,325	9,592
Utilities	4,968	3,961	3,961	0
Total Dept. of Management & Budget	<u>377,933</u>	<u>370,963</u>	<u>310,341</u>	<u>60,622</u>
Facilities Maintenance				
Personal services	694,371	703,871	680,378	23,493
Purchased services	575,504	584,201	576,128	8,073
Materials and supplies	162,565	157,707	153,589	4,118
Maintenance and repair	88,157	67,095	65,894	1,201
Utilities	1,006,140	960,000	959,978	22
Total Facilities Maintenance	<u>2,526,737</u>	<u>2,472,874</u>	<u>2,435,967</u>	<u>36,907</u>

Continued

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Auditor - General Office				
Personal services	\$928,928	\$928,928	\$816,686	\$112,242
Purchased services	25,265	22,483	19,331	3,152
Materials and supplies	32,654	31,884	30,630	1,254
Maintenance and repair	27,388	27,045	26,359	686
Utilities	10,896	10,401	10,401	0
Total Auditor - General Office	<u>1,025,131</u>	<u>1,020,741</u>	<u>903,407</u>	<u>117,334</u>
Auditor - Personal Property				
Personal services	49,650	49,650	42,219	7,431
Purchased services	3,000	3,000	0	3,000
Materials and supplies	5,670	4,000	2,008	1,992
Maintenance and repair	2,000	2,000	0	2,000
Utilities	516	450	350	100
Total Auditor-Personal Property	<u>60,836</u>	<u>59,100</u>	<u>44,577</u>	<u>14,523</u>
Information Systems				
Personal services	1,424,560	1,418,360	1,349,629	68,731
Purchased services	234,747	223,596	186,650	36,946
Materials and supplies	50,252	51,439	50,836	603
Maintenance and repair	292,721	160,661	90,685	69,976
Utilities	158,214	153,570	152,570	1,000
Total Information Systems	<u>2,160,494</u>	<u>2,007,626</u>	<u>1,830,370</u>	<u>177,256</u>
Records Retention				
Personal services	123,495	123,495	117,792	5,703
Purchased services	4,883	29,749	29,657	92
Materials and supplies	6,348	6,288	6,277	11
Maintenance and repair	5,235	5,235	4,520	715
Utilities	3,585	3,567	3,567	0
Total Records Retention	<u>143,546</u>	<u>168,334</u>	<u>161,813</u>	<u>6,521</u>
Budget Commission				
Purchased services	500	500	500	0
Materials and supplies	900	900	900	0
Total Budget Commission	<u>1,400</u>	<u>1,400</u>	<u>1,400</u>	<u>0</u>
Board of Revision				
Purchased services	3,000	3,000	1,687	1,313
Materials and supplies	2,059	2,059	1,101	958
Total Board of Revision	<u>5,059</u>	<u>5,059</u>	<u>2,788</u>	<u>2,271</u>
Bureau of Inspection				
Purchased services	92,082	102,690	102,660	30
Utilities	600	600	589	11
Total Bureau of Inspection	<u>92,682</u>	<u>103,290</u>	<u>103,249</u>	<u>41</u>

Continued

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Auditor - BMV				
Personal services	\$343,248	\$343,248	\$298,332	\$44,916
Purchased services	32,000	32,500	32,459	41
Materials and supplies	2,924	2,734	1,837	897
Maintenance and repair	700	0	0	0
Utilities	4,486	4,440	4,353	87
Total Auditor - BMV	383,358	382,922	336,981	45,941
Auditor - Tax Map				
Personal services	104,281	104,281	87,862	16,419
Purchased services	2,050	2,050	0	2,050
Materials and supplies	11,241	6,773	3,556	3,217
Maintenance and repair	12,522	11,122	8,287	2,835
Utilities	2,175	3,375	3,324	51
Total Auditor - Tax Map	132,269	127,601	103,029	24,572
Treasurer				
Personal services	495,238	497,775	473,198	24,577
Purchased services	127,162	104,772	97,465	7,307
Materials and supplies	68,070	81,791	79,155	2,636
Maintenance and repair	32,075	31,219	28,981	2,238
Utilities	8,579	8,350	8,350	0
Total Treasurer	731,124	723,907	687,149	36,758
Prosecuting Attorney				
Personal services	2,230,734	2,237,540	2,194,772	42,768
Purchased services	59,810	63,265	57,379	5,886
Materials and supplies	20,430	26,067	21,724	4,343
Maintenance and repair	15,421	13,817	11,295	2,522
Utilities	18,210	17,305	17,305	0
Total Prosecuting Attorney	2,344,605	2,357,994	2,302,475	55,519
Board of Elections				
Personal services	548,429	586,258	570,424	15,834
Purchased services	316,725	393,988	352,862	41,126
Materials and supplies	90,017	111,253	105,473	5,780
Maintenance and repair	18,182	13,182	10,763	2,419
Utilities	7,160	8,160	8,160	0
Total Board of Elections	980,513	1,112,841	1,047,682	65,159
Recorder				
Personal services	425,931	425,931	412,799	13,132
Purchased services	8,418	4,783	2,540	2,243
Materials and supplies	19,813	13,911	13,548	363
Maintenance and repair	10,632	6,891	6,891	0
Utilities	7,174	6,699	6,582	117
Total Recorder	471,968	458,215	442,360	15,855

Continued

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Insurance, Health and Judgements				
Personal services	\$212,840	\$211,640	\$178,990	\$32,650
Purchased services	637,000	634,546	604,278	30,268
Total Insurance, Health and Judgements	849,840	846,186	783,268	62,918
Legislative and Executive Grants				
Personal services	10,000	10,000	0	10,000
Purchased services	585,120	592,506	466,005	126,501
Other Expenditures	313,149	168,832	0	168,832
Total Legislative and Executive Grants	908,269	771,338	466,005	305,333
Capital Purchases				
Material and Supplies	183,592	289,942	225,869	64,073
Maintenance and repair	15,100	15,000	1,093	13,907
Capital outlay	925,099	1,085,111	1,033,158	51,953
Total Capital Purchases	1,123,791	1,390,053	1,260,120	129,933
Total legislative and executive	15,919,328	15,971,960	14,676,780	1,295,180
Judicial				
Court of Appeals				
Purchased services	130,000	130,000	101,536	28,464
Common Pleas Court				
Personal services	727,003	727,003	705,311	21,692
Purchased services	176,128	231,008	225,373	5,635
Materials and supplies	24,158	27,808	27,662	146
Maintenance and repair	10,925	10,925	10,093	832
Utilities	17,600	15,385	15,311	74
Total Common Pleas Court	955,814	1,012,129	983,750	28,379
Jury Commission				
Personal services	173,953	165,953	142,167	23,786
Purchased services	13,394	21,056	15,681	5,375
Materials and supplies	7,000	7,000	6,338	662
Maintenance and repair	2,051	2,051	501	1,550
Utilities	4,120	4,098	3,793	305
Total Jury Commission	200,518	200,158	168,480	31,678
Law Library				
Personal services	138,373	138,373	136,216	2,157
Utilities	583	577	544	33
Total Law Library	138,956	138,950	136,760	2,190
Domestic Relations Court				
Personal services	826,500	826,500	805,066	21,434
Purchased services	35,878	31,088	24,124	6,964
Materials and supplies	20,128	23,768	20,397	3,371
Maintenance and repair	8,204	6,204	3,853	2,351
Utilities	10,500	11,650	11,608	42
Total Domestic Relations Court	901,210	899,210	865,048	34,162

Continued

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Juvenile Court				
Personal services	\$1,120,199	\$1,120,199	\$1,078,758	\$41,441
Purchased services	93,193	128,270	128,270	0
Materials and supplies	37,126	36,944	36,688	256
Maintenance and repair	7,000	7,000	6,557	443
Utilities	15,049	14,539	14,539	0
Total Juvenile Court	<u>1,272,567</u>	<u>1,306,952</u>	<u>1,264,812</u>	<u>42,140</u>
Probate Court				
Personal services	298,621	298,621	297,230	1,391
Purchased services	23,550	18,700	18,690	10
Materials and supplies	9,734	9,734	9,262	472
Maintenance and repair	3,110	3,560	3,550	10
Utilities	4,909	4,909	4,909	0
Total Probate Court	<u>339,924</u>	<u>335,524</u>	<u>333,641</u>	<u>1,883</u>
Clerk - Common Pleas Court				
Personal services	761,014	758,014	732,094	25,920
Purchased services	88,392	74,615	70,945	3,670
Materials and supplies	107,400	104,227	103,678	549
Maintenance and repair	11,827	9,380	5,840	3,540
Utilities	11,053	10,987	10,987	0
Total Clerk - Common Pleas Court	<u>979,686</u>	<u>957,223</u>	<u>923,544</u>	<u>33,679</u>
Clerk - Municipal Court				
Personal services	1,144,480	1,124,480	1,075,180	49,300
Purchased services	28,305	25,303	25,166	137
Materials and supplies	75,392	91,606	91,161	445
Maintenance and repair	3,344	3,906	3,434	472
Utilities	15,790	14,205	14,205	0
Total Clerk - Municipal Court	<u>1,267,311</u>	<u>1,259,500</u>	<u>1,209,146</u>	<u>50,354</u>
Public Defender				
Personal services	822,511	865,361	845,996	19,365
Purchased services	31,557	31,338	31,098	240
Materials and supplies	7,677	7,543	7,123	420
Maintenance and repair	2,080	2,081	1,070	1,011
Utilities	6,652	6,380	5,991	389
Total Public Defender	<u>870,477</u>	<u>912,703</u>	<u>891,278</u>	<u>21,425</u>
Municipal Court				
Personal services	869,541	864,183	850,472	13,711
Purchased services	30,525	37,390	37,390	0
Materials and supplies	14,225	17,916	17,837	79
Maintenance and repair	5,114	3,614	3,069	545
Utilities	10,459	11,059	10,831	228
Total Municipal Court	<u>929,864</u>	<u>934,162</u>	<u>919,599</u>	<u>14,563</u>
Total judicial	<u>7,986,327</u>	<u>8,086,511</u>	<u>7,797,594</u>	<u>288,917</u>

Continued

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Public safety				
Communications Center				
Personal services	\$1,337,722	\$1,337,722	\$1,141,936	\$195,786
Purchased services	543,056	540,141	509,627	30,514
Materials and supplies	38,136	36,277	36,030	247
Maintenance and repair	811,703	763,511	758,226	5,285
Utilities	65,702	64,743	64,743	0
Total Communications Center	<u>2,796,319</u>	<u>2,742,394</u>	<u>2,510,562</u>	<u>231,832</u>
Building Inspection/Permit Central				
Personal services	1,060,376	1,008,757	946,800	61,957
Purchased services	31,225	94,970	93,360	1,610
Materials and supplies	29,114	30,158	29,960	198
Maintenance and repair	21,708	21,220	18,944	2,276
Utilities	13,159	13,841	13,841	0
Other expenditures	3,000	2,100	1,448	652
Total Building Inspection/Permit Central	<u>1,158,582</u>	<u>1,171,046</u>	<u>1,104,353</u>	<u>66,693</u>
County Coroner				
Personal services	141,923	143,123	142,163	960
Purchased services	141,759	139,033	138,782	251
Materials and supplies	4,130	6,060	6,060	0
Maintenance and repair	1,513	1,513	1,180	333
Utilities	2,549	3,149	3,149	0
Total County Coroner	<u>291,874</u>	<u>292,878</u>	<u>291,334</u>	<u>1,544</u>
Adult Probation				
Personal services	704,551	704,551	674,926	29,625
Purchased services	11,798	15,798	13,192	2,606
Materials and supplies	25,317	18,317	18,316	1
Maintenance and repair	7,125	4,579	3,145	1,434
Utilities	21,443	20,690	20,690	0
Total Adult Probation	<u>770,234</u>	<u>763,935</u>	<u>730,269</u>	<u>33,666</u>
Juvenile Detention				
Personal services	779,639	875,229	869,037	6,192
Purchased services	9,646	9,456	9,128	328
Materials and supplies	65,081	64,428	64,323	105
Maintenance and repair	10,903	8,545	6,803	1,742
Utilities	4,802	4,802	4,802	0
Total Juvenile Detention	<u>870,071</u>	<u>962,460</u>	<u>954,093</u>	<u>8,367</u>
Juvenile Probation				
Personal services	372,153	372,724	359,401	13,323
Purchased services	2,998	2,898	1,960	938
Materials and supplies	7,256	6,145	6,098	47
Maintenance and repair	3,421	4,758	4,758	0
Utilities	6,611	7,212	7,212	0
Total Juvenile Probation	<u>392,439</u>	<u>393,737</u>	<u>379,429</u>	<u>14,308</u>

Continued

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Sheriff				
Personal services	\$6,498,410	\$6,443,448	\$6,370,861	\$72,587
Purchased services	115,852	103,003	102,139	864
Materials and supplies	245,184	291,626	289,646	1,980
Maintenance and repair	188,524	186,267	186,192	75
Utilities	65,081	63,302	62,863	439
Total Sheriff	7,113,051	7,087,646	7,011,701	75,945
Adult Detention				
Personal services	5,701,566	5,396,406	5,358,921	37,485
Purchased services	640,681	637,340	637,060	280
Materials and supplies	524,240	516,575	514,738	1,837
Maintenance and repair	25,382	25,382	25,279	103
Utilities	21,485	21,441	21,103	338
Total Adult Detention	6,913,354	6,597,144	6,557,101	40,043
Municipal Court Adult Probation				
Personal services	643,477	642,288	641,024	1,264
Purchased services	2,830	2,830	2,830	0
Materials and supplies	4,850	4,848	4,810	38
Maintenance and repair	3,492	3,492	3,492	0
Utilities	13,400	13,400	13,400	0
Total Municipal Court Adult Probation	668,049	666,858	665,556	1,302
Public Safety Grants				
Purchased services	40,000	87,000	77,726	9,274
Total public safety	21,013,973	20,765,098	20,282,124	482,974
Health				
Tuberculosis Clinic				
Purchased services	43,700	43,700	43,700	0
Other Health				
Purchased services	502,461	331,629	325,536	6,093
Total health	546,161	375,329	369,236	6,093
Human services				
Veterans Service Commission				
Personal services	367,212	367,212	307,191	60,021
Purchased services	539,504	539,504	526,894	12,610
Materials and supplies	37,000	37,000	30,412	6,588
Maintenance and repair	40,000	35,000	5,427	29,573
Utilities	8,000	8,000	6,355	1,645
Capital outlay	30,000	35,000	33,997	1,003
Total Veterans Service Commission	1,021,716	1,021,716	910,276	111,440

Continued

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Human Services Grants				
Purchased services	\$37,558	\$37,558	\$37,558	\$0
Total human services	1,059,274	1,059,274	947,834	111,440
Community development				
Community Planning & Development				
Personal services	330,170	330,170	304,668	25,502
Purchased services	287,715	580,640	386,857	193,783
Materials and supplies	6,750	11,550	10,541	1,009
Maintenance and repair	2,769	3,369	3,358	11
Utilities	4,562	4,562	4,546	16
Other expenditures	200	200	0	200
Total Community Planning & Development	632,166	930,491	709,970	220,521
Planning Commission				
Purchased services	1,536	2,936	1,737	1,199
Total community development	633,702	933,427	711,707	221,720
Total expenditures	47,158,765	47,191,599	44,785,275	2,406,324
Excess of revenues over expenditures	2,113,451	2,092,397	5,181,431	3,089,034
Other financing sources (uses):				
Operating transfers in	40,406	40,406	53,372	12,966
Operating transfers (out)	(3,632,993)	(8,614,267)	(8,364,374)	249,893
Advances (out)	0	(1,280,663)	(1,280,663)	0
Proceeds of sale of capital assets	20,000	20,000	31,869	11,869
Total other financing sources (uses)	(3,572,587)	(9,834,524)	(9,559,796)	274,728
Net Change in fund balance	(1,459,136)	(7,742,127)	(4,378,365)	3,363,762
Fund balance at beginning of year	24,859,979	24,859,979	24,859,979	0
Prior year encumbrances appropriated	1,596,091	1,596,091	1,596,091	0
Fund balance at end of year	<u>\$24,996,934</u>	<u>\$18,713,943</u>	<u>\$22,077,705</u>	<u>\$3,363,762</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

Social Services - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$6,325,300	\$6,325,300	\$5,896,089	(\$429,211)
Charges for services	855,200	855,200	892,615	37,415
Licenses and permits	56,000	56,000	50,334	(5,666)
Intergovernmental	22,060,761	22,666,561	20,700,633	(1,965,928)
Other revenues	518,900	518,900	520,957	2,057
Total revenues	<u>29,816,161</u>	<u>30,421,961</u>	<u>28,060,628</u>	<u>(2,361,333)</u>
Expenditures:				
Current:				
Human services:				
Personal services	11,575,042	10,547,570	10,095,392	452,178
Purchased services	19,245,050	19,693,780	18,670,220	1,023,560
Materials and supplies	452,119	335,110	270,160	64,950
Maintenance and repair	69,144	64,835	51,755	13,080
Utilities	162,545	160,047	152,047	8,000
Capital outlay	199,971	99,971	15,801	84,170
Other expenditures	0	29,399	29,399	0
Total expenditures	<u>31,703,871</u>	<u>30,930,712</u>	<u>29,284,774</u>	<u>1,645,938</u>
(Deficiency) of revenues (under) expenditures	<u>(1,887,710)</u>	<u>(508,751)</u>	<u>(1,224,146)</u>	<u>(715,395)</u>
Other financing sources(uses):				
Operating transfers in	6,030,418	6,355,418	6,389,779	34,361
Operating transfers (out)	(5,350,000)	(6,026,232)	(5,784,681)	241,551
Advances in	0	500,000	500,000	0
Proceeds from sale of capital assets	3,000	3,000	635	(2,365)
Total other financing sources (uses)	<u>683,418</u>	<u>832,186</u>	<u>1,105,733</u>	<u>273,547</u>
Net change in fund balance	(1,204,292)	323,435	(118,413)	(441,848)
Fund balance at beginning of year	3,586,804	3,586,804	3,586,804	0
Prior year encumbrances appropriated	794,938	794,938	794,938	0
Fund balance at end of year	<u>\$3,177,450</u>	<u>\$4,705,177</u>	<u>\$4,263,329</u>	<u>(\$441,848)</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
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For the Year Ended December 31, 2004

Motor Vehicle and Gas Tax - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$1,960,000	\$2,085,000	\$2,108,041	\$23,041
Charges for services	226,100	365,400	342,878	(22,522)
Licenses and permits	43,000	51,000	46,740	(4,260)
Fines and forfeitures	175,000	197,000	201,166	4,166
Intergovernmental	6,250,150	8,573,200	9,271,157	697,957
Special assessments	18,500	18,500	20,095	1,595
Investment earnings	90,000	90,000	106,674	16,674
Other revenues	45,600	163,230	466,473	303,243
Total revenues	<u>8,808,350</u>	<u>11,543,330</u>	<u>12,563,224</u>	<u>1,019,894</u>
Expenditures:				
Current:				
Public works:				
Personal services	3,816,348	3,830,359	3,450,498	379,861
Purchased services	841,184	605,824	539,403	66,421
Materials and supplies	1,500,858	1,483,268	1,466,673	16,595
Maintenance and repair	616,148	574,511	564,472	10,039
Utilities	131,775	122,525	109,375	13,150
Capital outlay	1,728,610	5,313,807	5,021,817	291,990
Other expenditures	50,175	50,175	50,175	0
Total expenditures	<u>8,685,098</u>	<u>11,980,469</u>	<u>11,202,413</u>	<u>778,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>123,252</u>	<u>(437,139)</u>	<u>1,360,811</u>	<u>1,797,950</u>
Other financing sources(uses):				
Operating transfer in	1,000	1,000	0	(1,000)
Operating transfers (out)	(1,201,775)	(1,489,339)	(219,876)	1,269,463
Proceeds from the sale of capital assets	2,000	8,000	18,630	10,630
Payment to defeased bond escrow agent	0	(10,087,676)	(10,087,676)	0
Total other financing sources (uses)	<u>(1,198,775)</u>	<u>(11,568,015)</u>	<u>(10,288,922)</u>	<u>1,279,093</u>
Special item:				
Proceeds from the exchange of infrastructure	0	10,500,000	10,500,000	0
Net change in fund balance	(1,075,523)	(1,505,154)	1,571,889	3,077,043
Fund balance at beginning of year	457,686	457,686	457,686	0
Prior year encumbrances appropriated	1,074,072	1,074,072	1,074,072	0
Fund balance at end of year	<u>\$456,235</u>	<u>\$26,604</u>	<u>\$3,103,647</u>	<u>\$3,077,043</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

Special Assessment - Debt Service Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Special assessments	\$611,704	\$631,704	\$600,041	(\$31,663)
Total revenues	<u>611,704</u>	<u>631,704</u>	<u>600,041</u>	<u>(31,663)</u>
Expenditures:				
Debt service:				
Principal retirement	383,000	383,000	383,000	0
Interest and fiscal charges	172,397	196,670	192,179	4,491
Total expenditures	<u>555,397</u>	<u>579,670</u>	<u>575,179</u>	<u>4,491</u>
Excess of revenues over expenditures	<u>56,307</u>	<u>52,034</u>	<u>24,862</u>	<u>(27,172)</u>
Other financing sources:				
Operating transfers in	0	0	26,156	26,156
Total other financing sources	<u>0</u>	<u>0</u>	<u>26,156</u>	<u>26,156</u>
Net change in fund balance	56,307	52,034	51,018	(1,016)
Fund balance at beginning of year	218,228	218,228	218,228	0
Fund balance at end of year	<u>\$274,535</u>	<u>\$270,262</u>	<u>\$269,246</u>	<u>(\$1,016)</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

County Capital Improvement - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$3,544,600	\$3,544,600	\$3,360,453	(\$184,147)
Charges for services	10,000	10,000	1,889	(8,111)
Intergovernmental	703,186	796,790	793,022	(3,768)
Other revenues	50,000	50,000	77,075	27,075
Total revenues	<u>4,307,786</u>	<u>4,401,390</u>	<u>4,232,439</u>	<u>(168,951)</u>
Expenditures:				
Purchased Services	273,500	265,000	73,588	191,412
Materials and Supplies	114,565	114,565	6,342	108,223
Maintenance and repair	0	8,000	5,920	2,080
Capital outlay	667,655	1,465,557	1,131,229	334,328
Total expenditures	<u>1,055,720</u>	<u>1,853,122</u>	<u>1,217,079</u>	<u>636,043</u>
Excess of revenues over expenditures	<u>3,252,066</u>	<u>2,548,268</u>	<u>3,015,360</u>	<u>467,092</u>
Other financing sources (uses):				
Operating transfers in	426,400	449,883	325,383	(124,500)
Operating transfers (out)	<u>(4,371,800)</u>	<u>(4,371,800)</u>	<u>(3,188,706)</u>	<u>1,183,094</u>
Total other financing sources (uses)	<u>(3,945,400)</u>	<u>(3,921,917)</u>	<u>(2,863,323)</u>	<u>1,058,594</u>
Net change in fund balance	(693,334)	(1,373,649)	152,037	1,525,686
Fund balance at beginning of year	2,900,356	2,900,356	2,900,356	0
Prior year encumbrances appropriated	99,720	99,720	99,720	0
Fund balance at end of year	<u>\$2,306,742</u>	<u>\$1,626,427</u>	<u>\$3,152,113</u>	<u>\$1,525,686</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

Health and Solid Waste District - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$327,000	\$327,000	\$318,138	(\$8,862)
Licenses and permits	200,000	200,000	215,277	15,277
Fines and forfeitures	35,000	35,000	44,318	9,318
Intergovernmental	85,000	85,000	92,180	7,180
Other revenues	100	100	23,281	23,181
Total revenues	<u>647,100</u>	<u>647,100</u>	<u>693,194</u>	<u>46,094</u>
Expenditures:				
Current:				
Health:				
Personal services	84,353	92,153	82,153	10,000
Purchased services	571,138	688,876	540,785	148,091
Materials and supplies	73,295	202,153	67,397	134,756
Maintenance and repair	6,723	6,723	3,433	3,290
Utilities	43,100	41,468	16,429	25,039
Capital outlay	54,000	269,000	263,001	5,999
Total expenditures	<u>832,609</u>	<u>1,300,373</u>	<u>973,198</u>	<u>327,175</u>
Net change in fund balance	(185,509)	(653,273)	(280,004)	373,269
Fund balance at beginning of year	940,870	940,870	940,870	0
Prior year encumbrances appropriated	49,093	49,093	49,093	0
Fund balance at end of year	<u>\$804,454</u>	<u>\$336,690</u>	<u>\$709,959</u>	<u>\$373,269</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

Real Estate Assessment - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$350,000	\$373,040	\$373,040	\$0
Charges for services	1,775,000	1,775,000	2,060,968	285,968
Licenses and permits	0	0	695	695
Investment earnings	3,000	3,000	9,367	6,367
Other revenues	0	0	212	212
Total revenues	<u>2,128,000</u>	<u>2,151,040</u>	<u>2,444,282</u>	<u>293,242</u>
Expenditures:				
Current:				
General government:				
Legislative and executive				
Personal services	1,154,877	1,154,877	1,082,750	72,127
Purchased services	880,443	892,088	582,505	309,583
Materials and supplies	135,863	129,472	77,248	52,224
Maintenance and repair	80,886	80,886	69,153	11,733
Utilities	17,795	17,070	14,570	2,500
Capital outlay	43,000	43,000	6,636	36,364
Total expenditures	<u>2,312,864</u>	<u>2,317,393</u>	<u>1,832,862</u>	<u>484,531</u>
Net change in fund balance	(184,864)	(166,353)	611,420	(191,289)
Fund balance at beginning of year	1,970,277	1,970,277	1,970,277	0
Prior year encumbrances appropriated	174,837	174,837	174,837	0
Fund balance at end of year	<u>\$1,960,250</u>	<u>\$1,978,761</u>	<u>\$2,756,534</u>	<u>(\$191,289)</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

Other Legislative - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$1,113,000	\$1,113,000	\$1,120,886	\$7,886
Total revenues	<u>1,113,000</u>	<u>1,113,000</u>	<u>1,120,886</u>	<u>7,886</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Personal services	610,960	659,607	652,864	6,743
Purchased services	619,308	510,445	370,366	140,079
Materials and supplies	93,467	86,686	32,695	53,991
Maintenance and repair	12,543	10,963	7,406	3,557
Utilities	46,699	36,596	22,495	14,101
Capital outlay	30,000	30,000	0	30,000
Total expenditures	<u>1,412,977</u>	<u>1,334,297</u>	<u>1,085,826</u>	<u>248,471</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(299,977)</u>	<u>(221,297)</u>	<u>35,060</u>	<u>256,357</u>
Other financing sources (uses):				
Operating transfers in	50,000	50,000	50,000	0
Operating transfers (out)	0	(50,000)	(50,000)	0
Total other financing sources (uses)	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	(249,977)	(221,297)	35,060	256,357
Fund balance at beginning of year	476,759	476,759	476,759	0
Prior year encumbrances appropriated	124,379	124,379	124,379	0
Fund balance at end of year	<u>\$351,161</u>	<u>\$379,841</u>	<u>\$636,198</u>	<u>\$256,357</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
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For the Year Ended December 31, 2004

Public Safety - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$132,000	\$132,000	\$117,867	(\$14,133)
Licenses and permits	\$0	\$120,000	\$100,226	(\$19,774)
Fines and forfeitures	70,960	70,960	233,133	162,173
Intergovernmental	2,401,367	3,805,791	3,055,377	(750,414)
Investment earnings	64,710	64,710	5,912	(58,798)
Other revenues	12,300	12,300	15,874	3,574
Total revenues	<u>2,681,337</u>	<u>4,205,761</u>	<u>3,528,389</u>	<u>(677,372)</u>
Expenditures:				
Current:				
Public Safety:				
Personal services	2,016,633	2,013,084	1,911,199	101,885
Purchased services	1,082,787	1,187,225	973,825	213,400
Materials and supplies	174,483	843,699	763,630	80,069
Maintenance and repair	40,830	47,947	34,242	13,705
Utilities	60,661	66,788	53,733	13,055
Capital outlay	93,091	758,718	322,254	436,464
Other expenditures	0	169	2	167
Total expenditures	<u>3,468,485</u>	<u>4,917,630</u>	<u>4,058,885</u>	<u>858,745</u>
(Deficiency) of revenues (under) expenditures	<u>(787,148)</u>	<u>(711,869)</u>	<u>(530,496)</u>	<u>181,373</u>
Other financing sources(uses):				
Operating transfers in	429,807	429,807	371,962	(57,845)
Operating transfers (out)	0	(3,372)	(3,372)	0
Proceeds on the sale of capital assets	0	0	2,349	2,349
Total other financing sources (uses)	<u>429,807</u>	<u>426,435</u>	<u>370,939</u>	<u>(55,496)</u>
Net change in fund balance	(357,341)	(285,434)	(159,557)	125,877
Fund balance at beginning of year	2,486,745	2,486,745	2,486,745	0
Prior year encumbrances appropriated	110,484	110,484	110,484	0
Fund balance at end of year	<u>\$2,239,888</u>	<u>\$2,311,795</u>	<u>\$2,437,672</u>	<u>\$125,877</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

Community Transportation - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$728,180	\$728,180	\$808,793	\$80,613
Intergovernmental	1,307,481	1,307,481	672,486	(634,995)
Other revenues	12,000	12,000	14,157	2,157
Total revenues	<u>2,047,661</u>	<u>2,047,661</u>	<u>1,495,436</u>	<u>(552,225)</u>
Expenditures:				
Current:				
Transportation:				
Personal services	666,957	781,754	727,974	53,780
Purchased services	539,690	727,301	702,394	24,907
Materials and supplies	93,080	101,508	77,900	23,608
Maintenance and repair	72,204	74,026	73,641	385
Utilities	11,989	11,058	10,958	100
Capital outlay	80,000	80,000	0	80,000
Total expenditures	<u>1,463,920</u>	<u>1,775,647</u>	<u>1,592,867</u>	<u>182,780</u>
Excess (deficiency) of revenues over (under) expenditures	<u>583,741</u>	<u>272,014</u>	<u>(97,431)</u>	<u>(369,445)</u>
Other financing sources:				
Operating transfers in	210,929	210,929	0	(210,929)
Advances in	0	0	165,973	165,973
Proceeds from sale of capital assets	10,000	10,000	16,775	6,775
Total other financing sources	<u>220,929</u>	<u>220,929</u>	<u>182,748</u>	<u>(38,181)</u>
Net change in fund balance	804,670	492,943	85,317	(407,626)
Fund balance at beginning of year	13,108	13,108	13,108	0
Prior year encumbrances appropriated	32,953	32,953	32,953	0
Fund balance at end of year	<u>\$850,731</u>	<u>\$539,004</u>	<u>\$131,378</u>	<u>(\$407,626)</u>

Clermont County, Ohio
Schedule of Revenues
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Fund Balance - Budget and Actual
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For the Year Ended December 31, 2004

Judicial Programs - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$57,000	\$57,000	\$56,367	(\$633)
Intergovernmental	95,865	145,468	143,347	(2,121)
Other revenues	3,000	3,000	3,525	525
Total revenues	<u>155,865</u>	<u>205,468</u>	<u>203,239</u>	<u>(2,229)</u>
Expenditures:				
Current:				
General government:				
Judicial:				
Personal services	250,655	287,033	270,008	17,025
Purchased services	22,488	35,327	31,228	4,099
Materials and supplies	19,160	23,240	18,106	5,134
Maintenance and repair	2,213	2,213	1,000	1,213
Utilities	5,049	5,223	4,867	356
Other expenditures	0	3,923	3,920	3
Total expenditures	<u>299,565</u>	<u>356,959</u>	<u>329,129</u>	<u>27,830</u>
(Deficiency) of revenues (under) expenditures	<u>(143,700)</u>	<u>(151,491)</u>	<u>(125,890)</u>	<u>25,601</u>
Other financing sources:				
Operating transfers in	138,140	138,140	131,098	(7,042)
Total other financing sources	<u>138,140</u>	<u>138,140</u>	<u>131,098</u>	<u>(7,042)</u>
Net change in fund balance	(5,560)	(13,351)	5,208	18,559
Fund balance at beginning of year	23,497	23,497	23,497	0
Prior year encumbrances appropriated	5,560	5,560	5,560	0
Fund balance at end of year	<u>\$23,497</u>	<u>\$15,706</u>	<u>\$34,265</u>	<u>\$18,559</u>

Clermont County, Ohio
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Community Development - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$0	\$0	\$771	771
Intergovernmental	1,761,506	1,783,186	1,151,725	(631,461)
Investment earnings	373	373	243	(130)
Total revenues	<u>1,761,879</u>	<u>1,783,559</u>	<u>1,152,739</u>	<u>(630,820)</u>
Expenditures:				
Current:				
Community development:				
Personal services	50,134	50,134	28,581	21,553
Purchased services	149,750	990,192	972,179	18,013
Materials and supplies	5,000	20,000	6,846	13,154
Capital outlay	1,423,845	1,624,229	1,419,250	204,979
Other expenditures	75,000	75,000	50,929	24,071
Total expenditures	<u>1,703,729</u>	<u>2,759,555</u>	<u>2,477,785</u>	<u>281,770</u>
Net change in fund balance	58,150	(975,996)	(1,325,046)	(349,050)
Fund balance at beginning of year	634,658	634,658	634,658	0
Prior year encumbrances appropriated	603,595	603,595	603,595	0
Fund balance(deficit) at end of year	<u>\$1,296,403</u>	<u>\$262,257</u>	<u>(\$86,793)</u>	<u>(\$349,050)</u>

Clermont County, Ohio
Schedule of Revenues
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Computer Legal Research - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$470,000	\$470,000	\$377,894	(\$92,106)
Total revenues	<u>470,000</u>	<u>470,000</u>	<u>377,894</u>	<u>(92,106)</u>
Expenditures:				
Current:				
General government:				
Judicial:				
Personal services	71,599	73,449	72,557	892
Purchased services	40,500	40,500	30,335	10,165
Materials and supplies	51,016	292,784	235,948	56,836
Maintenance and repair	140,513	140,513	55,032	85,481
Utilities	7,109	7,086	2,058	5,028
Capital outlay	601,929	366,479	287,435	79,044
Other expenditures	334,000	334,000	0	334,000
Total expenditures	<u>1,246,666</u>	<u>1,254,811</u>	<u>683,365</u>	<u>571,446</u>
(Deficiency) of revenues (under) expenditures	<u>(776,666)</u>	<u>(784,811)</u>	<u>(305,471)</u>	<u>479,340</u>
Other financing sources:				
Proceeds from the sale of capital assets	0	0	14	14
Total other financing sources	<u>0</u>	<u>0</u>	<u>14</u>	<u>14</u>
Net change in fund balance	(776,666)	(784,811)	(305,457)	479,354
Fund balance at beginning of year	799,109	799,109	799,109	0
Prior year encumbrances appropriated	228,067	228,067	228,067	0
Fund balance at end of year	<u>\$250,510</u>	<u>\$242,365</u>	<u>\$721,719</u>	<u>\$479,354</u>

Clermont County, Ohio
Schedule of Revenues
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Storm Water - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Other revenues	\$0	\$0	\$1,413	\$1,413
Total revenues	<u>0</u>	<u>0</u>	<u>1,413</u>	<u>1,413</u>
Expenditures:				
Current:				
Public works:				
Personal services	55,000	55,000	9,863	45,137
Purchased services	53,500	53,500	9,473	44,027
Materials and supplies	5,000	5,000	4,219	781
Utilities	2,000	2,000	30	1,970
Capital outlay	50,000	50,000	10,284	39,716
Total expenditures	<u>165,500</u>	<u>165,500</u>	<u>33,869</u>	<u>131,631</u>
(Deficiency) of revenues (under) expenditures	<u>(165,500)</u>	<u>(165,500)</u>	<u>(32,456)</u>	<u>133,044</u>
Other financing sources:				
Advances in	614,690	614,690	614,690	0
Total other financing sources	<u>614,690</u>	<u>614,690</u>	<u>614,690</u>	<u>0</u>
Net change in fund balance	449,190	449,190	582,234	133,044
Fund balance at beginning of year	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance at end of year	<u>\$449,190</u>	<u>\$449,190</u>	<u>\$582,234</u>	<u>\$133,044</u>

Clermont County, Ohio
Schedule of Revenues
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County Debt Service Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues				
Special assessments	\$0	\$486,839	\$553,340	66,501
Investment earnings	0	0	1,544	1,544
Other revenues	0	0	39,709	39,709
Total revenues	<u>0</u>	<u>486,839</u>	<u>594,593</u>	<u>107,754</u>
Expenditures:				
Debt service:				
Principal retirement	3,277,876	3,277,876	3,277,876	0
Interest and fiscal charges	<u>2,015,041</u>	<u>1,606,481</u>	<u>1,483,675</u>	<u>122,806</u>
Total expenditures	<u>5,292,917</u>	<u>4,884,357</u>	<u>4,761,551</u>	<u>122,806</u>
(Deficiency) of revenues (under) expenditures	<u>(5,292,917)</u>	<u>(4,397,518)</u>	<u>(4,166,958)</u>	<u>(15,052)</u>
Other financing sources (uses):				
Operating transfers in	5,292,005	5,436,441	4,529,642	(906,799)
Operating transfers (out)	<u>0</u>	<u>(283,468)</u>	<u>(283,468)</u>	<u>0</u>
Total other financing sources (uses)	<u>5,292,005</u>	<u>5,152,973</u>	<u>4,246,174</u>	<u>(906,799)</u>
Net change in fund balance	(912)	755,455	79,216	(676,239)
Fund balance at beginning of year	58,090	58,090	58,090	0
Prior year encumbrances appropriated	152	152	152	0
Fund balance at end of year	<u>\$57,330</u>	<u>\$813,697</u>	<u>\$137,458</u>	<u>(\$676,239)</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
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Public Safety Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$6,658,000	\$6,658,000	\$2,007,713	(\$4,650,287)
Investment earnings	50,000	50,000	131,550	81,550
Total revenues	<u>6,708,000</u>	<u>6,708,000</u>	<u>2,139,263</u>	<u>(4,568,737)</u>
Expenditures:				
Materials and supplies	121,206	121,206	19,521	101,685
Capital outlay	<u>12,595,008</u>	<u>14,421,374</u>	<u>14,157,099</u>	<u>264,275</u>
Total expenditures	<u>12,716,214</u>	<u>14,542,580</u>	<u>14,176,620</u>	<u>365,960</u>
(Deficiency) of revenues (under) expenditures	<u>(6,008,214)</u>	<u>(7,834,580)</u>	<u>(12,037,357)</u>	<u>(4,202,777)</u>
Other financing sources (uses):				
Operating transfers in	313,400	313,400	3,088,400	2,775,000
Operating transfers (out)	<u>0</u>	<u>(46,000)</u>	<u>(46,000)</u>	<u>0</u>
Total other financing sources (uses)	<u>313,400</u>	<u>267,400</u>	<u>3,042,400</u>	<u>2,775,000</u>
Net change in fund balance	(5,694,814)	(7,567,180)	(8,994,957)	(1,427,777)
Fund balance at beginning of year	4,386,489	4,386,489	4,386,489	0
Prior year encumbrances appropriated	<u>4,336,581</u>	<u>4,336,581</u>	<u>4,336,581</u>	<u>0</u>
Fund balance (deficit) at end of year	<u>\$3,028,256</u>	<u>\$1,155,890</u>	<u>(\$271,887)</u>	<u>(\$1,427,777)</u>

Clermont County, Ohio
Schedule of Revenues
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Social Services Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Investment earnings	\$0	\$0	\$10,794	\$10,794
Total revenues	<u>0</u>	<u>0</u>	<u>10,794</u>	<u>10,794</u>
Expenditures:				
Materials and supplies	20,000	20,000	0	20,000
Capital outlay	201,504	200,000	9,380	190,620
Total expenditures	<u>221,504</u>	<u>220,000</u>	<u>9,380</u>	<u>210,620</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(221,504)</u>	<u>(220,000)</u>	<u>1,414</u>	<u>221,414</u>
Other financing sources:				
Operating transfers in	195,200	195,200	195,200	0
Total other financing sources	<u>195,200</u>	<u>195,200</u>	<u>195,200</u>	<u>0</u>
Net change in fund balance	(26,304)	(24,800)	196,614	221,414
Fund balance at beginning of year	765,165	765,165	765,165	0
Prior year encumbrances appropriated	1,504	1,504	1,504	0
Fund balance at end of year	<u><u>\$740,365</u></u>	<u><u>\$741,869</u></u>	<u><u>\$963,283</u></u>	<u><u>\$221,414</u></u>

Clermont County, Ohio
Schedule of Revenues
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Communication Center Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Purchased services	5,000	5,000	0	5,000
Materials and supplies	108,642	108,642	15,543	93,099
Capital outlay	1,867,208	660,384	303,708	356,676
Total expenditures	<u>1,980,850</u>	<u>774,026</u>	<u>319,251</u>	<u>454,775</u>
(Deficiency) of revenues (under) expenditures	<u>(1,980,850)</u>	<u>(774,026)</u>	<u>(319,251)</u>	<u>454,775</u>
Other financing sources:				
Operating transfers in	1,066,600	1,066,600	387,310	(679,290)
Total other financing sources	<u>1,066,600</u>	<u>1,066,600</u>	<u>387,310</u>	<u>(679,290)</u>
Net change in fund balance	(914,250)	292,574	68,059	(224,515)
Fund balance at beginning of year	1,083,351	1,083,351	1,083,351	0
Prior year encumbrances appropriated	52,350	52,350	52,350	0
Fund balance at end of year	<u>\$221,451</u>	<u>\$1,428,275</u>	<u>\$1,203,760</u>	<u>(\$224,515)</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
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Judicial Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Investment earnings	\$10,000	\$10,000	\$23,695	\$13,695
Other revenues	0	0	340,000	340,000
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>363,695</u>	<u>353,695</u>
Expenditures:				
Purchased services	10,000	10,000	0	10,000
Materials and supplies	65,269	66,150	1,419	64,731
Capital outlay	4,484,637	4,865,484	4,741,045	124,439
Total expenditures	<u>4,559,906</u>	<u>4,941,634</u>	<u>4,742,464</u>	<u>199,170</u>
(Deficiency) of revenues (under) expenditures	<u>(4,549,906)</u>	<u>(4,931,634)</u>	<u>(4,378,769)</u>	<u>552,865</u>
Other financing sources (uses):				
Operating transfers in	1,465,300	1,465,300	1,299,094	(166,206)
Operating transfers (out)	0	(233,383)	(233,383)	0
Total other financing sources (uses)	<u>1,465,300</u>	<u>1,231,917</u>	<u>1,065,711</u>	<u>(166,206)</u>
Net change in fund balance	(3,084,606)	(3,699,717)	(3,313,058)	386,659
Fund balance at beginning of year	1,636,071	1,636,071	1,636,071	0
Prior year encumbrances appropriated	3,774,906	3,774,906	3,774,906	0
Fund balance at end of year	<u>\$2,326,371</u>	<u>\$1,711,260</u>	<u>\$2,097,919</u>	<u>\$386,659</u>

Clermont County, Ohio

Schedule of Revenues

Expenditures and Changes in

Fund Balance - Budget and Actual

(Non-GAAP Budgetary Basis)

For the Year Ended December 31, 2004

Community Development Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$0	\$0	\$80	\$80
Intergovernmental	145,210	145,210	220,091	74,881
Other revenues	0	170,492	0	(170,492)
Total revenues	<u>145,210</u>	<u>315,702</u>	<u>220,171</u>	<u>(95,531)</u>
Expenditures:				
Capital outlay	1,538,283	3,270,892	2,750,603	520,289
Total expenditures	<u>1,538,283</u>	<u>3,270,892</u>	<u>2,750,603</u>	<u>520,289</u>
(Deficiency) of revenues (under) expenditures	<u>(1,393,073)</u>	<u>(2,955,190)</u>	<u>(2,530,432)</u>	<u>424,758</u>
Other financing sources (uses):				
Proceeds from the sale of special assessment bonds	0	2,160,000	2,160,000	0
Other financing use - discount on special assessment bc	0	(534)	(534)	0
Operating transfers in	242,000	242,000	0	(242,000)
Operating transfers (out)	0	(459,466)	(459,466)	0
Total other financing sources (uses)	<u>242,000</u>	<u>1,942,000</u>	<u>1,700,000</u>	<u>(242,000)</u>
Net change in fund balance	(1,151,073)	(1,013,190)	(830,432)	182,758
Fund balance at beginning of year	2,344,942	2,344,942	2,344,942	0
Prior year encumbrances appropriated	557,773	557,773	557,773	0
Fund balance at end of year	<u>\$1,751,642</u>	<u>\$1,889,525</u>	<u>\$2,072,283</u>	<u>\$182,758</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2004

Road Assessment Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Total revenues	\$0	\$0	\$0	\$0
Expenditures:				
Total expenditures	0	0	0	0
Net change in fund balance	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance at end of year	\$0	\$0	\$0	\$0

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Clermont County
Combining Statements - Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Health Insurance Fund - This fund is used to account for claims and administration of the health insurance program for covered County employees and eligible dependents, and the accumulation and allocation of costs associated with health insurance.

Fleet Maintenance Fund - This fund is used to account for the vehicle maintenance services provided to various County departments and other governmental units. Users are billed for costs incurred.

Telephone Company Fund - This fund is used to account for telephone services to various County departments and other governmental units. Users are billed for costs incurred.

Workers' Compensation Fund - This fund is used to account for the administration of a Worker's Compensation program to reduce employee risk, decrease the County's worker's compensation liability and to measure and recover the cost of providing the program to County departments and other governmental units.

Clermont County, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2004

	Health Insurance	Fleet Maintenance	Telephone Company	Workers' Compensation	Total
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$1,028,284	\$72,395	\$491,047	\$1,396,049	\$2,987,775
Accounts Receivable	0	123,663	143,800	0	267,463
Prepaid Items	0	0	2,195	0	2,195
<i>Total Current Assets</i>	<u>1,028,284</u>	<u>196,058</u>	<u>637,042</u>	<u>1,396,049</u>	<u>3,257,433</u>
<i>Noncurrent Assets:</i>					
Capital assets, net	0	45,672	35,484	0	81,156
<i>Total Noncurrent Assets</i>	<u>0</u>	<u>45,672</u>	<u>35,484</u>	<u>0</u>	<u>81,156</u>
<i>Total Assets</i>	<u>1,028,284</u>	<u>241,730</u>	<u>672,526</u>	<u>1,396,049</u>	<u>3,338,589</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	1,400	84,972	61,773	5,411	153,556
Accrued Wages and Benefits	618	10,028	3,858	0	14,504
Intergovernmental Payable	92	1,463	577	0	2,132
Claims Payable	764,372	0	0	0	764,372
<i>Total Current Liabilities</i>	<u>766,482</u>	<u>96,463</u>	<u>66,208</u>	<u>5,411</u>	<u>934,564</u>
<i>Noncurrent Liabilities:</i>					
Compensated Absences Due Within One Year	0	8,498	4,154	0	12,652
Compensated Absences Due Within More Than One Year	0	11,324	3,123	0	14,447
<i>Total Noncurrent Liabilities</i>	<u>0</u>	<u>19,822</u>	<u>7,277</u>	<u>0</u>	<u>27,099</u>
<i>Total Liabilities</i>	<u>766,482</u>	<u>116,285</u>	<u>73,485</u>	<u>5,411</u>	<u>961,663</u>
Net Assets					
Invested in Capital Assets	0	45,672	35,484	0	81,156
Unrestricted	261,802	79,773	563,557	1,390,638	2,295,770
<i>Total Net Assets</i>	<u>\$261,802</u>	<u>\$125,445</u>	<u>\$599,041</u>	<u>\$1,390,638</u>	<u>\$2,376,926</u>

Clermont County, Ohio

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2004

	<u>Health Insurance</u>	<u>Fleet Maintenance</u>	<u>Telephone Company</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating Revenues					
Charges for Sales and Services	\$8,447,295	\$1,310,607	\$1,250,180	\$663,452	\$11,671,534
All Other Revenues	100,120	13,630	59,056	22,373	195,179
<i>Total Operating Revenues</i>	<u>8,547,415</u>	<u>1,324,237</u>	<u>1,309,236</u>	<u>685,825</u>	<u>11,866,713</u>
Operating Expenses					
Personal Services	189,927	278,078	134,739	0	602,744
Materials and Supplies	1,179	691,264	3,875	137,955	834,273
Contractual Services	23,991	11,622	17,496	670,768	723,877
Maintenance and Repair	0	184,541	83,604	0	268,145
Utilities	412	2,934	655,767	0	659,113
Claims	8,607,656	0	0	0	8,607,656
Depreciation	0	5,801	10,171	0	15,972
Other	0	20,243	0	0	20,243
<i>Total Operating Expenses</i>	<u>8,823,165</u>	<u>1,194,483</u>	<u>905,652</u>	<u>808,723</u>	<u>11,732,023</u>
<i>Operating Income (Loss)</i>	<u>(275,750)</u>	<u>129,754</u>	<u>403,584</u>	<u>(122,898)</u>	<u>134,690</u>
<i>Income (Loss) before Transfers</i>	<u>(275,750)</u>	<u>129,754</u>	<u>403,584</u>	<u>(122,898)</u>	<u>134,690</u>
Transfers In	880,000	0	0	0	880,000
<i>Change in Net Assets</i>	<u>604,250</u>	<u>129,754</u>	<u>403,584</u>	<u>(122,898)</u>	<u>1,014,690</u>
<i>Net Assets (Deficit) Beginning of Year</i>	<u>(342,448)</u>	<u>(4,309)</u>	<u>195,457</u>	<u>1,513,536</u>	<u>1,362,236</u>
<i>Net Assets End of Year</i>	<u>\$261,802</u>	<u>\$125,445</u>	<u>\$599,041</u>	<u>\$1,390,638</u>	<u>\$2,376,926</u>

Clermont County, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2004

	Health Insurance	Fleet Maintenance	Telephone Company	Workers' Compensation	Total
Cash Flows From Operating Activities:					
Receipts from Customers and Users	\$0	\$1,186,944	\$1,106,380	\$0	\$2,293,324
Cash Received from Interfund Services Provided	8,447,295	0	0	598,742	9,046,037
Payments to Suppliers	(25,343)	(982,228)	(756,812)	(134,184)	(1,898,567)
Payments to Employees	(190,625)	(268,987)	(130,586)	0	(590,198)
Claims	(9,057,996)	0	0	0	(9,057,996)
Payments for Interfund Services Provided	0	0	0	(670,768)	(670,768)
Other Receipts	100,120	13,630	59,056	87,083	259,889
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(726,549)</u>	<u>(50,641)</u>	<u>278,038</u>	<u>(119,127)</u>	<u>(618,279)</u>
Cash Flows From Noncapital Financing Activities:					
Transfers from Other Funds	880,000	0	0	0	880,000
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>880,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>880,000</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	153,451	(50,641)	278,038	(119,127)	261,721
<i>Cash and Cash Equivalents-January 1</i>	874,833	123,036	213,009	1,515,176	2,726,054
<i>Cash and Cash Equivalents December 31</i>	<u>\$1,028,284</u>	<u>\$72,395</u>	<u>\$491,047</u>	<u>\$1,396,049</u>	<u>\$2,987,775</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	(\$275,750)	\$129,754	\$403,584	(\$122,898)	\$134,690
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and Amortization	0	5,801	10,171	0	15,972
Non-Operating Revenues and Expenses					
Change in Assets and Liabilities:					
(Increase) in Accounts Receivable	0	(123,663)	(143,800)	0	(267,463)
Decrease in Prepaid Items	0	0	7,237	0	7,237
Increase (Decrease) in Accounts Payable	239	(71,624)	(3,307)	3,771	(70,921)
Increase (Decrease) in Accrued Wages	(766)	4,709	866	0	4,809
(Decrease) in Claims Payable	(450,340)	0	0	0	(450,340)
Increase in Intergovernmental Payable	68	1,396	526	0	1,990
Increase in Compensated Absences Payable	0	2,986	2,761	0	5,747
Total Adjustments	<u>(450,799)</u>	<u>(180,395)</u>	<u>(125,546)</u>	<u>3,771</u>	<u>(752,969)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$726,549)</u>	<u>(\$50,641)</u>	<u>\$278,038</u>	<u>(\$119,127)</u>	<u>(\$618,279)</u>

**Clermont County
Combining Statement - Fiduciary Funds**

Agency Funds

Agency Funds are custodial in nature (assets equal liabilities) and thus do not represent the measurement or results of operations

Undivided Tax Fund - This fund is used to account for the collection of various County taxes and the disbursement of those taxes to County funds and subdivisions.

Political Subdivisions - This fund is used to account for funds held for other political subdivisions for which the County acts as fiscal agent.

Other Agency Funds - This fund is used to account for miscellaneous monies collected and disbursed to other County funds, and held on behalf of individuals and corporations.

Clermont County Court System - This fund is used to account for monies held by the County Courts in outside accounts.

General County Agency - This fund is used to account for monies held by County departments other than the Courts in outside checking accounts.

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

UNDIVIDED TAX FUND

	Beginning Balance 1/1/04	Additions	Deductions	Ending Balance 12/31/04
ASSETS:				
Equity in pooled cash and cash equivalents	\$7,704,224	\$927,154	\$2,677,480	\$5,953,898
Taxes receivable	162,815,289	391,105,282	375,060,930	178,859,641
Total assets	<u>\$170,519,513</u>	<u>\$392,032,436</u>	<u>\$377,738,410</u>	<u>\$184,813,539</u>
LIABILITIES:				
Intergovernmental payable	\$170,519,513	\$392,032,436	\$377,738,410	\$184,813,539
Total liabilities	<u>\$170,519,513</u>	<u>\$392,032,436</u>	<u>\$377,738,410</u>	<u>\$184,813,539</u>

POLITICAL SUBDIVISIONS

ASSETS:				
Equity in pooled cash and cash equivalents	\$902,066	\$11,808,942	\$11,258,551	\$1,452,457
Cash and Cash equivalents in segregated accounts	\$0	\$100,554	\$0	100,554
Intergovernmental receivable	3,181	498,694	3,181	498,694
Total assets	<u>\$905,247</u>	<u>\$12,408,190</u>	<u>\$11,261,732</u>	<u>\$2,051,705</u>
LIABILITIES:				
Intergovernmental payable	\$905,247	\$12,307,636	\$11,261,732	\$1,951,151
Other liabilities	0	100,554	0	100,554
Total liabilities	<u>\$905,247</u>	<u>\$12,408,190</u>	<u>\$11,261,732</u>	<u>\$2,051,705</u>

OTHER AGENCY FUNDS

ASSETS:				
Equity in pooled cash and cash equivalents	\$1,122,013	\$70,446,173	\$70,508,680	\$1,059,506
Intergovernmental receivable	11,479	4,688	11,479	4,688
Total assets	<u>\$1,133,492</u>	<u>\$70,450,861</u>	<u>\$70,520,159</u>	<u>\$1,064,194</u>
LIABILITIES:				
Intergovernmental payable	\$11,479	\$341,316	\$11,479	\$341,316
Other liabilities	1,122,013	70,109,545	70,508,680	722,878
Total liabilities	<u>\$1,133,492</u>	<u>\$70,450,861</u>	<u>\$70,520,159</u>	<u>\$1,064,194</u>

CLERMONT COUNTY COURT SYSTEM

ASSETS:				
Equity in pooled cash and cash equivalents	\$2,497,743	\$39,869,083	\$39,004,157	\$3,362,669
Cash and Cash equivalents in segregated accounts	39,498	36,860	39,498	36,860
Total assets	<u>\$2,537,241</u>	<u>\$39,905,943</u>	<u>\$39,043,655</u>	<u>\$3,399,529</u>
LIABILITIES:				
Intergovernmental payable	\$313,727	\$742,588	\$313,727	\$742,588
Other liabilities	2,223,514	39,163,355	38,729,928	2,656,941
Total liabilities	<u>\$2,537,241</u>	<u>\$39,905,943</u>	<u>\$39,043,655</u>	<u>\$3,399,529</u>

(Continued)

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

GENERAL COUNTY AGENCY

	Beginning Balance 1/1/04	Additions	Deductions	Ending Balance 12/31/04
ASSETS:				
Cash and Cash equivalents in segregated accounts	\$388,731	\$426,526	\$388,731	\$426,526
Cash with fiscal and escrow agents	114,480	634,902	114,480	634,902
Total assets	\$503,211	\$1,061,428	\$503,211	\$1,061,428
LIABILITIES:				
Other liabilities	\$503,211	\$1,061,428	\$503,211	\$1,061,428
Total liabilities	\$503,211	\$1,061,428	\$503,211	\$1,061,428

TOTAL AGENCY FUNDS

ASSETS:				
Equity in pooled cash and cash equivalents	\$12,226,046	\$123,051,352	\$123,448,868	\$11,828,530
Cash and Cash equivalents in segregated accounts	428,229	563,940	428,229	563,940
Cash with fiscal and escrow agents	114,480	634,902	114,480	634,902
Taxes receivable	162,815,289	391,105,282	375,060,930	178,859,641
Intergovernmental receivable	14,660	503,382	14,660	503,382
Total assets	\$175,598,704	\$515,858,858	\$499,067,167	\$192,390,395
LIABILITIES:				
Intergovernmental payable	\$171,749,966	\$405,423,976	\$389,325,348	\$187,848,594
Other liabilities	3,848,738	110,434,882	109,741,819	4,541,801
Total liabilities	\$175,598,704	\$515,858,858	\$499,067,167	\$192,390,395

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**CLERMONT COUNTY
CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

CLERMONT COUNTY, OHIO

Capital Assets Used in the Operation of Governmental Funds
 Schedule By Function and Activity
 December 31, 2004

Function and Activity	Land	Buildings, and Building Improvements	Furniture, Fixtures and Equipment	Infrastructure	Construction in Progress	Total
General Government- Legislative and executive	\$3,779,453	\$16,471,301	\$11,180,175	\$0	\$46,866	\$31,477,795
General Government- Judicial	0	15,934,921	948,109	0	1,833,530	18,716,560
Public safety	190,000	13,390,412	16,670,760	0	6,914,282	37,165,454
Public works	110,652	1,477,635	4,216,933	111,168,848	4,381,772	121,355,840
Health	20,000	1,062,058	119,890	0	144,860	1,346,808
Human Services	0	5,430,625	1,385,671	0	0	6,816,296
Transportation	0	0	1,144,147	0	0	1,144,147
Community Development	0	0	30,092	8,319,707	2,950,317	11,300,116
Total Governmental Funds' Capital Assets	<u>\$4,100,105</u>	<u>\$53,766,952</u>	<u>\$35,695,777</u>	<u>\$119,488,555</u>	<u>\$16,271,627</u>	<u>\$229,323,016</u>

CLERMONT COUNTY, OHIO

Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes By Function and Activity
 For the year ended December 31, 2004

Function and Activity	Governmental Funds Capital Assets Jan 1, 2004	Additions	Disposals	Governmental Funds Capital Assets Dec 31, 2004
General Government- Legislative and executive	\$29,524,371	\$2,020,716	\$67,292	\$31,477,795
General Government- Judicial	15,415,625	13,574,940	10,274,005	18,716,560
Public Safety	32,941,628	4,848,187	624,361	37,165,454
Public Works	127,989,485	11,602,858	18,236,503	121,355,840
Health	1,161,504	1,163,061	977,757	1,346,808
Human Services	6,788,069	44,094	15,867	6,816,296
Transportation	1,540,000	0	395,853	1,144,147
Community Development	9,659,308	2,338,873	698,065	11,300,116
Total Governmental Funds' Capital Assets	<u>\$225,019,990</u>	<u>\$35,592,729</u>	<u>\$31,289,703</u>	<u>\$229,323,016</u>

CLERMONT COUNTY, OHIO

Capital Assets Used in the Operation of Governmental Funds

Capital Assets by Source

December 31, 2004

Governmental Funds Fixed Assets:

Land	\$4,100,105
Building, structures, and improvements	53,766,952
Furniture, fixtures and equipment	35,695,777
Infrastructure	119,488,555
Construction in progress	<u>16,271,627</u>
Total Governmental Funds' Capital Assets	<u><u>\$229,323,016</u></u>

Investment in Governmental funds' capital assets by source:

General fund revenues	\$30,034,406
Special revenue fund revenues	11,889,644
Capital projects	187,133,166
Donations	<u>265,800</u>
Total Investment in Governmental Funds' Capital Assets	<u><u>\$229,323,016</u></u>

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STATISTICAL SECTION

Table 1

Clermont County, Ohio

General Governmental Expenditures by Function (1)

Last Ten Years

Year	General Government	Public Safety	Public Works	Health	Human Services	Community Development	Transportation	Intergovernmental	Capital Outlay	Debt Service	Total
1995	\$16,881,666	\$11,795,945	\$6,363,133	\$847,393	\$19,437,933	\$1,131,309	\$0	\$0	\$7,554,911	\$3,879,082	\$67,891,372
1996	19,427,561	12,622,604	7,763,303	984,608	20,512,803	259,290	0	1,231,739 ²	4,585,807	3,840,562	71,228,277
1997	20,666,061	14,727,727	7,983,786	1,093,465	21,549,629	463,146	374,532 ¹	997,862	8,039,506	3,999,467	79,895,182
1998	19,024,351	15,444,389	7,163,314	795,335	21,548,579	325,415	1,990,223	948,617	3,602,149	4,081,873	74,924,245
1999	20,875,073	16,312,871	7,369,289	792,814	23,153,957	455,270	1,577,827	1,081,659	9,684,993	4,122,529	85,426,282
2000	20,776,044	17,579,375	8,355,342	684,306	24,475,887	485,033	1,951,308	2,809,966	11,886,127	4,941,534	93,944,922
2001	23,469,382	19,597,964	8,483,972	824,629	25,854,986	866,448	1,525,157	1,482,661	10,111,738	5,006,454	97,223,391
2002	23,675,662	21,490,260	7,982,618	821,758	28,152,379	321,188	1,875,182	2,066,421	11,604,147	5,979,945	103,969,560
2003	24,302,647	22,345,014	10,534,697	818,670	29,793,456	45,377	1,788,971	2,229,214	14,961,652	6,086,213	112,905,911
2004	24,966,641	23,631,927	9,969,435	964,620	29,616,479	706,949	1,421,673	1,193,103	11,979,995	6,240,198	110,691,020

(1) Includes General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds

¹ 1st year of change in reporting entity

² 1st year of change in accounting principle

Government-Wide Expenses by Function - Governmental Activities

Last Five Years

Year	General Government	Public Safety	Public Works	Health	Human Services	Community Development	Transportation	Interest and Fiscal Charges	Total
2000	\$22,912,374	\$18,207,672	\$8,258,016	\$684,141	\$24,587,506	\$3,302,491	\$2,090,458	\$2,321,642	\$82,364,300
2001	26,409,622	22,853,430	9,714,271	759,914	25,862,996	2,512,442	1,190,463	1,985,351	91,288,489
2002	26,983,260	22,540,989	7,155,162	780,820	28,314,617	2,548,204	1,671,387	2,309,295	92,303,734
2003	28,444,837	24,310,632	13,454,860	840,128	29,851,533	3,292,995	1,767,427	2,546,741	104,509,153
2004	27,085,648	25,170,615	7,794,813	802,748	29,731,069	1,965,475	1,613,319	1,753,528	95,917,215

Source: Clermont County Auditor

Note: 2000 was the 1st year of change in accounting principle

Table 2
Clermont County, Ohio
 General Governmental Revenues by Source (1)
 Last Ten Years

Year	All Taxes	Charges For Services	Licenses And Permits	Fines And Forfeiture	Inter-governmental	Special Assessment	Investment Earnings	Net Increase (Decrease) in Fair Value	All Other Revenue	Total
1995	\$24,740,903	\$8,558,905	\$1,355,924	\$1,209,324	\$24,468,617	\$271,970	\$2,822,991	\$0	\$1,377,071	\$64,805,705
1996	26,162,781	9,276,690	1,236,064	1,307,644	26,045,080	273,301	2,956,795	0	2,630,399	69,888,754
1997	28,559,276	11,108,794	1,111,566	1,358,463	29,894,228	289,375	2,826,941	0	3,951,641	79,100,284
1998	29,834,519	12,486,913	1,191,080	1,632,510	28,585,751	427,187	3,657,144	433,668 ¹	3,352,515	81,601,287
1999	31,556,484	11,779,888	1,247,468	1,836,134	34,219,949	440,008	4,027,809	(1,510,094)	2,857,999	86,455,645
2000	31,626,636	12,601,113	1,282,523	1,722,864	33,456,987	588,124	4,897,257	1,536,478	2,334,353	90,046,335
2001	34,379,497	15,055,761	1,295,919	1,575,449	39,273,256	612,310	5,158,257	687,011	5,594,396	103,631,856
2002	38,193,082	16,427,657	1,354,799	1,895,526	40,978,399	567,484	4,611,656	(350,450)	1,213,181	104,891,334
2003	38,277,066	16,299,004	1,551,201	1,817,342	43,034,581	867,055	3,058,159	(1,008,203)	1,903,417	105,799,622
2004	39,755,700	17,339,735	1,807,576	1,890,580	44,040,412	1,218,024	2,776,124	(415,787)	1,293,470	109,705,834

(1) Includes General Fund, Special Revenue Funds, Debt Services, Capital Project Funds

¹ 1st year of change in accounting principle

Government-Wide Revenue - Governmental Activities
 Last Five Years

Year	Program Revenues			General Revenue					Total
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Grants and Contributions Not Restricted To Specific Programs	Unrestricted Investment Earnings	Miscellaneous	Gain on Exchange of Capital Asset	
2000	\$16,891,151	\$25,822,996	\$10,287,243	\$33,327,432	\$4,453,323	\$6,409,374	\$1,731,238	\$0	\$98,922,757
2001	19,273,713	29,824,261	3,306,780	34,552,528	4,170,756	5,817,336	6,236,612	0	103,181,986
2002	21,418,509	30,834,937	5,459,628	36,815,713	5,858,652	4,156,791	1,213,288	0	105,757,518
2003	22,859,265	34,308,860	5,468,069	36,200,145	5,928,244	1,944,506	212,823	0	106,921,912
2004	23,619,266	30,843,691	11,210,647	39,753,287	5,822,265	2,347,773	37,584	2,566,914	116,201,427

Source: Clermont County Auditor

Note: 2000 was the 1st year of change in accounting principle

Table 3
Clermont County, Ohio
 General Governmental Tax Revenue By Source (1)
 Last Ten Years

Collection Year	General Property Tax	Tangible Personal Tax	County Sales Tax	Manufactured Home Tax	Permissive Motor Vehicle Tax	County Lodging	Total
1995	\$9,503,873	\$981,864	\$12,911,511	\$103,877	\$1,102,320	\$137,458	\$24,740,903
1996	9,480,258	1,186,446	14,013,612	98,841	1,209,669	173,955	26,162,781
1997	11,032,203	1,105,881	14,878,578	84,839	1,264,763	193,012	28,559,276
1998	11,557,529	1,127,458	15,627,874	109,877	1,219,574	192,207	29,834,519
1999	11,935,649	968,449	17,114,554	87,073	1,237,692	213,067	31,556,484
2000	12,594,148	853,558	16,552,528	91,020	1,271,085	264,297	31,626,636
2001	12,863,893	941,126	18,852,315	90,597	1,326,168	305,398	34,379,497
2002	14,970,416	1,139,345	19,513,566	204,776	2,041,556	323,423	38,193,082
2003	14,885,308	934,540	19,819,591	122,752	2,071,184	443,691	38,277,066
2004	15,184,803	1,006,695	20,966,799	107,163	2,112,497	377,743	39,755,700

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

Source: Clermont County Auditor

Table 4
Clermont County, Ohio
Property Tax Levies and Collections-Real, Utility and Tangible Taxes
Last Ten Years

Collection Year	Current Taxes Levied	Current Taxes Collected	Percent Collected	Delinquent Tax Collections	Percent of Total Collections to Current Tax Levy	Total Taxes Collected
1995	\$16,443,232	\$16,186,020	98.44	\$596,616	102.06	\$16,782,636
1996	17,773,775	17,299,215	97.33	354,484	99.32	17,653,699
1997	18,950,477	18,363,919	96.90	355,936	98.78	18,719,855
1998	19,427,368	18,977,753	97.69	668,180	101.13	19,645,933
1999	19,956,008	19,402,173	97.22	518,947	99.83	19,921,120
2000	20,810,509	20,120,975	96.69	553,050	99.34	20,674,025
2001	21,173,444	20,547,474	97.04	560,799	99.69	21,108,273
2002	21,833,074	21,075,908	96.53	602,250	99.29	21,678,158
2003	21,763,491	21,097,568	96.94	1,059,047	101.81	22,156,615
2004	25,077,636	24,407,795	97.33	713,996	100.18	25,121,791

(1) Includes all tax rates levied County-wide. Refer to: "Note G- Receivables" in the Notes to the Basic Financial Statements, and "Table 9-Property Tax Rates - Direct and Overlapping Government in this section.

Source: Clermont County Auditor

Table 5
Clermont County, Ohio
Assessed and Estimated Actual Value of Taxable Property(1)
Last Ten Years
(Amounts in 000'S)

Collection Year	Real Property (2)		Personal Property (3)		Public Utility (3)		Totals		Assessed Value As a % of Estimated Actual Value
	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	
1996	\$1,773,497	\$5,067,134	\$181,160	\$724,640	\$606,328	\$1,732,366	\$2,560,985	\$7,524,140	34.04%
1997	2,100,231	6,000,660	192,391	769,564	608,549	1,738,711	2,901,171	8,508,935	34.10%
1998	2,170,660	6,201,886	208,672	834,688	606,183	1,731,951	2,985,515	8,768,525	34.05%
1999	2,254,672	6,441,920	208,217	832,868	608,783	1,739,380	3,071,672	9,014,168	34.08%
2000	2,539,515	7,255,757	219,511	878,044	567,280	1,620,800	3,326,306	9,754,601	34.10%
2001	2,636,426	7,532,646	190,220	760,880	540,820	1,545,200	3,367,466	9,838,726	34.23%
2002	2,750,064	7,857,326	199,683	798,732	262,596	750,274	3,212,343	9,406,332	34.15%
2003	3,136,913	8,962,609	201,346	805,384	276,545	790,129	3,614,804	10,558,121	34.24%
2004	3,239,816	9,256,617	192,937	771,748	276,812	790,891	3,709,565	10,819,257	34.29%
2005	3,339,935	9,542,671	198,398	793,592	274,686	784,817	3,813,019	11,121,081	34.29%

(1) Exempt properties are not included in the estimated actual values nor in assessed valuations.

(2) The estimated actual values for real estate property were derived by 35% of the assessed values on the real estate property. Refer to: "Note G-Receivables" in the Financial Statements.

(3) The estimated actual values for personal property and public utility were derived from an average rate of the assessed values (the average rate consists of varying rates for manufacturing equipment, inventory and other equipment for the ten years presented).

Source: Clermont County Auditor

Table 6
Clermont County, Ohio
Special Assessment Billings and Collections
Last Ten Years

Year	Total Assessment Billings	Total Assessments Collected
1995	\$309,588	\$295,433
1996	266,785	238,332
1997	427,400	261,436
1998	660,584	427,187
1999	451,843	440,008
2000	677,098	588,124
2001	655,348	612,310
2002	622,577	567,484
2003	663,194	867,055
2004	1,185,058	1,218,024

Source: Clermont County Auditor

Table 7

Clermont County, Ohio

Ratio of Net General Bonded Debt To Assessed

Value and Net Bonded Debt Per Capita

Last Ten Years

(Dollar Amounts in 000's)

Year	Population (i)	Assessed Values (1) (ii)	Gross Bonded Debt (ii)	Less Debt Service Funds (ii)	Net Bonded Debt (ii)	Ratio Of Net General Bonded Debt to Assessed Value	Per Capita Net General Bonded Debt
1995	166,860	\$2,560,985	\$33,165	\$79	\$33,086	1.29	198.29
1996	170,450	2,901,171	31,315	23	31,292	1.08	183.58
1997	172,010	2,985,515	29,395	25	29,370	0.98	170.75
1998	174,320	3,071,672	27,405	18	27,387	0.89	157.11
1999	175,960	3,326,306	31,825	19	31,806	0.96	180.76
2000	182,660	3,367,466	29,230	20	29,210	0.87	159.91
2001	184,320	3,212,343	43,950	25	43,925	1.37	238.31
2002	184,030	3,614,804	40,695	23	40,672	1.13	221.01
2003	191,000	3,709,565	41,735	93	41,642	1.12	218.02
2004	193,674	3,813,019	28,710	160	28,550	0.75	147.41

(1) Refer to "Table 5-Assessed and Estimated Actual Value of Taxable Property" in this section.

Source: (i) Ohio Department of Development
(ii) Clermont County Auditor

Table 8
Clermont County, Ohio
 Computation of Legal Debt Margin
 December 31, 2004

Direct legal debt limitation (1):		
3.0% of the first \$100,000,000 Assessed Valuation		\$3,000,000
1.5% on excess of \$100,000,000-not in excess of \$300,000,000		3,000,000
2.5% on the amount in excess of \$300,000,000		<u>87,825,476</u>
Total direct legal debt limitation (2)		93,825,476
Total of all county debt outstanding(3)	\$106,636,000	
Less:		
Special Assessment Bonds (self supporting)(4)	\$5,401,000	
Mortgage Revenue Bonds	72,525,000	
Other exempt debt:		
1992 Correctional Facility	1,130,000	
2003 Building, Road Improvement and Refunding	4,735,000	
2001 Correctional Facility	<u>1,755,000</u>	
Total exempt debt:		85,546,000
Less:		
Available funds in debt service funds as of December 31, 2004		<u>160,004</u>
Total net indebtedness (voted and unvoted) subject to direct debt limitation		<u>20,929,996</u>
Direct Legal Debt Margin		<u>\$72,895,480</u>
Unvoted debt limitation (subject to 1% of County assessed valuation)	\$38,130,190	
Total Net indebtedness (unvoted-subject to the 1% legal debt limitation)	<u>20,929,996</u>	
Total unvoted legal debt margin:		<u>\$17,200,194</u>

- (1) Direct legal debt limitation is outlined by the Ohio Revised Code, sections 133.01 and 133.07
- (2) Refer to "Table 5 - Assessed and Estimated Actual Value of Taxable Property" in this section.
- (3) Total debt outstanding does not include long-term note obligation payable to the Ohio Water Development Authority and the Ohio Public Works Commission. These obligations are disclosed in "Note I - Long-Term Debt and Other Obligations" in the Notes to the Financial Statements.
- (4) Refer to "Note I - Long-Term Debt and Other Obligations" in the Notes to the Financial Statements.

Source: Clermont County Auditor

Table 9
Clermont County, Ohio
 Property Tax Rates - Direct and Overlapping Governments (1)
 Per \$1000 of Assessed Value
 Last Ten Years

County Entities	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General	\$2.20	\$2.20	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	2.10
Senior Services	1.00	1.00	1.00	1.00	1.00	1.00	1.10	1.10	1.10	1.10
Children Services	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
County Capital Construction	0.90	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total County Entities	4.90	4.90	4.90	4.90	4.90	4.90	5.00	5.00	5.00	5.00
Other Entities										
Bd of Mental Retardation	3.25	3.25	3.25	3.25	3.25	3.25	3.25	2.50	2.50	3.25
Comm Mental Health Board	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Park District	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Clermont Cty. Pub. Library	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Other Entities	4.35	4.35	4.35	4.35	4.35	4.35	4.35	3.60	3.60	4.35
Total County-Wide	9.25	9.25	9.25	9.25	9.25	9.25	9.35	8.60	8.60	9.35
School Districts										
Batavia	49.00	48.40	48.40	48.40	48.40	48.40	48.40	48.10	48.10	55.00
Bethel-Tate	34.10	33.70	33.70	33.70	38.54	38.64	38.44	38.44	38.44	38.44
Clermont-Northeastern	36.90	36.00	36.50	36.50	36.50	36.50	36.00	36.00	36.00	35.75
Felicity-Franklin	34.66	33.30	33.30	33.30	33.30	33.30	34.90	34.90	34.90	33.50
Goshen	30.40	30.40	26.40	26.40	30.40	30.40	30.40	30.40	30.40	30.40
Milford	57.50	54.52	59.10	59.10	59.10	59.10	63.20	63.20	69.10	69.10
New Richmond	32.60	32.40	32.40	32.45	32.45	32.55	32.65	32.55	32.55	32.55
West Clermont	49.45	49.15	49.15	49.15	49.15	49.15	49.15	49.15	49.15	57.05
Williamsburg	47.80	45.60	45.60	45.60	45.60	45.00	45.00	44.60	44.60	48.20
U. S. Grant Vocational	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10

(Continued)

(1) Property tax rates are determined by a combination of the county- wide tax rate and the applicable tax rates for the school district, township, municipality or other districts in which a given property is located

Source: Clermont County Auditor

Table 9

Clermont County, Ohio

Property Tax Rates - Direct and Overlapping Governments (1)

Per \$1000 of Assessed Value

Last Ten Years

(Continued)

Out-Of-County School Districts	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Blanchester	\$33.90	\$33.45	\$33.45	\$33.45	\$36.04	\$36.04	\$35.94	35.94	35.94	35.94
Forest Hills	48.70	50.84	50.84	50.84	50.63	50.44	50.44	55.34	55.34	55.84
Great Oaks Vocational	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Little Miami	42.79	42.54	47.75	46.98	45.44	44.34	43.89	47.44	45.94	45.39
Loveland	54.58	59.68	59.12	63.75	63.33	69.68	69.68	69.68	69.43	74.42
Southern Hills Vocational	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80
Warren County Vocational	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Western Brown	19.40	19.40	24.60	24.60	24.60	24.60	23.10	23.10	23.10	23.10
Corporations										
Amelia	18.80	18.80	18.80	17.80	18.90	17.00	17.00	17.00	19.70	18.30
Batavia	6.80	6.50	6.50	6.50	6.50	6.50	1.90	1.80	1.80	1.80
Bethel	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Chilo	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Felicity	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	15.00	12.00
Milford	14.80	14.30	14.30	14.30	14.30	13.70	13.70	13.70	13.70	13.70
Moscow	2.50	4.54	4.54	4.54	4.54	5.04	5.04	3.50	3.50	3.50
Neville	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
New Richmond	15.00	15.00	15.00	15.00	15.00	16.50	16.50	16.50	21.50	21.50
Newtonsville	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Owensville	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10
Williamsburg	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80
Out-Of-County Corporations										
Loveland	9.91	9.55	9.55	9.55	9.55	9.55	11.55	11.55	11.55	11.00
Townships										
Batavia	6.90	6.90	6.90	6.90	6.90	6.90	2.40	2.40	2.40	2.40
Franklin	9.20	9.20	9.20	9.20	9.20	12.20	14.20	14.20	14.20	14.20
Goshen	17.60	17.60	17.60	17.60	17.60	17.60	17.60	21.60	21.60	21.60
Jackson	8.40	8.40	8.40	10.40	10.40	10.40	10.40	10.40	10.40	10.40
Miami	18.60	22.11	22.11	22.11	22.11	22.11	22.11	22.11	22.11	22.11
Monroe	10.60	10.60	16.60	16.60	10.60	10.60	10.60	10.60	16.10	16.10
Ohio	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60
Pierce	11.30	13.30	14.00	14.00	14.00	16.90	16.90	16.90	16.90	16.90
Stonelick	8.10	8.10	8.10	10.60	10.60	10.60	10.60	10.60	10.60	10.60
Tate	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70	12.80	12.80
Union	17.40	17.40	17.40	17.40	17.40	17.40	17.40	21.40	21.40	21.40
Washington	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20
Wayne	8.70	8.70	8.70	10.70	10.70	10.70	12.70	12.70	12.70	12.70
Williamsburg	5.80	5.80	5.80	5.80	8.70	8.70	8.70	8.70	8.70	8.70
Other Districts										
Bethel-Tate Jnt. Amb.	3.30	5.30	5.30	6.60	6.60	6.60	6.60	6.60	0.00 *	0.00
Central Joint Fire & EMS							5.50	5.50	5.50	5.50

(1) Property tax rates are determined by a combination of the county-wide tax rate and the applicable tax rates for the school district, township, municipality or other districts in which a given property is located

* The District dissolved in April 2003.

Source: Clermont County Auditor

Table 10
Clermont County, Ohio
 Computation of Direct and Overlapping Debt
 December 31, 2004

Political Subdivision	General Obligation Debt (1)	Percentage Applicable To County (2)	Amount Applicable To Clermont County
Clermont County	\$28,710,000	100.00%	\$28,710,000
Villages wholly within County	1,069,000	100.00	1,069,000
Townships wholly within County	23,448,028	100.00	23,448,028
School Districts wholly within County	20,014,701	100.00	20,014,701
Special Districts wholly within County	100,000	100.00	100,000
Total within County	73,341,729		73,341,729
Cities with overlapping			
City of Loveland	4,560,000	12.40	565,440
City of Milford	3,055,000	99.09	3,027,200
School Districts with overlapping			
Bethel-Tate Local S. D.	5,316,000	99.92	5,311,747
Blanchester Local S. D.	4,154,000	14.30	594,022
Clermont Northeastern Local S. D.	3,424,985	99.62	3,411,970
Forest Hills Local S. D.	20,450,000	0.00	0
Goshen Local S. D.	5,965,000	92.88	5,540,292
Loveland City S. D.	27,265,734	44.68	12,182,330
Little Miami Local S. D.	15,760,000	0.16	25,216
Milford Exempted Village S. D.	41,865,000	99.85	41,802,203
Western Brown Local S. D.	5,987,000	0.00	0
Williamsburg Local S. D.	3,260,000	98.48	3,210,448
Great Oaks J. V. S. D.	5,310,000	17.46	927,126
Total overlapping	146,372,719		76,597,993
Grand Total	\$219,714,448		\$149,939,722

(1) Includes general obligation debt which is being repaid through general property taxes.

(2) Percent applicable to Clermont County calculated using assessed valuation of taxing district in Clermont County divided by total assessed valuation of taxing district.

Source: Ohio Municipal Advisory Council
 Clermont County Auditor's Office

Table 11
Clermont County, Ohio
*Ratio of Annual Debt Service Expenditures For General
 Obligation Bonded Debt To Total General Governmental Expenditures
 Last Ten Years*

Year	Principal	Interest & Fiscal Charges	Cost of Issuance	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures (Percent)
1995	\$1,995,926	\$1,883,156	\$0	\$3,879,082	\$67,891,372	5.71
1996	2,036,500	1,804,062	0	3,840,562	71,228,277	5.39
1997	2,113,000	1,886,467	0	3,999,467	79,895,181	5.01
1998	2,242,000	1,839,873	0	4,081,873	74,924,245	5.45
1999	2,378,000	1,744,529	0	4,122,529	85,426,282	4.83
2000	2,919,000	2,022,534	0	4,941,534	93,944,922	5.26
2001	3,080,000	1,926,454	0	5,006,454	97,223,391	5.15
2002	3,255,000	2,057,999	0	5,312,999	103,969,560	5.11
2003	3,405,000	1,856,048	162,438	5,423,486	112,905,911	4.80
2004	3,980,000	1,667,143	0	5,647,143	110,691,020	5.10

(1) Refer to "Table 1 - General Governmental Expenditures by Function" in this section

Source: Clermont County Auditor

Table 12
Clermont County, Ohio
 Demographic Statistics and Average
 Unemployment Rates
 Last Ten Years

Year	Population (1)	Per Capita Income (2)	Median Age (2)	K-12 School Enrollment (3)
1995	166,860	\$18,854	32.79	28,753
1996	170,450	18,349	32.93	28,874
1997	172,010	19,290	33.27	28,739
1998	174,320	22,530	33.52	28,384
1999	175,960	26,340	33.66	28,363
2000	182,660	25,707	33.87	28,145
2001	184,320	28,255	33.75	27,974
2002	184,030	29,997	35.30	27,874
2003	191,000	33,000	35.82	28,150
2004	193,674	32,793	35.47	28,289

Unemployment Rates (percent) (4)

Year	Clermont County	State of Ohio	United States
1995	4.3	4.8	5.6
1996	4.2	4.8	5.0
1997	4.1	4.6	4.9
1998	3.5	4.3	4.5
1999	3.7	4.3	4.2
2000	3.3	3.7	3.8
2001	4.1	4.5	5.4
2002	4.5	5.2	5.7
2003	6.3	7.0	6.3
2004	6.6	7.2	5.8

Sources: (1) Ohio Department of Development
 (2) Clermont County Economic Development Department
 (3) Clermont County Board of Education
 (4) Ohio Department of Job & Family Services

Table 13
Clermont County, Ohio
Property Value, Construction, and Bank Deposits
Last Ten Years

Collection Year	New Construction			Bank Deposit	Property Value		
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction		Agricultural/ Residential	Commercial/ Industrial	Tax Exempt
1996	\$61,940,890	\$12,877,300	\$74,818,190	\$36,236,000	\$1,321,229,310	\$452,267,960	\$169,017,090
1997	56,478,370	24,049,280	80,527,650	39,399,000	1,563,708,690	536,522,210	205,657,080
1998	57,614,230	17,779,610	75,393,840	41,579,000	1,624,289,360	546,084,920	222,928,860
1999	59,526,900	14,064,450	73,591,350	46,728,000	1,695,593,440	559,079,530	233,153,130
2000	72,818,450	15,059,050	87,877,500	48,255,000	1,951,631,070	587,557,880	249,856,930
2001	70,248,830	12,748,640	82,997,470	66,879,000	2,033,919,770	602,506,050	267,642,270
2002	71,593,850	17,703,050	89,296,900	81,698,000	2,120,798,610	629,264,860	280,817,420
2003	81,695,190	17,414,720	99,109,910	91,192,000	2,429,472,690	707,440,990	330,700,900
2004	78,516,600	24,199,810	102,716,410	102,738,000	2,519,647,700	719,922,470	336,463,400
2005	81,578,680	13,590,350	95,169,030	110,875,000	2,608,621,400	731,313,310	360,358,920

Sources: Clermont County Auditor's Office
 Bank Deposit information from Federal Reserve Board

Table 14
Clermont County, Ohio
Schedule of Enterprise Revenue Bond Coverage
Last Ten Years

	Year	Revenue (1)	Operating Expenses Excluding Depreciation	Net Revenue Available Debt Service	Revenue Bond Debt Service Requirement	Coverage Excluding System Capacity Charges (percent)	System Capacity Charges (2)	Coverage Including System Capacity Charges (3) (percent)
Sewer Fund Bond Coverage	1995	\$12,569,850	\$6,883,465	\$5,686,385	\$3,560,303	160	\$2,666,490	235
	1996	14,164,151	6,883,465	7,280,686	3,567,088	204	2,447,515	273
	1997	14,859,656	7,018,937	7,840,719	3,567,087	220	2,601,350	293
	1998	15,416,884	6,659,675	8,757,209	3,568,150	245	2,594,590	318
	1999	15,141,262	6,307,101	8,834,161	3,567,600	248	3,225,579	338
	2000	17,356,125	6,135,561	11,220,564	3,569,140	314	3,002,297	398
	2001	15,940,686	5,838,336	10,102,350	4,062,910	249	2,966,092	322
	2002	15,254,665	6,168,849	9,085,816	3,930,261	231	2,592,245	324
	2003	14,146,024	5,492,641	8,653,383	3,563,980	243	2,609,961	316
	2004	14,330,869	6,699,408	7,631,461	3,117,791	245	2,349,100	303
Water Fund Bond Coverage	1995	\$11,841,275	\$4,368,928	\$7,472,347	\$4,157,708	180	\$1,651,306	219
	1996	11,278,499	4,978,167	6,300,332	4,157,707	152	1,534,500	188
	1997	12,039,971	5,145,581	6,894,390	4,155,162	166	1,503,465	202
	1998	12,972,984	5,291,643	7,681,341	4,156,962	185	1,626,515	224
	1999	13,436,745	5,462,628	7,974,117	4,157,408	192	1,996,085	240
	2000	13,104,773	5,267,309	7,837,464	4,159,467	188	1,946,300	235
	2001	12,768,386	4,797,644	7,970,742	4,156,413	192	1,825,655	236
	2002	13,141,743	5,180,884	7,960,859	4,156,412	192	1,678,790	232
	2003	11,631,114	5,033,156	6,597,958	4,155,993	159	2,084,464	211
	2004	11,807,019	5,391,852	6,415,167	3,468,560	185	1,509,687	214

(1) Including investment income

(2) System capacity charges are one-time fees to join the existing system, and are accounted for as capital contributions

(3) It is the opinion of the County's bond counsel that system capacity charges should be included in the calculation of the Enterprise Revenue Bond Coverage

Table 15
Clermont County, Ohio
Principal Property Taxpayers
December 31, 2004

Taxpayers	Real Estate Assessed Valuation	Personal Property Assessed Valuation	Total Assessed Valuation	Percentage of Total Assessed Valuation
Cinergy Corporation	\$38,225,320	\$163,241,930	\$201,467,250	5.2837%
Dayton Power & Light	16,794,620	31,680,950	48,475,570	1.2713%
Columbus & Southern	13,605,920	32,332,060	45,937,980	1.2048%
Batavia Transmissions	13,648,920	15,730,360	29,379,280	0.7705%
Cincinnati Bell Telephone	0	23,866,290	23,866,290	0.6259%
Eastgate Company	23,355,650	0	23,355,650	0.6125%
Meijer Stores	8,098,200	4,437,580	12,535,780	0.3288%
Acquiport Milford LLC	9,406,940	0	9,406,940	0.2467%
Amerishop Biggs Place	7,175,000	1,741,420	8,916,420	0.2338%
OTR	6,047,320	0	6,047,320	0.1586%
Totals	\$136,357,890	\$273,030,590	\$409,388,480	10.7366%

Source: Clermont County Auditor

Table 16
Clermont County, Ohio
Ten Largest Employers
December 31, 2004

Firm	Number of Employees
3M Precision Optics	1,550
Milacron	1,360
Clermont County	1,307
Batavia Transmissions LLC	1,275
West Clermont Local School District	865
The Midland Company	750
International Paper	750
UGS	750
Milford Exempted Village School District	680
Mercy Hospital Clermont	620

Source: Clermont County Chamber of Commerce

Table 17
Clermont County
 Salaries of Principal Officials
 December 31, 2004

<u>Elected Officials</u>	
<u>Office</u>	<u>Salary</u>
County Commissioners	\$59,510
Auditor	69,606
Clerk of Courts - Common Pleas	55,544
Clerk of Courts - Municipal	87,933
Coroner	46,439
Engineer	86,328
Prosecuting Attorney	63,739
Recorder	51,902
Sheriff	76,652
Treasurer	55,544
<u>Appointed Officials</u>	
Executive Director Clermont County Community Mental Health Board	90,106
Superintendent of Clermont County Board of Mental Retardation	80,220
Director Department of Job and Family Services	92,100
County Administrator Board of County Commissioners	103,405
Sanitary Engineer Sewer District	101,273
Commissioner Clermont County Health District	79,504
Director, Board of Elections	48,394
Director, Veterans Services	43,351

Source: Clermont County Auditor

Table 18
Clermont County
Surety Bond Coverage-Various Officials
December 31, 2004

<u>Office</u>	<u>Bond Coverage</u>
Auditor	\$5,000
Clerk of Courts Common Pleas	10,000
Municipal Clerk of Court	6,000
Coroner	5,000
County Commissioners (1)	15,000
County Commissioners (2)	10,000
Engineer	10,000
Prosecuting Attorney	75,000
Recorder	10,000
Sheriff	82,000
Treasurer	100,000

Source: Clermont County Auditor

Table 19
Clermont County, Ohio
 Miscellaneous Statistics
 December 31, 2004

Form of Government: (1)

Board of County Commissioners
 County Seat: Batavia, Ohio
 Area: 470 Square Miles

Population (2) - 193,674

1980 - 1997 Growth Rate: 1.73%
 1997 - 2005 Growth Rate Estimate: 1.4%*
 *9th in Growth for Ohio Counties

Land Use: (1)

Urban 65%
 Agriculture 22%
 Other 13%

Libraries: (1)

Clermont County Public Library
 10 Branches

Medical Care: (2)

Hospitals in County 1
 Beds 157

 Physicians 115

 Nursing Homes 8
 Beds 978

Communications, Clermont County: (1)

Radio Stations 1
 Weekly County Newspapers 2
 Weekly Community Newspapers 3

State Parks: (1)

Facilities 2
 Acreage 1,644

Industries: (2)

Industry	No. of Workers
Construction	6,956
Manufacturing	8,307
Transportation and Utilities	2,069
Wholesale & retail trade	13,565
Finance, Insurance and Real Estate	8,565
Healthcare and Social Assistance Services	5795
State and Local Government	19,556
	7,003

Transportation: (2)

Highways:	Amount	Miles
U. S. Routes	3	45
State Routes	17	208
Interstate Routes	1	14

Railroads:

RR Lines through County 2

Air:

Commercial Airports:
 Greater Cincinnati International
 30 miles from Batavia

Clermont County Airport
 Daily Arrivals/Departures 884
 Number of Runways 2

Sources: (1) Clermont County Auditor
 (2) Ohio Department of Development



**Auditor of State
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FINANCIAL CONDITION

CLERMONT 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
JULY 5, 2005**